



## Recommendation for Action

**File #:** 22-3616, **Agenda Item #:** 54.

12/1/2022

### **Posting Language**

Conduct a public hearing and consider an ordinance amending Ordinance No 20211220-002 related to Tax Increment Reinvestment Zone No. 19 by amending the boundaries of the zone, amending the participation rate of the zone, and amending the preliminary financing plan and related matters.

### **Lead Department**

Financial Services Department.

### **Fiscal Note**

This item has no fiscal impact.

### **Prior Council Action:**

October 21, 2021 - City Council approved Resolution No. 20211021-044 directing the City Manager to develop the preliminary project and financing plan for the South-Central Waterfront Tax Increment Reinvestment Zone and to post a public hearing for the City Council to consider implementing a zone in calendar year 2021. City Council approved Resolution No. 20211021-045 directing the City Manager to complete actions necessary to create a financial strategy and regulatory framework for the geographic area described in the South-Central Waterfront Plan.

### **For More Information:**

Ed Van Eenoo, Chief Financial Officer, Financial Services Department, 512-974-2638; Kim Olivares, Deputy Chief Financial Officer, Financial Services Department, 512-974-2924.

### **Additional Backup Information:**

The City of Austin, Texas, a Texas home-rule municipality has the authority under Chapter 311, Texas Tax Code, Tax Increment Financing Act (Act) to designate a contiguous or noncontiguous geographic area within the corporate limits of the City as a tax increment reinvestment zone to promote development, or redevelopment, of the area. For a zone to qualify under the Act, the governing body of the City (Council) must determine that development or redevelopment within the zone would not occur solely through private investment in the reasonably foreseeable future, that the zone is feasible, and that creation of the zone is in the best interest of the City and the property in the zone. The purpose of the zone is to facilitate development, or redevelopment, by financing the costs of public works, public improvements, programs, and other projects benefiting the zone, plus other costs incidental to those expenditures, all these costs are authorized by the Act.

Council intends to amend tax increment Reinvestment Zone No. 19, City of Austin" (Zone) to amend the borders of the zone consistent with the map attached as Exhibit A and described via parcel listing attached in Exhibit B (Property)., change the participation rate to 46%, and amend the preliminary project and financing plan to include affordable housing The Property is currently located within the corporate limits of the City and is zoned as commercial, industrial, mixed-use, residential, and civic uses. The Property is being redeveloped because inadequate sidewalk and street layout and other factors that substantially impair or arrest the sound growth of the municipality. Development will require extensive public infrastructure that will not be provided

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solely through private investment in the foreseeable future. Portions of the Property substantially impair and arrest the sound growth of the City because the property is predominately unproductive or underdeveloped due to factors such as the lack of and aging of public infrastructure, inadequate street and sidewalk layout, and the need for economic incentive to attract development to the Zone for the purpose of providing long-term economic benefits including, but not limited to, increased real property tax base for all taxing units in the Zone.

The proposed public improvements to be financed by the Zone include roadway and drainage improvements, streetscapes, open spaces (parks, trails, plazas), utilities, green infrastructure, and reclaimed water and other miscellaneous and soft costs. If the public improvements, and other projects, are financed as contemplated by the Preliminary Plan, as further described in Exhibit C (attached), the City envisions that the Property will be developed to take full advantage of the opportunity to bring to the City a quality development.

**Strategic Outcome(s):**

Government that Works for All, Economic Opportunity and Affordability, Mobility, Culture and Lifelong Learning.