



CITY COUNCIL COMMUNICATION

September 22, 2015

SUBJECT: Hold a Public Hearing and Consider First and Final Reading of Ordinance No. 2089 Designating a Certain Geographic Area as Tax Increment Reinvestment Zone Number Four

SUBMITTED BY: Janina Jewell, Director of Finance

REFERENCE NO: Ordinance No. 2089

ACTION REQUESTED:

Hold a public hearing to receive public input and consider approval of Ordinance No. 2089, designating a certain contiguous geographic area in the City of Euless as Tax Increment Reinvestment Zone Number Four, City of Euless, Texas, creating a Board of Directors, providing the effective and termination dates, establishing a tax increment fund and other matters related to the Zone.

ALTERNATIVES:

- Table the request
- Deny the request

SUMMARY OF SUBJECT:

This Ordinance establishes a Tax Increment Reinvestment Zone (TIRZ) for the development known as Midtown. 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 \$16.5 million and expected net benefit to the taxing entities of approximately \$89.9 million. No portion of current revenues from any taxing entity would be impacted. The project cost includes public infrastructure improvements including streets, water and sanitary sewer lines, storm drainage, remediation, land and right of way, engineering and administrative costs. The City has requested participation from Tarrant County, Tarrant County College District and Tarrant County Hospital District. No participation is requested from the Hurst-Euless-Bedford Independent School District. The City of Euless participation is requested at 75% of the increment in addition to 50% of the unrestricted one cent sales tax revenue generated in the Zone for the life of the TIRZ. The requested term of the TIRZ is thirty (30) years.

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. The City Council will appoint four (4) members. Tarrant County, Tarrant County College District, and Tarrant County Hospital District will appoint one (1) member each. In the event that any of these parties does not participate in the Zone, then its right to appoint one (1) member to the Board is deemed forfeited, and the City Council will appoint an additional member to the Board.

FINANCIAL CONSIDERATIONS:

Revenue Sources:

Expenditure Accounts:

Budgeted Fiscal Year(s):

Budgeted Expenditure:

Estimated Expenditure:

Over/Under Projection By:

Other Comments:

SUPPORTING DOCUMENTS:

- Ordinance No. 2089
- TIRZ #4 Preliminary Project and Financing Plan
- Notice of Public Hearing

APPROVED BY:

_____ **LG** _____

City Manager's Office

_____ **KS** _____

City Secretary's Office