

GARDEN DISTRICT

**AN ANNUAL REPORT TO THE CITY OF ALLEN
TAX INCREMENT FINANCING BOARD
RELATING TO REINVESTMENT ZONE NO. 1
(GARDEN DISTRICT)**

**FOR FISCAL YEAR ENDING
SEPTEMBER 30, 2018**

**CITY OF ALLEN
305 Century Parkway
Allen, Texas 75013**

**With a copy to the State of Texas Comptroller's Office, Collin
County, Allen Independent School District and Collin College District**



City of Allen, Texas

City Officials

City Council

Mayor	Stephen Terrell
Councilmember, Place No. 1	Kurt Kizer
Councilmember, Place No. 2	Carl Clemencich
Councilmember, Place No. 3	Lauren Doherty
Councilmember, Place No. 4	Robin L. Sedlacek
Mayor Pro Tem, Place No. 5	Gary L. Caplinger
Councilmember, Place No. 6	Baine Brooks

City Staff

Interim, City Manager	Peter H. Vargas
Assistant City Manager	Shelli Siemer
Assistant City Manager	Eric Ellwanger
Chief Financial Officer	Eric Cannon
Budget Manager	Chris Landrum
Financial Analyst	Keith Jones



TIF No. 1

City of Allen, Texas

Board of Directors

Place No. 1	Angela Paxton	Texas State Senator
Place No. 2	Debbie Stout	Designee of Representative Leach
Place No. 3	Peter H. Vargas <i>Chairman</i>	Interim, City Manager
Place No. 4	Eric Cannon	Chief Financial Officer
Place No. 5	Marc Kurbansade	Community Development Director
Place No. 6	Dan Bowman	Director of Economic Development
Place No. 7	Darrell Hale	Collin County Commissioner
Place No. 8	Cornell Holmes	Senior General Manager, Trademark Property
Place No. 9	Eric Ellwanger	Assistant City Manager

Board Objective

To provide recommendations to City Council concerning administration of the TIF No. 1 Garden District.

Membership

TIF No. 1 is comprised of nine board members, each serving a staggered two-year term. Moreover, the City Council will appoint one board member to serve as chairperson for a one-year term.



Purpose of the TIF

The Garden District will offer an upscale shopping experience within a safe and aesthetic environment while providing access to truly usable open spaces designed to serve as popular gathering spaces for the community. Buildings will be integrated vertically and horizontally, while strategically located sidewalk cafes on user friendly streets will create small-town charm.

History of the TIF

On September 1, 2005, the City received a TIF petition from Emerson Partners, Inc. for the redevelopment of the Montgomery Farm Garden District area through the use of Tax Increment Financing (TIF). The overall Tax Increment Financing Reinvestment Zone encompasses approximately 113 acres at the southwest corner of Bethany Drive and US 75.

The City created the TIF Zone at the December 13, 2005 City Council meeting. In the Fall 2007, the City, Montgomery Farms Garden District Ltd., and Coventry II DDR/Trademark Montgomery Farms (Trademark) entered into an Amended and Restated Development Agreement (Agreement) that addressed issues related to the inclusion of Trademark in the TIF development.

In 2013, the City entered into a Supplemental Agreement to the Amended and Restated Development Agreement with Watters Creek Owner, LLC (WCO) successor to Trademark. In the Supplemental Agreement, the term was extended by five (5) years and the percentage of reimbursement will be decreased from 50% to 45% for years 11-12 and then from 45% to 40% for years 13 through the end of the term for property tax. Sales tax receipts commencing on January 1, 2016 are reduced to 45% and then are scheduled to be further reduced on January 1, 2018 to 40%. The FY2014 reimbursement was still at the 50% rate pursuant to the Supplemental Agreement.

In January 2015, the TIF No. 1 Board approved the Second Supplemental Agreement that was concerned with additional terms and conditions related to Watters Creek Owner's obligations with respect to construction of and payment for the Montgomery Boulevard extension and the Watters Branch bridge. The Second Supplemental Agreement indicates in Section 2.4 that upon occupancy of Building V, the percentage of reimbursement will be adjusted to 50% for both the property and sales tax.

Building V received a temporary Certificate of Occupancy on March 1, 2016. The reimbursement for sales tax for the months of January and February of 2016 are calculated at 45% in accordance with the supplemental agreements. For all prior months of sales tax, the reimbursement percentage is calculated using 50% for the recommended payment in the Spring of 2016.

On an annual basis, the TIF Board of Directors have recommended that the City Council approve TIF funds allocated based upon the Development Agreement.

Financial State of the TIF

Chapter 311.06 (a)(1) of the Texas Tax Code requires an annual status report be filled with the chief officer of each taxing unit that levies property taxes in a reinvestment zone and the Texas State Comptroller.

1. Amount and source of revenue:

Revenue Source	Taxing Jurisdiction	Total Amount
Sales Tax	City of Allen	\$395,109
Property Tax	City of Allen	\$332,321
Property Tax	Collin County	\$125,269
Investment Earnings	City of Allen	\$5,492
Total		\$858,191

2. Amount and purpose of expenditures:

Description of Expenditures	Total Amount
Developers Reimbursement	\$871,067
Legal Expenses	\$0
Administrative Expenses	\$15,000
Total	\$886,067

3. Amount of principle and interest due on outstanding debt:

\$0. TIF No. 1 has not incurred any debt. The TIF is pay-as-you-go.
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4. Tax Increment Base and current captured appraised value retained:

Ad Valorem

Taxing Jurisdiction	Base Year Value (FY2005)*	Net Taxable Value (FY2018)	Captured Appraised Value (FY2018)*
City of Allen	\$2,424,420	\$132,746,230	\$130,321,810
Collin County	\$2,424,420	\$132,746,230	\$130,321,810

*Base Year and Captured Appraised Value of all real property in the TIF zone according to the Collin Central Appraisal District.

5. Captured appraised value (ad valorem) shared by the municipality and other taxing units, the total amount of the tax increment (sales & use tax) received, and any additional information necessary to demonstrate compliance with the tax increment financing plan adopted by the governing body of the municipality:

Ad Valorem

Taxing Jurisdiction & Participation Rate	Captured Appraised Value (FY2018)	Tax Rate per \$100/Value (FY2018)	Amount of Increment (FY2018)
City of Allen (50 %)	\$130,321,810	\$0.510000	\$332,320.62
Collin County (50 %)	\$130,321,810	\$0.199246	\$125,269.23

Sales & Use Tax

Taxing Jurisdiction & Participation Rate	Base Year Value (2005)	Captured Sales and Use Tax (FY2018)
City of Allen (100 %)	\$0	\$395,109

Total FY2018 Increment	\$858,191 <i>(Total includes \$5,492 from investment earnings)</i>
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TIF No. 1 Fund Balance History

Fiscal Year	2005 – 2017	FY2018	Total TIF Fund
Revenues	\$7,139,186	\$858,191	\$7,997,377
Expenditures	\$6,801,715	\$886,067	\$7,687,782
Net Income (Loss)	\$33,747*Average	(\$27,876)	\$309,595
Ending Fund Balance	\$337,473 (Balance at the end of FY2017)	\$309,595	\$309,595 (Balance at the End of FY2018)

