



City of Colleyville

Tax Increment Financing District Board Agenda

City Hall
100 Main Street
Colleyville, Texas 76034
817. 503.1000
www.colleyville.com

Monday, July 30, 2018
12 Noon

Executive Conference Room
Third Floor, City Hall

1. **CALL TO ORDER**
2. **CONSENT: READING AND PUBLIC HEARING- RESOLUTION R-18-01**
 - 2a Approval of the July 24, 2017 Tax Increment Financing District Board Meeting Minutes
 - 2b Approval of the January 31, 2018 Tax Increment Financing District Board Meeting Minutes
3. **PRESENTATION AND DISCUSSION**
 - 3a Review and discuss the status of the Colleyville Tax Increment Financing District
4. **ADJOURNMENT**

I hereby certify this agenda was posted on City Hall bulletin boards Thursday, July 26, 2018 by 5:00 p.m.

Christine Loven, TRMC
City Secretary

A quorum of the Colleyville City Council and/or any other Colleyville Board, Commission, or Committee may be in attendance at this meeting.

Any matter on this agenda may, at the discretion of the governing body, be opened for public comment and discussion.

If you plan to attend this public meeting and have a disability that requires special accommodations, please advise the Executive Secretary at least 48 hours in advance at 817.503.1110, and reasonable accommodations will be made to assist you.

RESOLUTION R-18-01

**A RESOLUTION APPROVING MINUTES OF THE TAX INCREMENT
FINANCING DISTRICT BOARD OF DIRECTORS MEETING**

WHEREAS, the Colleyville Tax Increment Financing District Board of Directors held a meeting on July 30, 2018.

**NOW, THEREFORE, BE IT RESOLVED BY THE TAX INCREMENT
FINANCING DISTRICT BOARD OF DIRECTORS OF THE CITY OF
COLLEYVILLE TEXAS:**

- Sec 1. THAT the minutes of the Tax Increment Financing District Board of Directors meeting held July 24, 2017 are hereby approved.
- Sec. 2. THAT the minutes of the Tax Increment Financing District Board of Directors meeting held January 31, 2018 are hereby approved

AND IT IS SO RESOLVED.

APPROVED BY A VOTE OF ____ AYES, ____ NAYS, ____ AND ABSTENTIONS ON THIS THE 30TH DAY OF JULY 2018.

ATTEST:

**COLLEYVILLE TAX INCREMENT
FINANCING DISTRICT BOARD**

Christine Loven, TRMC
City Secretary

Richard Newton
Chairman



City of Colleyville

Tax Increment Financing District Board MINUTES

City Hall
100 Main Street
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Monday, July 24, 2017
12:00 p.m.

Executive Conference Room
Third Floor, City Hall

The Tax Increment Financing District Board of Directors meeting was called to order by Chairman Richard Newton on July 24, 2017, at 12:00 p.m.

ROLL CALL: Chairman Richard Newton, Vice Chairman Mike Taylor, Directors Bobby Lindamood, Mark McClendon, Scott Rule, and John Eubanks.

ABSENT: Directors Nancy Coplen, Tammy Nakamura, and Rebecca Barksdale

ALSO PRESENT: City Manager Jerry Ducay, Assistant City Manager/Economic Development and Communications Director Mark Wood, Strategic Services Manager Adrienne Lothery, Chief Financial Officer Shereen Gendy, and Assistant City Secretary Christine Loven

2. **CONSENT: READING AND PUBLIC HEARING- Resolution R-17-01**

2a Approval of the minutes of the Tax Increment Financing District Board of Directors meeting of July 25, 2016

Chairman Newton read Resolution R-17-01 in its entirety.

Chairman Newton opened the public hearing at 12:04 p.m.

There was no one present wishing to speak and Chairman Newton closed the public hearing at 12:04 p.m.

Vice Chairman Taylor moved to approve Resolution R-17-01. Director Lindamood seconded the motion.

