

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, APPROVING A PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR THE GUS THOMASSON TAX INCREMENT FINANCE REINVESTMENT ZONE NO. EIGHT, CITY OF MESQUITE, TEXAS; MAKING A FINDING REGARDING FEASIBILITY; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE THEREOF.

WHEREAS, the City of Mesquite, Texas (“City”), established the Gus Thomasson Tax Increment Finance Reinvestment Zone No. Eight, City of Mesquite, Texas (the “Zone”) and established a Board of Directors for the Zone to promote development or redevelopment in the Zone pursuant to Ordinance No. 4402 approved by the City Council of the City on November 2, 2015, in accordance with the Tax Increment Financing Act, V.T.C.A, Tax Code, Chapter 311 (the “Act”); and

WHEREAS, on December 4, 2017, the Board of Directors of the Zone (the “Board”), prepared and adopted a project plan (“Project Plan”) and reinvestment zone financing plan (“Financing Plan”) for the Zone, a true and correct copy of which is attached hereto as Exhibit “A” and made a part hereof for all purposes (hereinafter collectively the “Project Plan and Financing Plan”); and

WHEREAS, in compliance with the Act, the Board hereby submits the Project Plan and Financing Plan to the City Council for approval; and

WHEREAS, the Board respectfully recommends approval of the Project Plan and Financing Plan by the City Council in order to promote development or redevelopment of the Zone.

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

SECTION 1. That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct and are incorporated and adopted as part of this ordinance for all purposes.

SECTION 2. That the City Council finds that the Project Plan and Financing Plan submitted to the City Council includes the following information required by §311.011 of the Act:

A. The Project Plan includes:

- (1) A description and map showing existing uses and conditions of real property in the Zone and proposed uses of that property;

- (2) Proposed changes of zoning ordinances, the master plan of the City, building codes, other municipal ordinances, and subdivision rules and regulations, if any, of the county, if applicable;
- (3) A list of estimated non-project costs; and
- (4) A statement of a method of relocating persons to be displaced, if any, as a result of implementing the plan.

B. The Financing Plan includes:

- (1) A detailed list describing the estimated project costs of the Zone, including administrative expenses;
- (2) A statement listing the proposed kind, number and location of all public works or public improvements to be financed by the Zone;
- (3) A finding that the plan is economically feasible and an economic feasibility study;
- (4) The estimated amount of bonded indebtedness to be incurred;
- (5) The estimated time when related costs or monetary obligations are to be incurred;
- (6) A description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay project costs, including the percentage of tax increment to be derived from the property taxes of each taxing unit anticipated to contribute tax increment to the Zone that levies taxes on real property in the Zone;
- (7) The current total appraised value of taxable real property in the Zone;
- (8) The estimated captured appraised value of the Zone during each year of its existence; and
- (9) The duration of the Zone.

SECTION 3. That in accordance with the Act, the City Council has reviewed the Project Plan and Financing Plan attached hereto as Exhibit "A" and made a part hereof for all purposes and hereby finds that such Project Plan and Financing Plan is feasible.

SECTION 4. That in accordance with the Act, the City Council hereby approves and adopts the Project Plan and Financing Plan attached hereto as Exhibit "A" and made a part hereof for all purposes.

SECTION 5. That all ordinances or portions thereof in conflict with the provisions of this ordinance, to the extent of such conflict, are hereby repealed. To the extent that such ordinances or portions thereof are not in conflict herewith, the same shall remain in full force and effect.

SECTION 6. That should any word, sentence, clause, paragraph, section or provision of this ordinance be held to be unconstitutional or invalid by a court of competent jurisdiction, the remaining provisions of this ordinance shall remain in full force and effect.

SECTION 7. That this ordinance shall take effect immediately upon passage of this ordinance.


DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas,
on the 4th day of December, 2017.

Stan Pickett
Mayor

ATTEST:

APPROVED:

Sonja Land
City Secretary



B. J. Smith
City Attorney

Exhibit “A”

**Attach Copy of
Project Plan and Financing Plan
for the Gus Thomasson Tax Increment Finance Reinvestment Zone No. Eight,
City of Mesquite, Texas**



Final Project and Financing Plan

Gus Thomasson

Tax Increment Reinvestment Zone No. 8

December 2017

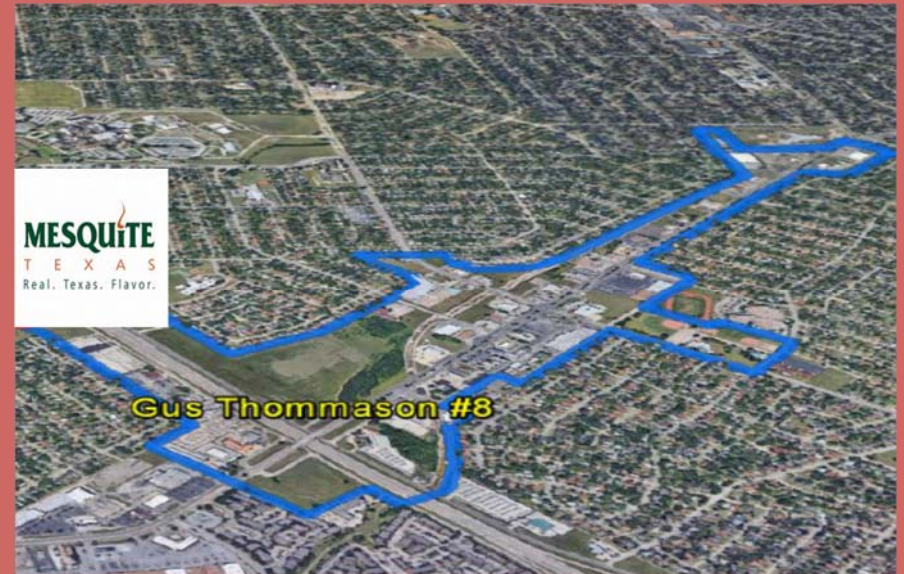


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Introduction

Tax Increment Financing Program

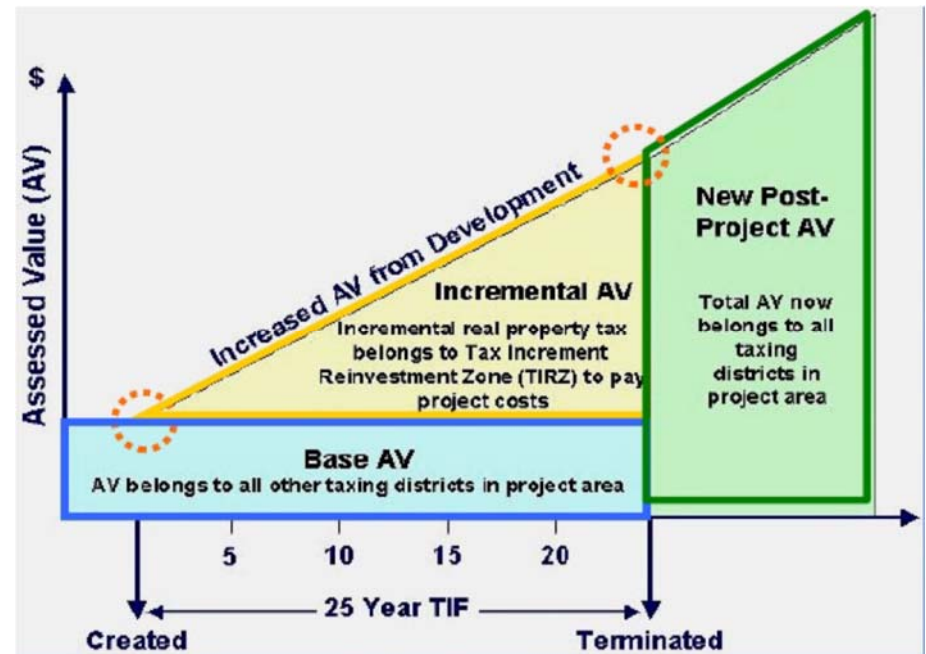
Chapter 311 of the Texas Tax Code (the TIF Act) authorizes the governing body of a municipality to promote redevelopment of a contiguous or noncontiguous geographic area by designating it a Tax Increment Reinvestment Zone (TIRZ). The future value of private investment within a TIRZ is leveraged to finance public improvements, to enhance existing public infrastructure, and to maximize the benefits of other incentive tools. Public investment in TIRZ, using tax increment as a financing mechanism, stimulates private sector investment in areas of the City that would not otherwise attract market interest. Taxing entities, including MISD, can opt in at a participation rate of their choosing, electing to contribute 0% to 100% of their tax increment into the zone.

