



**CITY COUNCIL
REGULAR SESSION MINUTES
FEBRUARY 7, 2018**

PRESENT:

Rita G. Jonse, Mayor

COUNCIL MEMBERS:

Gene Kruppa, Place 1
Maria Amezcua, Place 2
Anne R. Weir, Mayor Pro Tem, Place 3
Zindia Pierson, Place 4 (Absent)
Deja Hill, Place 5
Todd Shaner, Place 6

CITY STAFF:

Thomas Bolt, City Manager
Lluvia Tijerina, City Secretary
Scott Dunlop, Planning Coordinator
Lydia Collins, Finance Director
Ryan Phipps, Chief of Police
James Allen, Lieutenant
Sammie Hatfield, Community Development Manager
Paige Saenz, City Attorney
Veronica Rivera, Legislative and General Counsel
Christina Lane, Financial Advisor

REGULAR SESSION – 7:00 P.M.

With a quorum of the Council Members present, the regular session of the Manor City Council was called to order by Mayor Rita G. Jonse at 7:00 p.m. on Wednesday, February 7, 2018, in the Council Chambers of the Manor City Hall, 105 E. Eggleston St., Manor, Texas.

PLEDGE OF ALLEGIANCE

At the request of Mayor Jonse, Scott Dunlop, Planning Coordinator, led the Pledge of Allegiance.

PUBLIC COMMENTS

City Manager Bolt introduced Sammie Hatfield, Community Development Manager, she discussed her background experience in Economic Development, Downtown Redevelopment, Chamber of Commerce, Tourism, and Special Events.

Barkat Umatia, Manor Grocery, 102 W. Parsons Street, Manor, Texas, spoke before City Council regarding public parking issues in front of his business. He is requesting parking spaces for Manor Grocery store.

No one else appeared to speak at this time.

CONSENT AGENDA

1. **Consideration, discussion, and possible action to approve the City Council Minutes of the January 17, 2018, Regular Meeting.**
2. **Consideration, discussion, and possible action on a second and final reading of an ordinance rezoning Abstract 315 Survey 63 Gates G, 7 acres more or less, locally known as 12805 E US Hwy 290, from Interim Single Family Residential (R-1) district zoning to Light Industrial (IN-1) district zoning.**

Ordinance No. 503: An Ordinance of the City of Manor, Texas, Amending the Zoning Ordinance by Rezoning a Parcel of Land from Single Family Residential (R-1) to Light Industrial (In-1); Making Findings of Fact; and Providing for Related Matters.

MOTION: Upon a motion made by Council Member Shaner and seconded by Council Member Kruppa, the Council voted six (6) For and none (0) Against to approve and adopt all items on the consent agenda. The motion carried unanimously.

REGULAR AGENDA

3. **Consideration, discussion, and possible action on a resolution authorizing the Manor Police Department to submit an application for General Victim Assistance Direct Services Program (VOCA) through the Office of the Governor, Criminal Justice Division for funding the Manor Victim Services Network Project.**

The City staff's recommendation was that the City Council approve Resolution No. 2018-02 authorizing the Manor Police Department to submit an application for General Victim Assistance Direct Services Program (VOCA) through the Office of the Governor, Criminal Justice Division for funding the Manor Victim Services Network Project.

Lieutenant Allen explained the resolution for the General Victim Assistance Direct Services Program.

The discussion was held regarding the deadline of the application process for the grant.

MOTION: Upon a motion made by Council Member Kruppa and seconded by Council Member Amezcua, the Council voted six (6) For and none (0) Against to approve Resolution No. 2018-02: A Resolution of the City Council of the City of Manor, Texas, Authorizing the Filing of a General Victim Assistance Direct Services Program Application to the Office of the Governor of Texas Criminal Justice Division; and Authorizing the City Manager to Act as the Grantee's Authorized Official in all Matters Pertaining to the City's Participation in the General Victim Assistance Direct Services Program. The motion carried unanimously.

4. Consideration, discussion, and possible action on an ordinance amending the Manor Code of Ordinances, Chapter 13 Utilities, Article 13.01 to add provisions for underground utilities.

The City staff's recommendation was that the City Council postpone an ordinance amending the Manor Code of Ordinances, Chapter 13 Utilities, Article 13.01 to add provisions for underground utilities to the February 21, 2018 Council meeting.

Scott Dunlop, Planning Coordinator, was available to address any questions posed by the City Council.

