



## CITY OF ALLEN

**AMENDED  
AGENDA  
CITY OF ALLEN  
TAX INCREMENT FINANCING ZONE NO. 1  
BOARD OF DIRECTORS  
CALLED MEETING  
MAY 9, 2019 — 8:00 A.M.  
3<sup>RD</sup> FLOOR CONFERENCE ROOM ALLEN  
CITY HALL  
305 CENTURY PARKWAY  
ALLEN, TEXAS 75013**

**Call to Order and Announce a Quorum is Present.**

1. Approve Minutes of the May 1, 2018, Meeting.
2. Consider a Recommendation to the Allen City Council to Approve Payments from the TIF fund pursuant to the Second Supplemental Agreement to the Amended and Restated Development Agreement Relating to the Tax Increment Financing Zone No. 1.

**Adjournment.**

This notice was posted at Allen City Hall, 305 Century Parkway, Allen, Texas, at a place convenient and readily accessible to the public at all times. Said notice was posted on Monday, May 6, 2019, at 7:45 a.m.

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Shelley B. George, City Secretary

Allen City Hall is wheelchair accessible. Access to the building and special parking are available at the entrance facing Century Parkway. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary at 214-509-4105.



## CITY OF ALLEN

**AGENDA  
CITY OF ALLEN  
TAX INCREMENT FINANCING ZONE NO. 1  
BOARD OF DIRECTORS  
CALLED MEETING  
MAY 9, 2019 — 8:00 A.M.  
3<sup>RD</sup> FLOOR CONFERENCE ROOM  
ALLEN CITY HALL  
305 CENTURY PARKWAY  
ALLEN, TEXAS 75013**

**Call to Order and Announce a Quorum is Present.**

1. Approve Minutes of the April 26, 2018, Meeting.
2. Consider a Recommendation to the Allen City Council to Approve Payments from the TIF fund pursuant to the Second Supplemental Agreement to the Amended and Restated Development Agreement Relating to the Tax Increment Financing Zone No. 1.

**Adjournment.**

This notice was posted at Allen City Hall, 305 Century Parkway, Allen, Texas, at a place convenient and readily accessible to the public at all times. Said notice was posted on Friday, May 3, 2019, at 5:00 p.m.

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Shelley B. George, City Secretary

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**CITY OF ALLEN**  
**TAX INCREMENT FINANCING ZONE NO. 1**

**BOARD OF DIRECTORS**

**CALLED MEETING**

**MAY 1, 2018**

**Present:**

Peter Vargas, Chairman (absent)  
Eric Ellwanger, Vice-Chair  
Marc Kurbansade, Director  
Van Taylor, Director (absent)  
Debbie Stout, Director  
John Thomas, Director (absent)  
Eric Cannon, Director  
Dan Bowman, Director  
Cornell Holmes, Director

**City Staff:**

Shelley B. George, City Secretary  
Peter G. Smith, City Attorney  
Chris Landrum, Budget Officer

**Call to Order and Announce a Quorum is Present.**

With a quorum of the Board of Directors present, the Called Meeting of the Allen Tax Increment Financing Zone No. 1 Board of Directors was called to order by Vice-Chair Ellwanger at 8:01 a.m. on Tuesday, May 1, 2018, in the Third Floor Conference Room of Allen City Hall located at 305 Century Parkway, Allen, Texas.

**1. Motion to Elect a Vice-Chair.**

**MOTION:** Upon a motion made by Director Cannon and a second by Director Stout, the Board of Directors voted six (6) for and none (0) opposed to elect Eric Ellwanger as Vice-Chair. The motion carried.

**2. Approve Minutes of the April 25, 2017, Meeting.**

**MOTION:** Upon a motion made by Director Cannon and a second by Director Bowman, the Board of Directors voted six (6) for and none (0) opposed to approve the minutes of the April 25, 2017, meeting. The motion carried.

**3. Consider a Recommendation to the Allen City Council to Approve Payments from the TIF fund pursuant to the Second Supplemental Agreement to the Amended and Restated Development Agreement Relating to the Tax Increment Financing Zone No. 1.**

Director Canon introduced item and Mr. Landrum.

