

Tax Increment Reinvestment Zone No. 1, City of Port Lavaca

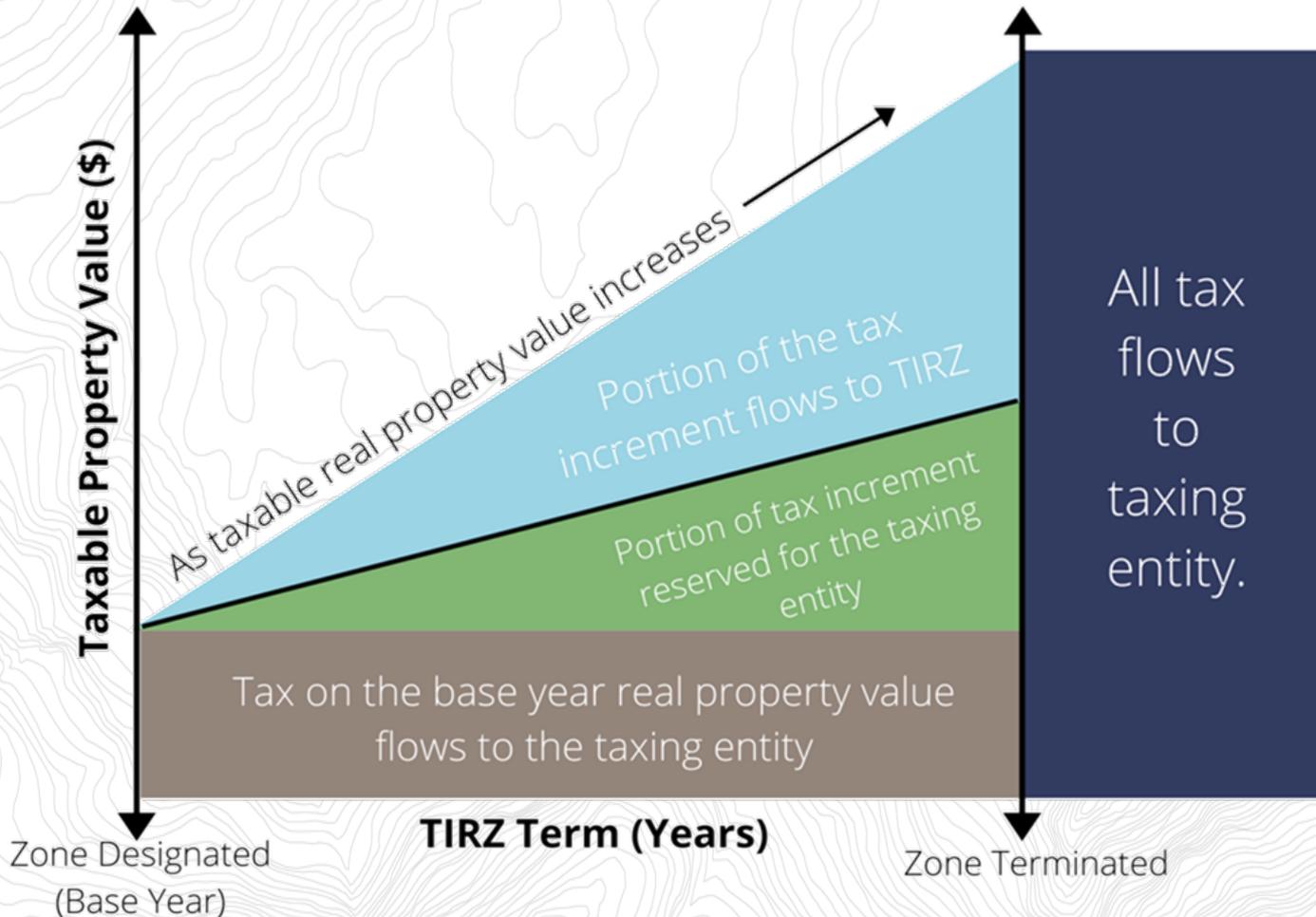
November 10, 2025

PURPOSE

- Tax Increment Financing Concept
- Proposed TIRZ
- Next Steps

Tax Increment Reinvestment Zones (TIRZ)

- Not a new tax on development
 - Redirects a portion of tax generated from new development within TIRZ



TIRZ REVENUES

Two ways to create new tax increment:

1. New construction/investment; and/or
2. Annual appreciation of real property (i.e. “organic growth”)

1



2





TIRZ FINANCING AND FUNDING PROCESS*

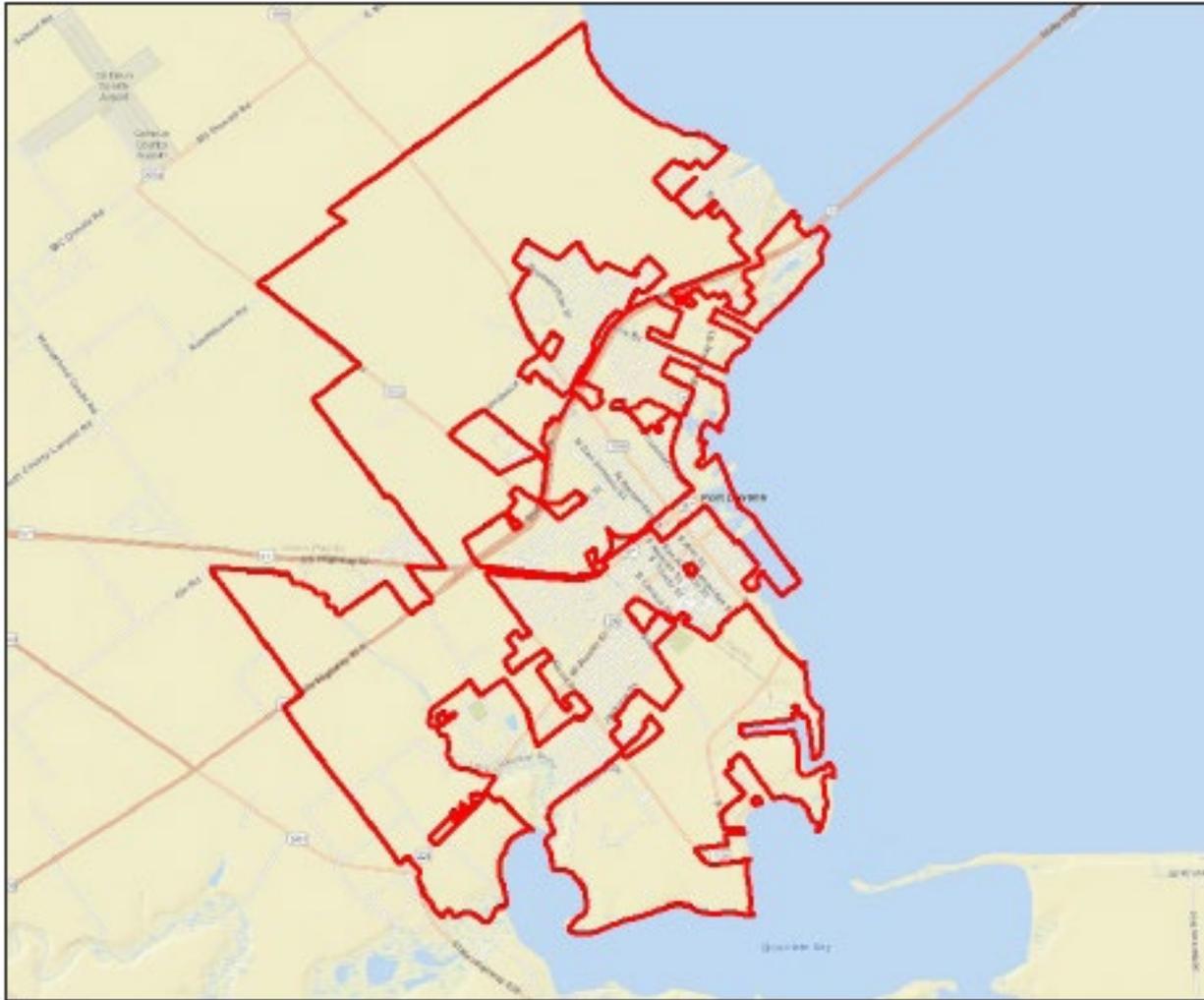


*COMPTROLLER.TEXAS.GOV

TIRZ CREATION PROCESS

- Chapter 311 outlines the various procedures for creating and amending a TIRZ. Two main documents:
 1. Creation ordinance; and
 2. TIRZ Project and Financing Plan
- Creation ordinance establishes five key elements:
 - Boundary;
 - Term;
 - City Participation
 - TIRZ Board; and
 - Preliminary Project and Financing Plan
- Upon TIRZ creation the Final Project and Financing Plan is approved by the TIRZ Board and then the City Council by separate ordinance

