

**City Council  
Agenda Memo**



**City Council  
Meeting Date: Nov. 21, 2013**

**TO: Larry D. Gilley, City Manager**

**FROM: Jon C. James, AICP,  
Director of Planning & Development Services**

**SUBJECT: Establishing a Tax Increment Reinvestment Zone (TIRZ) in the City of Abilene.**

**GENERAL INFORMATION**

Chapter 311 of the Texas Tax Code allows the City to establish a “Tax Increment Reinvestment Zone” or TIRZ to promote development or redevelopment in an area where such development would not occur solely through private investment alone. The purpose of the zone is to facilitate such development or redevelopment by financing the costs of public works, public improvements, programs, or other projects benefitting the zone. The City Council must hold a public hearing prior to creation of the zone, which will be held at the regular City Council meeting on December 5, 2013.

The proposed zone, to be called Reinvestment Zone Number Two, will include approximately 1,594 acres within the South Downtown, and along the Pine Street and Ambler Avenue corridors. This area is eligible due to challenges to development and redevelopment such as blight (vacancy, deterioration), obsolete lot configuration, a history of disinvestment, and similar factors. There is a need for economic incentives to attract development and redevelopment in the zone for the purpose of providing long-term economic benefits including, but not limited to, increased real property tax base, increased sales and use tax, and increased job opportunities.

**FUNDING/FISCAL IMPACT**

The TIRZ will not impact tax revenue on the existing property values within the zone, but the taxes on future property value increases will go into the TIRZ fund and so will not accrue to the General Fund of the City.

**STAFF RECOMMENDATION**

Staff recommends approval of the Preliminary Project and Financing Plan to establish Reinvestment Zone #2.

**ATTACHMENTS**

Ordinance

Reinvestment Zone Number Two, Preliminary Project and Financing Plan

Prepared by:

Name: Jon James

Title: Planning Director

Item No. 6.5

Disposition by City Council

- Approved    Ord/Res# \_\_\_\_\_
- Denied        \_\_\_\_\_
- Other         \_\_\_\_\_

\_\_\_\_\_  
City Secretary

**CITY OF ABILENE, TEXAS**

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE DESIGNATING A CERTAIN AREA AS TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, CITY OF ABILENE, TEXAS, ESTABLISHING A BOARD OF DIRECTORS FOR SUCH REINVESTMENT ZONE, MAKING CERTAIN FINDINGS, AND OTHER MATTERS RELATED THERETO.**

**WHEREAS**, the City Council of the City of Abilene, Texas, (the "City"), desires to promote the development of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, Vernon's Texas Codes Annotated (the "Act"); and

**WHEREAS**, in compliance with the Act, the City has called a public hearing to hear public comments on the creation of the proposed reinvestment zone and its benefits to the City and the property in the proposed reinvestment zone; and

**WHEREAS**, in compliance with the Act, notice of such public hearing was published on November 24<sup>th</sup>, 2013, in the Abilene Reporter News, a paper of general circulation in the City, such publication date being not later than seven (7) days prior to the date of the public hearing; and

**WHEREAS**, such hearing was convened at the time and place mentioned in the published notice, to wit, on the 5<sup>th</sup> day of December, 2013 at 8:30 a.m., in the City Hall of the City of Abilene, Texas, which hearing was then closed; and

**WHEREAS**, the City, at such hearing, invited any interested person, or his attorney, to appear and speak for or against the creation of the reinvestment zone, the boundaries of the proposed reinvestment zone, whether all or part of the territory which is described and attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B" should be included in such proposed reinvestment zone, the concept of tax increment financing and the appointment of a board of directors of the proposed reinvestment zone; and

**WHEREAS**, all owners of property located within the proposed reinvestment zone and all other taxing units and other interested persons were given a reasonable opportunity at such public hearing to protest the creation of the proposed reinvestment zone and/or the inclusion of their property in such reinvestment zone; and

**WHEREAS**, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone, and opponents, if any, of the reinvestment zone appeared to contest creation of the zone;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:**

**SECTION 1:** That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct.

**SECTION 2:** That the City Council, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- a) That the public hearing on adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by law.

b) That creation of the proposed reinvestment zone with boundaries as described in Exhibits “A” and “B” will result in benefits to the City, its residents and property owners, in general, and to the property, residents and property owners in the reinvestment zone.

c) That the reinvestment zone, as defined in Exhibits “A” and “B”, meets the criteria for the creation of a reinvestment zone set forth in the Act in that:

1. It is a contiguous geographic area located wholly within the corporate limits of the City.

2. The area exhibits documented challenges to development and redevelopment such as blight (vacancy, deterioration), obsolete lot configuration, a history of disinvestment, and similar factors.

