



CITY COUNCIL COMMUNICATION

November 9, 2010

SUBJECT: HOLD PUBLIC HEARING AND CONSIDER FIRST AND FINAL READING OF ORDINANCE NO. 1892 DESIGNATING A CERTAIN GEOGRAPHIC AREA AS TAX INCREMENT REINVESTMENT ZONE NUMBER THREE

SUBMITTED BY: Loretta Getchell, Deputy City Manager

REFERENCE NO: Ordinance No. 1892

ACTION REQUESTED:

Hold public hearing to receive public input and consider approval of Ordinance No. 1892, designating a certain contiguous geographic area in the City of Euless as Tax Increment Reinvestment Zone Number Three, City of Euless, Texas – Glade Parks, creating a Board of Directors, providing the effective and termination dates, establishing a tax increment fund and other matters related to the Zone.

ALTERNATIVES:

- Deny Request
- Table

SUMMARY OF SUBJECT:

This Ordinance establishes a Tax Increment Reinvestment Zone (TIRZ) for the development known as Glade Parks. By designation of the Zone, participating taxing entities may pledge a portion of new revenues generated from increased value from the proposed development to the Zone to cover portions of the related infrastructure cost.

The project and financing plan for the Zone details qualifying infrastructure cost of approximately \$12.1 million and expected net benefit to the taxing entities of approximately \$197M. No portion of current revenues from any taxing entity would be impacted. The project cost includes public infrastructure improvements including arterial streets and bridge construction, roadway access improvements along Highway 121, wetland mitigation and water/sewer/drainage improvements. The City has requested participation from Tarrant County in the TIRZ at 75% of the increment for the first 15 years and 50% for the remaining 10 years. The Tarrant County College District is being asked to participate at 50% for the life of the TIRZ. No participation is requested from the Hospital District or the Grapevine Colleyville ISD. The City of Euless participation is requested at 75% of the increment in addition to 30% of the

unrestricted one cent sales tax revenue generated in the Zone for 15 years and 20% for the remaining 10 years. Based on these participation rates, it is estimated that the City of Euless will pay approximately 65% of the project costs with the other taxing entities paying the remaining 35%.

In conjunction with creating the Zone, a Board of Directors must also be created and a term must be established. Staff has recommended a seven (7) member board with two (2) year terms. Each taxing entity may choose to appoint a member with the remaining positions appointed by the City Council. The requested term of the TIRZ is twenty-five (25) years.

As required by Chapter 311.003(f), the City has made a formal presentation to the Tarrant County Commissioner's Court and has received a waiver from the Grapevine Colleyville ISD for their presentation.

Staff recommends approval of Ordinance No. 1892.

FINANCIAL CONSIDERATIONS:

Revenue Sources:

Expenditure Accounts:

Budgeted Fiscal Year(s):

Estimated Expenditure:

Over/Under Projection By:

Other Comments:

SUPPORTING DOCUMENTS:

- Ordinance No. 1892
- TIRZ # 3 Project and Financing Plan

APPROVED BY:

_____ **LG** _____

City Manager's Office

_____ **SC** _____

City Secretary's Office