

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, APPROVING A FIVE-YEAR CAPITAL IMPROVEMENTS BUDGET FOR THE SPRADLEY FARMS IMPROVEMENT DISTRICT OF KAUFMAN COUNTY AND WAIVING THE REQUIREMENT FOR THE DISTRICT TO ASSESS AN AD VALOREM TAX FOR DEBT SERVICE AT A RATE OF NOT LESS THAN \$0.38 PER \$100 OF TAXABLE ASSESSED VALUATION.

WHEREAS, pursuant to Chapter 375, Local Government Code (the “**Act**”), and an Order of the Texas Commission of Environmental Quality, effective August 19, 2021, the Spradley Farms Improvement District of Kaufman County (the “**District**”) was created to serve approximately 652 acres of undeveloped property within the City with certain water, sanitary sewer, and drainage facilities; roads and improvements in aid thereof; transit and parking improvements; and open space, parks and recreational improvements (collectively, the “**Public Improvements**”); and

WHEREAS, the District is a conservation and reclamation district and political subdivision of the State of Texas, operating pursuant to Article III, Section 52, Article III, Section 52-a, and Article XVI, Section 59, Texas Constitution, and the general laws of the State of Texas, including particularly the Act, and Chapters 49 and 54, Texas Water Code; and

WHEREAS, pursuant to the Section 375.207 of the Act, the District must either (i) obtain approval of the City for District bond issuances before such bonds may be issued, or (ii) obtain approval from the City of a capital improvements budget (the “**Capital Improvements Budget**”) for a period of not to exceed five years, and upon such approval may finance the capital improvements and issue bonds specified in such Capital Improvements Budget; and

WHEREAS, on July 6, 2020, the District and the City entered into that certain “Spradley Farms Amended and Restated Master Development Agreement” by and between the City, the developer of the property within the District and the Board of Directors of Reinvestment Zone Number Thirteen, City of Mesquite Texas (the “**Agreement**”), whereby the initial Capital Improvements Budget was approved; and

WHEREAS, the initial Capital Improvements Budget will expire on December 31, 2025, and the District desires to issue ad valorem tax bonds to finance certain of the Public Improvements; and

WHEREAS, in compliance with the Act, the District has submitted a new Capital Improvements Budget for the calendar years 2026 through 2030 (the “**2026-2030 Capital Improvements Budget**”) and is requesting the City to approve such 2026-2030 Capital Improvements Budget; and

WHEREAS, in addition, the District has requested that the City waive the requirement in Section 5(a)(ii)(2) of the Agreement for the District to levy an ad valorem tax for debt service on its TIRZ/GO Bonds in the minimum amount of \$0.38; and

WHEREAS, for the debt service tax rate to be assessed by the District in September 2026 and not for any subsequent tax rate or year, the City desires to allow for a waiver of the requirement in Section 5(a)(ii)(2) of the Agreement that requires a debt service tax rate of not less than \$0.38 per \$100 of taxable assessed valuation; and

WHEREAS, the meeting at which this Resolution is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. The recitals set forth in the preamble of this Resolution are true and correct in all material respects. The capitalized terms defined in the recitals to this Resolution are hereby approved and adopted as a part of this Resolution. Capitalized terms not herein defined are defined in the Agreement.

SECTION 2. The City Council hereby approves the 2026-2030 Capital Improvements Budget attached hereto as Exhibit A.

SECTION 3. With respect to the tax rate to be assessed by the District in September 2026 only, and not in for any subsequent tax rate or year, the City hereby waives the requirement in 5(a)(ii)(2) for the District to assess an ad valorem tax for debt service at a rate not less than \$0.38 per \$100 of taxable assessed valuation for any TIRZ/GO Bonds issued by the District.

SECTION 4. This Resolution shall take effect immediately from and after its passage.

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 15th day of December 2025.

Daniel Alemán, Jr.
Mayor

ATTEST:

APPROVED AS TO LEGAL FORM:

Sonja Land
City Secretary

David L. Paschall
City Attorney

EXHIBIT A

2026-2030 CAPITAL IMPROVEMENTS BUDGET

2026 - 2030 CAPITAL IMPROVEMENTS BUDGET

12/31 CALENDAR YEAR END								
	2022-2025	2026	2027	2028	2029	2030		
District Improvement	PHASE 1A/B	PHASE 2A	PHASE 2B	PHASE 3A	PHASE 3B	PHASE 4A	2026 - 2030 Estimated Costs	TOTAL ESTIMATED COST (Excluding maintenance)
Utilities	\$11,208,467	\$878,743	\$4,012,984	\$3,059,938	\$8,207,578	\$3,127,568	\$19,286,811	\$30,493,278
Flood Control and Drainage	\$4,432,838	\$1,691,639	\$1,911,062	\$6,815,302	\$2,851,112	\$2,557,536	\$15,826,651	\$20,259,487
Roads	\$19,804,493	\$5,993,912	\$10,163,051	\$12,286,759	\$14,930,251	\$8,564,708	\$49,938,681	\$69,743,174
Open Space and Parks	\$5,795,483	\$792,122	\$1,764,627	\$2,812,819	\$1,943,315	\$2,425,693	\$8,738,576	\$15,534,059
Public Infrastructure Planning	\$1,374,220	\$309,314	\$330,815	\$544,854	\$708,537	\$544,854	\$2,438,374	\$3,810,594
Total	\$42,613,499 ①	\$9,665,729	\$18,182,539	\$25,519,672	\$28,638,794	\$15,220,359	\$97,227,094 ②	\$139,840,593 ③

① Estimate of actual cost incurred for District Capital Improvements through Initial 5- Year Capital Improvements Budget period.

② Estimate of costs to be incurred for District Capital Improvements through 2026 - 2030 Capital Improvements Budget period.

③ Bonds may be issued in aggregate principal amount sufficient to fund payment or reimbursement of the Total Estimate Cost of \$139,840,593. Bonds may be issued in installment at any time and in any amount through the 2026 - 2030 Capital Improvement Budget period.