



CITY OF SHAVANO PARK
900 Saddletree Court Shavano Park, TX 78231

CITY POLICY NO. 25

SUBJECT: Economic Development Policy

March 25, 2024

1. References.

- a. Chapter 372 of the Texas Local Government Code
- b. Chapter 380 of the Texas Local Government Code
- c. Resolution R-2024-006

2. Purpose. The purpose of this policy is to outline conditions that must be satisfied by a developer seeking to establish a public improvement district (“PID”) or create an economic incentives agreement under Chapter 380 of Texas Local Government Code (“Chapter 380 Agreement”).

The intent of this policy is to provide parameters for establishment and use of PIDs and Chapter 380 agreements within the City and to outline the issues to be addressed before the City Council can support the establishment of a PID or Chapter 380 Agreement. The City Council supports the use of these economic incentive tools to create sustainable developments with a higher level of public improvements (and maintenance of those improvements) than exists in a development that meets the City’s minimum standards. These projects should be self-supporting, should not place administrative burdens on the City nor involve management or oversight by the City for their daily activities. This policy shall serve to supplement all other applicable City rules, regulations, and policies. Even if all conditions of this policy are satisfied, the City Council, in its sole discretion, may choose to approve, modify or deny a Petition’s proposed PID or an application for a Chapter 380 Agreement.

Developers may propose PIDs and Chapter 380 Agreements for the same property(ies) but both petition and application must be submitted separately. City Council may consider and approve a petition for a PID and an application for a Chapter 380 Agreement submitted for the same property(ies) together or separately at their discretion.

3. Staff Point-of-Contact. The staff point of contact for this policy is the Assistant City Manager at 210.477.0950 or acm@shavanopark.org.

4. Background.

- a. PIDs are economic development financing tools authorized pursuant to Chapter 372 of the Texas Local Government Code (the “PID Act”) that allow for financing costs of certain qualified public improvements that confer a special benefit on the property within the PID. A City, through a PID may provide a means to fund certain public improvements that meet or exceed community needs and that might not otherwise be constructed as quickly, or at all, by levying assessments on properties that directly benefit from the eligible public improvements.

- b. Chapter 380 of the Texas Local Government Code (“Chapter 380 Agreements”) allows Texas

municipalities to provide a grant or a loan of city funds or services to promote economic development. These development incentives typically take the form of property tax abatements, loans or grants, commitments for infrastructure, or payments of portions of the incremental sales tax generated by the project. Negotiations on these incentives between the local jurisdiction and the developer occur on a case-by-case basis. This policy establishes guidelines for these negotiations.

5. Definitions.

- a. "Petitioner" and "Developer" may be used interchangeably and shall refer to any person(s) or entity(ies) which is responsible for requesting the PIDs creation or for managing the development of the property within the limits of the PID.
- b. "City" is defined as meaning the City of Shavano Park, Texas.
- c. "PID Act" is defined as meaning Chapter 372 of the Texas Local Government Code.
- d. "Chapter 380 agreement" is defined as meaning an economic incentives agreement under Chapter 380 of the Texas Local Government Code.

6. Attachments.

The following documents are included as attachments to this policy and incorporated by reference.

- a. Attachment A – PID Process Outline
- b. Attachment B – Petition Template
- c. Attachment C – Chapter 380 Agreement Application

7. Organization.

This policy is divided into two sections: the Section I. is for Public Improvement Districts and the Section II. is for Chapter 380 Agreements. At the end of both sections are the above attachments.

8. Miscellaneous Provision

The following provisions shall be included in all PID and Chapter 380 Agreements:

- a. **Severance.** If any section, subsection, sentence, clause, phrase, or word of this Policy is declared unconstitutional or invalid for any purpose, the remainder of this Policy shall not be affected.
- b. **Waivers.** Waivers to or deviations from this policy may only be approved by the City unless otherwise stated herein.
- c. **No Personal Liability of Public Officials.** No public official, employee or City consultant shall be personally responsible for any liability arising under or growing out of any approved or disapproved PID or Chapter 380 Agreement. Any obligation or liability of the Petitioner or Developer whatsoever that may arise at any time under the approved PID or Chapter 380 Agreement or obligation or liability which may be incurred by the Petitioner or Developer pursuant to any other instrument transaction or undertaking as a result of the PID or Chapter 380 Agreement shall be satisfied out of the assets of the Petitioner or Developer only, and the City shall have no liability.
- d. **Indemnification.** All PID and Chapter 380 Agreement agreements shall include

Indemnification language as follows:

***“Indemnification. DEVELOPER COVENANTS AND AGREES TO FULLY INDEMNIFY AND HOLD HARMLESS CITY (AND ITS ELECTED OFFICIALS, EMPLOYEES, OFFICERS, ATTORNEYS, OUTSIDE CONSULTANTS, DIRECTORS, AND REPRESENTATIVES), INDIVIDUALLY AND COLLECTIVELY, FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PRECEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND SUITS OF ANY KIND AND NATURE BROUGHT BY ANY THIRD-PARTY AND RELATING TO DEVELOPER’S ACTIONS ON THE PROJECT INCLUDING, BUT NOT LIMITED TO PERSONAL INJURY OR DEATH AND PROPERTY DAMAGE, MADE UPON CITY OR DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO DEVELOPER OR DEVELOPER’S AGENTS’ OR REPRESENTATIVES’ NEGLIGENCE, WILLFUL MISCONDUCT OR CRIMINAL CONDUCT IN ITS ACTIVITIES UNDER THIS AGREEMENT, INCLUDING ANY SUCH ACTS OR OMISSIONS OF DEVELOPER OR DEVELOPER’S AGENTS OR REPRESENTATIVES, AND ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANTS OR SUBCONSULTANT OF DEVELOPER OR DEVELOPER’S AGENTS OR REPRESENTATIVES, AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, DIRECTORS AND REPRESENTATIVES WHILE IN THE EXERCISE OR PERFORMANCE OF THE RIGHTS OR DUTIES UNDER THIS AGREEMENT, ALL WITHOUT, HOWEVER WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO CITY, UNDER STATE LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER STATE LAW. THE PROVISIONS OF THIS INDEMNIFICATION ARE SOLELY FOR THE BENEFIT OF THE CITY AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. DEVELOPER SHALL PROMPTLY ADVISE CITY IN WRITING OF ANY CLAIM OR DEMAND AGAINST THE CITY, RELATED TO OR ARISING OUT OF DEVELOPER OR DEVELOPER’S AGENTS’ OR REPRESENTATIVES’ ACTIVITIES UNDER THIS AGREEMENT AND SHALL SEE TO THE INVESTIGATION AND DEFENSE OF SUCH CLAIM OR DEMAND AT THE DEVELOPER’S COST TO THE EXTENT REQUIRED UNDER THE INDEMNITY IN THIS PARAGRAPH CITY SHALL HAVE THE RIGHT, AT ITS OPTION AND AT ITS OWN EXPENSE, TO PARTICIPATE IN SUCH A DEFENSE WITHOUT RELIEVING DEVELOPER OF ANY OF ITS OBLIGATIONS UNDER THIS PARAGRAPH.*”**

IT IS THE EXPRESS INTENT OF THIS SECTION THAT THE INDEMNITY PROVIDED TO THE CITY SHALL SERVE THE TERMINATION AND OR EXPIRATION OF ANY AGREEMENT TO WHICH THE DEVELOPER OR ITS AGENTS OR REPRESENTATIVES ARE A PARTY RELATED TO THE PID AND SHALL BE BROADLY INTERPRETED AT ALL TIMES TO PROVIDE THE MAXIMUM INDEMNIFICATION OF THE CITY AND / OR THEIR OFFICERS, ATTORNEYS, EMPLOYEES AND ELECTED OFFICIALS PERMITTED BY LAW.”

Section I. PUBLIC IMPROVEMENT DISTRICTS

1. Types of PIDs.

- a. **Capital PIDs** are those that are established to construct infrastructure within a development. There are two types of Capital PIDs:
 - i. *Reimbursement PID*: The developer pays for the infrastructure up front and is reimbursed from assessments collected over time.
 - ii. *Bonded PID*: The City issues special assessment revenue bonds for the construction of improvements and/or reimbursement to the Developer and such bonds are repaid from assessments collected annually

PID BONDS THAT MAY BE ISSUED BY THE CITY SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE CITY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER. BUT THE PID BONDS WILL BE LIMITED AND SPECIAL OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE PID SPECIAL ASSESSMENTS TO BE COLLECTED. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE WILL BE PLEDGED TO THE PAYMENT OF ANY PID BONDS.

Capital PIDs shall only be created for a commercial development or a mixed use development with significant non-residential component.

Capital PIDs will have a termination date of either the maturity of the bonds for Bonded PIDs, or full repayment of the reimbursement obligation for Reimbursement PIDs.

The maximum term for PID special assessments to be levied for a single-phase development shall not exceed 30 years. The maximum term for PID special assessments to be levied for a multiple-phase development shall not exceed 30 years for each phase of development requiring a separate PID assessment levy.

- b. **Operation and Maintenance PIDs** (“O&M PIDs”) are used to fund ongoing required or enhanced operation and maintenance for public improvements such as parks, public open space, trails and other public improvements.
 - (i) There may be no termination date with an O&M PID until City Council decides otherwise.
 - (ii) The assessment is determined annually based on a budget to maintain and operate the PID.
 - (iii) Payment of the assessment is on an annual basis, and no pre-payment can occur since there is no principal amount.
 - (iv) The City may create advisory boards for Maintenance PIDs.
 - (v) Development projects may include both Capital PIDs and Maintenance PIDs.

2. General.

A PID may be created and utilized to construct qualified public improvements and/or reimburse a portion of the Developer’s actual and documented costs required for public improvements to serve

the development. Such incremental costs shall be associated with the construction of qualified public improvements.

PIDS MUST BE SELF-SUFFICIENT AND NOT REQUIRE THE CITY TO INCUR ANY COSTS ASSOCIATED WITH THE FORMATION OF THE PID. BOND ISSUANCE COSTS, PID ADMINISTRATION OR THE CONSTRUCTION OF PID IMPROVEMENTS.

PID petition signatures will reflect that a reasonable attempt was made to obtain the full support of the PID by all the property owners, who will be responsible for the payment of the special assessments, located within the proposed PID. Priority will be given to PIDs with the support of 100% of the landowners, who will be responsible for the payment of the special assessments, within a PID.

