

A G E N D A

LEWISVILLE TAX INCREMENT REINVESTMENT ZONE, NUMBER TWO August 7, 2023

**LEWISVILLE CITY HALL
CITY COUNCIL CONFERENCE ROOM
1ST FLOOR
151 WEST CHURCH STREET
LEWISVILLE, TEXAS**

REGULAR SESSION – 6:00PM

- 1. Call to Order and Announce that a Quorum is Present**
- 2. Election of Officers – Chairperson and Vice Chairperson**
- 3. Approval of the Minutes from the August 29, 2022 Meeting**
- 4. Approval of the 2022 Annual Report for Tax Increment Reinvestment Zone, Number Two**
- 5. Approval of the FY 23-24 Budget for Tax Increment Reinvestment Zone, Number Two**
- 6. Adjournment**

NOTICE OF ASSISTANCE AT THE PUBLIC MEETINGS

The Lewisville City Hall & City Council Conference Room are wheelchair accessible. Access to the building and special parking are available at the front entrance along Church Street. Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services such as interpreters for persons who are deaf or hearing impaired, readers, or large print, are requested to contact the Economic Development Office at (972) 219-3455 or by FAX (972) 219-3698 at least two (2) working days prior to the meeting so that appropriate arrangements can be made.

**TAX INCREMENT REINVESTMENT ZONE, NUMBER TWO
BOARD OF DIRECTORS MEETING**

AUGUST 29, 2022

Present:

Patrick Kelly
Kristin Green, Co-Chair
Bob Troyer
Ronni Cade
Tanya Massengale
Yvonda Coleman
William Meridith (Absent)

City Staff:

Claire Powell, City Manager
Liz Plaster, City Attorney
Lauren Crawford, Sr Assistant City Attorney
Julie Worster, City Secretary
Marichelle Samples, Economic Development Director
Christina Williams, ED Manager
Christina Barrera, ED Coordinator
D'Ann Tompkins, Budget Manager
Gina McGrath, Assistant City Manager
David Erb, Director of Finance

With a quorum of the Board of Directors present, the meeting of the Tax Increment Reinvestment Zone, Number Two, Board of Directors was called to order by staff member Christina Williams at 5:44 p.m. on Monday, August 29, 2022, in the City Council Conference Room of the Lewisville City Hall, 151 West Church Street, Lewisville, Texas.

Oaths of Office and Certificates of Appointment Administered to New and Reappointed Board Members

(Agenda Item 2)

Due to the oaths of office already being handled for the New and Reappointment Members, this item was not necessary.

Election of Officers – Chair & Co-Chair

(Agenda Item 3)

MOTION: Upon a motion made by Board Member Kristin Green and seconded by Board Member Ronni Cade, the Board of Directors voted five (5) “ayes” and no (0) “nays” to appoint Board Member Patrick Kelly as the Chairperson of the TIRZ #2. The motion carried.

MOTION: Upon a motion made by Board Member Ronni Cade and seconded by Board Member Bob Troyer, the Board of Directors voted five (5) “ayes” and no (0) “nays” to reappoint Board Member Kristin Green as the Co-Chairman of the TIRZ #2. The motion carried.

**Approval of Approval of the Minutes From
the December 20, 2021 Meeting**

(Agenda Item 4)

MOTION: Upon a motion made by Board Member Yvonda Coleman and seconded by Board Member Kristin Green, the Board of Directors voted five (5) “ayes” and no (0) “nays” to approve the Minutes From the December 20, 2021 Meeting. The motion carried.

**Approval of the 2022 Financial Plan for
Lewisville Tax Increment
Reinvestment Zone, Number
Two**

(Agenda Item 5)

Economic Development Director, Marichelle Samples, reviewed the revised 2021 Financial Plan for Lewisville Tax Increment Reinvestment Zone, Number Two for the Board.

MOTION: Upon a motion made by Board Member Ronni Cade and seconded by Board Member Kristin Green, the Board of Directors voted five (5) “ayes” and no (0) “nays” to approve the 2022 Financial Plan for Lewisville Tax Increment Reinvestment Zone, Number Two. The motion carried.

