

Center for Accelerating Innovation



U.S. Department
of Transportation
**Federal Highway
Administration**



Transportation Reinvestment Zones

Disclaimer

The contents of this presentation do not have the force and effect of law and are not meant to bind the public in any way. This presentation is intended only to provide information and clarity to the public regarding existing requirements under the law or agency policies. Value capture techniques and policies are often implemented outside of Federal funding or regulatory requirements.

The icons used in the slides that follow were designed using resources from Flaticon.com.

Presentation Outline

- ① Overview
- ② Transportation Reinvestment Zone Basics
- ③ Legal Framework
- ④ Implementation
- ⑤ Using Transportation Reinvestment Zones
- ⑥ Opportunities and Challenges
- ⑦ Case Study

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Value Capture and TRZs



The TRZ Primer



Transportation reinvestment zones (TRZs) are available to local governments in Texas and Utah



The primer's audience includes practitioners from:

- Communities that don't currently use TRZs, but may be interested in using them in the future
- Communities already using TRZs, but interested in learning other available TRZ financing methods



The primer aims to increase the knowledge of TRZ basics:

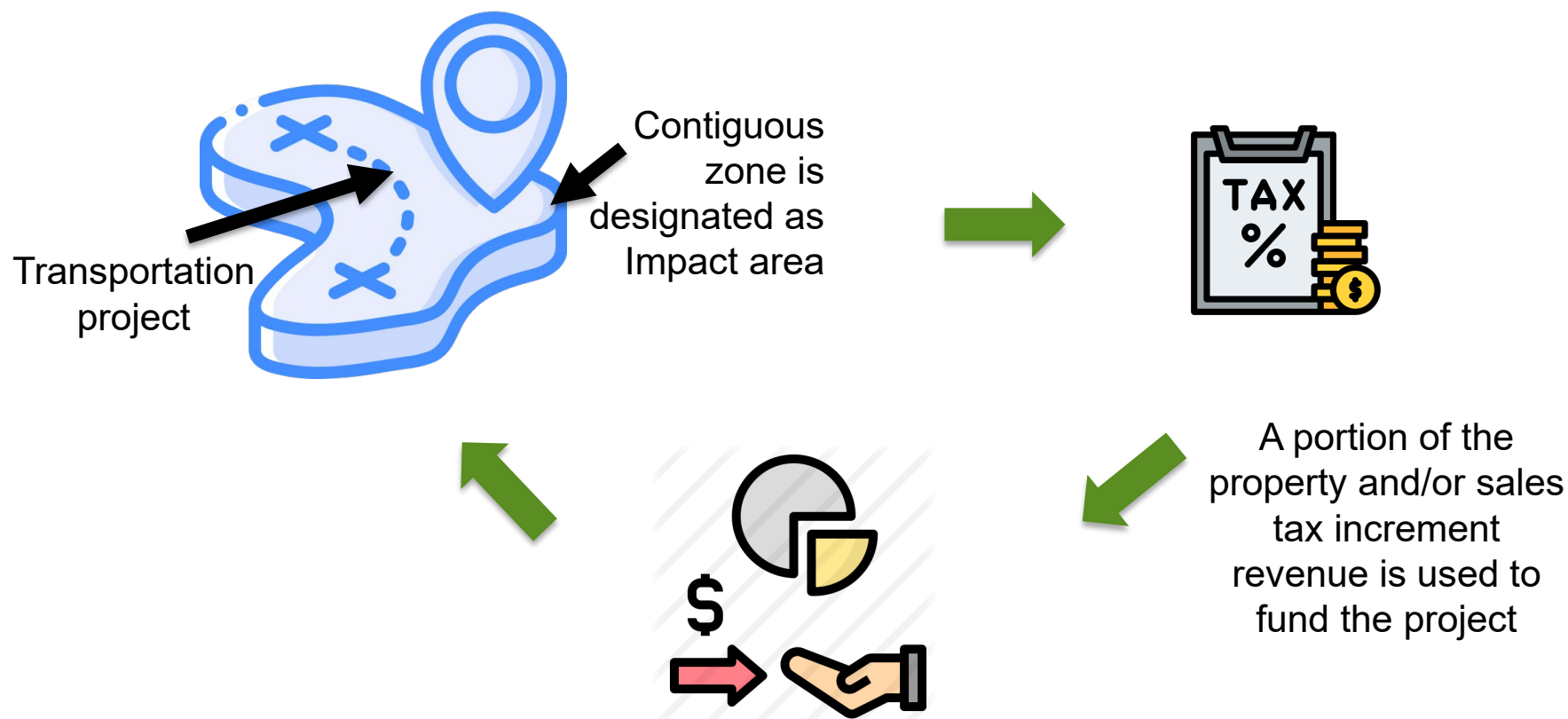
- How are TRZs implemented in Texas and Utah?
- Which local governments can use TRZs and what transportation projects can be funded?
- What opportunities and challenges exist for local governments considering using TRZs?

Presentation Outline

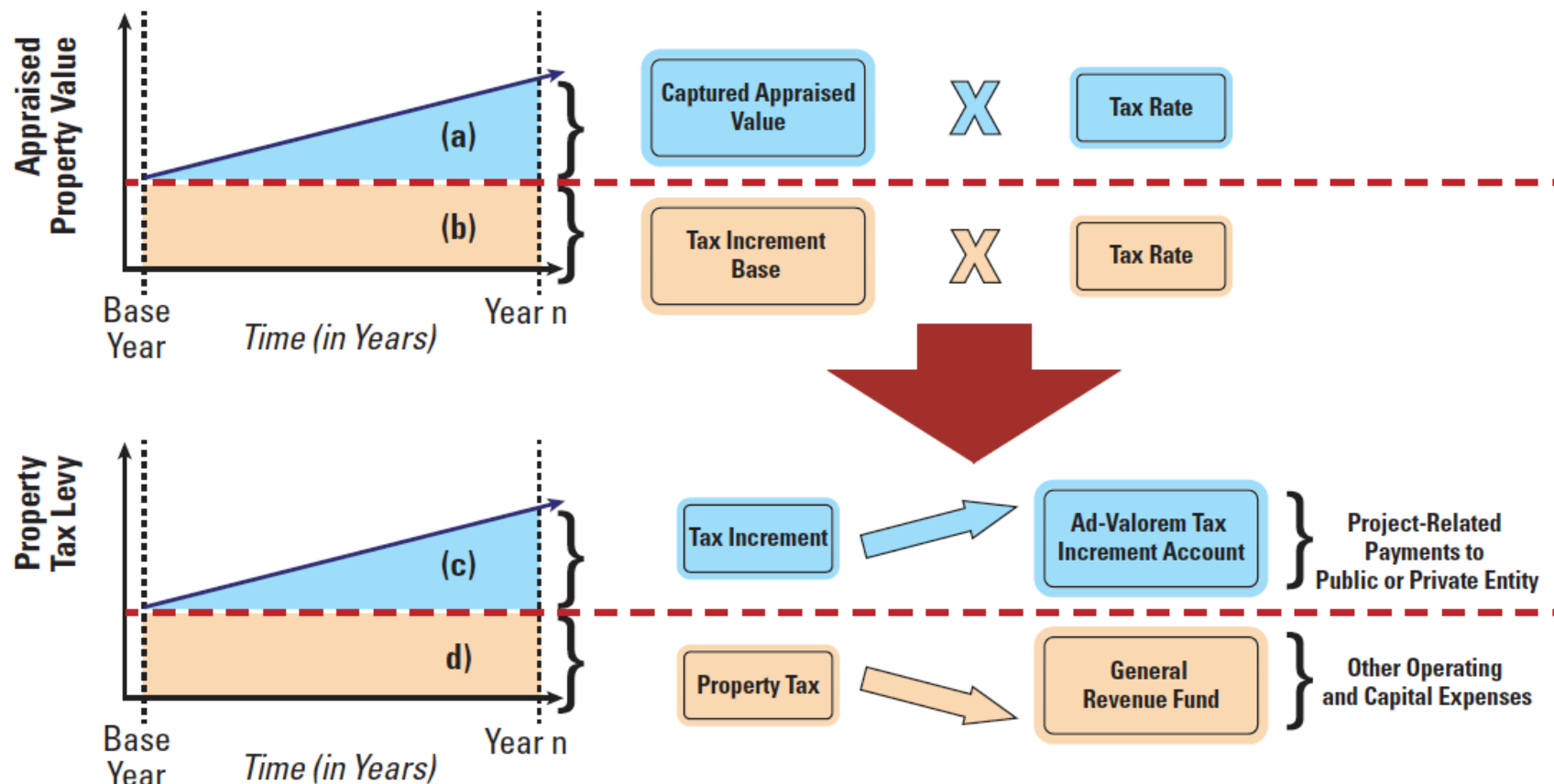
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TRZ Definition

A contiguous area where a portion of the annual increment in future local property and/or sales tax revenues resulting from the growth in the zone's tax base is to be captured and used to support funding and financing of the project.

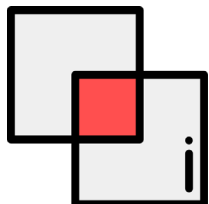


Useful TRZ Tax Increment Definitions



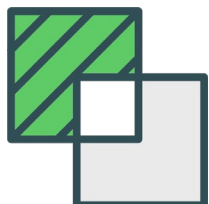
Source: Aldrete, et al., *Leveraging the Value of Land and Landside Access to Fund Port Infrastructure in Texas*, *Transportation Research Record*, 2018, vol. 2672.

TRZs vs. Tax Increment Finance (TIF) Districts: Similar, but Different



Similarities

- Both use the TIF mechanism to fund public investments within the zone



Differences

- TRZs:
 - ✓ Are dedicated only to transportation improvements
 - ✓ Are easier to create
 - ✓ Have a simple oversight and management structure
- TIF Districts:
 - ✓ Used for a wide range of improvements, including transportation
 - ✓ Have a complex initiation process
 - ✓ Have a complex oversight and management structure

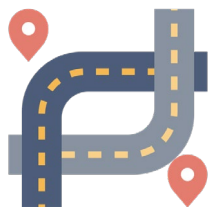
What Is the Role of TRZs in Project Delivery?



