

ORDINANCE NO. 001012-34

AN ORDINANCE APPROVING A PROJECT AND FINANCING PLAN FOR CITY OF AUSTIN TAX INCREMENT FINANCING REINVESTMENT ZONE NO. 15.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. Findings.

- (A) The Board of Directors of Reinvestment Zone No. 15, a City of Austin Tax Increment Financing Reinvestment Zone created under authority of Texas Tax Code Chapter 311, including Blocks 2, 3, 4 and 21 of the Original City Subdivision, has adopted the Project and Financing Plan attached as Exhibit A.
- (B) The Project and Financing Plan is feasible and conforms to the comprehensive plan of the City of Austin.

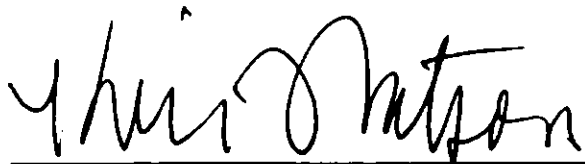
PART 2. The Project and Financing Plan for City of Austin Tax Increment Financing Reinvestment Zone No. 15, attached as Exhibit A, is approved.

PART 3. The Council waives the requirements of Sections 2-2-3 and 2-2-7 of the City Code for this ordinance.


PART 4. This ordinance takes effect on October 23, 2000.

PASSED AND APPROVED

October 12, 2000

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Kirk Watson
Mayor

APPROVED: 
Andrew Martin
City Attorney

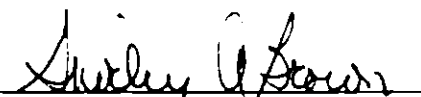
ATTEST: 
Shirley A. Brown
City Clerk

Exhibit A

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**PROJECT AND FINANCING PLAN FOR REINVESTMENT ZONE #15
CITY OF AUSTIN, TEXAS
A TAX INCREMENT FINANCING REINVESTMENT ZONE UNDER
TAX CODE CHAPTER 311**

BACKGROUND

On April 1, 1999 the Council authorized the negotiation and execution of leases with Computer Sciences Corporation (CSC) in accordance with a Statement Concerning Essential Terms for CSC's Downtown Headquarters Facility for its Financial Services Group (Resolution 990401-20). Under the Statement of Terms, the City agreed to create a single jurisdiction Tax Increment Finance (TIF) Reinvestment Zone covering Blocks 2, 3, 4, and 21 of downtown Austin.

On August 26, 1999, the Council held a public hearing as required by Section 311.003. of the TIF Act and created by Ordinance, Reinvestment Zone Number Fifteen, City of Austin, Texas, a TIF Reinvestment Zone under Tax Code 311. As a part of that action, the Council was designated as the TIF District Board of Directors and received a preliminary reinvestment zone project and financing plan.

On February 1, 2000, the Master Agreement and ground leases between the City of Austin and CSC for Blocks 2,4 and 21 were executed.

Section 311.011. of the TIF Act requires the Board of Directors of the reinvestment zone to prepare and adopt a project plan and financing plan for the reinvestment zone. The City Council must approve the plan by ordinance. The plan should be as consistent as possible with the preliminary plans developed for the zone before the creation of the board. This report meets the criteria as outlined in Section 311.001.

PROJECT PLAN (Section 311.011.)

The proposed development plan for the approximately 9.1 acre zone is a mixed-use development and redevelopment project including commercial, retail, and municipal uses. Specifically, the proposed uses would include the 700,000 square foot CSC headquarters project on Blocks 2, 4 and 21 with ground floor retail space on at least two of the three CSC blocks, and a new City Hall and Public Plaza on Block 3. The City would set aside a portion (\$100,000 per year) of the annual incremental tax revenue received from the CSC project to maintain the plazas, streetscapes, and other public improvements constructed and installed by the City within the zone.

(Section 311.011.) (b) (1) Exhibit 1 is a map showing existing uses and conditions of real property in the zone. Exhibit 2 indicates proposed improvements to and proposed uses of that property. The maintenance of plazas, streetscapes, and other public amenities will occur throughout the zone.

