



City of Denton

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

AGENDA INFORMATION SHEET DOWNTOWN TIF BOARD

DEPARTMENT: Economic Development

CM/ DCM/ ACM: Bryan Langley

DATE: July 21, 2017

SUBJECT

Consider approval of the 2016 Tax Increment Reinvestment Zone Number One (Downtown TIF) Annual Report; and declaring an effective date.

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 TIF) to provide the public infrastructure necessary to encourage development in downtown. An annual report, detailing the previous year's TIRZ activities, is required to be submitted to each taxing jurisdiction and the State Comptroller of Public Accounts.

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.

At the January 16, 2015, meeting, the Board voted in favor of using Downtown TIF Number One funds for a Chapter 380 incentive for a catalyst project located within the TIF District.

The Rail Yard downtown project is located in TIF Number One, the Downtown Implementation Plan (DTIP) area and Transit Oriented Development (TOD) area.

Rail Yard Partners, LTD, has renovated an existing 28,000 square foot building as a part of a larger transit-oriented catalyst project that includes office, retail and restaurant space along with multi-family housing.

The Agreement involves an annual grant in the amount of \$76,000 for five years, for a total incentive of \$380,000.

During calendar year 2016, \$458,739 was collected after the end of the supplemental period determined by the City of Denton. An additional \$1,676 in interest brings the total contribution in 2016 to \$460,415.

According to Denton Central Appraisal District (DCAD) supplemental figures, the 2016 total appraised valuation of taxable real property in TIRZ Number One was \$150.0 million. This represents a \$22.8 million increase from the 2015 supplemental value of \$127.2 million. The annual TIRZ fund contribution of property taxes and interest income for 2016 is \$460,415. Since its inception, the value of the TIRZ has increased an estimated \$70.7 million, which represents an 89.0% increase in valuation.

Certified and Supplemental TIRZ No. 1 Contribution 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	1,676	460,415
Totals			\$121,013,377	1,293,429	11,750	1,305,179

**95% contribution from decreasing ratio begins*

Interest is earned through 12/31/16

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: Economic Development

Related Goal: 3.4 Encourage development, redevelopment, recruitment, and retention

EXHIBITS

1. AIS
2. 2016 Downtown TIF Number One Annual Report

Respectfully submitted:
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