A PID petition will be more likely to be approved if the development project includes one or more aspects of the following types of improvements which:

- a. Generate economic development benefits to the City consistent with the City's Town Plan and other city initiatives;
- b. Provide for improvements in the public right-of-way that are consistent with the City's Town Plan, and create new or enhanced public roads and streets (e.g., entryways, gateways, landscaping, street trees, fountains, specialty lighting, art, decorative and landscaped streets and sidewalks, bike lanes, multi-use trails, signage, terminating vistas, decorative pedestrian lighting, pedestrian safety elements, ADA accessibility, underground utilities, street lighting, etc.);
- c. Meet community needs (e.g., sales-tax generating developments, commercial development compatible with nearby residential communities, enhanced drainage improvements, pedestrian and trail connectivity)
- d. Exceed development requirements of the City; in particular enhanced architectural standards, enhanced landscaping, low impact development features, impervious cover limitations, parking lot shading, and which provide for a superior design of lots or buildings;
- e. Provide for increased recreation and open space opportunities for public use as well as protect and preserve natural amenities and environmental assets such as the lakes, trees, creeks, ponds, floodplains, slopes, hills, viewscapes, and wildlife habitats;
- f. Protect and preserve the rural and community amenities or features that further the look and feel of the hill country or would otherwise be of special benefit to the property users or community; or which establish a unified architectural or design theme throughout the development that complements the community's character and heritage.

Any requested adjustments or deviations from the terms of this PID Policy for a proposed PID shall be clearly requested and explained (including a detailed description of the basis for such a

request under the PID Act) prior to submitting the PID petition. Any adjustments or deviations granted are at the sole discretion of the City Council.

Property owned by the City or that is intended to be conveyed or dedicated to the City and located within the boundaries of the PID shall not be subject to any assessment by the PID.

No PIDs will be allowed to be created that overlap the boundaries of another PID.

3. Petition Requirements

In accordance with Texas Local Government Code §372.005(a), all petitions requesting establishment of a PID shall include at a minimum the following additional requirements, the satisfaction of which shall be determined in the sole discretion of the City Council:

- a. The appraised value of taxable real property liable for assessment in the district.
- b. The cost of the improvements within the district.
- c. Description of all City-owned and City-maintained land within the PID as well as any project costs for which the City is expected to be responsible.

4. Required Fees, Additional Documents and Information

The following must be provided or addressed before the City Council will consider a petition:

- a. A non-refundable application fee of **\$2,000** will be required with the filing of a petition to create a PID. This fee is regulatory in character and approximates the City staff costs of evaluating the PID petition. In addition to the application fee, any other related City-required cost, limited to actual costs as are documented by the City, is the responsibility of the Petitioner.

Additionally, if the City Council determines it is in its best interest to establish a PID, a Professional Services Agreement (“PSA”) will be entered into with the Petitioner. The PSA will require the Petitioner to initially deposit funds to pay for the City's third-party consultants including, but not limited to, Bond Counsel, Financial Advisor, PID Administrator, Appraiser, and Market Study Analysis. Additional deposits will be required when the deposit balance meets a minimum threshold as described below. Funds that have been expended for payment to the City’s consultants are non-refundable except for potential reimbursements from bond proceeds or special assessments. Unused balances will be refunded to Petitioner. **For Capital PIDs, the initial amount is \$30,000 with additional \$10,000 increments when deposit balance reaches \$5,000.**

- b. Current tax roll, or other acceptable evidence of ownership, with notations indicating the owners registering support for the petition.
- c. A copy of the Preliminary PID Finance Plan shall be submitted with the petition. This Finance Plan shall include at a minimum:
 - (i) Description and estimated costs of the proposed public improvements to be financed;

- (ii) Description of the proposed development;
 - (iii) Proposed timetable of the development including anticipated construction timelines;
 - (iv) Detailed development financing plan showing breakdown of proposed private (loan and equity) and public financing structure;
 - (v) Targeted gross assessment amount;
 - (vi) Estimated ad valorem tax revenue generated by the proposed development;
 - (vii) Estimated number of bond issuances;
 - (viii) Proposed maturity dates for assessments; and
 - (ix) Any other such supporting information related to the success of the PID.
- d. A copy of a Project Feasibility Report which demonstrates the economic feasibility of the proposed development project and includes the following information:
- (i) An assessment revenue pro forma for the proposed development project;
 - (ii) A financial review of the development projections and schedule;
 - (iii) Analysis of above describing the timing and amount of assessment revenue which will be generated based upon varying levels of assessments; and
 - (iv) Comparison of the development project with other similar projects in the area that will not have an assessment.
- e. A preliminary appraisal within any proposed Capital PID showing the estimated appraised value of the property ‘as-is’ and ‘as improved’ with the proposed public improvements. Appraisal should include rationale supporting the ‘as improved’ valuation.
- f. A preliminary market study for any proposed Capital PID.

5. Additional Submission Requirements for Bonded PIDs

If it is proposed that debt obligations secured by and payable from assessments (“PID Bonds”) are to be issued to reimburse for authorized improvements that a developer would ordinarily fund at its own costs, the petition must demonstrate how creation of the PID and financing of the public infrastructure provides a special benefit to the property that, but for the PID, would not occur. Examples of “special benefits” under which the City is willing to consider a PID include, but are not limited to, the following: accelerated development of neighborhood amenities, high quality development (i.e. amenities, sustainability, etc.) or furtherance of a major City Town Plan objective.

