

THE FLOWER MOUND TAX INCREMENT REINVESTMENT ZONE (TIRZ) BOARD MEETING HELD ON THE 1st DAY OF DECEMBER, 2010, IN THE FLOWER MOUND TOWN HALL, LOCATED AT 2121 CROSS TIMBERS ROAD IN THE TOWN OF FLOWER MOUND, COUNTY OF DENTON, TEXAS AT 4:30 PM.

The TIRZ Board met in a regular session with the following members present:

Bill Collins, Chairman
Vanessa Van Trease, County Board Member
Larry Lipscomb, County Board Member
Melissa Northern, Mayor (Ex Officio)
Harlan Jefferson (Ex Officio)

with the following members absent:
Jim Robertson, Vice Chairman
Tom Hayden, Deputy Mayor Pro Tem

constituting a quorum with the following members of the Town Staff participating:

Chuck Springer, Assistant Town Manager/CFO
Melissa Glasgow, Director of Economic Development
Krystle Boise, Economic Development Specialist

A. CALL TO ORDER

Chair Collins called the TIRZ Board meeting to order at 4:43 P.M.

B. REGULAR ITEMS

1. Consider approval of the minutes of the August 2, 2010 meeting of the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ #1) Board.

Chair Collins asked the Board to approve the minutes. Member Lipscomb moved to approve, Member Van Trease seconded the motion. The motion carried by a vote of 3 to 0.

2. Consider approval of the 2010 Annual Report of the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ #1).

Ms. Glasgow noted that the TIRZ Board must provide an approved annual report detailing expenditures and activities of the Board and Town Council to the State Comptroller's office within 90 days of the end of the fiscal year, which was September 30, 2010. Both the TIRZ Board and Town Council must approve the annual report.

Ms. Glasgow briefly summarized the annual report, noting that the Board met two times in 2010 and three new members joined the Board – Mayor Melissa Northern, Deputy Mayor Pro Tem Tom Hayden and Vanessa Van Trease, Denton County's appointment.

Ms. Glasgow said that construction of Phase 1 of Dixon Lane between Chinn Chapel and FM 2499 was completed in September 2009. Most of the activity during the past year was related to the purchase of right of way and easements. In August, Town Council awarded the

FLOWER MOUND TIRZ BOARD MEETING OF DECEMBER 1, 2010 - PAGE 2

bid to construct Phase 2 of Dixon Lane for \$2.6 million. The estimated completion for Phase 2 is fall 2011.

Ms. Glasgow pointed out that approximately \$1.44 million has been spent on the Dixon Lane project and almost \$18,000 for design of Chinn Chapel. To date, \$1,460,108 of TIRZ money has been spent.

Ms. Glasgow also stated that between property tax revenue and interest, the TIRZ has generated approximately \$1.5 million in FY 2009-2010, and TIRZ projects have expended just under \$580,000 in the same fiscal year. The unaudited ending balance of the TIRZ fund is \$2,840,624.

The Town captured \$962,000 from the Town and \$534,000 from the County in FY 2009-2010. Ms. Glasgow explained that the TIRZ fund will benefit from one more year of 100% funding from Denton County, for a total of five years. Then funding from Denton County will drop to 90% for five years, 85% for five years and 80% for the last five years, for a total of 20 years.

Member Lipscomb asked if the annual report provided any detail on what the TIRZ Board will be working on next year.

Ms. Glasgow replied that the annual report only summarizes what happened during the past year.

Mr. Springer added that the numbers in the annual report do not include encumbrances, but only depicts actual dollars spent. The Town has encumbered approximately \$1.2 million for the Dixon Lane project's design and construction. The plan is to move forward with the design of Chinn Chapel and begin purchasing right of way. The Board will decide at the end of the fiscal year if there are enough TIRZ dollars to begin construction of Chinn Chapel. The TIRZ fund needs to have enough money to encumber the full amount of the contract before construction can begin. Depending on the time of design, how long it takes to acquire the necessary right of way, and how much that right of way costs, the TIRZ Board should be able to bid the construction of the Chinn Chapel project late in this fiscal year or early next fiscal year.

Member Van Trease moved to approve the 2010 TIRZ #1 Annual Report and Member Lipscomb seconded the motion. The motion carried by a vote of 3 to 0.

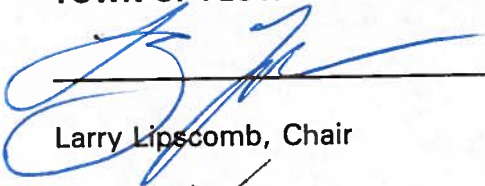
C. FUTURE MEETINGS

The next meeting is to be determined for a date next year.

D. ADJOURNMENT

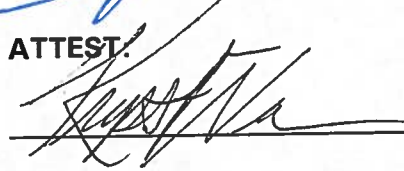
The meeting was adjourned at 4:50 p.m.

TOWN OF FLOWER MOUND, TEXAS



Larry Lipscomb, Chair

ATTEST.



Krystle Nelinson (Boise), TIRZ Secretary