



December 10, 2013

Susan Combs
Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, Texas 78711-3528

Board of Trustees
Allen Independent School District
Louise Master, *President*
601 E. Main St.
Allen, Texas 75002

Board of Trustees
Collin College
c/o Mac Hendricks, Chair
4800 Preston Park Blvd.
Plano, Texas 75093

Collin County Commissioners
c/o Keith Self, County Judge
2300 Bloomdale Rd., Suite 4192
McKinney, Texas 75071

Dear Ms. Combs and Honorable Members:

The City of Allen created Tax Increment Reinvestment Zone No. 2 in December 2006. This reinvestment zone is commonly referred to as the Central Business District TIF. It includes properties that are west and east of US 75 Highway in Allen, Texas.

Pursuant to Chapter 311, Section 311.016 of the Tax Code, the City is required to provide an annual report to governmental entities that levy taxes in a reinvestment zone. Although the only participating entity is the City, a report is being sent to Collin County, Collin College, and the Allen ISD. Additionally, state law requires that the report be sent to the State Comptroller.

Enclosed is the annual report. The balance sheet and income statement reflect the increments recognized for FY2013. Valuation changes were effective as of January 1, 2012. The increment is realized after the property taxes are billed and paid. During FY2008 residential development encroached into the North West corner of the TIF west of US 75

Highway. The original intention was not to include residential development west of US 75 Highway. Ordinance No. 2713-3-08 amended the boundary to exclude the residential development from the TIF. In FY2012, the Wal-Mart development was built partially in the western portion of TIF 2. As the intention was to not include this development in the TIF, the City passed Ordinance No. 3077-4-12 amending the boundary to exclude the Wal-Mart development. Adjustments to the base value, FY2007 and FY2012 certified value were made reducing the total values by the value of the parcels excluded from the TIF. Subsequent years exclude the value of these parcels from the certified values. No TIF bonds were issued since this is a pay-as-you-go TIF.

Commercial development within the TIF is progressing; however, the downtown area of the TIF has been slower to develop. The City is attempting to work with developers who may have an interest in making improvements in this area. Most of the new commercial development is non-retail. There have been no expenditures for TIF related public improvements.

Should you have any questions concerning the report or the TIF, please contact me at (214) 509-4627.

Sincerely,



Kevin Hammeke
Chief Financial Officer
City of Allen, Texas

With copies to:

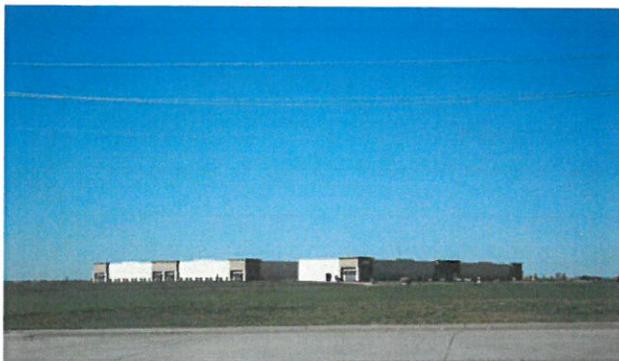
Commissioner Chris Hill, Collin County
Mónika Arris, Budget and Finance Director, Collin County
Cary Israel, President – Collin College
Beth Nicholas - Allen Independent School District, Interim Superintendent
Peter H. Vargas, City Manager



***AN ANNUAL REPORT TO
CITY OF ALLEN
TAX INCREMENT FINANCING BOARD
RELATING TO
REINVESTMENT ZONE NO. 2
(CENTRAL BUSINESS DISTRICT)***

