



# **Policy and Guidelines for Reimbursement Public Improvement Districts**

## **I. OVERVIEW**

Public Improvement Districts (PIDs) provide a development tool that allocates costs according to the benefits received. A PID can provide a means to fund improvements to meet community needs which could not otherwise be constructed or provided and be paid by those who most benefit from them.

Reimbursement PIDs are development financing tools authorized pursuant to Chapter 372 of the Texas Local Government Code, which the developer funds infrastructure and the issuer agreement to provide reimbursements to the developer, including through the issuance of debt obligations secured by and payable from PID assessments ("PID Bonds"), after key benchmarks are met.

Under current State Law, a PID is a defined area of properties, whose owners have petitioned the City to form a PID. City Council establishes a PID by adoption of a resolution after a public hearing. The public hearing is publicized and written notification of the hearing is mailed to all property owners in the proposed PID. By petition, the owners pledge to pay an assessment in order to receive enhanced services and/or improvements within the PID. The PID must demonstrate that it confers an extraordinary benefit, not only to the properties within the PID, but also to the "public" which includes the entire City. The benefit should be above and beyond typical improvements and amenities to justify the City's involvement.

The purpose of the PID policy is to outline the issues to be addressed before the City Council

can support the establishment and continuation of a PID. The policy outlines such things as petition requirements, information to property owners, and determination of annual plan of services, budget and assessments. It addresses City administration issues, which are in addition to the requirements of state law.

Before consenting to the creation of a PID, the City Council will consider whether the creation of the PID is feasible, practicable, and necessary for the provision of the proposed services and would be a benefit to the land by producing a development that exceeds minimum development standards, and therefore warrants the City's consent, consistent with the other considerations in this policy.

## II. **COMMUNITY BENEFITS**

Subject to the requirements of this policy, the City Council will prioritize approval of petitions for PIDs supporting real estate development projects that provide for the following public benefits to a degree that is superior to the level of community benefits typically generated by real estate development projects not involving PID financing. Such benefits include, but are not limited to, the following.

1. **Quality Development.** The development meets or exceeds the intent of the development, infrastructure, and design standards of City codes;
2. **Extraordinary Benefits.** The development provides extraordinary public benefits that advance the vision and goals of the Comprehensive Plan, such as, but not limited to, extension, financial contribution, and/or enhancement of master planned infrastructure, diversity of housing, and enhanced parks, trails, open space, and recreational amenities that are available to the public;
3. **Enhance Public Service and Safety.** The development enhances public services and optimizes service delivery through its design, dedication of sites, connectivity, and other features.
4. **Fiscally Responsible.** The development is financially feasible, doesn't impair the City's ability to provide municipal services, and would not impose an undue financial burden on the citizens;
5. **Finance Plan.** The developer(s) contributes financially to cover a portion of infrastructure expenses without reimbursement by the PID or the City and as reflected in conditions placed on the issuance of PID Bonds;
6. **Annexation.** A proposed PID must be located within the City Limits. The City will not consider the creation of a PID where any portion of the property is located in the City's extra-territorial jurisdiction.

It is not necessary that all community benefits be funded by PID assessments. If a community benefit is not eligible for PID financing based on section 372.003, Local

Government Code, the petitioner must demonstrate sufficient funding of the benefit from other sources.

If it is proposed that PID Bonds are to be issued to reimburse a developer for infrastructure that a developer would ordinarily fund at its own costs, the petition must demonstrate how creation of the PID and financing of the infrastructure provides an extraordinary benefit to the City as a whole and to the property in the PID, such as accelerated development or demonstrable furtherance of a major City policy objective. The City will not create, nor consider, a PID to solely finance the costs of constructing infrastructure that only meets minimum City development standards.

### **III. GENERAL**

#### **1. PID Services and Improvements:**

- a. PID assessments may only be used to serve or improve public property and may not be used to benefit or enhance private property. Listed below are services and improvements which Georgetown's PIDs may provide or maintain. Other improvements allowed by statutes will be reviewed and considered individually by the City.
  - i. Improved landscaping and irrigation;
  - ii. Enhanced entry features;
  - iii. Installation of fountains, distinctive lighting, and signs;
  - iv. Installation of art or decorations;
  - v. Construction or improvement of pedestrian trails and sidewalks;
  - vi. Establishment or improvement of parks and recreational amenities;
  - vii. Enhanced regional infrastructure improvements; and
  - viii. Construction of off-street parking facilities
- b. Listed below are services and improvements which Georgetown PIDs may not provide or maintain:
  - i. Swimming pools;
  - ii. Travel expenses;
  - iii. Perimeter fencing;
  - iv. Acquisition; construction, improvement or maintenance of privately owned facilities or land; and
  - v. Any trails, parks, streets, or other public amenities that are located within a gated community or otherwise inaccessible location may not be funded or reimbursed by the PID.
- c. Except for public improvements specifically listed in a voter-approved City bond proposition, the City will not expend or pledge a tax increment, general fund revenue, general obligation or certificate of obligation debt proceeds,

Also available as part of the eCourse

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