



COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER _____

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DATE: 06/18/2024

**SUBJECT: APPROVAL OF PARTICIPATION IN THE CITY OF FORT WORTH
TAX INCREMENT FINANCING REINVESTMENT ZONE #16 -
VEALE RANCH**

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court approve the attached Resolution and Participation Agreement providing for Tarrant County participation in the City of Fort Worth Tax Increment Financing Reinvestment Zone (TIRZ) #16 - Veale Ranch through payment into the Zone's tax increment fund of certain tax revenues produced by the incremental real property values within the Zone as set forth in the attached Agreement.

BACKGROUND

The City of Fort Worth has established a 5,200 acre TIRZ for development of parcels known as Veale Ranch/Team Ranch, Rolling V South, Rockbrook, and Ventana, which are located primarily within Fort Worth's extraterritorial jurisdiction in Parker County and Tarrant County. Approximately 4,350 acres are located within Tarrant County and 850 acres are within Parker County.

On March 8, 2023, PMB Veale Land I, LP (Developer) entered into an agreement with the City of Fort Worth to develop the parcels mentioned above. To accomplish the development envisioned and to provide financing for certain public improvements, the Developer and the City agreed to work together to create the Veale Ranch Public Improvement District (PID) and the TIRZ. The City of Fort Worth agreement will be constructed and annexed in phases (considered an improvement area) over a period of up to fifty (50) years and the PID assessments, TIRZ collections, and bond issuances will occur after annexation for 25-30 year periods for each improvement area. Tarrant County will only participate in the Tarrant County portion of the TIRZ at fifty percent (50%) for thirty (30) years or until our maximum participation cap has been reached.

The TIRZ was established to create a dedicated financing mechanism for development, public infrastructure improvements, and create a catalyst for additional economic development. It is expected that development will raise the taxable value within the Zone from its \$4,449,181.00 base value to over \$10,852,022,165.00 by the expiration of the Zone. Funding from TIRZ increments contributed by the County is projected to contribute towards the estimated \$813 million in street and intersection improvements, utility and street lighting, drainage, water/sewer and other infrastructure and development improvements over the life of the Zone.

SUBMITTED BY:	Administrator's Office	PREPARED BY: APPROVED BY:	Maegan P. South
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The City of Fort is contributing sixty-five percent (65%) of its incremental tax revenues from added property values within the Zone until the completion of all project costs or the term of the Zone expires on December 31, 2105. Total contribution from the City is expected to be \$1,818,656,218. The City is requesting County participation through the contribution of fifty percent (50%) of its incremental real property taxes generated within the TIRZ beginning with Tax Year 2023 and through the first thirty (30) years of the Zone or until a maximum County contribution of \$154,684,773.00 has been reached. Tarrant County will retain an equal amount of tax revenue during the period of participation. Once the term or maximum contribution amount has been reached, Tarrant County will retain one hundred percent (100%) of tax revenue generated.

The Criminal District Attorney's Office has approved this agreement as to form.

FISCAL IMPACT

The County's contribution to Fort Worth TIRZ #16 at a rate of fifty percent (50%) of the increment generated over the life of the TIRZ is projected to be \$154,684,773.00. The County's contribution of its increment will begin with the 2023 Tax Year and continue until such a time all project costs are paid, the above noted contribution amount is reached, or the thirty (30) years expire, whichever occurs first. Tarrant County will continue to receive the base value of the property along with fifty percent (50%) of taxable value within the zone over the life of the TIRZ.

Please Note: Due to the volume of information, copies of the entire packet are not being reproduced for distribution. However, the information may be viewed online in the Commissioners Court's agenda on the Tarrant County website or in the Commissioners Court records within the County Clerk's Office.