

ORDINANCE NO. 20120524-014

AN ORDINANCE AMENDING ORDINANCE NOS. 20081211-028 AND 20091119-033 TO INCREASE THE GEOGRAPHIC BOUNDARIES OF THE SEAHOLM REDEVELOPMENT PROJECT TAX INCREMENT FINANCING ZONE NO. 18. CITY OF AUSTIN AND AMENDING THE FINAL PROJECT AND FINANCING PLAN, BOARD APPOINTMENTS, AND TERM OF THE ZONE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. Findings. The City Council finds that:

- (A) On December 11, 2008, Council adopted Ordinance No. 20081211-028, which created the Seaholm Redevelopment Project Tax Increment Financing Zone No. 18 (Zone), and established a board of directors (Board) and preliminary project and financing plan for the Zone, as well as set the term and satisfied other statutory requirements in order to establish the Zone.
- (B) On March 26, 2009, the Board adopted the final project and financing plan, and on November 30, 2009, Council adopted Ordinance No. 20091119-033, which adopted the final project and financing plan for the Zone (the Plan), finding the Plan feasible and in conformance with the Comprehensive Plan of the City of Austin.
- (C) The Zone was created in accordance with the requirements of chapter 311 of the Texas Tax Code (the Act), and included real property surrounding the Seaholm Project, located within the area bounded on the west by the planned Seaholm Drive from Third Street south to Cesar Chavez Street; on the south by Cesar Chavez Street from the planned West Avenue west to Seaholm Drive; on the east by West Avenue from Cesar Chavez Street north to Third Street; and on the north by Third Street between Seaholm Drive and West Avenue.
- (D) Owner(s) of real property adjacent and contiguous to the Zone's current geographic boundaries are in support of their inclusion in the Zone.
- (E) The City Council has reviewed and determined that the Zone would benefit from the addition of real property described in this ordinance, and that the Zone's geographic boundaries should be revised and enlarged as depicted on the map in **Exhibit A** attached to and incorporated as part of this ordinance (Amended Zone).

- (F) The City has prepared an amended reinvestment zone project and financing plan, attached to and incorporated as part of this ordinance as **Exhibit B** (Amended Plan).
- (G) The Amended Plan provides that the ad valorem and sales taxes of the City that constitute the City's tax increment from property and sales within the Amended Zone will be deposited into the Tax Increment Fund created by Ordinance No. 20081211-028, and that the ad valorem and sales taxes of the other taxing units, if agreed to by those taxing units, constituting their respective tax increments from property within the proposed Amended Zone may also be utilized for the purposes described in the Amended Plan. Further, the Amended Plan is economically feasible and in conformance with the City's Comprehensive Plan.
- (H) The Act was recently amended and provides that the composition of the Board shall consist of members appointed by participating taxing entities of the Zone; and currently the City is the only taxing entity participating in the Amended Zone.
- (I) On April 26, 2012, the Board reviewed the amendments to the Zone's geographic boundaries, the project and financing plan, appointment of the Directors, and revisions to the term, and found the amendments will benefit the City and the property in the Amended Zone, and voted to recommend the changes for Council approval.
- (J) On April 26, 2012, at Austin City Hall, Austin, Texas, Council held a public hearing to receive public comments on the amendments to the Zone's geographic boundaries, the project and financing plan, appointment of the Board of Directors, and term, and now finds the amendments will benefit the City and the property in the proposed Amended Zone.
- (K) In compliance with the Act, notice of the date, time and location of the public hearing on the proposed amendments to the Amended Zone was published at least seven days before the date of the public hearing in the Austin American-Statesman, a daily paper of general circulation in the City.
- (L) At the hearing, the City Council heard comment from each interested person supporting or opposed to: the amended boundaries of the Amended Zone; the benefit to the property in the Amended Zone; the Amended Plan; the amendment to the composition of the Board of Directors for the proposed Amended Zone; and term of the Amended Zone.
- (M) The owner(s) of property located within the proposed additional territory to the Amended Zone, other taxing units, and other interested persons were given a reasonable opportunity at the public hearing to protest the

amendments to the proposed Amended Zone, including the inclusion of additional property in the proposed Amended Zone.

- (N) The additional property to be added to the geographic boundaries of the Amended Zone meet the criteria for a reinvestment zone as set forth in the Act because:
 - (1) It is a contiguous geographic area located wholly within the corporate limits of the City.
 - (2) It meets the requirements of Section 311.005 (*Criteria for Reinvestment Zone*) of the Act, including specifically Subsections 311.005(a)(1)(B), (D) and (E) because of the inadequate street layout, unsafe conditions, and the deterioration of the site and improvements; and Subsection 311.005(a)(2), because the area is predominantly open and contains deteriorating structures and site improvements, that substantially impair the sound growth of the City. Because of these conditions, the area is unproductive and underdeveloped.
 - (3) The improvements proposed to be implemented in the amended portion of the Amended Zone will significantly enhance the value of all taxable real property in the Amended Zone.
- (O) The amendments to the geographic boundaries and Amended Plan for the Amended Zone will benefit the City, its residents and property owners, including the property, residents, and property owners in the Amended Zone.
- (P) The development or redevelopment of the property in the Amended Zone will not occur solely through private investment in the reasonably foreseeable future.
- (Q) No more than thirty percent of the property in the Amended Zone is currently used for residential purposes as defined by the Act.
- (R) According to the most recent appraisal rolls of the Travis Central Appraisal District, the total appraised value of all taxable real property in the proposed Amended Zone together with the total appraised value of taxable real property in all other existing reinvestment zones within the City does not exceed twenty-five percent of the current total appraised value of taxable real property in the City and in the industrial districts created by the City, if any.
- (S) The amendments to the Amended Zone and the expenditure of funds on deposit in the Tax Increment Fund are necessary or convenient for the Amended Zone or to the implementation of the Amended Plan for the

Amended Zone, and constitutes a program to promote local economic development and to stimulate business and commercial activity in the City.

