

REPUBLIC PROPERTY GROUP

# Financing District Proposal

DECEMBER 6, 2022





# REPUBLIC

PROPERTY GROUP









\$5 billion+

Collective assessed value of projects

30,000+

Residents choosing to live in an RPG Community

\$700,000,000+

Infrastructure Developed

\$300,000,000+

Value created through public – private partnerships

11,500+

Lots developed

10 GB

Internet speed in Walsh, the fastest in the world for a residential community

90+

Different homebuilder programs

450

Homes currently being built by our Record Street Platform







## Top 50 Master – Planned Communities Sales, Mid-2022 (RCL Co)

- 84% utilize Public Financing Districts
- 100% in Texas (15 of 15)

Rank	MPC	MSA (City, State)	Units Sold	Public Financing District
1	The Villages	The Villages, FL	1,500	✓
2	Lakewood Ranch	Sarasota, FL	1,026	✓
3	Silverado	Aubrey, TX	599	✓
4	Summerlin	Las Vegas, NV	592	✓
5	Cane Bay Plantation	Charleston, SC	525	
6	Mission Ridge	El Paso, TX	504	✓
7	Cadence (3)	Henderson, NV	459	✓
8	Sunterra	Katy, TX	450	✓
9	Ontario Ranch	Ontario, CA	436	✓
9	Babcock Ranch	Punta Gorda, FL	422	✓
11	River Islands	Stockton, CA	395	✓
12	Inspirada	Las Vegas, NV	388	✓
13	Viera	Melbourne, FL	381	✓
14	Valencia	Valencia, CA	379	✓
15	Valley Ranch	San Antonio, TX	374	✓
16	Ave Maria	Ave Maria, FL	367	✓
17	Wellen Park	Venice, FL	345	✓
18	Skye Canyon	Las Vegas, NV	333	✓
19	Bridgeland	Cypress, TX	321	✓
20	Marvida	Cypress, TX	320	✓
21	Daybreak	South Jordan, UT	318	✓
22	Nexton	Charleston, SC	308	✓
23	Margaritaville - Daytona	Daytona Beach, FL	300	
24	Margaritaville – Watersound	Panama City Beach, FL	300	
25	Eastmark	Mesa, AZ	297	✓
26	On Top of the World	Ocala, FL	288	✓
27	Epperson	Wesley Chapel, FL	276	✓
28	Wildcat Ranch	Crandall, TX	276	✓
29	Santa Rita Ranch	Liberty Hill, TX	273	✓
30	Riverland	Port St. Lucie, FL	260	
31	Westlake	West Palm Beach, FL	258	
32	Magnolia Point	Royse City, TX	255	✓
33	Tamaron	Katy, TX	255	✓
34	Fosters Ridge	Conroe, TX	249	✓
35	Elyson	Katy, TX	247	✓
36	Sienna	Missouri City, TX	236	✓
37	The Highlands	Porter, TX	236	✓
37	Meridiana	Rosharon, TX	235	✓
39	Margaritaville - Hilton Head	Hardeeville, SC	234	
39	Lake Nona	Orlando, FL	230	✓
41	Verrado	Buckeye, AZ	229	✓
42	Cross Creek Ranch	Fulshear, TX	227	✓
43	eTown	Jacksonville, FL	227	✓
44	Tehaleh	Bonney Lake, WA	227	
45	Union Park	Little Elm, TX	227	✓
46	Caldwell Ranch	Rosharon, TX	226	✓
47	Woodforest	Montgomery, TX	223	✓
48	Lakes at Rancho El Dorado	Maricopa, AZ	212	
49	Nocatee	Ponte Vedra, FL	212	✓
50	Jordan Ranch	Fulshear, TX	205	✓
Total Home Sales / MPC's Utilizing Special Taxing Districts			17,662	42
% of Home Sales Within MPC Using Special Taxing Districts			87%	84%



