

RESOLUTION NO. 18-244

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DENTON, TEXAS, APPROVING THE 2017 TAX INCREMENT FINANCING REINVESTMENT ZONE NUNMBER ONE (DOWNTOWN TIF) ANNUAL REPORT; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the City of Denton recognizes the importance of its role in local economic development initiatives and programs; and

WHEREAS, the City has established Tax Increment Financing Reinvestment Zone Number One (Downtown TIF) and established a Board of Directors for the District to promote development or redevelopment in the Downtown area pursuant to Ordinance No. 2010-316, authorized by the City Council on December 7, 2010, as provided by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended; and

WHEREAS, on December 7, 2010, the City Council authorized the Project and Finance Plans for the Downtown TIF District; and

WHEREAS, the Tax Increment Financing Act specifies that the governing body of a city shall submit an annual report on the financial status of the district to the Chief Executive Officer of each taxing unit that levies taxes on real property in a reinvestment zone, and a copy of the report shall be forwarded to the State Comptroller; and

WHEREAS, on January 24, 2018, the Downtown TIF District Board reviewed and recommended approval of the 2017 Annual Report for Tax Increment Financing Reinvestment Zone Number One to the City Council, NOW, THEREFORE,

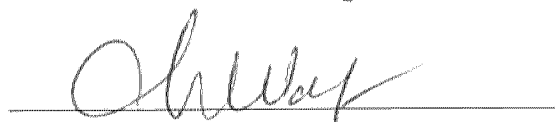
BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DENTON:

SECTION 1. That the 2017 Annual Report for Tax Increment Financing Reinvestment Zone Number One (Downtown TIF), City of Denton, Texas, as of December 31, 2017, a copy of which is attached here to (Exhibit A), and is hereby accepted.

SECTION 2. That the City Manager is herby authorized to submit the 2017 Annual Report for Tax Increment Financing Reinvestment Zone Number One to the Chief Executive Officer of each taxing jurisdiction that levies tax on real property in the District; and to the State Comptroller, as required by state law.

SECTION 3. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Denton, and it is accordingly so resolved.

PASSED AND APPROVED this the 20th day of February, 2018.



CHRIS WATTS, MAYOR

ATTEST:

JENNIFER WALTERS, CITY SECRETARY

BY: Jennifer Walters

APPROVED AS TO LEGAL FORM:

AARON LEAL, CITY ATTORNEY

BY: Jennifer W. Walters

**Tax Increment Financing Reinvestment Zone Number One
(Downtown TIF)
2017 Annual Report**



**City of Denton
Economic Development Department
215 E. McKinney Street
Denton, Texas 76201
940-349-7776
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January 1, 2017, to December 31, 2017**

