



AMENDMENTS TO TIRZ #2 ORDINANCE

TMP-22-652

December 6, 2022

Background & Purpose of TIRZ #2

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- A Tax Increment Reinvestment Zone, also known as “TIRZ”, is an economic development tool authorized by Chapter 311 of the Texas Tax Code, through which governments can designate a portion of tax increment to finance improvements to promote the development of a defined area, called a “Reinvestment Zone.”

Background & Purpose of TIRZ #2

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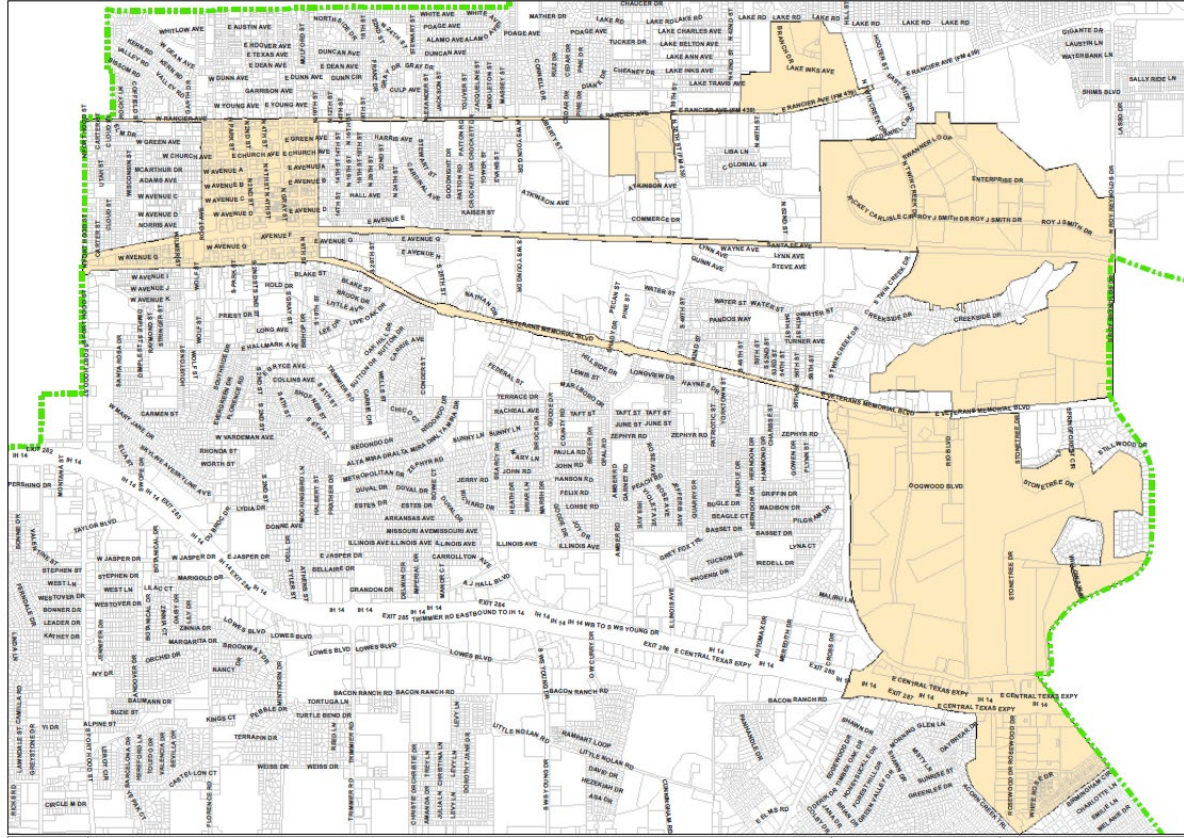
- ❑ Killeen's TIRZ #2 was established on November 4, 2008.
- ❑ Termination of the operation of the Zone will occur on December 31, 2028, unless otherwise amended.
- ❑ The Board of Directors consists of seven (7) members:
 - ▣ Positions One 1 through Four 4 are reserved for the City and appointed by the City Council;
 - ▣ Positions Five 5 and Six 6 are reserved for Bell County; and
 - ▣ Position Seven 7 is reserved for the Central Texas College District.

