



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER CO#115923

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DATE: 8/27/2013

SUBJECT: **RECEIVE AND FILE AUDITOR'S REPORT REGARDING CALCULATION
OF TAX INCREMENT FINANCING PAYMENTS FOR TAX YEAR 2012**

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court receive and file the Auditor's Report of the Calculation of Tax Increment Financing Payments for Tax Year 2012.

BACKGROUND:

The Auditor's Office prepared the Tax Increment Finance (TIF) payment calculations totaling \$6,621,760.00 for Tax Year 2012. The payments were included on the claims register and approved by Commissioners Court on April 30, 2013. Tarrant County subsequently received two (2) refunds totaling \$745,266.56. Therefore, the net TIF payments to the entities totaled \$5,876,493.44.

Tarrant County currently participates in twenty-four (24) TIF's with the following cities: Arlington (4), Benbrook (1), Fort Worth (10), Euless (1), Grand Prairie (1), Grapevine (1), Keller (1), Mansfield (1), North Richland Hills (2), Richland Hills (1), and Southlake (1).

FISCAL IMPACT:

Net TIF payments to the entities totaled \$5,876,493.44 for Tax Year 2012.

SUBMITTED BY: Auditor

PREPARED BY: S. Renee Tidwell
APPROVED BY:



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July 30, 2013

Mr. G.K. Maenius, County Administrator
The Honorable District Judges
The Honorable Commissioners Court
Tarrant County, Texas

Re: Auditor's Report – Calculation of Tax Increment Financing Payments, Tax Year 2012

SUMMARY

The Auditor's Office prepared the Tax Increment Finance (TIF) payment calculations totaling \$6,621,760 for Tax Year 2012. The payments were included on the claims register and approved by Commissioners Court on April 30, 2013. Tarrant County subsequently received two refunds totaling \$745,266.56. One refund was received from the City of Fort Worth due to a large recalculation refund that occurred after the assessment data was obtained. The second refund was received from the City of Grapevine in compliance with the refund agreement approved by Commissioners Court on May 17, 2011. Therefore, the net TIF payments to the entities totaled \$5,876,493.44.

Tarrant County currently participates in 24 TIF's with the following cities: Arlington (4), Benbrook (1), Fort Worth (10), Euless (1), Grand Prairie (1), Grapevine (1), Keller (1), Mansfield (1), North Richland Hills (2), Richland Hills (1), and Southlake (1). Each one of the cities received payment as shown on the attached summary of payments.