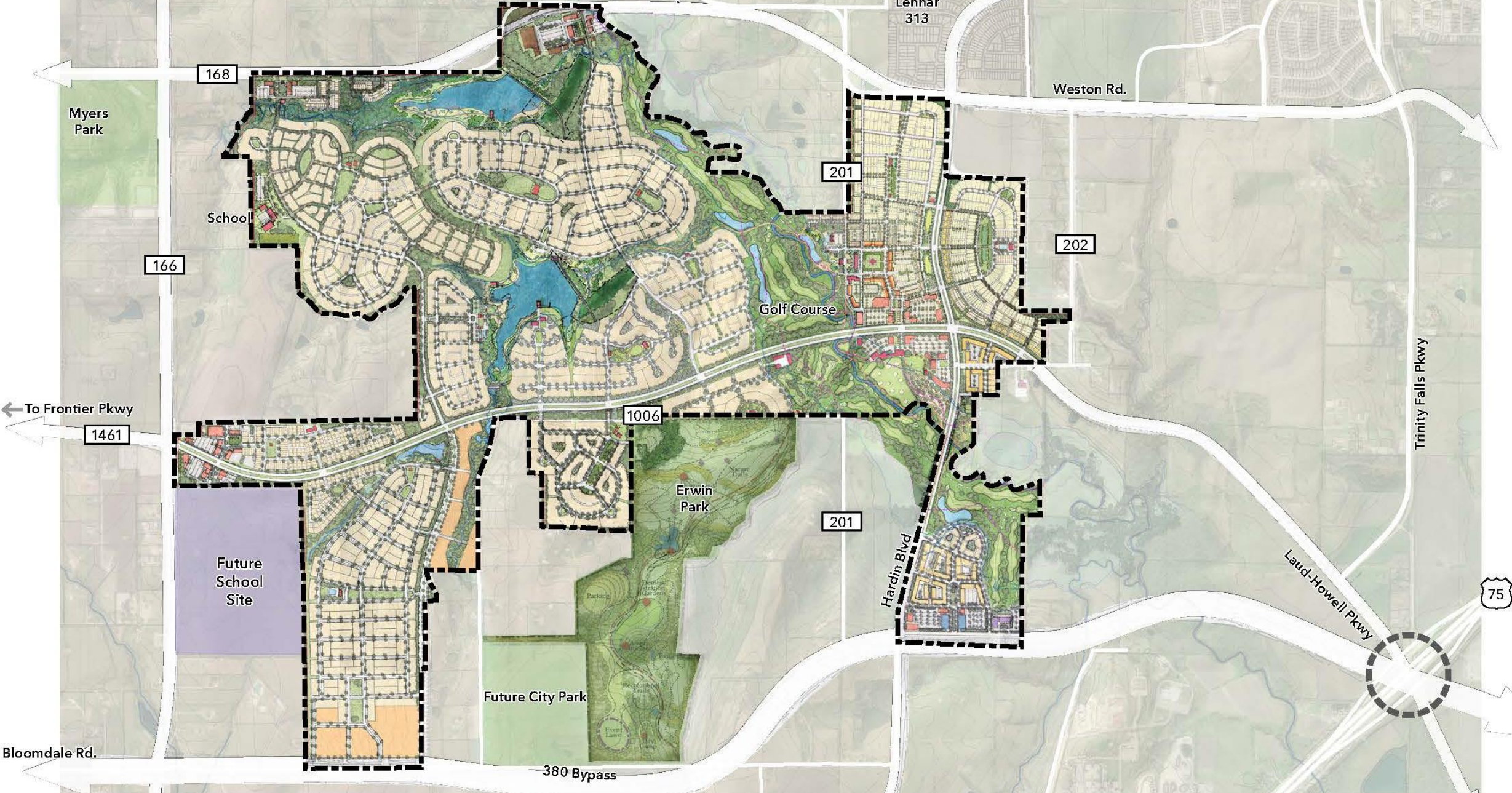
# Honey Creek

- 1,800 acres, City of McKinney
- 10,000+ residential units
- Commercial, office, mixed use

