



City of Dickinson, TX

City Council and Dickinson Economic Development Corporation Special Joint Meeting

Tuesday, March 22, 2022

6:00 PM

4403 Highway 3
Dickinson, TX 77539

Sean Skipworth, Mayor
Johnnie Simpson, Jr
Scott Shrader
Walter Wilson

Wally Deats
Louis Decker
William H. King III, Mayor Pro Tem
Theo Melancon, City Manager

The City of Dickinson will no longer allow telephone or video participation in the meeting; the public may use the following Uniform Resource Locator (URL) to view the meeting broadcast:

<https://www.dickinsontexas.gov/watchthemeeting>

1. **CALL TO ORDER AND CERTIFICATION OF A QUORUM**

2. **PUBLIC COMMENTS**

3. **PRESENTATION AND DISCUSSION CONCERNING:**

The Creation of Tax Increment Reinvestment Zones in Dickinson, Texas.

4. **PRESENTATION AND DISCUSSION CONCERNING:**

Project Genesis

5. **ADJOURNMENT**

CERTIFICATE OF NOTICE

This is to certify that the above Notice of Meeting was posted on the bulletin board of City Hall of the City of Dickinson, Texas, on or before the 18th day of March, 2022 prior to 5:00 p.m. as well as the City's public internet webpage, www.ci.dickinson.tx.us and was posted in accordance with the Texas Open Meetings Act, Chapter 551, Government Code.

Harilyn Basco
CITY SECRETARY



(SEAL)

NOTE: In compliance with the Americans with Disabilities Act, this facility is wheelchair accessible and accessible parking spaces are available. Requests for special accommodations or interpretive services must be made at least 48 hours prior to this meeting. Please contact the City Secretary's Office at 281-337-6217.

Tax Increment Reinvestment Zone

City of Dickinson, Texas

March 22, 2022



TXP, Inc.

(512) 328-8300 phone

www.txp.com



About TXP

TXP, Inc. is an economic analysis and public policy consulting firm founded in 1987 in Austin, Texas. TXP offers a full-range of economic analysis and forecasting services to public and private clients.

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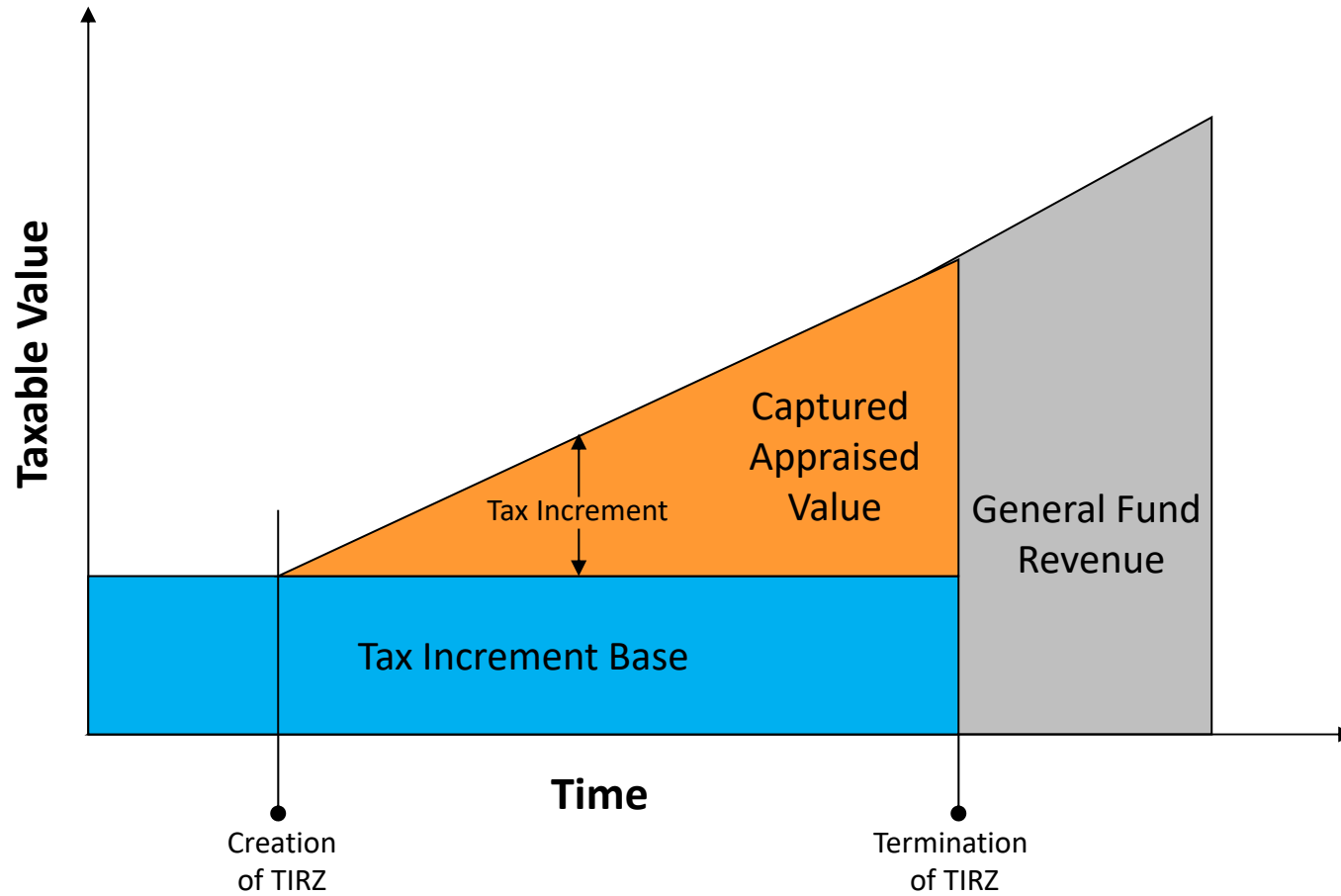


