



Recommendation for Action

File #: 21-3784, **Agenda Item #:** 4.

12/20/2021

Posting Language

Conduct a public hearing and consider an ordinance creating the proposed Tax Increment Reinvestment Zone No. 19 for the South-Central Waterfront to be located within the area bounded on the west by South 1st Street from Lady Bird Lake south to Bouldin Creek, on the south by Bouldin Creek from South 1st Street east to Riverside Drive, on the east by the Ann and Roy Butler Hike and Bike Trail from Riverside Drive north to Lady Bird Lake, and on the north by Lady Bird Lake from South 1st Street east to the Ann and Roy Butler Hike and Bike Trail between Lady Bird Lake and Riverside Drive; and establishing a Board of Directors for the zone, and related matters.

Lead Department

Financial Services Department.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

October 21, 2021 - City Council approved Resolution No. 20211021-044 directing the City Manager to develop the preliminary project and financing plan for the South-Central Waterfront Tax Increment Reinvestment Zone and to post a public hearing for the City Council to consider implementing a zone in calendar year 2021. City Council approved Resolution No. 20211021-045 directing the City Manager to complete actions necessary to create a financial strategy and regulatory framework for the geographic area described in the South-Central Waterfront Plan.

For More Information:

Ed Van Eenoo, Chief Financial Officer, Financial Services Department, 512-974-2638; Kim Olivares, Deputy Chief Financial Officer, Financial Services Department, 512-974-2924.

Additional Backup Information:

The City of Austin, Texas, a Texas home-rule municipality (City) has the authority under Chapter 311, Texas Tax Code, Tax Increment Financing Act (Act) to designate a contiguous or noncontiguous geographic area within the corporate limits of the City as a tax increment reinvestment zone to promote development, or redevelopment, of the area. For a zone to qualify under the Act, the governing body of the City (City Council) must determine that development or redevelopment within the zone would not occur solely through private investment in the reasonably foreseeable future, that the zone is feasible, and that creation of the zone is in the best interest of the City and the property in the zone. The purpose of the zone is to facilitate development, or redevelopment, by financing the costs of public works, public improvements, programs, and other projects benefiting the zone, plus other costs incidental to those expenditures, all these costs are authorized by the Act.

The City Council intends to create a tax increment reinvestment zone for the South-Central Waterfront to be known as "Reinvestment Zone No. 19, City of Austin" (Zone) that includes approximately 118 acres of land as depicted in Exhibit A (map - attached) and described via parcel listing attached in Exhibit B (Property). The Property is currently located within the corporate limits of the City and is zoned as commercial, industrial,

mixed-use, residential, and civic uses. The Property is being redeveloped because inadequate sidewalk and street layout and other factors that substantially impair or arrest the sound growth of the municipality. Development will require extensive public infrastructure that will not be provided solely through private investment in the foreseeable future. Portions of the Property substantially impair and arrest the sound growth of the City because the property is predominately unproductive or underdeveloped due to factors such as the lack of and aging of public infrastructure, inadequate street and sidewalk layout, and the need for economic incentive to attract development to the Zone for the purpose of providing long-term economic benefits including, but not limited to, increased real property tax base for all taxing units in the Zone.

The proposed public improvements to be financed by the Zone include roadway and drainage improvements, streetscapes, open spaces (parks, trails, plazas), utilities, green infrastructure, and reclaimed water and other miscellaneous and soft costs, as further described in Exhibit D (attached). If the public improvements, and other projects, are financed as contemplated by the Preliminary Plan (attached), the City envisions that the Property will be developed to take full advantage of the opportunity to bring to the City a quality development.