

Rockport, Texas Tax Increment Reinvestment Zone



June 25, 2024

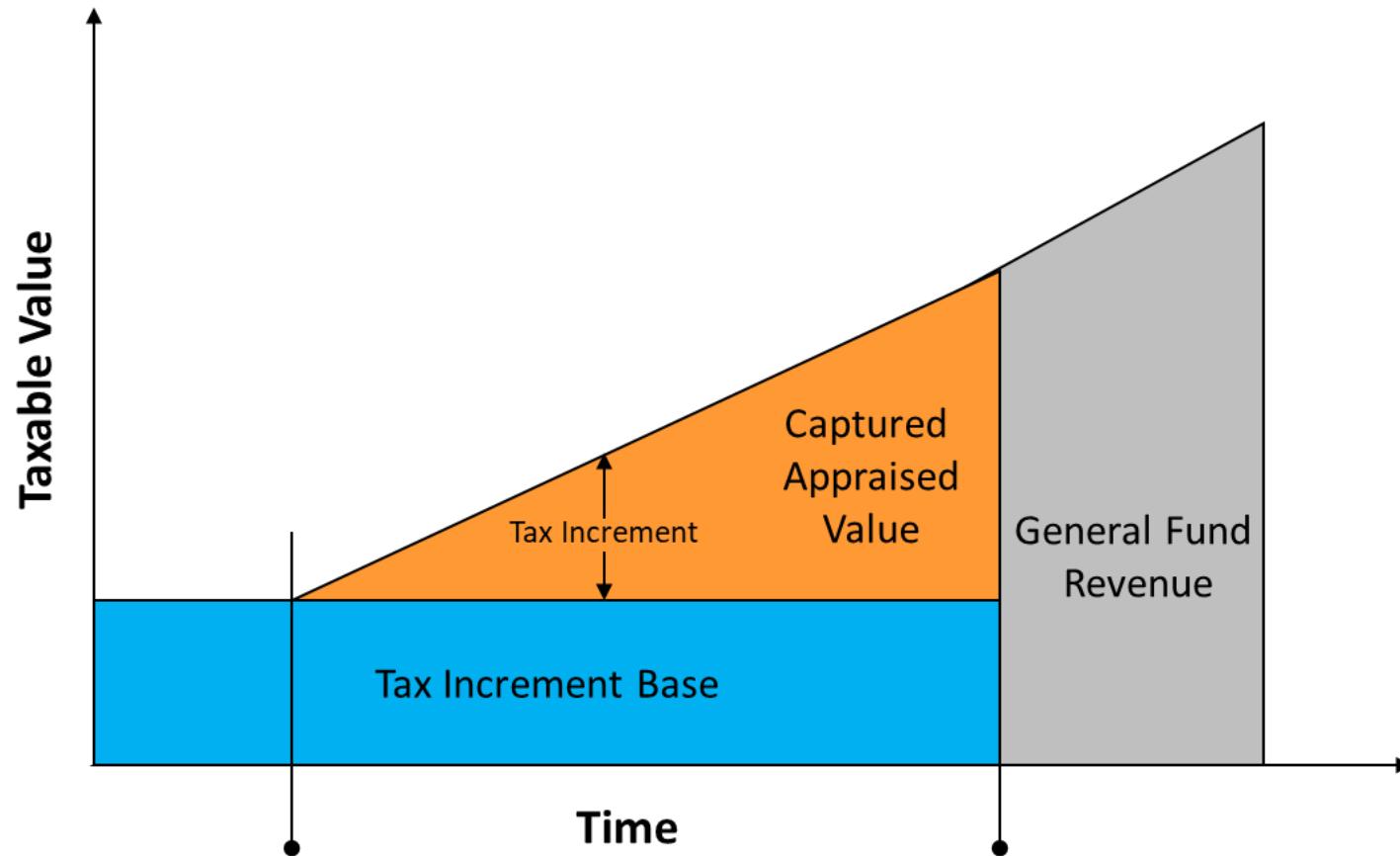
Presentation by



What Are TIRZs/TIFs?

