

A G E N D A



Recommendation for Council Action

Austin City Council		Item ID	39010	Agenda Number	11.
Meeting Date:	February 12, 2015		Department:	Controller's Office	
Subject					
Approve an ordinance amending the Fiscal Year 2014-2015 Financial Services Department Operating Budget Special Revenue Fund (Ordinance No. 20140908-001) to adopt a budget for the Estancia Hill Country Public Improvement District.					
Amount and Source of Funding					
Funding at the approved 2015 assessment, based on each parcel owner’s share of the Special Assessment, is estimated to produce \$1,772,155.					
Fiscal Note					
A fiscal note is attached.					
Purchasing Language:					
Prior Council Action:	April 25, 2013 – Council set a public hearing to consider authorization of the Estancia PID. May 9, 2013 – Council conducted a public hearing to consider authorization of the Estancia PID. June 6, 2013 – Council approved a resolution authorizing creation of a PID for the Estancia Hill Country project and authorized negotiation and execution of an agreement relating to financing certain improvements. Council set a public hearing for June 20, 2013 relating to the proposed assessments on the Estancia PID. June 20, 2013 – Council approved initial Service and Assessment Plan and Assessment Roll. Approved an ordinance accepting and approving a Service and Assessment Plan and Assessment Roll related to the property located in the Estancia Hill Country PID. Authorized the issuance of City of Austin, Texas Special Assessment Revenue Bonds, Series 2013 (Estancia Hill Country Public Improvement District), in an amount not to exceed \$12,590,000. November 20, 2014 – Council approved the 2015 Estancia Hill Country PID Service Plan and Budget and the 2015 PID assessment rate and proposed assessment roll. December 11, 2014 – Conducted a public hearing considering an ordinance regarding the Estancia Hill Country PID assessment roll.				
For More Information:	Diana Thomas, Controller, 512-974-1166.				
Boards and Commission Action:					
MBE / WBE:					
Related Items:					
Additional Backup Information					

Public Improvement Districts - Annual Process

Public Improvement Districts, also known as PIDs, are created under Chapter 372 of the Texas Local Government Code. The creation of a PID allows a municipality or county to establish special assessments against the properties in the district for the benefit of all properties located in the PID. The process for creating a PID requires City Council authorization. State law requires the municipality or county that created the PIDs to perform several steps annually to ensure that property owners have an opportunity to speak out regarding the plans for the district as well as the amounts assessed under the PID. The City of Austin currently has six PIDs in two different and distinct programs: Operating PIDs (Downtown Public Improvement District, East Sixth Street Public Improvement District and South Congress Public Improvement District) are created to add benefits such as beautification, security, etc. to the district. Development PIDs (Whisper Valley Public Improvement District, Indian Hills Public Improvement District, and Estancia Hill Country Public Improvement District) utilize the PID process to issue special assessment bonds to fund infrastructure projects within the district, such as water lines, parks, pools, etc. These bonds typically allow the district to borrow at a much lower interest cost than borrowing from a traditional bank. Council must take action over three council meetings each year as follows:

Meeting # 1:

1. Approve an ordinance setting the assessment rate and approving the proposed assessment roll for the PID for the current year.
2. Approve a resolution adopting the PID service plan and budget for the current year.
3. Set a public hearing to consider the current year PID assessments.

Meeting # 2:

1. Conduct the public hearing.
2. Levy the assessments.

Meeting # 3:

1. Amend the City's Operating Budget to add the PID budget. [Note: the PIDs are not included in the original budget as adopted by Council in September each year because of the public hearing requirements.]

Meeting # 3, the final step in this process, includes the items on the 2/12 agenda for the Whisper Valley, Indian Hills and Estancia Hill Country PIDs. The Operating PIDs were completed at the 12/11/14 Council meeting.

This action amends the Financial Services Department Operating Budget Special Revenue Fund for the Estancia Hill Country Public Improvement District (PID) to account for 2015 assessment collections and contributions and to appropriate a budget for debt service payments, owner reimbursements, fund reserves with the trustee, and administrative fees.

The Estancia Hill Country PID was established on June 6, 2013. It consists of approximately 600 acres in far Southeast Austin. The Estancia PID is envisioned as a mixed-used development, including single-family and multifamily residential, office, light industrial, retail and other uses, as well as parks, entry monuments, and associated rights-of-way, landscaping, and infrastructure necessary to provide roadways, drainage, and utilities to the PID. The Estancia PID is located in District 5.

Total projected revenue from the collection of PID assessments in the Estancia Hill Country PID is \$1,772,155. The appropriation of \$1,772,155 will be utilized to make Revenue Bonds debt services payments of \$1,287,380, reimburse owners in the amount of \$308,375, provide for coverage of the administrative expenses for the PID in the amount of \$50,500 and establish prepayment and delinquency reserves with a trustee in the amount of \$125,900.