- TRZs capture part of the economic growth expected from a project to leverage traditional and non-traditional funding sources
 - ✓ Federal and State transportation funds
 - ✓ Tolls
 - ✓ Value capture



- TRZs are generally not a project's sole funding source
- Rather, they are used as:
 - ✓ Complementary source to close funding gap
 - ✓ Local matching funds for other funding sources – when required



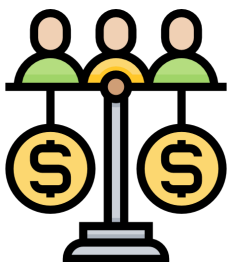
- One TRZ can support single or multiple projects within the zone

Circumstances Motivating Creation of TRZs



Addressing regional needs

- Neighboring or overlapping local governments can establish TRZs within their jurisdiction and jointly fund regional projects:
 - ✓ Fund individual project segments within their boundaries
 - ✓ Fund project outside their boundaries (i.e., joint support)



Promoting equity and economic efficiency

- Those who benefit from the project investment pay – in proportion to the benefit received – for some of its capital costs:
 - ✓ Property owners and developers
 - ✓ Business owners

Presentation Outline

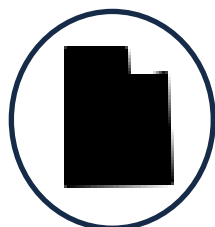
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Legal Framework in Texas and Utah: Background



Texas

- Senate Bill (SB) 1266 passed in 2007 – amended Chapter 222 of the Transportation Code (amended multiple times)
- First TRZs created in 2010
- As of 2020, there are 16 active TRZs throughout the State:
 - ✓ 8 Municipal TRZs
 - ✓ 4 County TRZs
 - ✓ 4 Port Authority TRZs



Utah

- SB 136 was approved in 2018 – enacting Utah Code Section 11-13-227 (amended in 2019)
- No TRZs yet created as of 2020
- New transit-focused legislation approved in 2021 (Housing and Transit Reinvestment Zone Act)

Texas TRZ Legal Framework: Evolution

Categories	2007 (SB 1266)	2011 (HB 563)	2013 (SB 1110 HB 2300 & SB 971)	2017 (SB 1305)
TRZ Type	<ul style="list-style-type: none"> • Municipal TRZ • County TRZ 		<ul style="list-style-type: none"> • County Energy TRZ • Port Authority TRZ 	<ul style="list-style-type: none"> • County Energy TRZs repealed
Project Type	<ul style="list-style-type: none"> • State Highway (requires pass-through or shadow toll) 	<ul style="list-style-type: none"> • Pass-through requirement removed • State Highway • Local Roads • Transit 	<ul style="list-style-type: none"> • Port • Multimodal 	
TRZ Management	<ul style="list-style-type: none"> • Required allocation of 100% of tax increment 	<ul style="list-style-type: none"> • Partial allocation of tax increment allowed • TRZ boundaries can be expanded after creation 	<ul style="list-style-type: none"> • Fund multiple projects • TRZ joint support 	

Texas TRZ Legal Framework: Requirements (Texas Transportation Code 222.105 et seq.)

Area Characteristics

- Unproductive and underdeveloped
- The TRZ will foster development, facilitate traffic flow and enhance the local government's ability to sponsor a project
- A finding of blight is NOT required

Boundaries and Limits

- Contiguous geographic area (project must be located within zone)
- No boundary limits (within the jurisdiction)
- Can be expanded, but not reduced
- May include property already within TIF or other incentive districts – but only for contiguity, not for revenue contribution

Other

- Local government decides the portion of tax increment revenue that must be dedicated to the project – remaining funds may be used for other purposes

Legal Framework in Utah

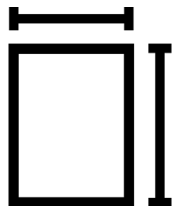


State of Utah's TRZ legal framework was enacted in 2018 General Session and amended in 2019 General Session (Utah Code Section 11-13-227).



Utah law requires the agreement of two or more public agencies to the basic elements of the zone, including: transportation infrastructure need and proposed improvement; boundaries and base year; and terms for sharing future sales and/or property tax revenue.

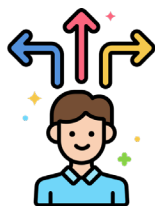
Legal Framework in Utah



Utah law does not explicitly allow or disallow changes in the footprint, or boundaries, of a TRZ once it has been created and is mute regarding limitations on the size of its boundaries.



The use of TRZ funds is not limited to local, State, or Federal transportation projects.

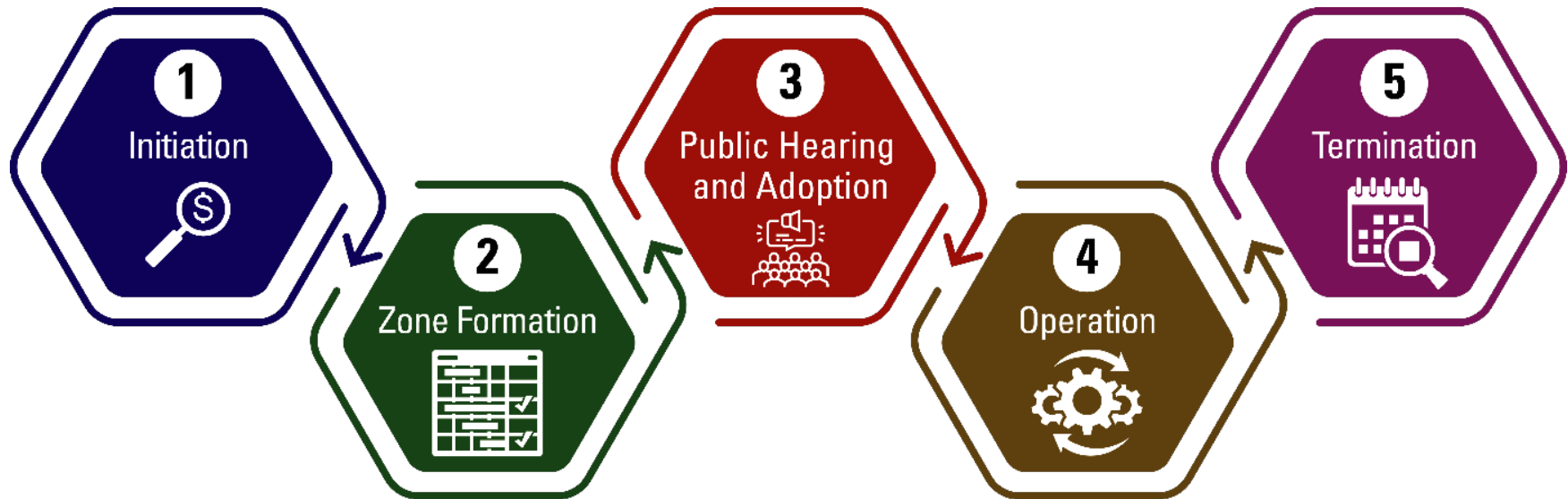


The Utah law is flexible by allowing the participant public agencies to define the transportation need and improvement within the zone.

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Implementation of TRZs: The Texas Process



Source: Texas A&M Transportation Institute

Implementation of TRZ

1

Initiation



This stage consists of identifying an eligible target area for TRZ funding.



Preliminary analyses at this stage:

- 1) Economic impact study of the proposed project and the economic value it can create
- 2) Increment capture analysis to assess tax increment revenue
- 3) Demonstration of unproductive or underdeveloped land in the corridor

Implementation of TRZ

2

Zone Formation



Determination of Zone Boundaries. All properties included within the TRZ boundaries are identified and listed.



Provision of 60-Day Notice. At least 60-Day notice period before designating the TRZ should be allowed. Public hearing on the creation of the TRZ should be held not later than the 30th day before the date when the TRZ is expected to be designated.

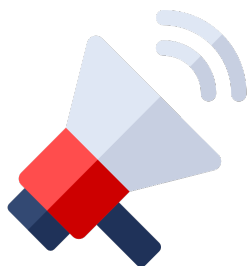


Refinement of TRZ Preliminary Analyses. In this stage, local governments have the opportunity to refine the preliminary analyses performed in the Initiation (Stage 1).

Implementation of TRZ

3

Public Hearing and Adoption



Public hearing on the creation and benefits of the zone no later than the 30th day before the TRZ.

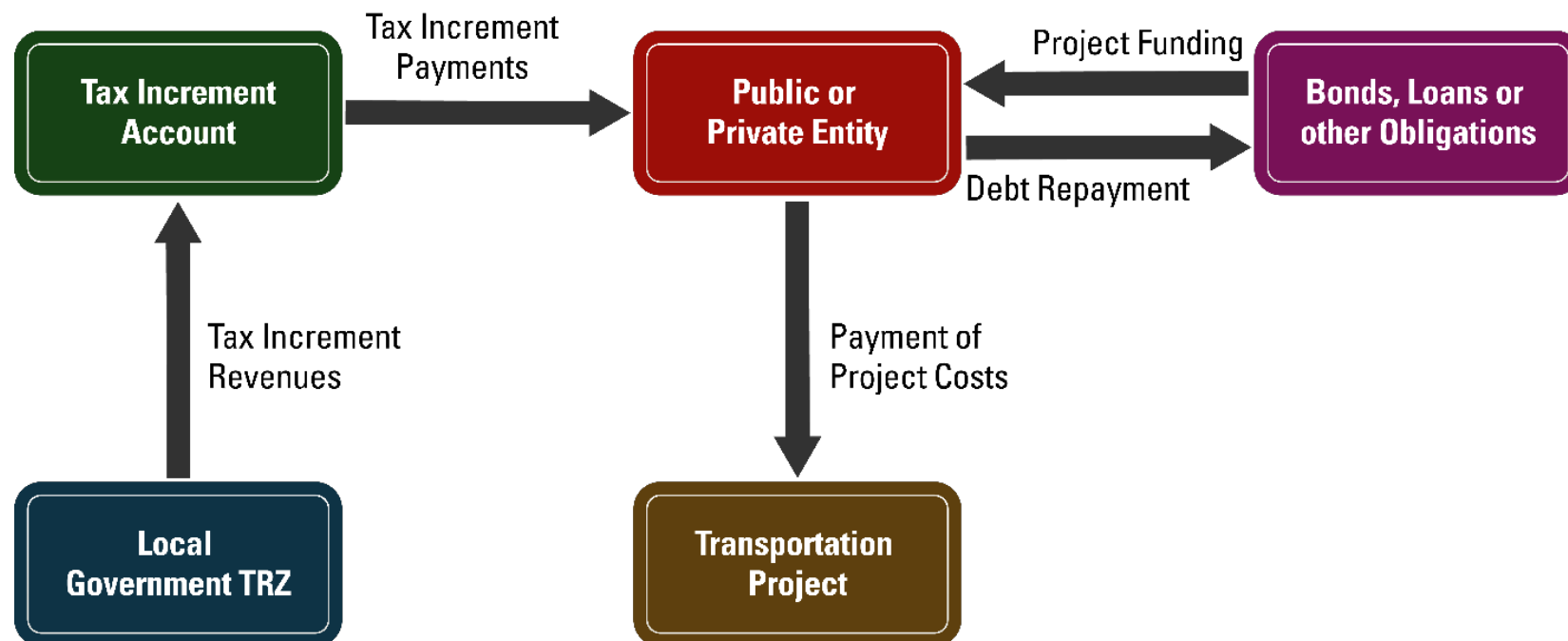


Local government governance body convenes and holds a vote on the creation of the zone by order, resolution, or ordinance on the 30th day after the hearing.

Implementation of TRZ

4

Operation



Source: Aldrete, et al., *Leveraging the Value of Land and Landside Access to Fund Port Infrastructure in Texas*, *Transportation Research Record*, 2018, vol. 2672.

Implementation of TRZ

5

Termination

According to Texas law (Texas Transportation Code 222.106(j)), a TRZ terminates:



1. On December 31 of the year in which the local government completes any contractual requirement that included the pledge of TRZ revenue.
2. On December 31 of the 10th year after the year the zone was designated, if before that date the local government has not used the zone for the purpose for which it was designated.

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Local Jurisdictions that Can Use TRZs

- Municipalities
- Port Authorities
- Counties*

State of Texas



- Two or more public agencies, being at least one of them a county or municipality

State of Utah



Local governments (in Texas) or public entities (in Utah) can jointly dedicate their TRZ resources to one project or sets of projects to enhance mobility and promote economic development across jurisdictions.

