MINUTES
CITY OF DENTON
DENTON TAX INCREMENT FINANCE ZONE NO.1 BOARD
January 16, 2015

After determining that a quorum was present, the Denton Tax Increment Finance Zone No.1 Board convened on Friday, January 16, 2015 at 1:40 p.m. in the City Hall Work Session Room, 215 E. McKinney, Denton, Texas.

PRESENT: Bob Moses, Harold Strong, Marty Rivers, Virgil Strange, and Chris Watts
ABSENT: Hank Dickenson, and Kevin Roden
STAFF PRESENT: George Campbell, John Cabrales, Aimee Bissett, Julie Glover, Christina Davis, Erica Sullivan, Karen Boenker, and Ron Menguita
GUESTS: None

REGULAR SESSION

1. Consider approval of the minutes of the June 27, 2014 Tax Increment Finance Zone No.1 Board meeting.

   Hank Dickenson motioned approval of the June 27, 2014 Tax Increment Finance Zone No.1 Board meeting as presented. The motion was seconded by Bob Moses and carried unanimously (5-0).

2. Receive a report and hold a discussion regarding the annual ad valorem revenue of Downtown TIF Number One

   Erica Sullivan, ED Analysis, reviewed the certified and supplement summary that was distributed to the Board. Sullivan reported that the Downtown TIRZ Number One 2014 total appraised valuation of taxable real property was $116.8 million, a $16.3 million increase from the 2013 supplemental value of $100.5 million. The annual TIRZ fund contribution of property taxes and interest income for 2014 is $258,160. Staff discovered that the reports have not reflected accumulated interest to date. Once interest has been accounted for November and December the TIRZ fund will change slightly. Sullivan discussed the actual increase with the Board reviewing existing versus new construction and how the funds can be used.

3. Receive a report, hold a discussion and give staff direction regarding the 2014 Annual Report for Downtown TIF Number One

   Julie Glover presented the 2014 Annual Report for the Downtown TIF Number One. The only changes to the report are the member of the Board, due to City Council place changes and the numbers representing the growth and monies collected in the district written in the text of the report did not match the spreadsheet presented as an attachment to the report.

   Chris Watts motioned approval of the approval of the report 2014 Tax Increment Finance Zone No.1 Board meeting with corrections. The motion was seconded by Harold Strong and carried unanimously (5-0).

4. Receive a report and hold a discussion regarding an innovation and technology recruitment initiative, part of which will take place within the Downtown TIF NUMBER ONE.

   Aimee Bissett gave a presentation on an innovation and technology recruitment initiative called CoDenton. Initial discussions of CoDenton, started in June 2014 and was added to the Economic Development budget in the
2014/15 fiscal year. In her presentation, Bissett discussed that the program has a community-driven demand for hi-tech and emerging technology recruitment. It will support entrepreneurs and innovation with a co-working space with a business incubator for creating high-wage, knowledge-based jobs to retain our educated workforce. This will take the collaboration of technology infrastructure, such as fiber, wifi, small cell; education and workforce partnerships, nonprofit and investment partners like TechMill, Dallas Entrepreneur center, Hub & Spoke, and the startup community, and finally real estate development.

The two key program components, entrepreneurship and recruitment, are key to its success. The proposed co-working space would offer daily or monthly desk and office rentals, a business incubator/accelerator program to launch or scale new startup businesses; events for mentoring, guest lectures, and hackathons; investment for recruiting/matching venture capital, and angel funding. Similar operating models that were investigated are investment vs. nonprofit/community-based, such as the DEC (Dallas Entrepreneur Center) operating model and local TechMill grassroots effort. Bissett’s presentation included details for the DEC and TechMill programs.

While discussing the many benefits of CoDenton, Bissett revealed that the platform MSNBC used for reporting the 2012 Olympics was built in Denton by a small team working at a coffee shop.

5. Receive a report from the City’s Leadership Excellence and Enhancement Program (LEEP) participants and hold a discussion regarding their Right-of-Way Maintenance Project, including areas within the Downtown TIF NUMBER ONE.

Bissett reported on this item, as Lancine Bentley was unable to attend. Bissett gave a brief introduction to the LEEP program and its purpose. The goal of the project is to collaborate with TxDOT and Union Pacific Railroad to implement a regular maintenance and beautification plan to create clean and attractive public rights-of-way along entryways and major thoroughfares throughout the community.

6. Receive a report and hold a discussion regarding E. Hickory Capital Improvements.

Glover presented the update on E. Hickory St. covering work on the street, the Williams Trade Square parking lot, and marketing efforts.

7. Received Staff Activity Reports
   a. Businesses Closed: Gold Mine BBQ, Yogurt Fusion, S. Elm Restaurant and Bar, Last Drop Tavern, Smiling Moose Deli
   b. Businesses Opened: Bet the House BBQ, Painting With a Twist, Sweetwater, Oak Street Coffeehouse, Sub Shack, Big Fatty’s Flaming Foods/Spanking Shack, Dark Ages Tattoos, Hypnotic Donuts, coming soon are Muddy Jakes, Service Industry, and Jacks Tavern

BOARD WENT INTO CLOSED SESSION AT 1:00 P.M.

8. Receive a report, hold a discussion, and give staff direction regarding an economic development incentive agreement for a catalyst project, and a lease of real property where a deliberation in an open meeting would have a detrimental effect on the position of the governing body in negotiations with a third party. This discussion shall include commercial and financial information the City has received from the developer which the City seeks to have locate, stay, or expand in or near the territory of the city, and with which the City is conducting economic development negotiations and lease negotiations; including the offer of financial or other incentive (Bissett).

BOARD RETURNED TO OPEN SESSION AT 1:38 P.M.
Following the completion of the Closed Session, the Board will convene in a Regular Session to consider the following:

9. Make a recommendation to City Council regarding using Downtown TIF Number One funds for a 380 incentive for a catalyst project located within the TIF District.

Dickenson motioned approval of making a recommendation to City Council regarding using the Downtown TIF Number One funds for a Chapter 380 Incentive Agreement for a catalyst project located within the TIF District by allowing 100 percent abatement of the revenue, maximum of $76,000 per year, generated by the project in the TIF Number One, up to $380,000 cumulative, allowing five to ten years to receive that reimbursement amount. The motion was seconded by Harold Strong and carried unanimously (5-0).

10. Meeting adjourned at 1:40 p.m.