VI. Implementation Plan

The Williams Drive Gateway Redevelopment Plan defines a vision for the future of the study area, but a plan will remain only a plan unless it is put into action. In that regard, the implementation strategy should form an integral part of the plan, so that it is indeed a plan for success.

It is recommended, as an initial step, that this plan be formally adopted as an element of the City’s comprehensive plan. This Chapter outlines the activities that must take place once this plan has been adopted by the City.

A. Immediate Priorities

Guide Redevelopment of McCoy Elementary School

One of the key properties in the proposed redevelopment scenario is the McCoy Elementary School property. This 16.1 acre parcel, while not in the original study area, is a strategic property for several reasons:

- As a contiguous large parcel under common ownership, it offers the opportunity to establish several critical elements of the redevelopment plan: the alignment of the new Main Street and the civic square on Williams Drive. The new street alignment would also establish Morris Street as a four-way intersection, which, if signalized, would facilitate access to the area on both the north and south sides of Williams Drive.

- The property contains an aging elementary facility that is no longer appropriate in this location, due to increased traffic and the shifting in the population distribution. In fact, GISD already intends to renovate the facility to accommodate other functions, and has budgeted funds to do so. It readily admits that this is only an interim solution, so the time is right to approach the district with an alternative proposal for the disposition of the property.

The City should prepare a proposal for an alternative use of the property that allocates the required land for the Main Street Alignment and the square, while still allowing GISD the use of a portion of the site for their planned purposes at no additional cost to the District. Ideally, the property could also accommodate some compatible commercial uses that could provide the District with an additional revenue source.

Communicate Plan Objectives to All Property Owners In and Near Study Area

The successful implementation of the plan will require the coordinated redevelopment of many properties. Since the property is in the hands of a number of owners, many with different long-term objectives for their properties, it will be necessary to ensure that all property owners are informed as to the preferred development scenario for their land. It may be necessary, in some cases, for the City, or some other redevelopment entity, to be in a position to offer alternatives for development proposals that would be in conflict with the plan. There should, for instance, be a plan in place to find alternative sites for certain uses, possibly with a facilitated property swap mechanism to minimize the disruptions.

As a first step, the City should endeavor to determine for each property within the area:

1. The current owners’ intentions for development or disposition.

2. An acceptable price range for the property, as well as other related expenses, such as relocation costs for an established business.

3. The current owner’s willingness to subordinate his property to a larger redevelopment effort in the interests of securing a greater future return.
This information would form an important database of information to use in formulating a property acquisition strategy as well as a phasing strategy. Some owners may be willing to contribute their land for a share of the development returns; others may have to be bought out. This outreach and data gathering exercise will help in determining the more challenging properties to work with, and how to allocate resources.

As a general rule, it may be expected that the residential properties in the area will need to be purchased outright. Residents, particularly those who own their properties, are generally the most emotionally attached to their properties. These properties should be acquired in a sensitive and non-confrontational manner, and may require some premium to market value to facilitate the transactions. Since there are relatively few residential properties in play here, and all of them are already in transitional areas, the costs should not be overly burdensome in comparison to the overall value of the redevelopment.

Commercial owners, on the other hand, tend to view property as a commodity, and will be more receptive to sensible business propositions. The City, along with any development partners need to be in a position to make the necessary arrangements to either buy, trade, or add property to the overall inventory of redevelopment parcels, and to phase in the new development in a timely manner so as to generate returns.

Explore a Master Development Agreement

The City has already designated the Williams Drive Gateway as an area of interest for redevelopment, and has indicated a willingness to provide certain improvements and regulatory changes needed to accomplish this. It is not in a position, however, to accomplish this single-handedly, nor is this necessarily its area of expertise. The overall structure of the redevelopment would be well served by the formation of a public-private partnership between the City and a master developer. Such a private development partner would be able to add working capital to the equation and assist in the acquisition and redevelopment of certain key parcels. The partnership could also serve as a clearinghouse and facilitator for smaller properties to redevelop on their own, but in concert with the overall plan.

As a first step, the City should solicit interest from developer who have completed similar revitalization projects in the past. This plan should be presented to a group of likely candidates, both to solicit critique and ideas for moving forward.

Revise the Land Development Regulations

The type of development contemplated in this scenario will require some modifications to the existing zoning regulations. In theory, some of this could be done by granting variances, but this would require the various property owners to make the appropriate applications, and would be a tedious process. A more proactive and facilitative strategy would be to revise the regulations to specifically permit the type of development that is sought. Well-crafted development regulations can also be used to establish certain incentives to prompt marginal redevelopment candidates or reluctant owners to move forward.

