

JAN 11 2021

Approved**TO:** Commissioners Court**FROM:** Steve Polasek, Cleburne City Manager
Chris Fuller, Cleburne Deputy City Manager**DATE:** January 11, 2021**SUBJECT:** TAX INCREMENT REINVESTMENT ZONE NUMBER 1 TIME EXTENSION

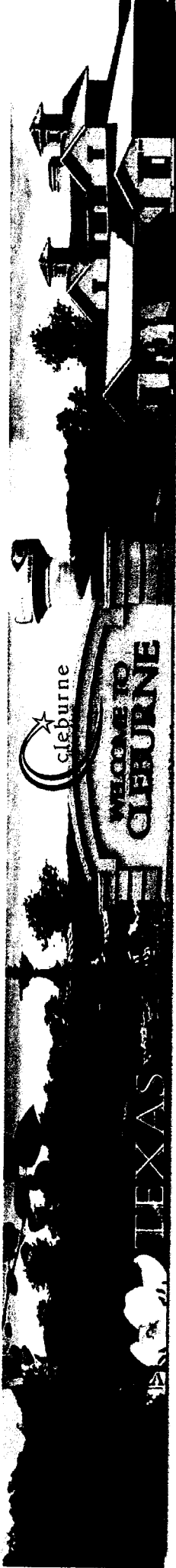
SUMMARY STATEMENT: The Tax Increment Reinvestment Zone No. 1 Board of Directors met on November 6, 2020, where they unanimously approved direction for staff to schedule discussions with the Commissioners Court and City Council regarding a time extension of the zone. The primary purpose of the time extension is to ensure completion the Sparks Drive Extension Project.

BACKGROUND The Tax Increment Reinvestment Zone No. 1 was established in March of 2001 for a duration of 20 years.

SPARKS DRIVE EXTENSION PROJECT: The Sparks Drive Extension Project is designed to connect the existing Sparks Drive, located near the James Hardie facility, to the Chisholm Trail Parkway. The roadway will be two-lanes, undivided, with 80-feet of right-of-way. The project includes approximately 2,000 linear feet of concrete paving, a bridge, and storm sewer. Project engineering is complete, wetland mitigation is complete, right-of-way has been acquired, and the project is shovel ready. Childress Engineers has provided a preliminary construction cost estimate of \$3.17M. The TIRZ No. 1 uncommitted cash balance on September 30, 2020 was \$1,999,305. Staff has applied for grants to gap fund this project. In December, staff was informed that consideration of an Economic Development Administration grant (a bureau of the Department of Commerce) has been delayed until February.

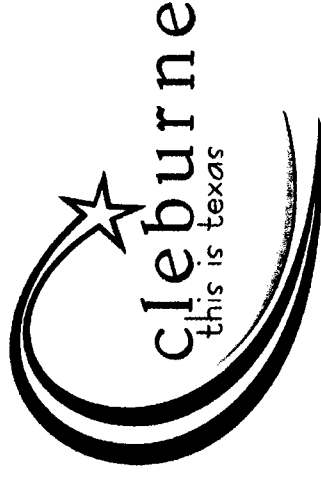
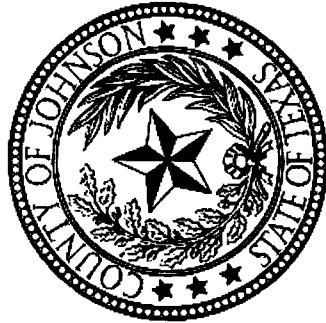
ACTION: Discussion regarding an addition of five (5) years to the life of the Tax Increment Reinvestment Zone No. 1 zone with a focus on completing the Sparks Drive Project

