

---

## TIRZ development passes hearing hurdle

*By Jana M. Russell*

Published: 06/01/2010 - 10:13

Two hearings in the space of a minute moved a new industrial park closer to reality Tuesday night.

Kilgore city council members heard a voluntary request for annexation and a service plan for Waterblastco Properties, a Tax Increment Refinancing Zone (TIRZ).

The agreement will include Kilgore Police Department and Kilgore Fire Department protection, including routine patrols, traffic enforcement and dispatch response to emergency and non-emergency calls, as well as pre-fire planning and fire inspections. The TIRZ will be subject to the city's Building Inspection Department's code enforcement services, including the permitting process, as well as planning and zoning, roads, streets and signage. "This protection can be afforded to the annexed area within its current budget appropriations," the service plan reads. "Construction and development activities ... shall comply with all building and international fire codes adopted by the City of Kilgore's Code of Ordinances..."

There are currently no plans for constructing a park in the annexed area, the service plan reads.

"Water, sewer and street infrastructure improvements will be installed at the owners expense or through a contract between the city and Waterblastco Properties LLC as developer," the service plan reads.

The TIRZ plan is expected to help the city and developers jump ahead of the vicious cycle where economic development and infrastructure both have to come first.

Under a memorandum of understanding signed by the council in March, the new development will take place on a 249-acre parcel near the corner of Highways 31 and Fritz Swanson Road.

The TIRZ, which enables private industry and public entities to build together, is an economic development financing tool, said Amanda Nobles, executive director of the Kilgore Economic Development Corporation.

Waterblastco Properties, LLC is being propelled by Merritt and Wilcox Properties LLC, representing the Merritt Groups and Mike Wilcox of Benchmark Services.

The development will include yards and frontage ideal for companies that might not fit into the more restrictive Synergy Park.

Without infrastructure, the cost of preparing the site for occupancy is too undauntingly expensive for private industry alone.

"They had put an option on the land and looked at the cost of developing the land. The city would require concrete curb and gutter streets, and they couldn't justify the type of infrastructure the city requires," Nobles said.

The developer will advance funding for and construct the first third of the road at an estimated cost of \$400,000,

---

and will contribute \$10,000 for each acre sold in the development, which will combine with TIRZ revenues to finance other project costs.

Tuesday's hearings are part of the city's plan to annex the related property.

The first phase of the irregular shaped development would front on Highway 31, which would allow companies to put in driveways instead of roads.

Once the TIRZ is created and the property developed, and companies move in, the "increment" begins to build. The TIRZ is NOT tax abatement, but incoming companies settling into the zone can receive incentives from the Kilgore Economic Development Corporation.

"Our (KEDC) board has looked at this and said, 'Sure, we're willing to do that,' she said.

By the time Phase 2 would require road infrastructure, the TIRZ could be generating enough revenue to cover the cost of it - or an LCG could be created to cover revenue gaps.

"Ten years from now, relying on projects, assuming that Phase 1 is developed and the TIRZ has generated enough money in four years to build a road, we will have opened up more property. A conservative estimate is that the TIRZ by itself could have generated \$14.9 million in tax revenue," Nobles said in a March interview with the News Herald.

A portion of Highway 42 has been added into the zone so that should the county wish to widen the highway, TIRZ funds could be used for that. Kilgore College and Gregg County have both expressed a willingness to listen to proposals that would bring them in on the TIRZ, Nobles said.

The current project map would include downtown as well.