(Section 311.011.) (b)(2) The zone is currently zoned Central Business District (CBD) except for the Schneider Store plat on Block 2, which is zoned Central Business District - Historic (CBD-H). The proposed redevelopment plan for the zone will be developed in accordance with all city building codes and other appropriate municipal ordinances. The proposed redevelopment of the zone is consistent with the City's Master Plan and enhances the City's "Smart Growth Initiative".

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TIF Reinvestment Zone #15 Plan

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REINVESTMENT ZONE FINANCING PLAN (Section 311.001)

(Section 311.011)(b) (3) There are no estimated non-project costs included in the Plan.

Section 311.011) (b) (4) The redevelopment program does not require the displacement or relocation of any individuals as a result of implementing the Plan.

(Section 311.011.) (c) (1) The estimated project cost for the TIF reinvestment zone is \$100,000 annually for the duration of the zone. The proposed location of the improvements is throughout the zone since the purpose of the tax increment funds is to provide a variety of maintenance functions as discussed previously.

In the first year of the TIF, it is expected approximately \$50,000 will be expended. After Year 1, \$100,000 will be expended for each of the next 29 years. Exhibit 3 provides a preliminary budget for the proposed uses of the TIF funds.

(Section 311.011.) (c) (2) The maintenance of facilities will occur throughout TIF Reinvestment Zone Number Fifteen. Exhibit 4 indicates the location of anticipated improvements throughout the Reinvestment Zone Number Fifteen.

(Section 311.011.) (c) (3) Currently, the TIF reinvestment zone is underutilized and provides limited economic benefit to the City of Austin and other taxing jurisdictions. As previous findings indicated, development or redevelopment within the boundaries of the zone would not occur solely through private investment in the foreseeable future. The primary uses of the zone are public and vacant. In addition, the area, as previously noted, includes obsolete platting, zoning, and deterioration of structures, which substantially impairs or arrests the sound growth of the City. The current appraised value of the zone is approximately \$15.4 million.

The proposed development plan for the zone will create substantial employment opportunities from the CSC Headquarters project, the retail development, and City Hall. The total employment projected for the TIF zone is 3,500 to 4000. In addition, the City Hall will provide a community anchor for the project and provide enhanced public services. The total investment for the proposed zone is estimated to be \$250 million - \$300 million. The total estimated property tax revenues for the various taxing jurisdictions at completion of the project is estimated to fall between \$6,349,750 and \$7,619,700 annually. The City of Austin incremental revenue is estimated to be \$1,165,750 to \$1,398,900. In addition, there will be sales tax revenues associated with the retail component of the project. The creation of the TIF reinvestment zone is economically feasible.

Section 311.011.) (c) (4) The zone will not incur any bonded indebtedness.

Section 311.011. (c) (5) The costs are expected to be incurred upon the completion of the project. The current estimated date of completion is 2004. The costs shall continue each year throughout the term of the 30-year TIF.

Section 311.011. (c) (6) None of the project costs are being funded from the TIF increment. The TIF funds are to be use for operating and maintenance expenses for improvements within the reinvestment zone. The percentage of tax increment derived from other taxing jurisdictions is: Austin Independent School District (AISD), zero (0), Travis County, zero (0), Austin Community College (ACC), zero, (0). 100 % of the costs are being derived from the City of Austin tax increment. The \$100,000 represents 8.6% of the City's tax increment.

