

# City of Mesquite, Texas

## Legislation Text

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**File #:** 18-3856, **Version:** 1

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A. Conduct a public hearing under Chapter 311 of the Texas Tax Code to consider terminating the Ridge Ranch Tax Increment Finance Reinvestment Zone No. Five, City of Mesquite, Texas, and dissolving the Board of Directors and Tax Increment Fund for the Zone.

B. Consider an ordinance terminating the Ridge Ranch Tax Increment Finance Reinvestment Zone No. Five, City of Mesquite, Texas, and dissolving the Board of Directors and Tax Increment Fund for the Zone.

On December 3, 2018, the Ridge Ranch Tax Increment Finance Reinvestment Zone No. Five (TIRZ) Board of Directors approved the recommendation to terminate the Ridge Ranch TIRZ due to no TIRZ activity and no need for TIRZ financing in the foreseeable future.

The TIRZ was created by City Ordinance No. 4019 on December 15, 2008, as a means to finance public infrastructure related to the Ridge Ranch development. However, throughout much of 2009, City staff and Council weighed various incentive options and chose instead to enter into a Chapter 380 Economic Development Program Agreement, and on November 2, 2009, the Council approved a Chapter 380 Agreement to rebate the developer, Ridge Ranch Development Corporation (now W.A. Ridge Ranch, LLC), up to \$9,416,000 of City property taxes paid by each home sold based upon a sliding scale of higher value housing. This Chapter 380 Agreement remains in effect.

Termination of a Reinvestment Zone occurs on the earlier of: (1) the termination date designated by ordinance adopted by the City Council, or (2) the date on which all project costs and other obligations have been paid in full. Since no Project and Financing Plan was ever adopted by the Council, the TIRZ has no obligations or encumbrances.

State law requires the City Council to hold a public hearing before terminating a Reinvestment Zone. The attached ordinance would affect the termination of TIRZ No. Five and dissolving of the Board and TIRZ Fund.

### **Recommended/Desired Action**

Following the public hearing, City staff recommends approval of the ordinance.

### **Attachment(s)**

Ordinance

### **Drafter**

Jimmy Martin

### **Head of Department**

Debbie Mol