There are two methods typically used to effect these changes: an overlay district regulation or re-zoning. Overlay districts are easier to implement in the short term, but may cause future complications. Essentially, they leave the underlying regulations unchanged, but overlay another set of alternative regulations. The drawback is that they don’t necessarily prevent an undesirable use that may still be permitted by the underlying zoning.

Re-zoning is more deliberate, and allows for specific and binding changes to be made. For this reason, it is more difficult to implement, and requires a more involved process of providing notice to all affected property owners. Despite requiring more effort initially, it is ultimately less ambiguous and is the recommended means of effecting the changes.
The regulatory changes contemplated here involve a significant shift in approach. Most conventional zoning ordinances are structured around an obsessive segregation of uses and a focus on quantitative limits such as height, density, floor area ratios, etc. The type of development proposed here responds better to a newer style of zoning ordinance that is more concerned with qualitative characteristics. These so-called “form based” ordinances seek to establish a certain quality of place by regulating such elements as the character of the street frontage, human scaled amenities, building placement, and architectural characteristics. They typically allow for a fairly liberal mix of uses, which may include certain performance standards regulating such things as noise and operating hours to ensure compatibility between uses. They allow for the type of tightly integrated, denser development that is typically precluded by more conventional zoning.

An outline of the basic regulatory parameters of the proposed zoning regulations for the Williams Drive Gateway is included in Appendix C.

The City should develop and adopt new development regulations for the study area as soon as possible. This process can usually be completed within a six to eight month timeframe, and should be completed this year. The City should also declare a “zoning in progress” to minimize the interim risk of incompatible development occurring before the regulations are in place. It does not preclude development activity, but allows planning to proceed within the general framework of the plan. While development plans in process are somewhat at risk of not complying with the eventual regulations, the City should make every effort to assist developers with an interim review process to minimize potential conflicts. Actual development approval cannot be granted until the new zoning is adopted. For preliminary planning purposes, the proposed zoning parameters outlined in Appendix C may be used.

Anticipate Infrastructure Improvements

Establish a regional storm water management plan. One of the potential obstacles to redevelopment, particularly at the intensity proposed here, is any need for on-site stormwater management that involves a large allocation of land area or a limit on impervious cover. It is generally agreed that a regional stormwater strategy that involves conveying runoff to a site on the east side of Interstate 35, is a workable strategy. Funds for the further development of this strategy should be budgeted from general funds or from bond proceeds, as appropriate. Ideally, these improvements should be completed before redevelopment occurs, so that new development may take advantage of the enhanced development options.

Coordinate various mobility enhancements with TxDOT. The plan includes several mobility enhancement projects that need to be pursued. Since congestion and access management in the area have been repeatedly mentioned as growing problems, these projects need to be started as soon as possible. To the extent that any of them contribute to a regional mobility plan and should be added to the Metropolitan Planning Organization’s improvement plan, they would be eligible for funding from other State and Federal sources.

The projects that have been identified include:

- The overpass over Interstate 35 linking Northwest Boulevard with FM 971.
- The establishment of a new street alignment linking Williams Drive and Northwest Boulevard.
- The addition of a signalized intersection at Williams Drive and Morris Street.
- Modifications to the intersection of Williams Drive and the southbound service road, to include the addition of a dedicated right-turn lane from Williams Drive.
VI. Implementation Plan

- Enhancements to Williams Drive to include a central landscaped median.
- The eventual closure of many of the existing driveways onto the service road.

It should be noted that the property on the east side of I-35, which has been identified as the logical location for a regional stormwater management site, is owned by TxDOT. The stormwater management strategy should be linked to the mobility enhancements in order to facilitate the project.

B. Organization and Management

A complex multi-year project such as this requires a dedicated effort, both at the staff level and from elected officials. Clearly, this will involve additional work on the part of people who are no doubt already fully committed with other responsibilities. Additional staffing involves additional expense, but this could be phased in starting with a part-time position. The most logical point of contact for the overall project coordination would be through the City Manager’s office. Eventually, a dedicated effort should be made to designate the Gateway as an area of special emphasis, ideally, through a mechanism that also allows for a potential revenue stream to fund ongoing redevelopment activities.

