



City of Pflugerville

Legislation Text

File #: RES-0961, **Version:** 1

Approving a resolution with the caption reading: Resolution of the City of Pflugerville authorizing Phase 2 supporting the creation of a Tax Increment Reinvestment Zone (TIRZ), establishing a project plan and financing plan.

A Tax Increment Reinvestment Zone is a financing tool enabled by Chapter 311 of the Texas Tax Code, allowing for cities to set aside incremental tax revenue to fund public infrastructure to encourage new development or redevelopment of an area and attract private investment.

The City entered into a contract with Hawes Hill & Associates on July 22, 2021, providing professional services associated with feasibility analysis and the potential creation of a TIRZ, separated by two phases in the scope of services: 1.) Reinvestment Zone Feasibility & Pre-Creation Activities; and 2.) Creation of the Tax Increment Reinvestment Zone.

Hawes Hill conducted a TIRZ Feasibility Analysis (Phase 1) on behalf of the City to determine whether one or more tax increment reinvestment zones are appropriate in meeting the City of Pflugerville's goals and objectives to support new development and redevelopment in the Downtown/Pecan Street corridor area and along the SH 45 corridor, west of SH 130.

Goals & Objectives

- CEDS 2.0 - Accelerate job creation by expanding available economic development tools and capacity to utilize them.
- CEDS 2.0 - Accelerate job creation by utilizing incentives strategically to further CEDS 2.0 goals.
- CEDS 2.0 - Create space for business through strategic infrastructure planning and targeted investments and partnering with regional developers and local property owners to accelerate new office and industrial construction.
- Downtown Action Plan - Establish a TIRZ to include the Downtown area to support the construction of public improvements and encourage economic development and the revitalization of Downtown.
- Strategic Plan 2021-2025 - 1.) Maintain efforts to grow job opportunities in the community; 2.) Plan for growth that supports and maintains a high quality of life for existing and future residents; and 3.) Implement programs, policies, and actions that increase job opportunities for residents and focus on industries that contribute to the community.
- July 30, 2021, City Council Retreat (Policies established by Resolution) - Support mixed-use developments with municipal facilities when part of an overall master plan that provides for public-private partnerships opportunities that contribute to the increased activity of the

development.

- (Proposed) Aspire 2040 - Increase inventory of nonresidential sites that are shovel-ready to be responsive to business recruitment opportunities. Use utility infrastructure to incentivize where appropriate.
- (Proposed) Aspire 2040 - Create development tools and approaches that leverage corridors as gateways and representations of community identity while also leveraging their potential to create access to opportunity.

The TIRZ Feasibility Analysis concluded that the establishment of a TIRZ is feasible to support the funding and development of certain public infrastructure and encourage private investment in Downtown and along E. Pecan Street and SH 45.

TIRZ Feasibility Analysis Findings:

- Public improvements would stimulate development and redevelopment within the Zone.
- Timing and availability of infrastructure will influence the density and quality of development.
- Public improvements funded/implemented by the City and other partners would stimulate development and redevelopment within the Zone.
- Based on values and revenue projections for the scenarios as outlined in the report, revenues generated as a result of capital improvements made by the public as shown in Scenarios 2 and 3 would generate sufficient revenues to fund certain public infrastructure improvements within the proposed reinvestment Zone.
- The Downtown/Pecan District Corridor and SH 45 Corridor are feasible each as an individual reinvestment Zone or combined as one Zone; however, if combined, they would be more robust allowing for greater revenues, flexibility and diversity.
- A TIRZ would allow for the implementation of capital improvements in advance of the City being able to fund them through the use of developer reimbursement agreements.
- A TIRZ and developer reimbursement agreements allows for higher quality development that aligns with the community's vision and may also allow for voluntary annexation of properties into the City.

Prior City Council Action

N/A

Funding Expected: Expenditure

Budgeted Item: Yes

Amount: \$30,000 (Phase 2)

1295 Form Required? Yes

Legal Review Required: Yes

Attachments

Resolution

Exhibit A - Professional Services Agreement

Exhibit B - TIRZ Feasibility Analysis

Exhibit C - Proposed TIRZ No. 2 Map

Draft PowerPoint Presentation

Recommended Action

Approve the Resolution authorizing Phase 2 supporting the creation of a Tax Increment Reinvestment Zone (TIRZ) establishing a project plan and financing plan.