



## CITY COUNCIL MEMORANDUM

**FROM:** The Office of the City Manager    **DATE:** June 27, 2022

**SUBJECT:** Consider Ordinance No. 3747, terminating North Richland Hills Tax Increment Reinvestment Zone Number 2, authorizing the distribution of tax increment funds of the Zone to taxing entities participating in the Zone, and approving other necessary and related actions.

**PRESENTER:** Mark C. Mills, Director of Finance

### **SUMMARY:**

All projects associated with North Richland Hills Tax Increment Reinvestment Zone Number 2 ("TIF 2" or "the TIF") are complete and all outstanding obligations have been satisfied. Staff is requesting that City Council consider Ordinance No. 3747, terminating TIF 2.

### **GENERAL DESCRIPTION:**

Created in 1999, TIF 2 was to provide public improvements that would benefit the City of North Richland Hills ("NRH" or the "City"), Tarrant County (the "County"), Tarrant County Hospital District (the "Hospital"), and Tarrant County College ("TCC"). The original planned improvements included a library, a recreation center, a conference center, and infrastructure improvements in the Home Town NRH development. The \$10.2 million NRH Public Library project was completed and opened in the spring of 2008. The \$21.9 million NRH Centre, located adjacent to the Library, began operations in the spring of 2012. In November 2015, the boundaries of TIF 2 were amended to include the NRH portion of the TCC northeast campus. The change included only tax-exempt property and was designed to allow TCC to fund a visual, performing arts and technical teaching center on the campus ("Performing Arts Center"); originally included in the TIF 2 Project Plan as a conference center.

In October 2021, staff made a presentation to the Board of Directors providing them information that TCC no longer intended to pursue a Performing Arts Center within the TIF. The Board amended TIF 2's Project Plan and Finance Plan to remove the Performing Arts Center at its January 24, 2022 meeting. With the removal of the Performing Arts Center, all projects associated with TIF 2 are now complete. As part of the action items during the January 24, 2022 meeting, the Board recommended that the City Council take the necessary actions to formally close TIF 2, including the disbursement of any remaining funds.



Once the Board made its recommendation, staff began preparations to close TIF 2. At the February 14, 2022 City Council meeting, Council approved Resolution 2022-012, authorizing the defeasance of outstanding Certificates of Obligation associated with TIF 2 and exercising an option to call any eligible obligations. As a result, all outstanding expenses associated with TIF 2 have been satisfied. With the approval of Ordinance No. 3747, TIF 2 will be terminated. The 2021 and 2022 contributions will be distributed based on the recommendation of the TIF 2 Board of Directors, with the remaining funds distributed based on each tax entity's percentage of contribution.

**RECOMMENDATION:**

Approve Ordinance No. 3747, terminating North Richland Hills Tax Increment Reinvestment Zone Number 2, authorizing the distribution of tax increment funds of the Zone to taxing entities participating in the Zone, and approving other necessary and related actions.