

2018-2019 BUDGET QUESTION
Response to Request for Information

DEPARTMENT: Economic Development, Financial Services

REQUEST NO.: 127

REQUESTED BY: Alter

DATE REQUESTED: 8/30/18

DATE POSTED: 9/9/18

REQUEST: Please provide additional information regarding the Seaholm Tax Increment Financing Fund beyond the details included on page 351 of the FY 2019 proposed budget.

RESPONSE: The Seaholm Tax Increment Financing (TIF) Fund was established to account for property and sales tax revenue that is collected in Seaholm Tax Reinvestment Zone (TIRZ) No. 18, which was created by the City Council in December 2008, in conjunction with the Master Development Agreement (MDA) for the Seaholm area. The TIF is scheduled to end September 30, 2043, or when all project costs and/or debt repayments have been paid.

The creation of TIRZ No. 18 was necessary to ensure the development of the Seaholm area. Under the terms of the TIRZ, the City of Austin will contribute 100% of its tax increment to support \$20.4 million in infrastructure improvements, pursuant to the TIRZ project and financing plan, and in accordance with the MDA. These improvements included repurposing of the historic generator building, construction of a public plaza, and bike, pedestrian, street, and utility infrastructure.

Since its inception, \$3.2 million of tax revenue has been collected and deposited into the Seaholm TIF Fund. In addition, as the City was a partner in the redevelopment, the Seaholm TIF Fund also realized \$11.5 million in revenue sharing. It is anticipated that the City's TIRZ obligations will be fully funded by the mid 2020s, well in advance of the original 2043 end date for the TIRZ.