The motion to approve carried by the following vote:

Aye: 6 - Chairman Richard Newton, Vice Chairman Mike Taylor, Directors Bobby Lindamood, Mark McClendon, Scott Rule, and John Eubanks

Absent: 3 - Directors Nancy Coplen, Tammy Nakamura, and Rebecca Barksdale

3. **PRESENTATION AND DISCUSSION**

3a Review and discuss the status of the Colleyville Tax Increment Financing District

Strategic Services Manager Adrienne Lothery presented the annual update of the TIF and briefed the Board.

Vice Chairman Taylor said he challenges the date of Hall-Johnson Road being added to the TIF, believing it was part of the original TIF, not added by amendments. Manager Lothery stated she will check and respond appropriately.

Director McClendon stated he has seen that the most successful TIFs have been those who have a clear vision. Meaning, it is fine to have a plan for allocation of the money, but not to continue to think the funds must be spent within a specific category. Director McClendon stated having a vision of where the City wants to be will allow for success for all TIF partners.

Director Eubanks asked staff for a reconciliation of TIF revenues and expenditures, and a planned projects strategy. Manager Lothery noted there are several new employees at the City with a fresh perspective and she believes 2018 going forward will provide for projects and vision.

Director McClendon stated early completion of projects allows the City to have full use of funds throughout the City, not only within the confines of the TIF boundaries.

Manager Lothery noted the TIF consultant has indicated there may be opportunities to fund projects which feed the TIF District, but are not within the boundaries, and the City will be evaluating those opportunities and will bring the information to the Board.

City Manager Ducay stated in the coming months, the records will be reviewed and the City will bring forward a five-year plan and an accounting of expenditures versus project categories, a forecast of future revenues, and balances available for allocation.

There was general discussion regarding the costs of the Highway 26 and Glade Road projects and the development of a project plan.

Director Taylor noted there is a new City Council, new City Manager, and new Directors and there needs to be a change in the project plan and accountability.

4. ADJOURNMENT

There being no further business before the Tax Increment Financing District Board, Chairman Newton adjourned the meeting at 1:10 p.m.

APPROVED BY A VOTE OF __ AYES, __ NAYS, AND __ABSTENTIONS, ON THIS THE 30TH DAY OF JULY 2018.

Minutes taken and prepared by:

Christine Loven, TRMC
City Secretary



City of Colleyville

Tax Increment Financing District Board MINUTES

City Hall
100 Main Street
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Wednesday, January 31, 2018
12:00 p.m.

Executive Conference Room
Third Floor, City Hall

The Tax Increment Financing District Board of Directors meeting was called to order by Chairman Richard Newton on January 31, 2018, at 12:00 p.m.

ROLL CALL: Chairman Richard Newton, Vice Chairman Mike Taylor, Directors Nancy Coplen, Bobby Lindamood, Tammy Nakamura, Mark McClendon, and John Eubanks.

ABSENT: Directors Scott Rule and Rebecca Barksdale

ALSO PRESENT: Councilmember Kathy Wheat, City Manager Jerry Ducay, Assistant City Manager Adrienne Lothery, Chief Financial Officer Shereen Gendy, Accounting Manager Karen Hines, Intern Brittany Huff, and City Secretary Christine Loven

2. PRESENTATION AND DISCUSSION

2a Overview of the TIF regulatory history

Assistant City Manager Adrienne Lothery introduced the City's TIF consultant David Pettit of Economic Development, who provided a foundational background on the TIF, highlighted Chapter 311 of the Tax Code which outlines the two procedures for creating and amending a TIF, and explained changes which have occurred in legislation over the last decade.

Mr. Petit explained the length of the TIF, the caps which were put in place by GCISD and TCC; amendments to the projects and financing plans, and boundary amendments.

2b Presentation and discussion of the TIF revenues and expenditures reconciliation

Strategic Services Manager Adrienne Lothery recognized the Finance Department for their work in creating the reconciliation.

Manager Lothery reviewed the reconciliation, categories, and projects, and answered questions of the board.

Vice Chairman Taylor asked if the reconciliation contained audited numbers. Manager Lothery replied yes.

Chairman Newton asked if there was a difference in the rate paid by GCISD before the cap. Manager Lothery replied the M&O rate in 2005 was 1.47, today it is 1.04.

There was general discussion regarding the layout of the reconciliation to avoid confusion.

