

## A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	15308	Agenda Number	14.
Meeting Date:	5/24/2012		Department:	Economic Growth and Redevelopment
Subject				
Approve an ordinance amending Ordinance Nos. 20081211-028 and 20091119-033 to increase the geographic boundaries of the Seaholm Redevelopment Project Tax Increment Financing Zone No. 18, City of Austin, Texas, and to amend the Final Project and Financing Plan, board appointments, and term of the zone.				
Amount and Source of Funding				
Fiscal Note				
There is no unanticipated fiscal impact. A fiscal note is not required.				
Purchasing Language:				
Prior Council Action:	December 11, 2008: Council approved Ordinance No. 20081211-028 creating Tax Increment Financing (TIF) Zone No.18 (Seaholm Redevelopment project) and establishing a board of directors and preliminary project and financing plan. November 19, 2009: Council approved Ordinance No. 20091119-033 adopting the Final Project and Financing Plan for TIF Zone No.18 (Seaholm Redevelopment Project). April 26, 2012: Council held a Public Hearing to consider amendments to TIF Zone No.18 (Seaholm Redevelopment Project) Project and Financing Plan.			
For More Information:	Kevin Johns, Director / EGRSO, 974-7802; Fred Evins, Redevelopment Project Manager / EGRSO, 974-7131			
Boards and Commission Action:	March 26, 2009: TIF No. 18 (Seaholm Redevelopment Project) Board adopted the Final Project and Financing Plan. April 26, 2012: TIF Board No. 18 (Seaholm Redevelopment Project) recommended approval of amendments to the Project and Financing Plan.			
MBE / WBE:				
Related Items:				
Additional Backup Information				

On December 18, 2008, the Austin City Council approved Ordinance No. 20081211-028 creating Tax Increment Financing (TIF) Reinvestment Zone No. 18 to finance the construction of public improvements for the Seaholm Redevelopment Project.

In accordance with Chapter 311 of the Texas Tax Code, the City Council was required to adopt a project plan and financing plan for the TIF. The project plan described how land in the TIF would be redeveloped. The financing plan described the means of financing the redevelopment, which included tax increment financing. On November 19, 2009, the City Council adopted Ordinance No. 20091119-033, which adopted the final project and financing plan for the Zone. Under the terms of the TIF, the City of Austin was the only participating entity and would use 100% of its property tax and sales tax increment to repay debt that was issued to finance a portion of the public infrastructure elements of the redevelopment.

The original TIF was located within the area bounded on the west by the planned Seaholm Drive from Third Street south to Cesar Chavez Street; on the south by Cesar Chavez Street from the planned West Avenue west to Seaholm Drive; on the east by West Avenue from Cesar Chavez Street north to Third Street; and on the north by Third Street between Seaholm Drive and West Avenue.

The purpose of the project, which is to be partially financed through the TIF, is to provide for the redevelopment of the historically significant Seaholm Power Plant and its immediate grounds.

In addition to rehabilitation of the historic power plant, the Project will relocate utilities, provide for new street infrastructure to connect Cesar Chavez Street and Third Street, and provide for the development of an office building and residential tower. The new street infrastructure will provide access to the office building and residential tower thereby supporting the economic viability of the Project.

To finance the public infrastructure and power plant rehabilitation components of the Project, the City formed the TIF in accordance with State law. Tax increment revenues so generated may be expended only for purposes described in the project and financing plan for the TIF. The public infrastructure and power plant rehabilitation components of the Project will be primarily funded by the issuance of debt that will be repaid from the tax increment revenues, both property taxes and sales taxes, collected during the duration of the TIF.

The city has prepared an amended reinvestment zone project and financing plan. The amended plan repeals and replaces the Final Plan and incorporates the following revisions:

- Increases the geographic boundary of the TIF Zone to include the Gables Park Plaza Phase II and the Bowie Underpass
- Increases the project costs for the street infrastructure, the Bowie Bicycle and Pedestrian Underpass, and safety improvements to the UPRR deck over 2<sup>nd</sup> Street west of the Seaholm Power Plant
- Increases the debt to be incurred by the Project
- Increases the projected tax revenue
- Term

Owners of the Gables Park Plaza Phase II have submitted a letter of support and do not protest being included in the expanded TIF Zone and of the completion of the Bowie Bicycle and Pedestrian Underpass.