



**DEVELOPMENT POLICY**  
**TAX INCREMENT REINVESTMENT ZONE NO. 2**  
**ABILENE, TEXAS**

A municipality may designate a contiguous or noncontiguous defined area of land within the municipality or extraterritorial jurisdiction as a Tax Increment Reinvestment Zone (“TIRZ”) under Chapter 311, Texas Tax Code. Taxing entities may participate in the TIRZ by dedicating the portion of their taxes collected on new development and redevelopment (“Tax Increment”), or portions thereof, to the TIRZ’s “Tax Increment Fund.”

The Project Plan is the basic framework of the TIRZ. The TIRZ Board of Directors and the municipality draft a “Project Plan and Reinvestment Zone Financing Plan” (the “Project Plan”) for the TIRZ, detailing the type, kind, number and location of public improvements to be constructed in the TIRZ. The costs of these public improvements are “Project Costs.” The TIRZ is limited to paying for only those Project Costs described in the Project Plan. In general, Project Plans may be amended by the governing body of the municipality (or county).

A Project Plan may provide for the construction of needed public infrastructure for the area as well as encourage development, thus increasing property values and long term property tax collections. Encouraging certain types of development may ensure the viability of more sustainable, higher quality types of development on a more accelerated timetable than would otherwise occur.

The purpose of the City of Abilene’s TIRZ #2 Development Policy is to evaluate the proposed projects and how they will satisfy the goals of the City while encouraging development & redevelopment within the TIRZ #2 boundaries. In order to do so, the Board must know: What is being requested? How much assistance is being requested? And, when the assistance is needed? The following TIRZ #2 Development Policy has been created to assist in preparing a request.

## **Abilene TIRZ #2 Development Policy**

### **Abilene TIRZ #2 Overview:**

On December 5, 2013, the City of Abilene established Tax Increment Reinvestment Zone Number 2 (TIRZ), by Ordinance Number 66-2013, to address economic conditions within the South Downtown, and along the Pine Street and Ambler Avenue corridors. The zone includes approximately 1,610 acres. The TIRZ, operating through its Board of Directors, intends to provide a focused planning and financial mechanism to jumpstart, promote, and monitor the revitalization efforts and development projects within the TIRZ boundary.

### **Policy Purpose:**

To foster and promote revitalization and development opportunities, the Board wishes to adopt a Development Policy to accomplish the following purposes:

- ❖ Determine those development opportunities the Board may choose to make eligible for reimbursement by the TIRZ.
- ❖ Set forth, in written form, the types of information and basis for evaluating that information that will be required of potential developers to advise them of the basis and requirements for seeking reimbursement from the TIRZ.

### **Development/Redevelopment Strategy:**

Successful development/redevelopment efforts nationwide have several elements in common:

- First, almost all were accomplished by forging public/private partnerships;
- Second, most involved the use of economic development incentives and tools;
- Third, the most successful were the result of focused strategies and plans capitalizing on one or more unique aspects of the areas within the zone, sustained over an extended period of implementation.

The adopted Project and Financing Plan outlines a redevelopment strategy that encourages strategic partnerships while capitalizing on the strengths of the South Downtown Plan and the Pine Street and Ambler Avenue corridor plans. The main objectives of the Development/Redevelopment Strategy are outlined below:

- ❖ Strengthen the core assets within the zone in order to stabilize tax base
- ❖ Transition unproductive sites/obsolete uses/vacant properties
- ❖ Promote development or redevelopment in an area where such development would not likely occur solely through private investment alone
- ❖ Facilitate such development or redevelopment by financing the costs of public works, public improvements, programs, or other projects benefitting the zone
- ❖ Establish the downtown area as a multi-dimensional destination

Review and consideration of development opportunities by the Board of Directors will include a determination of the extent to which any given project will help implement this strategy and add taxable value to the zone.

## **Development/Redevelopment Opportunity Considerations:**

The Board of Directors will consider each proposed project for the following:

1. Conformance with and implementation of the TIRZ Development/Redevelopment Strategy
2. Likelihood of success (as determined by independent review if appropriate)
3. Positive financial impact to the TIRZ and/or participating taxing entities
4. Anticipated debt obligation and term of the obligation to be incurred by the TIRZ
5. Impact to the services to be provided by the participating taxing entities
6. Overall economic stimulus to the Abilene economy

## **Project Submittal Information:**

Entities interested in seeking reimbursement from the Abilene TIRZ #2 should submit a written request to the Board of Directors for its review and consideration. The request should contain, at minimum, the following information:

1. Applicant Contact Information
2. Assistance requested from TIRZ #2
3. Information on the Developer including:
  - a. Company overview;
  - b. Evidence of financial capability for the project proposed; and
  - c. History or track record of success for similar projects
4. Project description, including type of development proposed, location size
5. Estimate of taxable real property value of project at completion
6. Proposed improvements and costs for which reimbursement is being requested, if any, i.e. utilities, streetscape improvements, demolition costs, etc.
7. Proposed Development Schedule, including:
  - a. Project pro-forma detailing total project expenditures; and
  - b. Estimated construction schedule
8. Evidence of compliance with applicable ordinances and/or municipal development regulations
9. Estimate of additional revenues such as personal property tax, sales tax, franchise fees, and/or hotel tax that may be generated by the proposed development
10. Information dealing with other funding and agreements, completed or on-going
11. Other information that is helpful and relevant for the Board to consider

The Board may require, or the applicant may wish to submit, any other relevant economic development impact information such as jobs to be created or retained, or third-party prepared market/feasibility study evaluating local demand and likelihood of project success.

