



Legislation Text

File #: Res. 2014-121R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2014-121R expressing the City Council's continuing support of the Paso Robles Development within Tax Increment Reinvestment Zone No. 4; directing the City Staff to proceed with preparation of all documents necessary to increase the total amount of project expenses eligible for reimbursement with tax increment by an additional \$10,000,000; and providing an effective date.

Meeting date: September 2, 2014

Department: City Manager's Office, Steve Parker, Assistant City Manager

Funds Required: N/A

Account Number: N/A

Funds Available: N/A

Account Name: N/A

CITY COUNCIL GOAL:

BACKGROUND: In 2009, the City of San Marcos approved a development agreement that would allow the developer of the Paso Robles subdivision, Brookfield Residential, to receive up to \$20 Million in reimbursement over a 30 year period. The initial analysis showed that the development could support close to \$40MM in reimbursement if the City were to allocate only 40% of the incremental tax dollars generated by the development. The developer agreed to install all the infrastructure up front and then be reimbursed over time. The development stalled directly after the initial TIRZ was approved due to economic conditions related to the installation of a golf course and concerns with the overall economy at the time. Brookfield Residential has received preliminary approval to begin the development. They are requesting that the potential reimbursement be extended by an additional \$10 Million. If approved, Brookfield anticipates that development would start as early as the end of 2014 with the potential for a model by the end of 2015.

As a condition to the approval of the additional \$10,000,000 to the TIRZ agreement Brookfield agrees to the following schedule:

1. Model home construction will begin within three (3) years of the revised agreement

2. Golf course construction will begin within five (5) years of the revised agreement.
3. Brookfield agrees to a \$2,000,000 reduction to the additional \$10,000,000 TIRZ amount for each year that the schedule for items 1 and 2 above are not met, up to the maximum reduction limit of \$10,000,000.

There is a specific list of steps that will need to be followed in order to formerly change the reimbursement from \$20MM to \$30MM which will include public hearings and an ordinance adoption along with TIRZ board approval.