

ORDINANCE NO. 2010-316

AN ORDINANCE DESIGNATING AND DESCRIBING THE BOUNDARIES OF A TAX INCREMENT FINANCING REINVESTMENT ZONE FOR THE DOWNTOWN DISTRICT OF DENTON, TEXAS; ESTABLISHING THE DURATION OF THE ZONE; ESTABLISHING A TAX INCREMENT FUND; ESTABLISHING A BOARD OF DIRECTORS FOR THE TAX INCREMENT FINANCING REINVESTMENT ZONE; MAKING CERTAIN FINDINGS AND OTHER MATTERS RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Denton, Texas, (the "City"), desires to promote the development of the Downtown District of the City of Denton by the creation of a Tax Increment Financing Reinvestment Zone, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, Vernon's Texas Codes Annotated (the "Act"); and

WHEREAS, the City has called a public hearing to hear public comments on the creation of the proposed Tax Increment Financing Reinvestment Zone and its benefits to the City and the property in the proposed Tax Increment Financing Reinvestment Zone; and

WHEREAS, notice of such public hearing was published in the Denton Record-Chronicle, a daily paper of general circulation in the City, such publication date being not later than seven (7) days prior to the date of the public hearing; and

WHEREAS, such hearing was convened at the time and place mentioned in the published notice, on the 7th day of December, 2010, at 6:30 p.m., in the Council Chambers of the City of Denton, Texas; and

WHEREAS, the City, at such hearing, invited any interested person, or his/her representative, to appear and speak for or against the creation of the Tax Increment Financing Reinvestment Zone, the duration of the Tax Increment Financing Zone, the boundaries of the proposed Tax Increment Financing Reinvestment Zone, whether all or part of the territory which is described in Exhibit "A" attached hereto and depicted on the map attached hereto as Exhibit "B" should be included in such proposed Tax Increment Financing Reinvestment Zone, the concept of tax increment financing and the appointment of a board of directors of the proposed Tax Increment Financing Reinvestment Zone; and

WHEREAS, all owners of property located within the proposed Tax Increment Financing Reinvestment Zone and all other taxing units and other interested persons were given a reasonable opportunity at such public hearing to protest the creation of the proposed Tax Increment Financing Reinvestment Zone and/or the inclusion of their property in such Tax Increment Financing Reinvestment Zone; and

WHEREAS, the proponents of the Tax Increment Financing Reinvestment Zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the Tax Increment Financing Reinvestment Zone, and opponents of the Tax Increment Financing Reinvestment Zone were given the opportunity to appear to contest creation of the zone, after which the hearing was closed; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct.

SECTION 2. The City Council, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- a) The public hearing on adoption of the Tax Increment Financing Reinvestment Zone has been properly called, held and conducted and that notice of such hearing has been published as required by law and delivered to all taxing units overlapping the territory inside the proposed Tax Increment Financing Reinvestment Zone.
- b) Creation of the proposed Tax Increment Financing Reinvestment Zone with boundaries as described in Exhibits "A" and "B" will result in benefits to the City, its residents, and property owners, in general, and to the property, residents and property owners in the Tax Increment Financing Reinvestment Zone.
- c) The Tax Increment Financing Reinvestment Zone, as defined in Exhibits "A" and "B", meets the criteria for the creation of a Tax Increment Financing Reinvestment Zone set forth in the Act in that:
 - (i) It is a contiguous geographic area located wholly within the corporate limits of the City.
 - (ii) It substantially impairs or arrests the sound growth of the municipality creating the zone or constitutes an economic or social liability in its present condition and use because of the presence of:
 - a. A substantial number of deteriorated, or deteriorating structures;
 - b. The deterioration of site or other improvements;
 - c. The area has a predominance of defective or inadequate sidewalks or street layout; and/or
 - d. Conditions that endanger life or property by fire or other causes, such as flooding, and other factors.
 - (iii) The proposed project plan includes the use of land in the zone in connection with the operation of a proposed regional commuter or mass transit and rail system.
- d) That 10 percent or less of the property in the proposed Tax Increment Financing Reinvestment Zone, excluding property that is publicly owned, is used for residential purposes, which is defined in the Act as any property occupied by a house which has less than five living units.
- e) The total appraised value of all taxable real property in the proposed Tax Increment Financing Reinvestment Zone according to the most recent appraisal rolls of the City, together with the total appraised value of taxable real property in all other existing

Tax Increment Financing Reinvestment Zones within the City, according to the most recent appraisal rolls of the City, does not exceed 15 percent of the current total appraised value of taxable real property in the City and in the industrial districts created by the City, if any.

