



Mayor's Letter

December 15, 2022

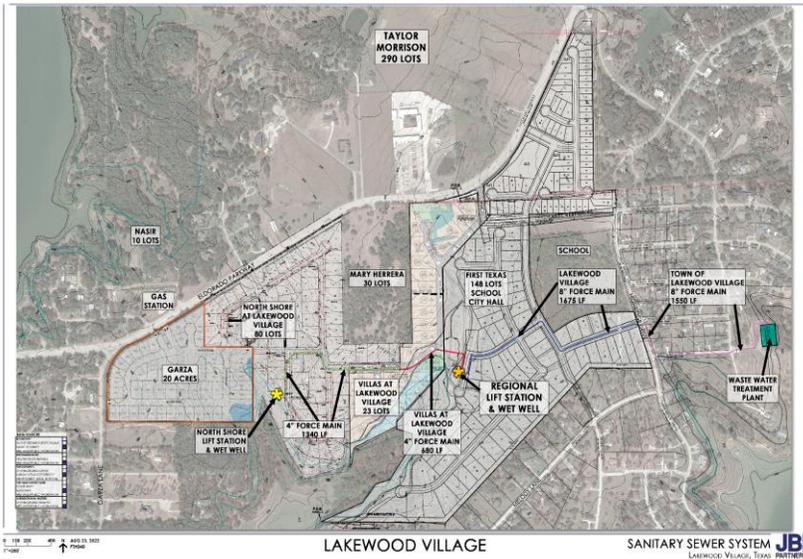
THE END OF AN UNPRECEDENTED YEAR FOR LWV. This was a monumental year for us as we approved several new developments, began a massive expansion of our utilities, approved the annexation of three new business into the town, and created two Public Improvement Districts. We also received several million dollars from developers to reduce our debt. We got right to it and used a portion of the funds to **pay off our 2014 Concrete Road Phase-One bonds years early.** In November, voters passed the LEISD Bond Package which means a new Lakewood Village Elementary School will soon be underway. We're already in action. You may have seen us boring under Highridge, Shoreline, and Green Meadow as we extended our water and sewer lines to the school site. We also acquired land from LEISD for our new deep well which we designed, bid out, and have already awarded the construction contract. The drilling rigs will be here next month with the well operational by early Summer. Engineering design work is continuing for the new wastewater plant and ground storage tanks, with construction scheduled for Summer 2023.

We spent many meetings this year working out the details of the Public Improvement Districts (PID) for the South Oak Development. Our PID was unique (naturally), because it was outside our city. Normally cities will not create PIDs for a developer unless they are already inside the city, or agree to immediate annexation. Whereas maximizing property taxes is the goal of many cities, **we don't have that philosophy in LWV.** We threw out the normal PID playbook that virtually everyone else uses. Instead, we negotiated a very complex agreement where South Oak stayed outside of Lakewood Village (and outside of Oak Point). The agreement has many parts; a key component was the requirement that Taylor Morrison pay the Town an initial fee of \$1,425,000 in September 2022 (additional money later). We have set it aside in a special bank account reserved for paying down our road debt as part of our plan to become debt free.

As part of the PID, they also agreed to fully fund their share of our water and sewer utility improvements, which is very rare. Why is this unusual ? Because **under Texas law**, developers are only required to pay towns' **for half of their share of a town's utility capacity expansion.** The South Oak development is causing us to spend \$5,000,000 on expanding our utilities. Under the law, without the PID agreement, the most we could make them pay us is \$2,500,000 total, with it dribbling in as each house is built. But under our agreement, South Oak has already paid us the full \$5,000,000. The funds currently are in an escrow account that we are using to pay our current engineering and construction bills.

THE PAY ? When my students find out that I am the Mayor, they often ask me how much do Mayor's get paid ? I have also been asked this by a few new residents. This always makes me laugh as I tell them that all of the Town Council, including the Mayor don't get paid anything. But, pay or no pay, we have to get things done. I have required the Council to double down on their commitment, as I have called almost a dozen special meetings over the last year and a half in addition to our regular meetings. These were critically necessary to work out developer agreements and grind out the highly technical regulatory filings for the very-different-than-any-other-town PIDs. All of the extra work means you and I don't have to pay \$2M in future property taxes and make up \$2.5M in utility costs through higher future water bills. I appreciate our Councilmembers hard work and commitment to all of the special meetings last year and those coming up.

NEXT YEAR IS GOING TO BE EVEN BIGGER. I have already called a special meeting for January 27th, this is in addition to our regular meeting on January 12th. I have also notified the Town Council that they should plan for double meetings in the new year. As you can see from the map below, we have received proposals from developers which encompass the entire width of Lakewood Village. For each of these potential projects, we have to negotiate developer agreements. Last year, myself and Mayor Pro-tem Darrell West had an initial meeting with a developer new to Lakewood Village. He asked what incentives we would give **HIM** to build here. Darrell explained to him that, unlike most cities, we don't give anything. If you build something that is good for Lakewood Village, then we will allow it. Otherwise, we are happy with the woods just as they are.



FOR EACH DEVELOPMENT, the initial step in drafting the developer agreement is to identify the potential benefits to LWV. “More property taxes” is not relevant to us, especially since our goal is to eliminate our future taxes. We care about quality of life benefits. For example, we prioritize green space donated to the Town that lies next to the lake. An important consideration in every agreement is the legal requirement that each project pay impact fees. We have the option to give a developer credits toward those fees if they

construct something that benefits the entire town. For example, we will likely make some developers widen Eldorado Parkway for our Eldorado project (see below). As you can imagine, with millions of dollars being discussed, the lawyers are heavily involved. At every single Council meeting last year, the executive sessions were spent discussing the latest drafts of agreements. Equally important is the new development's utility plan. All roads, water, and sewer infrastructure that the developer builds must be inspected and then donated to the town. Since we are ultimately going to be responsible, we negotiate the placement of roads, easements, and potential stub-outs for future growth. Then there is Eldorado signage, water feature designs, and, yes, even the street names that we consider. We are currently in the process of creating three new agreements. I will be calling additional special meetings until we get these completed and approved.

AND. In November, the Denton County Road Bond passed. As part of the initial planning, I asked for \$5M for a joint project between LWV and the County to improve Eldorado Parkway. My request was approved as part of the bond package. Working with Kimley-Horn we have begun preliminary feasibility planning for a new, wider, raised median with landscaping, dark skies approved lighting, and dedicated turn lanes. At the same time, we are beginning work with Kimley and the LEISD on the new entrance stop light, school zones, cross walks, and side walks along Eldorado Parkway (especially as part of the new developments).

INTERNET EVENT. As we did with Suddenlink, there will be an opportunity for everyone to obtain information and sign up for high speed fiber-optic internet with Open Infra (you have likely seen them going through town). The event will be at Town Hall on **Saturday January 7th from 10 am to 4 pm.**

Its been an amazing year and there's a lot of work ahead. But, there's never been a better time to be in Lakewood Village.

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