



City of Sachse  
TIRZ No. Three Participation Request  
November 2021

**a) Explanation of why TIRZ is needed:**

The City of Sachse, Texas is strategically located near the President George Bush Turnpike (PGBT), a few miles east of U.S. Route 75. Texas State Highway 78 bisects the community, traveling the entire length of the City from Garland to Wylie. Sachse is proudly the southern gateway into Collin County along Highway 78, a major arterial roadway with over 45,000 trips per day. In the last few years, City leadership has made a concerted effort to proactively influence future development in a matter that aligns with the overall goals of Sachse. In 2017, the City adopted a market-based comprehensive plan identifying three catalytic areas for development. Using the comprehensive plan as a guide, City-initiated re-zonings approved by City Council further bolstered the City's positive trajectory towards being a development-friendly community that listens to and anticipates the needs of its residents. Recognizing this vision, private developers continue to make significant capital investments in Sachse, primarily along the PGBT at the southern periphery of the Sachse.

This leaves the Highway 78 corridor. Until now, the land along this highway developed in an inconsistent manner, devoid of a unified, comprehensive blueprint. The City has started realizing some new development along this corridor, however, this stretch of roadway consists largely of underdeveloped or vacant property, significantly older and/or outdated strip-retail centers, and a bevy of nonconforming zoning uses. A factor that has negatively influenced the desired development of this corridor is the high cost of land along Highway 78. Ironically, because the railroad runs parallel to Highway 78 through the City of Sachse, an entire side of this frontage is effectively rendered ineligible for development, thus making the developable land even more valuable. The confluence of these factors coupled with the regional growth in the metroplex has led to exorbitant land prices that stymie development and redevelopment. The City of Sachse wishes to ensure that the limited vacant land remaining in town, and the underdeveloped, nonconforming properties are outfitted with the highest and best use.

Two separate TIRZ districts currently exist along the PGBT in Dallas County, so it is no surprise these areas are witnessing significant capital investment from the private sector. The City desires to capitalize on the positive momentum along PGBT and lay the groundwork for future successes along Highway 78, which contains the heart of Sachse in an area referred to as the "Old Town District." Sachse leadership sees Highway 78 as its legacy. While development along the PGBT is significant and will positively balance the scales of the tax-burden on our residential homeowners, Highway 78 represents the core of Sachse. Projects identified in Collin County will be vital in the future flourishing of Sachse. Improvements to intersections at rail crossings have been captured to make traversing the community safer and easier for all modes of transportation. In the Preliminary Project and Finance Plan, a significant portion of future tax increments have been allocated for land acquisition and façade improvements along the corridor. Perhaps

one of the most exciting identified projects is the parks and open space improvements planned for land formerly used as a landfill. This nearly 200-acre property, owned by the North Texas Municipal Water District, has the potential to become a regional park with a trail system connecting the City of Sachse to the cities of Murphy, Richardson, Plano, and Wylie. This trail connection is highlighted in both the adopted Collin County Regional Trails Master Plan, as well as the City of Sachse Parks, Trails and Open Space Plan. If completed, the trail could extend across nearly the entire northern border of Sachse, connecting McCreary Rd. to Highway 78.

The City believes the projects identified in the Preliminary Project and Finance Plan would not occur solely through private development without establishing TIRZ No. 3 in the foreseeable future, and certainly not according to the development standards established in the City's adopted comprehensive plan. The Sachse Economic Development Corporation is currently undertaking an asbestos abatement and demolition project in a few older structures located in the Old Town District. Given the recency of this project, the costs for redevelopment and revitalization projects are well-understood by City leadership. The goal is to be proactive; to allocate incremental revenues appropriately such that the quality of future development desired and expected by Sachse residents is provided.

In order to capture significant valuation not currently assessed, the City has been aggressive in establishing TIRZ No. 3 prior to the end of calendar year 2021. The City intends to capitalize on a lower base valuation in TIRZ No. 3, so the incremental revenues are greater over the lifespan of the TIRZ. City leadership believes TIRZ No. 3 will play a critical role in the future development of the Highway 78 Corridor. The projects identified in the Preliminary Project and Finance Plan will unquestionably benefit those who live, work, and play in Sachse by adding jobs to the local economy, improving critical infrastructure in the community, and advancing and expediting the provision of regionally important parks, trails, and open spaces. The City of Sachse respectfully requests Collin County participation in the creation of proposed TIRZ No. 3 to make the City of Sachse, and Collin County, the best they can be.