\$2+ Billion in Potential Assessed Value







Preliminary Master Plan



# District Purpose & Intent

Infrastructure



Enhancements

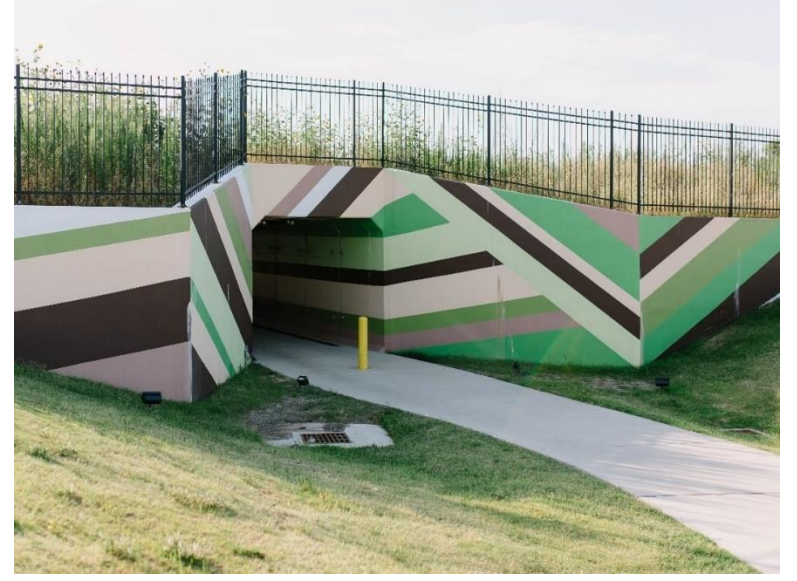


Zoning

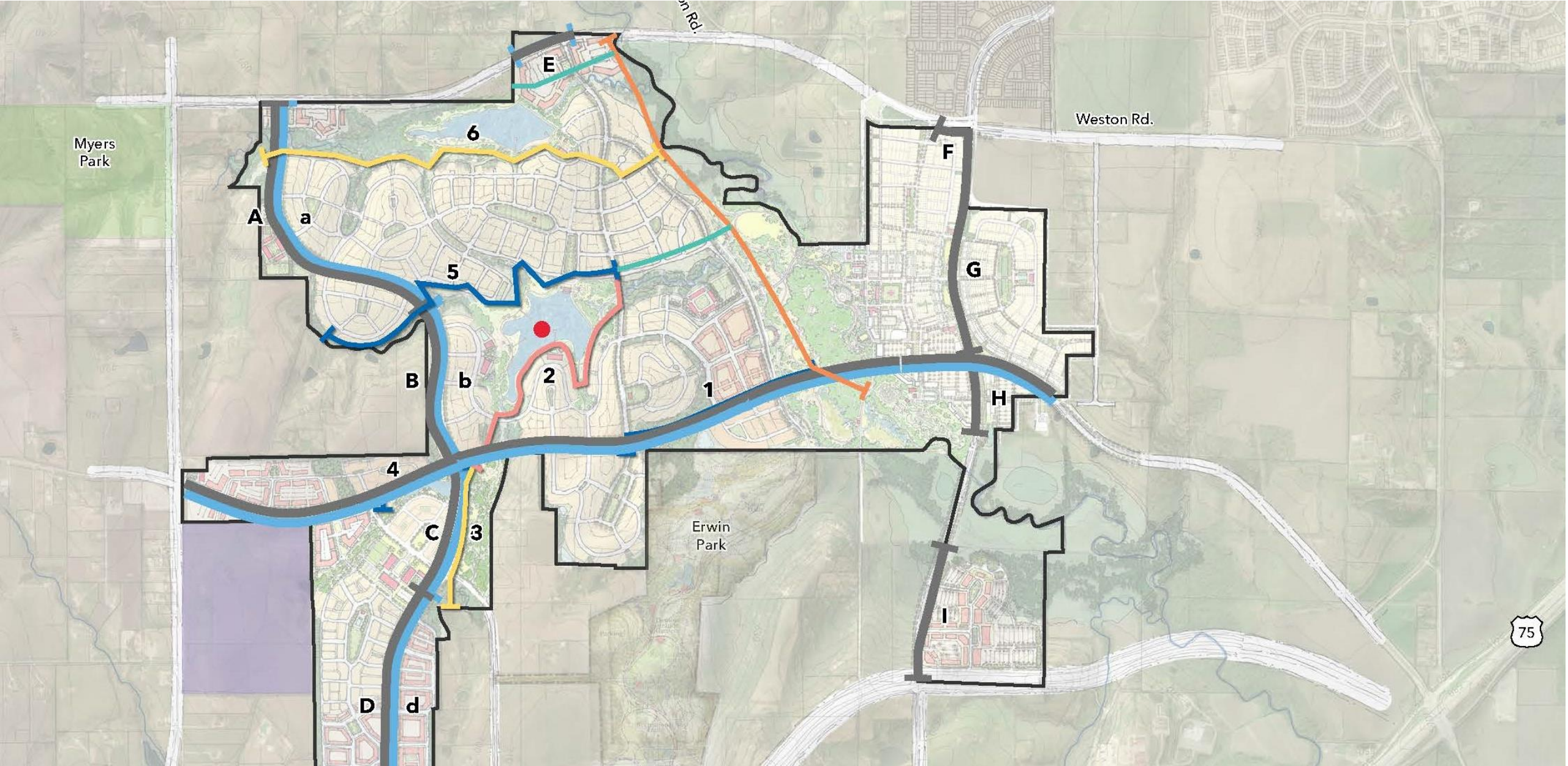




# Infrastructure





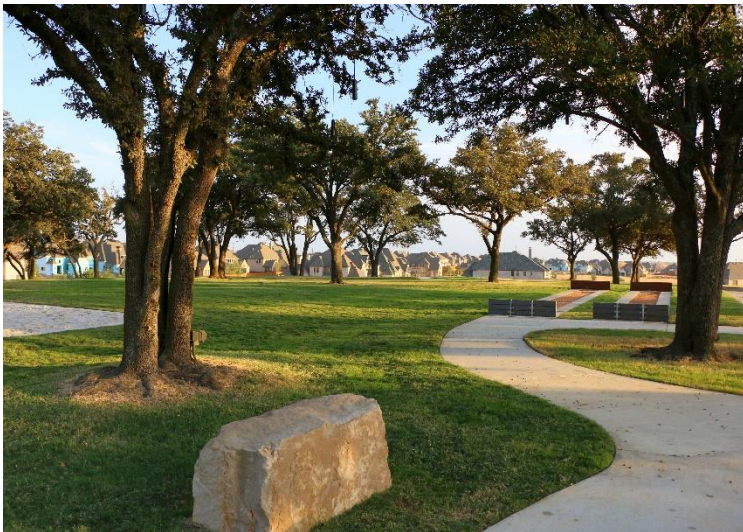


Major Infrastructure



# Enhancements

## Park & Open Space



## Amenities



## Placemaking







- Information Center
- 2 Amenity Centers
- 2 Junior Olympic & resort pools
- 2 Spray parks, fitness center
- 3 neighborhood pools
- 5 Court tournament tennis center
- Hike & bike trails, 200+ acres of greenbelt
- Parks & playgrounds
- 18-hole Jay & Carter Morrish Golf Course
- 27,650 SF club house, grill & pavilion, locker rooms



