

ITEM D-2

Strategic Planning Budget Work Session – Tax Increment Reinvestment Zone (TIRZ) and Economic Development Update

Tax Increment Reinvestment Zone

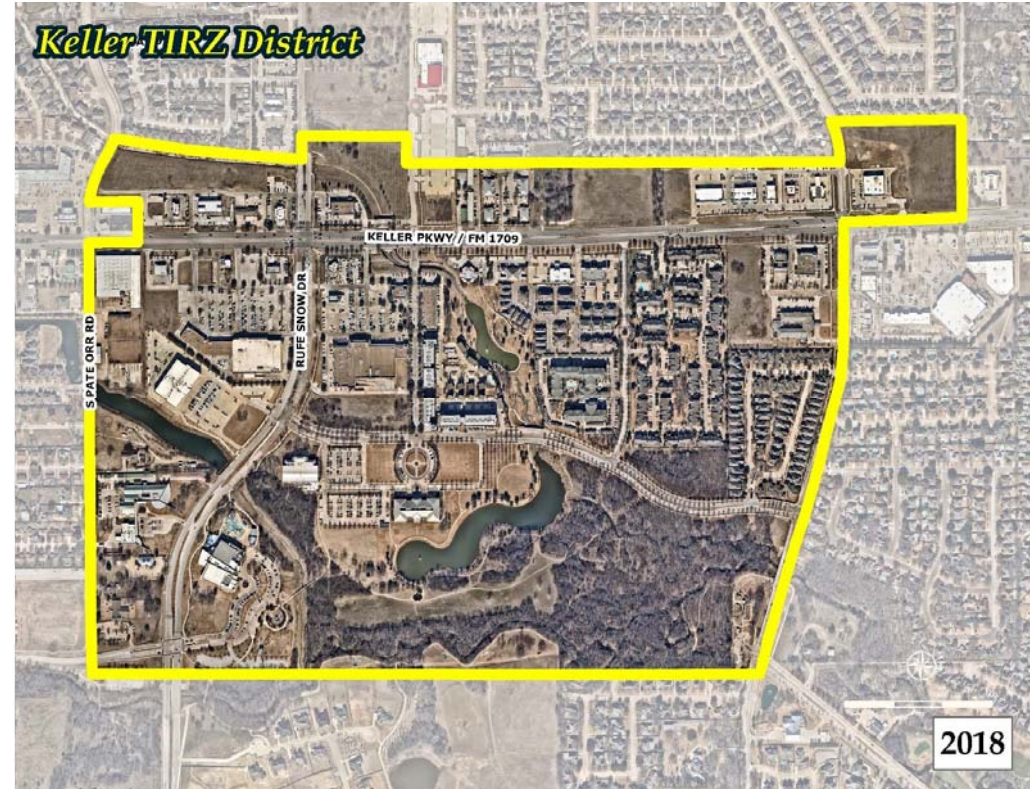
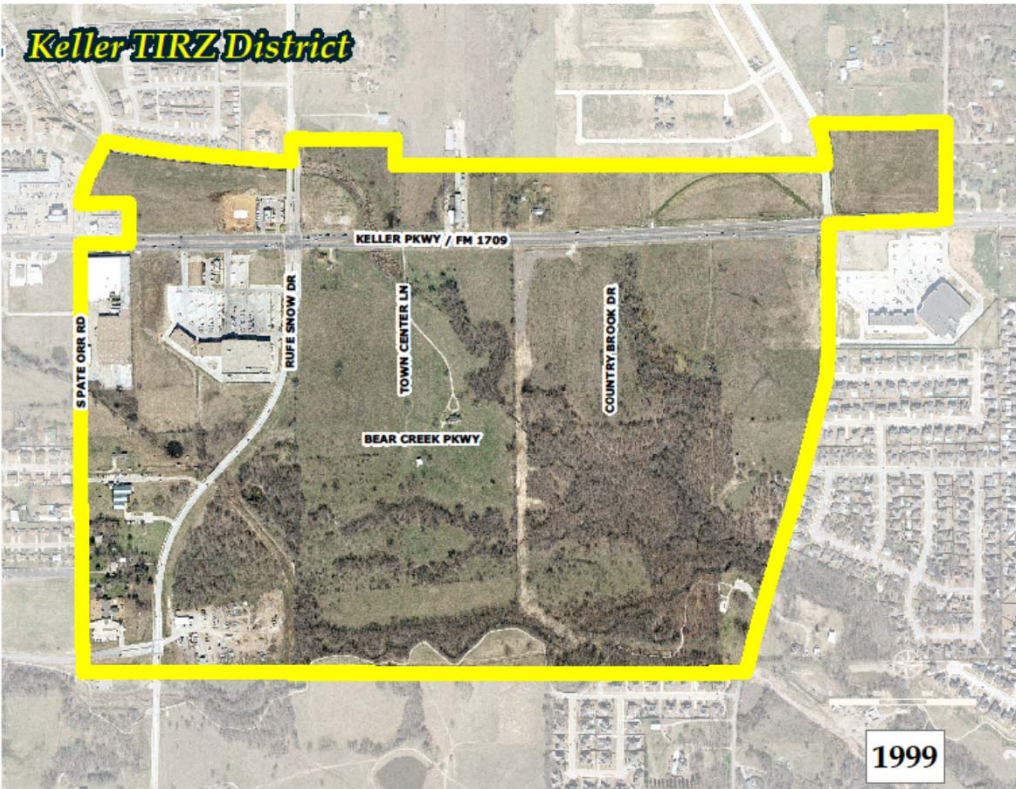
- City of Keller Tax Increment Reinvestment Zone No. 1 (TIRZ) created in 1998
- Includes Participation with KISD, County, TCCC, & Hospital
- Board of Directors of 12 members
- Capital improvements / financing plan of \$32.9 Million



