



# **Town of Flower Mound, Texas**

## **Tax Increment Reinvestment Zone #1 (TIRZ #1)**

# **ANNUAL REPORT**

# 2017

**Town of Flower Mound, Texas**  
***Tax Increment Reinvestment Zone #1***

**As of September 30, 2017**

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**Town of Flower Mound, Texas**  
***Tax Increment Reinvestment Zone #1***

**As of September 30, 2017**

**YEAR END SUMMARY OF MEETINGS/TOWN COUNCIL/BOARD ACTIONS**

During the period from October 1, 2016, through September 30, 2017, the Town of Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ) Board of Directors met twice. The first meeting was held on December 5, 2016, to approve the 2016 Annual Report and minutes from the August 9, 2016 TIRZ board meeting. The second meeting was held June 19, 2017, and included three regular items: review and approval of the meeting minutes from the December 5, 2016 TIRZ board meeting, review of the TIRZ #1 Project Plan and consideration to recommend funding of the Rippey Road project from FM 2499 to Waketon Road, and consideration to recommend the use of TIRZ #1 funds to pay the annual debt service on the issuance of \$10.9 million for the Town of Flower Mound Public Library project to the Town Council.

Prior to the regular items discussed at the June 19, 2017 meeting, an election was held to nominate and elect a Vice Chair for the TIRZ #1 Board, per the bylaws Article III, Section 3. This request was made for coverage in signatory duties due to the changing Chairman position previously held by Jeff Tasker and then Albert Picardi at the time of the June meeting. The Board voted unanimously to nominate and elect Board member Bill Collins to the position of Vice Chair for the TIRZ #1 Board. Two presentations were made at the June 19, 2017 meeting; the first one being an introduction to the new Town of Flower Mound Economic Development Director, Andrea Roy, and the second an overview and discussion on the status of the Town Hall construction project previously authorized to be financed with TIRZ #1 funds.

Board members appointed and serving at the time of the June 19, 2017 meeting: Town—Albert Picardi, Bill Collins, Bryan Webb and County—Larry Lipscomb and Lori Fickling. Ex-Officio members are Mayor Tom Hayden and Town Manager Jimmy Stathatos.

During the period from October 1, 2016, through September 30, 2017, the Flower Mound Town Council took the following action:

- At a meeting on December 19, 2016, the Town Council approved the 2016 Annual Report for the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ) in accordance with Chapter 311 of the Texas Tax Code.
- At a meeting on September 18, 2017, the Town Council voted to approve the Fiscal Year 2017-18 budget including a continued tax rate of \$0.4390 per \$100 valuation.

**Town of Flower Mound, Texas**  
***Tax Increment Reinvestment Zone #1***

**As of September 30, 2017**

**PUBLIC INFRASTRUCTURE/BUILDING PROJECTS**

**2017-2018**

On October 20, 2014, a Chapter 380 Partnership Agreement was authorized by the Town of Flower Mound and RMI River Walk Investors, LP, which included the use of TIRZ funding for up to \$1 million for a public parking structure on the site of a nationally-branded hotel; later named a Courtyard by Marriott. The structure is required to include no fewer than 300 vehicle spaces and must comply with the development regulations approved by Town Council. Section 7 of the Agreement specifies that this financial assistance provided by the TIRZ may not exceed \$1 million and will be paid as a reimbursement for infrastructure costs following the issuance of a Certificate of Occupancy for the parking structure. A First Amendment to the Chapter 380 Agreement was approved by Town Council on May 4, 2015 and placed additional requirements on the acceptance of these TIRZ funds. Section 5.C of the original Agreement was amended to include that the parking structure must be fully constructed and accessible to the public no later than the Opening Date of the hotel, and that the Town will not issue a Certificate of Occupancy for the Hotel until a Certificate of Occupancy has been issued for the parking structure. The building permit deadline was also extended to September 30, 2015. On September 18, 2017, the Town Council approved a Second Amendment to the Chapter 380 Agreement which again alters Section 5.C, Subsection (5) to include a substantial completion date for the parking structure of March 15, 2018, an outline of what constitutes “substantial completion” for use in this Agreement, and a clause distinguishing that the Town will hold all payments otherwise due under the original Chapter 380 Agreement until which time as substantial completion is achieved. The Second Amendment also created Section 5.C(6), which states that if the parking structure is not completed by March 15, 2018, then the Town, in its sole discretion, may unilaterally terminate the Agreement.

