



CITY COUNCIL COMMUNICATIONS

November 23, 2010

SUBJECT: Consider Approval of Ordinance No.1894 approving the Project and Financing Plan for Tax Increment Reinvestment Zone Number Three

SUBMITTED BY: Loretta Getchell, Deputy City Manager

REFERENCE NO: Ordinance No. 1894

ACTION REQUESTED:

Consider Approval of Ordinance No. 1894 approving the Project and Financing Plan for Tax Increment Reinvestment Zone Number Three, City of Euless, Texas – Glade Parks.

ALTERNATIVES:

- Do not approve.

SUMMARY OF SUBJECT:

The City Council held a public hearing and approved Ordinance No. 1892 creating Tax Increment Reinvestment Zone Number Three (TIRZ) on November 9, 2010. This action included creation of a Board of Directors as required by Chapter 311 of the Tax Code. Following creation of the zone, a meeting of the Board of Directors was scheduled for November 22, 2010 for consideration and approval of the Project and Financing Plan.

The boundary of the zone includes property along and west of State Highway 121, south of the Heritage Town Crossing Shopping Center, east of Heritage Avenue and north of Cheek Sparger Road. The project include \$12.1 million of public infrastructure to include Rio Grande Boulevard, Rio Grande Bridge, portions of Heritage Drive, Highway 121 improvements, landscaping, wetland mitigation, Brazos and other public streets and main entrances and medians.

The project and financing plan also shows expected net benefit to the taxing entities of approximately \$197M. No portion of current revenues from any taxing entity would be impacted. The City has requested participation from Tarrant County 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 included at 75% of the increment in addition to 30% of the unrestricted one cent sales tax revenue generated in the Zone for the first 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%.

It is anticipated that the infrastructure would be completed in three segments to coincide with development opportunities. The first segments would consist of the northern portion of Rio Grande Boulevard, portion of Heritage Road and improvements along State Highway 121 at a cost of approximately \$3 million. The City of Euless would issue Certificates of Obligation to fund the improvements and intends to repay the debt with proceeds from the TIRZ. Additionally, the developer has requested creation of a Public Improvement District that will allow an assessment for any shortfall in the TIRZ revenue.

Staff recommends and requests approval of the TIRZ Project and Financing Plan.

FINANCIAL CONSIDERATIONS:

Revenue Sources:

Expenditure Accounts:

Budgeted Fiscal Year(s):

Estimated Expenditure:

Over/Under Projection By:

Other Comments:

SUPPORTING DOCUMENTS:

- Ordinance No. 1894
- TIRZ #3 Project and Financing Plan

APPROVED BY:

_____ **LG** _____

City Manager's Office

_____ **SC** _____

City Secretary's Office