



Westray Reimbursement Request

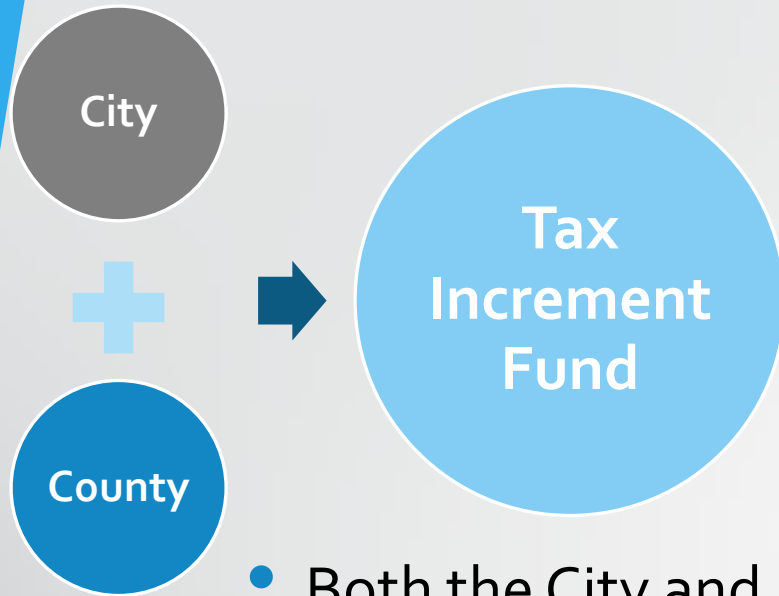
Westpark TIRZ No. Two Board Meeting

Erica Sullivan

Economic Development Program Administrator

June 25, 2025

Background



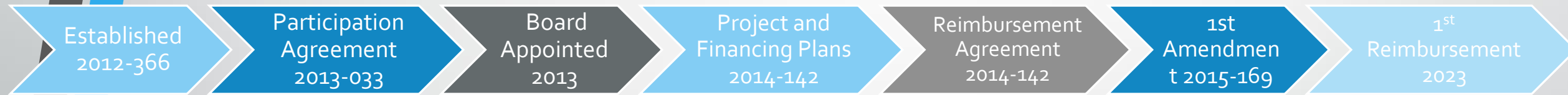
- Both the City and Denton County participate in the TIRZ at a rate of **40%**.
- Westpark TIRZ has a term of **25 years** and will terminate on December 31, 2036
- It was estimated that the TIRZ would generate approximately **\$14.3 million** over the term for infrastructure improvements.

TIRZ Projects

- The Westpark TIRZ district has established in its Project and Finance Plans a budget for public improvement costs necessary to support public infrastructure and private investment in the zone.

PROJECT	ESTIMATED COST
Street Improvements	\$8,000,000
Utility / Drainage Improvements	\$5,000,000
Support for Industrial Projects	\$1,275,430
TOTAL	\$14,275,430

Westpark TIRZ History



TIRZ25-004, June 25, 2025

Reimbursement Agreement General Terms

- **Parties**

- Agreement with the City, the Board of Directors for TIRZ No. Two, and Westray Group, LP was approved by the Denton City Council on May 13, 2014 (Ordinance 2014-142).

- **Phasing**

- Phases 1 – 3
- Phase 1 Cost Estimate: \$5.1 million plus interest (Exhibit H-1)
- Obligated to construct Phase 1 within 24 months of agreement
- Option to construct Phases 2-3

First Amendment

- The Agreement was amended to exclude Phase 1 Improvements (aside from traffic signals) and the tax increment generated by WinCo Foods in 2015 (Ordinance 2015-169). This was accomplished through a Chapter 380 Agreement with Denton Tarrant PRW/WinCo Foods (Ordinance 2015-170).
- **Phase 1 Improvements**
 - Western Blvd – 2 additional lanes
 - Associated drainage improvements
 - 8" sewer line along Western Blvd
 - 16" water line along Western from Airport to 380
 - Landscaping for ROW on Western