Background & Purpose of TIRZ #2

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- The Project and Reinvestment Zone Financing Plan was adopted on August 25, 2009.
- In 2015, the boundaries of TIRZ #2 were amended to include thirty-two (32) acres on the southwest corner of Rancier Ave. and 38th Street. The Project Financing Plan was also updated to account for the boundary expansion.
- In 2017, the TIRZ boundary was again amended to include Rancier Avenue from Fort Hood Street to Root Avenue (Ordinance No. 17-012). The Project Financing Plan was also amended at that time.

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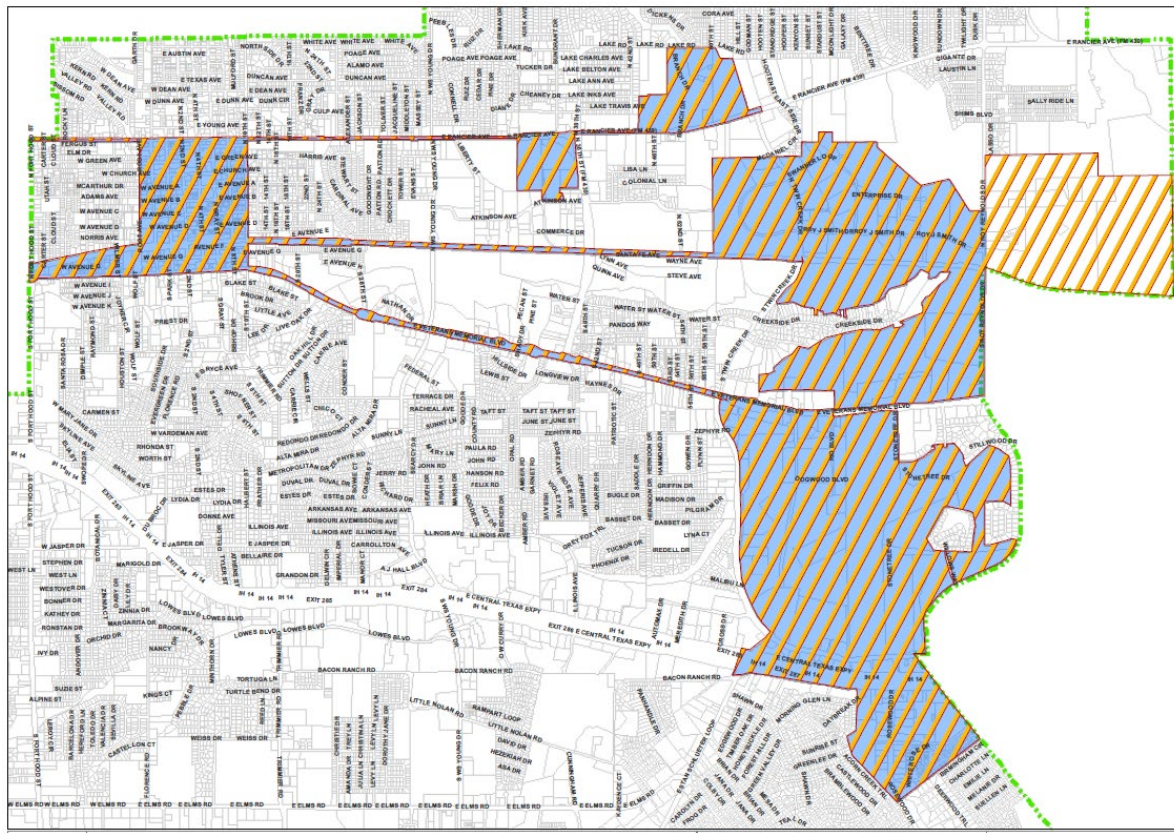
Recommended Amendments to TIRZ Ordinance

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- Updating the Project and Financing Plan
 - TIRZ funds can be used to pay for any permitted “Project Cost” in the Project Plan. Staff recommends updating the list of projects.
- Extending the duration of the TIRZ
 - The current TIRZ was established with a 20-year term and will expire on December 31, 2028, unless otherwise amended. Staff recommends extending the duration of the TIRZ by 20 years to expire in 2048.
- Amending the TIRZ boundary
 - Staff recommends amending the boundary of the TIRZ #2 to include approximately 332 acres on the east side of N. Roy Reynolds Drive for expansion of the Killeen Business Park.

