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Economic development director delivers Cleburne update



Cleburne Economic Development Director Jerry Cash, right, delivers a state-of-Cleburne economic update during last week's luncheon of the Cleburne Rotary Club. Also pictured is Rotarian Jay Lewis. Matt Smith/Times-Review

(<http://www.cleburnetimesreview.com/johnsoncounty/x1770112753/Economic-development-director-delivers-Cleburne-update>)

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Cleburne Economic Development Director Jerry Cash discussed a new tax increment finance, or TIF, district during Thursday's luncheon of the Cleburne Rotary Club and gave an economic update for Cleburne.

The new district, TIF 3, represents a partnership between Cleburne and Johnson County and covers the area where the Texas 121 extension will soon enter Cleburne.

Plans under way call for extending Texas 121 from downtown Fort Worth to U.S. 67 in Cleburne. Work on the toll road, to be named the Chisholm Trail Parkway, is scheduled to complete mid 2014.

Local leaders want to get ahead and plan now for the road's arrival, a project they predict will bring a substantial increase in population and economic activity.

TIFs are one way to spur, plan for and manage future development in a given area, Cash said.

TIF 3 covers about 2,790 acres.

TIFs are used to fund public improvements to under-used or blighted areas with the hope of attracting new investment and development to the area. TIFs don't involve increased property taxes or forgiveness of property tax. The baseline property tax rate that existed before the improvements and establishment of the TIF continue to funnel into the city's general fund. The TIF operates off the increased value of properties within the TIF, increased values which are realized through the new infrastructure improvements. Cities or counties dedicate some or all of the additional property tax value realized because of the improvements and use that portion of money to fund the TIF.

Cleburne and Johnson County approved TIF 3 last year and it went into effect Jan. 1. Cleburne City Council last week appointed three members to the TIF 3 board and the Johnson County Commissioners Court plans to appoint two members next week.

Under the agreement, TIF 3 will continue 30 years and receive 80 percent of the additional property tax values realized through property valuations increases brought about by improvements. Johnson County will participate for the same 30-year term but at a rate of 25 percent and capped at \$5 million.

The TIF funds will be spent to improve and extend streets and add or extend water and sewer lines and improve drainage, Cash said.

"We've received inquiries from developers over the last few years," Cash said. "They're interested, but waiting for Texas 121 to get here. If someone asks you what a TIF does, asks if it will raise their taxes, you can tell them it will have no impact on their taxes."

One of the projects planned is the extension of Ridgeway Drive to U.S. 67, a project that has been planned for several years, Cash said. The most pressing projects right now involve extension of water and sewer lines.

"If we want to encourage developers to come here, the city's going to have to take the lead to help open things up," Cash said. "If say sewer and water lines are a mile away, developers are not going to want to pay \$2 to \$3 million to bring them in."

Any TIF funded infrastructure improvements would be for the benefit of the public and involve main line roads, water and sewer lines and so forth, Cash said. Individual developers will still be responsible for funding roads and other infrastructure needs off of the main lines within their own development projects.

Cleburne update

Cleburne sales tax revenues are not as robust as they were in the peak year of 2008, Cash said. Nonetheless, 2011 revenues showed an increase of 3.97 percent over 2010 revenues. Sales tax revenues posted increases in 10 out of the last 12 months, Cash said.

The unemployment picture in Cleburne and Johnson County continues to improve as well, Cash said. Cleburne's latest unemployment numbers total 7 percent, compared with 9.6 percent last January. The latest numbers for Johnson County also total 7 percent.

Residential construction remains weak in Cleburne, Cash said, which has been the situation for several years running. Last year saw the construction of 21 single family residences valued at about \$2.1 million. Home construction in Cleburne before 2008 totaled 140-160 new homes per year, Cash said, adding \$16 to \$18 million of value annually.

“That’s hurting us from a standpoint of attracting retail development,” Cash said. “Those people like to see rooftops going up. But it’s [slowdown of construction] been a problem for the rest of Texas and other areas for the last three years or so.”

On the other hand, residential property sales numbers improved in 2011 and were stronger than they had been during the previous two years, Cash said.



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