

**MINUTES OF THE MEETING BENBROOK
REINVESTMENT ZONE NO. 1
TAX INCREMENT FINANCE BOARD OF DIRECTORS
THURSDAY, NOVEMBER 16, 2023**

The special called meeting of the Benbrook TIF Board of Directors was held on Thursday, November 16, 2023 at 4:00 p.m. in the Central Conference Room at 911 Winscott Road with the following Board members present:

Larry Marshall
Jim Hinderaker
Jeremiah Smith (Arrived late)
David Eason

Also Present: Beth Fischer, Recording Secretary
Rick Overgaard, Finance Director

I. CALL TO ORDER

The meeting was called to order at 4:08 PM by Chair Larry Marshall.

II. CITIZEN COMMENTS ON ANY AGENDA ITEM

None

III. APPROVE MINUTES OF MAY 4, 2023

Motion by Jim Hinderaker, seconded by Jeremiah Smith to approve the minutes from May 4, 2023.

Ayes: All

Noes: None

Motion carried unanimously.

IV. OATH OF OFFICE

Ronnie Watkins (Place 6) and Shannon Fletcher (Place 7) were not in attendance to administer the Oath.

V. REVIEW AND APPROVE ANNUAL REPORT FOR PERIOD ENDING SEPTEMBER 30, 2023

Jim Hinderaker gave the following report: This is the annual report of the activities of Benbrook TIF Number 1 (TIF) for the period from October 1, 2022 through September 30, 2023. The TIF expired on November 20, 2022.

Status and Forecast of Taxable Increment

A. Previous Years (November 2002-September 2022)

The Benbrook TIF Number 1 was created in November 2002, which established the taxable value of \$27,190,150 in January 1, 2002 as the base value for the TIF. The net taxable increment in January 2003 (Year 1) was \$4,816,416, resulting in TIF revenues of \$66,393.10. The largest increase was the completion of the Railroad Controls, Inc. facility in Benbrook Industrial Park (\$3,078,605). The January 2004 (Year 2) net taxable increment decreased to \$1,475,984, with projected TIF revenues of \$20,346. This decrease was primarily the result of the purchase of the Railroad Controls facility by the Benbrook EDC, removing it from the tax rolls, for the purpose of entering a lease-buyback arrangement with Railroad Controls. The tax appraisal for January 2005 (Year 3) indicated a net taxable increment of \$9,566,796. The Benbrook EDC purchased approximately 80 acres in the TIF District for a total price of approximately \$3.863 million, removing this land value from the tax rolls; however, increases in the taxable values of other properties offset the removal of BEDC property from the tax rolls. The net taxable increment as of January 2006 (Year 4) was \$20,108,225, of which \$9,372,477 was the result of new construction, much of which was associated with the residential development north of Walnut Creek (La Bandera Phase 3.)

The net taxable value increment of the TIF as of January 2007 (Year 5) was \$28,873,037, with \$8,324,605 in new construction (again most in La Bandera Phase 3.) The net taxable value increment of the TIF as of January 2008 (Year 6) was \$46,716,035, with \$9,614,170 in new construction, including new buildings for Weatherford International (\$3.8 million), Best Western (\$1.3 million) and additional residential construction in La Bandera and Brookside Additions. The net taxable value increment of the TIF as of January 2009 (Year 7) was \$53,775,584, with \$4,027,969 in new construction, including a new building for Weatherford International (\$2.1 million) and residential construction in La Bandera and Brookside Additions. The net taxable value increment of the TIF as of January 2010 (Year 8) was \$55,271,055, with \$2,796,930 in new construction including the 7-Eleven on the corner of Benbrook Boulevard and I-20 and additional residential construction in Brookside Addition. The net taxable value increment of the TIF as of January 2011 (Year 9) was \$69,975,722, with \$15,071,926 in new construction including the new Walmart on Benbrook Boulevard and continued residential construction in the Brookside Addition.

