

Executive Summary

CIBOLO PARKWAY

The City is in a unique position to finance, construct and extend a major north to south thoroughfare from Wagon Wheel Way to IH 10 within a five-year period with assistance from the Texas Turnpike Corporation **without** the City of Cibolo having to expend, commit, pledge or use city property taxes or other city sources of revenue.

The extension and realignment of FM 1103 to IH 10 was formally recognized in 2006 and was incorporated into Cibolo's Future Land Use Map & Future Thoroughfare Plan and our Capital Improvement Plan (CIP) over the last ten years.

The Cibolo Parkway will be designed to be used only by those individuals who choose to use it to access and travel to or from IH 35 and IH 10. There will always be free alternatives.

Furthermore, the Cibolo Parkway will include the construction of an overpass over **Union Pacific Railroad tracks and SH 78**; thereby, improving emergency vehicle response times by affording Police, Fire, and EMS first responders access to both sections of the city.

City staff evaluated several options to extend a new road system from Wagon Wheel Way south to SH 78 and to IH 10. The primary goal of a pursuing a new roadway system was to attempt to:

- Meet the objective of the City's current and prior Master Plans.
- Address growing transportation and mobility concerns along FM 1103.
- Address the timing of when road improvements could be made to IH 10.
- Provide the community and our immediate region an additional north to south corridor.

An additional benefit from this roadway extension for the City of Cibolo is the creation of economic opportunities that come with opening undeveloped property. The proposed 7.1-mile extension of FM 1103 may impact over 2,000 acres within a quarter-mile of the roadway.

The options listed below were considered and each had some advantages. Ultimately, the cost associated with financing the construction of the proposed roadway and its impact to the community were the determining factors which led to staff's recommendation that a public/private partnership with Texas Turnpike Corporation be favorably considered. This option has the least amount of risk for the City and would not require the City to finance or leverage the cost to build the new road.

- **TXDOT funding the extension;**
- **City of Cibolo funding the extension; and**
- **Private sector funding the extension.**

Private sector option - negotiate a contract with Texas Turnpike Corporation (TTC).

Under this scenario, the private sector would raise the capital to construct the Cibolo Parkway. They would not seek funding or a pledge of funding from the City, nor would the City have to pledge any of its assets as collateral. TTC would assume the risk associated with building and maintaining the roadway and they would work with the City to obtain the needed right-of-way for the road. The Cibolo Parkway would become a City-owned road and would not be owned by the State of Texas. If necessary, the City would agree to use its condemnation authority to obtain road right-of-way for the Cibolo Parkway.

The City would commit to looking at creating a Tax Increment Reinvestment Zone or a Transportation Reinvestment Zone along all or portions of FM 1103 and the Cibolo Parkway in order to capture the incremental increase in property values once built to help defray future maintenance of the Cibolo Parkway and the City will be in a future position to divert excess TIRZ or TRZ revenues to other pressing needs of a like nature within the zone's boundaries. The creation of a TIRZ or TRZ would fall under the authority of the Cibolo City Council.

Questions?

TAX INCREMENT REINVESTMENT ZONE EXAMPLE

The following is an example comparison between a property tract *outside* of a Tax Increment Reinvestment Zone and the same property tract *within* a Tax Increment Reinvestment Zone.

THE FOLLOWING ASSUMPTIONS WERE USED:

- 1) The property tract consists of one hundred acres;
- 2) The property is valued at three million dollars on the tax roll as of January 1st, 2015. The three million dollar value becomes the “base” value for the property prior to the placement of this tract within the TIRZ.
- 3) The tax rate for all taxing entities remains the same as of January 2015, in this example the following taxing units were used: city, county, school.
- 4) The one hundred acre tract increases in property value by one million dollars within the next two years.
- 5) Both the city and county agree to participate with the TIRZ and agree to allow the TIRZ to keep one hundred percent of the incremental increase above the base year.

BEFORE TIRZ – “EXAMPLE”

100 Acre Tract on Tax Roll \$3,000,000 Property Tax Revenue

City Tax Rate 0.4089	\$	12,267.00
County Tax Rate 0.4481	\$	13,443.00
School Tax Rate 1.1400	\$	34,200.00
Total Property Tax Cost	\$	59,910.00

AFTER TIRZ – “EXAMPLE”

Property Tax Revenue Generated		
	Base Value 2015	Incremental Increase 2017
	\$3,000,000	\$1,000,000 TIRZ
City Tax Rate 0.4089	\$ 12,267.00	\$ 4,089.00
County Tax Rate 0.4481	\$ 13,443.00	\$ 4,481.00
School Tax Rate 1.1400	\$ 34,200.00	\$ -
Total Property Tax Revenue	\$ 59,910.00	\$ 8,570.00