



Legislation Text

File #: 18-0417, **Version:** 2

Consideration of an Ordinance Designating a Non-Contiguous Geographic Area Within the Extra-Territorial Jurisdiction of the City of Lewisville as Reinvestment Zone Number Three, City of Lewisville, Texas, for Tax Increment Financing Purposes Pursuant to Chapter 311 of the Texas Tax Code; Creating a Board of Directors for Such Zone; Containing Findings and Provisions Related to the Foregoing Subject; Providing For Severability and an Effective Date; and Declaring an Emergency.

ADMINISTRATIVE COMMENTS:

A tax increment reinvestment zone (TIRZ) is a financing tool enabled by the Texas Legislature with the adoption of Chapter 311 of the Texas Tax Code to assist cities in developing or redeveloping certain areas. Prior to creation of a TIRZ, the statute requires preparation of a Preliminary Project Plan and Reinvestment Zone Financing Plan and for the City to hold a public hearing and receive comments on the creation of the Zone. A public hearing to receive input was held earlier this evening. The City of Lewisville TIRZ #3 is proposed to finance infrastructure improvements necessary to catalyze residential and commercial development within the Zone as well as provide funds to service outstanding debt of PID 5 & 6, which provided funding for public improvements on the land within the boundaries of the Zone. After annexation, the Plan anticipates the City will participate in the district at 100% of the property tax on the new increment. The City will also contribute 100% of the base property tax until infrastructure improvements are reimbursed fully to the developer. It is anticipated that Denton County will participate in the TIRZ at 80% of the property tax on the new increment beginning their next budget year. The developer is proposing to front the costs of building the infrastructure and receive reimbursement when tax increment revenue is generated by the project.

RECOMMENDATION:

That the City Council consider the information received and approve the ordinance as set forth in the caption above.