



Agenda
100 W. Eldorado Parkway
Little Elm, TX 75068

TIRZ #3 Board of Directors Meeting
Tuesday, April 18, 2023 5:30 p.m.

1. **Call to Order / Roll Call.**
2. Consider Action to Approve the **Minutes from the September 6, 2022 Tax Increment Reinvestment Zone (TIRZ) #3 Meeting.**
3. **Convene in Executive Session pursuant to Texas Government Code:**
 - Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19 outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.
 - Section 551.072 to discuss certain matters regarding real property.
 - Section 551.074 of the Texas Government Code to discuss and deliberate personal matters to evaluate performance duties, of a public officer or employee(s).
 - Section 551.076 to discuss security matters.
 - Section 551.087 to discuss Economic Development.
4. Present, Discuss, and Consider Action on **Resolution No. 0418202301T3 a Resolution of the Board of Directors of Tax Increment Reinvestment Zone Number Three, Town of Little Elm, Texas, Approving Certain Project Expenditures; Providing a Severability Clause; and Providing an Effective Date.**
5. Present, Discuss and Consider Action to Approve the **Termination Agreement between TIRZ #3 and 100 Hardwicke, LLC.**
6. **Adjourn.**

Respectfully,
Kate Graham, Deputy Town Secretary

This is to certify that the above notice was posted on the Town of Little Elm website prior to 5:30 p.m. the 14 day of April.



Date: 04/18/2023
Agenda Item #: 2.
Department: Administrative Services
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Kate Graham, Assistant to the Town Manager

AGENDA ITEM:

Consider Action to Approve the **Minutes from the September 6, 2022 Tax Increment Reinvestment Zone (TIRZ) #3 Meeting.**

DESCRIPTION:

The minutes from the September 6, 2022 Tax Increment Reinvestment Zone (TIRZ) #3 Meeting are attached for approval.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Staff recommends approval.

Attachments

Minutes - September 6, 2022

DRAFT

Minutes
Town of Little Elm
100 W Eldorado Parkway
Little Elm, Texas 75068
214-975-0404
<http://www.littleelm.org>

TIRZ #3 BOARD MEETING TUESDAY SEPTEMBER 6, 2022 - 5:30 p.m.

Present: David Hillock; Neil Blais; Tony Singh; Curtis Cornelious, Mayor; Lisa Norman; Michael McClellan; Jeremy Lukas; Steve Knippen; Jamell Johnson

Staff Present: Caitlan Biggs, Director of Administrative Services/Town Secretary
Jennette Espinosa, Executive Director
Matt Mueller, Town Manager
Kate Graham, Assistant to the Town Manager
Robert Brown, Town Attorney

1. **Call to Order / Roll Call.**

Meeting called to order at 5:30 p.m.

2. Consider Action to Approve the **Minutes from the September 7, 2021, and August 16, 2022, Tax Increment Reinvestment Zone (TIRZ) #3 Board Meetings.**

Motion by Michael McClellan, seconded by Jamell Johnson **to approve the minutes.**

Vote: 6 - 0 - Unanimously

3. Present, Discuss, and Consider Action on **Resolution No. 0906202201T3 Approving Certain Project Expenditures for Tax Increment Reinvestment Zone Number Three; Providing a Severability Clause; and Providing an Effective Date.**

Town Manager Matt Mueller gave an overview of the item in the attached presentation. Staff is requesting an additional \$500,000 be added to the budget for The Lawn at the Lakefront.

Mayor Pro Tem Norman arrived at 5:48 p.m.

Motion by Jamell Johnson, seconded by Michael McClellan **to approve Resolution No. 0906202201T3.**

Vote: 7 - 0 - Unanimously

4. **Adjourn.**

Meeting adjourned at 5:56 p.m.

Respectfully,

Caitlan Biggs
Town Secretary

Passed and Approved this _____ day of _____ 2021



Date: 04/18/2023
Agenda Item #: 3.
Department: Administrative Services
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Kate Graham, Assistant to the Town Manager

AGENDA ITEM:

Convene in Executive Session pursuant to Texas Government Code:

- Section 551.071 for private consultation with the Town Attorney to discuss the COVID-19 pandemic and municipal authority to respond to the COVID-19 outbreak and to seek legal advice with respect to pending and contemplated litigation and including all matters on this agenda to which the Town Attorney has a duty under the Texas Rules of Discipline and Professional conduct regarding confidential communication with the Town Council.
 - Section 551.072 to discuss certain matters regarding real property.
 - Section 551.074 of the Texas Government Code to discuss and deliberate personal matters to evaluate performance duties, of a public officer or employee(s).
 - Section 551.076 to discuss security matters.
 - Section 551.087 to discuss Economic Development.
-



Date: 04/18/2023
Agenda Item #: 4.
Department: Finance
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Kelly Wilson, Chief Financial Officer

AGENDA ITEM:

Present, Discuss, and Consider Action on **Resolution No. 0418202301T3 a Resolution of the Board of Directors of Tax Increment Reinvestment Zone Number Three, Town of Little Elm, Texas, Approving Certain Project Expenditures; Providing a Severability Clause; and Providing an Effective Date.**

DESCRIPTION:

The Tax Increment Reinvestment Zone #3 (TIRZ #3) Board annually adopts their budget by resolution. Resolution 0418202301T3 includes an amendment to the budget for Fiscal Year 2022-2023. The Amended Budget has been attached for review by the Board of Directors. All project expenditures provided are authorized expenditures under the Act.

