

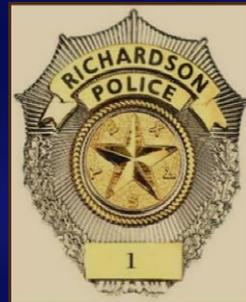
City Council Work Session Handouts

January 9, 2012

- I. 2011 Year End Crime Statistics and Program Update
- II. Tax Increment Financing – General Update

Richardson Police Department

Year End Review for 2011

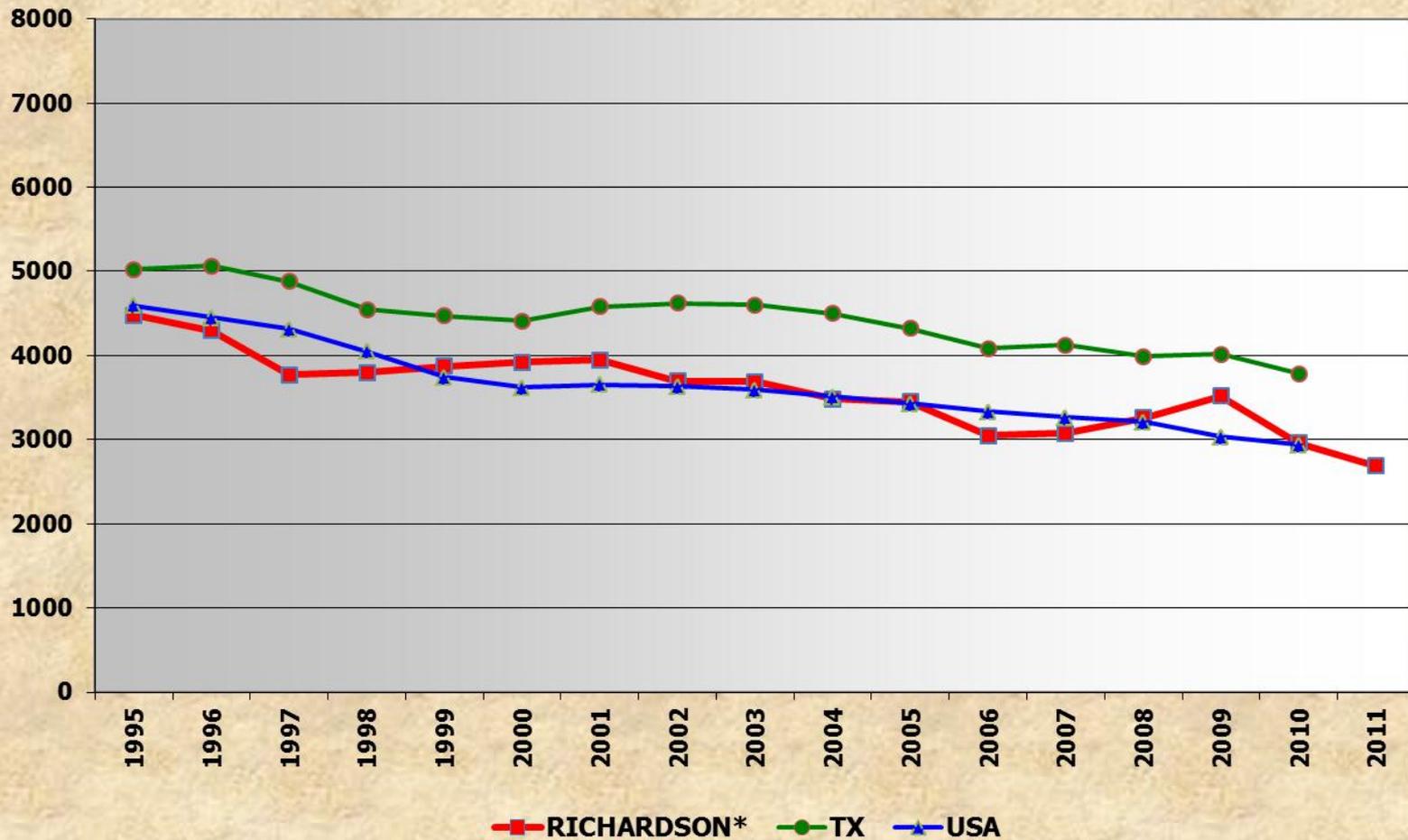


Crime and Arrest Review

January thru December 2010 and 2011

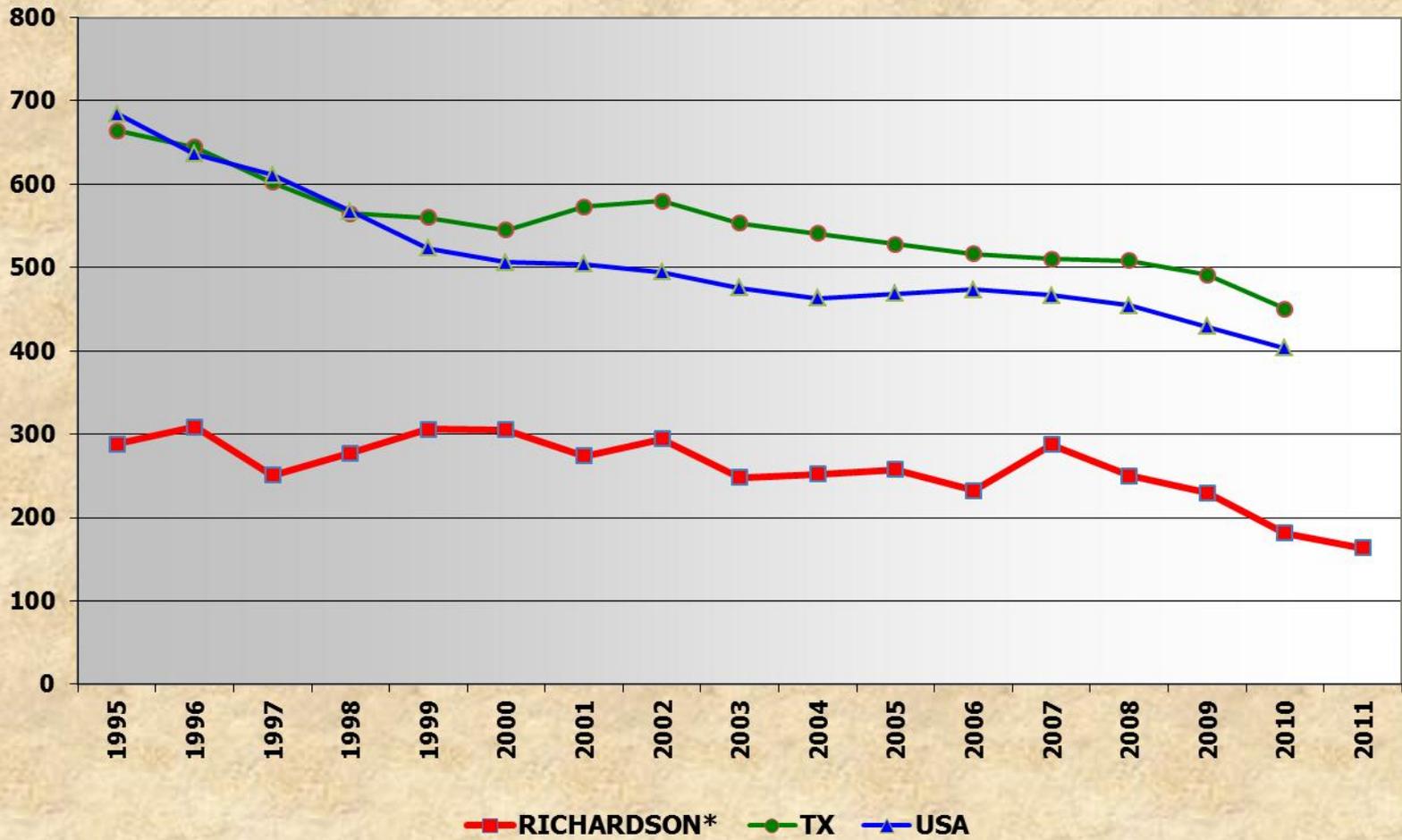
| OFFENSE | 2010 December YTD | 2011 December YTD | % Change | 2010 Arrests Dec. YTD | 2011 Arrests Dec. YTD |
|-----------------------|-------------------------|-------------------------|-------------|-----------------------------|-----------------------------|
| TOTAL CRIME | 6651 | 6236 | -6% | 3632 | 3224 |
| Group A | 5406 | 5133 | -5% | 2185 | 1968 |
| Group B | 1245 | 1103 | -11% | 1447 | 1256 |
| Residential Burglary | 338 | 385 | 14% | 70 | 64 |
| Business Burglary | 265 | 227 | -14% | 26 | 25 |
| Simple Assaults | 495 | 488 | -1% | 586 | 540 |
| Aggravated Assaults | 80 | 78 | -3% | 63 | 61 |
| Auto Theft | 199 | 187 | -6% | 29 | 24 |
| Burglary MV | 1122 | 960 | -14% | 60 | 59 |
| Criminal Mischief | 732 | 779 | 6% | 63 | 44 |
| Fraud | 231 | 205 | -11% | 73 | 59 |
| Robbery of Individual | 54 | 51 | -6% | 32 | 28 |
| Robbery of Business | 31 | 23 | -26% | 24 | 5 |

