CITY OF TOMBALL ADMINISTRATIVE POLICIES, RULES AND PROCEDURES			
SUBJECT **DEVELOPMENT POLICY FOR SPECIAL FINANCING DISTRICTS**	NUMBER: 18	EFFECTIVE DATE: ~~September 19, 2022~~	PAGE 1 OF 1~~85~~
	REVISED: ~~September 19, 2022~~	APPROVED BY CITY MANAGER: September 19, 2022	
	SUPERSEDES: ~~March 21, 2022~~	APPROVED BY CITY COUNCIL: September 19, 2022	

I. I. Purpose

The purpose of the City of Tomball Public Improvements District ("PID") Policy is to outline the policy parameters and considerations to be addressed before the Tomball City Council can support the establishment or continuation of a PID as allowed by Chapter 372 of the Texas Local Government Code. The Policy outlines such things as general procedures, City processes, petition requirements, information to property owners, and determination of annual plan of services, budget, and assessments. This Policy sets forth City procedures and requirements which are in addition to the requirements of state law. 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 may 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.

II. Considerations

The City of Tomball will consider PID applications that demonstrate compliance with at least 50% of the below criteria. Applicant must provide substantial and thorough justification for the PID request and financial gap that justifies PID financing.

a. Generate economic and superior development benefits to the City beyond what normal development would generate and must be self-sufficient and not adversely impact the ordinary service delivery of the City;
b. Provide for improvements in the public right of way (e.g. entryways, landscaping, fountains, specialty lighting, art, decorative and landscaped streets and sidewalks, bike lanes, multi-use trails, signage, etc.);
c. Meet community needs (e.g. enhanced drainage improvements, parks and off-street public parking facilities, pedestrian connectivity, water and wastewater on or off-site improvements) including without limitation development's pro-rata share of the regional facilities and services;
d. Implement City of Tomball master plans, including water, wastewater, parks, and trails;
e. Increase or enhance the City's transportation and roadway plans;
f. Exceed development requirements in the City, including but not limited to enhanced architectural standards, enhanced landscaping, enhanced amenities, and provide for the superior design of lots or buildings;
g. Preserve and protect natural amenities and environmental assets such as lakes, trees, creeks, ponds, floodplains, slopes, hills, and wildlife habitats;
h. Are willing to annex into the City of Tomball, if applicable, in exchange for the creation of a PID;
i. Provide for unique or special development amenities, including amenity centers, play areas, pools, picnic facilities; and
j. Have the support of 100% of the owners of the property within the PID.

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0))
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0))

Any requested deviations, adjustments, or special considerations from the terms and conditions of the City's PID Policy shall be clearly requested and explained prior to or with the PID petition for that PID.

III. Process

Generally, the City's will follow the process below for consideration of PIDs.

1. Applicant submits a completed PID petition, application, and supporting documentation.
2. Applicant pays a non-refundable PID Application Review Fee in the set amount adopted in the City's Master Fee Schedule.
3. The City will review the petition and application for compliance with statutory PID Petition requirements and requirements set forth in this Policy.
4. Upon the City approval of compliance with this Policy, City Council accepts the PID Petition.
5. City and applicant execute a Professional Services Reimbursement Agreement.
6. City and applicant execute a Development Agreement.
7. City and applicant work together to complete of required steps as set forth in Chapter 372 of the Texas Local Government Code and all steps and procedures set forth in City policy to create the PID.
8. City Council creates PID.
9. City Council levies assessments.

The City Council will not take any action to commence the creation of a PID prior to the approval of a final development agreement governing the development in question.

Completion of any individual step in the PID creation process is not a guarantee of PID approval. Creation of a PID is a discretionary action of City Council.

IV. Petition Requirements

Petitions for creating a PID must satisfy all requirements under Chapter 372 of the Texas Local Government Code.

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Strikethrough

The City may require:

a. Evidence that signature of property owners were gathered no more than six months preceding the submittal of the petition; or
b. Evidence that the petitioner's signatures meet the state law requirements, or the petition will be accompanied by a reasonable fee to cover the City's cost of signature verification.

