

\$25 million tax break gets county approval

The Summit at Rivery Park in Georgetown must feature conference center, hotel to get city and county money

By CALLIE ENLOW

After a summer of back-and-forth between Williamson County and the city of Georgetown, county commissioners agreed to give developers of the Summit at Rivery Park a \$25 million tax rebate.

In exchange, Summit developers must complete an onsite 4,500 capacity conference center by October 1, 2011. Should the LedgeStone group, the corporation developing the Summit, fail in this require-

ment, county commissioners can negate the deal.

The agreement, signed by county commissioners on Tuesday, would reinvest 80 percent of county and 100 percent of city "ad valorem" taxes generated by property improvements made by the developers for the next 25 years. The taxes are based on the most current value of the land minus the property value established in

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Summit developers must meet requirement to get tax break

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lished in 2007, and are capped at \$25 million.

In order to provide the tax break, a "Tax Increment Reinvestment Zone" had to be created by the city and approved by the county, said Tom Yantis, Georgetown's assistant city manager. They began developing the TIRZ plan in December 2007, and in June 2008 the city passed a resolution signaling its intent to establish the zone with county participation.

Martene McMichael, a public relations consultant for LedgeStone, said the taxes would specifically be used to invest six to eight million

dollars in Rivery Park, one million dollars to relocate the park's access road and \$25 to \$30 million in the conference center. Developers estimate the total cost of the project will be about \$150 million.

Though LedgeStone documents originally proposed that both the county and the city allocate 100 percent of the tax increment, county commissioners voted to withhold 20 percent of the taxes last August. The county will also receive one-half of the city's 1 percent general sales tax, according to the final agreement.

As it stands, neither county nor city will begin deposit-

ing tax rebate dollars into the tax increment fund until the beginning of the fourth year of the project, expected to fall somewhere between 2011 and 2012, according to Ms. McMichael. This also coincides with the conference center's completion date.

Ms. McMichael said that LedgeStone will front the \$25 million over the next two-and-a-half years but that having the TIRZ zone in place would make the Summit more attractive to potential financial backers. She said the developers hope to begin construction at the end of fiscal year 2009's second quarter.

"It was the most marketable tax incentive for the

developers," said Mr. Yantis, "it's easier to sell the project knowing that it's backed by a tax pledge."

One remaining sticking point with the commissioners is their representation on the Zone Board of Directors. Though county commissioners requested the ability to appoint four board members, according to the agreement, two of those positions must be appointed by a state representative and a state senator. To ensure their monitoring of the project, the commissioners will have final say on any amendment to the project plans which the tax incentive fund finances.

For now it seems all parties involved, LedgeStone, the city and the county are happy and relieved that the agreement has finally been approved.

"We could have just built a strip center without all this headache," said Ms. McDaniel. Instead, LedgeStone will go forward with the conference center and add up to three more hotels at the Summit.

"We're growing up," said County Judge Dan Gattis after signing the agreement, "and these are the kinds of things we need," he continued, referring to the conference center. Both county and city expect the conference center and hotels to generate

more tax dollars.

"I've only heard positive feedback from the community," said Precinct 3 County Commissioner Valerie Covey. "I'm excited that plans are going ahead. The convention center will be the first of this size for Williamson County."

Both Judge Gattis and Ms. Covey pointed out that until the convention center is built, the Williamson County Growth Summit will continue to have its meetings in their regular spot. "We have to hold Williamson County Growth Summits in Travis County, and that makes us mad," said Judge Gattis.