Property Crime Rates per 100,000



* Includes 2011 data

Violent Crime Rates per 100,000



* Includes 2011 data

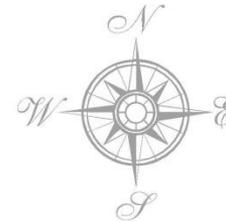
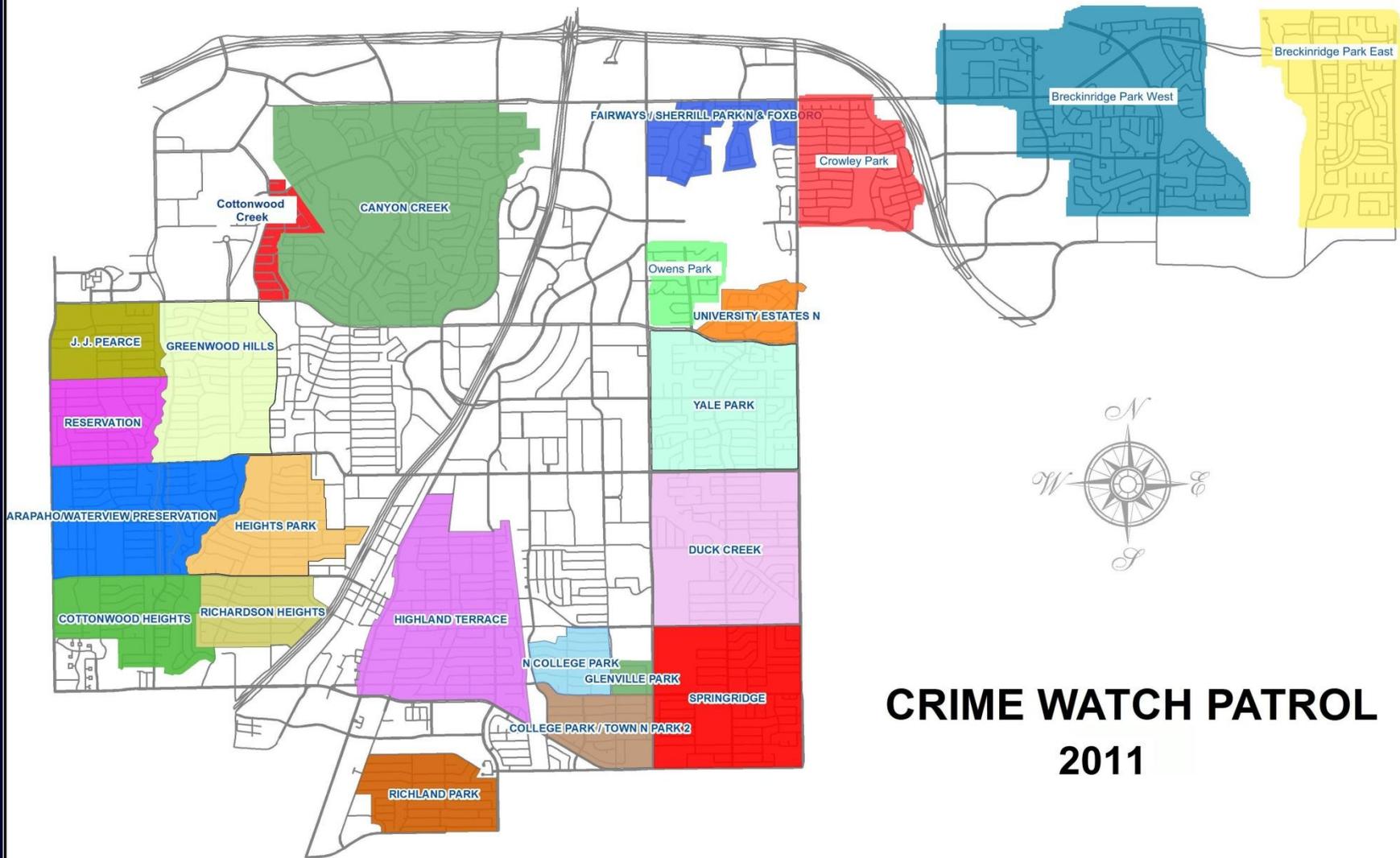
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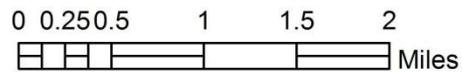
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| Crime Watch Patrol Area | Active Members | Homes Covered in Crime Watch Area |
|---------------------------------|-----------------------|--|
| Arapaho/Waterview Preservation | 21 | 1149 |
| Breckenridge Park East | 22 | 1021 |
| Breckenridge Park West | 13 | 1970 |
| Canyon Creek / Cottonwood Creek | 98 | 3115 |
| College Park/Town North Park II | 31 | 566 |
| Cottonwood Heights | 16 | 934 |
| Crowley Park | 16 | 1074 |
| Duck Creek | 39 | 1426 |
| Glenville Park | 17 | 127 |
| Greenwood Hills | 21 | 1515 |
| Heights Park | 20 | 1044 |
| Highland Terrace | 9 | 1877 |
| J.J. Pearce | 20 | 464 |
| North College Park | 41 | 389 |
| Owens Park | 14 | 408 |
| Reservation | 33 | 766 |
| Richardson Heights | 22 | 722 |
| Richland Park | 51 | 942 |
| Sherrill Park/Foxboro/Fairways* | 31 | 665 |
| Springridge | 38 | 1108 |
| University Estates North | 17 | 303 |
| Yale Park | 24 | 1529 |
| 22 | 614 | 23,114 |

* Sherrill Park North, Foxboro Addition and Fairways of Sherrill Park



CRIME WATCH PATROL 2011



Burglary Arrests

- 1300 block, Northpark – witness hears glass breaking on her next door neighbor's residence and calls police. The resident was on vacation. Witness sees suspects running from location and directs officers. Officers locate and arrest two suspects.
- Greenview Circle – witness looked out his window and observed two suspects prying on the front door of the neighbors' residence. Witness calls police and reports their direction of travel and vehicle information. Responding officers locate and arrest suspects.
- 2000 block, Prairie Creek Drive – witness reports a suspicious person in her alleyway. Officers arrive and arrest the subject for public intoxication. Further investigation reveals the suspect had also burglarized another residence in the neighborhood. Suspect charged with burglary habitation and property was recovered.
- 700 block, Shadywood Lane – witness noticed a suspicious vehicle in his neighbor's rear driveway. Witness looked inside the neighbor's house and observed suspects burglarizing residence. Witness calls the police and takes keys out of the ignition of the suspects' vehicle. Suspects flee on foot – officers set a perimeter and ultimately arrest all three suspects.