SUPPORTING DOCUMENTS: 1) PowerPoint Presentation 2) Sparks Drive Project Exhibit

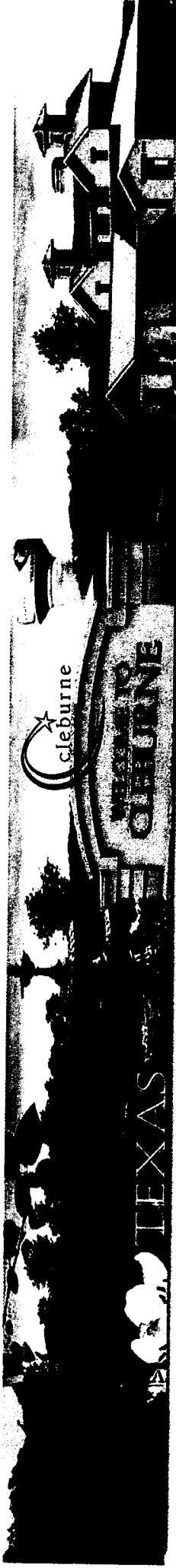


TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER ONE EXTENSION

January 11, 2021



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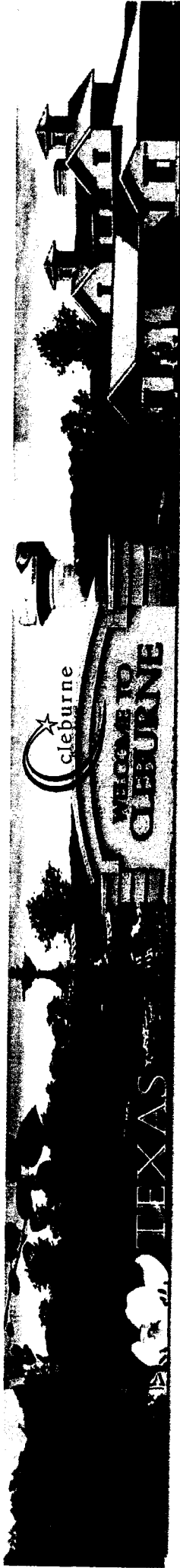


Tax Increment Reinvestment Zone Number One

- Established March 2001
- Zone will exist for 20 years (terminates March 2021)
- Zone consists of 1,180 acres within the Industrial Park area

Nov. 6, 2020: the TIRZ #1 Board agreed to consider an extension to the zone





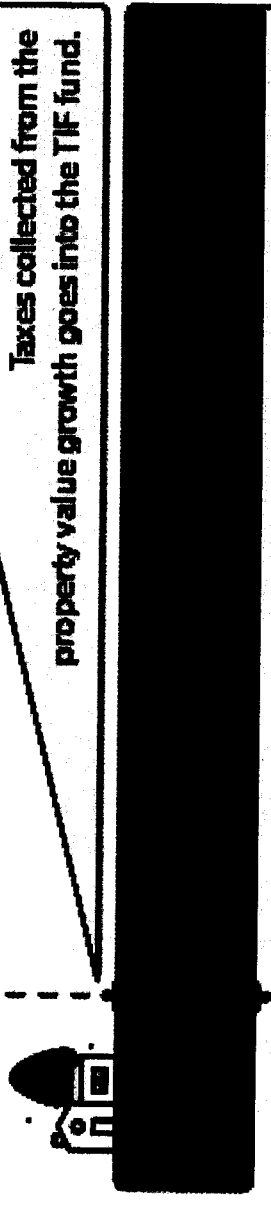
What goes into a TIF fund?

TIFs do not warrant an additional tax. Rather, they are used to redirect a portion of the property taxes already collected in a specific zone of the city over a predetermined period of time.

The city or county records the total taxable value of the land and attached properties within the zone, taking a snapshot in time of what the property values are at that specific moment when the TIF zone is created.