City Manager Bolt stated the ordinance was still under review with Bluebonnet Electric and is requesting for the item to be postponed to the February 21st Council meeting.

MOTION: Upon a motion made by Council Member Weir and seconded by Council Member Hill, the Council voted six (6) For and none (0) Against to postpone an ordinance amending the Manor Code of Ordinances, Chapter 13 Utilities, Article 13.01 to add provisions for underground utilities to the February 21, 2018, City Council meeting. The motion carried unanimously.

5. Consideration, discussion, and possible action on a resolution commencing the voluntary annexation of land adjacent and contiguous to the city limits; being 66.24 acres, more or less, of land area in the Theophilus Ellison Survey 22, Abstract Number 260, in Travis County, Texas; and providing for open meetings and other related matters.

The City staff's recommendation was that the City Council deny a resolution commencing the voluntary annexation of land adjacent and contiguous to the city limits; being 66.24 acres, more or less, of land area in the Theophilus Ellison Survey 22, Abstract Number 260, in Travis County, Texas.

City Manager Bolt explained the resolution and stated the applicant had withdrawn the annexation petition.

MOTION: Upon a motion made by Council Member Kruppa and seconded by Council Member Weir, the Council voted six (6) For and none (0) Against to deny a resolution commencing the voluntary annexation of land adjacent and contiguous to the city limits; being 66.24 acres, more or less, of land area in the Theophilus Ellison Survey 22, Abstract Number 260, in Travis County, Texas. The motion carried unanimously.

6. Consideration, discussion, and possible action to authorize the Mayor to cast a ballot for Jeffery Lewis for the Board of Directors of the Travis Central Appraisal District.

The City staff's recommendation was that the City Council approve and authorize the Mayor to cast a ballot for Jeffery Lewis for the Board of Directors of the Travis Central Appraisal District.

City Manager Bolt discussed the ballot procedures for Jeffery Lewis for the Board of Directors of the Travis Central Appraisal District.

MOTION: Upon a motion made by Council Member Weir and seconded by Council Member Shaner, the Council voted five (5) For and one (1) Against to approve and authorize the Mayor to cast a ballot for Jeffery Lewis for the Board of Directors of the Travis Central Appraisal District. Council Member Amezcua voted against. The motion carried.

7. Consideration, discussion, and possible action on matters related to the Home Rule Charter and proposed amendments.

The City staff's recommendation was that the City Council take action on matters related to the Home Rule Charter and proposed amendments.

City Manager Bolt discussed matters related to the Home Rule Charter and proposed amendments. He advised for the process to move forward and quickly for the November election.

Mayor Jonse advised for Council Members to email all proposed amendments to City Manager.

City Attorney Saenz clarified and advised once information was obtained it would need to be brought back for discussion.

No action was taken.

8. Consideration, discussion, and possible action on the development of policies governing Public Improvement Districts and Tax Increment Reinvestment Zones.

The City staff's recommendation was that the City Council take action on the development of policies governing Public Improvement Districts and Tax Increment Reinvestment Zones.

At the request of City Manager Bolt, Jon Snyder with P3Works, 1808 W. 6th Street, Austin, Texas, spoke before City Council and conducted the attached PowerPoint Presentation on the PID Policy.

Mr. Snyder discussed the PID Policy purpose and overview for the City of Manor. He explained the types of projects that the City would consider. Mr. Snyder asked for feedback from the Council regarding the types of projects that are needed and important to the City.

Council Member Weir stated the City of Manor needs to grow commercially for tax revenue and would like for it to be discussed.

Council Member Kruppa inquired if the City could have residential and commercial development in the same area.

The discussion was held regarding the policy requirements.

Council Member Amezcua stated she would like to keep the policy consistent with the City's planning and zoning requirements.

The discussion was held regarding the types of regulations for lot sizes and alleyways.

Council Member Kruppa discussed his experience with the roadway issues in his subdivision. He stated he would like to see a thoroughfare plan and water and wastewater plan for the City of Manor.

Mayor Jonse inquired of the possibilities for new homes to have the garage in the back facing the alleyway. The discussion was held regarding the option for developers to build homes with the garage in the back of the home. City Manager Bolt discussed the issues with direct alleys and parking in the roadways.

The discussion was held regarding the flexibility of the policy for the developers.

