

## **MEMORANDUM**

**TO:** Mayor TJ Gilmore  
Mayor Pro Tem Kristin Green  
Deputy Mayor Pro Tem Brandon Jones  
Councilmember Bob Troyer  
Councilmember William Meridith  
Councilmember Ronni Cade

**FROM:** Donna Barron, City Manager

**DATE:** August 12, 2021

**SUBJECT:** **Continued Item: Consideration of an Amendment to the Tax Increment Reinvestment Zone Reimbursement Agreement by and Among the City of Lewisville, the Lewisville Tax Increment Reinvestment Zone Number Three (“TIRZ 3”), and Bright Realty, LLC for Project Costs Within Tax Increment Reinvestment Zone Number Three; and Authorization for the City Manager to Execute the Agreement.**

### **BACKGROUND**

A Tax Increment Zone Reimbursement Agreement (“Reimbursement Agreement”) was executed on January 28, 2019 among the City of Lewisville, the Tax Increment Reinvestment Zone Number Three (“TIRZ” or “Zone”), and Bright Realty LLC (“Developer”). The agreement covers the terms and conditions of financing and reimbursing of the project costs within the Zone. Due to changes in the project and finance plan, the Reimbursement Agreement now requires an amendment. Items that have been changed relate to the inclusion of economic development projects as eligible project costs.

A TIRZ #3 board meeting will be held prior to City Council consideration of this Reimbursement Agreement. It is anticipated that the Board of Directors will adopt the amendment to the Reimbursement Agreement. City Council continued this item at the meeting on May 12, 2021 and the item has been subsequently continued by the City Council until August 16, 2021.

### **ANALYSIS**

Below are the primary changes made to the Reimbursement Agreement:

- The Reimbursement Agreement becomes effective after the City has fully annexed the lands within each and all of the Districts and the Parks and Open Space Land as defined in the Agreement has been dedicated to the City simultaneously with the annexation.
- The dollar amount that can be reimbursed to the Developer from the City Tax Increment and City Base Increment is capped at \$54 M.

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- The City and Board will be authorized to grant TIRZ increment for economic development using only the City's portion of the tax increment. Such reimbursements must follow the Economic Development Agreement approved by the City Council on August 16, 2021.

**RECOMMENDATION**

That the City Council approve the Amended and Restated TIRZ Reimbursement Agreement and authorize the City Manager to sign the agreement.