

Downtown Tax Increment Reinvestment Zone Number One

Erica Sullivan

Economic Development Program Administrator

July 24, 2024



TIF24-011; 07/24/2024

Objective

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



FY 2022-23 Annual Report

- This report represents October 1, 2022 through September 30, 2023 (FY 2022-23).
- During FY 2022-23, \$249,149,564 was collected after the end of the supplemental period.
- An additional \$120,323 in interest brings the total contribution in FY 2022-23 to \$977,120.



District Accomplishments

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 No. 1 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 to update the Downtown TIRZ Number One Project and Finance Plans. A report was presented to the Board. No action was taken.



Value and Increment Summary

Certified figures provided by the Denton Central Appraisal District

- FY 2022-23 total appraised valuation of taxable real property was \$249,149,564,
- 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 an estimated \$169,792,710. This represents a 214% increase in valuation.



Certified and Supplement Summary

YEAR	FISCAL YEAR AS OF 9/30	TIRZ CERTIFIED TAX VALUE	SUPPLEMENTAL TIRZ TAX VALUE	INCREMENTAL INCREASE (DECREASE)	CONTRIBUTION TO TIRZ	INTEREST	TOTAL TIRZ REVENUE	TOTAL EXPEDNDITURES	FUND BALANCE*
2010	2010-2011	79,356,854	79,356,854	N/A	N/A	N/A	N/A	N/A	N/A
2011	2011-2012	81,657,808	80,331,050	974,196	15,871	17	6,737	-	6,737
2012	2012-2013	89,605,635	93,040,263	13,683,409	70,691	297	94,678	-	94,678
2013	2013-2014	96,287,950	100,452,300	21,095,446	116,782	1,084	146,590	-	146,590
2014	2014-2015	114,885,073	116,769,435	37,412,581	245,056	2,821	260,874	-	260,874
2015	2015-2016	118,440,576	127,204,599	47,847,745	269,580	5,855	335,885	76,000	259,885
2016	2016-2017	136,021,478	150,021,979	70,665,125	367,851	11,439	470,178	76,000	394,178
2017	2017-2018	142,050,751	161,351,215	81,994,361	379,902	6,712	503,568	1,542,845	(1,039,277)
2018	2018-2019	167,000,575	170,678,753	91,321,899	516,619	11,589	549,889	156,000	393,889
2019	2019-2020	210,529,139	209,626,251	130,269,397	735,786	16,930	747,652	139,587	608,065
2020	2020-2021	232,747,807	234,054,363	154,697,509	860,418	10,870	878,629	24,988	853,629
2021	2021-2022	232,894,462	222,831,388	143,474,534	781,876	19,667	750,298	51,507	698,791
2022	2022-2023	249,149,564	249,149,564	169,792,710	856,797	120,323	977,120	129,767	847,354
TOTALS					5,217,229	207,605	5,722,086	2,196,694	3,525,393

Fund Balance as of 9/30/2023 is \$3,525,393



Downtown Reinvestment Grant Program

In FY 2022–23 the Grant Program had a beginning budget of \$200,000 funded by the TIRZ Number One. The Grant Program had four projects reach completion creating expenditures of \$109,767 and two project approved, but still in progress at the end of FY 2022-23.

Grant Activity

Completed Grant Projects

- A Downtown Reinvestment Grant in the amount of \$50,000 was paid to the property located at 305 S. Locust St.
- A Downtown Reinvestment Grant in the amount of \$20,000 was paid to the property located at 111 Industrial St.
- A Downtown Reinvestment Grant in the amount of \$50,000 was paid to the property located at 107 W. Hickory St.
- A Downtown Reinvestment Grant in the amount of \$2,500 was paid to the property located at 214 W. Hickory St.

Approved Grant Projects in Progress

- 108 W. McKinney St. in the amount of \$50,000



Recommendation

Staff recommends that the Downtown TIRZ Board recommend City Council approve the 2022-2023 Downtown Tax Increment Reinvestment Zone Number One Annual Report.



Questions?



