



**REINVESTMENT ZONE NUMBER ELEVEN, CITY OF MESQUITE, TEXAS  
(HEARTLAND TOWN CENTER)**

**BOARD OF DIRECTORS MEETING  
CITY COUNCIL CHAMBERS  
757 NORTH GALLOWAY AVENUE  
MESQUITE, TEXAS 75149  
APRIL 20, 2020 – 4:30 p.m.**

**AGENDA**

**IN ACCORDANCE WITH THE GOVERNOR’S SUSPENSION OF VARIOUS PROVISIONS OF THE TEXAS OPEN MEETINGS ACT ISSUED PURSUANT TO HIS STATE DISASTER AUTHORITY, AND GUIDANCE ISSUED ON THE SUSPENSION BY THE ATTORNEY GENERAL’S OFFICE:**

- 1. A QUORUM OF THE BOARD OF DIRECTORS WILL PARTICIPATE IN THE MEETING BY VIDEOCONFERENCE, TELEPHONE OR BY BEING PHYSICALLY PRESENT AT THE MEETING LOCATION.**
  - 2. THE CITY COUNCIL CHAMBER LOCATED AT 757 NORTH GALLOWAY AVENUE, MESQUITE, TEXAS (“MEETING LOCATION”) WILL NOT BE OPEN TO THE PUBLIC.**
  - 3. APPLICANTS HAVING MATTERS ON THE AGENDA MAY PARTICIPATE BY VIDEOCONFERENCE, TELEPHONE OR BY APPEARING AT THE MEETING LOCATION.**
  - 4. MEMBERS OF THE PUBLIC MAY PARTICIPATE BY VIDEOCONFERENCE OR TELEPHONE.**
  - 5. THOSE PARTICIPATING BY VIDEOCONFERENCE OR TELEPHONE MAY DO SO AS FOLLOWS:**
    - a. FOR FREE-OF-CHARGE VIDEOCONFERENCE, USE A COMPUTER OR SMART DEVICE TO VIDEOCONFERENCE INTO THE MEETING USING A SERVICE PROVIDED BY ZOOM AT <https://zoom.us/j/370735482> (ADVANCED LOADING OF APPLICATION/SOFTWARE IS REQUIRED).**
    - b. FOR TELEPHONE, DIAL ONE OF THE FOLLOWING TOLL-FREE DIAL-IN NUMBERS: 877-853-5257 or 888-475-4499. THE PARTICIPATION CODE (MEETING ID) FOR THIS TELEPHONE CONFERENCE IS: 370 735 482 # #.**
  - 6. APPLICANTS PRESENT AT THE MEETING LOCATION MUST OBSERVE SOCIAL DISTANCING BY REMAINING A MINIMUM OF SIX (6) FEET FROM OTHER MEETING PARTICIPANTS.**
  - 7. THE MEETING WILL BE AUDIBLE TO ALL PARTICIPANTS AND ALLOW FOR THEIR TWO-WAY COMMUNICATION. COMMENTS MAY BE MADE DURING THE MEETING OR BY SUBMISSION ON OR BEFORE 3:00 P.M. ON APRIL 20, 2020 TO THE FOLLOWING EMAIL ADDRESS: [SLAND@CITYOFMESQUITE.COM](mailto:SLAND@CITYOFMESQUITE.COM)**
  - 8. AN ELECTRONIC COPY OF THE AGENDA PACKET IS POSTED ONLINE WITH THIS AGENDA.**
  - 9. THE MEETING WILL BE RECORDED AND THE RECORDING MADE AVAILABLE TO THE PUBLIC.**
- I. Call to order.**

- II. Approve the minutes of the Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center) Board of Director's meeting held on June 18, 2018.**
  - III. Consider adoption of an amended project plan and reinvestment zone financing plan for Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center) (the "Zone"), and recommend approval of the amended project plan and reinvestment zone financing plan to the City Council of the City of Mesquite, Texas: (i) increasing the total estimated project costs for the Zone; (ii) extending the term of the Zone for an additional seven years to expire December 31, 2055; and (iii) enlarging the boundaries and increasing the geographic area of the Zone to include a tract of land consisting of approximately 1.935 acres of land generally located south of IH-20, east of FM 741 and north of Heartland Parkway in Kaufman County, Texas, and being located within the corporate limits of the City of Mesquite, Texas.**
  - IV. Consider adoption of Resolution No. 2020-01 approving a Reimbursement Agreement between the Board, City of Mesquite, Texas, and Heartland Retail, LLC, regarding the reimbursement of project costs for public improvements within the retail tract of the Zone, authorizing the Chairman of the Board to execute the Reimbursement Agreement and take such actions and execute such other documents as are necessary or advisable to consummate the transactions contemplated in the Reimbursement Agreement.**
- V. Adjournment.**

**A QUORUM OF THE CITY COUNCIL WILL BE PRESENT AT THE MEETING  
BY VIDEOCONFERENCE, TELEPHONE OR BY BEING  
PHYSICALLY PRESENT AT THE MEETING LOCATION**

Pursuant to Section 551.071 of the Texas Government Code, a closed executive session may be held if the discussion of any of the above Agenda items concerns a matter in which the duty of the attorney to Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center) under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code.

Following discussions in executive session, the members of the Board of Directors of Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center), will reconvene in open session where any final action regarding executive session items will be taken.

City Hall is wheelchair accessible. Any requests for sign interpretive services must be made 48 hours in advance of the meeting. To make arrangements, call the City Secretary's office at 972-216-6244 or TDD 1-800-735-2989.

Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun.

Conforme a la Sección 30.06 del Código Penal (entrada ilegal de persona titular de licencia con arma de fuego oculta), personas con licencia según el Sub-capítulo H, Capítulo 411, Código de Gobierno (ley de permiso para portar arma de fuego), no deben entrar a esta propiedad portando un arma de fuego oculta.

Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.

Conforme a la Sección 30.07 del Código Penal (entrada ilegal de persona titular de licencia con arma de fuego a la vista), personas con licencia según el Sub-capítulo H, Capítulo 411, Código de Gobierno (ley de permiso para portar arma de fuego), no deben entrar a esta propiedad portando una arma de fuego a la vista.

**CERTIFICATE**

I, Ilse Sokol, Administrative Aide for the City of Mesquite, Texas, hereby certify that the above notice of the meeting of the Board of Directors of Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center), to be held April 20, 2020, at 4:30 P.M. was posted on the bulletin boards at the Municipal Center and City Hall on April 17, 2020, by 4:30 P.M., which is a minimum of 72 hours before the scheduled time of the meeting. The above notice of the meeting was likewise posted on the City's website at [www.cityofmesquite.com](http://www.cityofmesquite.com) on April 17, 2020, by 4:30 P.M., which is a minimum of 72 hours before the scheduled time of the meeting.



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Ilse Sokol, Administrative Aide



**HEARTLAND TOWN CENTER  
REINVESTMENT ZONE NO. ELEVEN  
CITY OF MESQUITE, TEXAS**

BOARD OF DIRECTORS MEETING  
City Council Conference Room  
757 North Galloway  
Mesquite, TX 75149

**4:00 p.m.**

**June 18, 2018**

**MINUTES**

**Board of Directors Present:** Stan Pickett, Bruce Archer, Dan Aleman, and Greg Noschese

**Board of Directors Absent:** Jeff Casper and Tandy Boroughs

**Staff Present:** Valerie Bradley, Ted Chinn, Cliff Keheley, Debbie Mol, Jimmy Martin, Jeff Jones, Paula Anderson, and Ilse Sokol.

**I. Call to order.**

Chairman Stan Pickett called the meeting to order at 4:02 p.m.

**II. No previous minutes to approve**

**III. Adopt an amended project plan and reinvestment zone financing plan for the Heartland Town Centre Reinvestment Zone Number Eleven, (the "Zone").**

Mr. Chinn stated the amended project and financing plans includes a TIRZ Agreement with the City pursuant to which the City will contribute a portion of its ad valorem tax increment into a tax increment fund to pay the costs of public works, public improvements, programs, and other projects benefiting the Zone through payment of public improvement district special assessment revenue bonds (including interest and other financing costs of such bonds) issued by the City to finance those costs.

Councilmember Noschese moved to adopt the proposed Project and Reinvestment Zone Financing Plan for Reinvestment Zone Number Elven, City of Mesquite, Texas (Heartland Town Center). The motion was seconded by Councilmember Archer and approved unanimously.

**IV. Approve an agreement regarding the construction of public improvements within the Heartland Town Center Public Improvement District (“Agreement”) through Resolution No. 2018-01.**

Mr. Chinn stated the property is currently zoned Agricultural and is vacant. Upon annexation, the 25-acre tract will be zoned General Retail consistent with the development standards contained in the Development Agreement. The 121-acre tract will be zoned Planned Development-Single Family Residential and is expected to develop in two phases over three to four years.

The categories of authorized improvements proposed to be financed by the TIRZ are as follows: water improvements, sanitary sewer improvements, erosion control and landscape improvements.

Councilmember Aleman moved to approve Resolution No. 2018-01 which approved an agreement regarding the construction of Public Improvements within the Heartland Town Center Public Improvement District by and between Reinvestment Zone Number Eleven, City of Mesquite (Heartland Town Center) and the City of Mesquite, TX. The motion was seconded by Councilmember Noschese and approved unanimously.

**V. Adjournment**

Councilmember Aleman moved to adjourn the meeting. The motion was seconded by Councilmember Casper and approved unanimously. The meeting adjourned at 4:12 p.m.

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Bruce Archer, Chairman



Heartland Town Center

# Amended Project and Financing Plan Reinvestment Zone Number Eleven City of Mesquite (Heartland Town Center)

April 2020



Trailwind Subdivision



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## City of Mesquite

### Economic Development

#### David Witcher

##### Director of Economic Development

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Mobile: (682) 540-4480

E-mail: [dwitcher@cityofmesquite.com](mailto:dwitcher@cityofmesquite.com)

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1515 N. Galloway Ave. Mesquite, TX 75149

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## Tax Increment Financing Program

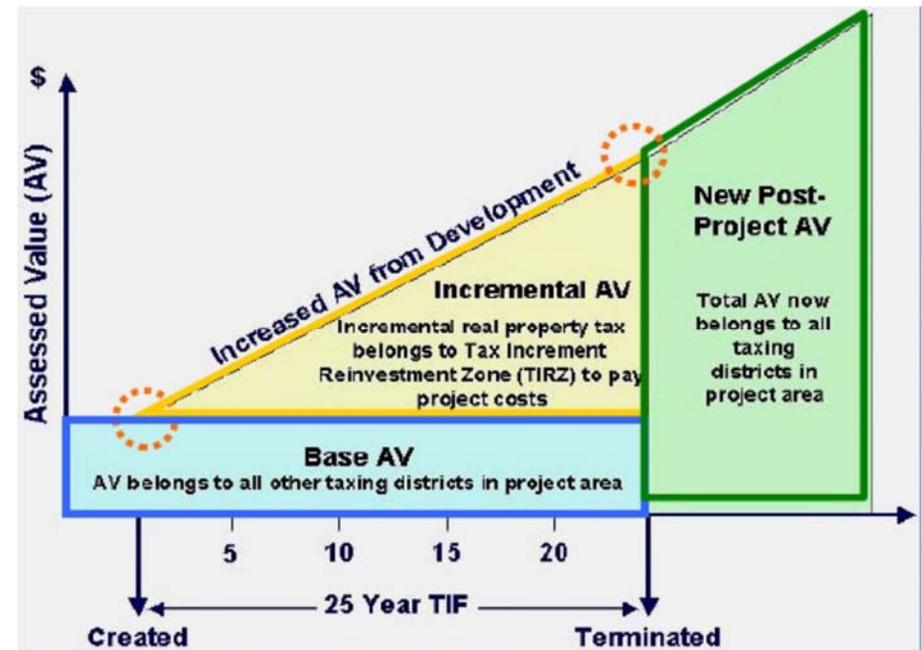
Chapter 311 of the Texas Tax Code (the TIRZ Act) authorizes the governing body of a municipality to promote redevelopment of a contiguous or noncontiguous geographic area by designating it a Tax Increment Reinvestment Zone (TIRZ). The future value of private investment within a TIRZ is leveraged to finance 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 school districts, 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 is assessed value in year TIRZ is designated (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 TIRZ Act.

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## Actions Taken to Date

On June 7, 2010, the City entered into an agreement with 269 Kaufman Partners, LTD., to develop 146 acres located in the City's ETJ near FM 741 and IH-20 as a high quality town center commercial development along the IH-20 Corridor. In 2014, the rights to develop the property expired due to inactivity, and in 2017, the developer, Centurion American, requested a new agreement and concept plan to include the addition of a residential development financed through a Tax Increment Reinvestment Zone (TIRZ) and a Public Improvement District (PID). On October 16, 2017, the City Council authorized the City Manager to negotiate a new development agreement with the requirement that the developer request voluntary annexation into the City Limits.

On November 13, 2017, the Developer filed a petition for the creation of the Heartland Town Center PID, and on November 14, 2017, the City Council passed resolutions calling for public hearings to consider both the Heartland Town Center PID and TIRZ.

On December 4, 2017, the City Council directed the City Manager to finalize and execute a development agreement with CADG Kaufman 146, LLC and Kaufman County Fresh Water Supply District No. 5 relating to the proposed Heartland Town Center Development. Under the new concept plan the development consists of two tracts, a 25.5-acre tract for general retail use and a 121.3-acre tract for residential use to include approximately 450 residential lots. The lots will primarily be 40-50 feet wide and will be comparable to lot sizes in the surrounding area. The creation of the TIRZ and PID was conditioned upon annexation into the City.

On December 18, 2017, after holding a public hearing, the City Council passed Ordinance No. 4532 creating Reinvestment Zone Number Eleven for a duration of 31 years, expiring on December 31, 2048, if not sooner terminated, and the tax increment for the TIRZ was set at the total value of the ad valorem tax collected on all real property within the TIRZ. At this same meeting, the City Council passed Resolution No. 80-2017 creating the Heartland Town Center PID to finance the cost of certain authorized public improvements that confer a special benefit to property located within the PID as authorized by State law.

On April 2, 2018, the City and Developer executed the Heartland Town Center Development Agreement. On May 29, 2018, the Developer filed a voluntary petition for annexation of the 25.5-acre tract planned for general retail.

On June 18, 2018, the TIRZ Board adopted a Project Plan and Reinvestment Zone Financing Plan that summarized \$18,111,386 in project costs for public infrastructure related to the residential development, but did not identify any project costs for the general retail tract noting that those improvements would be constructed by others. The Plan also described the financing methodology and revenue projections for the development, but no concept plan was defined for the proposed general retail tract. The Developer's estimated TIRZ revenues for retail was based on a mix of potential office, retail and grocery store uses.

On June 18, 2018, the City Council passed Ordinance No. 4574 approving the Board recommended Project Plan and Reinvestment Zone Financing Plan and also passed Resolution No. 33-2018 to dedicate 62 percent of tax increment collected within the residential tract to reduce the proposed PID assessments levied on property owners within the residential tract for a period of 31 years or until the total TIRZ revenues collected in the TIRZ Fund residential subaccount equals \$14,827,784, whichever occurs first. The Ordinance and Zone Financing Plan dedicated 25 percent of tax increment collected within the proposed general retail tract for a period of 31 years or until the total TIRZ revenues collected in the TIRZ Fund commercial subaccount equals \$3,283,602 to be used to reimburse a future developer for public improvements in the form of a Chapter 380 agreement.

On July 16, 2018, the City Council passed Ordinance No. 4584 annexing the 25.5-acre tract zoned as Agriculture into the City limits.

On August 1, 2018, the City and Developer entered into a Transfer and Service Agreement with Kaufman County Municipal Utility District No. 12 (K-MUD) and D.R. Horton to provide water and wastewater service to the proposed general retail tract and the developable portion of the proposed residential tract to be developed by D.R. Horton. The Heartland Town Center Development is entirely located within K-MUD's Certificate of Convenience and Necessity (CCN), and per the Development Agreement K-MUD will provide water and sewer service to the proposed general retail and residential tracts.

On August 3, 2018, the Developer sold the 121.3-acre residential tract to D.R. Horton and its affiliate to develop the Trailwind subdivision in two phases, with 210 lots in Phase 1 and 240 lots in Phase 2. The terms and conditions of

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# Actions Taken to Date

the Development Agreement relating to the PID and residential development was assigned to D.R. Horton and its affiliate.

On August 20, 2018, the City Council passed Ordinance No. 4589 approving a change of zoning for the 25.5-acre tract from Agriculture to General Retail.

On August 27, 2018, the Developer sold the 25.5-acre tract to Heartland Retail, LLC, an affiliate of Huffines Communities, to develop the general retail portion of Heartland Town Center. The terms and conditions of the Development Agreement relating to general retail was assigned to Heartland Retail, LLC.

On September 4, 2018, the City Council issued \$7,245,000 in special assessment revenue bonds to finance authorized public improvements within the 121.3-acre residential tract that directly provide a special benefit to property within Phase 1 and that those improvements that benefit the entire development. The Development Agreement caps total bond authorization at \$14 million, which leaves \$6,755,000 remaining in bond authorization for financing public improvements that directly benefit property within Phase 2. The City Council also passed Ordinance No. 4596 adopting a Service and Assessment Plan (SAP) to levy assessments based on lot type in an amount sufficient to pay debt service on the bonds. The PID administrator calculates the assessments based on anticipated TIRZ revenues collected in the residential subaccount and develops an assessment roll for the City to base its collections.

While the TIRZ boundary encompasses the entire 146.746 acres of the Heartland development, the PID boundary only includes the 121.3-acre residential tract, which will develop as single-family residential. The general retail tract is not part of the PID.

On October 1, 2018, the City Council passed Ordinance No. 4615 annexing the 121.3-acre residential tract into the City limits.

On November 19, 2018, the City Council passed Ordinance No. 4625 approving a change of zoning for the developable 110.9 acres within the residential tract from Agriculture to Planned Development—Single-family Residential and new concept plan for D.R. Horton’s Trailwind subdivision.

In April 2019, Huffines Communities notified the City of its desire to rezone the combined 25.5-acre general retail tract, and a 1.9-acre tract zoned

Agriculture owned by an affiliate, into a 27-acre Planned Development District (PD), and on July 8, 2019, the Planning and Zoning Commission approved the PD-General Retail zoning application.

On August 5, 2019, the City Council postponed consideration of the PD zoning at the request of the Developer to an undetermined date in order to allow the Developer more time to refine the details of the proposed development.

On September 3, 2019, the City Council passed Ordinance No. 4709 approving an update to the PID SAP in accordance with State law.

On April 20, 2020, the City Council will consider the postponed PD zoning to combine the two Huffines tracts into one Retail Tract with a retail concept plan. At this meeting the City Council will also hold a public hearing to consider a Development Agreement and Chapter 380 Grant Agreement with Huffines to reimburse roadway impact fees and grant up to \$393,000 in sales tax if a 50,000 square-foot grocery store opens, and the City Council will hold a public hearing and consider an ordinance to approve this Amended Project and Financing Plan. This Amended Plan will:

- Extend the Term seven more years to expire December 31, 2055
- Enlarge the TIRZ Boundary to include the 1.9-acre tract
- Refine the financing methodology for the Retail Tract and reduce the maximum TIRZ revenues for the commercial account from \$3,283,602 to \$2,170,667

## **Board Recommendation**

The Board has prepared and adopted this ***Amended Project Plan and Reinvestment Zone Financing Plan for Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center)***, and recommends approval by the Mesquite City Council.

The Board finds that the Zone is feasible, and that the amended TIRZ Project and Financing Plan is in the best interest of the City of Mesquite.

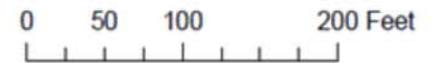
Original TIRZ Boundary



# TIRZ Boundary Expansion



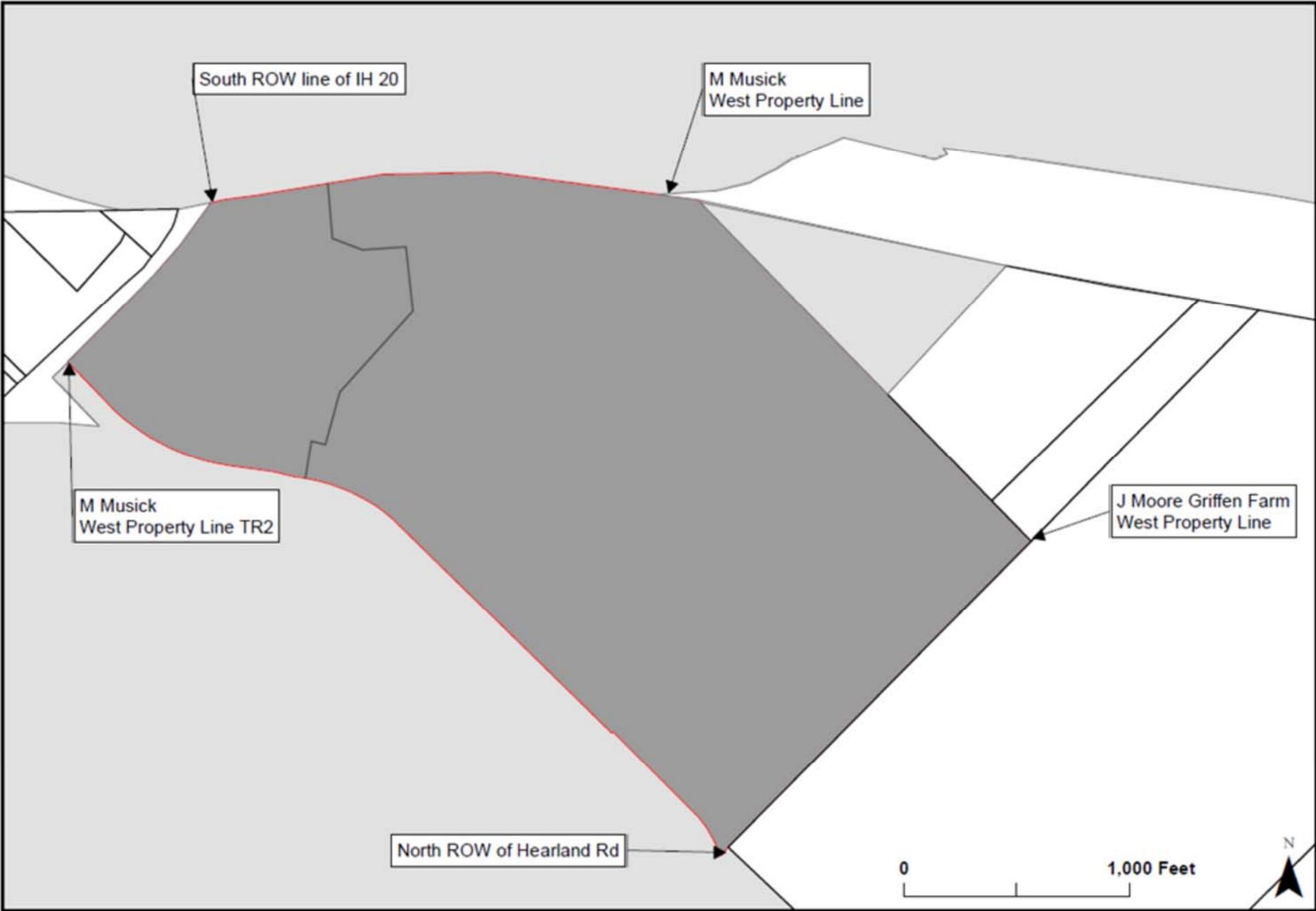
 1.935 Acre Tract  Mesquite City Limits



Date: 3/26/2020  
Created by: Gabrielle Allen  
File Path: Q:\GIS\Projects\Finance\PoloRidge\_Heartland\_ParcelValues\Heartland\_2.mxd



# New TIRZ Boundary Description



# New TIRZ Boundary Description

BEING that certain tract of land situated in the Martha Music Survey, Abstract No. 312, in Kaufman County, Texas, and being all that certain tract of land described as Tract 1 in deed to CADG Kaufman 146, LLC, recorded in Volume 4363, Page 38, of the Deed Records of Kaufman County, Texas (DRKCT), and being all of that certain tract of land described as Tract 7 in deed to H.W. Heartland, L.P. CADG Kaufman 146, LLC (now known as UST-Heartland, L.P. according to Certificate of Amendment filed in the Office of the Secretary of State of Texas on December 3, 2013), recorded in Volume 3119, Page 142, DRKCT, and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod with cap marked "PETITT RPLS 4087" found at the intersection of the southeast right-of-way line of Farm to Market Road No. 741 (called 90 foot R.O.W. at this point), and the northeast right-of-way line of Heartland Parkway (called 100 foot R.O.W. at this point), and being the west corner of said CADG Kaufman 146, LLC tract;

THENCE North 46°18'40" East, with said southeast right-of-way line of Farm to Market Road No. 741, a distance of 451.91 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner at the west corner of said HW Heartland, L.P. tract, and being the beginning of a tangent curve to the left;

THENCE continuing with said southeast right-of-way line of Farm to Market Road No. 741, and with said curve having a central angle of 14°27'58", a radius of 999.93 feet, a chord which bears North 39°04'41" East, a chord distance of 251.79 feet, for an arc distance of 252.46 feet to the end of said curve, a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" found for corner;

THENCE North 32°01'23" East, continuing with said southeast right-of-way line of Farm to Market Road No. 741, a distance of 211.13 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" found for corner at the beginning of a tangent curve to the left;

THENCE continuing with said southeast right-of-way line of Farm to Market Road No. 741, and with said curve having a central angle of 00°58'12", a radius of 909.93 feet, a chord which bears North 31°32'17" East, a chord distance of 15.40 feet, for an arc distance of 15.40 feet to the end of said curve, a

concrete monument found for corner at the intersection of said southeast right-of-way line of Farm to Market Road No. 741, and the southerly right-of-way line of Interstate Highway No. 20 (variable width R.O.W.);

THENCE North 83°20'17" East, with said southerly right-of-way line of Interstate Highway No. 20, a distance of 79.06 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" found for corner at the northeast corner of said Tract 7;

THENCE South 15°07'57" West with the north line of said CADG Kaufman 146, LLC tract, a distance of 10.77 feet to a 5/8 inch iron rod with cap marked "PETITT RPLS 4087" found for corner;

THENCE North 83°20'17" East, leaving said southeast line of Tract 7, and with the north line of said CADG Kaufman 146, LLC tract, a distance of 675.67 feet to a 5/8 inch iron rod with cap marked "PETITT RPLS 4087" found for corner;

THENCE North 88°27'43" East, with a north line of said CADG Kaufman 146, LLC tract, a distance of 474.11 feet to a 5/8 inch iron rod with cap marked "PETITT RPLS 4087" found for corner;

THENCE South 84°18'07" East, with a north line of said CADG Kaufman 146, LLC tract, a distance of 951.32 feet to a 5/8 inch iron rod with cap marked "PETITT RPLS 4087" found for corner;

THENCE South 78°58'41" East, with a north line of said CADG Kaufman 146, LLC tract, a distance of 18.88 feet to a 5/8 inch iron rod with cap marked "PETITT RPLS 4087" found for corner at a northeast corner of said CADG Kaufman 146, LLC tract;

THENCE South 45°06'42" East, with the northeasterly line of said CADG Kaufman 146, LLC tract, a distance of 2113.03 feet to a 3/4 inch iron pipe found for corner at the easternmost corner of said CADG Kaufman County 146, LLC tract;

THENCE South 44°46'26" West, with a southeasterly line of said CADG Kaufman 146, LLC tract, a distance of 1898.51 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner;

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## New TIRZ Boundary Description

THENCE South  $65^{\circ}43'36''$  West, with a southeasterly line of said CADG Kaufman 146, LLC tract, a distance of 65.81 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner at the southernmost corner of said CADG Kaufman 146, LLC tract, and being located on the northeasterly line of Lot 2X, Block 43, of Heartland Tract A, Phase 1B, an addition to Kaufman County, Texas according to the Amending Plat recorded in Cabinet 3, Slide 20, of the Plat Records of Kaufman County, Texas (PRKCT), said iron rod also being located at the beginning of a non tangent curve to the left;

THENCE Northwesterly, with said northeasterly line of Lot 2X and with said curve to the left which has a central angle of  $21^{\circ}32'00''$ , a radius of 800.00 feet, a chord which bears North  $34^{\circ}55'09''$  West, a chord distance of 298.90 feet, for an arc distance of 300.66 feet to the end of said curve, a 1/2 inch iron rod with cap marked "DAA" found for corner;

THENCE North  $45^{\circ}41'09''$  West, continuing with the northeasterly line of Lot 2X, a distance of 397.34 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner at the northernmost corner of said Lot 2X, Block 43, also being the northernmost corner of said Heartland Tract A, Phase 1B;

THENCE South  $44^{\circ}18'51''$  West, with the northwest line of said Lot 2X, Block 43, a distance of 10.00 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner at the easternmost corner of Heartland Tract A Phase 2B, an addition to Kaufman County, Texas, according to the Final Plat recorded in Cabinet 3, Slide 100, PRKCT, said iron rod also being located on the northeasterly right of way line of Heartland Parkway (called 80 foot right of way at this point), according to said Final Plat of Heartland Tract A Phase 2B;

THENCE North  $45^{\circ}41'09''$  West, with said northeasterly right of way line of Heartland Parkway, a distance of 1324.03 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner at the beginning of a tangent curve to the left;

THENCE Northwesterly, continuing with said northeasterly right of way line of Heartland Parkway, and with said curve having a central angle of  $36^{\circ}41'46''$ , a radius of 790.00 feet, a chord which bears North  $64^{\circ}02'02''$  West, a chord distance of 497.37 feet, for an arc distance of 505.97 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner;

THENCE North  $82^{\circ}23'59''$  West, continuing with said northeasterly right of way line of Heartland Parkway, a distance of 23.30 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner, and being the beginning of a tangent curve to the right;

THENCE continuing with said northeasterly right of way line of Heartland Parkway, and with said curve having a central angle of  $10^{\circ}28'32''$ , a radius of 300.00 feet, a chord which bears North  $77^{\circ}08'39''$  West, a chord distance of 54.77 feet, for an arc distance of 54.85 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner, and being the beginning of a tangent reverse curve to the left;

THENCE continuing with said northeasterly right of way line of Heartland Parkway, and with said curve having a central angle of  $10^{\circ}28'32''$ , a radius of 300.00 feet, a chord which bears North  $77^{\circ}08'39''$  West, a chord distance of 54.77 feet, for an arc distance of 54.85 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner (called 100 foot R.O.W. at this point);

THENCE North  $82^{\circ}22'55''$  West, continuing with said northeasterly right of way line of Heartland Parkway, a distance of 172.65 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner, and being the beginning of a tangent curve to the right;

THENCE continuing with said northeasterly right of way line of Heartland Parkway, and with said curve having a central angle of  $38^{\circ}41'30''$ , a radius of 950.00 feet, a chord which bears North  $63^{\circ}02'10''$  West, a chord distance of 629.41 feet, for an arc distance of 641.53 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner;

THENCE North  $43^{\circ}41'26''$  West, continuing with said northeasterly right of way line of Heartland Parkway, a distance of 249.59 feet to the POINT OF BEGINNING of herein described tract, containing 148.681 acres of land.

# Current Land Uses and Conditions

## Existing Uses and Conditions

The Property is currently located within the City limits in Kaufman County. The 27.4-acre retail tract is currently undeveloped, with 1.9 acres zoned Agriculture, and the other 25.5-acres zoned General Retail. The 121.3-acre residential tract is zoned Planned Development - Residential and is currently under development by D.R. Horton for single-family residential use. Both tracts are also located within Kaufman County Municipal Utility District No. 11 and water and sewer is available from K-MUD. Maps of current land use and zoning are shown on the following pages.

## Current Property Ownership

There are five parcels within the residential tract which are owned by D.R. Horton and its affiliate Diecieseis. A total of five parcels make up the retail tract and are owned by Heartland Retail and HW Heartland, which are both affiliates of Huffines Communities.

The total appraised value of all residential tracts is \$822,190, and the total appraised value of all retail tracts is \$931,720, for a combined TIRZ taxable value of \$1,753,910. When the TIRZ expires in December 2055, the estimated appraised taxable value of real property within the TIRZ will be more than \$262 million. Details of each parcel is shown in the table below.