Key Points:

- Chapter 311 of the Texas Code controls all procedures for the creation of a TIRZ
- Base value set at current assessed value (as of January 1)
- Development over time increases assessed value
- Higher assessed value results in additional real property tax revenues

Once a TIRZ has been established, incremental real property taxes resulting from new construction, public improvements and redevelopment efforts accrue to the various taxing entities. Local taxing entities retain the right to determine the amount of the tax increment. The City enters into written Interlocal Agreements with all participating taxing entities to specify: (1) the conditions for payment of tax increment into a tax increment fund, (2) the portion of tax increment to be paid by each entity into the tax increment fund, and (3) the term of the Interlocal Agreement.

The amount of a taxing unit's tax increment for a year is the amount of property taxes levied and collected by the unit for that year on the "captured" appraised value of real property taxable by the unit and located in the TIRZ. Captured appraised value is the total appraised value of all real property taxable by the unit and located in a TIRZ for that year less the total appraised value of taxable real property in the base year (the year in which zone was designated by ordinance).



Board of Director Responsibilities

The TIRZ Board prepares and adopts a project plan and a reinvestment zone financing plan and submits the plans to the City Council that designated the zone. Once a TIRZ project and financing plan has been approved by the City Council, the Board monitors the ongoing performance of the TIRZ by reviewing the construction status of proposed public improvements and amenities, reviewing the status of the tax increment fund, approving amendments to the project and financing plan, and recommending certain actions by City Council related to the TIRZ. The TIRZ Board must comply with the Texas Open Meetings Act as well as with all subsequent City Code provisions for City Boards and Commissions, to the extent that there is no conflict with the TIF Act.

Gus Thomasson TIRZ No. 8

Actions Taken to Date

The City of Mesquite formally created the Gus Thomasson Tax Increment Reinvestment Zone through the passage of City Ordinance No. 4402 on November 2, 2015, and the duration of the Zone will be for 20 years, expiring on December 31, 2035, if not sooner terminated.

The overall TIRZ contains multiple contiguous properties and will include 75 percent of the tax increments of the City—no other taxing jurisdictions are expected to participate. Required public notices were delivered and a public hearing was held in compliance with Section 311.003(c)(d) of the Tax Increment Financing Act.

No TIRZ Revenue bond indebtedness is anticipated.



The Villas at Vanston Park

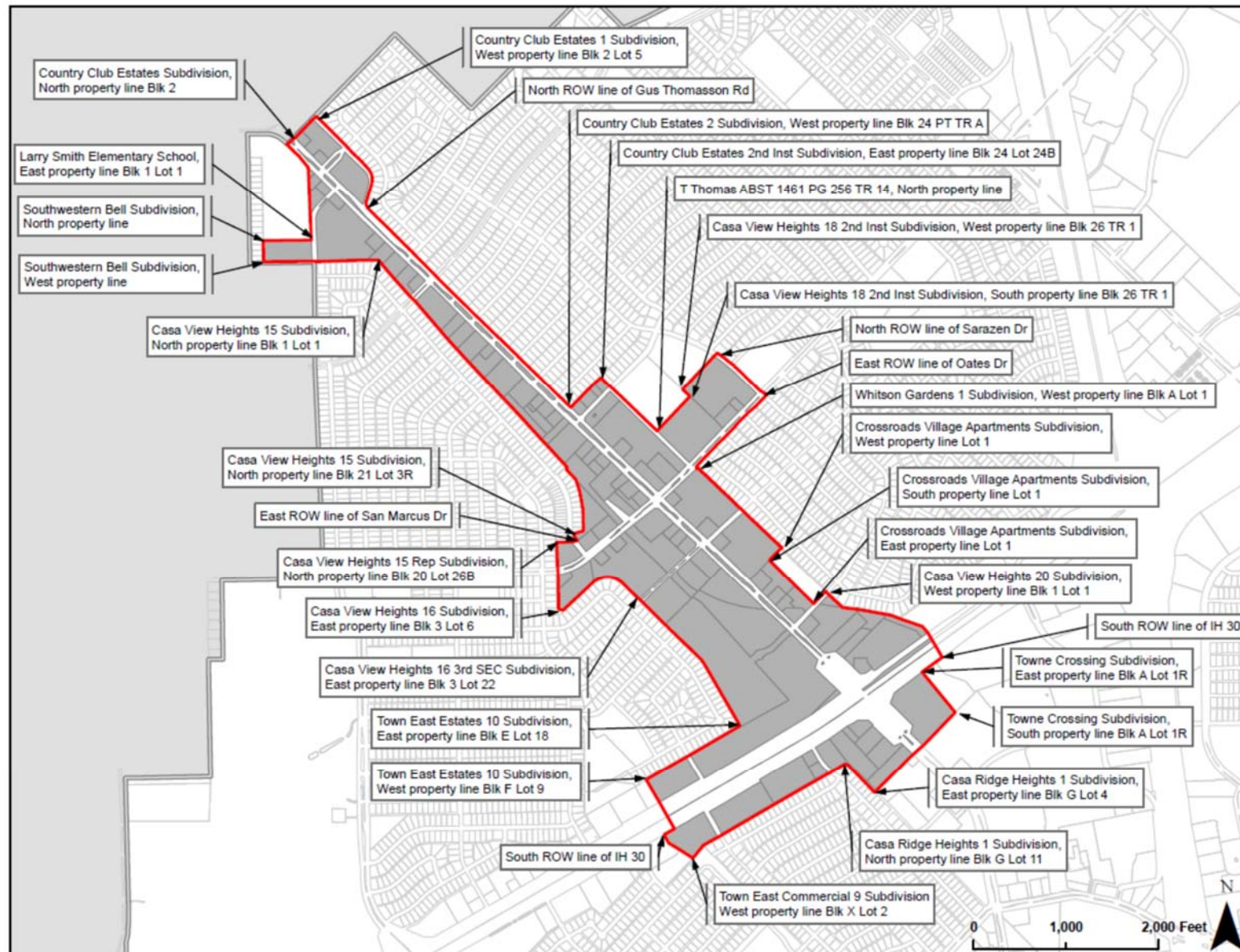
The base year tax value, 2015, (fiscal year 2015-2016), is \$38,317,827. The projected growth in taxable value per year is shown on Pages 19 and 20. The estimated taxable value at the end of the 20-year term is \$64,742,478. The projections show the estimated value of the captured appraised value of real property by tax year.

The Gus Thomasson TIRZ Board of Directors have not yet met to consider a Project and Financing Plan. A Final Project and Financing Plan for the original TIRZ is scheduled for Board adoption and City Council approval on December 4, 2017, as a matter of procedure. The Board will subsequently consider adoption of an Amended TIRZ Project and Financing Plan on December 4, 2017, with the City Council holding a public hearing and taking action on the Amended Project and Financing Plan at the December 18, 2017 City Council meeting.

Gus Thomasson TIRZ No. 8 Boundary



Gus Thomasson TIRZ No. 8 Boundary Description



Gus Thomasson TIRZ No. 8

Boundary Description

Beginning at a point of the intersection of the west property line of Country Club Estates 1 Subdivision and the north property line of Country Club Estates Subdivision Blk 2, thence

Southerly along the west property line of Country Club Estates 1 to a point where said line intersects with the north ROW line of Gus Thomasson Rd, thence

Southerly along the north ROW line of Gus Thomasson Rd to a point where said line intersects with the west property line of Country Club Estates 2 Subdivision Blk 24 Tract A, thence

Easterly along the west property line of Country Club Estates 2 Subdivision Blk 24 Tract A to a point where said line intersects with the east property line of Country Club Estates 2 Subdivision Blk 24 Lot 24B, thence

Southerly along the east property line of Country Club Estates 2 Subdivision Blk 24 Lot 24B to a point where said line intersects with the north property line of T Thomas ABST 1461 PG 256 Tract 14, thence

Easterly along the north property line of T Thomas ABST 1461 PG 256 Tract 14 to a point where said line intersects with the south property line of Casa View Heights 18 2nd Inst. Subdivision Blk 26 Tract 1, thence

Northerly along the south property line of Casa View Heights 18 2nd Inst. Subdivision Blk 26 Tract 1 to a point where said line intersects with the west property line of Casa View Heights 18 2nd Inst. Subdivision Blk 26 Tract 1, thence

Easterly along the west property line of Casa View Heights 18 2nd Inst. Subdivision Blk 26 Tract 1 to a point where said line intersects with the north ROW line of Sarazen Drive, thence

Southerly along the north ROW line of Sarazen Drive to a point where said line intersects with the east ROW line of Oates Drive, thence