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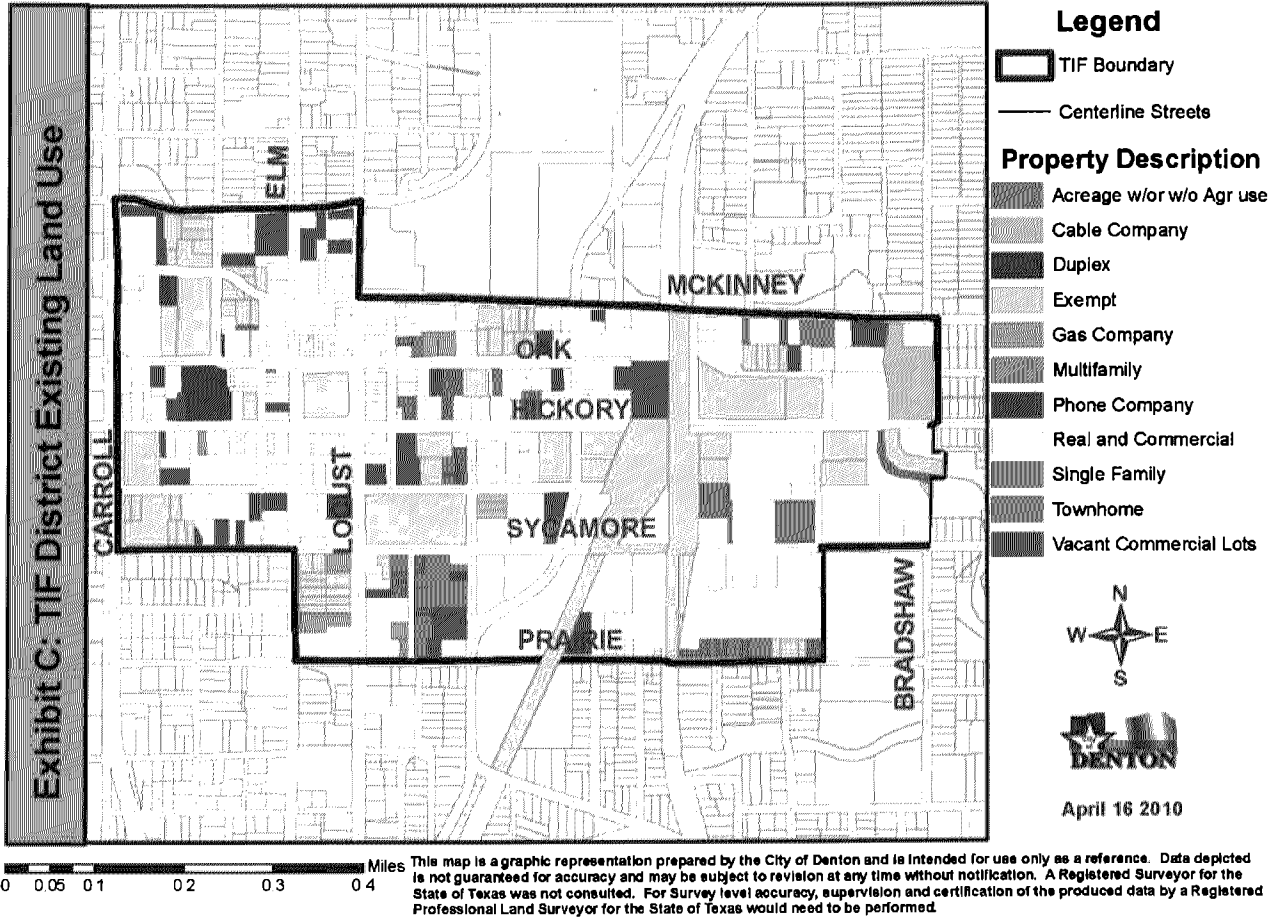
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Reinvestment Zone Number One Downtown Tax Increment Financing District



Mission Statement

The mission of the Tax Increment Financing Reinvestment Zone Number One (Downtown TIF) is to provide a source of funding for public infrastructure improvements to encourage and accelerate necessary development and redevelopment within the Downtown TIF District area.

The Downtown TIF took effect on January 1, 2011, and will terminate on December 31, 2041, or when the budget of \$24.8 million has been collected. The City of Denton is the sole participating jurisdiction. The City's participation is as follows:

Years 1-5	100%
Years 6-10	95%
Years 11-20	90%
Years 21-30	85%

District Accomplishments

During calendar year 2017, \$496,856 was collected after the end of the supplemental period determined by the City of Denton. An additional \$3,673 in interest brings the total contribution in 2017 to \$500,529.

The annual grant payment of \$76,000 was distributed to Rail Yard Partners, LTD, through a Chapter 380 Agreement for a catalyst project located within TIF #1.

Value and Increment Summary

According to Denton Central Appraisal District (DCAD) supplemental figures, the 2017 total appraised valuation of taxable real property in TIRZ Number One was \$161.4 million. This represents a \$11.3 million increase from the 2017 supplemental value of \$150 million. The annual TIRZ fund contribution of property taxes and interest income for 2017 is \$500,529. Since its inception, the final value with supplements of the TIRZ has increased an estimated \$82 million, which represents a 103% increase in valuation.

