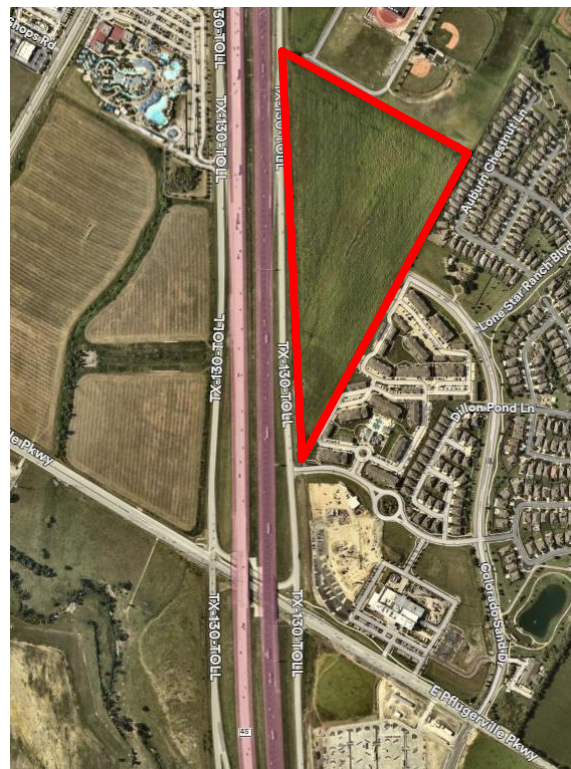


TIRZ Board: 12/11/2024 **Staff:** Emily Barron, AICP, Assistant City Manager
City Council: TBD Erin Sellers, AICP, Innovation Strategist
Naina Magon, Hawes Hill, TIRZ Administrator
Project Name: North Pointe East Reimbursement Request (2024)

SUBJECT: To discuss and consider a revised TIRZ reimbursement request for a total maximum of \$ 4,362,224 for public infrastructure associated with the North Pointe East Development.

STAFF RECOMMENDATION: Staff recommends denial. (See pages 10 & 11 for more details.)

GENERAL INFORMATION: The subject property is approximately 38 acres, generally located north of East Pflugerville Parkway and south of Kelly Lane. The extension of Colorado Sand Drive, a minor arterial roadway, will be constructed through the tract by the City.



ADOPTED TIRZ No. 1 REIMBURSEMENT GUIDELINES:

On June 27, 2023, City Council adopted reimbursement guidelines for TIRZ No. 1, which are intended to provide a general framework in which requests for reimbursements are reviewed and analyzed in an objective and equitable manner for developments within the TIRZ based on achieving the community’s goals. In general, the TIRZ No. 1 guidelines support highly desirable development that go “above and beyond” standard requirements and regional infrastructure projects. Pursuant to the adopted TIRZ No. 1 Reimbursement Guidelines, “Developments more likely to be considered for reimbursement are those that are consistent with the uses and character goals identified in the comprehensive plan and create a vibrant sense of place including multi-story, Class A office, hospitality, destination retail, dining, and high-density multi-family with structured parking as part of a vertical mixed-use development.” **(See attachment for TIRZ No. 1 Reimbursement Guidelines.)**

DEVELOPER’S REQUEST:

The developer, Verdote Capital, has requested TIRZ reimbursement for public infrastructure associated with North Pointe East development. The table below represents anticipated construction costs, R-O-W land value costs, and soft costs requested for reimbursement, for a total maximum of \$ 4,362,224.

Infrastructure Cost and Requested TIRZ Reimbursement

Infrastructure (Item #)	Total Infrastructure Cost	TIRZ Funding Requested - Infrastructure	% Requested	% of Total Request	
Public Dry Utilities	\$ 151,200	\$ -	0%	0%	Hard Cost
Public Sitework	\$ 373,423	\$ -	0%	0%	
Public Site Concrete	\$ 154,491	\$ -	0%	0%	
Public Storm Drainage	\$ 746,847	\$ -	0%	0%	
Public Water Improvements	\$ 234,150	\$ -	0%	0%	
Public Wastewater Extension Construction (4)	\$ 1,083,397	\$ 1,083,397	100%	25%	
Public Amenity Pond Construction	\$ 2,307,403	\$ -	0%	0%	
TxDot Decel Lane Construction (3)	\$ 392,441	\$ 392,441	100%	9%	
Alba Bonita and Elan Public Street Construction (1)	\$ 457,642	\$ 457,642	100%	10%	
Alba Bonita and Elan Public Street Contribution (2)	\$ 303,178	\$ 303,178	100%	7%	
Engineering Soft Costs (5)	\$ 1,254,431	\$ 409,731	33%	9%	Soft Cost
Master Developer Pursuit Costs (5)	\$ 209,427	\$ 68,405	33%	2%	
Management Fee on Hard Costs (5) 7.0%	\$ 413,070	\$ 135,344	33%	3%	
Bond (5) 1.5%	\$ 88,515	\$ 29,002	33%	1%	
City Inspection Fees (5) 3.0%	\$ 177,030	\$ 58,004	33%	1%	
Materials Testing Fees (5) 3.0%	\$ 177,030	\$ 58,004	33%	1%	
Construction Management (5) 5.0%	\$ 295,050	\$ 96,674	33%	2%	
City Permit Fees (5) 1.0%	\$ 59,010	\$ 19,335	33%	0%	
Subtotal	\$ 8,877,733	\$ 3,111,157	35%	71%	
Financing Cost (based on 7% discount rate) (5)	\$ 3,569,940	\$ 1,251,067	35%	29%	
Total	\$ 12,447,672	\$ 4,362,224	35%	100%	

