



Mayor's Letter

March 16, 2020

CHALLENGES AHEAD. We have all been saturated with news relating to COVID-19 and the various recommendations and suggested precautions. To put it simply, use common sense, be smart, and protect yourself. **Let me give you an example.** Steve Freeman, our Chief Building Official is over 65 and therefore faces an elevated risk. Steve has decided that, while performing inspections, he does not want to "walk the house" with the builder-owner, rather he will do it alone. Any follow-up questions will be handled by email or phone. **That's a smart approach** and I fully support it. We are open for business, and we're going to continue to provide services.

As a numbers guy, I am very comfortable with statistics. However, right now, I think it's important to not dwell on the numbers. It is inevitable that globally, infections and deaths will increase. But keep in mind that you don't live in China or Iran. You live in the most technologically advanced country in the world. In America, we have the greatest medical facilities and the most brilliant and dedicated medical researchers in the world. Today, the first trials of a vaccine were begun. **Here in America.** Sure, it's going to be rough for a little while, but we'll get through it, we always have, and we always will. The good guys always win in the end. **And that's U.S.**

BACK TO BUSINESS. At our March 12th Council meeting we awarded the LWV Phase 2 Street Rehabilitation Project (Concrete Roads) to Ed Bell Construction for \$4,444,798. The Council also approved the \$4,500,000 Combination Tax and Limited Pledge Revenue Series 2020 Certificates of Obligation (our financing). Over the next two weeks we will execute the contracts and have preconstruction meetings in anticipation of an April 1st order to proceed. In fact, you may already see **pink survey stakes of property corners** as Ed Bell has already started their field work. The contract calls for a maximum construction time of 13 months, however there are significant incentives to finish as fast as possible. I expect completion by late Spring 2021.

FINANCING. Under SEC rules, as part of our financing package, we had to obtain a credit rating from Standard and Poor's (S&P Global). Over the past month, I have spent considerable time responding to all of S&P's detailed requests for financial information, analysis, and practices and procedures documentation. On February 19th, we had a conference call with S&P ratings analysts. On March 3rd, we received our ratings. The S&P ratings scale is **AAA, AA, A, BBB, BB, B, CCC, CC, C, and D.** "Investment grade" is all ratings of BBB or higher, with BB and below commonly referred to as "junk bonds" and D meaning the borrower has Defaulted. Nearly all mutual funds (and all municipalities in Texas) can only invest in investment grade bonds - no junk.

We received a rating of AA-. For any small town, usually the best you can hope for is A because of your size. As the person responsible for the Town's finances for the last 13 years, it was very rewarding for me personally, and very positive news for the Town. The report cited

- **Strong budgetary performance** with operating surpluses in the general fund;
- **Very strong budget flexibility** with an available fund balance of 60 % of operating expenditures;
- **Very strong liquidity**, with governmental available cash at 85.4 % of fund expenditures and 2.2 times governmental debt service.

The negative ? We are small and we don't have a diverse economic base (no commercial, retail, or industrial). But that's our vision for the Town. We can't do anything about our size, its who we are and there's no reason to change.

WHAT DOES IT MEAN ? Prior to getting our rating, our bond advisors, SAMCO was advising me to use 4 % as our best-case scenario for my financial projections. The winning bid for our bonds was a 3.16 percent rate. **That will save us almost \$400,000 in total interest costs.** That's a good win for all of us.

OVER

ROAD QUESTIONS: Continuing from last month, I will address common FAQ's. First however, I want to thank everyone for being responsive to our efforts at removing the obstacles in the construction zone. Nearly all of the mailbox pillars, and most of the trees have been removed so far. I will be reaching out to those of you with remaining issues. We need to get as much work done as we can before the concrete rolls. Questions:

1. Which street will be paved first ? Staging will be determined after our pre-construction meeting. I expect to have that information in next month's Mayor letter. However, keep in mind, it will likely take six or eight weeks for the construction of underground drainage pipes, headwalls, inlets, and surface drains. You can't put down the concrete until you finish all the work under the concrete. So, you still have some time to get those sprinklers moved, but you need to get on it.

2. Will I have access to my house during construction ? Yes. Here's how it works. There is always one lane of traffic open. In some places it might be a "one way", but in many places that just isn't possible. So, when you meet a neighbor coming at you, one of you will just pull over onto a driveway or the shoulder until the other person passes. The company paves one side of the street and then several months later they do the other side. Why do they wait ? Because to pave the second lane, the concrete trucks have to drive on the other side, the new concrete road, and it doesn't reach sufficient strength for several months.

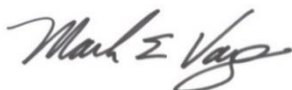
3. Will I be able to get in and out of my driveway. Yes and No. You will be notified a couple of days in advance when they are going to be paving in front of your house. First, for several days they go down the street and put down the mat (the rebar and form boards) everywhere **except in front of your driveway**. They place some gravel or road base in front of your driveway as a temporary ramp. The concrete is six inches thick, so without the ramp, there would be a six-inch-high hump going into your driveway.