Westerly along the east ROW line of Oates Drive to a point where said line intersects with the west property line of Whitson Gardens 1 Subdivision Blk A Lot 1, thence

Southerly along the west property line of Whitson Gardens 1 Subdivision Blks A and C to a point where said line intersects with the west property line of Crossroads Village Apartments Subdivision Lot 1, thence

Southerly along the west property line of Crossroads Village Apartments Subdivision Lot 1 to a point where said line intersects with the south property line of Crossroads Village Apartments Subdivision Lot 1, thence

Easterly along the south property line of Crossroads Village Apartments Subdivision Lot 1 to a point where said line intersects with the west property line of Casa View Heights 20 Subdivision Blk 1 Lot 1, thence

Southerly along the west property line of Casa View Heights 20 Subdivision Blk 1 to a point where said line intersects with the south ROW line of IH 30, thence

Westerly along the south ROW line of IH 30 to a point where said line intersects with the east property line of Towne Crossing Subdivision Blk A Lot 1R, thence

Southerly along the east property line of Towne Crossing Subdivision Blk A Lot 1R to a point where said line intersects with the south property line of Towne Crossing Subdivision Blk A Lot 1R, thence

Westerly along the south property line of Towne Crossing Subdivision Blk A Lot 1R to a point where said line intersects with the east property line of Casa Ridge Heights 1 Subdivision Blk G Lot 4, thence

Northerly along the east property line of Casa Ridge Heights 1 Subdivision Blk G to a point where said line intersects with the north property line of Casa Ridge Heights 1 Subdivision Blk G Lot 11, thence

Westerly along the north property line of Casa Ridge Heights 1 Subdivision Blk G Lot 11 and Blk F to a point where said line intersects with the west property line of Town East Commercial 9 Subdivision Blk X Lot 2, thence

Northerly along the west property line of Town East Commercial 9 Subdivision Blk X Lot 2 to a point where said line intersects with the west property line of Town East Estates 10 Subdivision Blk F Lot 9, thence

Gus Thomasson TIRZ No. 8

Boundary Description

Easterly along the south property line of Town East Estates 10 Subdivision Blk F Lot 9 to a point where said line intersects with the east property line of Town East Estates 10 Subdivision Blk E Lot 18, thence

Northerly along the east property line of Town East Estates 10 Subdivision Blk E to a point where said line intersects with the east property line of Casa View Heights 16 3rd Sec Subdivision Blk 3 Lot 22, thence

Westerly along the east property line of Casa View Heights 16 3rd Sec Subdivision Blk 3 to a point where said line intersects with the east property line of Casa View Heights 16 Subdivision Blk 3 Lot 6, thence

Northerly along the east property line of Casa View Heights 16 Subdivision Blk 3 Lot 6 to a point where said line intersects with the north property line of Casa View Heights 15 Rep Subdivision Blk 20 Lot 26B, thence

Easterly along the northern property line of Casa View Heights 15 Rep Subdivision Blk 20 Lot 26B to a point where said line intersects with the east ROW line of San Marcus Drive, thence

Northerly along the east ROW line of San Marcus Drive to a point where said line intersects with the north property line of Casa View Heights 15 Subdivision Blk 21 Lot 3R, thence

Northerly along the north property line of Casa View Heights 15 Subdivision Blk 21 Lot 3R to a point where said line intersects with the north property line of Casa View Heights 15 Subdivision Blk 1 Lot 1, thence

Westerly along the north property line of Casa View Heights 15 Subdivision Blk 1 to a point where said line intersects with the west property line of Southwestern Bell Subdivision, thence

Northerly along the west property line of Southwestern Bell Subdivision to a point where said line intersects with the north property line of Southwestern Bell Subdivision, thence

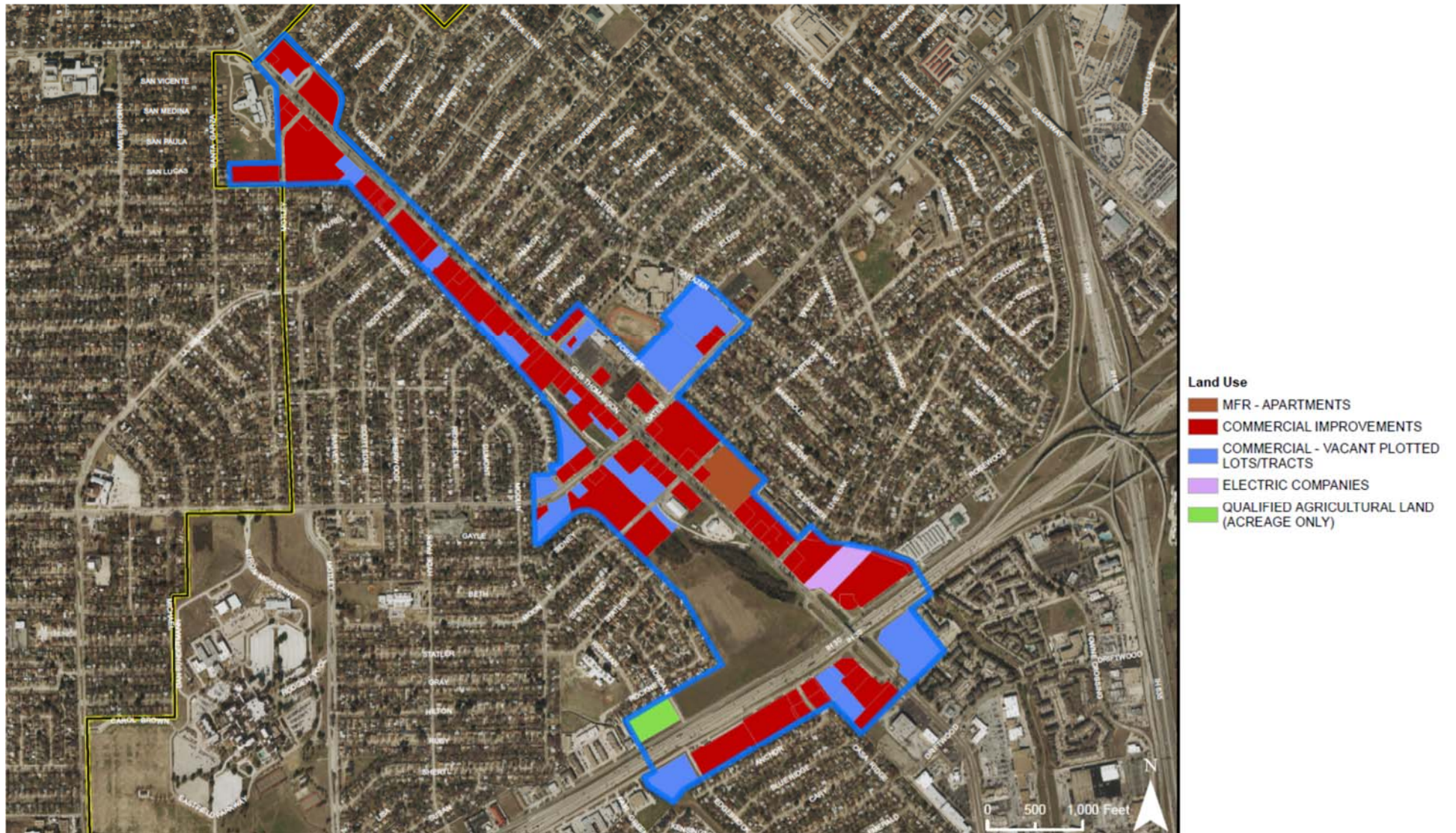
Easterly along the north property line of Southwestern Bell Subdivision to a point where said line intersects with the east property line of Larry Smith Elementary School Blk 1 Lot 1, thence

Northerly along the east property line of Larry Smith Elementary School Blk 1 Lot 1 to a point where said line intersects with the north property line of Country Club Estates Subdivision Blk 2, thence

