



ADMINISTRATION

To: Mayor and Town Council
From: Chuck Ewings, Assistant Town Manager
Through: Mario Canizares, Town Manager
Re: Public Hearing for TIRZ#3 Preliminary Project Plan

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

Agenda Item:

Conduct a Public Hearing on the proposed creation of Tax Increment Reinvestment Zone No. 3 located along the Dallas North Tollway generally bound by Frontier Parkway, US Highway 380, North Coleman Street, and West of the Dallas North Tollway along existing/future Shawnee Trail.

Description of Agenda Item:

The Town Council has proposed to create a 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.

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. Preliminary Project Plan

Town Staff Recommendation:

This item is a public hearing item only.

Proposed Motion:

No action required.