

**CITY OF TOMBALL  
ADMINISTRATIVE POLICIES, RULES AND PROCEDURES**

<b>DEVELOPMENT POLICY FOR SPECIAL FINANCING DISTRICTS</b>	NUMBER: 18	EFFECTIVE DATE: March 5, 2007	PAGE 1 OF 1
	REVISED:	APPROVED BY CITY MANAGER: March 5, 2007	
	SUPERSEDES:	APPROVED BY CITY COUNCIL: March 5, 2007	

~~The City of Tomball has established this policy as a guideline to those developers seeking incentives from the City for development projects utilizing tax increment financing (TIF/TIRZ) and/or public improvement districts (PID). This policy is not intended to address all aspects of development costs. Those costs not specifically addressed in this policy will be considered on an individual project basis.~~

~~Limitation on Size of Development~~

- ~~1. To receive consideration by and approval from the City for PID financing to facilitate a residential development, the proposed boundaries of the development shall be no less than 125 acres. If the proposed boundaries of the development are less than 125 acres, the average value of homes built in the district shall be no less than \$225,000. This home value will be adjusted each year by the Consumer Price Index (CPI) to convert the \$225K benchmark value to current year prices.~~
- ~~2. To receive consideration by and approval from the City for TIF financing to facilitate a mixed-use development, the proposed boundaries of the commercial component of the development shall be no less than 45% of the total acreage. If the commercial component is less than 45% of the total acreage, the City will consider granting approval of TIF financing if:
  - ~~a. There is no issuance of debt in the tax increment zone~~
  - ~~b. The development facilitates the completion of projects outlined in the City's Capital Improvement Plan for transportation, drainage, water, wastewater, and parks improvements.~~
  - ~~c. The project facilitates the economic development desires of City Council.~~~~
- ~~3. Tax increment financing will not be extended to new residential development.~~

~~Limitation on PID Assessment~~

~~The annual assessment to property owners within the district shall be no more than the equivalent of a \$.50 tax rate on the assessed value of their property.~~

~~Limitation on Assessment Term~~

~~The maximum term of a PID assessment is not to exceed 10 years. The date the first assessment installment becomes due is either 3 years from the date of the levy or the date that the real property is transferred to the home buyer; whichever occurs first.~~

~~Zone/District Administration~~

~~The City of Tomball will contract with an outside consultant to administer the zone and to bill, collect, and track district assessments. This cost will be considered a reimbursable project cost and should be included in the zone/district Project Plan.~~

~~Limitation on Developer Interest~~

~~Developer earned interest will be reimbursed at an amount not to exceed the net effective interest rate on bonds sold or 8% whichever is less. If zone/district bonds are not sold, reimbursement will be calculated at 50 basis points over the average interest reported by the Bond Buyer in its "20 Bond Index" for general obligation bonds during the interest accrual period or 8% whichever is less.~~

~~Bidding of Project Improvements~~

~~Developers will be required to follow municipal bidding procedures on all project improvements as outlined in Chapter 252 of the Texas Local Government Code. Bid tabulations and a recommendation for award of contracts will be brought before City Council for approval. This process will be required of both TIRZs and PIDs.~~