2c Presentation and discussion of the draft five-year plan

City Manager Jerry Ducay stated the five-year plan is preliminary and not adopted by City Council with this budget, however, it will be adopted in the FY 2019 budget.

Manager Lothery presented the draft five-year plan and answered questions of the Board.

Director Coplen asked if there were any plans for the TIF beyond 2022. Chairman Newton stated this will be a rolling plan which if revisited and updated annually with the projects as they become developed.

Vice Chair Taylor stated the columns within the report are confusing and need to be clarified.

Director Eubanks asked if the five year plan is an indication of the intent to spend funds. Chairman Newton stated it is a starting point for planning and the intent will be to adopt the plan in July.

There was discussion of how to clarify the plan and segregate each entity to show the contribution and improvements.

There was additional discussion regarding amendments to the TIF and interpretation of the latitude allowed in the categories.

Vice Chairman Taylor stated on a personal note it has been a great blessing to serve the City and he feels better about the TIF today because of the efforts of the staff to provide the information for which they have asked for many years. He thanked Mayor Newton and the staff.

Director Nakamura asked what happens to the TIF in 2030. Mr. Petit stated there will be options to consider based on projects and legislation.

3. ADJOURNMENT

There being no further business before the Tax Increment Financing District Board, Chairman Newton adjourned the meeting at 1:03 p.m.

APPROVED BY A VOTE OF _ AYES, _ NAYS, AND _ABSTENTIONS, ON THIS THE 30TH DAY OF JULY 2018.

Minutes taken and prepared by:

Christine Loven, TRMC
City Secretary



City of Colleyville Tax Increment Financing District Board Agenda Briefing

City Hall
100 Main Street
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Agenda Number 3a	Agenda Date 07/30/2018	Number
Type Presentation and Discussion		
Department City Manager		
Title		
Review and discuss the status of the Colleyville Tax Increment Financing District		

Explanation

Adrienne Lothery, Assistant City Manager, will provide an update of the Fiscal Year 2018 status of the Colleyville Tax Increment Financing (TIF) District. A 5-Year working plan for use of TIF funds will also be presented.

