

Downtown Tax Increment Financing (TIF) Reinvestment Zone

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Objective:

- ▶ Present information about the establishment of the Downtown TIF, types of eligible projects, currently committed funds, and fund balance
- ▶ Discuss the use of TIF funds in accordance with the Project Plan or other alternatives

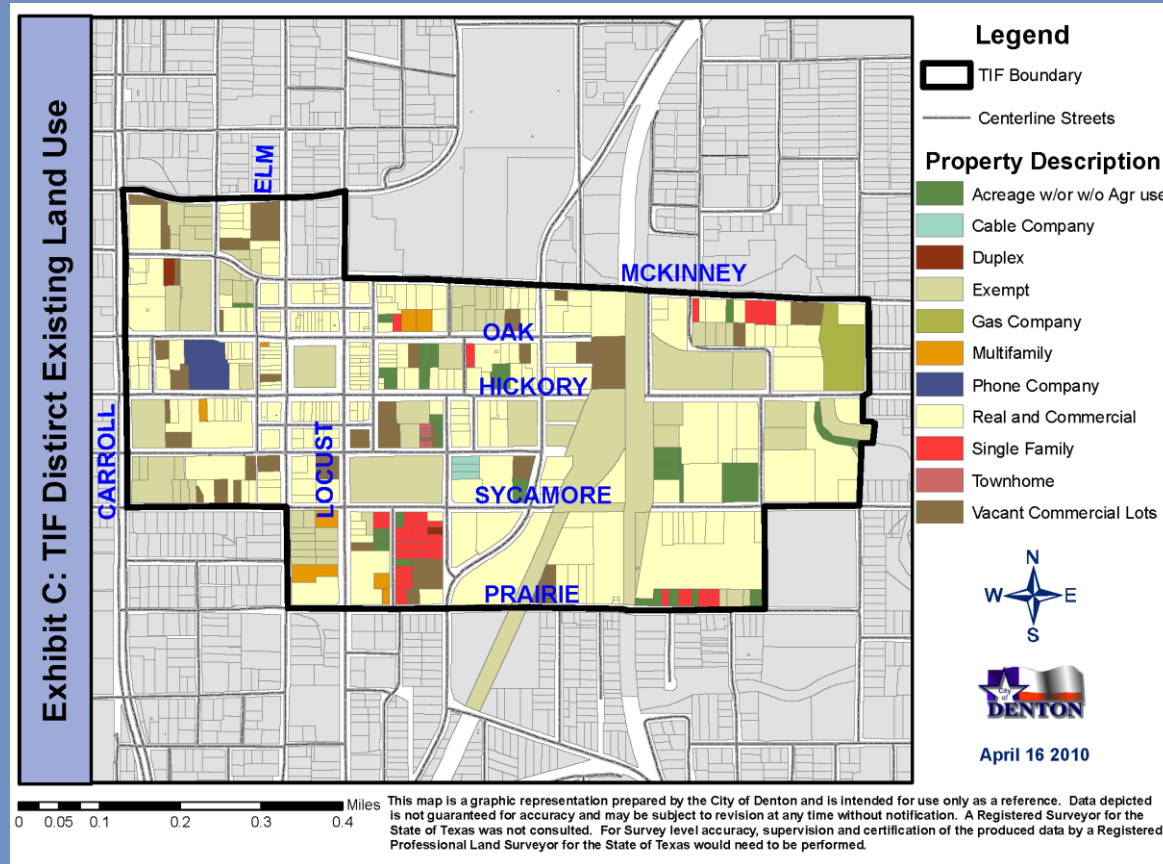
Background

- ▶ Authorized under Ch. 311 of the Texas Tax Code
- ▶ Used by local governments to publicly finance improvements and infrastructure within a defined zone
- ▶ Zone must meet certain criteria to be considered for tax increment financing
 - ▶ Contiguous area within the corporate limits of the city
 - ▶ Area's present condition impairs the sound growth of the municipality
 - ▶ Project plan includes use of land for commuter or transit rail system
 - ▶ Less than 30% of property in the proposed zone is residential

Background

- ▶ **Dec. 2010** – Downtown TIF established
- ▶ **Aug. 2011** – Project and Finance/Feasibility Plans adopted
- ▶ **Aug. 2014** – Project Plan amended

Downtown TIF Map



Background

- ▶ Project Plan eligible categories:
 - ▶ **Parking/Transportation** – garages, surface parking, parking lighting or signage, wayfinding, transit oriented development
 - ▶ **Complete Streets** – sidewalks, bus or bicycle lanes, bike racks, crosswalks, pedestrian lighting, etc.
 - ▶ **Downtown Projects** – includes grants, loans, and services for public and private development (historic preservation, environmental remediation, economic development)
 - ▶ **Utility Drainage** – physical provisions to accommodate and regulate stormwater runoff

Fiscal Information

- ▶ Percentage of increased valuation allocated to the TIF Fund:
 - ▶ Years 1-5 – 100% Years 6-10 – 95%
 - ▶ Years 11-20 – 90% Years 21-30 – 85%

PROJECT	ESTIMATED COST
Parking / Transportation	\$8.0 million
Complete Streets	\$7.9 million
Support for Downtown Projects	\$4.9 million
Utility / Drainage Improvements	\$4.0 million
TOTAL	\$24.8 million

Fiscal Information

Downtown TIRZ Value History - Certified Values

<u>Tax Year</u>	<u>Base Value</u>	<u>Existing Growth</u>	<u>New Construction</u>	<u>Total Value</u>	<u>TIRZ Increment</u>	<u>Actual TIRZ Tax Revenue</u>
2010 ⁽¹⁾	\$79,356,854	\$ -	\$ -	\$79,356,854	\$ -	N/A
2011	\$79,356,854	\$2,300,954	⁽²⁾	\$81,657,808	\$2,300,954	\$6,720
2012	\$79,356,854	\$6,263,531	\$3,985,250	\$89,605,635	\$10,248,781	\$94,381
2013	\$79,356,854	\$13,075,120	\$3,855,976	\$96,287,950	\$16,931,096	\$145,506
2014	\$79,356,854	\$32,800,329	\$2,727,890	\$114,885,073	\$35,528,219	\$258,053
2015	\$79,356,854	\$34,280,051	\$4,803,671	\$118,440,576	\$39,083,722	\$330,030
2016	\$79,356,854	\$56,330,484	\$334,140	\$136,021,478	\$56,664,624	\$458,739
Estimate 2017 ⁽³⁾	\$79,356,854	\$72,653,962	<u>\$6,220,184</u>	\$158,231,000	\$78,874,146	
			\$21,927,111			\$1,293,429

⁽¹⁾ Base year Value

⁽²⁾ Not available in first year

⁽³⁾ Preliminary Estimate - Certified value not available until 7-25-2017

Fiscal Information

- ▶ **Sept. 2015** – Council approved a Chapter 380 incentive grant of \$380,000 over 5 years for the Railyard transit-oriented development
 - ▶ Two payments of \$76,000 have been made
- ▶ **Sept. 30, 2016** – Downtown TIF fund balance of \$768,764
 - ▶ Projected FY 16-17 end-of-year fund balance is \$1.15 million

Direction:

- ▶ Seeking direction regarding the use of TIF funds in accordance with the Project Plan or other alternatives



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