

City of Dripping Springs TIRZ Projects



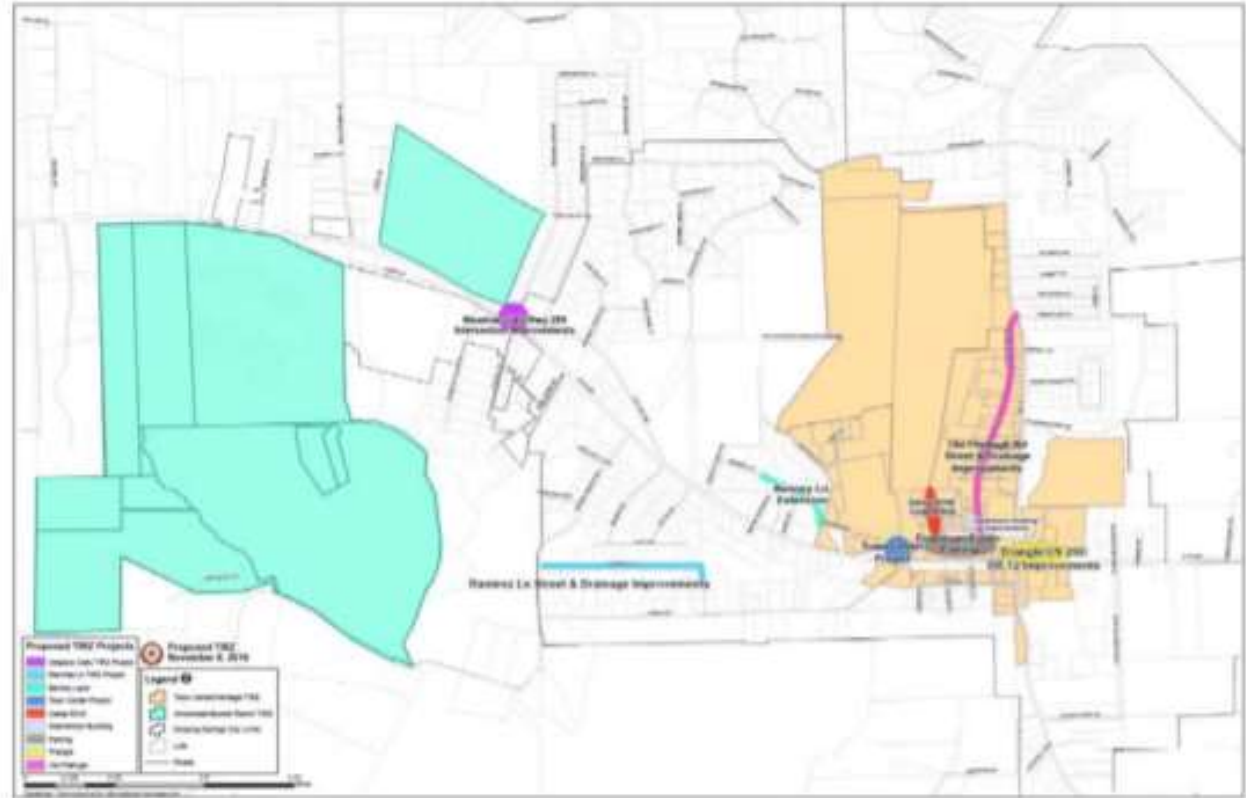
May 18, 2021

Laura Mueller
City Attorney

TWO TIRZs created in 2016

- ▶ TIRZ stands for “Tax Increment Reinvestment Zone.” A TIRZ is used to implement tax increment financing, an economic development tool that has been used by Texas cities for many years. The purpose of the TIRZ is to incentivize both development and redevelopment in areas identified by the city as integral to improving the economic base and, ultimately, the quality of life for local residents.

