

ORDINANCE NO. _____

AN ORDINANCE DESIGNATING AND DESCRIBING THE BOUNDARIES OF A TAX INCREMENT REINVESTMENT ZONE THREE, CITY OF DENTON, TEXAS (“CONVENTION CENTER TIRZ”); ESTABLISHING THE DURATION OF THE ZONE; ESTABLISHING A TAX INCREMENT FUND; ESTABLISHING A BOARD OF DIRECTORS FOR THE TAX INCREMENT REINVESTMENT ZONE; MAKING CERTAIN FINDINGS AND OTHER MATTERS RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Denton, Texas, (the “City”), desires to promote the development of a certain contiguous area within the City of Denton by the creation of a Tax Increment Financing Reinvestment Zone, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, Vernon’s Texas Codes Annotated (the “Act”); and

WHEREAS, the City has called a public hearing to hear the public comments on the creation of the proposed Tax Increment Reinvestment Zone and its benefits to the City and the property in the proposed Tax Increment Reinvestment Zone; and

WHEREAS, notice of such public hearing was published in the Denton Record-Chronicle, a daily paper of general circulation in the City, such publication date being not later than seven (7) days prior to the date of the public hearing; and

WHEREAS, such hearing was convened at the time and place mentioned in the published notice, on the 17th day of June 2014, at 6:30 p.m., in Council Chambers of the City of Denton, Texas; and

WHEREAS, the City, at such hearing, invited any interested person, or his/her representative, to appear and speak for or against the creation of the Tax Increment Reinvestment Zone Three, the duration of the Tax Increment Reinvestment Zone, the boundaries of the proposed Tax Increment Reinvestment Zone, whether all or part of the territory which is described in Exhibit “A” attached hereto and depicted on the map attached hereto as Exhibit “B” should be included in such proposed Tax Increment Reinvestment Zone, the concept of tax increment financing and the appointment of a board of directors of the proposed Tax Increment Reinvestment Zone; and

WHEREAS, all owners of property located within the proposed Tax Increment Reinvestment Zone and all other taxing units and other interested persons were given a reasonable opportunity at such public hearing to protest the creation of the proposed Tax Increment Reinvestment Zone and/or the inclusion of their property in such ; Tax Increment Reinvestment Zone; and

WHEREAS, the proponents of the Tax Increment Reinvestment Zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the Tax Increment Reinvestment Zone, and opponents of the Tax Increment Reinvestment Zone

were given the opportunity to appear to contest creation of the zone, after which the hearing was closed; and

WHEREAS, the City Council finds, as evidenced by the development history of said area, that the area encompassing the Tax Increment Financing Reinvestment Zone would not develop absent the creation of the said zone and its inclusion therein; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct.

SECTION 2. The City Council, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) The public hearing on adoption of the Tax Increment Financing Reinvestment Zone has been properly called, held and conducted and that notice of such hearing has been published as required by law.
- (b) Creation of the proposed Tax Increment Reinvestment Zone with boundaries as described in Exhibits “A” and “B” will result in benefits to the City, its residents, and property owners, in general, and to the property, residents and property owners in the Tax Increment Reinvestment Zone.
- (c) That the Tax Increment Reinvestment Zone, as defined in Exhibits “A” and “B”, meets the criteria for the creation of a Tax Increment Financing Reinvestment Zone set forth in the Act by, including but not limited to:
 - (i) It is a contiguous geographic area located wholly within the corporate limits of the City.
 - (ii) It substantially impairs or arrests the sound growth of the municipality creating the zone or constitutes an economic or social liability in its present condition and use because of the presence of:
 - a. The area has a predominance of defective or inadequate sidewalks or street layout; and/or
 - b. Predominately open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors; and/or
 - c. Faulty lot layout in relation to size, adequacy, accessibility or usefulness.
- (d) That 30 percent or less of the property in the proposed Tax Increment Financing Reinvestment Zone, excluding property that is publicly owned, is used for

residential purposes, which is defined in the Act as any property occupied by a house which has less than five living units.

- (e) That the total appraised value of all taxable real property in the proposed Tax Increment Financing Reinvestment Zone according to the most recent appraisal rolls of the City, together with the total appraised value of taxable real property in all other existing Tax Increment Reinvestment Zones within the City, according to the most recent appraisal rolls of the City, does not exceed 25 percent of the current total appraised value of taxable real property in the City and in the industrial districts created by the City, if any.
- (f) That the improvements in the Tax Increment Reinvestment Zone will significantly enhance the value of all taxable real property in the Tax Increment Financing Reinvestment Zone.
- (g) The development or redevelopment of the property in the proposed Tax Increment Financing Reinvestment Zone will not occur solely through private investment in the reasonable foreseeable future.