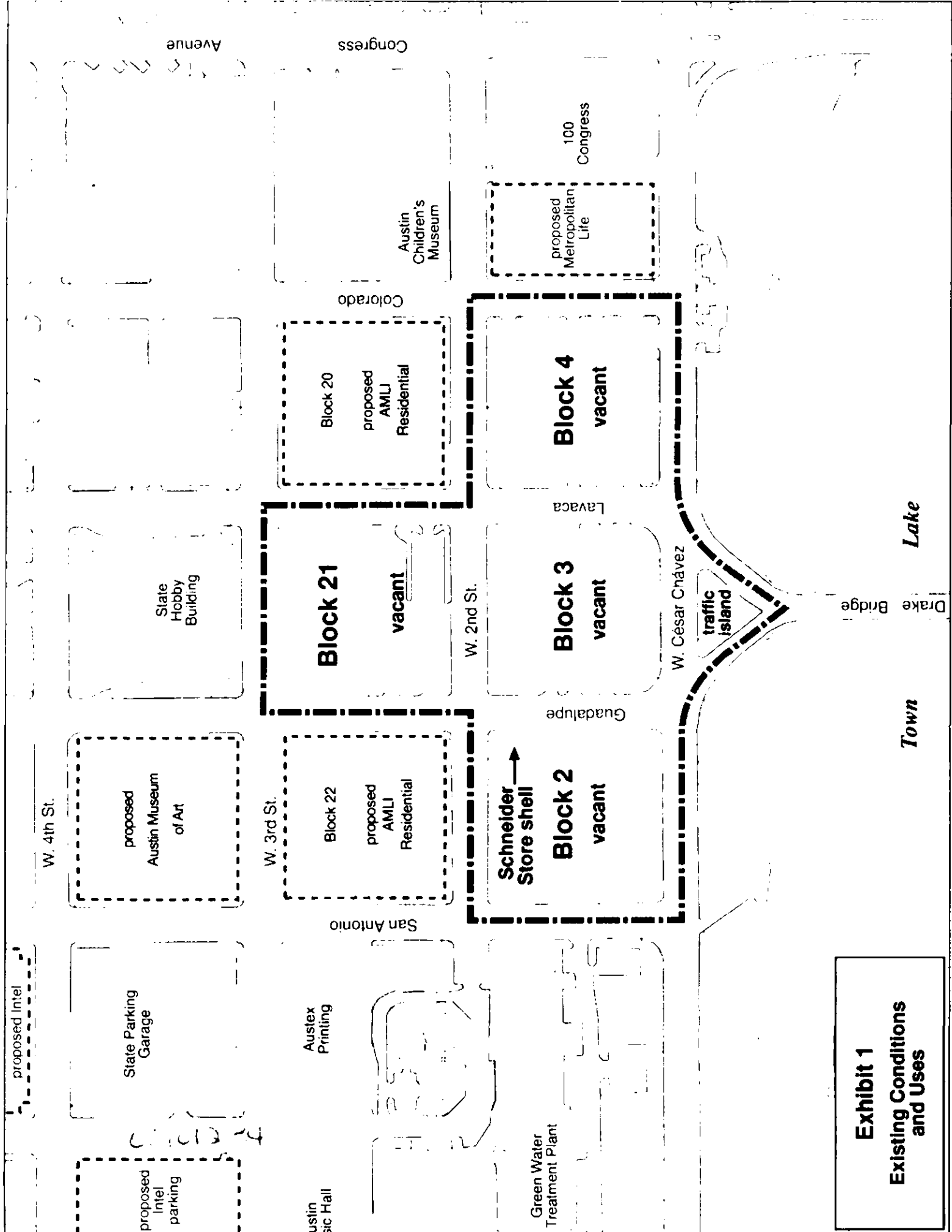
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TIF Reinvestment Zone Plan
Page 3

Section 311.011. (c) (7) The total appraised value of taxable real property in the zone is \$145,000.

Section 311.011. (c) (8) The estimated captured appraised value of the zone is \$100, 000 annually for the duration of the zone.

Section 311.011. (c) (9) The term of the Reinvestment Zone is thirty years.



