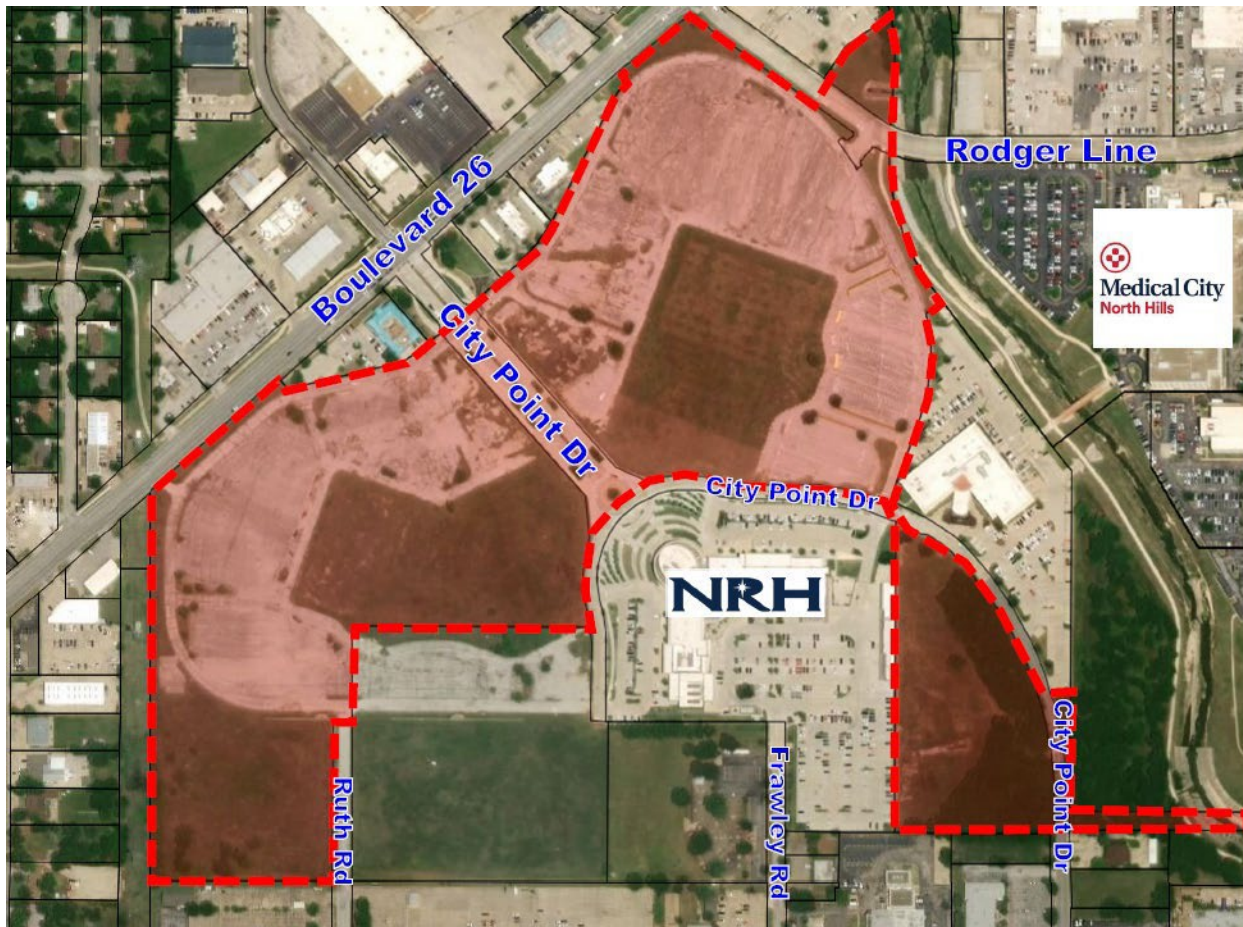


North Richland Hills Tax Increment Reinvestment Zone No. 3

Annual Report for the Period Ending September 30, 2025



City of North Richland Hills

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NRH

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**CITY OF NORTH RICHLAND HILLS
MEMO**

TO: Board of Directors – Tax Increment Reinvestment Zone Number 3

FROM: Trudy J. Lewis- Assistant City Manager

SUBJECT: North Richland Hills Tax Increment Reinvestment Zone Number 3
Executive Summary for Fiscal Year Ended September 30, 2025

DATE: December 8, 2025

The Annual Report of Tax Increment Reinvestment Zone No. 3 for the Year Ended September 30, 2025 is provided for your review and consideration.