The following requirements must be met in connection with a PID Bond issuance:

- a. Value-to-lien ratio of 2:1 based on third party appraisals approved by the City. The City will evaluate the value-to-lien ratio requirements on a case-by-case basis and may increase or reduce the required value-to-lien ratio for the issuance of PID Bonds based on proposed project profile, developer profile, proposed public and private financing structure of the development, prevailing market and industry trends and other relevant factors.
- b. To the extent feasible, preliminary design and engineering work for public improvements to be funded with PID Bonds shall be completed prior to the levy of assessment.

- c. Petitioner is required to provide evidence of financing of the non-public improvements which may include closed loan(s) from a bank or a financial institution, or an acceptable letter of credit, in an amount necessary to fund the Private Improvements for the applicable PID Phase for which PID Bonds are being sold. Any loan agreement for such Private Improvements shall have no conditions to funding other than those customarily included in similar financings and such loan must meet the approval of the City's financial advisor and the City.
- d. Petitioner is required to demonstrate committed capital (acceptable to the City) in the form of cash deposit, proof of bank financing and/or equity capital, or letter of credit, which represents the difference between budgeted costs to complete the public improvements assumed to be complete in the appraisal and the net proceeds of the PID Bonds. The form of acceptable committed capital (cash deposit or letter of credit) will be determined by the City (in consultation with its financial advisors, consultants and participating underwriters) on a case-by-case basis. Terms of any letter of credit used to satisfy the requirements of this paragraph will include:
 - (i) an irrevocable and unconditional letter of credit issued by one or more banks satisfactory to the City and on terms and conditions satisfactory to the City to provide a funding source for the agreed upon cost of infrastructure improvements that will be constructed with funds other than bond proceeds;
 - (ii) the City being named as the beneficiary;
 - (iii) provisions that would enable the City, upon presentment of a properly executed draft request to the provider of the letter of credit, to draw upon the letter of credit to fund any obligation of the Developer, including funding to pay for a portion of the costs to the public infrastructure improvements that are not being funded with the proceeds of any bonds issued by the City; and
 - (iv) a commitment by an acceptable letter of credit provider with a long-term rating by a nationally recognized ratings service of at least an A or better.
- e. In the event that issuance of PID Bonds in a calendar year causes other City debt issuances not to qualify as "qualified tax-exempt obligations" under section 265(b)(3) of the Internal Revenue Code of 1986, as amended, the Petitioner will be required to pay the additional costs of the City incurred as a result thereof.

6. Maximum Assessment

The initial maximum assessment per \$100 valuation at the time of assessment levy, when added to the total (City, County, School, etc.) tax rate, may not exceed \$3.00 per \$100 valuation. Any PID with a total tax rate above the \$3.00 maximum requires approval by City Council.

7. PID Administration

The City will contract with a qualified third-party company to manage and administer the PID, subject to approval by City Council. The PID Administrator shall have authority and responsibility to:

- a. Prepare and submit a budget and five-year service and assessment plan to the City Council for consideration and adoption. The budget shall provide for sufficient funding to pay for all costs above and beyond the City's ordinary costs, including additional administrative

and/or operational costs as well as additional maintenance costs resulting from the PID.

- b. Provide for the calculation of the assessment and allocation to the respective parcels in the PID and shall provide for the billing of the assessments to the property owners or provide information to the appropriate County tax office. The PID Administrator and Developer will coordinate to ensure that the billing/assessment information provided to the tax office includes all pertinent properties.
- c. Prepare annual updates and reports for the Service and Assessment Plan as required by the PID Act and submit an annual Service and Assessment Plan in a form appropriate for consideration and adoption by the City Council each year and assist the City Council and staff in adopting the annual Service and Assessment Plan updates. The PID Administrator will coordinate with City staff to ensure timely filing of annual Service and Assessment Plan updates with County as required by the PID Act. Prepare annual reports reflecting the expenditure of Bond Proceeds or the reimbursement of Developer expenditures as appropriate.
- d. Prepare annual reports reflecting the imposition and collection of the assessments and the balances in the various accounts related to the PID to be provided on a monthly or other periodic basis as may be required by the City.
- e. Design and implement a property buyer disclosure program consistent with the PID Act and this policy.
- f. Prepare, provide or undertake any other reports, information or tasks required by the City or the development project under the PID Act, the governing documents or the applicable contract for PID administration

The costs for a PID Administrator shall be paid for with PID funds. A contract with a PID Administrator to manage the PID shall not preclude the City from entering into a contract with another taxing unit for the collection of the assessments levied for the PID.

Provision for the costs associated with providing administrative services, whether the services are by third parties or the City, shall be included in any budget proposed by the Developer.

The PID Administrator may be required to submit reports of all activities and expenditures to the City until the project is built out at the frequency to be determined and adjusted from time to time by the City. The City may request, at the cost of the PID, an independent audit by a qualified public account at any time.