- Info & Fitness Center reclaimed from 19th century barns in the Mohawk River Valley, NY
- 5 swimming pools including resort and Jr. Olympic.
- Tennis center: 3 courts + pickleball
- 2 bocce ball courts & sand volleyball
- 240 acres of parks & open space
- 20+ Miles of trails
- Constellation Park, a 90-acre regional park including
  - 11-acre lake, sand beach & kayak rental
  - Dog park & launch
  - Event pavilion, campsites & playground
- The Nook, a public café / restaurant
- Public art with sculptures made from tractors that originally farmed the land.

# WALSH

- Resort, Jr. Olympic and kiddie pools, cabanas, slide, rain tree
- Walsh Athletic Club - 10,000 sf fitness center, yoga studio, locker rooms w/ towel service & kids club daycare
- 2 tennis courts & sand volleyball
- Maker Space
- Imagination Playground
- Fire pits, garden and greenhouse
- Village Market, general store and gas station
- 4-acre fishing lagoon
- Fiber Network with 2-10 GB speed
- White glove trash service, front yard maintenance
- Pattern Book
- 20%+ open space
- 5 iconic parks with playgrounds, restrooms, zip line, slides and sand beach





# Zoning

## Architecture & Product Offerings



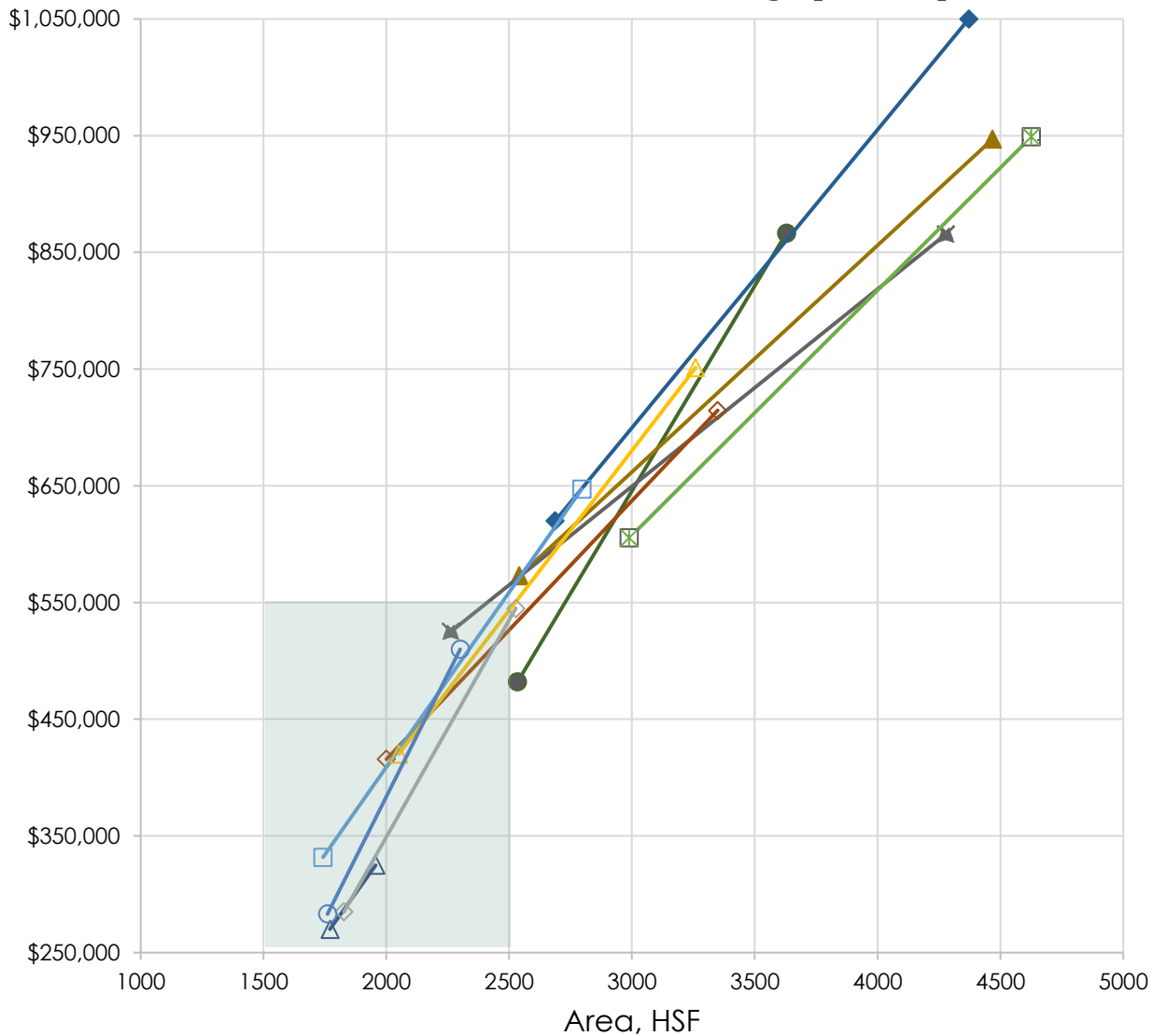


# Walsh Case Study - Missing Middle Housing

## Phase I Home Pricing (2017)



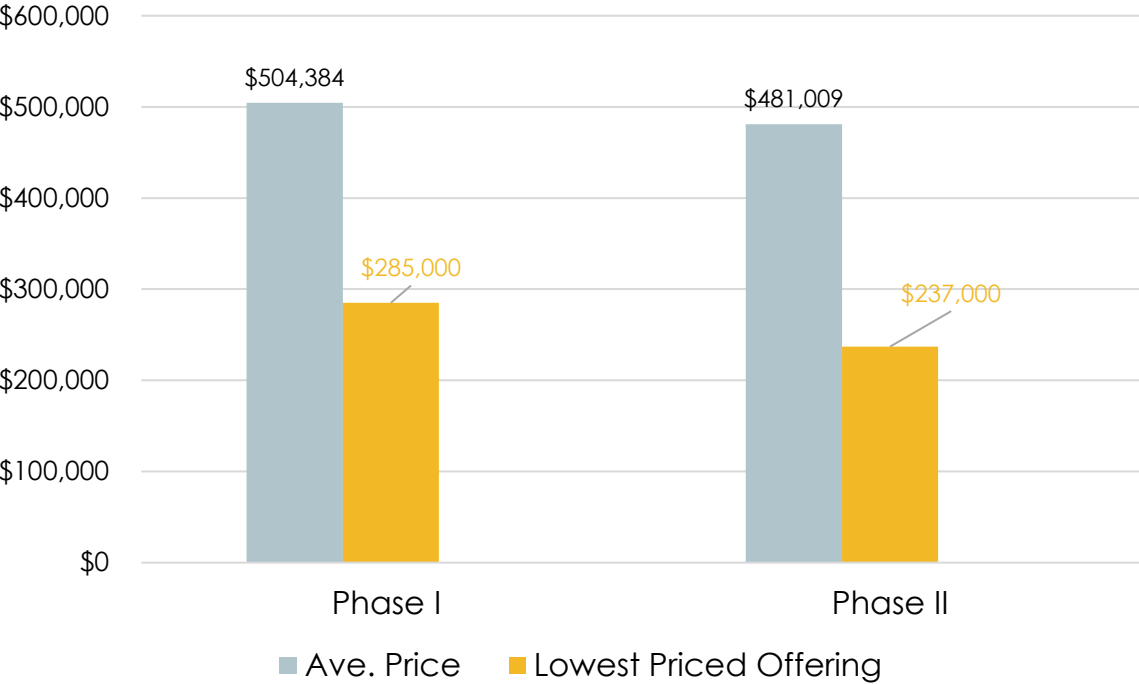
## Phase II Home Pricing (2021)



