

# Objective:

- ▶ Present information about the establishment of the Downtown TIF, fiscal information, potential uses of TIF funds, and future options for the Downtown TIF

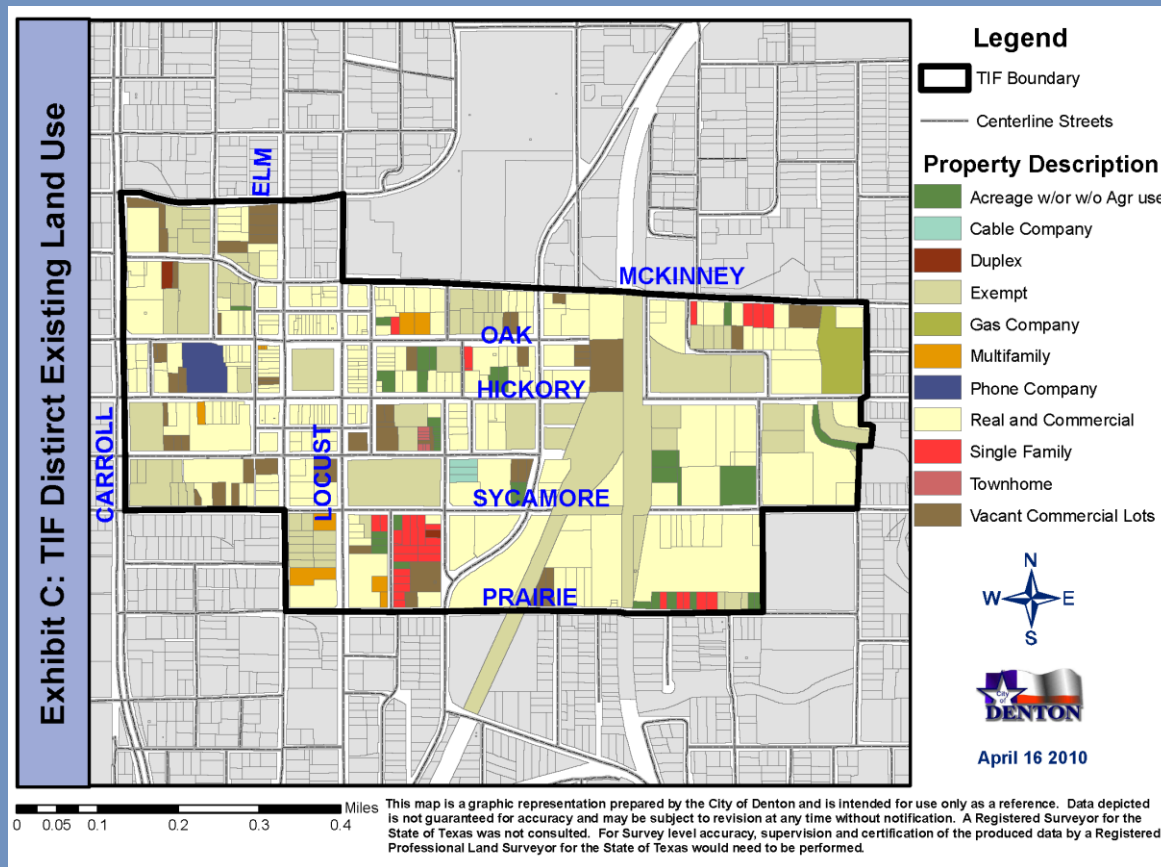
# Background

- ▶ Authorized under Ch. 311 of the Texas Tax Code
- ▶ Used by local governments to publicly finance improvements and infrastructure within a defined zone
- ▶ Zone must meet certain criteria to be considered for tax increment financing
  - ▶ Contiguous area within the corporate limits of the city
  - ▶ Area's present condition impairs the sound growth of the municipality
  - ▶ Project plan includes use of land for commuter or transit rail system
  - ▶ Less than 30% of property in the proposed zone is residential

# Background

- ▶ **2003** – Downtown Master Plan adopted
- ▶ **2005** – Downtown Catalyst Project study completed
- ▶ **2008** – Council discussions regarding the timing of establishing a Downtown TIF
- ▶ **August 2010** – Downtown Implementation Plan approved
- ▶ **December 2010** – Downtown TIF established
- ▶ **2011** – TIF Project and Finance/Feasibility Plans adopted
- ▶ **2014** – TIF Project Plan amended

# Downtown TIF Map



# Fiscal Information

- ▶ Percentage of increased valuation allocated to the TIF Fund:
  - ▶ Years 1-5 – 100%                      Years 6-10 – 95%
  - ▶ Years 11-20 – 90%                      Years 21-30 – 85%

PROJECT	ESTIMATED COST
Parking / Transportation	\$8.0 million
Complete Streets	\$7.9 million
Support for Downtown Projects	\$4.9 million
Utility / Drainage Improvements	\$4.0 million
<b>TOTAL</b>	<b>\$24.8 million</b>

# Fiscal Information

- ▶ **Sept. 2015** – Council approved a Chapter 380 incentive grant of \$380,000 over 5 years for the Railyard transit-oriented development
  - ▶ Two payments totaling \$152,000 have been made
- ▶ **Sept. 30, 2016** – \$1.29 million in actual tax revenue has gone into the Downtown TIF fund
- ▶ **2011 to Date** – \$12.96 million has been spent by the City within the Downtown TIF zone

# Possible Uses of Funds

- ▶ Project Plan eligible categories:
  - ▶ **Parking/Transportation** – garages, surface parking, parking lighting or signage, wayfinding, transit oriented development
    - ▶ Wayfinding signage in the Downtown TIF zone
  - ▶ **Complete Streets** – sidewalks, bus or bicycle lanes, bike racks, crosswalks, pedestrian lighting, etc.
    - ▶ Complete Street elements for Elm and Locust in the Downtown TIF zone

# Possible Uses of Funds

- ▶ Project Plan eligible categories:
  - ▶ **Downtown Projects** – includes grants, loans, and services for public and private development (historic preservation, environmental remediation, economic development)
    - ▶ Funding the Downtown Reinvestment Grant program within the boundaries of the Downtown TIF zone
  - ▶ **Utility Drainage** – physical provisions to accommodate and regulate stormwater runoff
    - ▶ Elements of the Denton Downtown Drainage Master Plan, such as the Downtown Storm Sewer Improvements Trunk Line, South Bell and Oak Street Systems project, or the Hickory System and Parkway Laterals system



# Options

1. Terminate the Downtown TIF; fund balance reverts to the General Fund
2. Preserve Downtown TIF under existing Project and Finance/Feasibility Plans, but identify eligible projects for immediate use of TIF funds
3. Change the terms of the Downtown TIF to alter its length or the percentage of the increment dedicated to the TIF fund