

North Georgetown TIRZ

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December 17, 2021

Caption

Second reading of an ordinance to consider the designation of the Tax Increment Reinvestment Zone (TIRZ) Number Six (North Georgetown) under Chapter 311 of the Texas Code for approximately 224 acres of land in the City Limits, generally located on the west of IH35, north of the HWY195 intersection and the adoption of a Preliminary Project Plan and Financing Plan for the proposed TIRZ

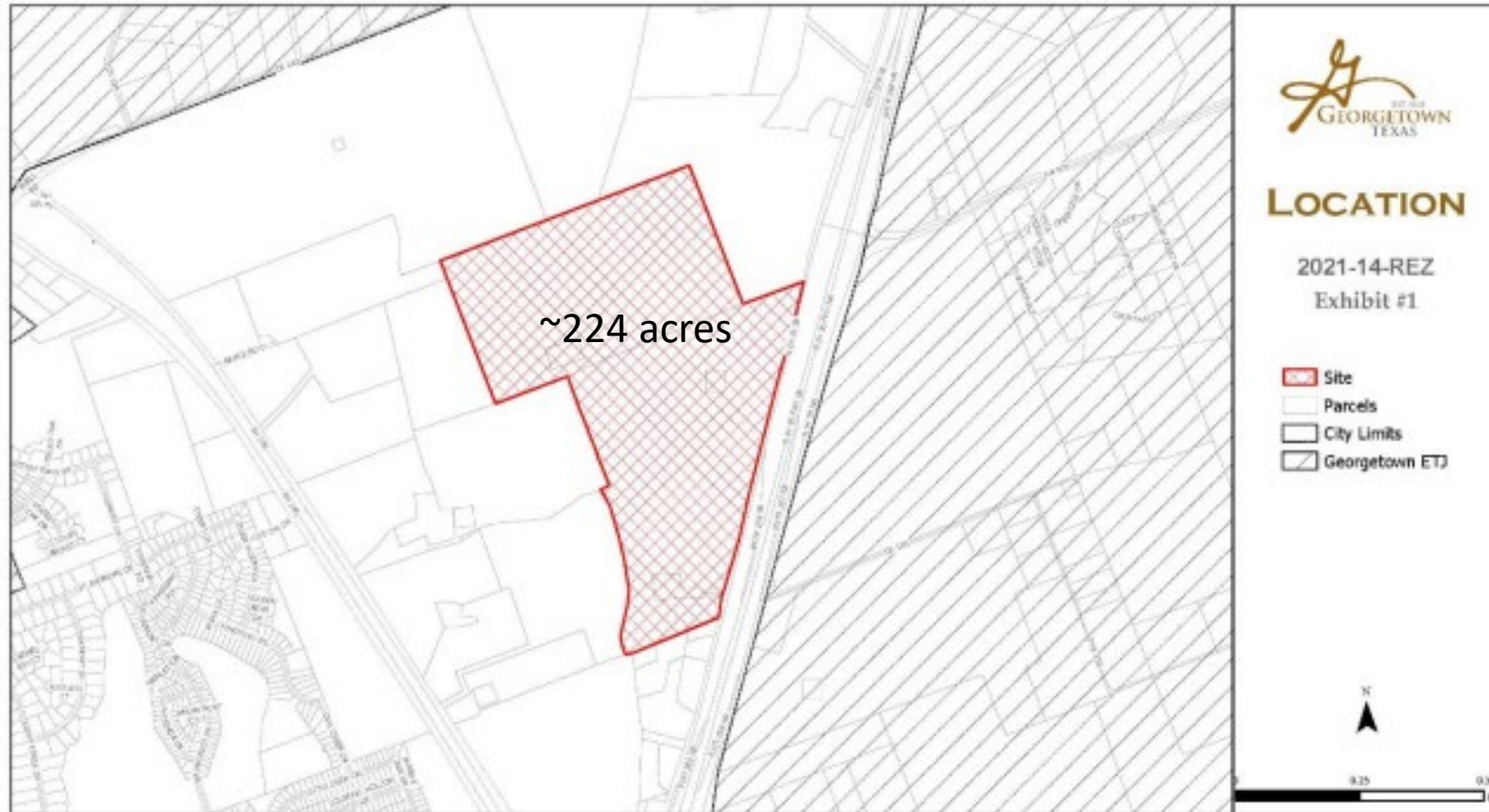
Purpose of a TIRZ and TIF

- Tax Increment Financing (TIF) is a tool local governments may use to finance public improvements in defined areas
- Area must have unique challenges and/or opportunities for economic development, typically related to public infrastructure
- Municipality makes an area eligible for increment financing by designating a tax increment reinvestment zone (TIRZ)
- Zone is designated following a public hearing and adoption of an ordinance that includes a preliminary project plan and financing plan

