

**Richland Hills Tax Increment Reinvestment Zone #1, Baker Boulevard
Board of Directors Meeting
Minutes**

**Monday, August 24, 2020
5:00 P.M.
Richland Hills City Hall
3200 Diana Drive**

Board Members Present:

Edward Lopez
Douglas Knowlton
Allison Barger
Curtis Bergthold
Roland Goveas
Athena Campbell

Board Members Present Via Teleconference:

Rebecca Barksdale

Staff

Candice Edmondson, City Manager
Cathy Bourg, City Secretary

Staff Present Via Teleconference

Betsy Elam, City Attorney

The Richland Hills Tax Increment Reinvestment Zone #1 meeting is open to the public and citizens are welcome to attend. However, due to the current Coronavirus (COVID-19) outbreak in our area and in an effort to abide by social distancing requirements, we encourage citizens wishing to participate in the meeting to email comments to City Secretary Cathy Bourg at cbourg@richlandhills.com by 4:00 p.m. on Monday, August 24th. Your comment will be read aloud during Item 3 *Public Comments*.

Some members of the Tax Increment Reinvestment Zone #1 may be unable to attend and will be participating via teleconference. If you would like to call in during *Public Comments* dial (817) 616-3779.

Like all Tax Increment Reinvestment Zone #1 meetings, this meeting will be broadcast live over the City of Richland Hills website for those who wish to watch from home.

1. CALL TO ORDER

Mayor Lopez called to order at 5:00 p.m.

2. EXECUTIVE SESSION

A. Executive Session: Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, Section 551.071. Refer to posted list attached hereto and incorporated herein. **Executive Session may be held, under these exceptions, at any time during the meeting that a need arises for the Tax Increment Reinvestment Zone #1 to seek advice from the City Attorney as to the posted subject matter of this Tax Increment Reinvestment Zone #1 meeting.**

None

B. Reconvene: Action necessary on items discussed in Executive Session

3. PUBLIC COMMENTS

This is the public's opportunity to address the Tax Increment Reinvestment Zone #1 Board on any matter not posted on the agenda. Citizen comments emailed to Cathy Bourg (cbourg@richlandhills.com) on an item either listed on this agenda or not listed on this agenda will be heard at this time.

None

REGULAR AGENDA

4. Approve minutes from the September 23, 2019 Tax Increment Reinvestment Zone #1 meeting

Motion: Motion was made by Board Member Barger and seconded by Board Member Goveas to approve.

Motion carried by a vote of 6-0. Member Campbell absent from Chamber

5. Consider approval of the revised Baker Boulevard TIRZ #1 Tax Increment Financing Plan

Terry Leake, Interim Finance Director gave a presentation on the revised Baker Boulevard TIRZ #1 Tax Increment Financing Plan.

When a Tax Increment Financing (TIF) Zone is established, a Financing Plan for Project Plan improvements is adopted by the Board and subsequently the City Council. In 2009, Richland Hills established a TIF comprised primarily of the properties along Baker Boulevard, which expires in 2029. When the Baker Boulevard TIF was established, a Financing Plan was adopted. The two major contributing financial elements were property taxes on the incremental increase of taxable property value within the TIF and 1/8 of the one cent sales tax on businesses within the TIF. The incremental value is the amount above the 2009 base property taxable value and base sales tax collected in 2009. The Financing Plan included contributions from the taxable incremental property taxes from the following entities and the percent of the contribution: Richland Hills

(100%), Tarrant County (75%), Tarrant County College District (50%), and Tarrant County Hospital District (75%).

As the Financing Plan was adopted in 2009, there is a need to update the Financing Plan to reflect actual contributions for Fiscal Years 2010 through 2020, and revise projections for Fiscal Years 2021 through 2029 due to the following considerations:

- There was no incremental property value increase in the TIF until Fiscal Year 2016; no contributions were made, as the taxable value was lower than the 2009 base value for Fiscal Years 2010-2015.
- The actual incremental property value is considerably lower than the amount projected in the Financing Plan (Fiscal Year 2020: actual - \$22,870,054 / projected - \$35,400,036). The projected incremental value in the final year (2029) is \$86,656,312.
- There are two contributing entities, Richland Hills (100% of taxable incremental value) and Tarrant County (75% of taxable incremental value), rather than the four entities reflected in the adopted financing plan.
- The contribution for sales tax within the zone averages \$75,000 per year.
- There was a bond sale included in the plan that did not occur

The proposed revision includes the two contributing entities (Richland Hills and Tarrant County) and projects an annual increase of 1.5% on existing properties. There is new construction of 48 residential homes with a \$200,000 value phased in over three fiscal years (2024, 2025, 2026) included in the incremental property value increase. The contribution for sales tax is \$75,000 annually for the nine remaining years. These revisions reduce the amount to be contributed for the remaining years of the TIF to \$3,093,796. A corresponding TIF Project Plan will be presented for the available and revised projected resources for the remainder of the TIF.

