

RESOLUTION NO. _____

WHEREAS, since the introduction of Tax Increment Financing (TIF) in 1951, it has become an increasingly utilized method of public financing by municipalities for redevelopment, environmental remediation, infrastructure and other community-improvement efforts; and

WHEREAS, TIF redevelopment zones can directly connect public investment with the private taxable property value created as has taken place at Mueller, Waller Creek and Seaholm; and

WHEREAS, TIF based proposals are proposed for Urban Rail, Lone Star Rail, an Expansion of the Affordable Housing Trust Fund and other economic development agreements; and

WHEREAS, approved City of Austin Financial Policies require that TIF Zones should be established where revenues will recover the public cost of debt with adequate safety margin and that no more than five percent of the City's tax base will be in TIF zones; and

WHEREAS, approved City of Austin Financial Policies governing TIF based debt issuances include a required coverage ratio of 1.25, limitations on the amount of TIF bonds relative to the city's outstanding general obligation indebtedness, restrictions on use for current expenditures, and bond maturity before termination of a TIF Zone; and

WHEREAS, local experience and national best practices suggest that additional process and parameters are important to clarify early in a project development; and

WHEREAS, every TIF district and development is unique, but consistent public process and financial evaluation can be applied,

NOW, THEREFORE,

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

The City Manager is directed to report to council by May 15, 2013 with recommendations for a TIF Policy that ensures consistent consideration of proposals, transparency and accountability, as well as the financial viability and efficiency of such arrangements.

ADOPTED: _____, 2013 **ATTEST:** _____

Jannette S. Goodall
City Clerk