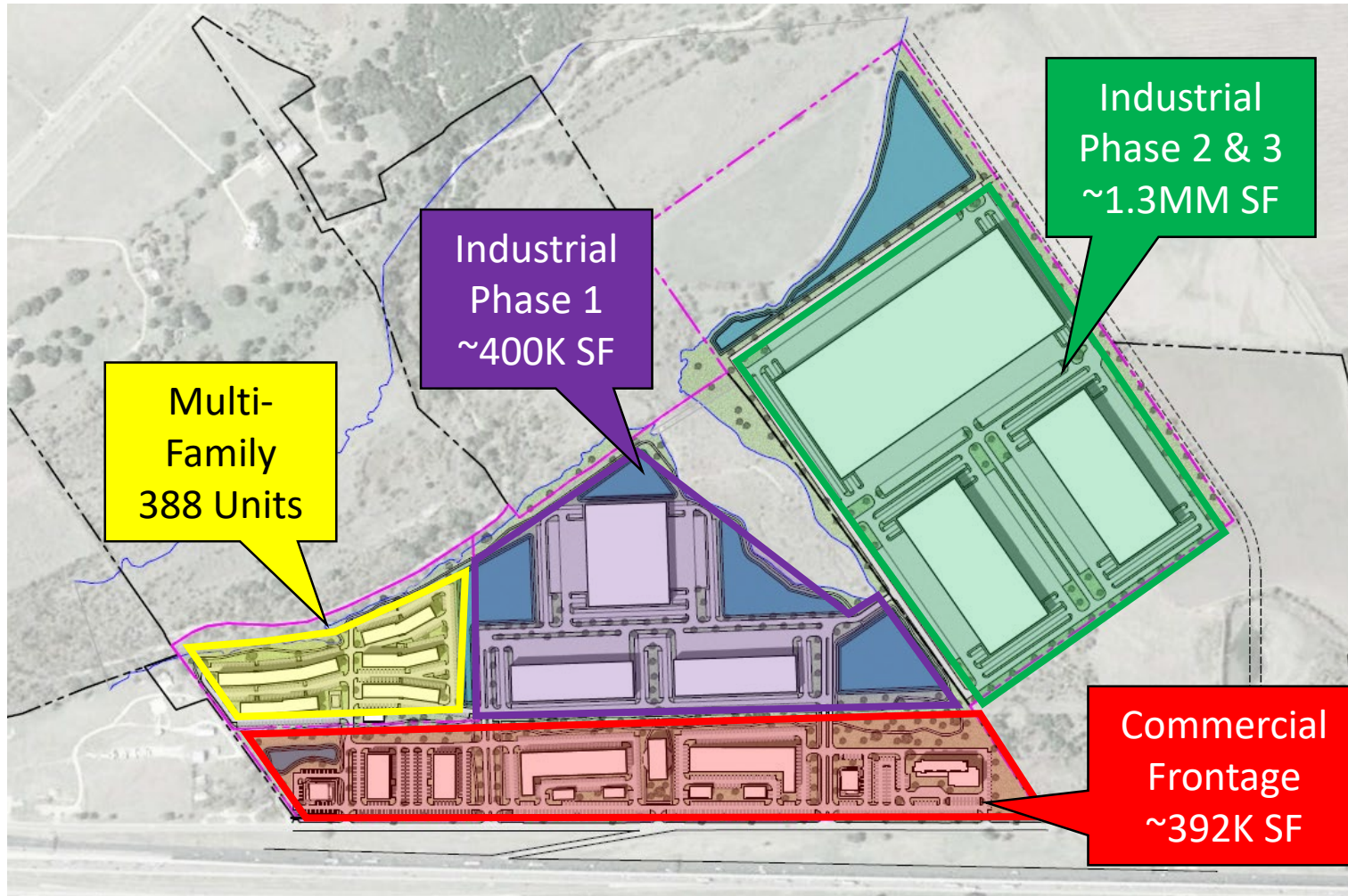
How it Works

- Adoption of an ordinance sets a “base year” for the assessed value of the property located within the TIRZ
- Taxes on the appraised value of the base year continue to flow to the general funds of the taxing entities
- All or a portion of the incremental increase in real property tax revenue due to great property values in the TIRZ is held in a tax increment financing fund
- Money from the fund is then dispersed according to a developer agreement
- Developer agreements must follow the approved project and financing plan included in the ordinance

