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City of Manor, Texas
Tax Increment Reinvestment Zone #3
Preliminary Project & Financing Plan

City of Manor, Texas
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Prepared by



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Section 1 – Project Plan

Overview

The City of Manor, Texas is considering implementing a tax increment reinvestment zone (TIRZ) to fund a portion of the infrastructure and development costs associated with new development along U.S. Highway 290. The City of Manor’s Comprehensive Plan *Destination 2050* developed by Freese and Nichols outlines some of the needed improvements for this area of the city. The proposed new zone would be named Manor Tax Increment Reinvestment Zone #3 (TIRZ #3).

This document is designed to meet the legal requirements of designating a TIRZ. The statutes governing tax increment financing are in Chapter 311 of the State of Texas Tax Code. This preliminary feasibility study and project plan is required by state law.

Existing Tax Increment Financing Districts in the City of Manor

There are two existing TIRZ in Manor. According to state law, cities with less than 100,000 residents may not create a new TIRZ if the total appraised value of taxable real property in the proposed reinvestment zone and in the existing reinvestment zones would exceed 50.0 percent of the total appraised value of taxable real property within the city and its industrial districts. In addition, a TIRZ may not be created if more than 30.0 percent of the property in the proposed new TIRZ (excluding publicly-owned property) is used for residential purposes at the time of designation. The proposed TIRZ #3 complies with these state rules.

Table 1: Existing Manor Tax Increment Reinvestment Zones (2025)

Land Use	Taxable Value
TIRZ #1	\$297,441,978
TIRZ #2	\$377,688,869
Proposed TIRZ #3	\$57,167,435
Total TIRZ	\$732,298,282
City of Manor	\$2,720,897,120
TIRZ as % of Total	26.91%

Source: Travis Central Appraisal District; TXP, Inc.

Description of the Tax Increment Reinvestment Zone #3

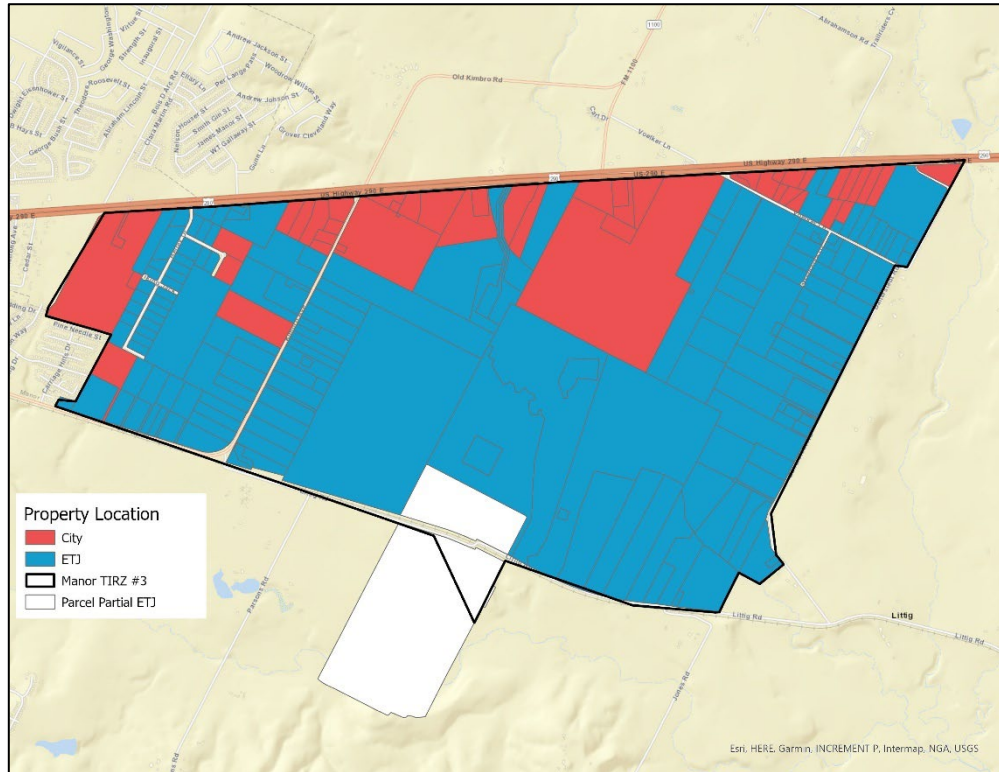
The proposed TIRZ #3 will cover approximately 2,941.6 acres (including roads and right of way). The 2025 baseline city taxable property value of the proposed TIRZ is approximately \$57,167,435. See the appendix for the list of properties within the TIRZ.

