



AGENDA ITEM SUMMARY FORM

PROPOSED MEETING DATE: April 17, 2024
PREPARED BY: Scott Moore, City Manager
DEPARTMENT: Administration

AGENDA ITEM DESCRIPTION:

Consideration, discussion, and possible action on a Resolution of the City of Manor, Texas approving and authorizing the execution of the EntradaGlen Public Improvement District Reimbursement Agreement.

BACKGROUND/SUMMARY:

This item was previously postponed because it was not ready to move forward. In reviewing revisions to the agreement, bond counsel determined that the entire PID needed to be covered by the reimbursement agreement instead of only covering Improvement Area #1, so the agenda language has been revised to reflect this change. The purpose of this agreement (the "Reimbursement Agreement") is to establish the City's intent to reimburse the developer for PID improvements that the City will accept before levying PID assessments and issuing PID bonds. As a general rule, a city cannot pay or reimburse a developer for improvements that the City has acquired and already owns. There is an exception for PID improvements if a city, before accepting the improvements, has expressed an intent to acquire the improvements with PID funds (assessments or bonds) at a future time, and before assessments are levied. The Reimbursement Agreement considered in this item establishes that intent and as such will allow the City to acquire improvements now and then reimburse the developer for those improvements after the levy of PID assessments.

The developer is asking for this agreement now so that the City can accept already constructed PID improvements. By accepting those improvements, the city will allow the developer to get its plats approved so it can continue with the development of the PID.

The Reimbursement Agreement considered with this item provides that the City's obligation to pay for the accepted improvements begins only after the assessments are levied. (See, Sections 5 and 6(a)). As such, the City can accept the improvements now and its payment obligation will begin after a method of payment (assessments and possibly bonds) has been authorized and established.

The maximum reimbursement amount as stated in the resolution is \$ 40,000,000, which is the estimated maximum cost of authorized improvement as stated in the petition creating the PID.

LEGAL REVIEW: Yes, Gregory Miller, Bond Counsel
FISCAL IMPACT: The amounts to be paid under this agreement will be funded from assessment revenues and not from the City's general or operating fund.
PRESENTATION: No
ATTACHMENTS: Yes

- Resolution No. 2024-03
- Reimbursement Agreement

STAFF RECOMMENDATION:

Staff recommends approval of Resolution No. 2024-03 of the City of Manor, Texas approving and authorizing the Manor EntradaGlen Public Improvement District Improvement Area #1 Reimbursement Agreement.

PLANNING & ZONING COMMISSION: **X Recommend Approval** **Disapproval** **None**