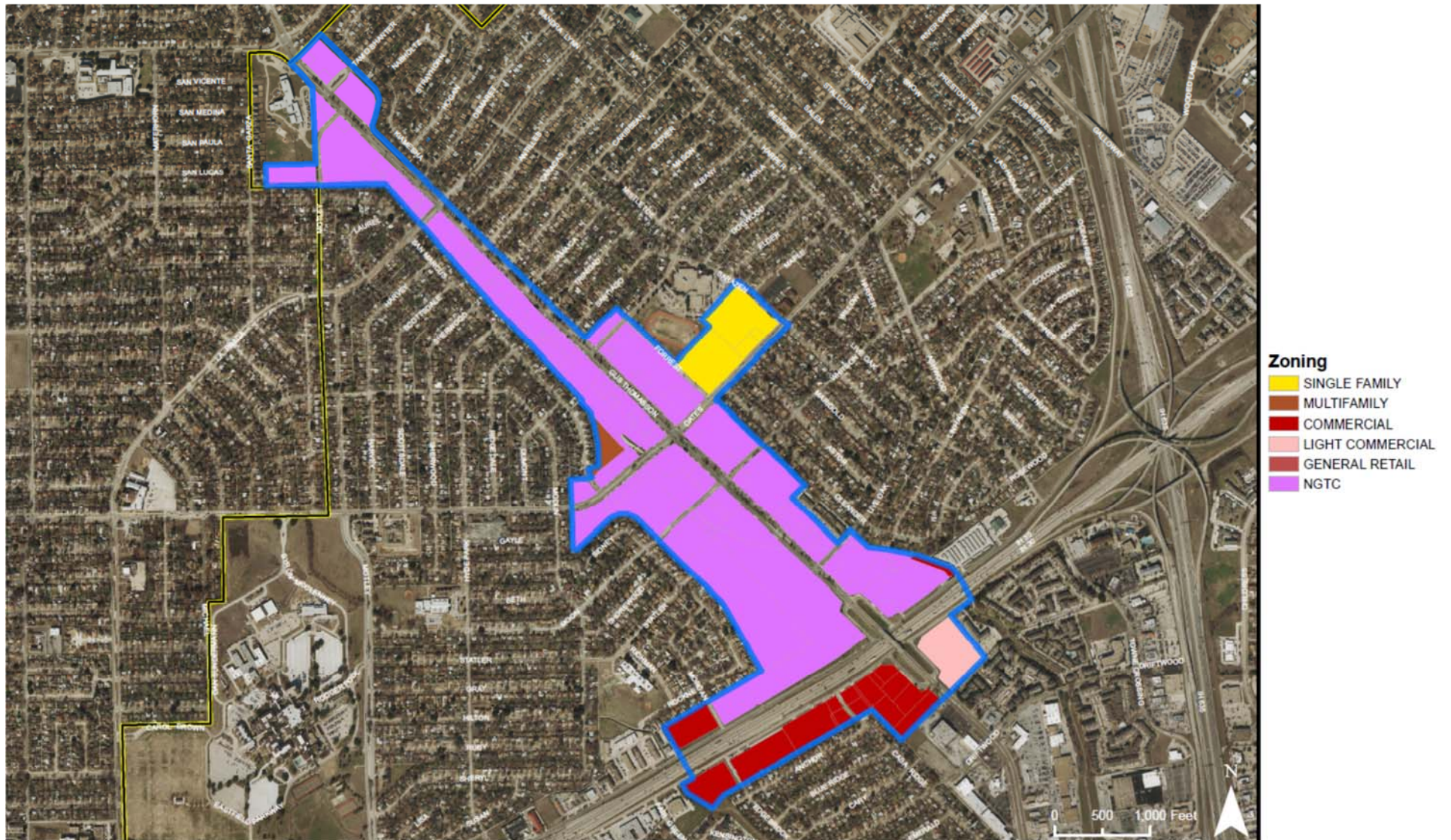
Easterly along the north property line of Country Club Estates to a point where said line intersects with the west property line of Country Club Estates 1 Subdivision, which is the point of beginning.

Gus Thomasson TIRZ No. 8

Land Use



Gus Thomasson TIRZ No. 8 Zoning



Gus Thomasson TIRZ No. 8

Zone Characteristics



At the TIRZ core is Thomasson Square, a three-block area located north of Interstate Highway 30. The area includes a mixture of retail and commercial properties, with a park and neighborhoods within walking distance. The goals of the Thomasson Square Project are:

- Transform an aging, distressed commercial area into an engaging place with new businesses and new households.
- Use investments by the City of Mesquite as a catalyst to encourage property owners to re-invest in their own properties.
- Change the current patterns of high-speed, cut-through traffic to an environment which encourages visitors and customers to stop and shop in Mesquite.

Gus Thomasson TIRZ No. 8

Market Study Assumptions

Gus Thomasson Corridor Market Analysis

In 2012, Insight Research Corporation completed an economic impact analysis that quantified the economic potential of the Thomasson Square Sustainable Communities project along a section of Gus Thomasson Road that was in decline. The study examined economic, employment and tax revenue impacts of the proposed development project under three potential development scenarios, including **High, Mid and Low Potential Performance** resulting in the encouragement of private sector development. Findings show how the mixed-use, public and private sector activities prompted by the project and a TIRZ could benefit the City, Mesquite Independent School District, the State of Texas and other local taxing jurisdictions.

The following is a summary of that study, which is on file in the Mesquite Office of Economic Development.

Preliminary Assumptions

Public Investments: With planning underway through 2012, the proposed development was to begin infrastructure construction in 2013. All three scenarios assumed a total of \$6 million in public infrastructure improvements to be made from 2012 through 2015. In addition to the basic project cost of \$4.0 million, street reconstruction would require separate upgrades to water, sewer, storm water and private utilities systems totaling \$1.5 million. A 3,000 square foot public building, which could house the project's urban design center or a police storefront, was included as a potential demonstration use. The building could invest \$450,000 in public sector construction, serve as a benchmark for form-based code improvements, and be converted at a later time to leasable space for private use.

Townhouses and Multi-Family Units: Each scenario assumed townhouse construction of some 172 units requiring capital investments of \$15.7 million. The Low scenario assumed 120 townhouse units and 52 multi-family units requiring capital investments of \$14.4 million.

Retail, Office and Restaurant Uses: Each scenario included retail, office commercial and restaurant uses, with the total square footage, capital investments and employment of these uses in each summarized in the tables which follow. The High scenario includes the greatest amount of total development, continuing through 2025. The Mid scenario is fully developed by 2022 but includes fewer square feet of development. The Low scenario has the least development, originally planned in the 2015 through 2017 timeframe, with additional components added in 2021. Summaries of the development scenarios are as follows:



Villas at Vanston Park Storefronts

Gus Thomasson TIRZ No. 8

Market Study Assumptions

High Scenario Assumptions

| Component | # Sq Ft or Units | Capital Investment | Direct Employment | Payroll |
|--------------------|---------------------|-----------------------|----------------------|---------------------|
| Public Investments | 3,000 | \$6,467,500 | 3 | \$203,400 |
| Retail | 120,000 | \$18,240,000 | 240 | \$5,760,000 |
| Office | 43,000 | \$7,847,500 | 143 | \$4,816,000 |
| Townhouse Units | 172 | \$15,712,630 | 0 | \$0 |
| Restaurant | 18,000 | \$3,492,000 | 36 | \$864,000 |
| Total | | \$51,759,630 | 422 | \$11,643,400 |

Mid Level Scenario Assumptions

| Component | # Sq Ft or Units | Capital Investment | Direct Employment | Payroll |
|--------------------|---------------------|-----------------------|----------------------|--------------------|
| Public Investments | 3,000 | \$6,467,500 | 3 | \$203,400 |
| Retail | 55,000 | \$8,360,000 | 110 | \$2,640,000 |
| Office | 12,000 | \$2,190,000 | 40 | \$1,344,000 |
| Townhouse Units | 172 | \$15,712,630 | 0 | \$0 |
| Restaurant | 18,000 | \$3,492,000 | 36 | \$864,000 |
| Total | | \$36,222,130 | 189 | \$5,051,400 |

Low Scenario Assumptions

| Component | # Sq Ft or Units | Capital Investment | Direct Employment | Payroll |
|----------------------|---------------------|-----------------------|----------------------|--------------------|
| Public Investments | 3,000 | \$6,467,500 | 3 | \$203,400 |
| Retail | 21,000 | \$3,192,000 | 42 | \$1,008,000 |
| Office | 12,000 | \$2,190,000 | 40 | \$1,344,000 |
| Townhouse & MF Units | 172 | \$14,412,630 | 0 | \$0 |
| Restaurant | 12,000 | \$2,328,000 | 24 | \$576,000 |
| Total | | \$28,590,130 | 109 | \$3,131,400 |

Gus Thomasson TIRZ No. 8

Economic Impact

Economic Impact - 2012 through 2031

Low: 302.6 Million; Mid: \$638.2 Million; High: 1,011.4 Million

Economic impact is the benefit to the general economy of the entire Dallas MSA, shown as a multiplier and generally referred to as the "economic ripple effect."