There are a number of possible methods the City could use to establish a special purpose district for the area. These options were discussed in the previous Chapter. Of these, the most appropriate one for this particular situation is the Tax Increment Reinvestment Zone, or TIRZ, as defined and regulated by Chapter 311 of the Texas Tax Code. A similar strategy has been adopted for the revitalization of the Downtown Area, and is a mechanism already familiar to the City. The TIRZ is a mechanism specifically designed to earmark a certain revenue stream, which is the difference between the total assessed value of all the property within the zone at the time of formation (the Base Year) and any subsequent year during the life of the zone. Thus the zone is able to capture the increase in assessed value caused by appreciation and added development to pay for a variety of public improvements within the zone. Several points regarding the operation of a TIRZ should be noted here:

- It is not expected that other local jurisdictions, notably Williamson County and the Georgetown ISD, will contribute increment to the TIRZ, so that, in effect, the TIRZ is simply allocating City tax revenue to remain in the same area that generates it. Nevertheless, the TIRZ offers the advantage of a formal organizational structure, with its own Board, that is dedicated to a focused purpose.

- Since the TIRZ must adopt a formal redevelopment plan and budget, it facilitates approaching the County with requests for specific projects that they could undertake in lieu of their tax increment contribution. The plan makes it easier to isolate the economic development impact of specific projects.

- The TIRZ serves as a logical point of contact for any redevelopment related activities within the zone, and thus serves as a resource to the property owners to facilitate the redevelopment of their properties.

- Once the TIRZ generates enough revenue to support it, it may engage an executive director to assume responsibility for the execution of the plan. Until that time, the City should designate a staff person to fill this role. Either option provides the coordinating role of the single point of contact.

The TIRZ is a suitable mechanism during the early years of a complex redevelopment process, and typically is formed for a life of 20 to 30 years. Many such entities can adopt an earlier exit strategy that can dissolve the zone at such time that it has finished all of its capital projects and repaid all of its debt obligations. At such time, it may be desirable to form another entity to operate and manage the ongoing
VI. Implementation Plan

activities of the area. A special assessment district is typically used for this purpose. Such districts are funded by an assessment on all of the commercial properties within the district, over and above the ad valorem tax. This is usually a more appropriate mechanism for mature and stable areas that are making only incremental improvements and maintaining a certain level of operations. It allows for an enhanced level of service, and can include such items as additional security as well as thematic lighting, landscaping, and graphics.

C. Financial Strategies

Several different mechanisms for generating a dedicated source of funds were discussed in Section V and in the organizational strategies above. Entities such as a TIRZ or a management district will be able to provide substantial funds, but not until the redevelopment efforts are well underway. Seed money to get the redevelopment process started will need to come from other, more immediate sources. These include:

- City general revenues. These funds can be budgeted as quickly as the current budget cycle, although in fairly limited amounts, in the range of $50-100,000. These funds would be suitable to fund ongoing planning and organizational efforts needed to move the plan forward, such as the revision of the development regulations.

- City bond funds could be used for certain capital improvements needed for the plan. Although these are typically not used once a TIRZ has been formed, they could be used to get some initial projects underway. A TIRZ is able to issue bonds based on anticipated revenues from increases in taxable value, but this is typically not possible during the first five years of the zone. The revenue stream has not yet grown large enough, and the TIRZ does not have an established track record yet. For this reason, the City may issue the initial bond funds, or could guarantee the TIRZ bonds.

- Sales Tax revenues may be used for mobility enhancements as well as infrastructure projects. These funds can be allocated from the 4a and 4b portions of the economic development sales tax.

- Grants are available to support a wide variety of projects and enhancements that promote smart growth or sustainable development. These funding sources should be approached, either through staff efforts or by engaging a grant writing consultant.

- Private sources of capital will ultimately have to provide the bulk of the funds necessary to fund the redevelopment. The purpose of the public funds allocated to the project should be to leverage the use of private funds by providing the necessary support and public services.

D. Intermediate and Long Term Objectives

The City should endeavor to complete the immediate priorities outlined in Section A above within the next 18 months to two years. Once this is done, the City will have in place a designated redevelopment zone with several identified revenue sources, a clearly defined set of objectives, and dedicated manpower. It should also have a clear picture of the future plans for all of the properties in the area, a list of priority acquisitions, and a development partner that can help to facilitate the exchange of properties, relocation of uses, etc. It then can set forth a detailed plan to accomplish the following objectives:

1. Identify and assemble the parcels needed for roadway alignments, public open spaces, and other public purposes.

2. Formalize a mechanism for property assembly for the development parcels. The master developer would essentially serve as a general partner in setting up and facilitating a variety of investment options for existing landowners. The options...
VI. Implementation Plan

would include a like exchange, the ability to participate as a limited shareholder in a larger development consortium, with a share of the overall return, or the possibility of a property sale.