The net taxable value increment of the TIF as of January 2012 (Year 10) was \$85,969,048, with \$11,021,310 in new construction including the new Gardner-Denver and Doctor's Home health buildings in the Industrial Park; Panda Express, Chick-fil-A and Chase Bank on Benbrook Boulevard and continued residential construction in the Brookside Addition. The net taxable increment as of January 2013 (Year 11) was \$94,333,614, with \$6,134,484 in new construction consisting of Taco Villa, Chisholm Trail Dental, Golden Chick, and new home construction in Brookside Addition. The net taxable increment as of January 2014 (Year 12) was

\$97,439,818, with new construction of NuEnergy, a professional building adjacent to Walmart and new home construction in Brookside Addition. The net taxable increment as of January 2015 (Year 13) was \$104,225,495, with \$1,740,101 in new construction consisting of office development along Mercedes Street and new home construction in Brookside Addition. The net taxable increment as of January 2016 (Year 14) was \$105,070,553, with \$1,759,381 in new construction consisting of improvements at Walmart, office development along Mercedes, and new home construction in Brookside Addition.

The net taxable increment as of January 2017 (Year 15) was \$134,415,196, with \$97,568 in new construction. The net taxable increment as of January 2018 (Year 16) was \$144,252,563, with \$10,462,678 in new single-family development in Brookside Addition. The net taxable increment as of January 2019 (Year 17) was \$169,361,241, with \$12,012,023 in new construction from the Gateway Center, the Benbrook Industrial Park, and new single-family housing development in the Brookside Addition. The net taxable increment as of January 2020 (Year 18) was \$181,644,212, with \$5,986,738 in new construction from Mother's Milk, the Benbrook Animal Shelter, Raising Cane's restaurant and new single-family housing development in the Brookside Addition. However, \$2,755,285 of the new valuation (Mother's Milk and the Benbrook Animal Shelter) is not taxable. The net taxable increment as of January 2021 (Year 19) was \$199,113,254, with \$15,363,608 in new construction from the new Aura Benbrook Apartment (301 Mercedes St.). The net taxable increment as of January 2022 (Year 20) was \$232,727,988, with \$28,702,988 in new construction from the Aura Benbrook Apartments (301 Mercedes St.) and Applied Systems Engineering (7510 Benbrook Parkway).

The Benbrook TIF Number 1 expired on November 20, 2022.

TIF District Revenues and Expenses

The TIF District had the following revenues and expenses for the year beginning October 1, 2022 and ending September 30, 2023:

Balance forward from October 1, 2022	\$3,789,085.79
Less Year End Audit Adjustment	<u>(15,593.75)</u>
	\$3,773,492.04
Revenues	
Payments from TIF Partners (FINAL PAYMENT)	\$2,774,220.99
Interest	<u>\$80,973.65</u>
Total Revenues	\$2,855,194.64
Total Available Funds	\$6,628,686.68

Expenses:	
Vista Way Two Way Construction Project	\$316,887.95
Walnut Creek Bridge/Mercedes Street Project	<u>\$1,226,868.73</u>
Total Expenses	\$1,543,756.68

Balance as of September 30, 2023	\$5,084,930.00
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In late 2003, the TIF Board and City Council authorized the sale of up to \$350,000 in certificates of obligation to cover the costs through September 2004; however, staff determined that it was best to borrow these funds from unappropriated City reserves to be paid back by the TIF rather than to issue debt. This interest-free loan was repaid in full during 2009. In June 2005, the City Council authorized a loan of up to \$3 million to the TIF from City reserves but determined that they preferred to issue Certificates of Obligation rather than to continue to decrease their reserves, so \$2.5 million in COs was sold on August 4, 2005. In April 2012, the TIF issued \$1,280,000 in 10-year certificates of obligation at a 1.79% interest rate. Deducting the \$30,000 in issuance costs left \$1,250,000 for reimbursement to BBT Crossing. In June 2014, the TIF issued additional certificates of obligation for a period of eight years at 1.72% interest. Deducting \$27,963.75 in issuance expenses left \$1,147,036.25 for reimbursement to BBT Crossing.

Outstanding liabilities (as of 10/1/2023):

2005 Certificates of Obligation	
Balance was Paid-In-Full in 2021	\$0.00
2012 Certificates of Obligation	
Balance was Paid-In-Full in 2022	\$0.00
2014 Certificates of Obligation	
Balance was Paid-In-Full in 2022	\$0.00
Loan from City reserves	<u>\$0.00</u>
Total liabilities	\$0.00

Status of Ongoing Projects

A. Benbrook Field

The Developer Participation Agreement with Benbrook Towne Crossing (now known as Benbrook Field) was executed in September 2005, under which the TIF reimburses certain development costs up to a maximum of \$8.5 million from the increased taxes generated by their project. Work began on the first phase of the project in May 2006 and was completed in March 2007.

