

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL
Regular Meeting: May 24, 2018

Item Number: **012**

Financial Services

Approve an ordinance approving Amendment No. 2 to the Project and Financing Plan for Tax Increment Financing Reinvestment Zone (TIRZ) No. 17 to update current project design and project cost estimates, to extend the length of time in which the TIRZ operates, and to provide the most recent estimates of underlying funding sources that are anticipated to pay for the construction of projects within the Waller Creek District. The projects are proposed to be expanded to include parks, stream and trail improvements to enhance the developed land in the Waller Creek District. (Related to items 11, 13, 14, 15, 16, 67, and TIF #1).

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| Fiscal Note | See Attachment 2- Project and Financing Plan Amendment #2. |
| Prior Council Action | <p>February 17, 2011 - Council approved an ordinance approving Amendment No. 1 to the project and financing plan for Tax Increment Financing (TIF) Reinvestment Zone No. 17 to update current project design and project cost estimates, provide the most recent estimates of underlying funding sources that are anticipated to pay for the construction, operation and maintenance of the tunnel, and to provide for emergency passage.</p> <p>March 20, 2008 - Council approved the project and financing plan for the Waller Creek Tunnel Project, as well as an Agreement to Participate in TIF Reinvestment Zone No. 17 with Travis County</p> <p>June 21, 2007 - City Council (Council) approved an ordinance creating TIF Reinvestment Zone No. 17 to finance the construction of flood control improvements related to the Waller Creek Tunnel.</p> |
| For More Information | Greg Canally (512)974-2610 |

Additional Backup Information:

The purpose of Amendment No. 2 to the Final Project Plan and the Reinvestment Zone Financing Plan adopted in 2008 is to:

- Capture the benefits of building the surface-level improvements known as Waller Creek and the Chain of Parks (The Chain of Parks)
- Amend the duration of the Waller Creek Tax Increment Financing (TIF) Reinvestment Zone No. 17, as it relates to the City of Austin's participation, to provide bonding capacity to fund the design and construction of The Chain of Parks
- Provide updated cost estimates for the new projects to be executed
- Update estimates for revenue growth anticipated in the TIRZ District to support bonds for building The Chain of Parks

In accordance with State law, the Board of Directors of the Waller Creek TIRZ No. 17 at any time may adopt an amendment to the Project Plan consistent with the requirements and limitations of applicable State law. The amendment takes effect on approval by the City of Austin, as the municipality that created the zone. The original agreement was executed in March 2008 between the City of Austin and Travis County, and was amended in July 2011 for project design and cost estimates for the Waller Creek Tunnel Project. This second amendment extends the duration of the Zone until 2041 for the City. If an amendment increases the total estimated project costs, the approval must be by ordinance or order, as applicable, adopted after a public hearing that satisfies the procedural requirements outlined in State law. The City has completed the necessary procedural requirements. Notice of the public hearing was published in the Austin American Statesman on May 11, 2018, and the public hearing was scheduled and held in City Council chambers on May 24, 2018.

Project and Financing Plan

The Project and Financing Plan amendments include updates to the planning documents, project design, an updated financing plan, and an extension to the duration of the TIRZ. The planning documents and subsequent project designs support the vision to transform Austin's Waller Creek from an ignored and dilapidated creek system into a signature park and public space within the heart of downtown Austin. Informed by the groundwork completed as part of the Waller Creek Master Plan (ROMA Design Group, June 2010), The *Chain of Parks* design plan is the planning tool directing the vision for the Waller Creek District.

The combination of the increase in value during the current term of the TIRZ associated with Waller Creek Tunnel and these new investments in the Parks, plus extending the duration of TIRZ No. 17 for the City of Austin's participation at 100% capture, allows for issuance of an additional \$110 million to finance the additional projects included in the updated Project Plan. This public funding will be matched by \$203 million in private contributions.

Waller Creek and the Chain of Parks

The City of Austin, in partnership with the Waller Creek Conservancy, is developing *The Chain of Parks* along a restored Waller Creek in downtown Austin. Extending from Waterloo Park to Lady Bird Lake, The Chain of Parks will include 35-acres of revitalized and newly designed public open space along 1.5 miles of a restored Waller Creek. Within the public open space will be three miles of new hike and bike trails, world class art installations, parks and open space, and engaging cultural programs for all. Historically plagued by flash floods and undesirable uses, the new park and open space district will reintroduce Waller Creek to the City; transforming a forgotten place into a signature destination for Austinites and visitors alike.