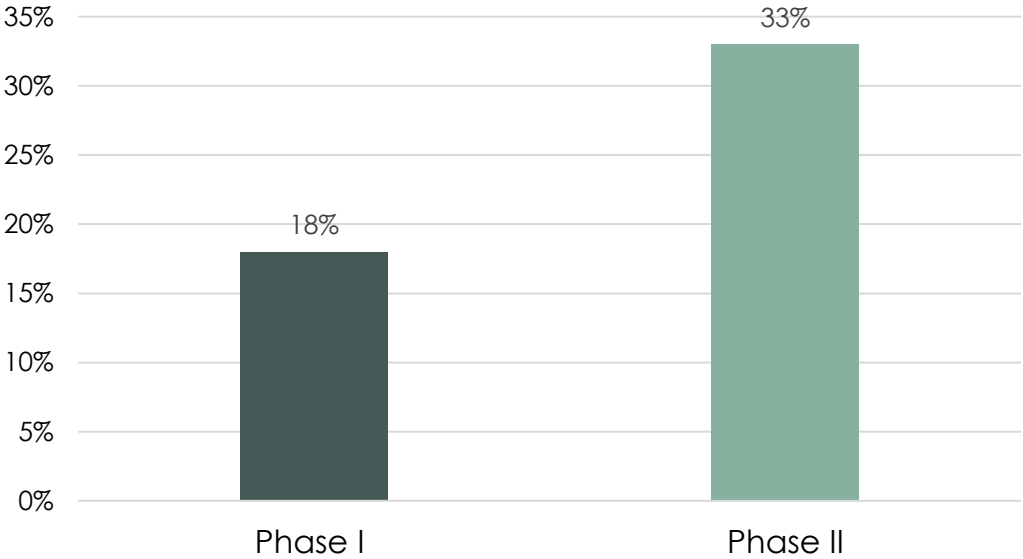


# Walsh Case Study - Missing Middle Housing

Home Price Comparison – Phase I & II



Offerings below \$450K





# Product Offerings & Integration

## Walsh



## Light Farms





# Financing District Proposal

Municipal Management District ("MMD")  
Overview & Analysis





## SAME PURPOSE, CONTROLS AS PID

- Fund qualified improvements, paid through a levy of assessments.
- Same Statutory oversight approved by Attorney General.
- City maintains controls through Development Agreement & Zoning

## ADDITIONAL BENEFITS

- Reduces City's risk & liability
- Easier to create & administer
- Fewer burdens overall



# DISTRICT COMPARISON

	PID	MMD
District Creation	<ul style="list-style-type: none"><li>• City is Creating Body per PID Policy.</li></ul>	<ul style="list-style-type: none"><li>• Legislature is Creating body; City supports pursuant to a Development Agreement that states controls &amp; limitations up-front.</li></ul>
Separate Board & Issuer Liability	<ul style="list-style-type: none"><li>• City is the bond issuer, levies &amp; collects assessments and initiates any foreclosure proceedings.</li></ul>	<ul style="list-style-type: none"><li>• District issues bonds, levies &amp; collects assessments. City maintains control through Dev. Agreement, but is not the bond issuer, providing insulation from liability or default.</li></ul>
Addressing & Resolving Issues	<ul style="list-style-type: none"><li>• City resolves issues</li><li>• Risk &amp; uncertainty of a future City Council abandoning PIDs could cause material issues.</li></ul>	<ul style="list-style-type: none"><li>• Developer &amp; district board address issues without required City involvement unless required in Development Agreement</li></ul>
Administration Requirements	<ul style="list-style-type: none"><li>• City coordinates &amp; approves annual budgets</li><li>• City updates SAP &amp; disclosures annually.</li><li>• City monitors &amp; seeks reimbursement for costs exceeding ordinary operations.</li><li>• City prepares financial statements on a periodic basis.</li></ul>	<ul style="list-style-type: none"><li>• District board assumes all administrative responsibilities, pursuant Development Agreement, reducing City administrative burden &amp; costs.</li></ul>



# Management & Oversight – City Obligations

PID POLICY	→	MMD
<div>1. Issue bonds, levy and collecting assessments,</div> <div>2. Resolve issues, initiating foreclosures and addressing debt on City balance sheet.</div> <div>3. Coordinate and approve annual budgets &amp; SAP</div> <div>4. Update disclosures annually</div> <div>5. Prepare and make financial statements available</div> <div><del>6. Review bid tabs and approve contracts</del></div> <div>7. Ensure District is financially self-sufficient and doesn't adversely affect City.</div> <div>8. Resolve issues with future uncertainty, Council decisions</div> <div>9. Monitor costs and seek reimbursement</div> <div>10. Hire &amp; manage team of consultants to help</div>		<div>Developer / District obligation per State statutes &amp; over</div> <div>No longer necessary</div>



# Creation – City Obligations

PID POLICY	→	MMD
1. Consider & create the District		<b>District / Developer obligation per State statutes &amp; over</b>
2. Approve, budget, assessments & management of funds		
3. <del>Establish Service &amp; Assessment Plan</del>		
4. Consider, review and approve re-zoning		<b>City obligation per Development Agreement, same as</b>
5. Consider, review and approve Development Agreement		
6. <del>Identification of Extraordinary Benefits</del>		
7. Identify public land & cost obligations		<b>No longer necessary</b>
8. Proof of Developer financial capital		
9. Contingency plans for PID dissolution		
10. Establish procedure for PID termination		
11. Establish professional mgmt. plan to address problems		
12. Review comprehensive consultant list &		



