



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Economic Development

ACM: Christine Taylor, Assistant City Manager

DATE: July 24, 2024

SUBJECT

Receive a report, hold a discussion, and make a recommendation to City Council regarding the 2022-2023 Tax Increment Reinvestment Zone Number One Annual Report.

BACKGROUND

On December 7, 2010, the City Council adopted an Ordinance No. 2010-316 designating and describing the boundaries of Tax Increment Reinvestment Zone Number One (“Downtown TIRZ”) to provide the public infrastructure necessary to encourage development in downtown. An annual report, detailing the previous year’s Downtown TIRZ activities, is required to be submitted to each taxing jurisdiction and the State Comptroller of Public Accounts.

The Downtown TIRZ took effect on January 1, 2011, and will terminate on December 31, 2039, or when the budget of \$24.8 million has been collected. The City of Denton is the sole participating jurisdiction.

Major Activities included in the 2022-2023 Downtown TIRZ Annual Report include:

City Council approved five items recommended by the TIRZ Number One Board

- Approved proposed changes to Downtown Reinvestment Grant Program policy to support fire sprinkler installation grant applications, making them automatically eligible for the grant maximum.
- Approved the 2021-22 Downtown Tax Increment Reinvestment Zone Number One Annual Report.
- Approved Downtown Reinvestment Grant Applications for the following projects:
 - 214 W. Hickory in an amount not to exceed \$2,500
 - 115-117 W. Hickory up to 50% of the eligible amount of the project’s actual costs.
 - 108 W. McKinney in the amount not to exceed \$50,000
- The Board engaged TIRZ consultant David Pettit, with David Petit Economic Development, to update the Downtown TIRZ Number One Project and Finance Plans. A report was presented to the Board. No action was taken.

Grant Project Activity

In FY 2022–23, the Grant Program's beginning budget was \$200,000, funded by TIRZ Number One. Four projects reached completion, creating expenditures of \$109,767, and one project was approved but still in progress at the end of FY 2022-23.

Approved Grant Project in Progress

- 115-117 W Hickory St. in the amount of \$3,695 for Robert Moses
- 108 W. McKinney St. in the amount of \$50,000 for Bullseye Bike Shop

Completed Grant Projects

- NV Salon, 305 S. Locust St. 2,296 SF, investment: \$138,200, grant amount: \$50,000
- Chestnut Tree, 107 W. Hickory St., 1,684 SF, investment: \$115,341, grant amount: \$50,000
- Steve's Wine Bar, 111 Industrial St., 351 SF, investment: \$40,000, grant amount: \$20,000
- Campus Theater, 214 W. Hickory, Sign updates, investment: \$7,963, grant amount: \$2,500

Value and Increment Summary

According to Denton Central Appraisal District Certified figures, the FY 2022–23 total appraised valuation of taxable real property in TIRZ Number One was \$249,149,564. This represents a \$16,255,102 increase from the previous certified tax value of \$232,894,462. The annual TIRZ Number One fund contribution of property taxes and interest income for FY 2022–23 is \$977,120. Since its inception, the final value with supplements of the TIRZ Number One has increased by an estimated \$169.7 million, representing a 214% increase in valuation.

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Tax Increment Reinvestment Zone Number One Annual Report FY 2022-2023

Exhibit 3 – Presentation

Respectfully Submitted,
Erica Sullivan
Economic Development Program Administrator