

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	62617	Agenda Number	10.
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Meeting Date:	9/1/2016	Department:	Finance
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Subject

Approve a resolution regarding Travis County's creation of the Wildhorse Public Improvement District (PID).

Amount and Source of Funding

Funding is contingent upon available funding in future budgets and is limited to a maximum of \$7,000,000 over the ten years subsequent to the PID bond issuance by Travis County. The City may, at its option, prepay this amount at any time without penalty.

The source of funds is the General Fund or other appropriate sources that may be identified in the future.

Fiscal Note

Information pertaining to the fiscal impact of this item is found under the "Amount and Source of Funding" section.

Purchasing Language:	
Prior Council Action:	February 14, 2002- Council approved limited purpose annexation of Wildhorse Ranch and PUD zoning (Ordinance 20020214-043 and Ordinance 20020214-028 for C814-00-2063) November 21, 2013- Council approved full purpose annexation (Ordinance 20131121-112)
For More Information:	Elaine Hart, Chief Financial Officer, 512-974-2283; Greg Guernsey, Director of Planning and Zoning 512-974-2387
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

This resolution relates to creation of the WildHorse Public Improvement District (PID), located in northeast Austin (District 1). Travis County approved creation of the WildHorse PID on August 9, 2016. Pursuant to Section 372.003(d) of the Texas Local Government Code, the City Council has 30 days from that date to object to the PID's creation. If the City Council objects prior to September 8, 2016, its creation is terminated.

This resolution provides for the City Council to fill in a blank space to indicate that it "does" or "does not" object to creation of the WildHorse PID.

The WildHorse PID meets the City's PID Policy stated objective that creating a PID should be to support superior development in the Desired Development Zone. Because using a PID to finance public improvements benefits private development, the City's policy requires such development must confer extraordinary benefits within the PID and to the community, in exchange for the PID bond financing.

Pursuant to Section 372.003(a) of the Texas Local Government Code, Travis County determined that the WildHorse PID's proposed public improvements "*promote the interests of the municipality or county*" and "*confer a special benefit on a definable part of the municipality or county or the municipality's extraterritorial jurisdiction*".

Background

The WildHorse Ranch Development includes 2,164 acres in eastern Travis County in the City's Desired Development Zone; south of U.S. Highway 290 East at the intersection of State Highway 130 and U.S. Highway 290 East. The WildHorse PID includes 1,600 acres of the total 2,164 acres to be developed. The property is in City of Austin District 1 represented by Council Member Ora Houston and Travis County Precinct 1 represented by Commissioner Ron Davis. See Exhibit A - Map of WildHorse PID.

The site currently has Planned Unit Development (PUD) zoning and is wholly annexed by the City of Austin, per Council action in 2002 and 2013 (Ordinance 20020214-043 and 20131121-112).

On August 9, 2016, Travis County Commissioners approved creation of the WildHorse PID on a vote of 3-0, with two abstentions. The WildHorse PID is the first Texas county PID created in a city full-purpose annexed area. Benefits of the PID are outlined in the attached Term Sheet between Travis County and the WildHorse PID. Key financial provisions include:

- Maximum authorized PID eligible improvements of \$65,000,000 (including hard costs, soft costs, contingencies, and a construction management fee but excluding cost of PID formation and PID bond costs of issuance) over several bond issuances;
- Maximum equivalent tax rate of \$0.35 per \$100 of build out assessed value for PID annual assessments; and
- Bond terms will be negotiated at the time of issue based on current market conditions.

Travis County will approve which improvements are PID financed and will control the timing of PID formation and bond issuance.

Other Provisions of the Resolution

City staff has negotiated and reached agreement on other provisions included in the Resolution with WildHorse PID representatives. Travis County staff has also been informed.

1. Travis County's request for City funding participation for one-third of the WildHorse Connector Road Phase 1 (estimated at \$5 million to \$7 million) shall be initially met by increasing the PID bond issuance amount.
2. Reimbursement for the WildHorse Connector Road Phase 1 shall be paid by the City over the ten year period after PID bonds are issued with a maximum reimbursement of \$7 million. Such reimbursement shall be reflected in the PID's service and assessment plan, and used to reduce the PID special assessments. The City may, at its option, prepay at any time without penalty.
 - a. The source of funds for this reimbursement is the General Fund or other appropriate sources that may be identified in the future.
3. The City will begin full purpose annexation of remaining property in the WildHorse PID by December 31, 2016, so the entire PID is within the City's full purpose jurisdiction.
4. The City of Austin shall not be subject to any PID assessments.

The developer will provide to the City an easement of twelve developable acres for future expansion of the existing wastewater treatment plant located in the WildHorse subdivision.