**Approval of the 2021 Annual Report for
Lewisville Tax Increment Reinvestment
Zone, Number Two**

(Agenda Item 6)

Economic Development Director, Marichelle Samples, reviewed the 2021 Annual Report for Lewisville Tax Increment Reinvestment Zone, Number Two for the Board.

MOTION: Upon a motion made by Board Member Kristin Green and seconded by Board Member Bob Troyer, the Board of Directors voted five (5) “ayes” and no (0) “nays” to approve the 2021 Annual Report for Lewisville Tax Increment Reinvestment Zone, Number Two. The motion carried.

**Approval of the FY 22-23 Budget for Tax
Increment Reinvestment Zone, Number Two**

(Agenda Item 7)

Budget Manager D’Ann Tompkins reviewed the FY 22-23 Budget for Lewisville Tax Increment Reinvestment Zone, Number Two for the Board.

MOTION: Upon a motion made by Board Member Ronni Cade and seconded by Board Member Bob Troyer, the Board of Directors voted five (5) “ayes” and no (0) “nays” to approve the FY 22-23 Budget for Tax Increment Reinvestment Zone, Number Two. The motion carried.

Adjournment

(Agenda Item 8)

MOTION: Upon a motion made by Board Member Ronnie Cade and seconded by Board Member Kristin Green, the Board of Directors voted five (5) “ayes” and no (0) “nays” to adjourn the meeting of the Lewisville Tax Increment Reinvestment Zone Number Two Board of Directors at 5:52 p.m. on Monday, August 29, 2022. The motion carried.

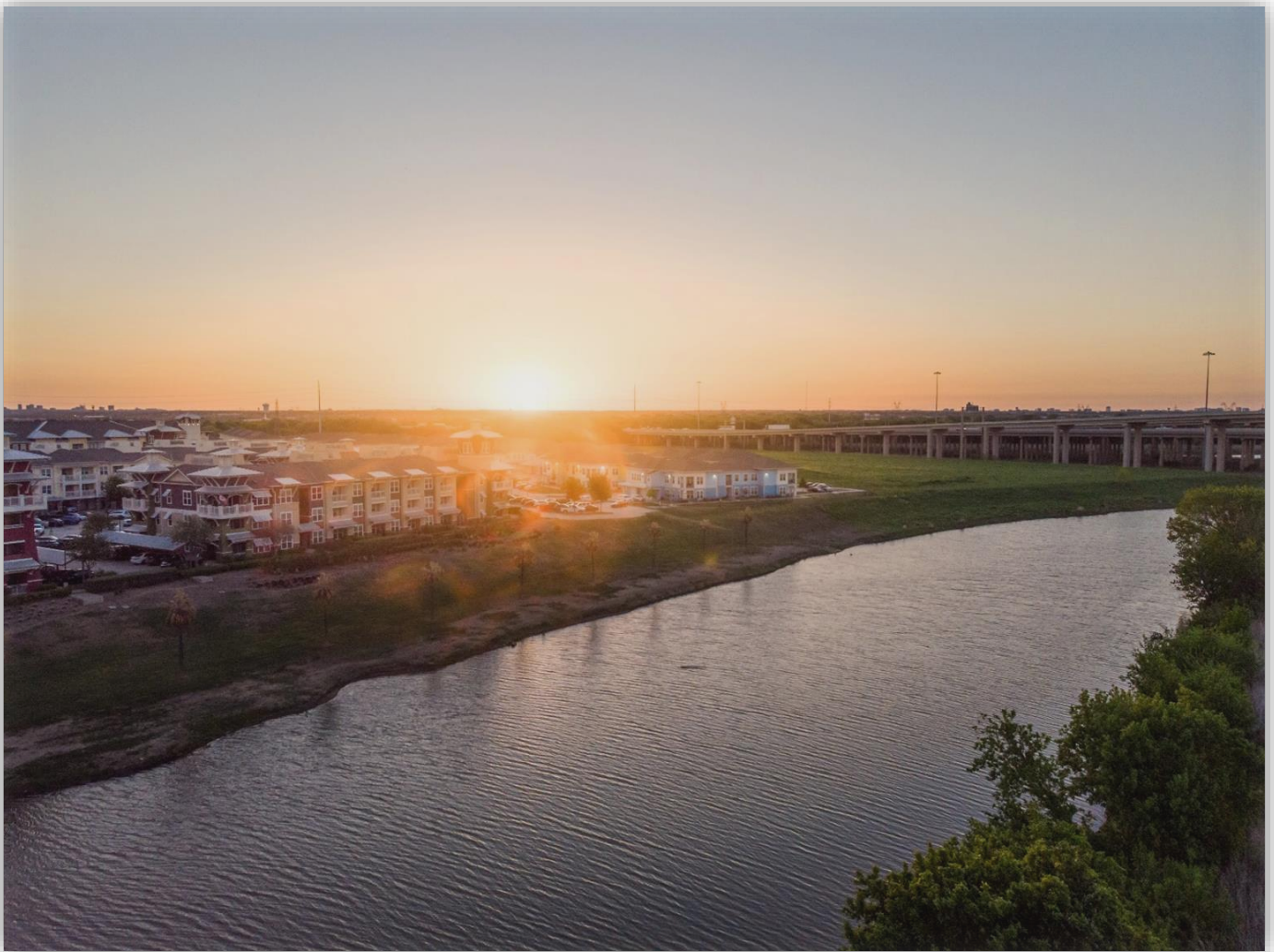
These minutes approved by the Tax Increment Reinvestment Zone, Number Two, Board of Directors on August 7, 2023.