**ALLEN TAX INCREMENT FINANCING ZONE NO. 1  
BOARD OF DIRECTORS  
CALLED MEETING  
MAY 1, 2018**

**PAGE 2**

Mr. Landrum reviewed the current status of the TIF Fund with proposed deductions for City administration costs and the proposed developer reimbursement to Watters Creek Owner, LLC.

**MOTION:** Upon a motion made by Director Cannon and a second by Director Stout, the Board of Directors voted six (6) for and none (0) opposed to recommend to the City Council the approval of a payment to Watters Creek Owner, LLC, from the TIF Fund in the amount of \$745,798.24 from the City tax increment, \$125,269.23 from the County tax increment, and a payment to the City from the TIF Fund in the amount of \$15,000.00 for administrative support. The motion carried.

**Adjournment**

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**MOTION:** Upon a motion made by Director Stout and a second by Director Cannon, the Board of Directors voted six (6) for and none (0) opposed to adjourn the Called Meeting of the Allen Tax Increment Financing Zone No. 1 Board of Directors at 8:09 a.m. on Tuesday, May 1, 2018. The motion carried.

These minutes approved on the 9<sup>th</sup> day of May 2019.

**APPROVED:**

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**Eric Ellwanger, VICE-CHAIRMAN**

**ATTEST:**

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**Shelley B. George, CITY SECRETARY**

## REINVESTMENT ZONE #1 BOARD AGENDA COMMUNICATION

- AGENDA DATE:** May 9, 2019
- SUBJECT:** Consider a recommendation to the City Council to approve payments from the TIF fund pursuant to the second supplemental agreement to the amended and restated development agreement relating to the Allen tax increment financing zone number 1.
- STAFF RESOURCE:** Eric Ellwanger, Acting City Manager  
Eric Cannon, Chief Financial Officer
- PREVIOUS CITY COUNCIL ACTION:** On September 27, 2005, the City Council adopted Resolution No. 2440-9-05(R) calling for a public hearing to be held on December 13, 2005, relating to the establishment of TIF Reinvestment Zone No. 1 (Garden District).
- On December 13, 2005, the City Council held a public hearing and passed Ordinance No. 2471-12-05 that created Reinvestment Zone No. 1 (Garden District).
- On March 14, 2006, the City Council adopted Resolution No. 2494-3-06(R) appointing the initial TIF Board of Directors for TIF Reinvestment Zone No. 1 (Garden District).
- On November 27, 2007, the City Council approved the Final Project and Financing Plan for Reinvestment Zone #1.
- On November 27, 2007, the City Council approved an Amended and Restated Development Agreement relating to Reinvestment Zone #1.
- On March 26, 2013, the City Council approved a Supplemental Agreement to the Amended and Restated Development Agreement Relating to the Allen Tax Increment Financing Zone No. 1.
- On May 14, 2013, the City Council approved a TIF payment in the amount of \$802,101.77 to Watters Creek Owner, LLC and \$15,000 for City administrative costs.

On May 27, 2014, the City Council approved a TIF payment in the amount of \$775,047.91 to Watters Creek Owner, LLC and \$15,000 for City administrative costs.

On January 27, 2015, the City Council authorized the City Manager to execute the Second Supplemental Agreement to the Amended and Restated Development Agreement Relating to the Allen Tax Increment Financing Zone No. 1.

On May 12, 2015, the City Council approved a TIF payment in the amount of \$791,756.22 to Watters Creek Owner, LLC and \$16,912.50 for administrative costs and legal expenses.

On May 10, 2016, the City Council approved a TIF payment in the amount of \$783,313.46 to Watters Creek Owner, LLC and \$15,000 to the City for City administrative support.

On May 9, 2017, the City Council approved a TIF payment in the amount of \$793,621.24 to Watters Creek Owner, LLC and \$15,000 to the City for City administrative support.

On May 8, 2018, the City Council approved a TIF payment in the amount of \$745,798.24 to Watters Creek Owner, LLC and \$15,000 to the City for City administrative support.