- A tool local governments use to finance public improvements and infrastructure within a defined area
- Future tax revenues from each participating taxing unit can be used to pay for improvements
- The additional tax revenue that is received from the properties is referred to as the “tax increment”
- Each taxing unit can choose to dedicate all, a portion of, or none of the tax increment
- Cities or counties initiate tax increment financing

What is the tax increment?



TIRZ/TIF Characteristics

- No increase in tax rate – dedication of the incremental tax revenues
- Creation initiated by governing body or property owner petition
- Cities can allocate sales tax increment
- Provide additional funds for identified projects
- Aligns benefits and resources
- Keeps pace with rising construction costs
- Reduce need for other tax borrowings
- Off-balance sheet funding

Eligible Capital Costs

- Acquisition and construction of public works, public improvements new buildings, structures, and fixtures
- Acquisition, demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures, and fixtures
- Remediation of conditions that contaminate public or private land or building;
- Preservation of the façade of a public or private building
- Demolition of public or private buildings
- Acquisition of land and equipment and the clearing and grading of land

Eligible Capital Costs Cont.

- Financing cost
- Real property assembly cost
- Professional service cost
- Imputed administrative cost
- Relocation cost
- Organizational cost
- Interest before and during construction and for one year after completion of construction, whether or not capitalized
- Cost of operating the reinvestment zone and project facilities

Example TIRZs

- New Large Master Planned Development
 - Significant greenfield acreage
 - Multiple landowners
 - More than one taxing entity participating
 - Complex infrastructure needs
 - Ex. Las Colinas (Irving)
- Corridor Development/Redevelopment
 - Multiple landowners
 - Focused on redevelopment and underutilized parcels
 - Typically just city or county participating
 - Ex. Broadway Corridor (San Antonio)

Example TIRZs

- Site Specific
 - Land owned by one developer
 - Large catalytic tenant (ex. destination big box retailer)
 - Heavy retail focus (often to fill local gaps)
 - Better upfront idea of TIRZ costs
 - Common in suburban cities
 - Ex. New Braunfels Town Center at Creekside
- Downtowns
 - Older and inadequate infrastructure big impediment
 - Multiple landowners
 - Focused on redevelopment and underutilized parcels
 - Ex. Downtown Brownsville

Two Key TIRZ Rules

A reinvestment zone for tax increment financing may **not** be created if:

1. More than 30% of the property in the proposed reinvestment zone (excluding publicly-owned property) is used for residential purposes; or
2. The total appraised value of taxable real property in the proposed reinvestment zone and in the existing reinvestment zones exceed either:
 - For cities with a population of 100,000 or more: 25% of the total appraised value of taxable real property within the city and its industrial districts, or
 - For cities with a population of less than 100,000: 50% of the total appraised value of taxable real property within the city and its industrial districts.

Steps to Creating a TIRZ/TIF

1. Prepare a preliminary reinvestment zone financing plan
2. Publish the hearing notice at least 7 days before hearing
3. Hold a public hearing
4. Governing body designates zone by ordinance or order
 - Create Board of Directors (Minimum 5 and Max 15)
 - Participating taxing entities are represented on Board
5. Prepare project plan and financing plan
6. Collect the tax increment
7. Board of Directors makes recommendations to the governing body

