

AGENDA



Recommendation for Council Action

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| Austin City Council | | Item ID | 39002 | Agenda Number | 10. |
| Meeting Date: | 1/29/2015 | | 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 Indian Hills 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 \$1,681,699. | | | | | |
| Fiscal Note | | | | | |
| A fiscal note is attached. | | | | | |
| Purchasing Language: | | | | | |
| Prior Council Action: | June 24, 2010 – Council set a public hearing for Indian Hills PID for August 5, 2010. August 5, 2010 – Council conducted a public hearing related to authorization of the Indian Hills PID. August 26, 2010 – Council approved a resolution authorizing creation of a Public Improvement District for the Indian Hills Area. July 28, 2011 – Council set a public hearing relating to the proposed assessments on the PID for the Indian Hills Area. November 3, 2011 – Council approved initial Service and Assessment Plan and Assessment Roll. Council authorized the issuance of City of Austin, Texas Special Assessment Revenue Bonds, Senior Series 2011, in an amount not to exceed \$3,500,000 and authorized the issuance of City of Austin, Texas Special Assessment Revenue Bonds, Subordinate Series 2011, in an amount not to exceed \$3,000,000. November 20, 2014 – Council approved the 2015 Indian Hills PID Service Plan and Budget and the 2015 PID assessment rate and proposed assessment roll. December 11, 2014 – Conducted a public hearing and levied the assessment for the Indian Hills PID. | | | | |
| 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 Indian Hills Public Improvement District (PID) to account for 2015 assessment collections and contributions and to appropriate a budget for debt service payments, fund reserves with the trustee, and administrative costs.

The Indian Hills PID was authorized for creation on August 26, 2010, and includes approximately 240 acres in Northeast Austin. This PID is planned to develop apartment homes, office space, light industrial, neighborhood retail 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 Indian Hills PID is located in District 1.

Total projected revenue from the collection of PID assessments in the Indian Hills PID is \$1,681,699. The appropriation of \$1,681,699 will be utilized to make Revenue Bonds debt services payments of \$1,591,569, provide for coverage of the administrative expenses for the PID in the amount of \$26,530, and establish prepayment and delinquency reserves with a trustee in the amount of \$63,600.