

Tax Increment Reinvestment Zones (TIRZ)

Tax Increment Reinvestment Zones (TIRZs) are special zones created by City Council to attract new investment in an area. These zones help finance costs of redevelopment and promote growth in areas that would otherwise not attract sufficient market development in a timely manner. Taxes attributable to new improvements (tax increments) are set-aside in a fund to finance public improvements within the boundaries of the zone.

Current City of Kyle Tax Increment Reinvestment Zones

City of Kyle Tax Increment Zone No. 1

The City of Kyle established Tax Increment Reinvestment Zone No. 1 (TIRZ #1) effective November 2, 2004 for 31 years terminating on December 31, 2035 on a 475-acre underdeveloped contiguous area within city limits for the purpose of providing:

Public water distribution, wastewater collection, and storm drainage facilities,
Adequate roadway systems for mobility access and orderly development, and
To improve conditions that substantially impair and arrest the sound growth of the City.

[For documents and reports for TIRZ #1, click here.](#)

City of Kyle Tax Increment Zone No. 2

The City of Kyle established Tax Increment Reinvestment Zone No. 2 (TIRZ #2) effective December 18, 2018 for 20 years terminating on December 31, 2037. TIRZ #2 at creation had 1,480 acres of undeveloped residential and commercial land. The purpose of TIRZ #2 is to provide:

Public buildings and facilities,
Public water distribution, wastewater collection, and storm drainage facilities,
Parks, public parking, other public infrastructure, and
Economic development.

On April 18, 2023, City Council Approved (1) extending the termination from December 31, 2027 to December 31, 2057, (2) amending the Original Project and Financing Plan to add additional projects, (3) amending the Original Interlocal Agreement, and (4) issuing obligations secured by revenues generated within the Zone to finance such authorized projects.

[For documents and reports for TIRZ #2, click here.](#)

City of Kyle Tax Increment Zone No. 3

The City of Kyle established Tax Increment Reinvestment Zone No. 3 (TIRZ #3) effective April 19, 2022 for 40 years terminating on December 31, 2062 on a 201-acre undeveloped area for a residential master planned community within city limits for the purpose of providing public improvements to be financed by the Zone.

The planned public improvements to be financed by the Zone include roads, water, sanitary sewer, storm drainage, parks and open space, professional services, and associated financing and interest costs (the “Public Improvements”), as depicted on Exhibit H, and detailed on Exhibit C of the Project & Finance Plan as made part of the City’s Creation Ordinance. The City is obligated to deposit into the TIRZ Fund beginning in 2023 an amount equal to thirty-six?point?seven?four percent (36.74%) of the ad valorem taxes collected and received by the City on the Captured Appraised Value in the Zone (the “City Tax Increment”).

Based on the Participation Agreement with the Hays County, the County is obligated to deposit into the TIRZ Fund beginning in 2023 an amount equal thirty?six?point?seven?four percent (36.74%) of the ad valorem taxes collected and received by the County on the Captured Appraised Value in the Zone (the “County Tax Increment”).

For additional details, refer to the attached City of Kyle Creation Ordinance dated April 19, 2022.

[For documents and reports for TIRZ #3, click here.](#)

City of Kyle Tax Increment Zone No. 4

The City of Kyle established Tax Increment Reinvestment Zone No. 4 (TIRZ #4) effective March 7, 2023 for 40 years terminating on December 31, 2063 on 177.853-acres to develop or redevelop area within the city limits for the purpose of providing public improvements, programs, and other project costs to be financed by the Zone.

The planned uses of the property include a master planned residential community, new mixed-use commercial areas, and public improvements to be financed by the Zone include roads, water, sanitary sewer, storm drainage, and other public infrastructure. services, and associated financing and interest costs. For residential projects, the City is obligated to deposit the Residential TIRZ Increment Receipts into the Residential Subaccount of the TIRZ fund beginning in 2024. For commercial projects, the City is obligated to deposit Commercial TIRZ Increment Receipts into the Commercial Subaccount of the TIRZ Fund beginning in 2024.

Public Improvements undertaken within the boundaries of the Limestone Creek Public Improvement District will be financed in part by special assessments levied on property within the Limestone Creek Public Improvement District. A portion of the Residential TIRZ increment Receipts deposited into the Residential Subaccount of the TIRZ Fund may be used to pay a portion of the Residential Project Costs of the aforementioned Public Improvements, as described in greater detail in the Limestone Creek PIO Service and Assessment Plan. Any Residential Project Costs not paid from Residential TIRZ increment or assessment revenues will be paid for with private funds. Any Commercial Project Costs not paid from the Commercial TIRZ Increment Receipts will be paid for with private funds. One hundred percent (100%) of all taxing revenues generated for other taxing entities by the new development within the Zone will be retained by the respective taxing entities.

For additional details, refer to the attached City of Kyle Creation Ordinance dated March 7, 2023.

[For documents and reports for TIRZ #4, click here.](#)

City of Kyle Tax Increment Zone No. 5

The City of Kyle established Tax Increment Reinvestment Zone No. 5 (TIRZ #5) effective December 5, 2023 for 25 years terminating on December 31, 2048 on 101.8283-acres to develop or redevelop area within the city limits for the purpose of providing public improvements, programs, and other project costs to be financed by the Zone.

For additional details, refer to the attached City of Kyle Creation Ordinance dated December 5, 2023.

[For documents and reports for TIRZ #5, click here.](#)

City of Kyle Tax Increment Zone No. 6

The City of Kyle established Tax Increment Reinvestment Zone No. 6 (TIRZ #6) effective December 19, 2023 for 40 years terminating on December 31, 2063 on 229-acres to develop or redevelop area within the city limits for the purpose of providing public improvements, programs, and other project costs to be financed by the Zone.

The proposed uses of the Property in the City include single family residential, commercial, office/retail, multifamily, retail, retail/restaurant, residential townhome, duplexes, vertical mixed-use commercial areas.

Based on the Participation Agreement with the Hays County, the County is obligated to deposit into the TIRZ Fund beginning in 2024 an amount equal fifty percent (50%) of the ad valorem taxes collected and received by the County on the Captured Appraised Value in the Zone (the “County Tax Increment”).

For additional details, refer to the attached City of Kyle Creation Ordinance dated December 19, 2023.

[For documents and reports for TIRZ #6, click here.](#)

Web Links

- [Tax Increment Financing Act Chapter 311 Tax Code](#)