

# **Amendment No.2 to Waller Creek Tax Increment Reinvestment Zone (TIRZ) #17**

*City Council  
May 8, 2018*

# Waller Creek: *Council Direction*

*Resolution 20170928-052*

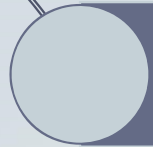
**“That the City Council wishes the City Manager to continue the staff process to expand temporally the Waller Creek Tax Increment Finance Zone (TIF) temporal expansion.** At the required TIF briefing or soon thereafter, the City Manager should delineate the proposed roles and responsibilities of the City of Austin, Waller Creek Local Government Corporation, and the Waller Creek Conservancy. Further, City Council requests the City Manager investigate and present viable options for a public improvement district or other funding mechanism for area properties to pay for the maintenance and operation of the associated chain of parks.”

**Staff Provided Initial Update at February 27, 2018 Council Work session:**

<http://www.austintexas.gov/edims/document.cfm?id=293908>

# Today's Discussion

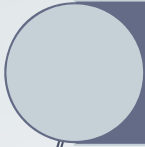
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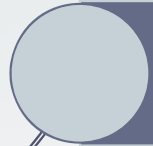
Waller Creek TIRZ #17 History



Waller Creek Plan



TIRZ #17 Amendment No. 2



Next Steps / Calendar

## WALLER CREEK TIRZ #17 HISTORY

# Waller Creek TIRZ #17: *History*

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- Tax Increment Reinvestment Zone (TIRZ) #17
  - Created in 2008
  - Base year is 2007
- City of Austin and Travis County both participate in TIRZ #17
  - City: 100% of incremental revenue
  - County: 50% of incremental revenue
- TIRZ duration is 20 years – through 2028
- Annual incremental TIRZ revenue supports \$106 million in debt for tunnel project
  - Issued by City
  - Four bond issuances over four years (FY12 – FY15)
  - **Term of debt ends in FY 2041**

Waller Creek (TIRZ #17)	
Base Year	2007
TIRZ Duration	Through 2028
COA Capture %	100%
Travis County Capture %	50%
Debt Issued (by City)	\$106 million
Debt Term Ends	FY 2041

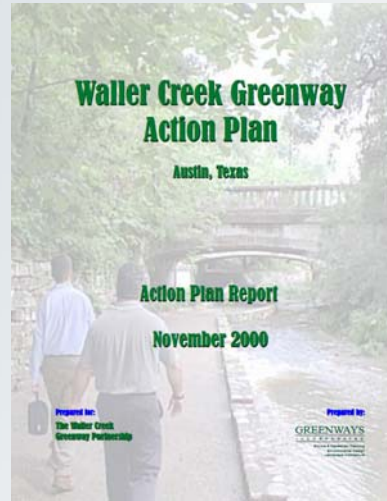
# WALLER CREEK PLAN

# Waller Creek: *A History of Planning*

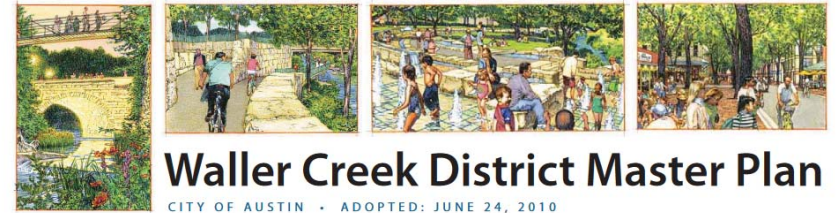
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1975  
Waller Creek  
Development  
Plan