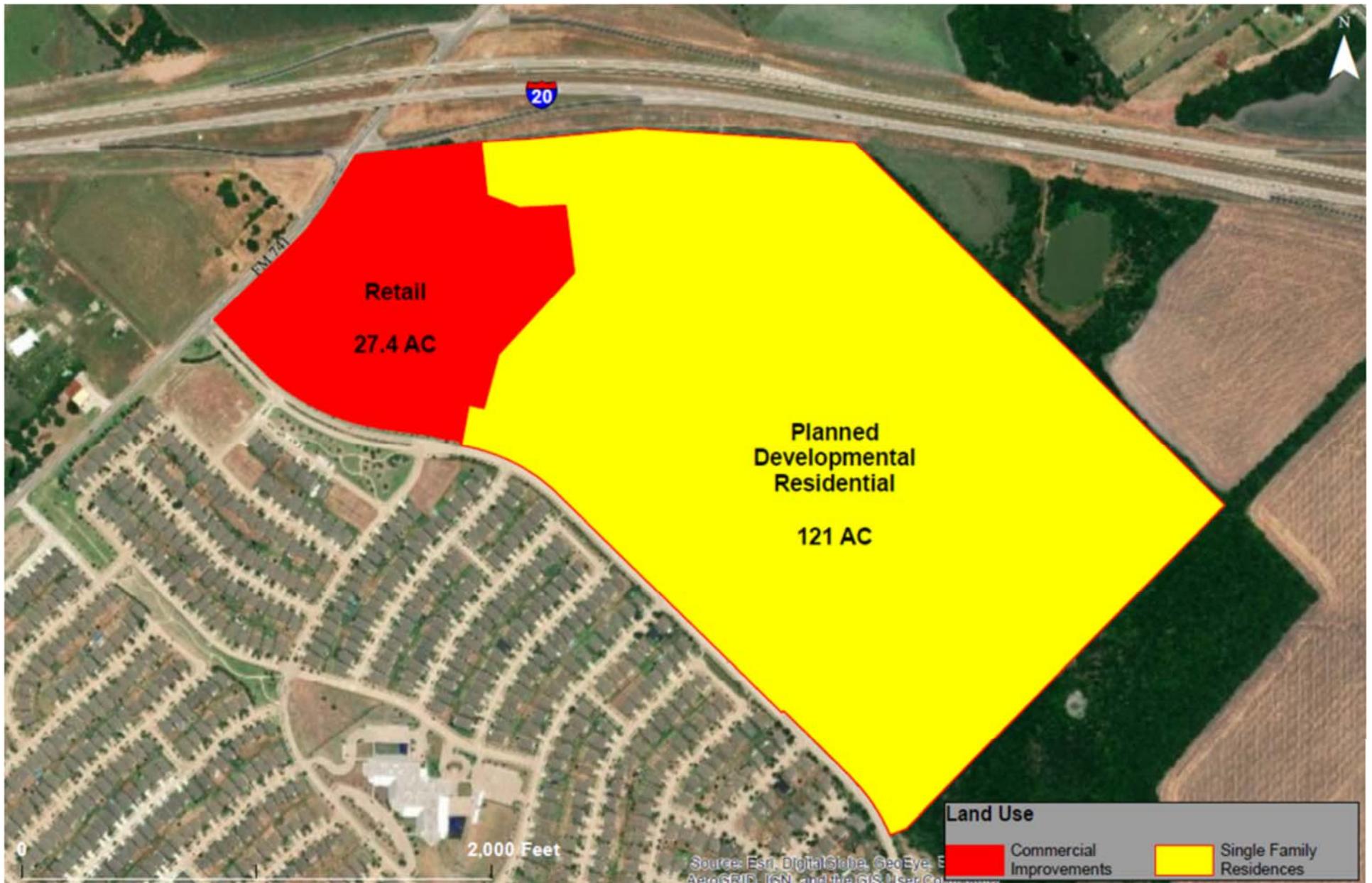
Property ID	Owner	Acreage	Base Value	2019 Value
9711	DR Horton Texas, LTD	5.31	1,195	106,240
187126	DR Horton Texas, LTD	5.00	1,130	95,580
200545	DR Horton Texas, LTD	0.50	112	4,280
201174	DR Horton Texas, LTD	41.00	9,221	607,310
200544	Diecieseis, LLC	69.47	15,631	8,780
9608	Heartland Retail, LLC	1.33	300	22,430
9609	Heartland Retail, LLC	10.65	2,394	179,070
76545	Heartland Retail, LLC	13.48	3,037	142,460
76744	HW Heartland, LP	0.57	559,070	559,070
76745	HW Heartland, LP	1.37	28,690	28,690
		<b>148.68</b>	<b>620,780</b>	<b>1,753,910</b>

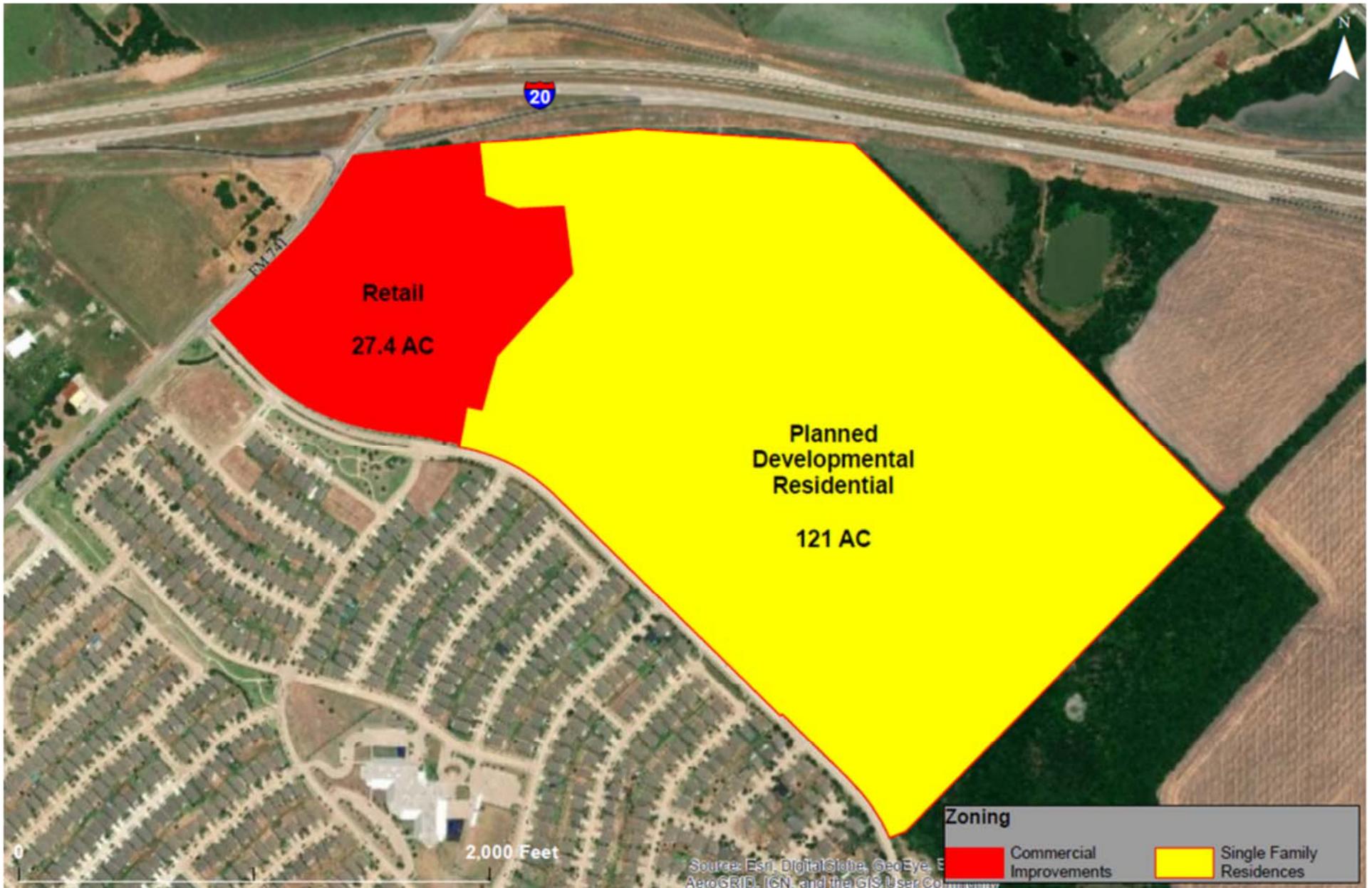


**121.3-acre Residential Tract**



**27.4-acre General Retail Tract**





# Zone Characteristics

## Proposed Uses

The 121.3-acre residential tract is zoned Planned Development - Single Family Residential and is being developed by D.R. Horton in two phases over four years. Phase 1 consists of 210 lots and Phase 2 consists of 240 lots for a total of 450 lots. Of this lot count, 182 lots have 40-foot width lots and 268 lots have 50-foot widths.

D.R. Horton will construct their Express Homes brand of affordable housing with an average base home price of \$215,000 for the 40-foot width lots, and \$255,000 for the 50-foot width lots.

Grading and utility construction are underway in Phase 1, and the first 60 lots are expected to sell by 2021. Public infrastructure for Phase 2 is expected to begin sometime in 2022 with the first 60 lots in that phase beginning to sell by 2023. Both phases are expected to overlap with final lots completed by 2025 depending on market conditions.

The 27.4-acre retail tract will be zoned Planned Development - General Retail and is being developed by Huffines Communities as a major high value retail center to serve the rapidly growing residential housing in the adjacent Heartland master-planned community and other development underway along the IH-20 corridor.

The 130,000 square foot center will be anchored by a 50,000 square-foot grocery store and will include six major pad sites for restaurant and retail fronting FM 741 and a mixture of retail and office in a quality atmosphere and architectural features that will provide an upscale, hill country modern feel for the consumer. The mix use development will be accentuated by extensive open space and landscaping that will promote walkability and a sense of community for the surrounding neighborhood.

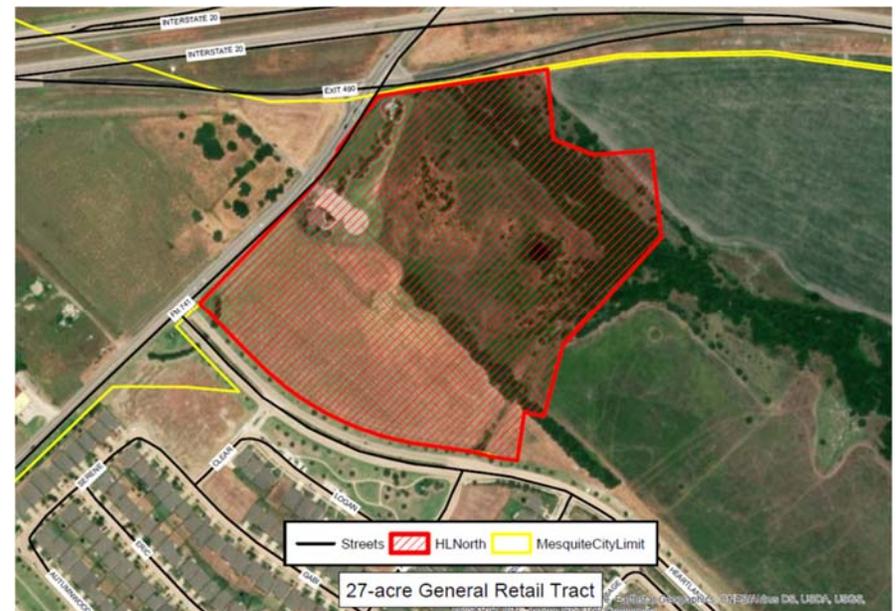
## Relocation of Displaced Persons

No persons will be displaced or relocated due to the implementation of this Plan.

## Proposed Changes of Zoning, Ordinances and Regulations

The residential tract is zoned PD-Single-family Residential with no plans to change zoning in the future. A Development Agreement governs the development standards, open space and other regulations within Trailwind, and deed restrictions on 30 prohibited uses has been filed with the Kaufman County Court of Record.

A change in zoning from Agriculture to PD-General Retail is planned for the 1.9-acre tract, along with the 25.5-acre tract already zoned General Retail. A proposed Development Agreement and Chapter 380 Grant Agreement will specify development incentives as well as architectural and building material standards for the retail development. This Agreement also contains the same deed restrictions as the residential property and will be filed upon execution by the City and Developer. A proposed TIRZ Reimbursement Agreement will outline the terms and conditions for reimbursing TIRZ revenues to the Developer as described in this Plan.



**27.4-acre General Retail Tract**

# Concept Site Plan



This plan is preliminary and approximate thus the dimensions of the buildings and square footage will most likely vary from the final construction plans.

Parcel Number	Parcel Area (Ac)	Lot Area (Ac)	Impervious Area (Ac)	Impervious Ratio (%)	Impervious Ratio (Max)	Impervious Ratio (Min)	Impervious Ratio (Target)	Impervious Ratio (Actual)	Impervious Ratio (Allowed)	Impervious Ratio (Required)	Impervious Ratio (Permitted)	Impervious Ratio (Prohibited)	Impervious Ratio (Other)
10,001	10,001												
10,002	10,002												
10,003	10,003												
10,004	10,004												
10,005	10,005												
10,006	10,006												
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10,048	10,048												
10,049	10,049												
10,050	10,050												

- Notes:**
1. Mixed Use square area shown to be based on current use and is illustrative.
  2. Parking is calculated at 1 space per 200 of off-street area for all uses.
  3. Number of available parking spaces that must be accessible.
  4. Number of accessible parking spaces that must be accessible.
  5. Parking is calculated at 1 space per 200 of off-street area for office.

- Key Notes:**
- Parcel Number
  - Drive Through - 7 Car stack
  - 80' Buffer
  - Tractor Trailer Dock
  - Park & Open Space
  - Shade Structure
  - 80' - Pole Sign
  - 25' - 150 sf Monument Sign
  - 6' - Pad Site Tenant ID Sign
  - Entry Monument Sign
  - Tower
  - Grocery
  - Mixed Use
  - Business
  - Building 1 - 12,000 sf
  - Building 2 - 9,453 sf
  - Building 3 - 13,868 sf
  - Building 4 - 9,819sf
  - Building 5 - 60,000 sf
  - Building 6 - 1,500 sf
  - Building 7 - 15,000 sf

**Owner & Applicant:**  
Heartland Retail, LP, 8200 Douglas Ave., Suite 300, Dallas, TX 75225  
(214) 750-1800

**Architect:**  
Callison/RTKL, 1717 Pacific, Dallas, TX 75201  
(214) 468-7510

**Engineer/Surveyor:**  
Pettit-Barraza, LLC, 1651 N Glenville Drive, Suite 212, Richardson, Texas 75081  
(214) 221-9955

1. Deviations from current development standards/regulations not specifically addressed/ listed for approval as part of Planned Development Regulations may require a hearing/ approval by the Board of Adjustment (BOA).

2. All current development requirements of the City as amended shall be met unless approved otherwise within these Planned Development Zoning District Development Regulations.

3. THIS ZONING CONCEPT PLAN IS FOR ILLUSTRATIVE PURPOSES ONLY AND SUBJECT TO CHANGE. This Zoning Concept Plan, along with development regulations, is intended to describe the intent of the Planned Development. Significant deviations from the Zoning Concept Plan, as determined by the Director of Planning and Development Services, will require an amendment to the Zoning Concept Plan and, as necessary, then development regulations.

- Symbol Legend:**
- Canopy Tree
  - Ornamental Tree
  - Iron Fence & Shrub Screening

# General Retail Project Costs

**Estimated Project Costs**

Estimated Project Costs for public infrastructure related to the proposed general retail development totals \$8,376,631 and is based on the Developer’s engineering estimates. The Developer will pay for all Project Costs up front and will be reimbursed for actual costs of those authorized public improvements which are eligible for reimbursement under the TIRZ Act and mutually agreed to under the terms and conditions of a Development Agreement and Chapter 380 Grant Agreement between the City and the Developer.

As described in more detail in the Financing Plan, the Developer will be reimbursed for eligible project costs from a combination of roadway impact fee reimbursements, sales tax reimbursements from grocery store sales, and 25 percent of the City’s property tax increment collected within the Retail Tract over the life of the TIRZ. Public infrastructure improvements eligible for reimbursement totals \$2,460,000, and the Developer’s portion of public infrastructure costs total \$5,916,631.

TIRZ revenues are collected each year and deposited into a TIRZ Commercial Account, which is a subaccount of the TIRZ Fund and segregated from all other funds of the City.

**TIRZ Revenues Capped**

Under the terms and conditions of a TIRZ Reimbursement Agreement, the TIRZ Board and City pledge to dedicate 25 percent of the City’s ad valorem tax increment revenue from within the boundaries of the 27.4-acre Retail Tract to directly reimburse the Developer for Project Costs for a period of 38 years or until the amount of TIRZ increment revenues placed into the Commercial Account totals \$2,170,667, whichever occurs first.

Under no circumstances will the amount of TIRZ revenues used for Project financing exceed the \$2,170,667 cap specified in the TIRZ Reimbursement Agreement, unless the Agreement is amended by the parties and approved by the City Council.

**Non-Project Costs**

Non-project costs are private funds that will be spent by the Developer to construct infrastructure within the Retail Tract that will not be reimbursed from TIRZ revenues. The list of non-project costs includes the Developer’s portion of the Project Costs as well as water, wastewater and drainage. Total non-project costs are \$5,916,631 as listed here.

Estimated Retail Project Costs	Amount
Site Preparation	\$210,000
Paving of Common Drives	560,000
Utility Relocation	140,000
Signage	200,000
Street Lighting	50,000
Common areas/park	500,000
Sidewalks	200,000
FM 741 Interim Improvements	300,000
Landscaping/Irrigation	300,000
<b>Total Retail Project Costs</b>	<b>\$2,460,000</b>

Estimated Retail Non-Project Costs	Amount
Site Preparation	\$682,500
Roadway Improvements	1,186,357
Utility Relocation	200,000
Signage	350,000
Street Lighting	94,500
Common areas/park	750,000
Sidewalks	95,625
FM 741 Interim Improvements	300,000
Landscaping/Irrigation	525,000
Sanitary Sewer System Improvements	178,241
Water Distribution System Improvements	311,800
Storm Drainage Collection System Improvements	392,608
Electric Utilities	200,000
Offsite Natural Gas Utilities	650,000
<b>Total Retail Non-Project Costs</b>	<b>\$5,916,631</b>

# Trailwind Subdivision



# Residential Project Costs

## Estimated Project Costs

The cost of public infrastructure related to the residential development totals \$15,786,440 and is based on the Developer’s engineering Estimate of Probable Costs (EOPC). The Developer pays for the cost of all improvements up front and is reimbursed for actual costs of those public improvements that are eligible for reimbursement under the TIRZ Act.

As described later in the Financing Plan, the Developer is reimbursed for eligible project costs from special assessment revenue (PID) bond proceeds issued by the City issues and administered through a third party trustee. The total amount of authorized public infrastructure improvements is \$10,602,243, and the Developer’s portion of infrastructure costs total \$5,184,197.

The debt service on the PID bonds are paid through a property assessment levied each year on each property owner within the PID (residential tract), and TIRZ revenues are collected each year and deposited into a TIRZ Residential Account held by the trustee and these TIRZ revenue deposits offset the annual assessment levied for each property owner.

## TIRZ Revenues Capped

Per the Development Agreement, the maximum amount of TIRZ revenues placed in the Residential Account of the TIRZ Fund and dedicated to reduce the PID assessments is \$14,827,784.

However, DTA, Inc., the PID Administrator, calculates the TIRZ revenue offset, or credit, based on an allocation methodology so that the net total of assessments do not produce an equivalent tax rate which exceeds the competitive tax rate equivalent on improvement values estimated at the time bonds are issued. This calculation establishes the final TIRZ Annual Credit Amount for all home lot types. The maximum TIRZ Annual Credit Amount for each 50-foot width home lot is \$1,094, and \$923 for each 40-foot lot. The Trailwind development consists of 182 40-foot lots and 268 50-foot lots, so the maximum TIRZ revenues actually required for the assessment roll is currently \$14,296,518 and is based on the TIRZ ending in FY-48. When the next phase of bonds are issued and the seven additional years are added to the term of the TIRZ, this figure will change, but under no circumstances will the amount of TIRZ revenues used for project financing exceed the \$14,827,784 cap specified in the Development Agreement.

Residential Project Costs	Amount
Roadway Improvements	\$2,891,929
Water System Improvements	1,351,695
Sanitary Sewer System Improvements	1,189,510
Storm Drainage System Improvements	1,658,901
Professional and Other Soft Costs	3,070,642
Construction Contingency	439,566
<b>Total Residential Project Costs</b>	<b>\$10,602,243</b>

## Non-Project Costs

Non-project costs are private funds that will be spent by the Developer to construct infrastructure in the TIRZ but will not be financed by TIRZ revenues or PID bonds. The list of non-project costs includes excavation and home pad site preparation, retaining walls between home pad sites and utilities constructed by Atmos Energy and Oncor Electric. The total non-project costs are \$5,184,197.

Residential Non-Project Costs	Amount
Site Preparation	\$2,297,846
Retaining Walls	691,400
Franchise Utilities/Street Lighting	1,443,000
Professional and Other Soft Costs	493,769
Construction Contingency	258,182
<b>Total Residential Non-Project Costs</b>	<b>\$5,184,197</b>

# Residential Project Costs

## Estimated Time When Costs Incurred

In September 2018, the City sold two issues of special assessment revenue bonds, Phase #1 bonds in the amount of \$5,410,000 to finance authorized public improvements that provide a special benefit to *only* property within Phase 1 of the development, and \$1,835,000 to finance those improvements that benefit the entire development, called Phase #2 Major Improvements. Below is a table that shows the sources and uses of those bond funds. This first series of PID bonds finances the Project Costs that are needed to construct \$3,829,230 in public infrastructure for Phase 1 of Trailwind, and \$2,489,229 in public infrastructure that benefit both Phases of the development. A second and final series of PID bonds will be issued in 2021 to finance the remaining \$4,283,784 in public improvements that benefit *only* Phase 2 of Trailwind.

Description	Phase #1 Bonds	PID Reimbursement Agreement	Phase #2 Major Improvement Bonds	2018 Grand Total
	Phase #1		Phase #2	
<b>Sources of Funds</b>				
Bond Par Amount	\$5,410,000	\$0	\$1,835,000	\$7,245,000
Reimbursement Agreement	\$0	\$647,000	\$0	\$647,000
Owner Cash Contribution	\$409,695	\$0	\$34,262	\$443,958
<b>Total Sources of Funds</b>	<b>\$5,819,695</b>	<b>\$647,000</b>	<b>\$1,869,262</b>	<b>\$8,335,958</b>
<b>Uses of Funds</b>				
<u>Major Improvements (a)</u>				
Water System Improvements	\$70,525	\$10,436	\$88,398	\$169,360
Sanitary Sewer System Improvements	\$20,280	\$3,001	\$25,419	\$48,700
Storm Drainage System Improvements	\$200,341	\$29,647	\$251,112	\$481,100
Professional and Other Soft Costs	\$716,312	\$106,000	\$897,841	\$1,720,153
Construction Contingency	\$29,115	\$4,308	\$36,493	\$69,916
<b>Subtotal Major Improvements</b>	<b>\$1,036,573</b>	<b>\$153,393</b>	<b>\$1,299,263</b>	<b>\$2,489,229</b>
<u>Specific Improvements (a)</u>				
Roadway Improvements	\$1,262,420	\$186,814	\$0	\$1,449,234
Water System Improvements	\$518,236	\$76,689	\$0	\$594,925
Sanitary Sewer System Improvements	\$504,759	\$74,694	\$0	\$579,453
Storm Drainage System Improvements	\$561,611	\$83,107	\$0	\$644,718
Professional and Miscellaneous Fees	\$488,597	\$72,303	\$0	\$560,900
Construction Contingency	\$0	\$0	\$0	\$0
<b>Subtotal Specific Improvements</b>	<b>\$3,335,623</b>	<b>\$493,607</b>	<b>\$0</b>	<b>\$3,829,230</b>
<u>Financing Costs</u>				
Capitalized Interest (b)	\$543,910	\$0	\$195,850	\$739,761
Bond Reserve	\$378,081	\$0	\$138,006	\$516,087
Delinquency and Prepayment Deposit	\$52,050	\$0	\$19,175	\$71,225
First Year's Administrative Expenses	\$30,000	\$0	\$35,000	\$65,000
Underwriter's Discount	\$162,300	\$0	\$55,050	\$217,350
Costs of Issuance	\$281,158	\$0	\$126,918	\$408,076
<b>Subtotal Financing Costs</b>	<b>\$1,447,499</b>	<b>\$0</b>	<b>\$569,999</b>	<b>\$2,017,499</b>
<b>Total Uses of Funds</b>	<b>\$5,819,695</b>	<b>\$647,000</b>	<b>\$1,869,262</b>	<b>\$8,335,958</b>

# Authorized Public Improvements

## Series 2021 Bond Sale

The table below summarizes the authorized public improvements that convey a special benefit to Phase 2 of the Trailwind development, which includes 240 home sites. There's a maximum of \$6,755,000 remaining in PID bond authorization under the Development Agreement, which will be adequate to cover the \$4,283,784 in estimated construction costs and cost of issuance.

Table III-C Phase #2 Specific Improvement Costs	
Description	Total
Roadway Improvements	\$1,442,695.00
Water System Improvements	\$587,410.00
Sanitary Sewer System Improvements	\$561,357.00
Storm Drainage System Improvements	\$533,083.00
Professional and Other Soft Costs	\$789,589.00
Construction Contingency	\$369,650.00
<b>Total Specific Improvements</b>	<b>\$4,283,784.00</b>

Note: Costs provided by Petitt Barraza LLC. The amounts shown in Table III-C may be revised in Annual Service Plan Updates.

## Categories of Authorized Public Improvements

The categories of authorized improvements proposed to be financed by the TIRZ are as follows: water improvements, sanitary sewer improvements, storm sewer, erosion control and detention improvements, roadway and streetscape improvements. All public improvements shall be designed and constructed in accordance with all applicable City standards and shall otherwise be inspected, approved, and accepted by the City before reimbursements are approved.

At the City's option, the public improvements may be expanded to include any other category of improvements authorized by the TIRZ Act. Authorized improvements are subject to change and shall be updated by the City consistent with the PID Service and Assessment Plan.

### Roadway Improvements:

Consist of construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

### Water Distribution System Improvements:

Consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements will be designed and constructed in accordance with TCEQ standards and specifications and it's anticipated that water distribution system will be owned and operated by K-MUD, unless otherwise determined through subsequent agreement.

### Sanitary Sewer Collection System Improvements:

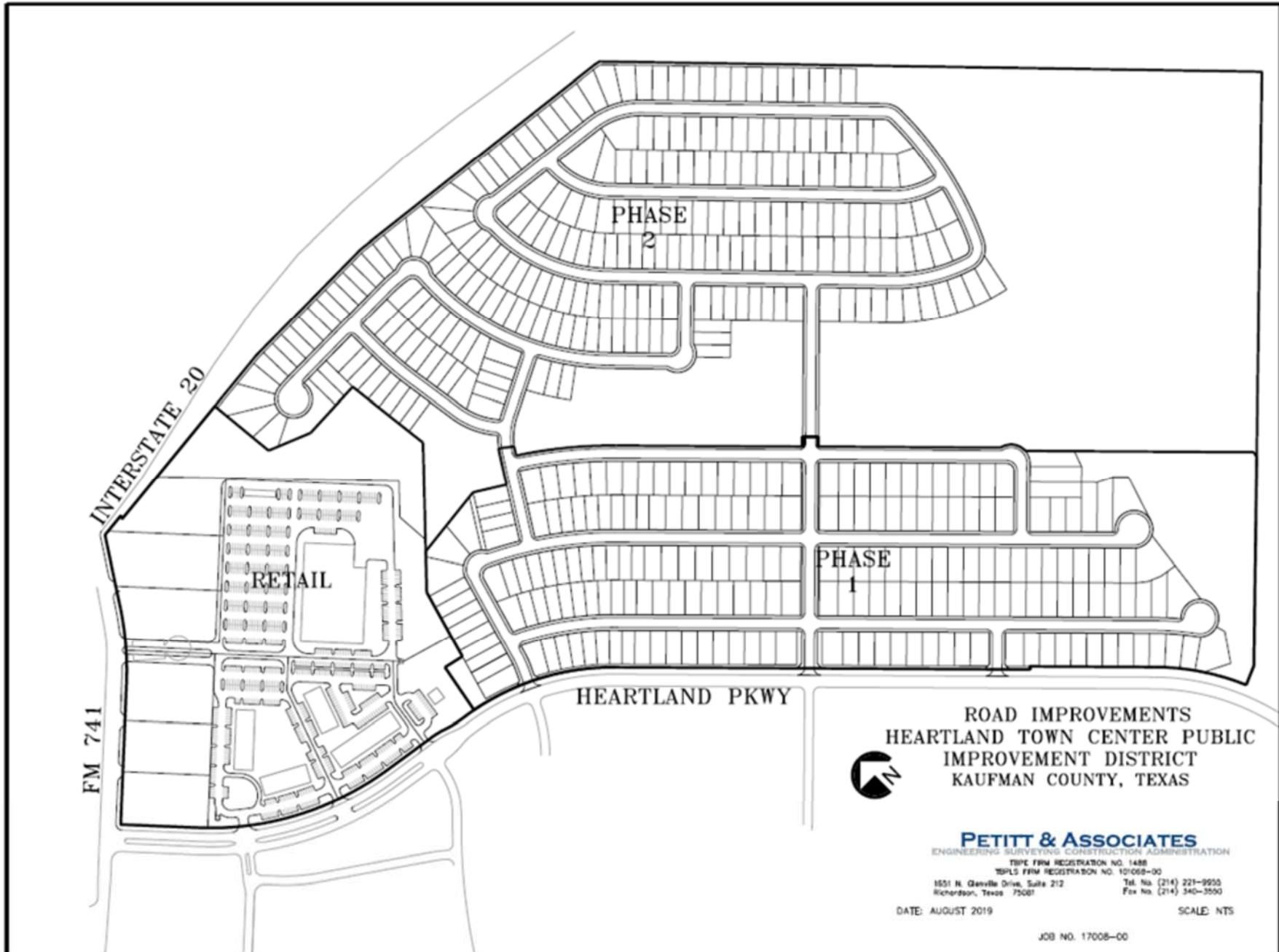
Consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with TCEQ standards and specifications and will be owned and operated by K-MUD.