Table 2: Existing Land Use of Proposed TIRZ #3 (2025)

Land Use	Parcel Count	Acreage	City of Manor Taxable Value
Within City Limits			
Single-Family	7	19.8	\$2,988,522
Farm & Ranch Land Qualified	7	21.5	\$9,091,481
City	3	240.6	\$0
Farm & Ranch Land	10	217.6	\$44,621
Farm & Ranch Improvements	7	87.4	\$6,172,994
Commercial & Industrial	18	109.5	\$38,869,817
Exempt	1	10.0	\$0
Subtotal	53	706.3	\$57,167,435
Within ETJ			
Single-Family	55	335.9	\$19,675,535
Multifamily	1	16.0	\$320,478
Farm & Ranch Land Qualified	7	19.3	\$1,287,878
Farm & Ranch Land	35	1,002.2	\$5,216,233
Farm & Ranch Improvements	41	623.3	\$15,936,214
Commercial & Industrial	26	139.4	\$24,329,194
LCRA	1	2.4	\$0
Exempt	2	11.4	\$0
Subtotal	168	2,149.8	\$66,765,532
Total			
Single-Family	62	355.7	\$22,664,057
Multifamily	1	16.0	\$320,478
Farm & Ranch Land Qualified	14	40.7	\$10,379,359
City	3	240.6	\$0
Farm & Ranch Land	45	1,219.9	\$5,260,854
Farm & Ranch Improvements	48	710.7	\$22,109,208
Commercial & Industrial	44	248.8	\$63,199,011
LCRA	1	2.4	\$0
Exempt	3	21.3	\$0
Total	221	2,856.2	\$123,932,967

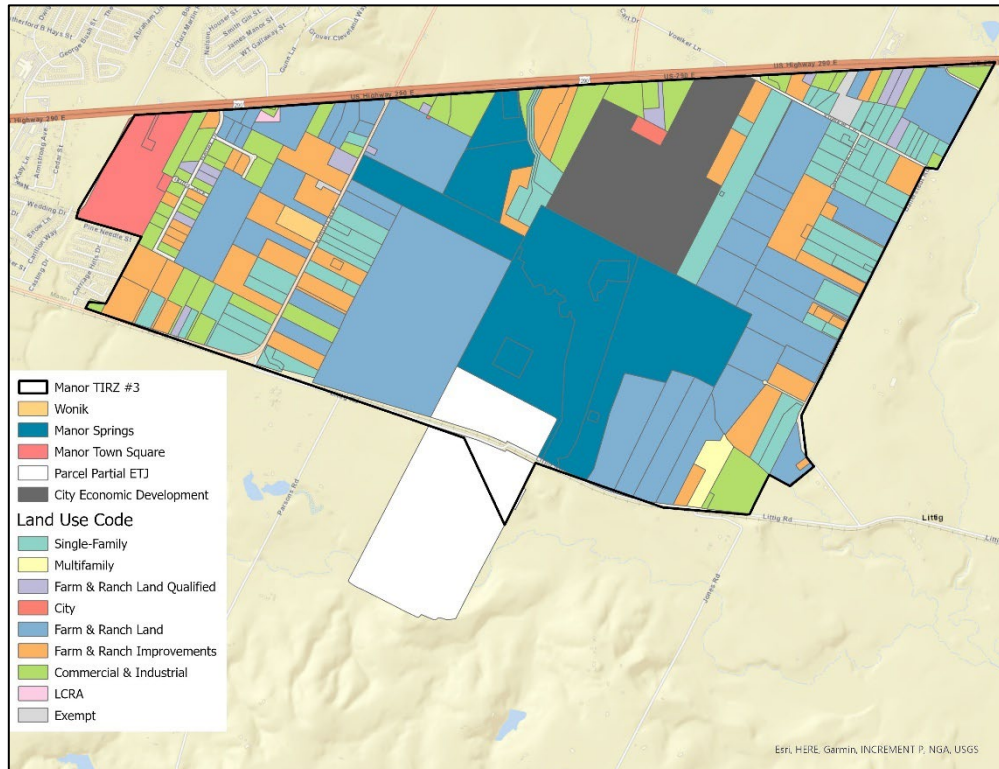
Source: Travis Central Appraisal District; TXP, Inc.