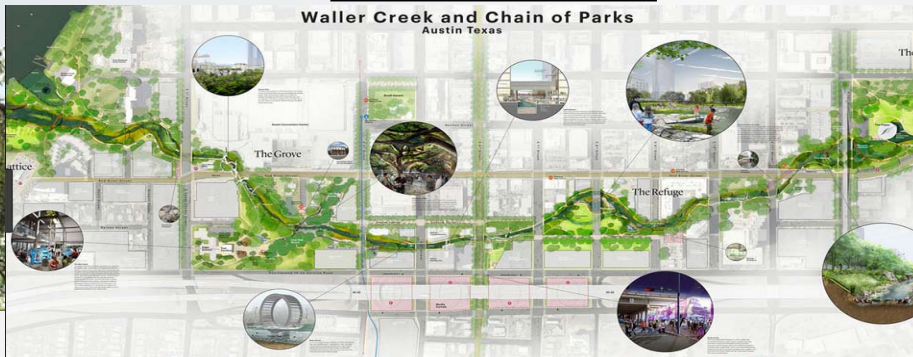
2000  
Waller Creek Greenway  
Partnership



2008-2010  
Waller Creek District Master Plan



2012-2013  
Waller Design Plan



2014 - 2015  
Waller Creek Corridor  
Framework Plan



# Waller Creek Conservancy: *Background*

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- Waller Creek Conservancy (WCC)
  - Founded in 2010 as a 501c3 non-profit
- Dedicated to restoring and improving the parks, trails, and public open spaces around Waller Creek between Lady Bird Lake and 15th Street
- Public-Private Partner with the City of Austin
- Directed a 2012 international design competition and extensive community engagement process that resulted in **Waller Creek Design Plan**
- Committed to creating parks and trails that are accessible and engaging for Austin's diverse and vibrant community

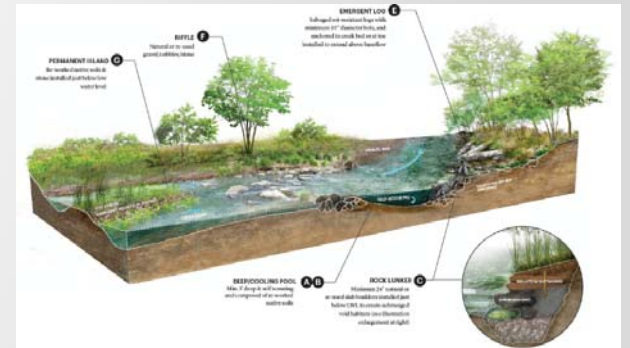




# Waller Creek: A Chain of Parks

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- Improvement to historic and creation of new parks
  - Historic Parks: Waterloo and Palm Park
  - New Parks: Creek Delta and The Refuge
  - 35 acres of public land into destination parks
- 1.5 miles of ecological restoration along Waller Creek
  - 11 of top 50 erosion sites are in lower Waller Creek
  - Focus on sustainability and environmental restoration of creek ecology and habitat
- A connected trail network with over 3 miles of trails
  - Accessible trails for park users of all ages and abilities
  - Off-street bike/ped infrastructure improving safety



# Waller Creek: *An Investment*

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- Waller Creek parks would be another key investment in the City's downtown ...
  - Due in part to other downtown investments, since 2008, CBD values have grown 265% vs 89% for the rest of the City, a 3:1 growth factor
  - CBD share of overall tax base has doubled, to \$12 billion
- “Proximate Principal” of value increase to properties
  - Dr. John Crompton of Texas A.M. University
  - Real estate value increases up to ½ mile from improvements
  - Faster development
  - Denser “typologies” of development
- Parks seen as investments vs costs

## TIRZ #17 AMENDMENT No. 2

# Amendment: *Necessary Steps*

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City of Austin  
Tax Increment Financing Reinvestment Zone No. 17