Council Member Weir discussed the Mueller Development in the City of Austin and stated she would love to see development like that for the City of Manor.

Mr. Snyder discussed the matrix and developers feedback that was provided to the City.

The discussion was held regarding the project requirements in the City and/or extra-territorial jurisdiction ("the ETJ").

City Manager Bolt discussed the PID development agreements for utilities.

The discussion was held regarding land use authority and limited purpose annexation.

Mr. Snyder discussed the type of project size, density, schedule and mixed uses. He asked the Council for direction on the City's flexibility for project requirements. Council Member Shaner stated he agreed with having the flexibility in the policy.

Mr. Snyder discussed the regulations for cash contributions to the City.

Council Member Kruppa stated he would rather see the police, fire, and road maintenance assessment for projects in ETJ. Mr. Snyder explained the assessment for services within the ETJ.

The discussion was held regarding the disclosure to homeowners.

Council Member Kruppa inquired about the County's collection fee. Mr. Snyder explained the administrative fee that is added in the PID.

Mr. Snyder discussed the City Professional Team and District Administration the City would need to hire.

The discussion was held regarding previous annexations in the City with development agreements and how they would remain ETJ PIDs.

Mayor Jonse inquired about the Professional Service Agreement fees. Mr. Snyder explained the application fee and the Professional Service Agreement is paid by the developer.

The discussion was held regarding the pay for City staff time and requirements for the City PID Administrator to draft the Service and Assessment Plan for the City.

Mr. Snyder discussed the Assessment Term and Bond Term. The discussion was held regarding the years for the assessment. Financial Advisor Lane advised a typical term was for 30 years. She stated the City had the option to set the term and recommends a maximum of a 30-year term.

Mr. Snyder discussed the maximum equivalent tax rate for the City. Council Member Weir stated her concerns if the PID tax rate is set high.

Council Member Hill inquired about the tax rate being low for the Mueller Development in the chart presented. Pete Dwyer with Dwyer Realty Companies stated the City of Austin owned the real estate property and the City of Austin paid for the infrastructure development.

Mr. Snyder introduced Robert Rivera with FMS Bonds from Dallas, Texas. Mr. Rivera explained the underwriting process. He discussed the PIDs assessment term and bond term benefits to the Developer and City.

Council Member Kruppa stated he would like to propose \$0.35 for the PID rate. The discussion was held regarding the flexibility of the tax rate.

Mr. Dwyer explained his proposal for the tax rate for the Entrada Glen PID.

Rick Rosenberg with DPF Inc., 8140 N. Mopac Expressway, Austin, Texas, spoke before City Council in support of this item. He discussed the PID Assessment Tax Rate.

The discussion was held regarding the assessment fee for each lot.

Mr. Snyder discussed the PID rate regarding the maximum equivalent tax rate proposal in the chart presented.

Council Member Hill inquired about the maximum tax rate of \$3.31. Mr. Snyder clarified the maximum tax rate would stay at \$3.31.

The discussion was held regarding the same tax rate for commercial and residential projects.

Council Member Kruppa inquired if a tax rate of \$0.35 for PID residential projects and \$0.45 tax rate for commercial projects could be proposed. Mr. Snyder stated the tax rate for commercial projects would be more sensitive.

Mr. Dwyer inquired if a numerical rate needed to be established for the PID Policy. He stated the policy could be established now and the flexibility of the tax rate could be established based on other PIDs merits. He is requesting the establishment of the Policy to be able to move forward with the Entrada Glen PID.

Council Member Kruppa requested for City Council to discuss policy matters in Executive Session.

Mr. Snyder clarified the discussion was for ideas and requests from Council to be able to present a PID Policy with more detail information.

City Attorney Saenz clarified that Mr. Snyder was looking for parameters and direction for the PID Policy. She stated the draft policy would be brought back to Council for consideration and discussion before the final adoption of the policy.

The discussion was held regarding the City issuing bonds. Mr. Snyder explained the Cash Flow PIDs and PID Bonds process and risks.

City Attorney Saenz discussed the obligations from the City to collect the assessment.

Financial Advisor Lane discussed previous City bonds that have been issued. She discussed the PID debt rating reviews by auditors and the pay as you go PIDs.

Mr. Rivera explained the use of a Cash Flow PID and discussed the issuance of a Bond PID. He also discussed the risks for private placement. Mr. Rivera discussed his firm's services that would be provided to the City.

