



Transportation Reinvestment Zones

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Paul A. Braden, Partner
2200 Ross Avenue, Suite 2800
Dallas, Texas
(214) 855-8189

FULBRIGHT
& Jaworski L.L.P.
Attorneys at Law

Transportation Reinvestment Zones

- Transportation Reinvestment Zones (“TRZ”) are tools for generating funding by capturing economic growth associated with transportation project
- Tax increments from the TRZ are used to defray capital costs of a project—specifically the construction costs of building a project
- Think TIF or TIRZ for transportation projects

Transportation Code

- Section 222.106 (Municipal TRZ's):
 - *governing body determines an area to be unproductive and underdeveloped*
 - *governing body by ordinance designates a contiguous geographic area in the jurisdiction to be a TRZ*
 - *30 days before, public hearing*
 - *may contract with a public or private entity to develop, redevelop, or improve TRZ project & pledge tax increment to that entity*

Transportation Code

- Section 222.107 (County TRZ's):
 - *commissioners court, after determining that an area is unproductive and underdeveloped, by order or resolution designates a contiguous geographic area as a TRZ*
 - *30 days before, public hearing*
 - *Failure of Prop 4 (November 2011) means counties cannot issue bonds directly from TRZ revenues, but counties can still form TRZ's, contract with other parties, etc.*

Transportation Code

- Section 222.108 :
 - *Eliminated pass-through requirement for TRZ projects*
 - *“Notwithstanding the requirement in Sections 222.106(b) and 222.107(b) that a transportation reinvestment zone be established in connection with a project under Section 222.104, a municipality or county may establish a transportation reinvestment zone for any transportation project.”*

A Rose by Any Other Name...?

- Why a TRZ instead of a TIRZ?
 - *Financing of transportation projects is more restrictive in a TIRZ*
 - *TIRZ requires separate board of directors*
 - *Some greater ease of administration & creation*
 - *TRZ is focused on transportation*

Examples

- City of El Paso/ Camino Real RMA
 - *TRZ Financing with RMA & SIB*
- City of Forney, TX (Kaufman County)
- Hidalgo County, TX.

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