** According to the Texas Attorney General, the ability of a county to use TRZ revenue as debt collateral could be constitutionally challenged.*

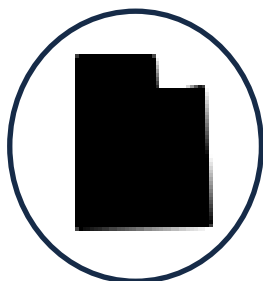
Type of Projects that Can Be Funded with TRZs



Texas law allows for the creation of a TRZ for a variety of transportation projects, including, tolled and non-tolled roads; passenger or freight rail facilities; certain airports; pedestrian or bicycle facilities; intermodal hubs; parking garages; transit systems; bridges; certain border-crossing inspection facilities; and ferries.

Texas law does not limit the use of TRZ funds to State or Federal transportation projects.

Texas Transportation Code Sections 222.105–111



Utah law allows local governments to define the transportation need and proposed improvement within the zone that can be funded using TRZ revenues.

Utah law does not limit the use of TRZ funds to local, State, or Federal transportation projects.

Utah Code Section 11-13-227

TRZ Financing Methods



Pay-as-you-go

Financing of improvements using current revenues, such as general taxation, fees, and service charges.

- Advantages: No financial (interest) cost
- Disadvantages: Slow project delivery



Bonds

Issuing debt securities to fund day-to-day obligations or capital expenses such as transportation projects.

- Advantages: Earlier availability of capital and the more flexibility in project selection
- Disadvantages: Transaction and financial (interest) costs



SIB

Secure funds via direct loans and credits to pay for transportation projects.

- Advantages: Earlier availability of capital and lower transaction and financial (interest) costs
- Disadvantages: Federal-Aid Highways above rural minor collector included in the TIP (23 USC 610(f))

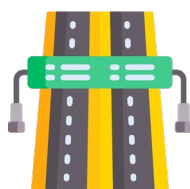
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Opportunities



Low political and public resistance when creating TRZs because TRZs are not a new tax or tax increase.



TRZs help local communities expedite, or to make possible in some cases, the delivery of critical transportation projects by closing the funding gap. As a result, mobility is increased, spurring economic development in the area.



TRZ generally entails a great deal of interagency collaboration that opens opportunities to leverage funds across agencies, including the State DOT, the regional MPO, neighboring local governments, and others.



TRZs are a funding mechanism that can promote equity and economic efficiency through the “beneficiary-pays” principle.

Challenges



Concerns about the ability of the local government to sustain services within the zone as a result of some of the incremental property tax revenue being dedicated to a transportation project.



Uncertainty associated to TRZ revenue streams. TRZ revenues are driven by conditions in the real estate market within the zone.



Counties in Texas have not been able to use TRZ revenues to secure long-term financing to pay for transportation projects. Based on a Texas Attorney General's opinion, it might be prohibited by the Texas Constitution.

Presentation Outline

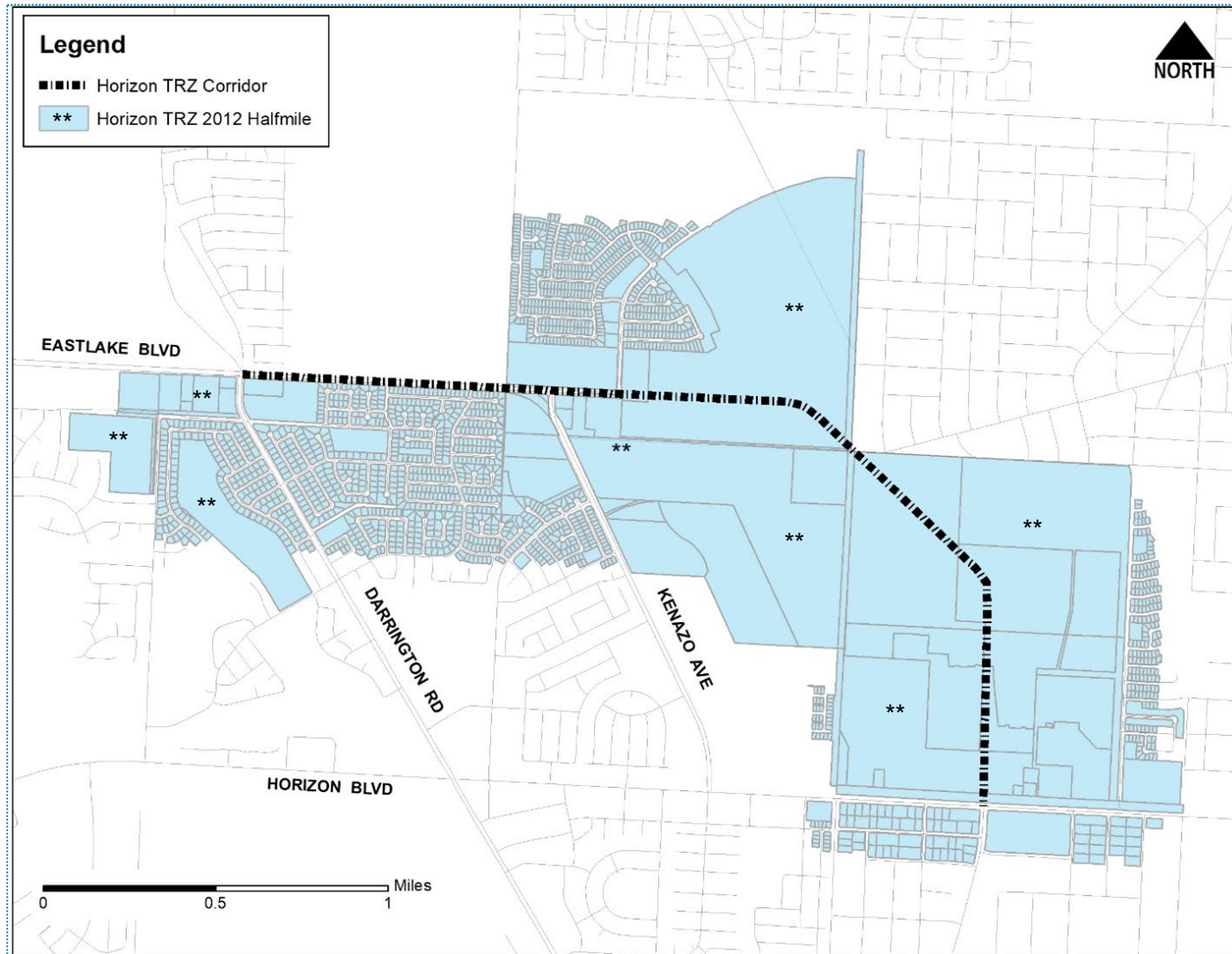
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TRZ – Eastlake Boulevard Extension Phase 2

- Town of Horizon City, Texas. Small size community. The city uses revenues generated by the Town of Horizon City Transportation Reinvestment Zone No. 2 as a financing mechanism to partially fund the Eastlake Boulevard Extension Phase 2 project.
- The Eastlake Boulevards Extension Project was critical for the Town, as it significantly improved the Town's access to I-10 and connectivity to the City of El Paso, as well as to its neighboring City of Socorro.
- The project consisted of building a new six lane roadway, the project cost was \$16.7 million. The Town of Horizon City was responsible for paying \$3.8 million.

Source: Utilizing TRZs: Town of Horizon City Eastlake Boulevard Extension Phase 2. Presentation by Teresa Quezada at the FHWA EDC-5 Texas Peer Exchange. Austin, Texas (2019).

TRZ – Eastlake Boulevard Extension Phase 2



Source: Texas A&M Transportation Institute

TRZ – Eastlake Boulevard Extension Phase 2



Opportunities

- Horizon City used the TRZ value capture technique to negotiate a unique funding and development agreement with other local entities to make the project happen.



Challenges

- Internal challenges:
 - Introducing new funding concept to policymakers. **Continuous communication between policy makers and key municipal staff.**
 - Determining TRZ size. **Local officials and financial staff working together to determine TRZ size.**
- External challenges:
 - Coordinating with external partners. **Designate a team to lead those discussions.**
 - ROW acquisition. **Work with property owners as early as possible.**
 - Changes in Property Designation. **Be prepared!**

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Transportation Reinvestment Zones in Utah

FHWA Webinar Series | April 26, 2023



WASATCH FRONT REGIONAL COUNCIL



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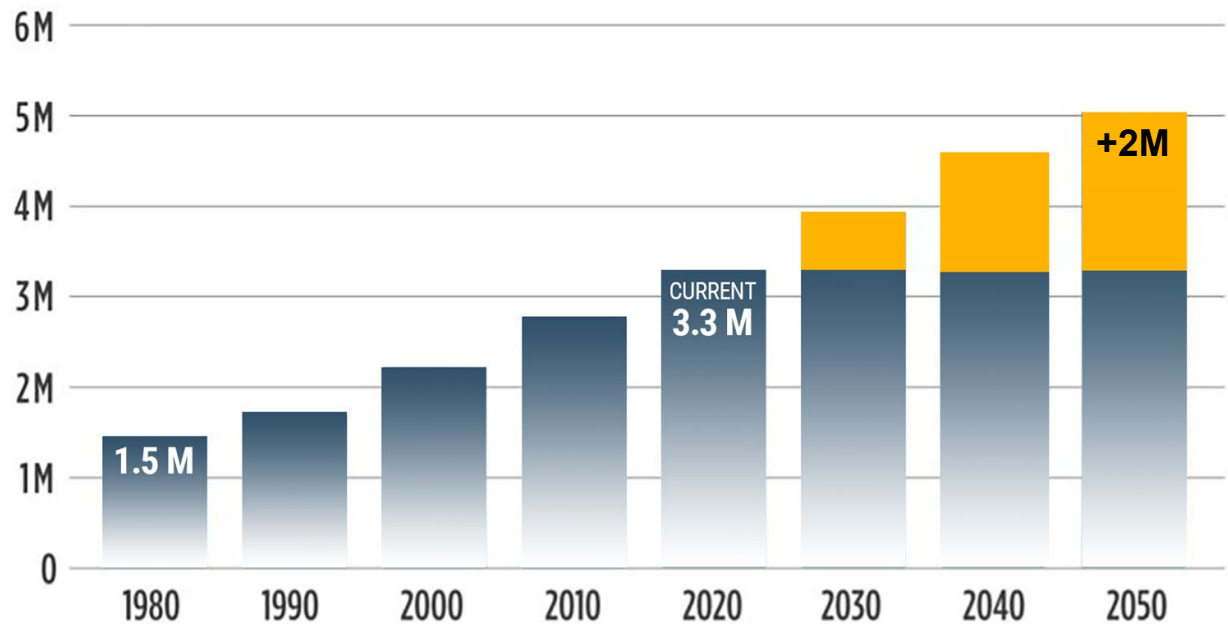