**Town of Flower Mound, Texas**  
**Tax Increment Reinvestment Zone #1**

As of September 30, 2017

**CAPITAL IMPROVEMENT PLAN BUDGET**

Project	Estimated Cost
<b>STREETS</b>	
Dixon Lane (Chinn Chapel to Crestside)	\$2,685,267
Chinn Chapel (FM 407 to Dixon)	1,387,500
Chinn Chapel (Dixon to Waketon)	941,305
Waketon Road (Rippy to Chinn Chapel)	5,270,000
Rippy Road (FM 2499 to Waketon)	2,115,000
Churchill (East end to Yucca)	400,000
FM 1171 at FM 2499 Westbound Right Turn Lane	998,000
FM 1171 at FM 2499 Eastbound Right Turn Lane	785,000
<b>Subtotal</b>	<b>\$14,582,072</b>
<b>SIGNALS</b>	
College Parkway at FM 2499	\$150,000
<b>Subtotal</b>	<b>\$150,000</b>
<b>WATER</b>	
FM 2499 west side from FM 1171 to Dixon	\$1,700,000
FM 407 from FM 2499 to Country Meadows Addition	438,039
<b>Subtotal</b>	<b>\$2,138,039</b>
<b>FACILITIES</b>	
Town Hall	\$10,000,000
Senior Citizen Activity Center	4,869,638
Library renovation/expansion	10,900,000
<b>Subtotal</b>	<b>\$25,769,638</b>
<b>PARKS</b>	
Timber Trails Park	\$400,000
<b>Subtotal</b>	<b>\$400,000</b>
<b>Improvements in Forum (Riverwalk) Area</b>	
Parking Structure	\$4,000,000
	1,000,000
<b>Subtotal</b>	<b>\$5,000,000</b>
<b>Other Projects</b>	
	<b>\$429,566</b>
Town Center Master Plan	50,685
Retail Developments Shared Drive (FM 407 & Chinn Chapel)	180,000
<b>Subtotal</b>	<b>\$660,251</b>
<b>TOTAL</b>	<b>\$48,700,000</b>

**Town of Flower Mound, Texas**  
**Tax Increment Reinvestment Zone #1**

As of September 30, 2017

**BUDGET VS EXPENDITURES**

Project	Current Budget	Expended Costs to Date	Remaining Balance
<b>STREETS</b>			
Dixon Lane (Chinn Chapel to Crestside)	\$2,685,267	\$2,685,267	\$0
Chinn Chapel (FM 407 to Dixon)	1,387,500	1,387,500	0
Chinn Chapel (Dixon to Waketon)	941,305	941,305	0
Waketon Road (Rippy to Chinn Chapel)	5,270,000	172,648	5,097,352
Rippy Road (FM 2499 to Waketon)	2,115,000	0	2,115,000
Churchill (East end to Yucca)	400,000	0	400,000
FM 1171 at FM 2499 Westbound Right Turn Lane	998,000	43,870	945,130
FM 1171 at FM 2499 Eastbound Right Turn Lane	785,000	0	785,000
<b>Subtotal</b>	<b>\$14,582,072</b>	<b>\$5,230,590</b>	<b>\$9,351,482</b>
<b>SIGNALS</b>			
College Parkway at FM 2499	\$150,000	\$0	\$150,000
<b>Subtotal</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$150,000</b>
<b>WATER</b>			
FM 2499 west side from FM 1171 to Dixon	\$1,700,000	\$0	\$1,700,000
FM 407 from FM 2499 to Country Meadows Addition	438,039	438,039	0
<b>Subtotal</b>	<b>\$2,138,039</b>	<b>\$438,039</b>	<b>\$1,700,000</b>
<b>WASTEWATER</b>			
FM 2499 east side from Valley Creek Church to Dixon	\$0	\$0	\$0
FM 407 from FM 2499 to County Meadows Addition	0	0	0
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>FACILITIES</b>			
Town Hall	\$10,000,000	\$0	\$10,000,000
Senior Citizen Activity Center	4,869,638	4,869,638	0
Library renovation/expansion	10,900,000	0	10,900,000
<b>Subtotal</b>	<b>\$25,769,638</b>	<b>\$4,869,638</b>	<b>\$20,900,000</b>
<b>PARKS</b>			
Timber Trails Park	\$400,000	\$0	\$400,000
<b>Subtotal</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$400,000</b>
<b>Improvements in Forum (Riverwalk) area</b>			
Parking Structure	\$4,000,000	\$0	\$4,000,000
	1,000,000	0	1,000,000
<b>Subtotal</b>	<b>\$5,000,000</b>	<b>\$0</b>	<b>\$5,000,000</b>
<b>Other Projects</b>			
Town Center Master Plan	\$429,566	\$0	\$429,566
	50,685	50,685	0
Retail Developments Shared Drive (FM 407 & Chinn Chapel)	180,000	180,000	0
<b>Subtotal</b>	<b>\$660,251</b>	<b>\$230,685</b>	<b>\$429,566</b>
<b>TOTAL</b>	<b>\$48,700,000</b>	<b>\$10,768,952</b>	<b>\$37,931,048</b>