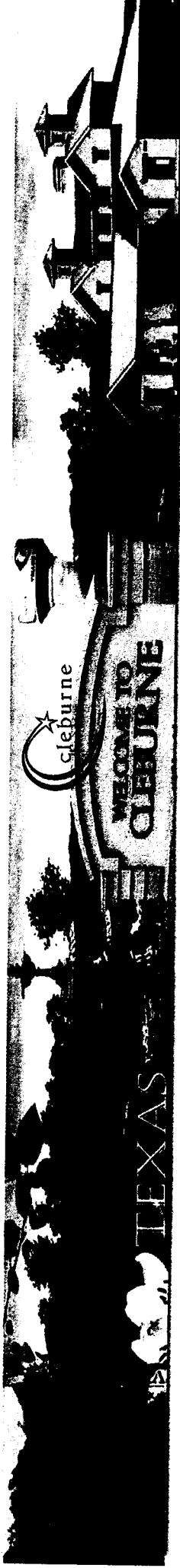


INCREMENTAL LAV
Taxes collected from the property value growth goes into the TIF fund.



Post-Project AV
After the TIF expires, all of the tax revenue goes into the general fund.





**Tax Increment Reinvestment Zone Number One
FY 2020 Financial Summary**

Entity Contributions:

City of Cleburne: \$146,785

Johnson County: \$75,207

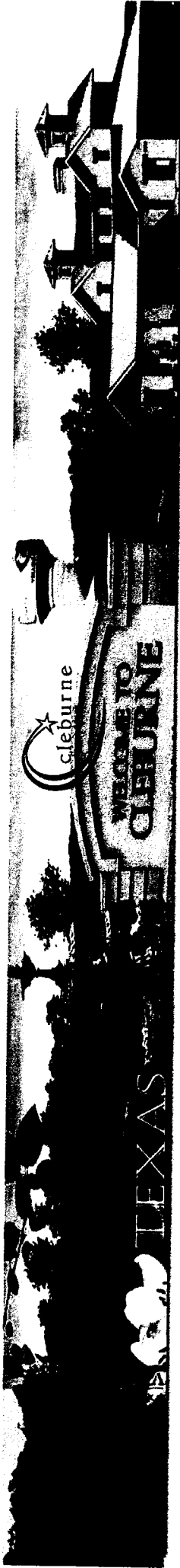
Balance:

Estimated uncommitted cash balance at 9/30/2020: \$1,999,305

Revenues:

