Abilene Reporter News

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Tax zone near airport gets initial OK

By Melissa Borden / Reporter-News Staff Writer
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A tax reinvestment zone should help increase development around Abilene Regional Airport, city officials said prior to the zone's approval Thursday.

The zone won initial approval from the Development Corporation of Abilene, which administers the city's half-cent sales tax for economic development, and the Airport Development Board during a special joint meeting.

The issue will ultimately be decided by the Abilene City Council and will be reviewed by the designated area's taxing entities: the city, Taylor County and the Abilene, Wylie and Eula school districts.

The district would establish a base property value, as of Jan. 1, on the designated area surrounding the airport, said Richard Burdine, assistant city manager. Tax revenue gained on new development would be reinvested into the area, whose boundaries have not yet been determined.

Funds gathered from the taxes could be used only for public projects.

Setup of the zone would be similar to that of downtown's Tax Increment Financing district, which has helped to redevelop the central business district.

Nearby property owners would not see any new charges as a result of the zone, although rising property values could raise their tax levies.

The city and the county would not receive property taxes beyond the real estate's base value, but would collect additional taxes on any business inventory resulting from development.

School districts cannot participate in reinvestment zones, so they would garner additional funds from increased values and development.

The DCOA hired Schrader & Cline, a tax consultant, to guide the creation of the zone. Larry Cline said reinvestment zones increase development in a particular area by creating public infrastructure, such as roads and railways.

"We truly believe a TIF district is a win-win for the public side and the private side," he said.

The reinvestment zone would benefit a city plan for a multimodal business park, which would be on about 350 acres inside the zone. Rail and road improvements are necessary for development of the park, Burdine said. Funds from the zone could also pay for improvements to city-owned buildings at the airport.

Several months of research and planning remain for city staff and the two boards to make the reinvestment zone a reality.

In other business:

- The DCOA approved $268,205 in financial assistance to Bandag for improvements to its machinery. The four-year grant will help the tire-retreading company increase productivity 14 percent, Burdine said.

Bandag employs 120 people in Abilene and will hire 10 more, sustaining 130 jobs through four years, according to its agreement with the DCOA.

"We hope that this assistance to Bandag ... will be the first in a number of improvements to the local plant positioning the Abilene plant to be more productive and possibly bring some other operations here," Burdine said.