



# STAFF REPORT

**MEETING DATE:** August 13, 2024

**TITLE:**

Receive information on a proposed Public Improvement District for the Valverde Development.

**AGENDA ITEM SUBMITTED BY:**

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, City Manager

**BACKGROUND/HISTORY:**

The previously named NEU Community Public Improvement District, then the Viridian Development, now known as Valverde, planned a 410 acre development, now a 399 acre development north of FM 969 and Highway 71. The plan is a total of 1,545 residential units which includes multi-family and single-family lots. The estimated value at buildout is \$557,000,000 and would potentially generate \$2.8M in ad valorem tax to the City and additional water and sewer impact fees and monthly revenue.

At the landowner's request, a public improvement district (PID) was created by the Bastrop City Council on March 10, 2021. A PID, is an economic development tool that is allowed under Chapter 372 of the Local Government Code. A PID requires more than 50% of the property owners in the affected area to agree to an assessment. In the case of Valverde, the developer owns the entire tract. Additionally, the tool can only be used to finance:

- 1) landscaping;
- (2) erection of fountains, distinctive lighting, and signs;
- (3) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of-way;
- (4) construction or improvement of pedestrian malls;
- (5) acquisition and installation of pieces of art;
- (6) acquisition, construction, or improvement of libraries;
- (7) acquisition, construction, or improvement of off-street parking facilities;
- (8) acquisition, construction, improvement, or rerouting of mass transportation facilities;
- (9) acquisition, construction, or improvement of water, wastewater, or drainage facilities or improvements;
- (10) the establishment or improvement of parks;

(11) projects similar to those listed in Subdivisions (1)-(10);

(12) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement.

(13) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement;

(14) payment of expenses incurred in the establishment, administration, and operation of the district; and

(15) the development, rehabilitation, or expansion of affordable housing.

A subsequent development agreement was approved on July 13, 2021.

The final PID financing agreement was entered into on September 14, 2021. The PID financing agreement calls for the issuance of approximately \$37M in debt for the development's Service and Assessment Plan. PID Bonds will be issued by the City upon request by the Developer and approval by the City Council following receipt of an appraisal, financial analysis, and other professional services and due diligence reasonably necessary to support the request. This first tranche of financing bonds is \$9.6M.

The overall cost of the development is listed at approximately \$90M.

**FISCAL IMPACT:**

Costs are to be reimbursed by the PID for administrative costs associated with the PID.

**RECOMMENDATION:**

Approve the PID subject to all questions and issues being resolved at the August 27, 2024 City Council meeting.

**ATTACHMENTS:**

1. Proposed PID presentation
2. All original PID documents under NEU, Viridian, and now Valverde