



Town of Flower Mound, Texas

Tax Increment Reinvestment Zone #1 (TIRZ #1)

ANNUAL REPORT

2020

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

As of September 30, 2020

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YEAR END SUMMARY OF MEETINGS/TOWN COUNCIL/BOARD ACTIONS

During the period from October 1, 2019, through September 30, 2020, the Town of Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ) Board of Directors met once. The meeting was held on December 16, 2019 to approve the minutes from the December 3, 2018 TIRZ board meeting and the 2019 Annual Report.

Town of Flower Mound Economic Development Director, Andrea Roy, provided a brief overview of the 2019 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, which included reallocating the \$400,000 out of the Hike and Bike Trails to the Pink Evening Primrose Trail Connection (Bridge & Trail) project. The total amount for the project is \$650,000, with a request of \$400,000 coming from the TIRZ Fund and \$250,000 coming from the Park Development Fund for fees that were paid in by NEM.

Board members appointed and serving at the time of the December 16, 2019 meeting: Town—Paul Stone, Bill Collins, Jim Engel and County—Larry Lipscomb and Lori Fickling. Ex-Officio members were Mayor Steve Dixon and Town Manager Jimmy Stathatos.

During the period from October 1, 2019, through September 30, 2020, the Flower Mound Town Council took the following action:

- At a meeting on December 16, 2019, the Town Council approved the 2019 Annual Report for the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ) in accordance with Chapter 311 of the Texas Tax Code.

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PUBLIC INFRASTRUCTURE/BUILDING PROJECTS

2019-2020

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. RMI River Walk Investors, LP submitted a Payment Request to the Town, and \$1 million was reimbursed for the parking structure on January 3, 2020.

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

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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. The Library reopened on November 1, 2020 with normal hours of operation, and the ribbon cutting/grand opening was held on November 5, 2020.

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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 and right-of-way acquisition have been completed. Franchise utility relocations are currently ongoing. Construction is anticipated to begin summer 2021.

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 has been completed and Town Council approved the construction award on August 17, 2020. Overhead power poles in conflict have been approved/permitted to be relocated and are scheduled to be completed in December 2020. Contractor is potholing additional underground utilities to verify no other franchise will conflict with the new improvements prior to beginning construction. Construction is anticipated to begin January 2021.

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. During design, additional design services were required. On September 21, 2000 a design amendment was approved by Town Council for the additional work,

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increasing the not-to-exceed amount by \$38,140.00. Design plans are 100% complete. Right-of-way acquisition and franchise utility coordination is ongoing. Phase 2 construction is expected to begin in Summer 2021.

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 in the amount of \$2,259,020.90 for the construction costs associated with Waketon Road 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 100% complete and all ROW has been acquired. On August 18, 2020 Bids were received for the project. The Town of Double Oak requested a redesign of portions of their portion of the project due to funding issues. Rebid for Phase 2 will occur Spring 2021 with construction anticipated to begin Summer 2021. Franchise utility relocation is ongoing.

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

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Council awarded the construction of both projects on August 20, 2018. Notice to proceed was provided to the contractor on November 5, 2018, and the project was recently completed.

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. 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 holding at 60% complete. During design it was determined that a reassessment of the upstream hydrology was needed to better model the existing conditions. The reassessment will explore the possibility of minimizing the project limits to reduce the impacts on trees and residential properties. Construction is currently scheduled for FY 21-22.

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CAPITAL IMPROVEMENT PLAN BUDGET

Project	Estimated Cost
STREETS	
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 (Rippy to Chinn Chapel)	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
Subtotal	\$16,052,072
SIGNALS	
College Parkway at FM 2499	\$115,000
Subtotal	\$115,000
WATER	
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
Subtotal	\$3,938,039
FACILITIES	
Town Hall	\$10,000,000
Senior Citizen Activity Center	4,869,638
Library renovation/expansion	10,900,000
Subtotal	\$25,769,638
PARKS	
Pink Evening Primrose Trail Connection (Bridge & Trail)	\$400,000
Subtotal	\$400,000
Improvements in Forum (Riverwalk) Area	
Parking Structure	\$730,000
Subtotal	\$1,730,000
Other Projects	
Town Center Master Plan	\$464,566
Retail Developments Shared Drive (FM 407 & Chinn Chapel)	50,685
Subtotal	180,000
Subtotal	\$695,251
TOTAL	\$48,700,000

