



Post Oak Development Public Improvement District



Public Hearing
June 19, 2025

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Agenda



1. Summarize Post Oak PID Petition
2. PID 101
3. City Council's next decision

Post Oak Development - PID Petition



1. Submitted by BMRK, Boerne Ranch LLC on May 2, 2025
2. May 20, 2025
 - ✓ Council accepted PID petition
 - ✓ Ordered Public Hearing
3. Proposed PID is part of a comprehensive project plan:
 - Amended Development Agreement
 - Annexation
 - PID

Post Oak Development - PID Petition Background

1. Subject property: 345-acre parcel, aka: “The Reserve at Fair Oaks Ranch”
2. New plan:
 - ✓ 278 residential units
 - ✓ Ammann Rd. improvements
 - ✓ PID financing for improvements



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Regulatory Framework



1. Chapter 372, Texas Local Government Code
 - Establishes legal and regulatory framework
 - From petition through implementation and dissolution
2. City PID Policy – adopted December 2024

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1. Why use a PID?

- Economic development incentive tool
- Incentivizes development of special amenities
- Can help to accelerate construction
- Extend public infrastructure without burdening existing tax payers / rate payers

2. A PID is NOT:

- Another political subdivision

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Types of PIDs

Pay-As-You-Go

Allows for long-term reimbursements

Interest rates are set, usually 2-5% above bond index

Reimbursement Bonds

Reimbursement soon after construction

Less market risk → better interest rates

Perceived risk decreases further into the project

Construction Bonds

Bond funds up front to cover construction costs

Higher market risk → higher interest rates as land is undeveloped

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PID Financial Implications to the City



PID Debt

- Non-recourse to the City
Bonds/Agreements backed by assessments on the property
- Issuance of PID debt by City does not reduce City's bonding capacity
- City keeps all of its ad valorem and sales tax revenues
- Counts against Bank Qualified Debt limit

PID Creation & Administration

- All City costs incurred as a result of PID creation to be paid by Developer via cash escrow deposit with City
- Administration is contracted to a third party (P3-Works), City maintains oversight, all paid for by PID assessments

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City Obligations for PID

- Inspect Public Improvements
- Hire & oversee PID Administrator

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City Obligations for PID with help from 3rd Party Administrator

- Review request for draws by developer
 - Verify infrastructure costs vs. Service Assessment Plan (SAP)
 - Certify compliance w/terms in certificate of payment prior to release of bond proceeds
 - Verify appropriate release of lien, “all bill paid” affidavit prior to release of payments
- Maintain database of all property in PID
- Send assessment roll to County
- Prepare delinquency reports
- Account for funds withdrawn from trust vs. approved draws & debt service payments
- Review developer quarterly disclosures
- File annual disclosure reports (as obligated party)
- Pursue and enforce collection of delinquencies (via County contract)
- Prepare & adopt annual SAP update

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Who's on the team?



Post Oak Development PID

Next Decisions



1. Consider resolution creating the Post Oak PID
 - Anticipated: July 3, 2025
2. Will need to make findings (TxLGC 372.009)
 - Advisability of the proposed improvement
 - Nature of the improvement
 - Estimated cost of the improvement
 - Boundaries of the improvement district
 - Method of assessment
 - Proposed apportionment of costs between district and City



Public Hearing