Figure 1: Proposed TIRZ #3 Geographic Boundary



Source: TXP, Inc.

Figure 2: Existing Land Use within the Proposed TIRZ #3



Source: Travis Central Appraisal District; TXP, Inc.

Properties within the TIRZ

The parcels identified in the appendix and the boundary map (Figure 1) provide sufficient detail to identify with ordinary and reasonable certainty the territory included in the zone.

Existing Zoning and Land Use Guidelines Applicable to TIRZ #3

Existing Manor land use, zoning guidelines, and policies would apply to all properties.

Taxing Jurisdictions Applicable to TIRZ

The proposed TIRZ #3 is located within the following taxing jurisdictions:

- City of Manor
- Travis County
- Travis County Healthcare District
- Austin Community College District
- Manor Independent School District
- Travis County ESD #12

Proposed Changes in Master Plans, Zoning Ordinances, and Building Codes

There are no anticipated changes to the master development and zoning ordinances.

Relocation of Displaced Persons

This plan currently does not call for nor anticipate the displacement and relocation of persons for the proposed projects.

Section 2 – Project Plan Improvements

TIRZ #3 will provide support for catalytic infrastructure and economic development projects that will facilitate the development and redevelopment of properties. Due to its size, location, drainage issues, and physical characteristics, new private sector development and redevelopment in TIRZ #3 will not likely occur solely through private investment. Proposed public improvements would likely include new and refurbished utilities, streets and drainage, streetscapes, open spaces, and parking facilities.

Eligible Project Costs

The following categories generally describe what might be included in the final project and finance plan:

- 1. Parks & Streetscape Enhancements**

This category includes gateway features, parks, corridor landscaping, public plazas, lighting etc.

- 2. Infrastructure Improvements**

This category includes roadway and street enhancements, public transportation, utilities, sidewalks, public safety facilities, storm water improvements, and related right of way. This includes compliance with ADA and other City, State, County, or Federal regulations. This category also includes eligible expenditures for design, engineering, and construction.

- 3. Public Facilities**

This category includes the finance, construction, and maintenance of eligible public buildings and facilities for governmental entities.

- 4. Economic Development Grants**

It is anticipated that economic development loans or grants might be made to assist in implementing the project plan. The City, with advisement from the TIRZ Board shall have the authority to establish and administer economic development programs, including but not limited to grants and loans, authorized under Chapter 380 of the Texas Local Government Code. Should such loans or grants be made, it will be done with the intent to fulfill the public purposes of developing and diversifying the economy, eliminating unemployment or underemployment, and developing or expanding transportation, business, and commercial activity in the TIRZ.

5. Developer Reimbursement for Public Improvements

The TIRZ Board will seek to enter into agreements as necessary with other owners of property in the Zone for the repayment of costs associated with infrastructure that benefit the Zone such as streets, water and sewer improvements, open space improvements, landscaping, flood control, and any other public projects that benefit the Zone. These projects will be evaluated and approved on a case-by-case basis. A developer will typically apply for and be authorized by the TIRZ and City for TIRZ improvements, then fund and build the improvements. Upon completion and acceptance of the work by the City, the developer will be reimbursed with TIRZ funds if and when they are available. TIRZ payments are made based on available increment and other conditions set forth in project development agreements.

6. Municipal Services Fee (MSF)

The TIRZ Board may enter into a Municipal Services Agreement with the City to provide for the incremental increase of the cost of providing municipal services to TIRZ #3 since its inception. The Municipal Services Fee shall only be paid for through the City's portion of the TIRZ's increment.

7. Administrative Support

The City might support the TIRZ administration with staff personnel. This support shall include keeping and maintaining the records of the Zone, accounting services as the Zone Board may request, and other administrative support. In addition, other eligible operations costs under this project category would include contracting for professional services as requested by the Board (ex. engineering firm, land planning, or other technical support).