WASATCH FRONT REGIONAL COUNCIL

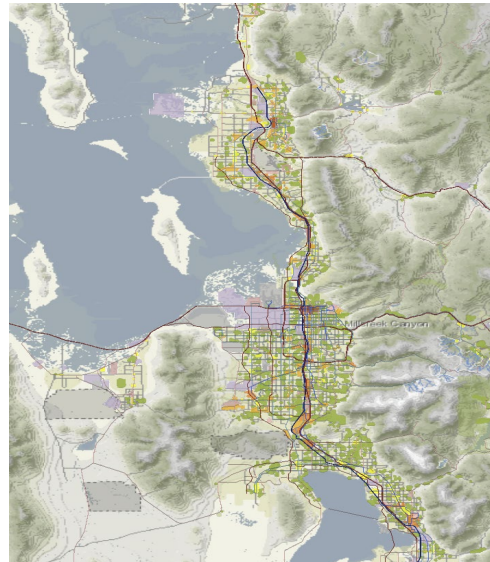
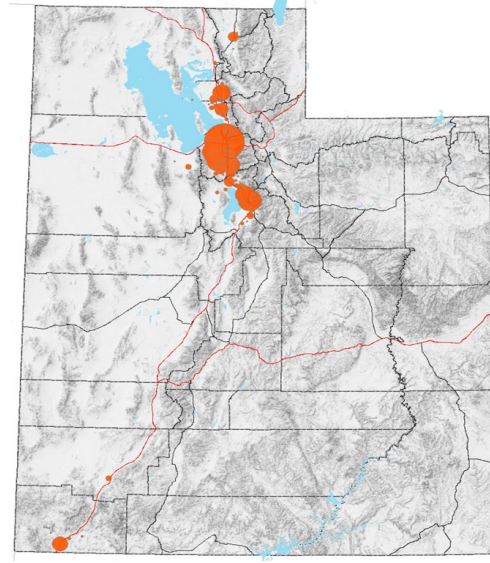
Utah's Story: Growth

The fastest growing state in the nation over the past decade

Population (in millions)



Utah's Story: Growth

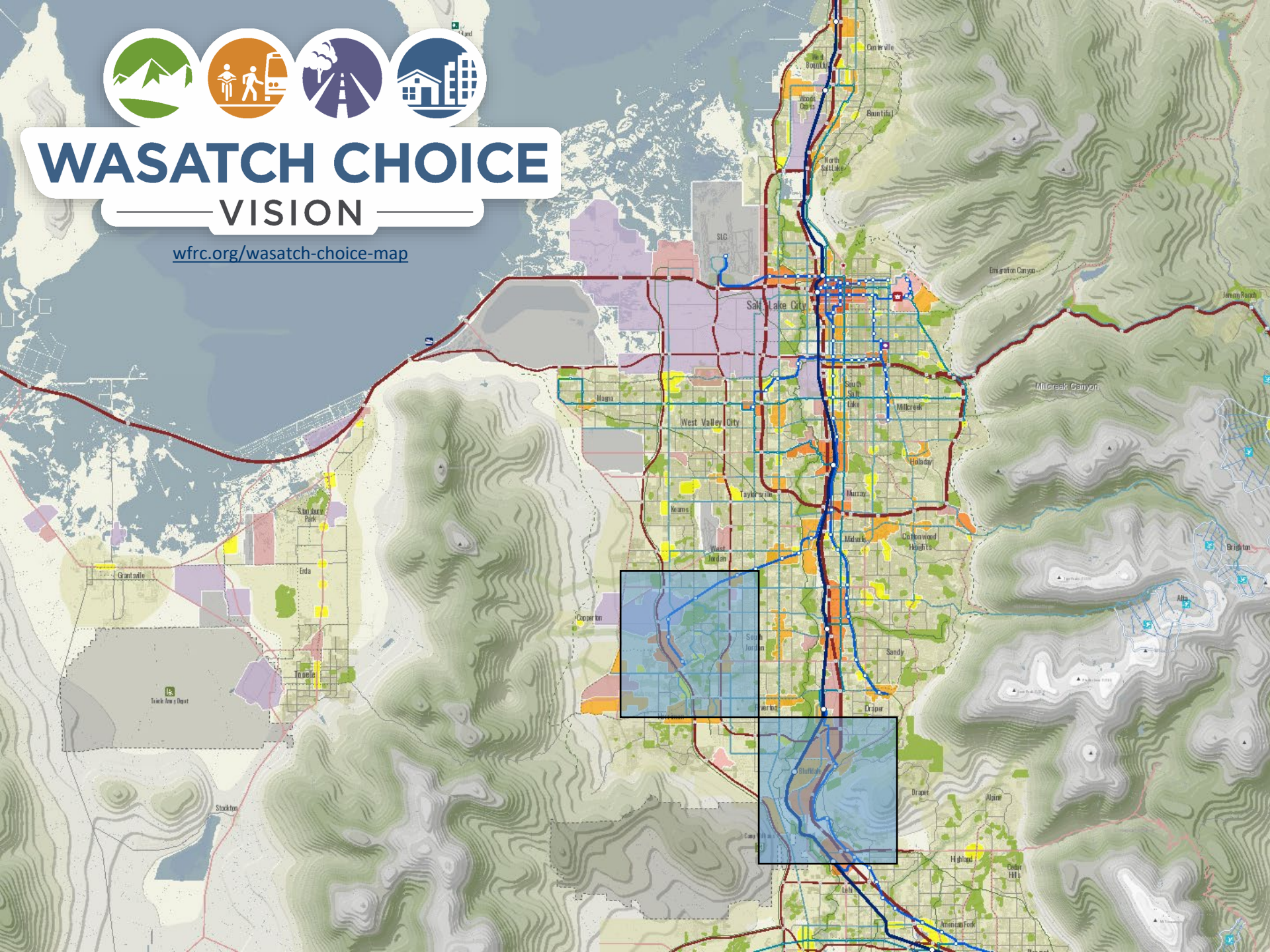




WASATCH CHOICE

VISION

wfrc.org/wasatch-choice-map





WASATCH CHOICE

VISION



CENTERS TODAY AND TOMORROW

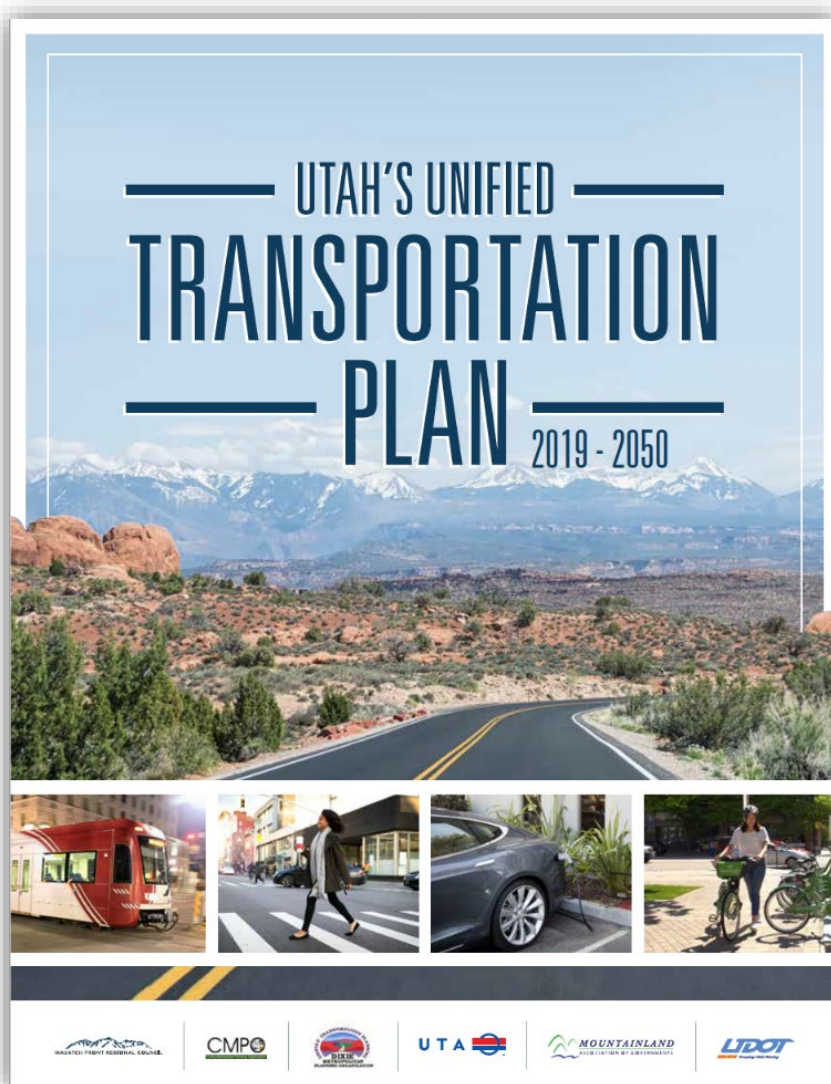


WASATCH CHOICE
VISION



<https://youtu.be/YG112qfKtMM>

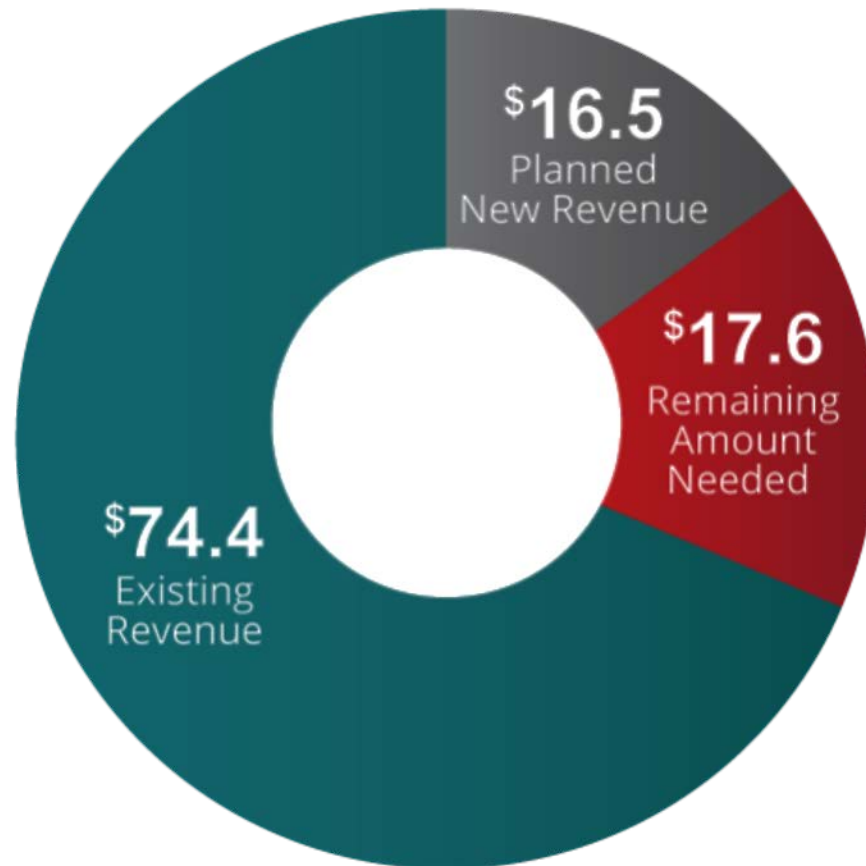
Utah's Unified Transportation Plan



“The process by which the last three rounds of transportation plans have been developed in Utah has been collaborative and comprehensive, demonstrating the principle that collaboration brings superior results. It serves as a best practice nationally.” - USDOT

Utah's Unified Transportation Plan

Needs and Revenues Through 2050



Transportation Reinvestment Zone Act

(TRZ)



WASATCH FRONT REGIONAL COUNCIL

Objective

“Transportation Reinvestment Zone” means an area created by two or more public agencies by interlocal agreement to capture increased property or sales tax revenue generated by a transportation infrastructure project.

