



STAFF REPORT

DATE: April 28, 2020

TO: Kent Cagle, City Manager

FROM: Tony D. McIlwain, AICP, CFM, Exec. Dir. of Planning and Dev. Svcs.

SUBJECT: Designation of the I-14/ Trimmier Road Reinvestment Zone

BACKGROUND AND FINDINGS:

Enterprise and reinvestment zones are economic development tools which seek to encourage job creation and capital investment. The City of Killeen currently includes areas within enterprise zones according to the Economic Development and Tourism Division of the Governor's Office. The enterprise zone program allows a community to partner with the state to offer local and state tax and regulatory benefits to a new or an expanding business in the designated distressed areas. The governing body of a municipality by ordinance may designate an area as a reinvestment zone when such designation is likely to attract major investment in the zone. Tax abatement is one of the tax incentives available in an enterprise or reinvestment zone.

Staff is proposing the designation of an approximate 11.875 acre tract of land, located northwest of the intersection of Central Texas Expressway and Trimmier Road, as the I-14/ Trimmier Road Reinvestment Zone. Cities may designate specific areas of land as reinvestment zones under chapter 312 of the Texas Tax Code. The ordinance designating the zone must describe the boundaries and specify whether the zone is eligible for residential or commercial-industrial tax abatement. Pursuant to Sec. 312.202(a)(6), the proposed area is eligible for creation of a reinvestment zone in that it is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the City.

Designation of a zone requires a public hearing. Notice of the public hearing will be published in the newspaper and provided to all taxing entities with property located within the proposed reinvestment zone at least seven days prior to the hearing as required by law.

THE ALTERNATIVES CONSIDERED:

The City Council has two (2) alternatives. The City Council may:

- Disapprove the designation of the I-14/ Trimmier Road Reinvestment Zone; or
- Approve the designation of the I-14/ Trimmier Road Reinvestment Zone.

Which alternative is recommended?

Staff recommends that the City Council approve the designation of the proposed reinvestment zone.

Why? The reinvestment zone is a useful tool for economic development purposes; one that is promoted through the Economic Development and Tourism Division of the Governor's Office.

CONFORMITY TO CITY POLICY:

The designation of a new reinvestment zone conforms to city policy.

FINANCIAL IMPACT:**What is the amount of the expenditure in the current fiscal year? For future years?**

The designation of a reinvestment zone will not have a direct impact on the City of Killeen fiscally. Individual cases wishing to pursue economic development opportunities within the reinvestment zone will be presented to the City Council separately as appropriate.

Is this a one-time or recurring expenditure?

The designation of a reinvestment zone does not involve an expense.

Is this expenditure budgeted?

This expenditure is not budgeted as a line item.

If not, where will the money come from?

This is not applicable.

Is there a sufficient amount in the budgeted line-item for this expenditure?

This is not applicable.

RECOMMENDATION:

Staff recommends that the City Council approve the I-14/ Trimmier Road reinvestment zone, after an appropriately noticed public hearing.

DEPARTMENTAL CLEARANCES:

This item has been reviewed by the Legal and Finance Departments

ATTACHED SUPPORTING DOCUMENTS:

Exhibits

Ordinance