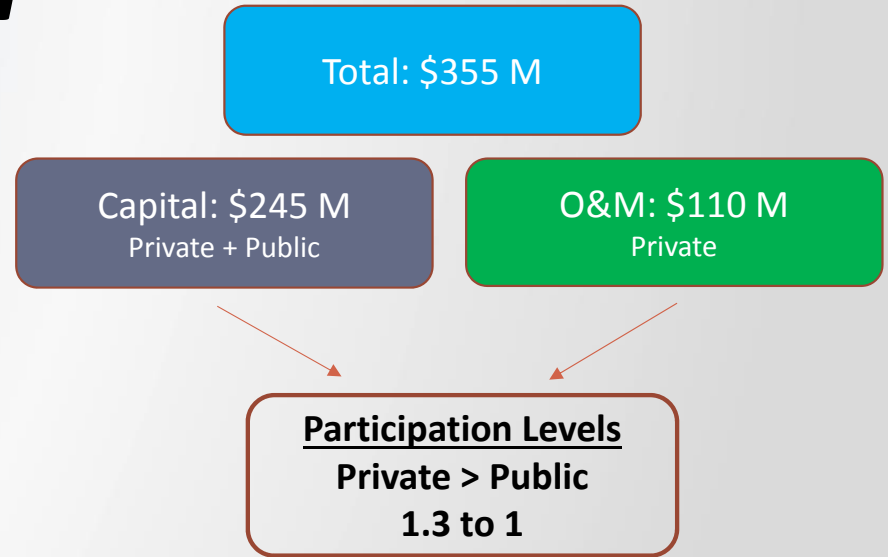
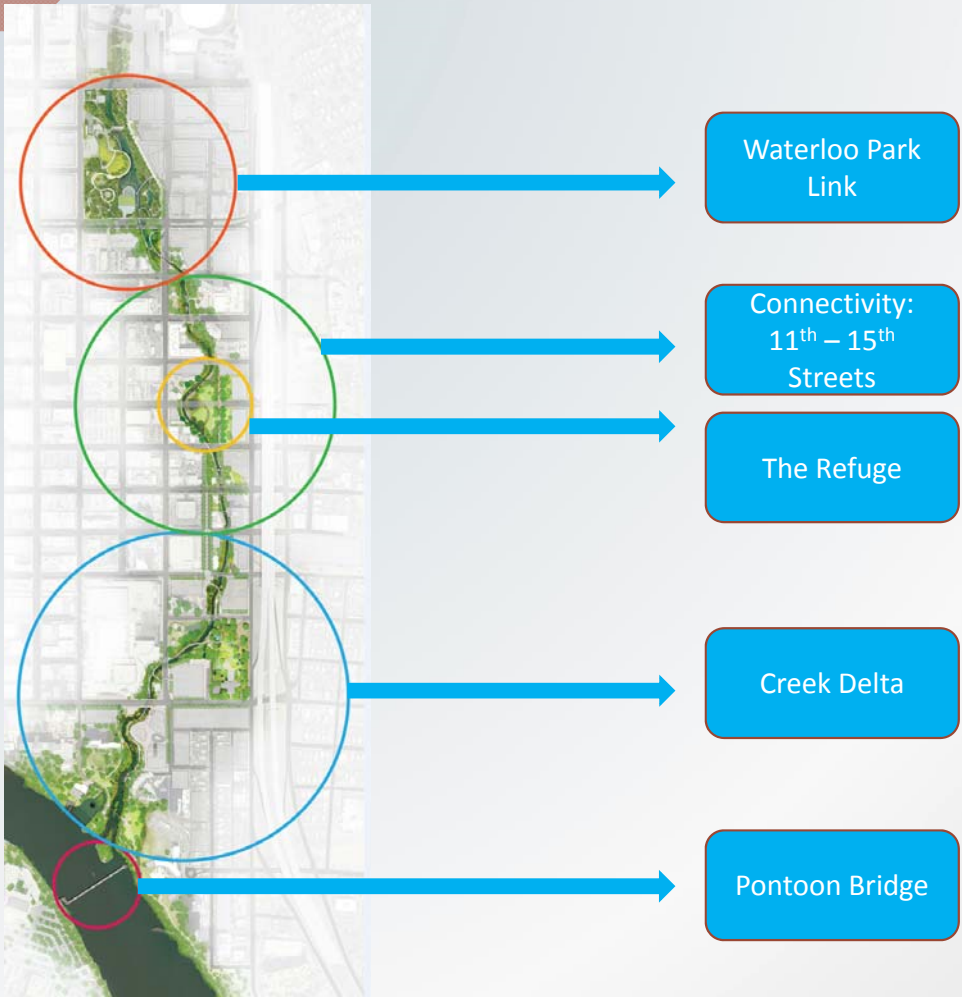
Amendment No. 2 to Final Project Plan and Reinvestment Zone  
Financing Plan

