

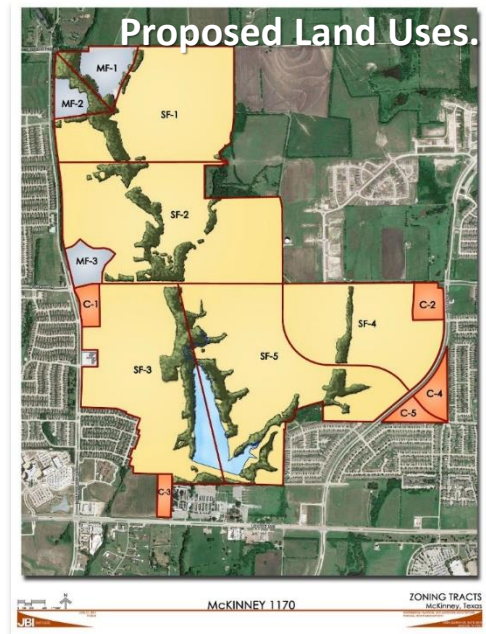
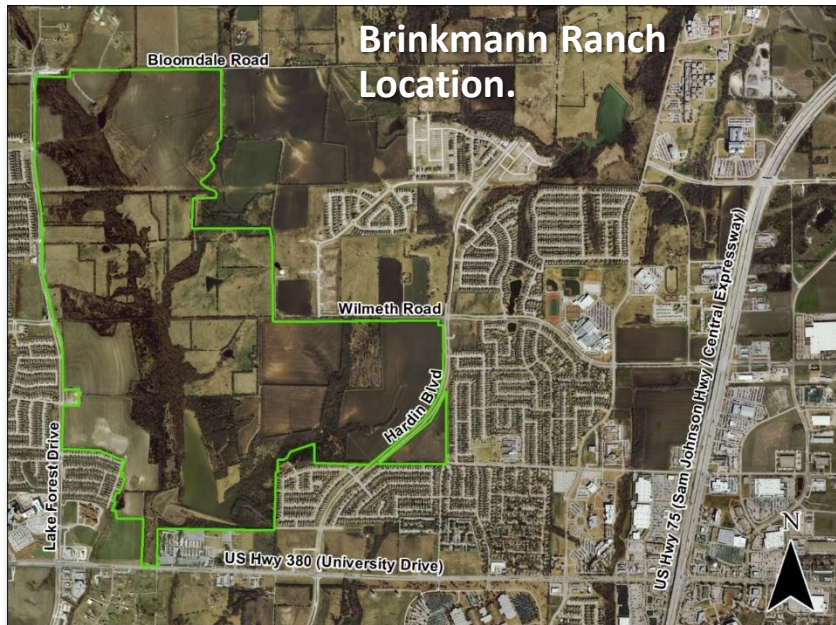
Brinkmann Ranch PID Discussion

December 4, 2017 Work Session

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Background



About Public Improvement Districts (PIDs)

- PIDs are typically created to fund higher quality services or special public improvements and services beyond those that would be typically offered or required
- Initial investments in these higher quality services or special improvements are repaid by future property/home owners through incremental assessments collected on the annual ad valorem property tax bill although the assessment may also be paid in full at the time of closing on the property
- Higher taxing equivalent costs for future property owners is justified and offset by the higher quality or special nature of the development



How the PID Assessment Works

- The following tax structure pertains to a hypothetical home valued at \$300,000.

Example Property Within a PID		
Entity	Rate per \$100 of value	Amount Due
McKinney ISD	1.62	\$4,860.00
City of McKinney	0.540199	\$1,620.59
Collin County	0.192246	\$576.73
Collin College	0.079810	\$239.43
Potential PID Yearly Assessment ¹	n/a	\$500.00
TOTAL²		\$7,796.75

- The exact proposed PID assessment is unknown but the developer may be able to speak to this.
- The total amount above does not include HOA dues which typically range from \$500-\$800 annually.

Example Property Not Within a PID		
Entity	Rate per \$100 of value	Amount Due
McKinney ISD	1.62	\$4,860.00
City of McKinney	0.540199	\$1,620.59
Collin County	0.192246	\$576.73
Collin College	0.079810	\$239.43
TOTAL¹		\$7,296.75

- The total amount above does not include HOA dues which typically range from \$500-\$800 annually.

Things to Consider Before Creating a PID

- What services or special public improvements are being proposed beyond what is already required by applicable regulations?
- Given the current status of the residential housing market, is a PID necessary to realize more residential development in McKinney's Northwest Sector?
- Should PIDs be created for developments consisting of mostly residential land uses if the community's focus is non-residential or commercial development?
- The creation of a PID on this property may expedite the construction of public infrastructure to properties outside the City's corporate limits- Is that acceptable?
- Should future residents be required to pay a higher tax bill than other McKinney residents for living in the proposed development? Are the proposed services and/or improvements enough to justify this additional assessment?
- If created, who would administer the PID and who would serve as the Advisory Body?
- If created, is the City Council prepared to create additional PIDs, as new requests are sure to follow?



City Council Direction Requested

Should Staff work with the Developer to create a PID for the property commonly referred to as the Brinkmann Ranch?