



AGENDA ITEM SUMMARY FORM

MEETING DATE: January 11, 2022

PREPARED BY: Lindsay Koskiniemi, CPM, CGFO, Assistant Director of Development Services

AGENDA CONTENT: Discussion and possible action concerning a request to the City to hire an alternative Public Improvement District administrator for the Greystone Subdivision Development.

AGENDA ITEM SECTION: Regular Agenda

BUDGETED AMOUNT: N/A **FUNDS REQUESTED:** N/A

FUND: N/A

EXECUTIVE SUMMARY:

This is a request to the City Council from Reg Aplin, project owner and developer of the Greystone subdivision development, for the City to use an alternate Public Improvement District (PID) administrator in the execution of a PID reimbursement agreement with the City.

In the Spring of 2021, the City of Angleton retained P3 Works, a PID Consultant, and with their assistance, began the process of developing a Public Improvement District ("PID") Policy setting forth the requisites necessary for any developer and any potential development to be considered for the creation of a PID. The City's efforts were inclusive and involved not only staff and the city attorney, but Developers were notified and kept apprised.

On July 13, 2021, the City of Angleton City Council adopted a Public Improvement District (PID) policy, "Policy and Procedures for Public Improvement Districts." The policy explains in detail, the purpose, process, requirements, application review, qualifying criteria, financial limitations, and performance standards, generally necessary to comply with Chapter 372 of the Texas Local Government Code. Generally, the City of Angleton, and City Council have adopted procedures with the aid of their consultant P3 Works, LLC. The City's policy is intended to use P3 as the consultant. Section V of the policy, PID Administration and Management, states,

"The City will contract with an outside consultant, either P-3 or an alternative consultant to administer the PID and to bill, collect, and track PID assessments..." (p.13/15)

Shortly after the PID Policy adoption P3, the City and the City Attorney had several meetings with the PID Consultant to discuss the Greystone PID. City time, city attorney time and consultant fees were incurred. On August 16, 2021 Tim Green emailed the City Attorney a draft of a Reimbursement Agreement. Tim Green during that time had several telephone and email

communications with P3 Works. On August 18, 2021 pursuant to instructions from Tim Green and Reg Aplin Scott Bean

On August 26, 2021, Reg Aplin, his attorney Tim Green, P3 Works, the City Manager, the City Attorney, and staff had a meeting to discuss the development and the PID. The City agreed to waive some of the required fees set out in the PID Policy, however, Reg Aplin agreed to reimburse the City for Consultant fees and to the PID Policy requirement of payment of 10% of the assessment amount at the time levied.

On September 9, 2021 Reg Aplin was notified by the City that the public improvements had already been accepted by the City in May 2021. Due to the dedication and acceptance of the improvements proceeding with the PID is contrary to state law (Local Government Code 372.017), and that assessments are apportioned based on special benefit to the property, and that as the City had already accepted the public improvements the City could not move forward with the PID.

On September 16, 2021 Reg Aplin, Tim Green, P3 Works, City Attorney, City Manager, and staff had a meeting with Reg Aplin and Tim Green to discuss Reg Aplin's agreement to indemnify the City in the Reimbursement Agreement due to the lack of conformity to state law.

On October 22, 2021, the Texas Attorney General Public Finance office and the City's bond counsel opined on the advisability of the PID. On November 3, 2021 Reg Aplin, Tim Green, P3, City Manager, the Mayor and staff attended an in-person meeting in City Hall to discuss the PID.

City Council considered, discussed, and approved the Greystone PID in the November 9, 2021 City Council meeting, and there was no objection to P3 Works. There was no objection by Reg Aplin to P3 Works at any time.

On December 3, 2021, several months after working with the City and P3 Works and in the absence of any objection to the City's PID Consultant. Mr. Aplin made a request to the City to consider hiring Texas PID Financing I, LLC to be the City's PID administrator for the Greystone PID assessment in order for the Developer to maximize profits. The request came directly to the City Manager more than 3 months after the Greystone PID meeting with both Tim Green and Reg Aplin.. This is contrary to the intent and purpose of the PID Policy. The intent of the policy was not to enable developers the opportunity to vary from the City's policy.

RECOMMENDATION:

City Staff recommends City Council not vary from the purpose of the PID Policy, the City's selected PID Consultant P3 Works, and deny the request.