



Special Purpose Districts (MUDs, MMDs, PIDs) Policies

COUNCIL POLICY AND VALUATION COMMITTEE: JANUARY 22, 2025

Purpose

- On August 21, 2024, the Council Policy and Valuation Committee directed staff to revise the City's existing Public Improvement District (PID) policy and prepare a policy for Municipal Utility Districts (MUDs) and Municipal Management Districts (MMDs).
- The purpose of this presentation is to review and discuss staff revisions to the PID policy and the draft policy relating to MUDs and MMDs.

Purpose

- Staff's general approach with this effort was to develop policies that recognize that special districts are unique and should be considered on a case-by-case basis; and
- Provide the Council a menu of considerations (when petitions are received), while allowing the flexibility of operating outside of a strict policy framework.

MUDs, MMDS and PIDs

- A MUD is created to finance, build and maintain infrastructure and services related to water, sewer, and drainage in areas that are otherwise unmanaged by local governments. MUDs do not last in perpetuity and are typically dissolved once the bond debt has been paid off.
- MMDS may issue bonds to promote, encourage and maintain economic development, employment, commerce, transportation, housing, tourism, recreation, arts, safety and public welfare within the MMD boundary. MMDs can last indefinitely as long as the property owners within the district continue to vote to maintain it.
- A PID can be used for a variety of public community improvements, including parks, fountains, landscaping, infrastructure and other non-utility enhancements.

Proposed Revisions to PID Policy

- Substantive Changes:
 - i. The draft revisions to the PID policy include the removal of the “**Types of PIDs**” section detailing Capital PIDs and Operation and Maintenance (O&M) PIDs. Staff is of the determination that this is overly restrictive for a developer.
 - ii. Staff has revised the initial deposit of the “**Professional Services Reimbursement Agreement**” to reflect an initial amount of \$7,500, with additional \$10,000 increments when deposit balance reaches \$2,500.
 - iii. The “**PID Petition**” and “**Service and Assessment Plans**” sections have been removed. These sections simply referenced state law.
 - iv. Staff has removed the tax cap, to allow Council more discretion when evaluating PID petitions.

MUD and MMD Policy

- Staff has prepared a draft special purpose district policy for MUDs and MMDs.
- The policy has three broad sections: Conditions for City Consent; CCN; and Voluntary Annexation.
- The draft policy provides a general framework that establishes expectations of the Developer and City Council.



Questions/ Comments

STAFF CONTACT:

TONY D. MCILWAIN, AICP, CFM

DEVELOPMENT SERVICES DIRECTOR

TMCILWAIN@BURLESONTX.COM

817-426-9684