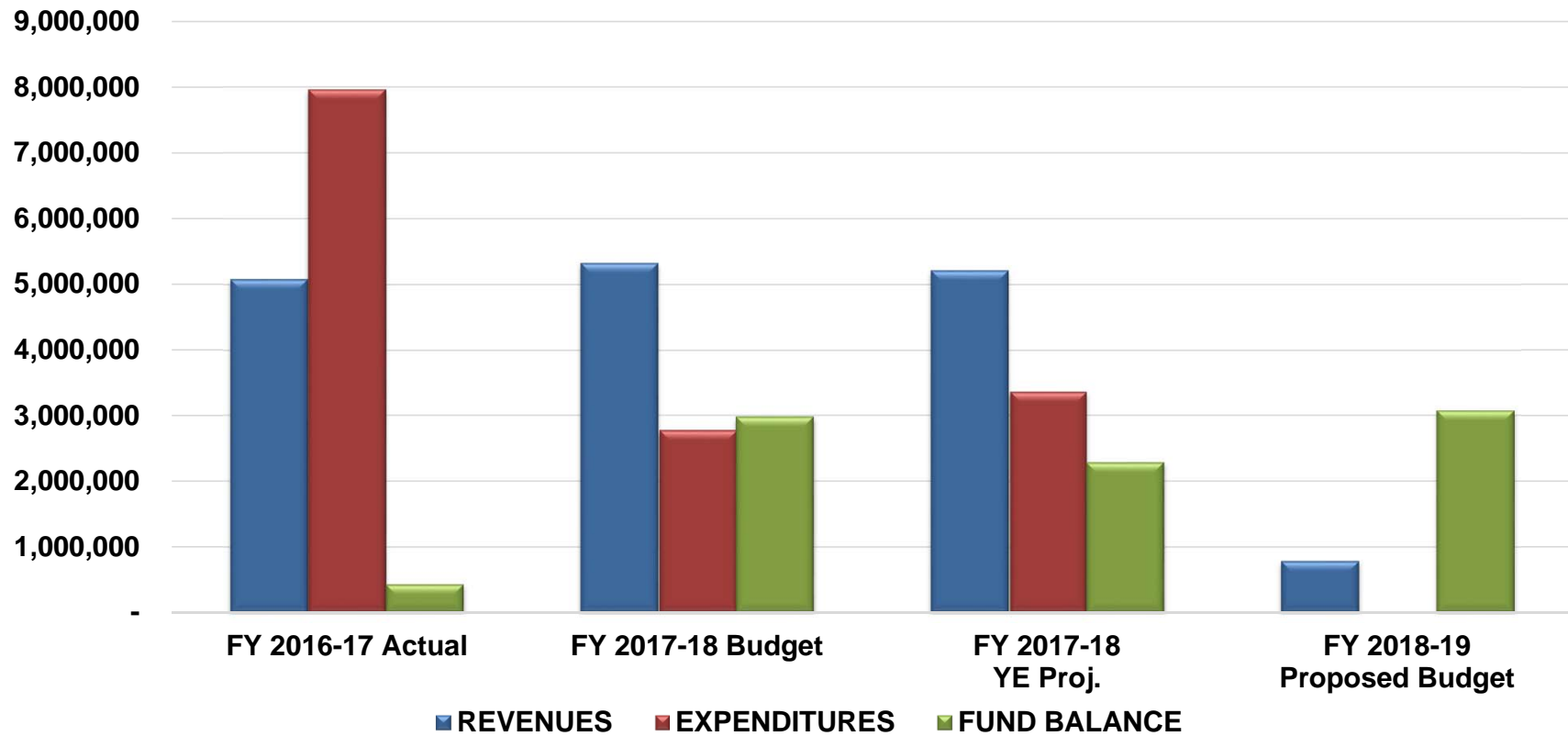
**TIRZ No. 1
Capital Improvement Plan
April 3, 2001**