# MMD CREATION PROCESS

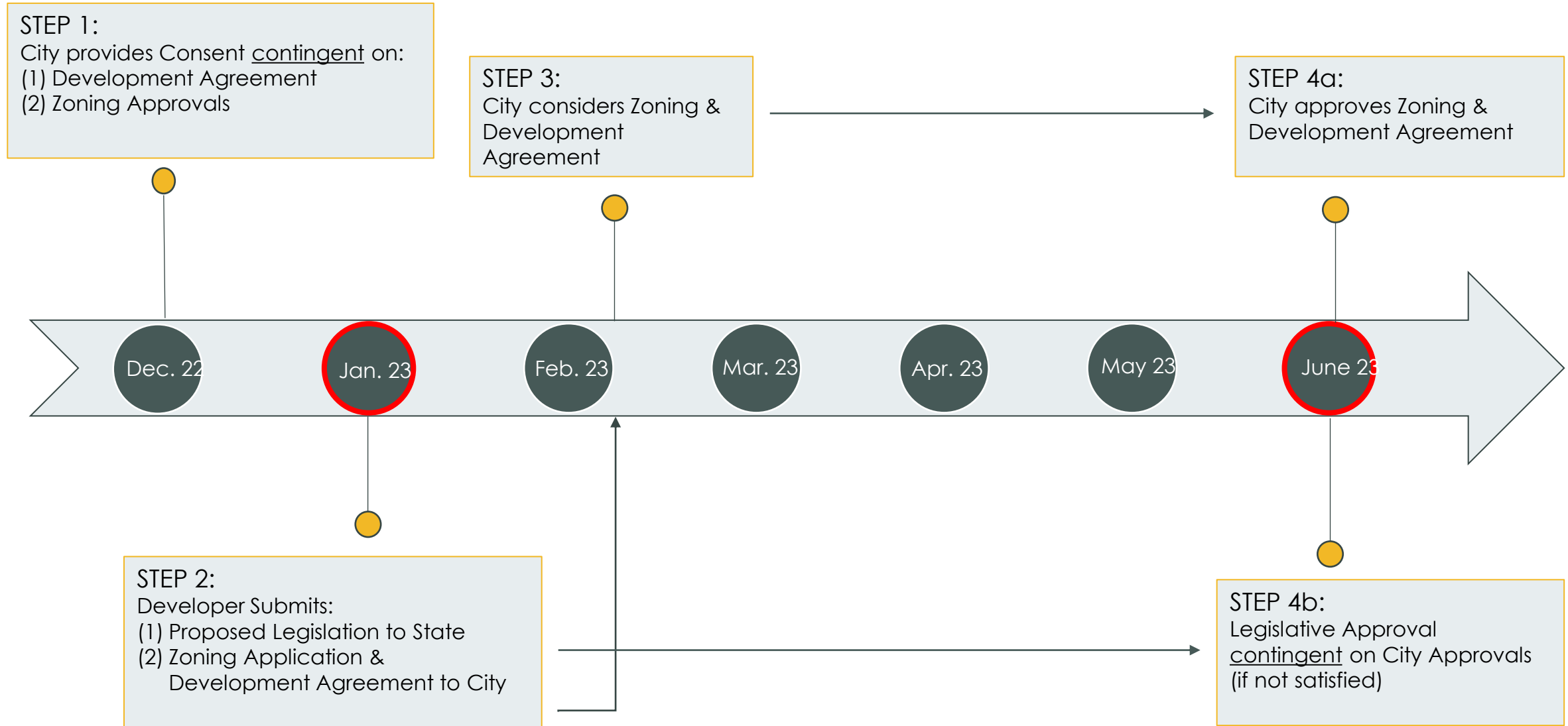
Creation
Property Re-Zoning
Development Agreement
Identify Extraordinary Benefits
Identify public land including cost obligations
Budget; PID revenues, assessments, fund mgmt.
Preliminary Financing Plan
Service & Assessment Plan

City	State	District Board
Provide Consent	Legislative Approval	
√		
√		
√*		
√*		
		√
		√
		√

*\*Included in Development Agreement*



# MMD CREATION TIMELINE





# Municipal Management District

Sensitivities & Comparisons





# Proposal vs. No District

	No District	Proposal
City Standards	Existing zoning	Property re-zoned under new UDC
Major Infrastructure	No Timeline. Built as development occurs	Developer funds under agreed upon, expedited timeline with City.
Development Agreement	None	Yes, approved by City
Enhancements	None required outside existing zoning. Best case has fewer than Proposal.	Significant developer commitment, defined in Dev. Agreement.
Private Standards	No requirements	Yes, HOA, design guidelines, overall governance in Dev. Agreement
Cohesive Master Planned Community	No requirements	Yes, ensured through zoning & Dev. Agreement



# Residential Assessment Analysis

TR1.8 (Townhome)	R5 (40'-49')	R6 (50'-59')	R8 (60'-79')	R12 (80'+)
\$169 / mo.	\$171 / mo.	\$245 / mo.	\$295 / mo.	\$356 / mo.



## Average Assessment Per Month.

\$228 / mo.

Disclaimer: Assessments are estimates based on projected values using RPG historical estimates from other projects. Actual assessments will be determined by market at time of levy.