- (T) The City Council determines that tax increment generated from municipal sales and use and ad valorem taxes attributable to the Amended Zone, above the sales tax base and tax increment base (as hereinafter defined), shall be deposited into the Tax Increment Fund, to be used for the purposes outlined in the Amended Plan for the proposed Amended Zone, consistent with the provisions of Section 311.0123 of the Act.

PART 2. Amendments.

- (A) **Geographic Boundary.** The geographic boundaries of Reinvestment Zone Number Eighteen, City of Austin, Texas, designated in Ordinance No. 20081211-028 is amended to include the additional territory described and shown in **Exhibit A**, attached and incorporated for all purposes, and the reinvestment zone, including the amended boundary, shall continue to be known as the Reinvestment Zone Number Eighteen, City of Austin, Texas. **Exhibit A** designated in Ordinance No. 20081211-028 is repealed in its entirety by this ordinance and its exhibits.
- (B) **Project and Financing Plan.** Exhibit A, the project and financing plan designated in Ordinance No. 20091119-033 is repealed and replaced in its entirety by **Exhibit B**, attached and incorporated for all purposes to this ordinance. Council finds that the amendments to the Plan are feasible and in conformance with the Comprehensive Plan of the City.
- (C) **Board of Directors.** Part 3. of Ordinance No. 20081211-028, is deleted in its entirety and amended to read as follows:

PART 3. Board of Directors.

- (A) A Board of Directors for the Zone is established, consisting of seven members (Board) appointed by the City Council.
- (B) A Board member shall serve a two year term. The City Council shall designate a member of the Board to serve as its chair. The Board shall elect from its members a vice chair and other officers as it deems necessary.
- (C) The Board shall make recommendations to the City Council concerning the administration of the Zone. The Board shall possess all powers necessary to prepare, implement and monitor the project plan and financing plan for the Zone as the City Council considers

advisable, including the submission of an annual report on the status of the Zone.

- (D) The City Council authorizes the Board to exercise any of the City's powers with respect to the administration, management, or operation of the Zone or the implementation of the project and financing plan for the Zone, except that the Board may not: issue tax increment bonds or notes; impose taxes or fees; exercise the power of eminent domain; or give final approval to the project and financing plan.
- (E) The Board may enter into a contract with a local government corporation created by the City under Chapter 431 (*Texas Transportation Corporation Act*) of the Texas Transportation Code, to manage the Zone or implement the approved project plan and financing plan. Funds on deposit in the Tax Increment Fund may be transferred to the local government corporation to secure bonds, notes or other obligations issued by the local government corporation relating to the implementation of the approved project plan and financing plan for the Zone.

PART 3. Tax Increment Base. The tax increment base for the additional territory added to the Zone is the total appraised value determined as of January 1, 2012, of all taxable real property located in the Zone as provided in Texas Tax Code Section 311.012(c).

PART 4. Sales Tax Base. The sales tax base for the additional territory added to the Zone is the amount of municipal sales and use taxes attributable to that amended portion of the Zone for the year in which the new geographic boundaries of the Zone is designated, as provided in Texas Tax Code Section 311.0123, which the City finds to be zero.

PART 5. Severability. If any section, paragraph, clause, or provision of this ordinance is for any reason held to be invalid or unenforceable, the invalidity or unenforceability of that section, paragraph, clause, or provision shall not affect any of the remaining provisions of this ordinance.

PART 6. Effective Date and Termination. The Zone took effect on December 11, 2008, and as amended on the effective date of this ordinance, and shall terminate on the following: (1) September 30, 2043, or (2) at an earlier time designated by the City Council by ordinance if the council determines in its sole discretion that the Zone should be terminated due to insufficient private investment, accelerated private investment, or other good cause, or (3) when all project costs and tax increment bonds or notes, contract revenue bonds, or other indebtedness if any, including interest, have been paid in full.

PART 7. Effective Date. The Council finds that Subsection 311.004(a)(3) of the Act requires that the amendments to the Zone described in this Ordinance shall take effect immediately upon passage of this Ordinance.