Utah Code §11-13-103(22)

Desired Outcomes

Generate additional
revenue for road and
transit projects

Stimulate well-planned
development,
coordinated with
transportation

Encourage
collaboration across city
and county boundaries

Encourage coordination
between municipalities
and transportation
agencies

Process

Define the transportation need and proposed improvement



Define the boundaries of the zone



Establish a base year to calculate the increase of property tax revenue within the zone



Establish terms for sharing any increase in property or sales tax revenue within the zone

Define the Transportation Need and Zone

- **Boundaries:** should be drawn to include areas impacted by a “transportation infrastructure project” where property or sales tax increases are anticipated
 - Transportation projects must be a part of the statewide long-range plan, a regional transportation plan (MPOs), or a local general plan
- **Uses of Funds:** state or local highways, public transportation facilities, parking facilities that support intermodal regional transportation. Includes capital projects and/or ongoing maintenance and operations.

Revenue Generation and Sharing in Zone

- Can capture revenue “generated by a transportation infrastructure project”
- **Property tax growth in zone:** establish base year, terms for use and sharing of incremental revenue
- **Sales tax in zone:** establish terms for use and sharing of revenue
- **Timing of revenue collection:** can pair TRZ with bonding, revolving loan fund, etc. to address mismatch in timing of capital expenditure and revenue generation

TRZ v. Standard Tax Increment Financing (TIF)

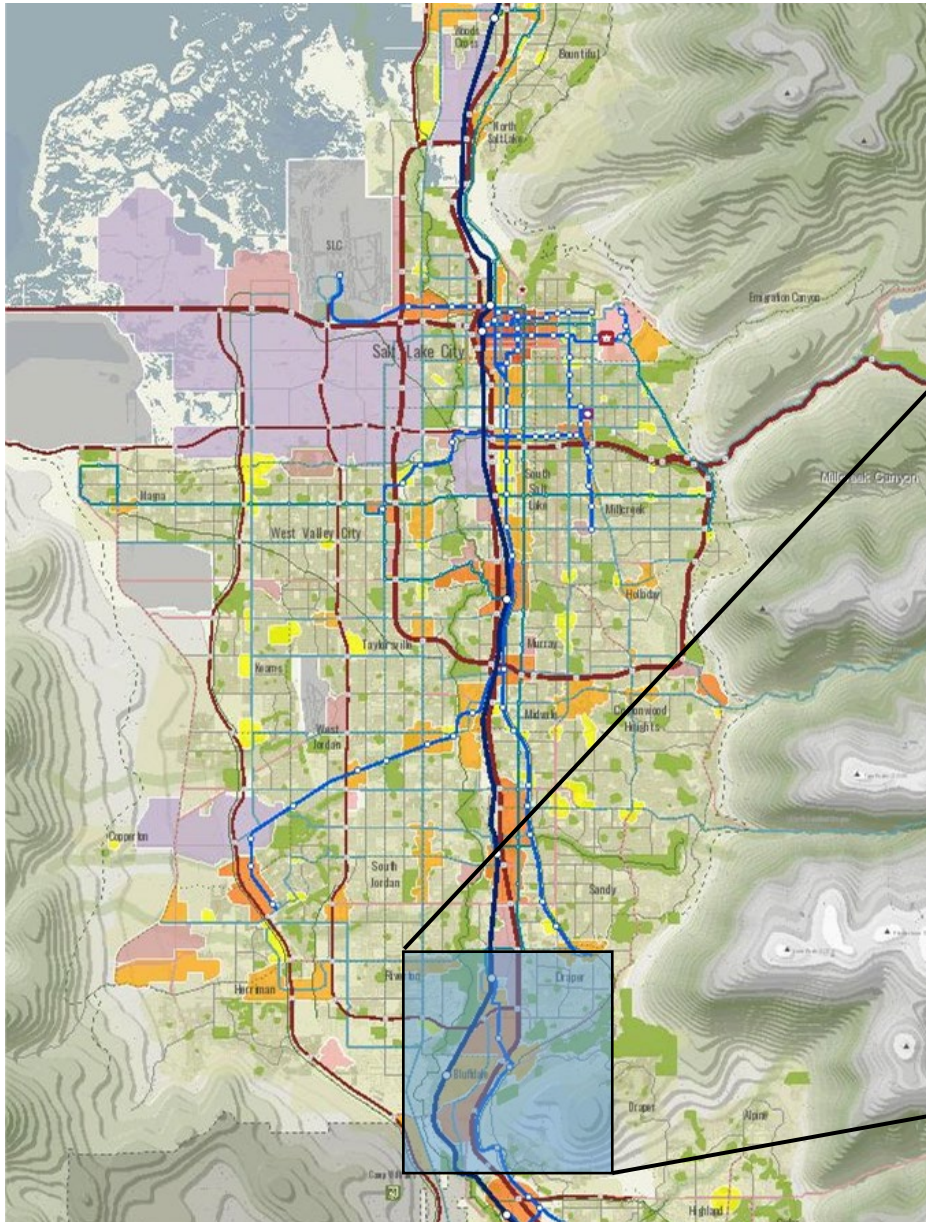
TIF: typically single entity/jurisdiction.

TRZ: multijurisdictional, governed by interlocal agreement. Establishes clear, shared governance structure rather than city by city. Improves equity in revenue generation and distribution.

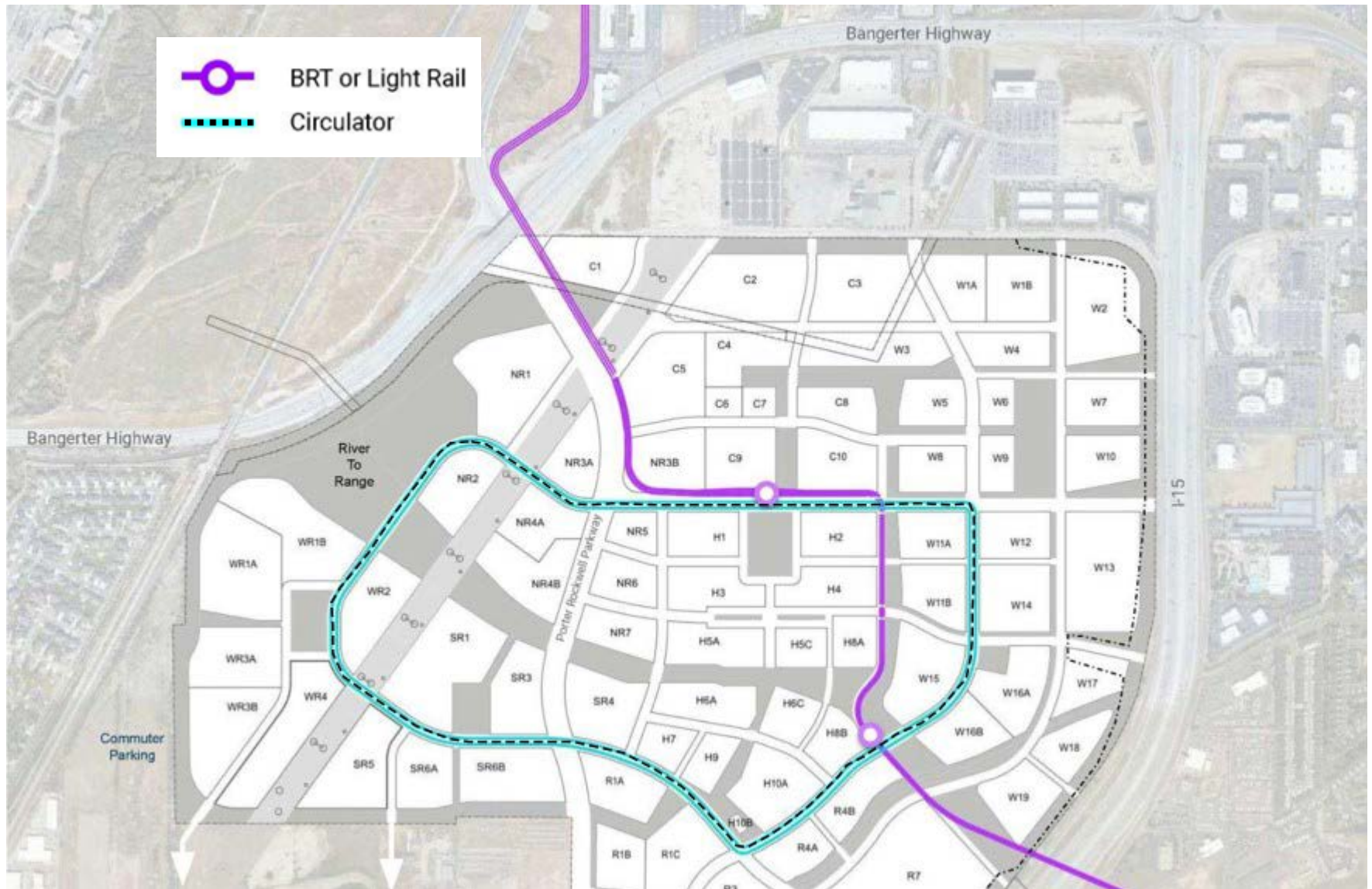
TIF: typically created by municipality.

TRZ: interlocal agreement includes transportation agencies to ensure alignment/certainty on project funding and financing, timing, design.

Potential TRZ: New Transit Line



The Point



The Point



The Point



Housing and Transit Reinvestment Zone Act

(HTRZ)



WASATCH FRONT REGIONAL COUNCIL

HTRZ Objective

Help mitigate Utah's housing affordability crisis by facilitating mixed-use, multi-family and affordable housing development *near transit stations* through tax increment financing and city planning efforts.

Desired Outcomes

Promote higher utilization of public transit

Increase availability and affordability of housing

Conserve water resources through efficient land use

Improve air quality by reducing fuel consumption and vehicle trips

Encourage mixed-use development and investment in transportation & transit

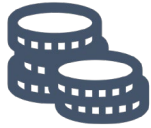
Uses strategic land use and municipal planning in major transit investment corridors

Improve efficiencies in parking and walkability

Increase access to employment and educational opportunities

Overcome development impediments that cost prohibit affordable housing

What is an HTRZ?



Allows property and sales tax increment capture around transit to support project development costs



Limits increment capture by radius around transit station, total acres, and number of years



The mixed-use project should promote certain transit-oriented-development objectives



Requires that a percentage of housing be affordable



Zoning must be in place before approved



Requires independent review and committee approval

Process

CITY PROPOSAL



INDEPENDENT
GAP ANALYSIS



HTRZ COMMITTEE
REVIEW

Use of Tax Increment

Municipalities shall use HTRZ funds within or for the direct benefit of the zone. Uses can include, but are not limited to:

- Income-targeted housing costs
- Structured parking within the HTRZ
- Enhanced development costs
- Horizontal construction costs
- Vertical construction costs
- Land purchase costs
- Pay costs of bonds issued by municipality
- Costs of the municipality to administer HTRZ

Requirements Differ by Mode

Variable Requirement:	Commuter Rail	Light Rail	BRT
Units / acre	50	50	39-49
Radius from station	1/3 mile	1/4 mile	1/4 mile
Max. acres (noncontiguous)	125	100	100
Max. tax increment capture	80% (25 yrs)	80% (15 yrs)	60% (15 yrs)
Total HTRZ allowed	No restriction	8 (in any county)	3 (in SL county)

Standard Requirement:	Commuter Rail	Light Rail	BRT
Min. % of affordable units	10%	10%	10%
Mixed use	Yes	Yes	Yes
% of units 1+ bedroom	Yes	Yes	Yes
State sales tax increment	15% to TTIF	15% to TTIF	15% to TTIF

INDEPENDENT GAP ANALYSIS

The city proposal is submitted to state economic development office, which contracts for an independent financial analysis.