SECTION 3. That the City hereby creates a Tax Increment Reinvestment Zone Three over the area described in Exhibit “A,” attached hereto and depicted in the map attached hereto as Exhibit “B,” and such Tax Increment Reinvestment Zone shall hereafter be identified as Tax Increment Reinvestment Zone Number Three, City of Denton, Texas (the “Zone” or “Reinvestment Zone”).

SECTION 4. There is hereby established a board of directors for the Zone that shall consist of up to eleven (11) members. The board of directors of Tax Increment Reinvestment Zone Number Three shall be appointed as follows:

- a) Nine (9) of the up to eleven (11) board members shall be appointed by the City Council of the City. Board membership shall consist of the nine (9) members of the Economic Development Partnership Board (“EDP”). Each taxing unit other than the City that contributes incremental taxes to the TIF Fund may, but is not required to, appoint one member to the Board. After each taxing unit other than the City designates to the City either the name of the member that the taxing unit wishes to appoint or the fact that the taxing unit wishes to waive its right to appoint a member, the City Council shall appoint whatever number of members are necessary to fill the remaining positions on the Board. Nine (9) of the up to eleven (11) member board shall be appointed by the City Council as provided here within sixty (60) days of the passage of this ordinance or within a reasonable time thereafter. All members appointed to the board shall meet the eligibility requirements set forth in the Act.
- b) The terms of the board members shall be two-year terms; the nine members appointed by City Council will serve terms concurrent with their EDP terms. A board member may serve no more than three consecutive terms.

- c) The board of directors shall make recommendations to the City Council concerning the administration of the Zone. It shall prepare and adopt a project plan and Tax Increment Reinvestment Zone financing plan for the Zone and must submit such plans to the City Council for its approval. The board of directors shall possess all powers necessary to prepare, implement and monitor such project plan and financing plan for the Tax Increment Reinvestment Zone as the City Council considers advisable, including the submission of an annual report on the status of the Zone. Any powers not herein delegated to the board of directors are specifically reserved to the City Council.

SECTION 5. That the Zone shall take effect immediately upon passage of this ordinance, and the termination of the Zone shall occur on December 31, 2044, or at an earlier time designated by subsequent ordinance of the City Council in the event the City determines that the Zone should be terminated due to insufficient private investment, accelerated private investment or other good cause, or at such time as all project costs and tax increment bonds, if any, and the interest thereon, have been paid in full.

SECTION 6. The Tax Increment Base for the Zone, as defined by Section 311.012(c), Texas Tax Code, shall be the total appraised value of all real property in the Zone taxable by a taxing unit for the year 2014, which is the year in which the Zone was designated as a reinvestment zone.

SECTION 7. That there is hereby created and established a Tax Increment Fund for the Zone which may be divided into such subaccounts as may be authorized by subsequent resolution or ordinance, into which all Tax Increments, less any of the amounts not required to be paid into the Tax Increment Fund pursuant to the Act, are to be deposited. The Tax Increment Fund and any subaccounts are to be maintained in an account at the City Treasurer's affiliated depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. In addition, all revenues from the sale of any tax increment bonds and notes hereafter issued by the City, revenues from the sale of any property acquired as part of the tax increment financing plan and other revenues to be dedicated to and used in the Zone shall be deposited into such fund or subaccount from which money will be disbursed to pay project costs for the Zone or to satisfy the claims of holders of tax increment bonds or notes issued for the Zone.

SECTION 8. The Tax Increment Fund shall consist of (i) the percentage of the tax increment, as defined by Section 311.012(a), Texas Tax Code, that each taxing unit which levies real property taxes in the Zone, other than the City, may elect to dedicate to the Tax Increment Fund under an agreement with the City authorized by Section 311.013(f), Texas Tax Code, plus (ii) one hundred percent (100%) of the City's portion of the tax increment, as defined by section 311.012(a), Texas Tax Code, subject to any binding agreement executed at any time by the City that pledges a portion of such tax increment or an amount of other legally available funds whose calculation is based on receipt of any portion of such tax increment.

SECTION 9. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 10. This Ordinance shall become effective immediately upon its passage and approval.

PASSED AND APPROVED this the _____ day of _____, 2014.

