



TAX INCREMENT FINANCING DISTRICT #3 BOARD MEETING
CITY HALL - COUNCIL BRIEFING ROOM, 300 W. MAIN STREET
THURSDAY, DECEMBER 07, 2023 AT 2:15 PM

AGENDA

CALL TO ORDER

AGENDA ITEMS

1. Minutes of August 1, 2023
2. Consider Proposal from David Pettit Economic Development for TIRZ #3 Planning Services in the amount of \$23,750.
3. TIF 3 Taxable Value Update

CITIZEN COMMENTS

Citizens may speak during Citizen Comments for up to five minutes on any item not on the agenda by completing and submitting a speaker card.

EXECUTIVE SESSION

The Tax Increment Financing Board may conduct a closed session pursuant to Chapter 551, Subchapter D of the Government Code, V.T.C.A., to discuss any of the following:

- (1) Section 551.071 “Consultation with Attorney”
- (2) Section 551.072 “Deliberation Regarding Real Property”
- (3) Section 551.074 “Personnel Matters”
- (4) Section 551.087 “Deliberations Regarding Economic Development Negotiations.”

ADJOURNMENT

Certification

In accordance with Chapter 551, Subchapter C of the Government Code, V.T.C.A, the Tax Increment Financing Board agenda was prepared and posted December 4, 2023.

*Lee Harris, CPA
Special District Administrator, Finance Department*



**CITY OF GRAND PRAIRIE
COMMUNICATION**

MEETING DATE: 12/07/23
REQUESTER: Lee Harriss
PRESENTER: John Lopez, Chair for TIF 3
TITLE: Minutes of August 1, 2023
RECOMMENDED ACTION: Approve

ANALYSIS:
Minutes of August 1, 2023

FINANCIAL CONSIDERATION:
None

**Minutes of the
Meeting of the Board of Directors
Of the City of Grand Prairie
Tax Increment Financing District 3
City Hall
Council Briefing Room
300 W. Main St.
Tuesday, August 01, 2023, 11:00 AM**

Call to Order

Chairperson Lopez, Chair of TIF #3, called the meeting to order at 11:03 am. Present included Board members Jorja Clemson, John Lopez, Marty Wieder, Cole Humphreys, Barry Sanders, and others—Megan Mahan, Cheryl De Leon, Cathy Patrick, Thao Vo, Lee Harriss, Richard Nevins. David Petit, Natalie Moore, and Sheryl Osborne.

Consider minutes of meetings of February 9, 2023

The minutes were approved.

TIRZ #3 Allocation Request Addition in the amount of \$422,881 for Road Improvements near Grand Prairie’s Hospital District (Stewart Drive, Osler Drive, Hospital Boulevard and Mid-Cities Boulevard)

Marty Wieder, Director of Economic Development, presented the additional costs to reconstruct Mid-Cities Boulevard.

The request was approved.

Ordinance Amending TIRZ #3 to Extend the Term and Expand the Boundaries to create and include Area Development Zones #9, #10, and #11

Marty Wieder, Director of Economic Development, presented the updated and amended Preliminary Project Plan & Financing Plan, and the board approved the expansion.

TIF 3 Taxable Value Update

Special District Administrator Lee Harriss presented an update on available funds in TIF 3.

Next Meeting Date

The next meeting will be scheduled when needed.

Adjournment

The meeting adjourned at 11:47 am.



**CITY OF GRAND PRAIRIE
COMMUNICATION**

MEETING DATE: 12/07/2023

PRESENTER: Marty Wieder, Director, Economic Development Department

TITLE: Consider Proposal from David Pettit Economic Development for TIRZ #3 Planning Services in the amount of \$23,750.

SUMMARY:

The City first engaged David Pettit Economic Development in 2016 for \$55,000; that amount carried the City over three years as DPED helped us extend and expand both Tax Increment Reinvestment Zones #1 and #3, as well as put in place new Project Plans & Financing Plans for both TIRZ, too.

DPED staff professionals assisted the City again for two years (2019 through 2020) for a total contract of \$46,600—and likewise did work for The Nehemiah Company Development ordered by us and paid with money in escrow from TNCDEV totaling \$6,016.27 (related to eventual development of the Riverside Golf Course clubhouse site).

