

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: November 18, 2024

Topic:

Presentation and discussion regarding a request from FLS Development, LLC (Harrisburg Homes) for the creation of a Public Improvement District for Graylou Grove in the City of Tomball.

Background:

FLS Development, LLC previously requested consideration of a public improvement district to develop approximately 44 acres at the intersection of Hufsmith-Kohrville Road and Medical Complex Drive as a residential development called Graylou Grove. On December 18, 2023, City Council approved Resolution Number 2023-56, calling for the required public hearing to be conducted on January 22, 2024.

Staff worked with the developer, PID consultants, financial advisors, and Bond Counsel to draft a proposed development agreement that outlined the requirements of the development if creation of the District was granted. At the April 2, 2024 City Council meeting, Council denied the request for creation of the Public Improvement District for the following reasons:

1. Lowering the City's required value to lien (LTV) ratio from 3:1 to 1.75:1.
2. Not constructing Medical Complex through the extent of their proposed development.
3. Up-front debt issuance rather than reimbursement and removal of existing requirement for public improvements to be completed before the issuance of bonds.
4. Proposed 30-year PID with a maximum assessment of \$0.95 per \$100 assessed value. the City's adopted PID policy sets the maximum assessment for a 30-year PID at \$0.48 per \$100 of assessed value.

Staff has met with FLS to discuss the resubmission of their PID application for Graylou Grove and they have submitted their revised concept plan. The revised plan removes the requested pickleball court and parking and the extension of Medical Complex through the extent of the proposed development as requested by City Council. The terms of the new request would remain the same with the maximum proposed assessment of \$0.95 per \$100 assessed value (average value \$625,000), however the LTV has not been determined.

Staff is seeking direction from City Council regarding the proposed PID application resubmission to determine Councils requirements if this request were to move forward.

Origination: Project Management

Recommendation:

Party(ies) responsible for placing this item on agenda:

Meagan Mageo, Project Manager

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed Meagan Mageo Approved by _____
Staff Member Date City Manager Date