**Town of Flower Mound, Texas**  
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**TIRZ FUND \***

	<b>CAPITAL PROJECTS</b>	<b>DEBT SERVICE</b>	<b>TOTAL</b>
<b>Beginning Balance:</b>			
<i>October 1, 2016</i>	<b>\$7,574,159</b>	<b>\$0</b>	<b>\$7,574,159</b>
<b>Revenues:</b>			
Property Tax	\$4,027,145	\$0	\$4,027,145
Interest	<u>\$63,395</u>	\$0	<u>\$63,395</u>
<b>TOTAL REVENUES</b>	<b>\$4,090,540</b>	<b>\$0</b>	<b>\$4,090,540</b>
<b>Expenditures:</b>			
Land Purchases	\$0	\$0	\$0
Professional Services	\$194,789	\$0	\$194,789
Construction/Improvements	<u>\$45,850</u>	<u>\$118,056</u>	<u>\$163,906</u>
<b>TOTAL EXPENDITURES</b>	<b>\$240,639</b>	<b>\$118,056</b>	<b>\$358,695</b>
<b>Ending Balance:</b>			
<i>September 30, 2017*</i>	<b>\$11,424,060</b>	<b>(\$118,056)</b>	<b>\$11,306,004</b>

\* Unaudited, subject to change.

# Town of Flower Mound, Texas

## Tax Increment Reinvestment Zone #1

As of September 30, 2017

### ANNUAL REPORT

Chapter 311.016 of V.C.T.A. requires the following information as part of the annual report on the status of the TIRZ District. Information is contained in detail on the attached financial statements.

**1. Amount and source of revenue in the tax increment fund established for the zone:**

\$4,090,540      Total Revenue

**2. Amount and purpose of expenditures from the fund:**

\$240,639      Total Expenditures

**3. Amount of Principal and Interest due on outstanding indebtedness is as follows:**

\$118,056      Total Principal and Interest

I. Contributions /Advances from developers— none.

II. Bonds issued and payment schedule to retire bonds—

2017COTIRZ:	Fiscal Year	Principal	Interest	Total
	2018	980,000	256,025	1,236,025
	2019	1,000,000	236,425	1,236,425
	2020	1,020,000	216,425	1,236,425
	2021	1,045,000	196,025	1,241,025
	2022	1,065,000	175,125	1,240,125
	2023	1,085,000	153,825	1,238,825
	2024	1,110,000	126,700	1,236,700
	2025	1,145,000	93,400	1,238,400
	2026	1,190,000	47,600	1,237,600
		<u>\$ 9,640,000</u>	<u>\$ 1,501,550</u>	<u>\$ 11,141,550</u>

**4. Tax Increment base and current captured appraised value retained by the zone:**

Taxing Jurisdiction	Net Taxable Fiscal Year Value 2016 - 2017	Base Year* Value Jan 1, 2005	Captured App. Value Fiscal Year 2016 - 2017
Town of Flower Mound	\$835,280,227	\$228,290,889	\$606,989,338
Denton County	\$874,647,918	\$229,382,705	\$645,265,213

**5. Captured appraised value by the municipality and other taxing units, the total amount of the tax increment received, and any additional information necessary to demonstrate compliance with the tax increment financing plan adopted by the governing body of the municipality.**

A. Captured appraised value shared by the municipality and other participating taxing jurisdictions received in Fiscal Year 2016-2017:

Taxing Jurisdiction	Participation Per \$100/Value	Amount of 2016-2017 Increment
Town of Flower Mound (100%)	\$0.439000	\$2,664,683.19
Denton County (90%)	\$0.211150	\$1,362,462.33
<b>Total</b>	<b>\$0.650150</b>	<b>\$4,027,145.52</b>

B. Amount of tax increment received in 2017 from the municipality and the other taxing jurisdictions based on 2016 valuations: \$4,027,145.52

C. Other information: None

\* Base Year Value as of January 1, 2005 is for Fiscal Year 2005-2006.