VII. Application

In agreeing to consider a petition for creation of a PID, the City will require the following from the applicant at the time the petition is submitted. These requirements reflect the minimum requirements and the City, at its discretion, may require additional items:

a. A completed PID petition;
b. Payment to the City of a non-refundable PID Application Review Fee in the amount of adopted in the City's Master Fee Schedule;
    i. The application review fee is designed to cover all administrative or operational costs incurred by the City during the review period and beginning stages of the PID process until the escrow account is established; and
c. A PID application packet, which should include:
    i. A completed City of Tomball PID Application Form (Exhibit A);
    ii. Letter from developer requesting consideration of a PID and summary of the special benefits to be received by the development;
    iii. Evidence that the developer has the expertise, experience, necessary capital, and financial backing to complete the new development to be supported by the District financing. The developer must provide the City with adequate evidence of its committed and anticipated sources of funding to fund the balance of the improvements in the District not eligible to be funded by District issued financing;
    iv. A site plan or general plan of development that outlines, at a minimum, land use and thoroughfare connections and is consistent with the City's Comprehensive Plan, Strategic Plan, and all other City plans formally approved by City Council, as amended;
    v. Identification of how the project will contribute to funding the expansion of arterial and connector streets, major collector roadways or highways, and trunk line utility infrastructure, as applicable when necessary to address the projected demand for services and the impacts of the development;
    vi. Identify all project expenses and costs, including acquisition, construction, and any applicable long-term management cost;
    vii. Sources and uses budget and project pro forma detailing projected cash flows over the life of the proposed District including other public sources, private financing, and developer equity contribution to the project;

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough

viii. Demonstration of financial capability, solvency, and generally the necessary capital to meet project costs through project completion;
   i. This could include, but is not limited to, at least three years of financial statements, complete sources and uses budget, and letters of credit or letters of support from bank or lending institutions.

ix. Demonstration of previous experience developing similar scale and types of projects;

x. Demonstration the proposed development is consistent with the zoning of the property;
   i. Zoning for the proposed development must be in place prior to PID creation or concurrent with PID creation, at the discretion of the City; and

xi. Indication of the estimated costs of proposed improvements, maximum assessment, maximum bond issuance, and maximum tax equivalent rate (in dollars, $).

The City shall, upon reasonable prior written notice to the developer and during normal business hours, have the right to audit and inspect the developer's records, books, and all other relevant records needed to make its assessment of the PID petition or application. The City, the developer, PID consultant, and any other necessary parties involved in the approval of the PID petition and financing, will agree to maintain the appropriate confidentiality of such records, unless disclosure of such records and information shall be required by a court order, a lawfully issued subpoena, local or state laws or ordinances, or at the direction of the Attorney General.

VIII. Application Review – Amenity Priority Framework

a. Purpose

The purpose of the Amenity Priority Framework is to provide a consistent, transparent method for evaluating proposed Public Improvement Districts (PIDs) based on the level of public benefit provided beyond minimum development requirements. The priority level assigned to a proposed PID will be used to inform staff's recommendation to City Council regarding approval or denial of PID creation. All proposed amenities, regardless of priority level, must be consistent with adopted City master plans, comprehensive plans, mobility plans, parks plans, and other applicable policy documents.

b. Priority Levels

Proposed PID amenities shall be evaluation and assigned to one of the following priority levels:

i. High Priority
ii. Medium Priority
iii. Low Priority

~~IX.~~

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0))

Formatted: Indent: Left: 0.58", No bullets or numbering

a. Priority Level Definitions

A **High Priority** PID is one that provides enhanced development standards and/or significant public benefit that exceed minimum City requirements and advance adopted Master Plans.