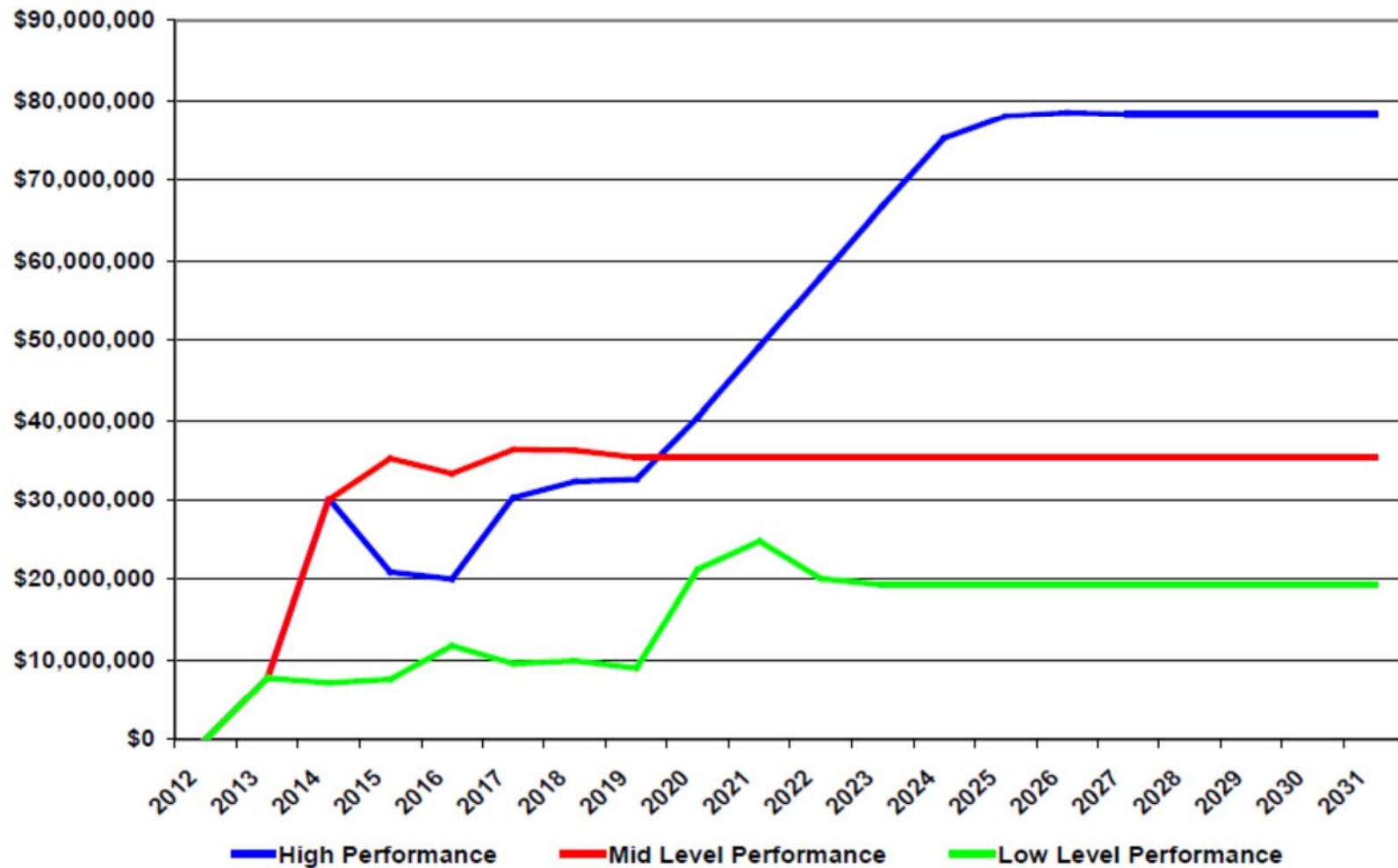
The economic impact of construction and operation of these facilities under the three levels of performance from 2012 through 2031 is shown in the following tables and charts. This impact is widely experienced and driven by all areas of construction, payroll, maintenance and operating activities. These impacts result from the following phases:

Cumulative Economic Impact Comparison *Investments from 2012 through 2031 (In Millions of Dollars)*

| | High | Mid | Low |
|--------------------|------------------|----------------|----------------|
| Public Investments | \$22.5 | \$22.5 | \$22.5 |
| Retail | \$598.8 | \$382.5 | \$107.6 |
| Office | \$258.1 | \$101.3 | \$82.7 |
| Townhouse Units | \$35.2 | \$35.2 | \$32.2 |
| Restaurant | \$96.7 | \$96.7 | \$57.6 |
| Total | \$1,011.4 | \$638.2 | \$302.6 |

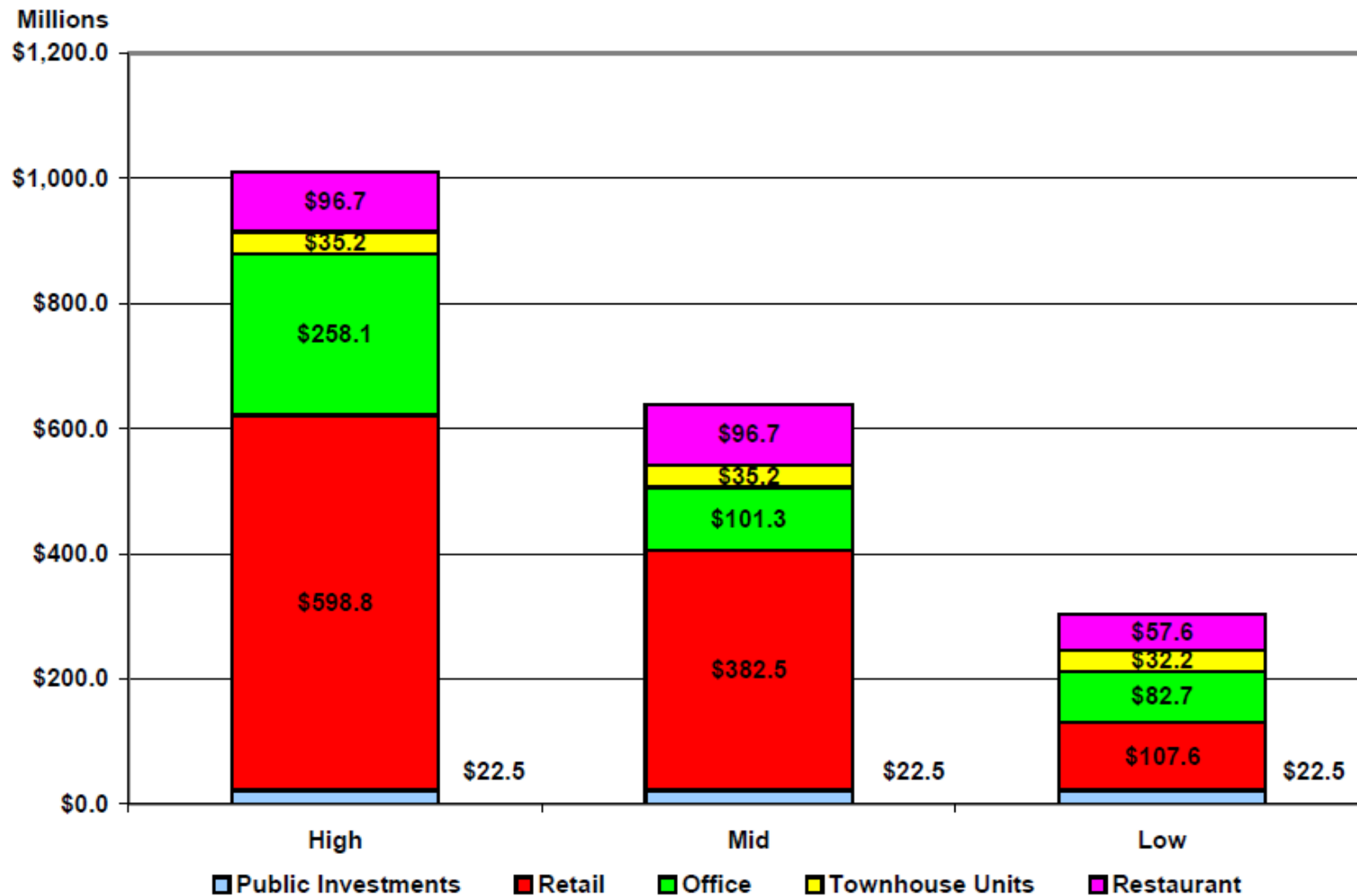
Gus Thomasson TIRZ No. 8
Annual Economic Impact Potential

