
Public Improvement District No. 15

Graylou Grove

April 1, 2024

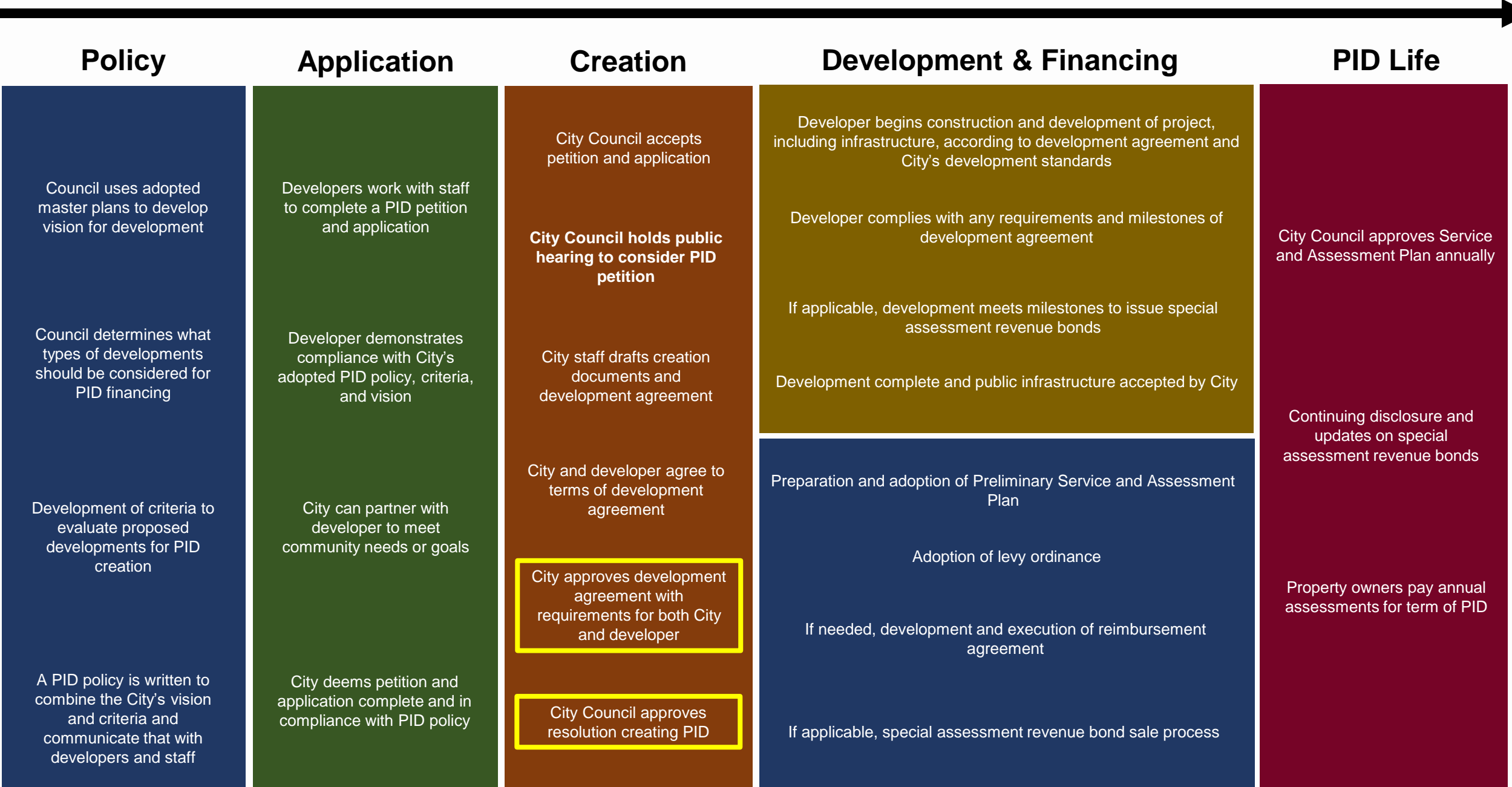


FLS Development, LLC (Harrisburg Homes) PID Petition Summary

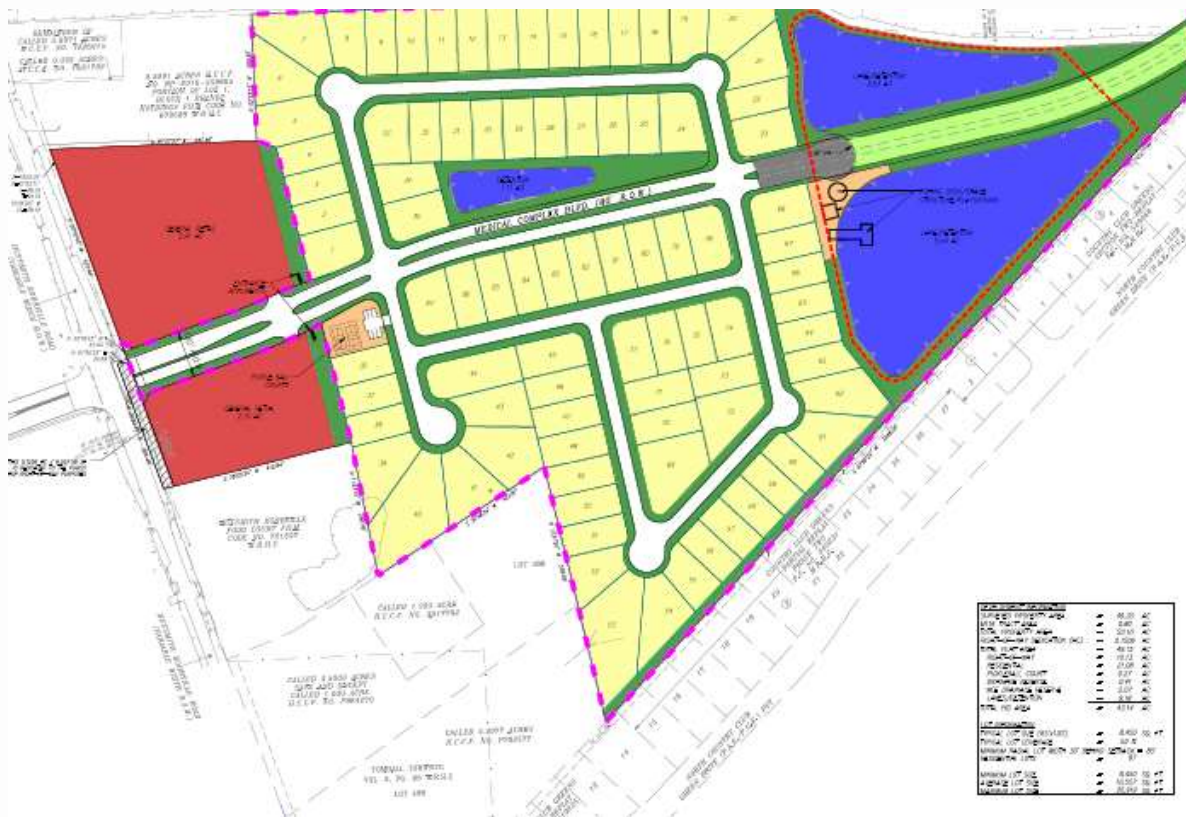
- Petition for creation of Public Improvement District No. 15, Graylou Grove.
- Located on Hufsmith-Kohrville Road (at Medical Complex Blvd.)
- Total acreage to be included in PID is 43.149 acres.
- Mixed Use Development – Commercial & Residential
 - Approximately 87 single-family homes.
- Reimbursement Bond PID: \$8,000,000.
- Estimated market value of \$675,000
 - Maximum Annual Installment: \$6,413 (at \$0.95 per \$100 assessed value)



Public Improvement District Timeline



Concept Plan for PID Petition



- Developer incorporated changes to the concept plan from City Council’s comments on December 18, 2023, including:
 - Adding approximately six parking spots at the Pickleball Courts.
 - Temporary asphalt paving with turnaround at the detention area.

Legend

- Blue – Detention Areas
- Orange – Amenity Areas
- Yellow – Residential Lots (87)
- Red – General Retail
- Dark Green – Landscape Buffer
- White – Public Roads
- Light Green – ROW Dedication Only



City of Tomball PID Policy: Debt PID

- PID Policy adopted by City Council on September 19, 2022, outlines the minimum requirements for eligibility of a PID and guidelines for a Debt PID.
- Debt PID requires that the following guidelines be adhered to:
 - Minimum of 50 acres;
 - Minimum appraised value to lien ratio of 3:1;
 - All improvements to be funded with PID bonds must be fully engineered and competitively bid;
 - Maximum term of PID assessment is not to exceed 30 years with \$0.48 per \$100 assessment cap OR 15 years with \$0.96 per \$100 assessment cap; and
 - All PID bonds are subject to City Council approval.



Exception One: Value to Lien (VTL) Ratio

- **PID Policy**
 - **Section XV:** Finance Limitations for Special Assessment Revenue Bond Issuance (PID Bonds)
 - Requires a minimum appraised LTV of 3:1
- **Development Agreement**
 - Adheres to the policy and grants the City the ability to issue bonds at a lower VTL and disburse once the VTL is reached.

