



AGENDA

**FLOWER MOUND TAX INCREMENT REINVESTMENT ZONE #1
REGULAR MEETING
DECEMBER 4, 2017**

**FLOWER MOUND TOWN HALL, 2121 CROSS TIMBERS ROAD
FLOWER MOUND, TEXAS
4:30 P.M.**

An agenda information packet is available online at www.flower-mound.com/AgendaCenter

Please silence or turn off all electronic devices in the Council Chambers.

A. CALL TO ORDER

B. BOARD MEMBER ANNOUNCEMENTS

C. REGULAR ITEMS

1. Consider approval of the minutes of the June 19, 2017 meeting of the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ #1) Board.
2. Consider approval of the 2017 Annual Report of the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ #1).

D. FUTURE MEETINGS

E. ADJOURNMENT – TIRZ BOARD OF DIRECTORS

Alora Wachholz, TIRZ Secretary

I do hereby certify that the Notice of Meeting was posted on the bulletin board in Town Hall of the Town of Flower Mound, Texas, a place convenient and readily accessible to the general public at all times and said Notice was posted on the following date and time: _____, 2017 at _____, at least 72 hours prior to the scheduled time of said meeting.

The Flower Mound Town Hall and Council Chambers are wheelchair accessible. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting by contacting Alora Wachholz, Economic Development Manager, at (972) 874-6044.



**TAX INCREMENT REINVESTMENT
ZONE #1 BOARD MEETING
AGENDA ITEM NO: 1
DECEMBER 4, 2017**

CONSENT ITEM REGULAR ITEM WORK SESSION ITEM

FROM: Alora Wachholz, Economic Development Manager

THROUGH: Andrea Roy, Director of Economic Development

PRESENTER: Alora Wachholz, Economic Development Manager

ITEM: Consider approval of the minutes of the June 19, 2017 meeting of the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ #1) Board.

Ordinance Resolution Motion Direction

I. ITEM SUMMARY:

This item is to approve the minutes from the June 19, 2017 meeting of the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ #1) Board.

II. BACKGROUND INFORMATION:

N/A

III. FISCAL IMPACT:

N/A

IV. LEGAL REVIEW:

N/A

V. ATTACHMENTS:

1. Draft minutes

VI. RECOMMENDED MOTION OR ACTION:

Move to approve the minutes of the June 19, 2017 meeting of the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ #1) Board.

The information contained in this document is unofficial until such time as the minutes are approved by the Tax Increment Reinvestment Zone #1 Board.

THE FLOWER MOUND TAX INCREMENT REINVESTMENT ZONE #1 (TIRZ #1) BOARD MEETING HELD ON THE 19th DAY OF JUNE, 2017, IN THE FLOWER MOUND TOWN HALL, LOCATED AT 2121 CROSS TIMBERS ROAD IN THE TOWN OF FLOWER MOUND, COUNTY OF DENTON, TEXAS, AT 4:30 P.M.

The TIRZ #1 Board met in a regular session with the following members present:

Albert Picardi, Chair
Bill Collins, Board Member
Lori Fickling, Board Member
Larry Lipscomb, Board Member
Bryan Webb, Board Member, Councilmember, Place 2 (arrived at 4:33 P.M.)
Jimmy Stathatos, Town Manager (Ex Officio)
Tom Hayden, Mayor (Ex Officio - arrived at 4:40 P.M.)

Constituting a quorum with the following members of the Town staff participating:

Debra Wallace, Deputy Town Manager / CFO
Kenneth Parr, Executive Director of Public Works
Sue Ridnour, Director of Library Services
Andrea Roy, Director of Economic Development
Alora Wachholz, Economic Development Manager

A. CALL TO ORDER

Chairman Picardi called the TIRZ #1 Board meeting to order at 4:31 P.M.

B. ELECTION OF OFFICERS

Chairman Picardi acknowledged that the Board was in need of electing a Vice Chair, as outlined in the bylaws of the Zone's creation. He asked if Board Member Collins would accept the position, to which he agreed and was welcomed by fellow Members to the role for the current term.

