



TO: Mayor and Council Members

FROM: Diana Thomas, Controller, Financial Services *Diana Thomas*

DATE: June 12, 2017

SUBJECT: June 15 Council Agenda Items for Public Improvement Districts (PID)

The June 15, 2017 City Council agenda includes fifteen items related to the annual requirements established by State law for the City's Public Improvement Districts (PIDs). There will be required additional Council actions on subsequent agendas through Budget Adoption in early September. The City currently has six PIDs including:

1. East Sixth Street PID (Operational)
2. South Congress Preservation and Improvement District (Operational)
3. Austin Downtown PID (Operational)
4. Estancia Hill Country PID (Development)
5. Indian Hills PID (Development)
6. Whisper Valley PID (Development)

Travis County billing and collections:

In previous years, the City's Controller's Office has been responsible for the billing associated with annual PID assessments. As a practice, we had brought the necessary action items for these assessments to Council in November/December of each year.

On April 6th, Council approved an interlocal agreement with Travis County for the billing and collection of the PID assessments. In order to provide the assessment information to the County in time for inclusion on the annual tax statements to property owners (typically mailed in early November of each year), the annual PID processes are occurring earlier in this year than in previous years.

Annual Assessment Process:

State law requires City Council to approve a proposed assessment roll each year for each PID and conduct a public hearing prior to setting the final assessment. Approval of the proposed assessment roll is necessary so that notices may be sent to the property owners, giving them an opportunity to review the property assessments prior to the public hearing. Property owners have a statutory right to challenge the assessment placed on their property at the public hearing. Approval of the assessment ordinance is the final Council action required in the annual process of approving PID assessments.

Annual Service and Assessment Plan Updates:

The Operational PIDs annual service and assessment plans include descriptions of the services provided by each PID.

The Development PID annual service and assessment plan updates provide the status of projects associated with the development of the property, including the status of home construction. The agenda item for each PID includes more detailed information on these plans.

PID Budgets:

The 2018 annual PID budgets will be included as part of the adoption of the City's annual budget on September 11-13, 2017.

The table below summarizes all required Council Actions for each PID, beginning with the June 15th agenda, through Budget Adoption in early September:

Council Action	Development PIDs			Operational PIDs		
	Estancia Hill Country	Indian Hills	Whisper Valley	Austin Downtown	East Sixth Street	South Congress
Approve an ordinance approving proposed assessment roll and setting PID's assessment rate.	#8	#10	#12	#7	#5	#6
Approve a resolution adopting PID's annual service and assessment plan update.	#9	#11	#13	8/10/17	8/10/17	8/10/17
Set a public hearing on PID's proposed assessment roll.	#74	#75	#76	#79	#77	#78
Conduct a public hearing on PID's proposed assessment roll.	8/10/17	8/10/17	8/10/17	8/10/17	8/10/17	8/10/17
Approve an ordinance authorizing final assessment roll and levying special assessment.	8/10/17	8/10/17	8/10/17	8/10/17	8/10/17	8/10/17
Approve an ordinance adopting the PID's budget.	9/11-13/17	9/11-13/17	9/11-13/17	9/11-13/17	9/11-13/17	9/11-13/17

Note: If a box in the table above contains a number (e.g., #10), this references the agenda item number on the June 15th agenda. If the box in the table above contains a date (8/10/17), this references the future Council meeting date that these items are scheduled to be brought before the Council for approval.

Existing Development PIDs and PID Policy Update

Two of the City's three Development PIDs (*Estancia Hill Country and Whisper Valley*) have submitted requests to issue new bonds related to additional improvements to the respective district. These requests are currently under review.

The action items summarized in the table above are required by State Law and are necessary to set the annual assessment rates; ***they are unrelated to the requests to issue new debt and do not commit the City Council to the issuance of any new debt.***

The City's PID Policy Working Group, a multi-departmental team, has met to identify key items from land planning, to infrastructure and development, to affordable housing, and financing that need to be included in a revised PID policy. The group has analyzed best practices and met with Travis County to discuss their policy. Work continues on the draft policy, which is expected to be ready for Council near the end of the summer, and may include necessary updates to the financing agreements for the existing Development PIDs. The delay from staff's timeline for a March 2017 update is partially the result of the need to move up the annual assessment process, so the assessment could be included with the annual County assessor tax bill process.

Please feel free to contact me if you have any questions.

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