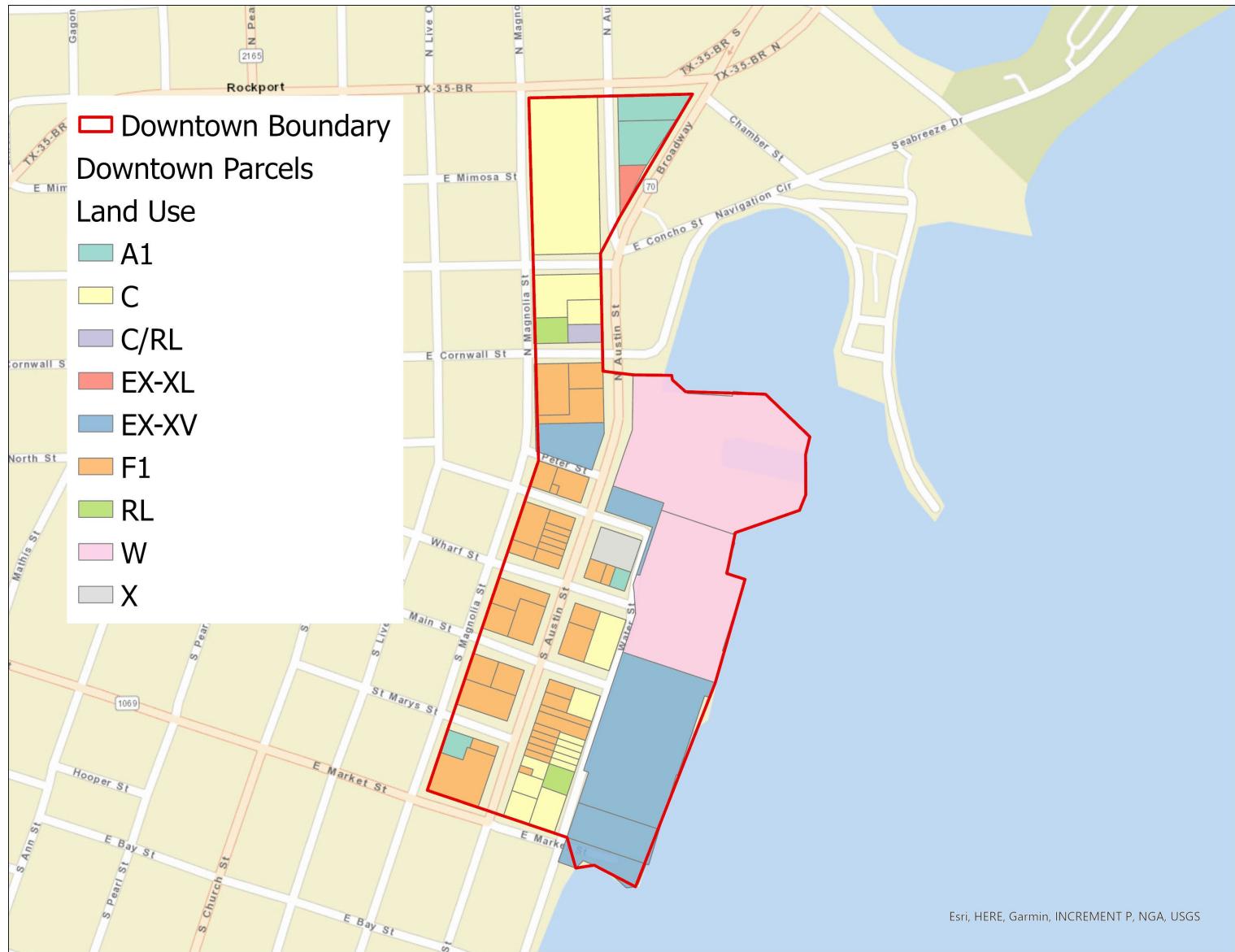
Potential Downtown TIRZ



Esri, HERE, Garmin, INCREMENT P, NGA, USGS

Rockport Downtown TIRZ

Potential Downtown TIRZ Land Use



Potential Downtown TIRZ

Land Use	Parcels	Acres	City (Prelim \$2024)
A1	4	1.4	\$2,859,325
C	14	6.3	\$4,465,030
C/RL	1	0.2	\$121,860
EX-XL	1	0.2	\$0
EX-XV	5	7.4	\$0
F1	36	7.0	\$13,213,392
RL	2	0.5	\$298,030
W	2	11.5	\$8,315,000
X	1	0.5	\$0
Grand Total	66	35.0	\$29,272,637

Questions or Comments?