8. Disclosure to Property Buyers

To satisfy disclosure to property buyers within a PID, the City will require the petitioner to comply with the following:

- a. A landowner's agreement must be recorded in the official public records of Bexar County which, among other things, will notify any prospective owner of the existence or proposal of assessments on the property. All closing statements and sales contracts for lots must specify who is responsible for payment of any existing assessment or a pro rata share thereof until such

time as the PID assessment is paid in full.

- b. Signage and information flyers for use at sales offices and model homes as approved by the City and provided by the PID Administrator.
- c. PID disclosure documents in accordance with Section 5.014 of the Texas Property Code to be signed both at contract signing and at closing with such agreements maintained on file and available for inspection by the City.
- d. Requirement to provide notice of the PID to builders in addendum to contracts and to disclose the PID on any listing.
- e. Comply with any property buyer disclosure program designed and implemented by the City or the PID Administrator.

Section II. CHAPTER 380 AGREEMENTS

1. Requirements for Consideration

All proposed developments shall be considered on a case-by-case basis by City Council of the City of Shavano Park. However, eligible projects that satisfy the requirements of policy shall be preferred projects for an agreement under Chapter 380 of the Texas Local Government Code (“Chapter 380 Agreement”). All proposed projects must comply with the letter and intent of Chapter 380 of the Texas Local Government Code by promoting local economic development and stimulating business and commercial activity within the City of Shavano Park.

- a. All applications for consideration as a Chapter 380 Agreement must be submitted to the City Secretary of the City of Shavano Park on the form provided in Attachment C of this policy. No other applications for a Chapter 380 Agreement shall be considered.
- b. Proposed projects should:
 - (i) Be mixed-used or commercial developments in areas of the City zoned for mixed-use or commercial development.
 - (ii) Make a unique or unequaled contribution to the development efforts within the City limits due to its financial magnitude, significance to the community or superior functional or visual characteristics (e.g., architecture, landscape, land use, parking, signage, streetscapes).
 - (iii) Enhance the City’s fiscal ability to provide high quality municipal services for the safety, comfort and enjoyment of Shavano Park residents.
 - (iv) Enhance the City’s public infrastructure by including the improvement and/or construction of items such as sidewalks, trails, gateways, drainage, parking, streets, or decorative features.
- c. Preference is given to projects that bring new wealth to the community by attracting new business and development or by expanding existing developments.
- d. Incentives will be provided only to the extent that additional revenues are realized by the City. Furthermore, the public benefit or the amount of revenue realized by the City and attributable directly to the program must be commensurate with the value of any incentives granted under this program. No applicants proposing upfront contributions from City funds shall be considered.
- e. The City Council retains sole discretion to determine whether the standards set forth in this Policy and/or executed agreements have been or will be met.

2. Required Agreement Terms

An agreement established under Chapter 380 shall at a minimum include:

- a. A description and location of the proposed development and any subprojects included in the development.
- b. A timetable and list of the kind of improvements or development that the program will

include.

- c. Details on the kind and amount of revenues, incomes or other public benefits the proposed development will provide.
- d. A proposed duration and/or specified dollar amount sought for the agreement.
- e. A provision identifying the method for calculating the source of funding for any grant, loan, refund, in-kind or other incentive provided in the agreement.
- f. A provision providing benchmarks or other tangible means for measuring whether the applicant and other responsible parties have met their obligations under the agreement.
- g. A provision providing access to and authorizing inspection of the property and the applicant's pertinent business records by municipal employees in order to determine compliance with the agreement.
- h. A provision for the cancellation of the agreement and/or nonpayment of incentives if the program is determined to not be in compliance with the agreement.
- i. A provision for recapturing City funds granted or loaned, or for recapturing the value of other public assets granted or loaned, if the applicant does not meet their duties and obligations under the terms of the agreement.
- j. A provision that allows assignment of the agreement with prior written approval of the City Council and at sole discretion of the City Council provided that:
 - (i) all the duties, liabilities, obligations and rights under the agreement are assigned from the assignor to the assignee; and
 - (ii) the assignment document is in a form and contains content acceptable to the City Attorney of the City of Shavano Park.
- k. Provision relating to administration, delinquent taxes and reporting requirements are included.
- l. A provision that the agreement may be amended by the parties to the agreement by using the same procedure for approval as is required for entering into the agreement.
- m. A provision providing for auditing of the program, including authorizing City auditors access to both non-privileged and/or confidential documents for the purpose of conducting the audit.
- n. Other provisions as the City Council shall deem appropriate.

ATTACHMENT A
PUBLIC IMPROVEMENT DISTRICT (PID) PROCESS OUTLINE

Party Abbreviations used in outline:

AP – Appraiser	MSC – Market Study Consultant
BC – Bond Counsel	PA – PID Administrator (can be third party or city staff)
CA – City Attorney	UW – Underwriter
CC – City Council	UWC – Underwriter Counsel
CE – City Engineer	
CS – City Staff	
DC – Developer’s Counsel	
DEV – Developer’s team	Note - Team implies City Staff along with contracted legal and financial professionals together with the Developer.
FA – City’s Financial Advisor	

