

City of Mesquite, Texas

Legislation Details (With Text)

File #:	21-5293	Version:	1	Name:	Solterra PID Administration Contract
Type:	Agenda Item	Status:	Passed		
File created:	2/6/2021	In control:	City Council		
On agenda:	3/1/2021	Final action:	3/1/2021		
Title:	Authorize the City Manager to finalize and execute an Agreement for Public Improvement District (PID) and Tax Increment Reinvestment Zone (TIRZ) Creation and Administration Services with P3Works, LLC, for the Solterra Development for an initial term of three years with one-year automatic renewal options.				

Sponsors:

Indexes:

Code sections:

Attachments: 1. Agreement for PID and TIRZ Admin Services

Date	Ver.	Action By	Action	Result
3/1/2021	1	City Council	Approved	Pass

Authorize the City Manager to finalize and execute an Agreement for Public Improvement District (PID) and Tax Increment Reinvestment Zone (TIRZ) Creation and Administration Services with P3Works, LLC, for the Solterra Development for an initial term of three years with one-year automatic renewal options.

This Council agenda includes a resolution calling for a public hearing on April 5, 2021, to consider creation of the Solterra Public Improvement District (PID). The formation and ongoing administration of a PID requires specialized and complex analysis that is generally performed by an outside firm which specializes in PID administration services.

During the time leading up to the City creating the Solterra PID and the City issues the first series of special revenue assessment bonds (PID bonds), the PID Administrator will develop a preliminary and final Service and Assessment Plan (SAP), which apportions the annual property assessment and the maximum annual TIRZ credits to reduce the assessments based on TIRZ modeling and analysis. The SAP details capitalized interest and bond requirements including debt service, prepayment reserves, delinquency reserves, administrative expenses and the assessment roll over the life of the bonds. Once the PID bonds are issued, the PID Administrator works with the bond Trustee and City staff to coordinate quarterly continuing disclosure reports, review Developer reimbursement requests, and provides annual updates to the SAP as long as PID bonds are outstanding and assessments are due.

P3Works, LLC, is the PID Administrator for the Iron Horse PID and has demonstrated exceptional service in administering the SAP, continuing disclosure reports and review of developer reimbursement requests for the City; therefore, City staff recommends P3Works continue as PID Administrator for the Solterra PID.

P3Works will begin work coordinating a bond sale schedule and once the Solterra PID is created, P3Works will develop the preliminary and final SAP for the PID. After closing of the initial bond sale, P3Works will coordinate quarterly continuing disclosure services with the developer and review developer reimbursement requests and other ongoing PID administrative services, including annual updates to the SAP.

Financial Implications

Funding for the Agreement for Public Improvement District (PID) and Tax Increment Reinvestment Zone (TIRZ) Creation and Administration Services, including any future renewals is financed solely through Solterra PID bond sale proceeds and annual assessments paid by property owners within the PID in accordance with the PID Service and Assessment Plan. No City tax dollars will ever be used to fund PID administration services.

Recommended/Desired Action

Staff recommends approval.

Attachment(s)

Agreement for Public Improvement District (PID) and Tax Increment Reinvestment Zone (TIRZ) Creation and Administration Services

Drafter

Ted Chinn

Head of Department

Ted Chinn