



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
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## AGENDA INFORMATION SHEET TAX INCREMENT REINVESTMENT ZONE NUMBER TWO BOARD

**DEPARTMENT:** Economic Development

**ACM:** Christine Taylor

**DATE:** June 25, 2025

### **SUBJECT**

Consider verification of project costs described in a reimbursement request submitted by Westray Group, LP and approval of payment of Verified Project Costs to Westray Group, LP for improvements in Tax Increment Reinvestment Zone Number Two, City of Denton, Texas, in an amount not to exceed \$3,280,285.75.

### **BACKGROUND**

On May 13, 2014, the City Council adopted Ordinance No. 2014-142 approving a Reimbursement Agreement between the City of Denton, the Board of Directors for Tax Increment Reinvestment Zone (TIRZ) Number Two, and Westray Group, LP (Exhibit 2). Westray Group, LP (affiliated with Rayzor Investments), agreed to construct Phase 1 of the public improvements and the City and the TIRZ Number Two Board agreed to reimburse Westray for the cost of those improvements from the Tax Increment Fund.

On June 16, 2015, the Reimbursement Agreement was amended (through Ordinance 2015-169) when WinCo Foods assumed Westray's responsibility for Phase 1 Improvements (with the exception of traffic signals) in the Westpark (Exhibit 3). This was accomplished to enable WinCo Foods to control the timetable of the public improvements and the construction of their distribution facility.

This is the second reimbursement request from Westray, as they were waiting for sufficient revenue to accumulate in the Tax Increment Fund for WinCo and Westray and for the reimbursement to be sufficient for the time and administration of the request.

The Westpark TIRZ Number Two district has established in its Project and Finance Plans a budget for public improvement expenditures necessary to support public infrastructure and private investment in the zone. The project costs are included in the following table.

Project	Estimated Cost
Street Improvements	\$8,000,000
Utility / Drainage Improvements	\$5,000,000
Support for Industrial Projects	\$1,275,430
<b>Total Project Costs</b>	<b>\$14,275,430</b>

The City Economic Development and Finance Departments have verified that Westray paid or incurred the project costs submitted in the reimbursement (Reimbursement Summary: Exhibit 4). The verified eligible costs for the Westray Group reimbursement request, in the amount of \$3,280,285.75, is included in the table below.

Description	Amount
Pre-development Costs	\$143,725.99
Drainage Improvements	\$494,528.19
Project Costs	\$2,642,031.57
<b>Total Reimbursement Request</b>	<b>\$3,280,285.75</b>

The Reimbursement Agreement is unique in that it states that Westray shall be reimbursed if the Board of Directors of Reinvestment Zone Number Two verifies eligible costs for reimbursement.

### **STAFF RECOMMENDATION**

Staff recommends that the Westpark TIRZ Board of Directors of Reinvestment Zone Number Two verify the recommended eligible costs for reimbursement to Westray Group, LP.

### **ESTIMATED SCHEDULE OF PROJECT**

The following represents the next step(s) of the reimbursement:

- Following this confirmation, staff will process the payment to reimburse Westray Group for pre-development costs, drainage improvements and project costs in the Westpark TIRZ Number Two. This requires approvals from both Economic Development and Finance Departments.

### **EXHIBITS**

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Reimbursement Agreement 2014-142

Exhibit 3 – First Amendment 2015-169

Exhibit 4 – Westray Reimbursement Spreadsheet and Attachment Summary

Exhibit 5 – Confirmation of Verified Costs Form

Exhibit 6 – Presentation

Respectfully submitted:

Erica Sullivan

Economic Development Program Administrator