

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, AMENDING ORDINANCE NO. 4713, PREVIOUSLY APPROVED BY THE CITY COUNCIL ON SEPTEMBER 16, 2019, TO INCREASE THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER THIRTEEN, CITY OF MESQUITE, TEXAS (SPRADLEY FARMS), FROM SEVEN (7) MEMBERS TO NINE (9) MEMBERS AND TO PROVIDE THAT THE TWO (2) ADDITIONAL MEMBERS WILL BE DESIGNATED BY KAUFMAN COUNTY, TEXAS; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE THEREOF.

WHEREAS, the City of Mesquite, Texas (“**City**”), established Reinvestment Zone Number Thirteen, City of Mesquite, Texas (Spradley Farms) (the “**Zone**”), and established a Board of Directors for the Zone to promote development or redevelopment in the Zone pursuant to Ordinance No. 4713 approved by the City Council of the City (the “**City Council**”) on September 16, 2019 (“**Ordinance No. 4713**”), in accordance with the Tax Increment Financing Act, V.T.C.A, Tax Code, Chapter 311 (the “**Act**”); and

WHEREAS, the Zone consists of approximately 652 acres of undeveloped property generally located between FM 2757 and IH-20 and North of IH-20 East of FM 740 within the corporate limits of the City in Kaufman County, Texas (the “**County**”), the boundaries of the Zone being more particularly described in Exhibit “A” attached to Ordinance No. 4713 and depicted on the map attached as Exhibit “B” to Ordinance No. 4713; and

WHEREAS, on November 4, 2019, the City Council adopted Resolution No. 74-2019, approving a Master Development Agreement between the City, the Board of Directors of the Zone (the “**TIRZ Board**”), and Spradley Farms, Ltd., regarding the development of approximately 622 acres of land within the Zone as a mixed use planned development consisting of residential and commercial components and other associated uses, and being commonly referred to as “Spradley Farms”; and

WHEREAS, on November 4, 2019, the TIRZ Board prepared and adopted a project plan and reinvestment zone financing plan for the Zone, which was subsequently approved by the City Council on November 4, 2019, pursuant to Ordinance No. 4734; and

WHEREAS, on July 6, 2020, the City Council by Resolution No. 25-2020 authorized the City Manager to finalize and execute an Amended and Restated Master Development Agreement, dated July 6, 2020, between the City, the TIRZ Board and Spradley Farms, Ltd., regarding the development of Spradley Farms; and

WHEREAS, on July 6, 2020, the TIRZ Board prepared and approved an amended project plan and reinvestment zone financing plan for the Zone, which was subsequently approved by the City Council on July 6, 2020, pursuant to Ordinance No. 4790; and

WHEREAS, Ordinance No. 4790 approved by the City Council on July 6, 2020, amended Ordinance No. 4713; and

WHEREAS, the amended project plan and reinvestment zone financing plan for the Zone anticipates participation by the City at 60 percent of the City's incremental ad valorem tax for 45 years and participation by the County at 55 percent of the County's Maintenance and Operations incremental ad valorem tax for 35 years for a combined contribution to the tax increment fund of the Zone not to exceed \$159,000,000; and

WHEREAS, pursuant to Section 311.013(f) of the Act, the County is not required to pay any tax increment into the tax increment fund of the Zone unless it enters into an agreement to do so with the City; and

WHEREAS, the County's participation in the Zone will enable development of property in the Zone to occur that would not occur otherwise in the foreseeable future and it is anticipated that other complementary development in the Zone will follow such that this overall development will result in increased tax revenues and other public benefits for both the City and the County; and

WHEREAS, the County's participation in the Zone will benefit the City and its citizens; and

WHEREAS, the City and the County entered into that certain Agreement to Participate in Tax Increment Reinvestment Zone Number Thirteen, City of Mesquite, Texas (Spradley Farms) executed by the County on August 25, 2020, and executed by the City on September 22, 2020 (the "**Tax Participation Agreement**"); and

WHEREAS, the Tax Participation Agreement was approved by the Commissioners Court of Kaufman County, Texas, on August 25, 2020, and was approved by the City Council on September 21, 2020, pursuant to Resolution No. 43-2020; and

WHEREAS, pursuant to the Tax Participation Agreement, the City and the County agreed that during the term of the Zone, the TIRZ Board shall include two (2) County representatives and the remaining members of the TIRZ Board shall be designated by the City Council; and

WHEREAS, pursuant to City Ordinance No. 4713, the TIRZ Board consists of seven (7) members all appointed by the City Council; and

WHEREAS, the City Council desires to amend Ordinance No. 4713 to increase the number of members on the TIRZ Board from seven (7) members to nine (9) members and to provide that the two (2) additional members on the TIRZ Board shall be representatives designated by the County; and

WHEREAS, increasing the number of members on the TIRZ Board from seven (7) members to nine (9) members and providing that the two (2) additional members of the TIRZ Board shall be representatives designated by the County facilitates the agreement of the City and the County as set forth in the Tax Participation Agreement and is the best interest of the City and its citizens.

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 and are incorporated and adopted as part of this ordinance for all purposes.

SECTION 2. That the TIRZ Board is hereby increased from seven (7) members to nine (9) members. The two (2) additional members of the TIRZ Board shall be appointed by the City Council but shall be designated by Kaufman County, Texas. Accordingly, effective as of the date of this ordinance, Section 4(a) of Ordinance No. 4713 is hereby amended by:

- (i) deleting the words “consisting of seven (7) members all appointed by the City Council” and replacing those words with “consisting of nine (9) members all appointed by the City Council provided, however, Kaufman County, Texas (the “County”) shall designate two (2) County representatives to serve on the Board and the City Council shall appoint the two (2) representatives designated by the County to serve as members of the Board”; and
- (ii) adding “Members of the Commissioners Court of Kaufman County, Texas, may serve as Board members.”

SECTION 3. That Ordinance No. 4713 shall further be amended by:

- (i) deleting the words “The City Council may remove and replace Board members at any time during a term” in Section 4(e) of Ordinance No. 4713; and
- (ii) replacing those words with the following “The City Council may remove and replace Board members at any time during a term provided, however, the City Council shall not remove and replace any Board member appointed to the Board who was designated by the County to serve on the Board unless requested by the County to do so.”

SECTION 4. That Ordinance No. 4713 will remain in full force and effect, save and except as expressly amended by Ordinance No. 4790 and this ordinance.

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, and the amendments to Ordinance No. 4713 set forth herein, are expressly conditioned upon the County approving this ordinance as an amendment to the Tax Participation Agreement.

SECTION 8. That this ordinance shall take effect immediately upon the execution by the City and the County of an amendment to the Tax Participation Agreement approving this ordinance as an amendment to the Tax Participation Agreement.

DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 7th day of December 2020.

Bruce Archer
Mayor

ATTEST:

APPROVED AS TO LEGAL FORM:

Sonja Land
City Secretary



David L. Paschall
City Attorney