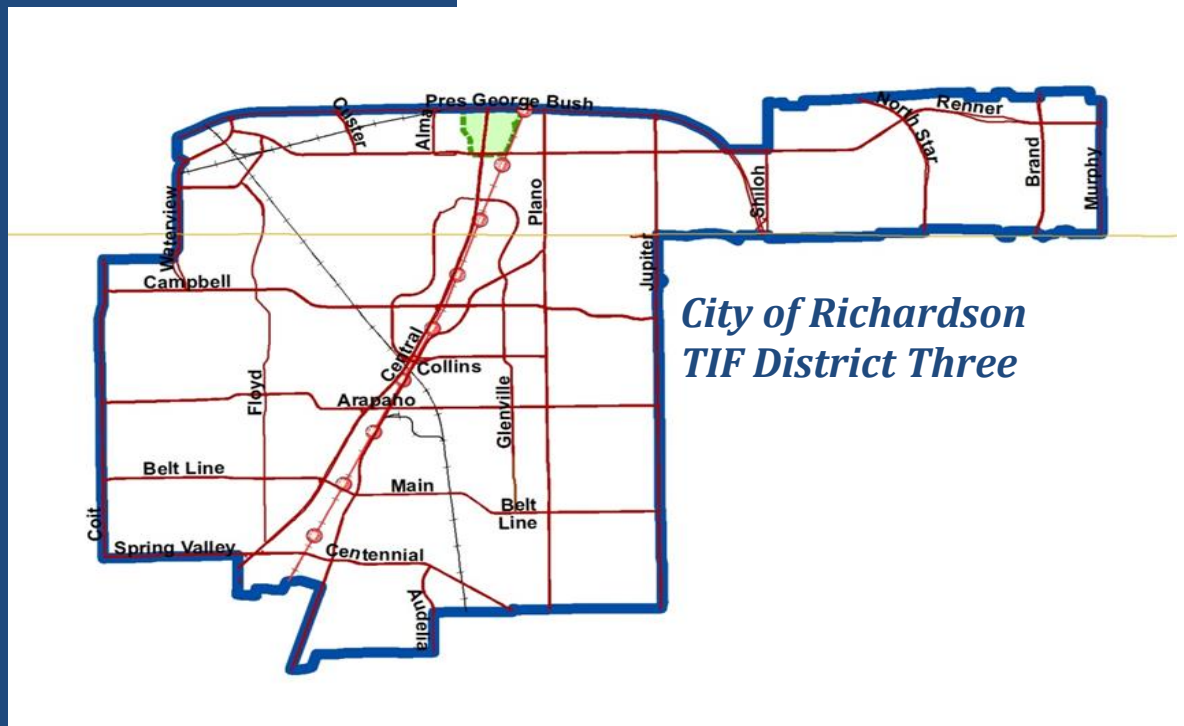


Annual Report 2017-2018

City of Richardson

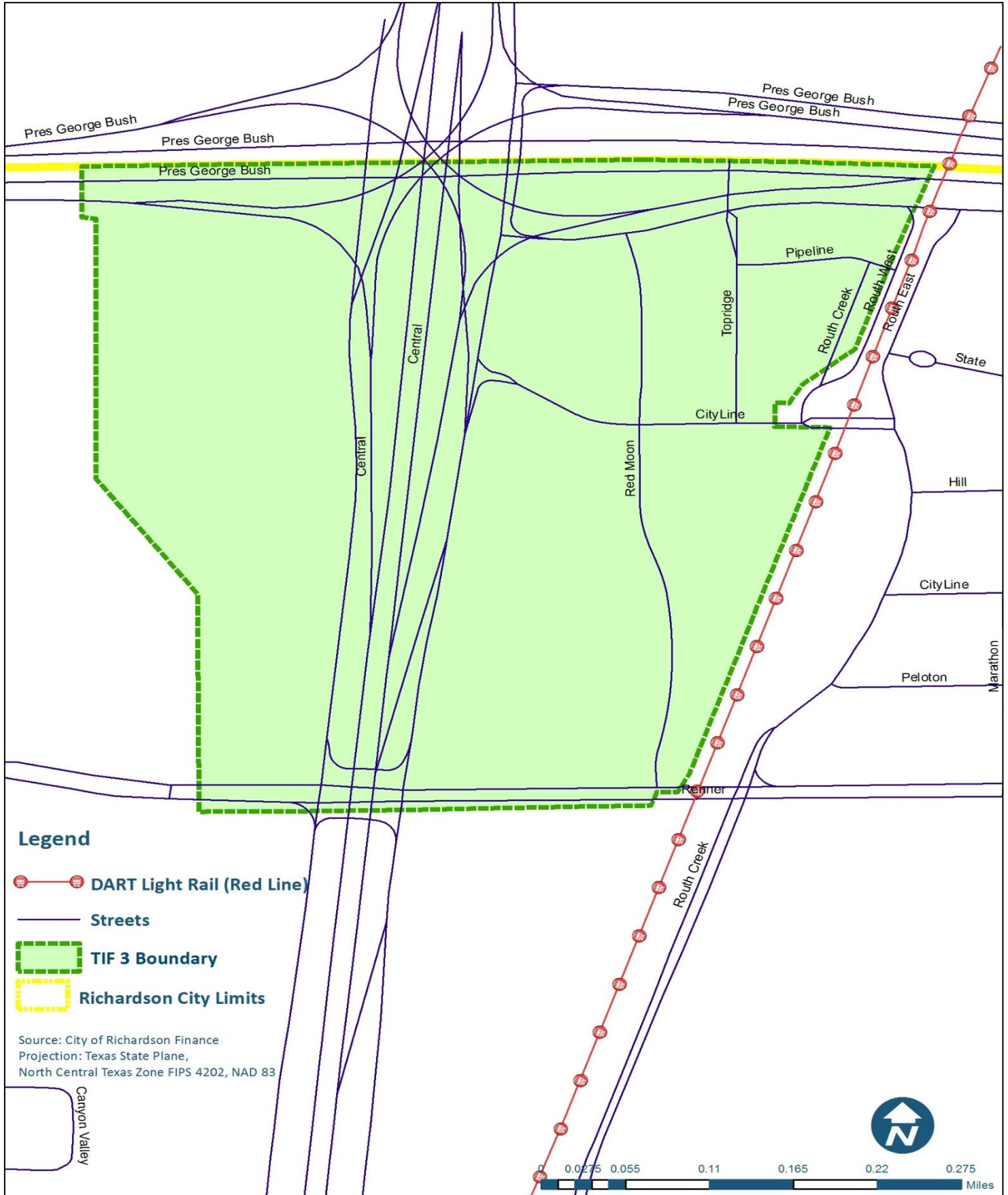
TIF District Three



RICHARDSON, TX

City of Richardson
Finance Department

TIF District Three



Board of Directors

TIF District Three

Stan Bradshaw
Chairman

Janice Peters
City Representative

Gerald Bright
City Representative

Michelle Miller
City Representative

Mike Spence
City Representative

Cheryl Williams
Collin County Representative

City of Richardson
Finance Department
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TIF District Three

District Overview	1
<i>TIF Funded Activity:</i>	
CityLine West	2
Other Development:	3
Create Church	
<i>Financial Reports</i>	4

District Overview



2018 Aerial of TIF #3

DESCRIPTION OF DISTRICT

The City of Richardson established Tax Increment Financing Reinvestment Zone #3 (the “Zone”) on November 14, 2011 (fiscal year 2011-2012) with a life of 25 years, ending December 31, 2036. The Zone encompasses approximately 130 acres (85 parcel acres) within the City. Development within the Zone supports the need for the construction of the DART Cotton Belt rail line with a transit alignment from DFW Airport to Plano via Richardson and provides better quality of urban design with more transit ridership, earlier development and greater tax revenue than otherwise likely. In August 2018, the DART board adopted an updated service plan for the Cotton Belt rail line, officially adding a station to the CityLine development, adjacent to the existing DART Light Rail station. In December 2018, DART awarded an \$872 construction package to Archer Western Herzog 4.0, a joint venture between Atlanta-based Archer Western, one of the nation’s largest transit, bridge and rail builders, and Missouri-based rail

and highway specialist Herzog Contracting Group. Jacobs Engineering Group will serve as designer, and construction is scheduled for completion by December 2022.

The base year for the Zone is 2011 and the first year of eligibility was the fiscal year ended September 30, 2013. For Fiscal Year 2018, the zone received \$450,560 in tax revenue, consisting of \$364,453 from the City and \$86,107 from the County. This amount represents the sixth year of tax receipts from the City and the third year from the County. The Zone also received \$3,396 in interest income, and total revenues for the year were \$453,956.