Attachments

1. Colleyville TIF Fiscal Year 2018 Update Presentation
2. TIF Annual Report - FY 2017
3. 5-Year TIF Working Plan

Annual Board Meeting

City of Colleyville TIF Board
July 30, 2018

Background: Purpose of a TIF

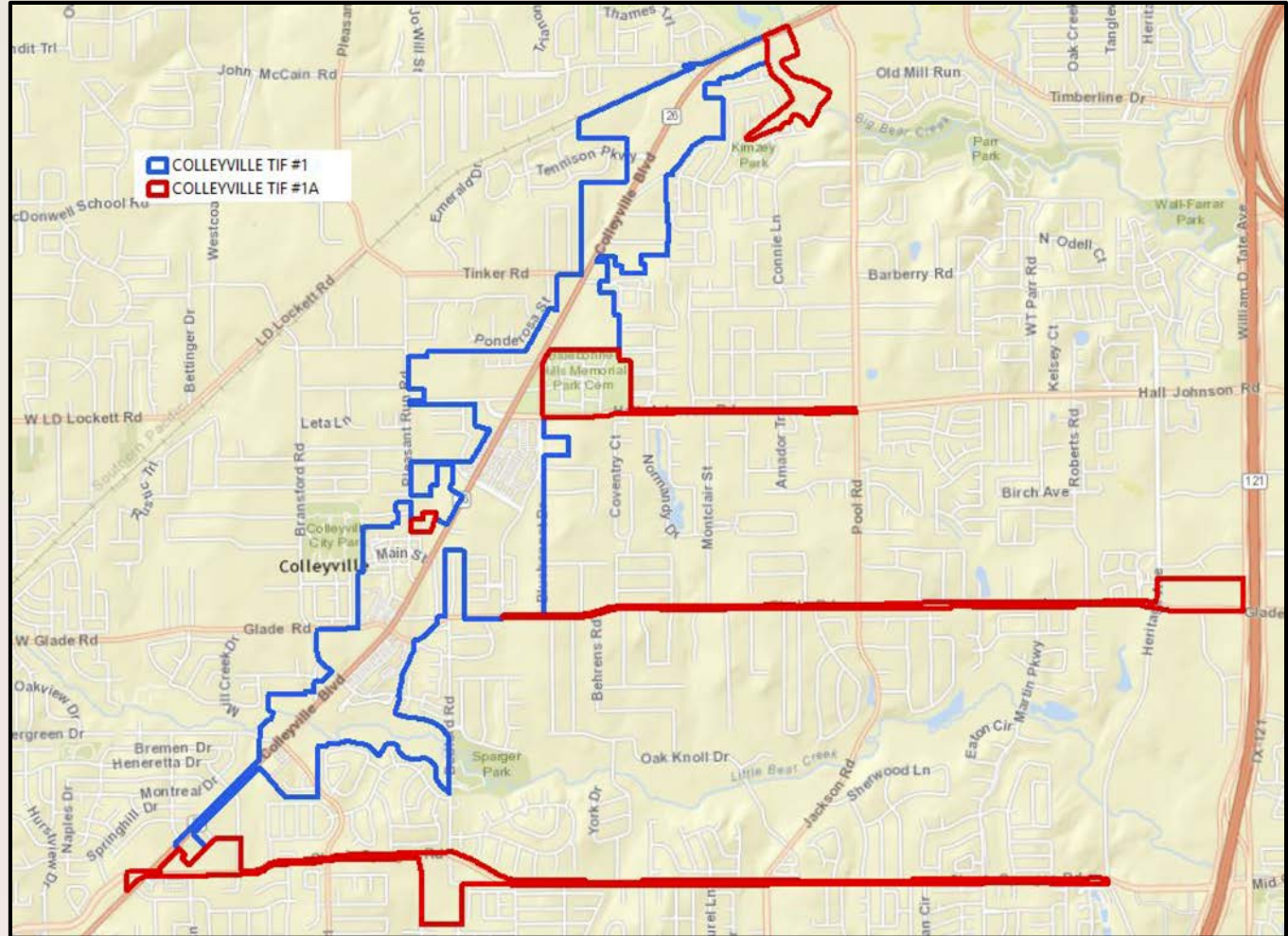


- Chapter 311 of the Texas Tax Code
- To accelerate commercial development in an underdeveloped area (geographic zone) or to renovate existing blighted development in an area
- Entities contribute ad valorem taxes received from the incremental value increase on property within the zone
- Provides for debt issuance for infrastructure improvements within the zone

TIF Map



- 1998 TIF #1 created
- 2012 TIF #1a added
- 2030 TIF expires



TIF Taxable Value Update



<u>1998 Taxable Base Value:</u>	<u>\$75,821,735</u>
2016 Taxable Value (3/15/17):	\$384,869,207
2017 Taxable Value (2/26/18):	\$442,248,745
Incremental Value Increase:	\$366,427,010
2017 New Construction (2/26/18):	\$19,491,986
 <u>Expanded TIF Area Base Value:</u>	 <u>\$30,796,078</u>
2016 Taxable Value (3/15/17):	\$38,839,096
2017 Taxable Value (2/26/18):	\$39,918,884
Incremental Value Increase:	\$9,122,806
2017 New Construction (2/26/18):	\$0

TIF Participation



Entity	Rate
City of Colleyville	100%
Grapevine Colleyville ISD	100% M&O*
Tarrant County	100%**
Tarrant County College District	100%
Tarrant County Hospital District	100%***
* 74% dedicated to \$27 million in general public improvements and remaining 26% dedicated to GCISD school improvements ** Participation capped at \$4.35 million, cap reached in 2012 *** Participation capped at \$3.85 million, cap reached in 2012	

Background: FY 2018 Timeline



Dates	Action
Summer 2017	Taxing entities adopt a tax rate for FY 2018
July 25, 2017	TAD certifies AV values for FY 2018
December 2017	City of Colleyville submits annual report for Fiscal Year ended Sept. 30, 2017 (FY 2017) – due 90 days after FYE
January 31, 2018	Special TIF Board meeting – Update (Reconciliation) of Financial Position & Preliminary draft of 5-year plan
March 2018	Final Updates to 2017 AV values received from TAD; City of Colleyville invoices TIF partners for FY 2018
May 1, 2018	FY 2018 TIF payments due
July 2018	Annual TIF Board meeting - in July per bylaws

