



City of San Marcos

River Bridge Ranch

Public Improvement District (PID)

Public Hearing

January 20, 2026

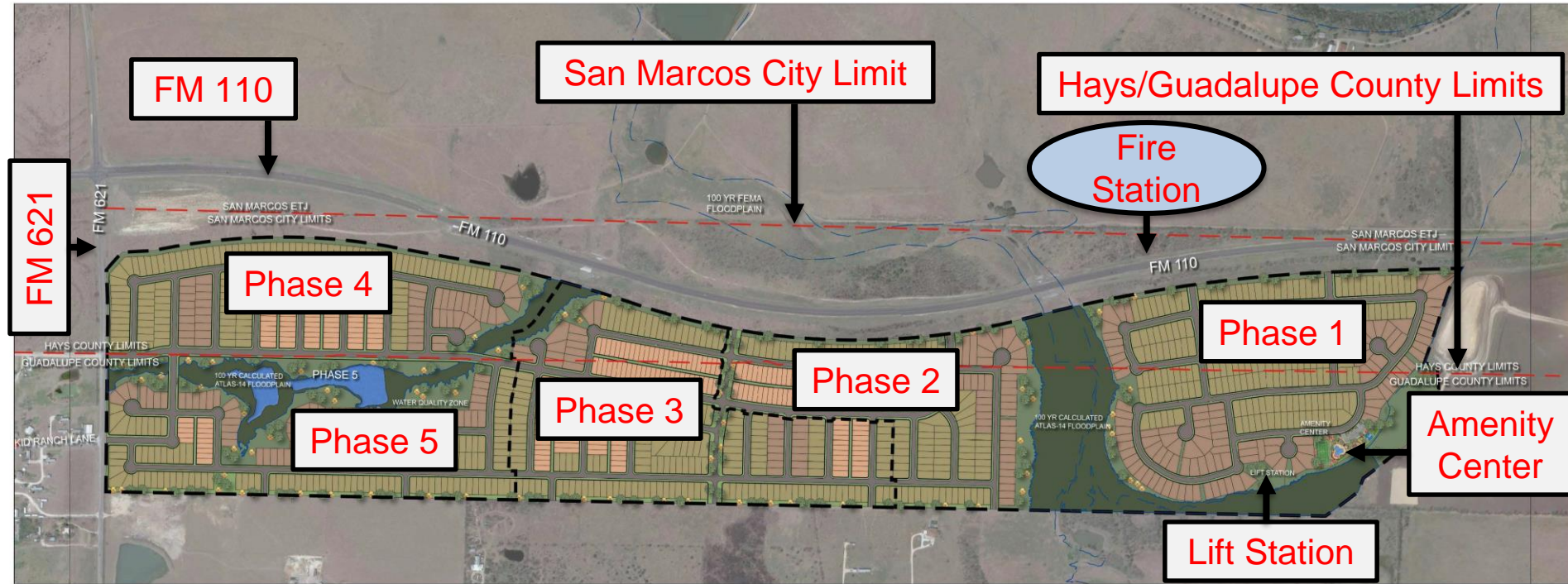
sanmarcostx.gov

Public Improvement Districts (PID)



- Chapter 372 of the Local Government Code authorizes the creation of PIDs.
- A PID is a designated area where property owners agree to pay a special assessment to fund public improvements that benefit the area, like streets, water, and drainage infrastructure.
- PID bonds are sold to finance the public improvements, and the bonds are repaid from the special assessments on properties in the PID.
- A PID provides amenities and higher development standards for the area that “but for” the PID may not be financially achievable.

River Bridge Ranch Project Land Plan



- 1,351 single family lots (35', 45', and 50')
- Estimated starting sales price between \$260,000 and \$390,000
- \$437 million assessed value at buildout = \$2.5 million annual tax revenue



NORTH

River Bridge Ranch PID Background



- PID created in 2020 as part of a settlement.
- Included \$10 million of authorized public improvements (wastewater and buffers).
- Developer since changed from Mayan at San Marcos River to Lennar Homes.
- Lennar is petitioning for a PID amendment due to inflation and general competitiveness.
- November 2024 – City Council appointed a committee to review the request.
- December 2025 – City Council approved Res. 2025-235R accepting the petition and calling a public hearing.

