

Somerset Grove TIRZ

Planning & Community Development Committee

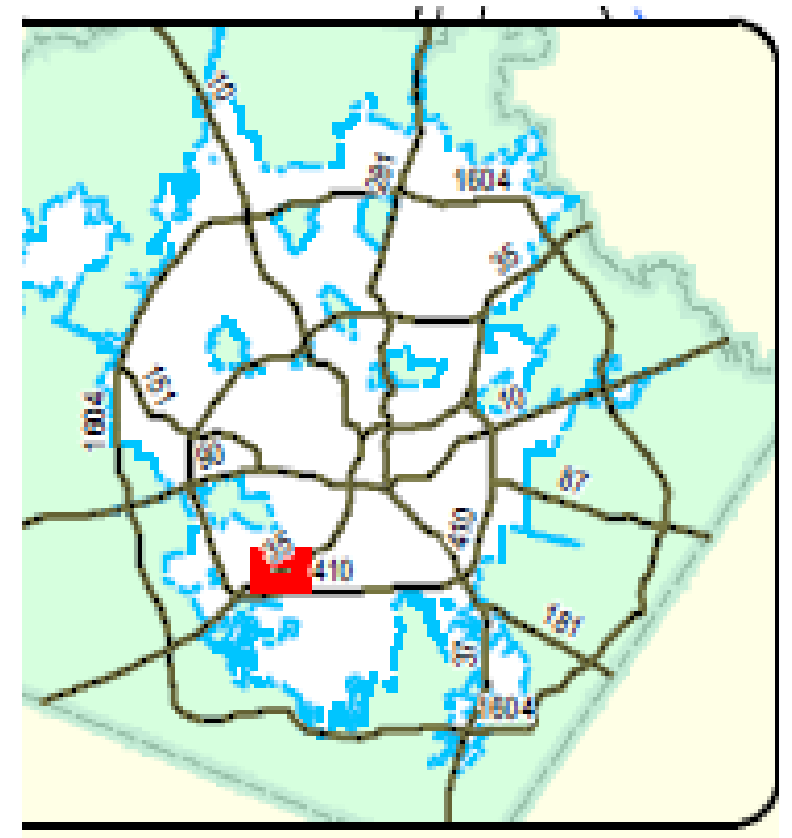
April 24, 2025

Veronica Garcia, Director, NHSD



Background

- The Somerset Grove Tax Increment Reinvestment Zone (Somerset Grove TIRZ) is located west of Somerset Road and IH-35 in Council District 4.
- The TIRZ was originally designated June 17, 2021 by City Council through Ordinance Number 2021-06-17-0480 and scheduled to terminate September 30, 2046.
- The original Project Plan was to construct 603 single family homes on approximately 130 acres. The Somerset Grove Development Agreement sets a maximum reimbursement amount to the Developer at \$21,701,910.



Background

- The Somerset Grove Development Agreement for the Project included Project Affordability: 50% of the homes must be under \$240,000. Sales data from the Developer in January 2025 shows 241 sold so far have been under \$236,000 with an average sales price under \$173,000.
- In January 2025, the City was advised the Developer was unable to recapture sufficient land from the floodplain and the number of homes would be reduced to 543. With the additional acreage, the Developer would now construct 639 single family units with no additional reimbursement amount.



Issue



- The Developer has requested an expansion of the current boundaries of the Somerset Grove TIRZ to add 24 acres and 96 single family homes to the Project.
- There is no request to extend the term or maximum reimbursement amount.
- Staff has reviewed the request submitted by the Developer to expand the TIRZ boundaries and conducted a financial analysis. Staff recommends moving forward with the expansion of the current boundaries to include the additional 24 acres and 96 homes with the existing affordability limits to the Project.

Staff Recommendation



Staff recommends the Planning and Community Development Committee approve this request and refer this to City Council for consideration at the next available agenda date.

THANK YOU!

Veronica Garcia