Streets	\$11,650,000
Town Center Lane and Bridge	
Rufe Snow Drive – Widening & Median	
FM 1709 – Median Modification	
Bear Creek Parkway – Keller Smithfield Rd to Rufe Snow Dr.	
Town Hall Plaza; Public Parking and Public Walks	
Keller Smithfield Rd. – Bear Creek Pkwy to Wayside Dr.	
Drainage (Detention/Retention)	\$2,850,000
Tributary Park Drainage	
Bear Creek Park Retention; Public Park Development And Amphitheater Phase I	
Town Hall	\$9,400,000
Design, Construction, Emergency Generator	
Natatorium	\$8,800,000
Design and Construction	
Legal/Administrative/Issuance Costs	<u>\$250,000</u>
Total	\$32,950,000

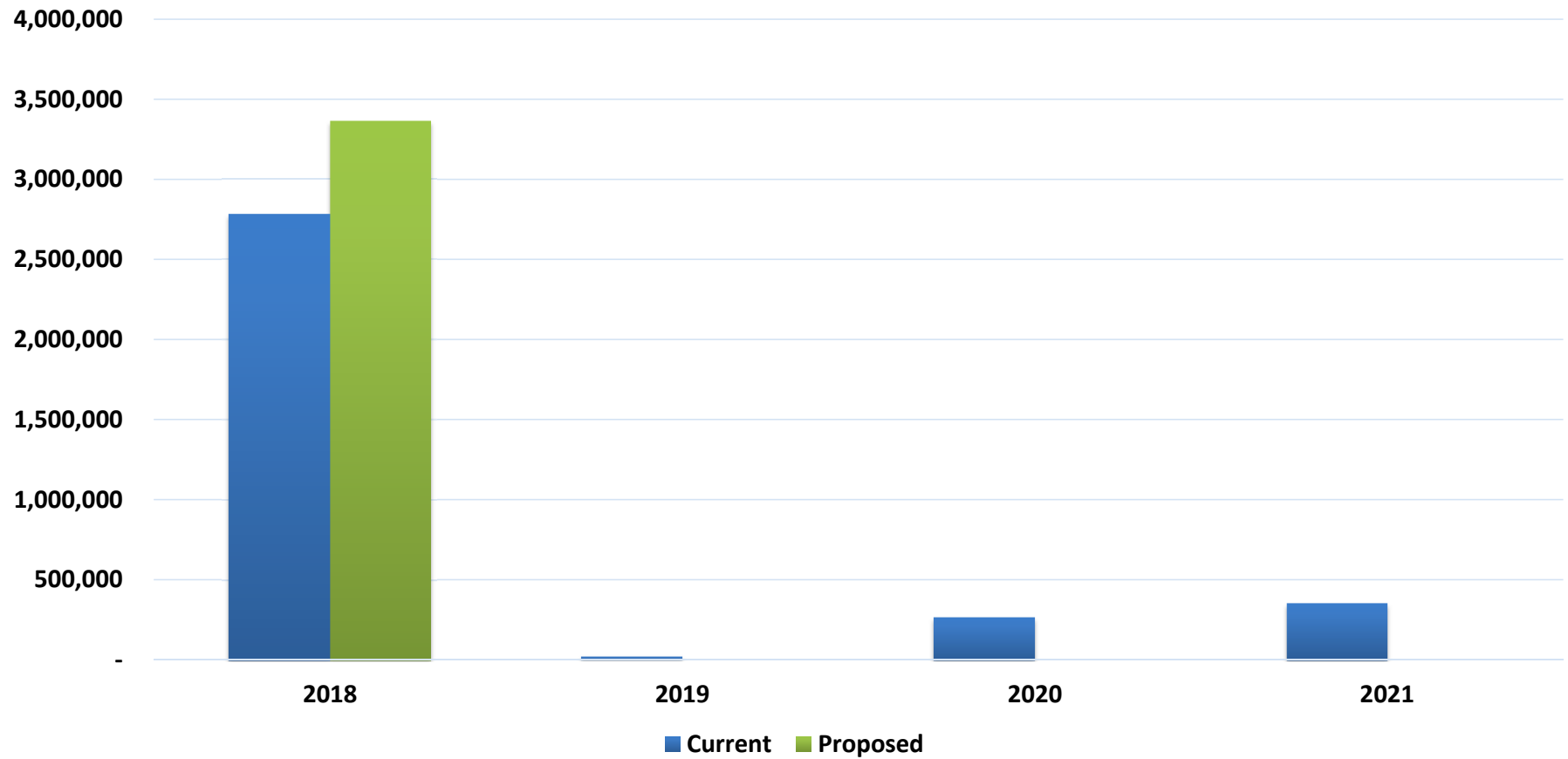
Creation vs. Current



TIRZ Budget Summary



TIRZ Debt Obligations



Current Incentives

Business	Agreement Terms	Current Obligation
Moviehouse	4 Years - 380 for AV & sales tax (started FY 16) + Refund permit, grant impact fees back +1-time improvement	TBD Up to 1-time 37,877 +312,700
Hotel in Town Center	5 Years - 380 for AV 7 Years – 380 for HOT tax +Refund permit, grant impact fees back	TBD 1,260,000 1,400,000
Chandon Arbors	3 Years - 380 for AV + Refund permit, grant impact fees back	TBD 26,863