FY 2017 Revenue (based on 2016 values)



Tax Increment Revenues TIF #1

City of Colleyville	\$1,048,073
Tarrant County College District	\$449,064
Grapevine Colleyville ISD-Total Payment*	\$3,063,235
Grapevine Colleyville ISD**	(\$796,441)
Grapevine Colleyville ISD***	\$976,988
Tarrant County #	\$0
Tarrant County Hospital District #	\$0
TOTAL	\$4,740,918

Tax Increment Revenues TIF #1A

City of Colleyville	\$27,276
Tarrant County College District	\$11,637
TOTAL	\$38,914

Interest

TOTAL	\$167,072
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*This is calculated based on the compressed M&O tax rate, as stipulated by State Law (H.B. 3646 [81])

** 26% of the payment is returned to GCISD per contract

*** Supplemental payment for difference in current M&O tax rate of \$1.04 and \$1.471 2005 M&O tax rate

Contractual obligation for payment of incremental revenues met in 2012

Outstanding Debt



SERIES 2016 TAX INCREMENT REVENUE AND REFUNDING BONDS

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL	INTEREST RATE
2018	\$610,000	\$44,200	\$654,200	2%
2019	\$625,000	\$28,725	\$653,725	3%
2020	\$645,000	\$9,675	\$654,675	3%
TOTAL	\$1,880,000	\$82,600	\$1,962,600	

Project Plans



Original Project Plan
Downtown Improvements
Plaza
Professional Services
Public Parking, land, engineering
Storm Drainage
Library
Hall-Johnson Road
Bluebonnet Drive
SH 26
Tinker/Sanders Intersection
Bogart
Church Street
Riverwalk Drive
Public Parking Structure
Main Street
City Hall
Fire Station
John McCain Road
School Improvements
Total (orig. estimate) = \$35,328,690

Amended Project Plan
Economic Development TIF Grants
Roadway Improvements
Trails & Public Amenities
Administrative Expenses
Total (orig. estimate) = \$44,456,185

Notes:

- All \$ projections for project costs are estimates and are not a limitation
- Revenue from ISD participation may not be used on any project category added by the 2012 amendment
- Only revenue from City participation can be used on TIF Grants category

5-Year Plan



- Created a working draft of a 5-year plan shared at the January 2018 TIF Board meeting
- City staff and GCISD staff have met twice to share information and input
- Updated 5-Year plan presented today, as a guide for the coming years
- Continue to update plan each year, and eventually create a working draft of all years through TIF expiration (12/31/30)

Questions & Discussion

TIF ANNUAL REPORT - CITY OF COLLEYVILLE
FISCAL YEAR ENDED SEPTEMBER 30, 2017 (FY 2017)

TAXABLE VALUE:

	<u>GCISD</u>	<u>County & Hospital</u>	<u>County College</u>	<u>City of Colleyville</u>
Colleyville TIF #1				
TAX YEAR 2016 / FY 2017 TAXABLE VALUE	\$381,916,707	\$386,049,207	\$386,056,207	384,869,207 -
1998 BASE VALUE	\$75,593,230	\$75,772,230	\$75,779,230	75,821,735
INCREMENTAL VALUE INCREASE	\$306,323,477	\$310,276,977	\$310,276,977	309,047,472
Colleyville TIF #1A				
TAX YEAR 2016 / FY 2017 TAXABLE VALUE		\$38,851,906	\$38,851,906	38,839,096 -
2012 BASE VALUE		\$30,811,178	\$30,811,178	30,796,078
INCREMENTAL VALUE INCREASE		\$8,040,728	\$8,040,728	8,043,018

NOTE: Taxable value can vary slightly for each taxing entity based on differing exemptions

REVENUES:

