

Lorena TIRZ #1 East

Semi-Annual Report

January 2025 to June 2025

Lorena TIRZ #1 East Board of Directors, has had the opportunity to have some new board members be appointed by the Lorena City Council. Newly appointed board members are as follows: Seat 2 City of Lorena representative – Jason Blane (TIRZ Chairman), Seat 4 Lorena EDC representative – Jake Dickson, Seat 5 Lorena EDC representative – Billy Borunda, and Seat 6 Land owner's representative – Christian Ortiz (Production Manager at Bright Farms).

The Arches subdivision has had four (4) new certificate of occupancies and two (2) more building permits issued in the past twelve months. Growth for this subdivision is slower than originally anticipated; however, with an average home price of 1.19 million dollars taxable value of this subdivision is higher than the originally anticipated value of \$650K.

The Bright Farms hydroponic lettuce plant is currently operating at 50%, growing lettuce in four (4) of the eight (8) acres of available greenhouse space. This is currently producing on average 5,000 pounds of leafy greens each day. The 2025 taxable value for Bright Farms is 18.79 million dollars. As history has proven next years taxable value should be significantly higher.

The Roadster Travel Center with its Bojangles quick-serve restaurant increased in taxable value by 4.5 million dollars to 9.4 million dollars. Further the roadster travel center's contribution to sales tax has produced an additional 50,000.00 in revenue for the Lorena #1 East TIRZ. The TIRZ has received payments for sales tax contributions from the City of Lorena; however, has not received any sales tax contributions from McLennan County as contractually agreed upon. The Lorena TIRZ #1 East administration has been in contact with Frances Bartlett at McLennan County, but has yet to receive any sales tax contributions from McLennan County.

The Lorena TIRZ #1 East has generated increased property value and tax revenue of \$184,126.58 to date in FY 24–25. The increases come from the completion of Phase I for the Bright Farms project, a healthy increase in appraised property value for the Roadster Travel Center, sales tax contributions, and additional homes in the Arches subdivision.

As of June 30, 2025, the Lorena TIRZ has a cash balance of \$242,572.03. Year-to-date revenues for FY 24–25 are \$177,408.57, while year-to-date expenses are \$194,672.25. As anticipated in the FY 24-25 budget expenses are exceeding revenues. This will not be the case in the upcoming FY 25-26 budget year.

Attached to this report is the draft 2025–2026 fiscal year budget that has been recommended by the Lorena TIRZ #1 East Board of Directors to the Lorena City Council for consideration. This budget document has total revenues listed at \$341,913.00 and expenses listed at \$275,745.00, providing an estimated net revenue of \$66,168 for the year. This has been a long-anticipated date for the Lorena TIRZ #1 East where the revenue of increment taxes actually outweighs the expenses.

Looking forward towards the future the board of directors will be planning to start repayment of the original investors that so graciously supplied financing funds for the TIRZ as it takes several years of improvements within the zone to stabilize the return on investment within the zone. As there is more information available regarding future repayment options those updates will be provided in future reports.

Sincerely,



Kevin A. Neal
City Manager
City of Lorena

**CITY OF LORENA
PROPOSED BUDGET
FY 2025-26
TIRZ #1 EAST - FUND 25**

	BUDGET FY 2024-25	YTD 3/31/2025	EST FY 2024-25	ADOPTED BUDGET FY 2025-26	% INCR (DECR)
BEGINNING FUND BALANCE	10,929		10,929	(119,126)	
PROPERTY TAXES	143,778		135,000	300,608	
MISCELLANEOUS TAXES	6,000		-	51,500	
INTEREST	-		4,000	-	
TOTAL REVENUES	<u>149,778</u>		<u>139,000</u>	<u>352,108</u>	
TOTAL FUNDS AVAILABLE	<u>160,707</u>		<u>149,929</u>	<u>232,982</u>	
ADMINISTRATION	21,250		19,250	29,272	
SANITARY SEWER LINE PROJECT	155,775		155,705	153,548	
BASIN G PROJECT	94,125		94,100	92,925	
TOTAL EXPENDITURES	<u>271,150</u>		<u>269,055</u>	<u>275,745</u>	
ENDING FUND BALANCE	<u>(110,443)</u>		<u>(119,126)</u>	<u>(42,763)</u>	

**CITY OF LORENA
PROPOSED BUDGET
FY 2025-26
TIRZ #1 EAST - FUND 25**

		BUDGET	YTD	EST	ADOPTED	% INCR
		FY 2024-25	3/31/2025	FY 2024-25	BUDGET	(DECR)
					FY 2025-26	
PROPERTY TAXES						
311-105	INCR PROPERTY TAX - CITY	89,125	84,629	86,000	191,926	115.3%
311-205	INCR PROPERTY TAX - COUNTY RZ1	54,653	48,427	48,500	108,682	98.9%
312-205	INCR PROPERTY TAX - COUNTY 381	-	424	500	-	0.0%
	TOTAL PROPERTY TAXES	143,778	133,480	135,000	300,608	109.1%
MISCELLANEOUS TAXES						
313-105	INCR SALES TAX - CITY	4,500	24,540	54,000	50,000	1011.1%
313-205	INCR SALES TAX - COUNTY	1,500	-	-	1,500	0.0%
	TOTAL MISCELLANEOUS TAXES	6,000	-	-	51,500	758.3%
INTEREST						
361-002	INTEREST ON INVESTMENTS - 2018	-	3,831	4,000	-	0.0%
	TOTAL INTEREST	-	3,831	4,000	-	0.0%
	TOTAL REVENUES	149,778	137,311	139,000	352,108	135.1%

**CITY OF LORENA
PROPOSED BUDGET
FY 2025-26
TIRZ #1 EAST - FUND 25**

		BUDGET	YTD	EST	ADOPTED	% INCR
		FY 2024-25	3/31/2025	FY 2024-25	BUDGET	(DECR)
					FY 2025-26	
ADMINISTRATION						
ADMINISTRATION						
467-318	PROF FEES-MEETING ACCOMMODATION	-	-	-	1,200	100.0%
467-330	PROF FEES-AUDIT/ACCTG	500	500	500	3,640	628.0%
467-332	PROF FEES-LEGAL	5,000	185	200	5,000	0.0%
467-390	PROF FEES-FIN ADV	-	2,800	2,800	-	0.0%
467-610	SUPPLIES-OFFICE	-	-	-	2,500	100.0%
467-801	OTHER EXPENSE-SERV CHG GF	15,750	7,875	15,750	16,932	7.5%
	TOTAL EXPENDITURES	21,250	11,360	19,250	29,272	37.8%
	TOTAL ADMINISTRATION	21,250	11,360	19,250	29,272	37.8%
SANITARY SEWER LINE PROJECT						
OTHER						
468-859	DEBT SERVICE TRANSFER	155,775	111,612	155,705	153,548	-1.4%
	TOTAL EXPENDITURES	155,775	111,612	155,705	153,548	-1.4%
	TOTAL SANI SEWER LINE PROJECT	155,775	111,612	155,705	153,548	-1.4%
BASIN G EXP PROJECT						
OTHER						
469-859	OTHER EXP - DS TRF 2018	94,125	67,763	94,100	92,925	-1.3%
	TOTAL EXPENDITURES	94,125	67,763	94,100	92,925	-1.3%
	TOTAL BASIN G EXP PROJECT	94,125	67,763	94,100	92,925	-1.3%
	TOTAL EXPENDITURES	271,150	190,735	269,055	275,745	1.7%