

To the Mayor and Members of the City Council**October 8, 2024**

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**SUBJECT: AMENDMENT TO TAX INCREMENT REINVESTMENT ZONE NUMBER THREE (DOWNTOWN TIF) AND TAX INCREMENT REINVESTMENT ZONE NUMBER EIGHT (LANCASTER TIF) TERM AND PROJECT AND FINANCING PLANS**

The purpose of this Informal Report is to provide the City Council with an overview of an upcoming proposal to amend the respective term (the “Terms”) and Project and Financing Plans (the “Plans”) of Tax Increment Reinvestment Zone Number Three (the “Downtown TIF”) and Tax Increment Reinvestment Zone Number Eight (the “Lancaster TIF”) (collectively, the “TIFs”) that have/will be considered for approval by the board of directors (the “Boards”) of the TIFs on October 9, 2024 and October 2, 2024 respectively.

On December 19, 1995, the City Council adopted Ordinance No. 12324 designating the Downtown TIF for a term of thirty years. On September 17, 1998 the Board of Directors (Board) of the Downtown TIF adopted Project and Financing Plans for the Downtown TIF (Plans), which were subsequently amended on four occasions to reflect boundary changes, certain changes to project eligibility and priorities, and to reflect changes to certain caps on TIF revenue and expenses. The term of the Downtown TIF is set to expire on December 31, 2025.

On December 9, 2003, the City Council adopted Ordinance No. 15775 designating the Lancaster TIF for a term of twenty years. On January 22, 2004 the Board of Directors (Board) of the Lancaster TIF adopted Project and Financing Plans for the Lancaster TIF (Plans), which were subsequently amended on six occasions to reflect certain changes to project eligibility and priorities and to reflect a reduction participation rates for the taxing units that participate in the Lancaster TIF. The term of the Lancaster TIF is set to expire on December 31, 2024.

On October 2, 2024, the Board of the Lancaster TIF adopted a resolution approving updates and amendments to the Plan based on a desire to extend the term of the TIFs to support additional projects that are necessary to the continued success of each district. In order for these projects to be implemented, the Board recommended that the terms of the TIFs be extended so as to terminate on December 31, 2044. On October 9, 2024, the Board of the Downtown TIF will consider taking the same action.

These measures were taken in recognition of the need for increased capacity by the TIFs to support further development and several key projects that are generally located along boundaries shared by the two districts. In particular, the recent activity and long-term impact of the Texas A&M Fort Worth campus and innovation hub present a need for additional TIF capacity to support public improvements in that area. Other potential projects located in the TIFs, include certain public improvements near the Fort Worth Convention Center and Texas A&M Campus, public infrastructure needs including but not limited to increased public parking, pedestrian safety, and various transportation, streetscape, and utility improvements that may be required throughout both TIFs. The total estimated costs of proposed TIF projects is equal to approximately \$361 million.

As part of the proposed term extensions and amended Plans, it is recommended that participation rates be generally lowered across the two TIFs among those taxing units proposed for continued

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participation. In the case of the City, this results in a proposed reduction in the City's participation rate for the Downtown TIF from 60% to 50% (the City's participation rate would remain at 50% for the Lancaster TIF). All other participants are proposed to participate at a rate of 35% for the remaining term of the TIFs as amended. In addition to the City, it is proposed that Tarrant County, the Tarrant County College District, and the Tarrant Regional Water District continue their participation in the TIFs for the extended term at the recommended participation rates. The total projected revenue for the two TIFs (combined) is estimated to be equal to approximately \$361 million.

Before the extension of the term or the amended Plan can take effect and be considered by the other taxing districts, state law requires the City Council approve the amended term and the amended Plans by Ordinance after holding a public hearing at which interested persons may speak for or against the proposed amendments.

A public hearing and an M&C to adopt an ordinance to extend the term and to amend the Plans for each TIF will be placed on the agenda for the October 15th City Council meeting. If you have any questions concerning this information, please contact Robert Sturns, Economic Development Director at 817-392-2663 or robert.sturns@fortworthtexas.gov.

David Cooke
City Manager