Agenda Item Report

Legislative Board:	City Council
Date:	July 21, 2026
Contact:	Micah Grau
Agenda Item ID / Number:	2025-650- / H.8

ITEM TITLE: Approval to authorize the City Manager to execute of an amendment to the Public Improvement District (PID) Collection Agreement for Travis County for the Persimmon PID (City Manager Micah Grau and Finance Director Bianca Redmon)

1. EXECUTIVE SUMMARY

Approval of a revised agreement authorizing the Travis County Tax Office to bill and collect annual installments of PID assessments on properties located in Travis County within the Persimmon Public Improvement District (PID). The revision extends the agreement's term, which lapsed before Travis County Commissioners Court was able to consider the version previously approved by Council.

2. BACKGROUND/HISTORY

The Persimmon Public Improvement District (PID) was established to facilitate the financing of public infrastructure improvements benefiting properties within the development. To streamline administration and provide a seamless experience for property owners, City Council approved Interlocal Agreements on August 5, 2025 authorizing both Hays County and Travis County Tax Offices to collect PID assessments on behalf of the City of Buda.

During post-implementation review of the agreements, the Travis County Tax Office identified a need to clarify collection responsibilities due to the PID including parcels located across county boundaries. Council approved a revised agreement on November 5, 2025 limiting Travis County's collection role to parcels physically located within Travis County. The City transmitted partially executed originals to the Travis County Attorney's Office on November 6, 2025.

On December 18, 2025, the Travis County Attorney's Office advised P3Works, the City's contracted PID Administrator, that Section 3 of the executed agreement set a termination date of December 31, 2025, and that the item could not be placed on the Commissioners Court agenda until January 6, 2026 at the earliest. The agreement therefore expired by its own terms before the County could execute it, and no fully executed agreement is currently in place for Travis County parcels. Travis County has provided a revised agreement extending the term and has requested that the City approve and return a signed copy so the item can be scheduled on the Commissioners Court agenda.

On May 18, 2026, P3Works informed the City of the revisions needed.

3. ANALYSIS

The revised Collection Agreement with the Travis County Tax Office reflects the following, cumulative to the version approved on November 5, 2025:

- Section 3 (Term of Agreement) is revised to terminate December 31, 2026, rather than December 31, 2025. The agreement continues to renew automatically for successive oneyear terms unless either party provides written notice of termination at least 90 days before the end of the then-current term.

- The agreement retains the language limiting Travis County's collection responsibility to parcels physically located within Travis County boundaries, as approved on November 5, 2025.

There are no cost changes associated with this revision and no impact to the calculation, allocation, or billing of PID assessments. This revision does not modify any terms related to Hays County, nor does it change the overall administrative structure of PID assessment collections.

Timing is material. Under Section 4, the City must provide annual installment data to the Tax Assessor-Collector on or before September 1, and Section 5 provides that bills are mailed on or about October 1. Council approval positions the agreement for Commissioners Court consideration in advance of the 2026 tax year billing cycle.

4. FINANCIAL IMPACT

There is no financial impact associated with approval of this amendment. Updates are administrative in nature and ensure clear assignment of collection responsibilities between counties.

5. STRATEGIC PLAN/GOALS

BALANCED AND INTENTIONAL GROWTH

6. STRATEGIC PLAN OBJECTIVES

Balance residential and commercial growth

7. PROS AND CONS

Pros: Establishes an enforceable agreement for the 2026 tax year, allows PID installments to appear as a line item on the consolidated Travis County tax bill, and clarifies collection responsibility between counties.

Cons: Requires a revised contract with Travis County and a second Council action on the same underlying agreement.

8. ALTERNATIVES

No alternative available.

9. REQUESTED ACTION / SUGGESTED MOTION / RECOMMENDATION

Staff recommends approval of the agreement.

Attachments: