

# CITY OF SEALY, TEXAS

## PUBLIC IMPROVEMENT DISTRICTS POLICY

The City of Sealy has established this policy as a guideline to those developers seeking incentives from the City for development projects utilizing public improvement districts (PID). This policy is not intended to address all aspects of development costs. Those costs not specifically addressed in this policy will be considered on an individual project basis.

### Limitation on Size of Development

1. To receive consideration by and approval from the City for PID financing to facilitate a residential development, the proposed boundaries of the development shall be no less than 50 acres. If the proposed boundaries of the development are less than 50 acres, the average value of homes built in the district shall be no less than \$225,000. This home value will be adjusted each year by the Consumer Price Index (CPI) to convert the \$225K benchmark value to current year prices.

### Limitation on PID Assessment

The annual assessment to property owners within the district shall be no more than the equivalent of a \$0.60 per \$100 tax rate on the assessed value of their property.

### Limitation on Assessment Term

The maximum term of a PID assessment is not to exceed 25 years. The date the first assessment installment becomes due is either 3 years from the date of the levy or the date that the real property is transferred to the home buyer; whichever occurs first.

### District Administration

The City of Sealy will contract with an outside consultant to administer the PID and to bill, collect, and track district assessments. This cost will be considered a reimbursable project cost and should be included in the District Service and Assessment Plan.

### Limitation on Developer Interest

Developer earned interest will be reimbursed at an amount not to exceed the net effective interest rate on bonds sold or 8% whichever is less. If district bonds are not sold, reimbursement will be calculated at 50 basis points over the average interest reported by the Bond Buyer in its "20 Bond Index" for general obligation bonds during the interest accrual period or 8% whichever is less.

### Bidding of Project Improvements

Developers will be required to follow municipal bidding procedures on all project improvements as outlined in Chapter 252 of the Texas Local Government Code. Bid tabulations and a recommendation for award of contracts will be brought before Sealy Redevelopment Authority and City Council for approval.