BBT Crossing, Ltd. exercised their option to purchase 80 acres in Benbrook Field from the Benbrook Economic Development Corporation (EDC) in August 2009 at cost. This action had two effects on the TIF District: 1) it removed the tax-exempt status on the property, which aided the generation of a taxable increment and 2) it removed the Benbrook EDC as a partner in the Benbrook Towne Crossing TIF Developer Agreement.

An initial request for reimbursement was received from BBT Crossing, Ltd. on October 27, 2009, in the amount of \$5,043,529.99 (including \$876,181.33 in interest.) After a detailed review by the auditor, the TIF Board determined in March 2011 that the maximum reimbursement to BBT for Phase 1 would be \$3,999,471, plus any eligible interest accrued since October 2009.

Based on the final 2012 tax rolls, the Benbrook Field project was reimbursed \$234,749.27 in May 2013. In May and June 2014, BBT Crossing was reimbursed a total of \$1,478,728.03, which included their regular TIF revenue plus the net proceeds of an additional certificate of obligation issuance. BBT was reimbursed \$189,952.27 in May 2015. BBT was reimbursed \$213,237.00 in May 2016, which resulted from their total increment of \$576,478.75 less \$66,208.75 for the Walnut Creek sewer line share, \$140,349.00 for the 2012 CO payment, and \$156,684.00 for the 2014 CO payment. BBT, while eligible for a maximum reimbursement of \$228,259.42 was reimbursed \$208,530.41 in July 2017, which resulted from their total increment of \$591,813.17 less \$66,208.75 for the Walnut Creek sewer line share, less the \$138,112.00 for the 2012 CO payment, less the \$159,233.00 for the 2014 CO payment, and less \$19,729.01 of unapplied accrued interest.

The following is a summary of reimbursements to date:

June 7, 2010	\$53,665.77
June 6, 2011	86,392.38
May 31, 2012	1,534,215.87
May 21, 2013	234,749.27
May 20, 2014	331,691.78
June 24, 2014	1,147,036.25
May 20, 2015	189,952.27
May 19, 2016	213,237.00
<u>July 28, 2017</u>	<u>208,530.41</u>
Total	\$3,999,471.00

The above noted reimbursements were deducted directly from the maximum eligible reimbursement amount without inclusion of accrued interest calculations. To establish the “plus accrued interest” amount, the City engaged the services of Weaver and Tidwell, L.L.P., an independent auditing firm, who prepared an audit report dated August 13, 2018 wherein said reimbursement payments were subtracted from the principal and accrued interest balance in accordance with standard accounting practices established by the American Institute of Certified Public Accountants. As provided in said report, accrued interest calculations were determined by multiplying the outstanding debt balance related to the TIF by the

interest rate on the total debt on a daily basis from inception to October 31, 2009. The report also reviewed the mathematical accuracy of the City’s reimbursement payments and the break out of principal versus interest since October 31, 2009.

“Plus, Accrued Interest” reimbursements include:

Based on the final 2017 tax rolls, BBT was reimbursed \$398,093.43 in July of 2018, which resulted from their total increment of \$742,142.17 less \$66,208.75 for the Walnut Creek sewer line share, less \$140,830.00 for the 2012 CO payment, less \$156,739.00 for the 2014 CO payment, and PLUS \$19,729.01 for underpayment of the 2016 tax increment of unapplied accrued interest.

Based on the final 2018 tax rolls, BBT was reimbursed \$540,431.01 in July of 2019, which resulted from their total increment of \$904,344.76 less \$66,208.75 for the Walnut Creek sewer line share, less \$138,503.00 for the 2012 CO payment, less \$159,202.00 for the 2014 CO payment.

Based on the final 2019 tax rolls, BBT was eligible to be reimbursed \$580,482.10, resulting from their total increment of \$985,514.10 less \$66,208.75 for the Walnut Creek sewer line share, less \$41,070.25 for the Walnut Creek Flood Study Reimbursement, less \$141,131 for the 2012 CO payment, and less \$156,622 for the 2014 CO payment. BBT was reimbursed \$580,480.10 on November 24, 2020 and an additional \$15,125.25 on December 1, 2020, as result of the Walnut Creek Flood Study Reimbursement overcharge of the same amount.