North Georgetown TIRZ Location



Proposed Concept



- Jackson Shaw is looking to develop property, beginning with Phase I in 2022
- Estimated assessed value increase of \$246,700,000

Proposed Concept Renderings

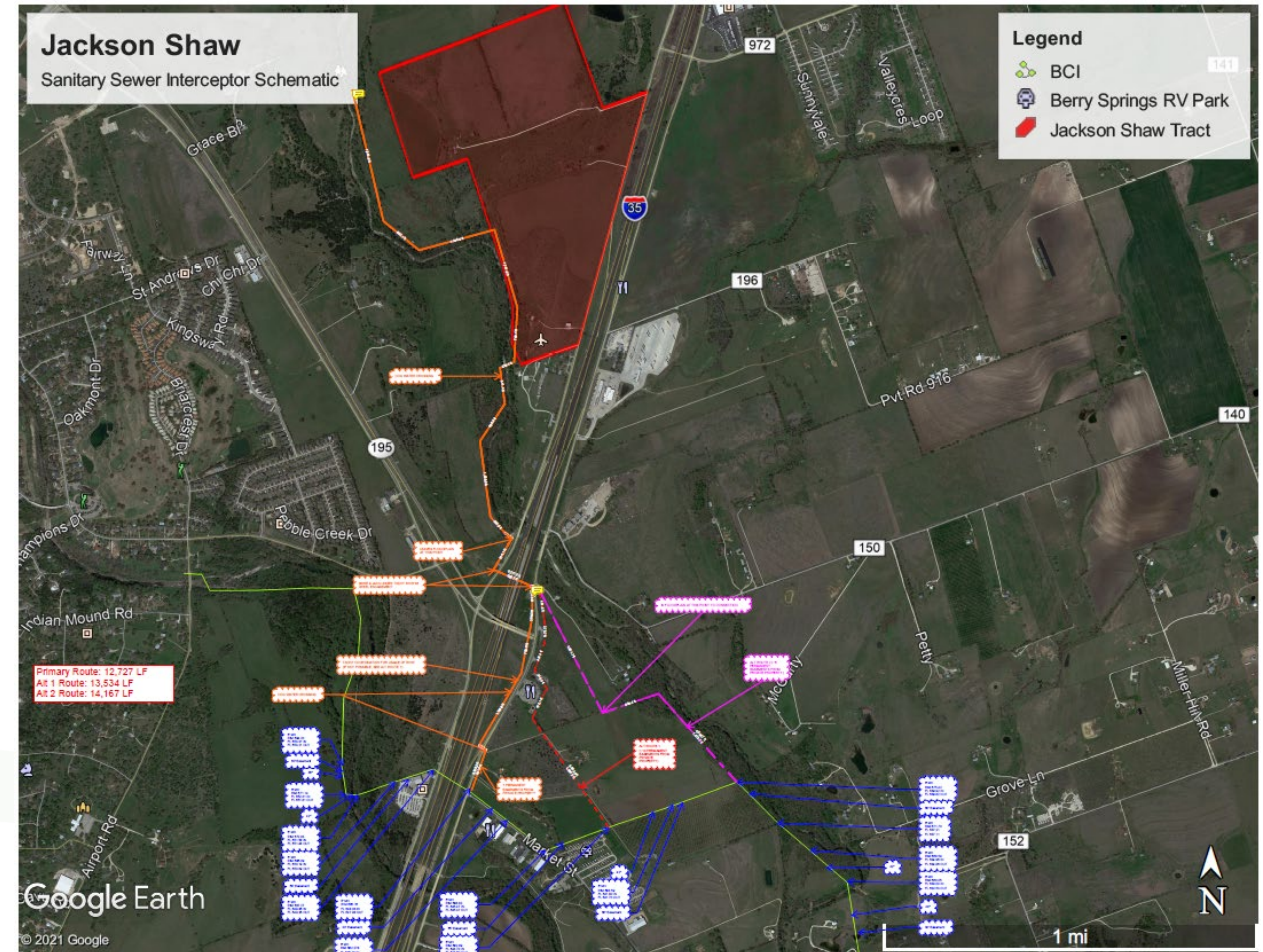
Flex Industrial Rear-Load Concept



Commercial Frontage Concept

TIRZ Financed Project

- TIRZ will finance one off-site public infrastructure improvement project, the Dry Berry Creek Interceptor, to bring sanitary sewer service to the site
- Over 12,000 linear feet of 36" sanitary sewer trunk line
- Line will run along the Dry Berry Creek bed to connect with the Berry Creek Interceptor
- Jackson Shaw will construct the line
- Estimated cost of the project is approximately \$10,000,000



