

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Marichelle Samples, Director of Economic Development

DATE: December 16, 2024

SUBJECT: **Approval of the Second Amendment to the Agreement to Participate in Tax Increment Reinvestment Zone Number One, Between the City of Lewisville and Denton County, and Authorization for the City Manager to Execute the Agreement.**

BACKGROUND

The City of Lewisville created the Lewisville Tax Increment Reinvestment Zone, Number One (TIRZ #1) on December 10, 2001, in accordance with the Tax Increment Financing Act, V.T.C.A., Tax Code, Chapter 311. In December of 2001, the City of Lewisville and Denton County (the “County”) entered into the Agreement to Participate in Tax Increment Reinvestment Zone, Number One (the “Agreement”). In 2007, the City and the County entered into the First Amendment to the Agreement to extend the duration of the Reinvestment Zone.

On December 7, 2020, the City Council adopted Ordinance Number 0281-20-ORD modifying certain provisions of Ordinance Number 2747-12-2001, as amended, to enlarge to include an additional 166 acres, increasing both the City and County participation in TIRZ #1. Additionally, the board of directors and City Council approved a term extension from December 31, 2028 to December 31, 2038; however, this extension applied solely to the City.

Currently, the City allocates one hundred percent (100%) of the increment captured by the district within the boundaries of the Zone to the TIRZ #1 fund through 2038 and the County is participating at 75% through 2028. This proposed amendment will allow for the County’s continued participation in TIRZ #1 at the same rate through the extended term, December 31, 2038.

ANALYSIS

In 2023, the City Council approved an update to the Old Town TOD Master Plan to incorporate the extended boundary of TIRZ #1, among other updates. City staff recognizes the substantial work ahead to support and facilitate future development in Old Town, particularly on the east side of the railroad tracks, in light of DCTA's plans to develop its headquarters and activate the property.

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This proposed amendment enables the City and County to work together to facilitate development in Old Town, aligning with the Old Town TOD Master Plan, the Lewisville 2025 Vision Plan, and the City Council's mission to actively promote the development and revitalization of Old Town.

CITY STAFF'S RECOMMENDATION

That the City Council approve the agreement and authorize the City Manager, or her designee, to execute the agreement as set forth in the caption above.