Based on the final 2020 tax rolls, BBT was eligible to be reimbursed \$803,747.25, resulting from their total increment of \$1,167,669.00 less \$66,208.75 for the Walnut Creek sewer line share, less \$138,714 for the 2012 CO payment, and less \$158,999 for the 2014 CO payment. BBT was reimbursed \$98,972.00 on July 28, 2021, which zeroed out the outstanding balance owed by the TIF District to BBT.

The following is a summary of “Plus Accrued Interest” reimbursements to date:

Aug. 12, 2018	\$398,093.43
July 10, 2019	540,431.01
Nov. 24, 2020	580,480.10
Dec. 02, 2020	15,125.25
<u>July 28, 2021</u>	<u>98,972.00</u>
Total	\$1,633,101.79

Walnut Creek Bridge, Mercedes Street Extension, and Walnut Creek Sewer Projects

On September 9, 2021, the Planning and Zoning Commission conditionally approved the Walnut Creek Addition final plat providing the right-of-way for the Walnut Creek bridge and Mercedes Street extension – both TIF reimbursement eligible projects. These improvements will provide access to the future Creekside

at Benbrook Apartments, a proposed 29-acre multi-family development. On October 18, 2021, the City executed the Walnut Creek at Benbrook Developer's Agreement with Bo Peek, Ltd., which estimates the total improvement costs of the bridge and street extension to be \$1,836,103.75. The Benbrook Water Authority entered into a separate development agreement with the developer for the Walnut Creek Sewer portion of the project – also a TIF reimbursement eligible project.

As required by the Section 3.B of the Developer Participation Agreement for Benbrook Towne Crossing Project, all three projects were competitive bid in accordance with Chapter 212 and Chapter 252 of the Texas Local Government Code. The contract was awarded to Gravley LDS, LLC for the total amount of \$3,266,903.75.

On January 16, 2023, the Benbrook Water Authority accepted the public water and wastewater improvements associated with the project.

On May 04, 2023, the staff presented a reimbursement request from Bo Peek, Ltd., for the Benbrook Water Authority accepted improvements totaling \$1,670,522.16 and determined that \$1,226,408.67 was eligible for reimbursement. The Board approved the staff recommended reimbursement.

The Benbrook City Engineer has reviewed the Mercedes Street extension and bridge over Walnut Creek portion of the project and judged them to be substantially complete. The developer has not requested a final close-out or reimbursement of the remaining project costs as work continues on a number of "punch list" items. However, due to the \$8.5 million cap, the maximum remaining reimbursement project cost is capped at \$1,135,031.77.

B. Two-Way Conversion/Extension of Vista Way

On March 26, 2019, the TIF Board amended the Tax Increment Reinvestment Zone Project Plan to include a project plan to extend Vista Way from the I-20 Service Road to Benbrook Boulevard. The project plan includes a two-way conversion of a portion of the I-20 Service Road, extension of necessary utilities, and realignment of Aledo Road/Old Benbrook Road intersection and signalization.

On June 20, 2019, City Council approved the new roadway design engineering contract with Parkhill, Smith & Cooper. On November 4, 2021, City Council awarded the construction contract to Rebcon, Inc., the low bidder, for \$3,099,562.68. The contract included installation of signal light bases, conduit, and wiring, but did not include the purchase or installation costs of the signal light poles, mast arms, and signal lights as TXDOT will not permit the installation of signal lights prior to meeting actual traffic warrants. The Benbrook Economic Development Corporation (BEDC) funded all portions of the project (\$692,386) located east of Benbrook Boulevard. The TIF District funded the balance of the project. The total project cost to date is \$3,550,048. The only remaining cost item is the purchase and installation of the signal poles, mast arms, and signal lights.