- Local Business incentive up to \$150,000.
 - This incentive was originally planned to span over a six-year period. We are requesting the full amount of incentive be allocated in FY 2022-2023.

BUDGET IMPACT:

Reflected in amended budget summary as a reduction in remaining fund balance.

RECOMMENDED ACTION:

Staff recommends approval of Resolution No. 0418202301T3.

Attachments

Resolution No. 0418202301T3
FY 2022-2023 TIRZ #3 Amended Budget Summary

RESOLUTION TIRZ #3 0418202301T3

A RESOLUTION OF THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER THREE, TOWN OF LITTLE ELM, TEXAS, APPROVING CERTAIN PROJECT EXPENDITURES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town of Little Elm, Texas (hereinafter referred to as the “Town”), pursuant to Chapter 311 of the Texas Tax Code, as amended (hereinafter referred to as the “Act”), may designate a geographic area within the Town as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, on April 15, 2014, pursuant to and as required by the Act, the governing body of the Town (hereinafter referred to as the “Town Council”) approved and adopted by Ordinance No. 1214, a *Final Reinvestment Zone Financing Plan for Tax Increment Reinvestment Zone Number Three, Town of Little Elm, Texas*, and a *Final Project Plan*, for a tax increment reinvestment zone containing approximately 847 acres of property located within the Town of Little Elm, Texas; and

WHEREAS, the Board of Directors of Reinvestment Zone Number Three, Town of Little Elm, Texas, originally approved the FY 2022-2023 budget through Resolution No. 0906202201T3 and now desires to authorize through the passage of Resolution No. 0418202301T3 on April 18, 2023, certain expenditures (1) increase incentive pay for a total of \$150,000; all of which the Board found were authorized expenditures under the Act; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER THREE OF THE TOWN OF LITTLE ELM, TEXAS:

SECTION 1. The findings set forth above are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. the Board of Directors of Reinvestment Zone Number Three, Town of Little Elm, Texas, in accordance with the Act, hereby authorize certain (1) increase incentive pay for a total of \$150,000.

SECTION 3. That if any section, article paragraph, sentence, clause, phrase or word in this Resolution, or the application thereto to any persons or circumstances, is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Resolution; and the Board of Directors hereby declares it would have passed such remaining portions of this Resolution despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 4. That this Resolution shall become effective from and after its date of passage in accordance with law.

PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER THREE, TOWN OF LITTLE ELM, TEXAS, THIS THE 18th DAY OF APRIL, 2023.

Curtis Cornelious, Chairman

ATTEST:

Kate Graham, Interim Town Secretary

APPROVED AS TO FORM:

Town Attorney

TAX INCREMENT FINANCING NO. 3

Revenues, Expenditures and Change in Fund Balance

FUND 810			
	Actual	Adopted Budget	Amended Budget
	2021-2022	2022-2023	2022-2023
BEGINNING FUND BALANCE	\$ 1,084,894	\$ 1,016,866	\$ 1,016,866
REVENUES			
Ad Valorem Taxes	\$443,516	\$782,654	\$782,654
Sales Taxes	138,089	156,807	156,807
Interest Earnings	2,557	7,000	7,000
Other Agencies & Sources	-	-	-
Transfers In	-		
TOTAL REVENUES	\$584,161	\$946,461	\$946,461
TOTAL FUNDS AVAILABLE	\$ 1,669,056	\$ 1,963,327	\$ 1,963,327
EXPENDITURES			
Economic Development	\$ 199,796	\$ 440,067	\$ 565,067
Debt Service	322,394	-	-
TOTAL EXPENDITURES	\$ 522,190	\$ 440,067	\$ 565,067
Transfers Out	130,000	1,250,000	1,250,000
TOTAL TRANSFERS	\$ 130,000	\$ 1,250,000	\$ 1,250,000
TOTAL EXPENDITURES INCLUDING TRANSFERS	\$ 652,190	\$ 1,690,067	\$ 1,815,067
NET INCOME/NET CHANGE	(\$68,029)	(\$743,606)	(\$868,606)
RESTRICTED RESERVE - DEBT SERVICE	\$ 200,000	\$ -	\$ -
ENDING FUND BALANCE	\$ 816,866	\$ 273,260	\$ 148,260



Date: 04/18/2023
Agenda Item #: 5.
Department: Administrative Services
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Jennette Espinosa, EDC Executive Director

AGENDA ITEM:

Present, Discuss and Consider Action to Approve the **Termination Agreement between TIRZ #3 and 100 Hardwicke, LLC.**

DESCRIPTION:

This Termination Agreement terminates the original Reimbursement Agreement, executed August 2022, between TIRZ #3 and 100 Hardwicke, LLC for the annual payments of **Twenty Five Thousand and No/100 Dollars** (\$25,000) for the term of six (6) years, total amount not to exceed **One Hundred Fifty Thousand and No/100 Dollars** (\$150,000).

