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|  | <div style="text-align: center;">AGENDA ITEM SUMMARY</div> <div style="border: 1px dashed purple; padding: 5px; float: right; margin-top: 10px;"> District Impacted <input type="checkbox"/> 1 = Wolosin <input type="checkbox"/> 2 = Woolard <input type="checkbox"/> 3 = Scott <input type="checkbox"/> 4 = Boddie <input type="checkbox"/> 5 = Macaluso <input checked="" type="checkbox"/> All </div> |
| Agenda Date | <i>October 12, 2021</i> |
| Requested Action | Consider Resolution No. 2021-R54; Accept the petition for creation of the Ranches at Creekside Public Improvement District and set a public hearing for November 9, 2021 |
| Contact Person | Nicholas Montagno, Assistant to the City Manager |
| Background Information | <p>In April of 2020, staff met with the developers’ representation for the Ranches at Creekside development located on Hwy 46E at their request to discuss the possibility of creating a Public Improvement District (PID) for the remaining undeveloped land in the Ranches at Creekside subdivision.</p> <p>Public improvement districts are an economic development tool that are used to fund public improvement projects that promote the interests of a municipality or county. PIDs are designed to fund the costs of authorized public improvement projects through the collection and levy of assessments on the properties directly benefitted by such improvement projects, rather than through the use of broader taxes or other general revenues. PIDs are authorized by state statute, specifically Texas Local Government Code Chapter 372 (the “PID Act”). Under the PID Act, the City of Boerne (the “City”) is permitted to fund qualified public improvements which confer a special benefit on a definable part of the City, including its corporate limits and its extraterritorial jurisdiction (“ETJ”). A PID can finance capital costs and fund supplemental services – through the levy of assessments on the benefitted properties within the PID – to fund community needs which may not otherwise be constructed or provided without the PID. The costs of the capital improvements and/or supplemental services are paid entirely by property owners within the PID who receive special benefits from the capital improvements or services.</p> <p>A PID is a defined area of properties, whose owners have petitioned the City to form a PID. The City Council establishes a PID by adoption of a resolution after a public hearing. The public hearing is publicized per the PID Act and written notification of the hearing is published in a newspaper of general circulation and mailed to all property owners in the proposed PID. By petition, the owners understand that they will be paying an assessment to receive enhanced services and/or</p> |

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| | <p>improvements within the PID. A PID must confer a special benefit to the properties within the PID at least equal to the amount of assessments levied on such properties, and a general benefit to the “public” which includes the City.</p> <p>Council, having created a PID policy in January of 2021, has received its first application for consideration to create a PID for the remaining portion of the Ranches at Creekside subdivision that has yet to be developed (See Attachment A). This remaining area would consent any future homeowner to a higher taxing rate in order for the developer to provide increased amenities as well as recouping cost of infrastructure installation, thereby allowing them to sell homes at a lower price point than they currently project selling them in the future. They estimate their current average home price increasing, without the PID, somewhere in the range of 10%-20% year over year given future market conditions and improvements proposed within the subdivision to create a more competitive product with the Esperanza subdivision across the street. With the PID, those estimated home prices would increase 3%-5% on average year over year with those same market conditions and proposed improvements.</p> <p>This PID proposal, if moved forward, would have implications regarding current development agreements with the developer related to natural gas and reclaimed water that would need to be addressed.</p> <p>The developer’s PID counsel will be presenting before Council Tuesday evening. Attached with this summary are the petition application and supporting documents.</p> |
| Item Justification | <div> <div> <input type="checkbox"/> Legal/Regulatory Obligation <input type="checkbox"/> Reduce Costs <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Mitigate Risk <input type="checkbox"/> Master Plan Recommendation </div> <div> <input type="checkbox"/> Infrastructure Investment <input checked="" type="checkbox"/> Customer Pull <input type="checkbox"/> Service Enhancement <input type="checkbox"/> Process Efficiency <input checked="" type="checkbox"/> Other: Possible creation of Public Improvement District (PID) </div> </div> |
| Financial Considerations | |
| Citizen Input/Board Review | N/A |
| Legal Review | Legal and legal consultant have been working on this project |

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| Alternative Options | |
| Supporting Documents | Attachment A- Proposed PID Area Attachment B- PID application and supporting documents. |