### Storm Drainage Collection System Improvements:

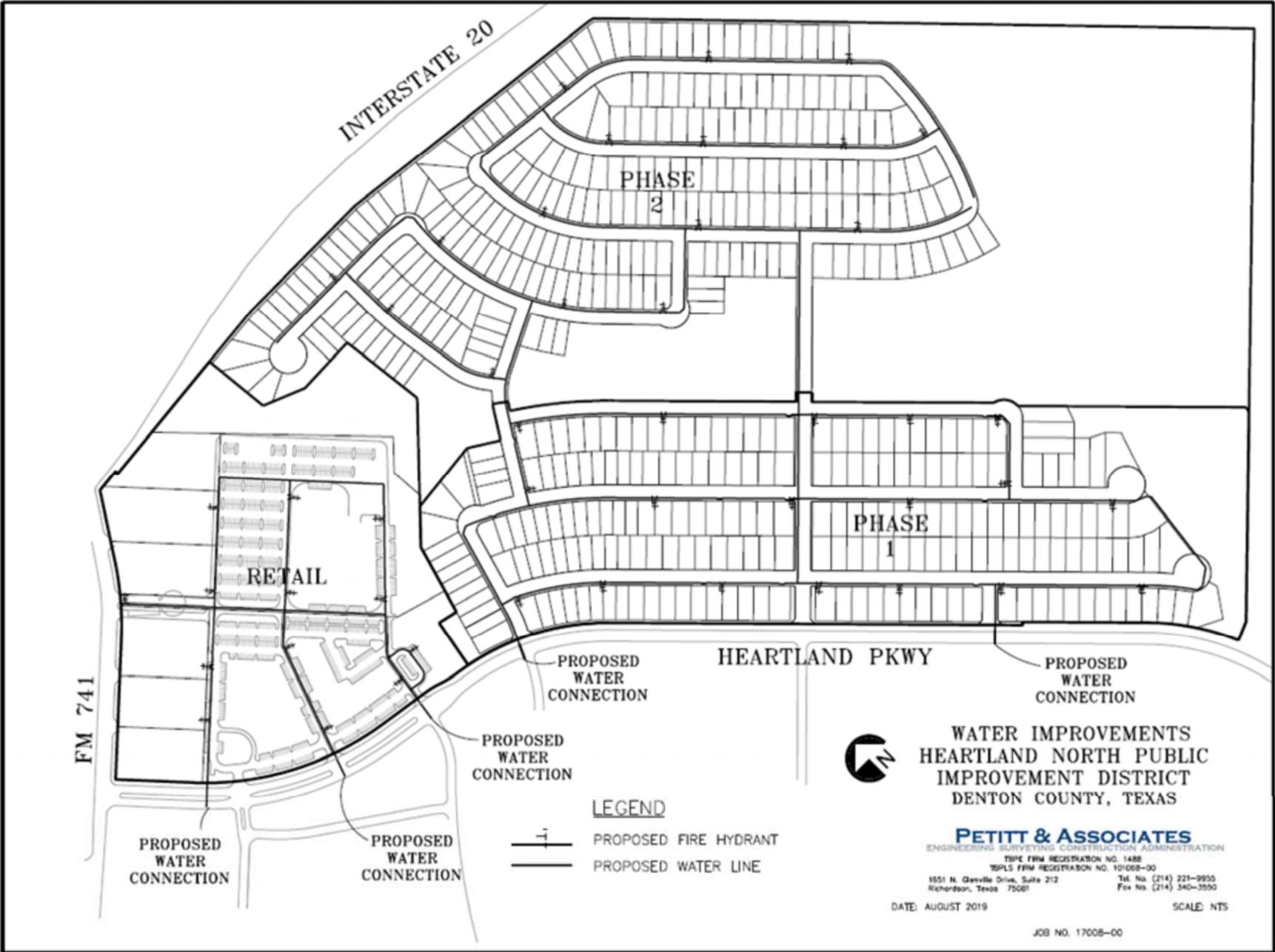
Consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City except those areas of floodplain to be maintained by a Home Owners Association.

Locations of Public Improvements. The estimated locations of the proposed public improvements are shown on the following pages. These locations are provided for informational purposes only and may be revised from time to time without amending the this Plan.

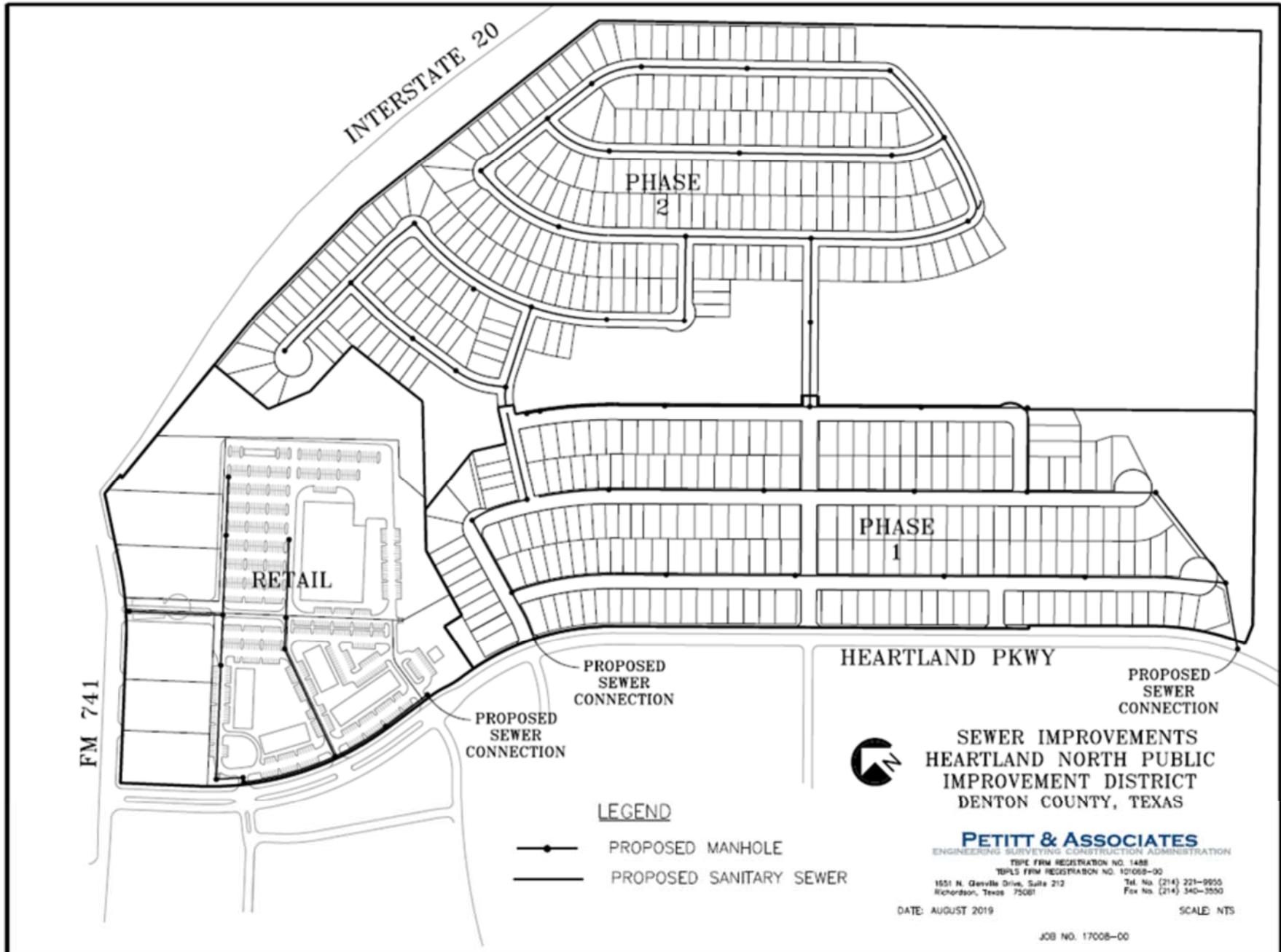
# Roadway Improvements



# Water Distribution System Improvements



# Sanitary Sewer Collection System Improvements



# Economic Feasibility Study Residential Development

## Economic Feasibility Study

In July 2018, a market value appraisal was developed by Integra Realty Resources on behalf of the City and the PID bond underwriter for the purpose of underwriting the PID bonds and to determine if the project was financially feasible. The appraisal determined that single-family residential was the best and highest use for the property and the value-to-lien ratio met the minimum requirement of 2:1 for Phase#1 bonds and 3:1 for major improvements defined in the Development Agreement.

D.R. Horton’s estimated value of its 450 homes at build-out by 2025 totals \$107,470,000. The Tax Rate Equivalent (TRE) for the levy of assessments on the 40-foot lots calculated at \$0.929 per \$100 taxable assessed valuation, and the 50-foot lots calculated at \$0.933, which are both below the maximum \$0.961 per \$100 TRE specified in the Development Agreement. TRE is defined as the estimated finished lot market value to bond amount and is an indicator of the return on the City’s investment of public financing in the project.

The table below summarizes the valuation assumptions and assessment allocation based on lot type. The average annual assessment for the 40-foot lots in Phase 1 is \$2,379.90, and \$1,999.12 for the 50-foot lots.

## TIRZ Revenues

Based on the Developer’s estimated value of 450 homes at total build-out, or completion of sales, by 2025, and assuming a modest two-percent annual growth in appraised values, the estimated Captured Appraised Values detailed on Pages 30-35 show that the taxable value of the residential property will reach \$206 million by the time the TIRZ expires in December 2055, and that TIRZ Revenues available for TIRZ Project Costs within the residential tract will total \$21,877,489. Currently, TIRZ revenues for PID assessments is capped at \$14,827,784, which leaves \$7,049,705 remaining towards the last several years for other public infrastructure costs, such as a fire station or other public facility that would benefit property owners within the TIRZ.

Since the TIRZ captures 62.5 percent of the City’s taxable value, the amount that the City is anticipated to receive for general fund operations over the same period totals \$13,126,493.

**Table V-2: Phase#1 Assessment Per Lot**

Lot Type	# of Lots	Estimated Assessed Value Per Home	Estimated Build-Out AV	Equivalent Unit Factor	Equivalent Units	Phase #1 Bonds Assessment	PID Reimbursement Agreement Assessment	Total Assessment	Total Assessment Per Lot	Total Assessment Installments	Total Assessment Installments Per Lot	Average Annual Assessment Installment Per Lot
50'	155	\$255,000.00	\$39,525,000.00	1.00	155.00	\$4,167,743.54	\$498,434.39	\$4,666,177.93	\$30,104.37	\$10,477,774.61	\$67,598.55	\$2,379.90
40'	55	\$215,000.00	\$11,825,000.00	0.84	46.20	\$1,242,256.46	\$148,565.61	\$1,390,822.07	\$25,287.67	\$3,123,052.82	\$56,782.78	\$1,999.12
<b>Total</b>	<b>210</b>		<b>\$51,350,000.00</b>		<b>201.20</b>	<b>\$5,410,000.00</b>	<b>\$647,000.00</b>	<b>\$6,057,000.00</b>		<b>\$13,600,827.43</b>		

**Table V-3: Phase #2 Major Improvements Assessment Per Lot**

Lot Type	# of Lots	Estimated Assessed Value Per Home	Estimated Build-Out AV	Equivalent Unit Factor	Equivalent Units	Phase #2 Major Improvement Bonds Assessment	Total Assessment	Total Assessment Per Lot	Total Assessment Installments	Total Assessment Installments Per Lot	Average Annual Assessment Installment Per Lot
50'	113	\$255,000.00	\$28,815,000.00	1.00	113.00	\$943,895.67	\$943,895.67	\$8,353.06	\$2,681,500.42	\$23,730.09	\$833.03
40'	127	\$215,000.00	\$27,305,000.00	0.84	106.68	\$891,104.33	\$891,104.33	\$7,016.57	\$2,531,526.23	\$19,933.28	\$699.74
<b>Total</b>	<b>240</b>		<b>\$56,120,000.00</b>		<b>219.68</b>	<b>\$1,835,000.00</b>	<b>\$1,835,000.00</b>		<b>\$5,213,026.65</b>		

# Method of Financing Residential Development

## Method of Financing

For the 121.3-acre residential development, the City will be issuing special assessment revenue bonds secured by PID assessments to finance the PID-eligible portion of Project Costs, and any remaining costs of public improvements will be paid by the Developer, D.R. Horton. PID assessments are levied on each parcel of property within the PID, which is the entire 121.3-acre tract.

In accordance with the Development Agreement, this TIRZ Project and Finance Plan, as amended, and the PID Service and Assessment Plan, TIRZ revenues will be collected annually at 62.5 percent of the City's ad valorem tax increment from within the boundaries of the residential tract only for a period of 38 years or until the amount of TIRZ revenues placed in the TIRZ Residential Account totals \$14,827,784, whichever occurs first.

While the assessments are used to finance the PID bonds, the PID bonds do not represent a general obligation of indebtedness to either the City or the TIRZ - they are solely paid by property owners within the PID. The TIRZ revenues are collected by the City at the same time when property taxes are due and the funds are sent to the bond trustee to offset, or reduce, the amount of assessments levied on each parcel or lot.

The City's PID Administrator allocates TIRZ assessments to each property and prepares an annual Assessment Roll for the City to bill assessments. The table below shows the current Assessment Roll. As home builders sell homes to end-buyers, the assessments are reallocated and an updated SAP is approved by City Council.

Appendix A Heartland Town Center Public Improvement District Assessment Roll						
Assessment by Parcel						
<u>Phase #1 Assessment</u>						
Parcel ID	Owner	Total 40' Lots	Total 50' Lots	Total Lots	PID Assessment	FY 2019-2020 Annual Installment
201174	D.R. Horton Texas LTD	55	155	210	\$6,057,000.00	\$136,349.61
<b>Totals</b>		<b>55</b>	<b>155</b>	<b>210</b>	<b>\$6,057,000.00</b>	<b>\$136,349.61</b>
<u>Phase #2 Major Improvements Assessment</u>						
Parcel ID	Owner	Total 40' Lots	Total 50' Lots	Total Lots	PID Assessment	FY 2019-2020 Annual Installment
200544	Diceseis LLC	127	113	240	\$1,835,000.00	\$44,875.00
<b>Totals</b>		<b>127</b>	<b>113</b>	<b>240</b>	<b>\$1,835,000.00</b>	<b>\$44,875.00</b>

## Annual TIRZ Credit History

The Table below shows the amount of TIRZ revenues received by the trustee and used to credit, or reduce, the annual assessments for each property owner. The PID administrator shows that annual TIRZ Credits will begin in FY-21, so no TIRZ revenues have been used to finance the Project yet.

Appendix D TIRZ Annual Credit History (a)						
All Parcels						
<u>Phase #1 Assessment</u>						
Parcel ID	2020 (c)	TIRZ Credits Applied (b)				TIRZ Credits Received to Date
201174	\$0.00	2021	2022	2023	2024	\$0.00
<u>Phase #2 Major Improvements Assessment</u>						
Parcel ID	2020 (c)	TIRZ Credits Applied (b)				TIRZ Credits Received to Date
200544	\$0.00	2021	2022	2023	2024	\$0.00
<b>Total</b>	<b>\$0.00</b>					<b>\$0.00</b>

(a) The City Council has agreed to use a portion of TIRZ Revenues generated to reduce the Annual Installment for Assessed Property based on a desire to maintain a competitive, composite equivalent ad valorem tax rate.

(b) The maximum TIRZ Annual Credit Amount shall not exceed the amounts shown in Section V of the SAP or in an Annual SAP Update.

(c) TIRZ Credit application will begin in FY 2020-2021 and will be reflected in the FY 2020-2021 Annual Service Plan Update.

## Debt Service

It is not anticipated that the TIRZ will incur any bonded indebtedness. PID bonds are issued by the City, not the TIRZ and are an obligation of the property owner, not the TIRZ.

# Economic Feasibility Study General Retail Development

## Economic Feasibility Study

In August 2019, the Developer's consultant, Stein Planning, LLC, conducted a feasibility analysis based on appraisals of comparable properties in Kaufman, Rockwall and north-east Dallas Counties. The analysis also considered mean average store sales and floor areas of restaurants on pad sites and an analysis of grocery store sales. Together with engineering estimates of developable acreage and an initial concept plan, the consultant determined that \$23,274,280 in real property and \$4,839,360 in business personal property could be developed on nine parcels totaling 129,812 square feet of gross floor space. The table below summarizes the Developer's findings of feasibility.

<b>Proposed Development and Values on the Site, in 2019 Dollars</b>									
<b>Notes:</b>									
Proposed uses, gross floor areas and years of completion represent August 2019 plans by Huffines Communities, subject to change.									
Values added per square foot of gross floor area are estimates by Stein Planning, LLC, based on appraisals for comparable properties.									
Values represented by completed properties are assumed added to the appraisal roll on January 1 following the year of completion.									
A fraction of value may be added earlier if construction began or land value was significantly increased before the previous January 1.									
(a)	(b)	(c)	(d)	(e)	(f) <u>Anticipated Kaufman Central Appraisal District Taxable Value</u>		(h)	(i)	(j)
Parcel Number	Proposed Use	Land Area (SF)	Gross Floor Area (SF)	Coverage	Real Property		Business Personal Property Per SF of GFA	Total	Anticipated Year Completed
					(Land and Improvements) Per SF of GFA				
1	Restaurant pad	46,690	2,500	0.05	\$380	\$950,000	\$35	\$87,500	2020
2	Restaurant pad	45,300	2,500	0.06	\$380	\$950,000	\$35	\$87,500	2021
3	Restaurant pad	62,744	4,000	0.06	\$380	\$1,520,000	\$35	\$140,000	2021
4	Restaurant pad	52,934	3,500	0.07	\$380	\$1,330,000	\$35	\$122,500	2022
5	Restaurant pad	62,255	3,500	0.06	\$380	\$1,330,000	\$35	\$122,500	2022
6	Restaurant pad	53,102	3,000	0.06	\$380	\$1,140,000	\$35	\$105,000	2022
7	Retail mix	164,220	20,671	0.13	\$190	\$3,927,490	\$30	\$620,130	2021
8	Retail mix	125,213	22,141	0.18	\$190	\$4,206,790	\$30	\$664,230	2023
9 (part)	Grocery	299,666	50,000	0.17	\$90	\$4,500,000	\$50	\$2,500,000	2021
9 (part)	Office	74,916	15,000	0.20	\$190	\$2,850,000	\$20	\$300,000	2021
10	Retail mix	51,967	3,000	0.06	\$190	\$570,000	\$30	\$90,000	2023
11X	Buffer	154,529	0	0.00	\$0	\$0	\$0	\$0	2021
<b>Total</b>		<b>1,193,536</b>	<b>129,812</b>	<b>0.11</b>		<b>\$23,274,280</b>		<b>\$4,839,360</b>	
Timing assumptions about new construction values added to the property appraisal roll, by year (before inflation since 2019)									
Added Jan. 1, 2020						\$0		\$0	
Added Jan. 1, 2021						\$950,000		\$87,500	
Added Jan. 1, 2022						\$13,747,490		\$3,647,630	
Added Jan. 1, 2023						\$3,800,000		\$350,000	
Added Jan. 1, 2024						\$4,776,790		\$754,230	
<b>Total</b>						<b>\$23,274,280</b>		<b>\$4,839,360</b>	

# Method of Financing General Retail

## Method of Financing

In accordance with the Heartland Town Center Development Agreement, this TIRZ Project Plan and Reinvestment Zone Financing Plan, and the PID Service and Assessment Plan, TIRZ revenues are collected annually at 25 percent of the ad valorem tax increment from the general retail tract to directly reimburse the Developer, or any other owner of all or any part of the TIRZ general retail tract, for public improvements eligible under the TIRZ Act.

The TIRZ Board prepared and adopted this amended Project Plan and Reinvestment Zone Financing Plan (amended Plan) to expand the geographic boundary of the TIRZ to include the 1.9-acre tract and to extend the term of the Zone an additional seven years to expire on December 31, 2055 or until the amount of TIRZ increment revenue collected in the TIRZ Commercial Account totals \$2,170,667, whichever occurs first. This amended Plan is based on retail valuation assumptions and estimated project expenditures provided by the Developer.

A Development Agreement and Chapter 380 Agreement outlines the terms and conditions for the reimbursement of roadway impact fees and a portion of City sales tax. Under the Agreement, the Developer will be reimbursed roadway impact fees up to a maximum of \$574,441, and when a minimum 50,000 square-foot grocery store develops and opens, then the Developer will be reimbursed 50 percent of the net general sales tax generated from that grocery store for a period of ten years from the date a certificate of occupancy is issued or \$393,000, whichever occurs first.

## Debt Service

It is not anticipated that the TIRZ will incur any bonded indebtedness.

## TIRZ Revenues

Based on the Developer's estimated \$28,113,640 in taxable value of retail at total build-out by 2025, and assuming a modest two-percent annual growth in appraised values, the estimated Captured Appraised Values detailed on Pages 36-41 show that a total of \$2,452,798 in TIRZ Revenues will be generated by the time the TIRZ expires in December 2055; however, the Developer's consultants estimated the total TIRZ Revenues at \$2,170,667, and this represents the maximum incentive amount to be reimbursed to the Developer under the incentive agreement. This leaves an estimated \$282,131 remaining that could be applied towards administrative costs or other eligible public infrastructure costs within the TIRZ.

Since the TIRZ captures 25 percent of the City's taxable value, the amount that the City is anticipated to receive from the remaining 75 percent of the City's tax rate for general fund operations totals \$7,358,394 over this same period.

## Conceptual Landscape Plan for Heartland Retail



TIRZ Revenue Summary

<b>Reinvestment Zone Number Eleven (Heartland Town Center)</b> <b>Revenue Summary</b> As of April 2020			
TAXABLE VALUE			
TIRZ Tax Value at End of Life - projected			<b>\$ 262,576,751</b>
Base Tax Year Value (2017 Tax Year)			33,020
TIRZ Taxable Value Increase			<b>\$ 262,543,731</b>
Percent Increase			<b>795105.18%</b>
REVENUES			
TIRZ Revenues - Residential Account			<b>\$ 21,877,489</b>
TIRZ Revenues - Commercial Account			2,452,798
<b>Total TIRZ Revenues</b>			<b>\$ 24,330,287</b>
EXPENDITURES			
<b>Project Description</b>	<b>Amount</b>	<b>Frequency</b>	<b>Subtotal</b>
City Administration Fee <i>(Beginning in FY-46)</i>	\$ 50,000	per year <i>(as available)</i>	\$ 200,000
Public Safety Infrastructure <i>(Beginning in FY-48)</i>	Varies	per year <i>(as available)</i>	7,663,102
TIRZ Annual Credit Amount for Residential Assessments	Varies	per year	14,296,518
TIRZ Increment Amount for Retail Public Improvements	Varies	per year	2,170,667
<b>Total Expenditures</b>			<b>\$ 24,330,287</b>

## Residential Captured Appraised Value Annual TIRZ Revenues FY-18 thru FY-23

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020	<b>Base Year 2017-18</b>	<b>Actual 2018-19</b>	<b>Total Through 2018-19</b>	<b>Proposed 2019-20</b>	<b>Proposed 2020-21</b>	<b>Proposed 2021-22</b>	<b>Proposed 2022-23</b>
	\$ 27,289	\$ 27,289	\$ 27,289	\$ 822,190	\$ 838,634	\$ 26,530,406	\$ 52,736,015
<b>RESIDENTIAL</b>							
<b>TIRZ Base Value &amp; Cumulative Growth</b> (for calculations)							
Projected % growth in taxable value	7.0%	6.0%		2912.9%	2.0%	2.0%	2.0%
<b>Taxable Value Changes:</b>							
Beginning TIRZ Value Increase	\$ -	\$ -	\$ -	\$ -	\$ 794,901	\$ 811,345	\$ 26,503,117
Appraised Value Annual Growth	-	-		794,901	16,444	16,773	530,608
DR Horton Trailwind Subdivision: 450 New Homes (Total \$107,470,000)	-	-		-	-	25,675,000	25,675,000
	-	-		-	-	-	-
<b>TIRZ Value Increase</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 794,901</b>	<b>\$ 811,345</b>	<b>\$ 26,503,117</b>	<b>\$ 62,708,726</b>
<b>City Tax Rate</b> (Fixed Per Development Agreement)	<b>0.6870</b>	<b>0.6870</b>		<b>0.6870</b>	<b>0.6870</b>	<b>0.6870</b>	<b>0.6870</b>
<b>TIRZ Participation Percentage</b>	<b>62.5%</b>	<b>62.5%</b>		<b>62.5%</b>	<b>62.5%</b>	<b>62.5%</b>	<b>62.5%</b>
<b>TIRZ Revenues:</b>							
Tax Increment	\$ -	\$ -	\$ -	\$ 3,413	\$ 3,484	\$ 113,798	\$ 226,318
<b>TIRZ Revenue (Residential Account)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,413</b>	<b>\$ 3,484</b>	<b>\$ 113,798</b>	<b>\$ 226,318</b>

## Residential Captured Appraised Value Annual TIRZ Revenues FY-24 thru FY-30

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29	Proposed 2029-30
<b>RESIDENTIAL</b>	<b>\$ 81,850,735</b>	<b>\$ 111,547,750</b>	<b>\$ 113,778,705</b>	<b>\$ 116,054,279</b>	<b>\$ 118,375,364</b>	<b>\$ 120,742,872</b>	<b>\$ 123,157,729</b>
<b>TIRZ Base Value &amp; Cumulative Growth</b> (for calculations)							
Projected % growth in taxable value	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Taxable Value Changes:</b>							
Beginning TIRZ Value Increase	\$ 52,708,726	\$ 81,823,446	\$ 111,520,461	\$ 113,751,416	\$ 116,026,990	\$ 118,348,075	\$ 120,715,583
Appraised Value Annual Growth	1,054,720	1,637,015	2,230,955	2,275,574	2,321,086	2,367,507	2,414,857
DR Horton Trailwind Subdivision: 450 New Homes (Total \$107,470,000)	28,060,000	28,060,000					
	-	-	-	-	-	-	-
<b>TIRZ Value Increase</b>	<b>\$ 81,823,446</b>	<b>\$ 111,520,461</b>	<b>\$ 113,751,416</b>	<b>\$ 116,026,990</b>	<b>\$ 118,348,075</b>	<b>\$ 120,715,583</b>	<b>\$ 123,130,440</b>
<b>City Tax Rate</b> (Fixed Per Development Agreement)	<b>0.6870</b>	<b>0.6870</b>	<b>0.6870</b>	<b>0.6870</b>	<b>0.6870</b>	<b>0.6870</b>	<b>0.6870</b>
<b>TIRZ Participation Percentage</b>	<b>62.5%</b>	<b>62.5%</b>	<b>62.5%</b>	<b>62.5%</b>	<b>62.5%</b>	<b>62.5%</b>	<b>62.5%</b>
<b>TIRZ Revenues:</b>							
Tax Increment	\$ 351,329	\$ 478,841	\$ 488,420	\$ 498,191	\$ 508,157	\$ 518,323	\$ 528,691
<b>TIRZ Revenue (Residential Account)</b>	<b>\$ 351,329</b>	<b>\$ 478,841</b>	<b>\$ 488,420</b>	<b>\$ 498,191</b>	<b>\$ 508,157</b>	<b>\$ 518,323</b>	<b>\$ 528,691</b>

## Residential Captured Appraised Value Annual TIRZ Revenues FY-31 thru FY-37

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020	Proposed 2030-31	Proposed 2031-32	Proposed 2032-33	Proposed 2033-34	Proposed 2034-35	Proposed 2035-36	Proposed 2036-37
<b>RESIDENTIAL</b>	\$ 125,620,884	\$ 128,133,301	\$ 130,695,967	\$ 133,309,887	\$ 135,976,084	\$ 138,695,606	\$ 141,469,518
<b>TIRZ Base Value &amp; Cumulative Growth</b> (for calculations)							
Projected % growth in taxable value	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Taxable Value Changes:</b>							
Beginning TIRZ Value Increase	\$ 123,130,440	\$ 125,593,595	\$ 128,106,012	\$ 130,668,678	\$ 133,282,598	\$ 135,948,795	\$ 138,668,317
Appraised Value Annual Growth	2,463,155	2,512,418	2,562,666	2,613,919	2,666,198	2,719,522	2,773,912
DR Horton Trailwind Subdivision: 450 New Homes (Total \$107,470,000)	-	-	-	-	-	-	-
<b>TIRZ Value Increase</b>	<b>\$ 125,593,595</b>	<b>\$ 128,106,012</b>	<b>\$ 130,668,678</b>	<b>\$ 133,282,598</b>	<b>\$ 135,948,795</b>	<b>\$ 138,668,317</b>	<b>\$ 141,442,229</b>
<b>City Tax Rate</b> (Fixed Per Development Agreement)	<b>0.6870</b>						
<b>TIRZ Participation Percentage</b>	<b>62.5%</b>						
<b>TIRZ Revenues:</b>							
Tax Increment	\$ 539,267	\$ 550,055	\$ 561,059	\$ 572,282	\$ 583,730	\$ 595,407	\$ 607,318
<b>TIRZ Revenue (Residential Account)</b>	<b>\$ 539,267</b>	<b>\$ 550,055</b>	<b>\$ 561,059</b>	<b>\$ 572,282</b>	<b>\$ 583,730</b>	<b>\$ 595,407</b>	<b>\$ 607,318</b>

## Residential Captured Appraised Value Annual TIRZ Revenues FY-38 thru FY-44

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020		Proposed 2037-38	Proposed 2038-39	Proposed 2039-40	Proposed 2040-41	Proposed 2041-42	Proposed 2042-43	Proposed 2043-44
<b>RESIDENTIAL</b>		\$ 144,298,908	\$ 147,184,887	\$ 150,128,584	\$ 153,131,156	\$ 156,193,779	\$ 159,317,655	\$ 162,504,008
TIRZ Base Value & Cumulative Growth (for calculations)								
Projected % growth in taxable value		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Taxable Value Changes:</b>								
Beginning TIRZ Value Increase		\$ 141,442,229	\$ 144,271,619	\$ 147,157,598	\$ 150,101,295	\$ 153,103,867	\$ 156,166,490	\$ 159,290,366
Appraised Value Annual Growth		2,829,390	2,885,978	2,943,698	3,002,572	3,062,623	3,123,876	3,186,353
DR Horton Trailwind Subdivision: 450 New Homes (Total \$107,470,000)		-	-	-	-	-	-	-
<b>TIRZ Value Increase</b>		<b>\$ 144,271,619</b>	<b>\$ 147,157,598</b>	<b>\$ 150,101,295</b>	<b>\$ 153,103,867</b>	<b>\$ 156,166,490</b>	<b>\$ 159,290,366</b>	<b>\$ 162,476,719</b>
<b>City Tax Rate</b> (Fixed Per Development Agreement)		<b>0.6870</b>						
<b>TIRZ Participation Percentage</b>		<b>62.5%</b>						
<b>TIRZ Revenues:</b>								
Tax Increment		\$ 619,466	\$ 631,858	\$ 644,497	\$ 657,390	\$ 670,540	\$ 683,953	\$ 697,634
<b>TIRZ Revenue (Residential Account)</b>		<b>\$ 619,466</b>	<b>\$ 631,858</b>	<b>\$ 644,497</b>	<b>\$ 657,390</b>	<b>\$ 670,540</b>	<b>\$ 683,953</b>	<b>\$ 697,634</b>

## Residential Captured Appraised Value Annual TIRZ Revenues FY-45 thru FY-51

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020		Proposed 2044-45	Proposed 2045-46	Proposed 2046-47	Proposed 2047-48	Proposed 2048-49	Proposed 49-50	Proposed 50-51
<b>RESIDENTIAL</b>		\$ 165,754,088	\$ 169,069,170	\$ 172,450,553	\$ 175,899,564	\$ 179,417,556	\$ 183,005,907	\$ 186,666,025
<b>TIRZ Base Value &amp; Cumulative Growth</b> (for calculations)								
Projected % growth in taxable value		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Taxable Value Changes:</b>								
Beginning TIRZ Value Increase	\$	162,476,719	\$ 165,726,799	\$ 169,041,881	\$ 172,423,264	\$ 175,872,275	\$ 179,390,267	\$ 182,978,618
Appraised Value Annual Growth		3,250,080	3,315,082	3,381,383	3,449,011	3,517,991	3,588,351	3,660,118
DR Horton Trailwind Subdivision: 450 New Homes (Total \$107,470,000)		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
<b>TIRZ Value Increase</b>	<b>\$</b>	<b>165,726,799</b>	<b>\$ 169,041,881</b>	<b>\$ 172,423,264</b>	<b>\$ 175,872,275</b>	<b>\$ 179,390,267</b>	<b>\$ 182,978,618</b>	<b>\$ 186,638,736</b>
<b>City Tax Rate</b> (Fixed Per Development Agreement)		0.6870	0.6870	0.6870	0.6870	0.6870	0.6870	0.6870
<b>TIRZ Participation Percentage</b>		62.5%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%
<b>TIRZ Revenues:</b>								
Tax Increment	\$	711,589	\$ 725,824	\$ 740,342	\$ 755,152	\$ 770,257	\$ 785,664	\$ 801,380
<b>TIRZ Revenue (Residential Account)</b>	<b>\$</b>	<b>711,589</b>	<b>\$ 725,824</b>	<b>\$ 740,342</b>	<b>\$ 755,152</b>	<b>\$ 770,257</b>	<b>\$ 785,664</b>	<b>\$ 801,380</b>