3. Devise a parking management strategy. Development of individual parcels can be facilitated by relieving the individual developer of the need to provide the full complement of off-street parking. In essence, this means that some portion of the parking (the curbside parking and the garages) is treated as public infrastructure. Developers can help to defray the public cost of parking by paying in-lieu parking fees to “buy down” their parking requirements.

4. Design and construct the public improvements. A list of projects and their related costs was presented in detail in Chapter V. The phasing of this development was assumed to follow a sequence such as that outlined in Chapter IV, Section E.

5. While the public improvements are being completed, the master developer will prepare individual parcels for development by assembling, platting, and providing the appropriate infrastructure. The individual parcels may then be developed by the master developer, or proposals may be solicited from other developers interested in delivering a particular project scope.

6. Devise the eventual exit strategy. This will include coordinating the development activities and funding to ensure that all bonded obligations are either repaid, or some identified revenue stream is set aside to do so. At this point, the TIRZ may be dissolved, but there should also be a plan in place to fund ongoing operations and maintenance. As previously mentioned, this might include the formation of a management district, funded by an assessment on the property owners within the district.

E. Interjurisdictional Coordination

The City of Georgetown has adopted this project as a priority for the quality future development of the City, but the success of this project will also benefit other jurisdictions such as GISD and Williamson County. It is important that these entities are kept well informed of the goals and progress of the plan, and that their own capital spending and growth plans be well coordinated with the City’s efforts. Several key areas of coordination have already been identified and discussed above, such as the disposition of the McCoy Elementary School campus, and the mobility projects to be completed with the assistance of TxDOT.

The Project Steering Committee has served as a useful means of bringing representatives of the various jurisdictions together on a periodic basis to discuss the key strategies and action steps necessary, and to define appropriate objectives for each agency to pursue. The Steering Committee, or some variation thereof, should continue to meet periodically. Eventually, some of their coordination role may be assumed by the Board and staff of the TIRZ, but they should still maintain an active liaison with the City. It would be appropriate for the City Manager's office to continue to serve in that coordinating role.
F. Phasing and Budgeting

Table 6.1 presents a 10-year cash flow analysis of the various redevelopment activities. This simplified financial model is intended to outline the timing for the major activities that will happen in the first five years and how they can be funded. This table should only be used as a conceptual planning tool, and its assumptions should be revisited as time goes on to refine the financial projections. Following is a discussion of the assumptions built into this model.

The table lists the anticipated revenue sources and then balances them against projected expenses. The net fund balance for the year is the sum of all revenues minus expenses plus debt service. Revenues from several sources are shown. Over time, it is expected that the revenues from tax increment and sales taxes (based on the proportionate share of retail space anticipated to be built in the area) will be the most significant, but it will take some years for these revenue streams to become meaningful. This means that other financing sources will need to make up the gap in the early years. The City is assumed to make a modest contribution out of general revenues until the TIRZ can assume a greater role.

Another potential revenue source is listed as Parking In-lieu Fees. These would be paid by developers, who would be given the option of “buying down” their parking requirements rather than paying for the cost of providing the full parking complement on their sites. Such a mechanism provides flexibility for infill development scenarios such as this, and provides a revenue stream to fund public parking improvements.

In the first year, the projected expenditures are relatively modest, consisting primarily of organizational and administrative expenses. Staff costs in the first few years are fairly low, actually reflecting expenses that are already budgeted. It is expected that the redevelopment activities will quickly grow to the point that a dedicated staff position is warranted, as an executive director for the TIRZ. Starting in Year 3, this cost is assumed to escalate at a 5% annual rate.

Projected expenditures jump dramatically in Year 2, reflecting the costs of property acquisition and the infrastructure improvements for Gateway Boulevard. Since recurring revenue streams are still fairly low, these expenditures are assumed to be financed through bond funds, issued over two successive years, totaling $6.4 million. Debt service on the bonds is calculated based on a 20 year maturity at 4.5% interest.

As the cash flow projection shows, the overall fund balances will remain positive in all years, with Year 5 being the tightest. After that, the growth of tax increment and sales tax funds will contribute substantial revenue. Of course, by then, other expenditures will need to be made, but the thrust of this analysis is to account for the initial seed capital needed to get certain key elements of the redevelopment underway.
Table 6.1
Summary Implementation Budget
Ten Year Fund Flows

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