
Council approves TIRZ to generate revenue for infrastructure

By Jana M. Russell

Published: 08/30/2010 - 07:14

The city's Tax Increment Reinvestment Zone quietly came into being Tuesday when council members unanimously and without discussion voted to adopt Ordinance No. 1464.

A TIRZ is a political subdivision created by a city to implement tax increment financing, a method of using future gains to finance current improvements. Once a site is developed, the increased value and investments increase tax revenues. This increase is referred to as increments. A percentage of the increment is dedicated to financing the debt issued to pay for the project.

Contract consultant Bill Calderon presented the council with a preliminary project proposal Tuesday, a mandatory step he said any city or county must go through.

"These are the crystal ball numbers. There's nothing in the statute to keep city council from amending them," Calderon said.

Included in the proposal are \$925,000 for downtown storm drainage and \$13.5 million in potential project costs.

City Manager Jeff Howell said the current value of the property is \$6,301, 107.

City officials said the TIRZ could be generating enough revenue to cover costs associated with Phase 2 of development, which requires road infrastructure.

"How the numbers play out is a direct result of development in the zone," Calderon said.

Amanda Nobles, executive director of the Kilgore Economic Development Corporation, said the next step in the process is the formation of an interlocal agreement.

"The consultant will draft agreements between the city and Gregg County, and between the city and Kilgore College," she said.

Consultant Bill Calderon told council members he expects 100 percent approval from each jurisdiction. Kilgore Independent School District is not allowed to participate by state law because of how education is funded in Texas. Once agreements are in place, the city council, the county and Kilgore College will appoint directors to the TIRZ board.

There is a prospect for the initial tract being developed and could be announced within the next 30 to 60 days, Nobles said.

The Tax Increment Refinancing Zone (TIRZ) is a project with Waterblastco Properties, LLC and Merritt and Wilcox Properties LLC representing the Merritt Groups and Mike Wilcox of Benchmark Services. The 305 patchwork acres of land within the TIRZ begin at the corner of Fritz Swanson Road and Highway 31 and include a 12-block portion

of downtown between Martin and Commerce streets.

For more in the Kilgore News Herald, click [HERE](#).