- f) The proposed Tax Increment Financing Reinvestment Zone does not contain more than 15 percent of the total appraised value of real property taxable by a county.
- g) The improvements in the Tax Increment Financing Reinvestment Zone will significantly enhance the value of all taxable real property in the Tax Increment Financing Reinvestment Zone.
- h) The development or redevelopment of the property in the proposed Tax Increment Financing Reinvestment Zone will not occur solely through private investment in the reasonably foreseeable future.

SECTION 3. The City hereby creates a Tax Increment Financing Reinvestment Zone over the area described in Exhibit "A", attached hereto and depicted in the map attached hereto as Exhibit "B", and such Tax Increment Financing Reinvestment Zone shall hereafter be identified as the Tax Increment Financing Reinvestment Zone Number One, City of Denton, Texas, (and also known as the "Downtown Denton Tax Increment Financing Reinvestment Zone", the "Zone", or the "Tax Increment Financing Reinvestment Zone").

SECTION 4. There is hereby established a board of directors for the Zone, which shall consist of seven (7) members. The board of directors of Downtown Denton Tax Increment Financing Reinvestment Zone shall be appointed as follows:

- a) Seven (7) members shall be appointed by the City Council as provided herein within sixty (60) days of the passage of this ordinance or within a reasonable time thereafter. All members appointed to the board shall meet the eligibility requirements set forth in the Act. The governing bodies of the other taxing units that levy taxes on real property in the Downtown Denton Tax Increment Financing Reinvestment Zone have chosen not to pay any of their taxes into the Tax Increment Fund and have waived their right to appoint members.

Board membership shall consist of the following:

- 1. Two members shall be City Council members.
 - 2. Two members shall be either property owners of property located within the Tax Increment Reinvestment Zone or residents whose primary residence is located within the Tax Increment Reinvestment Zone.
 - 3. Two members shall be either business owners of businesses located within the Tax Increment Reinvestment Zone or a member of the Denton Chamber of Commerce Board of Directors.
 - 4. One member shall be a qualified voter of the City of Denton.
- b) The terms of the board members shall be two-year terms. A board member may serve no more than three consecutive terms. At the first meeting of the Board of Directors, the board members will draw lots to establish the staggering of terms with three of the

board members serving an initial term of one year. The City Council shall designate a member of the board to serve as chairman of the board of directors, and the board shall elect from its members a vice chairman and other officers as it sees fit.

- c) The board of directors shall make recommendations to the City Council concerning the administration of the Zone. It shall prepare and adopt a project plan and Tax Increment Financing Reinvestment Zone financing plan for the Zone and must submit such plans to the City Council for its approval. The board of directors shall possess all powers necessary to prepare, implement and monitor such project and financing plans for the Tax Increment Financing Reinvestment Zone as the City Council considers advisable including the submission of an annual report on the status of the Zone. Any powers not herein delegated to the board of directors are specifically reserved to the City Council.

SECTION 5. The Zone shall take effect immediately upon passage of this ordinance, and the termination of the Zone shall occur on January 1, 2039, or at an earlier time designated by subsequent ordinance of the City Council in the event the City determines that the Zone should be terminated due to insufficient private investment, accelerated private investment or other good cause, or at such time as all project costs and tax increment bonds, if any, and the interest thereon, have been paid in full. The base tax value within the Zone is established as of January 1, 2010.

SECTION 6. The Tax Increment Base for the Zone which is the total appraised value of all taxable real property located in the Zone, is to be determined as of December 31, 2010, the year in which the Zone was designated a Tax Increment Financing Reinvestment Zone.

SECTION 7. Pursuant to Section 311.013(l) of the Tax. Code, the City hereby determines that the following portions of the tax increment produced by the city of Denton shall be paid into the tax increment fund for the reinvestment zone:

