

AGENDA PLACEMENT FORM

(Submission Deadline – Monday, 5:00 PM before Regular Court Meetings)

Date: 03/27/24

Meeting Date: 04/09/24

Submitted By: Rick Bailey

Department: Precinct 1-Road and Bridge

Signature of Elected Official/Department Head:

Rick Bailey

<p>Court Decision: This section to be completed by County Judge's Office</p>
 <p>April 22, 2024</p>

Description:

Discuss and take potential action on Tax Increment Reinvestment Zone Number Three between Johnson County and City of Cleburne.

(May attach additional sheets if necessary)

Person to Present: Rick Bailey

(Presenter must be present for the item unless the item is on the Consent Agenda)

Supporting Documentation: (check one) PUBLIC CONFIDENTIAL

(PUBLIC documentation may be made available to the public prior to the Meeting)

Estimated Length of Presentation: 10 minutes

Session Requested: (check one)

Action Item Consent Workshop Executive Other _____

Check All Departments That Have Been Notified:

County Attorney IT Purchasing Auditor

Personnel Public Works Facilities Management

Other Department/Official (list) _____

**Please List All External Persons Who Need a Copy of Signed Documents
In Your Submission Email**

**Johnson County
and City of Cleburne
Tax Increment
Reinvestment Zone
Number Three**



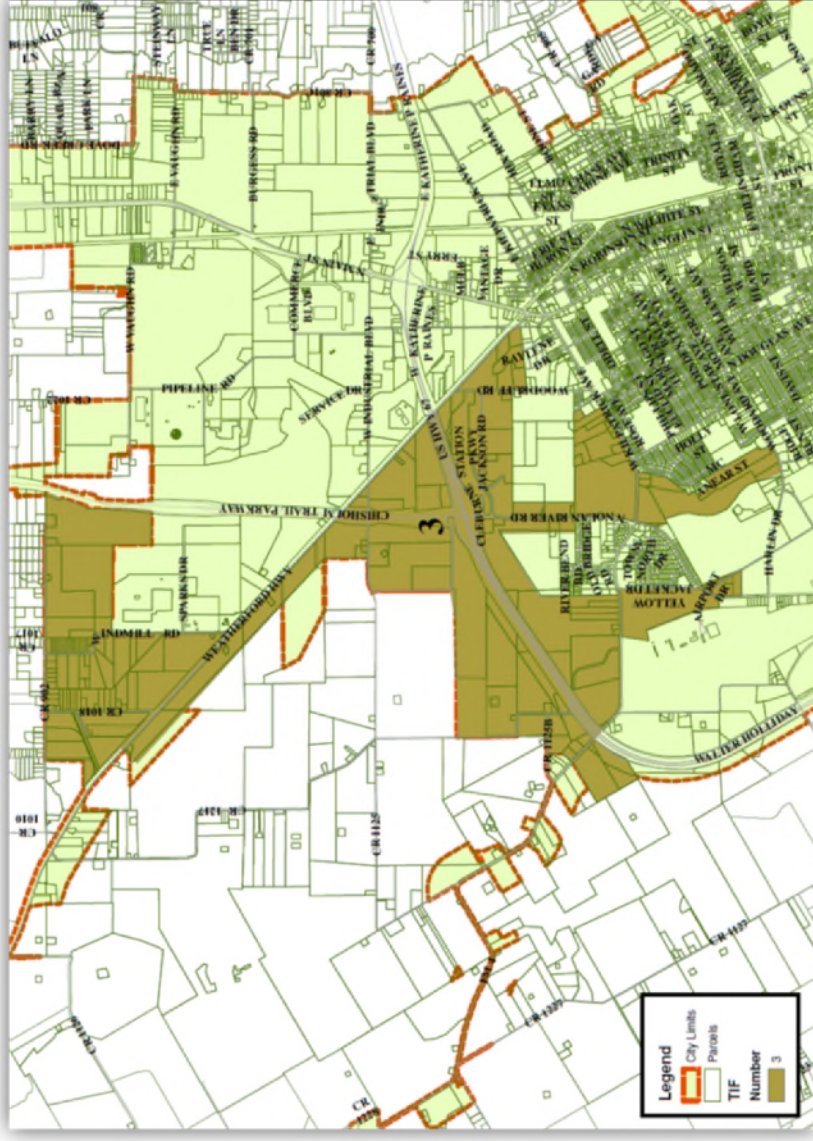
Commissioner Precinct 1
Honorable Rick Bailey



SUMMARY OF TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER THREE

Established December 28, 2011:

- Zone consists of 2,783 acres in Chisholm Trail Parkway area (N. Nolan River to SH 171)
- Purpose is to accelerate development
- Zone will exist for 30 years (terminates on December 31, 2040)
- County participates at a rate of 25% for 30 years with a contribution cap of \$5,000,000
- Project plan contains \$56,582,305 in improvements for major roads, regional detention, and sanitary sewer mains





DISCUSSION

At the TIRZ 3 Board meeting in November 2023, the Board discussed an increase of the County's contribution rate and contribution cap.

The County participates at a rate of 25% with a contribution cap of \$5,000,000.

The City participates at a 100% contribution rate with no contribution cap.

Through FY 2023, Johnson County has contributed **\$155,503.83** to TIRZ #3.
The FY 2023 contribution was approximately \$30,000



DISCUSSION

If the County increases the participation rate to 75% with a contribution cap of \$15,000,000:

The projected date for reaching the contribution cap would be between FY 2051 and 2052.

Contribution amounts are based on the captured value and adopted tax rate. The assumptions below are conservative estimates based on historical data.

Projection assumptions:

Annual captured value growth = 10%

(Average 18% for the past 8 years with a high of 50.84% and low of 2.22% annual growth)
Johnson County Tax Rate = .30 per \$100 value

(FY2024 tax rate is \$0.335; reduced from \$0.368455 in the prior year)



DISCUSSION

Should the Commissioners Court agree to increase the participation rate and contribution cap, the following steps will occur:

- The County and the City will amend the interlocal agreement to update the rate and cap;
- Upon approval by the County to amend the agreement, the TIRZ Board will recommend an update to the TIRZ Ordinance;
- The City Council approved the updated TIRZ Ordinance.

Tax Increment
Reinvestment Zone
Number Three



Commissioner Precinct 1
Honorable Rick Bailey





DISCUSSION

If the County increases the participation rate to 50% with a contribution cap of \$10,000,000:

The projected date for reaching the contribution cap would be FY 2052.

Contribution amounts are based on the captured value and adopted tax rate.
The assumptions below are conservative estimates based on historical data.

Projection assumptions:

Annual captured value growth = 10%

(Average 18% for the past 8 years with a high of 50.84% and low of 2.22% annual growth)
Johnson County Tax Rate = .30 per \$100 value

(FY2024 tax rate is \$0.335; reduced from \$0.368455 in the prior year)



DISCUSSION

If the County retains the participation rate of 25% with a contribution cap of \$5,000,000:

The projected date for reaching the contribution cap would be FY 2052.

Contribution amounts are based on the captured value and adopted tax rate. The assumptions below are conservative estimates based on historical data.

Projection assumptions:

Annual captured value growth = 10%

(Average 18% for the past 8 years with a high of 50.84% and low of 2.22% annual growth)
Johnson County Tax Rate = .30 per \$100 value

(FY2024 tax rate is \$0.335; reduced from \$0.368455 in the prior year)