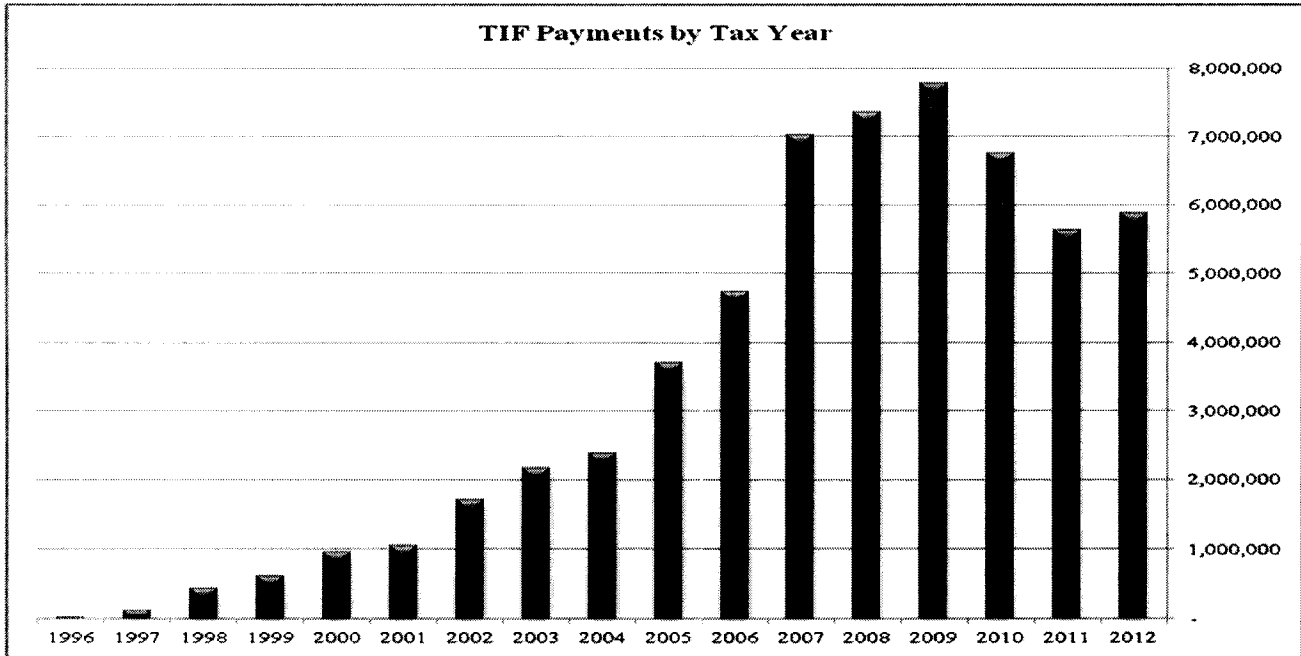
BACKGROUND

Tax Increment Financing¹ is a local government public financing method that is used for redevelopment, infrastructure, and other community improvement projects. TIF is a method to subsidize current improvements. The completion of public or private projects often results in the acceleration of new development and an increase in the value of surrounding real estate, thus generating additional tax revenue.

A "tax increment" is the increase in tax revenue that occurs from added taxable real property value in the district. TIF dedicates tax increments within a certain defined district to pay for or finance specific projects within the district. TIF creates funding for public or private projects by using the increased tax revenue generated from new real property values added in the district.

¹ The Texas Constitution, Article VIII, addresses the development or redevelopment of property and ad valorem tax relief. Texas Property Tax Code, Chapter 311, is cited as the Tax Increment Financing Act and provides guidance for all aspects of a TIF.

The Commissioners Court approved the Tarrant County's Tax Increment Financing Policy on November 17, 1998. The County Administrator's Office is responsible for coordinating economic development issues and incentive programs with municipalities, businesses, chambers of commerce, and other taxing entities in the County and State. The County participated in the first TIF zone in 1996. Over the years, the amount of County participation has grown as shown in the following graph:



A city representative presents a proposal to Commissioner's Court requesting Tarrant County's participation in the zone. The County Administrator's Office provides participation agreements, project and financing plans, and other supporting documents to the Commissioner's Court for approval. The participation agreement sets the base year for the TIF, the participation rate, the term of the TIF and the maximum contribution amount.

CLOSING REMARKS

In March, the Auditor's Office begins the arduous annual process of calculating the TIF payments using the assessed property values from the Tarrant Appraisal District and collection data from Tarrant County Tax Office. This process takes almost 8 weeks to complete. According to the Texas Property Tax Code, payments must be sent to the entities no later than April 30.

If you have any questions concerning this process, please do not hesitate to call.

Sincerely,

[Redacted Signature]
S. Renee Edwell, CPA
County Auditor

Attachment

Team
Laura Weist, Financial Services Manager
Susan Black, Senior Internal Auditor
Julie Hillhouse, Senior Internal Auditor

Distribution
Lisa McMillan, Economic Development Coordinator

Tarrant County
TIF Payments - Tax Year 2012

TIF District		Net Payment
Arlington TIF 1 (Downtown)		\$ 121,809.83
Arlington TIF 4 (Arlington Highlands)		318,726.39
Arlington TIF 5 (Arlington Entertainment Area)		132,487.50
Arlington TIF 6 (Viridian)		93,501.39
Benbrook TIF 1		226,299.51
Fort Worth TIF 3 and 3A (Downtown)		773,437.05
Fort Worth TIF 4 (Southside Medical)		479,783.76
Fort Worth TIF 6 (Riverfront)		88,991.30
Fort Worth TIF 7 (North Tarrant Parkway TIF)		431,379.30
Fort Worth TIF 8 (Lancaster Corridor TIF)		462,461.27
Fort Worth TIF 9 & 9A (Trinity River Vision)	685,141.16	
Fort Worth TIF 9 & 9A Refund	(98,640.16)	
Net Fort Worth TIF 9 & 9A		586,501.00
Fort Worth TIF 10 (Lone Star)		53,437.54
Fort Worth TIF 12 (East Berry Renaissance TIF)		44,053.99
Fort Worth TIF 13 (Woodhaven)		-
Grand Prairie TIF 2 (I-20 Retail)		341,141.44
Grapevine TIF 1 (Grapevine Mills)	646,626.40	
Grapevine TIF 1 (Grapevine Mills) Refund	(646,626.40)	
Net Grapevine TIF 1		-
Keller TIF 1		251,759.27
Mansfield TIF 1 (The Reserve)		69,125.93
North Richland Hills TIF 1 and 1A		2,480.89
North Richland Hills TIF 2		641,710.93
Richland Hills TIF 1		-
Southlake TIF 1		757,405.15
Total Net Payments		\$ 5,876,493.44