

11-4-04
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NOTICE OF THE INTENTION OF THE CITY OF AUSTIN TO ESTABLISH
A REINVESTMENT ZONE FOR TAX INCREMENT FINANCING PURSUANT TO THE
TAX INCREMENT FINANCING ACT, TEXAS TAX CODE CHAPTER 311

Samuel T. Biscoe, County Judge
Travis County
314 West 11th Street, #520
Austin, Texas 78701

Doyle Valdez, President, Board of Trustees
Austin Community College
1111 West 6th Street
Austin, Texas 78703

Dr. Barbara Mink, Chair, Board of Trustees
Austin Independent School District
5930 Middle Fiskville Road
Austin, Texas 78752

Clarke Heidrick, Chair
Travis County Hospital District
314 West 11th Street, #520
Austin, Texas 78701

DEAR HONORABLE MEMBERS OF THE ABOVE GOVERNING BODIES:

As you may know, the City of Austin is negotiating a master development agreement (the "MDA") with Catellus Development Corporation (Catellus) under which Catellus will redevelop the site of the former Robert Mueller Municipal Airport ("RMMA"). This site, comprising approximately 700 acres, will be redeveloped as a mixed-use neighborhood with approximately 4,600 housing units, 2.5 million square feet of office, and 650,000 square feet of retail, with schools, parks and open space.

The redevelopment of RMMA will be an urban in-fill project, with extensive deconstruction of runways and remaining RMMA facilities. In addition, the project will have features and amenities considerably in excess of those found in most developments, including: a 25% affordable housing component; a 20% dedication of open space to parks, sports fields, and greenways; a transit boulevard; alleyways; and, a comprehensive network of bicycle facilities. For these reasons, the City and Catellus estimate that the cost of developing the site will be greater than the anticipated revenue from land sales.

Due to the expected deficit between revenue and cost, the City and Catellus have agreed that, pursuant to the MDA, the City would provide public financing to assist with the cost of infrastructure construction. Further, to facilitate the public financing, the City and Catellus have also agreed that the City would establish a Tax Increment Reinvestment Zone. Attached you will find a site map of the area proposed to be included in the zone, as well as a description of the types of costs expected to be paid through the public financing plan.

On November 4, 2004, the Austin City Council set a public hearing to receive public comment on the creation of the proposed reinvestment zone and its benefits to the City and to the property in the proposed reinvestment zone. The hearing is scheduled to be held at 6:00 p.m. on December 2, 2004, at the Board Room at the Lower Colorado River Authority Hancock Building, 3700 Lake Austin Boulevard, Austin, Texas.

A description of the boundaries for the proposed reinvestment zone, a description of the tentative plans for the development of the proposed reinvestment zone, and an estimate of the general effect of the proposed reinvestment zone on property values and tax revenues are also attached to

this letter ("Proposed Reinvestment Zone").

Please note that the City of Austin requests that your governing body agree to waive the requirement set forth in Section 311.003(e) of the Act that not later than the 60th day before the date of the public hearing, the City Council notify each taxing unit that levies real property taxes in the proposed reinvestment zone that the City intends to establish the reinvestment zone.

The City further requests that you designate within 15 days a representative to meet with City staff to discuss the project plan and the reinvestment zone financing plan.

Upon designating your representative, please advise the City in writing of his/her name and title. Please also send a certified copy of the action taking by your governing board waiving the 60-day notification requirement described above. Please forward both of these items to:

Vickie Schubert
Deputy Chief Financial Officer
City of Austin
P.O. Box 1088
Austin, Texas 78767

Thank you for your assistance in this matter. If you need more information or have questions, please contact Ms. Schubert at 974-7822.

By directive of the Austin City Council:

Shirley A. Brown, City Clerk

Date

Toby Hammett Futrell, City Manager

Date