



City of Denton

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

AGENDA INFORMATION SHEET CITY COUNCIL

DEPARTMENT: Economic Development

CM/ DCM/ ACM: Bryan Langley

DATE: January 24, 2018

SUBJECT

Receive a report and hold a discussion regarding funds approved by City Council for Capital Improvement Projects.

BACKGROUND

As authorized by Chapter 311 of the Texas Tax Code, a Tax Increment Financing Reinvestment Zone (TIF) is a tool that local governments can use to publicly finance needed structural improvements and enhanced infrastructure within a defined zone. These improvements are usually undertaken to promote the viability of existing businesses and to attract new commercial enterprises to the zone. An ad valorem valuation base is established in the first year, and the revenue from the increased valuation in subsequent years is allocated into a TIF fund to support eligible projects.

On December 7, 2010, the City Council passed Ordinance No. 2010-316, which established the Downtown TIF. It took effect on January 1, 2011, and the City of Denton is the sole participating jurisdiction.

On August 16, 2011, Council passed Ordinances No. 2011-128 and 2011-129, the Downtown TIF Project Plan and Finance/Feasibility Plan, respectively. The plans define the boundaries, scope, feasibility, and projects that may be funded by the TIF.

On August 5, 2014, Council passed Ordinance No. 2014-221 approving the following amendment to Exhibit D of the Project Plan:

“Pursuant to the Texas Local Government Code, section 272.001, the City of Denton may utilize City-owned property that is located in a reinvestment zone to facilitate economic projects which the City and TIF Board deem appropriate and desirable. The City may acquire, lease, sell or otherwise transfer property to accomplish the public purpose of economic development that is consistent with the Project Plan. Such projects may include public-private partnerships, transit-oriented developments, or the recruitment of specific industries including, but not limited to, hi-tech or emerging technology companies, local start-up businesses, artisan or “maker” industries, the creative sector, bakeries, microbreweries, micro-distilleries, wineries, grocery stores, or other industries that the TIF Board and the City Council deem desirable.”

Downtown TIF Project Plan:

<u>PROJECT</u>	<u>ESTIMATED COST, \$M</u>
Parking / Transportation	8.0
Complete Streets	7.9
Support for Downtown Projects	4.9
Utility / Drainage Improvements	4.0
TOTAL	24.8

Based on feedback from stakeholder groups and other interested citizens, gathered in the last few months, staff recommended to the TIF Board that the following projects be funded from the Downtown TIF fund and completed, as funds become available:

1. Sidewalks and lighting on the mews streets around the Square (Austin, Walnut, Pecan, with the exception of Austin Street sidewalks, east from McKinney to Oak, estimated cost: \$3.2 million).
2. North Locust, north of the Square: sidewalks on both sides need repair or replacement, ADA ramps, and pedestrian-scale lighting from West Oak to McKinney (estimated cost: \$413,960).
3. North Elm, north of the Square: sidewalks on both sides need repair or replacement, ADA ramps, and pedestrian scale lighting from West Oak to Parkway (estimated cost: \$648,670).
4. Pedestrian scale lighting on West Oak Street, west of the Square, from the 200 block to the east side of Carroll Boulevard (estimated cost: \$260,720).
5. Pedestrian scale lighting on West Hickory Street, west of the Square, Cedar Street to the east side of Carroll Boulevard (estimated cost: \$260,720).

The TIF Board met on November 17 and reviewed the recommended projects. Based on costs, the TIF Board recommends funding items two through five, as funds become available (5-0):

Project A: North Locust, north of the Square: sidewalks on both sides need repair or replacement, ADA ramps, and pedestrian-scale lighting from West Oak to McKinney.

Project B: North Elm, north of the Square: sidewalks on both sides need repair or replacement, ADA ramps, and pedestrian scale lighting from West Oak to Parkway.

Project C: Pedestrian scale lighting on West Oak Street, west of the Square, from the 200 block to the east side of Carroll Boulevard.

Project D: Pedestrian scale lighting on West Hickory Street, west of the Square, Cedar Street to the east side of Carroll B Boulevard.

On December 5, 2017, City Council met, reviewed the projects and gave staff direction to proceed with said projects, adding upgraded light poles to metal, historic poles from the aggregate poles on Projects A, B, C, and D, and added Project E (upgrade light poles in Cedar/McKinney parking lot to historic metal poles from aggregate):

Project E: Upgrade seven light poles, from aggregate poles to historic metal poles around the perimeter of the McKinney/Cedar parking lot. (This project will be funded out of a contingency fund for the parking lot, not from the TIRZ funds.)

On January 9, the City Council met and approved funding projects A, B, C and D for a total of \$1,466,845. Project E will be funded out of a contingency fund for the parking lot, not from the TIRZ funds.

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

Respectfully submitted:
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