Prior Reimbursement

Description	Amount
Pre-development Costs	\$154,987.34
Drainage Improvements	\$390,053.00
Traffic Signals Phase 1	\$120,000.00
Total Request	\$665,040

Reimbursement Request: Verified Eligible Costs

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

Order of Reimbursement

- Debt service on TIRZ Bonds**
- To reimburse the City for pre-TIRZ administrative costs (Exhibit E)
- To reimburse the City for ongoing administrative costs
- To reimburse WinCo Foods for eligible Phase I Improvements and Pre-development Costs
- To reimburse Westray pre-development costs (Exhibit F)
- To reimburse Westray for Verified Project Costs
- To reimburse Westray for Interest on Verified Project Costs (County increment excluded)
- To reimburse Westray for the costs of any additional improvements accrued after the completion of Phases I-III if included in the Reimbursement Agreement

**In the future, the City may, but is not obligated, to issue TIRZ Bonds if all necessary criteria are met to protect the City and service the debt

Reimbursement Process

- Westray submitted documentation (with reasonable detail) to the City and Board of Directors of Reinvestment Zone Number Two of the costs it has paid or incurred
- City Economic Development and Finance staff have verified that Westray paid or incurred the Project Costs
- Board of Directors of Reinvestment Zone Number Two verify the recommended eligible costs for reimbursement
- City will pay Westray the verified Project Costs if there are sufficient funds in the Tax Increment Fund (TIF) from the two participating taxing entities

Disbursements made bi-annually

Valuation and Fund Balance

City of Denton

Tax Year	Certified Tax Value	Fiscal Year as of 9/30	Supplemental Tax Value*	Incremental Increase (Decrease)	Contribution	Adjusted Incremental Value	Tax Rate	Annual TIRZ Ad Valorem Revenue
2013	\$ 119,458	2013-2014	\$ 119,458	N/A	N/A	N/A		N/A
2014	566,436	2014-2015	555,807	436,349	40%	174,540	0.689750%	1,204
2015	120,538	2015-2016	120,538	1,080	40%	432	0.689750%	3
2016	2,401,349	2016-2017	2,401,349	2,281,891	40%	912,756	0.683340%	6,237
2017	63,108,366	2017-2018	63,108,366	62,988,908	40%	25,195,563	0.637856%	160,711
2018	68,549,662	2018-2019	72,165,650	72,046,192	40%	28,818,477	0.620477%	178,812
2019	110,654,075	2019-2020	119,113,120	118,993,662	40%	47,597,465	0.590454%	281,041
2020	175,546,028	2020-2021	175,546,028	175,426,570	40%	70,170,628	0.590454%	414,325
2021	226,991,678	2021-2022	226,957,789	226,838,331	40%	90,735,332	0.565823%	513,401
2022	270,388,646	2022-2023	270,388,646	270,269,188	40%	108,107,675	0.560682%	606,140
2023	394,162,688	2023-2024	394,162,688	394,043,230	40%	157,617,292	0.560682%	883,732
2024	413,776,211	2024-2025	413,776,211	413,656,753	40%	165,462,701	0.585420%	968,651
Totals								<u>\$ 4,014,257</u>

