



# City of Benbrook

## Tax Increment Financing Board

DATE: 12/7/2009	REFERENCE NUMBER: 2009-01	SUBJECT: ANNUAL REPORT FOR PERIOD OCTOBER 1, 2008 THROUGH SEPTEMBER 30, 2009	PAGE: 1 of 3
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This is the annual report of the activities of Benbrook TIF Number 1 for the period from October 1, 2008 through September 30, 2009.

### Status and Forecast of Taxable Increment

#### A. Previous Years (November 2002-September 2009)

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. This was surprising, since 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 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 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 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.

#### B. Current Year (October 2008-September 2009)

The net taxable value increment of the TIF as of January 2009 was \$53,775,584, with \$4,027,969 in new construction, including a new building for Weatherford International (\$2.1 million) and additional residential construction in La Bandera and Brookside Additions. This will result in approximately \$678,864.11 in revenue during fiscal year 2009-10.

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		CITY SECRETARY
		DATE:
CITY MANAGER		

TIF District Revenues and Expenses

The TIF District has had the following revenues and expenses for the year ending September 30, 2009:

Balance forward from September 30, 2007	\$0.00
Revenues	
Payments from TIF Partners	590,218.59
Interest	<u>818.94</u>
Total Revenues	\$591,037.53
Total Available	\$591,037.53
Total expenses include:	
Debt service	\$201,894.00
Repayment to General Fund	<u>231,555.50</u>
Total Expenses	\$433,449.50
Balance as of September 30, 2009	\$157,588.03

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 the past year. More recently (June 2005), the City Council authorized the loan of up to \$3 million to the TIF, but has determined that they would prefer to issue Certificates of Obligation rather than to continue to decrease their reserves, so the sale of \$2.5 million in COs was made on August 4, 2005.

## Outstanding liabilities (as of 10/1/2009):

2005 Certificates of Obligation,		
principal remaining		\$1,995,000.00
annual debt service	\$202,270	
Loan from City reserves		<u>\$0.00</u>
Total liabilities		\$1,995,000.00

Status of Ongoing ProjectsA. Benbrook Field

The Developer Participation Agreement with Benbrook Towne Crossing (now known as Benbrook Field) was executed in September 2005, under which the TIF would reimburse certain development costs up to a maximum of \$8.5 million from increased taxes generated by their project. Work began on the first phase of the project in May 2006 and was completed in March 2007. Reimbursements can begin upon receipt of an application for reimbursement, and the generation of a positive taxable increment

from the project. 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.) The staff is currently reviewing the reimbursement request. Based on the preliminary July 2009 tax rolls, it was estimated that the Benbrook Field project would generate approximately \$109,322.10 in TIF revenue, less the Benbrook Field annual share of the Walnut Creek sewer line of \$75,972, for net annual revenue of approximately \$33,349.39 during the coming year.

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

B. Other Development Activity

The long-awaited WalMart SuperCenter in Benbrook Field appears to be coming to fruition. WalMart purchased in February 2009 for approximately \$2.9 million. The staff has been working with WalMart on platting and building permit issues, but final approvals have not been granted.

No other potential developments are active within the TIF at the present time.



# City of Benbrook

## Tax Increment Financing Board

DATE: December 7, 2009	REFERENCE NUMBER: 2009-02	SUBJECT: Status of On-Going Projects	PAGE: 1 of 1
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The staff will provide a verbal status report on:

1. Status of the Benbrook Towne Crossing Reimbursement Request, and
2. Revised projections of the financial capabilities of the TIF District.

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