NPO Terry Woods

NPO Dave Mankin

NPO Roy Pierce

NPO Greg Lee

NPO Dan White

NPO Ed Coleman

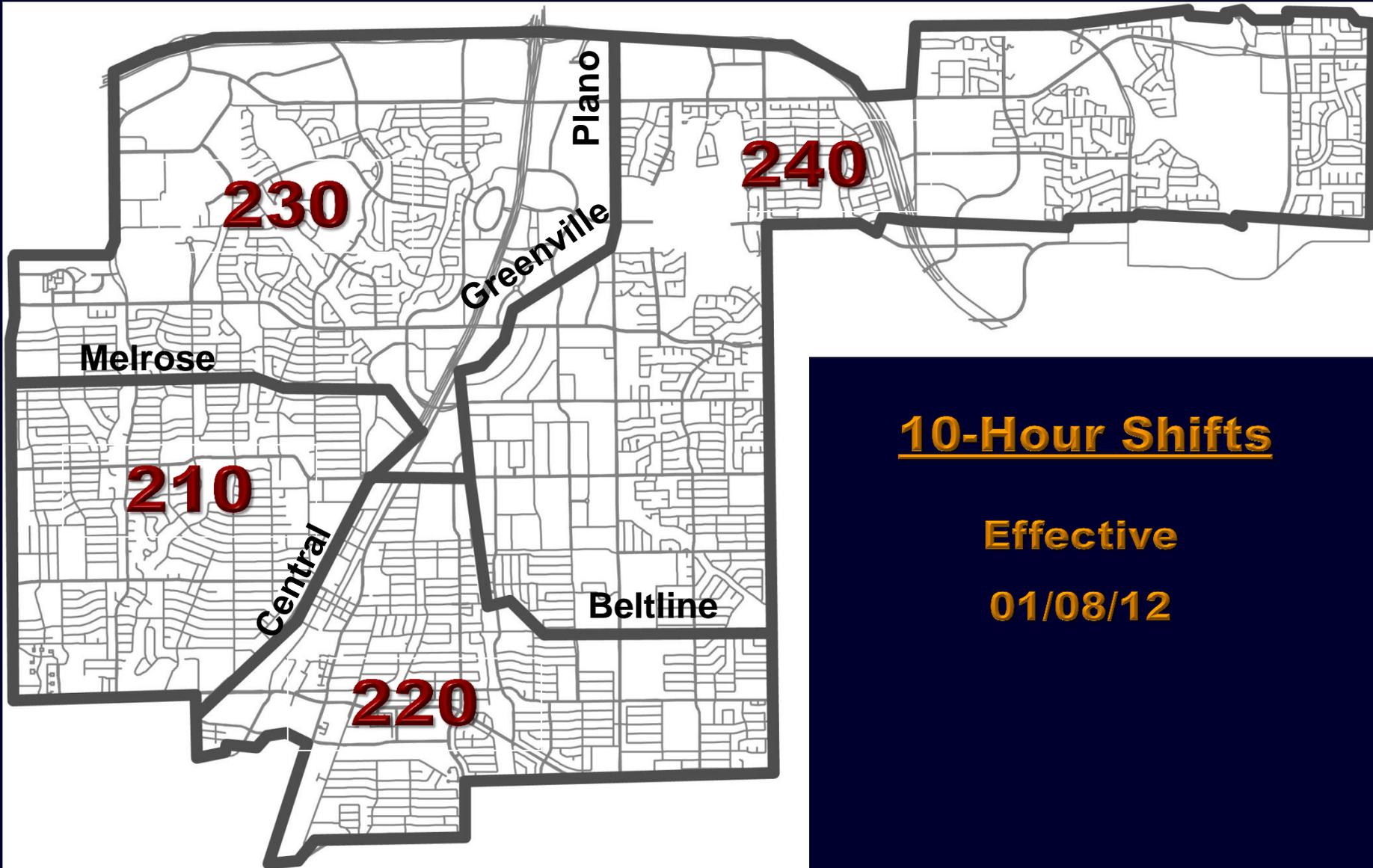
NPO Kerry Cain

Neighborhood Police Officers



Patrol Areas

New Sector Assignments

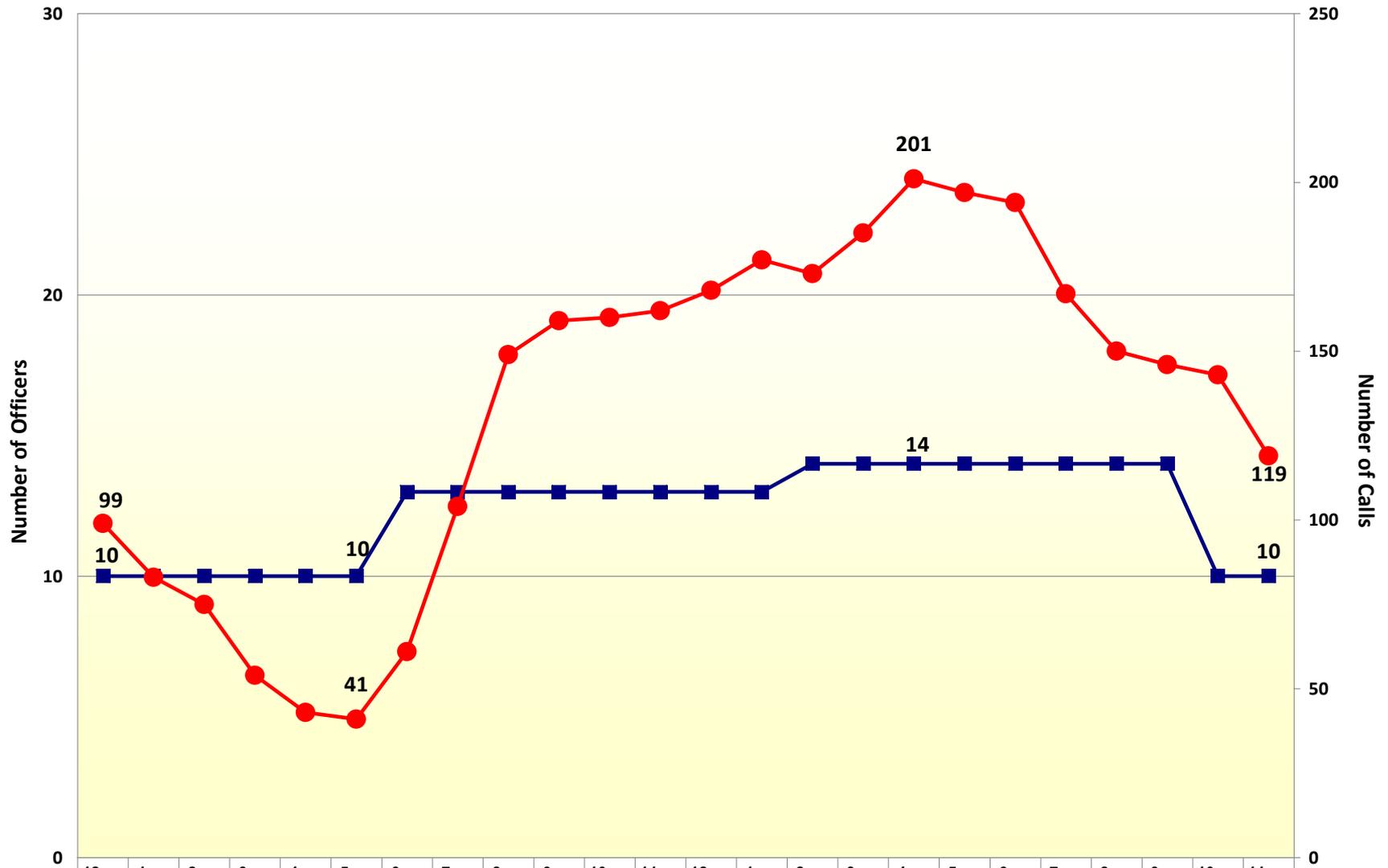


10-Hour Shifts

Effective

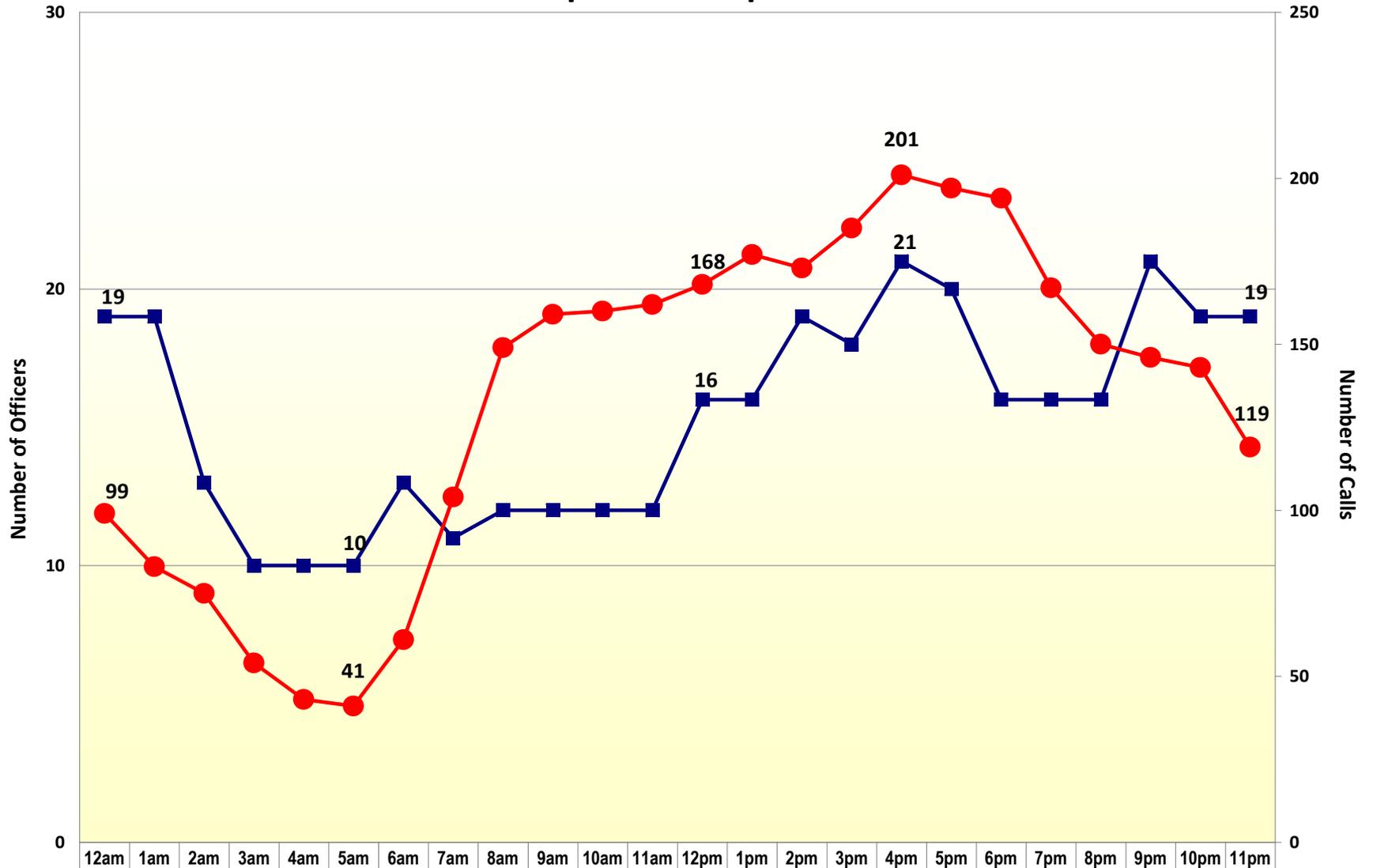
01/08/12

Call Load and Manpower by 8-Hr Shifts



| | 12am | 1am | 2am | 3am | 4am | 5am | 6am | 7am | 8am | 9am | 10am | 11am | 12pm | 1pm | 2pm | 3pm | 4pm | 5pm | 6pm | 7pm | 8pm | 9pm | 10pm | 11pm |
|----------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|
| Officers | 10 | 10 | 10 | 10 | 10 | 10 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 10 | 10 |
| Calls | 99 | 83 | 75 | 54 | 43 | 41 | 61 | 104 | 149 | 159 | 160 | 162 | 168 | 177 | 173 | 185 | 201 | 197 | 194 | 167 | 150 | 146 | 143 | 119 |

Call Load and Proposed Manpower for 10-Hr Shift



| | 12am | 1am | 2am | 3am | 4am | 5am | 6am | 7am | 8am | 9am | 10am | 11am | 12pm | 1pm | 2pm | 3pm | 4pm | 5pm | 6pm | 7pm | 8pm | 9pm | 10pm | 11pm |
|----------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|
| Officers | 19 | 19 | 13 | 10 | 10 | 10 | 13 | 11 | 12 | 12 | 12 | 12 | 16 | 16 | 19 | 18 | 21 | 20 | 16 | 16 | 16 | 21 | 19 | 19 |
| Calls | 99 | 83 | 75 | 54 | 43 | 41 | 61 | 104 | 149 | 159 | 160 | 162 | 168 | 177 | 173 | 185 | 201 | 197 | 194 | 167 | 150 | 146 | 143 | 119 |

New Technology



Radio System

- CORP25 Digital land mobile radio (LMR) network, which is Project 25 (P25) compliant – replaces the Cities' 19-year-old communications analog radio system.