PASSED AND APPROVED

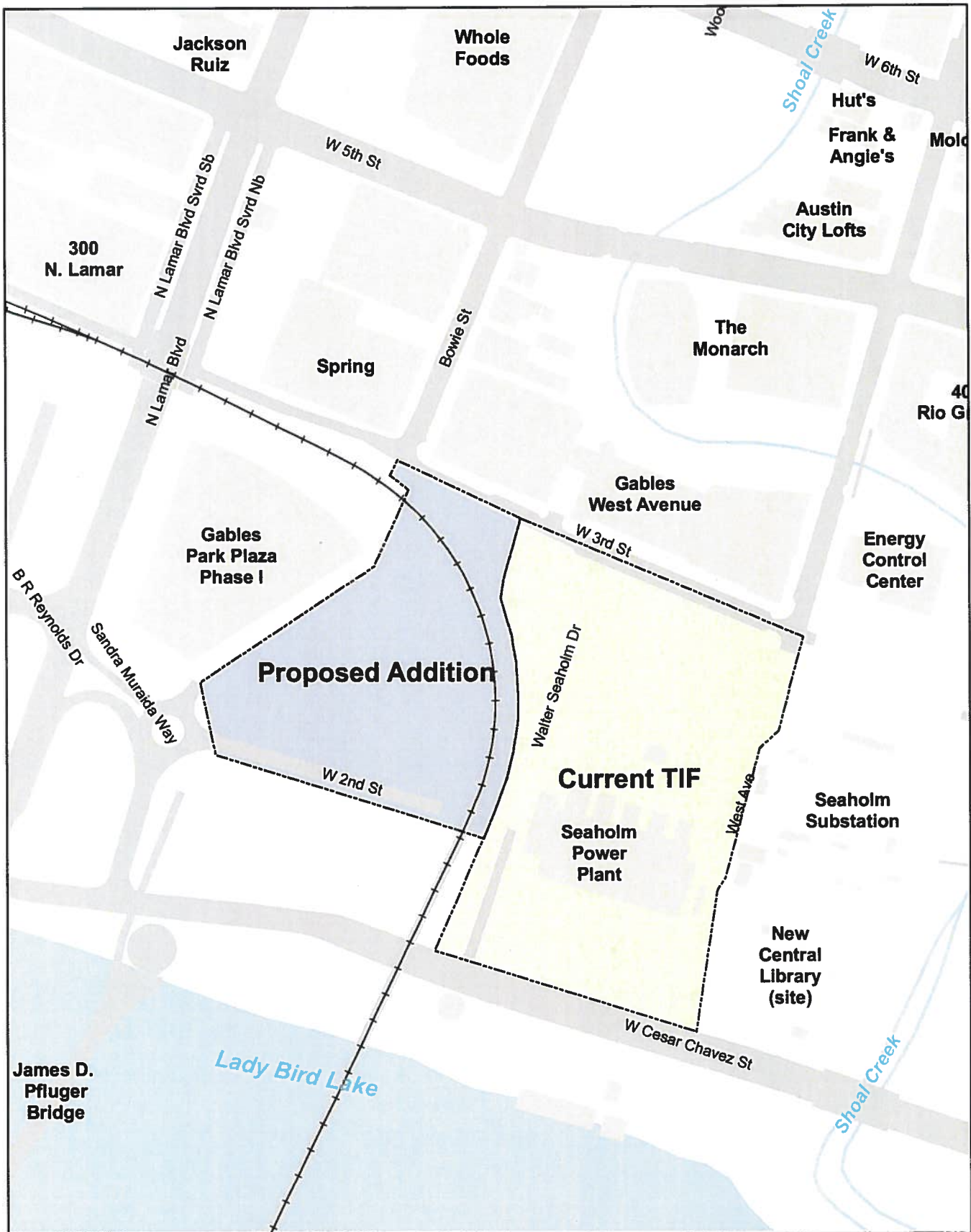
_____, May 24 _____, 2012 §
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 Lee Leffingwell
 Mayor

APPROVED: _____
 Karen M. Kennard
 City Attorney

ATTEST: _____
 Shirley A. Gentry
 City Clerk

Exhibit A - Map - TIF Boundaries - Revised



Seaholm TIF (TIF #18)



Exhibit B

**City of Austin
Seaholm Redevelopment Project
Tax Increment Financing Reinvestment Zone No. 18**

**Final
Project Plan and Reinvestment Zone Financing Plan**

**March 2009
Amended May 2012**

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Exhibit 3	Seaholm District Master Plan
Exhibit 4	Tax Revenue Schedule - Revised

I. Executive Summary

The City of Austin created Tax Increment Financing Reinvestment Zone No. 18 (the "TIF") to finance the construction of public improvements for the Seaholm Redevelopment Project (the "Project"). The original boundaries of the TIF Zone were: on the west Seaholm Drive from Third Street south to Cesar Chavez Street; on the south Cesar Chavez Street from the planned West Avenue west to Seaholm Drive; on the east West Avenue from Cesar Chavez Street north to Third Street; and on the north Third Street between Seaholm Drive and West Avenue. Exhibit 1 depicts revised geographic boundaries for the TIF Reinvestment Zone No. 18.

In accordance with State law, the project plan and financing plan were prepared to describe the Project and associated financing using dedicated tax increment revenue from the City of Austin as the sole taxing unit participating in the TIF. In accordance with State law, the project plan and financing plan may be amended by the City Council by ordinance and recommendation from the board of directors of the zone at any time. The amended project plan and financing plan has been reviewed by the TIF Board and City Council and is found to be economically feasible. This project and financing plan, along with its exhibits, is intended to supersede and control over the prior final project and financing plan adopted by the City in 2009. This project plan and financing plan is being amended for the following reasons:

- Boundary change which increases the geographic area of the TIF zone
- Increase in projected tax revenue
- Increase in project costs
- Increase in debt to be incurred
- Modification of term

The Seaholm Power Plant is a circa 1950 Art Deco industrial building, designed by the renowned national engineering firm, Burns and McDonnell. The name Seaholm pays homage to Walter Seaholm, Austin's fourth City Manager and a former utility director. Seaholm Power Plant served for many years as Austin's primary electrical generation facility and ceased generating power in 1989. In 1996, the Austin City Council authorized the environmental remediation of the Seaholm Power Plant with a view to its eventual adaptive reuse as "a unique and exceptional cultural facility in Downtown Austin." In 1997, the Seaholm Reuse Planning Committee, made up of interested community representatives, led a public polling process to determine the best use or uses for the power plant structures. The Committee's 1998 report recommended preserving the facility for a multi-use public attraction developed through a public-private partnership. A master plan for the district was also recommended to address issues of parking, transit, and pedestrian and bicycle linkages. In the summer of 2000, ROMA Design Group was commissioned by the City to prepare a Seaholm District Master Plan. The purpose of the master plan was to establish an appropriate context for the redevelopment and reuse of the Seaholm Power Plant site as a successful mixed-use public attraction.

