



Legislation Text

File #: 18-0546, **Version:** 1

Consider and take action on an ordinance approving the 2018-19 annual service and assessment plan update for the Park on Clear Creek Public Improvement District including adjustments to the total assessments that have been levied on assessed property (Director of Finance)

Staff recommends approval on first and final reading.

Approval of this ordinance will approve the 2018-19 annual service and assessment plan ("SAP") update and adjust the total assessments levied for the Park on Clear Creek Public Improvement District ("PID 5"). Under Section 372.013(b) of the Texas Local Government Code, the City Council is required to annually review and potentially update the SAP. Staff in presenting the 2018-2019 SAP for PID 5 in compliance with Section 372.013(b). Under the 2018-2019 SAP, the assessment rate of PID 5 is not changing. However, as developer for PID 5 will be reimbursed earlier than expected, city staff anticipates an early termination of PID 5 as explained below.

The original SAP was adopted by City Council on November 10, 1998. The first amendment was adopted by City Council on November 9, 2004 (Ordinance 2004-38). The initial PID costs were estimated at \$10.4 million and included expected principal and interest on a projected bond that was assumed to be issued to complete the improvements. Bonds were never issued and the actual PID costs were \$3,619,894, plus developer interest at prime plus one percent as provided in the reimbursement agreement.

The assessment was levied on 171 properties based on an estimate of \$4,683,499 in costs. The actual costs were \$3,619,894, which results in a reduction of total assessment in the amount of \$1,063,605. The updated plan accounts for this reduction in assessments. The original assessment was levied over a period not more than 25 years at an interest rate of 7%. The annual installment for FY2018-19 remains consistent with the approved rate of \$0.25 per square foot plus 7% interest. However, it is anticipated that the balances due to the developer will be paid off in FY2018-19 and the assessment will no longer be needed in FY2019-20. Once final calculations and payment have been made for the developer's balance plus interest, staff will return with a report requesting to terminate the Public Improvement District in accordance with Local Government Code 372.017 which states that the "installments must be in amounts necessary to meet annual costs for improvements and must continue for the period necessary to retire the indebtedness on the improvements or the period approved by the government body for the payment of the installments."

Staff is recommending approval of this item on first and final reading.

Attachments:

1. Data Sheet
2. Proposed Ordinance with 2018-2019 Annual Service Plan
3. Ordinance 2004-38 - First Amended Annual Service Plan
4. Map

FUNDING

{X} NOT APPLICABLE

STRATEGIC PLANNING

{x} Addresses Strategic Planning Critical Success Factor #2 and Initiative # N/A

