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City Approves Funding Entity For New High End Development

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The City of Tomball finalized an agreement Sept. 17 to institute a new funding entity for a high-end residential development set to be built at the corner of FM 2978 and FM 2920.

At its regular meeting, the council unanimously approved the creation of a Tax Increment Revenue Zone (TIRZ), which is the first of its kind in the city, to help pay for a portion of the Lakes at Crosspoint and Bridgewater Estates development.

TIRZs are districts created by a city council to attract new investment to an area. They also help finance the cost of redeveloping or encouraging development in an area that would otherwise not quickly attract sufficient market development.

According to information provided by the city of Houston, "taxes attributable to new improvements (tax increment) are set-aside in a fund to finance public improvements in the zone."

Additionally, they are most successful when the area's tax base "is at a low point of its valuation and there is a large property owner/developer who can expeditiously carry out the area's redevelopment."

Plans called for the Lakes at Crosspoint development to break ground earlier this year, but drainage issues and infrastructure costs, which engineers have estimated will approach the \$15 million mark, has pushed that back.

New homes were projected to be available as early as next year, but it was unclear how the current delays would affect that target date.

The project is expected to be completed by 2010. Project developers have said Tomball could be on the receiving end of as much as \$200 million in tax revenue.

The development will include homes, a hotel, retail and commercial sites, scenic waterways and town homes.

Planners have said the upscale homes are expected to cost between \$400,000 and \$450,000. A number of town homes are also expected to be available as part of the project, costing as much as \$250,000 or more.

Also included in the project are a 316,000 square foot retail center, 126,000 square feet of office space, a 40,000 square foot hotel and an 80-room motel.