Avenue Congress

100 Congress

Austin Children's Museum

proposed Metropolitan Life

Colorado

Block 20
proposed AMLJ Residential

Block 4
vacant

State Hobby Building

Lavaca

Block 21
vacant

Block 3
vacant

W. 2nd St.

W. César Chávez

traffic island

Drake Bridge

Lake

W. 4th St.

proposed Austin Museum of Art

Guadalupe

Block 22
proposed AMLI Residential

Schneider Store shell
Block 2
vacant

W. 3rd St.

San Antonio

Austex Printing

Green Water Treatment Plant

proposed Intel

State Parking Garage

proposed Intel parking

Austin Civic Hall

Exhibit 1
Existing Conditions and Uses

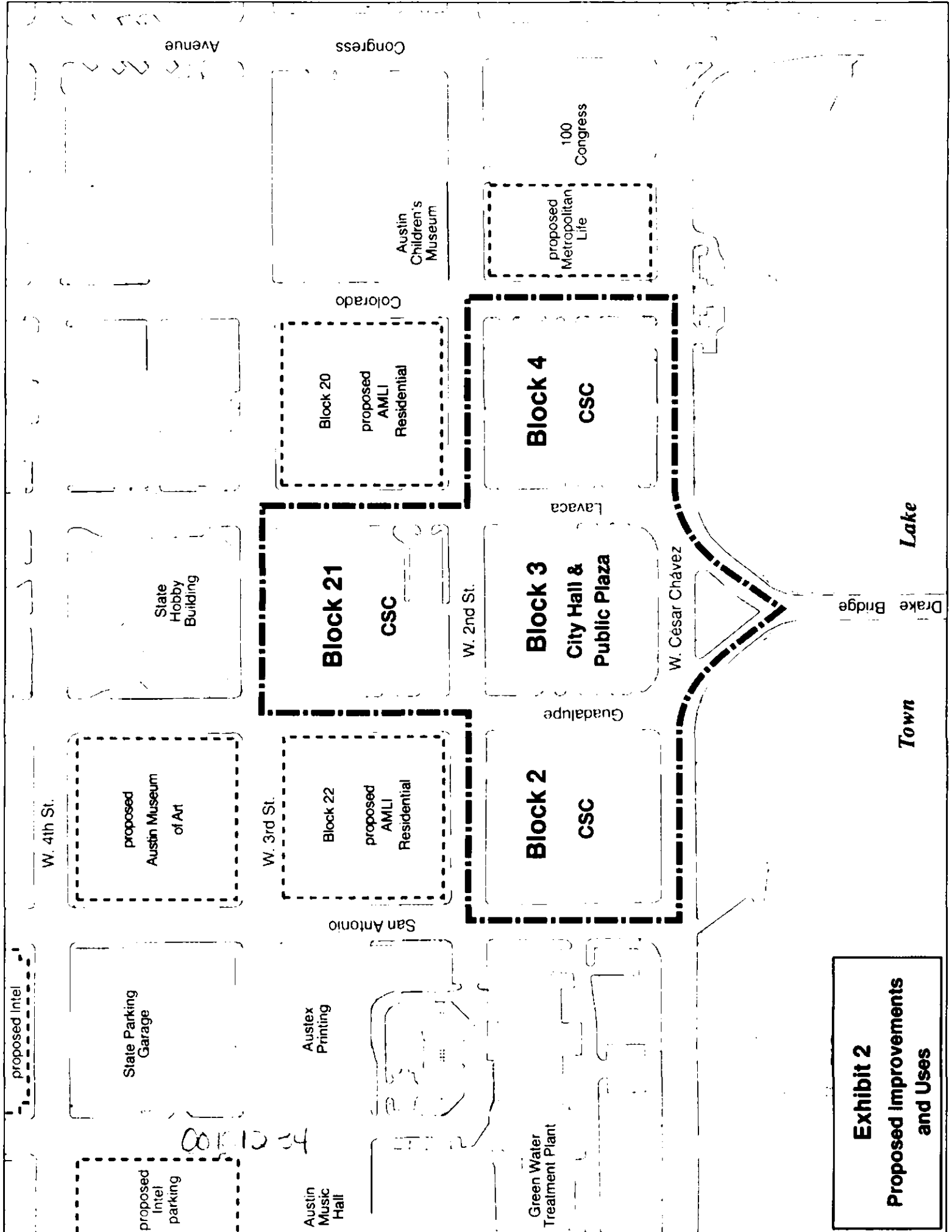


Exhibit 2
Proposed Improvements
and Uses

W. 4th St.

W. 3rd St.

W. 2nd St.

W. César Chávez

San Antonio

Guadalupe

Lavaca

Colorado

Congress

Avenue

State Parking Garage

proposed Austin Museum of Art

