



## **Town of Flower Mound, Texas**

### **Tax Increment Reinvestment Zone #1 (TIRZ #1)**

# **ANNUAL REPORT**

# 2019

**Town of Flower Mound, Texas**  
***Tax Increment Reinvestment Zone #1***

**As of September 30, 2019**

**INDEX**

- 1) Cover**
- 2) Index**
- 3) Year End Summary of Meetings/Town Council/Board Actions**
- 4) Public Infrastructure/Building Projects**
- 5) Capital Improvement Plan Budget**
- 6) Budget vs. Expenditures**
- 7) TIRZ Fund**
- 8) Annual Report**

**Town of Flower Mound, Texas**  
***Tax Increment Reinvestment Zone #1***

**As of September 30, 2019**

**YEAR END SUMMARY OF MEETINGS/TOWN COUNCIL/BOARD ACTIONS**

During the period from October 1, 2018, through September 30, 2019, the Town of Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ) Board of Directors met once. The meeting was held on December 3, 2018, to approve the minutes from the December 4, 2017, TIRZ board meeting and the 2018 Annual Report.

Town of Flower Mound Economic Development Director, Andrea Roy, provided a brief overview of the 2018 Annual Report of the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ #1), including information that had changed since the previous annual report.

Deputy Town Manager/CFO, Debra Wallace, presented the revisions to the TIRZ #1 Project Plan. The original \$4,000,000 budget for the Improvements in Forum (Riverwalk) Area was reduced to \$730,000, leaving \$3,270,000 to be reallocated to the following projects: \$1,000,000 to FM 2499 at Waketon Intersection, \$470,000 to East Waketon Road Drainage Improvements, \$1,800,000 to Morriss Waterline Project PH III.

Board members appointed and serving at the time of the December 3, 2018 meeting: Town—Paul Stone, Bill Collins, Jim Engel and County—Larry Lipscomb and Lori Fickling. Ex-Officio members are Mayor Tom Hayden and Town Manager Jimmy Stathatos.

During the period from October 1, 2018, through September 30, 2019, the Flower Mound Town Council took the following action:

- At a meeting on December 17, 2018, the Town Council approved the 2018 Annual Report for the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ) in accordance with Chapter 311 of the Texas Tax Code.

**Town of Flower Mound, Texas**  
***Tax Increment Reinvestment Zone #1***

**As of September 30, 2019**

**PUBLIC INFRASTRUCTURE/BUILDING PROJECTS**

**2018-2019**

**River Walk Parking Structure**

On October 20, 2014, a Chapter 380 Partnership Agreement was executed between the Town of Flower Mound and RMI River Walk Investors, LP, which included the use of TIRZ funding for up to \$1 million for a public parking structure on the site of a nationally-branded hotel; later named the Courtyard by Marriott Dallas Flower Mound. Section 7 of the Agreement specifies that this financial assistance provided by the TIRZ may not exceed \$1 million and will be paid as reimbursement for infrastructure costs following the issuance of a Certificate of Occupancy for the parking structure. A First Amendment to the Chapter 380 Agreement was approved by Town Council on May 4, 2015, placing additional requirements on the acceptance of these TIRZ funds, in exchange for an extension to the parking structure's building permit deadline. On September 18, 2017, the Town Council approved a Second Amendment to the Chapter 380 Agreement, extending the required completion date of the parking structure. Since approval of the Second Amendment, RMI River Walk Investors, LP, completed the parking structure and received a Building Final on March 23, 2018. To date, RMI River Walk Investors, LP has not submitted a Payment Request to the Town for the reimbursement.

**Town Hall Project**

The new Town Hall project began with a feasibility study funded by the TIRZ board in 2012, with the new Town Hall portion being completed in November 2014. On August 9, 2016, the TIRZ Board recommended the use of TIRZ funds to pay the annual debt service on the issuance of \$10,000,000 to partially fund a new Town Hall for the Town of Flower Mound. The estimated total cost of the project was \$15,000,000; \$10,000,000 from the TIRZ and \$5,000,000 from the Town. The project consisted of an approximately 46,000 sq. ft. new Town Hall and associated site improvements located at the intersection of FM 1171 and Morriss Road, being the same location of the prior Town Hall. The new Town Hall was designed with enough space to consolidate staff operating from the prior Town Hall facility and rented space at the Atrium. Approximately 5,000 square feet of space is provided for future expansion. The facility was designed with an effort to maximize space and reduce wasted real estate that existed between the two main locations of Town operations; the prior Town Hall and the Atrium. The new Town Hall removed the lease payment obligation to the Town for the 19,000 square-feet of space leased at the Atrium at an amount of \$300,000 annually.