Tax Increment Revenues TIF #1 -

CITY OF COLLEYVILLE	(0.0033913 x TIF#1 incremental value)	1,048,073
TARRANT COUNTY COLLEGE DISTRICT	(0.0014473 x TIF#1 incremental value)	449,064
GRAPEVINE COLLEYVILLE ISD -TOTAL PAYMENT*	(0.01 x TIF#1 incremental value)	3,063,235
GRAPEVINE COLLEYVILLE ISD **	(0.26 x total payment)	(796,441)
GRAPEVINE COLLEYVILLE ISD ***	(0.26 x payment difference from current vs. 2005 M&O tax r	976,988
TARRANT COUNTY #	CAPPED	-
TARRANT COUNTY HOSPITAL DISTRICT #	CAPPED	-
TOTAL		4,740,918

Tax Increment Revenues TIF #1A -

CITY OF COLLEYVILLE	(0.0033913 x TIF#1A incremental value)	27,276
TARRANT COUNTY COLLEGE DISTRICT	(0.0014473 x TIF#1A incremental value)	11,637
TOTAL		38,914

Interest Income 167,072

*THIS IS CALCULATED BASED ON THE COMPRESSED M&O TAX RATE, AS STIPULATED BY STATE LAW (H.B. 3646 [81])

** 26% OF THE PAYMENT IS RETURNED TO GCISD PER CONTRACT

*** SUPPLEMENTAL PAYMENT FOR DIFFERENCE IN CURRENT M&O TAX RATE OF \$1.04 AND \$1.471 2005 M&O TAX RATE

CONTRACTUAL OBLIGATION FOR PAYMENT OF INCREMENTAL REVENUES HAS BEEN MET

EXPENDITURES & DEBT PAYMENT:

Original Project Plan-

SERIES 2016 REFUNDING BOND INTEREST EXPENSE PAYMENT	62,069
SH 26	4,420
PLAZA - 89 VERANDA LN	41,024
PLAZA - 86 & 94 MAIN ST	342,238
PLAZA - COTTAGE LANE & TERRA COTTA WAY - LAND PURCHASE	812,094
PLAZA - VILLAGE HOA DUES	5,869
PROFESSIONAL SERVICES - ADMINISTRATIVE	21,850
MAIN STREET - VILLAGE BEAUTIFICATION & IMPROVEMENTS	18,239
JOHN MCCAIN ROAD REHAB	103,733

Debt Principal Payment

FISCAL YEAR 2017 - SERIES 2016 REFUNDING BOND PRINCIPAL PAYMENT 600,000

Amended Project Plan-

ROADWAY IMPROVEMENTS - GLADE ROAD DESIGN	618,126
ROADWAY IMPROVEMENTS - GLADE ROAD PHASE 1A	1,059,029
ROADWAY IMPROVEMENTS - GLADE RD DESIGN PHASE 2,3,4	256,720
TRAILS & AMENITIES - COTTONBELT TRAIL REFUND OF TAXES	(582)
TOTAL EXPENDITURES & DEBT PAYMENTS	3,944,828.96

CASH BALANCE:

TOTAL TIF CASH AND INVESTMENTS AS OF 9/30/2017	18,962,207
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OUTSTANDING DEBT SERVICE SCHEDULE**SERIES 2016 TAX INCREMENT REVENUE AND REFUNDING BONDS**

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL	INTEREST RATE
2018	\$610,000	\$44,200	\$654,200	2%
2019	\$625,000	\$28,725	\$653,725	3%
2020	\$645,000	\$9,675	\$654,675	3%
TOTAL AS OF 10/01/2017	\$1,880,000	\$82,600	\$1,962,600	