Developer Exception Request

- Requesting to levy at less than the required 3:1 VTL.
- Bonds would be sold at the 3:1 or result in a holdover until the VTL of 3:1 is reached.



Exception Two: Bonding

- **PID Policy**

- **Section XV** Finance Limitations for Special Assessment Revenue Bond Issuance (PID Bonds)
 - Requires that public improvements be completed prior to bonds being issued but allows an exception to be granted by City Council for PID bonds to be issued in advance of construction.

- **Development Agreement**

- Agreement is written for a reimbursement PID with bonding completed once all public improvements have been completed and accepted by the City.

Developer Exception Request

- Requesting an exception to up-front bond before the completion of public improvements.
- Requesting to levy a \$74,000 assessment per lot up front, resulting in a lower VTL than the required 3:1.
- Sale up front bonds that can be supported by a 3:1 VTL based on the projected value of the lots, approximately \$3,393,000.
 - Approximately \$39,000 principal amount of bonds per lot.
- A second bond sale would occur once the requisite number of homes are completed to result in a 3:1 VTL, approximately \$3,060,000.



Exception Three: Assessment & Acreage

- **PID Policy**

- **Section XIII:** Maximum Assessment

- Maximum assessment for a 30-year PID is \$0.48 per \$100 assessment cap.

- **Section XV:** Finance Limitations for Special Assessment Revenue Bond Issuance

- Requires the proposed boundaries of a development be no less than 50 acres.

- **Development Agreement**

- Agreement has the developer exception included maximum assessment of \$0.95.
 - Agreement has the developer exception included for the total property included in the PID of 43.149 acres.

Developer Exception Request

- Requesting exception for the maximum assessment from \$0.48 per \$100 assessed value to \$0.95 per \$100 assessed value.
- Requesting an exception for less than 50 acres. Total property included in the PID is 43.149 acres.



Exception Four: Road Construction

- **PID Policy**

- **Section II-E:** Increase or enhance the City's transportation and roadway plans

- Ordinance Section 38-125 (When Construction is Permitted):
"...must construct street or drainage facilities in such a manner that they will benefit other property owners, may at their cost and expense construct such street and drainage facilities in accordance with the master plan of the city and in accordance with such conditions as may be prescribed by the ordinances of the city or the city council."
 - Code of Ordinances, Section 40-64 (Public Streets; General Arrangement and Layout): *"Provide adequate street connections to adjacent properties to ensure adequate traffic circulation within the general area."*

- **Section X – A:** Plans for proposed development shall be prepared and reviewed by the City in compliance with the City's development ordinances regarding land use, development, infrastructure design, permitting, and inspections.

- Ordinance Section 40-65 (Streets, specific standards), (f) (Dead-end Streets): *"Dead-end streets shall not be approved except in those instances where the street is terminated by a temporary circular cul-de-sac turnaround or where the street is designated to be extended into adjacent property..."*

- **Development Agreement**

- Agreement includes an exception for not building Medical Complex

Developer Exception Request

- Requesting not to construct any additional footage to Medical Complex, nor seek funding opportunities with the TEDC.



Additional Items to Note: Updated Cost

- The original cost estimate for public improvements and project costs has been updated from the PID application.
 - Includes increase of the overall cost of \$286,276
- The updated cost will be included in the Final Development Agreement.
- Application Cost:
 - Total Preliminary Construction Cost: **\$9,505,842**
 - Cost per Lot: **\$109,263**
 - Cost per Acre: **\$198,496**
- Updated Cost:
 - Total Preliminary Construction Cost: **\$9,792,118**
 - Cost per Lot: **\$112,553**
 - Cost Per Acre: **\$204,474**



Current Process & Steps for Development

- **Previously Approved/Adopted:**

- Resolution 2023-56 Accepting PID Petition
 - Approved December 18, 2023.
- Public Hearing for PID
 - Conducted on February 5, 2024.
- Resolution 2024-13 accepting Annexation request
 - Approved on March 18, 2024.

- **April 1:**

- Resolution 2024-08 approving Development Agreement
- Resolution 2024-07 Creating Public Improvement District

- **April 8:**

- Planned Development presented to Planning & Zoning

- **April 15:**

- Public Hearing for Annexation
- First Reading of Annexation Ordinance
- First Reading of Planned Development Ordinance

- **May 6:**

- Second Reading of Annexation Ordinance
- Second Reading of Planned Development Ordinance



Discussion Items:

- Consider developer requested exceptions to City's PID policy and provide direction to amend proposed development agreement.
- Provide additional direction to staff regarding development agreement.



Applicant

