

RESOLUTION NO. 001012-33

WHEREAS, the Board of Directors of the City of Austin Tax Increment Financing Reinvestment Zone No. 15 has had prepared, and has reviewed the Project and Financing Plan for the Zone attached to this resolution as Exhibit A; and

WHEREAS, the Board has determined that the Project and Financing Plan is as consistent as possible with the preliminary plans developed for the zone before the creation of the Board; **NOW, THEREFORE**,

BE IT RESOLVED BY THE BOARD OF THE AUSTIN TAX INCREMENT FINANCING REINVESTMENT ZONE NO. 15:

The Project and Financing Plan for Reinvestment Zone No. 15, attached to this resolution as Exhibit A, is adopted.

ADOPTED: October 12, 2000

ATTEST:

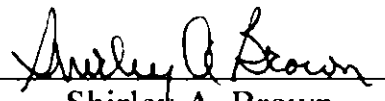

Shirley A. Brown
City Clerk

Exhibit A

001012-33

**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".

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
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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.

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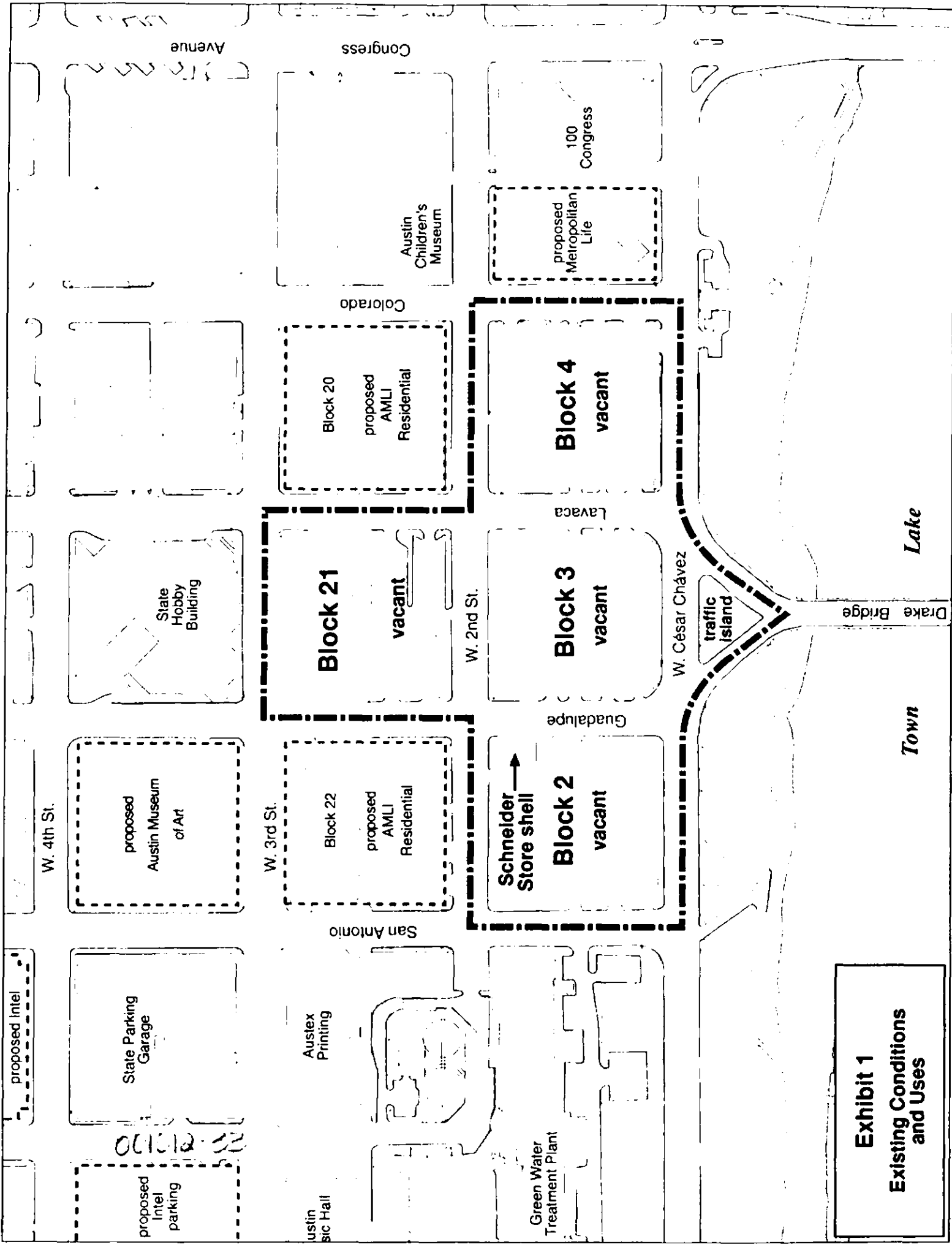