TIF 5-Year Working Plan as of July 24, 2018

	Original Project Plan	Grants Category	Roadway Improvements	Trails & Public Amenities	Admin. Expenses	TOTAL Amended Project Plan
As of 6/7/18 Available Balances	\$ 13,679,789					\$ 7,900,583
2018						
Central Fire Station Capital Improvements & Repairs	\$ 147,322	\$ -	\$ -	\$ -	\$ -	
Cheek-Sparger Road (San Bar to Brown Trail) - DESIGN & ROW			399,000			
Glade Road Design (Phase 2- Manning to Pool)			170,000			
Glade Road ROW (Phase 2)			160,000			
Glade Road median improvements (near Roberts Road)			50,000			
Senior Center Improvements				50,000		
Riverwalk (at Glade) Median Improvements	40,000					
Church Street Median Improvements	50,000					
Fiber Project	250,000					
John McCain Road - Roundabout improvements (public art)	10,000					
Glade Road & Pool - Roundabout improvements (public art)				20,000		
Jackson & Cheek Sparger - Roundabout improvements				70,000		
SH26 Medians & ROW	1,000,000					
SH26 ROW maintenance during reconstruction	25,000					
Economic Development Grants		200,000				
Land acquisition	2,500,000					
Plaza at City Hall	100,000					
	\$ 4,122,322	\$ 200,000	\$ 779,000	\$ 140,000	\$ -	\$ 1,119,000
Estimated 10/1/18 Available Balances	\$ 9,557,467					\$ 6,781,583
2019						
Cheek-Sparger Road (San Bar to Brown Trail) - Construction	\$ -	\$ -	\$ 425,000	\$ -	\$ -	
McDonnell School Rd Westcoat Dr Roundabout - ROW ACQUISITION			250,000			
Glade Road ROW (Phase 2)			200,000			
Roberts Road - Design			354,000			
Roberts Road - ROW Acquisition			500,000			
City Hall - Backup Generator	181,000					
Main Street (at SH26) Median Improvements	50,000					
Wayfinding Signs to Downtown	350,000					
Street furniture and public art	750,000					
City Hall/Library - HVAC Replacement	327,600					
TIF Debt Payment	653,725					
Fiber Project	139,465					
SH-26 Lighting	3,000,000					
SH26 Medians & ROW	4,000,000					
SH26 ROW maintenance during reconstruction	25,000					
Economic Development Grants		750,000				
Entrepreneur Center		100,000				
Recreation Center Design	500,000					
Land acquisition	2,000,000					
Plaza at City Hall	1,750,000					
Downtown Improvements- Creation of riverwalk area	500,000					
Downtown Improvements- Entrance to The Village at Colleyville	500,000					
John McCain Road - Roundabout improvements (landscape)	50,000					
Glade Road & Pool Roundabout improvements (landscape)				50,000		
	\$ 14,776,790	\$ 850,000	\$ 1,729,000	\$ 50,000	\$ -	\$ 2,629,000
(+) FY19 Revenue	3,757,590					1,800,000
Estimated 10/1/19 Available Balances	\$ (1,461,733)					\$ 5,952,583
2020						
Economic Development Grants		\$ 500,000				
Entrepreneur Center		100,000				
Roberts Road - CONSTRUCTION			2,100,000			
Glade Road (Phase 1 - SH26 to Manning) Construction			2,000,000			
Glade Road (Phase 2 - Manning to Pool) - Construction			2,000,000			
Recreation Center Construction	3,000,000					
Trail - Little Bear Creek connection of CNC to Sparger Park				\$ 750,000		
Land acquisition						
Fiber Project	139,465					
TIF Debt Payment	654,675					
	\$ 3,794,140	\$ 600,000	\$ 6,100,000	\$ 750,000	\$ -	\$ 7,450,000
(+) FY20 Revenue	3,945,469					1,890,000
Estimated 10/1/20 Available Balances	\$ (1,310,404)					\$ 392,583
2021						
City Hall - Flooring Rehab	\$ 87,808					
Glade Road (Phase 2 - Manning to Pool) - Construction			2,000,000			
Land acquisition	-					
Recreation Center Construction	2,000,000					
Parking lot/deck	3,000,000					
Entrepreneur Center		100,000				
Economic Development Grants		500,000				
	\$ 5,087,808	\$ 600,000	\$ 2,000,000	\$ -	\$ -	\$ 2,600,000
(+) FY21 Revenue	4,142,743					1,984,500
Estimated 10/1/21 Available Balances	\$ (2,255,469)					\$ (222,917)
2022						
Library - Flooring Rehab	\$ 95,210					
Land acquisition	1,500,000					
Storm Drainage improvements	1,000,000					
Entrepreneur Center		100,000				
Economic Development Grants		500,000				
	\$ 2,595,210	\$ 600,000	\$ -	\$ -	\$ -	\$ 600,000
(+) FY22Revenue	4,349,880					2,083,725
Estimated 10/1/22 Available Balances	\$ (500,799)					\$ 1,260,808