TASK	PARTY RESPONSIBLE
PRELIMINARY PHASE	
Developer to meet with city staff to discuss proposed development and potential PID elements	CS / DEV
City staff undergoes internal review to determine PID feasibility	CS / CA / FA
Developer executes Professional Services Agreement for third party consultants (possible PID administrator appointment)	CS / DEV
Developer pays initial PID Administration costs to the City	DEV
PHASE 1 – PLAN OF FINANCE	
Preparation of PID bond projections and feasibility analysis:	
Prepare and distribute draft PID projections	PA / DEV
Conference call to discuss projections	CS / PA / FA / DEV
Prepare and distribute updated PID projections	PA / DEV
Conference call to discuss updated projections	CS / PA / FA / DEV
Revise and distribute final PID projections	PA / DEV
Preparation of Preliminary Service and Assessment Plan (SAP):	
Draft assessment methodology	PA / DEV
Conference call to discuss assessment methodology	CS / PA / DEV
Revise assessment methodology and prepare assessment roll	PA / DEV
Conference call to finalize content of Preliminary SAP	CS / PA / DEV
PHASE 2 – GOVERNMENT APPROVAL	
Draft Development Agreement	CS / CA / DEV
Conference call to discuss Development Agreement	CS / CA / DEV
Finalize Development Agreement	CS / CA / DEV
Adopt Development Agreement	CC
Draft PID creation petition	DEV
File PID creation petition	DEV
Hold public hearing on PID Creation	CC

Draft PID creation resolution	CS / DEV
Adopt resolution creating PID	CC
Generate Opinion of Probable Costs	CE / DEV
Draft Service and Assessment Plan (SAP) & prepare assessment roll	CS / PA / CA / DEV
Public hearing on resolution determining opinion of probable costs with Preliminary SAP & sets of levy and assessments hearing date	CC
Filing of proposed Assessment Roll	CS
Public notice of Levy and Assessment Hearing in newspaper	CS
Mail notice of Levy and Assessment Hearing to all property owners in the proposed PID	CS
Public Hearing on proposed Levy and Assessment	CC
Prepare Agreements and Ordinances for Council	CS / BC / CA / FA
Discussion on, and adopting of, the Construction, Funding and Acquisition Agreements	CC / BC / CA / FA
Discussion of, and adoption of, Bond Ordinances and Final Offering Statements	CC / BC / CA / FA
Posting of Final Official Statements	UW

PHASE 3 – ISSUANCE OF BONDS

Prepare first draft of market study	DEV
Conference call to discuss market study	CS / DEV
Prepare second draft of market study	DEV
Conference call to discuss second draft of market study	CS / DEV
Prepare final market study	DEV
Prepare Opinion of Probable Cost	DEV
Appraisal	
Select appraiser	CS / DEV / UW
Send letter of instructions to appraiser	UW
Prepare first draft of appraisal	AP
Meeting to discuss appraisal	AP / CS / PA / BC / DEV
Prepare second draft of appraisal	AP
Conference call to discuss second draft of appraisal	AP / CS / PA / BC / DEV
Prepare final appraisal	AP
Market Study	
Select Market Study Consultant	CS / DEV / UW
Send letter of instructions to Market Study Consultant	UW
Prepare first draft of market study	MSC
Meeting to discuss market study	MSC / CS / PA / BC / DEV
Prepare second draft of market study	MSC
Conference call to discuss second draft of market study	MSC / CS / PA / BC / DEV
Prepare final market study	MSC

Preparation of bond documents

Prepare first draft of trust indenture	BC
Conference call to review trust indenture	Team
Prepare second draft of trust indenture	BC
Prepare first draft of construction, acquisition, & funding agreement	BC / CA / DC
Meeting to review documents	Team
Select trustee	CS / FA / BC / UW
Prepare third draft of trust indenture & second draft of funding agreement	Team
Conference call to review documents	Team
Receive comments from trustee on trust indenture	BC / DC
Prepare fourth draft of trust indenture & third draft of funding agreement	BC / DC
Prepare form of legal opinions & other documents (including bond ordinance and assessment ordinance)	BC / CA / UWC / DC
Conference call to review documents	Team
Final revisions to documents	BC / DC / UWC
Marketing and closing of bond issue	
Prepare first draft of preliminary offering statement (POS)	UWC
Conference call to review first draft of POS	Team
Prepare second draft of POS and first draft of bond purchase agreement (BPA)	UWC
Conference call to review second draft of POS and BPA	Team
Send term sheet to potential investors and prepare short list of target investors	UW
Preparation of final POS and BPA	UWC
Print POS	UW
Mail POS to potential investors	UW
Site visit with potential investors	Team / Investors
Price bonds	UW
Levy Assessment	CC
Prepare final offering statement	Team
Bond closing	Team

ATTACHMENT B
PETITION TEMPLATE

PETITION FOR THE CREATION OF A PUBLIC IMPROVEMENT DISTRICT WITHIN
THE CITY OF SHAVANO PARK, TEXAS FOR THE

DISTRICT PUBLIC IMPROVEMENT

This petition ("Petition") is submitted and filed with the City Secretary of the City of Shavano Park, Texas, by _____, a _____ owner of a majority of the real property (the "Petitioner") located within the proposed boundaries of the District, as hereinafter defined. Acting pursuant to the provisions of Chapter 372, Texas Local Government Code, as amended (the "Act"), the Petitioner requests that the City create a public improvement district (the "District"), to include property located within the City limits of the City (the "Property"), more particularly described by a metes and bounds description in Exhibit A and depicted in Exhibit B. In support of this Petition, the Petitioner would present the following:

