



*Approved*

**City Council Meeting  
December 13, 2012  
Agenda Item Transmittal**

**Agenda Item #:** 4  
**Agenda Title:** Accept the Tax Increment Financing (TIF) District 1 Annual Report.  
**Council Action to be taken:** Approve by consent agenda  
**Initiating Department:** Planning and Development  
**Staff Contact:** Bob van Til, Director

**1. INTRODUCTION/PURPOSE**

This item is intended for the Council to consider as part of the consent agenda, the annual report of the Taylor Tax Increment Financing (TIF) District.

**2. DESCRIPTION/ JUSTIFICATION**

State law requires that the City submit an annual report of the TIF District's financial activities to the Comptroller's Office and the Attorney General's Office. Our practice is also to share the report with the County, since they are a funding-partner, the Chamber, Taylor EDC, the Taylor ISD, and the Taylor Daily Press.

The report is due before the 90<sup>th</sup> day after the fiscal year.

A TIF District is economic development financing tool. Its strength lies in that both the County and the City can contribute to the TIF Fund. The District is a distinct geography (please see the attached map). The funding for the District is derived from an 'increment' of the present property tax values over the property tax values identified in the 'base year' during which the District was created. For instance, the base year value for TIF District #1 was \$24.5 million. In 2011 property values were \$32.3 million. This difference between the two tax years (\$7.8 million) is the value on which the TIF yield is calculated. The current tax rates are applied to the incremental value and the tax yields are then deposited into the TIF Fund. The tax yield on the original \$24.5 million still goes to the respective taxing entities. The school district cannot participate in TIF Districts although they are required to have a representative on the Advisory Board. The TIF District was created to be in effect for 25 years.

The District was created in 2005 in response to one of the objectives in the 2004 Comprehensive Plan to generate funds for economic development in the Downtown area.

The City and the County both participate in the funding of the district. The funds generated are earmarked for public improvements in the district.

Disbursement of funds is made via recommendations from the TIF Advisory Board, which is the Main Street Advisory Board with representation from the Taylor ISD (Bill Mikulencak) and the County (Ed Komandosky).

### **3. FINANCIAL/BUDGET**

The balance in the TIF fund as of September 30, 2012 was \$444,427.60. This year's income from the City was \$63,489, \$38,043 from the County, and plus \$461.93 in interest.

During the reporting period the TIF fund spent \$17,647 on:

Benches in Heritage Park: \$9,547, and

Irrigation in Heritage Park: \$8,100

### **4. TIMELINE CONSIDERATIONS**

None.

### **5. RECOMMENDATION**

The TIF Advisory Board met on November 28, 2012 to review the annual report. They recommended that the Council approve the report. Staff recommends approval of the attached report.

### **6. REFERENCE FILES**

4a. Annual report

4b. TIF District 1 Map

# TAYLOR TAX INCREMENT FINANCING DISTRICT #1

## *ANNUAL REPORT*

SEPTEMBER 30, 2012

Prepared by:  
Department of Planning and Development  
The City of Taylor, Texas  
[www.taylortx.gov](http://www.taylortx.gov)  
512-352-5990

### Legislative Requirements.

Section 311.016 of the Texas Tax Code Requires that prior to the 90<sup>th</sup> day following the last day of the City's fiscal year, the City must prepare and submit a report on the status of the Zone to the chief executive officer of each taxing entity that levies taxes in the Zone.

### Distribution.

In accordance with this section the report will be distributed to:

City Manager of the City of Taylor,  
Superintendent of the Taylor Independent School District,  
Williamson County Judge  
Texas Attorney General's Office  
Texas Comptroller's Office

Extra copies will be provided to:

Taylor Economic Development Corporation,  
Chamber of Commerce,  
Taylor Daily Press.

Finally, the report will also be posted on the City's website.

### Local legislative History of the District.

The Taylor Tax Increment Finance (TIF) District #1 was created by Ordinance 2005-9 on June 28, 2005. The Interlocal Agreement with Williamson County was finalized by the County Commissioners on October 25, 2005. The base year for the TIF District is January 1, 2005.

### Geography and Map of the zone.

The zone consists of 128 acres. It is generally located in Taylor's Downtown area. However, approximately 40 percent of the district is south of the Union Pacific Rail Road.

A map of the District is attached as exhibit "A".

### Governance.

The Taylor TIF District #1 is governed by an Advisory Board and the City Council. The Advisory Board consists of the Main Street Advisory Board and an appointee from both the Taylor Independent School District and the County.

The TIF District #1 Advisory Board is responsible for reviewing information and providing recommendations to the City Council.

### Financial Data.

Section 311.016 of the Texas Tax Code requires that the following information be provided to each taxing unit that collects taxes in the District:

1. The amount and source of revenues in the TIF fund. The District was created on January 1, 2005. The 2012 disbursement from the City was \$63,489 and the 2012 disbursement from the County was \$38,043. Total revenue to the TIF fund #1 since its inception is \$489,074.
2. The amount and purpose of expenditures from the TIF Fund. The Fund paid for a new irrigation system in Heritage Park (\$8,100) and new benches for Heritage Park in the amount of \$9,546.61. Total 2011-2012 expenditures were \$17,647. Total expenditures since the inception of TIF Fund #1 is \$44,647.
3. The amount of principal and interest due on outstanding bonded indebtedness. The Fund has no bonded indebtedness.
4. The tax increment base and current captured appraisal value retained by the zone. The January 1, 2005 initial tax base was \$24,550,177. The 2011 taxable value was \$32,350,851. This represents a 31.8 percent increase in taxable value since 2005.
5. The captured appraisal value shared by the City and other taxing units, the total amount of tax increments received, and any additional information necessary to demonstrate compliance with the Tax Increment Financing Plan adopted by the City Council. No activity to report during this period.
6. The current balance of the TIF fund as of September 30, 2012 is **\$444,427.60**

Questions regarding this report should be directed to:

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