**PREVIOUS TIF #1 BOARD ACTION:** On October 24, 2007, the TIF #1 Board adopted the Final Project and Financing Plan for TIF Reinvestment Zone No. 1.

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

On May 1, 2013, the TIF No. 1 Board met to approve the Supplemental Agreement to the Amended and Restated Development Agreement

Relating to the Allen Tax Increment Financing Zone No. 1.

On January 19, 2015, the TIF No. 1 Board approved the Second Supplemental Agreement to the Amended and Restated Development Agreement.

**ACTION PROPOSED:**

Consider a Recommendation to the City Council to Approve Payments from the TIF Fund pursuant to the Second Supplemental Agreement to the Amended and Restated Development Agreement.

**BACKGROUND**

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.

Attachment 1 reflects the current status of the TIF Fund with proposed deductions for the City's \$15,000 administration cost and the proposed developer reimbursement of \$848,269.37 to Watters Creek Owner, LLC.

Attachment 2 reflects the proposed developer reimbursement being appropriated between the City and County participation. The County participation is initially restricted to the priority projects such as the ramp reversal and traffic signalization. Therefore, the proposed \$848,269.37 payment to Watters Creek Owner, LLC would be allocated as \$722,540.36 towards parking spaces and \$125,729.01 towards the priority projects identified in the economic development agreement.

A proposed payment to the City in the amount of \$15,000.00 is for the City's administrative costs.

### **STAFF RECOMMENDATION**

Staff recommends that the TIF Board recommend to the City Council, the approval of a payment to Watters Creek Owner, LLC from the TIF Fund in the amount of \$722,540.36 from the City tax increment, \$125,729.01 from the County tax increment, and a payment to the City from the TIF Fund in the amount of \$15,000.00 for administrative support.

### **BUDGETARY IMPACT**

The TIF Fund has adequate funds available for the payments and will result in \$50,000 remaining as a fund balance pursuant to the Amended and Restated Development Agreement.

### **MOTION**

***I make a motion to recommend to the Allen City Council the approval of a payment to Watters Creek Owner, LLC from the TIF Fund in the amount of \$722,540.36 from the City tax increment, \$125,729.01 from the County tax increment, and a payment to the City from the TIF Fund in the amount of \$15,000.00 for administrative support.***