APPROVED

Patrick Kelly
CHAIRMAN

ATTEST:

Thomas Harris III
CITY SECRETARY



2022 TAX INCREMENT REINVESTMENT ZONE
NUMBER TWO
ANNUAL REPORT
CITY OF LEWISVILLE



LEWISVILLE
Deep Roots. Broad Wings. Bright Future.

This report is prepared and submitted to comply with the statutory requirement that an annual report be supplied to the Texas Attorney General and all taxing jurisdictions within the Zone.

Introduction

About Tax Increment Reinvestment Zones

A tax increment reinvestment zone (TIRZ) is an infrastructure financing tool made possible by Chapter 311 of the Texas Tax Code to assist cities in developing or redeveloping blighted and substandard areas within their boundaries. Cities may create a TIRZ where an area's sound development is impaired and where growth is not likely to occur without public infrastructure improvements financed by the zone. By passing an ordinance, a city may establish a TIRZ and set guidelines for the composition and appointment of a board of directors for the zone.

The total appraised value of real property in the zone at the time the TIRZ is established creates the base year value. Additional property value growth beyond the base year value is known as the TIRZ increment. The success of the TIRZ depends on increased real property values in the zone as a result of better infrastructure and new development.

Other taxing jurisdictions, such as a county, may contribute to the TIRZ by approving a participation agreement with the city that allocates a portion of the entity's property tax revenue from the incremental value to the TIRZ fund. Once all projects are completed, or after a defined period of time, the TIRZ is dissolved.

During the life of the Zone, the city and other participating taxing jurisdictions collect tax revenue on the base value of the Zone as well as sales tax and franchise fee revenue generated by new development. When the zone is dissolved, the city and other participating taxing jurisdictions also collect tax revenue on the incremental value created by new development.