On August 27, 2004, the City issued a request for qualifications for an entity to redevelop the Seaholm Power Plant site. On April 28, 2005, Seaholm Power Development, LLC (SPD) was

selected by the City Council from a pool of respondents as the master developer. On November 14, 2005, the City and SPD entered into an exclusive negotiating agreement. On April 10, 2008, the City Council authorized the negotiation and execution of a master development agreement (MDA) with SPD. The MDA was executed on June 17, 2008.

The purpose of the Project, which is to be partially financed through the TIF, is to provide for the redevelopment of the historically significant Seaholm Power Plant and its immediate grounds. The site impairs the City's growth because of deteriorating structures, inadequate street layout, and unsafe conditions.

In addition to rehabilitation of the historic power plant, the Project will relocate utilities, provide for new street infrastructure to connect Cesar Chavez Street and Third Street, and provide for the development of an office building and a multi-unit residential tower. The new street infrastructure will provide access to the office building and multi-unit residential tower thereby supporting the economic viability of the Project.

To finance the public infrastructure and power plant rehabilitation components of the Project, the City formed the TIF in accordance with State law. In a tax increment reinvestment zone, one or more political subdivisions contribute up to 100% of the property tax on the increase in value of real property in the district (tax increment) as generated. Under the terms of the TIF, the City of Austin will contribute 100% of its property tax and 100% of its sales tax increment. Tax increment revenues so generated may be expended only for purposes described in the project and financing plan for the TIF. The public infrastructure and power plant rehabilitation components of the Project will be primarily funded by the issuance of debt that will be repaid from the tax increment revenues, both property taxes and sales taxes, collected during the 30-year duration of the TIF.

II. Project Plan

A. Introduction

This section describes the project plan for the TIF and the Project, in the City of Austin, Texas, as required by Chapter 311 of the Texas Tax Code. The purpose of the TIF is to finance the construction of public improvements at and adjacent to the Project site.

The City of Austin will be solely responsible for managing the MDA for the Project, and administering the TIF, which is located on the Southwestern edge of the downtown area of Austin, Texas. It is anticipated that the investment in private development will benefit the City financially and will also benefit Austin citizens through the creation of jobs and recreational amenities.

The Project represents a very important opportunity for the City to redevelop publicly-owned land and will spur economic development within the Southwest quadrant of downtown. Recently, several residential development projects have been located in Southwest Downtown. Development within the Reinvestment Zone area has lagged in comparison to Southwest Downtown and other sections of the City. The Project will:

- Enhance and contribute to Downtown Austin and the Seaholm District
- Complement and enhance Lady Bird Lake, Shoal Creek and Sand Beach Reserve
- Incorporate sustainability, green building and alternative energy
- Provide a positive economic and financial impact to the City
- Enable the development of a central rail transit hub

Once complete, the Project site will feature a mix of uses, including retail shops, residential units, office space, special event space, and an outdoor terrace that overlooks Lady Bird Lake.

Seaholm Power Plant

The centerpiece of the Project is the historic preservation of the Seaholm Power Plant. The building is a 136,000 square foot iconic structure that has more than 110,000 square feet of useable floor space. The building features a turbine hall that measures 110 by 235 feet with a ceiling that is 65 feet high. Once renovated, the building will house an event center, office, retail, and restaurant uses. Part of the renovation includes creating a dynamic entrance on the west end of the building.

Street Infrastructure

The Project's street infrastructure will create a link between Cesar Chavez Street and Third Street. New street infrastructure includes the construction of Seaholm Drive to the west of the Project site and West Avenue to the east of the Project site. Seaholm Drive will lead to the drop off area for the entry point into the power plant building and will serve as an entry to the garage that will serve the Project from below the plaza. West Avenue is to the east of the Project site and will also connect Cesar Chavez and Third Street. West Avenue will intersect with the planned 2nd Street extension, connecting both the new Central Library and future redevelopment

on the Green Water Treatment Plant site. With the connection to 2nd Street, the Project will be the west anchor for residential and retail development occurring within the 2nd Street area. West Avenue is planned to be designed as a “festival street”, a street that utilizes streetscape features to create a street that can easily be converted to public and pedestrian friendly use on weekends or for special events.

Plaza

Aside from providing enhanced streetscapes, the Project will provide open space for pedestrians traversing the Seaholm District. An inner plaza will be at the center of the Project and is designed for events, retail, and restaurant activity. The plaza will link the renovated Seaholm Power Plant to the office building and residential tower. The pedestrian-friendly plaza will provide connections from the Green Water Treatment Plant redevelopment and new Central Library to the proposed Seaholm Intermodal Station located just west of the Project. With its parkland enhancement and anticipated economic development stimulus, the Project will promote tourism by convention center visitors and other visitors. The Project will incorporate a portion of the Lance Armstrong Bikeway and connections to the Pfluger Bridge Extension and planned Bowie Underpass. There will possibly be a stop for the proposed Urban Rail at the plaza near West Avenue and Third Street.