On the day of the pour, they start paving the street and the crew runs ahead and removes the temporary ramp from in front of your driveway and builds the mat. If you are not out of your driveway at that time, you aren't getting out for at least two days. So, **the day before, you need to park your car on the other side of the street**, either on the shoulder, or talk with a neighbor about using their driveway. After two days the concrete is hard enough for you to drive down the opposite side of the street and then quickly "scoot" across the new concrete onto your driveway. The new concrete road won't be open to drive on for at least a month or so. Its going to happen on both sides of the street, so everybody needs to be good neighbors. Everyone cooperated in 2014 without any issues.

LANDPLAN RE-ZONING REQUEST. You have likely seen the large white rezoning signs in Town. On the next page I will describe the request by Land Plan Development to rezone their 80-acre parcel to complete the land-swap with the Little Elm School District.

A FINAL WORD on COVID-19. Often on television or movies we admire people who, when facing adversity rally and overcome their hardships. How would you handle the situation ? I can tell you that we're going to overcome this problem with dignity and perseverance, with creativity and community. It's great to see our citizens reaching out on our LWV social media to offer help and encouragement. If you need help call us at town hall or my cell, we have many people volunteering to help. I always end my letter with it, and, now more than ever, **There's never been a better time to be in Lakewood Village.**

Dr. Mark E. Vargus
Mayor



(cell) 214-558-6947
Mark@lakewoodvillagetx.us

Rezoning Request by Sam Hill Ventures (LandPlan Development)

See reverse side for Map

In August 2018, the Trustees of the Little Elm Independent School District voted unanimously to declare the land adjacent to Lakewood Village as surplus (the orange area in the map). Following the required advertising and bidding process, the Board subsequently approved a land exchange with Sam Hill Ventures. A necessary next step in the process is rezoning the area to accommodate the development of the school and surrounding houses.

The Town Council has been working with LandPlan and the LEISD for over two years on this project. We have achieved a fantastic outcome that will maintain our small town appeal, increase our property values, and greatly enhance the greenspace and wildlife opportunities consistent with our long-term vision. I don't have space here to describe all of the benefits, so I will just name two important ones. First, our 2014 Master Plan anticipated 80 houses on the 80 acres. In the current plan there are 81, so our water and sewer capital investment planning are unaffected. Second, in keeping with the commitment to maintaining our wildlife, LWV Ordinance 15-18 requires LandPlan to set aside 3 acres of greenspace for parks. **In the proposed plan, they have agreed to donate land for a greenbelt and walking trail, four parks, and space for a future town hall, almost 14 acres.** To put that in perspective, currently in all of Lakewood Village we have a ¼ acre playground, and a ¼ acre "park" in front of the sewer plant. The proposed plan will increase our public greenspace by a factor of almost 30. In the fast growing DFW market, it's very rare to find a developer that doesn't want to maximize the house count and build on every available square foot. We are fortunate that Jim Williams and LandPlan share our vision and want to continue to make Lakewood Village a unique oasis in the metroplex.

For some perspective, in our negotiations with LandPlan we stressed two key principles.

I. DON'T GIVE US WHAT WE ALREADY HAVE.

Currently in the Town about 45 percent of our properties are on 0.22 acre lots (80 ft wide x 120 ft deep), similarly, about 45 percent are on 1 acre or greater lots. The remaining are odd sizes along the Highridge, Peninsula, and Meadowlake waterfront. So, we have the two book-ends, what we are missing is the middle. Today there are 19 empty lots in the Shores, which was developed in 1996. Think about it. After a quarter century there are still many lots available. **We don't need more lots that won't sell.** We need the middle sizes. The proposed plan has two lot sizes; 1/3 acre and one-half acre. How did we get these sizes ? A typical lot in the original part of town is 0.22 acre. **A fifty percent larger lot** is 1/3 acre; another **fifty percent larger** is a half acre. We need this type of variety available for new and existing citizens. Mayor Pro-tem Darrell West said it best. "LWV won't be two neighborhoods anymore, we will be a real town". With this development, roughly, a quarter of the town will be more than an acre, one quarter will be 1/3 acre, a quarter will be 0.22 acre, with the rest in the one half acre range.

II. GREENSPACE AND PARKS ARE EXTREMELY IMPORTANT

As with any negotiation you must make trade-offs. If you tell the developer to give us land for parks and trails, then you have to allow for smaller lots. Fair is fair. Suppose we insisted that each lot had to be greater than a half acre. LandPlan is still going to put in 81 houses, but obviously, now they need more land, which means less parks and greenspace for us. It is a balancing act. Key to the proposed plan is that the largest park is adjacent to the lake and the larger federal property. We won't allow the lake to be walled-off like the Shores. Now, the wildlife gets double the benefit and a much larger part of the lake to access. To put it simply, we are absolutely committed to keeping the woods in LakeWOOD village.

The Process Under State Law, we are required to have one public hearing before voting on a zoning change. **We will have three;** at the start of our **March 26, April 9, and April 23** Council meetings. If you have questions, concerns, or comments you can also participate by emailing Linda or any Councilmember. Of course, you can always just drop by when getting your mail or, as always, just call me and I will be glad to meet you at Town Hall.

There are many more great things in this proposal such as a new waterfall entrance, traffic signal, and new roads. I will write much more in next month's Mayor letter. Our future has never been better. Thank you.

MAP on REVERSE ↘

LEGEND

- TYPE A
1/2 ACRE LOTS
- TYPE B
1/3 ACRE LOTS
- TYPE C
ETJ
- 6' SIDEWALK
BY DEVELOPER
- 6' SIDEWALK
BY LEISD

