

CITY OF SAN MARCOS

RESOLUTION NO. 2025-164R

A RESOLUTION OF THE CITY OF SAN MARCOS, TEXAS, AUTHORIZING AND CREATING THE DISTRICT PUBLIC IMPROVEMENT DISTRICT WITHIN THE CITY OF SAN MARCOS, TEXAS, PURSUANT TO CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE; PROVIDING PROPER NOTICE & MEETING; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Chapter 372 of the Texas local Government Code (the “Act”) authorizes the creation of public improvement districts; and

WHEREAS, the owners of certain real property (the “Petitioners”) have signed and delivered to the City Clerk (the “City Clerk”) of the City of San Marcos, Texas (the “City”) a petition (the “Petition”) pursuant to the Act requesting the City to authorize and create the District Public Improvement District (the “District”); and

WHEREAS, the Act states that a petition to include land in a public improvement district is sufficient if signed by owners of taxable real property representing more than fifty percent (50%) of the appraised value of taxable real property liable for assessment under the proposal, as determined by the current roll of the appraisal district in which the property is located, and, who (i) constitute more than fifty percent (50%) of all record owners of property that is liable for assessment under the proposal, or (ii) own taxable real property that constitutes more than fifty percent (50%) of the area of all taxable real property that is liable for assessment under the proposal; and

WHEREAS, the Petition has been examined, verified, and found to meet the requirements of the Act and to be sufficient for consideration by the City Council of the City (the “City Council”); and

WHEREAS, the boundaries of the proposed District are described on **Exhibit A**, attached hereto, said area for the District being within the boundaries and/or the extraterritorial jurisdiction of the City; and

WHEREAS, after providing all notices required by the Act, the City Council conducted a public hearing, on even date herewith, on the advisability of the improvements and services described in the Petition, at which the City Council considered all written and oral objections.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

SECTION 1: The findings set forth in the recitals of this Resolution are hereby found to be true and correct.

SECTION 2: The Petition submitted to the City was filed with the City Clerk and complies with Subchapter A of the Act.

SECTION 3. Pursuant to the requirements of the Act, the City Council, after considering the Petition and the evidence and testimony presented at the public hearing, hereby finds and declares:

- (a) Advisability of the Proposed Improvements. It is advisable to create the District to provide the Authorized Improvements (defined below) described in the Petition and this Resolution. The Authorized Improvements will promote the interests of the City and will confer a special benefit on the District.
- (b) General Nature of the Improvements. The public improvements for the District (the “Authorized Improvements”) may consist of one or more of the public improvements included in Section 372.003(b) of the Act. The general nature of the Authorized Improvements are: (i) the establishment of parks and open space, together with the design, construction and maintenance of any ancillary structures, features or amenities such as trails, pavilions, community facilities, parking facilities, sidewalks, irrigation, walkways, lighting, benches, trash receptacles and any similar items located therein; (ii) landscaping; (iii) acquisition, construction, and improvement of water, wastewater and drainage facilities; (iv) acquisition, construction and improvement of streets, roadways, rights-of-way and related facilities; (v) entry monumentation and features; (vi) signage; (vii) projects similar to those listed in subsections (i) – (vi) above; and (viii) payment of costs associated with constructing and financing the public improvements listed in subparagraphs (i) – (vii) above, including costs of establishing, administering and operating the District.
- (c) Estimated Cost of the Authorized Improvements. The estimated cost of the proposed construction is \$60,000,000; provided, however, that the estimated cost of the proposed construction is \$80,000,000 if the City elects not to acquire the land described on Exhibit B to the Petition pursuant to the terms of the Chapter 380 Economic Development Incentive Agreement by and between the Petitioners and the City (the “Economic Incentive Agreement”), or if the Event Center Operator (defined in the Economic Incentive Agreement) has not delivered the Notice of Commencement (defined in the Economic Incentive Agreement) on or before four (4) years from the Effective Date of the Economic Incentive Agreement.
- (d) Boundaries. The boundaries of the District are set forth on Exhibit A.
- (e) Proposed Method of Assessment. An assessment methodology will be prepared that will address: (i) how the costs of the Authorized Improvements financed with the assessments are assessed against the property in the District, (ii) the assessments to be collected each year, and (iii) reduction of the assessments for costs savings (pursuant to the annual review of the service plan for the District). Additionally, a report will be prepared showing the special benefits accruing to property in the District and how the costs of the Authorized Improvements are assessed to property on the basis of the special benefits. The result will be that equal shares of the costs will be imposed on property similarly benefited.

The assessment methodology will result in each parcel paying its fair share of the costs of the Authorized Improvements provided with the assessments based on the special benefits received by the property from the Authorized

Improvements and property equally situated paying equal shares of the costs of the Authorized Improvements.

- (f) Apportionment of Cost between the City and the District. Approval and creation of the District will not obligate the City to provide any funds to finance the proposed Authorized Improvements. All of the costs of the proposed Authorized Improvements will be paid by issuance of bonds secured by, or directly by, assessments of the property within the District, and from other sources of funds, if any, available to the owner of the property located within the boundaries of the District.
- (g) Management of the District. The District shall be managed by the City. The City may contract with a consultant or third-party administrator, who shall, from time to time, advise the City regarding certain operations of the District.
- (h) Advisory Body. The District shall currently be managed without the creation of an advisory body. The City Council reserves the right to appoint an advisory body in the future.

SECTION 4. The District is hereby authorized and created as a public improvement district under the Act in accordance with the findings as to the advisability of the Authorized Improvements contained in this Resolution. Pursuant to the Act, the authorization of the District takes effect upon the date this Resolution is adopted. The District shall exist until dissolved or terminated as provided by law.

SECTION 5. The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

SECTION 6. This Resolution shall take effect immediately from and after its passage and it is therefore resolved.

PASSED & APPROVED by the CITY COUNCIL of the CITY OF SAN MARCOS on the 2nd day of September, 2025, on vote of ____ AYES; ____ NAYS; ____ ABSTENTIONS.

CITY OF SAN MARCOS, TEXAS

By: _____
Jane Hughson, Mayor

Attest:

By: _____
Elizabeth Trevino, City Clerk

APPROVED AS TO FORM:

By: _____
Samuel Aguirre, City Attorney

EXHIBIT A
PID BOUNDARIES