Annual Economic Impact Potential, 2012 - 2031



Gus Thomasson TIRZ No. 8 Cumulative Economic Impact

Cumulative Economic Impact (In Millions of Dollars)
2012 - 2031



Gus Thomasson TIRZ No. 8

Employment Impact

Total Employment Impact - 2012 through 2031

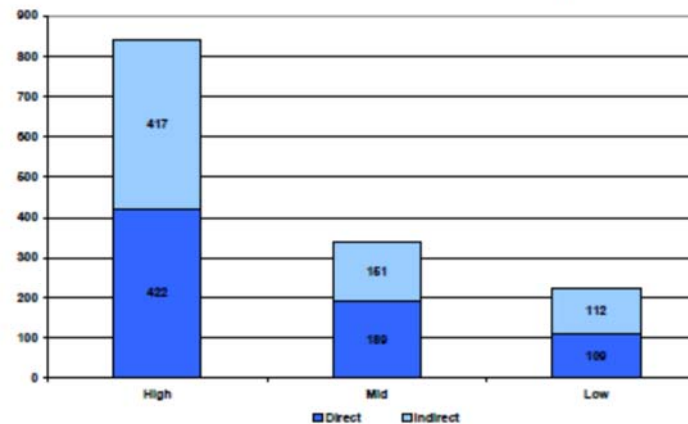
Low: 221 New Jobs; Mid: 340 New Jobs; High: 839 New Jobs

The following tables and charts illustrate the potential employment of the project's redevelopment under the three development scenarios from 2012 through 2031.

This economic impact analysis includes direct and indirect employment for both construction and operating phases. Direct employment refers to persons on the payrolls of the new residential and commercial developments, while indirect employment is generated by the purchases of goods and services by each facility and its employees.

Annual employment results at full development in 2026 are as follows:

Annual Direct and Indirect Jobs at Full Development



*Annual Direct and Indirect Jobs
At Full Development in 2026*

| | High | Medium | Low |
|----------|------|--------|-----|
| Direct | 422 | 189 | 109 |
| Indirect | 417 | 151 | 112 |
| Total | 839 | 340 | 221 |

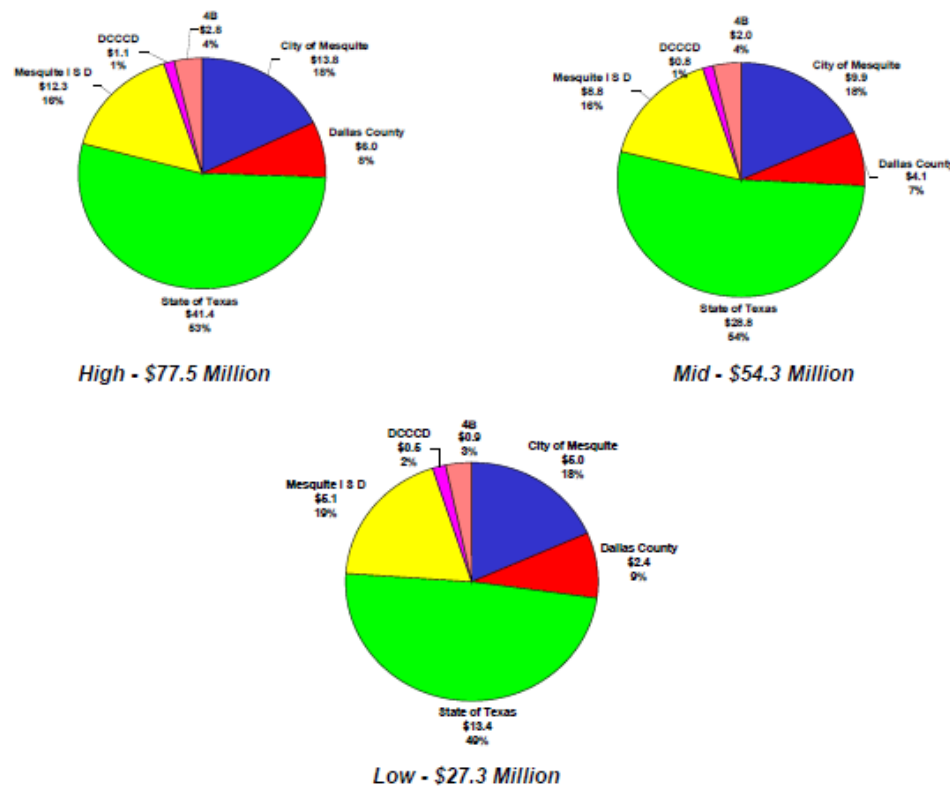
Gus Thomasson TIRZ No. 8

Cumulative Impact by Jurisdiction

Tax Revenue Impacts - Cumulative 2012 through 2031
Low: \$27.3 Million; Mid: \$57.3 Million; High: \$77.5 Million

Direct tax revenue impact refers to the new tax revenue potential from private sector owners and employers within Thomasson Square's new development, while indirect taxes are revenue benefits to the state and local jurisdictions as a result of employment and other taxable spending. Direct tax revenue streams may be available to investment or financing commitments under certain agreements. Indirect revenue streams are not investment-grade, but reflect the "ripple effect" of potential taxes which can flow to each jurisdiction. Tax revenue potential from the Thomasson Square redevelopment over the twenty-year period is compared in the following graphics and tables.

Cumulative Direct and Indirect New Taxes, 2012 through 2031



Tax Increment Captured Value Annual Revenue and Expenditure Projections 2016-2025

| | | | | | | | | | | | |
|--|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| CITY OF MESQUITE, TEXAS | | | | | | | | | | | |
| Gus Thomasson TIF #8 | | | | | | | | | | | |
| As of April 30, 2017 | | | | | | | | | | | |
| | | Base Year | Actual | Proposed | Proposed | Proposed | Proposed | Proposed | Proposed | Proposed | Proposed |
| | | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
| TIF Base Value & Cumulative Growth (for calculations) | | \$ 38,317,827 | \$ 43,974,948 | \$ 47,053,194 | \$ 49,876,386 | \$ 52,370,205 | \$ 54,465,014 | \$ 56,643,614 | \$ 58,626,141 | \$ 60,384,925 | \$ 61,592,623 |
| Projected % growth in taxable value | | | | 7.0% | 6.0% | 5.0% | 4.0% | 4.0% | 3.5% | 3.0% | 2.0% |
| Taxable Value Changes: | | | | | | | | | | | |
| Beginning TIF Value Increase | | \$ - | \$ - | \$ 5,657,121 | \$ 29,985,367 | \$ 35,508,559 | \$ 51,882,378 | \$ 60,777,187 | \$ 72,155,787 | \$ 83,978,314 | \$ 101,837,098 |
| Appraised Value Annual Growth | | - | 5,657,121 | 3,078,246 | 2,823,192 | 2,493,819 | 2,094,808 | 2,178,601 | 1,982,526 | 1,758,784 | 1,207,698 |
| Development: | | | | | | | | | | | |
| Villas at Vanston Park | | | | 18,000,000 | | | | | | | |
| Future Development Projected: | | | | | | | | | | | |
| Texaco | | | | 450,000 | | | | | | | |
| Ace & Car Wash Site | | | | 2,800,000 | | | | | | | |
| Broadway 1 | | | | | | 880,000 | | | | | |
| Broadway 2 | | | | | | | 2,200,000 | | | | |
| Northwest Side 3 parcels | | | | | 2,700,000 | | | | | | |
| I-30 Parcel 1 | | | | | | 13,000,000 | | | | | |
| I-30 Parcel 2 | | | | | | | 4,600,000 | | | | |
| I-30 Parcel 3 | | | | | | | | 9,200,000 | | | |
| I-30 Parcel 4 | | | | | | | | | 8,400,000 | | |
| I-30 Parcel 5 | | | | | | | | | | 15,000,000 | |
| Underdeveloped 1 | | | | | | | | | 1,440,000 | | |
| Underdeveloped 2 | | | | | | | | | | 1,100,000 | |
| | | - | - | - | - | - | - | - | - | - | - |
| Ending TIF Value Increase | | \$ - | \$ 5,657,121 | \$ 29,985,367 | \$ 35,508,559 | \$ 51,882,378 | \$ 60,777,187 | \$ 72,155,787 | \$ 83,978,314 | \$ 101,837,098 | \$ 103,044,796 |
| City Tax Rate | | 0.6400 | 0.6870 | 0.6870 | 0.6870 | 0.7340 | 0.7340 | 0.7340 | 0.7340 | 0.7340 | 0.7340 |
| TIF Participation Percentage | | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% |
| County Tax Rate | | 0.24310 | 0.24310 | 0.24310 | 0.24310 | 0.24310 | 0.24310 | 0.24310 | 0.24310 | 0.24310 | 0.24310 |
| TIF Participation Percentage | | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Revenues: | | | | | | | | | | | |
| City of Mesquite | | \$ - | \$ 29,148 | \$ 154,500 | \$ 182,958 | \$ 285,612 | \$ 334,578 | \$ 397,218 | \$ 462,301 | \$ 560,613 | \$ 567,262 |
| Dallas County | | - | - | - | - | - | - | - | - | - | - |
| Total Revenues | | \$ - | \$ 29,148 | \$ 154,500 | \$ 182,958 | \$ 285,612 | \$ 334,578 | \$ 397,218 | \$ 462,301 | \$ 560,613 | \$ 567,262 |
| Expenditures: | | | | | | | | | | | |
| City: | | | | | | | | | | | |
| Administrative Fee | | \$ 950,000 | \$ - | \$ - | \$ 100,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 |
| Gus Thomasson TIF Projects | | 7,791,462 | - | - | 75,000 | 125,000 | 225,000 | 300,000 | 350,000 | 400,000 | 525,000 |
| | | - | - | - | - | - | - | - | - | - | - |
| Total Expenditures | | \$ 8,741,462 | \$ - | \$ - | \$ 175,000 | \$ 175,000 | \$ 275,000 | \$ 350,000 | \$ 400,000 | \$ 450,000 | \$ 575,000 |
| Excess (Deficiency) Revenues over | | - | 29,148 | (20,500) | 7,958 | 10,612 | (15,422) | (2,782) | 12,301 | 10,613 | (7,738) |
| Expenditures | | | | | | | | | | | |
| Beginning Fund Balance, Oct 1 | | - | - | 29,148 | 8,648 | 16,606 | 27,218 | 11,797 | 9,014 | 21,315 | 31,928 |
| Ending Fund Balance, Sep 30 | | \$ - | \$ 29,148 | \$ 8,648 | \$ 16,606 | \$ 27,218 | \$ 11,797 | \$ 9,014 | \$ 21,315 | \$ 31,928 | \$ 24,190 |