Lewisville Tax Increment Reinvestment Zone, Number Two

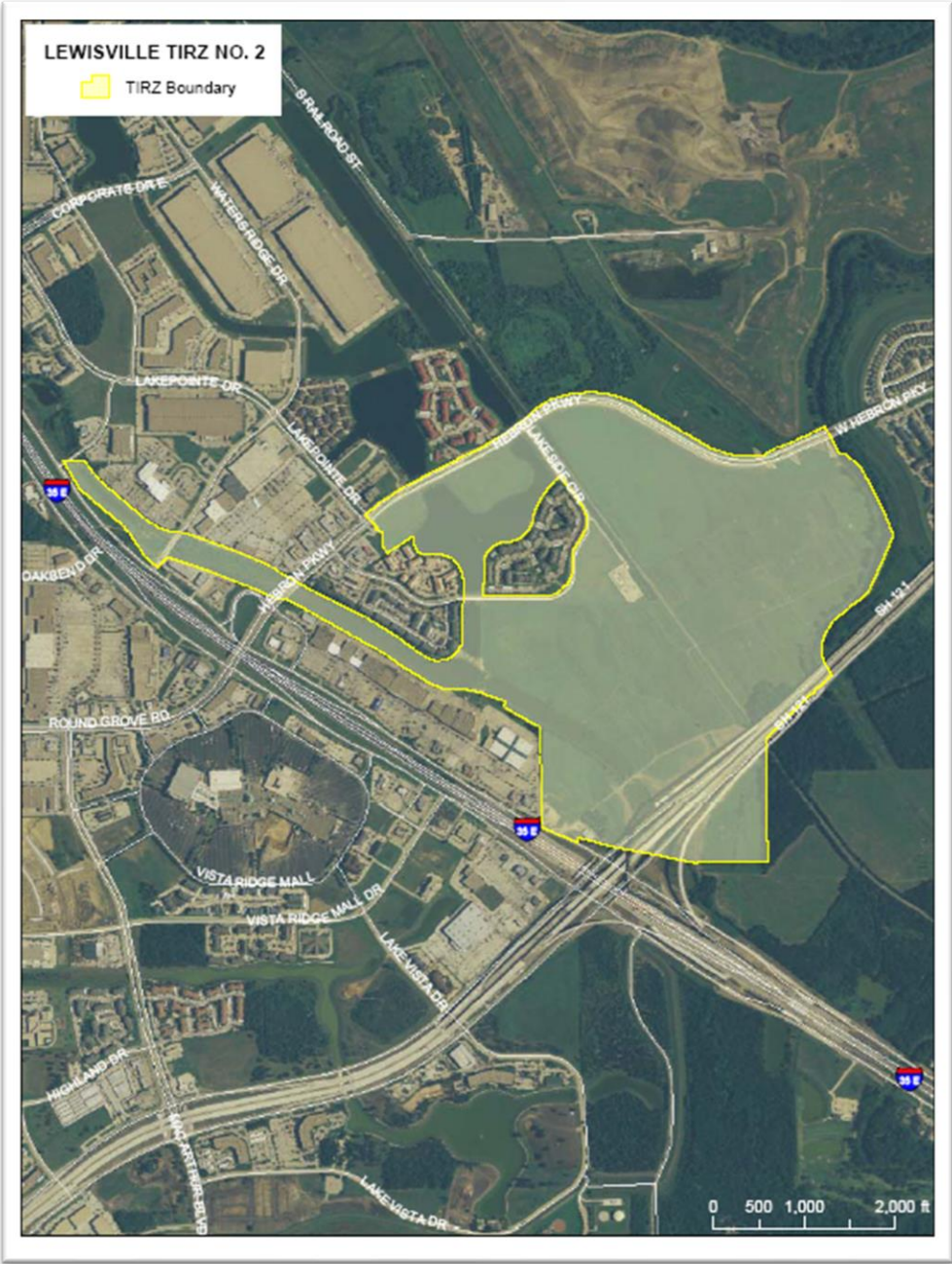
The City of Lewisville created the Lewisville Tax Increment Reinvestment Zone, Number Two, ("TIRZ #2" or the "Zone") on October 20, 2008. Denton County has partnered with the City of Lewisville to contribute to TIRZ #2 and ensure successful redevelopment in the area.

TIRZ #2 is a financing vehicle to provide infrastructure for high-density, transit-oriented new neighborhood options at one of Lewisville's gateway identity focal points. The district demonstrates the ability of the City of Lewisville and Denton County to work together for the common good of the region.

Zone Term and Boundary Map

Term

Established October 20, 2008, the term of TIRZ #2 extends through December 31, 2038, or until December 31 of the year immediately following full payment of any outstanding encumbrances of TIRZ #2, whichever is later.



