



Legislation Text

File #: Res. 2024-126R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2024-126R, approving an amendment to the reimbursement agreement with Carma Paso Robles, LLC, for the San Marcos, Texas Tax Increment Reinvestment Zone No. 4 that increases the reimbursement amount to the developer from \$30,000,000.00 to \$46,000,000.00 in connection with the Kissing Tree development at Hunter and Centerpoint Roads; authorizing the City Manager, or her designee, to execute the amendment on behalf of the city; and declaring an effective date.

Meeting date: June 4, 2024

Department: Finance

Amount & Source of Funding

Funds Required: \$16,000,000

Account Number: N/A

Funds Available: Tax Increment Reinvestment Zone #4 - Kissing Tree

Account Name: N/A

Fiscal Note:

Prior Council Action: In 2011, City Council approved Resolution 2011-143, entering into a new development agreement with Carma Paso Robles LLC, who was acquired by Brookfield Residential Inc. that authorized reimbursement for public infrastructure improvement up to \$20,000,000. In August 2021, council approved Resolution 2021-139 increasing the reimbursement agreement with Carma Paso Robles, LLC from \$20,000,000 to \$30,000,000 for additional project costs. The approved increase to the developer reimbursement agreement would line up with the project cost as outlined in the project plan and reinvestment zone financing plan Tax Increment Reinvestment Zone (TIRZ) No. 4 as amended in December 2020, Council approved Ordinance 2020-86.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Quality of Life & Sense of Place

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

- Economic Development - Choose an item.
- Environment & Resource Protection - Choose an item.
- Land Use - Choose an item.
- Neighborhoods & Housing - Choose an item.
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Core Services
- Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

Tax Increment Reinvestment Zone (TIRZ) #4 was created in 2011 to provide for the reimbursement, with tax increment, of public infrastructure related expenses for the Kissing Tree development project.

In September 2014, council approved Resolution 2014-121R to increase the total amount of the allowable project expenses for reimbursement to the developer Carma Paso Robles by an additional \$10,000,000.

Then in December 2020, Council approved Ordinance 2020-86 amending the project plan and reinvestment zone financing plan authorizing an increase for reimbursement from \$20,000,000 to \$30,000,000. The reimbursement agreement with Carma Paso Robles was approved with Resolution 2021-139 in August 2021 to reflect the increase of \$10,000,000.

On February 26, 2024, TIRZ #4 Board approved amending the project plan and reinvestment zone financing plan and development agreement, to increase reimbursable project costs by \$16,000,000 to a total of \$46,000,000.

Council Committee, Board/Commission Action:

Tax Increment Reinvestment Zone (TIRZ) #4 - the Board met on February 26, 2024, and approved the revised project plan and reinvestment zone financing plan to increase the public infrastructure reimbursable project cost from \$30,000,000 of \$46,000,000.

Alternatives:

1. Accept the recommendation of the TIRZ #4 Board and approve the amended reimbursement agreement with Carma Paso Robles for reimbursable project cost as outlined in the project plan and reinvestment zone financing plan.
2. Not accept the recommendation of The TIRZ #4 Board.

Recommendation:

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