Exhibit 1
Existing Conditions
and Uses

proposed Intel

State Parking Garage

proposed Intel parking

W. 4th St.

proposed Austin Museum of Art

State Hobby Building

W. 3rd St.

Block 22
 proposed AMLI Residential

Block 21
 vacant

Block 20
 proposed AMLI Residential

San Antonio

Austex Printing

Austin Music Hall

W. 2nd St.

Schneider Store shell →
 Block 2
 vacant

Guadalupe

Lavaca

Block 3
 vacant

Block 4
 vacant

Austin Children's Museum

Congress

proposed Metropolitan Life

100 Congress

Avenue

W. César Chávez

traffic island

Drake Bridge

Lake

Town

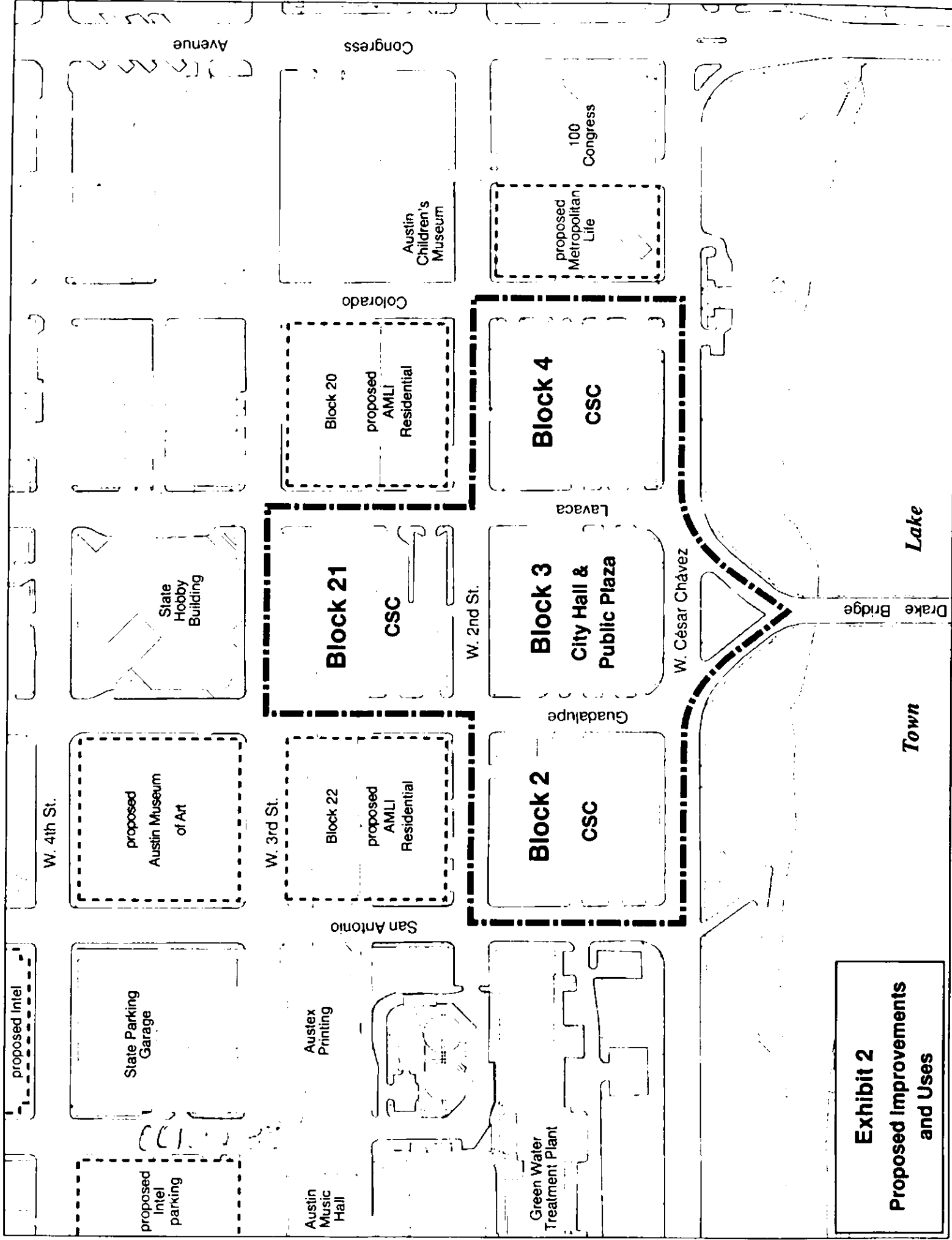


Exhibit 2
Proposed Improvements
and Uses

EXHIBIT 3

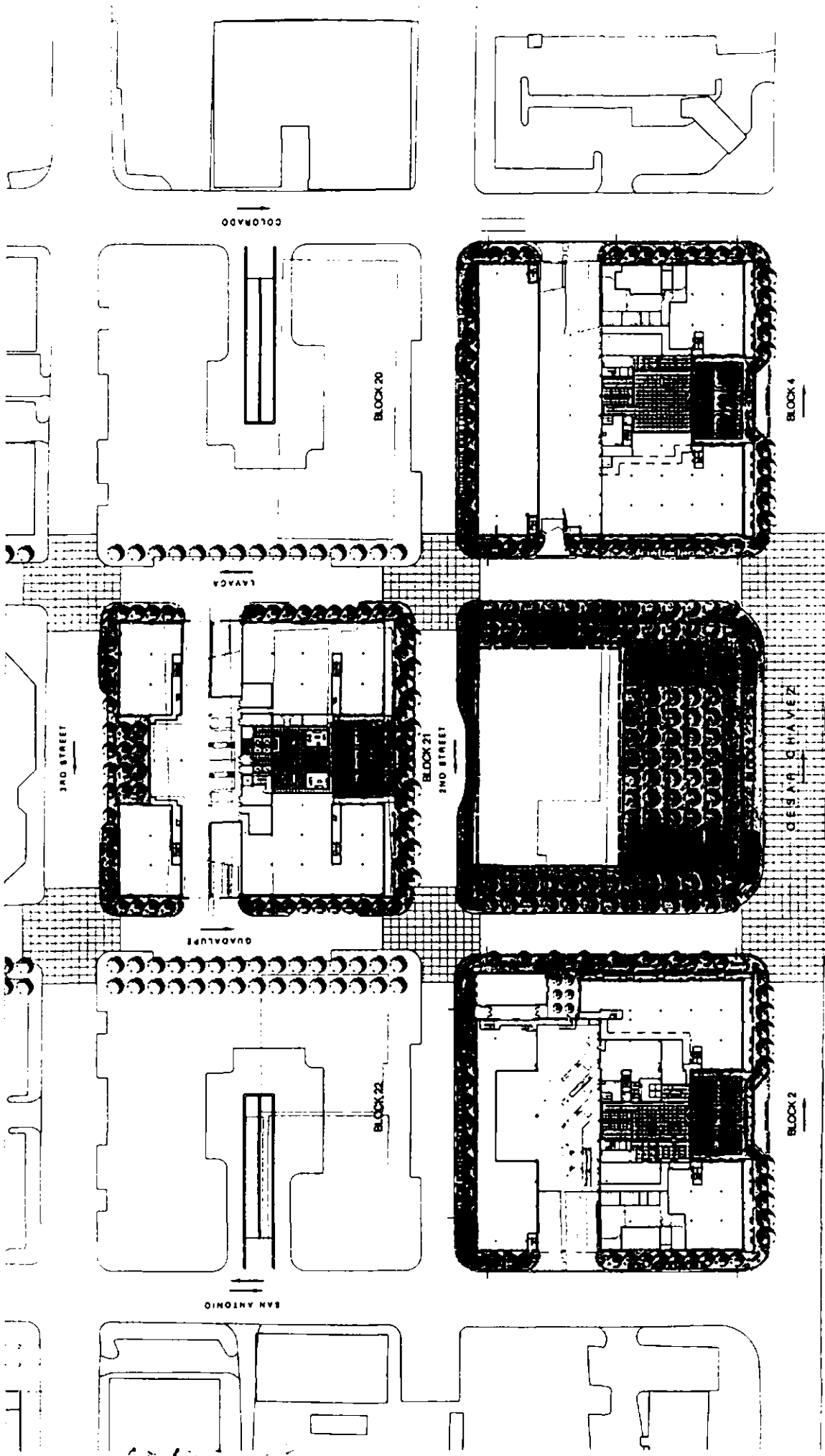
**PRELIMINARY BUDGET FOR TAX INCREMENT FINANCING REINVESTMENT ZONE
NUMBER FIFTEEN**

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