Bowie Underpass

Completion of the Bowie Underpass and the Union Pacific Railroad (UPRR) Bridge span replacement will provide a safe passage and alternative transportation choice for bicyclists and pedestrians across the barrier formed by the UPRR. The Bowie Underpass will connect users to the proposed Seaholm Lone Star Rail/Urban Rail transfer station. This project will also replace the northernmost span of the existing UPRR Lady Bird Lake Bridge, which is located over the newly constructed 2nd Street, with a new ballasted deck as required by UPRR. Negotiations with UPRR resulted in the addition of the bridge span replacement. In order to construct the underpass while maintaining rail service, the rail line will be slightly realigned within the existing right of way from the north end of the bridge over Lady Bird Lake to Lamar. This realignment requires the bridge span replacement and underpass to be constructed concurrently and all elements of the project to be designed together.

B. Adopted Zoning Ordinance, Use and Site Development Regulations, and Conditional Overlay, and Plans of the Municipality

All project construction is anticipated to adhere to existing design and building criteria and regulations. Currently, there are no proposed changes to City ordinances, master plans or building codes. The zoning for the original and amended TIF Zone is consistent with the Seaholm District Master Plan. All zoning information is available at the City’s Planning and Development Review Department.

C. Seaholm District Master Plan

In June 2000 ROMA Design Group was commissioned by the City to prepare the Seaholm District Master Plan, generally bounded by 5th Street on the north, San Antonio Street on the east, Lady Bird Lake on the south and Lamar Boulevard on the west. The purpose of the master

plan is to establish an appropriate context for the redevelopment and reuse of Seaholm as a successful mixed-use public attraction (Exhibit 3).

Key goals of the master plan are:

- Preserve and reuse the historic structures on the site and in the surrounding district
- Ensure adequate parking for the future major public attraction that can be developed in close proximity to the facility
- Preserve and enhance the open space character of the Sand Beach Reserve
- Achieve an appropriate balance between pedestrian, transit, bicycle and automobile transportation, recognizing that the district is an important hub of pedestrian, bicycle and transit systems entering into the downtown area
- Explore the potential for redevelopment of public and privately owned properties in the district

D. List of Estimated Non-Project Costs

The City anticipates investing \$10.2 million in a parking garage within the TIF Zone to support the Project. Parking revenue will be used to finance these public parking spaces.

E. Statement of Method of Relocating Persons to be Displaced as a Result of Implementing the Project

No persons will be displaced as a result of the construction or implementation of the Project.

III. Reinvestment Zone Financing Plan

The City of Austin will contribute 100% of its tax increment, both property tax and sales tax, to the TIF. This section describes the financing plan for the TIF and the Project.

A. List of Estimated Project Costs of the Zone

The total estimated development cost of the Project is \$123.0million (in July 2012 dollars). The Project will include an office building, multi-unit residential tower, plaza, terrace, rehabilitation of the Seaholm Power Plant, and construction of two roadways running north to south on the east and west side of the Seaholm Power Plant site.

The following table itemizes the estimated Project and non-Project costs (in millions). The Project is expected to incur bond financing costs but these costs have not been included in the list below.

Table 1: Project and Non-Project Costs (in millions)

Project Costs				
Project Component	Developer Funded	City of Austin		Total Costs
		TIF Funded	Water and Electric Utility CIP Funded	
Office/Retail Building	14.8			\$ 14.8
Multi-unit Residential	76.0			63.0
Power Plant Rehabilitation	19.1	4.5		23.6
Plaza	1.7	2.1		3.8
Street Work		7.0		7.0
Bowie Underpass		6.8		6.8
Utility Relocations			4.0	4.0
Totals	\$ 111.6	\$ 20.4	\$ 4.0	\$ 136.0

Non-Project Costs	
City-Owned Parking Garage (Anticipated to be funded by revenue bonds and sale of general fund portion of crescent property to Austin Energy)	\$10.2

B. Statement Listing the Kind, Number, and Location of All Proposed Public Works or Public Improvements in the Zone

The proposed public infrastructure for the Project is located throughout the TIF zone and is illustrated in Exhibit 2.

C. Economic Feasibility Study

In April 2008, the City Council approved the negotiation and execution of the MDA with Seaholm Power Development, LLC for the redevelopment of the Seaholm Power Plant. In developing the MDA, the City contracted with Economic & Planning Systems, Inc., to conduct a financial feasibility assessment of the Project and to analyze pro forma financial statements for the Project. The revised Tax Revenue Schedule is attached as Exhibit 4 and indicates the TIF build out, property tax revenue, and sales tax revenue from the Project.

Table 2 below reflects all revenues and expenses for the City of Austin. The financial feasibility assessment indicates that revenues from the Project will be sufficient to pay for expenses.

Table 2: Financial Feasibility (in millions)

Estimated Revenues and Expenses	Subtotal	Total
Estimated Revenues (Net Present Value, 2012)		
Property Taxes (30 Years @ 100%)	\$18.0	
Sales Taxes (30 Years @ 100%)	\$4.5	
Water Utility CIP	\$3.6	
Electric Utility CIP	\$0.4	
Total Estimated Revenues		\$26.5
Less: Estimated Expenses		
Power Plant Rehabilitation	- 4.5	
Plaza	- 2.1	
Street Work	- 7.0	
Bowie Underpass	-6.8	
Utility Relocations	- 4.0	
Total Estimated Expenses		- 24.4
Difference		\$ 2.1

CIP funding from the water utility and electric utility is allocated toward utility extensions for the Project.