The gap analysis includes:

- Market analysis of comparable developments included in or adjacent to the municipality or county
- Evaluation/verification of the appropriate amount of public financing and tax increment capture needed for the proposed development.
- Evaluation of the adequacy and efficiency of the proposal in achieving the HTRZ objectives

COMMITTEE REVIEW

Includes one representative from:

- The State Economic Development Office
- Each municipality that is party to the HTRZ
- The State Transportation Commission
- The Board of Trustees from the Public Transit District
- The State Treasurer's Office
- The largest local taxing entity (after the municipality, county, district)

Includes one member designated by the:

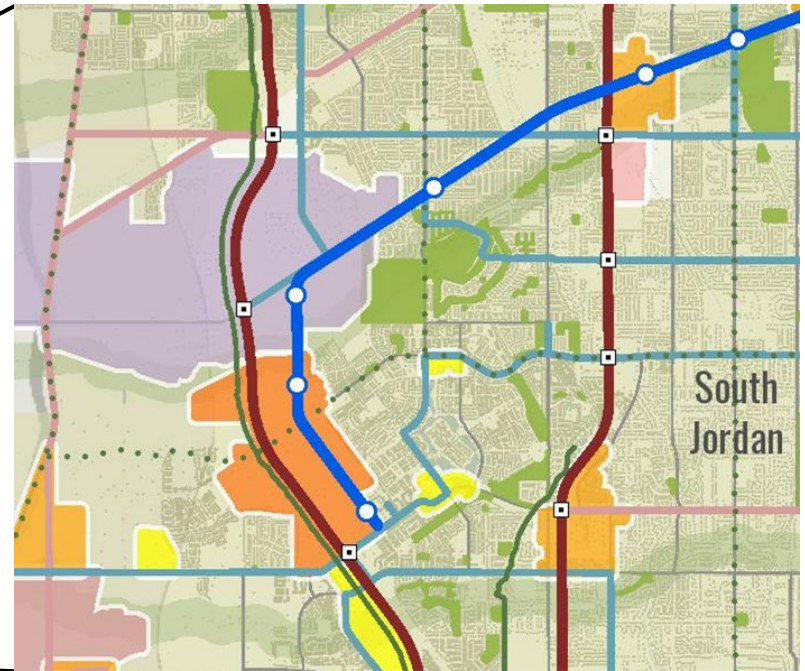
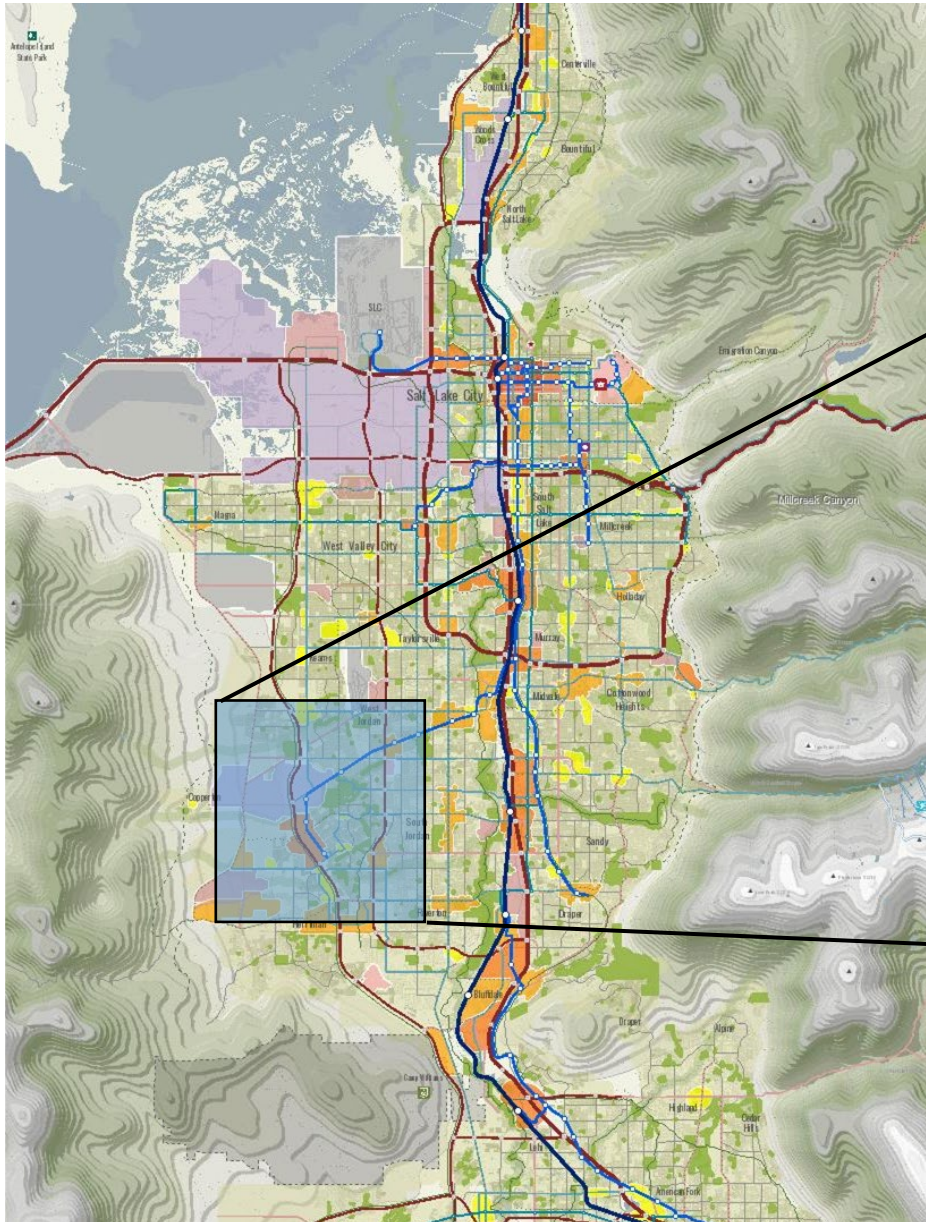
- President of the Senate
- Speaker of the House
- School superintendent from relevant district
- CEO of each County affected by HTRZ



Committee Approval

The HTRZ committee shall evaluate and verify whether the planned objectives of the HTRZ act have been met. The committee may request changes to the proposal, or vote to approve or deny the proposal.

Approved HTRZ: Daybreak, South Jordan City



South Jordan HTRZ

Mixed Use Development

- 65 units/acre = 4,724 total (double of the market plan)
- 286,000 Sqft. of retail space
- 1.5M Sqft. of office space

Affordable Housing Requirement

- 500 units (60-80% AMI)

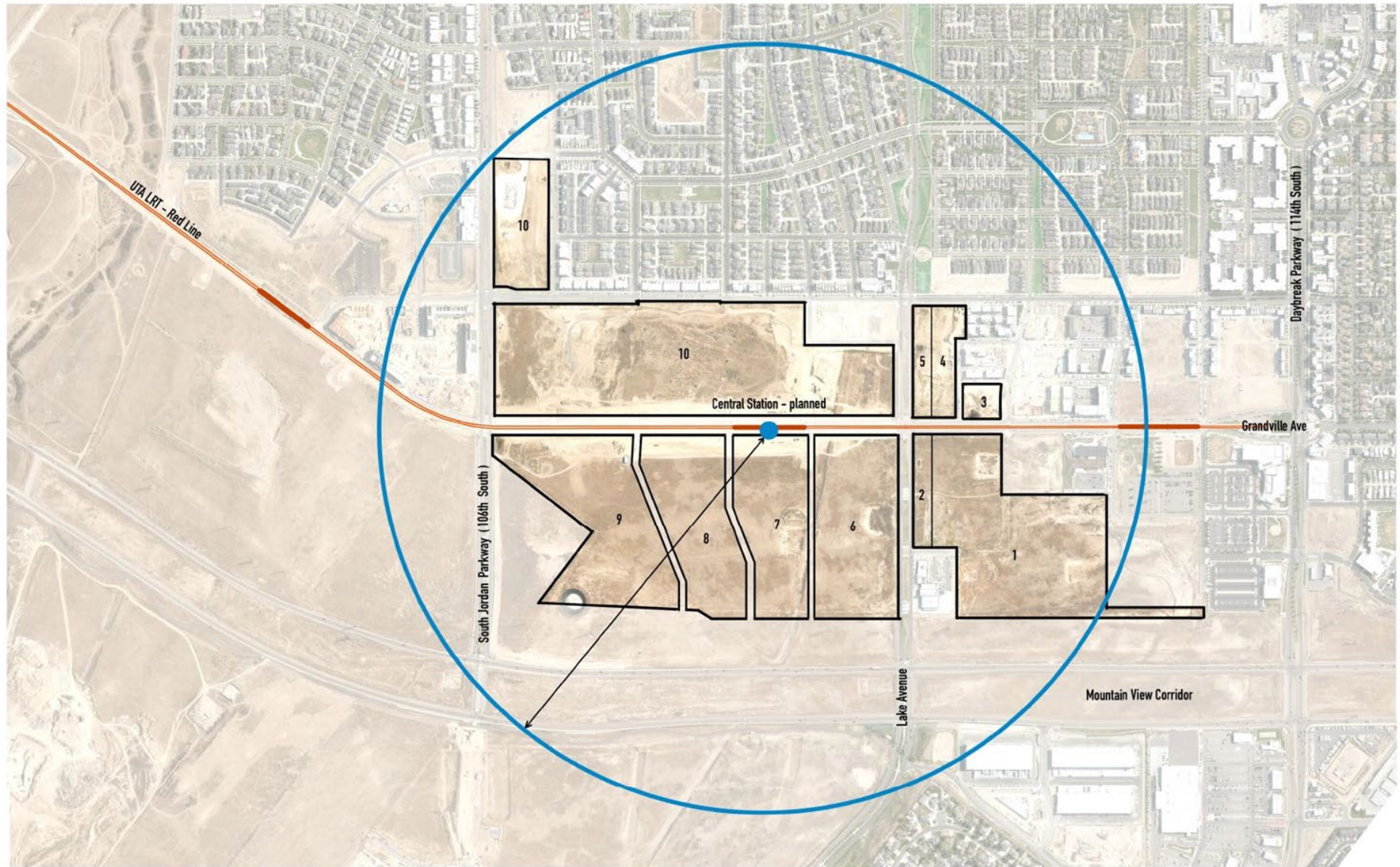
Gap Analysis

- \$512M investment gap
- HTRZ covers \$160M of gap, developer to cover remainder

Meets Development Objectives

- Captures 30% of auto-generated trips
- Includes 16 acres of open space and connects regional trails
- Adds 7,000 direct office jobs, and 9,000+ total jobs

