

DEPARTMENT MEMO

DEPARTMENT: City Manager's Office  
FROM: Tommy Ludwig, Deputy City Manager  
MEETING: April 18, 2022

SUBJECT

Hold a public hearing and consider approval of an ordinance terminating the Tax Increment Reinvestment Zone Number 3, City of Burleson, Texas, dissolving the Board of Directors, and the tax increment fund for the Zone. (Staff Presenter: Tommy Ludwig, Deputy City Manager)

SUMMARY:

On December 18, 2012 the City Council created Tax Increment Reinvestment Zone Number 3 (TIRZ 3). The TIRZ was created as an economic development tool to assist with the facilitation and development of a commuter rail system along the Burlington Northern Santa Fe Corporation (BNSF) W4 line, from Cleburne to Fort Worth, and an associated rail station within the city's Transit Oriented District (TOD) Planned Development. Since the creation of the TIRZ, a number of challenges have prevented the implementation of a commuter rail system, chief among those being funding and low projected ridership.

Due to the absence of a commuter rail system or other congruent uses developing within the TOD, a TIRZ Board of Directors was never established, no debt was issued, nor a project funded by the TIRZ. Given this, and considering that a commuter rail system is unlikely to develop within the TOD within the foreseeable future, staff briefed the City Council regarding options for TIRZ 3, including dissolving, retaining, or modifying the TIRZ, in March 2022. At that time, the City Council directed staff to move forward with dissolving the TIRZ.

Approval of an ordinance, with two readings, is required to dissolve TIRZ 3. Upon dissolution, the existing fund balance of the TIRZ and incremental property tax from the TIRZ will transfer to the General Fund.

OPTIONS:

1. Approve an ordinance terminating TIRZ 3, dissolving the Board of Directors, and the tax increment fund for the Zone.
2. Deny an ordinance terminating TIRZ 3, dissolving the Board of Directors, and the tax increment fund for the Zone.

RECOMMENDATION:

Staff recommends the City Council approve the ordinance terminating TIRZ 3, dissolving the Board of Directors, and the tax increment fund for the Zone.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

March 21, 2022 – The City Council was briefed and provided staff direction regarding TIRZ 3.

FISCAL IMPACT:

None

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