

# City Council Meeting

## Agenda Item

### Data Sheet

**Meeting Date:** September 20, 2021

#### **Topic:**

Approve Resolution No. 2021-25, a Resolution Authorizing the Establishment of the Public Improvement District Number Thirteen in the City of Tomball, Texas; Authorizing Publication of This Resolution, Providing for the Preparation of a Service and Assessment Plan; and Making Other Provisions Related to the Subject [TPID 13 Pine Trails Subdivision]

#### **Background:**

##### Council Action Requested

It is requested that City Council hold a public hearing on September 20th to approve the proposed PID through adoption of the findings and creation resolutions. A development agreement between the City and Developer will be presented for consideration at a later date. The development agreement describes the terms of the PID and the reimbursement of public infrastructure costs.

##### Area

Public Improvement District Number Thirteen would be approximately 13.38 acres representing the entirety of the proposed Pine Trails Subdivision, a subdivision that will be developed in one (1) section containing 50 lots. The land is located near the intersection of Brown and Quinn as shown on the attached map.

##### Purpose

The purpose of the PID is to assist the developer with public infrastructure costs. Through the PID, the developer will recover certain costs through an assessment on each lot. This arrangement is similar to a municipal utility district (MUD) and the MUD tax used for the same purpose.

##### Assessment Rate

The PID assessment is expected to be approximately \$2,700 per lot per year, or the equivalent of a 72-cent tax rate on a \$375,000 home. Included in the annual payment are financing and interest costs allowing for a level annual payment over the proposed fifteen (15) year term of the PID. For planning purposes, the principal amount for each lot equals \$28,996.77 and the interest rate on financed assessments is 4.5%. The principal amount of the assessment will be payable at any time by the homeowners which would terminate the assessment, and an amortization schedule will be kept for each property covered by the assessment to track annual payments and the outstanding principal balance. An additional City administrative fee and management fee will be assessed and added to the annual payment.

##### Disclosure

Proper disclosure notices detailing the assessment will be presented to potential homebuyers by the builders, and for acknowledgement at closing in the same manner as disclosure notices used in MUDs and other special districts with an ad valorem tax rate.

##### Future Actions

If created, the PID would still need City Council approval of the Service and Assessment Plan and all Assessment Rolls (i.e. no assessments can be implemented without City Council approval). The District

Signed	Doris Speer	8-11-2021	Approved by	
	City Secretary	Date		City Manager Date