



## AGENDA ITEM SUMMARY FORM

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**MEETING DATE:** April 14, 2026

**PREPARED BY:** Otis T. Spriggs, AICP, Development Services Director

**AGENDA CONTENT:** Discussion and possible action on Resolution No. 20260414-010 approving the Reimbursement Agreement relating to the Austin Colony Public Improvement District (PID) as part of the Agreement between the developer and the City of Angleton, Texas.

**AGENDA ITEM SECTION:** Regular Agenda Item.

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**BUDGETED AMOUNT:** None

**FUNDS REQUESTED:** None

**FUND:** None

### EXECUTIVE SUMMARY:

#### Creation and Purpose of the PID

On August 24, 2021 the City Council of the City of Angleton, Texas (the "City") passed and approved a resolution creating the Austin Colony Public Improvement District (the "District") covering approximately 164.5 acres of land described by metes and bounds in said Resolution

The purpose of the District is to finance public improvements (the "Authorized Improvements") as provided by Chapter 372, Texas Local Government Code, as amended (the "PID Act") that promote the interests of the City and confer a special benefit on the Assessed Property within the District.

The reimbursement Agreement is attached for the City Council's consideration and approval.

#### Developer Responsibilities and Cost Advancement

Under this agreement, the Developer is responsible for constructing the authorized improvements upfront. The City agrees to reimburse the Developer for these costs, including interest, but only from a specific funding source: assessment revenues collected from benefiting properties. These revenues are placed into a dedicated Reimbursement Fund and cannot come from the City's general funds, taxes, or other revenues.

#### Use and Allocation of Assessment Revenues

The agreement establishes that assessment revenues will first be used to pay debt service on any future bonds issued by the City (referred to as Future PID Bonds). Any remaining funds are deposited into the Reimbursement Fund and used to repay the Developer. Reimbursement is

strictly limited to the actual costs of completed and City-accepted improvements, and only after the Developer submits proper documentation through a reimbursement request process.

### **Interest Accrual and Payment Structure**

Interest on reimbursable costs begins accruing once improvements are accepted by the City and continues until repayment, issuance of bonds, or a maximum term (generally up to 30 years, depending on the Service and Assessment Plan). The structure distinguishes between earned and unearned interest, with different treatments affecting reimbursement totals.

### **Construction Compliance and Obligations**

The Developer is required to complete all improvements in compliance with City standards, obtain necessary approvals, and provide as-built documentation. Note that Austin Colony, Section 1A is under inspection, pending minor punch items for corrections. Even if reimbursement funds are insufficient, the Developer must still complete and dedicate the improvements to the City.

Importantly, the agreement does not create any debt obligation for the City beyond the pledged assessment revenues. It preserves the City's governmental immunities and clarifies that reimbursement obligations are non-recourse.

Overall, the agreement formalizes a financing structure in which the Developer fronts the cost of infrastructure improvements and is repaid over time through property assessments within the PID, ensuring that the financial burden is tied to the benefiting properties rather than the City's general taxpayers.

### **Next Steps**

During the next stage of the process, the City Council intends to pass and approve an ordinance (the "Assessment Ordinance") which, among other things, will approve a service and assessment plan (the "SAP") that will levy assessments on assessable property in the District (the "Assessments"), and establish the dates upon which interest on such Assessments will begin to accrue and collection of such assessments will begin.

From revenues received from the Assessments levied on property within the District and pursuant to the SAP, the City intends to reimburse the Developer for all of a portion of the costs of certain public improvements to be constructed in the District (the "Improvement Area #3 Public Improvements") pursuant to and in the manner set forth in the Reimbursement Agreement by and between the Developer and the City.

### **RECOMMENDATION:**

The City Council should approve the Resolution approving the Reimbursement Agreement for the Austin Colony Public Improvement District.