North Richland Hills Tax Increment Reinvestment Zone Number 3 (“TIF 3” or the “Zone”) was created by the City of North Richland Hills (the “City”) in 2019 through the passage of Ordinance 3617, under the authority of Chapter 311, Texas Tax Code, Tax Increment Financing Act, as amended (the “Act”). TIF 3 includes approximately 52.85 acres of land and expires September 30, 2039. When TIF 3 was created, the property was zoned Non-Residential Planned Development (mixed use). At that time, the property was undeveloped and due to its size, location, and physical characteristics requiring extensive public infrastructure that: (1) the City could not provide, and (2) would not be provided solely through private investment in the foreseeable future. The purpose of TIF 3 is to support development by financing public works, improvements, programs, and other projects that benefit the Zone, along with related costs authorized by the Act. Without TIF 3, the property would not have been able to fully capitalize on the opportunity to deliver a high-quality, master-planned development to the City and Tarrant County, resulting in long-term economic benefits, including an increased real property tax base for all taxing units.

TIF 3 Projects

The proposed public improvements to be funded by the Zone include street, water, sanitary sewer, storm drainage, as well as associated soft costs. Design and construction of these improvements will be done in accordance with all applicable City standards and shall be inspected, approved, and accepted by the City.

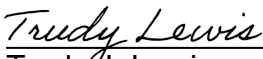
Participating Entities, Planned Contributions, and Assessed Values

Two entities contribute to TIF 3: the City and Tarrant County (the “County”). The City has pledged 45% of its annual maintenance and operations (“M&O”) tax rate, in an amount not to exceed \$4,173,032 over the life of the Zone. The County has pledged 25% of its annual total tax rate, not to exceed \$1,707,150. There is no bonded indebtedness issued by the City or the Zone pursuant to the Act contemplated at this time. On an annual basis and consistent with the City Point Public Improvement District (“PID”) Service and Assessment Plan (“SAP”), TIF 3 revenue generated by the Improvement Zone A Assessed Property for the previous Tax Year shall be applied pro rata, based on the outstanding assessment of each lot, to reduce the principal and interest required for the Improvement Zone A Annual Installment, due January 31. The annual credit amount is updated each year in the Annual Service and Assessment Plan Update as TIF 3 revenue is generated.

City Point Project Status and Build-Out Forecast

Planned for a 6-year build-out taking place between FY21 and FY26, City Point is projected to take approximately 7½ to complete. Two unforeseen factors impacted the pace of development and, specifically, new home sales. First, there were the labor and supply chain issues during and after the global pandemic. For example, lumber became scarce while costs skyrocketed to untenable levels. Second was the increase in interest rates and home prices that began in early 2022, prompting many would-be home buyers to delay their efforts. While rates remain elevated, would-be home buyers have now come to accept the new environment while City Point builders recently began to offer attractive rate discounts.

While this report reflects a taxable value of \$95.7 million for tax year 2024, it does not include new development captured for the first time in tax year 2025. We now know that tax year 2025 will be introducing another \$64 million in additional taxable value from 144 new homes, exceeding \$160 million in value for the entire district, a 67% year over year increase. In addition, another 117 single-family home permits have been issued so far in calendar year 2025, most of which will appear on the future 2026 tax roll. Taken together, the accelerated pace of construction has allowed single-family to nearly align with the original six-year timeline. On the commercial side, construction remains roughly 1.5 years behind schedule but is showing signs of progress as we near the completion of the first commercial phase and the beginning of the hotel project. In sum, we expect City Point to reach full build-out sometime during FY28.