Motion: Motion was made by Board Member Bergthold and seconded by Board Member Campbell to approve the revised Baker Boulevard TIRZ #1 Tax Increment Financing Plan.

Motion carried by a vote of 7-0.

6. Consider approval of the revised Baker Boulevard TIRZ #1 Tax Increment Financing Project Plan

Candice Edmondson, City Manager gave a presentation on the revised Baker Boulevard TIRZ #1 Tax Increment Financing Project Plan.

In 2009, Richland Hills established a TIF comprised primarily of the properties along Baker Boulevard, which expires in 2029. When the Baker Boulevard TIF was established, a Financing Plan and Project Plan was adopted. The Financing Plan and Project Plan have not been updated since adoption, and there is a need to update both to reflect actual contributions and revised projections.

After a thorough analysis of the TIF zones financial elements, revisions have been made to both the Financing and Project Plans. The revised Financing Plan will be discussed in a separate item but provides for \$4,033,519 in available funds throughout the remaining life of the TIF.

The revised Project Plan is attached to this memo for your review and consideration. Proposed revisions to the adopted plan include the following:

Administration

- Annual TIF Maintenance Costs – Reduced by \$155,000: There is no cost to the City to administer the TIF, as it is handled by City staff. Category to be eliminated.
- Site Marketing – Reduced by \$55,000: Due to number of available undeveloped sites within the TIF, the amount was reduced.
- Matching Funds for Grants – Reduced by \$100,000: Funding for possible grants is contained in the Developer/Business Incentives category. Category to be eliminated.

Bonds

- Fees & Expense for Bond Issues – Reduced by \$47,459: Bonds were not issued and there are no plans to issue bonds over the remaining life of the TIF. Category to be eliminated.
- Bond Payoff – Interest – Reduced by \$933,500: Bonds were not issued and there are no plans to issue bonds over the remaining life of the TIF. Category to be eliminated.

Landscaping

- A new category was created (Baker Boulevard Corridor Landscaping) with funding of \$165,103. The remaining balance of \$22,366 in Landscaping – trees & shrubs in median and \$160,512 Landscaping – sidewalks was reallocated in the Project Plan and these categories will be eliminated.

Streetscape

- Engineering/Design – Reduced by \$75,000: Projected future project costs to be lower.
- Curb & Gutter – Reduced by \$350,000: Projected future project costs to be lower.
- Sidewalks - Reduced by \$350,000: Projected future project costs to be lower; ADA compliance moved to this project category.
- ADA Compliance – Reduced by \$30,000: Incorporated into Sidewalks project category. Category to be eliminated.
- Signal/Crosswalk Improvements – Increased by \$70,000: Provide funding for additional signal improvements.
- Upscale Street Lighting – Reduced by \$561,280: Project category will not be used. Category to be eliminated.
- Fiberglass Power Line - Reduced by \$225,000: Project category will not be used. Category to be eliminated.

Medical Clinic

- Proposed Medical Clinic - Land Acquisition - Reduced by \$100,000: Project category will not be used. Category to be eliminated.
- Proposed Medical Clinic - Improvements - Reduced by \$810,000: Project category will not be used. Category to be eliminated.

Developer /Business Incentives (Business added to category title)

- Developer Incentives: Increased by \$600,000: Provide additional funding for development of undeveloped sites.
- Façade & Sign Improvements Grants (Grants added to category) - Decreased by \$100,000 based on anticipated costs.
- Public Infrastructure Improvements (Utility deleted and replaced with Public Infrastructure) - Decreased by \$100,000 based on anticipated costs.

Park Facilities (revised to Public Facilities)

- Public Park – Land Acquisition - Reduced by \$500,000: Project category will not be used. Category to be eliminated.
- Park Facilities category title revised to Public Facilities - Increased by \$320,000: Provide additional funding for project category.
- Public Park – Maintenance - Reduced by \$10,000: Project category will not be used. Category to be eliminated.

Motion: Motion was made by Board Member Barger and seconded by Board Member Bergthold to approve the revised Baker Boulevard TIRZ #1 Tax Increment Financing Project Plan.

Motion carried by a vote of 6-0. Rebecca Barksdale abstained

7. ADJOURNMENT

A motion was made by Board Member Knowlton and seconded by Board Member Campbell to Adjourn. Motion passed 7-0.

There being no further business to come before the Board, Mayor Lopez declared the meeting adjourned at 5:32 p.m.

ATTEST

APPROVED

Lindsay Wells, City Secretary

Edward Lopez, Mayor