**WITH A COPY TO THE STATE OF TEXAS COMPTROLLER'S OFFICE, COLLIN COUNTY, ALLEN
ISD, AND COLLIN COLLEGE**

For Fiscal Year ending September 30, 2013



**KEVIN HAMMEKE
CHIEF FINANCIAL OFFICER
CITY OF ALLEN, TEXAS**

**305 Century Parkway
Allen, Texas 75013**

**Telephone (214) 509-4627
Facsimile (214) 509-4672
E-Mail: khammeke@cityofallen.org**

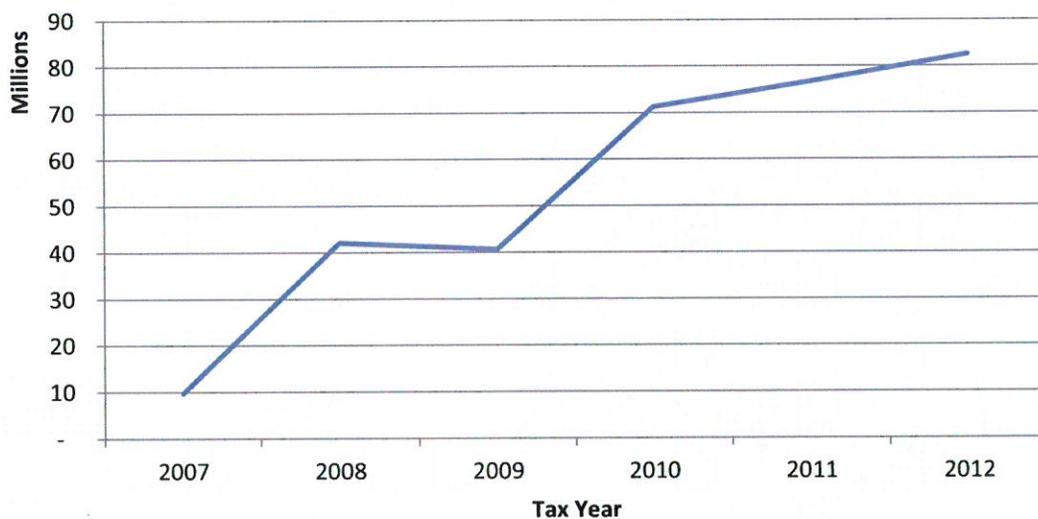
Central Business District TIF

The Central Business District (CBD) TIF Zone was created by the City on December 12, 2006. As of September 30, 2013, new commercial development in the CBD TIF was progressing primarily west of US 75 Highway. The City is currently proceeding with the original plan to locate a developer who will make substantial improvements to the downtown eastern side of the TIF.



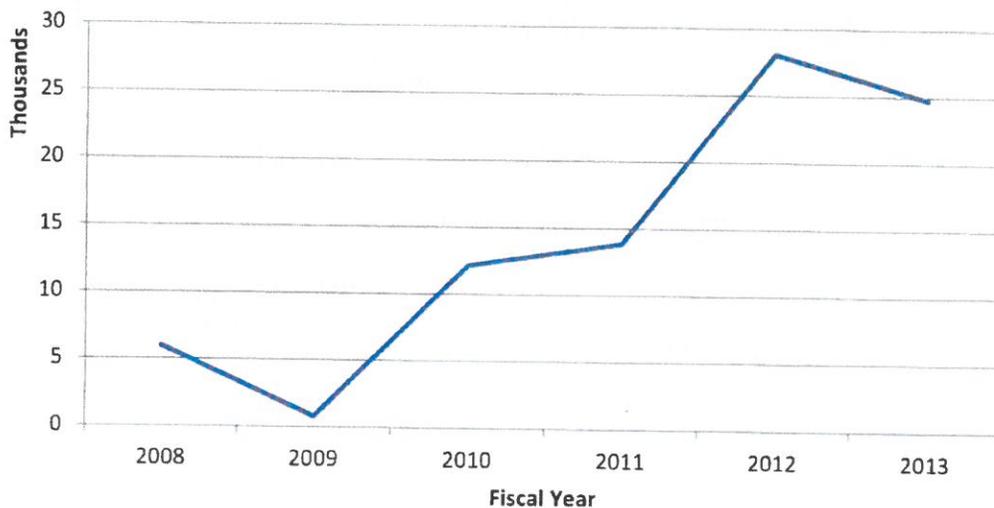
The base property value of the CBD TIF was established as of January 1, 2006. The Collin Central Appraisal District (CCAD) certified value as of January 1, 2013 reflects an increase of approximately \$83 million. A few parcels were excluded during 2008 because residential development encroached into the North West corner of the TIF west of US 75 Highway (Exhibit E). The original intention was not to include residential development west of US 75 Highway. Ordinance No. 2713-3-08 amended the boundary of the TIF to exclude the residential development from the TIF. Additionally, in FY2012, ordinance No. 3077-4-12 excluded parcels including Wal-Mart that was built partially in the western portion of TIF 2. The property tax increment recognized in FY2013 was \$228,433 in the TIF fund as shown in Exhibit F. The valuation information from CCAD is shown in Exhibits A-1 through A-8.

Property Tax Increment Valuation



The major commercial developments within the CBD TIF are related to the construction of medical buildings, mixed office use facilities, daycare centers, and a 114 room hotel. Most of the new commercial development is non-retail; however, \$24,778 in sales tax increment was recognized in FY2013. Increments for prior years can be seen in the following chart. The base sales tax amount of the CBD TIF was established as of FY2006 at \$123,129.