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ROCKPORT, TEXAS 1973





CURRENT CONDITION OF THE ROCKPORT HARBORFRONT



**CONSTRUCTING A NEW
BULKHEAD IS ESSENTIAL TO
PROTECT THE DOWNTOWN
FROM FURTHER EROSION AND
FLOODING**



A CHALLENGE TO BE SOLVED

- UNDEVELOPED LAND
- NO BULKHEAD
- ENVIRONMENTAL MITIGATION
- ZONING NEEDS TO BE CHANGED
- HEIGHT LIMITATIONS PRESENT FINANCIAL CHALLENGE
- LAST OPPORTUNITY FOR PUBLIC SPACE IN ROCKPORT
- INSUFFICIENT UTILITIES



CURRENT CONDITION OF THE ROCKPORT HARBORFRONT





WHAT'S NEXT?



IMAGINE THE FUTURE OF ROCKPORT...



ROCKPORT MARINA VILLAGE

IMAGINE THE FUTURE OF ROCKPORT

HARBORSIDE LIVING, DINING,
SHOPPING & HOSPITALITY

Condominiums, Retail spaces for
lease, Restaurant spaces & Hotel

CREATING A NEW POSSIBILITY

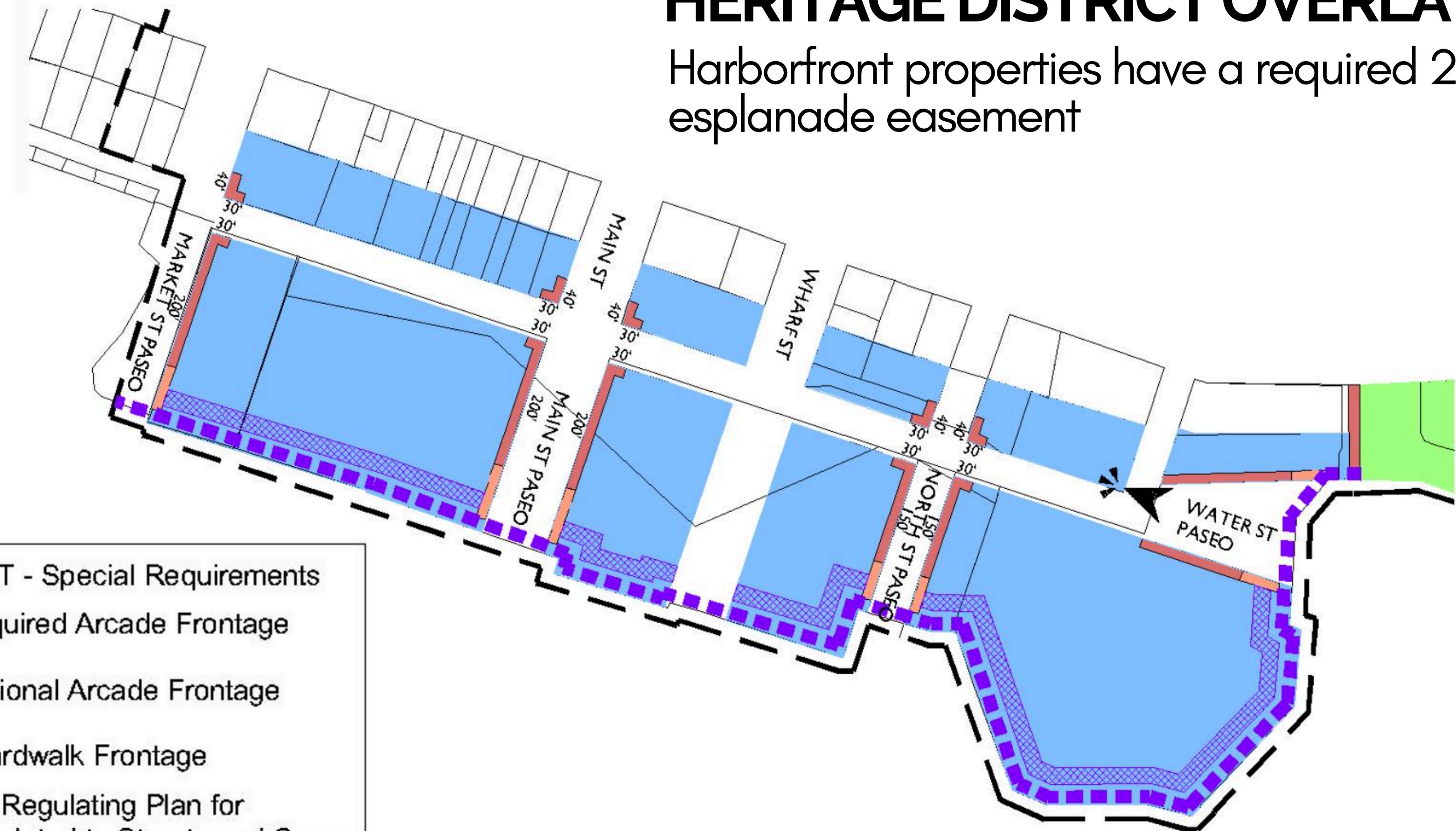
FOR THE FUTURE OF ROCKPORT

- DOWNTOWN LIVING
- DINING & NIGHTLIFE
- PARK & BOARDWALK
- ART
- HOTEL
- RETAIL & SHOPPING
- DAY TIME BOAT PARKING
- FAMILY FRIENDLY ACTIVITIES