What Are TIRZs/TIFs?

- A tool local governments use to finance public improvements and infrastructure within a defined area
- Future tax revenues from each participating taxing unit can be used to pay for improvements
- The additional tax revenue that is received from the properties is referred to as the “tax increment”
- Each taxing unit can choose to dedicate all, a portion of, or none of the tax increment
- Cities or counties initiate tax increment financing



What Are TIRZs/TIFs?





TIRZ/TIF Characteristics

- No increase in tax rate – dedication of the incremental tax revenues
- Creation initiated by governing body or property owner petition
- Cities can allocate sales tax increment
- Provide additional funds for identified projects
- Aligns benefits and resources
- Keeps pace with rising construction costs
- Reduce need for other tax borrowings
- Off-balance sheet funding



Eligible Capital Costs

- Acquisition and construction of public works, public improvements new buildings, structures, and fixtures
- Acquisition, demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures, and fixtures
- Remediation of conditions that contaminate public or private land or building;
- Preservation of the façade of a public or private building
- Demolition of public or private buildings
- Acquisition of land and equipment and the clearing and grading of land



Other Eligible Project Costs

- Financing cost
- Real property assembly cost
- Professional service cost
- Imputed administrative cost
- Relocation cost
- Organizational cost
- Interest before and during construction and for one year after completion of construction, whether or not capitalized
- Cost of operating the reinvestment zone and project facilities



Example TIRZs

- Large Master Planned Development
 - Significant greenfield acreage
 - Multiple landowners
 - More than one taxing entity participating
 - Complex infrastructure needs
 - Ex. Las Colinas (Irving)
- Corridor Development/Redevelopment
 - Multiple landowners
 - Focused on redevelopment and underutilized parcels
 - Typically just city or county participating
 - Ex. Broadway Corridor (San Antonio)



Example TIRZs

- Site Specific
 - Land owned by one developer
 - Large catalytic tenant (ex. destination big box retailer)
 - Heavy retail focus (often to fill local gaps)
 - Better upfront idea of TIRZ costs
 - Common in suburban cities
- Infrastructure Focused
 - Older and inadequate infrastructure big impediment
 - Multiple landowners
 - Focused on redevelopment and underutilized parcels
 - Ex. Waller Creek (Austin)



Two Key TIRZ Rules

A reinvestment zone for tax increment financing may not be created if:

1. More than 30% of the property in the proposed reinvestment zone (excluding publicly-owned property) is used for residential purposes; or
2. The total appraised value of taxable real property in the proposed reinvestment zone and in the existing reinvestment zones exceed either:
 - For cities with a population of 100,000 or more: 25% of the total appraised value of taxable real property within the city and its industrial districts, or
 - For cities with a population of less than 100,000: 50% of the total appraised value of taxable real property within the city and its industrial districts.

