MINUTES
CITY OF DENTON
DENTON TAX INCREMENT FINANCE ZONE NO.1 BOARD
September 21, 2012

After determining that a quorum was present, the Denton Tax Increment Finance Zone No.1 Board convened on Friday, September 21, 2012 at 12:20 p.m. in the City Hall Work Session Room, 215 E. McKinney, Denton, Texas.

PRESENT: Marty Rivers, Bob Moses, Pete Kamp, Virgil Strange, and Hank Dickenson
ABSENT: Harold Strong and James King
STAFF PRESENT: Linda Ratliff, Julie Glover, Christina Davis, John Knight, and Erica Sullivan
GUESTS: Tony Puente, Finance Department

REGULAR SESSION

1. Considered approval of the minutes of the June 8, 2012 Tax Increment Finance Zone No.1 Board meeting
Kamp motioned approval of the June 8, 2012 Tax Increment Finance Zone No.1 Board meeting as presented. The motion was seconded by Moses and carried unanimously (5-0).

2. Received a report and held a discussion regarding the annual ad valorem revenue of Tax Increment Reinvestment Zone (TIRZ) Number One.
Erica Sullivan reported that the City of Denton created Tax Increment Reinvestment Zone (TIRZ) Number One (Downtown TIF) in 2010. Tax increment financing originated as a tool for governments to publicly finance needed improvements and enhance infrastructure within a defined area in order to stimulate private development and redevelopment. An ad valorem valuation base is established the first year, and the revenue from the increased valuation from subsequent years is allocated into a TIRZ fund to support development projects. According to certified figures released by the Denton County Central Appraisal District (DCAD), the 2012 total appraised valuation of taxable real property in TIRZ Number One was $89.6 million, which represents a 9.7% increase in the amount of $7.9 million above the 2011 year certified valuation. The annual TIRZ fund contribution is $54,820 when the tax rate is applied to this increase.

3. Received a report and held a discussion regarding projects included in the upcoming Street Bond election.
Tony Puente, Asst. Director of Finance, reported on the 2012 Bond Election proposal for street repair and improvements. A method known as OCI was used to determine the structural soundness of streets. (OCI measures the structural integrity of the street). All streets in Denton were surveyed. Nine hundred and ninety streets had an OCI rating of 40 or less. The costs to repair these streets would be $96 million. $66 million is needed to repair streets with an OCI rating of 30 or less. Two hundred and eleven streets, with the lowest OCI ratings, will need complete reconstruction at a cost of $20 million.

The bond election will sell $20.4 million in bonds over the next four year; later bond elections will be needed to address street repairs. In that $20.4 million, $400,000 is identified for public art. Langley asked the Task Force to help with public education about the bond election during the next two months; the election will be held on November 6. He said that the bond election would not increase taxes.

4. Receive a report and hold a discussion regarding the City of Denton’s purchase of property located at 300 E. McKinney
Ratliff reported that the City has closed on the property located at 300 E. McKinney, formally the Denton County Tax Office, and the City will take position of the property after voting in November. Funds from the Airport gas well funds were used to purchase the property. City Council Members requested that if the City sales the
property that the funds be returned to the gas well account and if property is used as an incentive, transit orientated development, or catalysts project, that the TIF will repay. Staff was contacted by a firm interested in developing a mixed used project for the City. In open discussion about mixed use projects the TIF Board stated they are in favor of those types of projects.

5. Received staff activity report
Glover reported:
- Rhinestone’s has closed
- Opened since the last meeting: Gerhard’s German Restaurant, Ghost Note and Serendipity
- East Hickory Street Construction
  - Water & sewer will be updated
  - Start construction in June 2013, constructing one side of the road at a time
  - One year (estimate) for construction
  - Pedestrian crossing by railroad finished by July 2013
  - The firm, Merje, has been selected to construct way finding

6. Meeting adjourned at 1:05 p.m.