- New digital radios will provide public safety personnel with 99% coverage for outdoor mobile communications and 95% coverage for at-the hip indoor radio use.

Computer Information Systems (CIS)

- CIS software replaces VisionAir for our Computer Aided Dispatch (CAD) and Records Management System (RMS).

Radio Frequency Identification (RFID)

- RFID utilizes communication through the use of radio waves transferring data between a reader and an electronic tag attached to an object for the purpose of identification and inventory control.
- Tagged items include: uniforms and equipment issued to individuals; fleet equipment, technology devices and more.

Emergency Operations Center (EOC)

- Replaces outdated, existing EOC with one that combines adequate space with modern technology to enable us to manage a critical incident.

Chevrolet Tahoe



Police Utility Cart



BEFORE

Jail Renovation



AFTER

Jail Renovation





National Night Out

October 4th, 2011



- **Placed 2nd nationwide for population category.**

- **202 registered parties**

- **5000 lbs. of food collected for Network Ministries.**





In 2010, a total of **93** Volunteers in Policing (VIPs) dedicated over **18,307** hours of service to the Police Department.

Promotions

2011

Lieutenant

Arthur Cotten

Sergeant

Brian Meli

Bruce Adair

2012

Sergeant

Teddy Yoshida





Remember our Troops



Police Officer James Schumann began his deployment on 01/06/12. He will spend 1 month of training in Indiana, then will be sent to either Africa or Afghanistan for approximately one year.



Police Officer Victor Diaz is scheduled for deployment in Afghanistan sometime in March, 2012. His tour of duty will be approximately one year.



