

Mayor and Council Communication

DATE: 09/24/19

M&C FILE NUMBER: M&C 19-0178

LOG NAME: 17FY2019 MID-YEAR TIF ADJUSTMENTS

SUBJECT

Adopt Ordinance Adjusting Appropriations in Various Taxing Increment Reinvestment Zone Funds and Amounts to Bring Revenues and Expenditures Into Balance for Fiscal Year 2019 (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council adopt the attached supplemental appropriation ordinance decreasing appropriations in the various Taxing Increment Reinvestment Zone (TIRZs) funds in the total amount of \$379,209.00 for Fiscal Year 2019.

DISCUSSION:

The City's annual Operating Budget is formally enacted into law by City Council action adopting an appropriation ordinance that establishes spending limits for each department's operation. The purpose of this Mayor and Council Communication (M&C) is to address mid-year adjustments to various funds as described below.

On September 25, 2018, M&C G-19385 established the Fiscal Year 2019 (FY2019) appropriations for the various Taxing Increment Reinvestment Zones (TIRZs) in the amount of \$94,446,946.00. Based on the approved numbers for FY2019, mid-year adjustments are needed to bring some of the TIRZ funds into balance.

Some TIRZ funds were appropriated with the use of fund balance in FY2019. Adjustments in the amount of \$1,702,617.00 are needed for some of the funds and will decrease the use of fund balance based on available funds at the end of the prior fiscal year.

Additional appropriations in the TIRZ funds for TIRZ No. 9, TIRZ No. 9A, TIRZ No. 10, and TIRZ No.10A will increase estimated receipts and appropriations based on estimated available revenues by the total amount of \$1,323,408.00. The additional appropriations for TIRZs No. 9 and No. 9A are to correct for growth and development activity within the TIRZs that exceeded projections for FY2019, resulting in higher than anticipated contributions from TIRZ participants. TIRZ No. 9 includes an additional appropriation of \$358,024.00. TIRZ No. 9A includes an additional appropriation of \$8,267.00.

The additional appropriation for TIRZs No. 10 and No. 10A are to correct for the change in ownership of the annual bond payment. Typically, the annual bond payment to Wells Fargo is paid in August. The change of ownership occurred in FY2018 and delayed the payment from occurring in the year in which it was appropriated and resulted in the annual bond payment not being paid until December 2018 of FY2019. TIRZ No. 10 includes an additional appropriation of \$846,467.00 and TIRZ No. 10A includes an additional appropriation of \$110,650.00, using available fund balance and revenue, to provide for the payment obligation.

Changes to the TIRZ funds are shown in the following table:

TIRZ Number	Fund	Adjustment
TIRZ No. 2A - Texas Motor Speedway	28721	(\$332,439.00)
TIRZ No. 2B - Texas Motor Speedway	28722	(\$757,987.00)
TIRZ No. 3 - Downtown	28603	(\$42,276.00)
TIRZ No. 4 – Southside Med Dist	28604	(\$88,976.00)
TIRZ No. 7 - North Tarrant Pkwy	28607	(\$140,402.00)
TIRZ No. 9 - Trinity River Vision	28609	\$358,024.00
TIRZ No. 9A - Trinity River Vision	28790	\$8,267.00

TIRZ No. 10 - Lone Star	28610	\$846,467.00
TIRZ No. 10A - Lone Star	28710	\$110,650.00
TIRZ No. 12 – East Berry	28612	(\$1,918.00)
TIRZ No. 13 – Woodhaven	28613	(\$23,997.00)
TIRZ No. 14 - Trinity Lakes	28614	(\$314,622.00)

This M&C does not request approval of a contract with a business entity.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations and the adoption of the attached appropriation ordinance, funds will be available in the Fiscal Year 2019 operating budgets as appropriated to the various funds. Prior to any expenditure being incurred, Economic Development has the responsibility to validate the availability of funds.

Submitted for City Manager's Office by: Jay Chapa 5804

Originating Business Unit Head: Robert Sturns 2663

Additional Information Contact: Robert Sturns 2663