BUDGET IMPACT:

The Termination Agreement concludes the \$25,000 annual payment for six (6) years, less one payment, already paid to 100 Hardwicke, LLC for the 2022 year. No further payments will be made after the execution of this agreement.

RECOMMENDED ACTION:

Staff recommends approval of the Termination Agreement as presented.

Attachments

Termination Agreement between TIRZ 3 and 100 Hardwick

TERMINATION OF REIMBURSEMENT AGREEMENT

This Termination of Reimbursement Agreement (hereinafter referred to as the "Termination Agreement") is entered into on the 31 day of March, 2023, by and between the **TAX INCREMENT REINVESTMENT ZONE, NUMBER THREE, TOWN OF LITTLE ELM, TEXAS**, a tax increment reinvestment zone created by the Town of Little Elm, Texas, pursuant to Chapter 311 of the Texas Tax Code, as amended (hereinafter referred to as "TIRZ # 3"), and **100 HARDWICKE, LLC**, a Texas limited liability company (hereinafter referred to as the "Developer").

RECITALS:

WHEREAS, on or about August 16, 2022, TIRZ # 3 and Developer entered into the original Reimbursement Agreement (the "Original Agreement") concerning the payment of a grant amount of **One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00)** paid in annual amounts of **Twenty-Five Thousand and No/100 Dollars (\$25,000.00)** per year for a six (6) year period (the "Grant Amount"); and

WHEREAS, consistent with the terms of the Original Agreement, TIRZ # 3 made an initial payment of **Twenty-Five Thousand and No/100 Dollars (\$25,000.00)** to Developer; and

WHEREAS, TIRZ # 3 and the Developer now desire to terminate and release the parties of the obligations contained in the Original Agreement, including the payment of the remaining balance of **One Hundred Twenty-Five Thousand and No/100 Dollars (\$125,000.00)** of the Grant Amount to Developer, by approving this Termination Agreement.

NOW, THEREFORE, for and in consideration of the foregoing premises and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, TIRZ # 3 and Developer covenant and agree as follows:

SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this Termination Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

SECTION 2. TERMINATION OF ORIGINAL AGREEMENT AND ANY AMENDMENTS.

- (a) The Original Agreement and any amendments related thereto by and between TIRZ # 3 and the Developer is hereby terminated.
- (b) TIRZ # 3 and the Developer covenant and agree that each party shall have no further obligation to the other party under the Original Agreement and any amendments related thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Termination of Reimbursement Agreement and Performance Agreement on the day and year first above-written.

TIRZ # 3:

**TAX INCREMENT REINVESTMENT ZONE,
NUMBER THREE, TOWN OF LITTLE ELM,
TEXAS,**

a tax increment reinvestment zone created by the
Town of Little Elm, Texas, pursuant to Chapter
311 of the Texas Tax Code,

By: _____

Curtis J. Cornelious, President

Date Signed: _____

STATE OF TEXAS

§

§

COUNTY OF DENTON

§

This instrument was acknowledged before me on the ____ day of _____, 2023, by Curtis J. Cornelious, President of the Tax Increment Reinvestment Zone, Number Three, Town of Little Elm, Texas, a tax increment reinvestment zone created by the Town of Little Elm, Texas, pursuant to Chapter 311 of the Texas Tax Code, on behalf of said Texas tax increment reinvestment zone.

Notary Public, State of Texas

DEVELOPER:

100 HARDWICKE, LLC,
a Texas limited liability company,

By: Richard Pray
Richard Pray, Manager
Date Signed: 3/31/2023

STATE OF TEXAS

§

§

COUNTY OF DENTON

§

This instrument was acknowledged before me on the 31 day of March, 2023,
by Richard Pray, Manager of the 100 Hardwicke, LLC, a Texas limited liability company, on
behalf of said Texas company.

Natasha Leigh Roach
Notary Public, State of Texas



APPROVED BY TOWN:

TOWN:

TOWN OF LITTLE ELM, TEXAS,
a Texas home-rule municipality,

By: _____
Curtis J. Cornelious, Mayor

Date: _____

ATTEST:

Kate Graham, Deputy Town Secretary

APPROVED AS TO FORM:

Robert F. Brown, Town Attorney