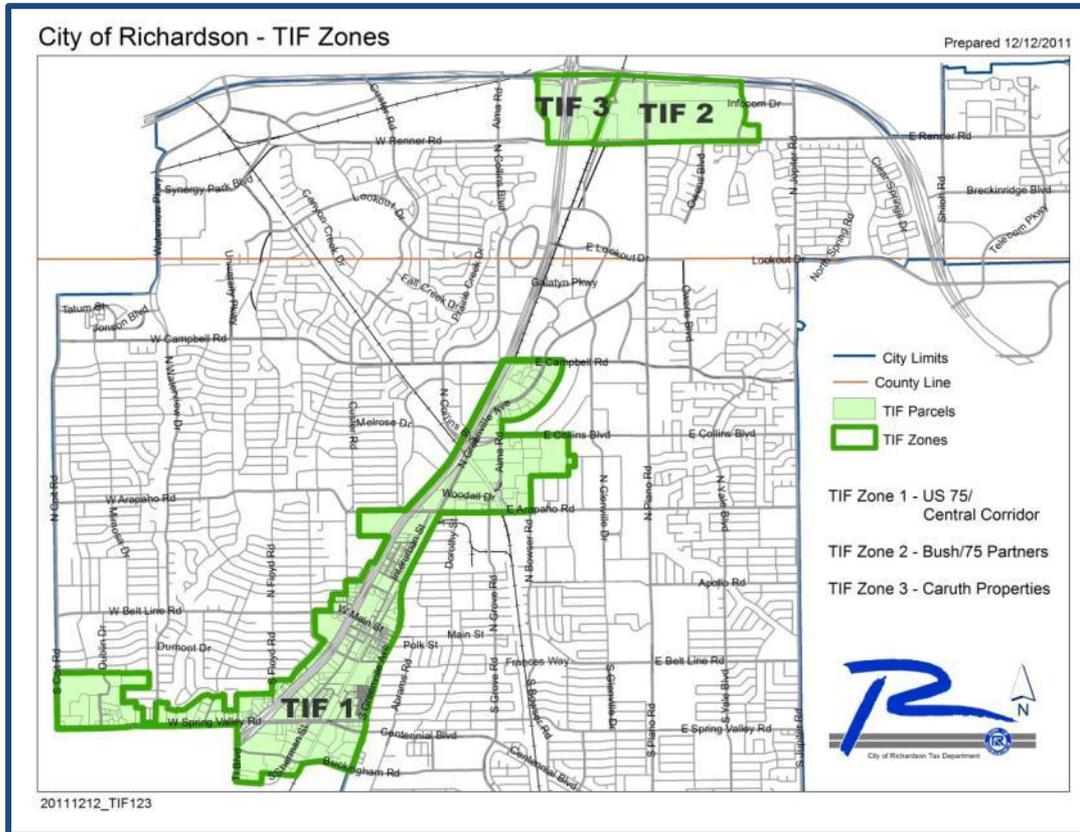
A HIGHER CALIBER

PARTNERSHIPS

PERFORMANCE

PREVENTION

Tax Increment Financing: *City of Richardson Status Report*



City Council Work Session
Monday, January 9, 2012

Overview

- City of Richardson has activated Tax Increment Financing as a strategic & structured public/private financing method for new and redevelopment initiatives.
- TIF is a well-used economic development tool by cities.
- City Council's Near Term Action Item:
 - ***Item #40/Priority # 34: "Utilize Work Session to discuss community interest of the TIF"***
- With TIF #1 establishment in the Fall 2006, this Fall 2011 is now the 5-year benchmark of it's creation.
- Recent TIF creation actions for TIF #2 & #3 and close of 2011 make this report timely.

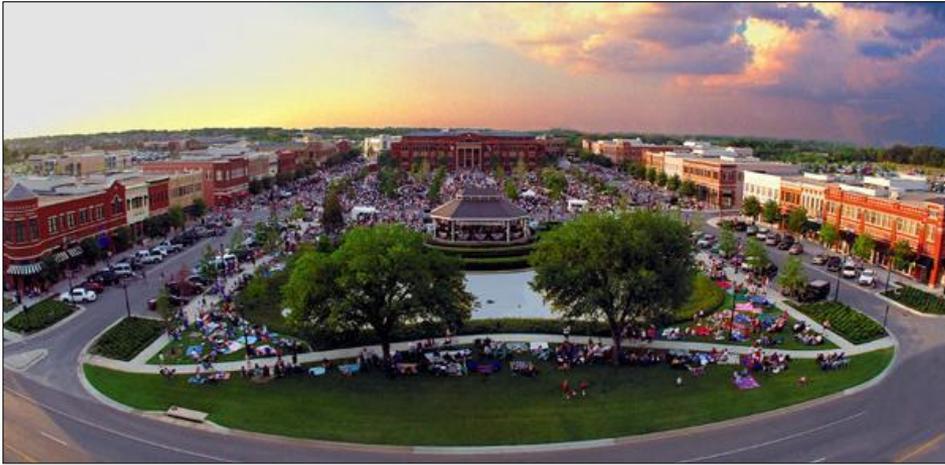
| City | TIF ? |
|---------------|-------|
| Allen | Yes |
| Arlington | Yes |
| Carrollton | Yes |
| Dallas | Yes |
| Ft. Worth | Yes |
| Frisco | Yes |
| Garland | Yes |
| Grand Prairie | Yes |
| Irving | Yes |
| McKinney | Yes |
| Mesquite | Yes |
| Plano | Yes |
| Richardson | Yes |

Area TIF Examples

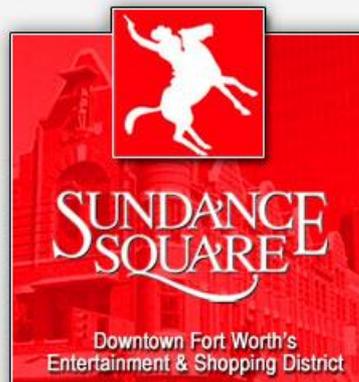
- **Montgomery Farms - Allen**
- **Fort Worth Cultural Center**
- **Deep Ellum – Dallas**
- **Uptown – Dallas**
- **Cedars - Dallas**
- **Victory Development – Dallas**
- **Skillman Area - Dallas**
- **City Center – Dallas**
- **Farmers Market – Dallas**
- **Burleson IH35W Center**
- **Southwest Medical - Dallas**
- **Downtown Connection – Dallas**



Area TIF Examples

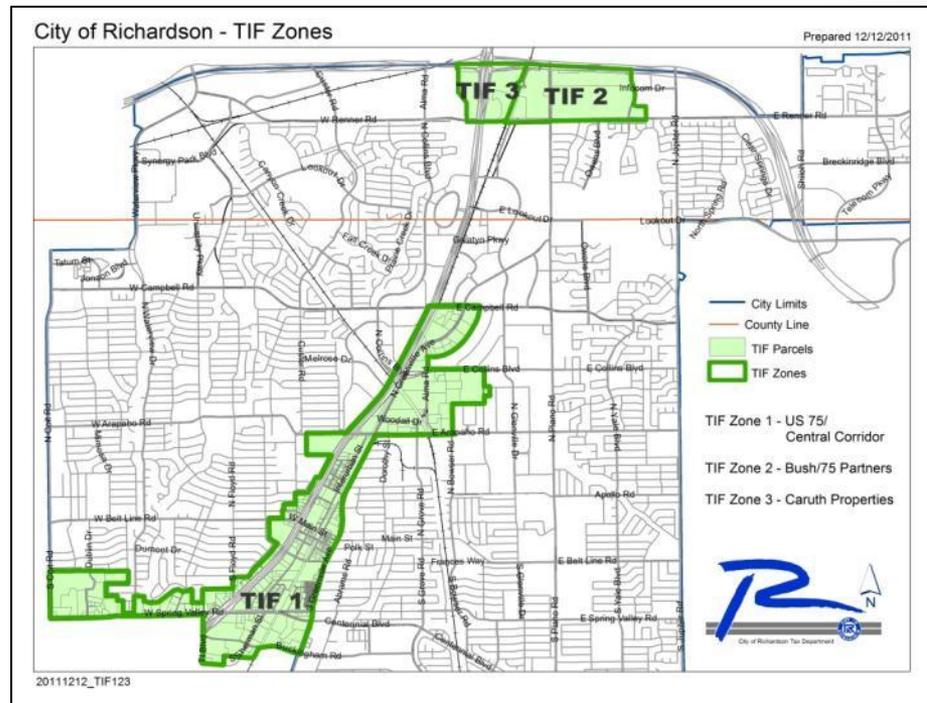


- **Downtown Arlington**
- **Shops at Willow Bend parking – Plano**
- **Stonebriar - Frisco**
- **Eastside Village - Plano**
- **TownCenter - Southlake**
- **Gaylord Opryland – Grapevine**
- **Nokia/Lone Star Park - Grand Prairie**
- **Texas Motor Speedway - Ft. Worth**
- **Sundance Square – Ft. Worth**
- **Garland – Bass Pro**



TIF/TIRZ in Richardson

- City has 3 TIF/TIRZ zones
- Three TIF areas comprise:
 - 1,192 acres in TIFs :
 - 896 acre TIF #1
 - 211 acre TIF #2
 - 85 acre TIF #3
 - 6.7% of City's Total Area
- For 2011: Cumulatively 5.2% of Richardson's Real Property Tax Base in these three TIFs