## Residential Captured Appraised Value Annual TIRZ Revenues FY-52 thru FY-56

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020	Proposed 51-52	Proposed 52-53	Proposed 53-54	Proposed 54-55	Ends 12/31/2055 55-56	Total All Years
<b>RESIDENTIAL</b>	<b>\$ 190,399,345</b>	<b>\$ 194,207,332</b>	<b>\$ 198,091,479</b>	<b>\$ 202,053,308</b>	<b>\$ 206,094,375</b>	
<b>TIRZ Base Value &amp; Cumulative Growth</b> (for calculations)						
Projected % growth in taxable value	2.0%	2.0%	2.0%	2.0%	2.0%	
<b>Taxable Value Changes:</b>						
Beginning TIRZ Value Increase	\$ 186,638,736	\$ 190,372,056	\$ 194,180,043	\$ 198,064,190	\$ 202,026,019	
Appraised Value Annual Growth	3,733,320	3,807,987	3,884,147	3,961,830	4,041,066	
DR Horton Trailwind Subdivision: 450 New Homes (Total \$107,470,000)	-	-	-	-	-	
	-	-	-	-	-	
<b>TIRZ Value Increase</b>	<b>\$ 190,372,056</b>	<b>\$ 194,180,043</b>	<b>\$ 198,064,190</b>	<b>\$ 202,026,019</b>	<b>\$ 206,067,086</b>	
<b>City Tax Rate</b> (Fixed Per Development Agreement)	<b>0.6870</b>	<b>0.6870</b>	<b>0.6870</b>	<b>0.6870</b>	<b>0.6870</b>	
<b>TIRZ Participation Percentage</b>	<b>62.5%</b>	<b>62.5%</b>	<b>62.5%</b>	<b>62.5%</b>	<b>62.5%</b>	
<b>TIRZ Revenues:</b>						
Tax Increment	\$ 817,410	\$ 833,761	\$ 850,438	\$ 867,449	\$ 884,801	\$21,877,489
<b>TIRZ Revenue (Residential Account)</b>	<b>\$ 817,410</b>	<b>\$ 833,761</b>	<b>\$ 850,438</b>	<b>\$ 867,449</b>	<b>\$ 884,801</b>	<b>\$21,877,489</b>

## Retail Captured Appraised Value Annual TIRZ Revenues FY-18 thru FY-23

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020	Base Year <u>2017-18</u>	Actual <u>2018-19</u>	Total Through <u>2018-19</u>	Proposed <u>2019-20</u>	Proposed <u>2020-21</u>	Proposed <u>2021-22</u>	Proposed <u>2022-23</u>
<b>RETAIL TRACT</b>							
<b>TIRZ Base Value &amp; Cumulative Growth</b>	\$ 6,731	\$ 6,731	\$ 5,731	\$ 831,720	\$ 1,967,854	\$ 19,422,731	\$ 23,861,186
Estimated Percent (%) growth	7.0%	6.0%		16157.5%	2.0%	2.0%	2.0%
<b>Taxable Value Changes:</b>							
Beginning TIRZ Value Increase	\$ -	\$ -	\$ -	\$ -	\$ 925,989	\$ 1,982,123	\$ 19,417,000
Appraised Value Annual Growth	-	-	-	925,989	18,634	39,757	388,455
Retail Development:	-	-	-	-	-	-	-
Heartland Town Center (Total \$28,113,640)	-	-	-	-	1,037,500	17,395,120	4,150,000
	-	-	-	-	-	-	-
<b>TIRZ Value Increase</b>	\$ -	\$ -	\$ -	\$ 925,989	\$ 1,982,123	\$ 19,417,000	\$ 23,955,455
<b>City Tax Rate (Fixed Per Development Agreement)</b>	0.6870	0.6870		0.6870	0.6870	0.6870	0.6870
<b>TIRZ Participation Percentage</b>	25.0%	25.0%		25.0%	25.0%	25.0%	25.0%
<b>TIRZ Revenues:</b>							
Tax Increment	\$ -	\$ -	\$ -	\$ 1,590	\$ 3,404	\$ 33,349	\$ 41,143
<b>TIRZ Revenue (Commercial Account)</b>	\$ -	\$ -	\$ -	\$ 1,590	\$ 3,404	\$ 33,349	\$ 41,143

## Retail Captured Appraised Value Annual TIRZ Revenues FY-24 thru FY-30

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020	<u>Proposed 2023-24</u>	<u>Proposed 2024-25</u>	<u>Proposed 2025-26</u>	<u>Proposed 2026-27</u>	<u>Proposed 2027-28</u>	<u>Proposed 2028-29</u>	<u>Proposed 2029-30</u>
<b>RETAIL TRACT</b>							
TIRZ Base Value & Cumulative Growth	\$ 29,971,430	\$ 30,570,858	\$ 31,182,276	\$ 31,805,921	\$ 32,442,040	\$ 33,090,880	\$ 33,752,698
Estimated Percent (%) growth	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Taxable Value Changes:</b>							
Beginning TIRZ Value Increase	\$ 23,955,455	\$ 29,965,699	\$ 30,565,127	\$ 31,176,545	\$ 31,800,190	\$ 32,436,309	\$ 33,085,149
Appraised Value Annual Growth	479,224	599,429	611,417	623,646	636,118	648,841	661,818
Retail Development:	-	-	-	-	-	-	-
Heartland Town Center (Total \$28,113,640)	5,531,020	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>TIRZ Value Increase</b>	<b>\$ 29,965,699</b>	<b>\$ 30,565,127</b>	<b>\$ 31,176,545</b>	<b>\$ 31,800,190</b>	<b>\$ 32,436,309</b>	<b>\$ 33,085,149</b>	<b>\$ 33,746,967</b>
<b>City Tax Rate</b> (Fixed Per Development Agreement)	<b>0.6870</b>						
<b>TIRZ Participation Percentage</b>	<b>25.0%</b>						
<b>TIRZ Revenues:</b>							
Tax Increment	\$ 51,466	\$ 52,496	\$ 53,546	\$ 54,617	\$ 55,709	\$ 56,824	\$ 57,960
TIRZ Revenue (Commercial Account)	\$ 51,466	\$ 52,496	\$ 53,546	\$ 54,617	\$ 55,709	\$ 56,824	\$ 57,960

## Retail Captured Appraised Value Annual TIRZ Revenues FY-31 thru FY-37

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020		Proposed 2030-31	Proposed 2031-32	Proposed 2032-33	Proposed 2033-34	Proposed 2034-35	Proposed 2035-36	Proposed 2036-37
<b>RETAIL TRACT</b>		\$ 125,620,884	\$ 128,133,301	\$ 130,695,967	\$ 133,309,887	\$ 135,976,084	\$ 138,695,606	\$ 141,469,518
TIRZ Base Value & Cumulative Growth		\$ 34,427,752	\$ 35,116,307	\$ 35,818,633	\$ 36,535,006	\$ 37,265,706	\$ 38,011,020	\$ 38,771,240
Estimated Percent (%) growth		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Taxable Value Changes:</b>								
Beginning TIRZ Value Increase		\$ 33,746,967	\$ 34,422,021	\$ 35,110,576	\$ 35,812,902	\$ 36,529,275	\$ 37,259,975	\$ 38,005,289
Appraised Value Annual Growth		675,054	688,555	702,326	716,373	730,700	745,314	760,220
Retail Development:								
Heartland Town Center (Total \$28,113,640)		-	-	-	-	-	-	-
<b>TIRZ Value Increase</b>		\$ 34,422,021	\$ 35,110,576	\$ 35,812,902	\$ 36,529,275	\$ 37,259,975	\$ 38,005,289	\$ 38,765,509
<b>City Tax Rate</b> (Fixed Per Development Agreement)		0.6870	0.6870	0.6870	0.6870	0.6870	0.6870	0.6870
<b>TIRZ Participation Percentage</b>		25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
<b>TIRZ Revenues:</b>								
Tax Increment		\$ 59,120	\$ 60,302	\$ 61,509	\$ 62,739	\$ 63,994	\$ 65,274	\$ 66,580
TIRZ Revenue (Commercial Account)		\$ 59,120	\$ 60,302	\$ 61,509	\$ 62,739	\$ 63,994	\$ 65,274	\$ 66,580

## Retail Captured Appraised Value Annual TIRZ Revenues FY-38 thru FY-44

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020		Proposed <u>2037-38</u>	Proposed <u>2038-39</u>	Proposed <u>2039-40</u>	Proposed <u>2040-41</u>	Proposed <u>2041-42</u>	Proposed <u>2042-43</u>	Proposed <u>2043-44</u>
<b>RETAIL TRACT</b>		\$ 144,298,908	\$ 147,184,887	\$ 150,128,584	\$ 153,131,156	\$ 156,193,779	\$ 159,317,655	\$ 162,504,008
<b>TIRZ Base Value &amp; Cumulative Growth</b>		\$ 39,546,665	\$ 40,337,598	\$ 41,144,350	\$ 41,967,237	\$ 42,806,582	\$ 43,662,714	\$ 44,535,968
Estimated Percent (%) growth		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Taxable Value Changes:</b>								
Beginning TIRZ Value Increase		\$ 38,765,509	\$ 39,540,934	\$ 40,331,867	\$ 41,138,619	\$ 41,961,506	\$ 42,800,651	\$ 43,656,983
Appraised Value Annual Growth		775,425	790,933	806,752	822,887	839,345	856,132	873,254
Retail Development:		-	-	-	-	-	-	-
Heartland Town Center (Total \$28,113,640)		-	-	-	-	-	-	-
<b>TIRZ Value Increase</b>		\$ 39,540,934	\$ 40,331,867	\$ 41,138,619	\$ 41,961,506	\$ 42,800,651	\$ 43,656,983	\$ 44,530,237
<b>City Tax Rate (Fixed Per Development Agreement)</b>		0.6870	0.6870	0.6870	0.6870	0.6870	0.6870	0.6870
<b>TIRZ Participation Percentage</b>		25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
<b>TIRZ Revenues:</b>								
Tax Increment		\$ 67,912	\$ 69,270	\$ 70,656	\$ 72,069	\$ 73,510	\$ 74,981	\$ 76,481
<b>TIRZ Revenue (Commercial Account)</b>		\$ 67,912	\$ 69,270	\$ 70,656	\$ 72,069	\$ 73,510	\$ 74,981	\$ 76,481

## Retail Captured Appraised Value Annual TIRZ Revenues FY-45 thru FY-51

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020		Proposed <u>2044-45</u>	Proposed <u>2045-46</u>	Proposed <u>2046-47</u>	Proposed <u>2047-48</u>	Proposed <u>2048-49</u>	Proposed <u>49-50</u>	Proposed <u>50-51</u>
<b>RETAIL TRACT</b>		\$ 165,754,088	\$ 169,069,170	\$ 172,450,553	\$ 175,899,564	\$ 179,417,556	\$ 183,005,907	\$ 186,666,025
TIRZ Base Value & Cumulative Growth		\$ 45,426,687	\$ 46,335,221	\$ 47,261,926	\$ 48,207,164	\$ 49,171,307	\$ 50,154,734	\$ 51,157,828
Estimated Percent (%) growth		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
<b>Taxable Value Changes:</b>								
Beginning TIRZ Value Increase		\$ 44,530,237	\$ 45,420,956	\$ 46,329,490	\$ 47,256,195	\$ 48,201,433	\$ 49,165,576	\$ 50,149,003
Appraised Value Annual Growth		890,719	908,534	926,704	945,239	964,143	983,426	1,003,095
Retail Development:		-	-	-	-	-	-	-
Heartland Town Center (Total \$28,113,640)		-	-	-	-	-	-	-
<b>TIRZ Value Increase</b>		\$ 45,420,956	\$ 46,329,490	\$ 47,256,195	\$ 48,201,433	\$ 49,165,576	\$ 50,149,003	\$ 51,152,097
<b>City Tax Rate</b> (Fixed Per Development Agreement)		0.6870	0.6870	0.6870	0.6870	0.6870	0.6870	0.6870
<b>TIRZ Participation Percentage</b>		25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
<b>TIRZ Revenues:</b>								
Tax Increment		\$ 78,010	\$ 79,571	\$ 81,163	\$ 82,786	\$ 84,442	\$ 86,131	\$ 87,854
TIRZ Revenue (Commercial Account)		\$ 78,010	\$ 79,571	\$ 81,163	\$ 82,786	\$ 84,442	\$ 86,131	\$ 87,854

## Retail Captured Appraised Value Annual TIRZ Revenues FY-52 thru FY-56

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020		Proposed 51-52	Proposed 52-53	Proposed 53-54	Proposed 54-55	Ends 12/31/2055 55-56	Total All Years
	<u>RETAIL TRACT</u>	\$ 190,399,345	\$ 194,207,332	\$ 198,091,479	\$ 202,053,308	\$ 206,094,375	
TIRZ Base Value & Cumulative Growth		\$ 52,180,985	\$ 53,224,605	\$ 54,289,097	\$ 55,374,879	\$ 56,482,376	
Estimated Percent (%) growth		2.0%	2.0%	2.0%	2.0%	2.0%	
<b>Taxable Value Changes:</b>							
Beginning TIRZ Value Increase		\$ 51,152,097	\$ 52,175,254	\$ 53,218,874	\$ 54,283,366	\$ 55,369,148	
Appraised Value Annual Growth		1,023,157	1,043,620	1,064,492	1,085,782	1,107,498	
Retail Development:		-	-	-	-	-	
Heartland Town Center (Total \$28,113,640)		-	-	-	-	-	
TIRZ Value Increase		\$ 52,175,254	\$ 53,218,874	\$ 54,283,366	\$ 55,369,148	\$ 56,476,645	
City Tax Rate (Fixed Per Development Agreement)		0.6870	0.6870	0.6870	0.6870	0.6870	
TIRZ Participation Percentage		25.0%	25.0%	25.0%	25.0%	25.0%	
<b>TIRZ Revenues:</b>							
Tax Increment		\$ 89,611	\$ 91,403	\$ 93,232	\$ 95,097	\$ 96,999	
TIRZ Revenue (Commercial Account)		\$ 89,611	\$ 91,403	\$ 93,232	\$ 95,097	\$ 96,999	\$ 2,452,798

# Annual TIRZ Expenditures FY-18 thru FY-23

**Reinvestment Zone Number Eleven  
Heartland Town Center  
As of April 2020**

	<u>Base Year</u> <u>2017-18</u>	<u>Actual</u> <u>2018-19</u>	<u>Total Through</u> <u>2018-19</u>	<u>Proposed</u> <u>2019-20</u>	<u>Proposed</u> <u>2020-21</u>	<u>Proposed</u> <u>2021-22</u>	<u>Proposed</u> <u>2022-23</u>
	\$ 27,289	\$ 27,289	\$ 27,289	\$ 822,190	\$ 838,634	\$ 26,530,406	\$ 52,736,015
<b>Total TIRZ Revenues - All Accounts</b>	\$ -	\$ -	\$ -	\$ 5,003	\$ 6,888	\$ 147,146	\$ 267,462
<b>EXPENDITURES:</b>							
Administrative Fee - (\$200,000/\$50K per yr. beginning FY-46)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety Infrastructure - (\$7.6 million/\$785K beginning FY-48)	-	-	-	-	-	-	-
Annual TIRZ Amount to PID - (62.5% of Increment ad valorem for Residential 0.687 Tax Rate- <b>Max \$14,827,784</b> )	-	-	-	3,413	3,484	113,798	226,318
Annual TIRZ Amount to PID - (25% of Increment ad valorem for Retail 0.687 Tax Rate - <b>Max \$2,170,667</b> )	-	-	-	-	5,632	29,264	37,195
	-	-	-	-	-	-	-
<b>Total Project Expenditures</b>	\$ -	\$ -	\$ -	\$ 3,413	\$ 9,116	\$ 143,062	\$ 263,513
<b>Excess (Deficiency) Revenues over Expenditures</b>	-	-	-	<b>1,590</b>	<b>(2,228)</b>	<b>4,085</b>	<b>3,948</b>
<b>Beginning Fund Balance, Oct 1</b>	-	-	-	-	1,590	(637)	3,447
<b>Ending Fund Balance, Sep 30</b>	\$ -	\$ -	\$ -	\$ 1,590	\$ (637)	\$ 3,447	\$ 7,396

# Annual TIRZ Expenditures FY-24 thru FY-30

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29	Proposed 2029-30
Total TIRZ Revenues - All Accounts	\$ 81,850,735	\$ 111,547,750	\$ 113,778,705	\$ 116,054,279	\$ 118,375,364	\$ 120,742,872	\$ 123,157,729
	\$ 402,796	\$ 531,337	\$ 541,966	\$ 552,808	\$ 563,866	\$ 575,146	\$ 586,652
<b>EXPENDITURES:</b>							
Administrative Fee - (\$200,000/\$50K per yr. beginning FY-46)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety Infrastructure - (\$7.6 million/\$785K beginning FY-48)	-	-	-	-	-	-	-
Annual TIRZ Amount to PID - (62.5% of Increment ad valorem for Residential 0.687 Tax Rate- <b>Max \$14,827,784</b> )	351,329	478,841	488,420	498,191	508,157	518,323	528,691
Annual TIRZ Amount to PID - (25% of Increment ad valorem for Retail 0.687 Tax Rate - <b>Max \$2,170,667</b> )	47,450	48,399	49,367	50,354	51,362	52,389	53,437
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total Project Expenditures	\$ 398,779	\$ 527,240	\$ 537,787	\$ 548,545	\$ 559,519	\$ 570,712	\$ 582,128
<b>Excess (Deficiency) Revenues over Expenditures</b>	<b>4,016</b>	<b>4,097</b>	<b>4,179</b>	<b>4,263</b>	<b>4,347</b>	<b>4,435</b>	<b>4,523</b>
<b>Beginning Fund Balance, Oct 1</b>	<b>7,396</b>	<b>11,412</b>	<b>15,509</b>	<b>19,687</b>	<b>23,950</b>	<b>28,297</b>	<b>32,732</b>
<b>Ending Fund Balance, Sep 30</b>	<b>\$ 11,412</b>	<b>\$ 15,509</b>	<b>\$ 19,687</b>	<b>\$ 23,950</b>	<b>\$ 28,297</b>	<b>\$ 32,732</b>	<b>\$ 37,256</b>

# Annual TIRZ Expenditures FY-31 thru FY-37

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020	Proposed 2030-31	Proposed 2031-32	Proposed 2032-33	Proposed 2033-34	Proposed 2034-35	Proposed 2035-36	Proposed 2036-37
	\$ 125,620,884	\$ 128,133,301	\$ 130,695,967	\$ 133,309,887	\$ 135,976,084	\$ 138,695,606	\$ 141,469,518
Total TIRZ Revenues - All Accounts	\$ 598,387	\$ 610,358	\$ 622,567	\$ 635,021	\$ 647,724	\$ 660,681	\$ 673,897
<b>EXPENDITURES:</b>							
Administrative Fee - (\$200,000/\$50K per yr. beginning FY-48)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety Infrastructure - (\$7.6 million/\$785K beginning FY-48)	-	-	-	-	-	-	-
Annual TIRZ Amount to PID - (62.5% of Increment ad valorem for Residential 0.687 Tax Rate - <b>Max \$14,827,784</b> )	539,267	550,055	561,059	572,282	583,730	595,407	607,318
Annual TIRZ Amount to PID - (25% of Increment ad valorem for Retail 0.687 Tax Rate - <b>Max \$2,170,667</b> )	54,505	55,595	56,707	57,841	58,998	60,178	61,382
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total Project Expenditures	\$ 593,772	\$ 605,650	\$ 617,766	\$ 630,123	\$ 642,728	\$ 655,585	\$ 668,700
<b>Excess (Deficiency) Revenues over Expenditures</b>	<b>4,615</b>	<b>4,707</b>	<b>4,802</b>	<b>4,898</b>	<b>4,996</b>	<b>5,096</b>	<b>5,198</b>
<b>Beginning Fund Balance, Oct 1</b>	<b>37,256</b>	<b>41,870</b>	<b>46,578</b>	<b>51,380</b>	<b>56,278</b>	<b>61,274</b>	<b>66,370</b>
<b>Ending Fund Balance, Sep 30</b>	<b>\$ 41,870</b>	<b>\$ 46,578</b>	<b>\$ 51,380</b>	<b>\$ 56,278</b>	<b>\$ 61,274</b>	<b>\$ 66,370</b>	<b>\$ 71,567</b>

## Annual TIRZ Expenditures FY-38 thru FY-44

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020		Proposed 2037-38	Proposed 2038-39	Proposed 2039-40	Proposed 2040-41	Proposed 2041-42	Proposed 2042-43	Proposed 2043-44
		\$ 144,298,908	\$ 147,184,887	\$ 150,128,584	\$ 153,131,156	\$ 156,193,779	\$ 159,317,655	\$ 162,504,008
Total TIRZ Revenues - All Accounts		\$ 687,378	\$ 701,128	\$ 715,153	\$ 729,459	\$ 744,050	\$ 758,934	\$ 774,115
<b>EXPENDITURES:</b>								
Administrative Fee - (\$200,000/\$50K per yr. beginning FY-46)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety Infrastructure - (\$7.6 million/\$785K beginning FY-48)		-	-	-	-	-	-	-
Annual TIRZ Amount to PID - (62.5% of Increment ad valorem for Residential 0.687 Tax Rate - <b>Max \$14,827,784</b> )		619,466	631,858	644,497	657,390	670,540	683,953	697,634
Annual TIRZ Amount to PID - (25% of Increment ad valorem for Retail 0.687 Tax Rate - <b>Max \$2,170,667</b> )		62,609	63,862	65,139	66,442	67,770	69,126	70,508
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Total Project Expenditures		\$ 682,075	\$ 695,720	\$ 709,636	\$ 723,832	\$ 738,310	\$ 753,079	\$ 768,142
<b>Excess (Deficiency) Revenues over Expenditures</b>		<b>5,303</b>	<b>5,408</b>	<b>5,517</b>	<b>5,627</b>	<b>5,740</b>	<b>5,855</b>	<b>5,973</b>
<b>Beginning Fund Balance, Oct 1</b>		<b>71,567</b>	<b>76,870</b>	<b>82,278</b>	<b>87,795</b>	<b>93,421</b>	<b>99,162</b>	<b>105,017</b>
Ending Fund Balance, Sep 30		\$ 76,870	\$ 82,278	\$ 87,795	\$ 93,421	\$ 99,162	\$ 105,017	\$ 110,989

# Annual TIRZ Expenditures FY-45 thru FY-51

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020		Proposed 2044-45	Proposed 2045-46	Proposed 2046-47	Proposed 2047-48	Proposed 2048-49	Proposed 49-50	Proposed 50-51
Total TIRZ Revenues - All Accounts	\$	165,754,088	169,069,170	172,450,553	175,899,564	179,417,556	183,005,907	186,666,025
		\$ 789,600	\$ 805,394	\$ 821,505	\$ 837,938	\$ 854,699	\$ 871,795	\$ 889,234
<b>EXPENDITURES:</b>								
Administrative Fee - (\$200,000/\$50K per yr. beginning FY-46)	\$	-	50,000	50,000	50,000	50,000	50,000	50,000
Public Safety Infrastructure - (\$7.6 million/\$785K beginning FY-48)		-	-	-	-	-	-	-
Annual TIRZ Amount to PID - (62.5% of Increment ad valorem for Residential 0.687 Tax Rate- <b>Max \$14,827,784</b> )		711,589	725,824	525,683	-	-	-	-
Annual TIRZ Amount to PID - (25% of Increment ad valorem for Retail 0.687 Tax Rate - <b>Max \$2,170,667</b> )		71,919	73,357	74,824	76,320	77,847	79,404	80,992
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
<b>Total Project Expenditures</b>	<b>\$</b>	<b>783,508</b>	<b>849,181</b>	<b>650,507</b>	<b>126,320</b>	<b>127,847</b>	<b>129,404</b>	<b>130,992</b>
<b>Excess (Deficiency) Revenues over Expenditures</b>		<b>6,091</b>	<b>(43,786)</b>	<b>170,998</b>	<b>711,618</b>	<b>726,852</b>	<b>742,391</b>	<b>758,242</b>
<b>Beginning Fund Balance, Oct 1</b>		<b>110,989</b>	<b>117,081</b>	<b>73,295</b>	<b>244,293</b>	<b>955,910</b>	<b>1,682,762</b>	<b>2,425,153</b>
<b>Ending Fund Balance, Sep 30</b>	<b>\$</b>	<b>117,081</b>	<b>73,295</b>	<b>244,293</b>	<b>955,910</b>	<b>1,682,762</b>	<b>2,425,153</b>	<b>3,183,395</b>

## Annual TIRZ Expenditures FY-52 thru FY-56

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020	Proposed 51-52	Proposed 52-53	Proposed 53-54	Proposed 54-55	Ends 12/31/2055 55-56	Total All Years
	\$ 190,399,345	\$ 194,207,332	\$ 198,091,479	\$ 202,053,308	\$ 206,094,375	
<b>Total TIRZ Revenues - All Accounts</b>	<b>\$ 907,021</b>	<b>\$ 925,164</b>	<b>\$ 943,670</b>	<b>\$ 962,546</b>	<b>\$ 981,799</b>	<b>\$ 24,330,287</b>
<b>EXPENDITURES:</b>						
Administrative Fee - (\$200,000/\$50K per yr. beginning FY-46)	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 200,000
Public Safety Infrastructure - (\$7.6 million/\$785K beginning FY-48)	-	-	-	-	-	-
Annual TIRZ Amount to PID - (62.5% of Increment ad valorem for Residential 0.687 Tax Rate- <b>Max \$14,827,784</b> )	-	-	-	-	-	14,296,518
Annual TIRZ Amount to PID - (25% of Increment ad valorem for Retail 0.687 Tax Rate - <b>Max \$2,170,667</b> )	82,612	84,264	85,949	87,668	-	2,170,667
	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Total Project Expenditures</b>	<b>\$ 132,612</b>	<b>\$ 134,264</b>	<b>\$ 135,949</b>	<b>\$ 137,668</b>	<b>\$ 50,000</b>	<b>\$ 16,667,185</b>
<b>Excess (Deficiency) Revenues over Expenditures</b>	<b>774,409</b>	<b>790,900</b>	<b>807,721</b>	<b>824,878</b>	<b>931,799</b>	<b>7,663,102</b>
<b>Beginning Fund Balance, Oct 1</b>	<b>3,183,395</b>	<b>3,957,804</b>	<b>4,748,704</b>	<b>5,556,425</b>	<b>6,381,303</b>	<b>-</b>
<b>Ending Fund Balance, Sep 30</b>	<b>\$ 3,957,804</b>	<b>\$ 4,748,704</b>	<b>\$ 5,556,425</b>	<b>\$ 6,381,303</b>	<b>\$ 7,313,102</b>	<b>\$ 7,663,102</b>

# Designation Ordinance No. 4532

## ORDINANCE NO. 4532

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA CONSISTING OF APPROXIMATELY 146.746 ACRES OF LAND GENERALLY LOCATED SOUTH OF INTERSTATE HIGHWAY 20, EAST OF FM 741 AND NORTH OF HEARTLAND PARKWAY IN KAUFMAN COUNTY, TEXAS, LOCATED WITHIN THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF MESQUITE AS A REINVESTMENT ZONE PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE, TO BE KNOWN AS REINVESTMENT ZONE NUMBER ELEVEN, CITY OF MESQUITE, TEXAS (HEARTLAND TOWN CENTER); DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; ESTABLISHING A TAX INCREMENT FUND FOR THE ZONE; CONTAINING FINDINGS RELATED TO THE CREATION OF THE ZONE; PROVIDING A DATE FOR THE TERMINATION OF THE ZONE; PROVIDING THAT THE ZONE TAKE EFFECT IMMEDIATELY UPON PASSAGE OF THE ORDINANCE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Mesquite, Texas (the "City"), pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Act"), may designate a geographic area within the corporate limits of the City or within the extraterritorial jurisdiction (the "ETJ") of the City, or in both, as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, the Act provides that the governing body of a municipality by ordinance may designate a contiguous or noncontiguous geographic area that is in the corporate limits of the municipality or within the ETJ of the municipality to be a reinvestment zone if the governing body determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future; and

WHEREAS, the City Council of the City (the "City Council") desires for the City to consider the creation of a tax increment reinvestment zone with the boundaries described in the metes and bounds attached hereto as *Exhibit A* and more generally depicted in *Exhibit B* attached hereto (the "Zone"); and

WHEREAS, pursuant to and as required by the Act, the City has prepared a *Preliminary Project and Financing Plan for Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center)* dated November 2017 (hereinafter referred to as the "Preliminary Project and Finance Plan") for a proposed tax increment reinvestment zone containing the real property within the Zone; and

WHEREAS, notice of the public hearing on the creation of the proposed zone was published in a newspaper of general circulation in the City and in a newspaper of general

circulation in the ETJ on or before December 11, 2017, which date is the seventh (7<sup>th</sup>) day before the public hearing held on December 18, 2017; and

WHEREAS, on December 18, 2017, the City Council opened a public hearing in accordance with Section 311.003(c) of the Act and interested persons were allowed to speak for or against the creation of the Zone, the boundaries of the Zone, and the concept of tax increment financing, and owners of property in the proposed Zone were given a reasonable opportunity to protest the inclusion of their property in the Zone; and

WHEREAS, after all comments and evidence, both written and oral, were received by the City Council, the public hearing was closed on December 18, 2017; and

WHEREAS, the public hearing was held in full accordance with Section 311.003(c) of the Act; and

WHEREAS, the City has taken all actions required to create the Zone including, but not limited to, all actions required by the home-rule Charter of the City, the Act, Chapter 551 of the Texas Government Code, commonly referred to as the Texas Open Meetings Act, and all other laws applicable to the creation of the Zone; and

WHEREAS, the percentage of the property in the proposed zone, excluding property that is publicly owned, that is currently used for residential purposes is less than thirty percent (30%); and

WHEREAS, a Preliminary Project and Finance plan has been prepared for the proposed reinvestment zone.

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

### SECTION 1. RECITALS INCORPORATED.

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. FINDINGS.

That the City Council, after conducting the above described hearing and having heard the evidence and testimony presented at the hearing, has made the following findings and determined based on the evidence and testimony presented to it:

- (a) That the public hearing on the creation of the proposed reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by applicable law, including the Act, and that owners of property within the proposed reinvestment zone were given a reasonable opportunity to protest the inclusion of their property in the proposed reinvestment zone; and

Heartland Town Center TIRZ #11 Creation

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Heartland Town Center TIRZ #11 Creation

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- (b) That creation of the proposed reinvestment zone with boundaries as described and depicted in *Exhibits A and B* will result in benefits to the City, its residents and property owners, in general, and to the property, residents and property owners in the reinvestment zone; and
- (c) That the proposed reinvestment zone, as described and depicted in *Exhibits A and B*, meets the criteria for the creation of a reinvestment zone set forth in the Act in that:
  1. It is a geographic area located wholly within the ETJ of the City; and
  2. The area is predominately open, unproductive and undeveloped or underdeveloped, and the lack of necessary public improvements and other facilities substantially impairs the sound growth of the City; and
- (d) That thirty percent (30%) or less of the property in the proposed reinvestment zone, excluding property that is publicly owned, is currently used for residential purposes; and
- (e) That the total appraised value of taxable real property in the proposed reinvestment zone, together with the total appraised value of taxable real property in all other existing reinvestment zones within the City, according to the most recent appraisal rolls of the City, does not exceed twenty-five percent (25%) of the current total appraised value of taxable real property in the City and in the industrial districts created by the City, if any; and
- (f) That the improvements in the proposed reinvestment zone will significantly enhance the value of all taxable real property in the proposed reinvestment zone and will be of general benefit to the City; and
- (g) That the development or redevelopment of the property in the proposed reinvestment zone will not occur solely through private investment in the reasonably foreseeable future; and
- (h) That the proposed reinvestment zone will promote development or redevelopment of the economy within the proposed reinvestment zone and develop or expand business and commercial activity within the proposed reinvestment zone; and
- (i) The City Council has prepared the Preliminary Project and Finance Plan prior to the execution of this Ordinance; and
- (j) The City Council finds that the Preliminary Project and Finance Plan is feasible.

SECTION 3. DESIGNATION AND NAME OF THE ZONE.

Pursuant to the authority of, and in accordance with the requirements of the Act, the City Council hereby designates the area described and depicted in *Exhibits A and B* hereto as a tax increment reinvestment zone. The name assigned to the zone for identification is **Reinvestment Zone Number Eleven, City of Mesquite, Texas** (Heartland Town Center) (hereinafter referred to as the "Zone").