TIRZ BOUNDARIES



 - TIRZ Boundary

TIRZ #1				
Car Wash	7,500	2025	\$200	\$1,500,000
Commercial	3,393	2025	\$200	\$678,600
Hotel	61	2025	\$125,000	\$7,625,000
QSR	4,000	2025	\$225	\$900,000
Gas Station	13,500	2025	\$225	\$3,037,500
Restaurant	3,500	2026	\$225	\$787,500
Restaurant	5,000	2027	\$225	\$1,125,000
Single Family	8	2028	\$295,000	\$2,360,000
Light Industrial	300,000	2028	\$50	\$15,000,000
Multifamily	105	2028	\$100,000	\$10,500,000
QSR	3,500	2028	\$225	\$787,500
QSR	3,500	2030	\$225	\$787,500
Single Family	187	2030	\$295,000	\$55,066,667
Hotel	85	2030	\$125,000	\$10,625,000
Single Family	250	2032	\$295,000	\$73,750,000
Multifamily	325	2032	\$100,000	\$32,500,000
Light Industrial	250,000	2034	\$50	\$12,500,000
Total				\$229,530,267

POTENTIAL PARTICIPATION (50% CITY)



Real Property Tax - 2024 Rates		Participation	
City of Port Lavaca	0.80000000	50%	0.40000000
Calhoun County	0.62220000	50%	0.31110000
Calhoun Port Authority	0.00050000	0%	0.00000000
Farm to Market & Lateral Road	0.00000000	0%	0.00000000
Calhoun County GWD	0.00670000	0%	0.00000000
Calhoun County ISD	0.77010000	0%	0.00000000
	2.19950000		0.71110000

Personal Property Tax - 2024 Rates		Participation	
City of Port Lavaca	0.80000000	0%	0.00000000
Calhoun County	0.62220000	0%	0.00000000
Calhoun Port Authority	0.00050000	0%	0.00000000
Farm to Market & Lateral Road	0.00000000	0%	0.00000000
Calhoun County GWD	0.00670000	0%	0.00000000
Calhoun County ISD	0.77010000	0%	0.00000000

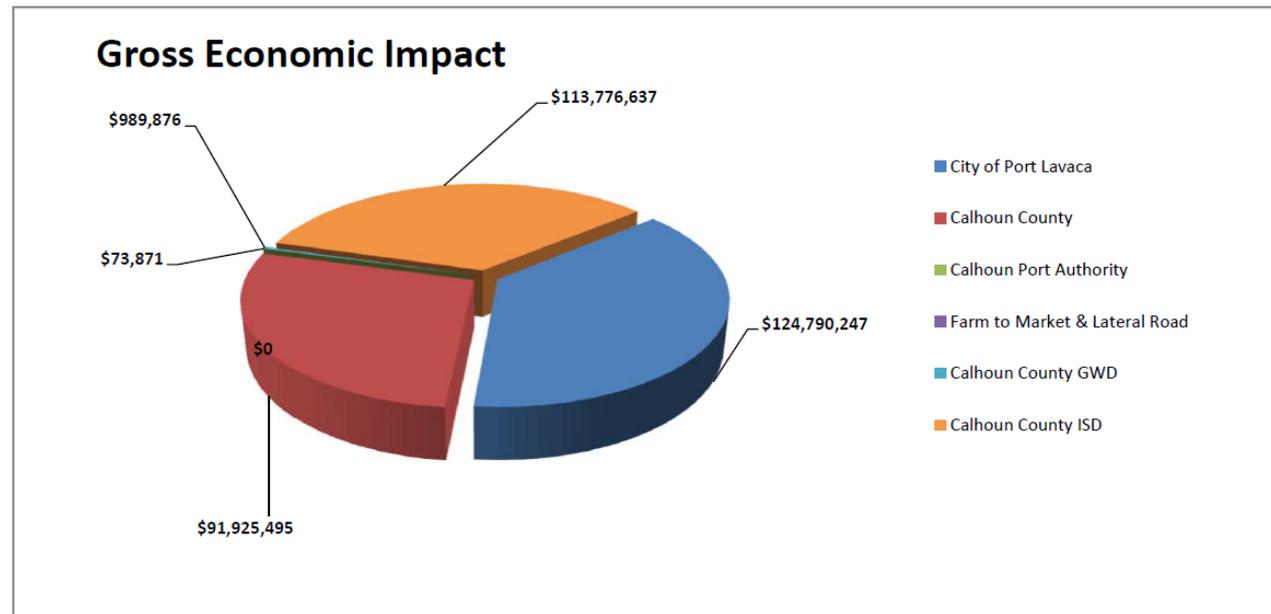
Sales Tax		Participation	
City	0.01500000	0.00%	0.00000000
County	0.00500000	0.00%	0.00000000
	0.02000000		0.00000000

30-Year TIRZ with 50% City and County Participation

POTENTIAL PARTICIPATION (50% CITY)