D. Estimated Amount of Bonded Indebtedness

The estimated amount of bonded indebtedness to be incurred by the TIF is \$20.4 million.

E. Time When Monetary Obligations are to be Incurred

Monetary obligations are to begin in late 2012.

F. Description of the Method of Financing of All Estimated Project Costs and the Expected Sources of Revenue to Finance or Pay Project Costs Including the Percentage of Tax Increment to Be Derived from the Property Taxes of Each Taxing Unit that Levies Taxes of Real Property in the Zone

Description of the Methods of Financing

The City of Austin is allowed, under the provisions of Section 311.015 of the Tax Increment Financing Act, to issue tax-exempt bonds or notes, the proceeds of which may be used to provide for project related costs. The City possesses the authority under Texas law to issue certificates of obligation to finance public improvements such as those described in the project plan. The City will issue debt under its own authority to finance the City's portion of the power plant rehabilitation, street improvements, and the plaza area, as outlined in the MDA with Seaholm Power Development, LLC, and the construction of the Bowie Underpass and related UPRR bridge span replacement and track realignment. When the City issues certificates of obligation to fund Project costs described in this project plan, revenues deposited to the credit of the TIF will be made available to the City for the purpose of paying debt service on the certificates of obligation.

Sources of Tax Increment Revenue

The tax increment revenues necessary to pay the Project costs are expected to come from two sources and are shown in Exhibit 4, Tax Revenue Schedule. Revenue will come from the incremental growth in property tax revenue due to new commercial and residential investment in the area adding taxable value to property in the TIF. The City of Austin is currently the only taxing entity in the appraisal jurisdiction participating in the TIF. The financing plan is based on the City of Austin contributing 100% of their collected incremental property tax revenue to the TIF. The tax rate for the City of Austin for Fiscal Year 2012 is \$0.4811 per \$100 of valuation.

Tax increment revenues are also anticipated from the increase in sales and use taxes generated in the TIF from the development of retail businesses in the area. The current sales tax rate in the City is 8 1/4% of which 1% is the City's portion. It is this 1% in sales tax receipts from retail sales in the TIF that is the second source of increment revenue. Current sales tax receipts in the TIF are \$0.

G. The Current Appraised Value of Taxable Real Property in the Zone

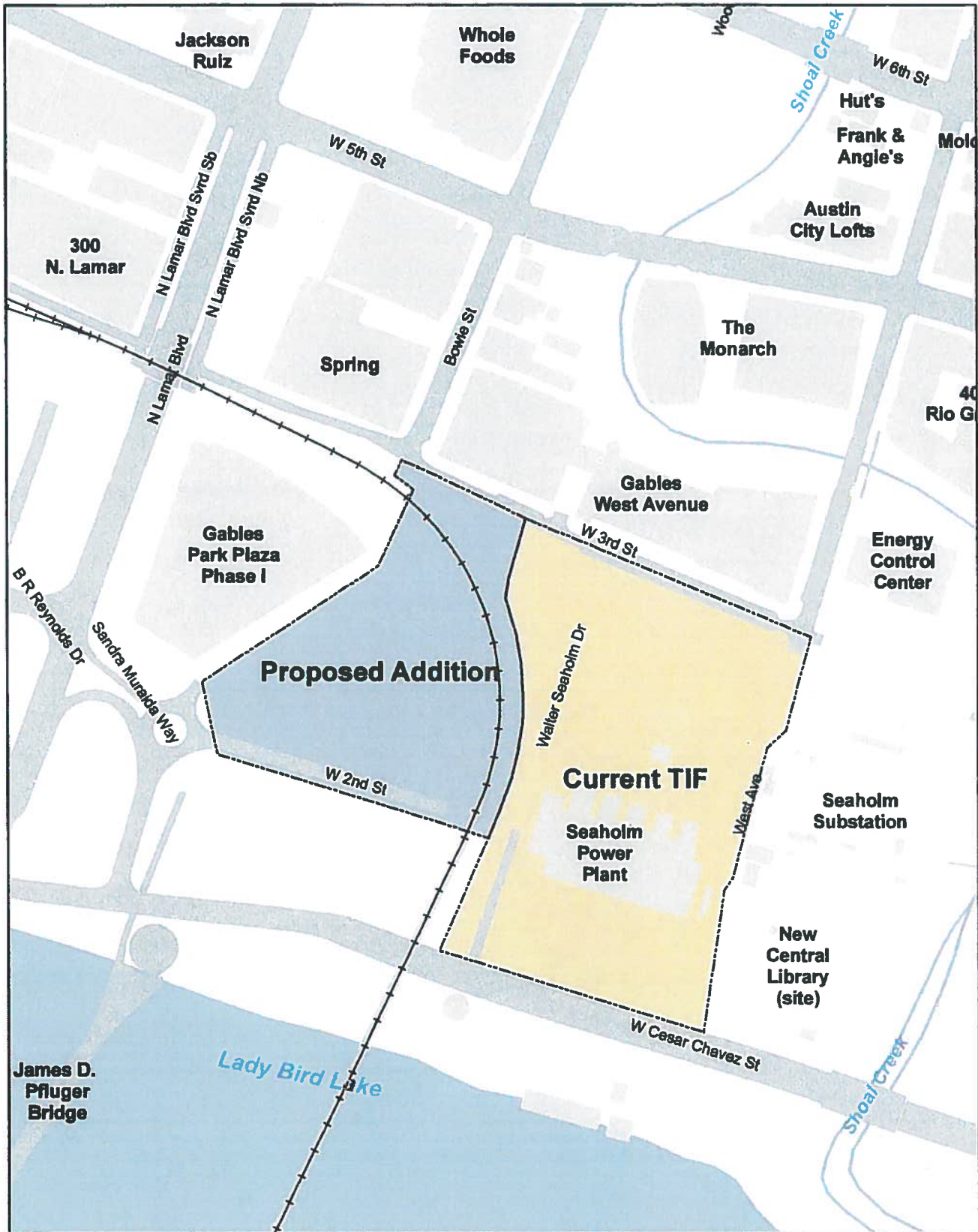
The appraised value for the original TIF Zone was \$0 because in 2008, the base year for the TIF, the property included in the TIF was City owned and was considered tax-exempt. The City intends to sell and lease the land within the TIF Zone to Seaholm Power Development, LLC as agreed to in the MDA, thereby making the property taxable. The expanded TIF Zone includes privately-owned property appraised at \$6.65 million in 2012, the base year for the additional TIF area.