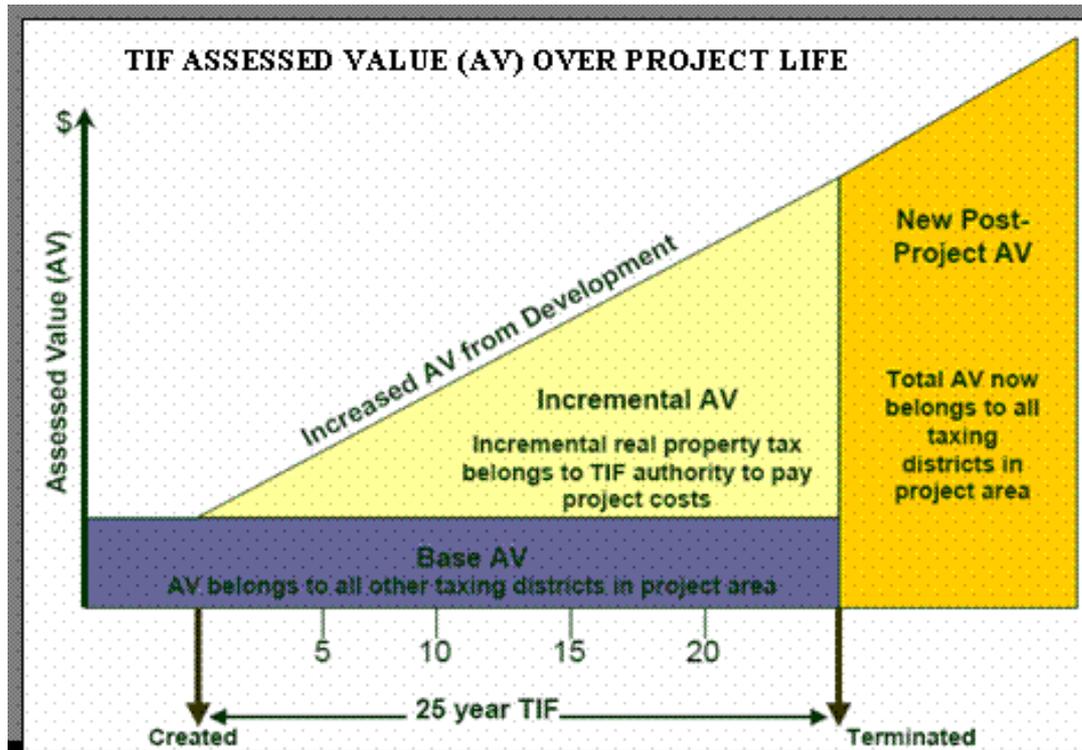
Overview of a TIF/TIRZ

- Authorized under **Chapter 311 of the Texas Tax Code**
- Created to help finance the cost of improvements (such as infrastructure, remediation, etc.) needed to promote development or redevelopment of a specific area
- TIF/TIRZ may retain new real property tax (and sales tax) over a base year value
- Under a TIRZ, property owner pays taxes on full value of the property and participating taxing entities allocate a portion of those taxes into a TIRZ fund based on the added value of the real taxes above the increment base year value
- Other taxing entities can participate in the TIRZ – such as the County
- Advisory Review by Board created by City Council
- The Project Plan establishes the eligible projects for TIRZ investment
- Annual increment is revenue source for payments.
- Bonds can be issued or revenue used to repay advanced private investment
- TIRZ ends when time expires or all obligations are met (if earlier) – TIRZ increment tax base is then unified with base year tax base for full General Fund benefit

A TIF/TIRZ is Not:

- Not:
 - An additional tax
 - A tax abatement or rebate of taxes
 - A freezing of taxes or tax rate
 - An obligation of the General Fund
 - A gift or windfall to developers
 - A mechanism for avoiding regulations or codes
- *Remember:*
 - *TIF is an incremental revenue...no investment, no increment, no revenue for repayment...*
 - *TIF is NOT an advanced grant or lump-cash payment.*

Overview of a TIRZ



- Under a TIRZ, property owner pays taxes on full value of the property.
- Participating taxing entities (ie. City & County) allocate a portion of those taxes into a TIRZ fund based on the **added value** of the real taxes above the increment base year value.
- After time...or obligations (if earlier) are complete, TIRZ is dissolved and no further allocations

Use of TIF Rationale for Support

TIF #1 - Redevelopment

- Stimulate **1) Action, 2) Quality & 3) Pace**
- Focus on the **key inhibitors to redevelopment**: property assemblage impacts, demolition, site remediation, revised infrastructure, etc.
- Serve as **catalytic stimulus** for other project initiation
- Set Strong **Development Tone** for redevelopment design
- Provide public facilities to support market viability and amenities
- **Structured** Public Participation Support
- Contract as **Reimbursement-based Funding**
 - Developer Secured and Fronted Capital
 - Consideration of interest on unpaid balance
- Places **risk** of development pace for repayment **with developer**

TIF #2 & #3 – New Development

- Stimulate **1) Action, 2) Quality & 3) Pace**
- Focus on Early Infrastructure Support to Allow **Financial Viability**
- Set Strong **Development Tone** with Initial Phase(s)
- **Structured** Public Participation Support
- Avoid Future G.O. **Bond Program Impact**
- **Advance the Cottonbelt Rail** development schedule & Bush Station selection
- Contract as **Reimbursement-based Funding**
 - Developer Secured and Fronted Capital
 - No “carry” interest on unpaid balance
- Separate TIF zones to allow each development team a motive to **reimbursement only from their increment** additions
- Places **risk** of development pace for repayment **with developer**

TIF Project & Financing Plans

- Prepared for City by Stein Planning LLC, Mark Stein
- Elements:
 - Key development scenario timetable and taxable values
 - Key infrastructure elements and timetable for implementation
 - Graphics/Zone map locator
 - Likely taxable revenue generation and allocations
 - Other requirements of Chapter 311 for TIF preparation
- May be amended as projects emerge & other updates require

Stein
Planning, LLC

Project Plan and Financing Plan
for
Reinvestment Zone
Number One,
City of Richardson, Texas
(Program for Tax Increment Financing)

Revised January 2010

by
Stein
Planning, LLC

for

the City of Richardson

Project Plan and Financing Plan
for
Reinvestment Zone
Number Two,
City of Richardson, Texas
(Program for Tax Increment Financing)

October 2011

by
Stein
Planning, LLC

for

the City of Richardson

Project Plan and Financing Plan
for
Reinvestment Zone
Number Three,
City of Richardson, Texas
(Program for Tax Increment Financing)

October 2011

by
Stein
Planning, LLC

for

the City of Richardson

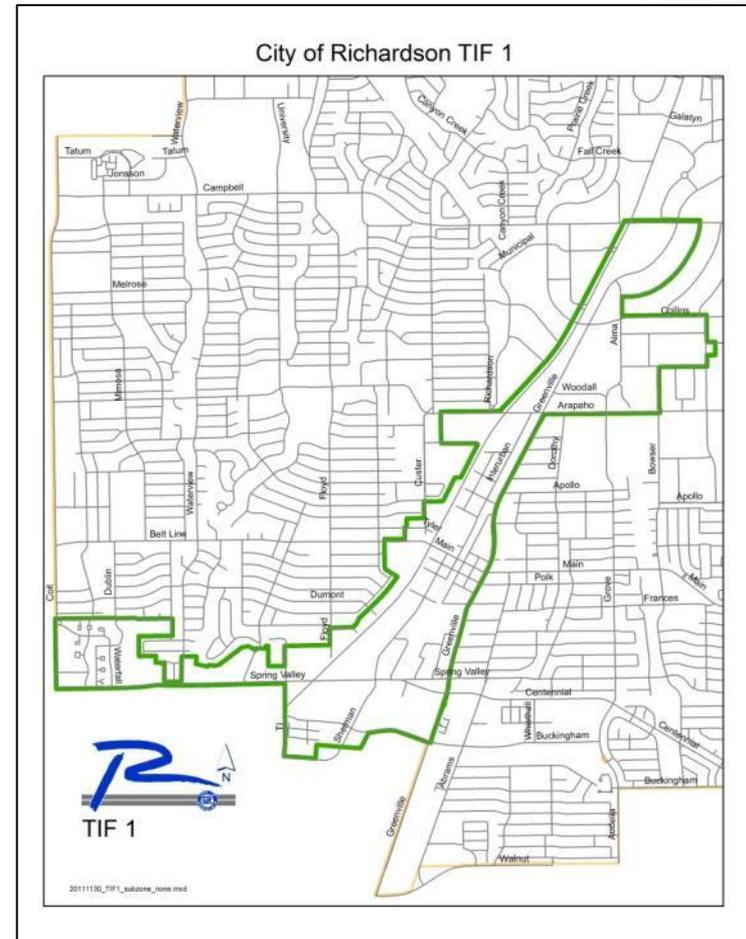
During Term of TIF...

