

**Lewisville Tax Increment Reinvestment Zone, Number Two
Minutes
September 22, 2009**

1. Call To Order And Announce That A Quorum Present.

The Lewisville Tax Increment Reinvestment Zone, Number Two meeting was called to order by Scott Neeley at 6:02 PM with the following members present:

Scott Neeley (Chairperson)	Ronni Cade
Barbara Carey	Gene Carey
Donald Huffines	Jeff Pelletier

Absent: Matt McCormick.

Staff members Nika Reinecke and Sarah McLain were present.

1. Approval of the Minutes from June 25, 2009.

Gene Carey moved and Ronni Cade seconded that the minutes from June 25, 2009 be approved as presented. The motion passed 6-0.

2. Consideration and Approval of the TIRZ No. 2 Development Agreement.

Scott Neeley introduced the item and Donald Huffines stated that he would need to abstain from the voting on this item. Nika Reinecke presented the item to the Board. Nika Reinecke explained that there are three types of project improvements and costs described in the Agreement: 1) developer non-project improvements: those improvement and associated costs that are the sole responsibility of the developer, 2) developer project improvements: those improvements to be made up front by the developer and reimbursed by the Zone as funds become available. 3) City project improvements: those improvements that are the responsibility of the City to be paid for out of the Zone revenues. Nika Reinecke explained that these costs are itemized in detail in the Exhibits to the Agreement and the same as those outlined in the Finance Plan.

Nika Reinecke further explained that at the start of the Agreement, 100% of the Zone revenues are dedicated to pay the City for the Timber Creek Lake Entry Road and associated reclamation costs until such time as the City has been paid in full for the costs. After that time, 50% of the available Zone revenue will be dedicated to reimbursing the developer for developer project costs and 50% will be dedicated to reimbursing the City for City project costs. In response to a question from the Board, Nika Reinecke explained that 80% of the City and County ad valorem property tax revenue generated by the Zone is allocated to the Zone fund. Out of this fund, 100% of the revenue will be dedicated to pay for the Timber Creek Lake Entry Road. Ms. Reinecke explained that with regard to the

Timber Creek Lake Entry Road, the portion that is outside of the development is to be paid for by the City and reimbursed by the Zone while the portion that is inside the development is to be paid for by the developer and reimbursed by the Zone.

Nika Reinecke and Donald Huffines explained the details of the phasing of the project. Mr. Huffines stated that due to the state of the economy, Phase 1 has been broken into two parts: Phase 1A and 1B. However, Mr. Huffines did not expect this to delay the project much more than a year. Nika Reinecke said that although the Zone is created for 30 years this project is not expected to take the entire 30 years to complete. Once the project is complete, the Board and the City Council can decide whether to terminate the Zone or keep it active for additional projects. Barbara Carey asked whether the City would be receiving any grant money for this project. Nika Reinecke informed the Board that staff is currently working on an application for sustainable development funding for this project for up to \$3 million.

In addition, the Agreement stipulates the process for annual budgeting for the TIRZ #2, as well as the specific terms for the property exchange between the City of Lewisville and the developer. Mr. Neeley asked whether the property transfer happens immediately after the Agreement is executed. Nika Reinecke stated that the property will be transferred by warranty deed shortly after City Council approves the Agreement. Nika Reinecke wanted to let the Board know that there is another property owner in the Zone that the City is working with on a development plan. Once that plan is completed, staff would likely bringing back another development agreement to the Board for consideration. There was no further discussion on this item.

Ronni Cade moved and Gene Carey seconded that the TIRZ No. 2 Development Agreement be approved as presented. The motion passed 5-0 with Donald Huffines abstaining.

3. Adjournment.

Ronni Cade moved and Jeff Pelletier seconded that the meeting be adjourned. The motion passed 6-0.

The Lewisville Tax Increment Reinvestment Zone, Number Two approved these minutes on **DATE**.

Respectfully submitted,

Approved,

Nika Reinecke
Economic Development Director

Scott Neeley
Chairperson