Revenue Summary

Taxing Jurisdictions	Total Taxes Generated	Participation	Net Benefit
City of Port Lavaca	\$124,790,247	\$53,109,476	\$71,680,771
Calhoun County	\$91,925,495	\$41,673,077	\$50,252,417
Calhoun Port Authority	\$73,871	\$0	\$73,871
Farm to Market & Lateral Road	\$0	\$0	\$0
Calhoun County GWD	\$989,876	\$0	\$989,876
Calhoun County ISD	\$113,776,637	\$0	\$113,776,637
Total	\$331,556,125	\$94,782,553	\$236,773,572



POTENTIAL PARTICIPATION (CITY OPTIONS)

50% CITY

Taxing Jurisdictions	Total Taxes Generated	Participation	Net Benefit
City of Port Lavaca	\$124,790,247	\$53,109,476	\$71,680,771
Calhoun County	\$91,925,495	\$41,673,077	\$50,252,417
Calhoun Port Authority	\$73,871	\$0	\$73,871
Farm to Market & Lateral Road	\$0	\$0	\$0
Calhoun County GWD	\$989,876	\$0	\$989,876
Calhoun County ISD	\$113,776,637	\$0	\$113,776,637
Total	\$331,556,125	\$94,782,553	\$236,773,572

60% CITY

Taxing Jurisdictions	Total Taxes Generated	Participation	Net Benefit
City of Port Lavaca	\$124,790,247	\$63,731,371	\$61,058,876
Calhoun County	\$91,925,495	\$41,673,077	\$50,252,417
Calhoun Port Authority	\$73,871	\$0	\$73,871
Farm to Market & Lateral Road	\$0	\$0	\$0
Calhoun County GWD	\$989,876	\$0	\$989,876
Calhoun County ISD	\$113,776,637	\$0	\$113,776,637
Total	\$331,556,125	\$105,404,448	\$226,151,677

POTENTIAL PARTICIPATION (CITY OPTIONS)

75% CITY

Taxing Jurisdictions	Total Taxes Generated	Participation	Net Benefit
City of Port Lavaca	\$124,790,247	\$79,664,214	\$45,126,033
Calhoun County	\$91,925,495	\$41,673,077	\$50,252,417
Calhoun Port Authority	\$73,871	\$0	\$73,871
Farm to Market & Lateral Road	\$0	\$0	\$0
Calhoun County GWD	\$989,876	\$0	\$989,876
Calhoun County ISD	\$113,776,637	\$0	\$113,776,637
Total	\$331,556,125	\$121,337,291	\$210,218,834

CITY 75% YEARS 1-15 AND 50% YEARS 16-30

Taxing Jurisdictions	Total Taxes Generated	Participation	Net Benefit
City of Port Lavaca	\$124,790,247	\$75,776,152	\$49,014,095
Calhoun County	\$91,925,495	\$41,673,077	\$50,252,417
Calhoun Port Authority	\$73,871	\$0	\$73,871
Farm to Market & Lateral Road	\$0	\$0	\$0
Calhoun County GWD	\$989,876	\$0	\$989,876
Calhoun County ISD	\$113,776,637	\$0	\$113,776,637
Total	\$331,556,125	\$117,449,229	\$214,106,896

PROJECT COST

30-Year TIRZ with 50% City and County Participation

Potential Project Costs - TIRZ #1		
Water Facilities and Improvements	\$ 9,478,255	10%
Sanitary Sewer Facilities and Improvements	\$ 9,478,255	10%
Storm Water Facilities and Improvements	\$ 9,478,255	10%
Transit/Parking Improvements	\$ 2,843,477	3%
Street and Intersection Improvements	\$ 23,695,638	25%
Open Space, Park and Recreation Facilities and Improvements	\$ 4,739,128	5%
Economic Development Grants	\$ 33,173,894	35%
Administrative Costs	\$ 1,895,651	2%
Total	\$ 94,782,553	100.0%

All items above are eligible per the Statute and serve as a menu of potential expenses. City Council has final authority of specific allocations; however, the total dollar amount serves as a cap.

PROPOSED NEXT STEPS

- *City Council Consider Creation Ordinance (October 13th, 2nd Reading – November 10th)*
- Creation ordinance establishes five key elements:
 - Boundary;
 - Term;
 - TIRZ Board;
 - City Participation; and
 - Preliminary Project and Financing Plan
- Commissioners Court to consider an **Interlocal Agreement** - targeting November 12th
- Upon TIRZ creation the **Final Project and Financing Plan** is approved by the TIRZ Board and then the City Council by separate ordinance