Proposed Financing Structure

- Creation of a TIRZ with a 2021 “base year”
- City of Georgetown will contribute to the fund based on a 15-year schedule, beginning in 2024 and ending in 2038
 - Years 1-5 = 60% contribution
 - Years 6-10 = 55% contribution
 - Years 11-15 = 50% contribution
- Jackson Shaw will be reimbursed from the TIRZ fund up to \$8,500,000 for construction of the public infrastructure project

Estimated TIRZ Revenue Schedule

| Year | WCAD Taxable Value (January 1) | Inflated Value at -- | Planned Development Value | WCAD Taxable Value (December 31) | City Revenue | Increment Amount |
|--------------|--------------------------------|----------------------|---------------------------|----------------------------------|-------------------|------------------|
| 2023 | - | - | 37,200,000 | 37,200,000 | 149,172 | |
| 1 2024 | 37,200,000 | 37,944,000 | 52,500,000 | 90,444,000 | 362,680 | 217,608 |
| 2 2025 | 90,444,000 | 92,252,880 | 112,000,000 | 204,252,880 | 819,054 | 491,432 |
| 3 2026 | 204,252,880 | 208,337,938 | 45,000,000 | 253,337,938 | 1,015,885 | 609,531 |
| 4 2027 | 253,337,938 | 258,404,696 | | 258,404,696 | 1,036,203 | 621,722 |
| 5 2028 | 258,404,696 | 263,572,790 | | 263,572,790 | 1,056,927 | 634,156 |
| 6 2029 | 263,572,790 | 268,844,246 | | 268,844,246 | 1,078,065 | 592,936 |
| 7 2030 | 268,844,246 | 274,221,131 | | 274,221,131 | 1,099,627 | 604,795 |
| 8 2031 | 274,221,131 | 279,705,554 | | 279,705,554 | 1,121,619 | 616,891 |
| 9 2032 | 279,705,554 | 285,299,665 | | 285,299,665 | 1,144,052 | 629,228 |
| 10 2033 | 285,299,665 | 291,005,658 | | 291,005,658 | 1,166,933 | 641,813 |
| 11 2034 | 291,005,658 | 296,825,771 | | 296,825,771 | 1,190,271 | 595,136 |
| 12 2035 | 296,825,771 | 302,762,287 | | 302,762,287 | 1,214,077 | 607,038 |
| 13 2036 | 302,762,287 | 308,817,532 | | 308,817,532 | 1,238,358 | 619,179 |
| 14 2037 | 308,817,532 | 314,993,883 | | 314,993,883 | 1,263,125 | 631,563 |
| 15 2038 | 314,993,883 | 321,293,761 | | 321,293,761 | 1,288,388 | 644,194 |
| Total | | | 246,700,000 | | 16,244,437 | 8,757,222 |

60% Abatement

55% Abatement

50% Abatement

*Assumes a 2% inflation per year

Proposed Board of Directors

- The City Council will appoint the five-member board of Directors for the TIRZ to include:
 - Mayor
 - Councilmember District 5
 - City Manager
 - Assistant City Manager – Finance & Community Services
 - Economic Development Director
- City staff will prepare (i) an Annual TIRZ Budget; (ii) an Annual Report of TIRZ activities; and (iii) an Annual Financial Statement prepared in accordance with Generally Accepted Accounting Principles for presentation to the City Council.

Timeline

- December 14, 2021
 - Public Hearing
 - First Reading of the Ordinance
- December 17, 2021 (Special Meeting)
 - Second Reading of the Ordinance
 - TIRZ Reimbursement Agreement
 - GTEC Agreement

Second Reading of Ordinance

An Ordinance of the City Council of the City of Georgetown, Texas, designating a certain area within the City of Georgetown, Williamson County, Texas, as Tax Increment Financing Reinvestment Zone Number Six (“North Georgetown TIRZ”); establishing the boundaries of such Zone; creating a Board of Directors for said Reinvestment Zone, and other matters related thereto; containing findings; providing a repealing clause; providing a severability clause; and providing an effective date.