Tax Increment Captured Value Annual Revenue and Expenditure Projections 2026-2035

| | | | | | | | | | | | | |
|--|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
| CITY OF MESQUITE, TEXAS | | | | | | | | | | | | |
| Gus Thomasson TIF #8 | | | | | | | | | | | | |
| As of April 30, 2017 | | | | | | | | | | | | |
| | | | | | | | | | | | | Total |
| | | Proposed | Proposed | Proposed | Proposed | Proposed | Proposed | Proposed | Proposed | Proposed | Proposed | All |
| | | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 2030-31 | 2031-32 | 2032-33 | 2033-34 | 2034-35 | Years |
| TIF Base Value & Cumulative Growth (for calculations) | | \$ 61,900,586 | \$ 62,210,089 | \$ 62,521,140 | \$ 62,833,745 | \$ 63,147,914 | \$ 63,463,654 | \$ 63,780,972 | \$ 64,099,877 | \$ 64,420,376 | \$ 64,742,478 | |
| Projected % growth in taxable value | | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | |
| Taxable Value Changes: | | | | | | | | | | | | |
| Beginning TIF Value Increase | | \$ 103,044,798 | \$ 103,352,759 | \$ 103,662,262 | \$ 103,973,313 | \$ 104,285,918 | \$ 104,600,087 | \$ 104,915,827 | \$ 105,233,145 | \$ 105,552,050 | \$ 105,872,549 | |
| Appraised Value Annual Growth | | 307,963 | 309,503 | 311,050 | 312,608 | 314,169 | 315,740 | 317,318 | 318,905 | 320,499 | 322,102 | |
| Development: | | | | | | | | | | | | |
| Villas at Vanston Park | | | | | | | | | | | | |
| Future Development Projected: | | | | | | | | | | | | |
| Texaco | | | | | | | | | | | | |
| Ace & Car Wash Site | | | | | | | | | | | | |
| Broadway 1 | | | | | | | | | | | | |
| Broadway 2 | | | | | | | | | | | | |
| Northwest Side 3 parcels | | | | | | | | | | | | |
| I-30 Parcel 1 | | | | | | | | | | | | |
| I-30 Parcel 2 | | | | | | | | | | | | |
| I-30 Parcel 3 | | | | | | | | | | | | |
| I-30 Parcel 4 | | | | | | | | | | | | |
| I-30 Parcel 5 | | | | | | | | | | | | |
| Underdeveloped 1 | | | | | | | | | | | | |
| Underdeveloped 2 | | | | | | | | | | | | |
| | | - | - | - | - | - | - | - | - | - | - | |
| Ending TIF Value Increase | | \$ 103,352,759 | \$ 103,662,262 | \$ 103,973,313 | \$ 104,285,918 | \$ 104,600,087 | \$ 104,915,827 | \$ 105,233,145 | \$ 105,552,050 | \$ 105,872,549 | \$ 106,194,651 | |
| City Tax Rate | | 0.7340 | 0.7340 | 0.7340 | 0.7340 | 0.7340 | 0.7340 | 0.7340 | 0.7340 | 0.7340 | 0.7340 | |
| TIF Participation Percentage | | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | 75% | |
| County Tax Rate | | 0.24310 | 0.24310 | 0.24310 | 0.24310 | 0.24310 | 0.24310 | 0.24310 | 0.24310 | 0.24310 | 0.24310 | |
| TIF Participation Percentage | | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | |
| Revenues: | | | | | | | | | | | | |
| City of Mesquite | | \$ 568,957 | \$ 570,661 | \$ 572,373 | \$ 574,094 | \$ 575,823 | \$ 577,562 | \$ 579,308 | \$ 581,064 | \$ 582,828 | \$ 584,602 | \$ 8,741,462 |
| Dallas County | | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenues | | \$ 568,957 | \$ 570,661 | \$ 572,373 | \$ 574,094 | \$ 575,823 | \$ 577,562 | \$ 579,308 | \$ 581,064 | \$ 582,828 | \$ 584,602 | \$ 8,741,462 |
| Expenditures: | | | | | | | | | | | | |
| City: | | | | | | | | | | | | |
| Administrative Fee | \$ 950,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 950,000 |
| Gus Thomasson TIF Projects | 7,791,462 | 525,000 | 525,000 | 525,000 | 525,000 | 525,000 | 525,000 | 525,000 | 525,000 | 540,000 | 551,462 | 7,791,462 |
| | | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditures | \$ 8,741,462 | \$ 575,000 | \$ 575,000 | \$ 575,000 | \$ 575,000 | \$ 575,000 | \$ 575,000 | \$ 575,000 | \$ 575,000 | \$ 590,000 | \$ 601,462 | \$ 8,741,462 |
| Excess (Deficiency) Revenues over | | (6,043) | (4,339) | (2,627) | (906) | 823 | 2,562 | 4,308 | 6,064 | (7,172) | (16,860) | 0 |
| Expenditures | | | | | | | | | | | | |
| Beginning Fund Balance, Oct 1 | | 24,190 | 18,147 | 13,807 | 11,181 | 10,274 | 11,098 | 13,660 | 17,968 | 24,032 | 16,860 | - |
| Ending Fund Balance, Sep 30 | | \$ 18,147 | \$ 13,807 | \$ 11,181 | \$ 10,274 | \$ 11,098 | \$ 13,660 | \$ 17,968 | \$ 24,032 | \$ 16,860 | \$ 0 | 0 |

Gus Thomasson TIRZ No. 8

Project Plan and Costs

| CITY OF MESQUITE Gus Thomasson TIF #8 As of April 30, 2017 | |
|--|--|
| TAXABLE VALUE | |

| | |
|---|---------------------|
| TIF Tax Value-FY2017 | \$ 43,974,948 |
| Base Tax Year Value - 2015 | <u>38,317,827</u> |
| Total Value Increase (Note: TIF only receives 75% of the incremental value) | <u>\$ 5,657,121</u> |
| Percent Increase | <u>14.76%</u> |

| REVENUES |
|----------|
|----------|

| | |
|--|---------------------|
| Total Revenues Projected Through 2044-45 | <u>\$ 8,741,462</u> |
| Total Revenues Received To Date | <u>\$ 29,148</u> |

| PUBLIC IMPROVEMENT PROJECTS |
|-----------------------------|
|-----------------------------|

| Advanced Funded By | Total Project Cost | Year Completed | Approved TIF Reimbursement Amount | Amount Paid As Of 9/30/2017 | Balance |
|----------------------------|--------------------|----------------|-----------------------------------|-----------------------------|---------------------|
| CITY | | | | | |
| Administrative Fee | \$ 950,000 | | \$ 950,000 | \$ - | \$ 950,000 |
| Gus Thomasson TIF Projects | - | | 7,791,462 | - | 7,791,462 |
| TOTALS | <u>\$ 950,000</u> | | <u>\$ 8,741,462</u> | <u>\$ -</u> | <u>\$ 8,741,462</u> |
| | | | | | <u>\$ 0</u> |

Gus Thomasson TIRZ No. 8

Designation Ordinance No. 4402

Creation of Gus Thomasson TIF Reinvestment Zone No. Eight/November 2, 2015
Page 2 of 4

ORDINANCE NO. 4402

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, DESIGNATING A CERTAIN AREA FOR A TAX INCREMENT FINANCING DISTRICT TO BE KNOWN AS THE GUS THOMASSON TAX INCREMENT FINANCE REINVESTMENT ZONE NO. EIGHT, CITY OF MESQUITE, TEXAS; ESTABLISHING THE BOUNDARIES THEREOF; ESTABLISHING A BOARD OF DIRECTORS FOR SUCH REINVESTMENT ZONE AND OTHER MATTERS RELATING THERETO; PROVIDING FOR A REPEALER CLAUSE; PROVIDING FOR A SEVERABILITY CLAUSE; AND DECLARING AN EFFECTIVE DATE THEREOF.

WHEREAS, the City Council of the City of Mesquite, Texas (the "City"), desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone in compliance with Section 311.005(a)(2) of the Tax Increment Financing Act, V.T.C.A., Tax Code, Chapter 311 (the "Act") for tax increment financing; and

WHEREAS, in compliance with the Act, a preliminary reinvestment zone financing plan for the proposed reinvestment zone has been prepared; and

WHEREAS, in compliance with the Act, the City has called a public hearing to hear comments on the creation of the proposed reinvestment zone and its benefits to the City and the property in the proposed reinvestment zone; and

WHEREAS, a public hearing has been set for 7:00 p.m. on November 2, 2015, such date being at least seven days after the date of publication of the notice of such public hearing in a newspaper of general circulation in the City; and

WHEREAS, the City held such public hearing after publishing notice of such public hearing as required by law; and

WHEREAS, the City has provided a reasonable opportunity for the owners of property within the proposed reinvestment zone to protest the inclusion of their property in the proposed reinvestment zone; and

WHEREAS, at such hearing the City invited all interested persons to speak for or against the creation of the proposed reinvestment zone, its approval by the City Council, the boundaries of the proposed reinvestment zone and/or the concept of tax increment financing; and

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone, and opponents of the reinvestment zone, if any, appeared to contest creation of the reinvestment zone.

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

SECTION 1. That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct.

SECTION 2. That the City Council, after conducting such hearing and having heard such evidence and testimony, has made the following additional findings and determinations based on the testimony and evidence presented to it:

- a. That a preliminary reinvestment zone financing plan for the proposed reinvestment zone has been prepared, a public hearing on the adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by law and that owners of property within the proposed reinvestment zone have been given a reasonable opportunity to protest the inclusion of their property in the proposed reinvestment zone; and
- b. That the boundaries of the reinvestment zone should be the area shaded in yellow as depicted on the map attached hereto as Exhibit "A" and made a part hereof for all purposes; and
- c. That the reinvestment zone as depicted as the area shaded in yellow on the map attached hereto as Exhibit "A" is a contiguous geographic area located wholly within the corporate limits of the City; and
- d. That improvements in the reinvestment zone created herein will significantly enhance the value of all the taxable real property in the reinvestment zone and will be of general benefit to the City; and
- e. That the reinvestment zone as depicted as the area shaded in yellow on the map attached hereto as Exhibit "A" meets the criteria for the creation of a reinvestment zone as set forth in Section 311.005 of the Act in that the area within the proposed reinvestment zone is predominately open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City; and
- f. That 30 percent or less of the property in the proposed reinvestment zone, excluding property that is publicly owned, is used for residential purposes, which is defined in the Act as property occupied by a house having fewer than five living units; and
- g. That the total appraised value of taxable real property in the proposed reinvestment zone according to the most recent appraisal rolls of the City, together with the total appraised value of taxable real property in existing reinvestment zones within the City, according to the most recent appraisal rolls of the City, does not exceed 25 percent of the total appraised value of taxable real property in the City and in the industrial districts created by the City, if any; and

Gus Thomasson TIRZ No. 8

Designation Ordinance No. 4402

Creation of Gus Thomasson TIF Reinvestment Zone No. Eight/November 2, 2015
Page 3 of 4

- h. That the improvements in the reinvestment zone will significantly enhance the value of all taxable real property in the reinvestment zone;
- i. That development or redevelopment of the property in the proposed reinvestment zone will not occur solely through private investment in the reasonably foreseeable future; and
- j. That the proposed reinvestment zone will promote development or redevelopment of the property within the proposed reinvestment zone.

SECTION 3. That pursuant to the Act, the City hereby creates a reinvestment zone for tax increment financing encompassing only the area shaded in yellow as depicted on the map attached hereto as Exhibit "A" and made a part hereof for all purposes and such reinvestment zone is hereby designated and shall hereafter be designated as the Gus Thomasson Tax Increment Finance Reinvestment Zone No. Eight, City of Mesquite, Texas (the "Zone").

SECTION 4. That the Zone shall take effect on November 2, 2015, immediately upon passage of this ordinance, and that the termination of the Zone shall occur on the earlier of: (i) December 31, 2035; or (ii) an earlier or later termination date designated by an ordinance adopted under Section 311.007(c) of the Act; or (iii) on the date on which all project costs and tax increment bonds, if any, and the interest thereon, and other obligations of the Zone have been paid in full.

SECTION 5. That there is hereby created a board of directors for the Zone which shall consist of seven members. The Board of Directors for the Zone ("Board") shall be appointed by the City Council as follows:

- a. The initial Board shall be appointed by the governing body of the City within 60 days after the passage of this ordinance or within a reasonable time thereafter. All members appointed to the Board shall meet the eligibility requirements as set forth in the Act.
- b. The terms of the Board members shall be for two-year terms. Each year the City Council shall appoint one member of the Board to serve as Chairman of the Board for a term of one year that begins on January 1 of the following year. The Board shall elect from its members, a Vice Chairman to preside in the absence of the Chairman or when there is a vacancy in the office of Chairman, and other officers as it considers appropriate.
- c. The Board shall make recommendations to the City Council concerning the administration of the Act in the Zone. The Board shall prepare and adopt a project plan and reinvestment zone financing plan for the Zone and must submit such plans to the City Council for its approval. The Board shall possess all powers necessary to prepare, implement, and monitor the project plan for the Zone as the City Council considers advisable, including the submission of an annual report on the status of the Zone provided, however, the Board is not authorized to

Creation of Gus Thomasson TIF Reinvestment Zone No. Eight/November 2, 2015
Page 4 of 4

issue bonds, impose taxes or fees, exercise the power of eminent domain or give final approval to the project plan for the Zone.

SECTION 6. That there is hereby created and established a tax increment fund for the Zone ("Tax Increment Fund") which may be divided into such subaccounts as may be authorized by subsequent resolution or ordinance, into which 75 percent of the tax increments of the City (as described in Section 311.012 of the Act), less any of the amounts not required to be paid into the Tax Increment Fund pursuant to the Act, are to be deposited. The Tax Increment Fund and any subaccounts are to be maintained in an account at the depository bank of the City and shall be secured in the manner prescribed by law. In addition, all revenues from the sale of any tax increment bonds or notes, revenues from the sale of any property acquired as part of the tax increment financing plan and other revenues to be used in the Zone shall be deposited into the Tax Increment Fund or subaccount from which money may be disbursed only to satisfy claims of holders of tax increment bonds or notes issued for the Zone, to pay project costs for the Zone, to make payments pursuant to an agreement made under Section 311.010(b) of the Act dedicating revenue from the Tax Increment Fund, or to repay other obligations incurred for the Zone.

SECTION 7. That all ordinances or portions thereof in conflict with the provisions of this ordinance, to the extent of such conflict, are hereby repealed. To the extent that such ordinances or portions thereof are not in conflict herewith, the same shall remain in full force and effect.

SECTION 8. That should any word, sentence, clause, paragraph or provision of this ordinance be held to be invalid or unconstitutional, the validity of the remaining provisions of this ordinance shall not be affected and shall remain in full force and effect.

SECTION 9. That this ordinance shall take effect immediately upon passage of this ordinance.

DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 2nd day of November, 2015.


Stan Pickett
Mayor

ATTEST:


Sonja Land
City Secretary

APPROVED:


B. J. Smith
City Attorney