SECTION 4. BOARD OF DIRECTORS.

- (a) The City Council hereby creates a board of directors for the Zone (hereinafter referred to as the "Board") consisting of seven (7) members all appointed by the City Council. Council Members may serve as Board members.
- (b) The Board members appointed to the Board shall be eligible to serve on the Board if that person is at least 18 years of age, and is a resident of the county in which the Zone is located or a county adjacent to that county.
- (c) The Board shall make recommendations to the City Council concerning the administration, management, and operation of the Zone. The Board shall prepare or cause to be prepared and adopt a project plan and a reinvestment zone financing plan for the Zone (hereinafter referred to as the "Project and Finance Plan") as required by the Act, and shall submit the Project and Finance Plan to the City Council for approval. The Board shall consider amendments to the Project and Finance Plan on its own initiative or upon submission by the City Council, but amendments considered by the Board shall not take effect unless and until adopted by the City Council.
- (d) Directors shall not receive any salary or other compensation for their services as directors.
- (e) Members of the Board shall be appointed for terms of two years. The terms of the Board members may be staggered. The City Council may remove and replace Board members at any time during a term.
- (f) The initial Board shall be seven members and the following shall be members:
  1. Stan Pickett
  2. Jeff Casper
  3. Bruce Archer
  4. Dan Aleman
  5. Greg Noschese
  6. Tandy Boroughs
  7. To Be Appointed

The City Council hereby appoints Mayor Stan Pickett to serve as chairman of the Board for the remainder of calendar year 2017 and during calendar year 2018. Before the end of calendar year 2018 and each calendar year thereafter, the City Council shall appoint one member of the Board to serve as chairman for a term of one year that begins on January 1 of the following year. If the City Council does not appoint a chairman during that period, the Mayor of the City is automatically appointed to serve as chairperson for the term that begins on January 1 of the following year. The Board may elect a vice-chairman to preside in the absence of the chairman or when there is a vacancy in the office of chairman. The Board may elect other officers as it considers appropriate.

# Designation Ordinance No. 4532

## SECTION 5. DURATION OF THE ZONE.

That the Zone shall take effect immediately upon the passage of this Ordinance, consistent with Section 311.004(a)(3) of the Act, and the Zone shall terminate upon the occurrence of any of the following: (i) December 31, 2048; or (ii) an earlier or later termination date designated by an ordinance adopted under Section 311.007(c) of the Act; or (iii) the date on which all project costs, tax increment bonds and interest on those bonds, and other obligations of the Zone have been paid in full, in accordance with Section 311.017 of the Act.

## SECTION 6. TAX INCREMENT BASE AND TAX INCREMENT.

Pursuant to Section 311.012(c) of the Act, the tax increment base of the City, or any other taxing unit participating in the Zone, is the total taxable value, as of January 1, 2017, of all real property taxable by the City or other taxing unit participating in the Zone, and located in the Zone for the year in which the Zone was designated as a reinvestment zone (the "Tax Increment Base") or if the City does not levy an ad valorem tax in the year in which the Zone is designated, the Tax Increment Base is determined by the appraisal district in which the Zone is located in accordance with Section 311.012(c) of the Act. Pursuant to Section 311.013(l) of the Act, the amount of the tax increment for a year will be determined in the ordinance adopted under Section 311.011 of the Act approving the reinvestment zone financing plan for the Zone calculated on the amount of real property taxes levied and collected by the City, and all or a portion of property taxes of other taxing units participating in the Zone and located in the Zone (as set forth in an agreement to participate in the Zone) for that year on the Captured Appraised Value (defined below) of real property taxable by the City or other taxing unit participating in the Zone and located in the Zone (the "Tax Increment"). Consistent with Section 311.012(b) of the Texas Tax Code, as amended, the Captured Appraised Value of real property taxable by the City or other taxing unit participating in the Zone for a year is the total taxable value of all real property taxable by the City or other taxing unit participating in the Zone and located in the Zone for that year less the Tax Increment Base of the City or other taxing unit participating in the Zone (the "Captured Appraised Value").

## SECTION 7. TAX INCREMENT FUND.

That there is hereby created and established a "Tax Increment Fund" for the Zone, that may be divided into subaccounts as set forth in the Project and Finance Plan, into which the Tax Increment of the City and participating taxing units, if any, as such increments are described in the Project and Finance Plan and includes administration costs, 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 shall be maintained at the affiliated depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. In addition, all revenues to be dedicated to and used in the Zone shall be deposited into the Tax Increment Fund from which money will be disbursed to pay project costs, plus interest, for the Zone. Surplus funds in the Tax Increment Fund shall be disbursed as authorized and provided in the Act.

## SECTION 8. SEVERABILITY CLAUSE.

That should any provision, section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City of Mesquite hereby declares that it would have passed this Ordinance, and each provision, section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more provisions, sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

## SECTION 9. OPEN MEETINGS.

That it is hereby found, determined, and declared that sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the Municipal Center and at the City Hall of the City for the time required by law preceding its meeting, as required by the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered, and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

## SECTION 10. EFFECTIVE DATE.

That this Ordinance shall be in full force and effect from and after its passage as required by law.

DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 18<sup>th</sup> day of December, 2017.

  
Stan Pickett  
Mayor

ATTEST:

  
Sonja Land  
City Secretary

APPROVED:

  
B.J. Smith  
City Attorney





**Project and Financing Plan  
Reinvestment Zone Number Eleven  
City of Mesquite  
(Heartland Town Center)**

**June 2018**



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**City of Mesquite**  
**Department of Economic Development**

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**Director of Economic Development**  
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 Mobile: (682) 540-4480  
 E-mail: [dwitcher@cityofmesquite.com](mailto:dwitcher@cityofmesquite.com)

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## Tax Increment Financing Program

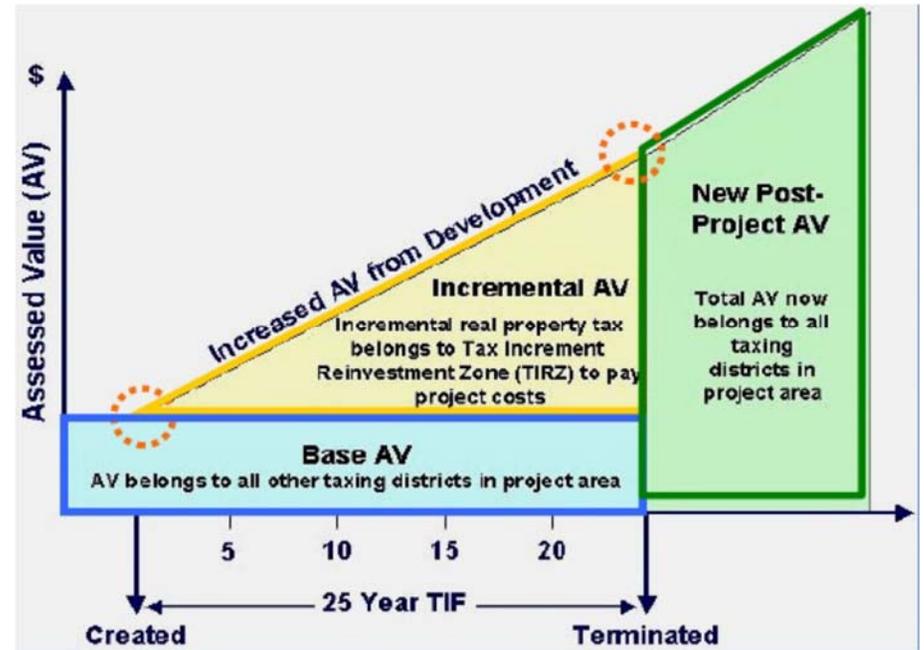
Chapter 311 of the Texas Tax Code (the TIRZ Act) authorizes the governing body of a municipality to promote redevelopment of a contiguous or noncontiguous geographic area by designating it a Tax Increment Reinvestment Zone (TIRZ). The future value of private investment within a TIRZ is leveraged to finance 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 school districts, 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 is assessed value in year TIRZ is designated (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 TIRZ Act.

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# Heartland Town Center TIRZ No. 11

## Actions Taken to Date

On June 7, 2010, the City entered into an agreement with 269 Kaufman Partners, LTD., to develop 146 acres located in the City's ETJ near FM 741 and IH-20 as a high quality town center commercial development along the IH-20 Corridor. In 2014, the rights to develop the property expired due to inactivity, and in 2017, the developer, Centurion American, requested a new agreement and concept plan to include the addition of a residential development financed through a Tax Increment Reinvestment Zone (TIRZ) and a Public Improvement District (PID). On October 16, 2017, the City Council authorized the City Manager to negotiate a new development agreement with the requirement that the developer request voluntary annexation into the City Limits.

On November 13, 2017, the Developer filed a petition for the creation of the Heartland Town Center PID, and on November 14, 2017, the City Council passed resolutions calling for public hearings to consider both the Heartland Town Center PID and TIRZ.

On December 4, 2017, the City Council directed the City Manager to finalize and execute a development agreement with CADG Kaufman 146, LLC, and Kaufman County Fresh Water Supply District No. 5, relating to the proposed Heartland Town Center Development. Under the new concept plan the development consists of two tracts, a 25.5-acre general retail tract and a 121.3-acre tract for residential use to include approximately 450 residential lots. The lots will primarily be 40-50 feet wide and will be comparable to lot sizes in the surrounding area. The creation of the TIRZ and PID to help fund public infrastructure needed for the development was conditioned upon annexation into the City.

On December 18, 2017, after holding a public hearing, the City Council passed Ordinance No. 4532 creating Reinvestment Zone Number Eleven for a duration of 30 years, expiring on December 31, 2048, if not sooner terminated, and the tax increment for the TIRZ was set at the total value of the ad valorem tax collected on all real property within the TIRZ. At this same meeting, the City Council passed Resolution No. 80-2017, creating the Heartland Town Center PID to finance the cost of certain authorized public improvements that confer a special benefit to property located within the PID as authorized by State law.

On April 2, 2018, the City and Developer executed the Heartland Town Center Development Agreement, and currently the City intends to issue PID bonds on July 16, 2018.

Under the PID, the City will levy assessments based on lot type in an amount sufficient to pay debt service on any special assessment revenue bonds issued to finance a portion of the authorized improvements, capped by the Development Agreement at \$14 million. While the TIRZ boundary encompasses the entire 146.746 acres of the Heartland development, the PID boundaries only include the 121.3-acre residential tract, which will develop as single-family residential.

On May 29, 2018, the Developer filed a voluntary petition for annexation of the 25.5-acre general retail tract and a Resolution accepting the petition and calling for two public hearings is scheduled for the June 18, 2018, City Council meeting.

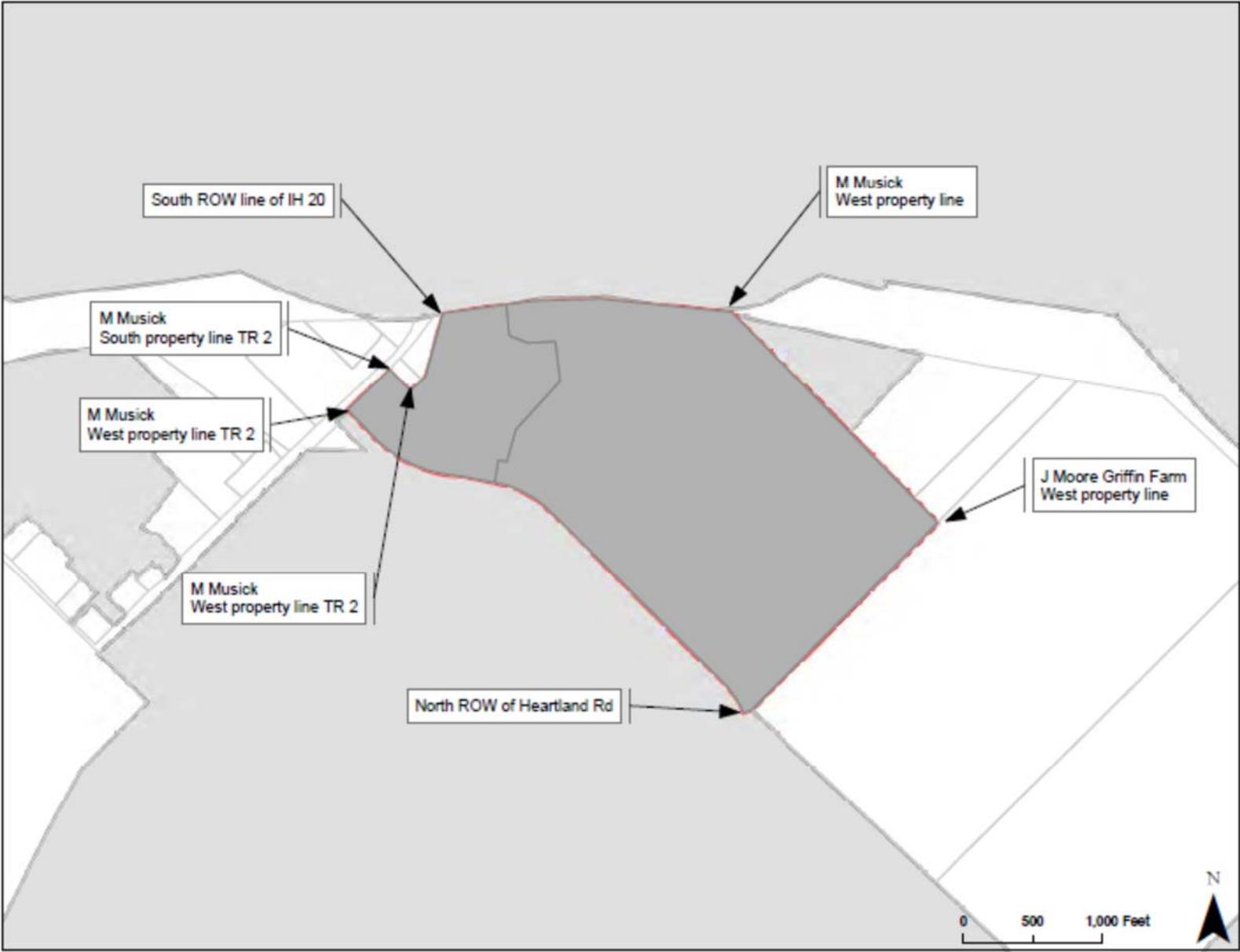
### **Board Recommendation**

The Board has prepared and adopted, and recommends to the City Council this ***Reinvestment Zone Project and Financing Plan for Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center)*** for approval, including a TIRZ Agreement with the City pursuant to which the City will contribute a portion of its ad valorem tax increment into a tax increment fund to pay the costs of public works, public improvements, programs, and other projects benefiting the Zone through payment of public improvement district special assessment revenue bonds (including interest and other financing costs of such bonds) issued by the City to finance those costs.

The Board finds that the Zone is feasible, and that TIRZ Project and Financing Plan is in the best interest of the City of Mesquite.



# Heartland Town Center TIRZ No. 11 Boundary Description



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# Heartland Town Center TIRZ No. 11

## Boundary Description

BEING that certain tract of land situated in the Martha Music Survey, Abstract No. 312, in Kaufman County, Texas, and being that certain tract of land described as Tract 1 in deed to CADG Kaufman 146, LLC, recorded in Volume 4363, Page 38, of the Deed Records of Kaufman County, Texas (DRKCT), and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set at the intersection of the southeast right-of-way line of Farm to Market Road No. 741 (called 90 foot R.O.W. at this point), and the northeasterly right-of-way line of Heartland Parkway (called 100 foot R.O.W. at this point), and being the west corner of said CADG Kaufman 146, LLC tract;

THENCE North 46°18'40" East, with said southeast right-of-way line of Farm to Market Road No. 741, said southeast right-of-way line according to Deed to the State of Texas recorded in Volume 454, Page 159, DRKCT, a distance of 428.96 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner at the west corner of that certain tract of land described as Tract 7 in deed to HW Heartland, L.P. recorded in Volume 3119, Page 142, DRKCT;

THENCE leaving said southeast right-of-way line of Farm to Market Road No. 741, and with the southwest and southeast lines of said Tract 7, the following bearings and distances to 1/2 inch iron rods with cap stamped "DAA" found for corner:

South 43°42'15" East, a distance of 207.45 feet;

And North 46°15'02" East, a distance of 146.43 feet;

THENCE North 15°07'57" East, continuing with said southeast line of Tract 7, a distance of 467.14 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 83°20'17" East, leaving said southeast line of Tract 7, and with the north line of said CADG Kaufman 146, LLC tract, a distance of 675.66 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 88°27'43" East, with a north line of said CADG Kaufman 146, LLC tract, a distance of 474.11 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 84°18'07" East, with a north line of said CADG Kaufman 146, LLC tract, a distance of 951.32 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 78°58'41" East, with a north line of said CADG Kaufman 146, LLC tract, a distance of 18.88 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner at a northeast corner of said CADG Kaufman 146, LLC tract;

THENCE South 45°06'42" East, with the northeasterly line of said CADG Kaufman 146, LLC tract, a distance of 2113.03 feet to a 3/4 inch iron pipe found for corner at the easternmost corner of said CADG Kaufman County 146, LLC tract;

THENCE South 44°46'26" West, with a southeasterly line of said CADG Kaufman 146, LLC tract, a distance of 1898.52 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner;

THENCE South 65°43'36" West, with a southeasterly line of said CADG Kaufman 146, LLC tract, a distance of 65.81 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner at the southernmost corner of said CADG Kaufman 146, LLC tract, and being located on the northeasterly line of Lot 2X, Block 43, of Heartland Tract A, Phase 1B, an addition to Kaufman County, Texas according to the Amending Plat recorded in Cabinet 3, Slide 20, of the Plat Records of Kaufman County, Texas (PRKCT), said iron rod also being located at the beginning of a non-tangent curve to the left;

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# Heartland Town Center TIRZ No. 11

## Boundary Description

THENCE Northwesterly, with said northeasterly line of Lot 2X and with said curve to the left which has a central angle of 21°32'00", a radius of 800.00 feet, a chord which bears North 34°55'09" West, a chord distance of 298.90 feet, for an arc distance of 300.66 feet to the end of said curve, a 1/2 inch iron rod with cap marked "DAA" found for corner;

THENCE North 45°41'09" West, continuing with the northeasterly line of Lot 2X, a distance of 397.34 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner at the northernmost corner of said Lot 2X, Block 43, also being the northernmost corner of said Heartland Tract A, Phase 1B;

THENCE South 44°18'51" West, with the northwest line of said Lot 2X, Block 43, a distance of 10.00 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner at the easternmost corner of Heartland Tract A Phase 2B, an addition to Kaufman County, Texas, according to the Final Plat recorded in Cabinet 3, Slide 100, PRKCT, said iron rod also being located on the northeasterly right-of-way line of Heartland Parkway (called 80 foot right-of-way at this point), according to said Final Plat of Heartland Tract A Phase 2B;

THENCE North 45°41'09" West, with said northeasterly right-of-way line of Heartland Parkway, a distance of 1324.03 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner at the beginning of a tangent curve to the left;

THENCE Northwesterly, continuing with said northeasterly right-of-way line of Heartland Parkway, and with said curve having a central angle of 36°41'46", a radius of 790.00 feet, a chord which bears North 64°02'02" West, a chord distance of 497.37 feet, for an arc distance of 505.97 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner;

THENCE North 82°23'59" West, continuing with said northeasterly right-of-way line of Heartland Parkway, a distance of 23.30 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner, and being the beginning of a tangent curve to the right;

THENCE continuing with said northeasterly right-of-way line of Heartland Parkway, and with said curve having a central angle of 10°28'32", a radius of 300.00 feet, a chord which bears North 77°08'39" West, a chord distance of 54.77 feet, for an arc distance of 54.85 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner, and being the beginning of a tangent reverse curve to the left;

THENCE continuing with said northeasterly right-of-way line of Heartland Parkway, and with said curve having a central angle of 10°28'32", a radius of 300.00 feet, a chord which bears North 77°08'39" West, a chord distance of 54.77 feet, for an arc distance of 54.85 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner (called 100 foot R.O.W. at this point);

THENCE North 82°22'55" West, continuing with said northeasterly right-of-way line of Heartland Parkway, a distance of 172.65 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner, and being the beginning of a tangent curve to the right;

THENCE continuing with said northeasterly right-of-way line of Heartland Parkway, and with said curve having a central angle of 38°41'30", a radius of 950.00 feet, a chord which bears North 63°02'10" West, a chord distance of 629.41 feet, for an arc distance of 641.53 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner;

THENCE North 43°41'26" West, continuing with said northeasterly right-of-way line of Heartland Parkway, a distance of 249.59 feet to the POINT OF BEGINNING of herein described tract, containing 146.746 acres of land.

# Heartland Town Center TIRZ No. 11

## Current Land Use

**Existing Uses and Conditions**

The Property is currently located in Kaufman County and wholly within the City's ETJ. The Property is undeveloped, and there is no public infrastructure to support development. Development will require extensive public infrastructure that: (1) the City cannot provide; and (2) will not be provided solely through private investment in the foreseeable future. If the Property were to be developed today, it would be developed consistent with the terms of the Development Agreement. Maps of current land use and zoning are shown on the next two pages.

**Current Property Ownership**

There are five parcels within the TIRZ and details of the parcels are shown below.

The current total appraised value of taxable real property in the Zone is \$33,020. It is estimated that upon expiration of the term of the Zone, the total appraised value of taxable real property in the Zone will be more than \$161 million.



**121-acre Residential Tract**

PROPERTY ID	OWNER	ACRE	LEGAL DESCRIPTION	EX	LAND	IMPR.	MARKET	AG VALUE	TOTAL ASSESSED
9608	CADG KAUFMAN 146 LLC	1.334	M MUSICK, TRACT 2 PT, AKA TRACT F PT		\$ 26,680	\$ -	\$ 26,680	\$ 300	\$ 300
9609	CADG KAUFMAN 146 LLC	17.35	M MUSICK, PT TR 2, AKA TRACT F PT		\$ 347,000	\$ -	\$ 347,000	\$ 3,900	\$ 3,900
9711	CADG KAUFMAN 146 LLC	109.067	M MUSICK, TRACT 2 PT, AKA TRACT F PT		\$ 2,181,340	\$ -	\$ 2,181,340	\$ 24,540	\$ 24,540
76545	CADG KAUFMAN 146 LLC	13.982	M MUSICK, TRACT 2 PT, AKA TRACT F PT		\$ 111,860	\$ -	\$ 111,860	\$ 3,150	\$ 3,150
187126	THERIAULT AMY ETAL	5	M MUSICK		\$ 106,940	\$ -	\$ 106,940	\$ 1,130	\$ 1,130
		<b>146.733</b>			<b>\$ 2,773,820</b>	<b>\$ -</b>	<b>\$ 2,773,820</b>	<b>\$ 33,020</b>	<b>\$ 33,020</b>

# Heartland Town Center TIRZ No. 11

## Current Land Use



# Heartland Town Center TIRZ No. 11

## Current Zoning



# Heartland Town Center TIRZ No. 11

## Zone Characteristics

### Proposed Uses

Currently, the property is zoned Agricultural and is vacant. Upon annexation, the 25-acre tract will be zoned General Retail consistent with the development standards contained in the Development Agreement. The 121-acre tract will be zoned Planned Development - Single Family Residential and is expected to develop in two phases over three to four years.

Phase 1 is expected to begin in 2019 with infrastructure improvements and 215 lots completed by 2022. Phase 2 is expected to begin in 2020 with infrastructure improvements and 235 lots completed by 2024. The anticipated average base home price for the 40-foot width lots is \$215,000, and the anticipated average base home price for the 50-foot width lots is \$255,000. Maps of the Property and description of the proposed uses of the Property are shown on the following pages.

The Property meets the eligibility requirements of the PID Act. The Property is undeveloped, and due to its size, location, and physical characteristics, development will not occur solely through private investment in the foreseeable future. The Property substantially impairs and arrests the sound growth of the City because it is predominately open, unproductive and undeveloped due to factors such as the lack of public infrastructure and other facilities and the need for economic incentives to attract development to the Zone for the purpose of providing long-term economic benefits including, but not limited to, increased real property tax base for all taxing units in the Zone. With the creation of the Zone and if the public works, public improvements, programs, and other projects are financed as contemplated by this Plan, the Developer envisions that the Property will be developed to take full advantage of the opportunity to bring to the City a master-planned development.

### Proposed Changes to Ordinances, Codes, and Regulations

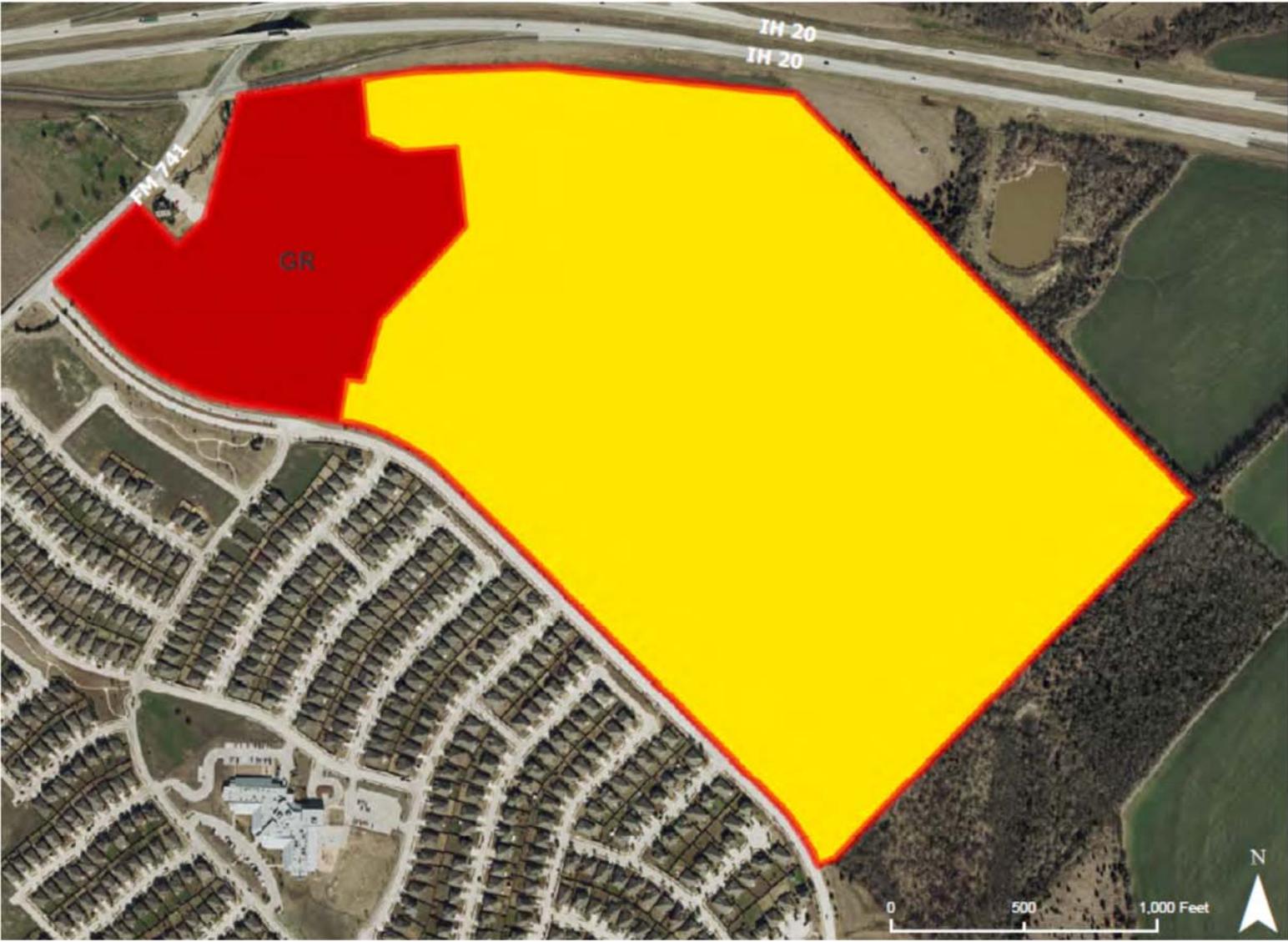
The Property is currently located in the ETJ of the City and is not subject to the City's zoning regulation, however the Development Agreement requires the Developer to file for voluntary annexation, and upon annexation to then file certain deed restrictions with the Kaufman County Court of Record. A list of 30 prohibited uses to be filed as deed restrictions is found in Exhibit D-1 of the Development Agreement.



**25-acre General Retail Tract**

# Heartland Town Center TIRZ No. 11

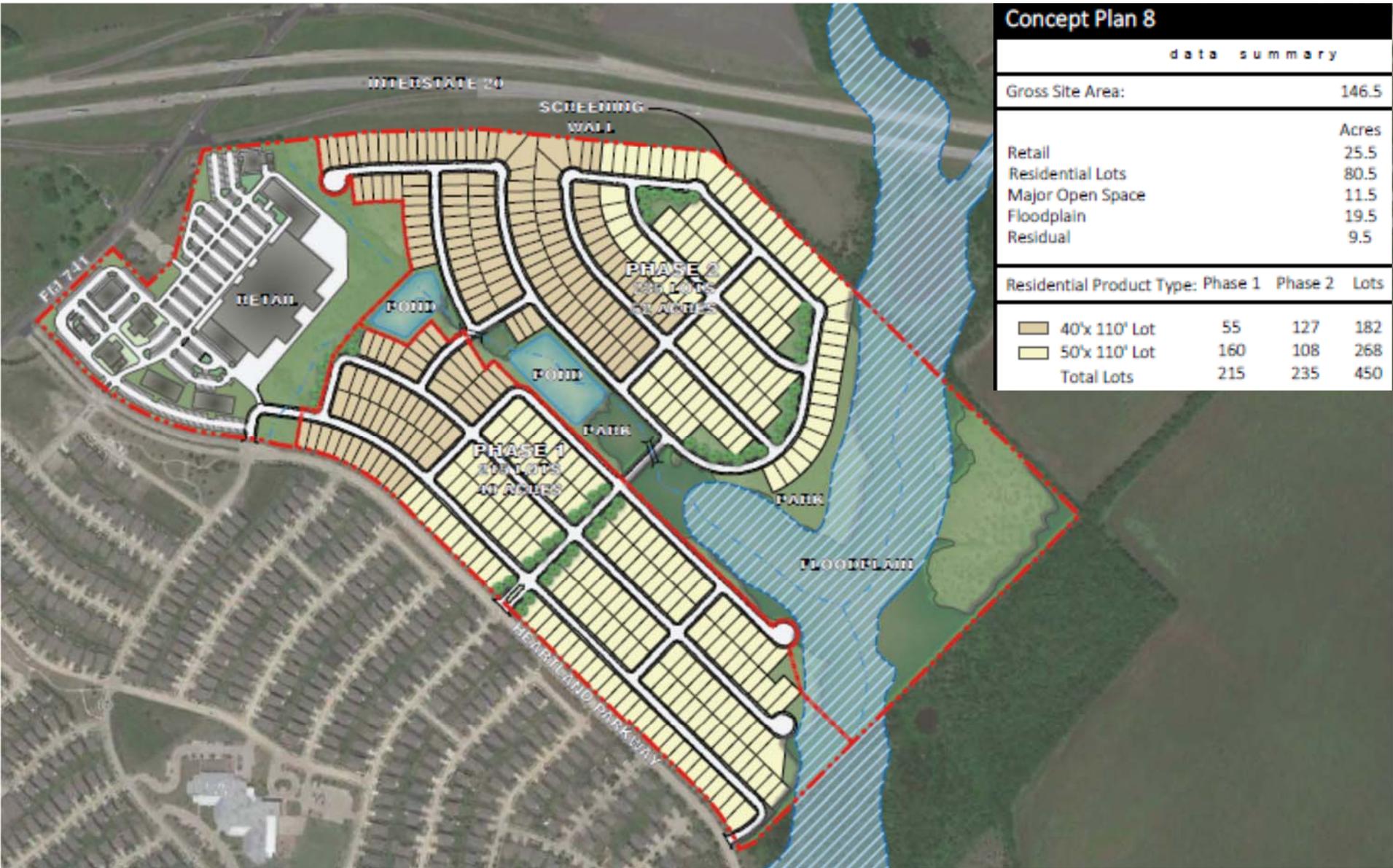
## Future Land Use



- Land Use**
- General Retail 25.5 ac**
  - COMMERCIAL IMPROVEMENTS**
  - Public Improvement District 121 ac**
  - SINGLE FAMILY RESIDENCES**

# Heartland Town Center TIRZ No. 11

## Future Land Use



# Heartland Town Center TIRZ No. 11

## Future Land Use

**Anticipated Development**

Over the 31 year term of the TIRZ, anticipated development will include a high-quality, residential and mixed-use development.