NPV of Subtotal	7.0%	\$ 1,860,089
NPV of Total	7.0%	\$ 2,446,545

STAFF ANALYSIS:

Staff utilized the following three questions in reviewing the TIRZ reimbursement request, consistent with the established TIRZ No. 1 Reimbursement Guidelines:

1. Is the project highly desirable within the Corridor based on the City Council strategic plan, Aspire 2040 Comprehensive Plan, and other adopted land use, economic development and incentive policies?
2. Does the development exceed minimum development requirements? (Example only – If a developer is only required to dedicate 5 acres of parkland, but they propose 7 acres of parkland dedication.)
3. Are the public infrastructure projects regional in nature?

Excerpts from the City Council strategic plan, Aspire 2040 Comprehensive Plan, and the North Pointe Planned Unit Development (PUD) zoning are provided below for information and context regarding the reimbursement request.

ADOPTED GOALS AND POLICIES OF THE STRATEGIC PLAN AND THE COMPREHENSIVE PLAN:

City Council’s Strategic Plan:

- City Council’s Strategic Plan Economic Development Goal – “Establish policies that focus on the development of office and the related development environments to attract innovative, growing companies that can respond to market needs and provide job opportunities for existing residents.”

Aspire 2040 Comprehensive Plan – Land Use and Economic Development Goals and Policies:

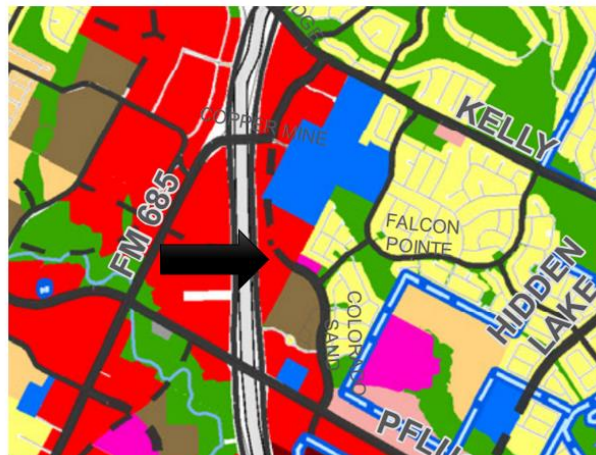
- “Increase inventory of nonresidential sites that are shovel-ready to be responsive to business recruitment opportunities. Use utility infrastructure to incentivize where appropriate.”
- “Utilize economic development tools (e.g., TIRZ, 380 agreements, etc.) to recruit high quality mixed-use, commercial, and employment development.”
- “Develop an incentive program for developers and landowners to promote commercial office sites within key corridors.”
- “Encourage and promote sales tax generating businesses to locate in Pflugerville to increase taxable retail sales per capita. Partner with large landowners to increase the supply of shovel-ready sites within Pflugerville.”
- “Support commercial and industrial development that result in at least 30 percent of the property tax base coming from nonresidential land uses.”
- “Encourage the creation of Class A office and corporate spaces, reserving and incentivizing priority locations.”
- “Identify and develop physical connections between employment center and surrounding neighborhoods.”
- “Focus dense and high-activity and employment uses in locations with high amenities, access, and opportunity.”

Aspire 2040 Comprehensive Plan – Future Land Use Map:

The site is situated in an area proposed for “Mixed-Use Commercial” per the Future Land Use Map within the Comprehensive Plan.

Future Land Use Map

Land Uses	
	Rural Residential/Agriculture
	Suburban Residential
	Traditional Neighborhood
	Mixed-Density Neighborhood
	Mixed-Use Neighborhood
	Neighborhood Retail/Office/Commercial
	Mixed-Use Commercial
	Innovation Centers
	Employment
	Industrial
	Institutional
	Parks and Open Space
	Utilities

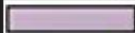
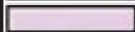




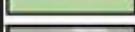



North Pointe Planned Unit Development (PUD) Zoning & Land Use:

- (Overall PUD Intent) “The project is intended to be a well-balanced, pedestrian-friendly community with an integrated mix of uses including housing, employment, lodging, light industrial (biotech, tech, research) retail, parks, natural areas, and a potential civic center.”
- Per the PUD, the EC-EAST CAMPUS “will consist of a variety of uses with the primary focus being an employment destination for Pflugerville.”
- Per the PUD, “The East Campus is planned to be ... a campus envisioned to contain educational, health, or office tenants. This smaller parcel, with its large frontage along SH-130, is more suited to these uses because of its visibility from the highway and a challenging parcel shape. However, multi-family residential uses and townhouses can also be accommodated. They are allocated along the edges of the parcel which are adjacent to existing residential development.” (Page 4 of PUD)
- Eastern Tract – Land Use Limitations and Conditions:

General Development East:

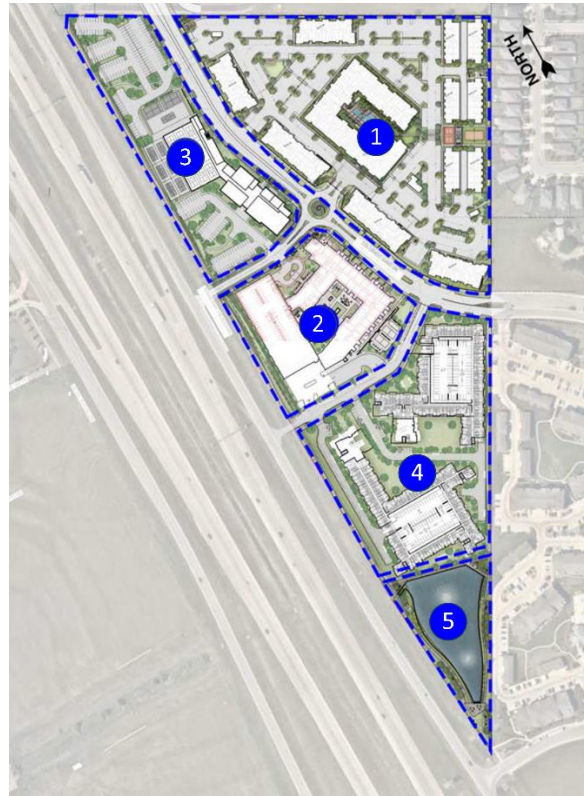
- A maximum of 1,200 dwelling units*
- Mixed Use/Retail
- A maximum of 500,000 sf non-residential
- A maximum of 1.8 million sf office
- After 500 residential units** a minimum of 3 commercial uses shall be built. The commercial uses should be diversified by use and type and not housed by one user. This ratio shall continue for the life of the project and be accounted for on all future site plans.

NorthPointe Land Category (Exhibit C: Concept Plan)		NorthPointe West	NorthPointe East
Land Use Category	Permitted Uses	Acres	Acres
 Urban Center UC	REFERENCE PERMITTED USES (EXHIBIT D)	± 30.1 Ac.	
 Western Edge WE		± 5.8 Ac.	
 Mixed Use Neighborhood 1 NI			± 2.2 Ac.
 Mixed Use Neighborhood 2 N2		± 28.8 Ac.	
 Eastern Campus EC			+/- 24.4 Ac.
 Greenway GW		± 13.8 Ac.	± 3.2 Ac.
 ROW, OTHER		± 2.8 Ac.	± 3.0 Ac.
 Senior Housing EC_SH			+/- 5.3 Ac.
Total		+/- 81.3 Ac.	+/- 38.1 Ac.
All areas shown above are subject to changes in area up to 20%, excluding the greenway Areas. Only allowed change in greenway is increase of area.			

PUD – Zoning/Regulating Plan



Concept Provided by Developer (October 2024)



“EC” – Eastern Campus: Will consist of a variety of uses with the primary focus being an employment destination for Pflugerville.

“EC-SH” – Eastern Campus Senior Housing: Senior Housing to include Independent Living, Assisted Living and Memory Care

“GW” – Greenway East: Small pocket parks that serve as amenities for surrounding residents and offices.

“N1” – Mixed Use Neighborhood 1: Medium-density neighborhood that transitions from the neighboring community including Single Family Attached (3 or more).

Proposed Development within North Pointe East				
LOT #	ACRES	Land Uses	Estimated Number of Residential Units	Estimated Commercial SF
Lot 1	13.04	Multifamily	375	0
Lot 2	4.83	Senior Living	122	2,080
Lot 3	5.57	Commercial (Pick Fit by Yello Athletics)	0	65,000
Lot 4	7.92	Mixed Retail and Multifamily	200	40,000
Lot 5	2.59	Amenity Pond (Privately owned, public access easement)	0	0
Total			697	107,080

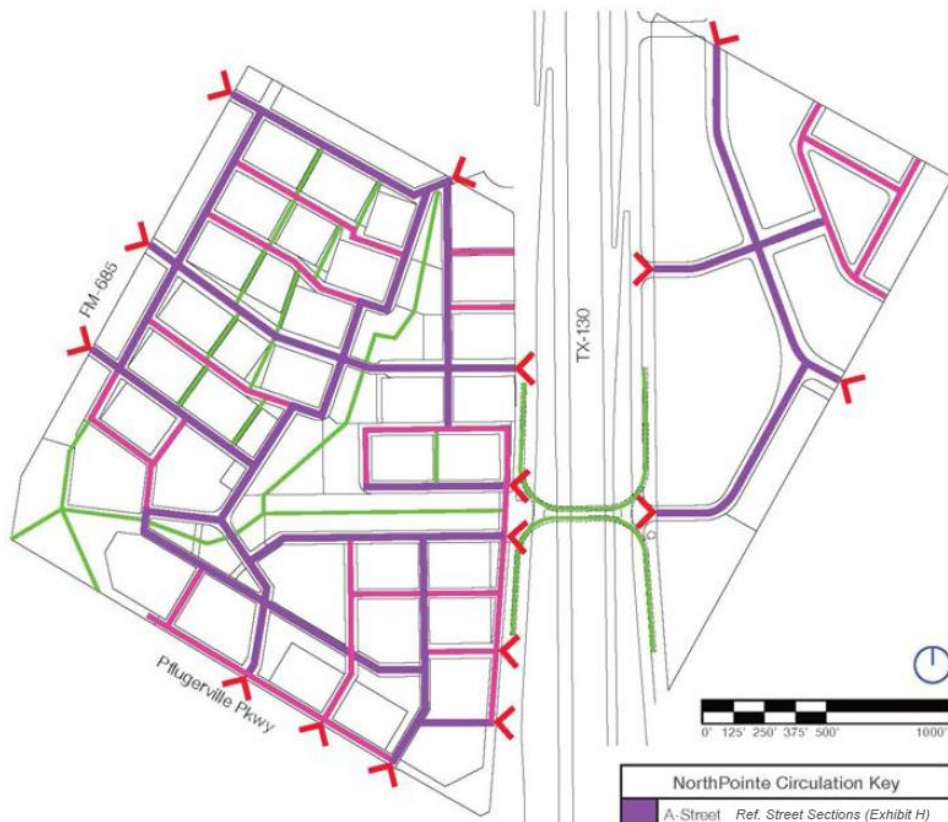
Notes:

- **Lot 2:** The total square footage is estimated at 45,000 of the total facility. The number above represents the anticipated square footage of the commercial tenant spaces. (580 S.F. salon; 1,500 S.F. restaurant) The facility is anticipated to have 122 residential dwelling units and 36 beds for assisted living and memory care. Per the PUD, assisted living and memory care uses will not contribute to the residential units count, and senior living, assisted living, and memory care will not contribute to the required commercial uses.)
- **Lot 3:** Estimated square footage above represents indoor space only. There is an additional estimated 30,000 sf of outdoor sport courts planned.
- **Lot 4:** The number of residential units and commercial square footage shown are estimates only and does not represent an active project under review.

North Pointe Planned Unit Development (PUD) Streets & Circulation:

“The West Campus is envisioned to have a regular block structure allowing for maximum pedestrian and vehicular connectivity. North-South circulation primarily takes place within pedestrian pathways/greens between residential blocks, or along the Greenway at the center of the site. East-west vehicular and pedestrian connections primarily take place along tree-lined streets with wide sidewalks. A shared-space main street at the south end of the site anchors the Urban Center. Circulation for the East Campus zone is kept to a minimum to allow for flexibly for a potential large campus tenant.” The following exhibit conceptually depicts the intent of various streets within NorthPointe. “The street layout depicted on this plan is conceptual and diagrammatic to show overall intent of connectivity and hierarchy of the various circulation routes. This map should not be considered as the final layout, only as a diagram of the overall intent.* Curb cuts shown are conceptual. Actual cuts may be fewer and/or in different locations pending TXDOT and City of Pflugerville approval.”

EXHIBIT G: CONCEPTUAL CIRCULATION PLAN



The diagram above highlights A-Streets, B-Streets, and Pedestrian Connections within NorthPointe. A-Streets are typically fronted by liner townhouses or retail space and are the principal thoroughfares. B-Streets are designed to be pedestrian friendly as well, but also handle the servicing of buildings and businesses.

NorthPointe Circulation Key	
	A-Street Ref. Street Sections (Exhibit H)
	B-Street Ref. Street Sections (Exhibit H)
	Non-Street Pedestrian / Bike Connection
	Curb Cut/Entrance *

(PUD – SECTION 4, PAGE 20) “On the East Campus typical block lengths will range from 100’ - 1200’ as shown conceptually in Exhibit G2, with no block exceeding 1200’. A majority of the streets will be public streets with right-of-way widths ranging from 40’ - 85’.” “Private streets will be limited to areas that would also serve as public plazas or shared-space plazas for local events such as farmers markets, neighborhood festivals, or similar activities. Fire and safety access will be provided conforming compliance. Access and utility easements will be provided on all private streets where required.”

EXHIBIT G2: CONCEPTUAL STREET CATEGORIES

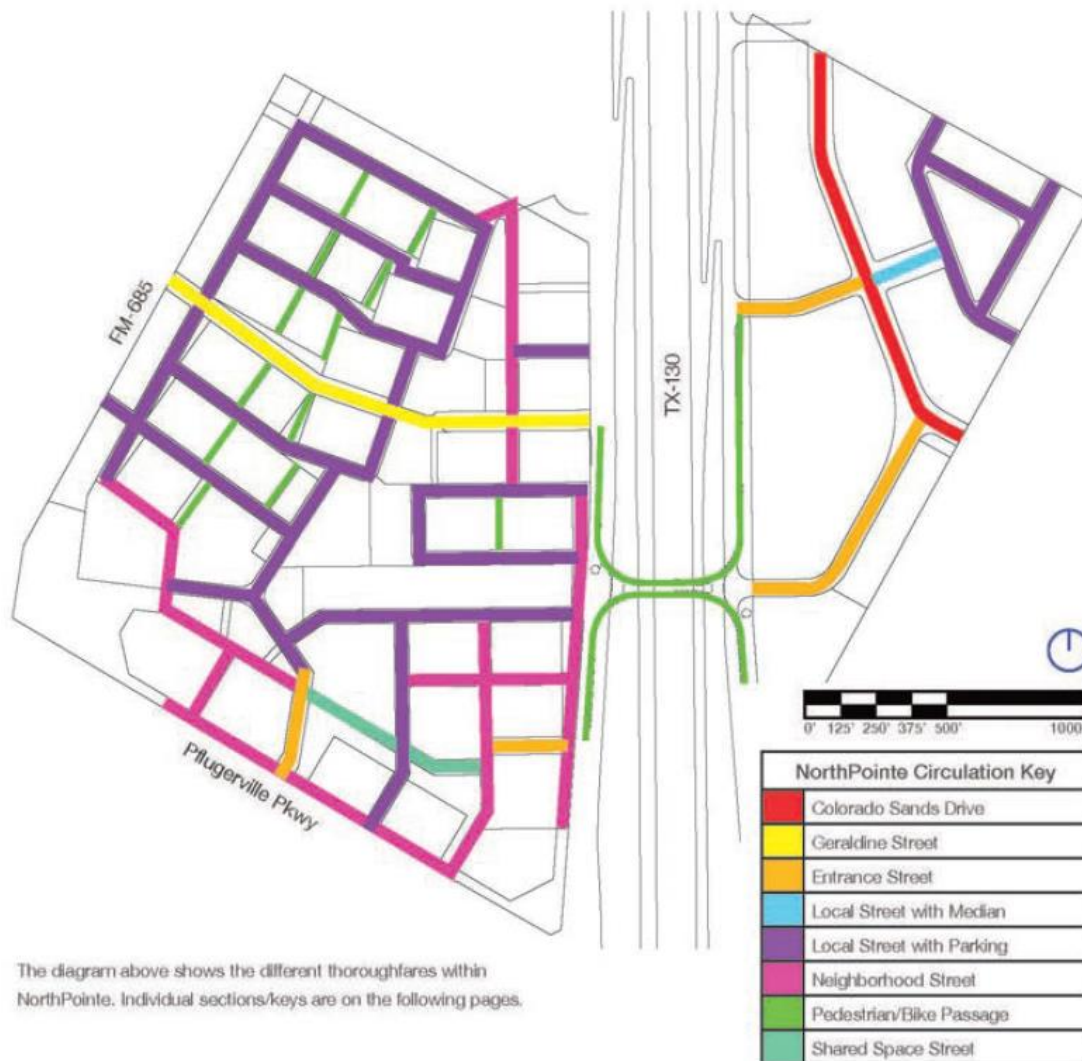
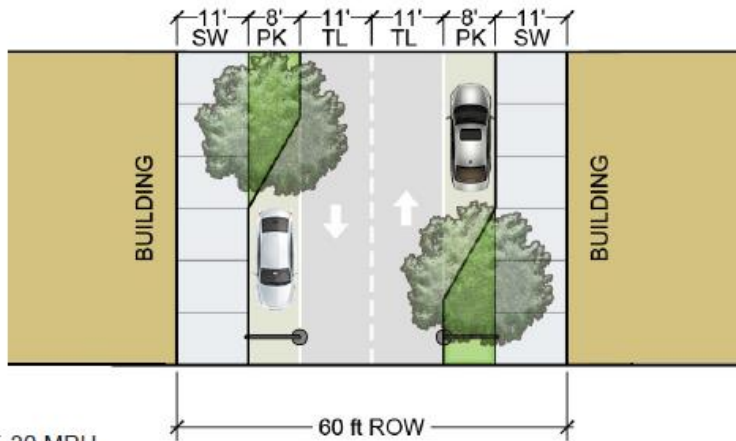
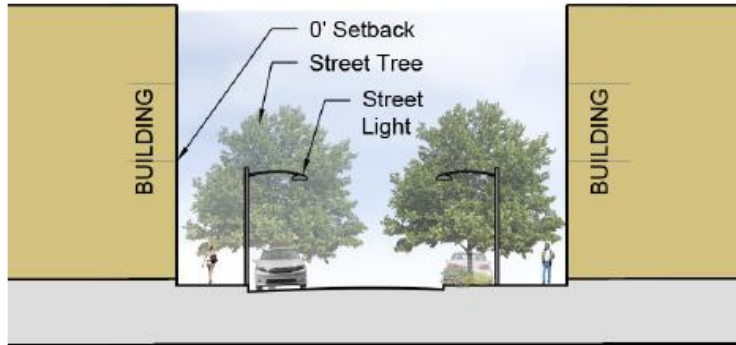


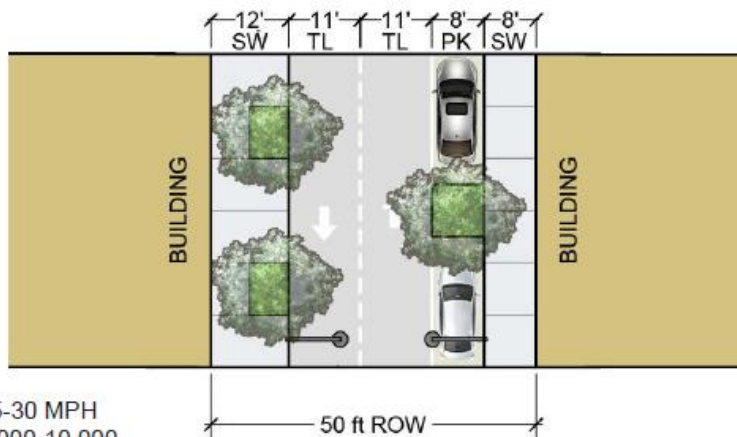
EXHIBIT H3: PUBLIC STREET SECTION - 60' ROW WITH PARKING (A STREET OR B STREET)



Notes:

1. Design Speed: 25-30 MPH
2. Expected ADT: 2,000-10,000
3. Refer to Exhibit E: Development Standards Table, Section 3
4. A maximum of 3 spaces are allowed between landscape bump-outs. Bump-outs shall be a minimum of 180 square feet with one tree and gravel, decorative pavers, or planted ground cover to be maintained in perpetuity by the NorthPointe property owners' association.
5. Landscape improvements within the ROW shall apply toward the minimum lot landscape requirements of adjacent lots. Please reference section 8.
6. Streets designed under the NorthPointe PUD may provide utilities within rights of way. 10' PUEs are not a requirement in NorthPointe.

EXHIBIT H4: PUBLIC OR PRIVATE STREET SECTION - 50' ROW (A STREET OR B STREET)



Notes:

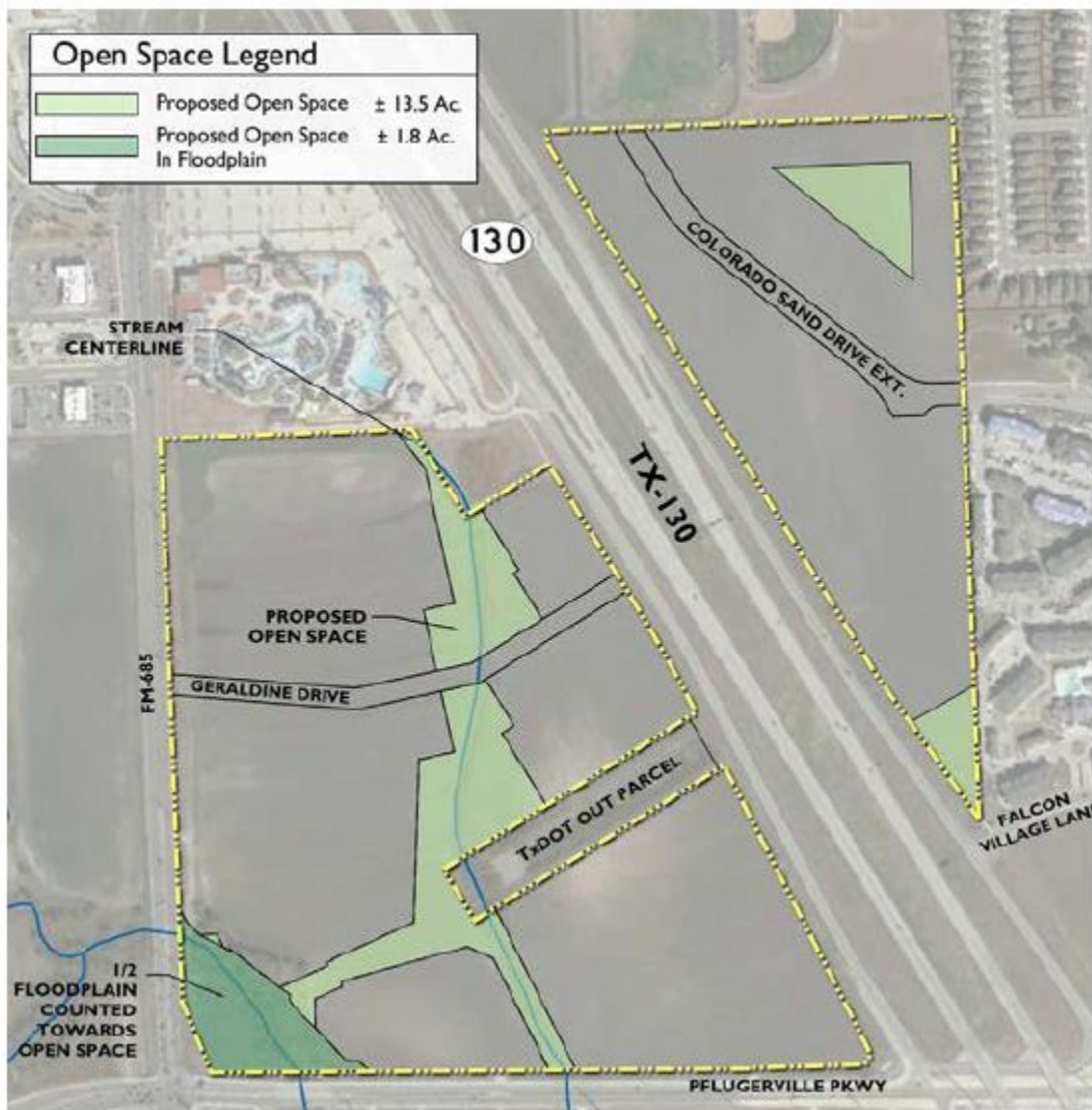
1. Design Speed: 25-30 MPH
2. Expected ADT: 2,000-10,000
3. Refer to Exhibit E: Development Standards Table, Section 3
4. A maximum of 3 spaces are allowed between landscape bump-outs. Bump-outs shall be a minimum of 180 square feet with one tree and gravel, decorative pavers, or planted ground cover to be maintained in perpetuity by the NorthPointe property owners' association.
5. Landscape improvements within the ROW shall apply toward the minimum lot landscape requirements of adjacent lots. Please reference section 8.
6. Parking is only permitted on one side of roadway.
7. Streets designed under the NorthPointe PUD may provide utilities within rights of way. 10' PUEs are not a requirement in NorthPointe.
8. The side of the street with no parking will be designated with striping or signage as a no parking zone

Architectural Examples “East Campus” (EC) of North Pointe East per PUD



North Pointe Planned Unit Development (PUD) – Parkland Standards and Creditable Items:

- **Parks & Open Space Locations per PUD:** “North Pointe will be a unique project utilizing green spaces, pocket parks, open lawns and courtyards to activate the open spaces throughout the Project. The areas shown below are not dedicated in title, but dedicated by improvement and maintenance by the developer for public/civic use. Areas considered for public/civic use shall be made accessible for the public realm, but improved and maintained by the developer. Fees associated with parkland dedication and/or parkland development shall be bonded in accordance with city requirements.” GW-GREENWAY EAST shall provide (two) “small pocket parks that serve as amenities for surrounding residents and offices.” (Shown below)



- Per PUD, “Open space in North Pointe is diverse and distributed, yet connected in a network. The Greenway (GW) is an asset to the whole neighborhood and those surrounding North Pointe. Within the development, the creek serves as the spine and is easily accessible by trails and pedestrian-oriented streets. Smaller pocket parks and green spaces adjacent to the higher intensity blocks provide community spaces for residents and visitors.”
- Parkland Credit – “Enhanced landscape areas and sidewalks larger than 6’ in width, and improved public/private courtyards may receive credit towards the required public parkland dedication.” Section 6 of the PUD articulates the alternative compliance and credits allowed to meet the parkland requirements for the development. (See excerpt below.)

Parkland calculation:	$\frac{6.6 \times 4,000 \times 1.75^*}{1,000} =$	46.2 Ac. Req.
Civic open space provided (not dedicated)		= 15.3 Ac.
Improved Public Spaces (TXDOT)		= 7.0 Ac.
Improved Civic Spaces/Enhanced Pedestrian Experience (including sidewalks greater than 6 feet in width, enhanced landscape areas, and vertical gardens)		= 5.0 Ac.
Improved Public/Private Spaces and Courtyards		= 5.0 Ac.
Super Trees (+/- 3,000 sq ft per tree)		= 1.0 Ac.
(Estimated number of Super Trees is 14; Additional fee in lieu will be paid in proportion to Super Trees not provided)		33.3 Ac. Provided

*1.75 Acres per unit based on size of proposed units and density

Parkland Development Fee: $\$496.00 \times 4,000 = \$1,984,000.00$
 This fee will be waived based on cost of improvements to Civic open space within NorthPointe.
 Perpetual maintenance provided by NorthPointe or its assignee(s)

Parkland Fee In Lieu Dedication: This fee will be credited towards identified and constructed amenities as defined in Section (A)(1) on 16 acres of civic space within NorthPointe.

$$46.2 - 33.3 = 12.9 \text{ Acres}$$

$$12.9 \text{ Acres} \times 43,560 = \$561,924 \text{ of Parkland Dedication Fee}$$

STAFF RECOMMENDATION:

Staff recommends denial of the proposed TIRZ reimbursement request as it is not consistent with the established TIRZ No. 1 Reimbursement Guidelines. Elements of inconsistency are provided below:

1. Lack of regional improvement needs

- a. **Wastewater** - The proposed wastewater improvements do not represent regional infrastructure needs.
- b. **Roads** - While the addition of Alba Bonita Drive and Elan Drive provide increased transportation connectivity, the need for these two roadways is also proportionate to the impact this development will have on the transportation system. These two roadways are required by the PUD and provide internal circulation similar to other shared access drives in other developments.
- c. **Detention Pond** – The City is constructing the portion of the pond associated with Colorado Sand Drive. The remainder of the pond represents what is required associated with the development and credit for public parkland dedication and park development fee per PUD.

2. Inconsistency with City’s land use, economic development and incentive goals and policies established in the City Council strategic plan and Aspire 2040 Comprehensive Plan

- a. **Predominance of Multi-family** – While residential uses were anticipated within the North Pointe east tract, it was anticipated to be complementary to an employment campus with commercial storefront uses. The proposed development provides for a predominance of multi-family uses with minimal parks and open space.

3. Not exceeding minimum development requirements

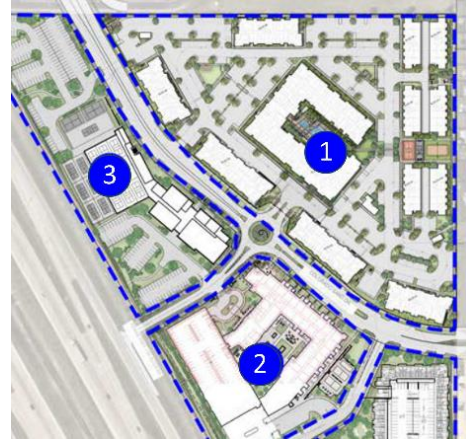
- a. **Parks & Open Space Locations** - Per the regulating plan of the PUD, a triangular park/courtyard is required and was anticipated to be surrounded by an employment center. However, per the proposed site plan, the developer has proposed a private amenity courtyard for the apartment complex with limited visibility from the public roadway. Per the PUD, “Areas considered for public/civic use shall be made accessible for the public realm but improved and maintained by the developer.” (Sec. 6, Page 34). To date, the site plan has not been updated to resolve this issue of parkland dedication/credit. While this is a code compliance item, it influenced how this reimbursement request was reviewed by Staff. If the developer seeks to remove this triangular park requirement, a PUD amendment will be required to update the regulating plan and the parkland dedication requirements, which shall be reviewed by the Parks & Recreation Commission, Planning and Zoning Commission, and City Council through a separate process.

Comparison between PUD Zoning/Land Uses and the proposed Lot 1 Apartment
 Complex with Central Private Courtyard

PUD – Zoning/Regulating Plan



Concept Provided by Developer



- b. **Parkland dedication and development credit** - Section 6 of the PUD articulates the alternative compliance and credits are allowed to meet the parkland requirements for the development. The development received a reduction in parkland dedication and a waiver of the park development fee requirements through the PUD and alternative compliance calculations due to the anticipated unique characteristics the PUD. With the proposed predominance of multi-family and the removal of the triangular open space/courtyard with public access, there is the potential that the development will create a deficit in public parkland and amenities. The detention pond lot on the south side of the project only provides for passive recreation and is heavily encumbered by the wet pond. (See attachment for Detention Pond Plan.)
- c. **Comparison to Unified Development Code** - For purposes of PUD comparison to the City's Unified Development Code (UDC) only, if the UDC were applied to the proposed North Pointe eastern tract with the proposed 697 dwelling units, 8.05 acres of public parkland would have been required.

$$\frac{6.6 \times 697 \times 1.75}{1000} = 8.05 \text{ Acres of Public Parkland Required}$$

If the TIRZ Board recommends approval with conditions and it deviates from the developer's request, the recommendation should be specific to include the following:

1. Maximum total reimbursement
2. Percent participation rate (e.g., 70% of the available annual TIRZ revenue from the North Pointe project site that may reimburse the developer for the project.)
3. Identify the public infrastructure projects for reimbursement
4. Specificity on what may be reimbursed (e.g., hard construction costs, soft costs, financing, etc.)

NEXT STEPS:

1. An item will be placed on a City Council agenda to discuss and consider authorizing the City Manager and City Attorney to negotiate a TIRZ reimbursement agreement associated with North Pointe Development and initiate the process for a TIRZ Project Plan and Finance Plan Amendment to reflect the eligible projects for reimbursement.
2. (Negotiation of agreement and preparation of a TIRZ Project Plan and Finance Plan Amendment)
3. TIRZ Board – Consider a recommendation of a TIRZ reimbursement agreement and TIRZ Project Plan and Finance Plan Amendment.
4. City Council – Consideration of a TIRZ reimbursement agreement and TIRZ Project Plan and Finance Plan Amendment.

ATTACHMENTS:

- TIRZ No. 1 Timeline (See below)
- TIRZ No. 1 Reimbursement Guidelines (see separate attachment)
- Letter – Submitted by Applicant (see separate attachment)
- North Pointe – Projected Values & TIRZ Revenue (see separate attachment)
- North Pointe PUD (Land Use & Development Regulations - see separate attachment)
- Detention Pond Plan (see separate attachment)

TIRZ NO. 1 BACKGROUND:

The following represents the timeline for TIRZ creation, expansion, and other legislative actions related to TIRZ No. 1.

- **December 14, 2010** – TIRZ No. 1 was originally created to spur development of Falcon Pointe, a master-planned community located in the eastern portion of the City, in the vicinity of State Highway 130 and Pflugerville Parkway. The Original Zone encompassed approximately 394 acres and includes single-family, multi-family, commercial/retail uses and recreational uses.
- **November 22, 2011** – TIRZ No. 1 Project Plan and Financing Plan was approved, which included projects multiple segments of Colorado Sand Drive, Lonestar Blvd, semi-regional pond, Pflugerville Parkway R-O-W acquisition, South Tract Lift Station, and Economic Development Land Cost Participation for commercial/retail/office. Since the Zone’s creation, the majority of projects associated with this development have been completed, including portions of Colorado Sand Drive, the Regional Pond, Lift Station and Lonestar Boulevard.
- **September 10, 2013** – 1st Amendment to the TIRZ No. 1 Project Plan and Financing Plan was approved, which included improvements to East Pflugerville Parkway.
- **December 11, 2018** – 2nd Amendment to the TIRZ No. 1 Project Plan and Financing Plan was approved, which included the addition of the Pecan District and extended life of the Zone for the Pecan District to the Year 2058.
- **September 10, 2019** – 3rd Amendment to the TIRZ No. 1 Project Plan and Financing Plan was approved, which assigned project responsibility for the improvements of Colorado Sand Drive (Segment B, Phase 2 through the North Pointe Tract) to the City of Pflugerville.
- **October 25, 2022** – 4th Amendment to the TIRZ No. 1 Project Plan and Financing Plan was approved, which expanded the Zone to include property along SH45 and Pecan Street including Downtown.
- **June 27, 2023** – City Council adopted reimbursement guidelines for TIRZ No. 1, which are intended to provide a general framework in which requests for reimbursements are reviewed and analyzed in an objective and equitable manner for developments within the TIRZ. However, the guidelines do not guarantee approval or denial of a reimbursement request. (See Attachment)