

**TAX INCREMENT REINVESTMENT ZONE
NUMBER ONE
CITY OF OAK RIDGE NORTH, TEXAS**



2016 ANNUAL REPORT

Tax Year Ending December 31, 2016

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COMPLIANCE

Texas Tax Code 311.016 (a):	
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CITY OF OAK RIDGE NORTH, TEXAS

2016 CITY COUNCIL

Mayor

Hon. James M. Kuykendall

Council Members

Hon. Tom Coale
Place 1

Hon. Clint McClaren
Place 2
Mayor Pro-Tem

Hon. Alex Jones
Place 3

Hon. Michelle Cassio
Place 4

Hon. Frances Planchard
Place 5

TAX INCREMENT REINVESTMENT ZONE
NUMBER ONE
OAK RIDGE NORTH, TEXAS
2016 BOARD OF DIRECTORS

Ordinance 66-2014 established a five (5) member board of directors. Ordinance 25-2016 amended the board of directors to expand the board to seven (7) members with two appointments from Montgomery County.

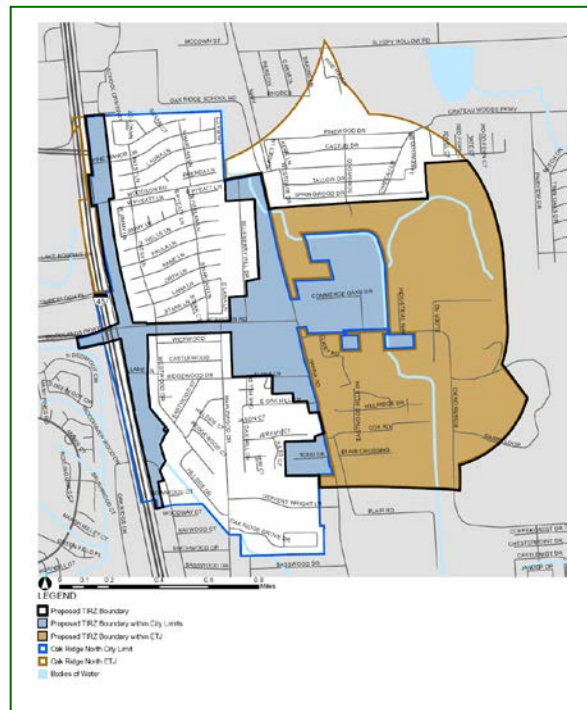
Position 1	Holly McClaren (Vice Secretary)
Position 2	Lonnie Anthony
Position 3	John Planchard (Chair)
Position 4	John Gray
Position 5	Rick Moffatt
Position 6	Ronda Trow (Vice Chair)
Position 7	Matt Beasley (Secretary)

DESCRIPTION OF ZONE

In accordance with the Tax Increment Financing Act (Chapter 311, Tax Code), Ordinance 66-2014 of the City of Oak Ridge North, Texas (the “City”) established Tax Increment Reinvestment Zone Number One, City of Oak Ridge North, Texas (the “Zone” or “TIRZ”) on December 15, 2014. The Zone consists of approximately 795.63 acres located in Montgomery County, Texas (the “County”).

The TIRZ includes approximately 506 acres located in the City’s extra-territorial jurisdiction (“ETJ”) and approximately 290 acres of area within the City’s corporate boundary. The map in Figure 1 below denotes the ETJ area in tan, and the in-City area in blue.

Figure 1: Oak Ridge North TIRZ Boundary Map



The City’s findings in creating the TIRZ indicated that the proposed zone “contains substantial areas that are predominantly open and underdeveloped with inadequate street layout and lack of public water distribution, wastewater collection and storm drainage facilities, which conditions substantially impair and arrest the sound growth of the City.”

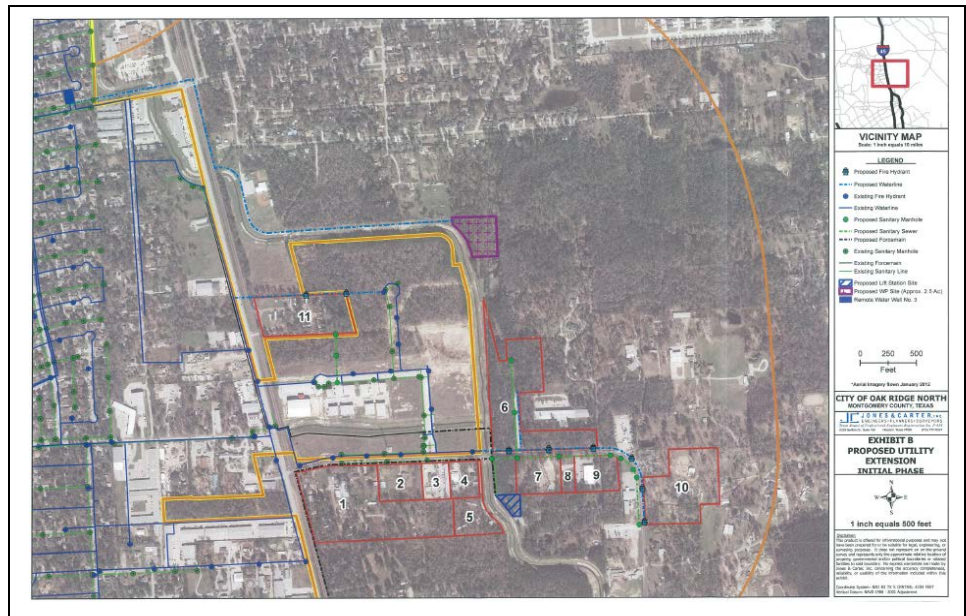
PURPOSE OF ZONE

The City’s goal is to maximize and preserve the taxable value of land and improvements in its ETJ by providing infrastructure such as roads, including Robinson Road improvements, water, sewer, drainage, detention, and certain landscape and urban design components.

The TIRZ is intended to provide the long-term planning and financing mechanism to facilitate construction of the proposed improvements, especially by partnering with private sector property owners / developers. In exchange for access to public utilities, the City will require property owners to petition for annexation thereby gaining control and fostering future growth that will be within the corporate limit.

Figure 2 below illustrates the location in the ETJ of the types of improvements intended to be funded through the TIRZ.

Figure 2:
Map of Proposed TIRZ Improvements



Source: Jones and Carter Report on “Utility and Economic Feasibility - Robinson Road East of Hanna Road”, dated September, 2013.

STATE OF THE ZONE AND PLAN IMPLEMENTATION IN 2016

The City’s TIRZ creation process included requesting County participation in the TIRZ. Throughout tax year 2015, the City and County worked to arrive at mutually acceptable participation rates. The final Project Plan & Reinvestment Zone Financing Plan (the “Plan”) was prepared and adopted in 2016 accordance with the requirements of Chapter 311 of the Texas Tax Code and will outline the improvements to be funded and implemented by the Zone.

Revenue

1. The information provided in the section is in accordance with § 311.016 (a) (1) of the Texas Tax Code, which requires inclusion of the amount and source of revenue in the tax increment fund established for the Zone.

In 2016, the City along with the county were participating taxing entities in the Zone. The following tables show the participating jurisdiction(s) and the amount and source of revenue in the Zone. The Zone was created for the duration of 30 years and the City has committed to 100% of its participation for the 30 years, or until otherwise dissolved by the City. The County has committed to 75% of the Maintenance and Operation for its participation for the 30 years, or until otherwise dissolved by the County.

Table A: Participation Schedule

Jurisdiction	2015 Tax Rate	2016 Tax Rate	% Participation	Duration
City of Oak Ridge North (Total Rate)	\$0.4598/\$100		100%	30 Years
Montgomery County (pending)		\$.3905/100	75%	30 Years

Tax Rate Source: Montgomery County Central Appraisal District

Table B illustrates the growth in appraised value from the base year 2014 to tax year 2015 for the City of Oak Ridge North.

Table B: Increment Generated from Base Year to Present

Taxing Entity	2014 Base Value	2015 Value	2016 Value	Captured Appraised Value (Increment)
City of Oak Ridge North	\$81,579,632	\$99,565,404	\$107,667,164	\$26,087,532
Montgomery County	n/a	\$119,845,536 *base value	\$130,380,141	\$10,534,605

In future years Table C will be used to illustrate the amount of the City’s incremental revenue to the tax increment fund.

Table C: Tax Increment Revenue Fund Balance by Year

Taxing Entity	2015	2016	2017
City of Oak Ridge North	\$82,121	\$110,553.58	\$-0-
Montgomery County	n/a	\$24,244.35	
Annual Fund Balance	\$82,121	\$216,918.93	\$-0-

Expenditures

2. The information provided in this section is in accordance with § 311.016 (a) (2) of the Texas Tax Code, which requires inclusion of the amount and purpose of expenditures from the fund.

The Board of Directors of the Zone has been granted by City Council, in accordance with Section 311.010 of the Texas Tax Code, the power to administer, manage and operate the Zone and to implement the Plan.

The only expenditures for the 2016 tax year was \$4,106 as an administrative fee due to the City of Oak Ridge North.

Interest Due on Outstanding Bonds

3. The information provided in this section is in accordance with § 311.016 (a) (3) of the Texas Tax Code, which requires inclusion of the amount of principal and interest due on outstanding bonded indebtedness.

The Zone issued no debt and therefore had no interest due on outstanding bonds.

Base Value & Captured Appraised Value

4. The information provided in this section is in accordance with § 311.016 (a) (4) of the Texas Tax Code, which requires inclusion of the tax increment base and current captured appraised value retained by the Zone.

The captured appraised value of the Zone is the total appraised value of all real property located within the Zone, less the tax increment base value. In each year subsequent to the base year, the Zone will receive tax increment revenue based on ad valorem property taxes levied and collected by each participating taxing unit on the captured appraised value of the Zone. Please refer to Table B.

Increment Received by Participating Jurisdiction

5. The information provided in this section is in accordance with § 311.016 (a) (5) of the Texas Tax Code, which requires inclusion of the captured appraised 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 Plan.

In 2016, the City and County were both participating taxing entities in the Zone. The increment revenue generated for tax year 2016 was \$134,797.93 as shown in Table C.



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Prepared by Heather Neeley, Director of Economic Development