**b) Estimated lifespan of the TIRZ:**

TIRZ No. Three will be in place for 30 years. It is scheduled to terminate in 2051. The participation agreement cap for Collin County is \$9,977,447. Should the TIRZ reach the cap before the 30-year term ends, Collin County participation in TIRZ No. Three will end.

**c) Description of proposed private sector development, its investment level and its implementation schedule:**

Please see *Exhibit E – Estimated Non-Project Costs* in the City's Preliminary Project and Finance Plan.

**d) A financial forecast of what growth will occur in the proposed TIRZ if the TIRZ is not created or does not become operational:**

Please see the attached *No Zone Analysis* document illustrating the anticipated growth in the TIRZ if not created or does not become operational. Please note this document anticipates approximately \$56 million in total new property tax revenue in the event the TIRZ is not created. Also note that Section 9: Economic Feasibility in the Preliminary Project and Finance Plan anticipates approximately \$121 million in total new property tax revenue over the term of the Zone. The estimated loss in property tax revenue if the TIRZ is not created is approximately \$65 million.

**e) The assessed valuations of the proposed TIRZ for each of the past five years:**

Forthcoming attachment via shapefiles requested from Collin County.

**f) A detailed description of what public improvements will be undertaken, how they will be funded, and how these improvements relate to the area's growth:**

Please see *Exhibit D – Estimated Project Costs* in the City's Preliminary Project and Finance Plan.

**g) A description of the level and duration of the Reinvestment Zone Financing Plan that is being requested for each taxing entity:**

The City of Sachse is requesting that Collin County participate in the zone at 50% for 30 years. The City is not requesting any other participation in the zone.

**h) A detailed description of anticipated annual TIF project revenues, costs, increments, and debt service requirements:**

Please see *Exhibit G – Feasibility Study* in the City's Preliminary Project and Finance Plan.

**i) An explanation of the basis for the TIF project's financial and economic growth assumptions:**

Please see *Exhibit G – Feasibility Study* in the City's Preliminary Project and Finance Plan. Specifically, the growth assumptions are listed in the footnotes on this exhibit.

**j) A detailed description of the TIF project's impact on the local economy and the County's property tax base:**

Please see *Exhibit G – Feasibility Study* in the City's Preliminary Project and Finance Plan.

- k) The results of a present value analysis which shows in what year the additional tax revenue benefits to the County will equal or exceed the incremental revenues that the County will forgo:**

Since the requested participation rate for the County is 50%, the County will always receive additional tax revenues equal to the incremental revenues the County contributes to the zone.

- l) A copy of an existing marketing and feasibility study:**

Please see the attached Preliminary Project and Finance Plan, which includes information about the project's feasibility.

- m) A description of the applicant's background, its record at undertaking similar projects, the background of its major principals, its relocation/expansion history in the past 15 years, its financial condition in the past five years, and its source of financing for the TIF projects:**

The City of Sachse currently has two active TIFs, TIRZ No. One and TIRZ No. Two, both of which are located along the President George Bush Turnpike area.

- n) An explanation of how the TIF project will revitalize economically distressed areas:**

Please see the narrative above provided as item a) explaining why the TIRZ is needed.

- o) A discussion of how the TIRZ projects avoid, address, and/or alleviates displacement and environmental concerns:**

This TIRZ does not include plans to displace any individuals as a result of TIRZ projects. In addition, the TIRZ does contemplate several environmental remediation projects, including wetland reclamation opportunities.

- p) The name, address, and telephone number of the contact person:**

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- q) All projected revenue information provided to the City Council prior to their adoption of the TIRZ:**

On October 18, Sachse City Council held a public hearing to consider an ordinance authorizing proposed TIRZ No. 3. City Council approved the item authorizing TIRZ No. Three in the City of Sachse. Links to the October 18 City Council meeting packet have been provided with this submittal package.

**r) Any hard deadlines proposed and/or adopted by the City Council:**

The City's timeline for creation of TIRZ No. Three has been included for reference. Note, Sachse City Council authorized the creation of TIRZ No. 3 on October 18, 2021.