DPED assisted us through a subsequent contract in 2021 and 2022 totaling \$47,500.50—and have almost completed another contract of the same amount in 2023 assisting the City as well as Huffines Development. \$20,000 of this amount will be reimbursed by Huffines for the Lakesong development.

In total, the City has engaged DPED for \$202,617.27 since 2016 (with \$26,016.27 paid by private developers asking for analysis related to certain Area Development Zones, as arranged by the City).

There is a need for continued analysis of TIRZ# 3 as it relates to the City's participation with Provident Realty Advisors and Huffines Communities (Lakesong) on their developments in the City's ETJ. DPED will provide additional consulting services including data collection and analysis of potential new Area Development Zones (ADZ's) in TIRZ #3 for property in the City's ETJ, creation of associated cash flow models and negotiation with participating entities.

DPED proposes to conduct these services on an hourly fee basis—with a not-to-exceed contract amount of \$47,500. The TIRZ Project Financing Plan provides for reimbursement of these expenses as appropriate administrative costs. Staff is seeking approval for TIRZ #1 and TIRZ#3 to share this expense. In previous instances, these services have continued and extended into multiple fiscal years.

PURPOSE OF REQUEST:

This request is made to ensure that David Pettit Economic Development may continue working on the City of Grand Prairie's behalf.



October 12, 2023

Marty Wieder, AICP
Director Economic Development
City of Grand Prairie
PO Box 534045
Grand Prairie, Texas 75053

RE: Professional Services Proposal

Dear Mr. Wieder:

David Pettit Economic Development, LLC (“DPED”) is pleased to provide this proposal for economic development professional services relating to the implementation of Tax Increment Reinvestment Zone Number One (TIRZ #1), Tax Increment Reinvestment Zone Number Three (TIRZ #3), and as needed economic development consulting services throughout the City of Grand Prairie, Texas.

The Team

We proposed working in a team organized as follows:

- You will be our point of contact and will provide overall direction to our team. You may also include other members of City staff with which we will meet regularly to review our progress and to get input and direction on our work.
- At this time, we do not anticipate the need for any additional consultants to accomplish the work described in this proposal.

Key Staff

David Pettit, Principal, would manage the project. Key staff from DPED working on the project would be:

- Natalie Moore, Project Manager

Task One: Individual TIRZ Project Analysis

DPED will work at the direction of staff to provide research, project due diligence, project underwriting, and future TIRZ cash flow analysis based upon an as needed basis. Per Chapter 311, the governing body of the municipality that creates a reinvestment zone may enter into agreements as necessary or convenient to implement the project plan and reinvestment zone financing plan and achieve their purposes.

As projects are presented and TIRZ funds are requested, care must be exercised to thoroughly evaluate each project to ensure that the benefits that will accrue from the approval of the project are appropriate in relation to the TIRZ incentive provided to and the costs that will result from the project, and that the project is in line with the Project and Financing plan and benefits the City as a whole. DPED will serve as a consultant in the evaluation of these projects, including analysis of the existing and future TIRZ cash flows, cost/benefit analysis, and facilitation of meetings and presentations with the City, property owner representatives, and other parties involved in the process.

Additionally, the amended TIRZ #1 and TIRZ #3 affords use of TIRZ Grants allowed under Chapter 311 of the Texas Tax Code and Chapter 380 of the Local Government Code. Per Chapter 311 only City funds may be used for TIRZ Grants and therefore, particularly detailed analysis of existing and future TIRZ cash flows must accompany any new TIRZ agreements utilizing the TIRZ Grants category.

Task Two: As Needed Professional Services

DPED will provide economic development professional services on an as needed basis for projects throughout the City of Grand Prairie, including but not limited to:

- Public-private partnership structuring;
- Incentive negotiations;
- Chapter 380 grant contract negotiations;
- Economic impact reporting;
- Real Estate Financial Analysis, including:
 - Taxable Value Analysis
 - Pro-forma Analysis
 - Underwriting of Incentive Packages
 - Market/Financial Feasibility
 - Cost/Benefit Analysis
 - Appraisal Review

These as needed projects would be initiated upon written direction from the City.

Fee for Services

Our fee for services relating to the scope of services will be billed on an hourly basis, per the rates provided in this proposal with a not-to-exceed amount of \$47,500. Any additional hours billed will require written approval of the Client. Reimbursable expenses would be charged to include out-of-pocket expenses incurred in the interest of the project at actual costs.

Term of Agreement

It is anticipated that the services covered in the proposal will be completed within twenty-four (24) months of the date services begin. This Agreement will terminate upon the earlier of completion of services or twenty-four (24) months from the date of this Agreement. Additionally, Client may terminate this Agreement for any reason upon thirty (30) days written notice to DPED and DPED will cease any and all work upon receipt of such notice, unless otherwise directed in the notice. In the event of a termination as described above, Client shall be responsible for the payment of the fees and expenses incurred by DPED pursuant to this agreement through the date of such termination.

Changes of Scope and Additional Services

Minor additions to our scope will be treated as Additional Services. Work on Additional Services will not begin until authorized in writing by the Client.

Additional Services and Rates for Hourly Services

Additional Services shall be billed on an hourly not to exceed basis unless a fixed fee or other method of compensation is mutually agreed upon. Our current hourly rates are:

<u>Classification</u>	<u>Hourly Billing Rate</u>
David Pettit	\$325.00
Project Manager	\$250.00
Project Specialist	\$120.00
Planning Intern	\$100.00
Administrative	\$80.00

These rates apply for the current calendar year and are subject to revision on January 1, when they may be revised to reflect changes in staff salaries over the preceding year.

Reimbursables

We propose to be reimbursed for out-of-pocket expenses incurred in the interest of the project at our actual cost. Reimbursable expenses include: our direct consultants and their expenses (to be reimbursed, all consultants and their bids must be approved in writing, in advance by the client); reproduction; long distance communication; document printing and delivery; document graphics and binding; delivery, postage and handling; travel time; special materials; photography; etc. (Reasonable backup will be available upon request.)

Invoices and Payments

Payment for services rendered is due within thirty (30) days of Client's next monthly billing cycle following receipt of invoice. In the event any invoices remain unpaid 45 days after the invoice date, we suspend work until we have been paid in full all amounts due for services and expenses. Amounts unpaid for more than 30 days after the due date may accrue interest at 10% per annum.

Suspension and Termination

If the project is suspended or abandoned, DPED will be compensated for all services billed prior to receipt of written notice by the Client. Services that are not billed or completed between billing periods and receipt of written notice will be reimbursed at DPED's standard hourly rates.

If the scope or schedule of the project should change beyond that to be reasonably expected due to the program changes, schedule or other reason, at their option, DPED may re-negotiate the aforementioned fees and scope of work. Any renegotiation of scope or fee will be in writing and subject to the signing of both parties.

Certifications

Guarantees and Warranties: We will not be required to execute any document that would result in our certifying, guaranteeing or warranting the existence of conditions whose existence we cannot ascertain.

Authorization to Proceed

Thank you again for this opportunity to work with you. Your signature below and the return of one copy to us for our file will confirm your approval and authorize us to proceed.

Insurance

DPED will provide proof of professional liability insurance (including errors and omissions) with minimum limits of \$1,000,000 per occurrence and \$2,000,000 in the aggregate and excess/umbrella liability of \$1,000,000 per occurrence and \$2,000,000 in the aggregate to client. Additionally, DPED shall carry the following insurance coverages:

- (a) Worker's compensation insurance at the statutory limits and employer's liability insurance, with minimum limits of \$1,000,000.00/\$1,000,000.00/\$1,000,000.00; and
- (b) Comprehensive general liability insurance, with minimum limits of \$1,000,000.00 each occurrence and \$4,000,000.00 in aggregate; and
- (c) Comprehensive automobile liability insurance, with minimum limits of \$1,000,000.00 combined single limit each occurrence; and

DPED has previously provided, or concurrently with the execution of this agreement is providing, to Client a certificate of insurance issued to Client evidencing the foregoing insurance coverages and evidencing that Client and Client's lender, if any, are additional insured parties with respect to the insurance policies referred to in the foregoing subparagraphs (b) and (c).

Notices

Any notice required or permitted to be given to either party shall be deemed to be received by such party (a) three (3) days after deposit in the United States Registered or Certified Mail, Return Receipt Requested, or (b) one (1) business day after deposit with a nationally recognized overnight delivery service for next day delivery, or (c) upon personal delivery to the party to whom addressed provided that a receipt of such delivery is obtained, or (d) on the next business day after transmission by telecopy provided that a confirmation copy is concurrently deposited

in United States Certified or Registered Mail, Return Receipt Requested, in any case addressed to the parties at the following addresses:

If to Client:

Director of Economic Development
City of Grand Prairie
PO Box 534045
Grand Prairie, Texas 75053
Attention: Marty Wieder, AICP
Email: Mwieder@GPTX.org

If to DPED:

David Pettit Economic Development, LLC.
306 West Seventh Street, Suite 602
Ft. Worth, TX 76102
Attention: David Pettit
Email: dpettit@dpedllc.com

or to the parties at such other addresses or telecopy numbers as they may designate by notice to the other party as herein provided.

SUMMARY

I hope this accurately outlines the professional services you anticipated. If you have any questions or concerns please do not hesitate to contact me at 817.439.9421.

Thank you for considering David Pettit Economic Development, LLC.

Sincerely,

David Pettit
Managing Member

If this agreement meets with your approval, please sign and return one executed copy to our office as notice to proceed.

AGREED TO AND ACCEPTED BY:

City of Grand Prairie, Texas

By: _____

Date: _____

David Pettit Economic Development Contracts

Year

2021		2022	\$ 47,500.50	
2019		2020	\$ 46,600.00	
2020			\$ 6,016.27	* Reimbursed by TNCDEV
2016	2017	2018	\$ 55,000.00	
2023			\$ 47,500.50	* \$20,000 to be reimbursed by Huffines
			<u>\$ 202,617.27</u>	
			\$ (26,016.27)	* Total reimbursed by others
			\$ 176,601.00	



**CITY OF GRAND PRAIRIE
COMMUNICATION**

MEETING DATE: 12/07/23
REQUESTER: Lee Harriss
PRESENTER: Lee Harriss, Special District Administrator
TITLE: TIF 3 Taxable Value Update
RECOMMENDED ACTION: Approve

ANALYSIS:

TIF 3 Taxable Value Update

FINANCIAL CONSIDERATION:

None

CITY OF GRAND PRAIRIE
TIF Annual Report FY 2022-2023 (Preliminary)
as of September 30, 2023

CH. 311.016 Tax Code requires this report to be submitted on or before the 150th day following the end of the fiscal year of the municipality to the CEO of each taxing unit that levies property taxes on real property located in a TIF zone. A copy must also be sent to the Comptroller.

1. Amount and Source of Revenue in the TIF fund(s)

<u>Source of Funds</u>	<u>TIF 1</u>	<u>TIF 1 EPIC</u>	<u>TIF 1 TOTAL</u>	<u>TIF 2*</u>	<u>TIF 3</u>
City of Grand Prairie	6,313,632		6,313,632		2,238,831
Tarrant County	85		85		
Devlpr Particip/Projects-Viridian/360	693,601				
Certificate of Obligation Proceeds		21,478,225	21,478,225		
Transfer in		1,119,300	1,119,300		
TIF FUND TOTALS	7,007,318	22,597,525	28,911,242	-	2,238,831

2. Expenditures: Purpose and Amount

<u>Payment to/for</u>	<u>TIF 1</u>	<u>TIF 1 EPIC</u>	<u>TIF 1 TOTAL</u>	<u>TIF 2</u>	<u>TIF 3</u>
Minor Equipment		686,717	686,717		
Telecom Hardware <\$5K		7,126	7,126		
Professional Services	21,844	1,369,682	1,391,526		26,157
Legal Services		26,889	26,889		
Miscellaneous Services		1,983,913	1,983,913		
Advertising/Promotions		1,054,521	1,054,521		
Business Lunches		1,695			
Office Furniture And Equipment		5,447,518	5,447,518		
Other Machinery And Equipment		60,225	60,225		
Autos & Trucks		43,671	43,671		
Engineering-Design		193,739	193,739		
Construction		20,221,187	20,221,187		
Engineer/Consultant/Geotech		31,169	31,169		
Costs Of Issuance		75,736	75,736		
Interfund Reimb-Gen Fund (1001)	75,931		75,931		46,469
Interfund Reimb-Pool Inv (3900)	8,123		8,123		2,708
Wildlife Reimb-Flood Control Engineering	1,434,268		1,434,268		
Tr/STRT/4001/Hospital Road Repairs			-		1,422,881
TIF FUND TOTALS	1,540,166	31,203,788	32,742,258	-	1,498,215

3. Fund Balances (1-2)

	<u>TIF 1</u>	<u>TIF 1 EPIC</u>	<u>TIF 1 TOTAL</u>	<u>TIF 2</u>	<u>TIF 3</u>
September 30, 2022 Balance	11,549,250	44,085,104	55,634,354		6,188,033
Net Increase (Decrease)	5,467,152	(8,606,263)	(3,139,111)	-	740,616
T I F Fund Totals	17,016,402	35,478,841	52,495,243	-	6,928,649

4. Outstanding Bonded Indebtedness: Amounts of Principal & Interest Due

	<u>TIF 1</u>	<u>TIF 1 EPIC</u>	<u>TIF 1 TOTAL</u>	<u>TIF 2</u>	<u>TIF 3</u>
Series 2019 B Combination Tax and Revenue CO		29,736,020	29,736,020		
Series 2021 A Combination Tax and Revenue CO		16,979,104	16,979,104		
Tax Notes 2019	-	6,197,366	6,197,366		
Series 2021 General Obligation Bonds		67,135,170	67,135,170		
Total	-	120,047,659	120,047,659	-	-

*TIF 2 was closed in September 2015.

CITY OF GRAND PRAIRIE
TIF Annual Report FY 2022-2023 (Preliminary)
as of September 30, 2023

5. Tax Increment Base and Current Captured Appraised Value Retained.

TIF 1

<u>Base Value</u>	<u>Value as of 1/1/2022</u>	<u>Current Captured Appraised Value</u>	
\$360,279,997	\$1,316,890,878	\$956,610,881 ¹	1 = City of Grand Prairie
\$0	\$0	\$0 ²	2 = Dallas County
\$0	\$0	\$0 ³	3 = Dallas Co. Comm. College
\$0	\$0	\$0 ⁴	4 = Dallas Co. Hospital
\$0	\$0	\$0 ⁵	5 = Grand Prairie ISD
\$2,349,255	\$2,425,037	\$75,782 ⁷	7 = Tarrant Co.

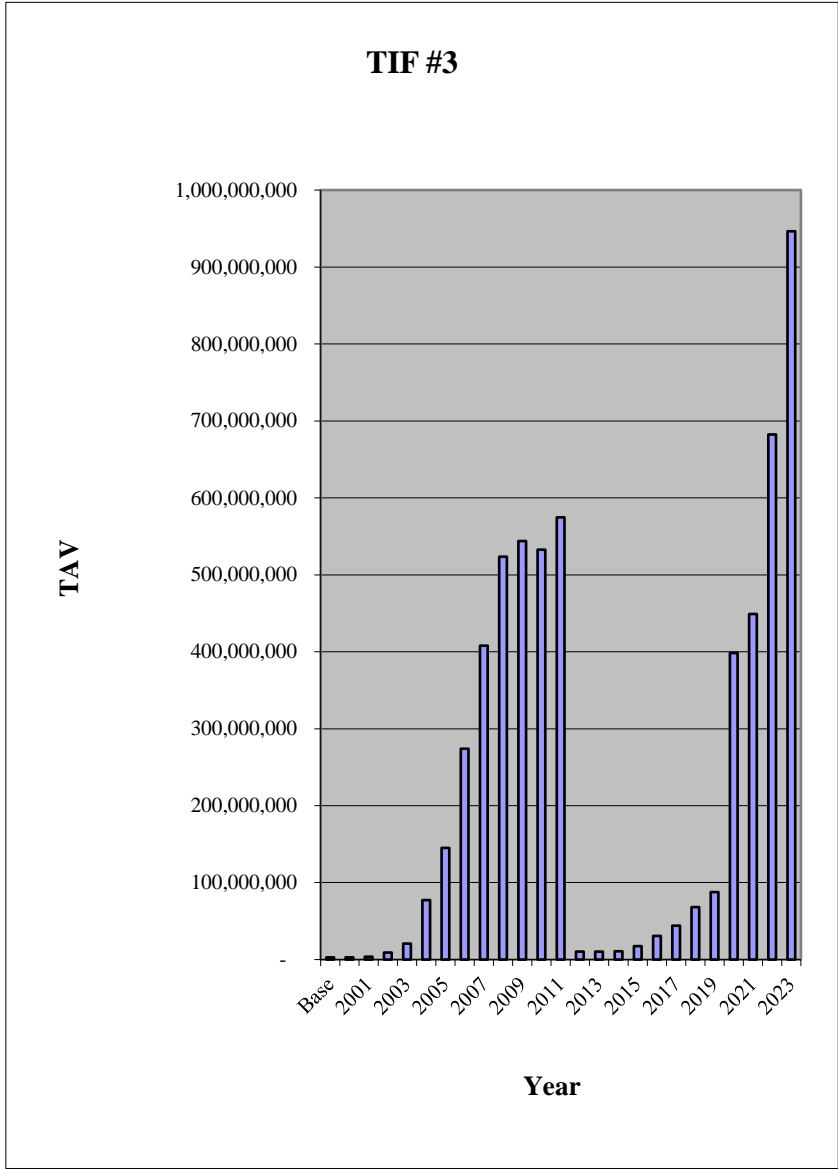
TIF 2-Closed

<u>Base Value</u>	<u>Value as of 1/1/2022</u>	<u>Current Captured Appraised Value</u>	
\$0	\$0	\$0 ¹	1 = City of Grand Prairie
\$0	\$0	\$0 ²	2 = Dallas County
\$0	\$0	\$0 ³	3 = Dallas Co. Comm. College
\$0	\$0	\$0 ⁴	4 = Dallas Co. Hospital
\$0	\$0	\$0 ⁵	5 = Grand Prairie ISD
\$0	\$0	\$0 ⁶	6 = Arlington ISD
\$0	\$0	\$0 ⁷	7 = Tarrant Co, Tarrant Co. College, Tarrant Co. Hospital

TIF 3

<u>Base Value</u>	<u>Value as of 1/1/2022</u>	<u>Current Captured Appraised Value</u>	
\$230,108,401	\$682,397,433	\$452,289,032 ¹	1 = City of Grand Prairie
\$0	\$0	\$0 ²	2 = Dallas County
\$0	\$0	\$0 ³	3 = Dallas Co. Comm. College
\$0	\$0	\$0 ⁴	4 = Dallas Co. Hospital
\$0	\$0	\$0 ⁵	5 = Cedar Hill ISD

History of TIF Taxable Values As of January 1, 2023 (7/25/23, Certified)



**TIF Revenue Forecasts
for Fiscal 2023/24
as of 7/25/23 (Certified)**

<u>TIF #1</u>	<u>Tax Rate</u>	<u>Participation Percentage</u>	<u>Effective Contribution Rate</u>	<u>TAV</u>	<u>Expected Revenue</u>	<u>School Percentage</u>	<u>School Rebate Amount</u>	<u>Expected Net Revenue after Rebate</u>
City of Grand Prairie	0.66	100%	0.660000	1,173,633,788	7,745,983			7,745,983
Dallas County	NA	0%	-	-	-			-
Parkland Hospital	NA	0%	-	-	-			-
DCCD	NA	0%	-	-	-			-
TC	0.224	50%	0.112000	231,778	260			260
GPISD	NA	0%	-	-	-	0%	-	-
					<u>7,746,243</u>		<u>-</u>	<u>7,746,243</u>
<u>TIF #3</u>								
City of Grand Prairie	0.66	75%	0.495000	716,520,156	3,546,775			3,546,775
Dallas County	NA	0%	-	-	-			-
Parkland Hospital	NA	0%	-	-	-			-
DCCCD	NA	0%	-	-	-			-
CHISD	NA	0%	-	-	-	0%	-	-
Tarrant County	NA	0%	-	-	-			-
JPS Hospital	NA	0%	-	-	-			-
TCCD	NA	0%	-	-	-			-
					<u>3,546,775</u>		<u>-</u>	<u>3,546,775</u>
								<u>11,293,017</u>