



MINUTES  
SEALY CITY COUNCIL  
415 MAIN STREET  
SEALY, TX 77474  
TUESDAY, JULY 2, 2019  
5:00 P.M.

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1. **Call to Order**

Mayor Whitehead called the meeting to order at 5:02 p.m.

2. **Roll Call and Certification of a Quorum**

Present:

Janice Whitehead	Mayor
Chris Noack	Councilmember, Place 2
Sandra Vrablec	Councilmember, Place 3/Mayor Pro tem
Jennifer Sullivan	Councilmember, Place 4
Larry Koy	Councilmember, Place 5

Absent:

Dee Anne Lerma	Councilmember, Place 1
Adam Burttschell	Councilmember, Place 6

A quorum was declared present.

Staff attending:

Lloyd Merrell, City Manager  
Brooke Christoferson, Deputy City Secretary  
Mark Pulos, Public Works Director  
Kimbra Hill, Sealy EDC Executive Assistant  
Robert Worley, Sealy EDC Executive Director  
Tim Kirwin, City Attorney

3. **Petition(s) and/or Request(s) from the Public.**

None

4. **WORKSHOP: Discuss, consider and presentation by Hawes Hill and Associates to discuss the process, cost and efficiency of utilizing a public improvement district (PID).**

A representative with Hawes Hill and Associates gave a PowerPoint presentation regarding PID's.

*(A copy of the presentation is attached to and made a part of these minutes.)*

5. **Adjournment**

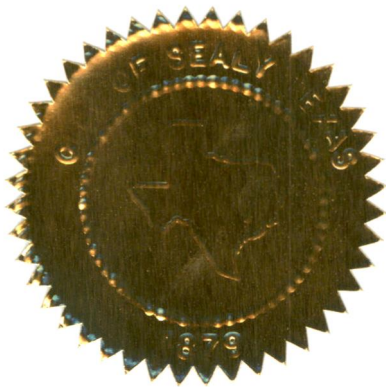
At 5:32 p.m., Councilwoman Vrablec moved that the city council stand adjourned until the next scheduled meeting. Councilwoman Sullivan seconded the motion. Mayor Whitehead called for the vote:

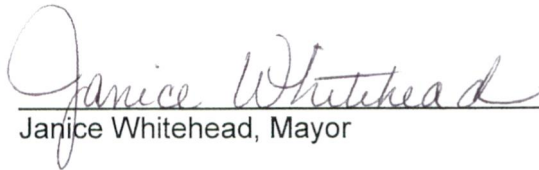
AYES: Whitehead, Noack, Vrablec, Sullivan, Koy

NOES: None

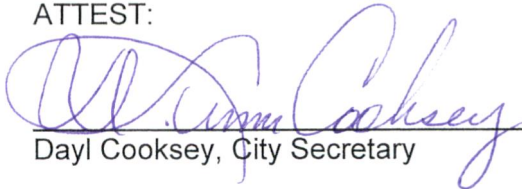
The motion carried.

**PASSED AND APPROVED** this 16<sup>th</sup> day of July 2019.



  
\_\_\_\_\_  
Janice Whitehead, Mayor

ATTEST:

  
\_\_\_\_\_  
Dayl Cooksey, City Secretary

# Public Improvement Districts (PIDs) and Municipal Management Districts (MMDs)



**A presentation for the City of Sealy**

**July 2, 2019**





# Comparison of PID and MMD Creation

A decorative graphic consisting of a circle with a double-line border, positioned centrally below the title and above the main content area.

- **PID**

- Created by the municipality through a petition process
- 50% of the value and or 50% of the owners of record

- **MMD**

- Created through State Legislature or TCEQ
- The District is a political subdivision of the State of Texas



# PID and MMD Governance



- **PID**

- Creation of the city and governed by the city
- A private company can be hired to administer the affairs of the PID but it is ultimately the responsibility of the city

- **MMD**

- An initial board of directors is appointed in creating legislation.
- New appointments/reappointments recommended by board and approved by local governing authority.



# Comparison of PID and MMD Projects



- **PIDs**

- May either construct or acquire public infrastructure.
- Provide supplemental services
- Limited to project and services provided for in a municipal approved service and assessment plan.

- **MMDs**

- Have the ability to construct public infrastructure.
- Provide supplemental services.
- Economic Development Programs
- Any other power authorized by enabling legislation.
- Any legally authorized projects and services stated in a district approved service and assessment plan as petitioned by the property owners.



# PID and MMD Revenue



- PIDs derive their revenue from assessments
- MMDs derive their revenue from assessments or voter approved taxes.



# Comparison of PID and MMD Debt Financing

- **PID**

- Most PIDs are “cash flow” meaning developers are reimbursed by the assessments on an annual basis.
- Bonded debt can be issued by the city.

- **MMD**

- A District may issue bonds as allowed by statute and its' local governing municipality.
- Bond debt is not city debt.
- Bond debt does not impact city bonding capacity.



# Public Improvement District Pros & Cons



- Pros

- Reimbursement of infrastructure costs through assessments allows for residential subdivision development
- Reimbursement of those costs is “developer risk”

- Cons

- Assessments are often viewed as additional taxation which can deter homes sales if competing subdivisions are not in a PID or a MUD



# MMD Pros & Cons



- **Pros**

- Revenue received through assessments or taxation of non-residential property is used for project development.
- May provide supplemental services in addition to city services.
- Resources for seeking and distributing grant money.
- Ability to leverage added revenue to development projects.

- **Cons**

- Depending on the means by which a MMD is financed (i.e. an added level of taxation or supplemental assessment) the “rate” can render some districts non-viable.
- Either due to a low rate that does not generate the level of financing needed to fund projects. Or too high of a rate can render the area less marketable.
- The issue of control can become a challenge between District Legislators and the City Council due to incompatible political perspectives about development priorities.



# PID Case Study - Tomball



- The city of Tomball will not allow in-city MUDs for residential development
- Subdivisions in the ETJ are at an advantage because of the use of MUDs
- Tomball allows the use of PIDs as an alternative to in-city MUDs
- There have been nine (9) PIDs created for residential development in Tomball resulting in hundreds of new homes with more coming



# Questions



HAWES HILL & ASSOCIATES  
LLP