# Disclosures

1

## Set up

- Notification Required by Texas Property Code 372 and 375
- “Homebuyer Disclosure Program” participation required by City
- Continuing Disclosure Obligations required by Statute upon levying assessments.
- Builder education required by Developer

2

## Builder Contracts

- Includes builder obligations to disclose to 3<sup>rd</sup> parties.
- Builders sign acknowledgement & consent to assessments, recorded document.

3

## Marketing

- District education on developer
- website
- Brokers requires to disclose

5

## Closing

- Mortgage lender disclosures include all payment components
- HB 1543 requires notice to be executed by seller and buyer, notarized, and recorded.

4

## Sales

- TREC provides statutory notice to brokers.
- HB 1543 requires builders to disclose prior to contract.
- Homebuyer signs notice in contract.

6

## Operations

- Quality control oversight by Developer
- Collateral provided in Info Center

Disclaimer: Based on RPG Disclosure process for PID in Walsh Community.



# MMD Pro's & Con's – City Perspective

## Benefits

1. Property annexed & zoned using new UDC Code.
2. Important infrastructure include Laud Howell Pkwy. expedited & project gets off the ground sooner.
3. Liability & obligations to foreclose on residents removed.
4. City doesn't have to issue bonds or risk balance sheet.
5. Reduced administrative burden.
6. City gets a world-class MPC, resulting in higher values over time.

## Potential Concerns

1. While City maintains controls, an independent board governs the District.
2. A Legislative District is an independent governmental entity within City limits.
3. Levying of assessments, is by nature, contrary to "affordability".
4. Concerns related to proper disclosures being provided.



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# APPENDIX



# DISTRICT COMPARISONS

		PID POLICY	PROPOSED MMD	MUD (ETJ)
Creation Statute		Chapter 372 LGC	Chapter 375 LGC	Chapter 54 Water Code
Creating Body:		City	Legislature w/ City consent	TCEQ or Legislature
Revenue Sources		Special Assessment	Special Assessment	Ad valorem property tax
Land Use		City Zoning	City Zoning	Per Development Agreement
Standards & Policies		All City Standards	All City Standards	Per Development Agreement
Ownership of Facilities		City	City	City and/ or District
Resident Representation		Yes, can vote	Yes, can vote	No
Eminent Domain		No	No	Yes
Director Selection		by City	by Developer w/ City involvement	by Developer
Exclusion of public land from district		No statutory authority	Yes, per Legislation	Yes, per Legislation
Political Subdivision?		No, area controlled by City	Yes, subject to open meetings & records	Yes, subject to open meetings & records



This is a detailed plat map of a residential subdivision. The map shows a grid of lots, with streets and a water feature (likely a creek or river) running through the area. The map is oriented with North at the top. The text 'COLLIN COUNTY TEXAS' is visible in the lower left corner, indicating the jurisdiction. The map is a technical drawing, likely a surveyor's plat, showing the layout of the subdivision.

The map illustrates the proposed Preston Meadows development, showing a large residential area with various colored lots (orange, yellow, green, blue) and winding roads. Key features include a large pond in the center, a school area at the bottom, and surrounding roads like Preston Road and North Coleman St. The map is labeled with 'Preston Meadows' and 'Preston Meadows'.



Honey Creek - Housing Product Type and Mix 10.26.2022 – DRAFT

		Bubbles #2,3		Bubble #1		Bubbles #4,5		Project Totals			Existing Zoning
Zoning District	Min Lot Size	Max Permitted	Actual	Max Permitted	Actual	Max Permitted	Actual	Max Permitted	Actual	Property Max.	
R-12	80 x 120	P	0	P	125	P	0	P	125	P	
R-8	60 x 100	250	225	800	700	100	0	1,150	925	2,800	
R-6	50 x 90	350	300	600	500	100	0	1,050	800		
R-5	40 x 80	350	285	500	460	200	100	1,050	845		
TR1.8 - TH	22 x 80	300	175	350	300	300	150	950	625	850	
Flex Residential	60 x 100	250	250	200	300	300	300	750	500	550	
Mixed Residential - SF Detached	50 x 100	150	0	150	0	150	0	450	0	1,500	
Mixed Residential - SF Attached	22 x 80	150	125	150	0	250	0	550	125		
Mixed Residential - Duplex / Tri / Quad	50 x 100	250	100	P	0	400	200	750	400		
Multi-family - Cottage	60 x 100	350	200	350	150	350	250	700	500	650	
Multi-family - Traditional	60 x 100	350	350	N/A	0	750	675	1,100	1,025	1,000	
MF-30	60 x 100	600	350	N/A	0	3,500	2,000	4,100	2,750	2,750	
TOTAL / AVE		3,450	2,460	3,100	2,535	6,400	3,675	12,000	8,220	10,100	10,860

Bubble #	Allowed Uses	Acres
1	R5, R6, R8, R12	516
2	MR, FR, R5, R6, R8	133
3	MR, FR, R5, R6, R8	105
4	MF, MR, FR, R5	156
5	MR, FR, R5, R6, R8	62
Multifamily		170
Commerical		197