Section 1. General Nature of the Authorized Improvements. The general nature of the proposed public improvements (collectively, the "Authorized Improvements") may include: (i) street and roadway improvements, including related sidewalks, drainage, utility relocation, signalization, landscaping, lighting, signage, off-street parking and right-of-way; (ii) establishment or improvement of parks and open space, together with the design, construction and maintenance of any ancillary structures, features or amenities such as trails, playgrounds, walkways, lighting and any similar items located therein; (iii) sidewalks and landscaping, including entry monuments and features, fountains, lighting and signage; (iv) acquisition, construction, and improvement of water, wastewater and drainage improvements and facilities; (v) projects similar to those listed in subsections (i) - (iv) above authorized by the Act, including similar off-site projects that provide a benefit to the property within the District; (vi) special supplemental services for improvement and promotion of the District; (vii) payment of costs associated with operating and maintaining the public improvements listed in subparagraphs (i) - (v) above; and (viii) payment of costs associated with developing and financing the public improvements listed in subparagraphs (i) - (v) above, and costs of establishing, administering and operating the District. These Authorized Improvements shall promote the interest of the City and confer a special benefit upon the Property.

Section 2. Estimated Cost of the Authorized Improvements. The estimated cost to design, acquire, and construct the Authorized Improvements, together with bond issuance costs, eligible legal and financial fees, eligible credit enhancement costs and eligible costs incurred in the establishment, administration, and operation of the District is \$_____.00. The City will pay none of the costs of the proposed improvements from funds other than the PID assessments. The remaining costs of the proposed improvements will be paid from sources other than the City or assessments of property owners.

Section 3. Boundaries of the Proposed District. The District is proposed to include the Property as shown in Exhibit A.

Section 4. Proposed Method of Assessment. The City shall levy assessments on each parcel within the District in a manner that results in imposing equal shares of the costs on property similarly benefited, in compliance with the Act. All assessments may be paid in full at any time (including interest and principal), and certain assessments may be paid in annual installments {including interest and principal). If an assessment is allowed to be paid in installments, then the installments must be paid in amounts necessary to meet annual costs for those Authorized Improvements financed by the assessment and must continue for a period necessary to retire the indebtedness of those Authorized Improvements (including interest).

Section 5. Proposed Apportionment of Costs between the District and the City. The City will not be obligated to provide any funds to finance the Authorized Improvements, other than from assessments levied on the District. No municipal property in the public improvement district shall be assessed. The Petitioner may also pay certain costs of the improvements from other funds available to the Petitioner.

Section 6. Management of the District. The Petitioner proposes that the District be managed by the City, with the assistance of a consultant, who shall, from time to time advise the City regarding certain operations of the District.

Section 7. The Petitioner Requests Establishment of the District. The person signing this Petition requests the establishment of the District, is duly authorized, and has the corporate authority to execute and deliver the Petition.

Section 8. Advisory Board. The Petitioner proposes that the District be established and managed without the creation of an advisory board. If an advisory board is created, the Petitioner requests that a representative of the Petitioner be appointed to the advisory board.

Section 9. Landowner(s). This Petition has been signed by (1) the owners of taxable real property representing more than 50 percent of the appraised value of taxable real property liable for assessment under the proposal, as determined by the current roll of the appraisal district in which the property is located; and (2) record owners of real property liable for assessment under the proposal who: (A) constitute more than 50 percent of all record owners of property that is liable for assessment under the proposal; or (B) own taxable real property that constitutes more than 50 percent of the area of all taxable real property that is liable for assessment under the proposal.

This Petition is hereby filed with the City Secretary of the City of Shavano Park, or other officer performing the functions of the City Secretary, in support of the creation of the District by the City Council of the City of Shavano Park as herein provided. The undersigned request that the City Council of the City of Shavano Park call a public hearing on the advisability of the Authorized Improvements, give notice thereof as provided by law and grant all matters requested in this Petition.

RESPECTFULLY SUBMITTED, on this _____ day of _____, 20____.

1	<p>Printed Name: _____, Signature: _____ Address of Property in PID: _____, Shavano Park, TX 78____ BCAD Parcel #: _____ Property Description: _____ Date of Acquired Property: ___ / ___ / ___, Appraised Value: _____, Acres: _____ State of Texas § County of Bexar §</p> <p>Before me, the undersigned notary public for the State of Texas, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed.</p> <p>SUBSCRIBED AND SWORN this the _____ day of _____, 20____.</p> <p>_____ Notary Public in and for the State of Texas</p>
2	<p>Printed Name: _____, Signature: _____ Address of Property in PID: _____, Shavano Park, TX 78____ BCAD Parcel #: _____ Property Description: _____ Date of Acquired Property: ___ / ___ / ___, Appraised Value: _____, Acres: _____ State of Texas § County of Bexar §</p> <p>Before me, the undersigned notary public for the State of Texas, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed.</p> <p>SUBSCRIBED AND SWORN this the _____ day of _____, 20____.</p> <p>_____ Notary Public in and for the State of Texas</p>
3	<p>Printed Name: _____, Signature: _____ Address of Property in PID: _____, Shavano Park, TX 78____ BCAD Parcel #: _____ Property Description: _____ Date of Acquired Property: ___ / ___ / ___, Appraised Value: _____, Acres: _____ State of Texas § County of Bexar §</p> <p>Before me, the undersigned notary public for the State of Texas, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed.</p> <p>SUBSCRIBED AND SWORN this the _____ day of _____, 20____.</p> <p>_____ Notary Public in and for the State of Texas</p>

EXHIBIT A
Metes and Bounds

EXHIBIT B
Property Description

ATTACHMENT C
CHAPTER 380 AGREEMENT APPLICATION



This application is to request the City of Shavano Park consider a Chapter 380 Agreement. The application will become a part of any Chapter 380 Agreement with the City of Shavano Park. Knowingly providing false information will result in voiding the application and termination of any Chapter 380 Agreement.