2022 IN REVIEW

Development Activity

Property value in Lewisville’s TIRZ #2 has continued to grow in 2022, increasing the zone’s increment and adding to the fund balance. TIRZ #2 has consistently grown since the zone’s formation with a mix of public and private projects.



In July of 2015, the City of Lewisville adopted the Lewisville 2025 plan, laying out concrete strategies for creating a green centerpiece, extending the green, creating new neighborhood choices, establishing identity focal points, among others. Success of these particular strategies depends tremendously on the success of the property within TIRZ #2. To ensure that this area is well stewarded through the development process, the City of Lewisville hired TBG Partners to create a concept plan specifically for the properties within TIRZ #2.

Since formation of TIRZ #2, Denton County Transportation Authority began operating its A-train station on Lakeside Circle in 2011, the City completed a land exchange with Huffines Communities as part of the development plan for Hebron 121 Station, and Phase 1 of Hebron 121 Station (234 multifamily units) was completed in 2011. Phase II (444 multi-family units) and Phase III (242 multi-family units) completed construction in 2015. Phase IV (238 multi-family units) completed construction in 2018. Phase V (280 multi-family units) was completed in 2019. TIRZ #2 was a critical tool to reclaim floodplain land for development in the zone and in building the bridge over Timber Creek, to connect the project to the I-35 frontage road. The City of Lewisville and district stakeholders continue to refine development plans for TIRZ #2.

For 2022, Attachment A-C contains a list of certificates of occupancy obtained and private and public development activity for TIRZ #2, as applicable. Attachment F is the Project Finance Plan.

FINANCIALS

Incremental Growth & Projections

In 2022, the TIRZ #2 taxable value for the City was \$259,007,885, which is \$249,910,236 greater than the base year value, generating a total of \$1,321,213.44 in City of Lewisville and Denton County contributions to TIRZ #2. Attachment D details TIRZ #2 revenues from 2008 through 2022 for the City of Lewisville and Denton County increments.

Budget

Attachment E details the actual FY 2022 budget for TIRZ #2 (Fund 793) as well as the anticipated revenue and expenditures, if any, for FY 2023 will be presented to the TIRZ #2 board for approval.

TIRZ #2 is set up as a reimbursement mechanism when funds are available. Pursuant to the 2009 Hebron 121 Station Development Agreement signed by TIRZ board No. 2, the City, and Riverside DPH L.P., 100% of the allowable TIRZ increment was first to be dedicated to reimburse the City for the 2015 construction costs related to Timber Creek Bridge and floodplain reclamation costs. After those costs are reimbursed in full, future TIRZ increment must be reimbursed 50% between the City and developer for allowable project costs set forth under the TIRZ project and finance plan. In 2020, the City was fully reimbursed for the costs related to Timber Creek Bridge and floodplain reclamation costs. 2021 marked the first year that the developer started receiving reimbursements for the outstanding developer “due-tos” (developer project costs that have been expended by developer and validated by City staff as eligible for reimbursement). In 2022, the board approved an amendment to the project and finance plan to allow for reallocation of existing project costs into new categories without increasing total costs. The amendment also included the necessary repairs to the weirs due to damage and provided the City greater flexibility in determining annual dedication of funds to the developer.

Debt Summary

At this time, TIRZ #2 has not incurred any debt to be secured by the revenue from the zone. At such time as any debt is issued, an overview of the term and the elements of the project plan to be financed will be detailed in this section.

City and County Increment Participation

The City of Lewisville and Denton County obligate eighty percent (80%) of the increment captured by the district to the TIRZ #2, until the expiration of the district's term.