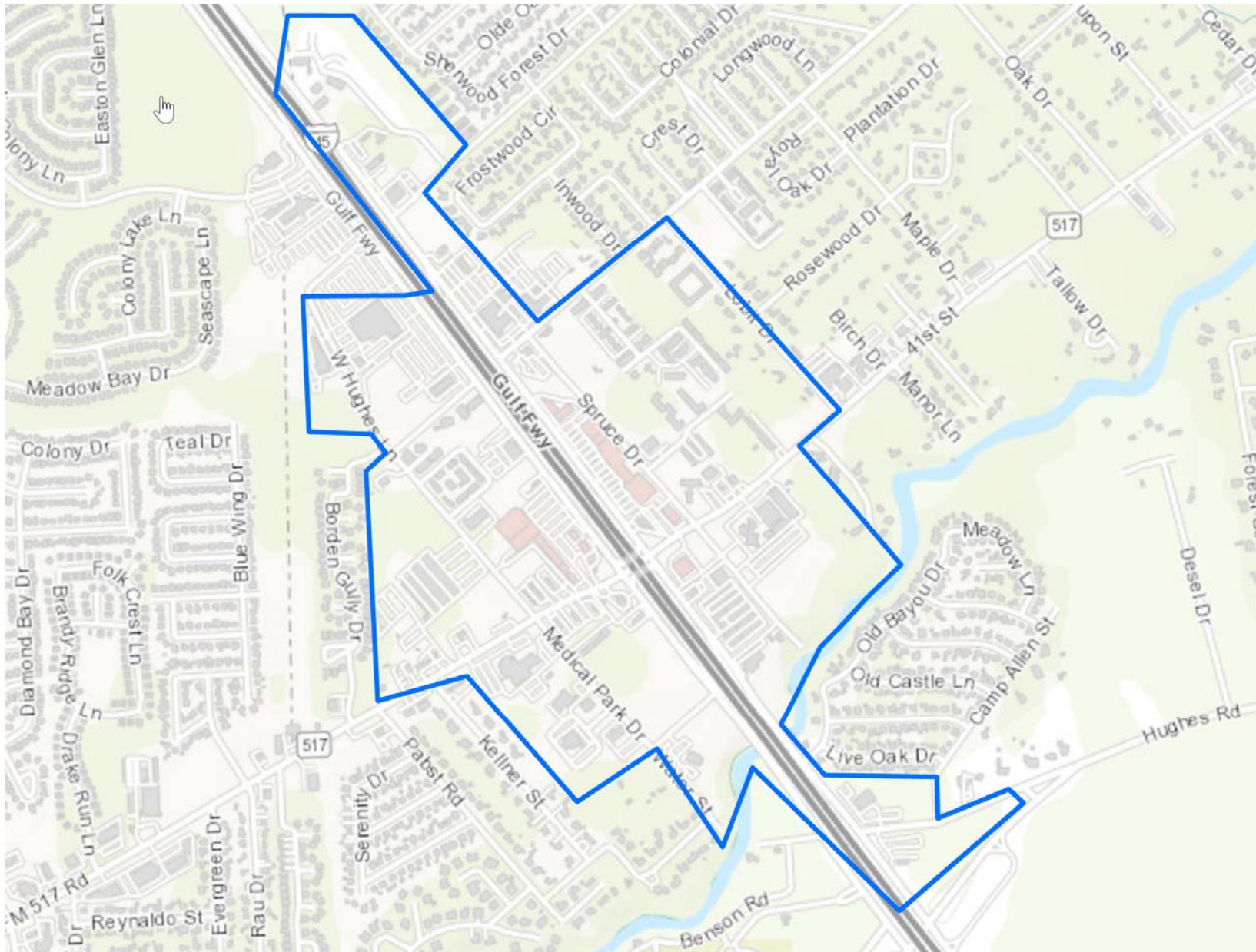


Steps to Creating a TIRZ/TIF

1. Prepare a preliminary reinvestment zone financing plan
2. Publish the hearing notice at least 7 days before hearing
3. Hold a public hearing
4. Governing body designates zone by ordinance or order
 - Create Board of Directors (Minimum 5 and Max 15)
 - Participating taxing entities are represented on Board
5. Prepare project plan and financing plan
6. Collect the tax increment
7. Board of Directors makes recommendations to the governing body

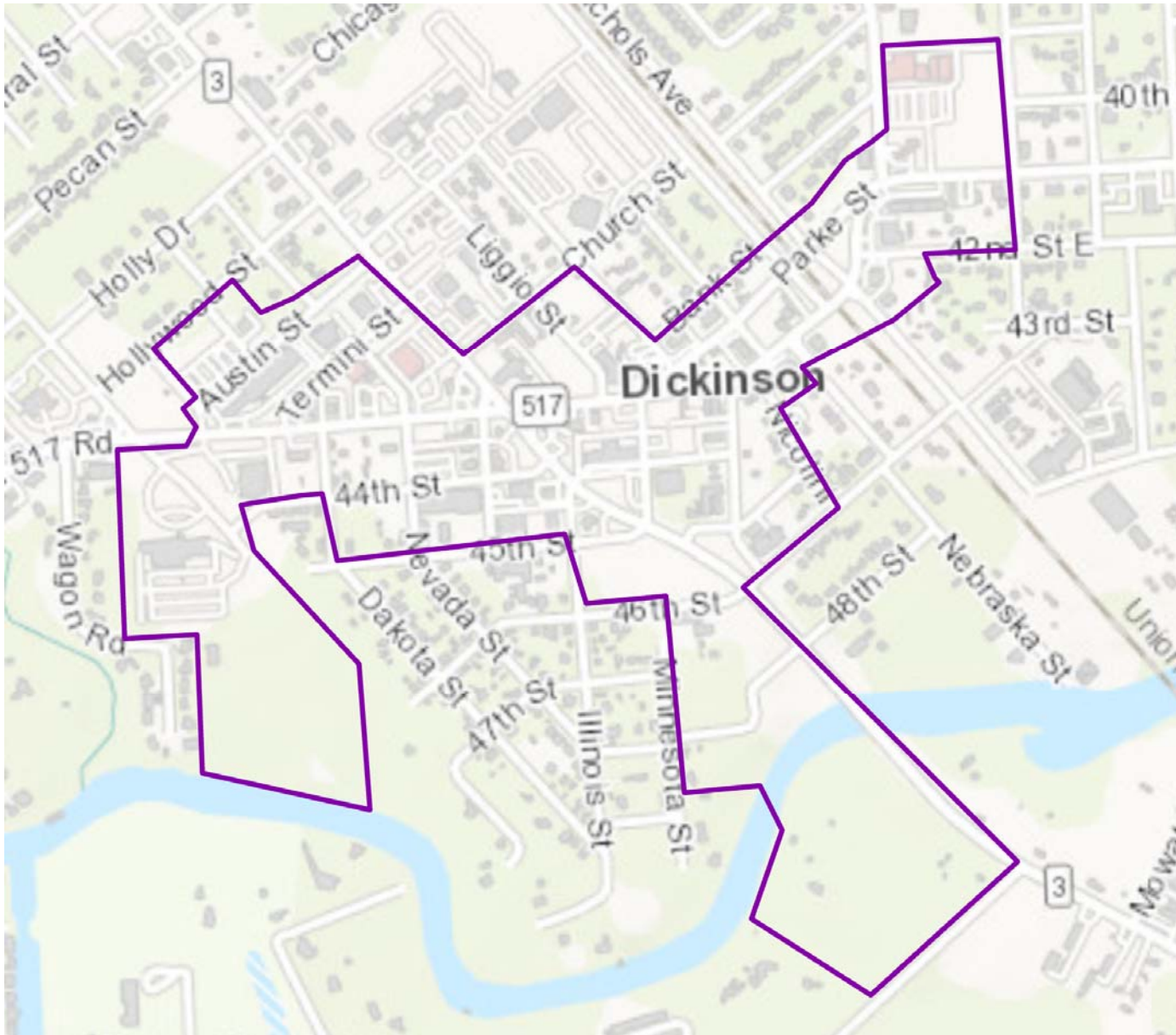


IH45 TIRZ





Downtown TIRZ





Questions?

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