Date of application (MM/DD/YY): ____/____/____

SECTION I – APPLICANT INFORMATION AND BUSINESS DESCRIPTION

Company name: _____

Address: _____

City: _____ State: _____ Zip: _____

Principal contact name: _____

Title: _____

Mailing Address: _____

Telephone: () _____ E-mail address: _____

Indicate ownership of applicant company: Private Public

1.1 Indicate applicant's North American Industrial Classification System (NAICS) code for the operations at the project location: _____

1.2 Indicate applicant's type of business entity, i.e., proprietorship, partnership, joint venture, or corporation: _____

1.3 Identify applicant's state of registration or incorporation, if applicable: _____

1.4 Identify business headquarters location (city, state): _____

Does/will the applicant own or lease the project land and/or facility: Own Lease

If leased, indicate lease term: _____ Years Expiration date: ____/____/____

1.5 Indicate applicant's existing Bexar Appraisal District tax account numbers:

Real property: _____

Personal property: _____

Inventory and supplies: _____

1.6 Identify the owner or owners of the real and/or personal property if applicant is not the owner:

1.7 Is the company delinquent in the payment of ad valorem taxes to the City of Shavano Park:

Yes No If yes, please explain: _____

SECTION II – PROJECT DESCRIPTION

2.1 Type of project (check):

New construction Expansion or modernization Lease development or improvements

2.2 Fully describe the proposed project, including capital improvements (real and personal property) to be undertaken, the facility’s use, and the product or service to be produced (attach additional pages as necessary):

2.3 Indicate any other incentives sought in connection with the proposed project:

2.4 List other communities that are being considered for the proposed project:

2.5 Indicate project street (or county) address: _____

2.6 Identify the jurisdictions where the proposed project will be located: _____

SECTION III – PROJECT VALUATIONS

3.1 As provided by the Bexar County Appraisal District, indicate the appraised values of the following:

Land (excluding acquisition costs)	Value: \$ _____	Date	/ /
Existing real property	Value: \$ _____	Date	/ /
Existing personal property	Value: \$ _____	Date	/ /

3.2 Are any of the appraised values described above currently being contested:

Yes No If yes, please explain: _____

3.3 Indicate the estimated project improvement values:

Real property: \$ _____ Personal property: \$ _____ Inventory/supplies: \$ _____

SECTION IV – PROJECT CONSTRUCTION

5.1 Schedule for undertaking and completing the proposed improvements (MM/YY): Start date: / Completion date: /

5.2 Indicate the construction contract amounts for the following:
Facility exterior: \$ Facility interior: \$

SECTION V – OTHER PROJECT INFORMATION

6.1 Has the company or any of its affiliates been cited, currently under investigation, or have litigation pending for any violations of Federal, State, County and/or City laws, codes or ordinances:
Yes No If yes, indicate the nature/status of the violation(s): _____

6.2 Has the company received a tax abatement or Chapter 380 Agreement before: Yes No

If yes, indicate the granting governmental entities:

If yes, indicate the time period (MM/YY): / to /

If yes, is/was the company in compliance with all terms and conditions: Yes No

6.3 Is any legal or financial interest in the proposed project presently held by a member of the Shavano Park City Council or other City official or employee: Yes No
If yes, name of individual(s)

**APPLICATION
ATTACHMENTS**

The following information supports various application sections and is needed to fully evaluate the company for tax abatement assistance. *Applications will not be considered until all the information is received:*

SECTION I – APPLICANT INFORMATION AND BUSINESS DESCRIPTION

1. Provide information regarding the applicant company’s description, including corporate structure, annual financial statement or prior year report, and organization chart identifying affiliates and subsidiaries, if any.

SECTION II – PROJECT DESCRIPTION

2. Indicate property legal description and attach field notes and a site plan with map showing the location of existing and proposed improvements in the development.

SECTION III – OTHER PROJECT INFORMATION

3. Describe all benefits the proposed development will provide to the City of Shavano Park community. Describe how the projects aligns with the City’s vision to be a premier city in Bexar County.

CERTIFICATION

I certify that I am authorized to sign this application and that the information provided in this application is true and correct. I understand that the information provided will become a part of the Chapter 380 Agreement with the City of Shavano Park. I furthermore understand that the City of Shavano Park may request additional information during their consideration of this application.

Signature: _____ Date (MM/DD/YY): / /

Printed Name:

Title:

Company Name:

Submit one copy of this application and all attachments to: City Secretary, at 900 Saddletree Court, City of Shavano Park, TX 78231.