**Town of Flower Mound, Texas**  
***Tax Increment Reinvestment Zone #1***

**As of September 30, 2019**

On August 15, 2016, Town Council approved the following: a revision to the Tax Increment Reinvestment Zone #1 Project Plan (providing for the revised budget for the new Town Hall), a resolution declaring expectation to reimburse expenditures with proceeds of future debt and authorizing the preparation of the documents associated with the issuance, sale, and delivery of the debt obligations (related to the new Town Hall funding), and a professional services agreement with Oxley Williams Tharp Architect for the new Town Hall design. A professional services agreement with Kleinfelder Central, Inc., to provide geotechnical professional engineering services, in the amount of \$14,990, was approved by Manager Communication on August 28, 2016. The Construction Manager at Risk (CMAR) contract with Steele Freeman was approved by the Town Council on December 19, 2016, and the groundbreaking ceremony for the new Town Hall was held on June 19, 2017. Staff previously housed in the prior Town Hall moved into the new Town Hall the first week of December 2018, with the ribbon cutting and first Town Council meeting held on December 17, 2018. The remaining Staff who were housed at The Atrium relocated to the new Town Hall in March 2019, at which time the project was deemed to be substantially complete.

**Town of Flower Mound Public Library Project**

On June 19, 2017, the TIRZ Board recommended the use of TIRZ #1 Funds to pay the annual debt service on the issuance of \$10,900,000 for the Town of Flower Mound Public Library Renovation and Expansion Project. The project consists of a renovation of the existing 25,000 sq. ft. Library and an expansion of approximately 15,000 sq. ft., as well as associated site improvements. The expansion of the Library will create additional adult program rooms, quiet reading rooms, study rooms, additional collection space, a multi-purpose room, and more meeting spaces. On November 6, 2017, the Town Council approved a reimbursement resolution for an amount not to exceed \$10,900,000 to fund improvements in accordance with the FY 17-18 Capital Improvement Plan. On December 4, 2017, the Town Council then authorized the publication of notice to issue Certificates of Obligation, Series 2018, in the principal amount not to exceed \$10,900,000 to fund the project. This same evening, Town Council approved a professional services agreement for Library design services with Komatsu Architecture. Komatsu Architecture was the architect for the Library when originally built. Later, the Construction Manager at Risk (CMAR) contract with Steele & Freeman, Inc. was approved by the Town Council on June 18, 2018. The site plan was approved on March 20, 2019, and the construction award and testing award were both approved at the May 6, 2019, Town Council meeting. The approved Guaranteed Maximum Price (GMP) with Steele & Freeman, Inc. for the construction of the Library Expansion Project was in the amount of \$10,399,482.11. Construction is ongoing with a completion date in early FY 20-21.

**Town of Flower Mound, Texas**  
***Tax Increment Reinvestment Zone #1***

**As of September 30, 2019**

**Street Projects**

**FM 1171 Westbound Turn Lane at FM 2499 Intersection**

The project includes the installation of a FM 1171 westbound turn lane at the FM 1171/FM 2499 intersection, providing for approximately 410 feet of paving, hike/bike trails, utility relocations and traffic signal upgrades. The design contract in the amount of \$55,000 was awarded to Kimley-Horn and Associates, Inc. on October 3, 2016. Since that time, project design has been completed and right-of-way acquisition is ongoing. Buried utilities were located and several lines will need to be relocated. Coordination with TxDOT is ongoing.

**FM 2499 and Waketon Intersection Improvements**

The project initially included the addition of westbound and eastbound right turn lanes, however, during design and with coordination of adjacent property owners, the project will also include the northbound and southbound right turn lanes. The design contract was awarded to Halff Associates, Inc. in the amount of \$173,450.00 at the March 4, 2019, Town Council meeting. Design approximately 60% complete and right-of-way acquisition and franchise utility coordination is ongoing.

**Rippy Road**

Rippy Road will be completed in two phases. Phase 1 (Waketon Road to Pecan Meadows) included improvements of Rippy Road to its thoroughfare plan designated section, a two-lane concrete urban collector. On May 15, 2017, the Town Council approved a development agreement with CalAtlantic Homes, for construction of the improvements, providing reimbursement of the Town's share of the construction costs associated with the infrastructure improvements. Phase I of the project has been completed and the developer has received reimbursement for the construction costs associated with Phase 1.