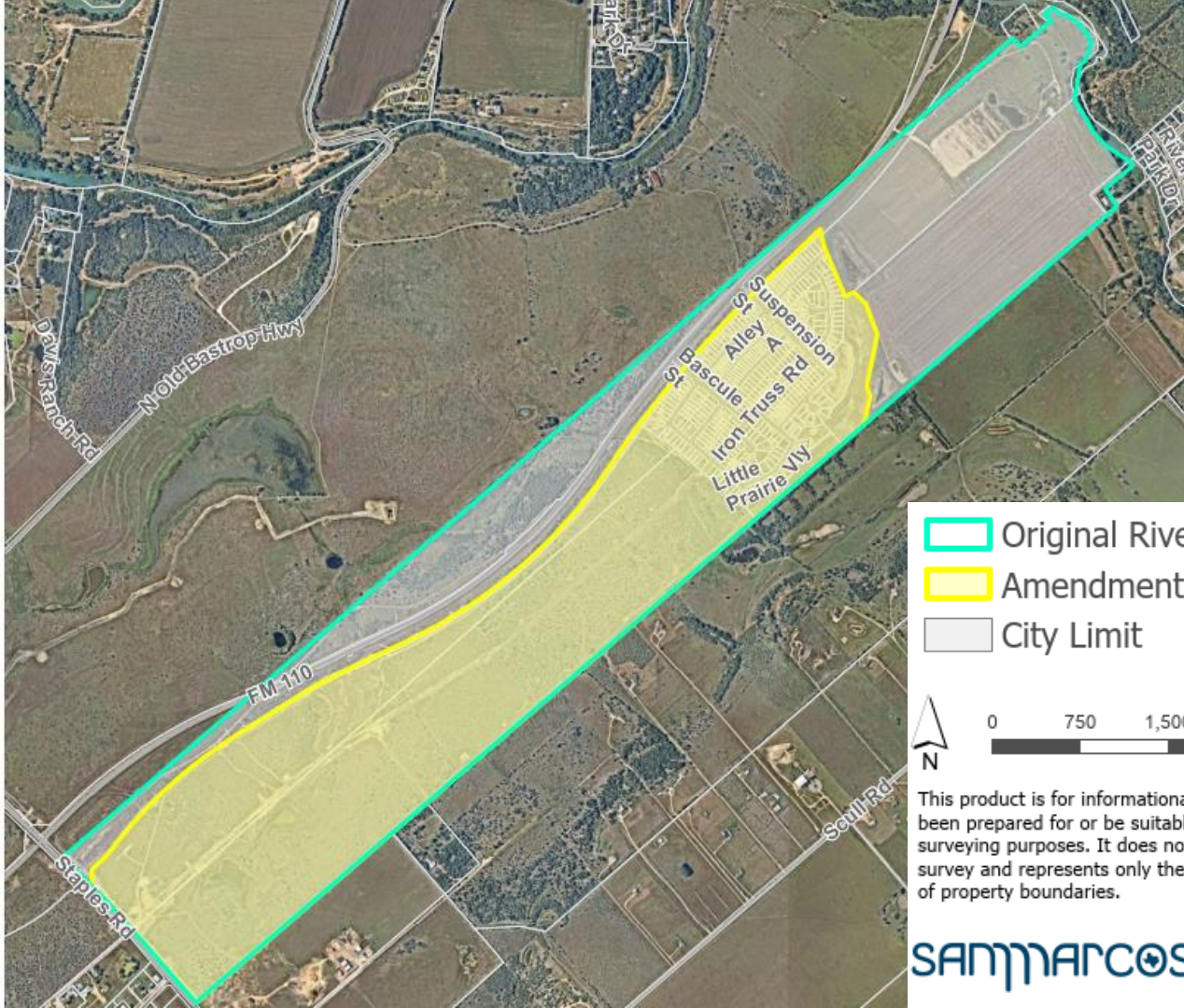
PID Amendments Requested by Petition






- Reduce PID area from approximately 563 to 328 acres
 - Remove portion of land retained by original owner and the land north of FM 110
- Increase authorized public improvements from \$10 million to \$60 million
 - Streets, drainage, water, wastewater