**Residential**

Tract	Name	Type	Lots	Delivery Year	Completion Year	Taxable Value PSF/Unit	Incremental Value
<b>Heartland</b>							
1	40' LOTS	SFR	182	2019	2022	\$210,000	\$38,220,000
2	50' LOTS	SFR	268	2019	2022	\$262,500	\$70,350,000
<b>Total</b>			<b>450</b>				<b>\$108,570,000</b>

**Mixed**

Tract	Name	Type	SF	Delivery Year	Completion Year	Taxable Value PSF/Unit	Incremental Value
<b>Heartland</b>							
1	Grocery	RETAIL	115,023	2020	2022	\$200	\$23,004,600
2	Pads	RETAIL	46,174	2020	2022	\$200	\$9,234,800
3	Office	OFFICE	41,382	2022	2024	\$150	\$6,207,300
4	Bank	OFFICE	15,246	2020	2022	\$150	\$2,286,900
5	Retail	RETAIL	58,806	2022	2024	\$200	\$11,761,200
<b>Total</b>			<b>276,631</b>				<b>\$52,494,800</b>

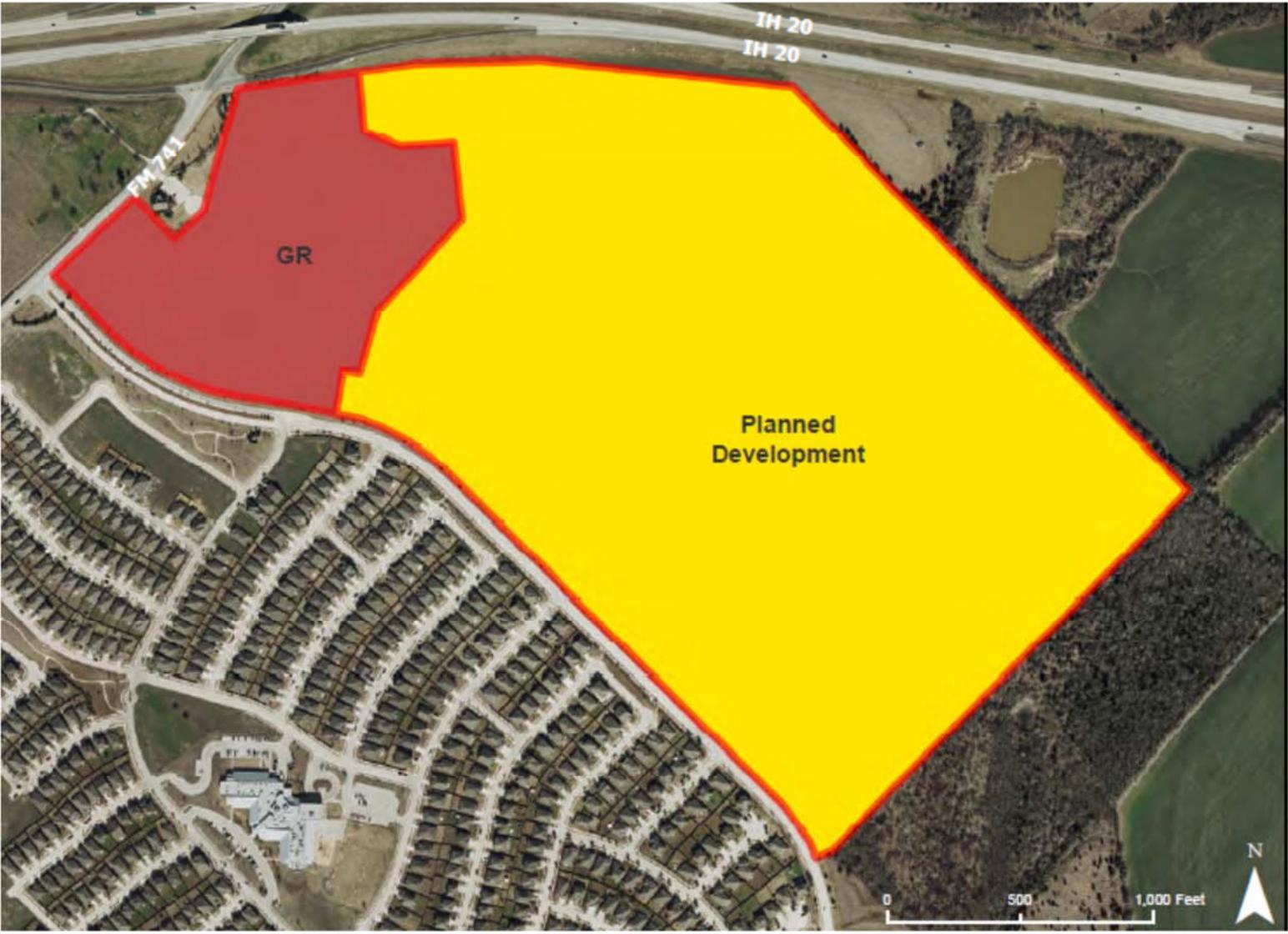
PLAN YEARS  
OUTPUT @ YEAR

31
2048

YEAR  
GROSS  
NET PRESENT VALUE @ 6%

2048
18,437,378
7,947,696

# Heartland Town Center TIRZ No. 11 Future Zoning



Zoning  
General Retail 25.5 ac  
Public Improvement District 121 ac

GENERAL RETAIL  
SINGLE FAMILY RESIDENTIAL

# Heartland Town Center TIRZ No. 11

## Estimated Non-Project Costs

Estimated Non-Project Costs	Amount
Site Preparation	\$ 1,122,041
Retaining Walls	275,800
Water Distribution System	464,130
Sanitary Sewer System	454,604
Storm Sewer System	654,760
Roadway Improvements	1,086,974
Franchise Utilities/Street Lighting	1,443,000
Professional/Miscellaneous Fees	508,915
District Creation Costs	357,740
Contingencies	1,113,545
Amenity Center	1,500,000
Utility Costs Heartland MUD Costs	1,600,000
	\$ 10,581,509

### Estimated Non-Project Costs

Non-project costs are private funds that will be spent to develop in the TIRZ but will not be financed by TIRZ revenues. The list of non-project costs includes lot development costs and home construction costs. The total non-project costs are estimated at \$10,581,509.

### Relocation of Displaced Persons

No persons will be displaced or relocated due to the implementation of this Plan.

# Heartland Town Center TIRZ No. 11

## Estimated Project Costs

Estimated Project Costs	Amount
Site Preparation	\$ 1,464,886
Retaining Walls	413,700
Water Distribution System	696,195
Sanitary Sewer System	681,906
Storm Sewer System	982,140
Roadway Improvements	1,630,461
Professional/Miscellaneous Fees	763,373
Interest	10,306,164
Contingencies	172,561
Utility Costs Heartland MUD Costs	1,000,000
	<b>\$ 18,111,386</b>

### Estimated Project Costs

The total estimated project costs for the Projects include administrative costs, the costs of the public improvements, and principal, interest and other financing costs of PID bonds, and are estimated at \$18,111,386 in 2017 dollars.

### Estimated Time When Costs Incurred

The Administrative Costs will be incurred annually. It is estimated that the remainder of the Project Costs will be incurred during the time intervals set forth in the Financial Analysis.

### TIRZ Revenues Capped

TIRZ revenues placed in the Residential Account of the TIRZ Fund and dedicated to offset or pay a portion of PID assessments cannot exceed \$14,827,784.

TIRZ revenues placed in the Commercial Account of the TIRZ Fund and dedicated to reimburse developer costs in the form of Chapter 380 Economic Development Agreements cannot exceed \$3,283,602.

Therefore; total TIRZ revenues are capped at \$18,111,386 per the Development Agreement.

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# Heartland Town Center TIRZ No. 11

## Estimated Project Costs

### **Categories of Authorized Public Improvements**

The categories of authorized improvements proposed to be financed by the TIRZ are as follows: water improvements, sanitary sewer improvements, storm sewer and detention improvements, roadway improvements, erosion control and landscape improvements. All public improvements shall be designed and constructed in accordance with all applicable City standards and shall otherwise be inspected, approved, and accepted by the City. At the City's option, the public improvements may be expanded to include any other category of improvements authorized by the TIRZ Act. Authorized improvements are subject to change and shall be updated by the City consistent with the PID Service and Assessment Plan (SAP).

#### **Roadway Improvements:**

Consist of construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

#### **Water Distribution System Improvements:**

Consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements will be designed and constructed in accordance with TCEQ standards and specifications and it's anticipated that water distribution system will be owned and operated by the Kaufman MUD, unless otherwise determined through subsequent agreement.

#### **Sanitary Sewer Collection System Improvements:**

Consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with TCEQ standards and specifications and will be owned and operated by the Kaufman MUD.

#### **Storm Drainage Collection System Improvements:**

Consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

**Locations of Public Improvements.** The estimated locations of the proposed public improvements are shown on the following pages. These locations are provided for informational purposes only and may be revised from time to time without amending the this Plan.



**25-acre General Retail Tract**

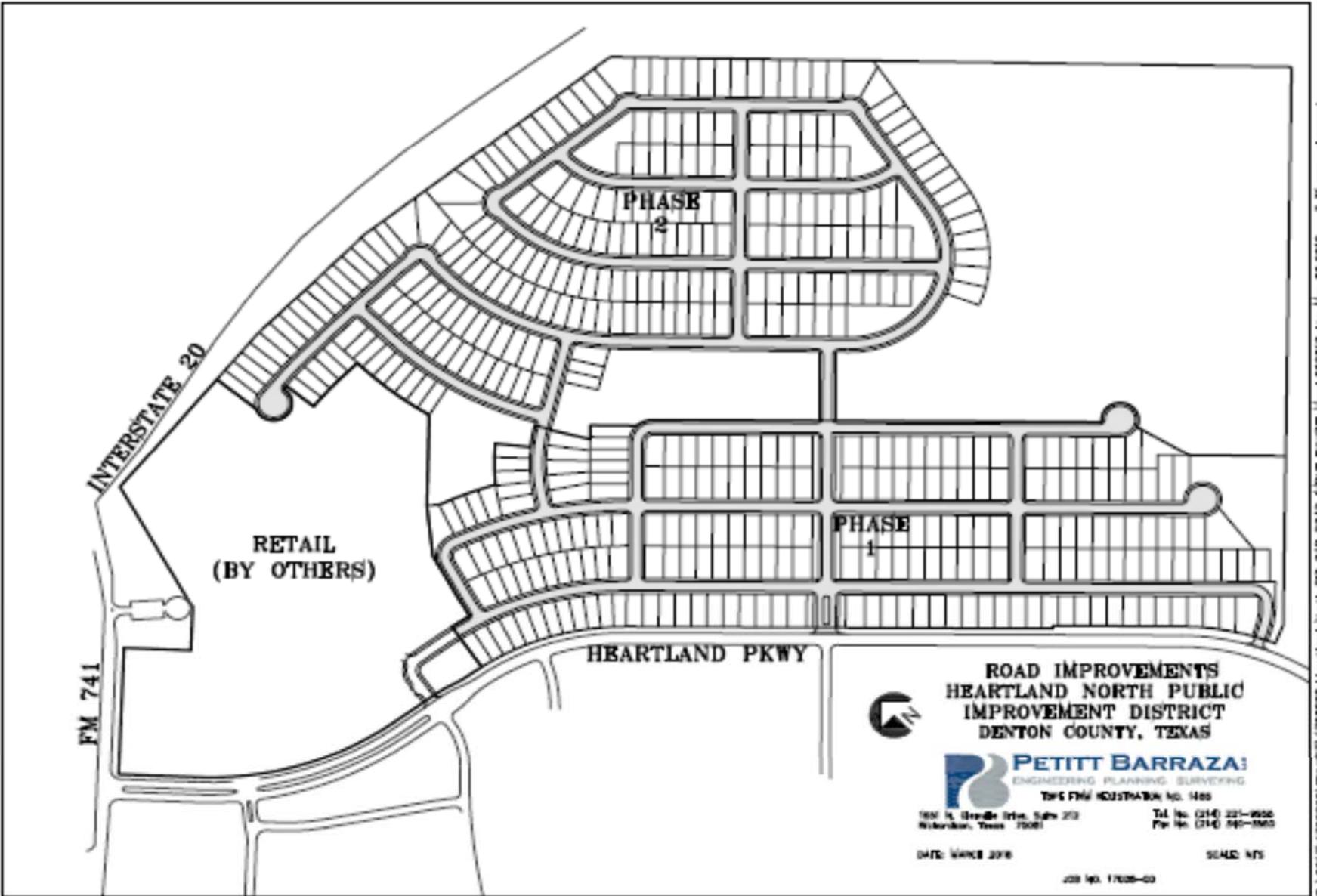
# Heartland Town Center TIRZ No. 11

## Project Phases



F:\2017\17028\00\2016\1702800 Heartland North PD SAP MASTER PLAN D01BT March2016.dwg Mar 26, 2016 -- 3:17 pm chareeck

# Heartland Town Center TIRZ No. 11 Roadway Improvements



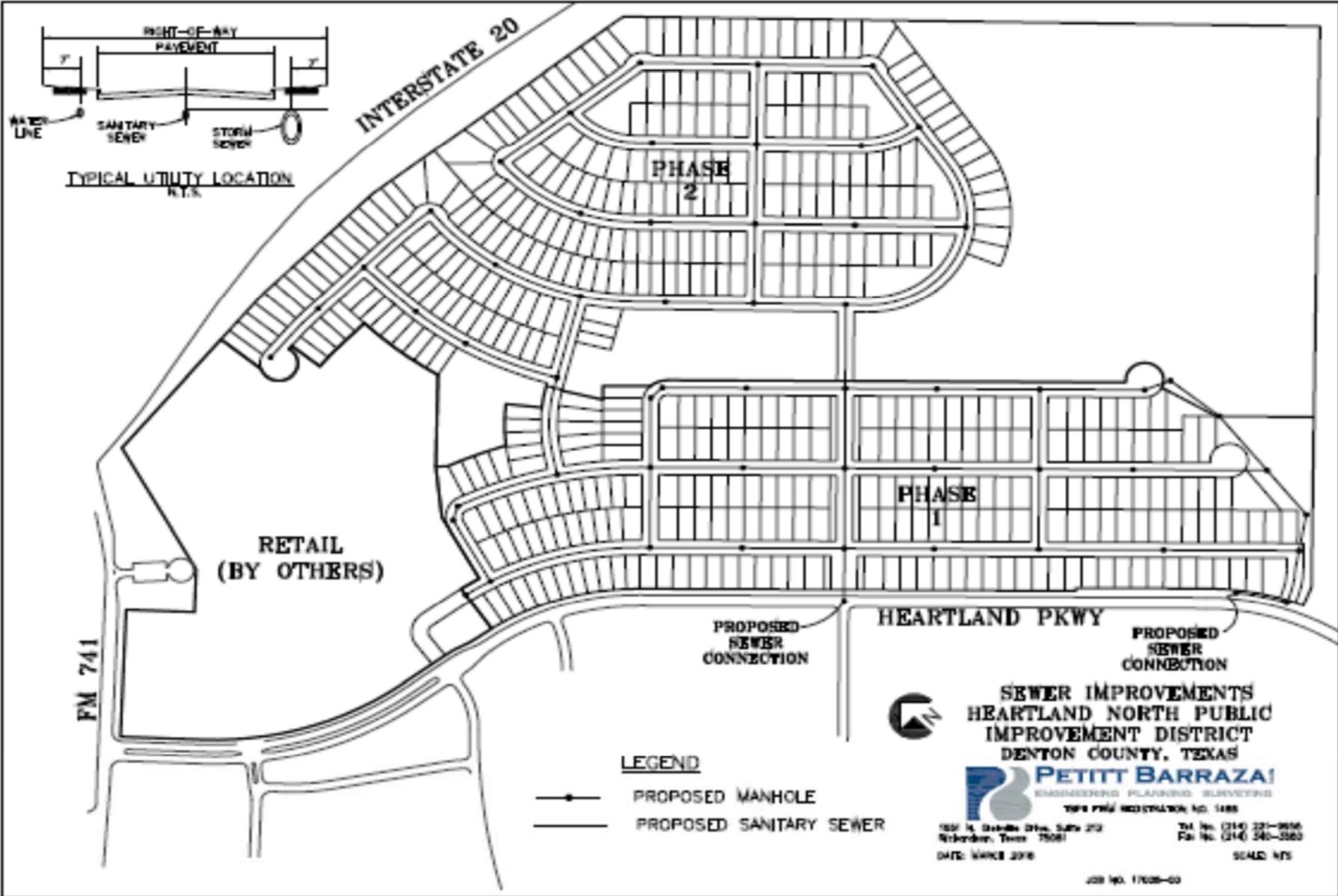
# Heartland Town Center TIRZ No. 11

## Water and Sewer Improvements





# Heartland Town Center TIRZ No. 11 Wastewater Improvements



# Heartland Town Center TIRZ No. 11

## Financial Feasibility

**Economic Feasibility Study**

In March 2018, a taxable value analysis was developed by David Pettit Economic Development, LLC, as part of the preliminary project and financing plan to determine the economic feasibility of the project. The study examined the expected tax revenue the TIRZ would receive based on development assumptions. The Table on Page 15 summarizes the anticipated development square footages, the anticipated taxable value per unit for residential development, and the anticipated taxable value per square foot for mixed use development.

The following pages show the estimated captured appraised value of the Zone during each year of its existence and the net benefits of the Zone to each of the local taxing jurisdictions as well as the method of financing.

Based on the foregoing analysis, the feasibility of the Zone has been demonstrated.

To fund the improvements outlined in the Project Plan, the City will contribute 62.5 percent of its real property tax increment towards residential development and 25 percent of its real property tax increment towards the mixed use development.

**Method of Financing**

For the 121-acre development, the City anticipates issuing special assessment revenue bonds secured by PID assessments to finance all or a portion of Project Costs, with any remaining costs of public improvements paid by the Developer.

In accordance with the Development Agreement, this TIRZ Project and Finance Plan, and the PID SAP, TIRZ revenues will be collected annually at 62.5 percent of the ad valorem tax increment from the residential tract only, to reduce the amount of assessments for a period of up to 31 years or until the amount of TIRZ revenue related to the PID and placed in the City’s TIRZ Fund residential account totals \$14,827,784, whichever occurs first.

<b>Residential</b>	REAL PROPERTY TAX		PARTICIPATION	
	CITY OF MESQUITE	0.68700000	62.50%	0.4293750
	KAUFMAN COUNTY	0.48870000	0%	0.0000000
	KAUFMAN COUNTY R&B	0.10000000	0%	0.0000000
	FORNEY ISD	1.54000000	0%	0.0000000
	KAUFMAN ESD 6	0.03000000	0%	0.0000000
	<b>2.84570000</b>		<b>0.4293750</b>	

<b>Mixed</b>	REAL PROPERTY TAX		PARTICIPATION	
	CITY OF MESQUITE	0.68700000	25.00%	0.1717500
	KAUFMAN COUNTY	0.48870000	0%	0.0000000
	KAUFMAN COUNTY R&B	0.10000000	0%	0.0000000
	FORNEY ISD	1.54000000	0%	0.0000000
	KAUFMAN ESD 6	0.03000000	0%	0.0000000
	<b>2.84570000</b>		<b>0.1717500</b>	

PERSONAL PROPERTY TAX		PARTICIPATION	
CITY OF MESQUITE	0.68700000	0%	0.0000000
KAUFMAN COUNTY	0.48870000	0%	0.0000000
KAUFMAN COUNTY R&B	0.10000000	0%	0.0000000
FORNEY ISD	1.54000000	0%	0.0000000
KAUFMAN ESD 6	0.03000000	0%	0.0000000
	<b>2.84570000</b>		<b>0.0000000</b>

**Taxing Unit Participation and Tax Increment Contribution**  
**87.5% City Tax Increment or 0.6011 Tax Rate Equivalent**

# Heartland Town Center TIRZ No. 11

## Financial Feasibility

### Method of Financing

Section 311.010(h) of the TIRZ Act provides that the Board, subject to the approval of the City Council, may establish and provide for the administration of one or more programs as the Board determines is necessary or convenient to implement and achieve the purposes of this Plan, which programs are for the public purposes of developing and diversifying the economy of the Zone and developing business and commercial activity within the Zone. Such economic development programs may include, to the extent permitted by law, programs to make grants of any lawfully available money from the TIRZ Fund, both of which are for activities that benefit the Zone and stimulate business and commercial activity in the Zone. All grants that are part of the economic development programs must serve the public purpose of attracting new business and commercial activity to the Zone for the purpose of providing long-term economic benefits including, but not limited to, increases in the real property tax base for all taxing units within the Zone, and increased job opportunities for residents of the City, the County, and the region, all of which benefit the Zone and the City.

The City anticipates reimbursing the Developer, or any owner of any part of the general retail tract, eligible Project Costs for programs authorized by Chapter 380, Local Government Code.

In accordance with the Development Agreement, this TIRZ Project and Finance Plan, and the PID SAP, TIRZ revenues will be collected annually at 25 percent of the ad valorem tax increment from the general retail tract only, to reimburse the Developer, or any other owner of all or any part of the TIRZ general retail tract, for public improvements in accordance with any Chapter 380 Economic Development Program Agreement for a period of up to 31 years or until the amount of TIRZ revenues in the Commercial Account of the TIRZ Fund totals \$3,283,602, whichever occurs first.

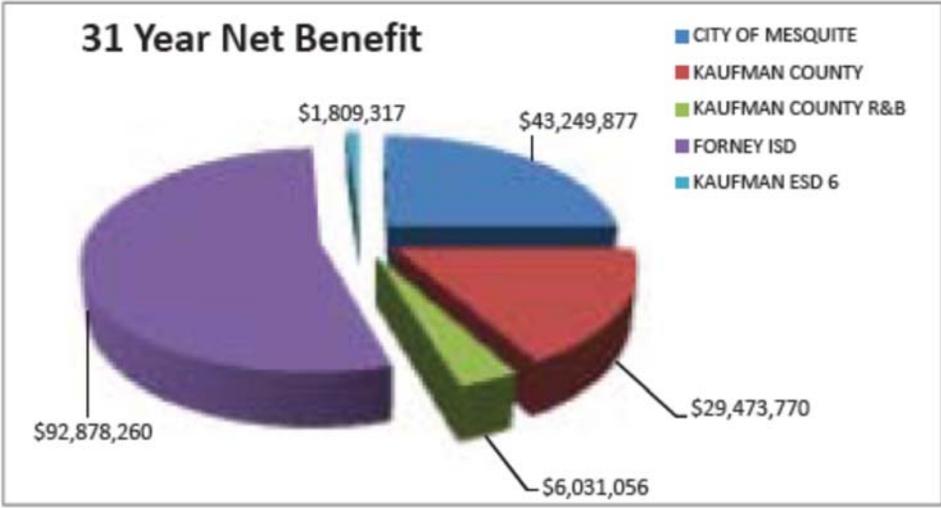
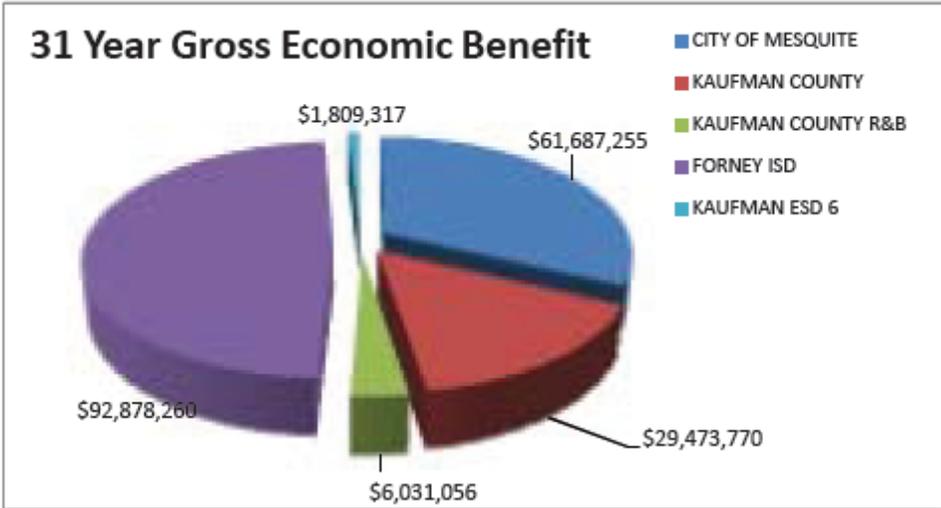


### Debt Service

It is not anticipated that the TIRZ will incur any bonded indebtedness.

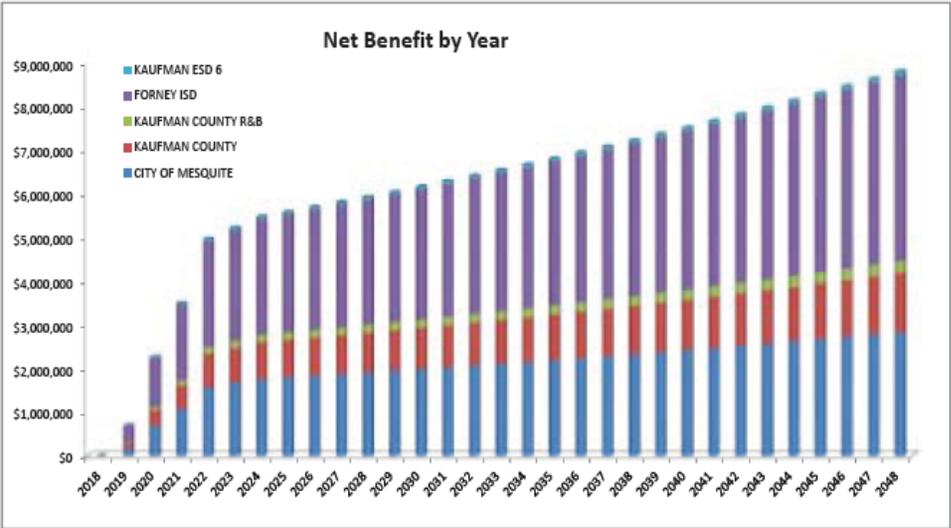
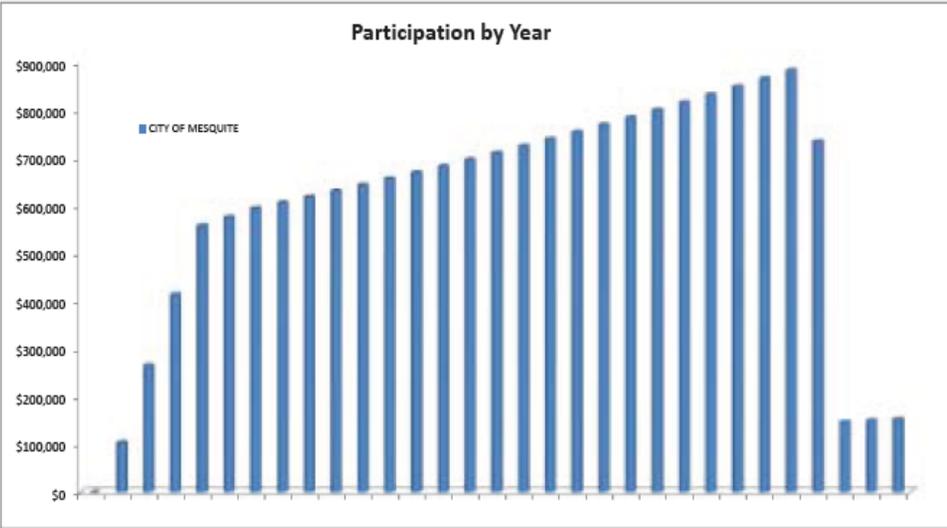
# Heartland Town Center TIRZ No. 11 Revenue Summary

Taxing Jurisdictions	Total Taxes Generated	Participation	Net Benefit
CITY OF MESQUITE	\$61,687,255	\$18,437,378	\$43,249,877
KAUFMAN COUNTY	\$29,473,770	\$0	\$29,473,770
KAUFMAN COUNTY R&B	\$6,031,056	\$0	\$6,031,056
FORNEY ISD	\$92,878,260	\$0	\$92,878,260
KAUFMAN ESD 6	\$1,809,317	\$0	\$1,809,317
<b>Total</b>	<b>\$191,879,657</b>	<b>\$18,437,378</b>	<b>\$173,442,279</b>



# Heartland Town Center TIRZ No. 11 Revenue Summary

Taxing Jurisdictions	Total Taxes Generated	Participation	Net Benefit
CITY OF MESQUITE	\$61,687,255	\$18,437,378	\$43,249,877
KAUFMAN COUNTY	\$29,473,770	\$0	\$29,473,770
KAUFMAN COUNTY R&B	\$6,031,056	\$0	\$6,031,056
FORNEY ISD	\$92,878,260	\$0	\$92,878,260
KAUFMAN ESD 6	\$1,809,317	\$0	\$1,809,317
<b>Total</b>	<b>\$191,879,657</b>	<b>\$18,437,378</b>	<b>\$173,442,279</b>



# Heartland Town Center TIRZ No. 11

## Financial Feasibility Analysis

### Residential

**▶ INPUT**

INFLATION RATE	2.00%
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DISCOUNT RATE	6.00%
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REAL PROPERTY TAX		PARTICIPATION	
CITY OF MESQUITE	0.68700000	62.50%	0.4293750
KAUFMAN COUNTY	0.48870000	0.00%	0.0000000
KAUFMAN COUNTY R&B	0.10000000	0.00%	0.0000000
FORNEY ISD	1.54000000	0.00%	0.0000000
KAUFMAN ESD 6	0.03000000	0.00%	0.0000000
	2.84570000		0.4293750

PERSONAL PROPERTY TAX		PARTICIPATION	
CITY OF MESQUITE	0.68700000	0%	0.0000000
KAUFMAN COUNTY	0.48870000	0%	0.0000000
KAUFMAN COUNTY R&B	0.10000000	0%	0.0000000
FORNEY ISD	1.54000000	0%	0.0000000
KAUFMAN ESD 6	0.03000000	0%	0.0000000
	2.84570000		0.0000000

Sales Tax Rate	0.0200000	0.00%	0.0000000
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**▶ OUTPUT**

TOTAL TAX REVENUE		TOTAL	PROPERTY	
CITY OF MESQUITE	24.1%	\$ 28,296,365	=	\$ 28,296,365
KAUFMAN COUNTY				\$ 20,128,724
KAUFMAN COUNTY R&B				\$ 4,118,830
FORNEY ISD				\$ 63,429,988
KAUFMAN ESD 6				\$ 1,235,649
	100.0%	<b>117,209,556</b>		<b>\$ 117,209,556</b>
		100.0%		100.0%

TOTAL PARTICIPATION		TOTAL	PROPERTY	
CITY OF MESQUITE	100.0%	\$ 17,685,228	=	\$ 17,685,228
KAUFMAN COUNTY				\$ -
KAUFMAN COUNTY R&B				\$ -
FORNEY ISD				\$ -
KAUFMAN ESD 6				\$ -
	100.0%	<b>\$ 17,685,228</b>		<b>\$ 17,685,228</b>
		100.0%		100.0%

NET BENEFIT		TOTAL	PROPERTY	
CITY OF MESQUITE	100.0%	\$ 10,611,137	=	\$ 10,611,137
KAUFMAN COUNTY				\$ 20,128,724
KAUFMAN COUNTY R&B				\$ 4,118,830
FORNEY ISD				\$ 63,429,988
KAUFMAN ESD 6				\$ -
	100.0%	<b>\$ 10,611,137</b>		<b>\$ 98,288,679</b>
				926.3%

