



Public Improvement District Policy

A Public Improvement District (“PID”) in accordance with Texas Local Government Code Chapter 372, provides the City of Manor (“the City”) an economic development tool that finances the costs of public improvements that benefit a definable part of the City or its ETJ. A PID may be located either within the City’s corporate limits or within its extra-territorial jurisdiction. PIDs allow the costs of public improvements to be borne by those who receive special benefits from the improvements.

The purpose of this PID policy is to outline the policies and procedures the City will use to consider whether creation of a PID, the levy of PID assessments, and issuance of PID bonds is in the best interest of the City. Any aspect not specifically addressed by this policy will be considered on an individual project basis.

The City may, on a case-by-case project basis, waive a requirement of this policy if it does not conflict with state or federal law. Any requirements waived shall be noted in the resolution approving the PID petition, or other relevant document, and must include a finding that the waiver is in the best interest of the City.

Location

The City will consider a petition for formation of a PID within the City’s corporate limits and within its extra-territorial jurisdiction (“the ETJ”). For projects within the ETJ:

1. a development agreement must be entered into prior to the levy of assessments requiring (i) compliance with the City’s development standards, (ii) City building permits, and (iii) easements over City streets to enable the City to collect franchise fees;
2. a maintenance assessment will be required to maintain roads funded by the PID at the City’s standards only if such roads are not maintained to City standards by another public jurisdiction; and
3. a separate services assessment for police and/or fire services may be required if the City determines it is in its best interest unless such services are being provided by another public jurisdiction.

Application Fee and Professional Services Reimbursement Agreement

A non-refundable application fee of \$25,000.00 is required at the time a petition is filed. If the City determines it is in its best interest to establish a PID, a Professional Services Reimbursement Agreement will be entered into with the developer. The Professional Services Reimbursement Agreement will require the developer to initially deposit funds in the amount of \$75,000 (in addition to the amounts already required to pay for the City’s costs for staff including the City Attorney, City Engineer and City Planning staff) to pay for third party consultants including, but not limited to, Bond Counsel, Financial

Advisor, PID Administrator, Trustee, Underwriter, Appraiser, and Market Study Analysts. An additional \$25,000 deposit will be required to be deposited by the developer when the deposit balance reaches \$10,000. The unused balance will be returned to the developer. The developer may recover the professional fee deposit at bond closing. A cost of \$50 to \$75 per residential lot; \$100 to \$150 for commercial lots; and \$200 for Multifamily or other use type lots will be assessed annually to cover PID administrative costs.

Development Standards

The City will consider petitions for PID projects that support real estate developments which confer benefits to the City to a degree that is superior to benefits typically generated by projects that do not involve PID financing.

1. The project must include improvements that enhance the City's master plan, including the City's thoroughfare plan and water and wastewater plans (improvements must exceed current subdivision regulations) and advance the City's trail and park plans.
2. Any improvements that are offsite or are part of the City's master plans must obtain approval from the City Engineer prior to being included in the PID.
3. Preference will be given to high quality projects that exceed the City's subdivision requirements for overall design, building standards and amenities with enhanced landscaping and appealing architecture throughout.
4. Preference will be given to mixed use projects that include a mix of residential and commercial uses.
5. Preference will be given to projects where an average home price is expected to exceed other surrounding new home community pricing by \$30,000.
6. Preference will be given to projects within the ETJ that voluntarily annex into the City's corporate limits.
7. The project is to include an outdoor emergency service siren or storm emergency system in residential or commercial projects.

Collection of Assessments

Prior to the levy of assessments, the City will enter into an agreement with Travis County to include the annual PID installments on the Travis County Tax Bill.

Disclosure to Homeowners

To satisfy disclosure to homeowners, the City will require the petitioner to comply with the following:

1. Landowner's Agreement to be recorded in the Official Public Records of Travis County.
2. Signage at major entryways and exits.
3. Signage and information flyers in any sales centers within the PID that include:
 - a. Frequently Asked Questions
 - b. Total Assessment
 - c. Average Annual Installment
 - d. Equivalent Tax Rate
4. Homebuyer disclosure documents in accordance with Section 5.014 of the Texas Property Code to be signed both at contract signing and at closing with such agreements maintained on file by each homebuilder and available for inspection by the City

5. Developer contracts with homebuilders must require the homebuilder to disclose the PID on any MLS listing.

City Consultants

The City will independently select a Bond Counsel, Financial Advisor, PID Administrator, Trustee and Market Study Analyst. With input by the Developer, the City will select an Underwriter and Appraiser. The City's PID Administrator, in conjunction with the developer's PID Consultant, will draft the Service and Assessment Plan and prepare all annual updates.

Maximum Assessment

The annual PID installment shall ~~not exceed an amount that increases the expected total equivalent tax rate upon buildout above \$3.26 per \$100 of assessed value~~. A true-up calculation will be performed at each bond issuance and upon filing of a final plat to ensure that the maximum assessment is not exceeded, which may result in a mandatory prepayment from the developer.

Assessment Term/Bond Term

The maximum term of a PID assessment is not to exceed 30 years and the assessment term must equal the bond term.

PID Bonds

The following performance standards shall apply to PID bonds:

1. Minimum appraised value to lien ratio of 3:1.
2. All improvements to be funded with PID bonds must be fully engineered and bid. A competitive bidding process with at least three bids will be required.
3. Developer is required to demonstrate committed capital in the form of cash deposit, proof of bank financing and/or equity capital, or letter of credit to the City with an amount confirmed by an engineer's opinion of probable cost, which represents the difference between budgeted cost to complete the public improvements assumed to be complete in the appraisal and the net proceeds of the PID bonds. The form of committed capital (cash deposit, letter of credit or bank/equity commitment) will be determined by the City on a case-by-case basis on advice from its Financial Advisor.