Phase 2 (Pecan Meadows to FM 2499) includes improvements to approximately 2,500 linear feet of existing two lane open section asphalt roadway to its thoroughfare plan designated section, a two lane concrete urban collector. The project also includes an enclosed storm water collection system to improve storm water collection in the area. The design contract was awarded to CP&Y, Inc. at the March 4, 2019, Town Council meeting in the amount of \$298,645.75. Design plans are approximately 60% complete. Right-of-way acquisition and franchise utility coordination is ongoing. Phase 2 construction is expected to begin in FY 19-20.

**Town of Flower Mound, Texas**  
***Tax Increment Reinvestment Zone #1***

**As of September 30, 2019**

**Waketon Road**

Waketon Road will be completed in two phases. Phase 1 (FM 2499 to the western limits of the proposed Bradford Park Subdivision, approximately 1,450' east of Chinn Chapel Road) included improvements of Waketon Road to its thoroughfare plan designated section, a two-lane concrete urban collector. On May 15, 2017, the Town Council approved a development agreement with CalAtlantic Homes, for construction of the improvements, providing reimbursement of the Town's share of the construction costs associated with the infrastructure improvements. Phase I of the project has been completed and the developer has received reimbursement for the construction costs associated with Phase 1.

Phase 2 (Chinn Chapel Road to the western limits of the Bradford Parks Subdivision) includes improvements to approximately 1,650 linear feet of existing two lane open section asphalt roadway to its thoroughfare plan designated section, a two lane concrete urban collector. The project also includes a roundabout at Chinn Chapel. This is a joint project with the Town of Double Oak as they improve Waketon Road from Chinn Chapel west. The professional services agreement for the design phase services, with Halff Associates, Inc., in the amount of \$243,225, was approved on November 21, 2016. The plans are approximately 95% complete, but the project has been delayed until Double Oak is ready to bid. Both the Double Oak right-of-way acquisition and franchise utility relocation are still ongoing. Phase 2 construction is anticipated to begin late FY 19/20.

**Churchill Drive**

The project consists of extending Churchill Drive approximately 400 feet east to connect to Yucca Drive. Churchill Drive will be built during the reconstruction of Yucca Drive from Sagebrush to approximately 700 feet south of Cross Timbers. On June 20, 2016, the professional services agreement with Criado and Associates, Inc. to provide professional engineering services for the Yucca and Churchill projects in the amount of \$181,249 was approved. On June 5, 2017, Amendment No. 2 was approved in the amount of \$17,937 to the professional services contract to provide additional design services associated with the relocation and replacement of approximately 1,150 linear feet of waterline along Yucca Drive. Town Council awarded the construction of both projects on August 20, 2018. Notice to proceed was provided to the contractor on November 5, 2018. The extension of Churchill is open, however it will have temporary closures until work on Yucca is complete. Yucca is currently one-way southbound from Stonebridge south. The anticipated completion is March 2020.

**East Waketon Rd Drainage Improvements**

The project consists of channel excavation from FM 2499 to Waketon Road and culvert replacement under Waketon Road to alleviate the recurring flooding and traffic disruption of Waketon Road, east of FM 2499.

**Town of Flower Mound, Texas**  
***Tax Increment Reinvestment Zone #1***

**As of September 30, 2019**

The project will be constructed in two phases. Phase 1 provides for the channel excavation and Phase 2 provides for culvert replacement. In 2017, a drainage study was completed which provided hydraulic modeling of existing conditions, analysis of alternatives and a final report. The design was awarded on January 7, 2019, and plans are 30% complete. Construction is scheduled for FY 20-21.