Attachments

Attachment A –Private Projects – New Development

Attachment B – Certificates of Occupancy

Attachment C - Public and Institutional Investment

Attachment D – TIRZ #2 Incremental Growth

Attachment E – Proposed Budget FY 23-24

Attachment F – Project Finance Plan

Attachment A

Private Projects- New Development

PROJECT NAME	PROJECT TYPE	INVESTMENT	STATUS
Hebron 121 Station, Phase V (280 units)	Mixed Use Residential and Retail	\$35,500,000	Completed, 2019/20
Hebron 121 Station, Phase IV (238 units)	Mixed Use Residential and Retail	\$ 20,000,000	Completed, 2019
Hebron 121 Station, Phase III (242 units)	Mixed Use Residential and Retail	\$ 42,506,690	Completed, 2015
Hebron 121 Station, Phase II (444 units)	Mixed Use Residential and Retail	\$ 27,371,400	Completed, 2015
DCTA Hebron Rail Station	Hebron Commuter Light Rail Station Park & Ride	\$ 2,200,000	Completed, 2011
Hebron 121 Station, Phase I (234 units)	Mixed Use Residential and Retail	\$ 11,000,000	Completed, 2011
Lakepointe Office Park	Interior Office finish-out	\$ 270,000	Completed, 2010

Attachment B – Certificates of Occupancy

DATE ISSUED	NAME	ADDRESS	SQ. FT.
3/10/2022	Romeo & Juliet	880 HEBRON PKWY SUITE 150	1,160
3/31/2022	My Feet Spa	880 HEBRON PKWY SUITE 150	1,200
4/27/2022	Kidz & Family Medicine Inc	860 HEBRON PKWY UNIT 1201	2,300
4/27/2022	Kidz & Family Medicine Inc	860 HEBRON PKWY UNIT 1202	2,300
6/22/22	Hola Caribe TX LLC	3 HEBRON STATION CIR SUITE 200	1,900
10/18/2022	Urban Value Corner Store	883 UNION STATION PKWY SUITE 20109	1,900

Attachment C

Public and Institutional Investment

PROJECT NAME	PROJECT TYPE	INVESTMENT	STATUS
Timber Creek Bridge	Bridge infrastructure	\$2,500,000	Completed, 2015
“Gateway to a New Lewisville” Plan	Development Plans	\$50,000	Completed, 2015

Attachment D

TIRZ #2 Incremental Growth

	Base Value 2008	Lewisville Net Taxable Value	Lewisville Captured Increment	Lewisville Current Tax Rate	Increment Participation	City Revenue to the TIRZ
	\$9,097,649					
2009		\$ 11,438,943	\$ 2,341,294	\$ 0.44021	80%	\$ 8,245.29
2010		\$ 5,239,355	(\$ 3,858,294)	\$ 0.44021	80%	\$ 0.00
2011		\$ 10,649,130	\$ 1,551,481	\$ 0.44021	80%	\$ 5,463.82
2012		\$ 21,727,255	\$ 12,629,606	\$ 0.44021	80%	\$ 44,477.43
2013		\$ 27,182,467	\$ 18,084,818	\$ 0.44021	80%	\$ 63,688.94
2014		\$ 52,830,718	\$ 43,733,069	\$ 0.436086	80%	\$ 152,571.03
2015		\$ 76,365,764	\$ 67,268,115	\$ 0.436086	80%	\$ 234,677.47
2016		\$ 111,732,155	\$ 102,634,506	\$ 0.436086	80%	\$ 358,059.77
2017		\$ 128,847,641	\$ 119,749,992	\$ 0.436086	80%	\$ 417,770.36
2018		\$ 138,610,068	\$ 129,512,419	\$ 0.436086	80%	\$ 451,828.42
2019		\$ 197,875,815	\$ 188,778,166	\$ 0.443301	80%	\$ 669,484.40
2020		\$ 218,231,119	\$ 209,133,470	\$ 0.443301	80%	\$ 741,672.61
2021		\$ 264,344,963	\$ 255,247,314	\$ 0.443301	80%	\$ 905,211.12
2022		\$ 259,007,885	\$ 249,910,236	\$ 0.443301	80%	\$ 886,283.66
	Base Value 2008	Denton Certified Value	Denton Captured Increment	Denton Current Tax Rate	Increment Participation	County Revenue to the TIRZ
	\$9,097,649					
2009		\$ 11,438,943	\$ 2,341,294	\$ 0.235770	80%	\$ 4,678.84
2010		\$ 7,313,349	(\$ 1,784,300)	\$ 0.27390	80%	\$ 0.00
2011		\$ 10,655,624	\$ 1,557,975	\$ 0.277357	80%	\$ 3,456.92
2012		\$ 21,727,255	\$ 12,629,606	\$ 0.282867	80%	\$ 28,579.99
2013		\$ 27,211,299	\$ 18,113,650	\$ 0.284914	80%	\$ 41,286.66
2014		\$ 52,830,718	\$ 43,733,069	\$ 0.272200	80%	\$ 95,233.13
2015		\$ 76,365,764	\$ 67,268,115	\$ 0.262000	80%	\$ 140,993.97
2016		\$ 111,732,155	\$ 102,634,506	\$ 0.248409	80%	\$ 203,962.68
2017		\$ 128,847,641	\$ 119,749,992	\$ 0.237812	80%	\$ 227,823.88
2018		\$ 138,610,068	\$ 129,512,419	\$ 0.225574	80%	\$ 233,717.08
2019		\$ 197,875,815	\$ 188,778,166	\$ 0.225278	80%	\$ 340,220.54
2020		\$ 218,231,119	\$ 209,133,470	\$ 0.224985	80%	\$ 376,415.15
2021		\$ 264,329,678	\$ 255,232,029	\$ 0.233086	80%	\$ 475,928.10
2022		\$ 259,007,885	\$ 249,910,236	\$ 0.217543	80%	\$ 434,929.78
2022 TIRZ #2 Combined City and County Revenue		\$ 1,321,213.44				