Sales Tax Increment



The Preliminary Project and Financing Plan was approved in December 2006. Exhibit B reflects the public improvements that are planned in the CBD TIF. Only the City of Allen is participating in the TIF.

Exhibit C reflects the Balance Sheet and Income Statement associated with the TIF Fund as of September 30, 2013. The financial reports reflect property and sales tax increments during FY2013.

Exhibit D shows some of the commercial development that is being constructed in the CBD TIF.

Respectfully Submitted by,

Kevin Hammeke
Chief Financial Officer
City of Allen, Texas

EXHIBIT A-1

Collin County

2013 CERTIFIED TOTALS

As of Certification

Property Count: 331

CAL - ALLEN CITY
Grand Totals

7/22/2013 11:14:31AM

Land		Value		
Homesite:		1,190,085		
Non Homesite:		97,298,780		
Ag Market:		34,687,662		
Timber Market:		0	Total Land	(+) 133,176,527
Improvement		Value		
Homesite:		1,121,853		
Non Homesite:		150,197,767	Total Improvements	(+) 151,319,620
Non Real		Count	Value	
Personal Property:		0		
Mineral Property:		0		
Autos:		0		
			Total Non Real	(+) 0
			Market Value	= 284,496,147
Ag		Non Exempt	Exempt	
Total Productivity Market:		34,687,662		
Ag Use:		48,039		
Timber Use:		0		
Productivity Loss:		34,639,623		
			Productivity Loss	(-) 34,639,623
			Appraised Value	= 249,856,524
			Homestead Cap	(-) 0
			Assessed Value	= 249,856,524
Exemption	Count	Local	State	Total
AB	1	4,548,921	0	4,548,921
CH	1	191,904	0	191,904
EX-XL	2	0	605,211	605,211
EX-XV	72	0	78,846,962	78,846,962
OV65	12	461,877	0	461,877
			Total Exemptions	(-) 84,654,875
			Net Taxable	= 165,201,649

APPROXIMATE TOTAL LEVY = NET TAXABLE * (TAX RATE / 100)
 911,913.10 = 165,201,649 * (0.552000 / 100)

EXHIBIT A-2

Collin County

2012 CERTIFIED TOTALS

As of Certification

Property Count: 333

TA2 - ALLEN TIF #2 (Base 2006-12)

Grand Totals

7/23/2012

2:02:14PM

Land		Value				
Homesite:			1,190,085			
Non Homesite:			98,051,859			
Ag Market:			26,774,008			
Timber Market:			0	Total Land	(+)	126,015,952
Improvement		Value				
Homesite:			1,072,792			
Non Homesite:			156,453,601	Total Improvements	(+)	157,526,393
Non Real		Count	Value			
Personal Property:		1	11,500			
Mineral Property:		0	0			
Autos:		0	0	Total Non Real	(+)	11,500
				Market Value	=	283,553,845
Ag	Non Exempt	Exempt				
Total Productivity Market:	26,774,008		0			
Ag Use:	47,987		0	Productivity Loss	(-)	26,726,021
Timber Use:	0		0	Appraised Value	=	256,827,824
Productivity Loss:	26,726,021		0	Homestead Cap	(-)	0
				Assessed Value	=	256,827,824
Exemption	Count	Local	State	Total		
EX	75	0	86,101,371	86,101,371		
EX (Prorated)	2	0	651,233	651,233	Total Exemptions	(-) 86,752,604
					Net Taxable	= 170,075,220

APPROXIMATE TOTAL LEVY = NET TAXABLE * (TAX RATE / 100)
 0.00 = 170,075,220 * (0.000000 / 100)

EXHIBIT A-3

Collin County

2011 CERTIFIED TOTALS

As of Certification

Property Count: 328

CAL - ALLEN CITY
Grand Totals

7/19/2011 4:16:34PM

Land		Value			
Homesite:		1,190,085			
Non Homesite:		101,377,678			
Ag Market:		29,592,928			
Timber Market:		0		Total Land	(+) 132,160,691
Improvement		Value			
Homesite:		1,100,229			
Non Homesite:		137,294,386		Total Improvements	(+) 138,394,615
Non Real		Count	Value		
Personal Property:		0	0		
Mineral Property:		0	0		
Autos:		0	0	Total Non Real	(+) 0
				Market Value	= 270,555,306
Ag	Non Exempt	Exempt			
Total Productivity Market:	29,592,928	0			
Ag Use:	53,738	0		Productivity Loss	(-) 29,539,190
Timber Use:	0	0		Appraised Value	= 241,016,116
Productivity Loss:	29,539,190	0		Homestead Cap	(-) 1,515
				Assessed Value	= 241,014,601
Exemption	Count	Local	State	Total	
AB	1	4,548,921	0	4,548,921	
CH	1	32,768	0	32,768	
EX	70	0	59,293,057	59,293,057	
OV65	11	425,797	0	425,797	Total Exemptions (-) 64,300,543
					Net Taxable = 176,714,058