- Only incremental real property tax is committed to the TIF
- Other generated revenue during life of TIF comes to General Fund
- *Also, economic multipliers from project:*
 - *During construction*
 - *New operations*

| City | | TIF |
|---------------------------------|---|-----|
| X | Base Real Property Tax | |
| X* (for TIF 2 & 3 at 33%) | Increment Real Property Tax – based on TIF* | X |
| X | All Business Personal Property Taxes | |
| X | Sales Tax | |
| X | Hotel/Motel Tax | |
| X | Franchise Taxes | |

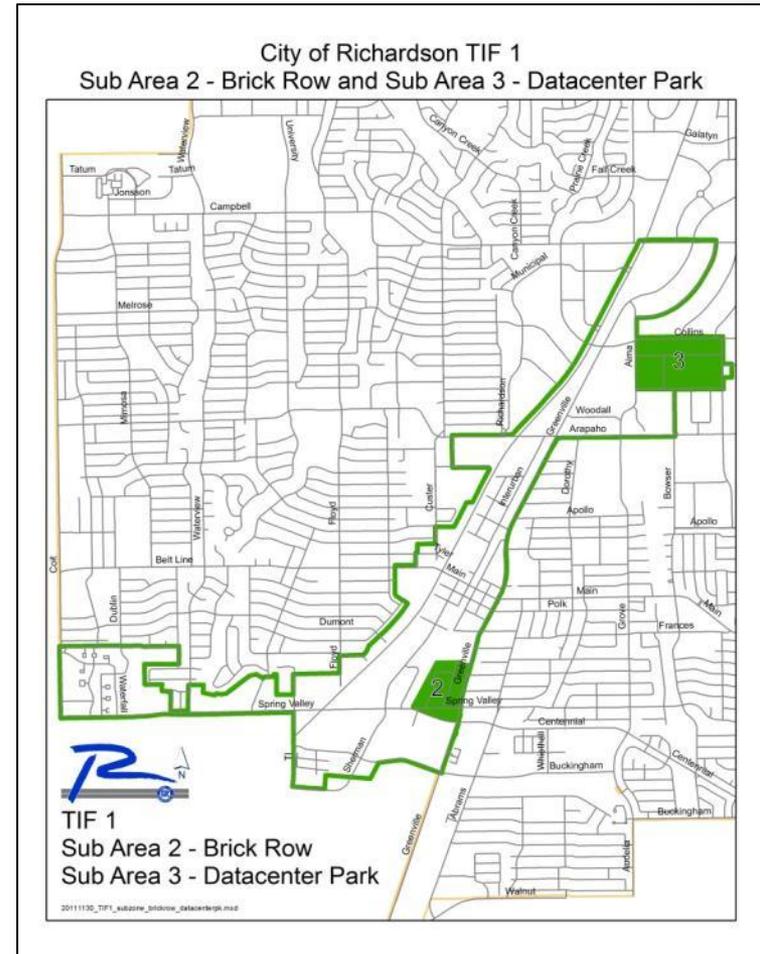
TIF #1 Overview

- Created in November, 2006
- 896 acres
- 2006 Base Year Value: ~\$430 million
- City TIF 25 year Life: Expires December, 2031
- City Participation:
 - 100% of Tax Rate (*amended in 2008*)
 - 25 years
- Dallas County Participation:
 - 65% of Tax Rate
 - 20 years



Use of Sub-areas In TIF #1

- Multiple projects are envisioned under master TIF designation:
 - Use of **Sub-areas** to designate repayment source
 - Track increment by sub-areas and overall
 - “Un-allocated” for Non-Sub-areas
- Two TIF #1 projects have been initiated:
 - 2007 - **Centennial Park/Brick Row**: Sub-area #2
 - 2010 - **Datacenter Park** at Collins Tech Park: Sub-area #3
 - *(Sub-area #1 for Towne Central was never completed with Home Depot project – Sub-area #1 is reserved)*



TIF #1

| A 5-year "Economic Climate" Summary | | | | | |
|-------------------------------------|------|------|------|------|------|
| 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| (Start) | | | | | |

- The first five years since 2006 for TIF #1 have been ***tough, but still successful.***
- Over the five years, area has had overall devaluation pressure from commercial value reappraisals:
 - Largely a reflection of overall economic condition
 - Vacancy Impacts: Collins Crossing building, 901 S. Central (old BCBS), demolition phase of projects, etc.
- Significant constraint on credit markets for projects
- Economic impact on many market sectors: office, retail, etc.

| FY | TIF #1 Total Appraised Value | From Prior Year |
|--------------|------------------------------|-----------------|
| 07-08 | \$496,125,730 | + |
| 08-09 | \$518,506,398 | + |
| 09-10 | \$476,631,877 | - |
| 10-11 | \$464,879,804 | - |
| 11-12 | \$496,031,817 | + |

2011-2012 Annual Impact

Un-bundled

- A closer look at current 2011-2012 show impactful story – **positive activity** in TIF-supported sub-areas
 - Table below summarizes two TIF Sub-areas within TIF#1 and other areas of interest:

| TIF Subzone/Area | 2006 Base Tax Value | 2011 Tax Value | TIF Increment (2011-2006) | TIF Revenue |
|-------------------------------|---------------------|--------------------|---------------------------|----------------|
| Brick Row * | 10,704,578 | 44,368,620 | 33,664,042 | 213,820 |
| Collins Tech * | 5,813,330 | 34,377,290 | 28,563,960 | 181,427 |
| Eastside | 18,102,282 | 45,886,870 | 27,784,588 | 176,476 |
| Town Central/ <i>Reserved</i> | 18,816,230 | 14,264,750 | (4,551,480) | (28,909) |
| Unallocated | 376,941,258 | 357,134,287 | (19,806,971) | (125,806) |
| Total | 430,377,678 | 496,031,817 | 65,654,139 | 417,008 |
| * TIF Sub-areas | | | | |

TIF #1/Sub-area #2

Brick Row/Centennial Park

- Area: 30-acre project
 - NW Corner of Greenville at Spring Valley
- Project Summary:
 - Mixed Use TOD Development: Townhomes, Multi-family, Retail/Office
 - Property Purchases/Consolidation, Demolition, New Infrastructure & Park
- Start Year: 2007
- **Property Value Change:**
 - **Base Year (2006) Value: \$10.7 million**
 - **2011 Value: \$44.4 Million**
 - **% Change: +314%**
- TIF Agreement: \$9.58 million (*reimbursement*)
- Total TIF Payment made through FY2010-2011 to Sub-area #2: \$10,407
 - *Factors: Transition years of reduced value, pending acceptance of improvements*





Before





After

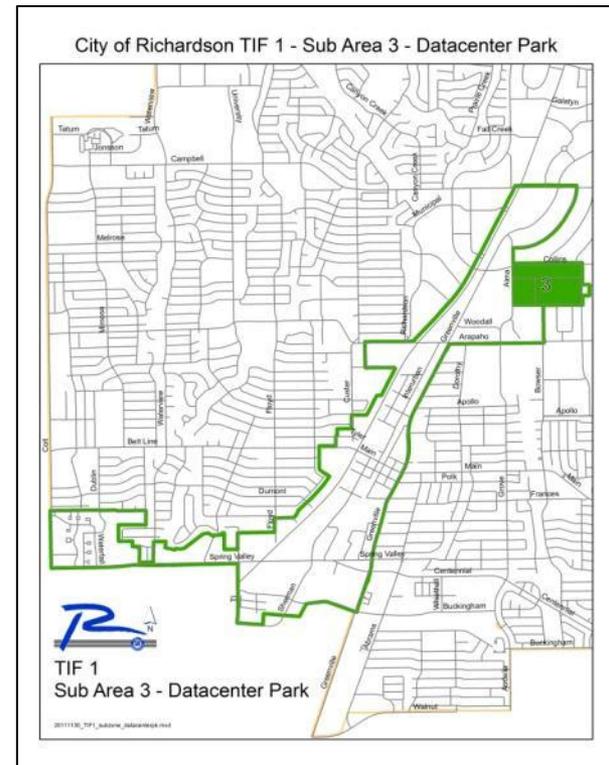
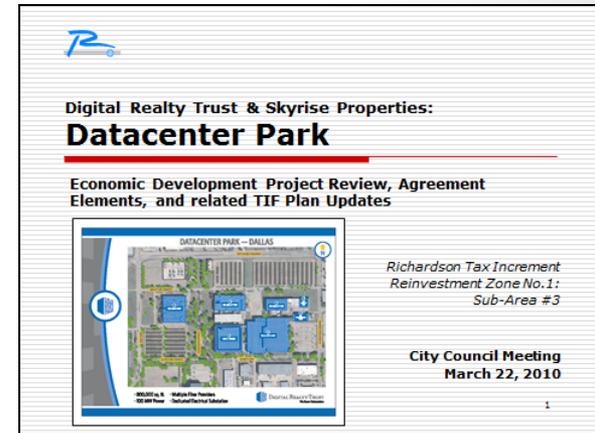




TIF #1/Sub-area #3

Datacenter Park

- Area: 68-acre project
 - SE Corner of Collins at Alma
- Project Summary:
 - Mission-critical data center for server hosting operations
 - Upgrade of important electrical power sub-station to support 800,000 sf of existing building conversions to data centers
- Start Year: 2010
- **Property Value Change:**
 - **Base Year (2006) Value: \$5.8 million**
 - **2011 Value: \$34.4 Million**
 - **% Change: +491%**
- TIF Agreement: \$5.0 million (*reimbursement*)
- Total TIF Payment made through FY2010-2011 to Sub-area #3: \$60,384
 - *Factors: Project completion & acceptance, rate of development*





 **DIGITAL REALTY TRUST**



DATACENTER PARK — DALLAS



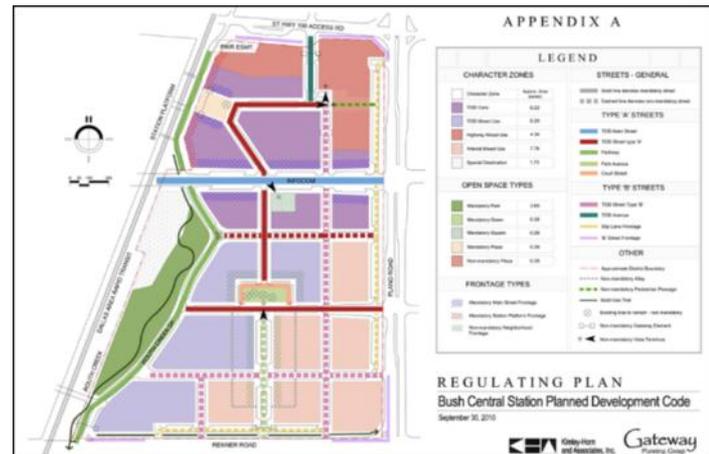
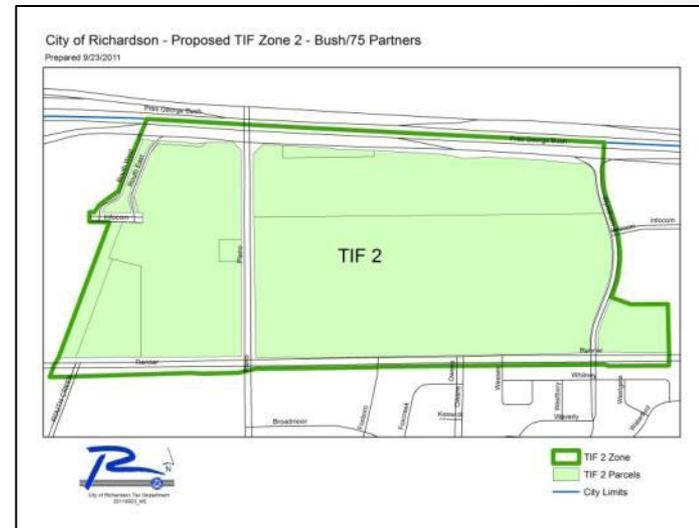
- 
- 800,000 sq. ft.
- Multiple Fiber Providers
- 100 MW Power
- Dedicated Electrical Substation

 **DIGITAL REALTY TRUST**
We Know Datacenters

TIF #2 Overview

Bush/75 Partners

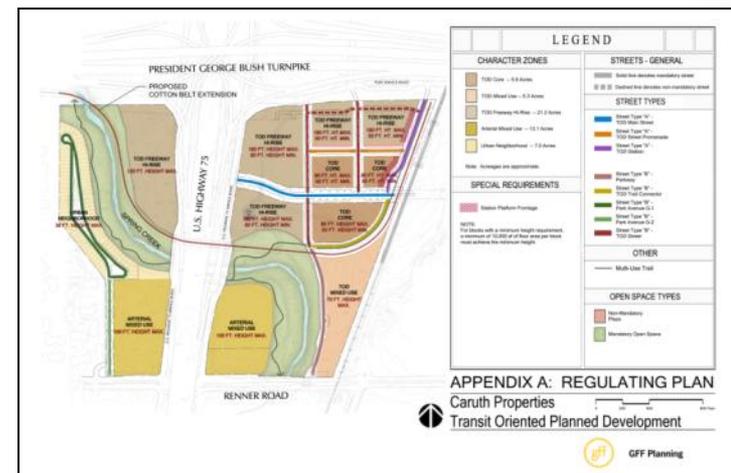
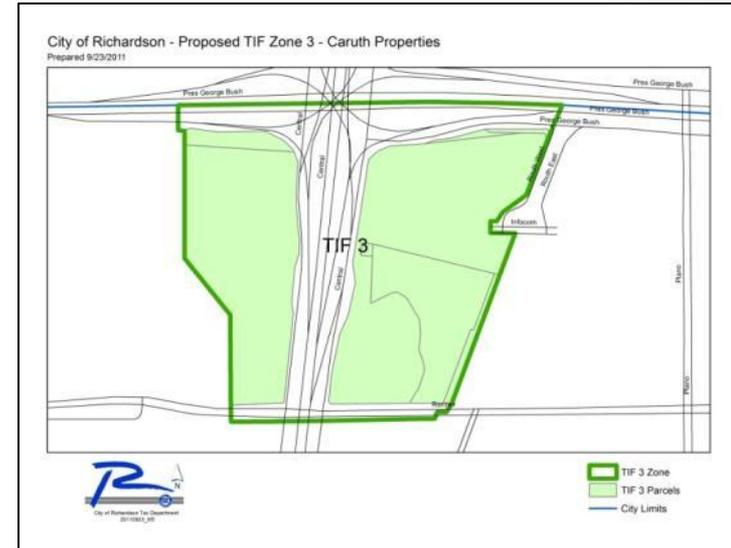
- Created on November 14, 2011
- 211 acres
- 2011 Base Year Taxable Value: \$37,485
- City TIF 25 year Life: Expires December, 2036
- City Participation:
 - 67% of Tax Rate
 - 25 years
- Collin County Participation Request (pending):
 - 50% of Tax Rate
 - 25 years
- Prospects of \$788 million real tax value in 2036 through development of 5.6 million sf of mixed-use development
- Pending TIF project support considerations of \$94 million



TIF #3 Overview

Caruth Interest

- Created on November 14, 2011
- 85 acres
- 2011 Base Year Value: ~\$10 million
- City TIF 25 year Life: Expires December, 2036
- City Participation:
 - 67% of Tax Rate
 - 25 years
- Collin County Participation Request (pending):
 - 50% of Tax Rate
 - 25 years
- Prospects of \$514 million real tax value in 2036 through development of 3.3 million sf of mixed-use development
- Pending TIF project support considerations of \$38 million



Summary

Overall Key Accomplishments

- **Strong, committed focus** on southern US75/W. Spring Valley Corridor for Redevelopment
 - Increased inquiries
 - Regional awareness and attention
- Structured **Public/Private participation posture** for infrastructure development on new Bush/US75 development
- Recall Key TIF Objective:
 - Stimulate: **1) Action, 2) Pace, 3) Quality**
- +314% change for the 30-acre redevelopment at **Centennial Park/Brick Row**
- +491% change for the 68-acre redevelopment at **Collins Tech/ DRT's Datacenter Park**
- **Appreciation to:**
 - **Community**
 - **Ownership/Development Partners**
 - **TIF Board**
 - **County Partnerships**



Summary

Outlook

- Outlook for firming property values:
 - Overall Commercial market values strengthening
 - Positive impact of key occupancies: Fossil, Collins Crossing, etc.
 - Ongoing “completion” of projects: Brick Row and Datacenter Park
- Growing attention to Richardson opportunities
 - Positive impacts of W. Spring Valley Study & updated planning
- Active late-2011 interest in development inquiries
- Connected Efforts with TIF:
 - Retail Renewal Strategies
 - Use of Special Study areas to clarify redevelopment vision for various areas (*ie.: Old Downtown & U.S.75 Corridor*)
 - Synergy with key public works efforts: Central Trail construction, Floyd Branch drainage upgrades, thoroughfare updates, etc.
 - Cottonbelt Rail access at 190 DART station
- Completion of Collin County’s consideration for TIF #2 & #3