Attachment E – Proposed Budget FY 23-24

Tax Increment Reinvestment Zone2

(#793)

This Tax Increment Reinvestment Zone was established in October, 2008 and is comprised of 427 acres near I35E and SH121 (NW corner). The tax increment base is \$9,097,649. The City and Denton County participate in this TIRZ. TIRZ No. 2 will expire on December 31, 2038.

	FY 2019-2020 ACTUAL	FY 2020-2021 ACTUAL	FY 2021-2022 ACTUAL	FY 2022-2023 ORIGINAL BUDGET	FY 2022-2023 ADJUSTED BUDGET	FY 2022-2023 YTD	FY 2023-2024 PROPOSED BUDGET
BEGINNING FUND BALANCES	1,777,231	710,203	1,254,273	1,884,734	1,917,515	1,917,515	207,379
REVENUES							
Taxes	1,009,705	1,118,088	1,381,139	1,211,506	1,211,506	1,321,213	1,321,214
Investment Earnings and Contributions	14,048	6,581	10,590	9,872	9,872	10,665	10,000
Total Revenues	1,023,753	1,124,669	1,391,729	1,221,378	1,221,378	1,331,879	1,331,214
Total Resources	2,800,984	1,834,872	2,646,002	3,106,112	3,138,893	3,249,394	1,538,593
EXPENDITURES							
Economic Development	693,795	580,599	728,486	2,925,000	2,931,514	1,525,077	1,310,000
Non-Departmental	1,400,000	-	-	-	-	-	-
Total Expenditures	2,093,795	580,599	728,486	2,925,000	2,931,514	1,525,077	1,310,000
Current Rev. - Current Exp.	(1,070,042)	544,070	663,242	(1,703,622)	(1,710,136)	(193,198)	21,214
ENDING FUND BALANCE	710,203	1,254,273	1,917,515	181,112	207,379	1,724,317	228,593
OPERATING RESERVE: NONE	-	-	-	-	-	-	-
UNDESIGNATED RESERVE	710,203	1,254,273	1,917,515	181,112	207,379	1,724,317	228,593