- ▶ Town Center
- ▶ Southwest TIRZ

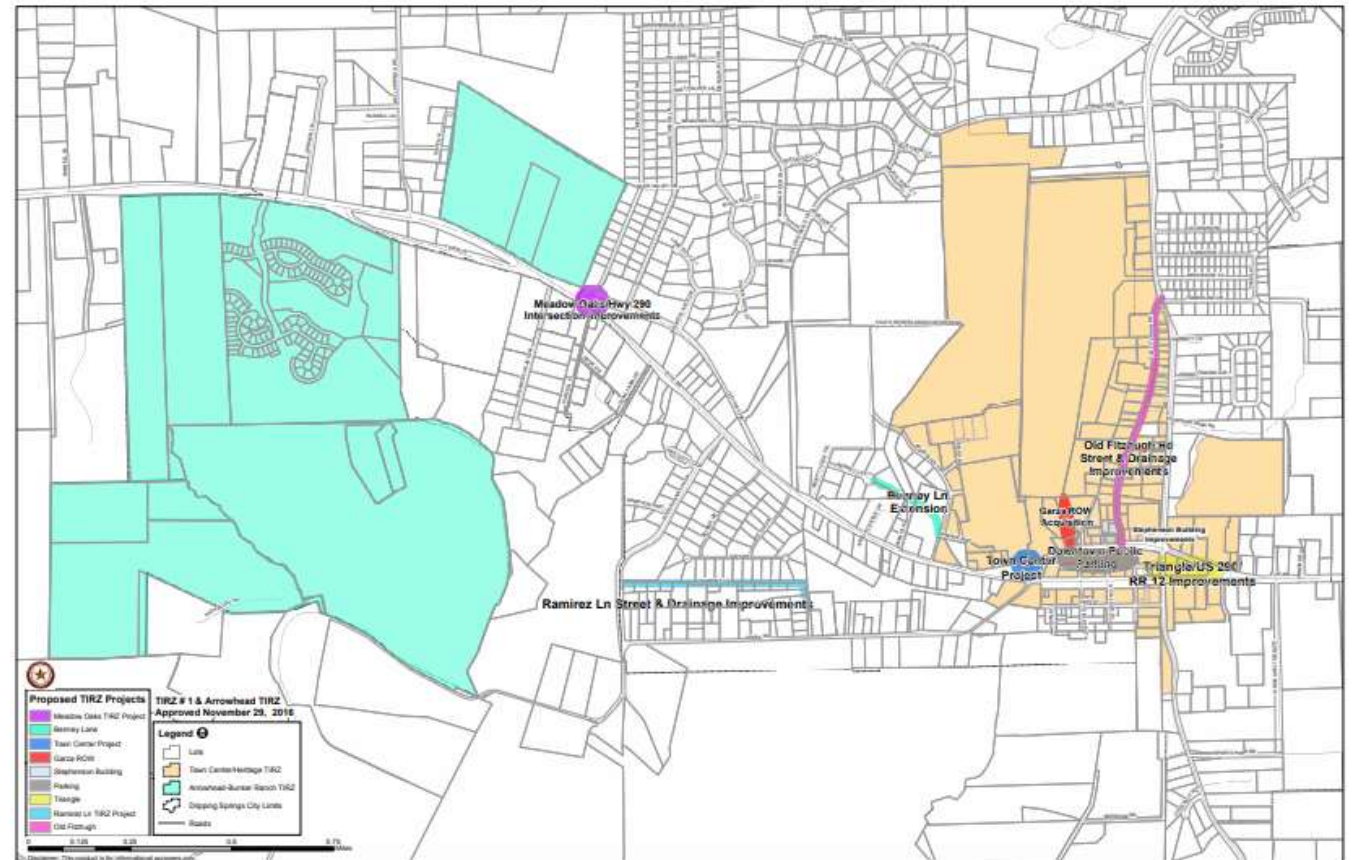


TIRZ Math

- ▶ A percentage of City and County property taxes collected in the two TIRZs (as shown in the maps) are placed in Tax Increment Funds to fund the projects chosen by Council in the Final Project Plans.
- ▶ 50% of tax increment (taxes collected above what the property was worth in 2016) for both the City and County are placed in their respective Tax Increment Funds.
- ▶ Prior to collecting these funds the City, County, School, and Library have funded some of the projects.
- ▶ The Funds collected in each TIRZ are earmarked for projects that benefit each area.

Why a TIRZ?

- ▶ Uses funding from a specific area to benefit that area
- ▶ Provides infrastructure to promote growth
- ▶ Board focused on growth of areas and city
- ▶ Opportunity to obtain County funding for infrastructure projects in area



TIRZ Board and Staff

- ▶ Board: Chair David Edwards
 - ▶ Members: *Taline Manassian, Missy Atwood, John McIntosh, Dan O'Brien, Walt Smith,*
 - ▶ Has one vacancy
 - ▶ Advisory Board Member: Bob Richardson
- ▶ City Attorney is TIRZ Counsel
- ▶ Keenan Smith, City Architect, TIRZ Project Manager
- ▶ Michelle Fischer, City Administrator, Staff Support

TIRZ Agreements

- ▶ County agreed to giving 50% of its increment to the TIRZs.
 - ▶ subject to a non-appropriation clause.
 - ▶ County gets two members of the 7 member TIRZ Boards (the same individuals are on both boards).
- ▶ There is an agreement that provides for reimbursement from the TIRZ to the City, County, School, and Library for the expended funds.
 - ▶ The County reimburses itself.
- ▶ There was an agreement for the School to sell property to the City and/or other stakeholders so that we could build the Town Center, but that agreement has been terminated



Estimated Cost = \$1,850,000

2. Town Center Improvements - Street, drainage, street trees, way finding signage, street lighting and sidewalk improvements in downtown.