Seven Mile Café	Refund permit, grant impact fees back	Up to \$14,380
Roscoe's BBQ	4 Years - 380 for sales tax + façade grant	Up to \$30,000+ 1-time \$5,000
Natural Grocers	Grant - 90% Impact Fee	\$32,795 (Est.)
Firehouse Subs	3 Years – 380 for sales tax	Up to \$10,000

General Fund Economic Development Incentive Budget

	FY 2017-18 Budget	FY 2017-18 Estimated	FY 2018-19 Proposed	FY 2019-20 Projected	FY 2020-21 Projected
Hotel*	714,000	500,000	459,500	49,088	26,998
Movie House	118,750	118,750	50,798	7,800	-
Chandon Arbors	4,300	-	4,300	3,440	2,580
Roscoe's	10,000	8,000	6,000	5,000	-
Natural Grocers	32,795	32,795	-	-	-
Firehouse Subs	5,556	-	5,556	3,333	1,111
Façade Grant	35,000	35,000	35,000	35,000	35,000
Unassigned	225,058	225,058	225,058	225,058	225,058
Total Incentives	\$ 1,145,459	\$ 979,103	\$ 786,212	\$ 328,719	\$ 290,747
FY 2018-18 Budget Variance		(\$ 166,356)	(\$ 359,248)	(\$ 816,741)	(\$ 854,712)
* - Does not include HOT/MOT rebates					

TBD Economic Development Projects

- General CIP
 - Economic Development = \$1,500,000
- Transportation CIP
 - Old Town Keller Tunnel = \$4,000,000





Questions?

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