

Wolf Lakes – Proposed Creation of a Tax Increment Reinvestment Zone

December 18, 2018

Williamson County
Commissioners Court

WOLF LAKES VILLAGE Georgetown



Project Location

- 164 acres on the NW corner of IH35 and University Avenue (SH29)

Project Purpose

- Facilitate the reimbursement of public infrastructure for a mixed-use, master planned development that includes office, retail, entertainment, hospitality and residential

Phasing Plan

- The project has a build out schedule of 10 years or more.
- Phase 1- 2019
 - Begin multi-family adjacent to Wolf Ranch Parkway
- Future Phase – I35/29 Corner
 - Retail, Hospitality, Office, Residential



Planned Unit Development (PUD) Zoning

- The City Council approved a comprehensive PUD on Dec. 11th that guides development on the 164 acre tract consistent with the vision for the project.
- Residential Phasing Limited to:
 - 700 residential units before 150K sf of non-residential (office/retail/etc)
 - 950 before 250K sf of non-residential
 - 1,800 before 450K sf of non-residential
 - 2,200 before 600K sf of non-residential

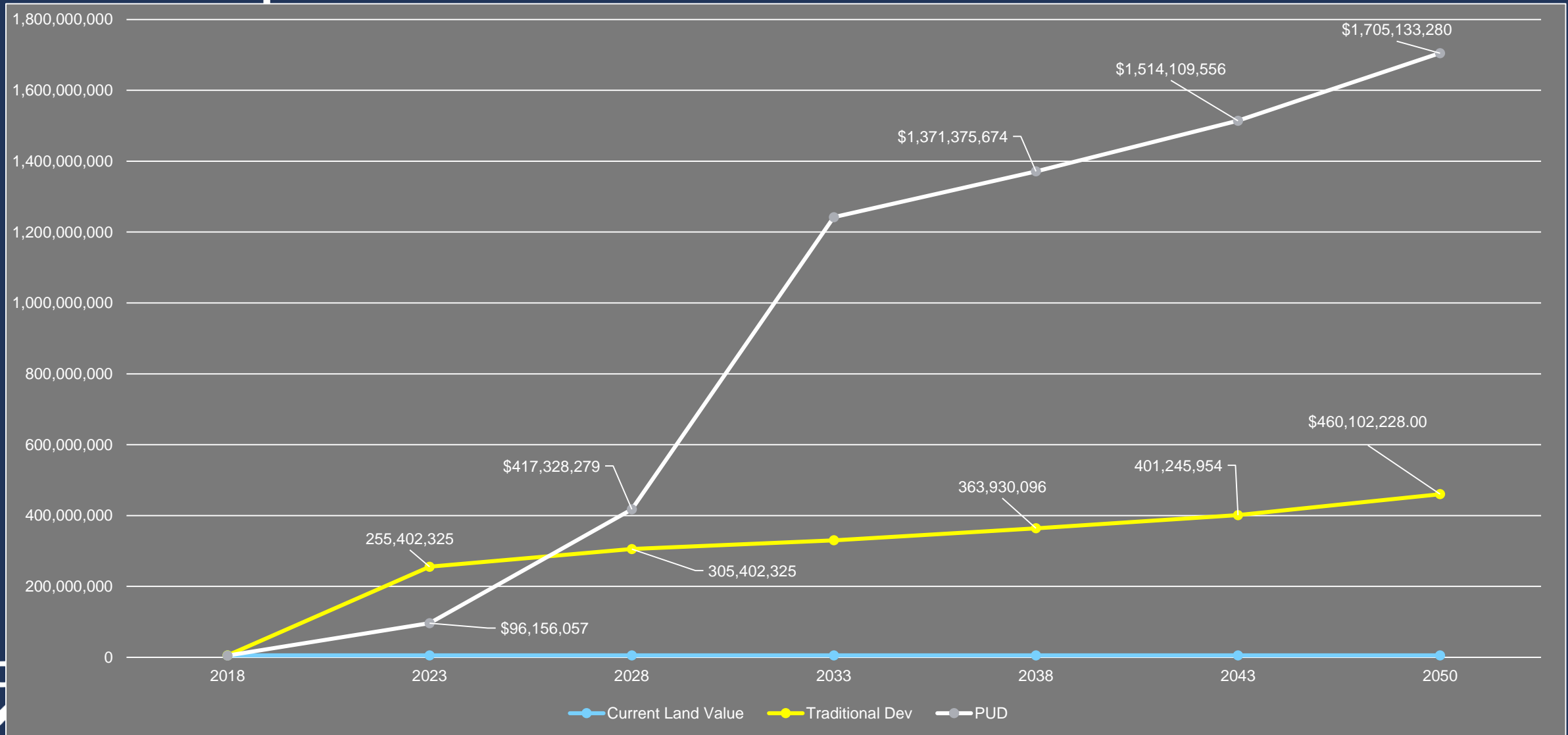
Wolf Lakes Proposed TIRZ

- The size/density of the proposed Wolf Lakes Village requires significant public infrastructure
- The City of Georgetown proposes a portion of the infrastructure be funded through a Tax Increment Reinvestment Zone (TIRZ)
- A TIRZ captures a base tax year and designates a portion of future increased tax revenue to be dedicated to funding identified infrastructure

Wolf Lakes Village Meets Public/Private Investment goals

- The Town Center/Village concept creates a destination experience with entertainment and high levels of public amenities
- It provides the perfect setting for a unique corporate headquarters campus that employers are seeking, aiding in the creation of quality jobs for Williamson County residents
- Generates significant tax base compared to traditional development patterns (2050 Estimate: \$1.7 billion vs. \$460 million)

Assessed Value Estimates Traditional Development vs Wolf Lakes



Wolf Lakes TIRZ Structure

- Financials- TIF reimbursements
 - City TIRZ = estimated \$91M over 30 years (70%)
 - City's increment capped at \$100M
 - County TIRZ = estimated \$19M over 20 years (50%)
 - Includes only the O&M portion of the property tax rate
 - County's capped at \$30M for road and drainage projects only
 - Total TIRZ reimbursement capped at \$130M
- Base Year of 2018
- Reimbursement only – developer reimbursed as tax revenue is generated

Infrastructure Summary - Reimbursable

- TIRZ reimburses for public infrastructure ONLY, including:
- Onsite infrastructure \$45.6M
 - Roads, utilities, drainage
- Parking structures (5) \$35M
- Electric onsite and offsite \$6.2M
- Gas and fiber optic lines \$2M
- Offsite water and wastewater \$1M
- Traffic improvements off-site \$3.5M
- Common areas/open space/trails \$8.2M
- Total \$102M
- *Interest/carrying costs also eligible for reimb. up to revenue cap*

Safeguards for the City and County

- The TIRZ is reimbursement only; The reimbursement of infrastructure is capped; The City is not issuing any debt
- 150,000 SF of commercial development must occur before any reimbursement of infrastructure
- The PUD establishes the framework for the development and limits the ratio of residential to commercial unit; Residential in the development cannot increase beyond PUD limits without City and County approval
- The TIRZ can be dissolved if not activated within eight years

Interlocal Agreement

- Framework similar to Rivery TIRZ
 - Exception – no debt to be issued for Wolf Lakes
 - City and County staff work together to reconcile taxes annually
- Establishes base year for 2018
 - First construction to begin in 2019
- Provides representation for County on the TIRZ board
 - Must meet at least once annually
 - Will convene to review and approve a final project and finance plan in 2019 with developer assistance on updated timing