High Priority amenities may include, but are not limited to:

iv. Enhanced development standards (e.g. larger lot sizes, increased building or architectural standards)

v. Community amenities such as parks, trails, open space, and recreational facilities

vi. City-serving amenities such as:

1. Boulevard-style roadway improvements
2. Infrastructure upsizing beyond minimum requirements
3. Additional right-of-way dedication
4. Connectivity improvements (pedestrians, bicycle, or vehicular)

vii. Amenities that demonstrate long-term public benefit beyond the boundaries of the PID

A **Medium Priority** PID is one that provides a moderate level of community or City amenities that exceed minimum requirements with select enhanced development standards and/or significant public benefit. This level requires inclusions of adopted Master Plans.

Medium Priority amenities may include, but are not limited to:

viii. Select enhanced development standards that modestly exceed City minimum requirements

1. Enhancements are additive but not transformative

ix. Limited community amenities such as:

1. Neighborhood-scale open space
2. Small park or trails
   a. Amenities primarily benefit PID residents

x. Infrastructure improvements that:

1. Meet standards with minor enhancements
2. Provide limited upsizing or aesthetic upgrades

xi. Connectivity improvements primarily internal to the development

xii. Public benefits are largely localized to the development rather than an overall benefit to the City

A **Low Priority** PID is one that development is primarily focused on private improvements with limited to no community of City amenities beyond standard requirements. Development primarily funds baseline infrastructure and amenities required for the development, with minimal enhancements beyond City requirements. This level requires inclusions of adopted Master Plans.

~~X.~~
~~XI.~~

Formatted Table

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Low Priority amenities may include, but are not limited to:

i. Infrastructure that largely meets minimum City standards
ii. Maintenance-focused improvements
iii. Limited or no community amenities
iv. Amenities that primarily benefit private development with little or no public benefit
   1. Amenities are primarily operational or maintenance-based for the future
v. Minimal connectivity improvements beyond required access
vi. Public benefit is limited in scope and duration
vii. No meaning infrastructure upsizing or City-wide benefit

c. Priority Scoring Criteria

Priority designation shall be determined using a point-based scoring system.

Scoring Threshold:

i. High Priority: 75 points or greater
ii. Medium Priority: 50-74 points
iii. Low Priority: Below 50 points
(final thresholds subject to Council adoption)

d. Scoring Matrix

Category	Criteria	Points
Consistency with Adopted Plans	Demonstrates clear alignment with adopted master plans and City policy objectives	Required/ Pass - Fail
Enhanced Development Standards	Larger lot sizes, increased building standards, or architectural requirements exceeding City minimums	0-20
Community Amenities	Parks, trails, open space, recreational facilities accessible to residents and the public	0-25
Citywide Infrastructure Benefit	Infrastructure upsizing, boulevards, or improvements exceeding minimum standards	0-20
Connectivity Improvements	Enhanced pedestrian, bicycle, or vehicular connectivity beyond project limits	0-10
Long-Term Public Benefit	Demonstrated benefit beyond PID boundaries or long-term City value (tax)	0-20

Formatted Table
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0))
Formatted: Font color: Custom Color(RGB(238,0,0))
Formatted: Font color: Custom Color(RGB(238,0,0))
Formatted: Font color: Custom Color(RGB(238,0,0))
Formatted: Font color: Custom Color(RGB(238,0,0))
Formatted: Font color: Custom Color(RGB(238,0,0))

e. Evaluation and Recommendation Process

i. Staff shall evaluate proposed PID amenities using the adopted scoring matrix.
ii. Only proposals consistent with adopted master plans shall be scored.
iii. The resulting priority level and score shall be presented to City Council as part of the PID creation request.
iv. The priority level assigned shall serve as the basis for the staff's recommendation for approval or denial of the proposed PID.