Denton County

Tax Year	Certified Tax Value	Fiscal Year as of 9/30	Supplemental Tax Value*	Incremental Increase (Decrease)	Contribution	Adjusted Incremental Value	Tax Rate	Annual TIRZ Ad Valorem Revenue
2013	\$ 119,458	2013-2014	\$ 119,458	N/A	N/A	N/A		N/A
2014	566,436	2014-2015	241,101	121,643	40%	48,657	0.27220%	132
2015	120,538	2015-2016	120,538	1,080	40%	432	0.26200%	1
2016	2,401,349	2016-2017	2,401,349	2,281,891	40%	912,756	0.24841%	2,267
2017	63,108,366	2017-2018	63,108,366	62,988,908	40%	25,195,563	0.23781%	59,918
2018	68,549,662	2018-2019	72,165,650	72,046,192	40%	28,818,477	0.22557%	65,007
2019	110,654,075	2019-2020	119,113,120	118,993,662	40%	47,597,465	0.22528%	107,227
2020	175,546,028	2020-2021	175,546,028	175,426,570	40%	70,170,628	0.22499%	157,873
2021	226,991,678	2021-2022	226,957,789	226,838,331	40%	90,735,332	0.23309%	211,491
2022	270,388,646	2022-2023	270,388,646	270,269,188	40%	108,107,675	0.21754%	235,181
2023	394,162,688	2023-2024	394,162,688	394,043,230	40%	157,617,292	0.18949%	298,661
2024	413,776,211	2024-2025	413,776,211	413,656,753	40%	165,462,701	0.18787%	310,853
Totals								<u>\$ 1,448,611</u>

Total

Tax Year	Certified Tax Value	Fiscal Year as of 9/30	Supplemental Tax Value*	Incremental Increase (Decrease)	Contribution	Adjusted Incremental Value	Combined Tax Rate	Annual TIRZ Ad Valorem Revenue
2013	\$ 119,458	2013-2014	\$ 119,458	N/A	N/A	N/A		N/A
2014	566,436	2014-2015	555,807	436,349	40%	174,540	0.961950%	1,336
2015	120,538	2015-2016	120,538	1,080	40%	432	0.951750%	4
2016	2,401,349	2016-2017	2,401,349	2,281,891	40%	912,756	0.931749%	8,505
2017	63,108,366	2017-2018	63,108,366	62,988,908	40%	25,195,563	0.875668%	220,629
2018	68,549,662	2018-2019	72,165,650	72,046,192	40%	28,818,477	0.846051%	243,819
2019	110,654,075	2019-2020	119,113,120	118,993,662	40%	47,597,465	0.815732%	388,268
2020	175,546,028	2020-2021	175,546,028	175,426,570	40%	70,170,628	0.815439%	572,199
2021	226,991,678	2021-2022	226,957,789	226,838,331	40%	90,735,332	0.798909%	724,893
2022	270,388,646	2022-2023	270,388,646	270,269,188	40%	108,107,675	0.778225%	841,321
2023	394,162,688	2023-2024	394,162,688	394,043,230	40%	157,617,292	0.750167%	1,182,393
2024	413,776,211	2024-2025	413,776,211	413,656,753	40%	165,462,701	0.773290%	1,279,504
Totals								<u>\$ 5,462,871</u>

Current Fund Balance	\$3,846,311.66
Less WinCo Ad Valorem TIRZ Rebate	\$219,614.08
Less Westray Reimbursement No. 2	\$3,280,285.74
Remaining Fund Balance	\$346,411.84

Interest Income***	Total Revenue	Total Expenditures	Fund Balance**
N/A	N/A	N/A	N/A
7	1,343	-	1,343
10	14	-	14
81	8,586	-	8,586
2,534	223,163	-	223,163
8,885	252,704	198,991	53,713
7,713	395,981	195,734	200,247
4,995	577,194	197,336	379,858
10,947	735,840	197,203	538,637
62,123	903,444	862,709	40,735
108,061	1,290,454	210,047	1,080,407
40,105	1,319,609	-	1,319,609
\$ 245,461	\$ 5,708,332	\$ 1,862,020	\$ 3,846,312

* Tax Year 2014 - City uses Supplement #18 dated 12/23/14 and County uses Supplement #20 dated 1/30/2015.

**Fund Balance as of February 28, 2025 is \$3,846,312.

Staff Recommendation

- The Westpark TIRZ Board of Directors of Reinvestment Zone Number Two verify the recommended eligible costs for reimbursement to Westray Group, LP

Next Step

- Staff will process the payment to reimburse Westray Group for pre-development costs, drainage improvements and project costs in the Westpark TIRZ.



Questions?