FY 2021 estimated total revenues: \$225,950

FY 2021 estimated uncommitted ending fund balance: \$2,225,255



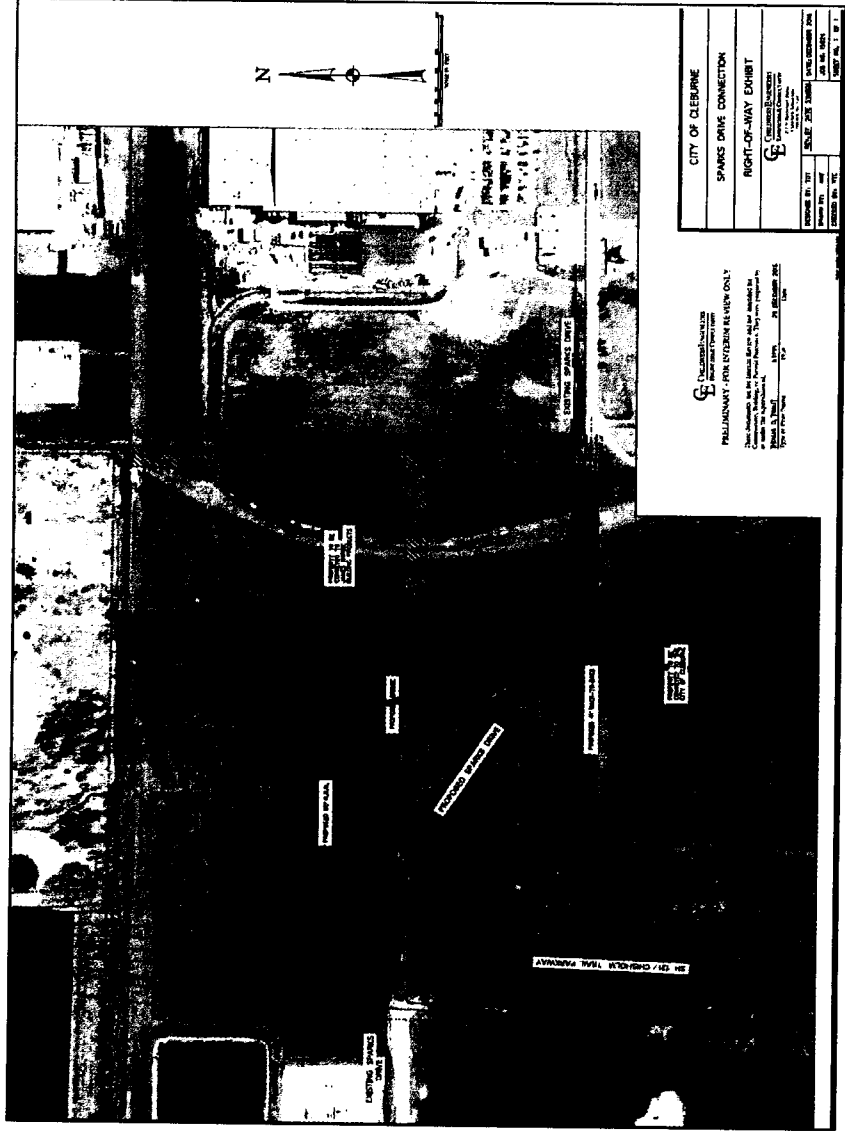
Sparks Drive Extension: Two-lane undivided,
80' Right-of-Way (Minor Collector)

Approximately 2,000 LF concrete paving,
bridge, storm sewer

Preliminary Construction Cost Estimate:

Childress Engineers Oct 2019: \$3.17M

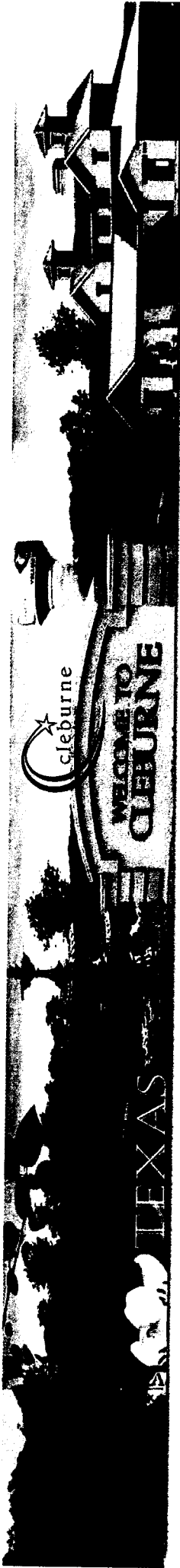
*Update: Review of the grant application for the
Sparks Drive Project has been delayed until February*





For discussion:

Add 5 years to the life of the TIRZ with a focus
on completing the Sparks Drive Project



For more information contact:

