

THE FLOWER MOUND TAX INCREMENT REINVESTMENT ZONE #1 (TIRZ #1) BOARD MEETING HELD ON THE 3rd DAY OF DECEMBER, 2018, 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:

Paul Stone, Chair
Bill Collins, Vice Chair
Jim Engel, Board Member, Councilmember, Place 4
Larry Lipscomb, Board Member
Jimmy Stathatos, Town Manager (Ex Officio)
Steve Dixon, Mayor (Ex Officio)

With the following members absent:

Lori Fickling, Board Member

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

Debra Wallace, Deputy Town Manager/CFO
Tiffany Bruce, Executive Director of Public Works
Andrea Roy, Director of Economic Development
Melody Eby, Economic Development Specialist

A. CALL TO ORDER

Chairman Stone called the TIRZ #1 Board meeting to order at 4:30 P.M.

B. INTRODUCTION OF NEW MEMBERS

All board members introduced themselves. Chairman Stone stated that Jim Engel was the only new board member, and he also noted that there is currently one vacancy for the Precinct 4 selection from Denton County, which the County Judge Elect has indicated that he's asked former mayor, Jody Smith, to serve, but it has not yet been ratified by the Commissioners Court. No additional questions or comments were made.

C. REGULAR ITEMS

1. Consider approval of the minutes of the December 4, 2017 meeting of the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ #1) Board.

Board Member Lipscomb asked for clarification regarding the voting process, as he was absent for the December 4, 2017 meeting, and Vice Chair Collins is the only current member who was present at said meeting. Chairman Stone stated that each board member has the ability to vote to approve the minutes, even if certain members were not present at said meeting. Board Member Lipscomb moved to approve the minutes of the December 4, 2017 meeting. Vice Chair Collins seconded the motion. No additional questions or comments were made. The motion carried by a vote of 4 to 0.

FLOWER MOUND TIRZ #1 BOARD MEETING OF DECEMBER 3, 2018 – PAGE 2

2. Consider approval of the 2018 Annual Report of the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ #1).

Director of Economic Development, Andrea Roy, provided a brief overview of the 2018 Annual Report of the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ #1), explaining that compared to previous years' reports, the 2018 report includes information regarding all active projects that the Town is expending TIRZ funds for, in an effort to provide more background on what activity has been occurring and where the funds are being allocated to. An additional note was made that the Denton County participation rate dropped, as part of the TIRZ plan, from 90% to 85%, where they will remain for the remainder of the TIRZ.

Chairman Stone asked for an explanation regarding RMI River Walk Investors, LP and their ability to request for reimbursement of up to \$1 million for a public parking structure. Andrea Roy stated that Town staff is due to meet with the developer in the near future, as they are contemplating whether or not to pursue the TIRZ funds. They are eligible for reimbursement; however, one of the conditions of the reimbursement is that the garage must be open to the public. The developer has not made any decisions, but they have considered the possibility of financing the garage differently on their end, so they can consider charging for the garage. No decisions have been made. Town Manager, Jimmy Stathatos, added that it is not a unilateral decision, and that Town Council would have to approve a modification to the current Chapter 380 Agreement to make any changes.

Chairman Stone asked for an explanation for the Waketon Road project, as the developer has not requested reimbursement from the Town. Andrea Roy stated that the developer has quite a bit of private development occurring, and approximately two ownership changes with that company, so she believes it is just a matter of their staff catching up before submitting for reimbursement.

Chairman Stone asked what the \$400,000 estimated cost of Timber Trails Park under the Capital Improvement Plan Budget is planned to be spent on. Deputy Town Manager/CFO, Debra Wallace, said that it should read: "Hike and Bike Trails," and she believes it will be for the expansion of the Pink Evening Primrose Trail, on the west side of Morriss, heading north.

Chairman Stone stated that although the \$4,000,000 for the Improvements in Forum (Riverwalk) Area will be changed with the next agenda item, he asked what it was originally planned to be spent on. Debra Wallace explained that it was not for a specific item and that it was just an allocated amount for that area. Similarly, Chairman Stone asked about the \$429,566 allocated for Other Projects, and Debra Wallace explained that it started out as a higher number, and it allowed additional projects to be funded in previous years, such as the Rippy Road and Waketon Road projects. Furthermore, when there are savings on various projects, the excess amount gets placed in this category, and it acts as a general holding area until it gets reallocated.

