SUBJECT: Conduct a public hearing and approve an ordinance creating a reinvestment zone under Chapter 311, Texas Tax Code (the Tax Increment Financing Act) for Mueller Property (formerly the Robert Mueller Municipal Airport), establishing a Board of Directors for the zone and approving related matters. The tax increment financing zone will be known as "Reinvestment Zone Number Sixteen, City of Austin, Texas."

AMOUNT & SOURCE OF FUNDING: N/A

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING   Financial and   **DIRECTOR'S**
DEPARTMENT: Administrative Services   **AUTHORIZATION:** Vickie Schubert

FOR MORE INFORMATION CONTACT: Vickie Schubert, Deputy Chief Financial Officer, 974-7822

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

The City of Austin (the City) expects to incur public infrastructure expenses in the redevelopment of Robert Mueller Municipal Airport (RMMA). Much of the front end redevelopment cost will initially be paid for by the City's developer, Catellus Austin L.L.C. (Catellus). However, under State Law most expenses incurred by Catellus may be eligible for reimbursement from public funds, and, it may be more cost effective to cover certain infrastructure expenses through tax revenues generated by the property.

A potential financing option involves a tax increment finance reinvestment zone (TIF) under Chapter 311, Texas Tax Code (Chapter 311). By creating a TIF, a portion of the incremental tax revenue from development of the RMMA tract can be dedicated to RMMA project costs, including infrastructure, in the future.

Before adopting an ordinance creating a tax increment financing zone, a hearing must be held on the creation of the zone and its benefits to the City and the property in the zone.