



City of Pflugerville

Legislation Text

File #: 2016-5090, **Version:** 1

Approving a TIRZ (Tax Increment Reinvestment Zone) Debt Administration Agreement between the City of Pflugerville and Reinvestment Zone Number One, City of Pflugerville, Texas.

The TIRZ was created on December 14, 2010 and since that time both the developer and the City have constructed projects in accordance with the project plans adopted by the TIRZ board and the City Council. To reduce the cost of financing, the City agreed in the project funding plan to issue debt on behalf of the TIRZ for the purpose of funding the costs of construction of certain TIRZ projects. The City's financial advisor determined the level of debt that could be financed with the amount of increment that is being received on an annual basis. Following a project audit to verify expenses for the allowed projects, the City of Pflugerville issued Certificates of Obligation in the amount of \$7,505,000 on June 28, 2016.

This agreement states that the TIRZ will pledge tax increments to the City to the extent necessary for the City to make all annual debt service payments on the TIRZ debt.

Status

This agreement has been approved as to form by the City Attorney.

Deadline for City Council Action

There is no deadline for action on this agreement. The first debt payment will be due on February 1, 2017.

Fiscal Impact

There is no fiscal impact to the City as a result of the approval of this agreement. Funds from the taxable increment of the TIRZ will be used to pay the debt associated with the TIRZ improvements.

Staff Recommendation

Approve the agreement as presented.

Drafter

Lauri Gillam
Assistant City Manager