~~XII.~~IX. Professional Services Reimbursement Agreement & Deposit

If, during the initial review of the application, the City determines that it will proceed to pursue creation of a PID or the City determines it is its best interest to establish a PID, a professional services reimbursement agreement will be entered into with the applicant. The professional services reimbursement agreement will require the applicant to deposit funds with the City to pay for City staff time, third-party consultants, including but not limited to, legal study analysts, City Attorney, bond counsel, financial advisors, PID consultants/administrators, trustees, underwriters, appraisers, and market study analysts. The payment of such fees is not a guarantee that the City will approve the PID. The costs a Petitioner will pay include but are not limited to:

a. Reviewing the PID petition and application;
b. Publishing required legal notices;
c. Preparation and review of creation proceedings and levy of assessments;
d. Cost of the appraisal and reviewing the appraisal, the feasibility study, and engineering report including the cost of services provided by City consultants, attorneys, bond counsel, financial advisors and PID consultant or administrator;
e. Preparation of the initial Service and Assessment Plan (SAP) by a third party PID Administration Firm or PID Consultant engaged by the City;
f. Bond Issuance;
g. Review and approval of plans for and inspection of construction of PID improvements; not including fees paid for review and inspection required by the City's Code of Ordinances, as amended; and
h. Procurement of contracts for PID administration and operation, collection of assessments, foreclosures or other similar matters.

The initial deposit made by the applicant shall be $50,000. The applicant is required to make an additional $25,000 deposit will be required anytime the deposit balance reaches $10,000. Certain unused balances will be returned to the applicant. The applicant may be eligible to be reimbursed these costs through bond proceeds or PID assessments as applicable. The PID deposit are in addition to administrative costs associated with the PID, the cost of bond issuance, and the PID application fee.

Formatted Table
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough

IX. Development Agreement

The City Council will not take any action to commence the creation of a PID prior to the approval of a final development agreement governing the proposed development.

The following shall be provided to the City prior to the preparation of a development agreement (if not already provided as part of application packet):

a. The basic terms and conditions of the creation of the PID, including the provision of special conferred benefit;
b. Indication of the estimated costs of proposed improvements, maximum assessment, maximum bond issuance, and maximum tax equivalent rate;
c. A section that clearly identifies the benefit of the PID to the affected property owners and to the City as a whole;
d. The petitioner's qualifications and previous experience with real estate development, financing of the development, prior PIDs, etc.;
e. A legal description of the boundaries of the proposed PID, a map of the proposed PID boundaries that is suitable for publication in legal notices, and a "commonly known" description of the area to be included in the PID;
f. Description of all City-owned land within the PID as well as its proposed share of project costs;
g. A current tax roll of owners in the PID;
h. Any plan for phasing of both real estate development supported by the PID and construction of public improvements in the PID including a breakdown between major improvements serving large areas of the entire PID vs. phase-specific improvements; and
i. A sunset clause and a pre-executed petition to dissolve the PID by the landowner in the case the project has not obtained a grading permit within three years.

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough

X. Additional Requirements

The following additional requirements must be met by applicants:

a. Plans for the 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. Applicants shall seek City development approvals prior to the commencement of any construction;
b. Property in the PID owned by the City shall not be subject to PID assessments. Property in the PID owned by another governmental entity may be assessed only pursuant to an inter-local agreement between the entity and the City;
c. The PID may not finance improvements or services that would not be accessible to the general public;
d. The City's ongoing administrative and operational costs related to an approved PID, such as collection of PID assessments, review and approval of Service and Assessment Plan updates, and other costs shall be reimbursed from PID assessments. The City's costs will be determined on an annual basis;
e. Administration and management of ongoing PID responsibilities, such as preparations and updating of the Service and Assessment Plan, issuance of notices for annual City Council action on the Service and Assessment Plan, operation and maintenance of PID improvements, and other related matters shall be paid by PID assessments and performed by a third-party firm under contract with the City;
f. The City will use PID bond proceeds only to pay or reimburse the cost of PID improvements that have been designed and constructed to the applicable standards, and accepted for maintenance, or otherwise approved by the governmental entity responsible for them; and
g. In the event of default under the terms of a PID financing agreement, the City shall, after providing notice and an opportunity to cure, have the right to capture reimbursements to complete development of public infrastructure.
~~g.~~ The Developer shall install and maintain signage at the entrance(s) of the development identifying the area as a Public Improvement District.