8. Non-Project Costs

The private sector will develop and redevelop properties within the TIRZ. Non-project costs are those project costs that will be funded by others (ex. private developer) and are necessary for the development of the TIRZ. The TIRZ will not fund non-project costs.

Section 3 – Financing Plan

Tax increment financing is a tool used by local governments to publicly finance needed infrastructure and other improvements within a defined area. These improvements are usually undertaken to promote the viability of existing businesses and to attract new commercial enterprises to the area. The statutes governing tax increment financing are located in Chapter 311 of the State of Texas Tax Code.

The costs of improvements in the defined zone are repaid by the contribution of future property tax revenues by each taxing unit that levies taxes against the property. Specifically, each taxing unit can choose to dedicate all, a portion, or none of the tax revenue that is attributable to the increase in property values due to the improvements within the reinvestment zone. The additional tax revenue that is received from the affected properties is referred to as the tax increment. Each taxing unit determines what percentage of its tax increment, if any, it will commit to repayment of the cost of financing the public improvements.

Compliance & Reporting

The TIRZ Board policies shall comply with all federal, state, and local laws, rules and regulations. The TIRZ Board will submit project status reports and financial reports as required by state law.

Public Sector Entities Participating in TIRZ #3

All project costs will be paid through the contribution of incremental property taxes collections. This preliminary plan assumes that the City of Manor contributes a portion of its total tax rate (maintenance and operations (M&O) and interest and sinking (I&S) ad valorem tax rate for 25 years.

Table 3: Taxing Jurisdictions Participating in TIRZ #3

Entity	Property Tax Rate per \$100 (2025)	Contribution Percentage
City of Manor	\$0.853700	50.0%

Source: TXP, Inc.

Financial Forecast Assumptions

- **TIRZ Duration** – The TIRZ will have a 25-year lifespan.
- **TIRZ Allocation** – The City of Manor will contribute 50.0 percent of its total incremental tax collections.
- **Tax Rate** – While tax rates do change over time, the 2025 tax rate was held constant for the duration of the TIRZ.
- **Existing Properties** – The 2025 baseline property value of the TIRZ is approximately \$57,167,435.
- **Real Property** – Only taxable real property values are included in the tax increment calculations. By law, business personal property values are excluded from TIRZ.
- **Future Development Patterns** – To provide an order of magnitude estimate, TXP has projected the build out of the TIRZ based:
 - Manor Town Square Development incorporating information provided by Hunt Development Group
 - \$10,000,000 per year of new residential and commercial development
- **Inflation & Appreciation Rate** – The inflation rate used for construction costs and the value of improvements is 3.0 percent per year.

Financial Forecast Summary Results

The following table depicts the anticipated revenue generated over 25 years. The revenue forecast assumes the TIRZ is established in 2025 (baseline year). The first TIRZ increment will occur in 2026 (2026 value less 2025 baseline value). Note, 2026 taxes are not due until January 2027.