Attachment F – Project Finance Plan

Reinvestment Zone Number Two, City of Lewisville, Texas Project Costs Reallocation					
Original TIRZ Project Costs					Developer Costs Spent to Date¹
PI Category	Developer Projects	City Projects	Total Costs		
Water					
I-35 to Timber Creek	323,865		323,865		-
Area between Timber Lake and the Railroad Track	265,270		265,270	1,081,836	
Area along Hebron	277,606		277,606		-
East Side of the Track	-	126,753	126,753		-
Subtotal	\$ 866,741	\$ 126,753	\$ 993,494	\$ 1,081,836	
TIRZ Remaining Project Costs \$ (88,342)					
Sewer					
I-35 to Timber Creek	106,949		106,949		-
Area between Timber Lake and the Railroad Track	116,949		116,949	245,495	
Area along Hebron	110,000	69,415	179,415		-
Subtotal	\$ 333,898	\$ 69,415	\$ 403,313	\$ 245,495	
TIRZ Remaining Project Costs \$ 157,818					
Paving, Storm and Sidewalks					
I-35 to Timber Creek	-	1,695,530	1,695,530		-
Area between Timber Lake and the rail track	1,446,799	-	1,446,799	2,712,425	
East Side of the Track	-	1,766,347	1,766,347		-
Secondary Paving, Sidewalks, Parking			\$ -	\$ -	-
Subtotal	\$ 1,446,799	\$ 3,461,877	\$ 4,908,676	\$ 2,712,425	
TIRZ Remaining Project Costs \$ 2,196,251					
Quiet Zones for Train Crossing					
Internal Crossing	250,000	-	250,000		-
Hebron Crossing	-	-	-		-
Subtotal	\$ 250,000	\$ -	\$ 250,000	\$ -	
TIRZ Remaining Project Costs \$ 250,000					
Other Public Improvements					
Parking Structure	2,000,000	-	2,000,000		-
Land to the City for the Lake	-	-	-		-
Redo of the Westerly Edge of Timber Creek Lake	-	525,000	525,000		-
Restructure & Landscape lakes & Timber Creek	-	1,750,000	1,750,000		-
Enhancements for Timber Lake Bridge	200,000	-	200,000	122,096	
Boulevard Landscaping	-	-	-		-
Irrigation Well	150,000	150,000	300,000		-
Project Street Lighting	350,000	-	350,000	16,354	
Irrigation Mitigation	-	-	-		-
Boardwalk and trails along Timber Lake	2,500,000	-	2,500,000	473,440	
Reclamation	3,286,194	640,000	3,926,194	2,645,451	
Site Grading	-	-	-		-
Recreation Facilities	-	10,000,000	10,000,000		-
Bridge over the DCTA Tracks to Soccer Fields	-	250,000	250,000		-
Train Station Upgrades	1,000,000	-	1,000,000		-
Connection to DTCA Station	50,000	-	50,000		-
Zone Administration	-	1,620,000	1,620,000		-
Zone Creation	150,000	75,000	225,000	77,545	
Subtotal	\$ 9,686,194	\$ 15,010,000	\$ 24,696,194	\$ 3,334,886	
TIRZ Remaining Project Costs \$ 21,361,308					
Total					
	\$ 12,583,632	\$ 18,668,045	\$ 31,251,677	\$ 7,374,642	
Total Remaining TIRZ Project Costs² \$ 23,877,035					
Amended & Restated TIRZ Project Costs					
Water					
Remaining Hebron Projects					-
East Track Area Projects				2,267,691	
Subtotal				\$ 2,267,691	
Sewer					
Remaining Hebron Projects					-
East Track Area Projects				2,267,691	
Subtotal				\$ 2,267,691	
Paving & Storm					
Remaining Hebron Projects					-
East Track Area Projects				13,606,149	
Subtotal				\$ 13,606,149	
Other Projects					
Remaining Hebron Projects					1,000,000
East Track Area Projects					4,535,383
Administrative Costs					200,121
Subtotal					\$ 5,735,504
Summary - Amended & Restated Remaining TIRZ Project Costs					
Water					\$ 2,267,691
Sewer					\$ 2,267,691
Paving & Storm					\$ 13,606,149
Other Projects					\$ 5,735,504
Total					\$ 23,877,035

1) Project Costs spent to date as provided by the Developer in correspondence dated 02/04/2021, further update 8/22/2022 by Economic Development Director call.

2) Remaining TIRZ Project Costs to be used for Remaining Hebron Projects, Administrative Costs, and eligible projects for East Track Area.