HERITAGE DISTRICT OVERLAY

Harborfront properties have a required 20' esplanade easement







PROJECT OVERVIEW









MUSIC AND EVENT PAVILLION ON THE WATER



PUBLIC PARK AND WALKING TRAIL

BOUTIQUE HOTEL

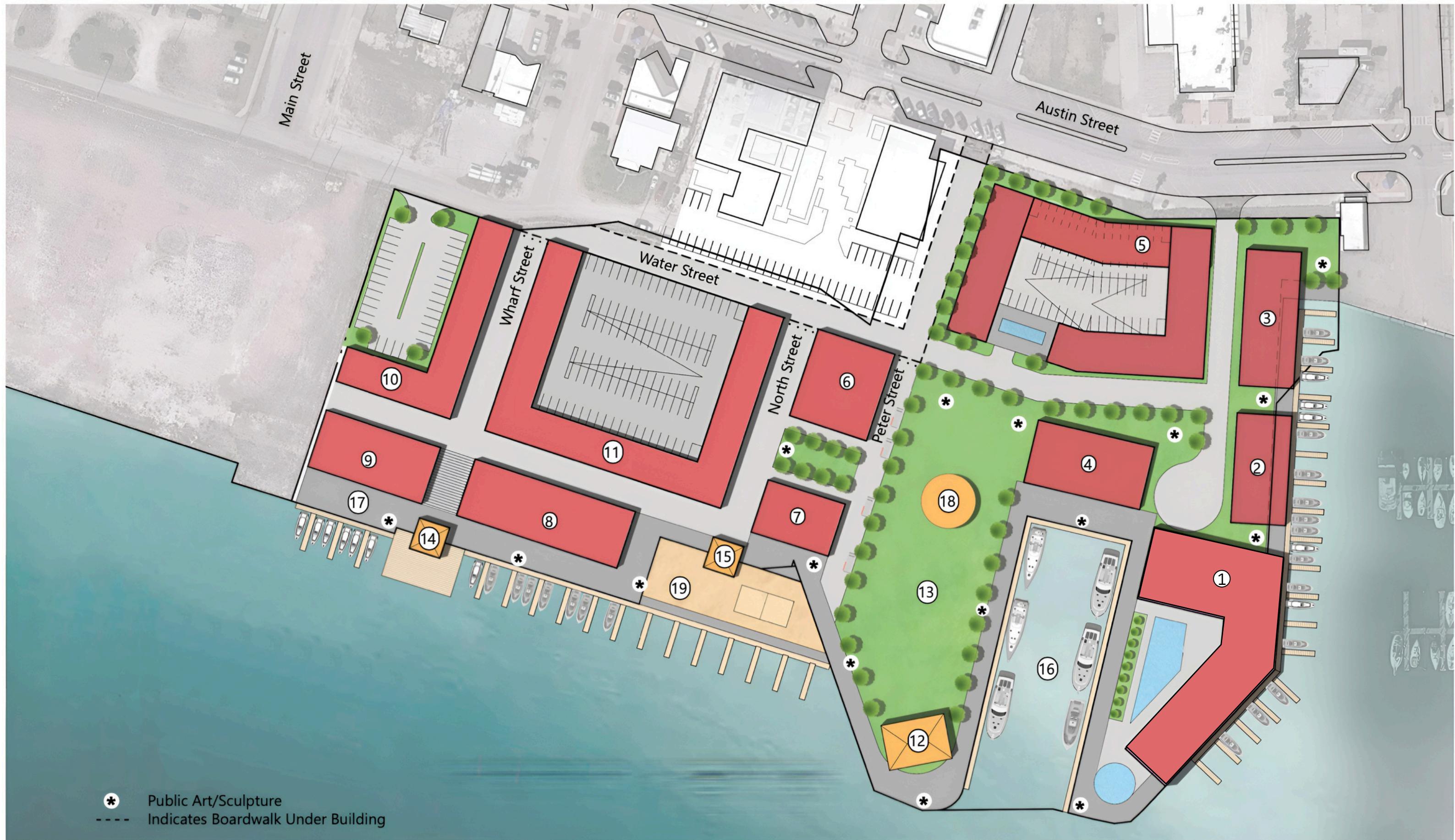
DESTINATION HOTEL ON THE WATER,
TEXAS'S FIRST LUXURY COASTAL HOTEL



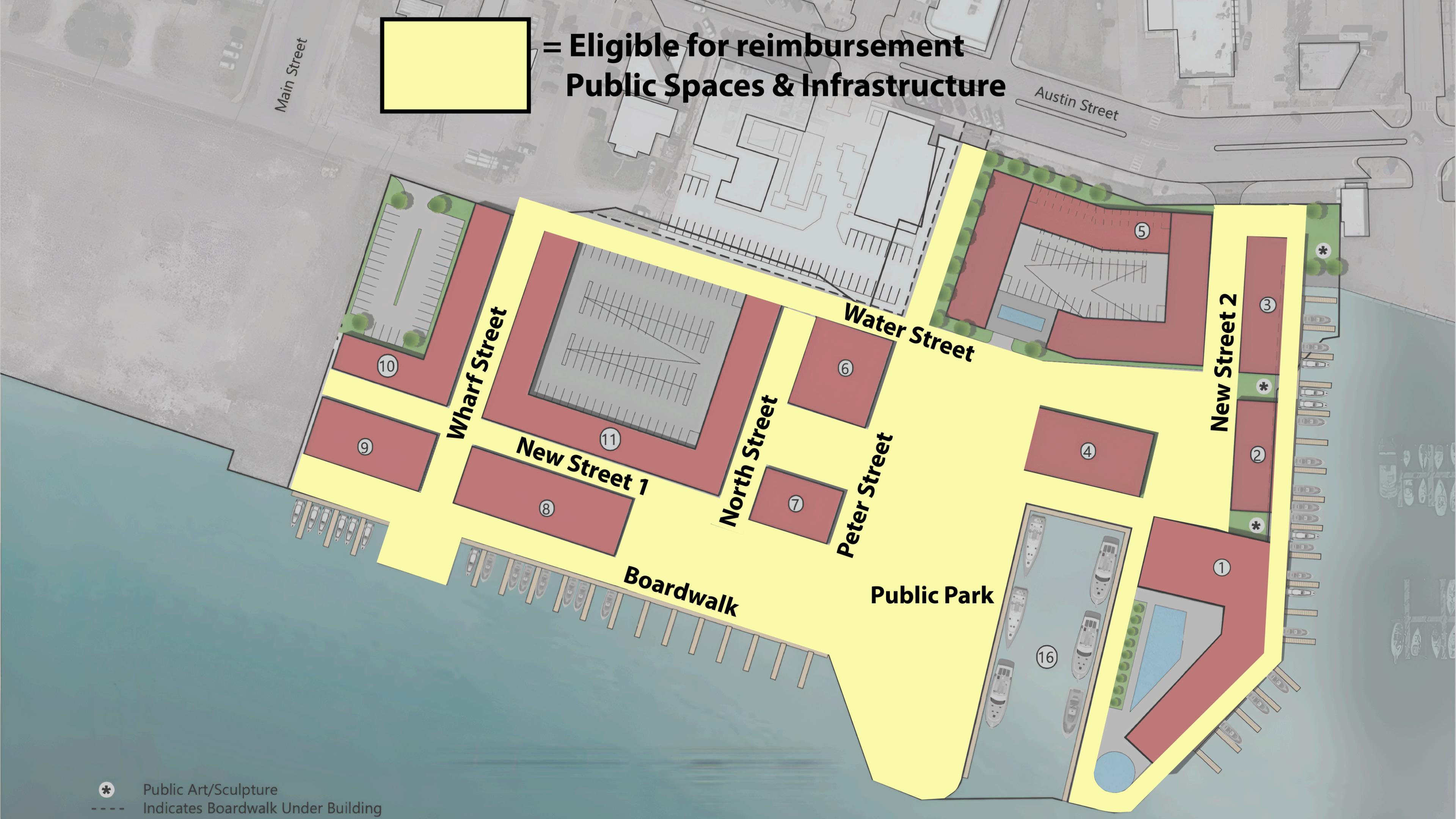
BOARDWALK & PARK

OUTDOOR ACTIVITIES FOR THE ENTIRE COMMUNITY





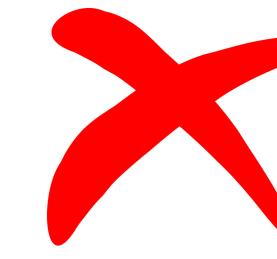
= Eligible for reimbursement
Public Spaces & Infrastructure





ELIGIBLE EXPENSES

- DRAINAGE PIPES
- SEA WALLS / BULKHEAD
- STREETS, CURBS
- BOARDWALK
- SIDEWALKS
- STREET LAMPS
- PUBLIC PARK SPACE IMPROVEMENTS
- PUBLIC PARK LANDSCAPING
- PUBLIC PLAYSCAPES & SPLASH PADS
- PARK BENCHES
- RAILING AROUND PROPERTY
