

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Marichelle Samples, Director of Economic Development & Tourism

DATE: December 1, 2025

SUBJECT: **Public Hearing: Consideration of a Boundary Amendment and Increase in Project Costs for Reinvestment Zone Number Four, City of Lewisville, Texas, and Consideration of an Ordinance of the Lewisville City Council Approving a Final Tax Increment Reinvestment Zone Project and Finance Plan for Reinvestment Zone Number Four, City of Lewisville, Texas, Including an Amendment to the Project Costs of Reinvestment Zone Number Four, City of Lewisville, Texas and Adding Certain Property to the Boundaries of Reinvestment Zone Number Four, City of Lewisville, Texas; Making Certain Findings; Providing a Severability Clause; and Providing for an Effective Date.**

BACKGROUND

The City of Lewisville established Tax Increment Reinvestment Zone Number Four (“TIRZ #4” or the “Zone”) on December 16, 2019, for a duration of 20 years. Prior to establishing the Zone, state law required preparation of a Preliminary Project and Reinvestment Zone Financing Plan (“Preliminary Plan”) and a public hearing to receive comments on the proposed Zone. The Preliminary Plan identified necessary projects and financing methods to address existing area conditions. Following the public hearing held on December 16, 2019, the City Council approved the Preliminary Plan and formally created TIRZ #4.

The Zone was created to finance infrastructure improvements that would catalyze residential and commercial development within its boundaries. Funding for these improvements, including design, construction, and other project-related expenditures, came from tax increment revenues generated by the increase in property values resulting from new development.

The base year for the Zone was established as January 1, 2019, and it will terminate on December 31, 2040, or earlier if all project costs and debt service obligations are satisfied. The Zone originally encompassed approximately 276.93 acres, bounded by McGee Lane on the west, I-35E on the east, Bogard Lane on the north, and the Kansas City Southern Railroad on the south. If the amendment is approved, the Zone will include approximately 1,034 acres.

A public hearing on the proposed amendments to (1) amend the authorized project costs in the Zone and (2) expand the Zone boundaries to include additional property within the Lake Park area was held on December 1, 2025. During the hearing, interested persons were given the opportunity to speak for or against the proposed amendment to the project costs, the expansion of the Zone

Subject: Consideration of an Ordinance Approving the Final Tax Increment Reinvestment Zone Project and Financing Plan for Reinvestment Zone Number Four, including Amendments.

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boundaries, and/or the concept of tax increment financing. In addition, any owner of property within the Zone was provided a reasonable opportunity to speak for or against the inclusion of their property within the proposed amended boundaries of the Zone, prior to consideration of this Final Plan, in accordance with the Act.

ANALYSIS

Following the Zone's creation, the City collaborated with property owners to define projects consistent with adopted plans, and separately, secured approval from the U.S. Army Corps of Engineers for the Lake Park area redevelopment plans. Concurrently, the City engaged Denton County (the "County") regarding potential participation. In December 2024, the City and County approved a participation agreement. Each entity will contribute 80 percent of its tax increment to TIRZ #4 for the remainder of the Zone's term to support redevelopment. The County's participation is contingent upon the City extending the Zone boundaries to include the Lake Park area (property leased from the U.S. Army Corps of Engineers) on or before December 31, 2025. The County's contribution will be exclusively used to support improvements located within that Lake Park area.

Lake Park and its surroundings are a central part of the City of Lewisville's Green Centerpiece strategy, which aims to position the area around the Elm Fork of the Trinity River and Lewisville Lake as a major natural and open-space resource for residents and visitors. Redevelopment will enhance recreation, trails, and nature-based amenities, while introducing new facilities such as a hotel, premium cabins, yurts, and restaurants, better connecting the lakefront to the rest of the community and establishing it as a regional destination. While Lake Park already offers many public amenities, the City's efforts aim to make the area's full potential more accessible and elevate its role as a recreational, environmental, and economic asset.

The attached ordinance adopts the Final Tax Increment Reinvestment Zone Project and Financing Plan for the Zone, including amendments, which (1) modify the authorized project costs for the Zone and (2) expand the Zone boundaries to include additional property within the Lake Park area.

CITY STAFF'S RECOMMENDATION

That the City Council approve the ordinance as set forth in the caption above.