Change in PID Boundary Request



-  Original River Bridge Ranch Boundary
-  Amendment Request
-  City Limit



0 750 1,500 3,000 Feet

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Date: 10/7/2025

Site Location



Change in Authorized Public Improvements



- Authorized Public Improvements = \$46.6 million
 - Streets \$16.0 million
 - Drainage \$8.6 million
 - Water \$5.9 million
 - Wastewater \$6.5 million
 - Engineering, contingency, etc. \$9.6 million
- Bond issuance costs = \$6.7 million
- Total estimated costs = \$53.3 million
- Assessments are estimated to cover \$40.0 million, and Lennar will cover the remaining \$13.3 million.

PID Bond Information



- Requires a value to lien ratio of 3:1 prior to issuance.
 - This means the appraised value of property on the ground must be 3 times the amount of the bonds being issued.
 - \$10 million in bonds requires \$30 million appraised value.
- Issued as a reimbursement after the public improvements are made.
- Repaid with the PID assessments.
- Do not affect the City's bond capacity and should not affect the City's credit rating if structured properly.
- Issued in the City's name; failed projects may impact the management component of the City's bond rating.

Equivalent PID Tax Rate Comparison



River Bridge Ranch PID equivalent tax rate

- River Bridge Ranch – 75.00¢
- Average assessment - \$2,432

Current PID equivalent tax rates in the City:

- La Cima – 61.87¢ (average)
- Trace – 27.98¢
- Whisper – 14.48¢
- Whisper South – 19.67¢

Average PID equivalent tax rates in the region:

- Kyle – 85.83¢, Dripping Springs – 75.46¢, Buda – 82.94¢, and Austin – 66.28¢

River Bridge Ranch Considerations



- Property is within a Neighborhood Medium and Neighborhood High Place Type on the Preferred Scenario Map (range of lot sizes are proposed: 35', 45', & 50').
 - Targeting first time homebuyers to first time move-up buyer.
 - The weighted average cost of a home is \$325,000.
 - There are homes under contract; however, none of the homes have closed.
- PID assessments are communicated to prospective homebuyers twice:
 - When Lennar is walking the homebuyer through the sales contract and by the Title Company.

Community Benefits



- *Comprehensive plan discusses the need to identify appropriate locations for new fire stations as population increases to meet and maintain the fire level of service.
 - Dedication of land for a fire station and cost participation in the fire station.
- *Voluntary compliance with specific sections of the 2025 Development Code.
 - Example: Shade trees, xeriscaping options, drought tolerant grass, and owner maintenance of landscape areas.

Community Benefits



- *During the comprehensive plan process, the community expressed that park access is limited in this area, and this will serve the neighborhood and broader public.
 - Enclosed 2,000 sq. ft. amenity center with HVAC that will be made available for public use through an agreement.
 - Larger trees at the entry way of the amenity center.
- *Comprehensive plan discusses improving bus route coverage and shelters, with emphasis on shade/shelter, seating, and route information.
 - Bus stop shelter at the intersection of Staples Road (FM 621) and FM 110 and integrated into a future multi-use trail.

Additional Benefit of PID Amendment



- The PID amendment will enable Lennar to buy down the interest rate for financing a home.
- For example, Lennar will be able to buy down the interest rate from the current rate of 6.5% to 3.75% reducing the homeowner's mortgage payment.
- Using the weighted average home cost of \$325,000, the mortgage payment including the PID assessment would be reduced by \$336 after the interest rate buy down.

Recommendation and Next Steps



- Community benefit details are still being finalized.
- No action is required on this agenda item.
- Recommendation: Open the public hearing and keep it open.
- The public hearing will resume at a future meeting once the community benefits are finalized.
- City Council will consider the resolution to amend the PID at that meeting.