



**City Council
Agenda Memo**

City Council Meeting Date: 9/22/2015

TO: Robert Hanna, City Manager

FROM: Gordon Browning Interim Director of Planning & Development Services

SUBJECT: Final Reading and public hearing on an ordinance amending the boundary of Tax Increment Reinvestment Zone (TIRZ) #2.

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 held a public hearing prior to create TIRZ #2 on December 5, 2013. TIRZ #2 includes approximately 1,594 acres within downtown, and along the Pine St and Ambler Ave 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.

This request is to expand the boundary of the TIRZ to include additional land and is brought forward at the request of the property owner, Abilene Christian University.

SPECIAL CONSIDERATIONS

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 amendment to the boundary of TIRZ #2.

BOARD OR COMMISSION RECOMMENDATION

The TIRZ Board recommended approval of the amendment to the boundary of TIRZ #2 at their July 16, 2015 meeting by a vote of 3 in favor (Black, Vinson, & Higgins) and none opposed, with 1 abstention (Young).

ATTACHMENTS:

Description	Type
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- ▣ Ordinance
- ▣ Petition from Property Owner

Ordinance
Backup Material

CITY OF ABILENE, TEXAS

ORDINANCE NO. _____

AN ORDINANCE DESIGNATING A CERTAIN AREA AS PART OF TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, CITY OF ABILENE, TEXAS, 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 created Tax Increment Reinvestment Zone Number Two on December 5, 2013; and

WHEREAS, in compliance with the Act, notice of such public hearing was published on September 1, 2015, 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 September 22, 2015 at 8:30 a.m., in the Council Chambers of 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 or her attorney, to appear and speak for or against the addition of property to the reinvestment zone, attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B" should be included in such reinvestment zone; and

WHEREAS, all owners of property located within the proposed addition to the reinvestment zone and all other taxing units and other interested persons were given a reasonable opportunity at such public hearing to protest the amendment of the reinvestment zone boundary 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 amendment of the reinvestment zone, and opponents, if any, of the reinvestment zone appeared to contest amendment 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 amendment 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 amendments to the reinvestment zone, as defined in Exhibits “A” and “B”, meets the criteria for the inclusion in 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 amends the reinvestment zone over the area described in Exhibit “A” attached hereto and depicted in the map attached hereto as Exhibit “B” and such area shall hereafter be identified as a part of Tax Increment Reinvestment Zone Number Two, City of Abilene, Texas (the “Zone” or “Reinvestment Zone”).

SECTION 4: That the amendment to the Zone shall take effect on September 22, 2015 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 5: That the Tax Increment Base for the amended area of the Zone, which is the total appraised value of all taxable real property located in the amended area of the Zone, is to be determined as of January 1, 2015, the year in which the additional area was designated as part of the reinvestment zone.

SECTION 6: 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 7: 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 22nd day of September, 2015.

Mayor

ATTEST:

City Secretary

APPROVED: _____
City Attorney

CITY OF ABILENE
REINVESTMENT ZONE NO. 2

BOUNDARY DESCRIPTION

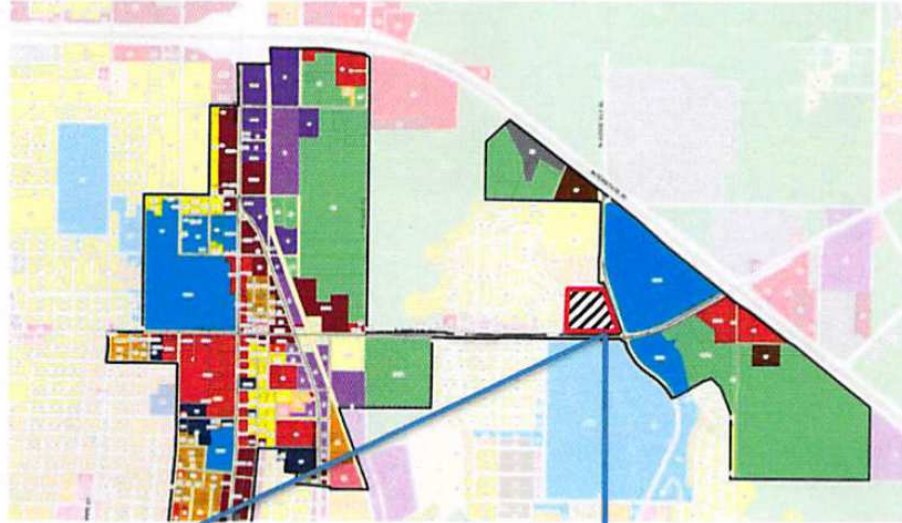
The property being approximately 16 acres owned by Abilene Christian University (ACU) and bounded as follows:

South – Ambler Ave
East – N. Judge Ely Blvd
North – Country Meadows Subdivision
West – Hillcrest Subdivision

CITY OF ABILENE
REINVESTMENT ZONE NO. 2

AMENDED AREA
BOUNDARY MAP

City of Abilene TIRZ #2 Boundary Extension Request



ABILENE CHRISTIAN UNIVERSITY

Educating Students for Christian Service and Leadership Throughout the World

Abilene, Texas 79699 • www.acu.edu • 325-674-2000



July 10, 2015

Board of Directors
Tax Increment Reinvestment Zone #2
555 Walnut Street
Abilene, TX 79604

Re: Request to Expand City of Abilene Texas TIRZ #2

Dear Members of the TIRZ #2 Board:

Abilene Christian University (ACU) and BVTD Partners, LLC, (BVTD) respectfully request that the Board consider expanding the City of Abilene TIRZ #2 to include the approximately 16 acres owned by ACU and bounded as follows (see attached map):

South - Ambler Ave.
East - Judge Ely Blvd.
North - Country Meadows Subdivision
West - Hillcrest Addition

This request is made for the following reasons:

1. This land was not originally submitted by ACU to the City of Abilene for consideration in the TIRZ, because ACU thought it might be needed for athletic fields.
2. Final plans for ACU's new athletic fields do not include this land.
3. ACU and BVTD, in consultation with our architects, think this land will be a good location for a mixed-use retail and residential village.
4. ACU and BVTD believe tax incentives are a key to being able to develop this land successfully.
5. If placed into the TIRZ and developed, this land would be moved from tax-exempt to taxable status on the property tax roles, thus generating revenue for the City and the TIRZ.

In broad terms, the preliminary plans for the TIRZ would include approximately 415,000 square feet of improvements (excluding parking and landscape) including retail, dining, cinema, hotel and residential uses. Anticipated project cost could range from \$55 - \$60 million.

ACU and BVTD believe this expansion, if approved by the Abilene City Council, will create value for both the potential mixed-use development and the City.

Regards,

A handwritten signature in blue ink, appearing to read 'Jack W. Rich'.

Jack Rich
Chief Investment Officer and Agent
Abilene Christian University

A handwritten signature in black ink, appearing to read 'Tony Chron'.

Tony Chron
Partner
BVTD Partners, LLC

City of Abilene TIRZ #2 Boundary Extension Request