- PROMENADES



NOT ELIGIBLE

- CONDOS
- TOWNHOMES
- INTERIORS OF BUILDINGS
- RETAIL STORE SPACES
- INCOME GENERATING BUILDINGS



- RESPONSIBLE DEVELOPMENT
- PARTNERSHIP WITH THE CITY
- ADVANCED INFRASTRUCTURE PLANNING
- COMMUNITY MINDED DEVELOPMENT
- FUTURE PLANNING
- FLOOD PREVENTION PLANNING
- REIMBURSEMENTS ARE CALCULATED BY A NEGOTIATED A SPLIT OFF PROPERTY TAX FROM THE PLANNED IMPROVEMENTS AND DON'T DIP INTO ANYONE ELSE'S POCKET



- PROFIT ONLY DRIVEN DEVELOPMENT
- LACK OF PLANNING
- IMBALANCE IN COMMERCIAL VS RESIDENTIAL (TOO MUCH RESIDENTIAL DEVELOPMENT & NOT ENOUGH COMMERCIAL)
- CITIES LACK FUNDS TO PAY FOR INFRASTRUCTURE
- THERE MAY BE NO IMPROVEMENTS TO PAY PROPERTY TAX IN THE FIRST PLACE

DRAINAGE SOLUTIONS



Ty Husak



Ty Husak





WHAT'S THE PREDICTABLE, PROBABLE FUTURE IF OUR DEVELOPMENT DOESN'T HAPPEN?

1

NO CHANGE

The land could continue to sit there, erosion and flooding will continue to occur in the downtown

2

CONTINUED IMBALANCE

Rockport could continue having more private residential development and imbalance will continue.

3

EVENTUALLY IT WILL BE DEVELOPED

If this development doesn't happen, other developers will try to get a hold of the property and likely build a high density residential private waterfront development, which would waste the opportunity that this property presents for the community and for the city. Other developers might not take into consideration the future of Rockport and just maximize the density of the development for profit only.



IMAGINE THE FUTURE OF ROCKPORT...

THE FUTURE OF ROCKPORT STARTS TODAY