

Collin County Public Improvement District Principles and Parameters

Purpose: The Collin County Commissioners Court encourages high-quality development that has a minimal impact on existing County taxpayers. Public Improvement Districts (PID), as allowed by Chapter 372, Texas Local Government Code, are a tool for the County and developers to address financial gaps for public infrastructure costs for high quality development.

The Collin County Commissioners Court hereby outlines principles and parameters for the consideration of a PID in the County.

General considerations

- A PID should generate economic and superior development benefits without adversely impacting the services delivered by the County
- A PID should be self-supporting and should not place an administrative burden on the County for which the County does not recoup appropriate costs
- The County will require a landowner or developer to remunerate costs associated with a PIDs formation, bond issuance(s), administration, construction of improvements, or management and oversight of day-to-day operations
- A PID will be created only to construct eligible public improvements and reimburse actual, documented public improvement costs necessary for and providing special benefits to the development
- Preference will be given to a PID that provides for improvements to public rights-of-way, components of the County's thoroughfare plan and trails plan, and highly amenitized and desirable developments that generate economic and superior development
- The County shall only use the bond proceeds or assessment revenues to pay or reimburse the cost of PID improvements that were designed and constructed according to the County's applicable standards
- The County will not create or participate in a Tax Increment Reinvestment Zone (TIRZ) that pays for projects within a PID

Required components

- All developers seeking a PID will be required to sign a professional services agreement and escrow adequate funds, agreed to by the County and developer, for expenses related to the formation of the PID including but not limited to bond counsel, appraisers, underwriters, trustees, PID administrators, and County staff expenses and time.
- After the approval of the professional services agreement, developers will be required to submit an application to the Collin County Engineering Department and meet all of the requirements of said application before it will be accepted, including any fee if so assessed.
- A developer and the County will execute a finance, development, and/or service agreement(s) which will set out, fully and accurately, the following components:
 - Cost allocation plan for the development and the use of bond funds and developer funds
 - Required contracts with the appropriate entities for the following services within its boundaries:
 - Fire
 - Emergency medical service
 - Animal control

- Public safety
 - Water and sewer
 - Provisions related to the ongoing costs to administer the PID, including any costs incurred by the County, and for all required services and contractual agreements
 - Infrastructure requirements including roads, water, sewer, septic, amenities, and requirements to follow the County's subdivision regulations
 - Amount of performance and payment bonds
 - The number, type, and value of homes in the development and appropriate lot sizes
 - Any conditions or requirements to bond issuance, assessment levy, or payment/reimbursement to the developer
 - Any contracting or construction requirements
 - Any additional development or building construction standards required by the County
 - Provisions relating to default, remedies, and termination of the agreement
 - Any business deal points specific to each PID
- Once an agreement has been executed, the developer may submit the PID petition to the County for consideration
 - Any developer seeking a PID for anything other than a development with at least eighty (80) percent residential development will be required to submit a plan to the County identifying the uses and potential users of the non-residential portion of the development

PID assessment

- County will not levy assessments on any property without consent of the landowner
- A PID bond and/or assessment cannot impact the County's bond ratings, cost of capital, or access to capital
- Property owned by the County, a municipality, school district, or junior college that is located within the boundaries of the PID shall not be subject to any assessment and any benefit afforded to such properties will be financed by the developer
- The length of the PID assessment shall not exceed thirty (30) years
- The length of the assessment must equal the term of any bonds issued for the PID that are payable from such assessment
- Preference will be given to PIDs with a minimum value to lien ratio of three to one (3:1)
- Cash contributions for any deficit between the costs of the public improvements for which the assessments have been levied and the available bond proceeds shall be payable by the developer at closing of the applicable series of bonds
- A PID assessment tax equivalent rate should not be more than equivalent tax rates for like developments in the County, and the development should maintain consistency in the amount of the assessment across any phasing such that residents in each phase of a single development do not pay significantly disparate assessment amounts for substantially similar public improvements