CHRIS WATTS, MAYOR

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
ANITA BURGESS, CITY ATTORNEY

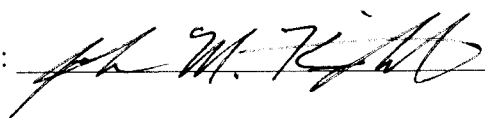
BY:  _____

EXHIBIT A – BOUNDARY DESCRIPTION

BEING a 13.279 acre tract of land situated in the Eugene Puchalski Survey, Abstract No. 996, City of Denton, Denton County, Texas, and being part of those tracts of land described in Deeds to the State of Texas for the use and benefit of North Texas State Teachers College, as recorded in Volume 291, Page 82 and Volume 294, Page 21 of the Deed Records of Denton County, Texas, and also being part of Lot 1, Block 1 per the Final Plat of Sheraton North Texas Addition, an Addition to the City of Denton, Texas, as recorded in Cabinet C. Page 400 of the Plat Records of Denton County, Texas, and said tract being more particularly described as follows:

COMMENCING at a TXDOT concrete monument with 3 inch aluminum disk found in the existing Southerly line of Interstate Highway No. 35E (a variable width right-of-way), said point being the Northeast corner of a called 0.5980 acre tract of land described in an unrecorded Deed from the University of North Texas to the State of Texas, executed on October 9, 2013, from which a TXDOT concrete monument with 3 inch aluminum disk found for reference bears South $61^{\circ}39'33''$ East a distance of 30.01 feet and a 1/2 inch iron rod found for the Northwest corner of the above cited Lot 1, Block 1 bears North $61^{\circ}39'33''$ West a distance of 71.32 feet;

THENCE South $28^{\circ}07'36''$ West departing the existing Southerly line of said Interstate Highway No. 35E, and along the Easterly line of said 0.5980 acre tract, for a distance of 46.82 feet to a PK nail found for corner in the proposed Southerly right-of-way line of said Interstate Highway No. 35E, said point being the POINT OF BEGINNING, for the herein described tract;

THENCE in a Southeasterly direction, along the proposed Southerly line of said Interstate Highway No. 35E, and along a non-tangent curve to the left having a central angle of $03^{\circ}20'18''$, a radius of 12158.17 feet, a chord bearing of South $64^{\circ}44'25''$ East, a chord distance of 708.30 feet and an arc length of 708.40 feet to a PK nail found for corner at an angle point;

THENCE South $57^{\circ}27'56''$ East continuing along the proposed Southerly line of said Interstate Highway No. 35E, for a distance of 101.62 feet to a PK nail found for corner at an angle point;

THENCE South $66^{\circ}32'28''$ East continuing along the proposed Southerly line of said Interstate Highway No. 35E, for a distance of 279.96 feet to a PK nail found for corner at an angle point;

THENCE South $20^{\circ}55'26''$ West departing the proposed Southerly line of said Interstate Highway No. 35E, for a distance of 163.35 feet to a 5/8 inch iron rod with cap stamped "TNP" found for corner in the Northwesterly line of a concrete road;

THENCE in a Southwesterly direction, along the Northwesterly line of said road, and along a non-tangent curve to the left having a central angle of $29^{\circ}32'07''$, a radius of 333.94 feet, a chord bearing of South $65^{\circ}11'19''$ West, a chord distance of 170.24 feet and an arc length of 172.14 feet to a 5/8 inch iron rod with cap stamped "TNP" found for corner at the beginning of a reverse curve to the right;

THENCE in a Southwesterly direction, along the Northwesterly line of said road, and along said reverse curve to the right having a central angle of $15^{\circ}07'01''$, a radius of 491.13 feet, a chord bearing of South $56^{\circ}09'37''$ West, a chord distance of 129.20 feet, and an arc length of 129.58

feet to a 5/8 inch iron rod with cap stamped "TNP" found for corner at the beginning of a reverse curve to the left;

THENCE in a Southwesterly direction, along the Northwesterly line of said road, and along said reverse curve to the left having a central angle of $17^{\circ}16'55''$, a radius of 408.58 feet, a chord bearing of South $53^{\circ}59'05''$ West, a chord distance of 122.77 feet and an arc length of 123.24 feet to a 5/8 inch iron rod with cap stamped "TNP" found for corner;

THENCE South $58^{\circ}27'31''$ West departing the Northwesterly line of said road, for a distance of 100.62 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

THENCE South $79^{\circ}24'57''$ West for a distance of 121.03 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

THENCE North $63^{\circ}45'10''$ West for a distance of 190.49 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

THENCE North $33^{\circ}45'10''$ West for a distance of 577.58 feet to a 5/8 inch iron rod with cap stamped "TNP" set for corner;

THENCE North $09^{\circ}25'41''$ West for a distance of 244.92 feet to a 5/8 inch iron rod with cap stamped "TNP" found for corner;

THENCE North $28^{\circ}27'40''$ East for a distance of 129.59 feet to an "X" cut in concrete set for corner in the Southerly line of the above cited 0.5980 acre tract;

THENCE South $61^{\circ}52'24''$ East along the Southerly line of said 0.5980 acre tract for a distance of 102.20 feet to a PK nail found for corner at the Southeast corner of said 0.5980 tract;

THENCE North $28^{\circ}07'36''$ East along the Easterly line of said 0.5980 acre tract, for a distance of 44.83 feet to the POINT OF BEGINNING, and containing 13.279 acres of land, more or less.

EXHIBIT B – BOUNDARY MAP

