



City of Killeen

Legislation Text

File #: RS-23-073, **Version:** 1

Consider a memorandum/resolution approving a Tax Increment Reinvestment Zone (TIRZ) reimbursement agreement with CSW Killeen, L.P. for reimbursement of certain infrastructure costs associated with development of Anthem Park in an amount not to exceed \$12,741,099.

DATE: April 18, 2023

TO: Kent Cagle, City Manager

FROM: Edwin Revell, Executive Director of Development Services

SUBJECT: Anthem Park - TIRZ #2 Reimbursement Agreement

BACKGROUND AND FINDINGS:

On March 14th, City Council approved a request to rezone 203.2 acres to Planned Unit Development (PUD) for the proposed Anthem Park development. The proposed development will include 37.8 acres of Commercial/Retail; 89.3 acres (1,720 units) of Multi-Family; 60 acres (630 units) of Build-to-Rent (mixed residential); and 9 acres of Office/Flex/Storage.

The proposed development will include approximately 2.8 million square feet of improvements. The projected property value of the project at full build-out is \$534 million, and the projected property & sales tax revenue is approximately \$7 million/year at full build-out. Total sales and property tax revenue between now and 2041 is approximately \$124 million.

Chapter 311 of the Tax Code authorizes the City to enter into agreements as the board or governing body considers necessary or convenient to implement the TIRZ project plan and reinvestment zone financing plan. Such an agreement may dedicate, pledge, or otherwise provide for the use of revenue in the tax increment fund to pay any project costs that benefit the reinvestment zone, including project costs relating to construction of roads, sidewalks, or other public infrastructure.

In December 2022, the Council approved a TIRZ Project and Financing Plan (Ordinance No. 22-097), which allocates \$14 million for economic development and public infrastructure reimbursements. If approved, the proposed Anthem Park TIRZ #2 Reimbursement Agreement will provide for reimbursement to the developer for costs associated with public infrastructure in an amount not to exceed \$12,741,099.

THE ALTERNATIVES CONSIDERED:

- Do not approve the reimbursement agreement;
- Approve the reimbursement agreement with modifications; or
- Approve the reimbursement agreement as presented.

Which alternative is recommended? Why?

Staff recommends approval of the reimbursement agreement as presented.

CONFORMITY TO CITY POLICY:

The proposed ordinance conforms to all City policy and requirements of State law.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

The City will reimburse the developer from the Available Project TIRZ Funds in an amount not to exceed \$12,741,099.

Is this a one-time or recurring expenditure?

Reimbursement payments will be made quarterly.

Is this expenditure budgeted?

Not at this time. Funds will be appropriated in future budgets as taxable values are reflected in the TIRZ #2 property tax appraisals for the Anthem Park development.

If not, where will the money come from?

The funds will come from the TIRZ #2 Fund.

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

Not at this time, see information above.

RECOMMENDATION:

Staff recommends approval of the reimbursement agreement as presented.

DEPARTMENTAL CLEARANCES:

Development Services
Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Agreement
Presentation