Tract	TYPE	DELIVERY YEAR	COMPLETION YEAR	# UNITS	PROPERTY		
					PER UNIT	TAX VALUE	
1	40' LOTS	SFR	2019	2022	182	\$ 210,000.00	\$ 38,220,000
2	50' LOTS	SFR	2019	2022	268	\$ 262,500.00	\$ 70,350,000
<b>TOTAL</b>					<b>450</b>	<b>108,570,000</b>	

# Heartland Town Center TIRZ No. 11

## Financial Feasibility Analysis

### Residential Revenue Projections

		Calendar Year	0	1	2	3	4	6	8	7	8	9	10	11	12	13
<b>TOTAL TAX REVENUE</b>		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
<i>Home Sale Schedule</i>		<b>Total</b>														
	40' LOTS	182	-	-	39	52	52	39								
	50' LOTS	268	-	-	61	73	73	61								
		450	-	-	100	125	125	100	-	-	-	-	-	-	-	-
<i>Taxable Value - Real Property</i>																
	40' LOTS	-	-	8,190,000	10,920,000	10,920,000	8,190,000	-	-	-	-	-	-	-	-	-
	50' LOTS	-	-	16,012,500	19,162,500	19,162,500	16,012,500	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cumulative Taxable Value	-	-	24,202,500	54,769,050	85,946,931	111,868,370	114,105,737	116,387,862	118,715,609	121,089,921	123,511,719	125,981,954	128,501,593	131,071,625	
<b>REAL PROPERTY</b>		Taxable Value	-	-	24,202,500	54,769,050	85,946,931	111,868,370	114,105,737	116,387,862	118,715,609	121,089,921	123,511,719	125,981,954	128,501,593	131,071,625
	CITY OF MESQUITE	-	-	166,271	376,263	590,455	768,536	783,906	799,585	815,576	831,888	848,526	865,496	882,806	900,462	
	KAUFMAN COUNTY	-	-	118,278	267,656	420,023	546,701	557,635	568,787	580,163	591,766	603,602	615,674	627,987	640,547	
	KAUFMAN COUNTY R&B	-	-	24,203	54,769	85,947	111,868	114,106	116,388	118,716	121,090	123,512	125,982	128,502	131,072	
	FORNEY ISD	-	-	372,719	843,443	1,323,583	1,722,773	1,757,228	1,792,373	1,828,220	1,864,785	1,902,080	1,940,122	1,978,925	2,018,503	
	KAUFMAN ESD 6	-	-	7,261	16,431	25,784	33,561	34,232	34,916	35,615	36,327	37,054	37,795	38,550	39,321	
	<b>Total</b>	-	-	888,731	1,558,583	2,445,792	3,183,438	3,247,107	3,312,049	3,378,290	3,445,856	3,514,773	3,585,068	3,656,770	3,728,905	
<b>SUMMARY</b>																
	CITY OF MESQUITE	-	-	166,271	376,263	590,455	768,536	783,906	799,585	815,576	831,888	848,526	865,496	882,806	900,462	
	KAUFMAN COUNTY	-	-	118,278	267,656	420,023	546,701	557,635	568,787	580,163	591,766	603,602	615,674	627,987	640,547	
	KAUFMAN COUNTY R&B	-	-	24,203	54,769	85,947	111,868	114,106	116,388	118,716	121,090	123,512	125,982	128,502	131,072	
	FORNEY ISD	-	-	372,719	843,443	1,323,583	1,722,773	1,757,228	1,792,373	1,828,220	1,864,785	1,902,080	1,940,122	1,978,925	2,018,503	
	KAUFMAN ESD 6	-	-	7,261	16,431	25,784	33,561	34,232	34,916	35,615	36,327	37,054	37,795	38,550	39,321	
	<b>Total</b>	-	-	888,731	1,558,583	2,445,792	3,183,438	3,247,107	3,312,049	3,378,290	3,445,856	3,514,773	3,585,068	3,656,770	3,728,905	



# Heartland Town Center TIRZ No. 11

## Financial Feasibility Analysis

### Residential Cost-Benefit

133,693,067	136,366,910	139,094,267	141,870,142	144,713,066	147,607,930	150,560,097	153,571,299	156,642,726	159,776,679	162,971,091	166,230,613	169,666,123	172,946,226	176,406,160	179,933,263	183,631,918	187,202,660		
574,045	585,525	597,236	609,181	621,364	633,792	646,467	659,397	672,585	686,036	699,757	713,752	728,027	742,588	757,440	772,588	788,040	803,801		GROSS
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,885,228
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
574,045	585,525	597,236	609,181	621,364	633,792	646,467	659,397	672,585	686,036	699,757	713,752	728,027	742,588	757,440	772,588	788,040	803,801		17,885,228
574,045	585,525	597,236	609,181	621,364	633,792	646,467	659,397	672,585	686,036	699,757	713,752	728,027	742,588	757,440	772,588	788,040	803,801		GROSS
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,885,228
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
574,045	585,525	597,236	609,181	621,364	633,792	646,467	659,397	672,585	686,036	699,757	713,752	728,027	742,588	757,440	772,588	788,040	803,801		17,885,228
344,427	351,315	358,342	365,508	372,819	380,275	387,890	395,638	403,551	411,622	419,854	428,251	436,816	445,553	454,464	463,553	472,824	482,281		GROSS
653,358	666,425	679,754	693,349	707,216	721,360	735,787	750,503	765,513	780,823	796,440	812,369	828,616	845,188	862,092	879,334	896,920	914,859		10,811,137
133,693	136,367	139,094	141,876	144,714	147,608	150,560	153,571	156,643	159,776	162,971	166,231	169,555	172,946	176,405	179,933	183,532	187,203		20,128,724
2,058,873	2,100,051	2,142,052	2,184,893	2,228,590	2,273,162	2,318,625	2,364,998	2,412,298	2,460,544	2,509,755	2,559,950	2,611,149	2,663,372	2,716,639	2,770,972	2,826,392	2,882,919		4,118,830
40,108	40,910	41,728	42,563	43,414	44,282	45,168	46,071	46,993	47,933	48,891	49,869	50,867	51,884	52,922	53,980	55,060	56,161		63,429,888
3,230,459	3,295,068	3,360,969	3,428,189	3,496,752	3,566,688	3,638,021	3,710,782	3,784,997	3,860,697	3,937,911	4,016,669	4,097,003	4,178,943	4,262,522	4,347,772	4,434,728	4,523,422		86,285,679

# Heartland Town Center TIRZ No. 11

## Financial Feasibility Analysis

### Residential Cost-Benefit

**PARTICIPATION**

<b>REAL PROPERTY</b>	<b>Taxable Value</b>	-	-	24,202,600	64,769,060	86,945,931	111,065,370	114,106,737	116,387,862	118,716,609	121,089,921	123,611,719	126,061,964	128,601,693	131,071,626
CITY OF MESQUITE	-	-	103,919	235,165	369,035	480,335	489,942	499,740	509,735	519,930	530,328	540,935	551,754	562,789	
KAUFMAN COUNTY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN COUNTY R&B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FORNEY ISD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN ESD 6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>103,919</b>	<b>235,165</b>	<b>369,035</b>	<b>480,335</b>	<b>489,942</b>	<b>499,740</b>	<b>509,735</b>	<b>519,930</b>	<b>530,328</b>	<b>540,935</b>	<b>551,754</b>	<b>562,789</b>	
<b>SUMMARY</b>															
CITY OF MESQUITE	-	-	103,919	235,165	369,035	480,335	489,942	499,740	509,735	519,930	530,328	540,935	551,754	562,789	
KAUFMAN COUNTY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN COUNTY R&B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FORNEY ISD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN ESD 6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>103,919</b>	<b>235,165</b>	<b>369,035</b>	<b>480,335</b>	<b>489,942</b>	<b>499,740</b>	<b>509,735</b>	<b>519,930</b>	<b>530,328</b>	<b>540,935</b>	<b>551,754</b>	<b>562,789</b>	
<b>TOTAL TAX REVENUE - PARTICIPATION = NET BENEFIT</b>															
<b>SUMMARY</b>															
CITY OF MESQUITE	-	-	62,352	141,099	221,421	288,201	293,965	299,844	305,841	311,958	318,197	324,561	331,052	337,673	
KAUFMAN COUNTY	-	-	118,278	267,656	420,023	546,701	557,635	568,787	580,163	591,766	603,602	615,674	627,987	640,547	
KAUFMAN COUNTY R&B	-	-	24,203	54,769	85,947	111,968	114,106	116,388	118,716	121,090	123,512	125,982	128,502	131,072	
FORNEY ISD	-	-	372,719	843,443	1,323,583	1,722,773	1,757,228	1,792,373	1,828,220	1,864,785	1,902,080	1,940,122	1,978,925	2,018,503	
KAUFMAN ESD 6	-	-	7,261	16,431	25,784	33,561	34,232	34,916	35,615	36,327	37,054	37,795	38,550	39,321	
<b>Total</b>	-	-	<b>684,811</b>	<b>1,323,398</b>	<b>2,076,757</b>	<b>2,703,103</b>	<b>2,757,165</b>	<b>2,812,309</b>	<b>2,868,555</b>	<b>2,925,926</b>	<b>2,984,445</b>	<b>3,044,133</b>	<b>3,105,016</b>	<b>3,167,116</b>	

# Heartland Town Center TIRZ No. 11

## Financial Feasibility Analysis

### Retail

**▶ INPUT**

INFLATION RATE	2.00%
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DISCOUNT RATE	6.00%
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REAL PROPERTY TAX		PARTICIPATION	
CITY OF MESQUITE	0.68700000	25%	0.1717500
KAUFMAN COUNTY	0.48870000	0%	0.0000000
KAUFMAN COUNTY R&B	0.10000000	0%	0.0000000
FORNEY ISD	1.54000000	0%	0.0000000
KAUFMAN ESD 6	0.03000000	0%	0.0000000
	2.84570000		0.1717500

PERSONAL PROPERTY TAX		PARTICIPATION	
CITY OF MESQUITE	0.68700000	0%	0.0000000
KAUFMAN COUNTY	0.48870000	0%	0.0000000
KAUFMAN COUNTY R&B	0.10000000	0%	0.0000000
FORNEY ISD	1.54000000	0%	0.0000000
KAUFMAN ESD 6	0.03000000	0%	0.0000000
	2.84570000		0.0000000

Sales Tax Rate	0.0200000	0.00%	0.0000000
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**OUTPUT**

TOTAL TAX REVENUE		TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
CITY OF MESQUITE	51.2%	\$ 43,239,115	= \$ 13,134,408	+ \$ -	+ \$ 30,104,707
KAUFMAN COUNTY	11.1%	\$ 9,343,210	= \$ 9,343,210	+ \$ -	+ \$ -
KAUFMAN COUNTY R&B	2.3%	\$ 1,911,850	= \$ 1,911,850	+ \$ -	+ \$ -
FORNEY ISD	34.8%	\$ 29,442,486	= \$ 29,442,486	+ \$ -	+ \$ -
KAUFMAN ESD 6	0.7%	\$ 573,555	= \$ 573,555	+ \$ -	+ \$ -
	100.0%	\$ 84,510,215	= \$ 54,405,507	\$ -	\$ 30,104,707
		100.0%	64.4%	0.0%	35.6%

TOTAL PARTICIPATION		TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
CITY OF MESQUITE	100.0%	\$ 3,283,602	= \$ 3,283,602	+ \$ -	+ \$ -
KAUFMAN COUNTY	0.0%	\$ -	= \$ -	+ \$ -	+ \$ -
KAUFMAN COUNTY R&B	0.0%	\$ -	= \$ -	+ \$ -	+ \$ -
FORNEY ISD	0.0%	\$ -	= \$ -	+ \$ -	+ \$ -
KAUFMAN ESD 6	0.0%	\$ -	= \$ -	+ \$ -	+ \$ -
	100.0%	\$ 3,283,602	= \$ 3,283,602	\$ -	\$ -
		100.0%	100.0%	0.0%	0.0%

NET BENEFIT		TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
CITY OF MESQUITE	49.2%	\$ 39,955,513	= \$ 9,850,806	+ \$ -	+ \$ 30,104,707
KAUFMAN COUNTY	11.5%	\$ 9,343,210	= \$ 9,343,210	+ \$ -	+ \$ -
KAUFMAN COUNTY R&B	2.4%	\$ 1,911,850	= \$ 1,911,850	+ \$ -	+ \$ -
FORNEY ISD	36.2%	\$ 29,442,486	= \$ 29,442,486	+ \$ -	+ \$ -
KAUFMAN ESD 6	0.7%	\$ 573,555	= \$ 573,555	+ \$ -	+ \$ -
	100.0%	\$ 81,226,613	= \$ 51,121,906	\$ -	\$ 30,104,707
		100.0%	62.9%	0.0%	37.1%

Retail		Year	AREA SF	REAL PROPERTY		PERSONAL PROPERTY		SALES	
				\$/SF	TAX VALUE	\$/SF	TAX VALUE	\$/SF	TAX VALUE
1	Grocery	2020	115,023	\$ 200.00	\$ 23,004,600	\$ -	\$ -	\$ 150.00	\$ 17,253,450
2	Pads	2020	46,174	\$ 200.00	\$ 9,234,800	\$ -	\$ -	\$ 250.00	\$ 11,543,500
3	Office	2022	41,382	\$ 200.00	\$ 8,276,400	\$ -	\$ -	\$ -	\$ -
4	Bank	2020	15,246	\$ 200.00	\$ 3,049,200	\$ -	\$ -	\$ -	\$ -
5	Retail	2022	58,806	\$ 200.00	\$ 11,761,200	\$ -	\$ -	\$ 250.00	\$ 14,701,500
<b>TOTAL</b>			<b>276,631</b>		<b>55,326,200</b>	<b>-</b>	<b>-</b>		<b>43,498,450</b>

# Heartland Town Center TIRZ No. 11

## Financial Feasibility Analysis

### Retail Revenue Projections

Calendar Year		0	1	2	3	4	5	6	7	8	9	10	11	12	13
<b>TOTAL TAX REVENUE</b>															
<b>REAL PROPERTY</b>	% OCCUPIED	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Taxable Value	-	-	-	17,044,300	26,465,460	45,307,400	60,315,000	65,325,200	65,432,724	67,601,370	68,712,606	69,005,060	61,084,695	62,305,267
	PV	-	-	-	121,216	181,825	311,262	345,676	380,091	387,693	395,447	403,356	411,423	415,651	428,044
CITY OF MESQUITE		-	-	-	86,228	129,342	221,417	245,898	270,379	275,787	281,302	286,929	292,667	298,520	304,491
KAUFMAN COUNTY		-	-	-	17,644	26,466	45,307	50,317	55,326	56,433	57,561	58,713	59,887	61,085	62,306
KAUFMAN COUNTY R&B		-	-	-	271,722	407,583	697,734	774,879	852,023	869,064	886,445	904,174	922,258	940,703	959,517
FORNEY ISD		-	-	-	5,293	7,940	13,592	15,095	16,598	16,930	17,268	17,614	17,966	18,325	18,692
KAUFMAN ESD 6		-	-	-	502,104	753,156	1,288,313	1,431,865	1,574,418	1,605,906	1,638,024	1,670,785	1,704,200	1,738,284	1,773,050
<b>Total</b>		-	-	-	902,970	1,381,204	2,358,215	2,818,432	3,044,469	3,087,368	3,130,116	3,172,218	3,214,882	3,257,516	3,300,276
<b>PERSONAL PROPERTY</b>	% OCCUPIED	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Taxable Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	PV	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CITY OF MESQUITE		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN COUNTY		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN COUNTY R&B		-	-	-	-	-	-	-	-	-	-	-	-	-	-
FORNEY ISD		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN ESD 6		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>SALES TAX</b>	% OCCUPIED	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Taxable Value	-	-	-	14,395,476	21,607,713	36,147,700	39,023,076	43,490,460	44,360,419	45,265,787	46,160,903	47,064,121	48,025,504	49,005,320
	PV	-	-	-	287,970	431,954	722,954	796,462	869,969	887,368	905,116	923,218	941,682	960,516	979,726
<b>Total</b>		-	-	-	287,970	431,954	722,954	796,462	869,969	887,368	905,116	923,218	941,682	960,516	979,726
<b>SUMMARY</b>															
	PV	-	-	-	409,186	613,779	1,034,216	1,142,138	1,250,060	1,275,061	1,300,562	1,326,574	1,353,105	1,380,167	1,407,771
CITY OF MESQUITE		-	-	-	86,228	129,342	221,417	245,898	270,379	275,787	281,302	286,929	292,667	298,520	304,491
KAUFMAN COUNTY		-	-	-	17,644	26,466	45,307	50,317	55,326	56,433	57,561	58,713	59,887	61,085	62,306
KAUFMAN COUNTY R&B		-	-	-	271,722	407,583	697,734	774,879	852,023	869,064	886,445	904,174	922,258	940,703	959,517
FORNEY ISD		-	-	-	5,293	7,940	13,592	15,095	16,598	16,930	17,268	17,614	17,966	18,325	18,692
KAUFMAN ESD 6		-	-	-	502,104	753,156	1,288,313	1,431,865	1,574,418	1,605,906	1,638,024	1,670,785	1,704,200	1,738,284	1,773,050
<b>Total</b>		-	-	-	790,073	1,185,110	2,012,267	2,228,327	2,444,387	2,493,274	2,543,140	2,594,003	2,645,883	2,698,800	2,752,776



# Heartland Town Center TIRZ No. 11

## Financial Feasibility Analysis

### Retail Cost-Benefit

**PARTICIPATION**

<b>REAL PROPERTY</b>	Taxable Value	-	-	-	17,844,300	26,466,460	46,307,400	60,316,600	66,326,200	66,432,734	67,661,376	68,712,606	69,886,668	61,004,696	62,306,267
	PV														
CITY OF MESQUITE		-	-	-	30,304	45,456	77,815	86,419	95,023	96,923	98,862	100,839	102,856	104,913	107,011
KAUFMAN COUNTY		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN COUNTY R&B		-	-	-	-	-	-	-	-	-	-	-	-	-	-
FORNEY ISD		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN ESD 6		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		-	-	-	30,304	45,456	77,815	86,419	95,023	96,923	98,862	100,839	102,856	104,913	107,011
<b>PERSONAL PROPERTY</b>	Taxable Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	PV														
CITY OF MESQUITE		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN COUNTY		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN COUNTY R&B		-	-	-	-	-	-	-	-	-	-	-	-	-	-
FORNEY ISD		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN ESD 6		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>SALES TAX</b>	Taxable Value	-	-	-	14,396,476	21,697,713	36,147,700	39,823,076	43,498,460	44,368,419	46,266,767	46,168,903	47,064,121	46,026,604	46,966,320
	PV														
<b>Total</b>		-	-	-	608,394	-	-	-	-	-	-	-	-	-	-
<b>SUMMARY</b>	PV														
CITY OF MESQUITE		-	-	-	30,304	45,456	77,815	86,419	95,023	96,923	98,862	100,839	102,856	104,913	107,011
KAUFMAN COUNTY		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN COUNTY R&B		-	-	-	-	-	-	-	-	-	-	-	-	-	-
FORNEY ISD		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN ESD 6		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		-	-	-	30,304	45,456	77,815	86,419	95,023	96,923	98,862	100,839	102,856	104,913	107,011
<b>TOTAL TAX REVENUE - PARTICIPATION = NET BENEFIT</b>															
<b>SUMMARY</b>	PV														
CITY OF MESQUITE		-	-	-	378,882	566,323	956,400	1,055,719	1,155,037	1,178,138	1,201,701	1,225,735	1,250,249	1,275,254	1,300,760
KAUFMAN COUNTY		-	-	-	86,228	129,342	221,417	245,898	270,379	275,787	281,302	286,929	292,667	298,520	304,491
KAUFMAN COUNTY R&B		-	-	-	17,544	26,466	45,307	50,317	55,326	56,433	57,551	58,713	59,887	61,085	62,306
FORNEY ISD		-	-	-	271,722	407,583	697,734	774,879	852,023	869,064	886,445	904,174	922,258	940,703	959,517
KAUFMAN ESD 6		-	-	-	5,293	7,940	13,592	15,095	16,598	16,930	17,268	17,614	17,966	18,325	18,692
<b>Total</b>		-	-	-	759,769	1,139,654	1,934,451	2,141,908	2,349,364	2,396,351	2,444,278	2,493,164	2,543,027	2,593,888	2,645,765

# Heartland Town Center TIRZ No. 11

## Financial Feasibility Analysis

### Retail Cost-Benefit

63,662,413	64,823,401	66,119,930	67,442,329	68,791,176	70,166,999	71,670,339	73,001,746	74,461,781	75,961,016	77,470,037	79,019,438	80,609,026	82,211,823	83,866,069	85,633,100	87,243,044	88,908,721		
109,151	111,334	113,561	115,832	118,149	120,512	122,922	125,380	127,888	130,446	133,055	135,716	138,430	141,199	144,023	146,903	149,841	152,838		GROSS 3,283,802
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
109,151	111,334	113,561	115,832	118,149	120,512	122,922	125,380	127,888	130,446	133,055	135,716	138,430	141,199	144,023	146,903	149,841	152,838		3,283,602
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-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49,906,046	50,906,367	51,904,674	53,024,366	54,004,666	55,166,662	56,269,003	57,396,281	58,643,167	59,714,060	60,908,331	62,126,498	63,369,026	64,636,400	65,929,137	67,247,719	68,602,674	69,964,627		GROSS -
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
109,151	111,334	113,561	115,832	118,149	120,512	122,922	125,380	127,888	130,446	133,055	135,716	138,430	141,199	144,023	146,903	149,841	152,838		GROSS 3,283,802
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-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
109,151	111,334	113,561	115,832	118,149	120,512	122,922	125,380	127,888	130,446	133,055	135,716	138,430	141,199	144,023	146,903	149,841	152,838		3,283,602

1,326,775	1,353,310	1,380,376	1,407,984	1,436,144	1,464,867	1,494,164	1,524,047	1,554,528	1,585,615	1,617,331	1,649,678	1,682,671	1,716,325	1,750,651	1,785,664	1,821,377	1,857,805		GROSS 88,866,613
310,581	316,792	323,128	329,591	336,182	342,906	349,764	356,760	363,895	371,173	378,596	386,168	393,891	401,769	409,805	418,001	426,361	434,888		8,343,210
63,552	64,823	66,120	67,442	68,791	70,167	71,570	73,002	74,462	75,951	77,470	79,019	80,600	82,212	83,856	85,533	87,244	88,989		1,911,860
978,707	998,281	1,018,247	1,038,612	1,059,384	1,080,572	1,102,183	1,124,227	1,146,711	1,169,646	1,193,039	1,216,899	1,241,237	1,266,062	1,291,383	1,317,211	1,343,555	1,370,426		28,442,488
19,066	19,447	19,836	20,233	20,637	21,050	21,471	21,901	22,339	22,785	23,241	23,706	24,180	24,664	25,157	25,660	26,173	26,697		673,666
2,698,681	2,752,654	2,807,707	2,863,862	2,921,139	2,979,562	3,039,163	3,099,936	3,161,936	3,225,173	3,289,677	3,365,470	3,422,580	3,491,031	3,560,852	3,632,069	3,704,710	3,778,804		81,226,613

# Heartland Town Center TIRZ No. 11 Designation Ordinance No. 4532

## ORDINANCE NO. 4532

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA CONSISTING OF APPROXIMATELY 146.746 ACRES OF LAND GENERALLY LOCATED SOUTH OF INTERSTATE HIGHWAY 20, EAST OF FM 741 AND NORTH OF HEARTLAND PARKWAY IN KAUFMAN COUNTY, TEXAS, LOCATED WITHIN THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF MESQUITE AS A REINVESTMENT ZONE PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE, TO BE KNOWN AS REINVESTMENT ZONE NUMBER ELEVEN, CITY OF MESQUITE, TEXAS (HEARTLAND TOWN CENTER); DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; ESTABLISHING A TAX INCREMENT FUND FOR THE ZONE; CONTAINING FINDINGS RELATED TO THE CREATION OF THE ZONE; PROVIDING A DATE FOR THE TERMINATION OF THE ZONE; PROVIDING THAT THE ZONE TAKE EFFECT IMMEDIATELY UPON PASSAGE OF THE ORDINANCE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Mesquite, Texas (the "City"), pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Act"), may designate a geographic area within the corporate limits of the City or within the extraterritorial jurisdiction (the "ETJ") of the City, or in both, as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, the Act provides that the governing body of a municipality by ordinance may designate a contiguous or noncontiguous geographic area that is in the corporate limits of the municipality or within the ETJ of the municipality to be a reinvestment zone if the governing body determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future; and

WHEREAS, the City Council of the City (the "City Council") desires for the City to consider the creation of a tax increment reinvestment zone with the boundaries described in the metes and bounds attached hereto as *Exhibit A* and more generally depicted in *Exhibit B* attached hereto (the "Zone"); and

WHEREAS, pursuant to and as required by the Act, the City has prepared a *Preliminary Project and Financing Plan for Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center)* dated November 2017 (hereinafter referred to as the "Preliminary Project and Finance Plan") for a proposed tax increment reinvestment zone containing the real property within the Zone; and

WHEREAS, notice of the public hearing on the creation of the proposed zone was published in a newspaper of general circulation in the City and in a newspaper of general

circulation in the ETJ on or before December 11, 2017, which date is the seventh (7<sup>th</sup>) day before the public hearing held on December 18, 2017; and

WHEREAS, on December 18, 2017, the City Council opened a public hearing in accordance with Section 311.003(c) of the Act and interested persons were allowed to speak for or against the creation of the Zone, the boundaries of the Zone, and the concept of tax increment financing, and owners of property in the proposed Zone were given a reasonable opportunity to protest the inclusion of their property in the Zone; and

WHEREAS, after all comments and evidence, both written and oral, were received by the City Council, the public hearing was closed on December 18, 2017; and

WHEREAS, the public hearing was held in full accordance with Section 311.003(c) of the Act; and

WHEREAS, the City has taken all actions required to create the Zone including, but not limited to, all actions required by the home-rule Charter of the City, the Act, Chapter 551 of the Texas Government Code, commonly referred to as the Texas Open Meetings Act, and all other laws applicable to the creation of the Zone; and

WHEREAS, the percentage of the property in the proposed zone, excluding property that is publicly owned, that is currently used for residential purposes is less than thirty percent (30%); and

WHEREAS, a Preliminary Project and Finance plan has been prepared for the proposed reinvestment zone.

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

### SECTION 1. RECITALS INCORPORATED.

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. FINDINGS.

That the City Council, after conducting the above described hearing and having heard the evidence and testimony presented at the hearing, has made the following findings and determined based on the evidence and testimony presented to it:

- (a) That the public hearing on the creation of the proposed reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by applicable law, including the Act, and that owners of property within the proposed reinvestment zone were given a reasonable opportunity to protest the inclusion of their property in the proposed reinvestment zone; and

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# Heartland Town Center TIRZ No. 11

## Designation Ordinance No. 4532

- (b) That creation of the proposed reinvestment zone with boundaries as described and depicted in *Exhibits A and B* will result in benefits to the City, its residents and property owners, in general, and to the property, residents and property owners in the reinvestment zone; and
- (c) That the proposed reinvestment zone, as described and depicted in *Exhibits A and B*, meets the criteria for the creation of a reinvestment zone set forth in the Act in that:
  - 1. It is a geographic area located wholly within the ETJ of the City; and
  - 2. The area is predominately open, unproductive and undeveloped or underdeveloped, and the lack of necessary public improvements and other facilities substantially impairs the sound growth of the City; and
- (d) That thirty percent (30%) or less of the property in the proposed reinvestment zone, excluding property that is publicly owned, is currently used for residential purposes; and
- (e) That the total appraised value of taxable real property in the proposed reinvestment zone, together with the total appraised value of taxable real property in all other existing reinvestment zones within the City, according to the most recent appraisal rolls of the City, does not exceed twenty-five percent (25%) of the current total appraised value of taxable real property in the City and in the industrial districts created by the City, if any; and
- (f) That the improvements in the proposed reinvestment zone will significantly enhance the value of all taxable real property in the proposed reinvestment zone and will be of general benefit to the City; and
- (g) That the development or redevelopment of the property in the proposed reinvestment zone will not occur solely through private investment in the reasonably foreseeable future; and
- (h) That the proposed reinvestment zone will promote development or redevelopment of the economy within the proposed reinvestment zone and develop or expand business and commercial activity within the proposed reinvestment zone; and
- (i) The City Council has prepared the Preliminary Project and Finance Plan prior to the execution of this Ordinance; and
- (j) The City Council finds that the Preliminary Project and Finance Plan is feasible.

### SECTION 3. DESIGNATION AND NAME OF THE ZONE.

Pursuant to the authority of, and in accordance with the requirements of the Act, the City Council hereby designates the area described and depicted in *Exhibits A and B* hereto as a tax increment reinvestment zone. The name assigned to the zone for identification is **Reinvestment Zone Number Eleven, City of Mesquite, Texas** (Heartland Town Center) (hereinafter referred to as the "Zone").

### SECTION 4. BOARD OF DIRECTORS.

- (a) The City Council hereby creates a board of directors for the Zone (hereinafter referred to as the "Board") consisting of seven (7) members all appointed by the City Council. Council Members may serve as Board members.
- (b) The Board members appointed to the Board shall be eligible to serve on the Board if that person is at least 18 years of age, and is a resident of the county in which the Zone is located or a county adjacent to that county.
- (c) The Board shall make recommendations to the City Council concerning the administration, management, and operation of the Zone. The Board shall prepare or cause to be prepared and adopt a project plan and a reinvestment zone financing plan for the Zone (hereinafter referred to as the "Project and Finance Plan") as required by the Act, and shall submit the Project and Finance Plan to the City Council for approval. The Board shall consider amendments to the Project and Finance Plan on its own initiative or upon submission by the City Council, but amendments considered by the Board shall not take effect unless and until adopted by the City Council.
- (d) Directors shall not receive any salary or other compensation for their services as directors.
- (e) Members of the Board shall be appointed for terms of two years. The terms of the Board members may be staggered. The City Council may remove and replace Board members at any time during a term.
- (f) The initial Board shall be seven members and the following shall be members:
  - 1. Stan Pickett
  - 2. Jeff Casper
  - 3. Bruce Archer
  - 4. Dan Aleman
  - 5. Greg Noschese
  - 6. Tandy Boroughs
  - 7. To Be Appointed

The City Council hereby appoints Mayor Stan Pickett to serve as chairman of the Board for the remainder of calendar year 2017 and during calendar year 2018. Before the end of calendar year 2018 and each calendar year thereafter, the City Council shall appoint one member of the Board to serve as chairman for a term of one year that begins on January 1 of the following year. If the City Council does not appoint a chairman during that period, the Mayor of the City is automatically appointed to serve as chairperson for the term that begins on January 1 of the following year. The Board may elect a vice-chairman to preside in the absence of the chairman or when there is a vacancy in the office of chairman. The Board may elect other officers as it considers appropriate.

# Heartland Town Center TIRZ No. 11 Designation Ordinance No. 4532

## SECTION 5. DURATION OF THE ZONE.

That the Zone shall take effect immediately upon the passage of this Ordinance, consistent with Section 311.004(a)(3) of the Act, and the Zone shall terminate upon the occurrence of any of the following: (i) December 31, 2048; or (ii) an earlier or later termination date designated by an ordinance adopted under Section 311.007(c) of the Act; or (iii) the date on which all project costs, tax increment bonds and interest on those bonds, and other obligations of the Zone have been paid in full, in accordance with Section 311.017 of the Act.

## SECTION 6. TAX INCREMENT BASE AND TAX INCREMENT.

Pursuant to Section 311.012(c) of the Act, the tax increment base of the City, or any other taxing unit participating in the Zone, is the total taxable value, as of January 1, 2017, of all real property taxable by the City or other taxing unit participating in the Zone, and located in the Zone for the year in which the Zone was designated as a reinvestment zone (the "Tax Increment Base") or if the City does not levy an ad valorem tax in the year in which the Zone is designated, the Tax Increment Base is determined by the appraisal district in which the Zone is located in accordance with Section 311.012(c) of the Act. Pursuant to Section 311.013(l) of the Act, the amount of the tax increment for a year will be determined in the ordinance adopted under Section 311.011 of the Act approving the reinvestment zone financing plan for the Zone calculated on the amount of real property taxes levied and collected by the City, and all or a portion of property taxes of other taxing units participating in the Zone and located in the Zone (as set forth in an agreement to participate in the Zone) for that year on the Captured Appraised Value (defined below) of real property taxable by the City or other taxing unit participating in the Zone and located in the Zone (the "Tax Increment"). Consistent with Section 311.012(b) of the Texas Tax Code, as amended, the Captured Appraised Value of real property taxable by the City or other taxing unit participating in the Zone for a year is the total taxable value of all real property taxable by the City or other taxing unit participating in the Zone and located in the Zone for that year less the Tax Increment Base of the City or other taxing unit participating in the Zone (the "Captured Appraised Value").