If minimum any of the minimum requirements of this Policy cannot be met, an explanation of why the requirements cannot be met and alternatives provided to meet or exceed the requirements must be submitted.

XI. 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

XII. Collection of Assessments

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

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough

XIII. ~~Maximum~~ Assessments

~~The annual PID installment shall not exceed an amount that increases the expected total equivalent tax rate upon buildout above $0.96 per $100 of assessed value for a 15-year PID and $0.48 per $100 of assessed value for a 30-year PID, with preference given to developments with a lower assessment.~~ Applicants are encouraged to keep the equivalent tax rate as low as feasible for the development. 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.

XIV. Assessment Term/Bond Term

The maximum term of a PID assessment is not to exceed 30 years, with a $0.48 per $100 assessment cap, or 15 years with a $0.96 assessment cap, and the assessment term must equal the bond term (if applicable).

XV. Finance Limitations for Special Assessment Revenue Bond Issuance (PID Bonds)

The City may issue PID Bonds solely for the purposes of acquiring, reimbursing or constructing authorized Improvements. The Developer may request issuance of PID Bonds by filing with the City a list of the authorized improvements to be funded with the PID Bonds and the estimated costs of such authorized improvements. The Developer acknowledges that the mandatory PID Professional Service Reimbursement Agreement obligates the Developer to fund the costs of the City's professionals relating to the preparation for and issuance of PID Bonds, which amount shall be considered a cost payable from such PID Bonds. The issuance of PID Bonds is subject to all of the following conditions.

The following performance standards shall apply to PID bonds:

~~a. To receive consideration by and approval from the City for PID financing through a bond to facilitate a residential development, the proposed boundaries of the development shall be no less than 50 acres;~~
~~b. Minimum appraised value to lien ratio of 3:1;~~
c. Maximum of two years capitalized interest for each bond issuance;
d. No annual assessment increases once assessments are levied. Assessments for future phases will remain competitive with original phases and lot types as defined in the SAP;
~~e.~~ 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; and~~
f. Developer is required to demonstrate committed capital in the form of cash deposit 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.

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0))
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

The following additional considerations and limitations will apply when a developer requests PID bonds:

a. A developer or landowner may request the issuance of PID bonds in advance of construction of an individual phase of a development subject to compliance with these standards. All such PID bond issues will be subject to approval of the City Council;
b. No General Obligation Bonds or Certificates of Obligation bonds will be utilized by the City to directly or indirectly pay, or guarantee payment of, PID bonds;
c. If in any calendar year the City issues bonds that would constitute a bank qualified debt issuance but for the issuance of the PID bonds, then the developer shall pay to the City a fee to compensate the City for the interest savings the City would have achieved had the debt issued by the City been bank qualified provided that all other developers or owners benefitting from the City issuing debt are similarly burdened with an obligation to compensate the City;
d. All PID bond issues, if any, will be subject to approval by the City Council;
e. If the City Council authorizes the issuance of PID bonds, the City shall issue all such PID bonds in accordance with the protocols and procedures adhered to by the City's Director of Finance for issuing long-term debt instruments including tax notes and bonds;
f. Special assessments on any given portion of the property may be adjusted in connection with subsequent bond issues as long as an agreed-upon maximum annual assessment rate is not exceeded, and the special assessments are determined in accordance with the SAP and the PID Act. Special assessments on any portion of the property will bear a direct proportionate relationship to the special benefit of the public improvements to that improvement area. In no case will the maximum assessment be increased for any parcel unless the property owner of the parcel consents to the increased assessment;
g. The City shall not be obligated to provide any funds for any improvement except from the proceeds of the PID bonds and PID assessments;
h. The City's cost of reviewing a developer payment request from PID bond proceeds, including City staff time and third-party consultant costs, shall be netted out of the amount paid to the developer or paid from the administrative expense of the collection costs portion of the assessment;
i. Each PID bond indenture will clearly state that all debt service payments for the PID bonds shall be payable solely from and secured by the pledged assessments levied against properties within the PID or funds held under a bond indenture for such purposes, and that the City will have no obligation to make debt service payments for the PID bonds from any other sources;
j. A PID will be responsible for payment of all the City's reasonable and customary costs and expenses including the cost of any appraisal;
k. Any new money PID bonds issued will include a Reserve Fund in an amount to be determined;
l. Pursuant to the PID Act, the interest rate for assessments may exceed the interest rate of the bonds by no more than one half of one percent (0.50%);
m. All developers and significant landowners will provide any required continuing disclosure obligations associated with the issuance of PID bonds as required under the respective bond indenture or any other Page 6 regulatory agreement or regulatory agency. Failure to abide by continuing disclosure requirements may limit access to proceeds and/or future bond issues;