Mr. Snyder discussed the bond requirements. He discussed the value to lien ratio, developer contribution, and status of developments.

MOTION: Upon a motion made by Council Member Amezcua and seconded by Council Member Hill, the Council voted six (6) For and none (0) Against to postpone the action on the development of policies governing Public Improvement Districts and Tax Increment Reinvestment Zones to the February 21, 2018, City Council meeting. The motion carried unanimously.

Mayor Jonse adjourned the regular session of the Manor City Council into Executive Session at 9:02 p.m. Wednesday, February 7, 2018, in accordance with the requirements of the Open Meetings Law.

EXECUTIVE SESSION

The City Council convene into Executive Session pursuant to the provisions of Chapter 551 Texas Government Code, in accordance with the authority contained in *Section 551.074 Personnel Matters – Interview Candidates for appointment to fill vacancies on the City of Manor Planning and Zoning Commission; and Section 551.072 Deliberations regarding Real Property – Lots 1-10 Block 8 Lane AE Addition, 1.25 acres more or less in the City of Manor, Travis County, at 9:02 p.m., on Wednesday, February 7, 2018, City Council Conference Room of the Manor City Hall, 105 E. Eggleston St., Manor, Texas.*

The Executive Session was adjourned at 9:59 p.m. on Wednesday, February 7, 2018.

OPEN SESSION

The City Council reconvened into Open Session pursuant to the provisions of Chapter 551 Texas Government Code at 9:59 p.m. on Wednesday, February 7, 2018, in the Council Chambers of the Manor City Hall.

Mayor Jonse opened the floor for action to be taken on the items discussed in the Executive Session.

Section 551.074 Personnel Matters – Interview Candidates for appointment to fill vacancies on the City of Manor Planning and Zoning Commission

MOTION: Upon a motion made by Council Member Weir and seconded by Council Member Kruppa, the Council voted six (6) For and none (0) Against to appoint Larry Wallace to the Planning and Zoning Commission, Place 4 to fill an unexpired term and continue serving until the next appointment of January 1, 2020. The motion carried unanimously.

Section 551.072 Deliberations regarding Real Property – Lots 1-10 Block 8 Lane AE Addition, 1.25 acres more or less in the City of Manor, Travis County

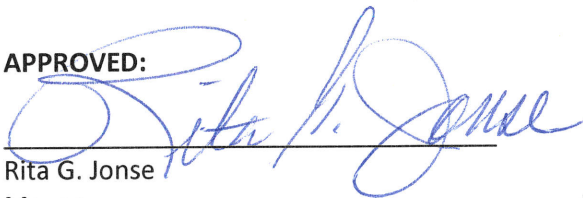
MOTION: Upon a motion made by Council Member Shaner and seconded by Council Member Weir, the Council voted six (6) For and none (0) Against to authorize the City Manager to move forward with the appraisal and inspection of set property. The motion carried unanimously.

ADJOURNMENT

MOTION: Upon a motion made by Council Member Amezcua and seconded by Council Member Shaner, the Council voted six (6) For and none (0) Against to adjourn the regular session of the Manor City Council at 10:00 p.m. on Wednesday, February 7, 2018. The motion carried.

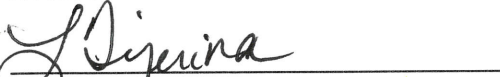
These minutes approved by the Manor City Council on the 21st day of February 2018.

APPROVED:



Rita G. Jonse
Mayor

ATTEST:



Lluvia Tijerina
City Secretary





PID Policy Workshop

FEBRUARY 7, 2018



PID Policy Purpose and Overview

- PID Policy should set clear requirements for:
 - Types of projects that the City will consider issuing a PID for community benefit
 - Homeowner Disclosure
 - Financial Terms
 - Equivalent Tax Rate
 - Bond Term
 - Conditions Precedent to Issuing Bonds
- Guidelines help streamline discussions between developers and City staff
- Individual provisions can be waived by City Council on a case by case basis
- The policy can be simple (allows Staff to negotiate) or extremely detailed (requires everything to come through Council)

