

MINUTES
CITY OF DENTON
DENTON TAX INCREMENT REINVESTMENT ZONE NUMBER TWO BOARD
September 21, 2016

After determining that a quorum was present, the Denton Tax Increment Reinvestment Zone (TIRZ) Number Two Board convened on Thursday, September 21, 2016 at 1:05 p.m. at the Chamber of Commerce Board Room, 414 W. Parkway, Denton TX, 76201.

PRESENT: Cleve Breedlove, Marty Rivers, Jim Fykes, Larry Parker,
Greg Johnson, Carrell Ann Simmons, Diane Costa, Tom McCoy, Jimmy Mejia,
and Alex Payne

ABSENT: John Baines, Joey Hawkins

EX-OFFICIO: Present: Chuck Carpenter
Absent: Jamie Wilson, George Campbell

STAFF PRESENT: Jon Fortune, Bryan Langley, Julie Glover, Michelle Cunningham, Erica Sullivan,
Karen Boenker, Adam Gawarecki, and Kim Phillips

GUEST: Phillip Baker

WORK SESSION

- 1. Consider approval of the minutes of the June 15, 2015 meeting.**
- 2. Receive a report and hold a discussion, and make recommendation to the City Council regarding the 2015 Annual Report for Tax Increment Reinvestment Zone Number Two.**

Sullivan mentioned that Chapter 311 of the Tax Code requires submission of an annual report to the state, detailing the previous year's TIRZ activities. The comptroller keeps a registry of all of the TIRZ in Texas.

This is the third year of the Westpark TIRZ. According to the Denton Central Appraisal District supplemental figures, the 2015 appraised valuation of real property in TIRZ Number Two was \$120,538. This is a \$1,080 increase from the 2012 base value.

The contribution into the TIRZ fund is small since the majority of the land within the TIRZ boundary has an agricultural exemption. While the net taxable value, after the agricultural exemption, is \$120,538 the market value of the district is \$19,358,537.

Once the property is developed, the exemption will be removed and the valuation will more accurately reflect the market value of the land. The WinCo project did not come on line in tax year 2015 and only partially in 2016.

3. Receive a report and hold a discussion regarding a Second Amendment to the Reimbursement Agreement between the City of Denton, the Board of Directors of the Tax Increment Reinvestment Zone Number Two, the City of Denton, Texas, and Westray Group, LP.

Sullivan mentioned that staff is not ready to bring the draft Second Amendment to the Reimbursement Agreement for the TIRZ to the Board, although she wanted to update the TIRZ Two Board on the status of the project. The culmination of several meetings has led to a draft amendment which modifies the phases for public improvements, provides the most current probable construction costs, addresses rail improvements and adds an additional Phase IV to extend Precision Drive. The draft amendment was distributed to a number of city departments for comment. There are sections that need to be addressed by the various departments before we will be ready to formally bring this item to the board. We have a meeting scheduled next week to discuss the amendment with the other departments. The Brick project would also significantly alter the draft amendment, as we may need to upsize or run parallel water lines to meet their infrastructure needs.

We are trying to finalize all that we can so that we are ready to move forward when we receive the outcome of project Brick. We are also trying to be nimble with the rail improvements so that we can be responsive to other leads.

4. Receive a report on the 2016 Certified Values of TIRZ Number Two.

Sullivan presented the 2016 DCAD Certified totals for the Westpark TIRZ, and mentioned that the last supplement of the year in December was established as the cut-off period and recording of value for both of our TIRZ. The supplemental value and certified value have not varied greatly for TIRZ Number Two, so the certified values provide a good estimate. The 2016 total appraised valuation of taxable real property in TIRZ Number Two was \$2.4 million, which is roughly a \$2.3 million increase from the 2012 base value of 119,458. The contribution into the TIRZ fund at this valuation would equal approximately \$6,000. The market value also increased approximately \$1 million over the previous year.

REGULAR MEETING

1. Consider approval of the minutes of the June 15, 2015 meeting.

Fykes motioned to approve the minutes of the June 15, 2015 meeting as presented. Simmons seconded the motion. The minutes were approved unanimously with a vote of (10-0).

2. Receive a report and hold a discussion, and make recommendation to the City Council regarding the 2015 Annual Report for Tax Increment Reinvestment Zone Number Two.

McCoy motioned to recommend the 2015 Annual Report for Tax Increment Reinvestment Zone Number Two. Rivers seconded the motion. Recommendation to the City Council of the Annual Report for Tax Increment Reinvestment Zone Number Two was approved unanimously (10-0).

The meeting adjourned at 1:20 p.m.