H. The Estimated Captured Value of the TIF During Each Year of its Existence
The estimated captured appraised value of the TIF is shown in the Tax Revenue Schedule, Exhibit 4.

I. Duration of the Zone

The proposed duration of the TIF Zone is 35 years. The first year of the original TIF Zone began January 1, 2008 with the TIF base valuation dated January 1, 2008. Fiscal year 2013 will be the first year the associated tax increment will be paid into the TIF. The TIF will terminate September 30, 2043, or earlier if the project has been fully implemented and all Project costs of the TIF, including any debt or interest on that debt, issued by the City in accordance with the financing plan have been paid or otherwise satisfied in full.

Exhibit 1 - Map - TIF Boundaries - Revised



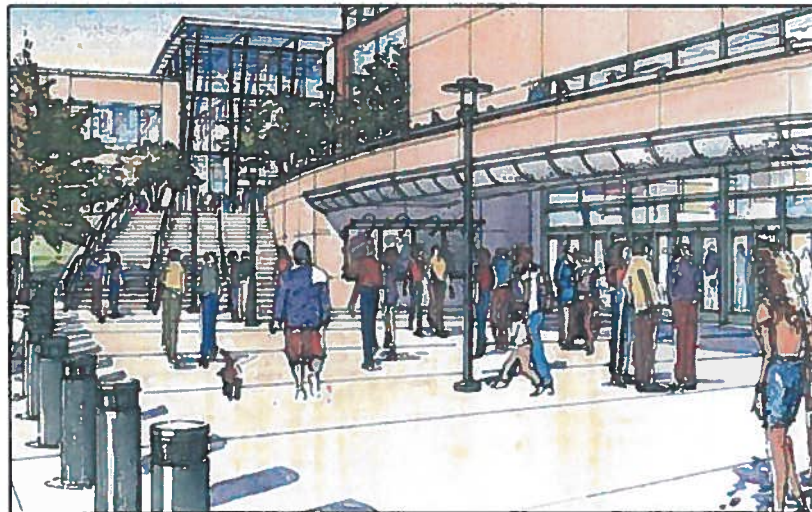
Seaholm TIF (TIF #18)



Exhibit 2
Architectural Renderings – Seaholm Redevelopment Project



Overall Project Aerial

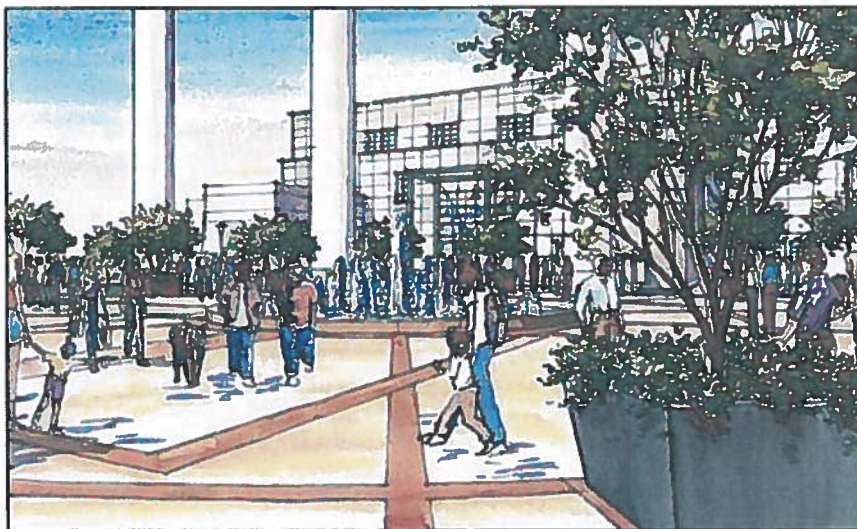


Lower Entry to Power Plant Building

Exhibit 2
(continued)
Architectural Renderings – Seaholm Redevelopment Project



Streetscape Improvements



Plaza

Exhibit 3
Seaholm District Master Plan

[see link below]