The following is the project payment summary:

Engineering/Surveying	\$290,559.00
Soil Testing/Labs	\$12,411.75
Rights-of-Way Acquisition	\$70,000.00
Union Pacific R.R. Permits and Inspection Fees	\$68,883.00
Roadway Construction & Street Lights	<u>\$3,108,194.63</u>
Total Project Cost	\$3,550,048.38

Additional estimated project expenses not included above:

Purchase of Signal Poles, Mast Arms and Signal Lights & Installation Costs	\$275,000.00
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C. Other Development Activity

Brookside Phase 4 Addition –Infrastructure improvements for this 49-lot residential plat, recorded in two phases, is complete and the City has been issuing new residential home permits for construction. The property is located on the east side of Walnut Creek between Woodglen Lane and Sterling Drive. As approved, 10 of the 49 residential lots are located within the TIF District boundary.

Russell Feed and Supply (8704 Benbrook Blvd.) – This new feed and supply store opened in December of 2022. The business is located at the corner of Benbrook Boulevard and Mercedes Street.

Creekside at Benbrook Apartments (Mercedes and Vista Way, north and west of Walnut Creek) – The building permit for the 374-unit apartment complex on approximately 29-acres (12.5 dwelling units per acre) has been approved by the city and is available for pick up. The development group is working through the LOMR (letter of map revision) process with FEMA (Federal Emergency Management Agency) to remove areas of the property out of the 100-year floodplain.

Chisholm 20 (Jackson Shaw project) – In January 2022, City Council approved a zone change of approximately 69 acres located at the northeast corner of Winscott Road and I.H. 20/820 to accommodate a proposed commerce/warehouse development. In March 2022, The Planning and Zoning Commission approved a site plan for the construction of approximately 917,000sqft of warehouse development in four buildings. Building permits were issued in August 2022. The buildings are substantially complete. US Ventures, a tire and automobile fluids distribution center, has submitted an application for a tenant finish out in one of the buildings.

Ballard Family Dentistry (9005 Vista Way) – Construction has started on two medical office buildings, totaling 9,000sqft. The property is located just south of the new Basis Charter School.

Xpress Wellness Urgent Care (371 Mercedes Street) – A grading permit was issued for the new urgent care facility. Building plans are under review.

Motion by Jeremiah Smith, seconded by Dr. Larry Marshall to approve the annual report for the period ending September 30, 2023.

Ayes: All

Noes: None

Motion carried unanimously.

VI. REIMBURSEMENT OF UNDESIGNATED TIF FUNDS

Jim Hinderaker gave the following report: On November 20, 2022, the twenty-year term of the Benbrook TIF Number 1 (TIF) expired.

The final tax increment payments from the four TIF partners: City of Benbrook, Tarrant County College District, Tarrant County Hospital District and Tarrant County, were received by the TIF in calendar year 2023. No additional tax increment payments are due.

The following is a list of the pending final costs associated with the TIF:

Current TIF Balance

Balance as of September 30, 2023	\$5,084,930.00
Pending Costs	
Walnut Creek Bridge/Mercedes Street Project	\$1,135,031.77*
Traffic Signal at Vista Way and Hwy. 377	<u>\$275,000.00</u>
Total Project Costs	\$1,410,031.77
Remaining Unincumbered Funds	\$3,674,898.23**

The Walnut Creek Bridge/Mercedes Street Project is substantially complete. The remaining items include the installation of street lights, finalization of the Letter of Map Revision (LMOR) with the Federal Emergency Management Agency (FEMA) certifying that the subject Mercedes Street rights-of-way has been removed from the floodplain, and minor construction clean up.

The Vista Way and Hwy. 377 (Benbrook Blvd.) traffic signal purchase and installation are on hold until minimum TXDOT traffic warrants (vehicle counts) standards at the intersection are met.

** Based on the remaining eligible reimbursement project costs as limited by the \$8.5 million cap, per Section Q of the Developer Participation Agreement For Benbrook Towne Crossing Project executed on October 28, 2005.*

***Pending year end audit adjustments*

Recommendation

Staff recommends that the Tax Increment Finance Board of Directors move to reimburse remaining unincumbered TIF Funds to the respective TIF partners on a pro-rata basis following year end audit adjustments.

Motion by Jeremiah Smith, seconded by David Eason to reimburse remaining unincumbered TIF Funds to the respective TIF partners on a pro-rata basis following year end audit adjustments.

Ayes: All

Noes: None

Motion carried unanimously.

VII. REVIEW OF OTHER DEVELOPMENT ACTIVITY

VIII. ADJOURN

The meeting adjourned at approximately 4:52 P.M.

Approved

Dr. Larry Marshall, Chair