



Late Backup

Whisper Valley and Indian Hills Public Improvement Districts

City Council Briefing
August 5, 2010



Purpose of Briefing

- Overview of PIDs
- Public Hearings (Items #38 and 41)
- Council Action Authorizing PID Creations
 - Scheduled August 26, 2010

Gate Backlot



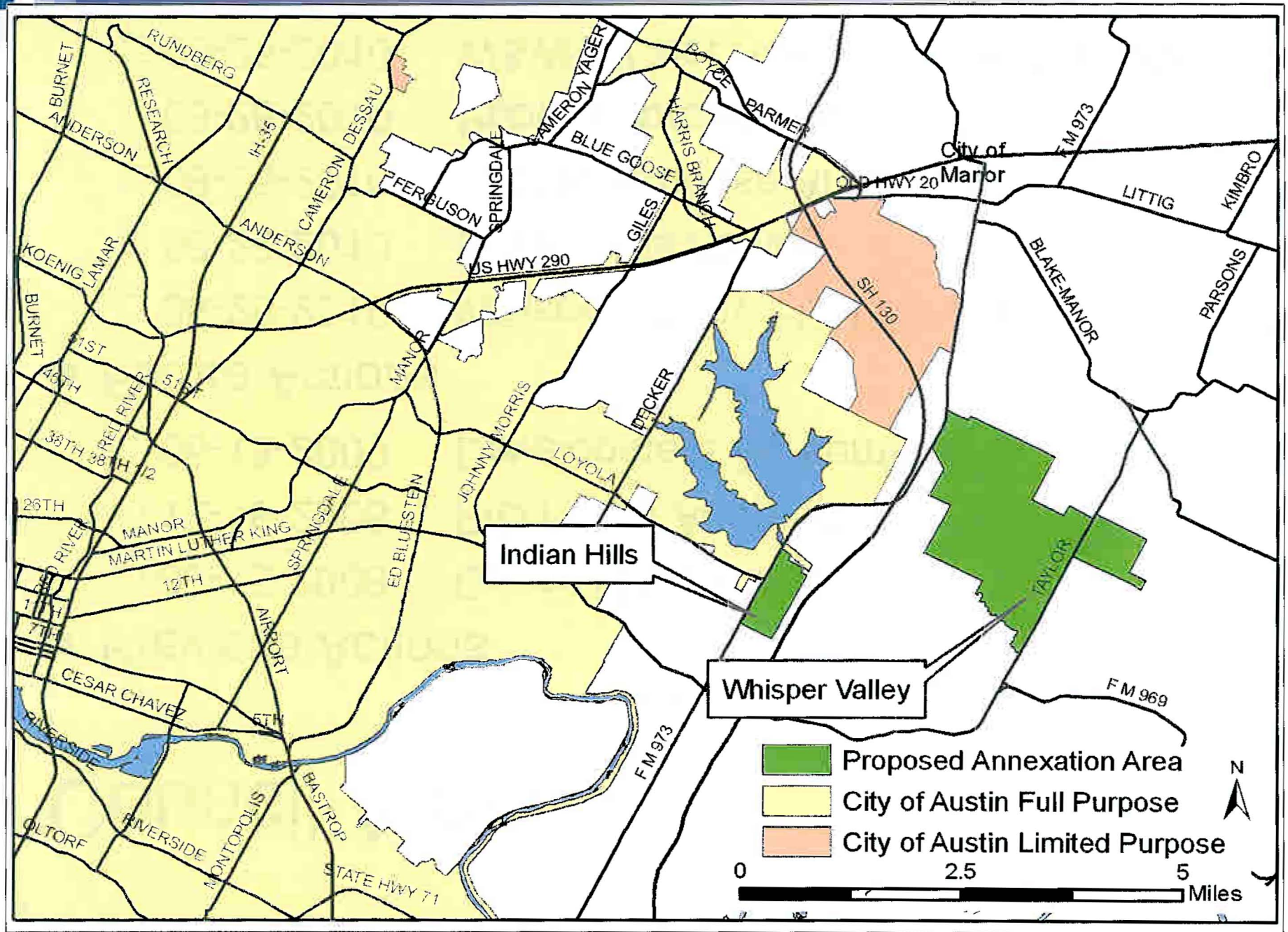
Council Actions

■ Previous Actions

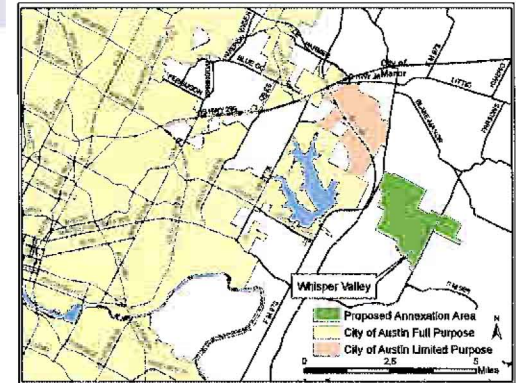
- ☐ 05-15-2008 Council Resolution
- ☐ 12-18-2008 PID Policy Adopted
- ☐ 06-18-2009 Development Agreement

■ Future Actions

- ☐ 08-26-2010 Whisper Valley PUD Zoning
- ☐ 08-26-2010 Indian Hills Zoning
- ☐ 08-26-2010 Limited Purpose Annexation
- ☐ 08-26-2010 Public Improvement Districts
- ☐ 08-26-2010 W&WW Cost Reimbursement Agrmt.



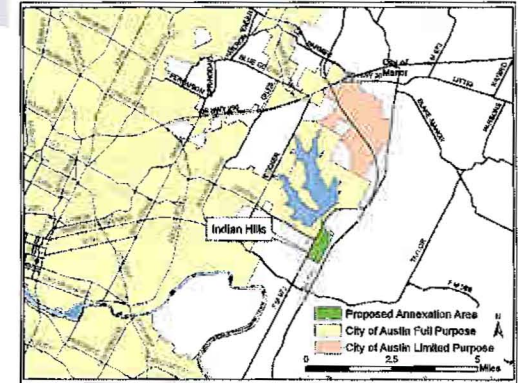
Whisper Valley

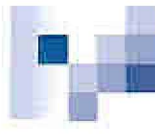


- 2,060 Acres
- Limited Purpose Annexation
- Planned Unit Development Zoning
- Public Infrastructure
 - Extension of Braker Lane
 - Water and Wastewater Extensions and Facilities
 - 600 acre Public Park
- Project will be phased over 20-30 years

Indian Hills

- 240 Acres
- Limited Purpose Annexation
- Commercial / Multifamily Zoning
- Public Infrastructure
 - Extension of Decker Lake Road
 - Water and Wastewater Utility Extensions





Land Use Intensities

Whisper Valley

- Single Family 2,800 Units
- Multi-Family 4,700 Units
- Office 1.3 mil sq. ft.
- Commercial 1.3 mil sq. ft.

Indian Hills

- Multi-Family 1,500 units
- Office 1.6 mil sq. ft.
- Retail 60,000 sq. ft.
- R&D 473,000 sq. ft.
- Industrial 275,000 sq. ft.



PID Benefits to City

- Limited Purpose Annexation

- ☐ Land Use Controls
- ☐ PUD Zoning
 - Superior Development
 - Affordable housing

- PID Infrastructure Funding

- ☐ Frees up City dollars for other capital improvements

- PID Controlled by City



PID Benefits for Developer

- PID funding of infrastructure lowers capital costs to Developer
- PUD allows developer more flexibility
- 15 years of grandfathering
- Full-purpose annexation deferred up to 44 ½ years