May 2018

- Extend the Duration of TIRZ No. 17 from 2028 to 2041
- Add Waller Creek Chain of Parks as Project Plan projects
- Update Financing Plan to fund parks, stream and trail improvements

# Amendment: *Project Plan*

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	Capital	O&M
<b>Private: \$203 M</b>		
Donations	✓	✓
Earned Revenue		✓
Property Owners (PID)		✓
<b>Public: \$152 M</b>		
Drainage CIP / 2012 Bonds / Grant	✓	
<b>TIRZ #17 – New Debt \$110 M</b>	✓	

# Amendment: *Project Plan*

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## Highlights

- *Waterloo Park Link* will include performing arts venue, gardens, nature-based play areas
  - Stream and trail improvements, connecting Waterloo Park to Symphony Square
- *Creek Delta* will create a trail extension off of Ann and Roy Butler Trail and will restore Waller Creek between Lady Bird Lake and 5th Street.
  - Key project is revitalization of Palm Park
  - Includes Joint O&M Facility on 4<sup>th</sup> Street site
- *Connectivity: 5<sup>th</sup> to 11<sup>th</sup> Streets* to build critical trail connections, including ecological restoration in The Narrows, most urbanized section of the Creek
- Plan allows for City staff to provide implementation support and oversight





# Amendment: *Financing Plan*

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## Waller Creek

Tax Increment Finance (TIF) Analysis

Prepared for

City of Austin  
301 West Second Street Austin,  
Texas 78701

By

Capitol Market Research, Inc.  
1102 West Avenue, Suite 100  
Austin, Texas 78701

On

April 24, 2018

- Market Analysis and Absorption Study
  - With tunnel + chain of parks + additional years, significant increase in value will continue over remaining life of the zone
- Based on this extra value, City would issue debt to participate in funding of parks
  - Maximum commitment of \$110 million
  - Appropriations and bond sales would occur over 6 - 8 years as project groups move forward
    - Initial funding request of \$25 million for Waterloo Park
  - **Validation of fundraising & value projections prior to any new appropriation / issuances of bonds**
- By end of TIRZ in 2041, residual funds remaining in TIRZ fund
- *Impact of investments in Waller Creek parks will occur beyond TIRZ boundary with a direct General Fund benefit*



# Amendment: *Financing Plan*

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## Waller Creek Conservancy (WCC)

- Will attain fundraising thresholds for Capital and O&M
  - Similar to other national models
  - Participation funding levels in accordance “project group” schedule / sequencing
- Waller Creek Conservancy / Downtown Austin Alliance for O&M

## Partnership

- Update Joint Development Agreement & Operating Agreement between City and WCC
  - Extend term to 2041
  - Adopt revised Waller Creek Design Plan to reflect most recent planning
  - Review and approval provisions for Phase Plan (project) process
  - Clarify WCC operating rights and responsibilities
- Add City representative to the Waller Creek Local Government Corporation (LGC)

## Next Steps / Action Items

# TIRZ #17 Amendment: *Required Actions*

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May 10th

- City Council Sets Public Hearing on TIRZ No.17 Amendment #2

May 24<sup>th</sup>

*City Council*

- Appoint TIRZ # 17 Board
- Conduct Public Hearing
- TIRZ #17 Amendment No. 2
- Capital Budget Amendment / Reimbursement Resolution
- Amendments to Joint Development Agreement
- Add City representative to LGC

*TIRZ #17 Board*

- TIRZ #17 Amendment No. 2

# QUESTIONS