Project Requirements

- City Limits and/or ETJ
- Type of project
 - Size
 - Density
 - Absorption schedule
 - Mixed uses
- Enhanced landscaping requirements
- Standards that exceed City's subdivision requirements (residential vs commercial)
 - Subdivision overall design
 - Minimum lot size (i.e. 50' or greater)
 - Building standards
 - Amenities
 - Parks and open space
- Internal Subdivision Improvements that advance City's Master Plans
 - Thoroughfare Plan
 - Water and Wastewater
 - Trails and parks
- Offsite Improvements that advance City's Master Plans
 - Thoroughfare Plan
 - Water and Wastewater
 - Trails and parks
 - Sign off from City Engineer



Cash Contributions to the City

- City of Kyle requires a cash contribution equal to 10% of net bond proceeds to City general fund for projects in the ETJ which refuse to annex
- Travis County requires developer to pay 10% of net bond proceeds to support County programs
- City of Dripping Springs requires a cash contribution equal to 1/9 of net bond proceeds to City general fund
- Some Cities require police/fire/road maintenance assessment for projects in ETJ
- May include any other conditions/prerequisites determined by City



Disclosure to Homeowners

- Landowner's Agreement recorded in Official Public Records
- Signage at major entryways and exits, similar to MUDs
- Information signage and flyers in sales centers
 - PID FAQs
 - Equivalent Tax Rate
 - Total Assessment
 - Annual Installment
- Requirement to place on Travis County Tax Bill
 - Typically included in mortgage escrow
 - PID Assessment "picked up" by title/mortgage companies
- Homebuyer Disclosure Documents



City Professional Team and District Administration

- How does the City choose the Professional Team?
 - Bond Counsel (Typically chosen independently by City)
 - Financial Advisor (Typically chosen independently by City)
 - PID Administrator (Typically chosen independently by City)
 - Trustee (Typically chosen independently by City)
 - Underwriter (Typically selected by City with input from developer)
 - Appraiser (Typically selected by City with input from developer)
- Application Fee and/or Professional Services Agreement
 - Pays expenses for 3rd party consultants
 - Can pay for City staff time
- Some Cities require City PID Administrator to draft Service and Assessment Plan



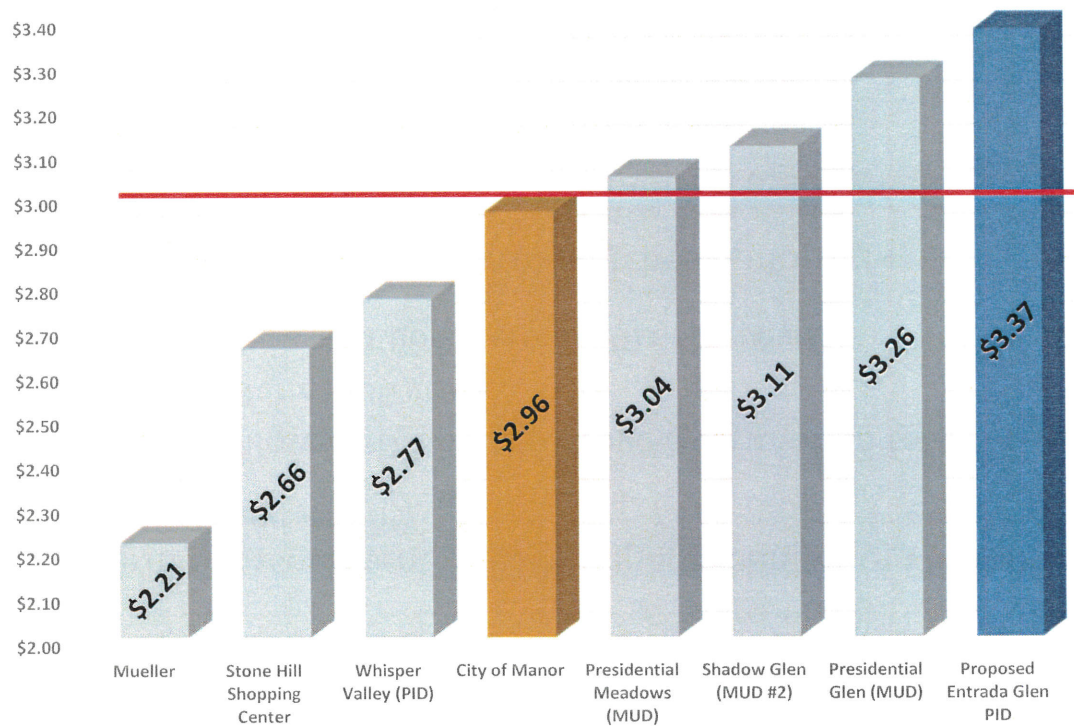
Assessment Term/Bond Term

- Term of assessment directly impacts benefit of PID to the developer. The longer the term, the greater the benefit
- PID Act allows PID Bonds to have a term of up to 40 years
 - Typical Term is 30 years
 - Some cities limit bond term to 20 or 25 years
- Typically Assessment Term matches Bond Term
- In some cases developers will request assessments to exceed the term of the bonds