Safeguards for City

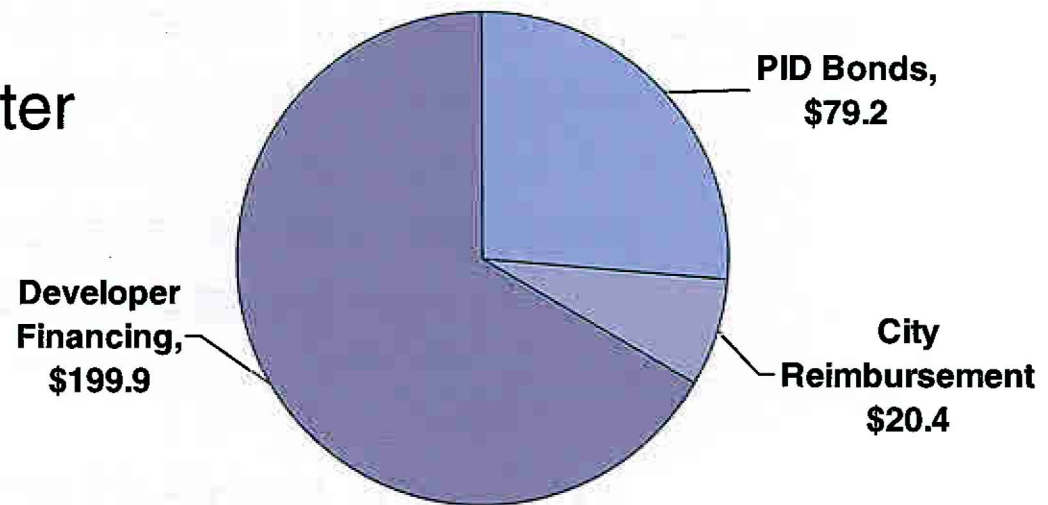
- City issues bonds only if Developer demonstrates project viability
- City is not obligated to provide funding for improvements except from bond proceeds
- Assessments remain in place until bonded debt is retired
- City can full-purpose annex property if Developer does not pursue bonds for that property within 15 years

PID Improvements and Funding

■ Improvements \$299.5 mil

- ☐ Roads
- ☐ Water and Wastewater Facilities
- ☐ Drainage Facilities
- ☐ Parkland Facilities


**Funding Sources
(Dollars in millions)**





Roadway Improvements

- Travis County Participation to extend Braker Lane
- City and County Participation to extend Decker Lake Road
- Off-Site Intersection Improvements
 - 55 off-site improvements over four development phases
 - On-site improvements to be assessed with smaller, internal TIAs
- TIA Phasing Agreement:
 - Allows for transfer of funding between intersections to fully fund improvements
 - Allows for pooling of funds from other area TIAs to fully fund improvements
- Proposed Regional Participation Agreement
 - Consortium of sub-regional developers negotiating with Travis County on funding prioritized area roadways



Financing the PID Projects

- City completed preliminary “due diligence” on the Whisper Valley and Indian Hills projects in 2009.
- Used an independent consultant and the City’s financial advisor to assess the developer’s financing plan, including assumptions.
- Overall, project financing plan and PID assessment projections appeared achievable, even though very early in the process.



Financing the PID Projects

- Prior to the issuance of PID bonds for either project, a more in-depth, independent feasibility assessment will be completed.
 - Taking current real estate market conditions and future market outlook into account
 - Including an assessment of reasonableness of the developer's absorption and pricing assumptions
- City's financial advisor and bond counsel will be retained to manage debt issuance.



Financing the PID Projects

- Levy of assessments secures PID bonds.
 - Primary security underlying PID assessments is lien on land.
 - Feasibility study will help assure that assessments will be sufficient to support debt service.
- City's full faith, credit, or taxing power is not pledged to guarantee bond payments.



PID Legislation / Attorney General

- Senate Bill 978 (vetoed)
- House Bill 621 (adopted)
- Attorney General Involvement
- Potential 2011 Legislation



Next Steps

- PID Public Hearings (8/5)
- 2nd Limited Purpose Annexation Hearings (8/5)
- Limited Purpose Annexations (8/26)
- Zoning (8/26)
- Water/Wastewater Cost Reimbursement Agreement Amendment (8/26)
- PID Authorizations (8/26)