## **Project Evaluation Matrix**

The Board has developed the following evaluation matrix to assist in documenting its consideration of potential projects. The matrix will assist the Board and its consultants in evaluating and grading the impact of a proposed project. The matrix is also intended to provide a summary of the Board's evaluation.

## **Application Requirements and Evaluation Criteria**

Entities interested in seeking reimbursement from the Abilene TIRZ #2 should submit a written request to the Board of Directors for its review and consideration. The request should contain, at minimum, the following information:

### **A. General Application Information**

1. Applicant Contact Information
2. Assistance requested from TIRZ #2
3. Information on the Developer including:
  - a. Company overview;
  - b. Evidence of financial capability for the project proposed; and
  - c. History or track record of success for similar projects
4. Project description, including type of development proposed, location size
5. Estimate of taxable real property value of project at completion
6. Proposed improvements and costs for which reimbursement is being requested, if any, i.e. utilities, streetscape improvements, demolition costs, etc.
7. Proposed Development Schedule, including:
  - a. Project pro-forma detailing total project expenditures; and
  - b. Estimated construction schedule
8. Evidence of compliance with applicable ordinances and/or municipal development regulations
9. Estimate of additional revenues such as personal property tax, sales tax, franchise fees, and/or hotel tax that may be generated by the proposed development
10. Information dealing with other funding and agreements, completed or on-going
11. Other information that is helpful and relevant for the Board to consider

B. The Board may require, or the applicant may wish to submit, any other relevant economic development impact information such as jobs to be created or retained, or third-party prepared market/feasibility study evaluating local demand and likelihood of project success.

C. The Board of Directors will consider each proposed project based on the attached Project Evaluation Matrix.

### **D. Written Agreements**

Economic development projects recommended by the TIRZ Board must be approved & formalized by a written agreement with the City. No offer of assistance will be valid until execution by the parties thereto of the written agreement.

## ABILENE TIRZ #2 PROJECT EVALUATION MATRIX

Policy Considerations	Evaluation Comments
1. Conformance with and implementation of the TIRZ Development/ Redevelopment Strategy	
➤ Strengthen the core assets within the zone in order to stabilize tax base	
➤ Transition unproductive sites/obsolete uses/vacant properties	
➤ Promote development or redevelopment in an area where such development would not likely occur solely through private investment alone	
➤ Facilitate such development or redevelopment by financing the costs of public works, public improvements, programs, or other projects benefitting the zone	
➤ Establish the downtown area as a multi-dimensional destination	
2. Likelihood of success (as determined by independent review if appropriate)	
➤ Developer information	
○ Evidence of financial capability for the project proposed	
○ History or track record of success for similar projects	
➤ Business plan or other evidence of financial viability of the project (Market Feasibility Study may be required)	
➤ Additional/other development assumptions	
3. Positive financial impact to the TIRZ and/or participating taxing entities	
➤ Proposed improvements and costs to be reimbursed	
➤ Estimate of taxable real property value of project at completion	
➤ Estimate of annual tax revenue increment generated	
➤ Estimate of additional sources of municipal revenue (i.e. sales tax)	
➤ Other public assistance	
4. Anticipated debt obligation and term of the obligation	
➤ Estimate of total debt incurred	
➤ Developer interest costs	
➤ Direct pay analysis	
➤ Bond issuance analysis	
➤ Duration of debt service	
5. Impact to the services provided by the participating taxing entities	
➤ Police	
➤ Fire, EMS	
➤ Solid Waste	
➤ Street Lighting	
➤ Other Services	
6. Overall economic stimulus to the Abilene Economy	
Market/Feasibility Study Reasonableness of development assumptions/projections Percent of total development budget	

## Project Evaluation Timeline

Project Application Deadline	Initial Staff Review Completed	Packets Distributed to TIRZ Board	Agenda Posted	TIRZ Board Meeting	City Council Meeting
<i>-45 days - Monday</i>	<i>-28 days – Tuesday</i>	<i>-14 days – Thursday</i>	<i>-6 days – Friday</i>	<i>Thursday</i>	<i>Thursday</i>
04 Dec-2017	19 Dec-2017	04 Jan-2018	12 Jan-2018	<b>18 Jan-2018</b>	<b>08 Feb-2018</b>
05 Mar-2018	20 Mar-2018	05 May-2018	13 Apr-2018	<b>19 Apr-2018</b>	<b>10 May-2018</b>
04 June-2018	18 June-2018	05 July-2018	13 July-2018	<b>19 Jul-2018</b>	<b>09 Aug-2018</b>
03 Sept-2018	18 Sept-2018	04 Oct-2018	12 Oct-2018	<b>18 Oct-2018</b>	<b>80 Nov-2018</b>

## Project Evaluation Response

The Board recognizes that time is of the essence in most development projects. Therefore, the Board wished to assure prospective developers that it will consider and respond to submitted proposals in the most expeditious manner possible. Timing issues related to loan commitments, earnest money contracts or other performance criteria should be noted in the submittal packet.

The Board further recognizes that each project will have its own set of unique issues; therefore, the Board may employ outside consultants to review the submitted information. If the Board does seek the assistance of outside consultants, it will secure from the retained consultants an estimate of the time needed to adequately review and comment on the submitted information and advise the developer of that time frame. The Board may also choose, at its sole option, to meet in a special session to address issues related to a submitted proposal and/or vote on the submitted proposal.

