

City Council Meeting
Agenda Item
Data Sheet

Meeting Date: May 20, 2024

Topic:

Consider approval of Resolution 2024-22 approving the FY 2022-2023 Tomball Tax Increment Reinvestment Zone No. 3 Annual Report.

Background:

On December 6, 2021, the City Council adopted Ordinance No. 2021-39 establishing Tax Increment Reinvestment Zone No. 3 (TIRZ No. 3) for the purposes of dedicating incremental tax revenue from the designated area in support of eligible project costs.

Chapter 311.016 of the Texas Tax Code requires the governing body that created a TIRZ to draft and approve an annual report be submitted to the Texas Comptroller and any taxing unit that levies property taxes on real property in the TIRZ. The report must include:

- the amount and source of revenue in the tax increment fund established for the zone;
- the amount and purpose of expenditures from the fund;
- the amount of principal and interest due on outstanding bonded indebtedness;
- the tax increment base and current captured appraised value retained by the zone; and
- the captured appraised value shared by the municipality or county and other taxing units, the total amount of tax increments received, and any additional information necessary to demonstrate compliance with the tax increment financing plan adopted by the governing body of the municipality or county.

FY 2022-2023 was the first active year of TIRZ No. 3 since its creation. No revenue from incremental increases in value nor expenditures were recorded. A summary table is below and a copy of the full Annual Report is attached as an exhibit to the resolution.

| Fiscal Year | Tax Year | Base Value | Tax Year Value | Increment | TIRZ Revenue | TIRZ Expenditures |
|-------------|----------|-------------|----------------|-----------|--------------|-------------------|
| 2021-2022 | 2021 | \$7,843,320 | --- | --- | --- | --- |
| 2022-2023 | 2022 | \$7,843,320 | \$7,843,320 | \$0 | \$0 | \$0 |

Origination: City Manager’s Office

Recommendation:

Staff recommends appointment of the City Council as the TIRZ No. 3 Board of Directors.

Party(ies) responsible for placing this item on agenda: Jessica Rogers, Assistant City Manager

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____

If yes, specify Account Number: # _____

If no, funds will be transferred from account: # _____ To Account: # _____

| | | | | |
|----------------|-----------------------|-----------------|---------------------|--|
| Signed: | <u>Jessica Rogers</u> | <u>5/7/2024</u> | Approved by: | _____ |
| | Staff Member | Date | | City Manager Date |