Table 4: Preliminary TIRZ #3 Revenue Forecast

Year	Period	Total TIRZ #3 Property Value	Property Value Increment	TIRZ #3 Revenue @ 50% Contribution	City General Fund @ 50% Contribution
2025	0	\$57,167,435	\$0	\$0	\$0
2026	1	\$68,596,621	\$11,429,186	\$48,785	\$48,785
2027	2	\$80,311,536	\$23,144,101	\$98,791	\$98,791
2028	3	\$128,734,085	\$71,566,650	\$305,482	\$305,482
2029	4	\$275,605,116	\$218,437,681	\$932,401	\$932,401
2030	5	\$382,225,579	\$325,058,144	\$1,387,511	\$1,387,511
2031	6	\$469,350,197	\$412,182,762	\$1,759,402	\$1,759,402
2032	7	\$521,177,561	\$464,010,126	\$1,980,627	\$1,980,627
2033	8	\$694,778,956	\$637,611,521	\$2,721,645	\$2,721,645
2034	9	\$730,267,729	\$673,100,294	\$2,873,129	\$2,873,129
2035	10	\$930,673,854	\$873,506,419	\$3,728,562	\$3,728,562
2036	11	\$1,019,019,301	\$961,851,866	\$4,105,665	\$4,105,665
2037	12	\$1,115,274,362	\$1,058,106,927	\$4,516,529	\$4,516,529
2038	13	\$1,156,233,803	\$1,099,066,368	\$4,691,365	\$4,691,365
2039	14	\$1,171,989,062	\$1,114,821,627	\$4,758,616	\$4,758,616
2040	15	\$1,188,138,202	\$1,130,970,767	\$4,827,549	\$4,827,549
2041	16	\$1,204,691,071	\$1,147,523,636	\$4,898,205	\$4,898,205
2042	17	\$1,221,657,762	\$1,164,490,327	\$4,970,627	\$4,970,627
2043	18	\$1,239,048,620	\$1,181,881,185	\$5,044,860	\$5,044,860
2044	19	\$1,256,874,249	\$1,199,706,814	\$5,120,949	\$5,120,949
2045	20	\$1,275,145,519	\$1,217,978,084	\$5,198,939	\$5,198,939
2046	21	\$1,293,873,571	\$1,236,706,136	\$5,278,880	\$5,278,880
2047	22	\$1,313,069,824	\$1,255,902,389	\$5,360,819	\$5,360,819
2048	23	\$1,332,745,984	\$1,275,578,549	\$5,444,807	\$5,444,807
2049	24	\$1,352,914,047	\$1,295,746,612	\$5,530,894	\$5,530,894
2050	25	\$1,373,586,312	\$1,316,418,877	\$5,619,134	\$5,619,134
Total				\$91,204,173	\$91,204,173

Source: TXP, Inc.

Conclusion

Based on the preliminary development concepts and activity zones within this area, anticipated tax revenue, and market demand projections, TIRZ #3 is economically and financially feasible. The TIRZ could generate substantial revenue to pay for infrastructure and redevelopment costs. Over the next 25 years, the TIRZ could generate \$91.0 million in nominal TIRZ revenue.

These projections are based on the best available datasets and information related to market conditions in the region. The substantial commitment of a few large developers could have a significantly positive impact on both the level and timing of future growth. Moreover, the financial projections make no allowance for positive spillover to the value of other properties in area as a result of new development (beyond inflation), could occur. At the same time, a slowdown in development as a result of a weaker national economy, negative changes in key drivers of regional economy, or other unforeseen issues could materially reduce the volume of construction put in place, and resulting tax revenue, over the next 25 years.

Appendix: Properties within the Proposed TIRZ #3

Table 5: Properties within the Proposed TIRZ #3

Property ID	Property ID	Property ID	Property ID	Property ID	Property ID
0	236918	236988	442432	773125	987459
227286	236919	236989	442432	773126	987460
227287	236920	236990	442433	773127	
227288	236921	236991	442434	773133	
227289	236922	236992	442664	773134	
227290	236923	236993	442665	773136	
227291	236924	236994	442666	773137	
227292	236925	236995	460071	773138	
236866	236926	236996	460071	773139	
236868	236927	236997	476860	773140	
236872	236928	236998	477309	773141	
236873	236929	236999	477310	773142	
236874	236930	237000	477311	773143	
236876	236931	237001	477312	773144	
236881	236932	237002	500556	773145	
236882	236933	237042	500561	773146	
236883	236937	237052	500809	773147	
236884	236938	237052	526015	773148	
236885	236939	237053	526016	773149	
236887	236939	237054	526017	773150	
236888	236940	237056	526019	773158	
236889	236941	237057	546286	773159	
236890	236942	237057	547094	773160	
236891	236943	237058	568074	773161	
236892	236944	237059	568075	773162	
236893	236946	237060	568078	783986	
236894	236946	237060	568080	783987	
236895	236947	237062	568081	786360	
236896	236968	237063	696260	799783	
236897	236969	237064	711104	814602	
236898	236970	237065	711105	815599	
236899	236973	237066	711109	815600	
236900	236973	237068	711110	822160	
236901	236975	237069	711111	822162	
236909	236976	237070	711112	862888	
236910	236977	237072	711113	889706	
236911	236978	237073	713625	889929	
236912	236980	237074	724205	910655	
236913	236982	237075	732473	947935	
236914	236985	368907	743335	949938	
236915	236985	377615	768254	971047	
236916	236986	425994	773123	977795	

Source: Travis Central Appraisal District; TXP, Inc



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