**Town of Flower Mound, Texas**  
**Tax Increment Reinvestment Zone #1**

As of September 30, 2019

**CAPITAL IMPROVEMENT PLAN BUDGET**

Project	Estimated Cost
<b>STREETS</b>	
Dixon Lane (Chinn Chapel to Crestside)	\$2,685,267
Chinn Chapel (FM 407 to Dixon)	1,387,500
Chinn Chapel (Dixon to Waketon)	941,305
Waketon Road	5,270,000
Rippy Road (FM 2499 to Waketon)	2,115,000
Churchill (East end to Yucca)	400,000
FM 1171 at FM 2499 Westbound Right Turn Lane	998,000
FM 1171 at FM 2499 Eastbound Right Turn Lane	785,000
FM 2499 at Waketon Intersection	1,000,000
East Waketon Rd Drainage Improvements	470,000
<b>Subtotal</b>	<b>\$16,052,072</b>
<b>SIGNALS</b>	
College Parkway at FM 2499	\$115,000
<b>Subtotal</b>	<b>\$115,000</b>
<b>WATER</b>	
FM 2499 west side from FM 1171 to Dixon	\$1,700,000
FM 407 from FM 2499 to Country Meadows Addition	438,039
Morriss Waterline Project PH III	1,800,000
<b>Subtotal</b>	<b>\$3,938,039</b>
<b>FACILITIES</b>	
Town Hall	\$10,000,000
Senior Citizen Activity Center	4,869,638
Library renovation/expansion	10,900,000
<b>Subtotal</b>	<b>\$25,769,638</b>
<b>PARKS</b>	
Hike and Bike Trails	\$400,000
<b>Subtotal</b>	<b>\$400,000</b>
<b>Improvements in Forum (Riverwalk) Area</b>	
Parking Structure	\$730,000
	1,000,000
<b>Subtotal</b>	<b>\$1,730,000</b>
<b>Other Projects</b>	
	<b>\$464,566</b>
Town Center Master Plan	50,685
Retail Developments Shared Drive (FM 407 & Chinn Chapel)	180,000
<b>Subtotal</b>	<b>\$695,251</b>
<b>TOTAL</b>	<b>\$48,700,000</b>

*Highlighted values indicate changes from 2018*

**Town of Flower Mound, Texas**  
**Tax Increment Reinvestment Zone #1**

As of September 30, 2019

**BUDGET VS EXPENDITURES**

Project	Current Budget	Expended Costs to Date	Remaining Balance
<b>STREETS</b>			
Dixon Lane (Chinn Chapel to Crestside)	\$2,685,267	\$2,685,267	\$0
Chinn Chapel (FM 407 to Dixon)	1,387,500	1,387,500	0
Chinn Chapel (Dixon to Waketon)	941,305	941,305	0
Waketon Road	5,270,000	2,690,594	2,579,406
Rippy Road (FM 2499 to Waketon)	2,115,000	764,088	1,350,912
Churchill (East end to Yucca)	400,000	207,500	192,500
FM 1171 at FM 2499 Westbound Right Turn Lane	998,000	76,023	921,977
FM 1171 at FM 2499 Eastbound Right Turn Lane	785,000	432,752	352,248
FM 2499 at Waketon Intersection	1,000,000	86,900	913,100
East Waketon Rd Drainage Improvements	470,000	62,470	407,530
<b>Subtotal</b>	<b>\$16,052,072</b>	<b>\$9,334,399</b>	<b>\$6,717,673</b>
<b>SIGNALS</b>			
College Parkway at FM 2499	\$115,000	\$115,000	\$0
<b>Subtotal</b>	<b>\$115,000</b>	<b>\$115,000</b>	<b>\$0</b>
<b>WATER</b>			
FM 2499 west side from FM 1171 to Dixon	\$1,700,000	\$7	\$1,699,993
FM 407 from FM 2499 to Country Meadows Addition	438,039	438,039	0
Morriss Waterline Project PH III	1,800,000	0	1,800,000
<b>Subtotal</b>	<b>\$3,938,039</b>	<b>\$438,046</b>	<b>\$3,499,993</b>
<b>FACILITIES</b>			
Town Hall	\$10,000,000	\$1,980,000	\$8,020,000
Senior Citizen Activity Center	4,869,638	4,869,638	0
Library Renovation/Expansion	10,900,000	1,800,000	9,100,000
<b>Subtotal</b>	<b>\$25,769,638</b>	<b>\$8,649,638</b>	<b>\$17,120,000</b>
<b>PARKS</b>			
Hike and Bike Trails	\$400,000	\$0	\$400,000
<b>Subtotal</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$400,000</b>
<b>Improvements in Forum (Riverwalk) area</b>			
Parking Structure	\$730,000	\$0	\$730,000
	1,000,000	0	1,000,000
<b>Subtotal</b>	<b>\$1,730,000</b>	<b>\$0</b>	<b>\$1,730,000</b>
<b>Other Projects</b>			
	\$464,566	\$0	\$464,566
Town Center Master Plan	50,685	50,685	0
Retail Developments Shared Drive (FM 407 & Chinn Chapel)	180,000	180,000	0
<b>Subtotal</b>	<b>\$695,251</b>	<b>\$230,685</b>	<b>\$464,566</b>
<b>TOTAL</b>	<b>\$48,700,000</b>	<b>\$18,767,768</b>	<b>\$29,932,232</b>

