



CITY COUNCIL PUBLIC HEARING CITY OF FAIR OAKS RANCH, TEXAS

AGENDA TOPIC: Public Hearing concerning the creation of the Post Oak Public Improvement District, pursuant to the provisions of Chapter 372 of the Texas Local Government Code

DATE: June 19, 2025

DEPARTMENT: Administration

PRESENTED BY: Jim Williams, MBA, ICMA-CM, Assistant City Manager

INTRODUCTION/BACKGROUND:

On May 2, 2025, the City of Fair Oaks Ranch received a Public Improvement District (PID) petition from BRMK Boerne Ranch, LLC. The petition is included as **Exhibit A** for reference. The petition requested the creation of the Post Oak PID within the City of Fair Oaks Ranch's extraterritorial jurisdiction. On May 20, 2025, and pursuant to Texas Local Government Code (TxLGC) Section 372.005, the City Council accepted the PID petition and ordered a public hearing on the petition.

Section 372.009 specifies that the Council must hold a public hearing on the advisability of the improvement before the City Council can authorize the creation of the Post Oak PID. After the public hearing and as part of the Post Oak Development PID authorization resolution, the City Council will be required to make findings that detail the:

1. Advisability of the improvement,
2. Nature of the improvement,
3. Estimated cost of the improvement,
4. Boundaries of the improvement district,
5. Method of assessment, and
6. Apportionment of costs between the district and the municipality as a whole.

Based on requirements specified in Section 372.009, staff has identified preliminary findings:

1. The proposed Post Oak Development improvements are advisable and desirable, and it is in the best interest of the City of Fair Oaks Ranch to create the Post Oak Development District.
2. General Nature of the Authorized Improvements. The general nature of the proposed public improvements (the "Authorized Improvements") include: (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 of 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 (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 establishment, administration, and operation of the District, including the costs of financing the public improvements listed above; (15) the development, rehabilitation, or expansion of affordable housing; and (16) payment of expenses associated with operating and maintaining the improvements listed above and any other hard or soft costs associated with the development of the Property as allowed under the Act. These Authorized Improvements shall promote the interest of the City, are consistent with the City's Comprehensive Plan, and confer a special benefit upon the Property.

3. Estimated Cost of the Authorized Improvements. The estimated Authorized Improvement costs, together with bond issuance costs, eligible legal and financial fees, eligible credit enhancement costs and eligible costs incurred in the establishment, administration, and operation of the District are currently estimated to be \$60,000,000. The City will pay none of the costs of the proposed improvements from funds other than the District assessments. The remaining costs of the proposed improvements will be paid from sources other than the City or assessments of property owners.
4. Boundaries of the Proposed District. The District includes the Property as shown in **Exhibit A**.
5. Proposed Method of Assessment. An assessment methodology will be prepared that will address: (1) how costs of the Authorized Improvements financed with the assessments are assessed against the property in the District; (2) the assessments to be collected each year; and (3) reduction of assessments for costs savings (pursuant to an annual review of the service plan for the District). Additionally, a report will be prepared showing the special benefits accruing to property in the District and how the costs of the Authorized Improvements are assessed to property on the basis of the special benefits. Pursuant to the methodology, the City shall levy assessments on each parcel within the District in a manner that results in imposing equal shares of the costs on property similarly benefited, in compliance with the Act. All assessments may be paid in full at any time (including interest and principal), and certain assessments may be paid in annual installments (including interest and principal). If an assessment is allowed to be paid in installments, then the installments must be paid in amounts necessary to meet annual costs for those Authorized Improvements financed by the assessment and must continue for a period necessary to retire the indebtedness of those Authorized Improvements (including interest).
6. Proposed Apportionment of Costs between the District and City. The City will not be obligated to provide any funds to finance the Authorized Improvements, other than from assessments levied on the District. No municipal property in the District shall be assessed.

The Petitioner may also pay certain costs of the Authorized Improvements from other funds available to the Petitioner.

On May 20, 2025, City Council approved a PID third party administrator agreement with P3-Works, LLC, who shall from time to time advise the City regarding certain operations of the District. P3-Works shall be paid as part of the annual administrative cost of the District.

The City Council may adjourn the public hearing from time to time. Once the public hearing is adjourned, it is anticipated that City Council may take action to adopt findings and issue the improvement order by resolution on July 3, 2025.

PUBLIC HEARING:

The sequence for conducting the public hearing is shown on the meeting agenda.

NEXT STEPS:

It is anticipated that the City Council will consider a resolution creating the Post Oak Development Public Improvement District on July 3, 2025.