APPROXIMATE TOTAL LEVY = NET TAXABLE * (TAX RATE / 100)
 978,995.88 = 176,714,058 * (0.554000 / 100)

Tax Increment Finance Value: 0
 Tax Increment Finance Levy: 0.00

EXHIBIT A-4

Collin County

2010 CERTIFIED TOTALS

As of Certification

Property Count: 323

TA2 - ALLEN TIF #2 - BASE 2006-12

Grand Totals

07/22/2010

9:30:39AM

Land		Value				
Homesite:			1,066,721			
Non Homesite:			92,820,242			
Ag Market:			29,836,711			
Timber Market:			0	Total Land	(+)	123,723,674
Improvement		Value				
Homesite:			1,146,585			
Non Homesite:			110,565,647	Total Improvements	(+)	111,712,232
Non Real		Count	Value			
Personal Property:		0	0			
Mineral Property:		0	0			
Autos:		0	0	Total Non Real	(+)	0
				Market Value	=	235,435,906
Ag	Non Exempt	Exempt				
Total Productivity Market:	29,836,711		0			
Ag Use:	54,935		0	Productivity Loss	(-)	29,781,776
Timber Use:	0		0	Appraised Value	=	205,654,130
Productivity Loss:	29,781,776		0			
				Homestead Cap	(-)	5,564
				Assessed Value	=	205,648,566
Exemption	Count	Local	State	Total		
CH	2	209,478	0	209,478		
EX	67	0	22,669,138	22,669,138	Total Exemptions	(-) 22,878,616
					Net Taxable	= 182,769,950

APPROXIMATE TOTAL LEVY = NET TAXABLE * (TAX RATE / 100)
 0.00 = 182,769,950 * (0.000000 / 100)

Tax Increment Finance Value: 0
 Tax Increment Finance Levy: 0.00

EXHIBIT A-5

Collin County

2009 CERTIFIED TOTALS

As of Certification

Property Count: 313

TA2 - ALLEN TIF #2 - BASE 2006-12
ARB Approved Totals

7/23/2009 3:14:24PM

Land		Value			
Homesite:		4,000,975			
Non Homesite:		88,629,747			
Ag Market:		30,106,351			
Timber Market:		0		Total Land	(+) 122,737,073
Improvement		Value			
Homesite:		987,220			
Non Homesite:		91,031,731		Total Improvements	(+) 92,018,951
Non Real		Count	Value		
Personal Property:	0		0		
Mineral Property:	0		0		
Autos:	0		0	Total Non Real	(+) 0
				Market Value	= 214,756,024
Ag	Non Exempt	Exempt			
Total Productivity Market:	30,106,351		0		
Ag Use:	56,364		0	Productivity Loss	(-) 30,049,987
Timber Use:	0		0	Appraised Value	= 184,706,037
Productivity Loss:	30,049,987		0		
				Homestead Cap	(-) 0
				Assessed Value	= 184,706,037
Exemption	Count	Local	State	Total	
CH	2	209,822	0	209,822	
EX	64	0	21,978,709	21,978,709	Total Exemptions (-) 22,188,531
				Net Taxable	= 162,517,506

APPROXIMATE TOTAL LEVY = NET TAXABLE * (TAX RATE / 100)
0.00 = 162,517,506 * (0.000000 / 100)

Tax Increment Finance Value: 0
Tax Increment Finance Levy: 0.00

EXHIBIT A-6

Collin County

2008 CERTIFIED TOTALS

As of Supplement 12

Property Count: 317

TA2 - ALLEN TIF #2 - BASE 2006
Grand Totals

2/17/2009 3:18:28PM

Land		Value			
Homesite:		4,103,285			
Non Homesite:		88,175,298			
Ag Market:		30,963,480			
Timber Market:		0		Total Land	(+) 123,242,063
Improvement		Value			
Homesite:		1,032,731			
Non Homesite:		84,531,102		Total Improvements	(+) 85,563,833
Non Real		Count	Value		
Personal Property:		0	0		
Mineral Property:		0	0		
Autos:		0	0	Total Non Real	(+) 0
				Market Value	= 208,805,896
Ag	Non Exempt	Exempt			
Total Productivity Market:	30,963,480	0			
Ag Use:	49,851	0		Productivity Loss	(-) 30,913,629
Timber Use:	0	0		Appraised Value	= 177,892,267
Productivity Loss:	30,913,629	0			
				Homestead Cap Assessed Value	(-) 20,055
					= 177,872,212
Exemption	Count	Local	State	Total	
EX	69	0	54,894,495	54,894,495	
EX(Prorated)	1	0	159,822	159,822	Total Exemptions
					(-) 55,054,317
					Net Taxable
					= 122,817,895