Maximum Equivalent Tax Rate



2017 Tax Rate Per \$100 of Assessed Value



	2017 Tax Rate	+/- vs. Manor
Mueller	\$ 2.21	\$ (0.75)
Stone Hill Shopping Center	\$ 2.66	\$ (0.31)
Whisper Valley (PID)	\$ 2.77	\$ (0.20)
City of Manor	\$ 2.96	\$ -
Presidential Meadows (MUD)	\$ 3.04	\$ 0.08
Shadow Glen (MUD #2)	\$ 3.11	\$ 0.15
Presidential Glen (MUD)	\$ 3.26	\$ 0.30
Proposed Entrada Glen PID	\$ 3.37	\$ 0.41

Should residential and commercial rates be the same or different?



Should PIDs Issue Bonds?

- Cash Flow PIDs
 - Annual Installments paid to developer
 - **No upfront money, not as beneficial to developers**
 - Maximum interest rate allowed (currently 9.5% for 1st 5 years, 5.5% thereafter)
 - Developers can privately monetize revenue stream, but less efficient than bonds

- PID Bonds
 - Annual Installments paid to bond holders
 - **Upfront money, interest rates are lower due to tax exempt nature of bonds**
 - Bonds are secured solely from PID assessments
 - City does not have financial or moral obligation, but City will have “headline risk” and requirement to comply with bond covenants
 - City should be reimbursed if unable to issue bank qualified debt as a result of PID Bonds



Bond Requirements

- Value to Lien Ratio
 - 3:1 requirement or dependent on credit
 - Minimum requirement per parcel
 - Mandatory prepayment requirement
- Developer contribution
 - Cash, LOC, Bank Commitment, or dependent on transaction
- Status of development may require the following:
 - Proceeds used for Construction
 - Acquire completed improvements
 - Require all improvements to be complete

PID POLICY WORKSHOP

Project Requirements (Slide 3)				
<p>What types of projects should be considered?</p> <p>Should residential and commercial projects have the same requirements?</p> <p>How much flexibility should the City have to waive/modify requirements?</p>	<ul style="list-style-type: none"> • City Limits and/or ETJ • Type of Project <ul style="list-style-type: none"> ○ Size ○ Density ○ Absorption ○ Mixed uses • Enhanced landscaping requirements 	<ul style="list-style-type: none"> • Standards that exceed City's subdivision requirements <ul style="list-style-type: none"> ○ Subdivision overall design ○ <u>Minimum lot size</u> (50' or greater) ○ Building standards ○ Amenities ○ Parks and open space 	<ul style="list-style-type: none"> • <u>Internal Subdivision</u> Improvement that advance City's Master Plans <ul style="list-style-type: none"> ○ Thoroughfare plan ○ Water and wastewater ○ Trails and parks 	<ul style="list-style-type: none"> • <u>Offsite Improvement</u> that advance the City's Master Plans <ul style="list-style-type: none"> ○ Thoroughfare plan ○ Water and wastewater ○ Trails and parks ○ <u>Sign off from City Engineer</u>
<p>Comments:</p>				
Cash Contributions to the City (Slide 4)				
<p>Should the City require a cash contribution or other funding? If so how much?</p> <p>If the project is in the ETJ, should the City require a separate assessment to fund police/fire/roads?</p>	<p>City of Kyle</p> <ul style="list-style-type: none"> • Cash contribution equal to 10% of net bond proceeds to City general fund for projects in the ETJ which refuse to annex 	<p>Travis County</p> <ul style="list-style-type: none"> • Developer contributes 10% net bond proceeds to support County programs 	<p>City of Dripping Springs</p> <ul style="list-style-type: none"> • Cash contribution equal to 1/9 of net bond proceeds to City general fund 	<ul style="list-style-type: none"> • Require police/fire/road maintenance assessment for projects in ETJ • May include any other conditions/prerequisites determined by City
<p>Comments:</p>				