State Hobby Building

proposed Intel parking

Austex Printing

Austin Music Hall

Block 22
 proposed AMLI Residential

Block 21
 CSC

Block 20
 proposed AMLI Residential

Austin Children's Museum

Green Water Treatment Plant

Block 2
 CSC

Block 3
 City Hall & Public Plaza

Block 4
 CSC

100 Congress
 proposed Metropolitan Life

Drake Bridge

Lake

Town

0011034

EXHIBIT 3

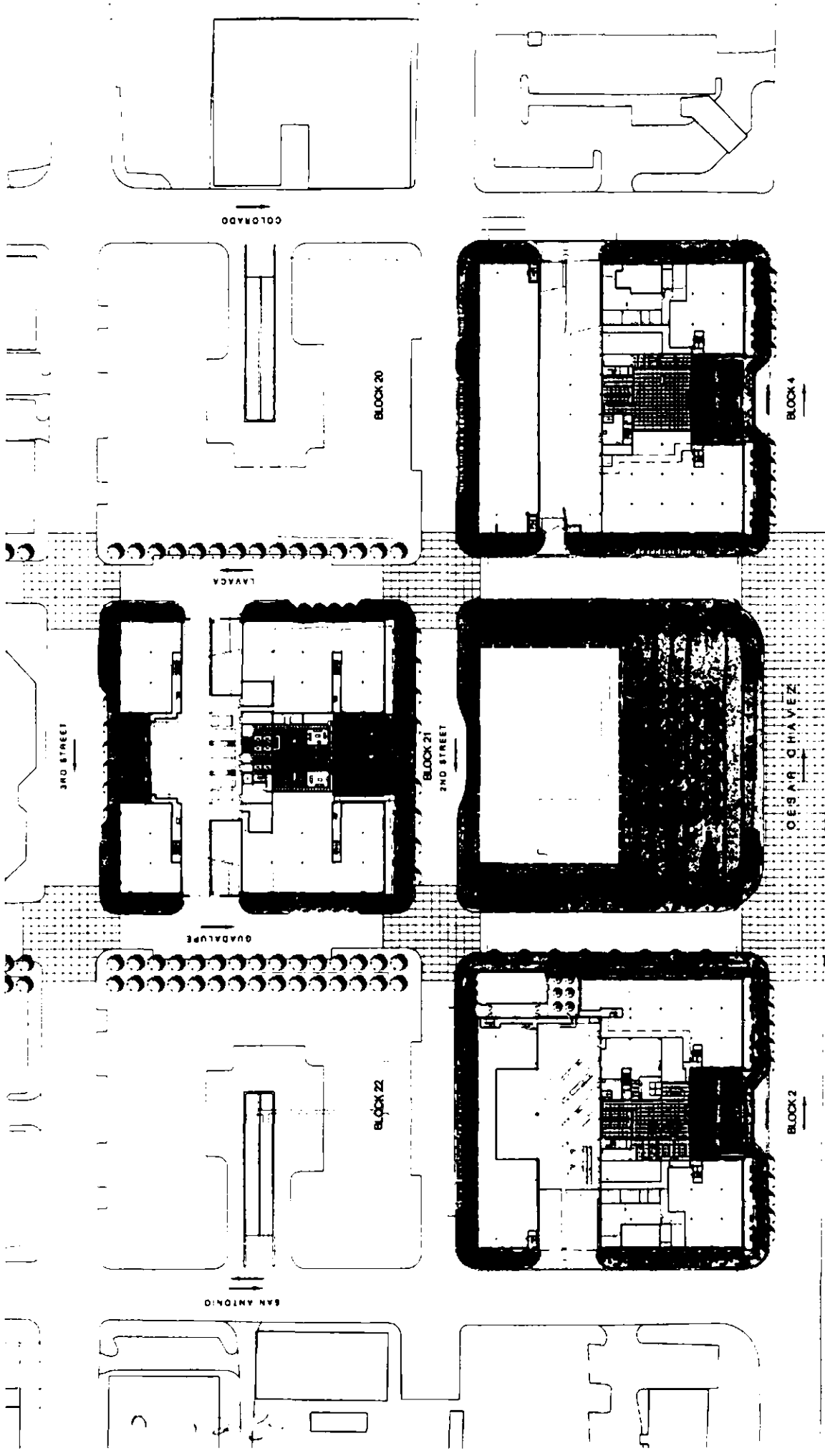
**PRELIMINARY BUDGET FOR TAX INCREMENT FINANCING REINVESTMENT ZONE
NUMBER FIFTEEN**

Year 1

Personnel Costs - \$20,000
Roads and Grounds Maintenance - \$20,000
Materials/Supplies - \$ 10,000
Total _ \$50,000

Years 2-29 (Annual Budget)

Personnel Costs - \$50,000
Roads and Grounds Maintenance - \$35,000
Materials/Supplies - \$ 15,000
Total - \$100,000



PROGRESS PRINT
NOT FOR CONSTRUCTION
 DATE 14 August 2000

 MAINTENANCE AREA

Exhibit 4