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Tax Year	Certified Tax Value	Incremental Increase (Decrease)	Contribution	Adjusted Incremental Value	Tax Rate	Annual TIRZ Ad Valorem Revenue	Interest Income**	Total Revenue	Total Expenditures	Fund Balance*
2010	\$ 79,356,854	N/A	N/A	N/A		N/A	N/A	N/A	N/A	N/A
2011	81,657,808	2,300,954	100%	2,300,954	0.68975	15,871	17	6,737	-	6,737
2012	89,605,635	10,248,781	100%	10,248,781	0.68975	70,691	297	94,678	-	94,678
2013	96,287,950	16,931,096	100%	16,931,096	0.68975	116,782	1,084	146,590	-	146,590
2014	114,885,073	35,528,219	100%	35,528,219	0.68975	245,056	2,821	260,874	-	260,874
2015	118,440,576	39,083,722	100%	39,083,722	0.68975	269,580	5,855	335,885	76,000	259,885
2016	136,021,478	56,664,624	95%	53,831,393	0.68334	367,851	11,439	470,178	76,000	394,178
2017	142,050,751	62,693,897	95%	59,559,202	0.63786	379,902	6,712	503,568	1,542,845	(1,039,277)
2018	167,000,575	87,643,721	95%	83,261,535	0.62048	516,619	11,589	549,889	156,000	393,889
2019	210,529,139	131,172,285	95%	124,613,671	0.59045	735,786	16,930	747,652	139,587	608,065
2020	232,747,807	153,390,953	95%	145,721,405	0.59045	860,418	10,870	878,617	24,988	853,629
2021	232,894,462	153,537,608	90%	138,183,847	0.56582	781,876	19,667	750,298	51,507	698,791
2022	249,149,564	169,792,710	90%	152,813,439	0.56068	856,797	120,323	977,120	129,767	847,354
Totals						\$ 5,217,229	\$ 207,605	\$ 5,722,086	\$ 2,196,694	\$ 3,525,393

Fund Balance as of 9/30/2023 is 3,525,393

Downtown Reinvestment Grants Detail

- Approved Grant Project in Progress
- 108 W. McKinney St. in the amount of \$50,000 for Bullseye Bike Shop
- Completed Grant Projects
- A Downtown Reinvestment Grant in the amount of \$50,000 was paid to the property located at 305 S. Locust St. for NV Salon
- A Downtown Reinvestment Grant in the amount of \$20,000 was paid to the property located at 111 Industrial St. for Steve's Wine Bar
- A Downtown Reinvestment Grant in the amount of \$50,000 was paid to the property located at 107 W. Hickory St. for Chestnut Tree
- A Downtown Reinvestment Grant in the amount of \$2,500 was paid to the property located at 214 W. Hickory St. Denton Community Theater

Do Ty	Document	Doc Num	Doc Co	G/L Date	Explanation	LT 1 Amour	LT 1 Debit	P C	LT	Ledger Ty	Bth Ty	Batch Typ	Batch Nun	Batch Date	Line Exter	JE Line Number
PV	Voucher	750895	00286	01/23/2023	310 S LOCUST STREET LLC	50,000.00	50,000.00	P	AA	General L	V	Voucher E	1125856	01/23/2023		1
PV	Voucher	751478	00286	01/27/2023	STEVES WINE BAR LLC	7,266.50	7,266.50	P	AA	General L	V	Voucher E	1126481	01/27/2023		1
OV	Do Not Us	379092	00100	03/21/2023	DAVID PETTIT ECONOMIC DEVELOPM	4,000.00	4,000.00	P	AA	General L	O	PO/Contri	1131472	03/21/2023		1
OV	Do Not Us	380739	00100	04/12/2023	DAVID PETTIT ECONOMIC DEVELOPM	4,000.00	4,000.00	P	AA	General L	O	PO/Contri	1133860	04/12/2023		1
PV	Voucher	759318	00286	04/28/2023	CHESTNUT TREE	50,000.00	50,000.00	P	AA	General L	V	Voucher E	1136992	04/28/2023		1
OV	Do Not Us	386893	00100	07/12/2023	DAVID PETTIT ECONOMIC DEVELOPM	12,000.00	12,000.00	P	AA	General L	O	PO/Contri	1150351	07/12/2023		1
PV	Voucher	772213	00286	09/11/2023	DENTON COMMUNITY THEATRE	2,500.00	2,500.00	P	AA	General L	V	Voucher E	1161498	09/11/2023		1
					Column Total		129,766.50									
							109,766.50									

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