

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting: June 28, 2018

Item Number: 026

Financial Services

Approve an ordinance adopting the first amendment to the Estancia Hill Country Public Improvement District (PID) Financing Agreement between the City of Austin and SLF III- Onion Creek L.P. concerning the procurement process for public improvements within the PID.

Lead Department	Financial Services- Controller's Office
Fiscal Note	This item has no fiscal impact.
Prior Council Action	<p>January 17, 2013- Council approved the Estancia Hill Country Interim Annexation and Development agreement.</p> <p>June 6, 2013- Council approved Resolution No. 20130606-054 authorizing creation of a PID for the Estancia Hill Country project and authorized negotiation and execution of an agreement relating to financing certain improvements.</p> <p>June 20, 2013-Approved Ordinance No. 20130620-052 accepting and approving a Service and Assessment Plan and Assessment Roll; Approved Ordinance No. 20130620-064 annexing the Estancia annexation area for limited purposes of planning and zoning; Approved Ordinance No. 20130620-065 regulatory plan for the Estancia annexation area; and approved Ordinance No. 20130620-076 authorizing the issuance of City of Austin, Texas Special Assessment Revenue Bonds, Series 2013 in an amount not to exceed \$12,590,000.</p> <p>November 3, 2016-Council approved Resolution No. 20161103-015 adopting the 2016 Addendum to the Service and Assessment Plan.</p> <p>June 15, 2017-Council approved Resolution No. 20170615-009 adopting the 2017 Addendum to the Service and Assessment Plan.</p>
For More Information	Elaine Hart, Chief Financial Officer, 512-974-2283; Greg Canally, Deputy Chief Financial Officer, 512-974-2609; Diana Thomas,

	Controller, 512-974-1166
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Additional Backup Information:

This item requests that Council adopt the first amendment to the Estancia Hill Country Public Improvement District (PID) Financing Agreement by and between the City of Austin, a Texas home-rule city and municipal corporation, located in Travis, Williamson, and Hays Counties, Texas ("City") and SLF III - Onion Creek L.P., a Texas limited partnership ("Owner"). The Estancia Hill Country Improvement District Financing Agreement (Financing Agreement) was originally approved by Council on June 20, 2013 in Ordinance 20130620-076-Exhibit C.

This proposed amendment is presented for your approval at the request of the Owner. This proposed amendment replaces Financing Agreement Section 3.07(a) with new language pursuant to Texas Local Government Code Section 252.022(a)(9) which provides that a project shall be exempt from competitive bidding if *"paving, drainage, street widening, and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements."* However, if Section 252.022(a)(9) is not applicable, then the PID public improvements shall be subject to the City's construction, policies, bidding, and contract documents.

The new proposed section also provides a procurement process for Public Improvements when the exemption applies. This process provides that the Owner shall endeavor to procure bids from at least three (3) independent, competent contractors of the work that will be performed by a subcontractor; and provide copies of the bids to the City. Owner shall not be required to enter into a contract with the apparent low bidder and may select the contractor who (in Owner's sole discretion) provides the best value. The Public Improvements shall be bid based on the construction plans and specifications approved by the City. Bidders for contracts for the Public Improvements will be required to submit the following to Owner:

- itemized bids that identify separately the portions of the contract that are for construction of the Public Improvements, and for the construction of any improvements other than the Public Improvements;
- documentation showing the contractor has at least five years of experience constructing projects in and around the City and is eligible to work on City projects;
- documentation showing that the contractor has completed projects similar in scope, cost, and type to that which is being bid upon;
- documentation demonstrating the percentage of the work that will be performed by the contractor, and the percentage of work that will be performed by a subcontractor; and
- documentation showing the contractor is bondable.

Background

The Estancia Hill Country Public Improvement District (approximately 600 acres) is located in southern Travis County west of IH 35 South approximately eight tenths of a mile south of the intersection of IH 35 South and Onion Creek Parkway. This area is currently in the city's limited purpose jurisdiction. This area

is currently under development and the developer's plans for this site include a mixed-use project with residential and commercial land uses.

The PID provides a financing mechanism through the apportionment, levying, and collection of PID assessments for the construction, ownership, and maintenance of certain improvements to support the planned community and for the issuance of bonds to finance certain improvements.

On June 20, 2013, Special Assessment Revenue Bonds, in the amount of \$12,590,000, were sold to finance these improvements. Assessments will be used to make the debt service payments on these bonds, fund required reserves and cover costs of administering the PID.

Annual Council action requirements are summarized in the following table:

Austin City Council Action	Council Meeting
Approve an ordinance approving <i>proposed</i> assessment roll.	Meeting #1
Approve a resolution adopting PID's service and assessment plan update.	Meeting #1
Set a public hearing on PID's proposed assessment roll.	Meeting #1
Conduct a public hearing on PID's proposed assessment roll.	Meeting #2
Approve an ordinance authorizing <i>final</i> assessment roll and levying special assessments.	Meeting #2

The table below reflects actions taken by Council with regard to assessments to the property owners.

<i>Council Approved Ordinance for Assessment Roll</i>			<i>Council Approved Levying the Assessment</i>		
Assessment Year	Date Approved	Agenda #	Ordinance #	Date Approved	Agenda #
2015	November 20, 2014	#033	20141211-229	December 11, 2014	#229
2016	November 19, 2015	#023	20160128-090	January 28, 2016	#090
2017	November 3, 2016	#014	20161201-050	December 1, 2016	#050
2018	June 15, 2017	#008	20170810-026	August 10, 2017	#026