APPROXIMATE TOTAL LEVY = NET TAXABLE * (TAX RATE / 100)
0.00 = 122,817,895 * (0.000000 / 100)

Tax Increment Finance Value: 0
Tax Increment Finance Levy: 0.00

EXHIBIT A-7

Collin County

2007 CERTIFIED TOTALS

As of Certification

Property Count: 306

TA2 - ALLEN #2 TIF - BASE 2006
Grand Totals

7/24/2007

8:20:01AM

Land		Value				
Homesite:		2,848,273				
Non Homesite:		78,695,441				
Ag Market:		31,527,362				
Timber Market:		0		Total Land	(+) 113,071,076	
Improvement		Value				
Homesite:		968,351				
Non Homesite:		64,974,762		Total Improvements	(+) 65,943,113	
Non Real		Count	Value			
Personal Property:	0	0				
Mineral Property:	0	0				
Autos:	0	0		Total Non Real	(+) 0	
				Market Value	= 179,014,189	
Ag	Non Exempt		Exempt			
Total Productivity Market:	31,527,362		0			
Ag Use:	56,254		0	Productivity Loss	(-) 31,471,108	
Timber Use:	0		0	Appraised Value	= 147,543,081	
Productivity Loss:	31,471,108		0			
				Homestead Cap	(-) 28,476	
				Assessed Value	= 147,514,605	
Exemption	Count	Local	State	Total		
EX	65	0	55,645,400	55,645,400		
EX(Prorated)	3	0	172,604	172,604	Total Exemptions	(-) 55,818,004
					Net Taxable	= 91,696,601

APPROXIMATE TOTAL LEVY = NET TAXABLE * (TAX RATE / 100)
0.00 = 91,696,601 * (0.000000 / 100)

Tax Increment Finance Value: 0
Tax Increment Finance Levy: 0.00

EXHIBIT A-8

Collin County

2006 CERTIFIED TOTALS

As of Supplement 14

CAL - ALLEN CITY

Property Count: 282

Grand Totals

10/17/2007

9:15:35 AM

Land		Value				
Homesite:		2,777,006				
Non Homesite:		73,975,039				
Ag Market:		31,086,718				
Timber Market:		0		Total Land	(+)	107,838,763
Improvement		Value				
Homesite:		1,051,744				
Non Homesite:		56,012,774		Total Improvements	(+)	57,064,518
NonReal		Count	Value			
Personal Property:		0	0			
Mineral Property:		0	0			
Autos:		0	0	Total Non Real	(+)	0
				Market Value	=	164,903,281
Ag	Non Exempt		Exempt			
Total Productivity Market:		31,086,718	0			
Ag Use:		63,799	0	Productivity Loss	(-)	31,022,919
Timber Use:		0	0	Appraised Value	=	133,880,362
Productivity Loss:		31,022,919	0			
				Homestead Cap	(-)	49,402
				Assessed Value	=	133,830,960
Exemption	Count	Local	State	Total		
DP	1	20,000	0	20,000	Total Exemptions	(-)
EX	61	0	51,890,922	51,890,922		
EX (Prorated)	4	0	672,645	672,645		
OV65	9	322,793	0	322,793	Net Taxable	=
						80,924,600

APPROXIMATE TOTAL LEVY = NET TAXABLE * (TAX RATE / 100)

13,550.71 = 2,424,098 * (0.559000 / 100)

Tax Increment Finance Value: 0
 Tax Increment Finance Levy: 0.00

EXHIBIT B
CBD TIF Area West of US 75 Highway
(including the connecting street of Allen Drive over US 75 Highway)

1. Road Projects(Including Utilities) Junction Road from Raintree to Exchange
2. Bray Central from Exchange to Waterford
3. Raintree Circle – south to Bray Central
4. Bossy Boots Dr – north to Bray Central
5. Future Street
6. Stockton Road
7. Median Projects
Street Lighting
Irrigation
Landscaping
8. Signage
Detention/Drainage:
9. Modifications to detention at SWC
Exchange/Raintree
10. Water features/detention
11. Storm sewers
12. Landscaping barrier around water tower
13. Entry Features

