

RESOLUTION NO. 1062

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KELLER, PROVIDING WRITTEN NOTICE OF THE CITY'S INTENTION TO CREATE A REINVESTMENT ZONE PURSUANT TO THE TAX INCREMENT FINANCING ACT, CHAPTER 311 OF THE TEXAS TAX CODE; SETTING A PUBLIC HEARING DATE TO RECEIVE PUBLIC COMMENT REGARDING THE CREATION OF A TAX INCREMENT REINVESTMENT ZONE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Keller, Texas (the "City") desires to promote the development and redevelopment of the area to include housing, retail, commercial, and office development by creation of a reinvestment zone pursuant to the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code (the "Act"); and

WHEREAS, the City desires to receive the comments of all affected property owners and of other taxing jurisdictions which levy real property taxes within the proposed zone (the "taxing units"), regarding the establishment of such reinvestment zone; and

WHEREAS, the Act requires the City to notify the taxing units of its intent to establish a reinvestment zone at least sixty (60) days prior to holding a public hearing regarding the creation of a reinvestment zone; and

WHEREAS, other preliminary procedural steps must be adhered to prior to the establishment of a reinvestment zone.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KELLER, TEXAS:

Section 1: THAT, the passage of this resolution is evidence of the intention of the City to create Town Center Reinvestment Zone Number 1 pursuant to the Act. The boundaries of the proposed reinvestment zone are shown on the map attached hereto as Exhibit "A". A description of the tentative plans for the development of the proposed reinvestment zone including an estimate of the general economic impact of the proposed reinvestment zone on

2 property values and tax revenues are attached
4 hereto as Exhibit "B".

6 Section 2: THAT, a public hearing is hereby scheduled to
8 be held before the Keller City Council on
10 December 1, 1998, for the purpose of
12 receiving public comment on said creation of
14 Town Center Reinvestment Zone Number 1, City
16 of Keller, and its benefit to the City and to
18 property in the proposed zone.

20 Section 3: THAT, the City Secretary is hereby directed
22 to forward a certified copy of this
24 resolution, with exhibits, not later than the
26 60th day before the date of the public
28 hearing, that date being October 1, 1998, to
30 the governing bodies of each taxing unit that
32 levies real property taxes in the proposed
34 reinvestment zone (Keller Independent School
36 District, Tarrant County, Tarrant County
38 Junior College District, and Tarrant County
40 Hospital District) along with written notice
42 that the City intends to establish the
44 reinvestment zone and requesting that each
46 taxing unit designate within fifteen (15)
days after the sixty (60) day notice is
given, a representative to meet with the City
Council's designated representative, to
discuss the project plan and the Town Center
Reinvestment Zone Number 1 financing plan, as
required by the Act.

32 Section 4: THAT, not later than the seventh day before
34 the date of the public hearing, the City
36 Secretary shall cause notice of the public
38 hearing to be published in a newspaper having
40 general circulation in the City of Keller.

36 Section 5: THAT, the City Manager or the City Manager's
38 designated representative is authorized to
40 undertake other preliminary preparations and
42 actions in accordance with the Act.

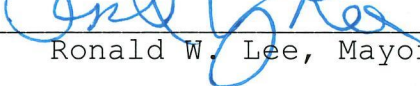
42 Section 6: THAT, this resolution shall take effect
44 immediately from and after the date of its
46 passage in accordance with the provisions of
the Charter of the City of Keller, and is
accordingly so resolved.

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AND IT IS SO RESOLVED.

Passed by a vote of 5 to 0 on this the 15th day of
September, 1998.

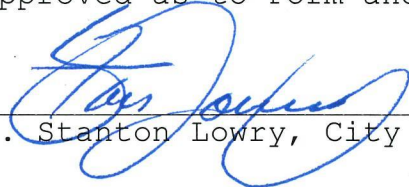
CITY OF KELLER, TEXAS

BY: 
Ronald W. Lee, Mayor

ATTEST:


Sheila Stephens, City Secretary

Approved as to Form and Legality:


L. Stanton Lowry, City Attorney

TAX INCREMENT FINANCING DISTRICT

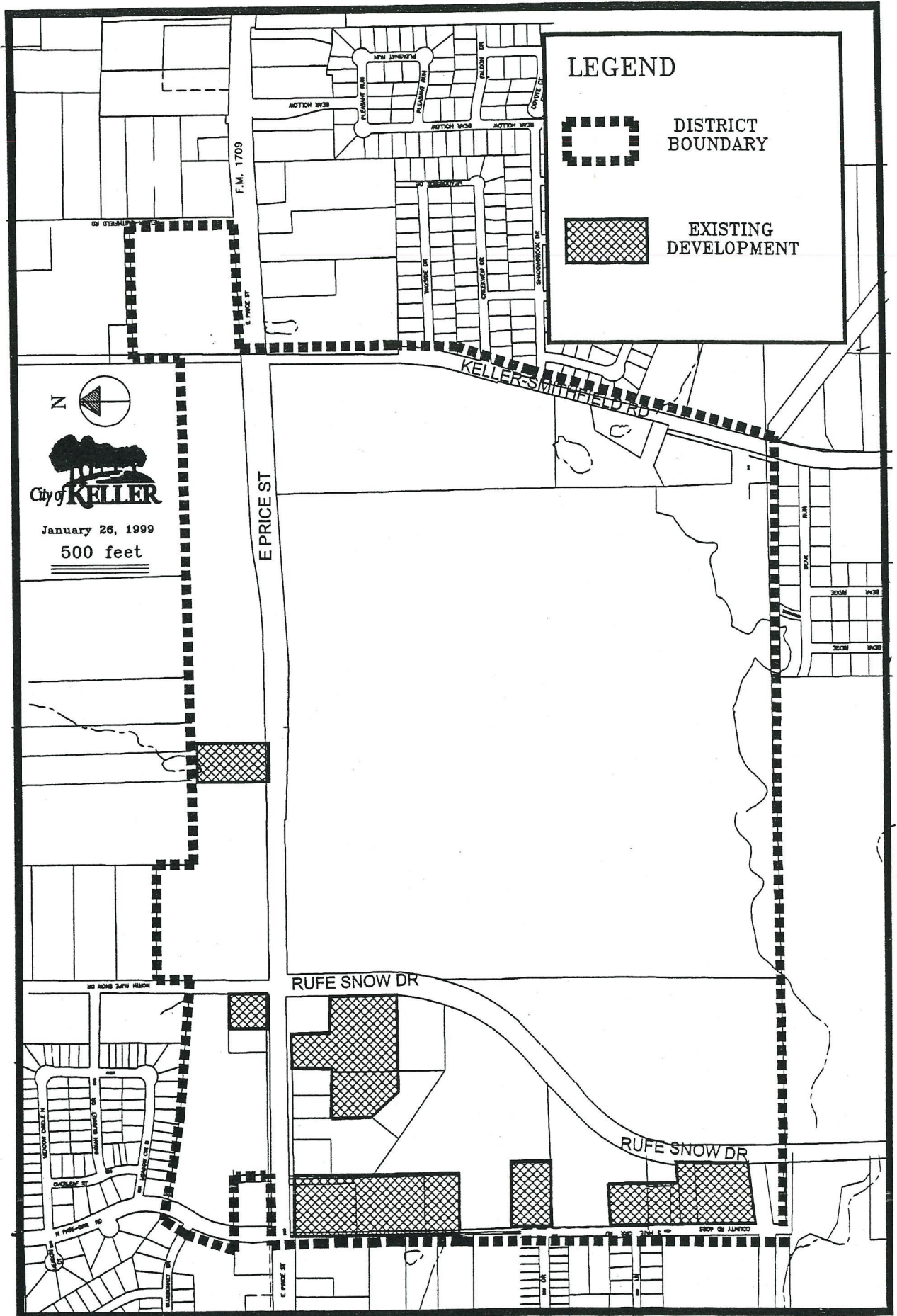


EXHIBIT "A"

EXHIBIT B

DESCRIPTION OF THE DEVELOPMENT OF KELLER TOWN CENTER TAX INCREMENT FINANCING DISTRICT, ZONE NO. 1

The proposed development plan for Tax Increment Reinvestment Zone Number One, (TIRZ No. 1), City of Keller, Texas includes 246 total acres and will consist of a program to provide public improvements using public and private partnerships/investments pursuant to Chapter 311 of the Texas Tax Code. These partnerships, combined with the use of the Tax Increment Financing Act, are intended to stimulate the local economy by developing new retail, commercial, office, medium-density attached residential, and assisted care living facilities. The proposed new real property improvements are estimated to generate approximately \$180,500,000 in assessed real and added land value in the Reinvestment Zone. The personal property value on the fixed assets and inventory is estimated at \$66,000,000, the tax value of which will remain in the City's General Fund as new tax value outside the Reinvestment Zone calculations. The estimated build-out of the Reinvestment Zone (TIRZ No. 1) is planned to occur over a seven to ten-year period.

Keller Town Center Tax Increment Financing District Number 1

The proposed Keller Town Center Tax Increment Financing District Number 1 (TCTIF No. 1) includes approximately 140 acres of the proposed 246 acre TIRZ No. 1. The development provides for the planned mixed-use development of a pedestrian-oriented Town Center (a new downtown) with a full range of supporting public amenities and community services. To encourage the development of the pedestrian-oriented Keller Town Center, a mix of development and uses have been proposed as follows:

Keller Town Center is ideally located in the geographic center of Keller and easily accessible from major traffic ways as well as accessible to the award-winning Big Bear Creek Trail located on its southern border.

The surrounding residents and businesses will benefit from this development due to the extra business traffic generated by the new retail and office development and from the attractive upscale design of the structures, landscaping and streetscapes. The new Town Hall and municipal plaza will be convenient to all Keller residents and business persons seeking municipal services.

