

Date: August 1, 2023

To: Mark Israelson, City Manager

From: Doug McDonald, Economic Development Director; Peter Braster, Special Projects Director

Subject: Land Banking Program

Land banking is the process by which local governments acquire properties and convert them to productive uses or hold them for long term strategic public purposes. Land banking is a strategic tool used to help redevelop vacant or underutilized land and allows the City to have a greater influence on the development.

Based on the feedback from the economic development work session on July 24, 2023, staff has established a land banking program to be more proactive in our redevelopment efforts and ensure new development is guided by shared community values. The land banking program will add to the City's reinvestment toolkit to help ensure redevelopment enhances surrounding neighborhoods, improves community aesthetics, and maximizes the return to taxpayers.

Funding

Funding for the land banking program will come from the Economic Development Fund. A subaccount of the Economic Development Fund will be established, and one-time transfer of \$20 million will occur from the Economic Development Fund to the new subaccount for land banking purposes.

Criteria for Land Purchase

Below is a list of potential criteria to consider when the City of Plano is purchasing property for land banking purposes:

- Strategic properties that offer a catalytic benefit to the surrounding neighborhood
- Surplus properties owned by other governmental entities
- Properties that would allow for single-family development "but for" the cost of land to buy-down the cost of land for a single-family developer
- Properties with historic uses that have become a nuisance to surrounding neighborhoods (e.g. mulch and compost site near residential)
- Properties in areas with high commercial vacancy
- Properties which have the likelihood of being included in a larger redevelopment effort

Parameters for Land Banking

- The City may hold the land for a maximum 10 years.
- If the land is sold or transferred, the Economic Development Fund subaccount will be reimbursed from the sale payment, including any potential profit.

Management and Sale of Land

Where appropriate, the City may use the following tools to control the use and sale of the land:

- City-initiated rezoning
- Creation of homeowner's association

- Deed restrictions
- Use of the Plano Improvement Corporation (PIC) to sell the land
- Use of Request for Bids (RFI) /Request for Proposals (RFP) to sell the land

Approval Process

Authorization of land acquisition and selling land originally purchased for land banking purposes will continue to be approved by City Council. The criteria outlined in this memo will help guide staff with appropriate resources to bring proposals to City Council for consideration.