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough
Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough
Formatted: Strikethrough

n. Developer is required deposit cash with the City or a bond trustee on or prior to the sale date of the PID bonds in an amount confirmed by an engineer's estimate of probable cost, which represents the difference between the budgeted cost to complete the public improvements assumed to be complete in the appraisal and the net proceeds of the PID bonds;
o. During a material event of default by the developer under the terms of any agreement between the developer and the City relating to the PID or the property within the PID, the City shall, after providing notice and opportunity to cure, have the right to recapture reimbursements and/or terminate its obligations to the developer;
p. All construction of improvements is subject to City review and approval and if applicable, provisions shall be made for dedication to City or to another appropriate governmental entity, as authorized by law;
q. Improvements to be funded by the PID are limited to those defined as Authorized Improvements under Texas Local Government Code Section 372.003(b); and
r. Any trails, parks, streets or other public amenities that are located within a gated community or otherwise inaccessible location to the general public may not be funded or reimbursed by the PID.

XVI. Disclosure to Homeowners

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

a. Landowner Consent or Agreement to be recorded in the Official Public Records of Harris County;
b. Signage at major entryways and exits;
c. Signage and information flyers in any sales centers within the PID that include:
    a. Frequently Asked Questions;
    b. Total Assessment;
    c. Average Annual Installment; and
    d. Equivalent Tax Rate.
d. 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; and
e. Developer contracts with homebuilders must require the homebuilder to disclose the PID on any MLS listing.

XVII. ~~XVII.~~ PID Administration and Management

The City will contract with an outside consultant to administer the PID and to bill, collect, and track PID assessments. This cost will be considered a reimbursable project cost and shall be included in the PID Service and Assessment Plan.

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Numbered + Level: 1 + Numbering Style: I, II, III, … + Start at: 16 + Alignment: Left + Aligned at: 0.09" + Indent at: 0.57"

XVIII. Miscellaneous

~~a. This PID policy does not bind the City Council to approve, authorize or create a PID or take any related action. PID creation, PID bond issuance and all related matters are legislative acts solely with the discretion of the City Council.~~

b. Any requests for adjustments, exceptions, or waivers to this policy must be reviewed and approved by the City Council of the City of Tomball.

c. No public official or employee shall be personally responsible for any liability arising under or growing out of any approved PID. Any obligation or liability of the developer whatsoever that may arise at any time under the approved PID or any obligation or liability which may be incurred by the developer pursuant to any other instrument, transaction or undertaking as a result of the PID shall be satisfied out of the assets of the developer only and the City shall have no liability.

XIX. Council Discretion

Nothing in this policy shall limit City Council's discretion to approve or deny a PID. This PID policy does not bind the City Council to approve, authorize or create a PID or take any related action. PID creation, PID bond issuance and all related matters are legislative acts solely with the discretion of the City Council.

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Not Expanded by / Condensed by

Formatted: Not Expanded by / Condensed by

Formatted: Indent: Left: 0.57", No bullets or numbering

Formatted: Not Expanded by / Condensed by

Formatted: Font: Not Bold, Font color: Custom Color(RGB(238,0,0))

Formatted: Indent: Left: 0.57", No bullets or numbering

CITY OF TOMBALL
PUBLIC IMPROVEMENT DISTRICT POLICY
AS ADOPTED BY CITY COUNCIL ON ~~SEPTEMBER 19, 2022~~

I have read and understand this policy.

