

ORDINANCE NO. 2023-15

**“An ordinance requiring Public Improvement District Development Agreements to state certain obligations of the developer, and other parties to provide notice of the district’s assessments to prospective purchasers of property in the district.”**

**AN ORDINANCE OF THE VILLAGE OF SALADO, TEXAS, REQUIRING PID DEVELOPMENT AGREEMENTS TO STATE CERTAIN OBLIGATIONS OF THE DEVELOPER AND OTHER PARTIES REGARDING NOTICE OF THE DISTRICT’S ASSESSMENTS; AND PROVIDING FOR THE FOLLOWING: FINDINGS OF FACT; A SAVINGS CLAUSE; SEVERABILITY; REPEALER; EFFECTIVE DATE; AND PROPER NOTICE AND MEETING.**

**WHEREAS**, Chapter 372 of the Texas Local Government Code authorizes the establishment of Public Improvement Districts (“PIDs”); and

**WHEREAS**, the Village of Salado, Texas (the “Village”) may from time to time, at its discretion, establish PIDs to encourage the orderly development of residential and commercial projects within the Village and finance the construction of infrastructure that provides a special benefit to those PIDs; and

**WHEREAS** the establishment of a PID can confer on the PID developer (each, a “Developer”) financial and commercial benefits; and

**WHEREAS**, the Village has determined that because the use of PIDs entails the levying of assessments against property within the PID that are to be paid by the owners of Property within the PID, it is necessary that the Developer provide notice of such assessments to potential owners of property within the PID; and

**WHEREAS**, pursuant to the laws of the State of Texas, including Chapter 51 of the Texas Local Government Code, the Board of Aldermen of the Village (the “Board”) may adopt ordinances and rules that are for good government and necessary for carrying out the power granted by law to the municipality; and

**WHEREAS**, the Board determined that requiring Developers to provide effective notice of PID assessments to potential buyers of property in the PID is in the best interest of the citizens of the Village;

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE VILLAGE OF SALADO, TEXAS:**

## SECTION I. FINDINGS OF FACT

All of the above premises are hereby found to be true and correct legislative and factual findings of the Board of Aldermen of Salado, Texas and are hereby approved and incorporated into the body of this Ordinance as if copied in their entirety.

## SECTION II. NOTICE REQUIREMENTS

A. The Developer shall obligate each commercial builder who is in the business of constructing and/or selling residences to individual home buyers (each, a "Builder"), who is building or selling residences located in the PID and against which a PID assessment has been levied (each, an "Assessed Property") to:

- (i) Provide each buyer of an Assessed Property with the "Notice of Obligation to Pay Public Improvement District Assessment to the Village" as such notice is prescribed by, and required to be provided in accordance with, Chapter 5 of the Texas Property Code, as may be amended from time to time;
- (ii) Provide evidence of compliance with Section II.A.(i) above, signed by such residential homebuyer, to the Village upon receipt of a written request by the Village;
- (iii) Prominently display signage, which shall be no smaller than 24" x 18" and which shall be provided by the Developer at the front of the Builder's model homes, if any, located within the PID;
- (iv) Distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets including a statement as to the obligation of a homeowner to pay PID assessments and a phone number for obtaining specific information about the terms and amounts of applicable assessments; and
- (v) include Assessments in estimated property taxes, if such Builder estimates monthly ownership Actual Costs for prospective homebuyers for an Assessed Property.

B. The Developer must post signage along the main entry/exits located at the boundaries of the PID in the form of the example shown below. The signage shall remain posted until the Developer has sold 100% of the lots in the PID to either Builders or end-users. All signage, which is subject to the review and approval of the Village Administrator prior to posting, shall be clearly visible to all motorists entering and exiting the District and shall be of a size of no smaller than 4' x 8' unless an exception is granted by the Village Administrator for public safety or other purposes. The font for the sign lettering shall in the same colors as shown in the example below unless otherwise approved by the Village Administrator.

Form of Signage

**(DEVELOPMENT/SUBDIVISION NAME)**

**All properties subject to:**

- **Public Improvement District (PID) Assessments.**
  - **PID Assessment varies by property.**
  - **Homeowner Association (HOA) dues.**

**Call (PHONE NUMBER) for PID Assessment amount**

C. The Developer's obligations with regard to imposing requirements on the Builder as stated in the preceding II.A of this Ordinance, and with regard to the preceding II.B of this Ordinance shall be stated in each agreement by and between the Village and the Developer that is intended to control the standards of development that will apply to a PID and to the Developer's obligations pertaining to the public improvements therein (a "Development Agreement").

**SECTION III. SAVINGS**

The repeal of any ordinance or part of ordinances effectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the Village under any section or provisions of any ordinances at the time of passage of this Ordinance.

**SECTION IV. SEVERABILITY**

Should any sentence, paragraph, subdivision, clause, phrase, or section of this Ordinance be adjusted or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this Ordinance in whole or any part or provision thereof, other than the part so declared to be invalid, illegal or unconstitutional.

**SECTION V. REPEALER**

The provisions of this Ordinance shall be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances inconsistent or in conflict with any of the provisions of this Ordinance are hereby expressly repealed to the extent that such inconsistency is apparent. This Ordinance shall not be construed to require or allow any act that is prohibited by any other ordinance.

## **SECTION VI. EFFECTIVE DATE**

This Ordinance shall take effect immediately from and after its passage and publication as may be required by law.

## **SECTION VII. PROPER NOTICE AND MEETING**

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public as required and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

PASSED AND APPROVED this 6th day of July, 2023.

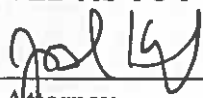


\_\_\_\_\_  
Michael Coggin  
Mayor

ATTEST:

  
\_\_\_\_\_  
Village Secretary

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Village Attorney