

## Hutto gives sales tax dollars to developer

Contributed by Heidi Schoonover

Hutto city leaders have agreed to give a developer incentives worth about \$52 million for a 466-acre mixed-use development, the largest in city history and possibly more than what Austin awarded in its controversial package for the Domain.

Hutto gives sales tax dollars to developerThe agreement was necessary to entice development to Hutto, mayor says.

By Andrea Lorenz

AMERICAN-STATESMAN STAFF

Wednesday, October 10, 2007

Hutto city leaders have agreed to give a developer incentives worth about \$52 million for a 466-acre mixed-use development, the largest in city history and possibly more than what Austin awarded in its controversial package for the Domain.

The Crossings of Carmel Creek development along the Texas 130 toll road has long been seen as a coup by Hutto leaders, who expect it to generate about \$116 million in sales tax revenue and \$30 million in hotel occupancy tax revenue for the city over 20 years, starting in 2010.

The developer will receive a portion of that revenue for 20 years. ACD-GREP II Hutto Real Estate LLC will get 25 percent of the city's sales tax revenue and 30 percent of the hotel occupancy tax from the property.

Today, Mayor Kenneth Love will officially sign off on the deal. The City Council approved it last month.

Love said the development, which is to include office space, retail and housing, will give Hutto taxpayers some relief.

Hutto is the fastest-growing city in the state, according to the state demographer's office, and for the past several years, property tax payments in the city of 17,000 have paid for most of the costs from the city's growing pains. The development will substantially increase Hutto's sales tax base; the city expects to take in about \$1.3 million in sales tax revenue during the 2007-08 fiscal year.

Hutto's deal could end up being richer than the City of Austin's incentives package for the Domain shopping center, which total \$37 million to \$57 million over 20 years. That agreement has been controversial among groups that oppose giving certain retail competitors a financial advantage.

Grass-roots lobbyist Jeff Heckler opposes the Domain's package and said he could also have an issue with Hutto's incentives, depending on whether more than half the development is retail. In that case, a city would be giving the development a leg up on other retail outlets, he said.

Developers don't have that percentage breakdown for the Crossings of Carmel Creek yet, spokeswoman Beth Woods said.

Hutto approves incentives to retail developments on a case-by-case basis, City Manager Ed Broussard said. The recently approved package provided the city leverage in reaching a separate agreement that gives it more control over

landscaping, parks and other infrastructure on the site, he said.

Giving up a portion of the sales tax was necessary for Hutto, Love said.

"If the complex wasn't there, what sales tax would we have?" he asked.

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