
City Council Regular Meeting

DEPARTMENT: City Manager's Office
FROM: Tommy Ludwig, Deputy City Manager
MEETING: July 5, 2022

SUBJECT:

Consider approval of an ordinance terminating the Tax Increment Reinvestment Zone Number 3, City of Burleson, Texas, dissolving the Board of Directors, and the tax increment fund for the Zone. (Final Reading) (*Staff Contact: Tommy Ludwig, Deputy City Manager*)

SUMMARY:

On December 18, 2012 the City Council created Tax Increment Reinvestment Zone Number 3 (TIRZ 3). The TIRZ was created as an economic development tool to assist with the facilitation and development of a commuter rail system along the Burlington Northern Santa Fe Corporation (BNSF) W4 line, from Cleburne to Fort Worth, and an associated rail station within the city's Transit Oriented District (TOD) Planned Development. Since the creation of the TIRZ, a number of challenges have prevented the implementation of a commuter rail system, chief among those being funding and low projected ridership.

Due to the absence of a commuter rail system or other congruent uses developing within the TOD, a TIRZ Board of Directors was never established, no debt was issued, nor a project funded by the TIRZ. Given this, and considering that a commuter rail system is unlikely to develop within the TOD within the foreseeable future, staff briefed the City Council regarding options for TIRZ 3, including dissolving, retaining, or modifying the TIRZ, in March 2022. At that time, the City Council directed staff to move forward with dissolving the TIRZ. In April 2022 council asked for additional time to consider possible users of the TIRZ #3 before dissolving it.

Approval of an ordinance, with two readings, is required to dissolve TIRZ 3. Upon dissolution, the existing fund balance of the TIRZ and incremental property tax from the TIRZ will transfer to the General Fund.

OPTIONS:

- 1) Approve an ordinance terminating TIRZ 3, dissolving the Board of Directors, and the tax increment fund for the Zone.

- 2) Deny an ordinance terminating TIRZ 3, dissolving the Board of Directors, and the tax increment fund for the Zone.

RECOMMENDATION:

Staff recommends the City Council approve the ordinance terminating TIRZ 3, dissolving the Board of Directors, and the tax increment fund for the Zone.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

April 18, 2022 – Staff brought forward an ordinance to dissolve the TIRZ. The City Council indicated they would like additional time to consider this item.

March 21, 2022 – The City Council was briefed and provided staff direction regarding TIRZ 3.

June 20, 2022 – City Council unanimously approved first reading of the ordinance to dissolve TIRZ. A second reading is required for final approval.

FISCAL IMPACT:

None

STAFF CONTACT:

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