C. PRESENTATIONS

1. Introduction of new Town Economic Development Director.

Town Manager Stathatos approached the podium and introduced Andrea Roy, the Town's new Director of Economic Development, to the Board Members. Director Roy approached the podium, as well, as Chairman Picardi inquired how long she had been with the Town prior to the current meeting, to which Director Roy responded approximately three months. Director Roy expressed gratitude for the welcome and excitement for working together with Members in the future.

Town Manager Stathatos also acknowledged Board Member Lori Fickling as having taken on the new title of Economic Development Director for Denton County in the recent, to which the Board expressed congratulations and Board Member Fickling thanked them.

2. Presentation and discussion on Town of Flower Mound Town Hall project.

Deputy Town Manager / CFO Wallace provided a brief overview of the new Flower Mound Town Hall project, which she stated had hosted a groundbreaking ceremony just prior to the current TIRZ #1 meeting taking place. She showed an animated video which provided aerial and interior fly-through views of the renderings developed by the Town Hall project architects which were able to give

FLOWER MOUND TIRZ #1 BOARD MEETING OF JUNE 19, 2017 – PAGE 2

Members a practical idea of what the new building is intended to look like, once complete. As the video changed shots, Deputy Town Manager / CFO Wallace described what area of the building was being seen and what operational uses were planned for that space. Following the video narration, Deputy Town Manager / CFO Wallace provided a review of the timeline for the project, including the anticipated construction time frame.

Board Member Lipscomb asked what the projected cost of the project is and what the total square-footage of the building is, to which Deputy Town Manager / CFO Wallace responded \$18.8 million and 24,000 square-feet, respectively. Chairman Picardi inquired how long the new Town Hall building is expected to last, considering growth needs anticipated, to which Deputy Town Manager / CFO Wallace responded there is additional planned expansion footage in the existing building plan, with the opportunity to construct an addition to the south side of the building in the future, if the need is there. No additional questions or comments about the presentation were made.

D. REGULAR ITEMS

1. Consider approval of the minutes of the December 5, 2016 meeting of the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ #1) Board.

Board Member Webb moved to approve the minutes of the December 5, 2016 meeting. Board Member Collins seconded the motion. Chairman Picardi and Board Member Lipscomb abstained from voting due to non-attendance at the meeting in question. No additional questions or comments were made. The motion carried by a vote of 3 to 0 with 2 abstentions.

2. Review project plan and consider recommending funding of Rippy Rd. (FM2499 to Waketon) project for the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ #1).

Deputy Town Manager / CFO Wallace referenced the current Tax Increment Reinvestment Zone #1 (TIRZ #1) Project Plan provided to the Board in their packet and explained the excess funds resulting from the Senior Center project's completion had been shifted to the Other Projects line. She provided a brief overview of ongoing construction, including the two-part Waketon Road project and the status of the west and eastbound turn lanes at FM 1171 and FM 2499. She then explained that the Rippy Road project under discussion on this agenda item is to upgrade the existing, two-lane, asphalt road to a two-lane, curb and gutter roadway at an estimated cost of \$2,115,000. She stated that Council will be voting whether to include the project in the Capital Improvement Project Plan at their next meeting. She also explained that, upon approval of project funding, a part of the financial responsibility would be taken from the current fiscal year and the remainder from the following fiscal year. Board Member Collins asked if residential or business use was expected to go along the roadway, once complete. Executive Director of Public Works, Kenneth Parr, explained that the roadway is designed as an urban collector which would be primarily for use by residential traffic as well as to provide an outlet for existing traffic coming off of Waketon Road. He said there is a piece of the property that is zoned for commercial use but that is not expected to be the primary use for the roadway. Deputy Town Manager / CFO Wallace then explained that if funding is approved for this project, the TIRZ account would still have approximately \$2.5 million of non-committed funds. Board Member Webb asked if the TIRZ fund was on track with the numbers originally projected, to which Deputy Town Manager / CFO Wallace replied that funding is ahead of projections with approximately 20%, or \$16.5 million, currently received over the forecasted amounts. Board Member Collins made a motion to recommend approval of funding for the Rippy Road project to Council and Board Member Webb seconded the motion. No additional questions or comments were made. The motion carried by a vote of 5 to 0.