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BUDGET VS EXPENDITURES

Project	Current Budget	Expended Costs to Date	Remaining Balance
STREETS			
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	2,697,992	2,572,008
Rippy Road (FM 2499 to Waketon)	2,115,000	983,614	1,131,386
Churchill (East end to Yucca)	400,000	400,000	0
FM 1171 at FM 2499 Westbound Right Turn Lane	998,000	201,437	796,563
FM 1171 at FM 2499 Eastbound Right Turn Lane	785,000	432,752	352,248
FM 2499 at Waketon Intersection	1,000,000	298,898	701,102
East Waketon Rd Drainage Improvements	470,000	139,414	330,586
Subtotal	\$16,052,072	\$10,168,179	\$5,883,893
SIGNALS			
College Parkway at FM 2499	\$115,000	\$115,000	\$0
Subtotal	\$115,000	\$115,000	\$0
WATER			
FM 2499 west side from FM 1171 to Dixon	\$1,700,000	\$600,773	\$1,099,227
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
Subtotal	\$3,938,039	\$1,083,812	\$2,899,227
FACILITIES			
Town Hall	\$10,000,000	\$3,360,000	\$6,640,000
Senior Citizen Activity Center	4,869,638	4,869,638	0
Library Renovation/Expansion	10,900,000	3,355,000	7,545,000
Subtotal	\$25,769,638	\$11,584,638	\$14,185,000
PARKS			
Pink Evening Primrose Trail Connection (Bridge & Trail)	\$400,000	\$0	\$400,000
Subtotal	\$400,000	\$0	\$400,000
Improvements in Forum (Riverwalk) area			
Parking Structure	\$730,000	\$0	\$730,000
	1,000,000	1,000,000	0
Subtotal	\$1,730,000	\$1,000,000	\$730,000
Other Projects			
	\$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
Subtotal	\$695,251	\$230,685	\$464,566
TOTAL	\$48,700,000	\$24,137,314	\$24,562,686

Highlighted values indicate changes from 2019

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TIRZ FUND

Beginning Balance:	
<i>October 1, 2019</i>	\$13,245,032
Revenues:	
Property Tax	\$6,606,311
Interest	<u>\$142,196</u>
TOTAL REVENUES	\$6,748,507
Expenditures:	
Land Purchases	\$0
Professional Services	\$0
Construction/Improvements	\$2,434,546
Debt Service	<u>\$2,635,475</u>
TOTAL EXPENDITURES	\$5,070,021
Ending Balance:	
<i>September 30, 2020 (unaudited)</i>	\$14,923,518

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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:

\$6,748,507 Total Revenue

2. Amount and purpose of expenditures from the fund:

\$5,070,021 Total Expenditures

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

\$2,635,475 Total Principal and Interest

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

2017COTIRZ:	Fiscal Year	Principal	Interest	Total
	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>\$ 6,640,000</u>	<u>\$ 792,675</u>	<u>\$ 7,432,675</u>

2018COTIRZ:	Fiscal Year	Principal	Interest	Total
	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>\$ 7,545,000</u>	<u>\$ 853,750</u>	<u>\$ 8,398,750</u>

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

Taxing Jurisdiction	Net Taxable Fiscal Year Value 2019 - 2020	Base Year* Value Jan 1, 2005	Captured App. Value Fiscal Year 2019 - 2020
Town of Flower Mound	\$1,265,401,078	\$228,290,889	\$1,037,110,189
Denton County	\$1,315,269,604	\$229,382,705	\$1,085,886,899

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.

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- 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 2019-2020 Increment
Town of Flower Mound (100%)	\$0.436500	\$4,526,985.97
Denton County (85%)	\$0.191490	\$2,079,324.65
Total	\$0.627990	\$6,606,311

- B. Amount of tax increment received in 2019 from the municipality and the other taxing jurisdictions based on 2018 valuations: \$6,606,311

- C. Other information: None

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