Proposed TIRZ Boundary (2,468 acres)

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Financial Forecast

Fiscal Year	Tax Base	Estimated Growth	City of Killeen	Bell County	Central Texas College	Interest	Estimated Annual Revenue	Estimated Annual Expenditures	Cumulative Total
2021							\$ 1,744,793		
2022	\$ 36,829,202		\$ 238,532	\$ 125,498	\$ 38,099	\$ 10,232	412,361	\$ -	\$ 2,157,154
2023	57,537,155	56.23%	358,629	181,817	55,236	22,276	617,958	-	2,775,112
2024	77,675,159	35.00%	484,149	245,454	74,568	55,502	859,673	-	3,634,786
2025	104,861,465	35.00%	653,602	331,362	100,667	36,348	1,121,979	-	4,756,765
2026	131,076,831	25.00%	817,002	414,203	125,834	47,568	1,404,607	-	6,161,371
2027	163,846,039	25.00%	1,021,252	517,753	157,292	61,614	1,757,911	-	7,919,282
2028	196,615,247	20.00%	1,225,503	621,304	188,751	79,193	2,114,751	-	10,034,033
2029	235,938,296	20.00%	1,470,603	745,565	226,501	100,340	2,543,009	-	12,577,042
2030	283,125,955	20.00%	1,764,724	894,678	271,801	125,770	3,056,973	-	15,634,015
2031	339,751,147	20.00%	2,117,669	1,073,614	326,161	156,340	3,673,784	-	19,307,800
2032	390,713,819	15.00%	2,435,319	1,234,656	375,085	193,078	4,238,138	-	23,545,938
2033	449,320,891	15.00%	2,800,617	1,419,854	431,348	235,459	4,887,278	-	28,433,216
2034	494,252,980	10.00%	3,080,679	1,561,839	474,483	284,332	5,401,333	-	33,834,549
2035	524,543,754	6.13%	3,269,481	1,657,558	503,562	338,345	5,768,946	-	39,603,496
2036	554,292,899	5.67%	3,454,908	1,751,566	532,121	396,035	6,134,630	-	45,738,126
2037	583,293,608	5.23%	3,635,669	1,843,208	559,962	457,381	6,496,220	-	52,234,346
2038	611,495,377	4.83%	3,811,451	1,932,325	587,036	522,343	6,853,155	-	59,087,501
2039	639,478,473	4.58%	3,985,869	2,020,752	613,899	590,875	7,211,395	-	66,298,896
2040	668,054,762	4.47%	4,163,985	2,111,053	641,333	662,989	7,579,360	-	73,878,256
2041	696,866,562	4.31%	4,343,569	2,202,098	668,992	738,783	7,953,442	-	81,831,698
2042	726,134,958	4.20%	4,525,999	2,294,586	697,090	818,317	8,335,992	-	90,167,690
2043	755,813,617	4.09%	4,710,986	2,388,371	725,581	901,677	8,726,615	-	98,894,305
2044	785,852,821	3.97%	4,898,221	2,483,295	754,419	988,943	9,124,878	-	108,019,183
2045	816,199,544	3.86%	5,087,372	2,579,191	783,552	1,080,192	9,530,307	-	117,549,490
2046	846,797,551	3.75%	5,278,089	2,675,880	812,926	1,175,495	9,942,390	-	127,491,879
2047	877,587,524	3.64%	5,470,003	2,773,177	842,484	1,274,919	10,360,583	-	137,852,462
2048	908,507,202	3.52%	5,662,725	2,870,883	872,167	1,378,525	10,784,300	-	148,636,762
							<u>\$ 148,636,762</u>	<u>\$ -</u>	

Project Plan

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Project	Estimated Cost
Streetscaping improvements in Downtown Killeen	\$ 14,000,000
Rancier Avenue replacement and streetscaping improvements	\$ 15,000,000
Rancier Avenue undergrounding overhead utilities	\$ 9,000,000
Downtown land acquisition and development of park space	\$ 8,000,000
Avenue D – Street and sidewalk rehabilitation	\$ 2,500,000
City Hall in the downtown	\$ 10,000,000
Land acquisition and development for expansion of Killeen Business Park	\$ 30,000,000
Economic development and public infrastructure reimbursements	\$ 14,000,000
Downtown land acquisition and redevelopment	\$ 8,000,000
Administrative /Professional Services	\$ 3,000,000
Total	\$ 113,500,000

Alternatives

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- ❑ The City Council has three (3) alternatives. The Council may:
 - ❑ Do not approve the ordinance;
 - ❑ Approved the ordinance with amendments; or
 - ❑ Approve the ordinance as presented.

Staff Recommendation

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- Staff recommends approval of the ordinance as presented.