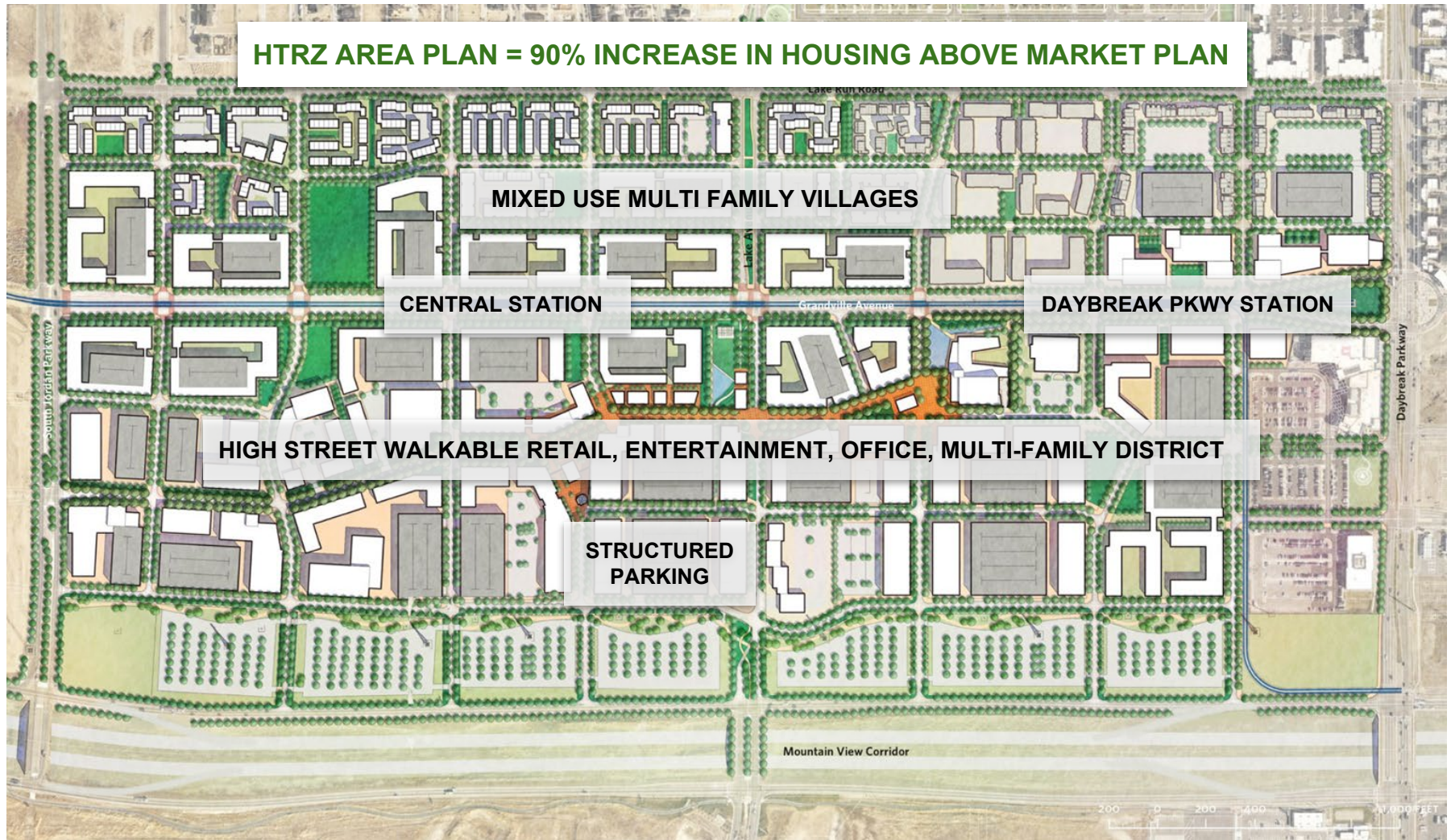
HTRZ Boundary



Planning for Growth



Proposed Plan



“South Jordan has partnered with Daybreak for two decades in building an award-winning, forward-thinking development that brings our community together. We have an invested and consistent partner in the Larry H. Miller Company for this next step in the development of an urban center in Daybreak. The HTRZ Area Plan is the culmination of 20 years of planning and development to bring an urban center to the west side of the Salt Lake Valley with jobs, recreation, and housing, including affordable housing, located near established transit.”

— Mayor Dawn Ramsey, The City of South Jordan



Approved HTRZ: Daybreak, South Jordan City



AFFORDABLE HOUSING, TRANSIT AND OPEN SPACE



Resources



Transportation
Reinvestment Zones
White Paper



Housing &
Transportation
Reinvestment Zones
White Paper

Utilizing Transportation Reinvestment Zones Town of Horizon City, Texas Eastlake Extension - Phase 2

Value Capture Workshop
Terry Quezada
April 26, 2023



Horizon City Experience

- **TRZ Proposals** resulted from comprehensive mobility plans
 - **Financial Analyses** conducted by Texas Transportation Institute
 - **Comprehensive Mobility Plans** endorsed by participating agencies including the El Paso Metropolitan Planning Organization
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Town of Horizon City Background

- Population: 23,162– US Census estimate for 2021
- FY 2023 general fund budget: \$13,187,515

Town of Horizon City Background

- Adopted first Capital Improvement Program in FY 2014 totaling \$15 million for infrastructure projects
- 2018 CIP totals approximately \$13 million for parks and recreation facilities
- 2023 Anticipated CIP \$28 million for infrastructure and a new police department facility.
- Current CIP is estimated at approximately \$115.8 million – mostly unfunded projects

2013 El Paso County Comprehensive Mobility Plan

Map No.	Project Name
01	I-10 COLLECTOR DISTRIBUTOR LANES
02	I-10/BORDER HIGHWAY CONNECTORS
03	I-10/VISCOUNT TO AIRWAY RAMP IMPROVEMENTS
04	LP 375/SPUR 601 DIRECT CONNECTOR
05	I-10/FM 1110 BRIDGE REPLACEMENT
06	I-10 COLLECTOR DISTRIBUTOR LANES – MESA PARK
07	I-10/LP 375 DIRECT CONNECTORS
08	DELTA OVERPASS
09	EASTLAKE WIDENING PROJECT #9
10	OLD HUECO TANKS
11	EASTLAKE WIDENING PROJECT #11
12	ROJAS WIDENING
13	FM 1110 CONSTRUCTION/UPGRADE
14	GREG/EDGEMERE
15	ARTERIAL 1
16	MANUEL F AGUILERA HIGHWAY



Town of Horizon City Background

2013 County Comprehensive Mobility Plan

Texas Mobility Funds

Vehicle Registration Fees

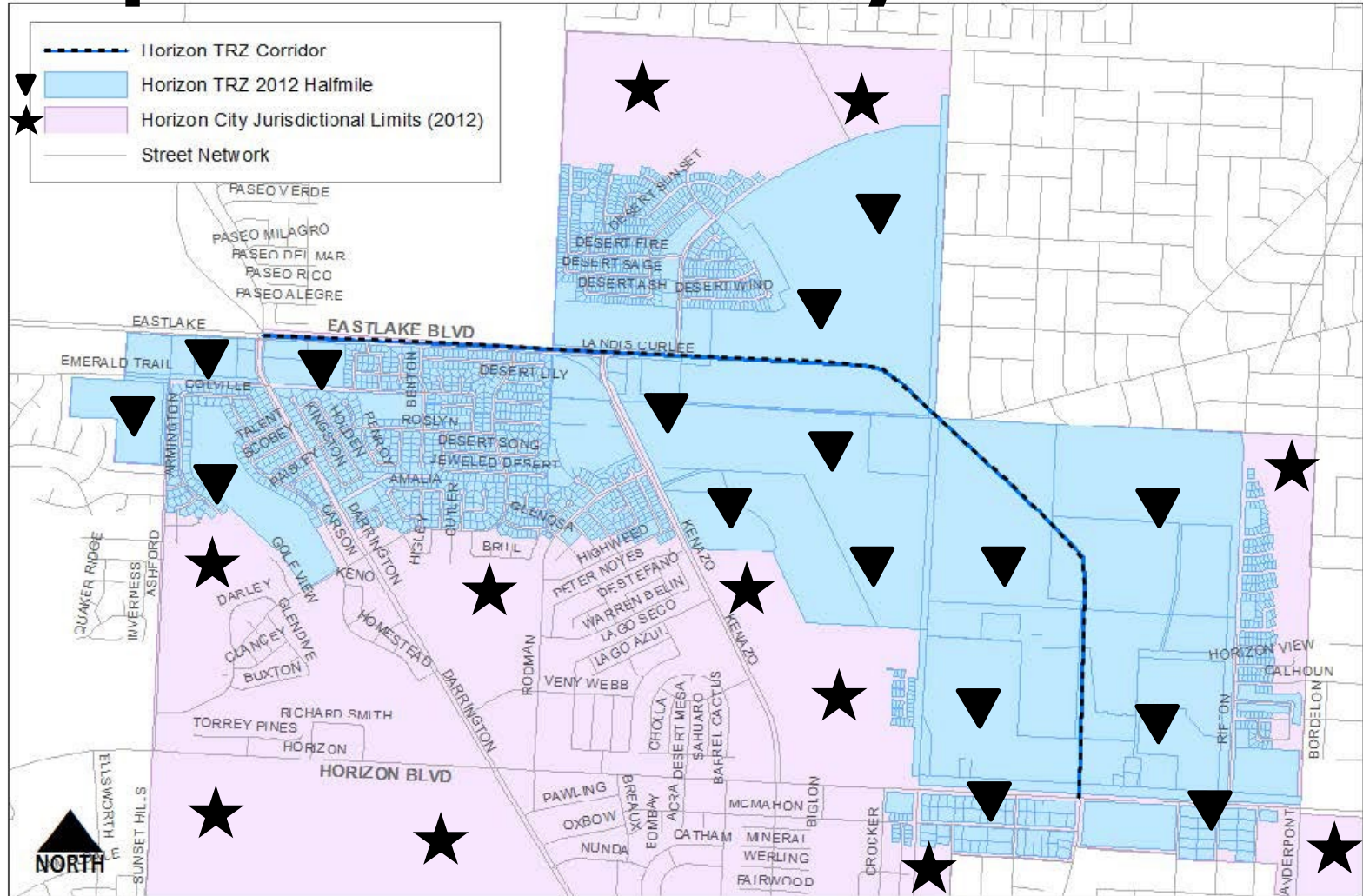
Transportation Reinvestment Zone

Federal Funds (STP)

Town of Horizon City Background

- Town of Horizon City adopted revised TRZ in 2014
- Projected to generate approximately \$6 million to fund a single project: Eastlake Extension Phase 2
- Project – Eastlake Phase 2 was completed in April 2018 – ahead of schedule and under budget

Proposed Horizon City TRZ



From TTI's October 5, 2012 Presentation to TPB

Local Government Considerations

- Zone size
- Zone's impact on General Fund budget
- Zone's term
- Project funding mechanism
- Zone description