Years 1 – 5	100%
Years 6 – 10	95%
Years 11 – 20	90%
Years 21 – 30	85%

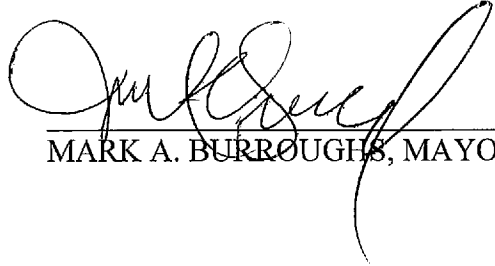
SECTION 8. There is hereby created and established a Tax Increment Fund for the Zone which may be divided into such sub-accounts as may be authorized by subsequent resolution or ordinance, into which all Tax Increments, less any of the amounts not required to be paid into the Tax Increment Fund pursuant to the Act, are to be deposited. The Tax Increment Fund and any sub-accounts are to be maintained in an account by the City and shall be secured in the manner prescribed by law for funds of Texas cities. In addition, all revenues from the sale of any tax increment bonds and notes hereafter issued by the City, revenues from the sale of any property acquired as part of the tax increment financing plan and other revenues to be dedicated to and used in the Zone shall be deposited into such fund or sub-account from which money will be disbursed to pay project costs for the Zone or to satisfy the claims of holders of tax increment bonds or notes issued for the Zone.

SECTION 9. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such

section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 10. This Ordinance shall become effective immediately upon its passage and approval.

PASSED AND APPROVED this the 7th day of December, 2010.



MARK A. BURROUGHS, MAYOR

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

BY: Jennifer Walters

APPROVED AS TO LEGAL FORM:
ANITA BURGESS, CITY ATTORNEY

BY: Anita Burgess

EXHIBIT A

**CITY OF DENTON
TAX INCREMENT FINANCING REINVESTMENT ZONE No. 1**

BOUNDARY DESCRIPTION

Beginning at the southwest corner of the ROW intersection of Carroll Blvd. and Sycamore, the
POINT OF BEGINNING;

THENCE, north along the west ROW of Carroll Blvd. to the northwest corner of the ROW
intersection of Carroll Blvd. and W. Parkway Street;

THENCE, east along the north ROW of W. Parkway Street to the northeast corner of the ROW
intersection of W. Parkway Street and Locust;

THENCE, south along the east ROW of Locust to the north ROW of McKinney;

THENCE, east along the north ROW of McKinney to a point directly north of the southeast
corner of the ROW intersection of McKinney and N. Bradshaw Street;

THENCE, south across McKinney and continuing south along the east ROW of N. Bradshaw
Street continuing directly south across E. Hickory Street to the south ROW of E. Hickory Street;

THENCE, west along the south ROW of E. Hickory Street to the northeast corner of a tract in
the Fred Hill Addition, Block A, Lot 1;

THENCE, south and east following the property line of a tract in the Fred Hill Addition, Block
A, Lot 1 to the northwest corner of a 1.406 acre tract, A1184A H. Cisco, Tract 14;

THENCE, south along the west property line of a 1.406 acre tract, A1184A H. Cisco, Tract 14 to
its intersection with the north property line of a 1.694 acre tract A1184A H. Cisco, Tract 15;

THENCE, west and south along the north and west property line of a 1.694 acre tract A1184A H.
Cisco, Tract 15 to the northwest corner of a 0.16 acre tract, A1184A H. Cisco, Tract 20;

THENCE, south along the west property line of a 0.16 acre tract, A1184A H. Cisco, Tract 20 to
the north ROW of Sycamore;

THENCE, directly south across Sycamore to the south ROW of Sycamore;

THENCE, west along the south ROW of Sycamore to the northwest corner of the Oakwood
Cemetery;

THENCE, south along the west property line of the Oakwood Cemetery to the north ROW of Prairie;

