



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Economic Development

ACM: Christine Taylor

DATE: May 16, 2023

SUBJECT

Consider approval of a resolution of the City Council of the City of Denton, Texas, approving the 2021 - 2022 Tax Increment Reinvestment Zone Number One (TIRZ #1) Annual Report; and declaring an effective date. The Downtown TIRZ #1 Board recommends approval (7-0).

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 2021-2022 Downtown TIRZ Annual Report include:

City Council approved eight items recommend by the TIRZ #1 Board

- Approved proposed changes to Downtown Reinvestment Grant Program policy, increasing the budget to \$200,000 annually for the program. Additionally, Remove property grant cap; allow applicants to receive up to \$50,000 per application; successful applicants cannot reapply for 3 years, unless the property is transferred to different ownership, a new business is located at the property, or the business ownership is transferred; and to increases to grant amounts and scoring criteria.
- Approved the 2020-21 Downtown Tax Increment Reinvestment Zone No. 1 Annual Report.
- Approved Downtown Reinvestment Grant Applications for the following projects:
 - 222 S. Elm St. in the amount of \$50,000
 - 305 S. Locust St. in the amount of \$50,000
 - 309-311 S. Locust St. in the amount of \$35,000
 - 111 Industrial St. in the amount of \$20,000
 - 107 W. Hickory St. in the amount of \$50,000
- Approved the FY 2022-23 Downtown Denton Tax Increment Financing Reinvestment Zone No. 1 budget

In FY 2021–22 the Grant Program had a beginning budget of \$200,000 funded by the TIRZ #1. The Grant Program had two projects reach completion creating expenditures of \$51,205 and four project approved, but still in progress at the end of FY 2021-22.

Completed Grant Projects

- A Downtown Reinvestment Grant in the amount of \$50,000 was paid to the property located at 222 S. Elm St. for Station 222
- A Downtown Reinvestment Grant in the amount of \$1,205 was paid to the property located at 101 W. Oak St. for 3 Wishes Gifts

Approved Grant Projects in Progress

- 305 S. Locust St. in the amount of \$50,000
- 309-311 S. Locust St. in the amount of \$35,000
- 111 Industrial St. in the amount of \$20,000
- 107 W. Hickory St. in the amount of \$50,000

Value and Increment Summary

According to Denton Central Appraisal District supplemental figures, the FY 2021–22 total appraised valuation of taxable real property in TIRZ #1 was \$222,831,388. This represents a \$11,222,975 decrease from the previous supplemental value of \$234,054,363. The annual TIRZ #1 fund contribution of property taxes and interest income for FY 2021–22 is \$750,298. Since its inception, the final value with supplements of the TIRZ #1 has increased an estimated \$143.5 million, which represents a 180.8% increase in valuation.

EXHIBITS

1. Agenda Information Sheet
2. Resolution
3. Downtown TIRZ No. 1 Annual Report FY 2021-2022

Respectfully Submitted,
Christina Davis
Business Development Administrator