EXHIBIT B
Proposed CBD TIF Improvements East of US 75 Highway
(including the connecting street of Allen Drive over US 75 Highway)

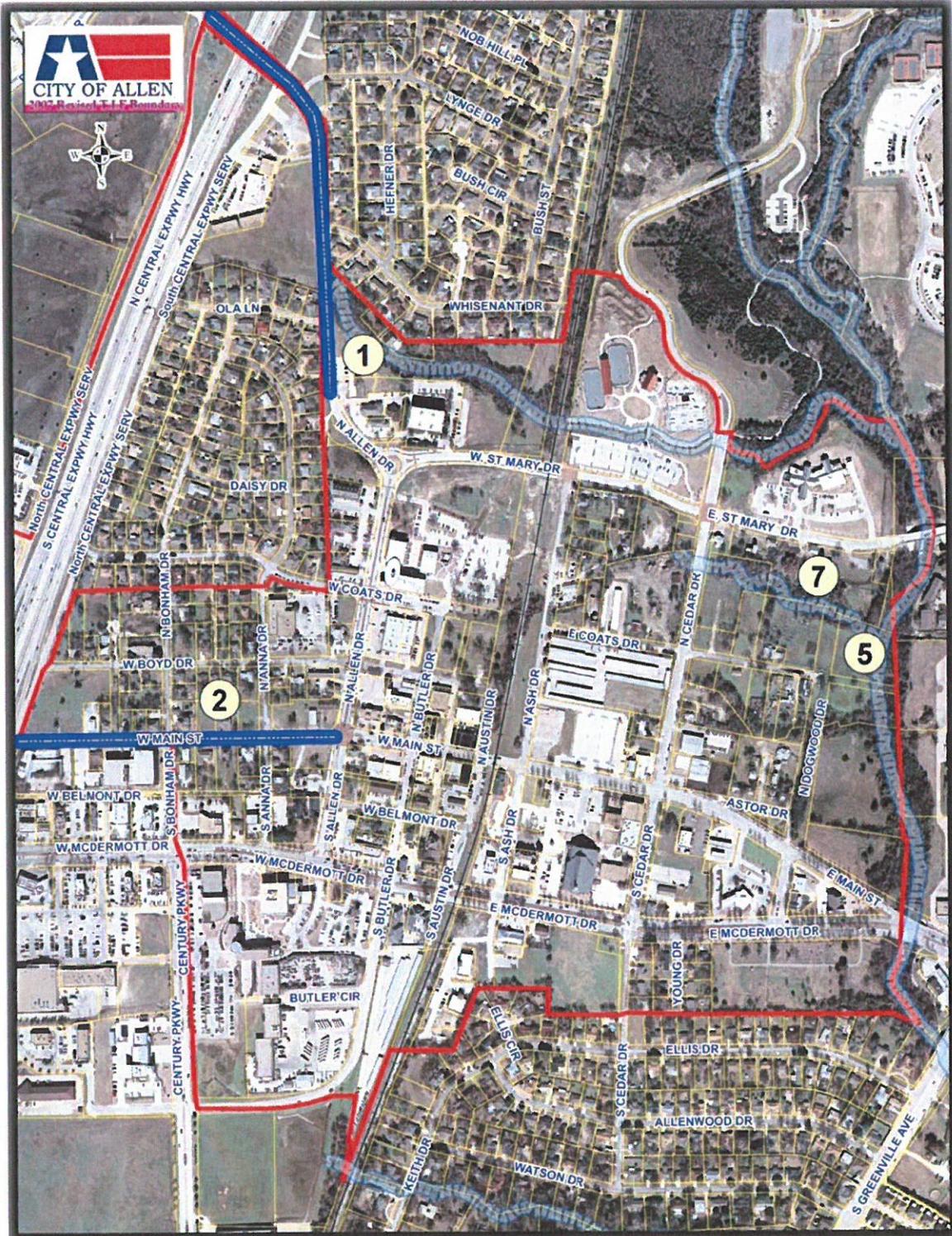


EXHIBIT B
Proposed CBD TIF Improvements East of US 75 Highway
(including the connecting street of Allen Drive over US 75 Highway)

Streets

1. Allen Drive
2. Main Street
3. Misc streets- east of 75

Storm sewers

4. Drainage – east of 75
5. Creek Improvements – east of 75

Utilities

6. Burying utilities – east of 75

Median Improvements / Landscaping / Beautification & signage

7. Heritage Village - east of 75
8. Beautification - east of 75

Parking

9. Transit Garage - east of 75
10. Parking throughout area - east of 75

EXHIBIT C

CITY OF ALLEN, TEXAS
Tax Increment Financing Fund
Central Business District Reinvestment Zone No. Two

Balance Sheet

as of

September 30, 2013

Unaudited

ASSETS

Cash and Investments	\$	927,866
Receivable		16,292
Total Assets	\$	944,158

LIABILITIES

TIF Increment Payable	\$	-
Total Liabilities	\$	-

FUND EQUITY

Fund Balance	\$	944,158
Total Fund Equity	\$	944,158

TOTAL LIABILITIES & FUND EQUITY **\$ 944,158**

Income Statement

as of

September 30, 2013

Unaudited

REVENUES

Sales Tax - City Increment	\$	24,778
Property Tax - City Increment		228,433
Investment Earnings		2,255
Total Revenues	\$	255,466

EXPENDITURES

TIF Eligible Certified Expenditures		
Developers Reimbursements	\$	-
Legal Expenses		-
Administrative Expenses		15,000
Total Expenditures	\$	15,000

Revenues Over / (Under) Expenditures **240,466**

Fund Balance at 9-30-12 703,692

FUND BALANCE **\$ 944,158**

EXHIBIT D
Mixed Office Use Facilities



McDermott Business Park
10 – 80 E. McDermott Drive



Red Pepper Productions
207 E. Main Street
Building Renovations



Corporate Center One
800 N. Watters Road



Mixed Office Use
997 Raintree Circle



Keller Williams Realty
1002 Raintree Circle

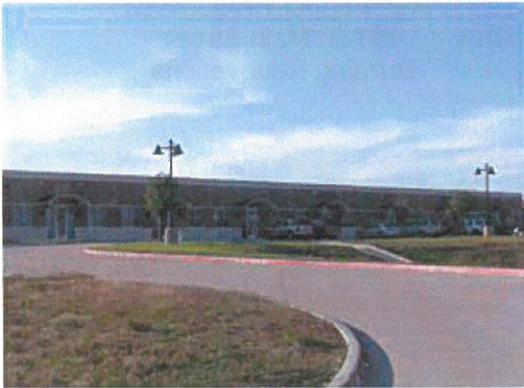
EXHIBIT D
Medical Buildings



Twin Creeks Hospital
1001 Raintree Circle



Raintree Pediatrics
919 Medical Drive



Presbyterian Gardens
915 A & B W. Exchange Parkway



Medical Office Suites
410, 420, 430 N. Allen Drive



Medical Office Suites
1150 N Watters Rd



Lone Star Medical Center
977 Raintree Circle



Brookwood Medical Office
865 Junction Drive

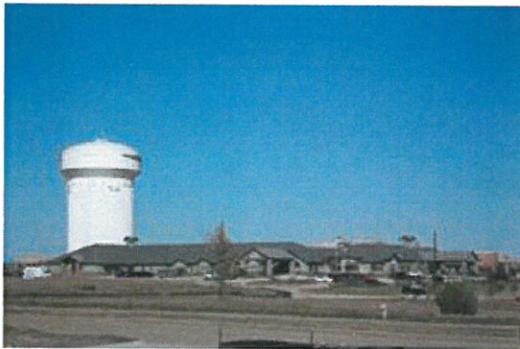
EXHIBIT D
Other Developments



Office and Warehouse Flex Building
1303, 1305, 1307 N. Watters Road



Homewood Suites
455 N Central Expressway



The Belmont at Twin Creeks
999 Raintree Circle



Carpe Diem Preschool
873 Junction Drive



Children's Courtyard
1020 N Watters Road



The Aspens
480 Bray Central Drive

EXHIBIT E

Boundary Change West of US 75 Highway

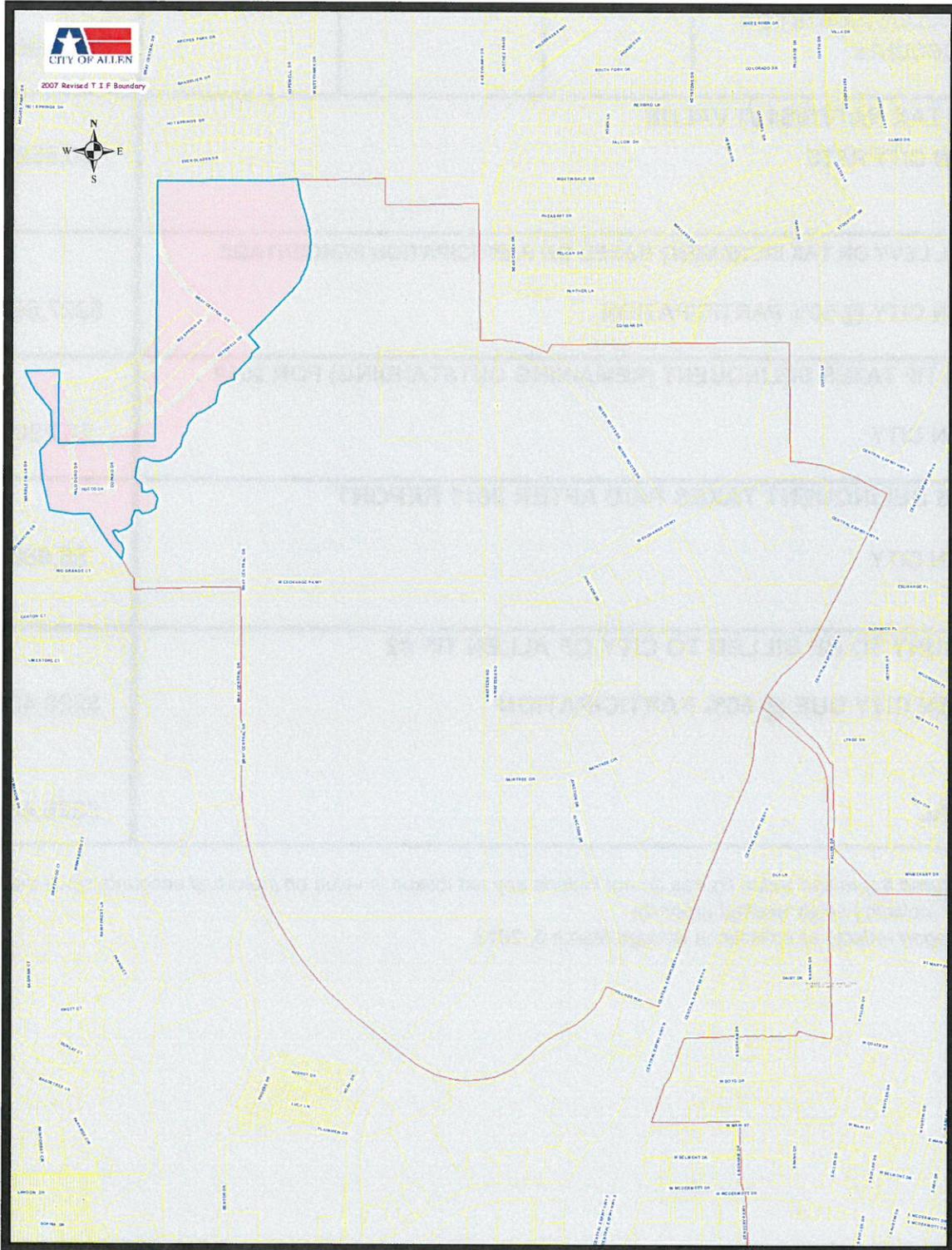


EXHIBIT F
Allen TIF #2 SUMMARY
TAX YEAR 2012

AS OF SUPPLEMENT #14, 3/6/2013

Allen - TIF 2		2012 VALUE	LESS BASE YEAR 2006	Capt. Appr. Val.
CERTIFIED TAXABLE VALUE WITH ADJUSTMENTS FOR AG ACCOUNTS	CITY	\$163,764,353	<i>WITH AG VALUE</i> \$81,267,393	\$82,496,960
				\$82,496,960
2012 TAX RATES/\$100 VALUE				
ALLEN CITY RATE				\$0.552000
TOTAL LEVY ON TAX INCREMENT BASED ON PARTICIPATION PERCENTAGE				
ALLEN CITY @ 50% PARTICIPATION				\$227,691.61
LESS TIF TAXES DELINQUENT (REMAINING OUTSTANDING) FOR 2012				
ALLEN CITY				\$8,238.62
PLUS DELINQUENT TAXES PAID AFTER 2011 REPORT				
ALLEN CITY				\$8,980.42
AMOUNT TO BE BILLED TO CITY OF ALLEN TIF #2				
ALLEN CITY DUE @ 50% PARTICIPATION				\$228,433.41
TOTAL				\$228,433.41

** Captured Appraised Value figures do not include any net losses in value on individual accounts since the base year including newly exempt property.*

This report reflects all collections through March 5, 2013.