d) That 30 percent or less of the property in the proposed reinvestment zone, excluding property dedicated to public use, is used for residential purposes, which is defined in the Act as any property occupied by a house which has less than five living units.

e) That the total appraised value of all taxable real property in the proposed reinvestment zone according to the most recent appraisal rolls of the City, together with the total appraised value of taxable real property in all other existing reinvestment zones within the City, according to the most recent appraisal rolls of the City, does not exceed 50 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.

f) That the proposed reinvestment zone does not contain more than 50 percent of the total appraised value of real property taxable by a county or school district.

g) That the improvements in the reinvestment zone will significantly enhance the value of all taxable real property in the reinvestment zone.

h) That the development or redevelopment of the property in the proposed reinvestment zone will not occur solely through private investment in the reasonable foreseeable future.

**SECTION 3.** That the City hereby creates a reinvestment zone over the area described in Exhibit “A” attached hereto and depicted in the map attached hereto as Exhibit “B” and such reinvestment zone shall hereafter be identified as Tax Increment Reinvestment Zone Number Two, City of Abilene, Texas (the “Zone” or “Reinvestment Zone”).

**SECTION 4.** That there is hereby established a board of directors for the Zone that shall consist of five members. The board of directors of Tax Increment Financing Reinvestment Zone Number Two, City of Abilene, Texas shall be appointed as follows:

a) Four members shall be appointed by the Mayor with the approval of the City Council of the City of Abilene and one member shall be appointed by the Taylor County Commissioners Court unless the County chooses not to approve payment of any of its tax increment into the Tax Increment Fund. If the County so chooses, then the Mayor, with the approval of the City Council, shall appoint all five members. The initial board of directors shall be appointed by resolution within sixty (60) days of the passage of this ordinance or within a reasonable time thereafter. All members appointed to the board shall meet the eligibility requirements set forth in the Act. The governing bodies of other taxing units that levy taxes on real property in Tax Increment Financing Reinvestment Zone Number One have chosen not to pay any of their taxes into the Tax Increment Fund and have waived their right to appoint board members.

b) The terms of the board members shall be two-year terms. The City Council shall designate a member of the board to serve as chairman of the board of directors, and the board shall elect from its members a vice chairman and other officers as it sees fit.

c) The board of directors shall make recommendations to the City Council concerning the administration of the Zone. It shall prepare and adopt a project plan and reinvestment zone financing plan for the Zone and must submit such plans to the City Council for its approval. The board of directors shall possess all powers necessary to prepare, implement and monitor such project plan and financing plan for the reinvestment zone as the City Council considers advisable, including the submission of an annual report on the status of the Zone.

SECTION 5: That the Zone shall take effect on January 1, 2013 and that the termination of the Zone shall occur on December 31, 2042, or at an earlier time designated by subsequent ordinance of the City Council in the event the City determines that the Zone should be terminated due to insufficient private investment, accelerated private investment or other good cause, or at such time as all project costs and tax increment bonds, if any, and the interest thereon, have been paid in full.

SECTION 6: That the Tax Increment Base for the Zone, which is the total appraised value of all taxable real property located in the Zone, is to be determined as of January 1, 2013, the year in which the Zone was designated a reinvestment zone.

SECTION 7: That there is hereby created and established a Tax Increment Fund for the Zone which may be divided into such subaccounts as may be authorized by subsequent resolution or ordinance, into which all Tax Increments, less any of the amounts not required to be paid into the Tax Increment Fund pursuant to the Act, are to be deposited. The Tax Increment Fund and any subaccounts are to be maintained in an account at the City Treasurer's affiliated depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. In addition, all revenues from the sale of any tax increment bonds and notes hereafter issued by the City, revenues from the sale of any property acquired as part of the tax increment financing plan and other revenues to be dedicated to and used in the Zone shall be deposited into such fund or subaccount from which money will be disbursed to pay project costs for the Zone or to satisfy the claims of holders of tax increment bonds or notes issued for the Zone.

SECTION 8: That if any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 9: This Ordinance shall take effect immediately from and after its passage and the publication of the caption, as the law and charter in such cases provide.