_____ _____
Signature Date

_____
Printed Name

(Please sign and date this page and return to the Project Manager)

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

City of Tomball
Public Improvement District (PID) Application

APPLICANT INFORMATION

Name: _____ Title: _____

Mailing Address: _____

Phone: _____ Email: _____

Please attach additional applicant information as necessary.

OWNER INFORMATION

Name: _____ Title: _____

Mailing Address: _____

Phone: _____ Email: _____

PROJECT INFORMATION

Description of Proposed Project: _____

_____

Physical Location of Property: _____

HCAD Identification No.:_____ Acreage: _____

Current Use of Property: _____

Proposed Use of Property: _____

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

PID CONSIDERATIONS

Please mark which consideration from the "Development Policy for Special Financing Districts" the PID request adheres to below Please attach documentation and/or a detailed justification as to how the PID meets the criteria selected. .

_____ 1. Generates economic and superior development benefits to the City beyond what normal development would generate.

_____ 2. Provide for improvements in the public right of way (e.g. entryways, landscaping, fountains, specialty lighting, art, decorative and landscaped streets and sidewalks, bike lanes, multi-use trails, signage, etc.)

_____ 3. Meet community needs (e.g. enhanced drainage improvements, parks and off-street public parking facilities, pedestrian connectivity, water and wastewater on or off-site improvements) including without limitation development's pro-rate share of the regional facilities and services.

_____ 4. Implement City of Tomball master plans, including water, wastewater, parks, and trails.

_____ 5. Increase or enhance the City's transportation and roadway plans.

_____ 6. Exceed development requirements in the City, including but not limited to enhanced architectural standards, enhanced landscaping, enhanced amenities, and provide for the superior design of lots or buildings.

_____ 7. Preserve and protect natural amenities and environmental assets such as lakes, trees, creeks, ponds, floodplains, slopes, hills, and wildlife habitats.

_____ 8. Willing to annex into the City of Tomball, if applicable, in exchange for the creation of a PID.

_____ 9. Provide a unique or special development to the Tomball community (e.g. amenity centers, play areas, pools, picnic facilities, multi-purpose trails.)

_____ 10. Have the support of 100% of the owners of the property within the PID.

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

REQUIRED ATTACHMENTS

_____ Completed PID petition

_____ Non-refundable payment of PID Application Review Fee

_____ Letter from Developer/Applicant requesting consideration of PID

_____ General summary and description of proposed development

_____ Site plan or general plan that shows land use and thoroughfare connections

_____ Demonstration of how the development is in compliance with the City's Comprehensive Plan and Future Land Use Plan

_____ Demonstration of how the proposed development is in compliance with the zoning of the property

_____ Description of any amenities for the proposed development

_____ Description of any elevated design and landscaping standards for the proposed development

_____ Summary of special benefits to be received by the development

_____ Evidence the developer has the expertise, experience, necessary capital, and financial backing to complete the new development to be supported by the District financing

_____ Identify all project expenses and costs, including acquisition, construction, and any applicable long-term management cost

_____ Description and preliminary estimate of public infrastructure included with development (include both developer-funded and proposed PID-funded elements)

_____ Propose total assessment and tax rate equivalent

_____ Description of any property that will be subject to or exempt from assessments

_____ Any additional information which you believe would be necessary for the City to evaluate the proposed project.

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

ACKNOWLEDGEMENT

I, _____, certify that the information on this form and included in the attached City of Tomball PID Application is true and correct to the best of my knowledge and the undersigned is authorized to make this application. I understand that submitting this application does not constitute approval, and incomplete applications will result in possible delays and/or denial.

Signature of Applicant: _____ Date: _____

Signature of Owner: _____ Date: _____

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough

Formatted: Font color: Custom Color(RGB(238,0,0)), Strikethrough

Formatted: Strikethrough