PARTICIPATING TAXING UNITS

City of Richardson 66.67%

Ordinance 3845 was adopted on November 14, 2011, establishing the City’s participation percentage of 66.67%.

Collin County 50%

Collin County’s participation began January 1, 2015 and continues for 22 years until the County’s total tax increment contribution reaches \$13.2 million or the City terminates the district, whichever occurs first.

CityLine West

In October 2014, the zoning for 55 acres within TIF District #3, situated between U.S. 75 and the DART rail line was amended, facilitating purchase of the property by BC Station Partners LLC from the W.W. Caruth Jr. Foundation. Development entitlements provide for up to 1.35 million square feet of office space, 1,250 urban-style apartments, 100,000 square feet of retail space and two hotels. Due to its proximity to KDC's CityLine project, it is referred to as CityLine West. There are four major projects in this area:

Corporate Office Building:

3400 @ CityLine: Transwestern Development Co. broke ground in June 2016 on a 7-acre, 5-story, 310,000 square foot speculative office building. The new building at the northeast corner of U.S. 75 and Renner Road anchors the CityLine West development and is within walking distance of the DART Rail station and CityLine's retail options. Generational Group LLC, a middle-market investment banking firm, announced in November 2018 that it will relocate its headquarters to the building in May 2019, occupying approximately 31,000 square feet of the building.

Living:

Multi-family—Alexan CityLine I and II:

Dallas-based Trammell Crow Residential has completed construction on two urban-style apartment projects located adjacent to the west side of CityLine/Bush station. This first phase of 351 units, named the Alexan Central, opened during the summer of 2017.

The second phase of 354 units, named the Alexan Crossings, was completed in 2018 for a total of 705 luxury apartments. A potential third phase would increase this residential community to more than 1,000 apartments flanking both sides of CityLine Drive.

Hotel:

Drury Inn & Suites: In 2016 Drury Southwest purchased a 3-acre site located at the southeast corner of CityLine Drive and U.S. 75. Construction is underway on a 13-story, full-service 229 room hotel with a parking garage, and an attached 6,500 square foot conference facility. A 6,000 square foot free-standing restaurant is also planned for the site.

Financial Support: The City entered into an infrastructure grant and development agreement with BC Station Partners, L.P. in March 2015. The agreement provides for the reimbursement of infrastructure projects with a TIF project plan estimated value of \$49.158 million plus 5% interest until paid in full or termination of the agreement. The company has qualified for grants of \$21,639,826 to date. Funding is contingent upon the availability of tax revenues in the TIF District #3. Reimbursements last until paid in full or expiration of the TIF zone. Incentive payments of \$443,480 were made during the fiscal year.



Completed Transwestern five-story building



Alexan Crossings Apartments



Construction underway on the Drury Inn & Suites Hotel

Create Church

Create Church: In February of 2018, Create Church Inc. purchased 22 acres of the 33 acres west of U.S. 75. Construction is underway on an approximately 26,000 square foot church campus, which will include a worship auditorium, classrooms, offices, and storage spaces. Once complete, Create Church will be the major development west of U.S. 75. Roughly only 7 acres of land remain available for development in the area. The remaining 4 acres include right of way owned by the City and Oncor.



Rendering of Create Church

Financial Reports

TIF Values

Richardson TIF Values

Fiscal Year	Tax Year	2011 Base Year Value	Appraised Value ⁽¹⁾	Captured Appraised Value ⁽²⁾
2018-2019 Est.	2018	\$10,589,481	\$175,487,925	\$109,937,793
2017-2018	2017	\$10,589,481	\$98,031,437	\$58,297,552
2016-2017	2016	\$10,589,481	\$39,508,147	\$19,280,075
2015-2016	2015	\$10,589,481	\$25,956,719	\$10,245,338
2014-2015	2014	\$10,589,481	\$16,721,182	\$4,088,005
2013-2014	2013	\$10,589,481	\$13,407,443	\$1,878,735
2012-2013	2012	\$10,589,481	\$10,589,481	\$0

⁽¹⁾ Supplemented Appraised Value

⁽²⁾ Equal to 66.67% of the difference between the Appraised Value and the 2011 Base Value