DULY PASSED by the City Council of Abilene, Texas, this 5<sup>th</sup> day of December, 2013.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Secretary

APPROVED: \_\_\_\_\_

CITY OF ABILENE  
REINVESTMENT ZONE NO. 2

BOUNDARY DESCRIPTION

Beginning at the southeast corner of the intersection of S. Treadaway Blvd. and S. 7<sup>th</sup> Street, the POINT OF BEGINNING;

THENCE, west along the south ROW of S. 7<sup>th</sup> Street to the west ROW of Butternut Street;

THENCE, north along the west ROW of Butternut Street to the south ROW of S. 3<sup>rd</sup> Street;

THENCE, west along the south ROW of S. 3<sup>rd</sup> Street to the west ROW of Vine Street;

THENCE, north along the west ROW of Vine Street to the south ROW of S. 1<sup>st</sup> Street;

THENCE, east along the south ROW of S. 1<sup>st</sup> Street to the west ROW of Pine Street;

THENCE, north along the west ROW of Pine Street to the south ROW of N. 1<sup>st</sup> Street;

THENCE, west along the South ROW of N. 1<sup>st</sup> Street to the west ROW of Cypress Street;

THENCE, north along the west ROW of Cypress Street to the south ROW of N. 5<sup>th</sup> Street;

THENCE, west along the south ROW of N. 5<sup>th</sup> Street to the west ROW of Hickory Street;

THENCE, north along the west ROW of Hickory Street to the north ROW of N. 6<sup>th</sup> Street;

THENCE, east along the north ROW of N. 6<sup>th</sup> Street to the west ROW of Cedar Street;

THENCE, north along the west ROW of Cedar Street to the north ROW of N.10<sup>th</sup> Street;

THENCE, east along the north ROW of N. 10<sup>th</sup> Street to the west ROW of Cypress Street;

THENCE, north along the west ROW of Cypress Street to the south ROW of N. 13<sup>th</sup> Street;

THENCE, west along the south ROW of N. 13<sup>th</sup> Street to the west ROW of Hickory Street;

THENCE, north along the west ROW of Hickory Street to the south ROW of N. 21<sup>st</sup> Street;

THENCE, west along the south ROW of N. 21<sup>st</sup> Street to the west ROW of Grape Street;

THENCE, north along the west ROW of Grape Street to the north ROW of Ambler Avenue;

THENCE, east along the north ROW of Ambler Avenue to the west ROW of Simmons Street;

THENCE, north along the west ROW of Simmons Street to the north ROW of Lowden Street;

THENCE, east along the north ROW of Lowden Street to the west ROW of Cedar Street;

THENCE, north along the west ROW of Cedar Street to the north ROW of Anson Avenue;

THENCE, east along the north ROW of Anson Avenue to the west ROW of Pine Street;

THENCE, north along the west ROW of Pine Street to the south ROW of IH-20;

THENCE, east along the south ROW of IH-20 to the east ROW of W. Lake Road;

THENCE, south along the east ROW of W. Lake Road to the north ROW of Ambler Avenue;

THENCE, east along the north ROW of Ambler Avenue to the west ROW of N. Judge Ely Blvd;

THENCE, north along the west ROW of N. Judge Ely Blvd. to the southeast corner of Lot 1, Block A, of the Grove Addition;

THENCE, west across along the south boundary of Lot 1, Block A, of the Grove Addition, continuing west to the southwest corner of a 27.15 acre tract of land in Abstract 0580, Survey 84 T&P RY CO, Block 14;

THENCE, north and northeast along the west property line of the aforementioned tract to the south ROW of IH-20;

THENCE, southeasterly along the south ROW of IH-20 to the most southerly northeast corner of a 129.17 acre tract in Abstract 1412, Survey 33 B A L NE/4, Tract W 65 AC (2001 Griffith Rd);

THENCE, south and west along the east and south property line of the aforementioned tract to the west ROW of Griffith Road;

THENCE, due west across the West Texas Utility power line easement to the east boundary of the University Hills Addition, Section 2 subdivision;

THENCE, north, northwesterly, and southwesterly along the east, northeast, and northwest boundary of the University Hills Addition, Section 2 subdivision to the west ROW of Marathon Road;

THENCE, southwesterly along the northwest boundary of the ACU Addition, Section 2 subdivision, continuing directly across N. Judge Ely Blvd. to the west ROW of N. Judge Ely Blvd.;

THENCE, north along the west ROW of N. Judge Ely Blvd. to the south ROW of Ambler Avenue;

THENCE, west along the south ROW of Ambler Avenue to the northeast corner of Will Hair Park;

THENCE, south and west along the east and south property lines of Will Hair Park and continuing west along the south property line of a 7.338 acre tract in Abstract 0856, Survey 34 B A L NW/4 (1901 Cottonwood St) to the east boundary of the railroad right-of-way;

THENCE, south along the railroad right-of-way and west across the railroad right-of-way to the southeast corner of Lot 101 Block A, Abilene Bone & Joint Subdivision (1633 Cottonwood St);

THENCE, west along the south boundary of the aforementioned tract to the west ROW of Cottonwood Street;

THENCE, north along the west ROW of Cottonwood Street to the south ROW of N. 16<sup>th</sup> Street;

THENCE, west along the south ROW of N. 16<sup>th</sup> Street to the east ROW of Plum Street;