Trudy J. Lewis

TAX INCREMENT REINVESTMENT ZONE NUMBER 3

Tax Increment Revenue Contribution By Year By Entity For the Perioding Ending September 30, 2025

Amount & Source of Revenue in the Tax Increment Fund FY 2025:

Property Tax Increment Revenue Collected	<u>\$174,722.81</u>
Total Revenues in Fiscal Year 2025:	<u>\$174,722.81</u>

Amount and Purpose of Expenditures of the Fund FY 2025:

TIF 3 Annual Contribution to City Point PID	\$20,798.69
TIF 3 Expenses	<u>\$0.00</u>
Total Fund Expenditures in Fiscal Year 2025:	<u>\$20,798.69</u>

Captured Appraised Value by Taxing Entity and Total Amount of Tax Increment Revenue Received:

	Tax Year	Fiscal Year	Taxing Unit	
			City of NRH	Tarrant County
Taxable Value	2024	2025	\$95,692,313	\$95,692,313
Base Year Appraised Value	2019	2020	\$6,348,296	\$6,348,296
Captured Increment Value	2024	2025	\$89,344,017	\$89,344,017
Captured Increment Value	2024	2025	\$89,344,017	\$89,344,017
Tax Rate Per \$100 of Valuation ^{(1) (2)}	2024	2025	\$0.149144	\$0.046875
Calculated Tax Increment Revenue (100%)	2024	2025	\$133,251.24	\$41,880.01
Tax Increment Revenue Received	2024	2025	\$133,251.60	\$41,471.21
Calculated Tax Increment Revenue (100%)	2024	2025	\$133,251.24	\$41,880.01
Difference			\$0.36	(\$408.80)

This report submitted by :

Trudy Lewis

Trudy O. Lewis

Notes:

(1): NRH Tax Rate for TIF #3 is 45% of its M&O Tax Rate for the year

(2): Tarrant County Tax Rate for TIF #3 is 25% of its Total Tax Rate for the year

TAX INCREMENT REINVESTMENT ZONE NUMBER 3

Tax Increment Revenue Contribution By Year By Entity
For the Period Ending September 30, 2025

Tax Year	Fiscal Year	NRH	County	Total
2019	2020	\$0.00	\$0.00	\$0.00
2020	2021	\$9,507.04	\$3,596.84	\$13,103.88
2021	2022	\$10,442.43	\$3,808.10	\$14,250.53
2022	2023	\$21,307.00	\$7,520.78	\$28,827.78
2023	2024	\$33,362.43	\$11,449.05	\$44,811.48
2024	2025	\$133,251.60	\$41,449.34	\$174,722.81

Contributions to Date: **\$207,870.50** **\$67,824.11** **\$275,716.48**

Maximum Contribution: **\$4,173,032.00** **\$1,707,150.00** **\$5,880,182.00**

Contribution Remaining (\$): **\$3,965,161.50** **\$1,639,325.89** **\$5,604,465.52**

Contribution Remaining (%): **95.0%** **96.0%** **95.3%**

TAX INCREMENT REINVESTMENT ZONE NUMBER 3

PID Contribution & TIF Expenses By Year For the Perioding Ending September 30, 2025

Tax Year	Fiscal Year	PID Contribution	TIF 3 Expenses	Total
2019	2020	\$0.00	\$0.00	\$0.00
2020	2021	\$0.00	\$0.00	\$0.00
2021	2022	\$12,817.27	\$286.60	\$13,103.87
2022	2023	\$14,247.98	\$744.17	\$14,992.15
2023	2024	\$19,503.20	\$352.93	\$19,856.13
2024	2025	\$20,798.69	\$0.00	\$20,798.69

To Date: \$67,367.14 \$1,383.70 \$68,750.84

TAX INCREMENT REINVESTMENT ZONE NUMBER 3

Captured Value By Year

For the Perioding Ending September 30, 2025

2019 Base Value: \$6,348,296

Tax Year	Fiscal Year	Taxable Value*	Captured Value
2020	2021	\$12,496,744	\$6,148,448
2021	2022	\$13,000,000	\$6,651,704
2022	2023	\$19,964,300	\$13,616,004
2023	2024	\$29,872,943	\$23,524,647
2024	2025	\$95,692,313	\$89,344,017

* Annual TIF Account Summary Listing (February)