Estimated Cost = \$5,400,000 TIRZ No. 2 Proportionate Share=\$1,350,000
TIRZ No. 1 Estimated Share: \$4,050,000

3. Triangle/US 290/RR12 area road and drainage improvements to enhance development

Estimated Cost = \$500,000 TIRZ No. 2 Proportionate Share=\$125,000
TIRZ No. 1 Estimated Share: \$375,000

4. Eastern extension of Benney Lane to Parade to enhance mobility and connectivity

Estimated Cost = \$1,250,000

5. City Hall site acquisition and building as portion of Town Center

Estimated Cost = \$2,500,000 TIRZ No. 2 Proportionate Share=\$625,000
TIRZ No. 1 Estimated Share: \$1,875,000

6. Garza Road ROW (North Street) acquisition and improvements to connect Mercer to Heritage Subdivision

Estimated Cost = \$300,000 (does not include utilities nor ROW acquisition)

7. Public Parking in downtown area to enhance economic development

Priority Projects at Time of Creation for Both TIRZs-cost estimates from 2016

Town Center Project

- ▶ Central hub of government offices
 - ▶ Library, City, County, and School
- ▶ Private development
- ▶ Infrastructure
 - ▶ Roads and utility lines
- ▶ Park that was the subject of a potential County grant from bond funds

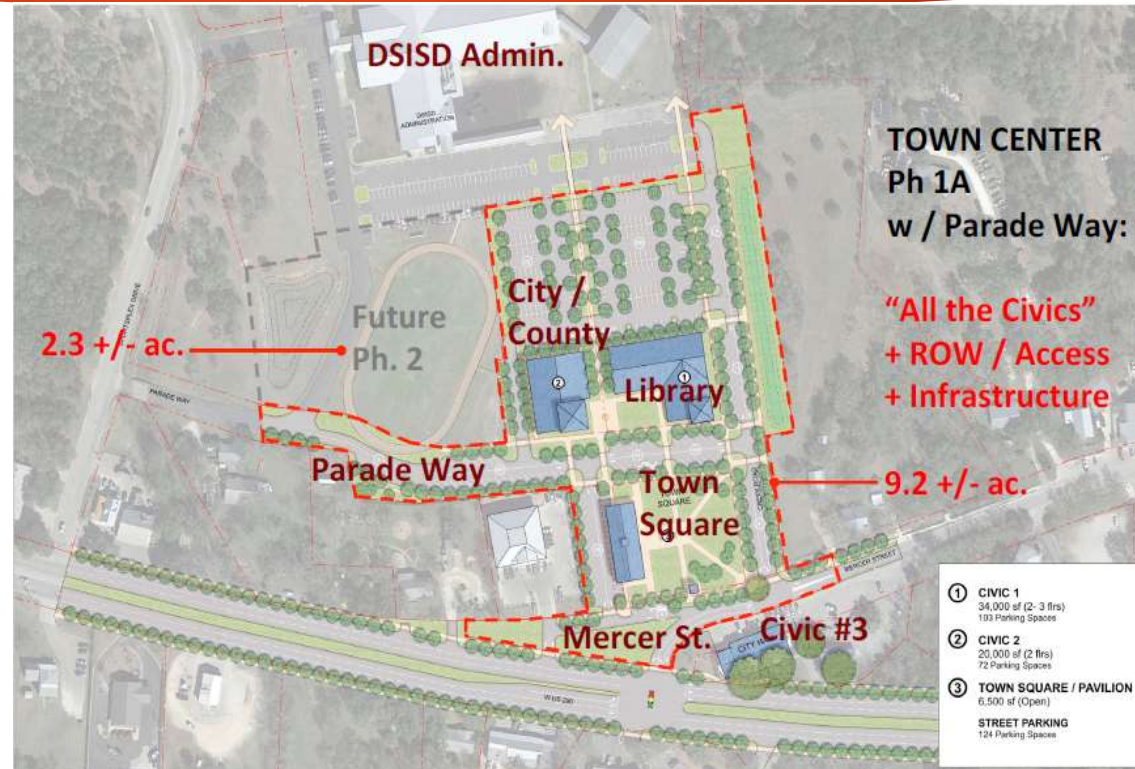


Attempted Agreement on Administration Property

City and TIRZ:

- ▶ Primary uses are for Library and City Hall with possibility of County.
- ▶ Park area that could be partially funded by County grant.
- ▶ Plus, possible retail and related commercial uses as proposed in the concept plans.

Proposed: Require that the Administration Property be used for Town Center, list of possible Town Center projects, do not require specific Town Center projects to be on the Administration Property



School District:

- No percentage limitation on commercial use
- Requires that primary city offices, council chambers, and .9 acres of parkland be placed on the Parcel

TIRZ Board Action – May 10, 2021

- ▶ Agreed to continue with Town Center 2.0 as a primary priority project and to include the Library
- ▶ Ask the City Council to move forward with what it can to relocate the Town Center
- ▶ Old Fitzhugh as secondary priority project
- ▶ Maintain the remainder of the priority projects as listed

Next Steps

- ▶ Re-evaluate priority projects
- ▶ Budget Discussion
- ▶ Find new location for Town Center Project
- ▶ Modify Final Project Plans to adopt new priorities and potentially new projects



Questions

