



CITY COUNCIL COMMUNICATION

August 11, 2015

SUBJECT: Hold Public Hearing and Consider Approval of Ordinance No. 2079 approving the Amended Project and Financing Plan for Tax Increment Reinvestment Zone Number Three

SUBMITTED BY: Loretta Getchell, City Manager

REFERENCE NO: Ordinance No. 2079

ACTION REQUESTED:

Consider Approval of Ordinance No. 2079 approving the Amended Project and Financing Plan for Tax Increment Reinvestment Zone Number Three, City of Euless, Texas – Glade Parks.

ALTERNATIVES:

- Table the request
- Deny the request

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 Board of Directors met on November 22, 2010 and approved of a Project and Financing Plan. On November 23, 2010, the City Council adopted Ordinance No. 1894 approving the Project and Financing Plan for the Zone.

On July 30, 2015, the TIRZ Board met to consider an amendment to the Project and Financing Plan to increase the project cost to allow for the inclusion of a parking garage and park within the Zone. This amendment was approved by TIRZ Resolution # 2015-01.

The amended project and financing plan increased total project costs by \$3,268,910 which includes 50% of the anticipated cost of the parking garage (\$1,901,793) and the park and park amenities (\$1,287,387) and bond issuance costs (\$79,730). The developer will pay the remaining 50% of the project costs. It is anticipated that the City will issue Certificates of Obligation which will be repaid from revenues generated by the Tax Increment Reinvestment Zone and which will be backed by a Public Improvement District.

The additional improvements are expected to enhance the overall quality and viability of the project. The amended project and financing plan indicates that the net benefit after such improvements is expected to increase from the original estimate of \$197M to \$225M, an increase of \$28M over the life of the TIRZ.

Staff recommends and requests approval of the Amended Project and Finance Plan for Tax Increment Reinvestment Zone # 3.

FINANCIAL CONSIDERATIONS:

Revenue Sources:

Expenditure Accounts:

Budgeted Fiscal Year(s):

Budgeted Expenditure:

Estimated Expenditure:

Over/Under Projection By:

Other Comments:

SUPPORTING DOCUMENTS:

- Ordinance No. 2079
- Notice of Public Hearing

APPROVED BY:

_____ **LG** _____

City Manager's Office

_____ **KS** _____

City Secretary's Office