



## CITY COUNCIL MEMORANDUM

**FROM:** The Office of the City Manager   **DATE:** September 9, 2019

**SUBJECT:** Public hearing on the advisability of the creation of a contiguous geographic area within the city as a Reinvestment Zone pursuant to Chapter 311 of the Texas Tax Code, to be known as Reinvestment Zone Number Three, City of North Richland Hills, describing the boundaries of the zone, creating a board of directors for the zone, establishing a Tax Increment Fund for the zone, containing findings related to the creation of the zone, and providing a date of termination for the zone.

**PRESENTER:** Craig Hulse, Director Economic Development

### **SUMMARY:**

Pursuant to Section 311.003(c) of the Texas Tax Code, a public hearing is to be held by City Council to receive comments from interested persons wishing to speak for or against the creation of a Reinvestment Zone Number Three, its boundaries, or the concept of tax increment financing.

### **GENERAL DESCRIPTION:**

The area surrounding City Hall, known as City Point, is the former location of North Hills Mall. Demolished in 2007, the vacant property lacks public improvements (such as water, sewer, drainage and streets), and requires an entity to purchase and develop the land.

In order to enhance the quality and expedite the timing of the development, the city was asked to establish a Public Improvement District (PID) through a petition filed by the property owner. On September 9, 2019, City Council held a public hearing and authorized the creation of the City Point PID with an estimated cost not to exceed \$15,000,000, and be paid out over a 30-year period.

While the city is not obligated to provide any funds to finance the public improvements, the city wishes to consider the establishment of a Tax Increment Reinvestment Zone (TIRZ) to assist in offsetting a portion of the PID's assessment. A TIRZ is a special zone designated by a city or county under the authority of Section 311 of the Texas Tax Code.

Through a TIRZ, the city could utilize a common public financing method called Tax Increment Financing (TIF). A TIF commits a portion of future real estate tax revenue increases from properties within the TIRZ for a certain period of time, which in this case could be used to offset a portion of the annual assessment within the City Point PID.

Prior to considering the establishment of a TIRZ, City Council must hold a public hearing with notice given in a newspaper of general circulation in the city no later than the 7<sup>th</sup> day



before the date of the hearing. In order to hold the aforementioned public hearing, City Council must first approve a resolution that sets forth the public hearing process. Resolution No. 2019-038 was approved on September 23, 2019, and notice of the public hearing was published in the Star Telegram on September 26, 2019.

### Reinvestment Zone Number Three

The zone is 52.873 acres of land located at the southeast corner of Boulevard 26 and Rodger Line Drive and calls for a mixed-use development that includes the following uses:

- Commercial – minimum of 60,000 square feet along City Point Drive
- Single Family Residential – approximately 425 residential lots including 40 foot wide bungalow homes, 22 foot wide urban homes and a maximum of 250 townhomes
- Multi-Family Residential – a maximum of 600 multi-family units
- Hospitality – a full service or limited service hotel on the hard corner of Boulevard 26 and Rodger Line

### **RECOMMENDATION:**

Hold a public hearing to receive comments from interested persons wishing to speak for or against the creation of a Reinvestment Zone Number Three, its boundaries, or the concept of tax increment financing.