Steve Polasek

City Manager

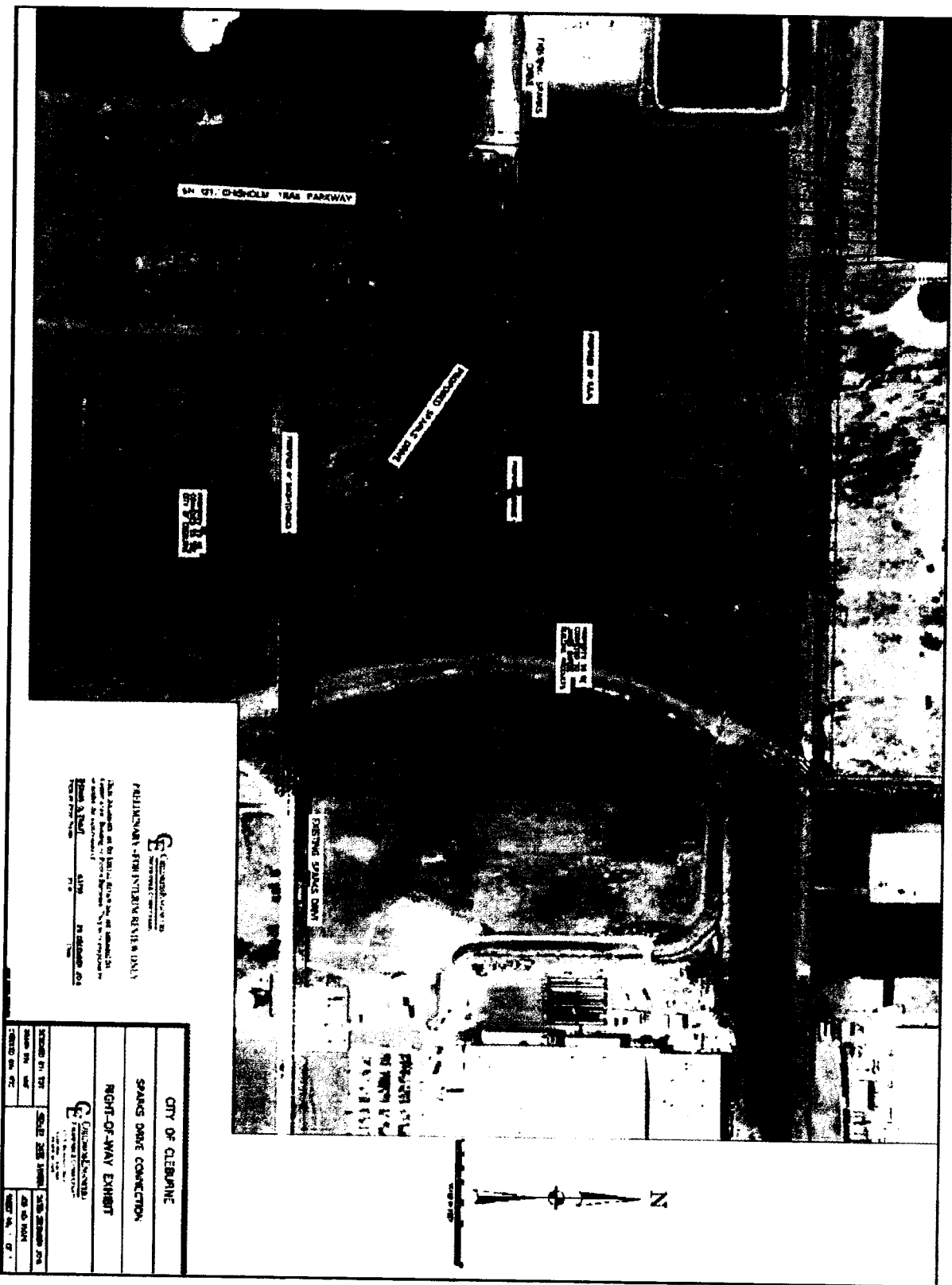
steve.polasek@cleburne.net


Chris Fuller


Deputy City Manager

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 CITY OF CLEBURNE
 PUBLIC WORKS DEPARTMENT
 1000 WEST TRAIL DRIVE
 CLEBURNE, TEXAS 76033
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CITY OF CLEBURNE	
SPARK DRIVE CONNECTION	
RIGHT-OF-WAY EXHIBIT	
 CITY OF CLEBURNE PUBLIC WORKS DEPARTMENT 1000 WEST TRAIL DRIVE CLEBURNE, TEXAS 76033 (817) 765-2200	
SCALE	DATE
BY	FOR
PROJECT NO.	OF