

Legislation Text

File #: 18-3871, **Version:** 1

A resolution authorizing the Mayor to finalize and execute an agreement between the City of Mesquite, Texas, a Texas Home-Rule municipality situated in Dallas and Kaufman Counties, Texas, and Mesquite Rodeo City Reinvestment Zone Number One, City of Mesquite, Texas, regarding the construction of public improvements within the Iron Horse Village Public Improvement District (PID).

At their December 3, 2018, meeting, the Mesquite Rodeo City Tax Increment Finance Reinvestment Zone (TIRZ) Number One ("Zone") Board of Directors adopted an Amended Project and Financing Plan for the Zone to enlarge the contiguous boundaries of the Zone south to include a tract that includes Fire Station No. 4 and a 25-acre tract of vacant property abutting New Market Road.

The amended Project and Financing Plan also extends the term of the Zone an additional 31 years to expire no later than December 31, 2049. The Zone was originally set to expire on December 31, 2018, and the extension is required in order to dedicate 75 percent of Zone increment revenue collected on all real property within a proposed Public Improvement District (PID) to reduce assessments on property within the Iron Horse Village development. The amended Project and Financing Plan is based on updated valuation assumptions and increased revenue and expenditure projections provided by the developer of the proposed Iron Horse Village development and the expanded area of the Zone.

In accordance with the Iron Horse Development Agreement that was approved by Council at the November 19, 2018, City Council meeting, the amended TIRZ Project and Finance Plan, and the proposed PID preliminary Service and Assessment Plan (SAP), TIRZ revenues within the PID will be collected annually to reduce the amount of assessments for a period of up to 31 years or until the amount of TIRZ revenues placed in the City's TIRZ fund totals \$18,500,000, whichever occurs first.

Once the property owner submits a petition for the creation of the PID, City staff will present action items to create the Iron Horse Village PID to finance the cost of certain authorized public improvements that confer a special benefit to property located within the PID as authorized by State law. 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 \$10.2 million per the Development Agreement.

The attached resolution authorizes the execution of an agreement whereby the TIRZ Board of Directors has agreed to dedicate an allocation of 75 percent of TIRZ revenues collected within the PID boundaries 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 any changes in assessed property.

Recommended/Desired Action

Staff recommends approval of the resolution.

Attachment(s)

Resolution

Drafter

Ted Chinn

Head of Department

Ted Chinn