*Highlighted values indicate changes from 2018*

**Town of Flower Mound, Texas**  
***Tax Increment Reinvestment Zone #1***

**As of September 30, 2019**

**TIRZ FUND**

<b>Beginning Balance:</b>	
<i>October 1, 2018</i>	<b>\$13,464,211</b>
<b>Revenues:</b>	
Property Tax	\$5,563,095
Interest	<u>\$321,189</u>
<b>TOTAL REVENUES</b>	<b>\$5,884,284</b>
<b>Expenditures:</b>	
Land Purchases	\$0
Professional Services	\$0
Construction/Improvements	\$3,465,189
Debt Service	<u>\$2,638,275</u>
<b>TOTAL EXPENDITURES</b>	<b>\$6,103,464</b>
<b>Ending Balance:</b>	
<i>September 30, 2019 (unaudited)</i>	<b>\$13,245,031</b>

# Town of Flower Mound, Texas

## Tax Increment Reinvestment Zone #1

As of September 30, 2019

### ANNUAL REPORT

Chapter 311.016 of V.C.T.A. requires the following information as part of the annual report on the status of the TIRZ District. Information is contained in detail on the attached financial statements.

**1. Amount and source of revenue in the tax increment fund established for the zone:**

\$5,884,284      Total Revenue

**2. Amount and purpose of expenditures from the fund:**

\$3,465,189      Total Expenditures

**3. Amount of Principal and Interest due on outstanding indebtedness is as follows:**

\$2,638,275      Total Principal and Interest

- I. Contributions /Advances from developers— none.
- II. Bonds issued and payment schedule to retire bonds—

2017COTIRZ: Town Hall	Fiscal Year	Principal	Interest	Total
	2020	1,020,000	216,425	1,236,425
	2021	1,045,000	196,025	1,241,025
	2022	1,065,000	175,125	1,240,125
	2023	1,085,000	153,825	1,238,825
	2024	1,110,000	126,700	1,236,700
	2025	1,145,000	93,400	1,238,400
	2026	1,190,000	47,600	1,237,600
		<u>\$ 7,660,000</u>	<u>\$ 1,009,100</u>	<u>\$ 8,669,100</u>

2018COTIRZ: Library	Fiscal Year	Principal	Interest	Total
	2020	1,160,000	239,050	1,399,050
	2021	1,185,000	215,850	1,400,850
	2022	1,210,000	192,150	1,402,150
	2023	1,230,000	167,950	1,397,950
	2024	1,270,000	131,050	1,401,050
	2025	1,305,000	92,950	1,397,950
	2026	1,345,000	53,800	1,398,800
		<u>\$ 8,705,000</u>	<u>\$ 1,092,800</u>	<u>\$ 9,797,800</u>

**4. Tax Increment base and current captured appraised value retained by the zone:**

Taxing Jurisdiction	Net Taxable Fiscal Year Value 2018 - 2019	Base Year* Value Jan 1, 2005	Captured App. Value Fiscal Year 2018 - 2019
Town of Flower Mound	\$1,097,571,176	\$228,290,889	\$869,280,287
Denton County	\$1,140,498,867	\$229,382,705	\$911,116,162

**Town of Flower Mound, Texas**  
**Tax Increment Reinvestment Zone #1**

As of September 30, 2019

**5. Captured appraised value by the municipality and other taxing units, the total amount of the tax increment received, and any additional information necessary to demonstrate compliance with the tax increment financing plan adopted by the governing body of the municipality.**

A. Captured appraised value shared by the municipality and other participating taxing jurisdictions received in Fiscal Year 2018-2019:

Taxing Jurisdiction	Participation Per \$100/Value	Amount of 2018-2019 Increment
Town of Flower Mound (100%)	\$0.439000	\$3,816,140.46
Denton County (85%)	\$0.191740	\$1,746,955.00
<b>Total</b>	<b>\$0.630740</b>	<b>\$5,563,095</b>

B. Amount of tax increment received in 2019 from the municipality and the other taxing jurisdictions based on 2018 valuations: \$5,563,095.

C. Other information: None

\* Base Year Value as of January 1, 2005 is for Fiscal Year 2005-2006.