



# Agenda Item Report

**Legislative Board:** City Council  
**Date:** September 17, 2024  
**Contact:** Micah Grau  
**Agenda Item ID / Number:** 2024-573- / I.3

**ITEM TITLE:** Public hearing, deliberation, and possible action on a Resolution of the City Council of the City of Buda, Texas designating an area within its corporate limits as Public Improvement District #1, City of Buda, Texas (Persimmon Development), pursuant to Chapter 372, as amended, Texas Tax Code; providing for an Effective Date and Termination Date; and containing findings and provisions related to the foregoing matters (City Manager Micah Grau, Jon Snyder, P3 Works, and Patrick Bourne, Sundance Analytics) [PUBLIC TESTIMONY]

## 1. EXECUTIVE SUMMARY

Acceptance of a Public Improvement District (PID) Petition for the Persimmon development, publication of a required notice to set a public hearing for consideration of creation of the PID on September 17, 2024 published on September 4, 2024, and consider the Resolution to create said PID.

## 2. BACKGROUND/HISTORY

On June 20, 2024, the City received a petition for the creation of a Public Improvement District (PID) from a majority of the project property owners Bailey Land Investments, L.P. and Armbruster Land Investments, L.P. for the Persimmon project. The PID would be created under Chapter 372 of the Texas Local Government Code. It would include the full 774.235 acres that comprises of the Persimmon development.

The City Council approved a Development Agreement (DA) with Milestone Community Builders on June 18, 2024. The DA was signed by Milestone on July 1, 2024. Under the terms of the DA, the City agrees to create a PID and a Tax Increment Financing Zone (TIRZ) to help cover costs related to public improvements. Section 19, A, (3) states that the City will review and accept a PID petition and set a date of a public hearing for its creation.

The Public Hearing notice was advertised in the Hays Free Press on September 4, 2024.

The action on this item authorizes the City to create the PID and is in accordance with the Development Agreement.

## 3. ANALYSIS

The petition is found to be compliant with Chapter 372 of the Texas Local Government Code. Bailey Land Investments, L.P. and Armbruster Land Investments, L.P. own more than 60% of the property to be included in the PID.

Action on this item will create the PID. The next agenda item is for consideration of the creation of the TIRZ. Future action anticipated late fall or early winter will be for the City Council to consider and adopt the following:

- TIRZ Reimbursement Agreement and Landowner Agreement
- Service and Assessment Plan
- TIRZ Project and Finance Plan

- Annexation into the City
- Issuance of PID Bonds

#### **4. FINANCIAL IMPACT**

A financing plan will be presented by Sundance Analytics (Developer) and P3 Works (City consultant).

#### **5. STRATEGIC PLAN/GOALS**

BALANCED AND INTENTIONAL GROWTH

#### **6. STRATEGIC PLAN OBJECTIVES**

Balance residential and commercial growth

#### **7. PROS AND CONS**

Pros: creation of the PID aligns with the approved Development Agreement. The PID will be used to construct public infrastructure including key roadway improvements. The PID bonds are paid back by an assessment and a proposed TIRZ reimbursement for properties located in the development district. It will not add costs to Buda residents that do not reside in the district.

Cons: the future Persimmon inhabitants will be annexed into the City of Buda and will be Buda residents. They will be subject to the PID fees.

#### **8. ALTERNATIVES**

The City Council may identify alternatives related to this item.

#### **9. REQUESTED ACTION / SUGGESTED MOTION / RECOMMENDATION**

The PID creation resolution was reviewed by the City's legal and financial advisors for compliance with the Development Agreement and state law. It is recommended for approval.

#### **Attachments:**

[i3 Resolution Creation of PID w exhibit 091024.pdf](#)

[i3 Presentation\\_-\\_Persimmon\\_PID\\_TIRZ\\_Creation\\_9.17.24.pdf](#)