

Legislation Text

File #: 18-3514, **Version:** 1

A resolution authorizing the Mayor to execute an agreement with Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center) regarding the construction of public improvements within the Heartland Town Center Public Improvement District.

Pursuant to Ordinance No. 4532, which created the Heartland Town Center Tax Increment Reinvestment Zone No. Eleven (TIRZ), the tax increment for the TIRZ was set at the total value of the ad valorem tax collected on all real property within the TIRZ.

On December 18, 2017, the City created the Heartland Town Center Public Improvement District (PID) (District) to finance the cost of certain authorized public improvements that confer a special benefit to property located within the District as authorized by State law and approved by the City Council. The City will levy assessments based on lot type in an amount sufficient to pay debt service on any special assessment revenue bonds issued to finance a portion of the authorized improvements, currently capped at \$14 million. While the TIRZ boundaries encompass 146.746 acres of the Heartland Town Center development, the District boundaries only include that 121.3-acre tract that will develop as single-family residential.

In accordance with the Heartland Town Center Development Agreement, the TIRZ Project and Finance Plan, and the District preliminary Service and Assessment Plan (SAP), TIRZ revenues will be collected annually at 62.5 percent of the ad valorem tax increment from the residential tract only, to reduce the amount of assessments for a period of up to 31 years or until the amount of TIRZ revenue related to the District and placed in the City's TIRZ Fund residential account totals \$14,827,784, whichever occurs first.

The attached resolution authorizes the execution of an agreement whereby the TIRZ Board of Directors has agreed to dedicate an allocation of 62.5 percent of the TIRZ revenues collected in the TIRZ Fund residential account to be transferred to the PID Bond Fund to credit or offset a portion of the assessments levied by the City in accordance with the SAP. The SAP will be updated annually to reflect changes in assessed property.

Recommended/Desired Action

Staff recommends approval of the resolution.

Attachment(s)

Resolution

Drafter

Ted Chinn

Head of Department

Cliff Keheley