Eastlake Phase 2 Funding Mechanism

Three-party agreement – relied on local entities exclusively

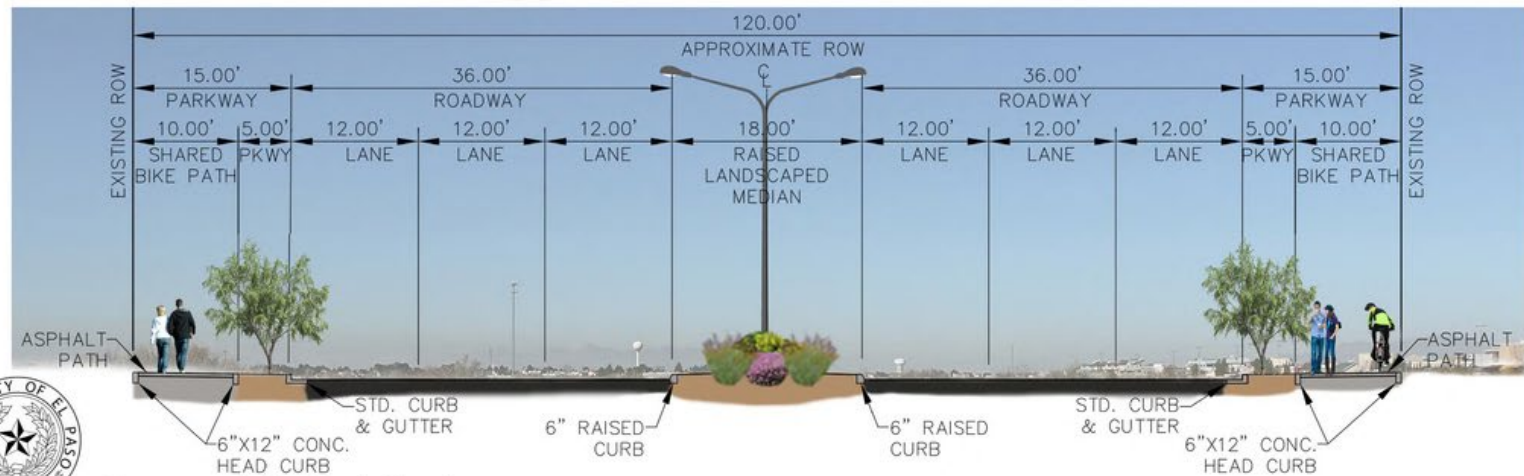
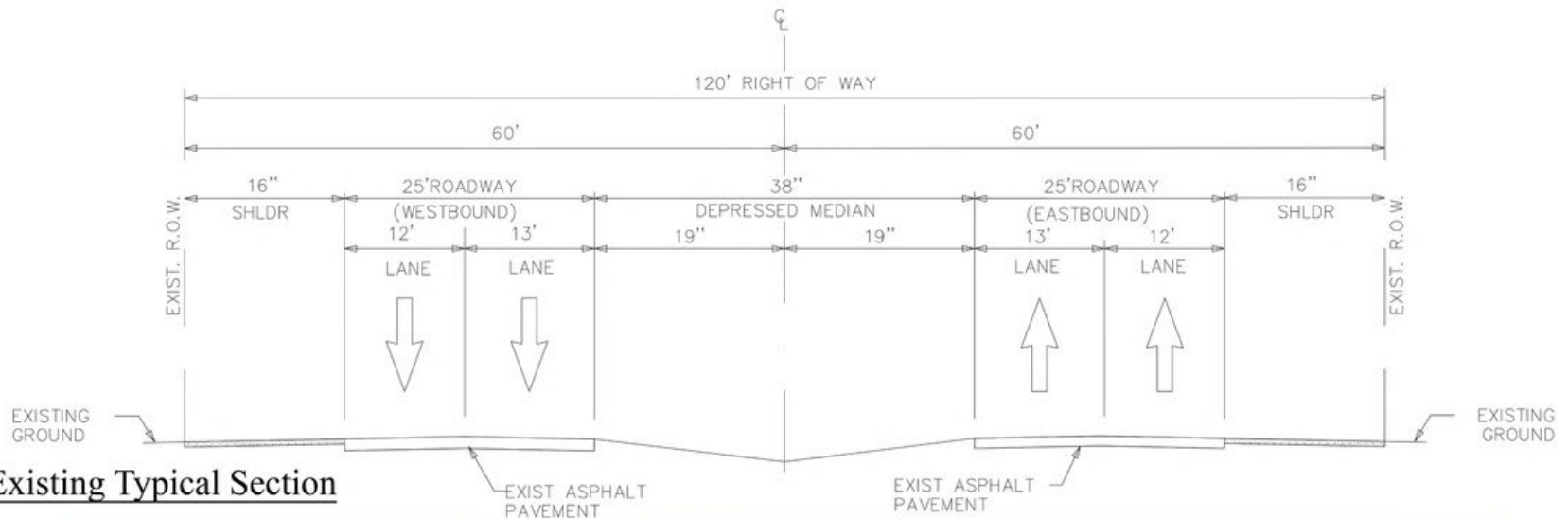
- Town of Horizon City
 - County of El Paso
 - Camino Real Regional Mobility Authority
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Agreement Provisions

- CRRMA was clearing house for the project and agreement structure
- Agreement did not utilize State Infrastructure Bank loans
- Project was not federalized
- CRRMA issued bonds – VRF funds pledged for repayment
- TRZ funds to reimburse VRF funds

Project Schedule

- December 2014 – TRZ #2 adopted
- July 2015 – Design contract awarded
- July 2016 – Bids opened
- November 2016 – three-party agreement executed by all entities
- January 2017 – Project construction began
- April 11, 2018 – Ribbon-cutting
- October 2018 - Town of Horizon City accepted project for maintenance
- May 2020 – City makes first payment to CRRMA



EASTLAKE BLVD. PHASE 2





CAMINO REAL REGIONAL MOBILITY AUTHORITY

EASTLAKE BLVD. PHASE 2 ROADWAY IMPROVEMENTS

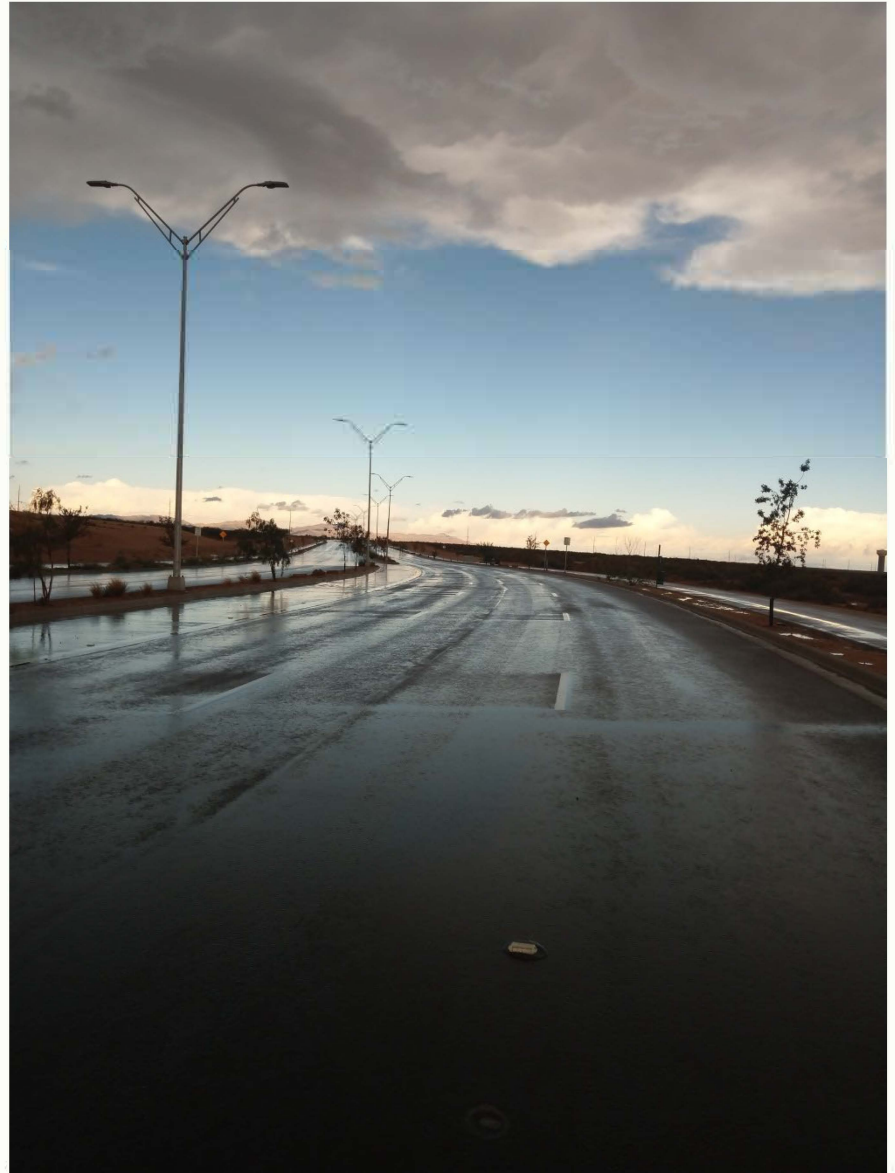




Eastlake at Kenazo

**Eastlake at Horizon
Blvd.**





Project Financials - Estimated

Item	Estimated Cost	County Portion	Horizon City
Engineering & Environmental	\$2,269,525	\$1,754,343	\$515,182
Construction	\$16,785,565	\$12,975,242	\$3,810,323
Total Estimate	\$19,055,090	\$14,729,585	\$4,325,505

County portion: 77.3%
Horizon City portion: 22.7%

Project Financials - Actual

Item	Actual Cost	County Portion	Horizon City
Engineering & Environmental	\$1,536,643.33	\$1,187,825.29	\$348,818.04
Construction	\$15,143,337.81	\$11,705,800.12	\$3,437,537.68
Maintenance (October 2018 to May 2019)	\$42,073.14	\$32,522.54	\$9,550.60
Total	\$16,722,054.28	\$12,926,147.96	\$3,795,906.32

County portion: 77.3%
Horizon City portion: 22.7%

Project Financials - Savings

Item	Total	County Portion	Horizon City
Total	\$2,333,035.72	\$1,803,436.61	\$529,599.11

County portion: 77.3%
Horizon City portion: 22.7%

Payment Schedule

- Payments for Horizon City began May 2020
- Final payment scheduled for May 2038
- Graduated payments
 - \$29,011 in May 2020
 - \$842,816 in May 2038

TRZ Performance

FY 2021 Revenues	\$156,749
FY 2022 Revenues	\$360,553
FY 2023 Estimated Revenues	\$548,403
2023 Payment to CRRMA	\$128,440

TRZ Adoption Process

- Notice of intent to create zone and benefits published in newspaper of general circulation must appear at least 7 days before hearing date
- Public hearing on “designation of zone and its benefits to the municipality and to property in the proposed zone” must be held at least 30 days before the ordinance adopting the zone occurs.

Texas Transportation Code Section 222.106(e)

TRZ Adoption Process

- Ordinance drafted and introduced within 30-day period between public hearing on zone designation and final adoption.
- Ordinance considered at public hearing at least 30 days after the public hearing on zone designation and final adoption.

Clarifications for Public

Creating TRZs

- **Does not increase taxes**
- **Impacts only City portion of tax bill**
- **Affects property tax only**
- **Vacant property can become commercially viable**
- **Occupied property can become more commercially viable**



Other Points to Consider

- New TRZ revenue stream must be included in the Master Transportation Plan at MPO
- Short-term, regional transportation planning documents may require modification to recognize new funding mechanism or new schedule
- Modifications to these plans may add time to the overall implementation process

Questions from the Public

Q: *Can boundaries be re-aligned PRIOR TO adoption?*

A: Yes, but consequences may prevent creation:

- ☐ **Smaller: New Economic Analysis Required**
- ☐ **Larger: Requires new Public Hearing Process**



Questions from the Public

Q: *Can Boundaries be re-aligned AFTER adoption?*

A: Only if no debt instruments have been issued to fund the proposed projects. If not issued, then statute does not address re-alignment. Potentially could with new economic analysis and new public hearing process



Questions from the Public

Q: Can TRZ time frame be extended to fund transit after debt has been satisfied ?

A: No. There are no provisions in the statute for allowing continuation beyond Dec. 31 of the year the debt is satisfied. Proposed Ordinance sets termination date at Dec. 31, 2025, whether or not the debt has been paid.



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