FLOWER MOUND TIRZ #1 BOARD MEETING OF JUNE 19, 2017 – PAGE 3

3. Consider recommending the use of Tax Increment Reinvestment Zone #1 (TIRZ #1) funds to pay the annual debt service on the issuance of \$10,900,000 for the Town of Flower Mound Public Library project to the Town Council.

Following Chairman Picardi opening Agenda Item #3, Mayor Tom Hayden stated that he would like to start the conversation by talking generally about the Town's debt. He referenced Board Member Lipscomb as he requested Deputy Town Manager / CFO Wallace to pull up a chart on the projector that shows the amount of Town debt over the past ten years. Mayor Hayden stated that, although the Town has been able to put more than \$80 million into projects, they retire almost as much debt as used each year. Board Member Lipscomb agreed that according to the chart, the Town's percentage of debt hasn't changed much over the years. Deputy Town Manager / CFO Wallace then gave a brief presentation regarding the Library expansion and renovation project that was previously approved by the TIRZ Board as part of their current Project Plan. She explained that approximately 33% of the patrons of the Flower Mound Public Library are non-Flower Mound residents but come from Denton County. She stated that there are an average of 3,500 visitors per week to the Library and the Town had purchased an acre of property adjacent to the site for this expansion purpose. She explained that the original estimated project cost, as outlined in the Library's Master Plan which was conducted in 2012, was approximately \$13 million; however, the reduced scope of work discussed for the project dropped the cost to \$12.3 million. The request for funding from the TIRZ budget is for \$10.9 million and the difference paid would be covered through the issuance of Certificates of Obligation. Deputy Town Manager / CFO Wallace next explained the site plan and timeline for design and construction start, pointing out that the Library would be able to remain open to the public for use throughout construction except in exceptional circumstances.

Board Member Lipscomb asked if his understanding was correct that the project would add 14,500 square feet of additional space at a cost of \$12.5 million to which Deputy Town Manager / CFO Wallace said yes. Mayor Hayden asked Deputy Town Manager / CFO Wallace to explain what part of the project funding is for renovation and what is for expansion, to which she responded that the existing 25,000 square-feet of space would be renovated at an estimated cost of \$220 per square foot and the expansion space would be at an estimated cost of \$350 to \$360 per square foot. She also explained that the project cost included Furniture, Fixtures, & Equipment (FF&E) for the Library. Town Manager Stathatos added that the cost of design for the project is also included. Chairman Picardi asked if the size of the Library, including the expansion square-footage, is big enough for the Town. Director of Library Services, Sue Ridnour, approached the podium and explained that, although there is not a solid answer to that question, the design includes public and open space which will assist in crowding. She said that she does believe it is an adequate size at this time. Board Member Webb asked Director of Library Services Ridnour to talk about what an average day in the Library currently looks like, to which she responded by explaining daily peak times, what programming is used the most, and stated that the community room is typically in use approximately 75% of the time. Board Member Collins asked what kind of activities visitors typically use when in the Library and Mayor Hayden followed by asking what a twenty-first century Library looks like. Director of Library Services Ridnour explained the trends occurring in libraries today, some of the innovative things other libraries are offering to visitors, and a general shift toward job skill education and hobby activities. A short discussion was held regarding the current Library operating hours and Mayor Hayden suggested that extending the hours be looked into for future reference. Board Member Lipscomb asked for clarification on the existing TIRZ fund balance and the General Fund balance, to which Deputy Town Manager / CFO Wallace responded \$2.5 million at the end of this Fiscal Year and approximately \$15.5 million, respectively. Chairman Picardi asked about the site plan for the project, and whether the second entrance shown would act as a second check-out point for visitors and Director of Library Services Ridnour answered that, although it could become one, the plan was to have that entrance to accommodate additional parking spaces on the side entrance.

FLOWER MOUND TIRZ #1 BOARD MEETING OF JUNE 19, 2017 – PAGE 4

Board Member Webb asked about the population of the Town as of seventeen years ago, currently, and at the time of the Library's original construction. Library Services Director Ridnour presented data collected from an annual per-capita report which explains that Flower Mound is currently lagging behind the State and our benchmark cities. She stated that the expansion would help bring the Town closer to its comparable cities and that perhaps in the future, a second library may be considered for construction. Board Member Collins asked if there was a way to construct the new expansion so that it may be added to vertically in the future and Deputy Town Manager / CFO Wallace responded that the cost for that would be much higher than what is currently being requested.

Board Member Lipscomb inquired further about the current usage of the Library, to which Director of Library Services Ridnour answered that it varies but is generally never quiet and can be over-filled at certain times of the year. Mayor Hayden stated that the original TIRZ Project Plan included three municipal buildings to be constructed; a Senior Center, new Town Hall, and a Fine Arts Center. He said that while the Senior Center is completed and the new Town Hall is under construction, the Board determined to remove the Fine Arts Center from the Plan and allocate that funding to the Library, which would fulfill the original intention of providing funding for three municipal buildings. Board Member Lipscomb stated that his concern was the cost of the project, to which Town Manager Stathatos responded by comparing these prices to those of a neighboring community currently constructing a similar facility. Board Member Webb added that construction costs are likely not going to go down anytime soon. Mayor Hayden also added that, due to currently-low interest rates, the cost of borrowing money right now is almost as expensive as normal inflation; therefore, waiting to construct will not prove any less expensive in the future. Board Member Fickling stated that she is surprised the Town has gone as long as it has with the existing facility at the size it is and feels okay about the costs associated.

Board Member Webb made a motion to recommend the use of TIRZ #1 funds to pay the annual debt service on the issuance of \$10,900,000 for the Town of Flower Mound Public Library to the Town Council. Board Member Collins seconded the motion. Board Member Lipscomb stated that he wanted to be clear that, although he doesn't believe anyone in the room is the kind to spend too much money without consideration, he just is not sold on the project at this cost. Board Member Webb stated that he does understand and appreciate Board Member Lipscomb's desire to be cautious and fiscally conservative. No additional questions or comments were made. The motion carried by a vote of 4 to 1 with Board Member Lipscomb voting in the negative.

E. FUTURE MEETINGS

There are no future meetings scheduled at this time.

E. ADJOURNMENT – TIRZ #1 BOARD OF DIRECTORS

Chairman Picardi announced the meeting was adjourned at 5:32 P.M.

TOWN OF FLOWER MOUND, TEXAS

Albert Picardi, Chair

ATTEST:

Alora Wachholz, TIRZ #1 Secretary



**TAX INCREMENT REINVESTMENT
ZONE #1 BOARD MEETING
AGENDA ITEM NO: 2
DECEMBER 4, 2017**

CONSENT ITEM REGULAR ITEM WORK SESSION ITEM

FROM: Alora Wachholz, Economic Development Manager

THROUGH: Andrea Roy, Director of Economic Development

PRESENTER: Debra Wallace, Deputy Town Manager/CFO
Andrea Roy, Director of Economic Development

ITEM: Consider approval of the 2017 Annual Report of the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ #1).

Ordinance Resolution Motion Direction

I. SUMMARY:

This item is to approve the 2017 Annual Report of the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ #1).

II. BACKGROUND INFORMATION:

As required by Chapter 311 of the Texas Tax Code, an Annual Report detailing revenues, expenditures, and board activities must be approved by both the Tax Increment Reinvestment Zone Board and Town Council. Upon approval, the Annual Report must be submitted to each taxing unit that levies property taxes on real property in the Tax Increment Reinvestment Zone, as well as to the Texas Comptroller's office within 90 days of the end of the fiscal year.

III. FISCAL IMPACT:

N/A

IV. LEGAL REVIEW:

N/A

V. ATTACHMENTS:

1. 2017 Annual Report

VI. RECOMMENDED MOTION OR ACTION:

Move to approve the 2017 Annual Report of the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ #1).



Town of Flower Mound, Texas

Tax Increment Reinvestment Zone #1 (TIRZ #1)

ANNUAL REPORT

2017

Town of Flower Mound, Texas
Tax Increment Reinvestment Zone #1

As of September 30, 2017

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Town of Flower Mound, Texas
Tax Increment Reinvestment Zone #1

As of September 30, 2017

YEAR END SUMMARY OF MEETINGS/TOWN COUNCIL/BOARD ACTIONS

During the period from October 1, 2016, through September 30, 2017, the Town of Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ) Board of Directors met twice. The first meeting was held on December 5, 2016, to approve the 2016 Annual Report and minutes from the August 9, 2016 TIRZ board meeting. The second meeting was held June 19, 2017, and included three regular items: review and approval of the meeting minutes from the December 5, 2016 TIRZ board meeting, review of the TIRZ #1 Project Plan and consideration to recommend funding of the Rippy Road project from FM 2499 to Waketon Road, and consideration to recommend the use of TIRZ #1 funds to pay the annual debt service on the issuance of \$10.9 million for the Town of Flower Mound Public Library project to the Town Council.

Prior to the regular items discussed at the June 19, 2017 meeting, an election was held to nominate and elect a Vice Chair for the TIRZ #1 Board, per the bylaws Article III, Section 3. This request was made for coverage in signatory duties due to the changing Chairman position previously held by Jeff Tasker and then Albert Picardi at the time of the June meeting. The Board voted unanimously to nominate and elect Board member Bill Collins to the position of Vice Chair for the TIRZ #1 Board. Two presentations were made at the June 19, 2017 meeting; the first one being an introduction to the new Town of Flower Mound Economic Development Director, Andrea Roy, and the second an overview and discussion on the status of the Town Hall construction project previously authorized to be financed with TIRZ #1 funds.

Board members appointed and serving at the time of the June 19, 2017 meeting: Town—Albert Picardi, Bill Collins, Bryan Webb and County—Larry Lipscomb and Lori Fickling. Ex-Officio members are Mayor Tom Hayden and Town Manager Jimmy Stathatos.

During the period from October 1, 2016, through September 30, 2017, the Flower Mound Town Council took the following action:

- At a meeting on December 19, 2016, the Town Council approved the 2016 Annual Report for the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ) in accordance with Chapter 311 of the Texas Tax Code.
- At a meeting on September 18, 2017, the Town Council voted to approve the Fiscal Year 2017-18 budget including a continued tax rate of \$0.4390 per \$100 valuation.

Town of Flower Mound, Texas
Tax Increment Reinvestment Zone #1

As of September 30, 2017

PUBLIC INFRASTRUCTURE/BUILDING PROJECTS

2017-2018

On October 20, 2014, a Chapter 380 Partnership Agreement was authorized by the Town of Flower Mound and RMI River Walk Investors, LP, which included the use of TIRZ funding for up to \$1 million for a public parking structure on the site of a nationally-branded hotel; later named a Courtyard by Marriott. The structure is required to include no fewer than 300 vehicle spaces and must comply with the development regulations approved by Town Council. Section 7 of the Agreement specifies that this financial assistance provided by the TIRZ may not exceed \$1 million and will be paid as a reimbursement for infrastructure costs following the issuance of a Certificate of Occupancy for the parking structure. A First Amendment to the Chapter 380 Agreement was approved by Town Council on May 4, 2015 and placed additional requirements on the acceptance of these TIRZ funds. Section 5.C of the original Agreement was amended to include that the parking structure must be fully constructed and accessible to the public no later than the Opening Date of the hotel, and that the Town will not issue a Certificate of Occupancy for the Hotel until a Certificate of Occupancy has been issued for the parking structure. The building permit deadline was also extended to September 30, 2015. On September 18, 2017, the Town Council approved a Second Amendment to the Chapter 380 Agreement which again alters Section 5.C, Subsection (5) to include a substantial completion date for the parking structure of March 15, 2018, an outline of what constitutes “substantial completion” for use in this Agreement, and a clause distinguishing that the Town will hold all payments otherwise due under the original Chapter 380 Agreement until which time as substantial completion is achieved. The Second Amendment also created Section 5.C(6), which states that if the parking structure is not completed by March 15, 2018, then the Town, in its sole discretion, may unilaterally terminate the Agreement.

Town of Flower Mound, Texas
Tax Increment Reinvestment Zone #1

As of September 30, 2017

CAPITAL IMPROVEMENT PLAN BUDGET

Project	Estimated Cost
STREETS	
Dixon Lane (Chinn Chapel to Crestside)	\$2,685,267
Chinn Chapel (FM 407 to Dixon)	1,387,500
Chinn Chapel (Dixon to Waketon)	941,305
Waketon Road (Rippy to Chinn Chapel)	5,270,000
Rippy Road (FM 2499 to Waketon)	2,115,000
Churchill (East end to Yucca)	400,000
FM 1171 at FM 2499 Westbound Right Turn Lane	998,000
FM 1171 at FM 2499 Eastbound Right Turn Lane	785,000
Subtotal	\$14,582,072
SIGNALS	
College Parkway at FM 2499	\$150,000
Subtotal	\$150,000
WATER	
FM 2499 west side from FM 1171 to Dixon	\$1,700,000
FM 407 from FM 2499 to Country Meadows Addition	438,039
Subtotal	\$2,138,039
FACILITIES	
Town Hall	\$10,000,000
Senior Citizen Activity Center	4,869,638
Library renovation/expansion	10,900,000
Subtotal	\$25,769,638
PARKS	
Timber Trails Park	\$400,000
Subtotal	\$400,000
Improvements in Forum (Riverwalk) Area	
Parking Structure	\$4,000,000
	1,000,000
Subtotal	\$5,000,000
Other Projects	
	\$429,566
Town Center Master Plan	50,685
Retail Developments Shared Drive (FM 407 & Chinn Chapel)	180,000
Subtotal	\$660,251
TOTAL	\$48,700,000

Town of Flower Mound, Texas
Tax Increment Reinvestment Zone #1

As of September 30, 2017

BUDGET VS EXPENDITURES

Project	Current Budget	Expended Costs to Date	Remaining Balance
STREETS			
Dixon Lane (Chinn Chapel to Crestside)	\$2,685,267	\$2,685,267	\$0
Chinn Chapel (FM 407 to Dixon)	1,387,500	1,387,500	0
Chinn Chapel (Dixon to Waketon)	941,305	941,305	0
Waketon Road (Rippy to Chinn Chapel)	5,270,000	172,648	5,097,352
Rippy Road (FM 2499 to Waketon)	2,115,000	0	2,115,000
Churchill (East end to Yucca)	400,000	0	400,000
FM 1171 at FM 2499 Westbound Right Turn Lane	998,000	43,870	945,130
FM 1171 at FM 2499 Eastbound Right Turn Lane	785,000	0	785,000
Subtotal	\$14,582,072	\$5,230,590	\$9,351,482
SIGNALS			
College Parkway at FM 2499	\$150,000	\$0	\$150,000
Subtotal	\$150,000	\$0	\$150,000
WATER			
FM 2499 west side from FM 1171 to Dixon	\$1,700,000	\$0	\$1,700,000
FM 407 from FM 2499 to Country Meadows Addition	438,039	438,039	0
Subtotal	\$2,138,039	\$438,039	\$1,700,000
WASTEWATER			
FM 2499 east side from Valley Creek Church to Dixon	\$0	\$0	\$0
FM 407 from FM 2499 to County Meadows Addition	0	0	0
Subtotal	\$0	\$0	\$0
FACILITIES			
Town Hall	\$10,000,000	\$0	\$10,000,000
Senior Citizen Activity Center	4,869,638	4,869,638	0
Library renovation/expansion	10,900,000	0	10,900,000
Subtotal	\$25,769,638	\$4,869,638	\$20,900,000
PARKS			
Timber Trails Park	\$400,000	\$0	\$400,000
Subtotal	\$400,000	\$0	\$400,000
Improvements in Forum (Riverwalk) area			
Parking Structure	\$4,000,000	\$0	\$4,000,000
	1,000,000	0	1,000,000
Subtotal	\$5,000,000	\$0	\$5,000,000
Other Projects			
Town Center Master Plan	\$429,566	\$0	\$429,566
	50,685	50,685	0
Retail Developments Shared Drive (FM 407 & Chinn Chapel)	180,000	180,000	0
Subtotal	\$660,251	\$230,685	\$429,566
TOTAL	\$48,700,000	\$10,768,952	\$37,931,048

Town of Flower Mound, Texas
Tax Increment Reinvestment Zone #1

As of September 30, 2017

TIRZ FUND *

	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
Beginning Balance:			
<i>October 1, 2016</i>	\$7,574,159	\$0	\$7,574,159
Revenues:			
Property Tax	\$4,027,145	\$0	\$4,027,145
Interest	<u>\$63,395</u>	\$0	<u>\$63,395</u>
TOTAL REVENUES	\$4,090,540	\$0	\$4,090,540
Expenditures:			
Land Purchases	\$0	\$0	\$0
Professional Services	\$194,789	\$0	\$194,789
Construction/Improvements	<u>\$45,850</u>	<u>\$118,056</u>	<u>\$163,906</u>
TOTAL EXPENDITURES	\$240,639	\$118,056	\$358,695
Ending Balance:			
<i>September 30, 2017*</i>	\$11,424,060	(\$118,056)	\$11,306,004

* Unaudited, subject to change.

Town of Flower Mound, Texas

Tax Increment Reinvestment Zone #1

As of September 30, 2017

ANNUAL REPORT

Chapter 311.016 of V.C.T.A. requires the following information as part of the annual report on the status of the TIRZ District. Information is contained in detail on the attached financial statements.

1. Amount and source of revenue in the tax increment fund established for the zone:

\$4,090,540 Total Revenue

2. Amount and purpose of expenditures from the fund:

\$240,639 Total Expenditures

3. Amount of Principal and Interest due on outstanding indebtedness is as follows:

\$118,056 Total Principal and Interest

I. Contributions /Advances from developers— none.

II. Bonds issued and payment schedule to retire bonds—

2017COTIRZ:	Fiscal Year	Principal	Interest	Total
	2018	980,000	256,025	1,236,025
	2019	1,000,000	236,425	1,236,425
	2020	1,020,000	216,425	1,236,425
	2021	1,045,000	196,025	1,241,025
	2022	1,065,000	175,125	1,240,125
	2023	1,085,000	153,825	1,238,825
	2024	1,110,000	126,700	1,236,700
	2025	1,145,000	93,400	1,238,400
	2026	1,190,000	47,600	1,237,600
		<u>\$ 9,640,000</u>	<u>\$ 1,501,550</u>	<u>\$ 11,141,550</u>

4. Tax Increment base and current captured appraised value retained by the zone:

Taxing Jurisdiction	Net Taxable Fiscal Year Value 2016 - 2017	Base Year* Value Jan 1, 2005	Captured App. Value Fiscal Year 2016 - 2017
Town of Flower Mound	\$835,280,227	\$228,290,889	\$606,989,338
Denton County	\$874,647,918	\$229,382,705	\$645,265,213

5. Captured appraised value by the municipality and other taxing units, the total amount of the tax increment received, and any additional information necessary to demonstrate compliance with the tax increment financing plan adopted by the governing body of the municipality.

A. Captured appraised value shared by the municipality and other participating taxing jurisdictions received in Fiscal Year 2016-2017:

Taxing Jurisdiction	Participation Per \$100/Value	Amount of 2016-2017 Increment
Town of Flower Mound (100%)	\$0.439000	\$2,664,683.19
Denton County (90%)	\$0.211150	\$1,362,462.33
Total	\$0.650150	\$4,027,145.52

B. Amount of tax increment received in 2017 from the municipality and the other taxing jurisdictions based on 2016 valuations: \$4,027,145.52

C. Other information: None

* Base Year Value as of January 1, 2005 is for Fiscal Year 2005-2006.