



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Economic Development

CM/ DCM/ ACM: Bryan Langley

DATE: August 1, 2017

SUBJECT

Consider approval of the 2016 Tax Increment Reinvestment Zone Number One (Downtown TIF) Annual Report; and declaring an effective date. (Downtown TIF Board recommends approval 4-0)

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 TIF) to provide the public infrastructure necessary to encourage development in downtown. An annual report, detailing the previous year's TIRZ activities, is required to be submitted to each taxing jurisdiction and the State Comptroller of Public Accounts.

The Downtown TIF took effect on January 1, 2011, and will terminate on December 31, 2041, or when the budget of \$24.8 million has been collected. The City of Denton is the sole participating jurisdiction.

At the January 16, 2015, meeting, the Board voted in favor of using Downtown TIF Number One funds for a Chapter 380 incentive for a catalyst project located within the TIF District. The Rail Yard downtown project is located in TIF Number One, the Downtown Implementation Plan (DTIP) area and Transit Oriented Development (TOD) area. Rail Yard Partners, LTD, has renovated an existing 28,000 square foot building as a part of a larger transit-oriented catalyst project that includes office, retail and restaurant space along with multi-family housing. The Agreement involves an annual grant in the amount of \$76,000 for five years, for a total incentive of \$380,000.

During calendar year 2016, \$458,739 was collected after the end of the supplemental period determined by the City of Denton. An additional \$1,676 in interest brings the total contribution in 2016 to \$460,415.

According to Denton Central Appraisal District (DCAD) supplemental figures, the 2016 total appraised valuation of taxable real property in TIRZ Number One was \$150.0 million. This represents a \$22.8 million increase from the 2015 supplemental value of \$127.2 million. The annual TIRZ fund contribution of property taxes and interest income for 2016 is \$460,415. Since its inception, the value of the TIRZ has increased an estimated \$70.7 million, which represents an 89.0% increase in valuation.

On July 21, 2017, the Downtown TIF Board reviewed the 2016 Tax Increment Reinvestment Zone Number One (Downtown TIF) Annual Report and recommends approval (4-0).

EXHIBITS

1. AIS
2. Resolution
3. 2016 Downtown TIF Number One Annual Report

Respectfully submitted:
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Director of Economic Development

Prepared by:
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Economic Development Program Administrator