Chairman Stone noted that the current budget between Waketon Road and Rippy Road exceeds \$7 million; however, there has only been \$428,750 expended to-date by the Waketon Road project. He asked about the timing on when the remaining budgeted amount will be expended, to which Debra Wallace responded that most will be spent in the coming months for Waketon Road. As for Rippy Road, they are still in the design phase, and therefore the expenditure has not been recorded yet.

Chairman Stone questioned the negative debt service amount of \$118,056 on page 9 of the Annual Report, to which Andrea Roy responded that it is a clerical error and staff will remove the parenthesis on that figure.

Board Member Lipscomb asked for clarification regarding the timeline of the Library Renovation/Expansion project, to which Debra Wallace responded that the bidding process will begin in January and hopes to have something to Council by March.

FLOWER MOUND TIRZ #1 BOARD MEETING OF DECEMBER 3, 2018 – PAGE 3

There were no further questions regarding the Annual Report.

Vice Chair Collins made a motion to approve the 2018 Annual Report of the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ #1), with the correction of the negative debt service figure on page 9 and Board Member Lipscomb seconded. No additional questions or comments were made. The motion carried by a vote of 4 to 0.

3. Review and consider approval of revisions to the Flower Mound Tax Increment Reinvestment Zone #1 (TIRZ #1) Project Plan and authorizing specific projects for funding, including an update and discussion on current budget versus expenditures.

Debra Wallace recommended allocating approximately \$3.7 million of the originally budgeted \$4 million for the Improvements in Forum (Riverwalk) Area to 3 different projects: \$1 million to FM 2499 at Waketon Intersection, \$470,000 to East Waketon Road Drainage Improvement, and \$1,800,000 to Morriss Waterline Project Phase III. Furthermore, Debra Wallace mentioned that both the FM 2499 at Waketon Intersection project and the East Waketon Road Drainage Improvement project were approved by Town Council in the CIP for 18-19, the Morriss Waterline project is not until 21-22. Therefore, staff is seeking authorization for the FM 2499 at Waketon Intersection and the East Waketon Road Drainage Improvement projects.

Debra Wallace explained that there have been two projects which have been authorized last year: Rippy Road and Churchill (east end to Yucca). Design is anticipated to be awarded for Rippy Road in January. The Churchill project was combined with Yucca and Churchill project. Council awarded the construction contract and notice receipt was issued in early December.

Vice Chair Collins asked if there is still a cash reserve as these projects come up, to which Debra Wallace confirmed there is. She states that we have approximately \$10 million committed of the \$13 million, \$1.5 million that is held back (\$1 million for the parking structure and \$500,000 from several years ago, when the TIRZ Board had requested to hold back), which leaves approximately \$1.5 million that has not yet been committed.

Executive Director of Public Works, Tiffany Bruce, began her update with Waketon Road Phase I, stating that they have not yet sought reimbursement, but some of the TIRZ funds have been allocated for when that time comes. Phase II is complete with design, and is a joint project that came along with additional funding from the County, and will be done with Double Oak. Construction cannot begin until Double Oak is ready. Furthermore, Rippy Road construction funds will not be available until the next fiscal year, due to prioritization of other projects.

Chairman Stone asked if there was an idea of how much will be spent in this fiscal year that is funded through the TIRZ. Jimmy Stathatos responds that projects go across fiscal years, so it could be a matter of when the PO is paid or if there are delays that occur which might delay payment until the next fiscal year. Debra Wallace adds that she looks at the committed amounts to make sure that there are still sufficient funds for the following fiscal year. Tiffany Bruce concludes with the estimates on what will be expended on projects in this fiscal year.

Board Member Engel made a motion to approve the revisions to the TIRZ #1 Project Plan and authorizing specific projects for funding and Board Member Lipscomb seconded. No additional questions or comments were made. The motion carried by a vote of 4 to 0.

D. ADJOURNMENT

Chairman Stone announced the meeting was adjourned at 5:12 P.M.

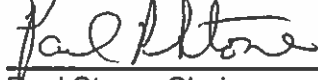
FLOWER MOUND TIRZ #1 BOARD MEETING OF DECEMBER 3, 2018 – PAGE 4

Board Member Engel made a motion to approve the revisions to the TIRZ #1 Project Plan and authorizing specific projects for funding and Board Member Lipscomb seconded. No additional questions or comments were made. The motion carried by a vote of 4 to 0.

D. ADJOURNMENT

Chairman Stone announced the meeting was adjourned at 5:12 P.M.

TOWN OF FLOWER MOUND, TEXAS



Paul Stone, Chair

ATTEST:



Melody Eby, TIRZ #1 Secretary