PID POLICY WORKSHOP

Disclosures to Homeowners (Slide 5)

<p>What does the City want to require of the developers to ensure homeowners are aware of the PID?</p>	<ul style="list-style-type: none"> • Landowner’s Agreement recorded on Official Public Records • Signage at major entryways and exits 	<ul style="list-style-type: none"> • Information signage and flyers in sales centers <ul style="list-style-type: none"> ○ PID FAQs ○ Equivalent Tax Rate ○ Total Assessment ○ Annual Installment 	<ul style="list-style-type: none"> • Requirement to place on Travis County Tax Bill <ul style="list-style-type: none"> ○ Typically included in mortgage escrow ○ PID Assessment “picked up” by title/mortgage companies 	<ul style="list-style-type: none"> • Homebuyer Disclosure Documents
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Comments:

City Professional Team and District Administration (Slide 6)

<p>How does the City choose the Professional Team?</p> <p>What is the role of the PID Administrator?</p>	<p>Team typically chosen independently by City:</p> <ul style="list-style-type: none"> • Bond Counsel • Financial Advisor • PID Administrator • Trustee 	<p>Team typically chosen by City with input from development team:</p> <ul style="list-style-type: none"> • Underwriter • Appraiser 	<p>Application Fee and/or Professional Services Agreement</p> <ul style="list-style-type: none"> • Pays expenses for 3rd party consultants • City staff time 	<ul style="list-style-type: none"> • City may require PID Administrator to draft Service and Assessment Plan
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Comments:

PID POLICY WORKSHOP

Assessment Term/Bond Term (Slide 7)				
<p>Should the City set a maximum Assessment Term?</p> <p>Should the City require the Assessment Term to equal to the Bond Term?</p>	<ul style="list-style-type: none"> • Term of assessment directly impacts benefit of PID to developer <ul style="list-style-type: none"> ○ Longer term = greater benefit 	<ul style="list-style-type: none"> • PID Act allows PID Bonds term up to 40 years <ul style="list-style-type: none"> ○ Typical Term is 30 years ○ Some Cities limit term to 20-25 years 	<ul style="list-style-type: none"> • Typically Assessment Term matches Bond Term 	<ul style="list-style-type: none"> • In some cases, developers request assessments to exceed the terms of the bonds
<p>Comments:</p>				
Maximum Equivalent Tax Rate (Slide 8)				
<p>Should the City set a Maximum Equivalent Tax Rate?</p> <p>Should residential and commercial rates be different?</p>	<p>The Maximum Equivalent Tax Rate per \$100 of assessed value is calculated and compared to similar and neighboring projects</p>	<ul style="list-style-type: none"> • City of Manor had a 2017 Tax Rate of \$2.96 • 2017 tax rates ranged from \$2.21 to \$3.26 for competing projects 	<p>Proposed Entrada Glen PID Tax Rate of \$ 3.37</p>	<p>See Slide 8 for graphic representation of Maximum Equivalent Tax Rate</p>
<p>Comments:</p>				

PID POLICY WORKSHOP

Types of PIDs (Slide 9)

Should PIDs issue Bonds?	Cash Flow PIDs <ul style="list-style-type: none"> • Annual Installments paid to developer • No upfront money, <i>not as beneficial to developers</i> • Maximum interest rate allowed by law <ul style="list-style-type: none"> ○ 9.5% for 1st 5 years, 5.5% thereafter • Developers can privately monetize revenue stream, less efficient than bonds 	PID Bonds <ul style="list-style-type: none"> • Annual Installments paid to bond holders • Upfront money, <i>interest rates are lower due to tax exempt nature of bonds</i> • Bonds are secured solely from PID assessments • City does not have financial or moral obligation, City will have “headline risk” and must comply with bond covenants • City should be reimbursed if unable to issue bank qualified debt as a result of PID Bonds
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Comments:

Bond Requirements (Slide 10)

Should City set Bond Requirements?	Value to Lien Ratio <ul style="list-style-type: none"> • 3:1 requirement or dependent on credit • Minimum requirement per parcel • Mandatory prepayment requirement 	Developer Contribution <ul style="list-style-type: none"> • Cash • Letter of Credit • Bank Commitment • Or dependent on transaction 	Status of development may require the following: <ul style="list-style-type: none"> • Proceeds used for Construction • Acquire completed improvements • Require all improvement to be complete 	
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Comments: