



December 7, 2009

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

Public Finance Division
Office of the Attorney General
300 W. 15th St., 9th Floor
Austin, Texas 78701

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

Board of Trustees
Collin County Community College District
c/o Dr. J. Robert Collins, Chair
4800 Preston Park Blvd.
Plano, Texas 75093

Collin County Commissioners
c/o Keith Self, County Judge
210 South McDonald Street #626
McKinney, Texas 75069

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, the Collin County Community College, and the Allen ISD. Additionally, state law requires that the report be sent to the State Comptroller and the Office of the Attorney General.

Enclosed is the annual report. The balance sheet and income statement reflect the increments recognized for FY2009. Valuation changes were effective as of January 1, 2008. 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. Adjustments to the base value and FY2007 certified value were made reducing the total values by the parcel values 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,

A handwritten signature in black ink, reading "Kevin Hammeke". The signature is fluid and cursive, with a large, stylized "K" and "H".

Kevin Hammeke
Finance Director
City of Allen, Texas

With copies to:

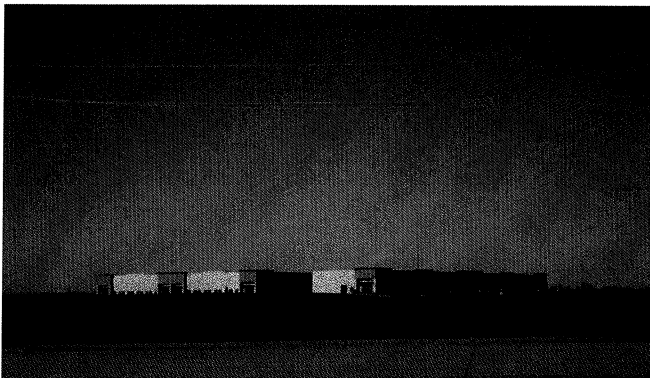
Commissioner Joe Jaynes, Collin County
Mónika Arris, Budget Director, Collin County
Cary Israel, President - CCCD
Dr. Ken Helvey- Allen Independent School District, Superintendent
Peter H. Vargas, City Manager



***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, THE
PUBLIC FINANCE DIVISION IN THE OFFICE OF THE ATTORNEY GENERAL,
COLLIN COUNTY, ALLEN ISD, AND COLLIN COUNTY COMMUNITY
COLLEGE**

For Fiscal Year ending September 30, 2009

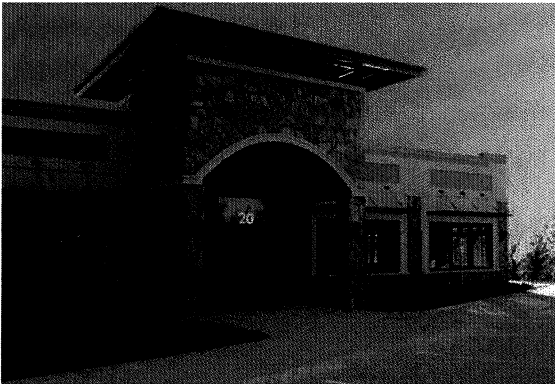


**KEVIN HAMMEKE
FINANCE DIRECTOR
CITY OF ALLEN, TEXAS**

**305 Century Parkway
Allen, Texas 75013**

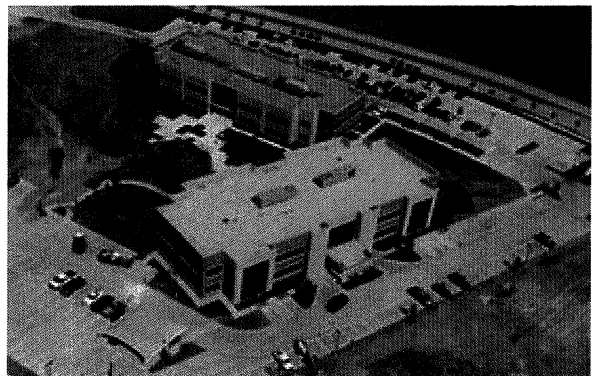
**Telephone (214) 509-4627
Facsimile (214) 509-4672
E-Mail: khammeke@cityofallen.org**

Central Business District TIF



The Central Business District (CBD) TIF Zone was created by the City on December 12, 2006. As of September 30, 2009, new commercial development in the CBD TIF was progressing in the areas west and east 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 County Appraisal District (CCAD) certified value as of January 1, 2008 reflects an increase of \$42,060,878. 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 I). 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. An adjustment to the base value was made by reducing the total base value by the individual parcel values excluded from the TIF as shown in Exhibit E. The property tax increment recognized in FY2009 is \$107,422 in the TIF fund as shown in Exhibit J. The increase in the valuation is primarily due to commercial construction on the western side of US 75 Highway. In FY2008, the TIF fund recognized \$26,979 in property tax increment. The valuation information from CCAD is shown in Exhibits A, B, C and D.



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, \$780 in sales tax increment was recognized in FY2009. FY2008 sales tax increment was \$5,973. The increment in FY2009 was less than the increment in FY2008 due to the closing of a restaurant.

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

Exhibit G reflects the Balance Sheet and Income Statement associated with the TIF Fund as of September 30, 2009. The financial reports reflect property and sales tax increments during FY2009.

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

Respectfully Submitted by,

A handwritten signature in black ink, reading "Kevin Hammeke". The signature is written in a cursive, flowing style with a large, stylized "K" and "H".

Kevin Hammeke
Finance Director
City of Allen, Texas

EXHIBIT A

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 B

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	(+)
				Market Value	=
					208,805,896
Ag		Non Exempt	Exempt		
Total Productivity Market:	30,963,480		0		
Ag Use:	49,851		0	Productivity Loss	(-)
Timber Use:	0		0	Appraised Value	=
Productivity Loss:	30,913,629		0		177,892,267
				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 C

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 D

Collin County

2006 CERTIFIED TOTALS

As of Supplement 14

Property Count: 282

CAL - ALLEN CITY

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 E

ALLEN TIF #2

2006 Net Taxable Value Supplement #19

CAD certified values after Supplements	\$81,235,761
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Minus Value for Non included tracts	
R-6110-000-0210-1	\$473,293
R-6544-000-0040-1	\$1,093
R-6544-000-0050-1	\$4,358

Equals adjusted taxable values	\$80,757,017
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EXHIBIT F
CBD TIF Area West of US 75 Highway
(including the connecting street of Allen Drive over US 75 Highway)

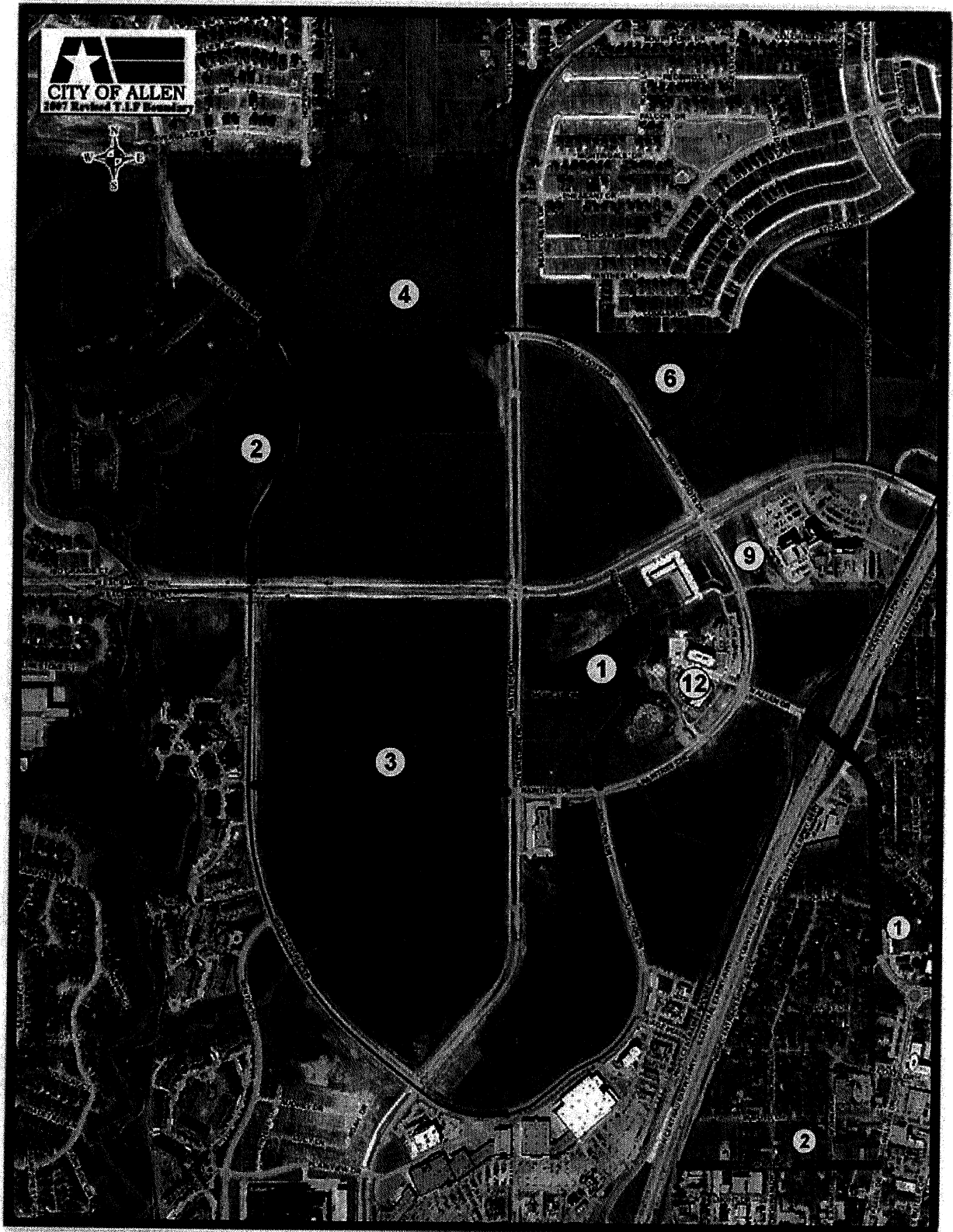


EXHIBIT F
CBD TIF Area West of US 75 Highway
(including the connecting street of Allen Drive over US 75 Highway)

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

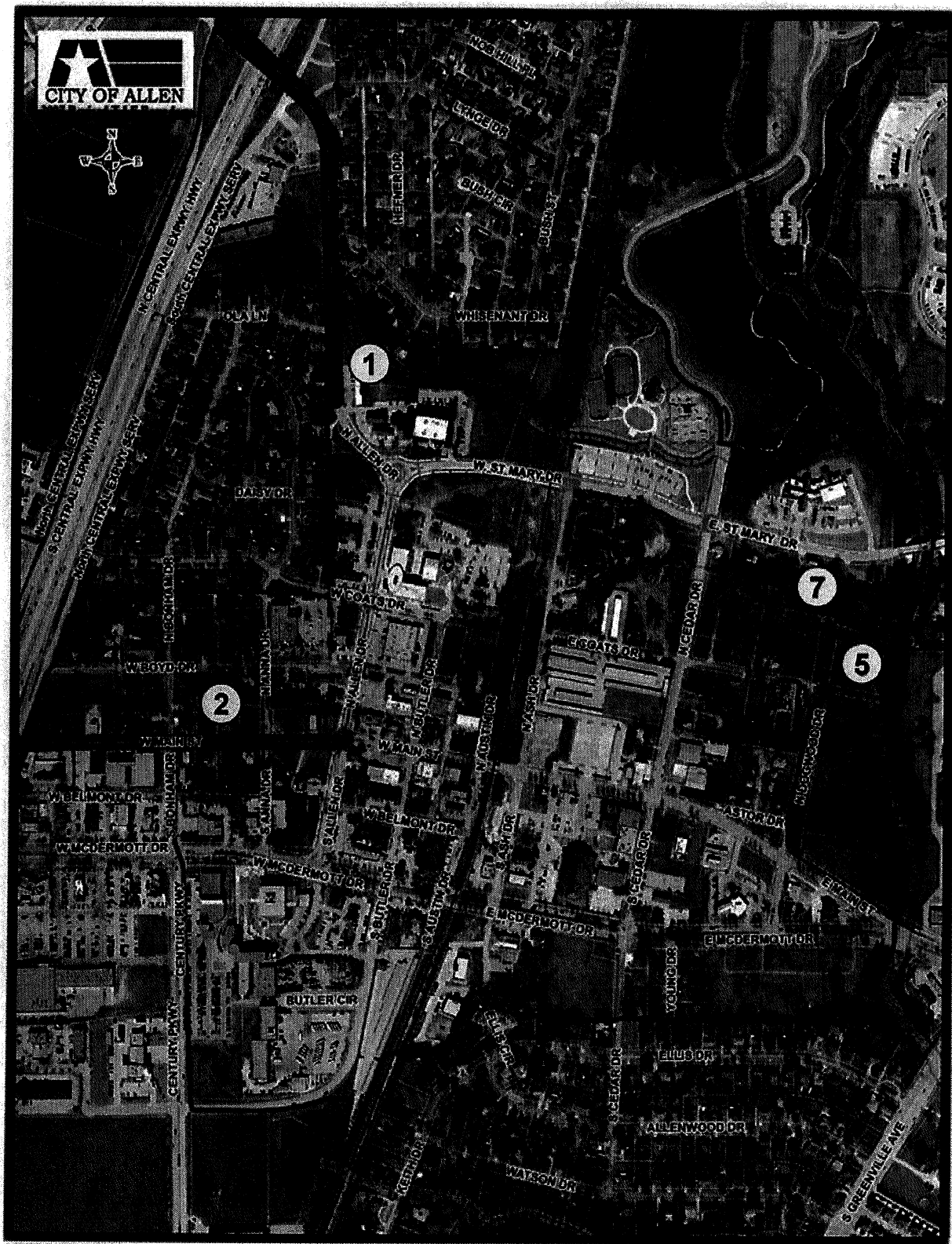


EXHIBIT F
Proposed CBD TIF Improvements East of US 75 Highway
(including the connecting street of Allen Drive over US 75 Highway)

Streets

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

Stormsewers

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

Utilities

6. Burying utilities – east of 75

Median Improvements / Landscaping / Beautification & signage

7. East of 75 – Heritage Village
8. East of 75 – Beautification

Parking

9. East of 75 – Transit Garage
10. East of 75 – parking throughout area

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

Balance Sheet
as of
September 30, 2009
Unaudited

ASSETS

Cash and Investments	\$ 140,920
Receivable	-
Total Assets	<u>\$ 140,920</u>

LIABILITIES

TIF Increment Payable	\$ -
Total Liabilities	<u>\$ -</u>

FUND EQUITY

Fund Balance	\$ 140,920
Total Fund Equity	<u>\$ 140,920</u>

TOTAL LIABILITIES & FUND EQUITY	<u>\$ 140,920</u>
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Income Statement
as of
September 30, 2009
Unaudited

REVENUES

Sales Tax - City Increment	\$ 780
Property Tax - City Increment	107,422
Investment Earnings	420
Total Revenues	<u>\$ 108,623</u>

EXPENDITURES

TIF Eligible Certified Expenditures	
Developers Reimbursements	\$ -
Legal Expenses	80
Administrative Expenses	-
Total Expenditures	<u>\$ 80</u>

Revenues Over / (Under) Expenditures	108,543
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Fund Balance at 9-30-08	32,377
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FUND BALANCE	<u>\$ 140,920</u>
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EXHIBIT H
Medical Buildings



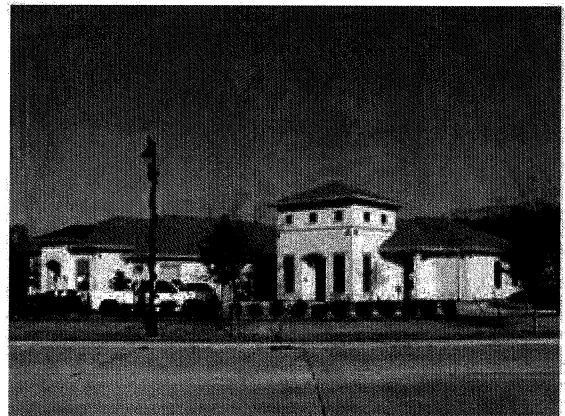
Twin Creeks Medical Center Complex
W. Exchange Parkway and Raintree Circle



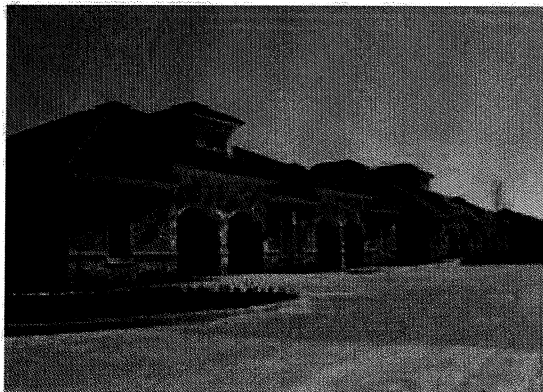
Twin Creeks Hospital
1001 Raintree Circle



Presbyterian Gardens
915 A & B W. Exchange Parkway



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



Medical Office Suites
1150 N Watters Rd

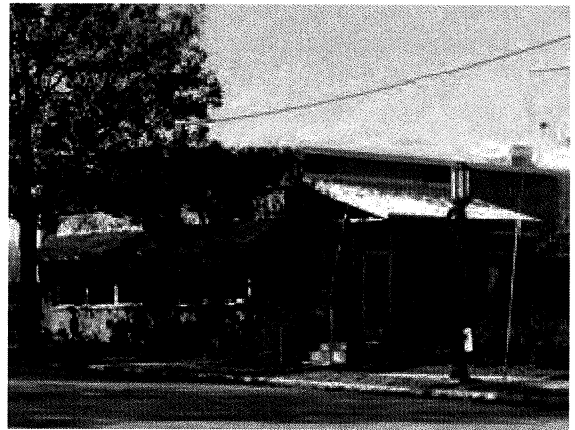


Lone Star Medical Center
977 Raintree Circle

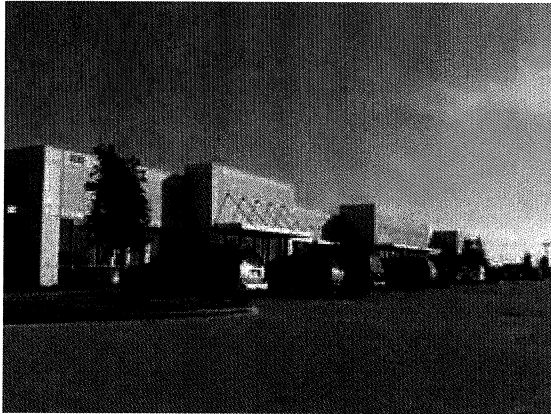
EXHIBIT H
Mixed Office Use Facilities



McDermott Business Park
10 – 80 E. McDermott Drive



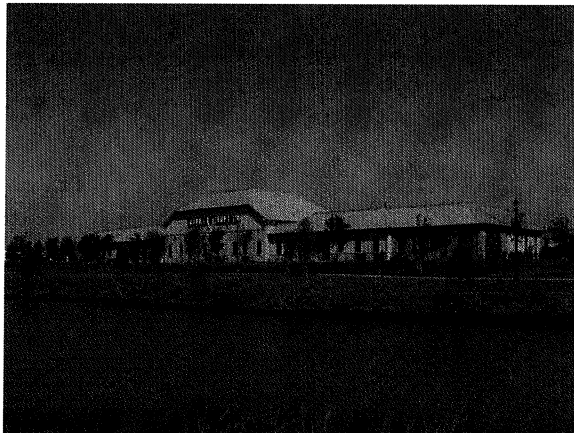
Red Pepper Productions
207 E. Main Street
Building Renovations



Corporate Center One
800 N. Watters Road



Mixed Office Use
997 Raintree Circle



Keller Williams Realty
1002 Raintree Circle

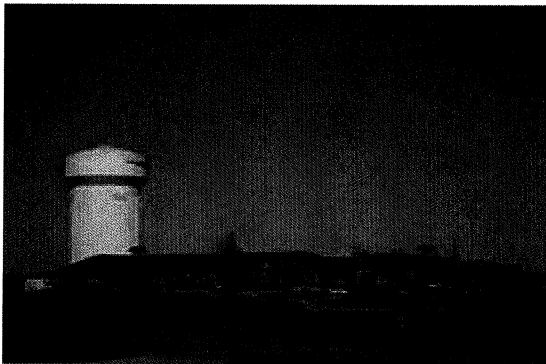
EXHIBIT H
Other Developments



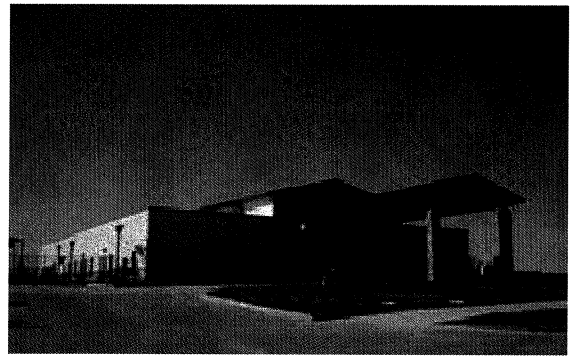
Office and Warehouse Flex Building
1303, 1305, 1307 N. Watters Road



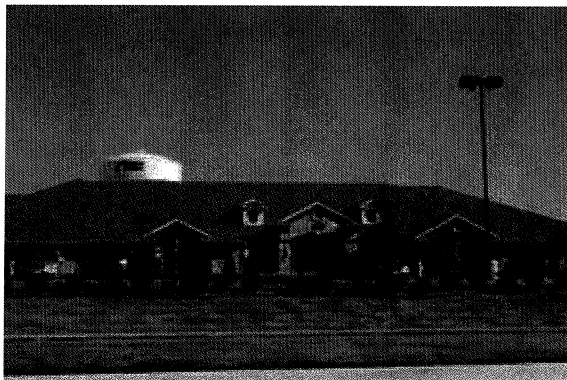
Homewood Suites
455 N Central Expressway



The Belmont at Twin Creeks
999 Raintree Circle



Carpe Diem Preschool
873 Junction Drive



Children's Courtyard
1020 N Watters Road

EXHIBIT I

Boundary Change West of US 75 Highway





EXHIBIT J

Allen TIF # 2 SUMMARY TAX YEAR 2008

Allen - TIF 2		2008 VALUE	LESS BASE YR 06	Capt. Appr. Val.
CERTIFIED TAXABLE VALUE WITH ADJUSTMENTS FOR AG ACCOUNTS	CITY	\$122,817,895	WITH AG VALUE \$80,757,017	\$42,060,878 \$42,060,878
2008 TAX RATES/\$100 VALUE ALLEN CITY RATE				\$0.556000
TOTAL LEVY ON TAX INCREMENT BASED ON PARTICIPATION PERCENTAGE ALLEN CITY @ 50% PARTICIPATION				116,929.24
LESS TIF TAXES DELINQUENT (REMAINING OUTSTANDING) FOR 2008 ALLEN CITY				\$9,507.13
AMOUNT TO BE BILLED TO City of Allen ALLEN CITY DUE @50% PARTICIPATION				107,422.11
TOTAL				107,422.11

* 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 February 20, 2009.