

## **Overview of the Three Development Agreements Being Considered**

The three development agreements that are being considered for adoption focus on specific elements of future development. The term of the agreements will be forty-five years.

### **Agreement 1: Simonton Village**

This is a 273 acre, mixed-use development. It has the potential to add significantly to the population of Simonton and to create a new commercial center. Further, it has the potential to bring significant new revenue to the City of Simonton. This revenue would come in the form of Sales Tax and Ad Valorem Tax. Other benefits include the provision of water and sewer service to the downtown that are subject to the agreement.

The Simonton Village would be located directly across from Simonton City Hall along the north side of FM 1093. It would run to the west FM 1489 and extend approximately 1/4 of a mile west of the Simonton Post Office.

As was presented to Simonton City Council by Twinwood, development would depend on the economics and timing of the development. However, Simonton Village could potentially include the following types of development, among others:

- A "Town Center" type of shopping center
- Apartments
- Medium to high density residential housing

Generally speaking, this area would include undeveloped property that is mostly outside of the City of Simonton. For the most part, this property currently provides little property tax benefit to the City of Simonton. This agreement would convert this area into higher value property. In the future, this area would have the potential to generate significant ad valorem and sales tax revenue to the City of Simonton with minimal obligation for services by the City.

### **Key Issues**

- The agreement would require the City to consent to the creation of a Municipal Management District (MMD) that would build the necessary municipal infrastructure and provide services for the area.
- The City would be able to approve the Board of Directors for the MMD.
- The City would provide police protection for this area at the same level as would be provided for the rest of the City.
- There would be no obligation to provide other municipal services.

The City of Simonton would agree to share one half of the two-cents of sales tax revenue that would be generated within the district to the district. with the MMD The City would further agree to cap of the ad valorem tax at 15 cents per hundred valuation and rebate any amount collected over that to the MMD.

Sales Tax and Ad Valorem Tax that would be rebated to the MMD must be spent on a legal municipal purpose such as water, sewer, roads, parks, sidewalks, police, fire, EMS, and may include entertainment venues, etc. Generally speaking, in this type of arrangement, the MMD would use the funds to reimburse the property owner or developer for their up-front development costs.

Building Codes would be enforced in the MMD and building inspections would be made through either a mutually-agreeable inspection service or by the City if such services are sufficient to expeditiously accommodate the volume of permits required.

## **Agreement 2: Property NOT Currently Within the ETJ**

### **ETJ Boundary**

This agreement would establish a one-hundred-foot-wide ETJ boundary on the northern and eastern boundaries of the developer's property that would serve to prevent the property to the west and south of the boundary from being annexed by any other city. This would have the positive benefit for Simonton because it would ensure that no other city could wrap around the existing City of Simonton.

An important thing to know about this agreement is that except for the ETJ boundary, Simonton will have no control within this area. Through this agreement, Simonton is agreeing to not attempt to annex any other aspect of it. This means that most land covered by the agreement between Simonton and Brookshire is expected to remain unincorporated throughout the term of the development agreement.

### **I-10 at Woods Road: WC MUD 2**

Among their holdings, Twinwood owns approximately 420 acres that is generally located at the intersection of I-10 and Woods Road. The property is served by WC MUD 2. Municipal water and sewer for the area will be provided by a Municipal Utility District (MUD) just like any other subdivision created in an unincorporated area.

As it develops, this area is expected to someday become a major state-of-the-art mixed-use commercial, educational, and residential center. As a result it should become a significant sales tax generator.

Through this development agreement, Simonton will agree to bring WC MUD 2 into Simonton's ETJ. Simonton and Twinwood would agree to enter into a "Strategic Partnership Agreement" (SPA) and subsequently, each party would agree to a "Limited Purpose Annexation" (LPA) of WC MUD 2.

Through the LPA, both Simonton and the MUD would share the two cents of sales tax revenue generated within by the LPA. As a result, Simonton might someday derive considerable revenue that can be used to further offset the cost of future municipal infrastructure and provide other benefits for Simonton residents. There would be no obligation to provide municipal services to this area.

Twinwood has agreed to provide electronic documents to the City regarding construction documents and confirming the inspections of such residential and commercial construction in the non-ETJ area.

### **Agreement 3: Property Currently Within the ETJ**

This agreement follows the same principals of the previous two agreements. It covers property owned by Twinwood that is currently within the City's ETJ. Through this agreement, the City is agreeing not to attempt to annex the property into the City Limits and to allow the developer to develop within it without undue City intervention. Through this agreement, the city is consenting to the creation of MUDS and other special districts that may allow Twinwood to provide municipal services within it.

There is no financial impact or benefit to the City of Simonton under this agreement. There is no obligation for Simonton to provide services under this agreement.

Included in this agreement is Twinwood's agreement to require construction inspections for commercial and residential projects within the ETJ. Further, Twinwood has agreed to provide electronic documents to the City regarding construction documents and confirming the inspections of such residential and commercial construction in the ETJ.