



TIRZ #2 Briefing

March 16, 2021



TIRZ #2

- TIRZ #2
 - Created in 2000
 - Used for infrastructure projects on the Island, primarily at or near the Packery Channel
 - Currently set to expire on December 31, 2022



Extension of TIRZ Duration

- Section 311.017 of the Texas Tax Code provides:
 - (a) A reinvestment zone terminates on the earlier of:
 - (1) the termination date designated in the ordinance or order, as applicable, designating the zone or an earlier or later termination date designated by an ordinance or order adopted under Section 311.007(c); or
 - (2) the date on which all project costs, tax increment bonds and interest on those bonds, and other obligations have been paid in full.
 - Section 311.007 allows the City to “extend the term of all or a portion of the zone after notice and hearing in the manner provided for the designation of the zone.” No other taxing entity is required to participate in the extended term of the Zone unless it enters into an agreement to do so.
 - Extension of term requires pending project costs or other obligations. We will need to make sure that there are projects planned that will require funding past 2022.
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Steps to Updating Financing Plan

1. Updated economic feasibility study - **COMPLETED**
 2. Update lists of planned projects/public works and estimated project costs to include new projects
 3. Update anticipate bonded indebtedness if necessary and include information on when the debt is expected to be incurred and how it is expected to be paid – **ADDITIONAL BONDS NOT ANTICIPATED AT THIS TIME**
 4. Contact taxing entities about continued/renewed participation in the TIRZ #2 and enter into new agreements
 5. Update amount of increment each entity agrees to contribute to the fund
 6. Update the estimated captured appraised value to include the extended duration – **COMPLETED AS PART OF ECONOMIC FEASIBILITY STUDY**
 7. Update the duration of the zone for an additional time period up to 20 years
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Project Plan

Likely only need minor changes to the project plan. The required information is below.

1. A description and map showing existing uses and condition of real property within the zone and proposed uses of that property
2. Proposed changes to zoning ordinances, the master plan of the city, building codes or other municipal ordinances or subdivision rules and regulations of the county
3. A list of estimated non-project costs
4. A statement of the method for relocating persons who will be displaced, if any, as a result of implementation of the plan



Procedure for Creating/Extending TIRZ

1. Preliminary Financing Plan – update our current plan as needed
2. Publish notice of hearing on creation/extension of TIRZ
3. Hold public hearing
4. Designate the TIRZ by ordinance and create the Board of Directors – Extend duration of TIRZ by ordinance
5. Board prepares finalized project and financing plan for Council approval – update of current plans as needed