THENCE, north along the east ROW of Plum Street to the north side of the alley behind Lot 1, Block 1, College Drive Replat (642 N. 16<sup>th</sup> St);

THENCE, west along the north boundary of Lot 3, Block A, Griffin Nursing Home Subdivision (1618 Plum St) continuing across the alley to the west boundary of the north-south alley between Plum Street and Mesquite Street;

THENCE, north along the west boundary of the north-south alley between Plum Street and Mesquite Street to the northeast corner of Lot 5, Block 201, Blackburn I-E, Original Town Abilene (1649 Mesquite St);

THENCE, west along the north boundary of the aforementioned lot to the east ROW of Mesquite Street;

THENCE, north along the east ROW of Mesquite Street to the south ROW of N. 17<sup>th</sup> Street;

THENCE, west along the south ROW of N. 17<sup>th</sup> Street to the east ROW of Walnut Street;

THENCE, south along the east ROW of Walnut Street to the north ROW of N. 6<sup>th</sup> Street;

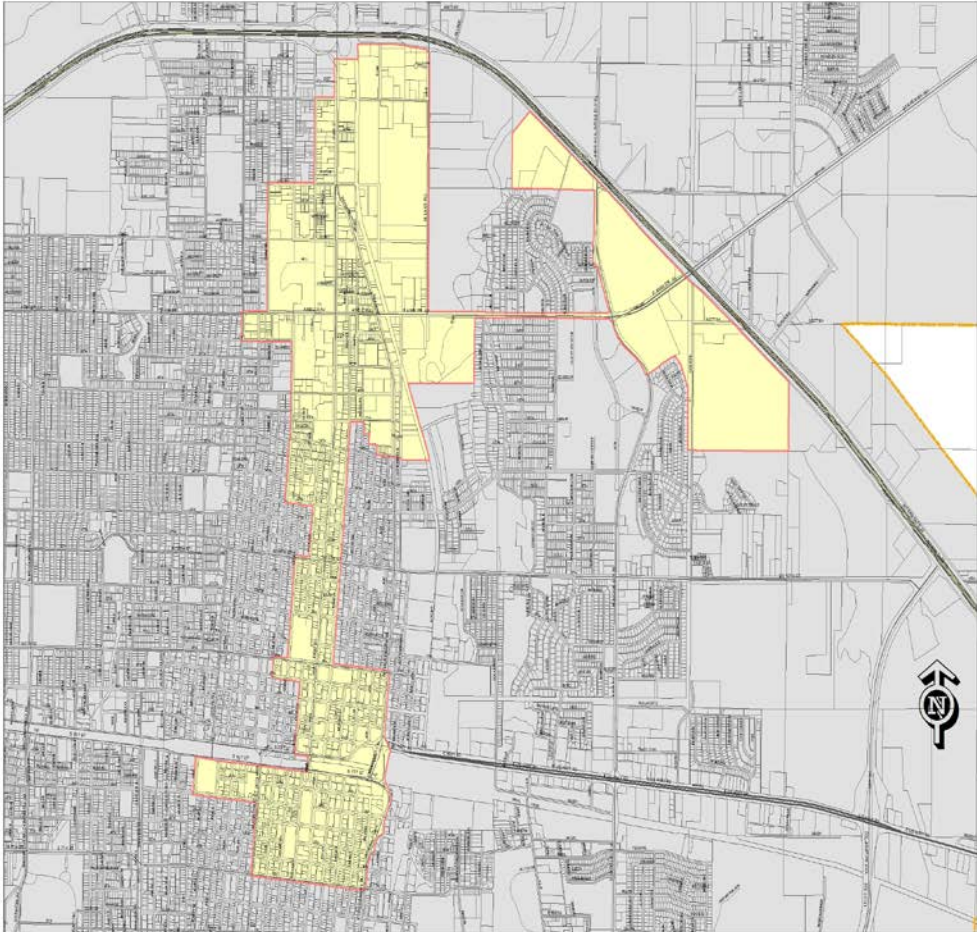
THENCE, east along the north ROW of N. 6<sup>th</sup> Street to the east ROW of N. Treadaway Blvd.;

THENCE, south along the east ROW of N. Treadaway Blvd., crossing N. 1<sup>st</sup> Street and continuing along the east ROW of S. Treadaway to the south east corner of the intersection of S. Treadaway Blvd. and S. 7<sup>th</sup> Street, the POINT OF BEGINNING and containing an area of approximately 1594 acres.

# CITY OF ABILENE REINVESTMENT ZONE NO. 2

## BOUNDARY MAP

Proposed Tax Increment Reinvestment Zone (TIRZ)



Preliminary Draft (October 28, 2013)