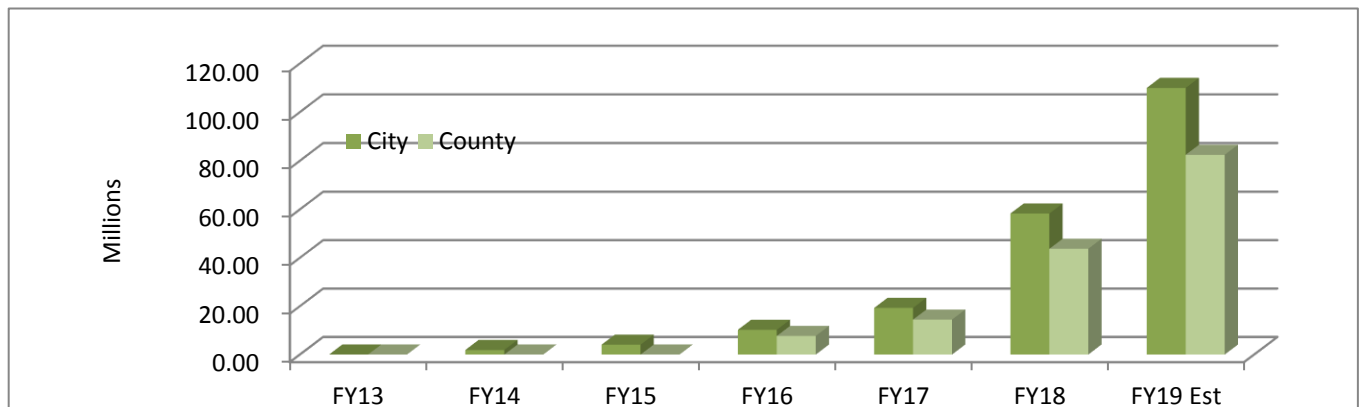
Collin County TIF Values

Fiscal Year	Tax Year	2011 Base Year Value	Appraised Value ⁽³⁾	Captured Appraised Value (50%) ⁽⁴⁾
2018-2019 Est.	2018	\$10,589,481	\$175,487,925	\$82,449,222
2017-2018	2017	\$10,589,481	\$98,031,437	\$43,720,978
2016-2017	2016	\$10,589,481	\$39,508,147	\$14,459,333
2015-2016	2015	\$10,589,481	\$25,956,719	\$7,683,619
2014-2015	2014	Collin County did not participate in TIF for 2014		
2013-2014	2013	Collin County did not participate in TIF for 2013		
2012-2013	2012	Collin County did not participate in TIF for 2012		

⁽³⁾ Supplemented Appraised Value

⁽⁴⁾ Equal to 50% of the difference between the Appraised Value and the 2011 Base Value

CAPTURED APPRAISED VALUES FROM CITY AND COUNTY INCREMENTS



SUMMARY FINANCIAL STATEMENT INFORMATION

	Estimated Budget 2018-2019	Actual 2017-2018	Actual 2016-2017	Actual 2015-2016
Revenues:				
Property Taxes – City	\$687,287	\$364,453	\$120,531	\$65,074
Property Taxes – County	149,056	86,107	28,077	17,288
Interest Income	3,509	3,396	599	911
Total Revenues	839,852	453,956	149,207	83,273
Expenditures:				
Administrative Costs	-	-	-	4,950
TIF Incentives	831,070	443,480	153,024	34,120
Total Expenditures	831,070	443,480	153,024	39,070
Excess of revenues over expenditures	8,782	10,476	(3,817)	44,203
Other Finance Sources (Uses):				
Transfers Out	-	-	-	-
Net Change in Fund Balance	8,782	10,476	(3,817)	44,203
Fund Balance, October 1	61,650	51,174	54,991	10,788
Fund Balance, September 30	\$70,432	\$61,650	\$51,174	\$54,991

	Actual 2014-2015	Actual 2013-2014	Actual 2012-2013
Revenues:			
Property Taxes – City	\$25,894	\$11,933	\$-
Property Taxes – County	-	-	-
Interest Income	33	4	-
Total Revenues	25,927	11,937	-
Expenditures:			
TIF Incentives	-	-	-
Total Expenditures	11,221	3,878	-
Excess of revenues over expenditures	14,706	8,059	-
Other Finance Sources (Uses):			
Transfers Out	(3,922)	(8,055)	-
Net Change in Fund Balance	10,784	4	-
Fund Balance, October 1	4	-	-
Fund Balance, September 30	\$10,788	\$4	\$-

OUTSTANDING BOND INDEBTEDNESS

There is no outstanding bonded debt.



RICHARDSON, TX

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