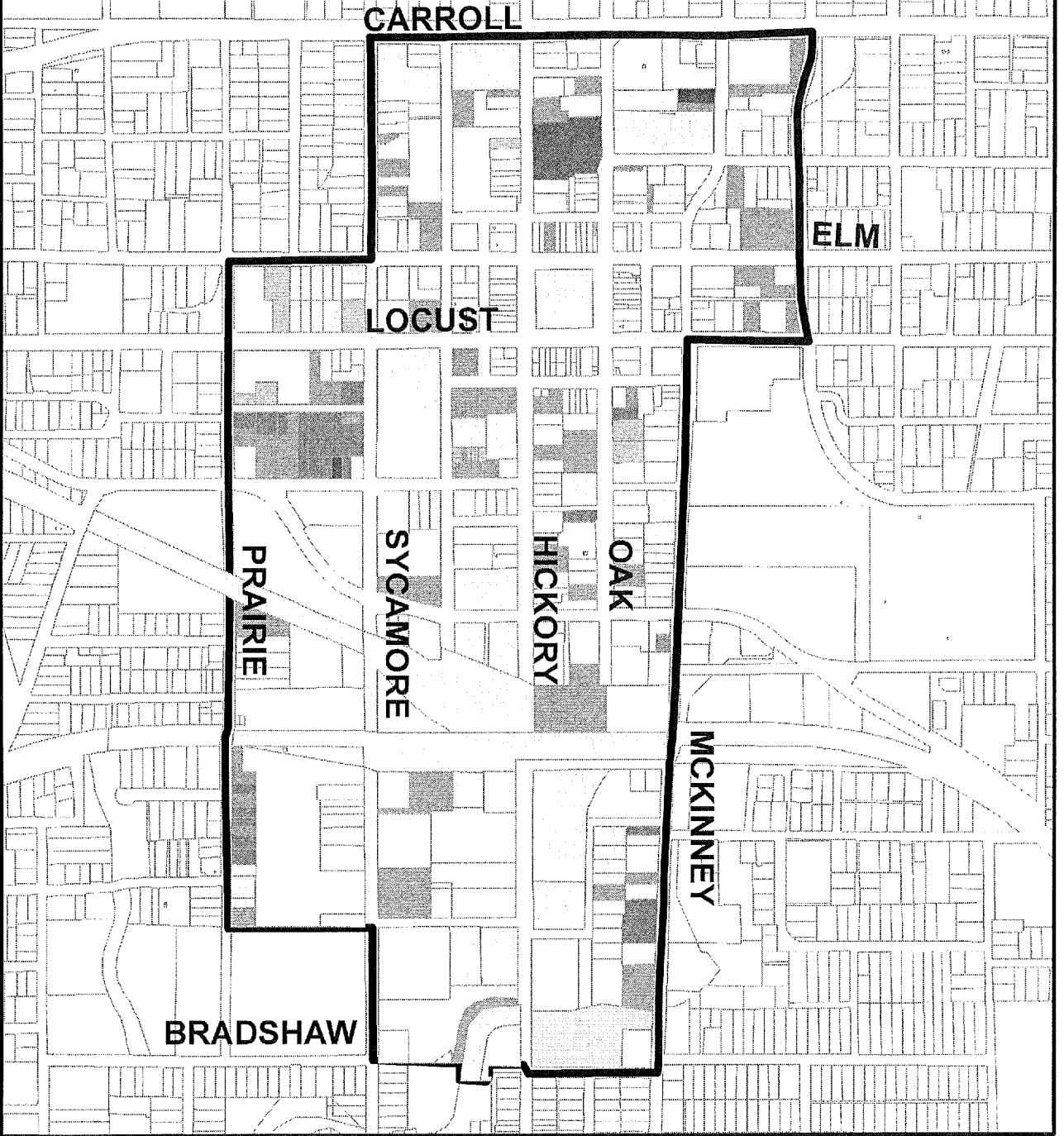
THENCE, directly south across Prairie to the south ROW of Prairie;

THENCE, west along the south ROW of Prairie to the southwest corner of the ROW intersection of Prairie and Elm;

THENCE, north along the west ROW of Elm to the south ROW of Sycamore;

THENCE, west along the south ROW of Sycamore to the southwest corner of the ROW intersection of Sycamore and Carroll Blvd. and the POINT OF BEGINNING, and containing a total area of approximately 225.73 acres.

Exhibit B: Tax Increment Financing District

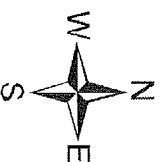
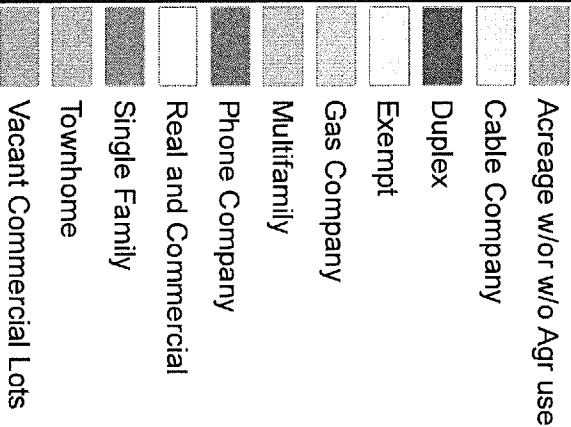


Legend



Centerline Streets

Property Description



April 16 2010

0 0.05 0.1 0.2 0.3 0.4 Miles
This map is a graphic representation prepared by the City of Denton and is intended for use only as a reference. Data depicted is not guaranteed for accuracy and may be subject to revision at any time without notification. A Registered Surveyor for the State of Texas was not consulted. For Survey level accuracy, supervision and certification of the produced data by a Registered Professional Land Surveyor for the State of Texas would need to be performed.