<ftp://ftp.ci.austin.tx.us/npzd/website/planning/seaholmdraft.htm>

Exhibit 4
Project Tax Revenue Schedule

Fiscal Year Ending	Estimated New Assessed Value on Tax Roll by Fiscal Year [1,2]						Estimated City Revenues by Fiscal Year by Source		
	Seashom Low-Rise Office	Seashom High-Rise Apts	Seashom Power Plant	Seashom Total AV	Gables Total AV	TIF #18 Total AV	Property Tax at 0.4811	Sales and Use Taxes [3]	TIF Area Total
2013	7,235,366	24,830,598	13,503,750	45,569,704	15,935,289	61,504,973	285,800	0	285,800
2014	14,470,732	49,661,178	27,007,500	91,139,408	31,870,537	123,009,945	591,801	0	591,801
2015	21,706,098	74,951,764	40,571,251	136,709,112	47,805,806	184,514,918	887,701	233,612	1,121,314
2016	22,248,750	76,354,058	40,524,032	140,126,840	48,000,951	188,127,791	908,894	240,802	1,150,496
2017	22,816,213	78,644,890	42,789,753	144,330,856	50,470,980	194,801,835	937,191	247,801	1,184,992
2018	23,603,699	81,004,020	44,062,646	148,669,564	51,985,108	200,645,674	965,306	256,218	1,220,522
2019	24,311,810	83,434,141	45,374,437	153,120,381	53,544,862	206,665,044	994,298	262,833	1,257,131
2020	25,041,164	85,937,165	46,735,664	157,713,983	55,151,002	212,864,985	1,024,093	270,718	1,294,811
2021	25,792,398	88,575,280	48,137,734	162,445,413	56,808,532	219,250,945	1,054,816	278,819	1,333,635
2022	26,568,171	91,170,738	49,581,868	167,318,775	58,508,898	225,828,473	1,088,461	287,182	1,375,643
2023	27,363,136	93,905,890	51,089,322	172,358,338	60,284,989	232,603,327	1,119,065	296,755	1,414,809
2024	28,184,051	96,723,036	52,601,401	177,508,488	62,072,939	239,581,427	1,152,826	304,605	1,457,231
2025	29,028,572	98,624,727	54,178,443	182,833,743	63,855,127	246,788,870	1,187,205	313,720	1,500,925
2026	29,909,460	102,613,489	55,804,627	188,318,755	65,653,181	254,177,936	1,222,821	323,108	1,546,929
2027	30,797,473	106,691,873	57,478,972	193,869,318	67,528,776	261,797,094	1,259,508	332,777	1,592,283
2028	31,721,396	108,892,629	59,203,341	199,787,367	69,463,940	269,651,007	1,297,291	342,735	1,640,026
2029	32,673,039	112,128,508	60,979,441	205,780,988	71,459,549	277,740,537	1,336,210	352,982	1,689,202
2030	33,653,231	115,492,363	62,808,624	211,954,418	73,511,335	286,072,733	1,376,286	363,556	1,739,852
2031	34,662,828	118,957,134	64,693,089	218,313,051	75,641,895	294,654,946	1,417,585	374,436	1,792,021
2032	35,702,712	122,525,846	66,633,882	224,862,442	77,832,142	303,494,584	1,460,112	386,841	1,846,754
2033	36,773,794	126,201,624	68,632,898	231,608,315	80,081,106	312,599,422	1,503,916	397,183	1,899,103
2034	37,877,008	129,987,672	70,691,665	238,556,565	82,420,839	321,977,404	1,548,033	408,089	1,956,122
2035	39,013,318	133,907,303	72,812,641	245,713,262	84,833,463	331,636,726	1,593,504	421,312	2,014,816
2036	40,183,717	137,963,922	74,997,021	253,084,660	87,301,189	341,833,403	1,640,389	433,921	2,074,310
2037	41,389,228	142,041,039	77,246,831	260,677,188	89,807,804	351,833,403	1,688,671	448,808	2,137,479
2038	42,630,808	146,302,270	79,664,339	268,487,515	92,350,405	362,388,405	1,738,451	464,283	2,202,734
2039	43,909,633	150,691,339	81,951,289	276,552,441	94,937,616	373,290,057	1,789,754	479,259	2,269,013
2040	45,227,128	155,212,079	84,408,808	284,848,014	97,608,845	384,457,859	1,842,827	494,247	2,337,074
2041	46,583,842	159,858,441	86,842,102	293,394,465	100,397,110	395,891,595	1,897,116	509,861	2,406,976
2042	47,987,460	164,684,494	89,650,355	302,198,319	103,297,023	407,495,343	1,952,689	525,113	2,477,802
2043	49,420,804	169,604,428	92,239,876	311,265,208	106,304,274	420,107,483	2,009,137	540,413	2,549,550
Total TIF Revenues							40,837,983	10,551,273	51,389,256
NPV at 5.0% discount rate							17,946,644	4,624,788	22,471,432

[1] Once stabilization is reached, assumes value increase at 3.0% per year

[2] Assessed Value at stabilization (2035) reflects the current assessed value of the (78.65%) to yield the net incremental value

[3] Sales and Use Tax includes City's 1.0% share of retail sales taxes from Seashom and Gables retail areas, as well as parking tax at 1.0% of city and hourly parking fees at the Seashom Garage

[1] Once stabilization is reached, assumes value increases at 3.0% per year

[2] Assessed Value at stabilization (2039) reflects the current assessed value of the site (\$5.5M) to yield the net incremental value

[3] Sales and Use Tax includes City's 1.0% share of retail sales taxes from Searchin and Gables retail areas, as well as parking tax at 1.0% of city and hourly parking time at the Searchin garage