



Legislation Text

File #: Res. 2018-173R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2018-173R, amending and restating the Trace Public Improvement District Acquisition and Reimbursement Agreement.

Meeting date: September 18, 2018

Department: City Manager Office, Steve Parker, Assistant City Manager

Amount & Source of Funding

Funds Required: N/A

Account Number: Click or tap here to enter text.

Funds Available: Click or tap here to enter text.

Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action: The City Council original approved the original Reimbursement Agreement on October 16, 2016. The City Council amended the PID Term sheet on August 7, 2018.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Workforce Housing

City Facilities

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☒ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☒ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

Highpointe Communities has approximately 420 acres of land, generally located on the east side of IH-35, south of Posey Road, and also bordered by Old Bastrop Highway, at the southern edge of the City of San Marcos. The property is primarily for residential housing along with a component of multi-family along with a business park and community commercial.

On September 1, 2015, the City of San Marcos approved a term sheet that designated the parameters for which a Public Improvement District for the Trace Subdivision would be created. The key terms of this term included the following:

Maximum Total Indebtedness \$19,500,000

Total Construction Dollars for which the developer can be reimbursed \$15,500,000

The Maximum Total Equivalent Tax Rate could not exceed \$0.50

In October 2016, the City Council adopted a Service and Assessment Plan for the Trace Public Improvement District. Periodic updates to this document are required by the San Marcos City Council usually on an annual basis. The Trace Development is to the point in its project where an update to the Service and Assessment Plan needs to be brought before the City Council. During the update of those documents, a request was made by the developer to amend the deal terms of the Public Improvement District so that the overall Business Park and Commercial equivalent tax rates could be reduced thus making the commercial property more competitive. This does slightly increase the overall residential equivalent tax but the total tax rate is still below the originally approved \$0.50 tax rate.

Projected Tax Rate Equivalents

Residential and Multifamily \$0.3387 per \$100 of evaluation

Retail and Business Park \$0.1900 per \$100 of evaluation

Initial projections for all phases was approximately \$0.46 per \$100 of evaluation

This increases the overall maximum assessment to \$22.1M up from \$19.5M but it should be noted that this does not increase the overall maximum debt to be issued for this project (\$19.5M) nor the amount that the developer will be reimbursed for construction improvements (\$15.5M)

A modified term sheet as well as the Service and Assessment Plan was approved by the City Council on August 7, 2018. Because of the amendments to the Service and Assessment Plan, amendments to the Acquisition and Reimbursement Agreement are required. It should also be noted that the developer is contributing \$2M towards the construction of a fire station.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Approval of the Trace Public Improvement District Acquisition and Reimbursement Agreement