### **ATTACHMENT**

Attachment 1 – TIF Fund Status

Attachment 2 – City and County TIF Reimbursement allocations



TIF #1 Watters Creek/Montgomery Farms

April 4, 2019

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	YTD FY2019	Project to Date
Beginning Balance	\$ -	\$ 160,430	\$ 114,027	\$ 251,301	\$ 215,005	\$ 279,891	\$ 277,719	\$ 272,970	\$ 277,893	\$ 300,677	\$ 337,471	\$ 309,594	\$ -
<b>REVENUES</b>													
Sales Tax - City Increment (distributed)	99,942	260,446	294,138	320,230	336,437	364,954	363,826	379,381	398,705	396,000	138,327	-	3,352,386
Sales Tax - City Increment (undistributed)	-	-	-	-	-	-	-	-	-	-	256,783	128,987 (A)	385,770
Property Tax - City Increment	41,801	181,213	315,189	319,996	356,638	315,420	293,574	289,246	295,195	319,174	332,321	346,340	3,406,107
Property Tax - County Increment	18,385	79,036	137,718	138,626	154,783	137,131	126,771	125,876	125,319	127,912	125,269	125,729	1,422,554
Project Savings	-	-	-	-	6,679	-	-	-	-	-	-	-	6,679
Investment Earnings (distributed)	490	1,884	4,340	2,474	1,608	897	1,369	2,177	1,878	2,329	2,680	-	22,126
Investment Earnings (undistributed)	-	-	-	-	-	-	-	-	-	-	2,812	2,619 (B)	5,431
<b>Total Revenues</b>	<b>160,618</b>	<b>522,579</b>	<b>751,385</b>	<b>781,327</b>	<b>856,145</b>	<b>818,402</b>	<b>785,539</b>	<b>796,680</b>	<b>821,097</b>	<b>845,415</b>	<b>858,191</b>	<b>603,675</b>	<b>8,601,052</b>
<b>EXPENDITURES</b>													
Developers Reimbursements	-	516,714	596,991	767,622	776,219	802,102	775,048	774,844	783,313	793,621	871,067	848,269 (C)	8,305,811
Administration Expenses FY08	-	15,000	-	-	-	-	-	-	-	-	-	-	15,000
Administration Expenses	-	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000 (D)	165,000
Legal Expenses	188	22,268	2,120	-	40	3,472	240	1,913	-	-	-	-	30,241
Drainage Improvement	-	-	-	35,000	-	-	-	-	-	-	-	-	35,000
<b>Total Expenditures</b>	<b>188</b>	<b>568,982</b>	<b>614,111</b>	<b>817,622</b>	<b>791,259</b>	<b>820,574</b>	<b>790,288</b>	<b>791,756</b>	<b>798,313</b>	<b>808,621</b>	<b>886,068</b>	<b>863,269</b>	<b>8,551,052</b>
Revenues Over/(Under) Expenditures	<b>160,430</b>	<b>(46,403)</b>	<b>137,274</b>	<b>(36,296)</b>	<b>64,886</b>	<b>(2,172)</b>	<b>(4,749)</b>	<b>4,923</b>	<b>22,784</b>	<b>36,794</b>	<b>(27,877)</b>	<b>(259,594)</b>	<b>50,000</b>
Ending Balance	<b>\$ 160,430</b>	<b>\$ 114,027</b>	<b>\$ 251,301</b>	<b>\$ 215,005</b>	<b>\$ 279,891</b>	<b>\$ 277,719</b>	<b>\$ 272,970</b>	<b>\$ 277,893</b>	<b>\$ 300,677</b>	<b>\$ 337,471</b>	<b>\$ 309,594</b>	<b>\$ 50,000 (E)</b>	<b>\$ 50,000</b>

(A) Represents sales tax collections through 4 months.

(B) Represents 6 months worth of interest allocations.

(E) \$50,000 balance maintained pursuant to the Amended and Restated Development Agreement.

**Motion**

**(C) I make a motion to recommend to the Allen City Council the approval of a payment to Watters Creek Owner, LLC from the TIF Fund in the amount of \$722,540.36 from the City tax increment, \$125,729.01 from the County tax increment, and a payment to the City from the TIF Fund in the amount of \$15,000.00 (D) for administrative support.**

TIF #1 Watters Creek/Montgomery Farm/Garden District

531-TIF Fund	Actual FY2008	Actual FY2009	Actual FY2010	Actual FY2011	Actual FY2012	Actual FY2013	Actual FY2014	Actual FY2015	Actual FY2016	Actual FY2017	Actual FY2018	Actual Oct-18	Actual Nov-18	Actual Dec-18	Actual Jan-19
Sales Tax @ 50%	99,942.00	260,446.46	294,138.00	320,230.11	336,437.23	364,954.05	363,825.50	379,381.06	398,705.25	396,000.00	395,109.00	25,293.09	29,048.61	52,178.45	22,467.34
Project Savings			-		6,679.00										
Property Tax			-		-										
City Tax Rate	0.557	0.556	0.555	0.554	0.553	0.552	0.550	0.540	0.53	0.52	0.510000				0.498
Tax Levy	41,801	181,213	315,189.15	319,996.10	356,637.81	315,420.41	293,573.78	289,246.10	295,195.20	319,173.81	332,320.62				346,339.82
County Tax Rate	0.24	0.2425	0.2425	0.24	0.24	0.24	0.2375	0.235	0.24	0.21	0.192246				0.192246
Tax Levy	18,385	79,036	137,717.77	138,626.47	154,782.59	137,130.55	126,770.50	125,875.62	125,319.00	127,911.97	125,269.23				125,729.01
							-								
Investment Earnings	490	1,884	4,340.00	2,474.00	1,608.00	897.00	1,368.74	2,176.92	1,878.25	2,329.22	5,491.92				2,618.61
			-		-										
Developer Reimbursement		(516,714)	(596,991.00)	(767,622.49)	(776,218.89)	(802,101.77)	(775,047.91)	(774,843.72)	(783,313.46)	(793,621.24)	(871,067.47)				(848,269.37)
Legal Expenses	(188)	(22,268)	(2,120.00)	0.00	(40.00)	(3,472.00)	(240.00)	(1,912.50)	-	-	-				
Admin Fees		(30,000)	(15,000.00)	(15,000.00)	(15,000.00)	(15,000.00)	(15,000.00)	(15,000.00)	(15,000.00)	(15,000.00)	(15,000.00)				(15,000.00)
Drainage Improvements				(35,000.00)	-										
			-		-										
Balance*	160,430.00	114,027.96	251,301.88	215,005.07	279,890.81	277,719.05	272,969.66	277,893.13	300,677.38	337,471.14	309,594.44	334,887.53	363,936.14	416,114.59	50,000.00

\*A minimum balance of \$50,000 must be maintained

**Watters Creek/Montgomery Farms**

**City Reimbursements - TIF**

Date	Description	Parking Spaces	\$ per Space	Due	Balance
1/17/2008	Garage G	199	\$ 11,440.81	\$ 2,276,721.19	\$ 2,276,721.19
4/29/2008	Garage M	408	\$ 11,440.81	\$ 4,667,850.48	\$ 6,944,571.67
9/26/2008	Garage P	803	\$ 11,440.81	\$ 9,186,970.43	\$ 16,131,542.10
<b>Total Parking Space</b>		<b>1,410</b>			
9/25/2009		-36.65	\$ 11,440.81	\$ (419,293.00)	\$ 15,712,249.10
4/20/2010		-40.14	\$ 11,440.81	\$ (459,273.00)	\$ 15,252,976.10
6/16/2011		-54.98	\$ 11,440.81	\$ (628,996.02)	\$ 14,623,980.08
5/8/2012		-54.32	\$ 11,440.81	\$ (621,436.30)	\$ 14,002,543.78
5/17/2013		-58.12	\$ 11,440.81	\$ (664,971.22)	\$ 13,337,572.56
5/30/2014		-56.66	\$ 11,440.81	\$ (648,277.41)	\$ 12,689,295.15
4/13/2015		-56.72	\$ 11,440.81	\$ (648,968.10)	\$ 12,040,327.05
5/25/2016		-57.51	\$ 11,440.81	\$ (657,994.74)	\$ 11,382,332.31
5/30/2017		-58.19	\$ 11,440.81	\$ (665,709.27)	\$ 10,716,623.04
5/21/2018		-65.19	\$ 11,440.81	\$ (745,798.24)	\$ 9,970,824.80
<b>Proposed</b>		<b>-63.15</b>	<b>\$ 11,440.81</b>	<b>\$ (722,540.36)</b>	<b>\$ 9,248,284.44</b>
Subtotal		<u>-601.64</u>			
<b>Parking Space Balance</b>		<b>808.36</b>			

**County Reimbursement - TIF**

Priority Projects	Project Cost
Ramp Reversals	\$ 802,052.00
TXDOT Reimbursement	\$ (116,676.56)
Montgomery Blvd and Bridge	\$ 3,139,842.40
Traffic signalization for Bethany Dr (2 Sets)	\$ 352,454.00
deceleration lanes for Bethany and 75	\$ 340,267.00
Structured Parking Spaces @ \$4,685.14 max	\$ 2,088,108.56
<b>Total project costs</b>	<b>\$ 6,606,047.40</b>
9/25/2009	\$ (97,421.00)
4/14/2010	\$ (137,717.77)
6/16/2011	\$ (138,626.47)
5/8/2012	\$ (154,782.59)
5/17/2013	\$ (137,130.55)
5/30/2014	\$ (126,770.50)
4/13/2015	\$ (125,875.62)
5/25/2016	\$ (125,318.72)
5/30/2017	\$ (127,911.97)
5/21/2018	\$ (125,269.23)
<b>Proposed</b>	<b>\$ (125,729.01)</b>
<b>Total reimbursements</b>	<b>\$ (1,422,553.43)</b>
<b>Project Balance</b>	<b>\$ 5,183,493.97</b>