Town Center Lane will be developed as a pedestrian-oriented "Main Street" fronted by retail and office uses. A large retail center will anchor Town Center Lane to the north, with the new Town Hall and municipal plaza anchoring the southern end of the street.

Lined with an abundance of street trees and pedestrian-scaled light standards, Town Center Lane terminates on a landscaped plaza in front of the Town Hall. Town Hall and other municipal buildings will frame the "town green", creating a symbolic "heart" of the community. The proximity of the municipal plaza to the adjacent Bear Creek Park provides a unique opportunity for staging community events and gatherings.

Office uses, located within walking distance of Town Center Lane, will be developed to the east of the "Main Street" area. A small lake and greenbelt will be created along the

existing northwest drainageway, thus, creating an open space amenity to benefit the Office complex area. Restaurant uses will also overlook the lake, and greenbelt with pedestrian connections to be developed through and along the open space to encourage pedestrian use.

A Medium-Density Attached Residential component will be developed immediately east of the office uses. Buildings will be limited to two stories in height, with site amenities to include a swimming pool complex, pedestrian walks and open space areas.

An Assisted Care Living facility will be developed in close proximity to the Retail and Office core of the Town Center.

A significant portion of the existing Bear Creek flood plain will be preserved which will contribute significantly to the character of the Town Center. Existing trees will be preserved and a "Town Lake" will be developed. Potential uses for the open space include an amphitheater, picnic facilities, fishing piers, and bike and pedestrian trails.

An extensive network of sidewalks and paths will be developed along roadways and through the open space system, encouraging pedestrian circulation among uses. Tree-lined sidewalks will provide shade during the hot Texas summers with benches provided at key locations. Pedestrian-scaled lighting will be provided along key sidewalks and trails.

The TC No. 1 is estimated to create 1038 new jobs with an annual payroll of \$19,600,000. The remaining portion of the Reinvestment Zone (TIRZ No. 1) is expected to create an estimated 776 new jobs with an annual payroll of \$10,000,000.

Public Improvements

The public improvements planned for TCTIF No. 1 include streets and roadways, the construction of a new municipal complex consisting of a City Hall, Library and Plaza and surrounded by improvements to Bear Creek Park including walking trails, and open space, amphitheater, lake and other passive recreational amenities.

The TCTIF No. 1 will be used to finance the construction of improvements to Rufe Snow Drive, FM 1709, Tributary Park, portions of Bear Creek Parkway, and Keller-Smithfield Road South, streetscapes, landscaping, and certain Town Center amenities at an estimated cost of \$3,000,000. The TCTIF No. 1 will also be used to finance the construction of City Hall and Municipal Plaza, estimated at \$6,500,000.

It is expected that the proposed public improvements completed by tax increment financing will stimulate the private investment at an accelerated rate and which otherwise might not have occurred. It is also intended that the proposed public improvements will spur additional commercial and retail development in the TIRZ No. 1 earlier than expected. Additionally, the completion of certain proposed public improvements will add significantly to the park and open space amenities, which will then be available to the public. The proposed public investment towards the completion of a municipal complex and plaza, including a new City Hall and Library, will add to the efficiency and effectiveness of city services through consolidation of services and additional office and public meeting space. Lastly, once the cost of public improvements financed by TCTIF No. 1 are paid in full, the subsequent new tax increment revenue will

accrue to the benefit of each local taxing jurisdiction as part of their overall property tax revenue.

Private Investments

The proposed private investments in the TIRZ No. 1 over the next 7-10 years include over \$180,000,000 in approximately 589,000 square feet of gross retail space and 602,000 square feet of gross office space. Phase I of the 140-acre TCTIF No. 1 development intends to complete approximately 100,000 square feet of retail/office space by year-end 1999.

Notwithstanding private building construction, the private investment in TCTIF No. 1 for infrastructure, Town Center amenities, and streetscape improvements exceed \$10,000,000.

Preliminary Estimate of the TCTIF No. 1 Impact on Property Values and Tax Revenues

The preliminary estimate of the TCTIF No. 1's impact on the property values has been prepared by First Southwest Company. These estimates are conservatively based on 1,191,249 square feet of retail, commercial office space at build out (2006). The target completion date of Town Center (TCTIF No. 1) phase I is late 1999 with approximately 100,000 square feet of retail complete with a real property value of approximately \$10,000,000. The Attached Residential component of 276 units with an estimated value per unit of \$60,000 for a total real property value of \$16,560,000 will be completed in 1999. The remaining phases should be at build out by the year 2006. The Keller Town Center Tax Increment Financing District No. 1 has been estimated to add some \$90.9 million in real property from buildings and new land value.

During the life of the tax increment financing district, the City and other taxing jurisdictions will continue to receive real and personal property tax revenues from its development to generate ad valorem tax revenue for the taxing entities.

Preliminary estimates indicate that the personal property tax revenues from the new development in TCTIF No. 1 will generate over \$66 million in taxable value or approximately \$316,800 in tax revenue to the City of Keller, alone.