



ADMINISTRATION

To: Mayor and Town Council

From: Chuck Ewings, Assistant Town Manager

Through: Mario Canizares, Town Manager

Re: Approval of TIRZ No. 3 Project and Finance Plan

Town Council Meeting – February 24, 2026

Strategic Visioning Priority: 3. Commercial Corridors are ready for Development

Agenda Item:

Consider and act upon approval of a Project and Finance Plan for Tax Increment Reinvestment Zone No. 3.

Description of Agenda Item:

The Town Council created Tax Increment Reinvestment Zone for the purpose of encouraging development along the Dallas North Tollway. A portion of property taxes on new value would be dedicated to constructing or reimbursing property owners for the construction of public infrastructure. These funds would also be available for costs related to administration and providing services to the zone. TIRZ No. 3 is proposed to be effective for a term of 20 years.

The total amount of project costs is \$193,100,000. Projections for revenue are very conservative with a total of \$9,951,154 anticipated to be collected by the end of the 20-year term, assuming a 7% growth rate. Again, this is very conservative, and it is anticipated the value of future development projects will far exceed the amount projected in the plan. For example, a mixed-use project recently presented to the Town Council projected development costs of over \$300M, which is greater than the total base taxable value within the zone of \$258,946,538.

The TIRZ No. 3 Board of Directors approved the final project and finance plan during its first meeting on February 10, 2026. Texas Tax Code Chapter 311 requires that the plan be submitted to the governing body for approval after adoption.

Budget Impact:

The increment proposed for TIRZ No. 3 is 50% of the operations and maintenance rate that is currently set at .322054. The remaining .161027 would continue to go into the General Fund and revenue from the remaining .161027 would be dedicated to the zone. Revenue from the rate dedicated to the interest and sinking fund (currently .182946) would continue to be collected solely for Town debt obligations and not support the zone.

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P., has approved the attached documents as to form and legality.

Attached Documents:

1. Project and Financing Plan

Town Staff Recommendation:

Staff recommend approval of the proposed project and finance plan as presented.

Proposed Motion:

I move to approve/deny the Project and Finance Plan for Tax Increment Reinvestment Zone No. 3.