Summary of TIF Board meetings

The Downtown TIF Board met on January 6, 2017

Board Member List and attendance

Virgil Strange, Property Owner

Kevin Roden, City Council Member

Marty Rivers, Chamber of Commerce Member

Hank Dickenson, Chamber of Commerce Member

Bob Moses, Property Owner

Melissa Lenaburg, Qualified Voter

The Downtown TIF Board met on July 21, 2017

Board Member List and attendance

Virgil Strange, Property Owner

Melissa Lenaburg, Qualified Voter of the City of Denton

Hank Dickenson, Chamber of Commerce Member

Bob Moses, Property Owner

Absent: Chris Watts, Marty Rivers

The Downtown TIF Board met on November 17, 2017

Board Member List and attendance

Virgil Strange, Property Owner

Hank Dickenson, Chamber of Commerce Member

Sara Bagheri, City Council Member

Ben Esely, Business Owner

Paul Meltzer, Qualified Voter

During 2017, the TIF Board took the following action on items:

Received briefings on: preliminary annual ad valorem value of TIF Number One, gave direction regarding appointment of board members, overview of City projects for which TIF funds could be used, received a request for funding a project at 207 W. Hickory (relocate utilities in the right-of-way; the request was tabled, no further information was brought forth by the applicant), approved the 2016 Downtown TIF #1 Annual Report, and made a recommendation to City Council to use TIF funds for four Capital Improvement Projects.

Budget and Spending Status

The Downtown TIF District has established in its Project and Finance Plans a budget for public improvement expenditures necessary to support private investment in the district.

In 2017, \$500,529 of property taxes and interest income was collected. The TIF Board met on November 17, 2017, and reviewed four recommended Capital Improvement Projects. Based on costs, the TIF Board recommended funding the following, as funds became available (5-0), but not to spend more than 33 percent of the fund balance:

Project A: North Locust, north of the Square: sidewalks on both sides need repair or replacement, ADA ramps, and pedestrian-scale lighting from West Oak to McKinney.

Project B: North Elm, north of the Square: sidewalks on both sides need repair or replacement, ADA ramps, and pedestrian scale lighting from West Oak to Parkway.

Project C: Pedestrian scale lighting on West Oak Street, west of the Square, from the 200 block to the east side of Carroll Boulevard.

Project D: Pedestrian scale lighting on West Hickory Street, west of the Square, Cedar Street

On December 5, 2017, City Council met, reviewed the projects and gave staff direction to proceed with all four projects, adding upgraded light poles to metal, historic poles from the aggregate poles on Projects A, B, C, and D. They did not take the TIF Board's recommendation to limit the amount to 33 percent of the TIF fund balance.

On January 9, 2018, the City Council met and approved funding projects A, B, C and D for a total of \$1,466,845.

The second year payment in the amount of \$76,000 was distributed to The Railyard Project in 2017.

2017 Work Program

The TIF Valuation and interest contribution into the TIRZ fund are illustrated in the table that follows.

Certified and Supplement Summary

Year	TIRZ Certified Value	Supplement TIRZ Value	Annual Captured Supplement Value	Supplement Contribution to TIRZ Fund	Interest	Total TIRZ Fund
2010	79,356,854	79,356,854	N/A	N/A	N/A	N/A
2011	81,657,808	80,331,050	\$974,196	6,720	17	6,737
2012	89,605,635	93,040,263	\$13,683,409	94,381	297	94,678
2013	96,287,950	100,452,300	\$21,095,446	145,506	1,084	146,590
2014	114,885,073	116,769,435	\$37,412,581	258,053	2,821	260,874
2015	118,440,576	127,204,599	\$47,847,745	330,030	5,855	335,885
2016*	136,021,478	150,021,979	\$70,665,125	458,739	11,439	470,178
2017	142,050,751	161,351,215	\$81,994,361	496,856	3,673	500,529
Totals			\$273,672,863	1,790,284	25,186	1,815,470

Interest for 2017 is earned through 12/31/17

**95% contribution from decreasing ratio begins*