## SECTION 7. TAX INCREMENT FUND.

That there is hereby created and established a "Tax Increment Fund" for the Zone, that may be divided into subaccounts as set forth in the Project and Finance Plan, into which the Tax Increment of the City and participating taxing units, if any, as such increments are described in the Project and Finance Plan and includes administration costs, 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 shall be maintained at the affiliated depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. In addition, all revenues to be dedicated to and used in the Zone shall be deposited into the Tax Increment Fund from which money will be disbursed to pay project costs, plus interest, for the Zone. Surplus funds in the Tax Increment Fund shall be disbursed as authorized and provided in the Act.

## SECTION 8. SEVERABILITY CLAUSE.

That should any provision, section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City of Mesquite hereby declares that it would have passed this Ordinance, and each provision, section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more provisions, sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

## SECTION 9. OPEN MEETINGS.

That it is hereby found, determined, and declared that sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the Municipal Center and at the City Hall of the City for the time required by law preceding its meeting, as required by the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered, and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

## SECTION 10. EFFECTIVE DATE.

That this Ordinance shall be in full force and effect from and after its passage as required by law.

DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 18<sup>th</sup> day of December, 2017.

  
Stan Pickett  
Mayor

ATTEST:

  
Sonja Land  
City Secretary

APPROVED:

  
B.J. Smith  
City Attorney



RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE BOARD OF DIRECTORS (“BOARD”) OF REINVESTMENT ZONE NUMBER ELEVEN, CITY OF MESQUITE, TEXAS (HEARTLAND TOWN CENTER) (“ZONE”), APPROVING A REIMBURSEMENT AGREEMENT BETWEEN THE BOARD, CITY OF MESQUITE, TEXAS, AND HEARTLAND RETAIL, LLC, REGARDING THE REIMBURSEMENT OF PROJECT COSTS FOR PUBLIC IMPROVEMENTS WITHIN THE RETAIL TRACT OF THE ZONE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Mesquite, Texas (the “City”), created Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center) (the “Zone”), and established a Board of Directors for the Zone (the “Board”) to promote development or redevelopment in the Zone pursuant to Ordinance No. 4532, approved by the City Council on December 18, 2017, in accordance with the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended (the “Act”); and

WHEREAS, at the time of its creation, the Zone included the 25.464-acre tract described in more detail in Exhibit A hereto; and

WHEREAS, on June 18, 2018, the Board adopted a Project Plan and Reinvestment Zone Financing Plan for the Zone and the City Council adopted Ordinance No. 4574 approving such Project Plan and Reinvestment Zone Financing Plan; and

WHEREAS, Heartland Retail, LLC (the “Developer”), desires to improve and develop the property described in Exhibit A in addition to an adjacent and contiguous 1.935 acre tract located wholly within the corporate limits of the City and described in more detail in Exhibit B hereto (the property described in Exhibit A and Exhibit B being collectively referenced herein as the “Retail Tract”); and

WHEREAS, the Developer intends to design, construct and install certain public improvements for the benefit of development of the Retail Tract (the “Public Improvements”); and

WHEREAS, on April 20, 2020, the Board adopted an Amended Project Plan and Reinvestment Zone Financing Plan for the Zone (the “Amended Plan”) expanding the boundaries of the Zone to include the property described in Exhibit B within the Zone, extending the term of the Zone by seven additional years, and dedicating twenty-five percent (25%) of the City’s ad valorem tax increment from within the boundaries of the Retail Tract for a period of 38 years or until the amount of TIRZ increment generated from the Retail Tract totals \$2,170,667, whichever occurs first, to directly reimburse the Developer for the costs of construction of the Public Improvements necessary for the development of the Retail Tract, which the Board found is necessary for implementation of the Amended Plan; and

WHEREAS, the Board has recommended that the Amended Plan be approved and adopted by the City Council of the City; and

WHEREAS, pursuant to the Act, the Board has the authority to enter into agreements as the Board considers necessary or convenient to implement the Amended Plan and achieve its purposes; and

WHEREAS, the Board desires to enter into an agreement with the City and Developer with respect to the matters set forth herein, a true and correct copy of such agreement being attached hereto as Exhibit C and made a part hereof for all purposes (the "Agreement"); and

WHEREAS, the Board finds that the Agreement will further a purpose of the Zone which is to promote development in the Zone; and

WHEREAS, the Board finds that the Agreement is necessary or convenient to implement the Amended Plan and achieve its purposes; and

WHEREAS, the Board has the authority to enter into the Agreement pursuant to the Act; and

WHEREAS, the Board hereby finds and determines that approval of the Agreement by the Board and the Board's recommendation to the City Council to approve the Agreement is in the best interests of the Zone and the citizens of the City.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER ELEVEN, CITY OF MESQUITE, TEXAS (HEARTLAND TOWN CENTER):**

**SECTION 1.** That the statements, facts, findings and recitals set forth above are hereby found and declared to be true and correct and are incorporated into this Resolution and adopted as part of this Resolution for all purposes.

**SECTION 2.** That in accordance with the Act, the Board hereby approves the Agreement, attached hereto as Exhibit C and incorporated herein for all purposes subject to the City Council approving the Amended Plan and approving the Agreement on behalf of the City, and hereby authorizes the Chairman of the Board to execute the Agreement on behalf of the Board and the Zone and further authorizes the Chairman of the Board to take such actions and execute such other documents as are necessary or advisable to consummate the transactions contemplated by the Agreement.

**SECTION 3.** That should any word, sentence, clause, paragraph or provision of this resolution be held to be invalid or unconstitutional, the validity of the remaining provisions of this resolution shall not be affected and shall remain in full force and effect.

**SECTION 4.** That this resolution shall take effect immediately from and after its passage.

**DULY PASSED AND APPROVED** by the Board of Directors of Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center), on the 20th day of April 2020.

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Bruce Archer  
Chairman

ATTEST:

APPROVED AS TO LEGAL FORM:

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Sonja Land  
City Secretary

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David L. Paschall  
City Attorney

**Metes and Bounds - Legal Description  
25.464 Acres**

BEING that certain tract of land situated in the Martha Music Survey, Abstract No. 312, in Kaufman County, Texas, and being part of that certain tract of land described in deed to CADG Kaufman 146, LLC, recorded in Volume 4363, Page 38, of the Deed Records of Kaufman County, Texas (DRKCT), and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set at the intersection of the southeast right-of-way line of Farm to Market Road No. 741 (called 90 foot R.O.W. at this point), and the northeasterly right-of-way line of Heartland Parkway (called 100 foot R.O.W. at this point), and being the west corner of said CADG Kaufman 146, LLC tract;

THENCE North 46°18'40" East, with said southeast right-of-way line of Farm to Market Road No. 741, said southeast right-of-way line according to Deed to the State of Texas recorded in Volume 454, Page 159, DRKCT, a distance of 428.96 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner at the west corner of that certain tract of land described as Tract 7 in deed to HW Heartland, L.P. recorded in Volume 3119, Page 142, DRKCT;

THENCE leaving said southeast right-of-way line of Farm to Market Road No. 741, and with the southwest and southeast lines of said Tract 7, the following bearings and distances to 1/2 inch iron rods with cap stamped "DAA" found for corner:

South 43°42'15" East, a distance of 207.45 feet;

And North 46°15'02" East, a distance of 146.43 feet;

THENCE North 15°07'57" East, continuing with said southeast line of Tract 7, a distance of 467.14 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 83°20'17" East, leaving said northwest line of Tract 7, and with the northerly line of said CADG Kaufman 146, LLC tract, a distance of 465.52 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE over and across said CADG Kaufman 146, LLC tract, the following bearings and distances to 5/8 inch iron rods with cap marked "PETITT-RPLS 4087" set for corner:

South 06°39'43" East, a distance of 222.01 feet;

South 68°43'31" East, a distance of 145.05 feet;

North 86°42'10" East, a distance of 198.45 feet;

South 07°44'02" East, a distance of 285.71 feet;

South 42°35'50" West, a distance of 477.61 feet;

South 15°12'36" West, a distance of 235.81 feet;

North 78°15'28" West, a distance of 65.47 feet;

And South 09°46'40" West, a distance of 165.00 feet, said iron rod being located on said northeasterly right-of-way line of Heartland Parkway (variable width R.O.W. at this point), and being the beginning of a non-tangent curve to the left;

THENCE with said northeasterly right-of-way line of Heartland Parkway, said right-of-way dedicated by Final Plat of Heartland Tract A, Phase 2B, recorded in Cabinet 3, Slide 38, of the Plat Records of Kaufman County, Texas, and with said curve having a central angle of 02°09'35", a radius of 790.00 feet, a chord which bears North 81°18'07" West, a chord distance of 29.78 feet, for an arc distance of 29.78 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner;

THENCE North 82°23'59" West, continuing with said northeasterly right-of-way line of Heartland Parkway, a distance of 23.30 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner, and being the beginning of a tangent curve to the right;

THENCE continuing with said northeasterly right-of-way line of Heartland Parkway, and with said curve having a central angle of 10°28'32", a radius of 300.00 feet, a chord which bears North 77°08'39" West, a chord distance of 54.77 feet, for an arc distance of 54.85 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner, and being the beginning of a tangent reverse curve to the left;

THENCE continuing with said northeasterly right-of-way line of Heartland Parkway, and with said curve having a central angle of 10°28'32", a radius of 300.00 feet, a chord which bears North 77°08'39" West, a chord distance of 54.77 feet, for an arc distance of 54.85 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner (called 100 foot R.O.W. at this point);

THENCE North 82°22'55" West, continuing with said northeasterly right-of-way line of Heartland Parkway, a distance of 172.65 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner, and being the beginning of a tangent curve to the right;

THENCE continuing with said northeasterly right-of-way line of Heartland Parkway, and with said curve having a central angle of 38°41'30", a radius of 950.00 feet, a chord which bears North 63°02'10" West, a chord distance of 629.41 feet, for an arc distance of 641.53 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner;

THENCE North 43°41'26" West, continuing with said northeasterly right-of-way line of Heartland Parkway, a distance of 249.59 feet to the POINT OF BEGINNING of herein described tract, containing 25.464 acres of land.

Additional Property in the Retail Tract of the Zone

LEGAL DESCRIPTION  
1.935 ACRE TRACT

BEING that certain tract of land situated in the Martha Music Survey, Abstract No. 312, in Kaufman County, Texas, and being that certain tract of land described as Tract 7 in deed to H.W. Heartland, L.P. (now known as UST-Heartland, L.P. according to Certificate of Amendment filed in the Office of the Secretary of State of Texas on December 3, 2013), recorded in Volume 3119, Page 142, of the Deed Records of Kaufman County, Texas (DRKCT), and being more particularly described as follows:

COMMENCING at a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set at the intersection of the southeast right-of-way (R.O.W.) line of Farm to Market Road No. 741 (called 90 foot R.O.W. at this point), and the northeasterly right-of-way line of Heartland Parkway (called 100 foot R.O.W. at this point), and being the west corner of that certain tract of land described in deed to Heartland Retail, LLC recorded in Volume 5787, Page 437, DRKCT;

THENCE North 46°18'40" East, with said southeast right-of-way line of Farm to Market Road No. 741, a distance of 428.96 feet to a 1/2 inch iron rod with cap stamped "DAA" found at the west corner of said Tract 7, and being the POINT OF BEGINNING of herein described tract;

THENCE North 46°18'40" East, continuing with said southeast right-of-way line of Farm to Market Road No. 741, a distance of 22.96 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner at the beginning of a tangent curve to the left;

THENCE continuing with said southeast right-of-way line of Farm to Market Road No. 741, and with said curve having a central angle of 14°27'58", a radius of 999.93 feet, a chord which bears North 39°04'41" East, a chord distance of 251.79 feet, for an arc distance of 252.46 feet to the end of said curve, a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 32°01'23" East, continuing with said southeast right-of-way line of Farm to Market Road No. 741, a distance of 211.13 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner at the beginning of a non-tangent curve to the left;

THENCE continuing with said southeast right-of-way line of Farm to Market Road No. 741, and with said curve having a central angle of 00°58'12", a radius of 909.93 feet, a chord which bears North 31°32'17" East, a chord distance of 15.40 feet, for an arc distance of 15.40 feet to the end of said curve, a concrete monument found for corner at the intersection of said southeast right-of-way line of Farm to Market Road No. 741, and the southerly right-of-way line of Interstate Highway No. 20 (variable width R.O.W.);

THENCE North 83°20'17" East, with said southerly right-of-way line of Interstate Highway No. 20, a distance of 79.06 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner at the northeast corner of said Tract 7;

THENCE South 15°07'57" West, leaving said southerly right-of-way line of Interstate Highway No. 20, and with the southeasterly line of said Tract 7, a distance of 477.91 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner;

THENCE South 46°15'02" West, continuing with said southeasterly line of Tract 7, a distance of 146.43 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner;

THENCE North 43°42'15" West, with the southwest line of Tract 7, a distance of 207.45 feet to the POINT OF BEGINNING of herein described tract, containing 1.935 acres of land.

**EXHIBIT "C"**  
**To Resolution No. \_\_\_-2020**

**REIMBURSEMENT AGREEMENT  
BETWEEN THE CITY OF MESQUITE, TEXAS,  
BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER ELEVEN, CITY OF  
MESQUITE, TEXAS (HEARTLAND TOWN CENTER),  
AND  
HEARTLAND RETAIL, LLC**

## TIRZ REIMBURSEMENT AGREEMENT

This TIRZ Reimbursement Agreement (this "Agreement") is entered into among the City of Mesquite, Texas (the "City"), the Board of Directors of Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center) (the "Board"), and Heartland Retail, LLC (the "Developer") to be effective April 20, 2020 (the "Effective Date"). The City, the Board, and the Developer are individually referred to as a "Party" and collectively as the "Parties." The City and the Board are collectively referred to as the "Public Parties."

### ARTICLE I RECITALS

**WHEREAS**, the Developer owns the approximately 25.464-acre tract of land described on Exhibit A, and will be the developer of the land described on Exhibit A and Exhibit B (collectively the "Retail Tract"); and

**WHEREAS**, CADG Kaufman 146, LLC, Kaufman County Fresh Water Supply District No. 5, and the City entered into that certain Heartland Town Center Development Agreement dated effective April 2, 2018 and recorded May 29, 2018, in Volume 5691, Page 352 of the Real Property Records of Kaufman County, Texas (the "Development Agreement"); and

**WHEREAS**, on August 27, 2018, CADG Kaufman 146, LLC assigned to the Developer all of its rights in the Development Agreement with respect to the General Retail Tract, as defined in the Development Agreement, and the City consented to such assignment; and

**WHEREAS**, the Development Agreement provides for 25 percent of the City's collected ad valorem tax increment from the General Retail Tract, based on the City's tax rate in effect on the date of the establishment of the Zone, for a period of up to 31 years or until the amount of TIRZ increment placed into the commercial account of the TIRZ Fund (hereinafter defined) totals \$3,283,602, whichever occurs first, to reimburse the Developer for the costs of public improvements; and

**WHEREAS**, Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center) (the "Zone") is a tax increment reinvestment zone created by the governing body of the City (the "City Council") in accordance with the Tax Increment Financing Act, Chapter 311, Texas Tax Code, as amended (the "Act"), by Ordinance No. 4532 adopted on December 18, 2017; and

**WHEREAS**, in addition to creating the Zone, Ordinance No. 4532 appointed the Board; and

**WHEREAS**, on June 18, 2018, the Board adopted a Project Plan and Reinvestment Zone Financing Plan establishing, in part, a commercial account for the collection of twenty-five percent (25%) of the City's ad valorem tax increment from within the boundaries of the General Retail Tract for a period of 31 years or until the amount of TIRZ increment placed into the

commercial account totals \$3,283,602, or the termination of any Chapter 380 Economic Development Program Agreement with any property owner of any part of the General Retail Tract, whichever comes first; and

**WHEREAS**, on June 18, 2018, the City Council adopted Ordinance No. 4574 approving the Project Plan and Reinvestment Zone Financing Plan; and

**WHEREAS**, on April 20, 2020, the Board adopted an Amended Project Plan and Reinvestment Zone Financing Plan (the "Project and Finance Plan") expanding the boundaries of the Zone to enlarge the General Retail Tract within the Zone to include all of the Retail Tract, being the property described on the attached Exhibit A and Exhibit B, extend the term of the Zone by seven additional years, and to dedicate twenty-five percent (25%) of the City's ad valorem tax increment from within the boundaries of the Retail Tract for a period of 38 years or until the amount of TIRZ increment placed into the commercial account totals \$2,170,667 to directly reimburse the Developer for Project Costs (hereinafter defined), whichever occurs first; and

**WHEREAS**, on April 20, 2020, the City Council adopted Ordinance No. \_\_\_\_\_ approving the Project and Finance Plan for the Zone that recognized the expanded boundaries of the Zone and the extended term of the Zone, and described the Public Improvements (hereinafter defined) for the Retail Tract that are eligible for reimbursement from the Tax Increment; and

**WHEREAS**, the Act authorizes the execution of a "TIRZ Reimbursement Agreement" to implement the Project and Finance Plan; and

**WHEREAS**, this Agreement is the "TIRZ Reimbursement Agreement" contemplated by the Project and Finance Plan; and

**WHEREAS**, the liability of the Public Parties under this Agreement is limited to amounts required to be deposited into the TIRZ Fund, as defined herein; and

**WHEREAS**, this Agreement supersedes the Development Agreement on all matters related to tax increment financing for the General Retail Tract, as defined in the Development Agreement; and

**WHEREAS**, the Parties desire to enter into this Agreement to satisfy the TIRZ reimbursement obligations associated with the Retail Tract, as set forth in the Development Agreement, as amended, and the Project and Finance Plan.

**NOW, THEREFORE**, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the Parties agree as follows:

## **ARTICLE II** **DEFINITIONS**

Words and phrases used in this Agreement that have their initial letters capitalized shall have the meanings given to them in the introductory paragraph above, in the Recitals, and in this Article II unless the context in which a word or phrase is used clearly requires a different meaning.

1. "Act" is defined in the Recitals.
2. "Agreement" means this TIRZ Reimbursement Agreement.
3. "Board" means the Board of Directors of the Zone.
4. "City" means the City of Mesquite, Texas.
5. "City Council" is defined in the Recitals.
6. "City Manager" means the City Manager of the City.
7. "Developer" means Heartland Retail, LLC.
8. "Effective Date" is defined in the introductory paragraph of this Agreement.
9. "Party" and "Parties" are defined in the introductory paragraph of this Agreement.
10. "Project and Finance Plan" is defined in the Recitals.
11. "Project Costs" are the actual costs of Public Improvements.
12. "Public Parties" are defined in the introductory paragraph to this Agreement.
13. "Public Improvements" are defined in the Project and Finance Plan and described on **Exhibit C** together with the estimated cost of each Public Improvement.
14. "Retail Tract" is defined as the approximately 25-acre tract of land described on **Exhibit A** and the approximately 1.9-acre tract of land described on **Exhibit B**.
15. "Tax Increment" is the 25 percent Tax Increment for the Retail Tract, as defined in Project and Finance Plan.
16. "TIRZ Fund" is the appropriate subaccount of the tax increment fund created by the City and segregated from all other funds of the City to pay the Project Costs associated with the Retail Tract.
17. "Term" means the term of this Agreement, beginning on the Effective Date and continuing for the term of the Zone.
18. "Zone" means Tax Increment Reinvestment Zone Number Eleven, City of Mesquite, Texas.

**ARTICLE III**  
**REIMBURSEMENT OF PROJECT COSTS**

3.1 Deposits into TIRZ Fund. Commencing on the Effective Date, and continuing for the Term or until the cumulative amount of TIRZ increment placed into the TIRZ Fund totals \$2,170,667, whichever occurs first, the Public Parties shall cause the Tax Increment to be deposited into the TIRZ Fund. Funds in the TIRZ Fund shall be used only to pay the Developer for the Project Costs up to a maximum of \$2,170,667.

3.2 Developer Reimbursement. The Public Parties agree to reimburse the Developer for Project Costs from the TIRZ Fund in an amount not to exceed \$2,170,667, provided that the Developer commences a portion of the Public Improvements identified on Exhibit C no later than December 31, 2025 and completes all Public Improvements no later than eight (8) years after the Effective Date (the "Completion Deadline"). If all Public Improvements are not completed by the Completion Deadline, (a) the failure to meet the Completion Deadline for some or all Public Improvements shall not constitute an event of default under this Agreement; (b) the Developer shall be entitled to retain all reimbursements received by Developer prior to the Completion Deadline, and shall be entitled to reimbursement for all costs incurred by the Developer for the Public Improvements prior to the Completion Deadline; and (c) the Developer shall not be entitled to reimbursement for any costs incurred for Public Improvements after the Completion Deadline. The City Manager may, in his or her sole discretion, extend such commencement and completion dates by a maximum of two years upon a finding that general economic conditions contributed to the delay in commencement or completion. None of the Public Parties shall take any actions the effect of which would be to reduce or adversely affect the Tax Increment or otherwise reduce or adversely affect the timely deposit of funds into the TIRZ Fund or held in the TIRZ Fund. The TIRZ Fund shall only be used to pay Project Costs in accordance with this Agreement, the Project and Finance Plan, and the Act.

3.3 Procedure for Reimbursement. The Developer will present to the City Director of Finance not more frequently than quarterly invoices evidencing expenditures for Project Costs (including supporting documentation reasonably requested by the City Director of Finance). The City Director of Finance shall review the invoices and shall approve or deny them on behalf of the Public Parties within twenty (20) days (which approvals shall not be unreasonably withheld). If the City Director of Finance disapproves an invoice, the City Director of Finance shall give written notification to the Developer of the City's disapproval, in whole or in part, of such invoice, specifying the reason(s) for such disapproval and the additional requirements to be satisfied for approval of such invoice. If the City Director of Finance takes no action within such 20-day period, the invoices shall be deemed approved. Invoices that have been approved by the City Finance Director or that are deemed approved shall be paid to the Developer from the TIRZ Fund within fifteen (15) days after the end of the next calendar month, provided funds are available in the TIRZ Fund. The Parties will use all reasonable efforts to resolve disputes within thirty (30) days, after which time period the Developer may pursue its remedies under this Agreement.

3.4 Limitation on Reimbursement. The Developer agrees to look solely to the TIRZ Fund, not the City's general fund or other funds, for payment of Project Costs. Nothing in this Agreement shall be construed to obligate the City to provide reimbursement of Project Costs from any other source of funds or to otherwise require the City to pay the Developer for Project Costs in the event there are insufficient funds in the TIRZ Fund to pay Project Costs or in the event the Zone terminates prior to payment in full of the accrued Project Costs (provided the City shall not adopt an ordinance providing for termination of Zone on a date earlier than provided in Ordinance No. \_\_\_\_ adopted on April 20, 2020 extending the term of the Zone unless this Agreement has been terminated in accordance with its terms). Upon the termination of this Agreement or the expiration of the Zone, any Project Costs that remain un-reimbursed or that remain unpaid, due to lack of availability of funds in the TIRZ Fund, shall no longer be considered Project Costs or obligations of the Zone, and any obligation of the City to provide reimbursement payments to the Developer for Project Costs shall automatically expire and terminate on such date. Notwithstanding any of the foregoing, the maximum and total amount of Project Costs for which Developer may be reimbursed under this Agreement is \$2,170,667.

3.5 Obligations Absolute. The obligation of the Public Parties to make the payments set forth in this Agreement from the TIRZ Fund are absolute and unconditional, and the Public Parties shall not suspend or discontinue any deposits or payments provided for in this Agreement or terminate this Agreement for any cause.

3.6 Remaining Balance; Term. Any balance remaining in the TIRZ Fund upon expiration of the Term of the Zone that is not otherwise legally committed to pay Project Costs shall be returned to the City as required by the Act. This Agreement shall automatically terminate on the expiration of the Term.

3.7 Park. As a condition to the City's reimbursement of the cost of the park described on **Exhibit C**, the Developer shall submit construction plans for the park, including a landscape plan that meets or exceeds applicable zoning, to the City Director of Development and receive approval of such plans, which approval shall not be reasonably withheld, conditioned, or delayed. The construction plans for the park, including the landscaping plans, may be part of the construction plans and landscaping plans for the adjacent development of the Retail Tract. The park will be a privately owned, publicly accessible open space area that is owned and maintained by the property owner's association.

#### **ARTICLE IV** **ADDITIONAL PROVISIONS.**

4.1 Assignment. The Developer has the right, from time to time without the consent of the City, but upon written notice to the City, to assign this Agreement, in whole or in part, including any obligation, right, title, or interest of the Developer under this Agreement, to the following (an "Assignee"): (a) any person or entity that is or will become an owner of or who leases any portion of the Retail Tract; (b) any entity that is controlled by or under common control with the Developer; and (c) in the limited case of an assignment of just the TIRZ reimbursements under this Agreement, to any other person or entity. Each assignment shall be in

writing executed by the Developer and the Assignee and shall obligate the Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each assignment shall be provided to the City within 15 days after execution. From and after such assignment and notwithstanding anything to the contrary in this Agreement, the City agrees to look solely to the Assignee for the performance of all obligations assigned to the Assignee and agrees that the Developer shall be released from subsequently performing the assigned obligations and from any liability that results from the Assignee's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not received by the City within 15 days after execution, the Developer shall not be released until the City receives such assignment. An Assignee shall be considered the "Developer" and a "Party" for the purposes of this Agreement. The City may rely on any notice of assignment received from the Developer without obligation to investigate or confirm the validity or occurrence of such assignment. The Developer waives all rights or claims against the Public Parties for any funds provided to an Assignee as a result of receipt of a notice of assignment from the Developer, and the Developer's sole remedy shall be to seek the funds directly from the Assignee.

4.2 Collateral Assignment. The Developer shall have the right to collaterally assign, pledge, or encumber, in whole or in part, to any lender as security for any loan in connection with development within the Zone, all rights, title, and interests of the Developer to receive payments under this Agreement. Such collateral assignments (i) shall not require the consent of the Public Parties, (ii) shall require notice to the Public Parties together with full contact information for such lenders, (iii) shall not create any liability for any lender under this Agreement by reason of such collateral assignment unless the lender agrees, in writing, to be bound by this Agreement; and (iv) may give lenders the right, but not the obligation, to cure any failure of the Developer to perform under this Agreement. No collateral assignment shall relieve the Developer from any obligations or liabilities under this Agreement.

4.3 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; (c) are legislative findings of the City Council, and (d) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

4.4 Defaults; Remedies.

(a) No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given 30 days to perform. If the default cannot reasonably be cured within such 30-day period, and the Party in default has diligently

pursued such remedies as shall be reasonably necessary to cure such default, then the non-defaulting Party may, at its sole option, extend the period in which the default must be cured.

(b) If the Developer is in default, the Public Parties shall have available all remedies at law or in equity, including but not limited to termination of this Agreement. Additionally, should Developer default under any other agreement between City and Developer involving the Retail Tract resulting in termination of that agreement, then this Agreement shall also terminate.

(c) If the Public Parties are in default, Developer's sole and exclusive remedies shall be limited to: (1) seeking a writ of mandamus to compel performance by the Public Parties; (2) seeking specific enforcement of this Agreement; or (3) termination of this Agreement.

(d) In no event shall any Party have any liability under this Agreement for any exemplary or consequential damages.

4.5 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the Party at the address set forth below or on the day actually received if sent by courier or otherwise hand delivered:

To the City:                   City of Mesquite, Texas  
                                  Attn: Cliff Keheley  
                                  1515 N. Galloway Ave.  
                                  Mesquite, TX 75149  
                                  E-mail: ckeheley@cityofmesquite.com

With a copy to:           City of Mesquite, Texas  
                                  Attn: City Attorney  
                                  1515 N. Galloway Ave.  
                                  Mesquite, TX 75149  
                                  dpaschall@cityofmesquite.com

To the Board:               Reinvestment Zone Number Eleven, City of Mesquite, Texas  
                                  (Heartland Town Center)  
                                  Attn: Chairman  
                                  1515 N. Galloway Ave.  
                                  Mesquite, TX 75149

With a copy to:           City of Mesquite, Texas  
                                  Attn: City Attorney  
                                  1515 N. Galloway Ave.  
                                  Mesquite, TX 75149  
                                  dpaschall@cityofmesquite.com

To the Developer: Heartland Retail, LLC  
Attn: Phillip Huffines  
8200 Douglas Ave # 300  
Dallas, TX 75225  
E-mail: [phuffines@huffinescommunities.com](mailto:phuffines@huffinescommunities.com)

With a copy to: Shupe Ventura Lindelow & Olson, PLLC  
Attn: Misty Ventura  
9406 Biscayne Boulevard  
Dallas, Texas 75218  
E-mail: [misty.ventura@svlandlaw.com](mailto:misty.ventura@svlandlaw.com)

4.6 Authority and Enforceability. The Public Parties represent and warrant that this Agreement has been approved by resolution duly adopted by each of their governing bodies in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individuals executing this Agreement on behalf of the Public Parties have been duly authorized to do so. The Developer represents and warrants that this Agreement has been approved by appropriate action of the Developer, and that the individuals executing this Agreement on behalf of the Developer has been duly authorized to do so. Each Party acknowledges and agrees that this Agreement is binding upon such Party and enforceable against such Party in accordance with its terms and conditions.

4.7 Entire Agreement; Severability. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

4.8 Applicable Law; Venue. This Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Texas, and all or a substantial part of the obligations of the Parties are performable in Dallas County, Texas. Venue for any action to enforce or construe this Agreement shall be in Dallas County, Texas.

4.9 Non-Waiver. Any failure by a Party to insist upon strict performance by another Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be

deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

4.10 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within ten business days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give notice to all the Parties, including a detailed explanation of the force majeure and a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time. The term "force majeure" shall include events or circumstances that are not within the reasonable control of the Party whose performance is suspended and that could not have been avoided by such Party with the exercise of good faith, due diligence and reasonable care, including, but not limited to, the occurrence of a pandemic such as COVID-19.

4.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

4.12 Employment of Undocumented Workers. During the term of this Agreement, the Developer agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a (f), the Developer shall repay to the City the funds received by the Developer under this Agreement within 120 days after the date the Developer is notified by the City of such violation, plus interest at the rate of six percent (6%) compounded annually from the date of violation until paid. Pursuant to Section 2264.101(c), TEXAS GOVERNMENT CODE, a business is not liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee of the business, or by a person with whom the business contracts.

4.13 Form 1295. Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City hereby confirms receipt of the Form 1295 from the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Parties understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified such information.

4.14. No Boycott of Israel. Pursuant to Section 2270.002, Texas Government Code and to the extent this Agreement constitutes a contract for goods and services, if the Developer employs ten (10) or more full-time employees and this Agreement has a value of \$100,000 or more, the Developer hereby (i) represents that it does not boycott Israel, and (ii) subject to or as otherwise required by applicable federal law, including without limitation 50 U.S.C. § 4607, agrees it will not boycott Israel during the term of the Agreement. As used in the immediately

preceding sentence, “boycott Israel” shall have the meaning given such term in Section 2271.001, Texas Government Code. Developer further represents that (i) it does not engage in business with Iran, Sudan or any foreign terrorist organization and (ii) it is not listed by the Texas Comptroller under § 2252.153, Texas Government Code, as a company known to have contracts with or provide supplies or services to a foreign terrorist organization. As used in the immediately preceding sentence, “foreign terrorist organization” shall have the meaning given such term in Section 2252.151, Texas Government Code.

4.15 Obligations Payable Only from TIRZ Fund. The obligations of the Public Parties under this Agreement are non-recourse and payable only from amounts transferred to the TIRZ Fund under the Project and Finance Plan, and such obligations do not create a debt or other obligation payable from any other City revenues, taxes, income or property. Neither of the Public Parties nor any of their appointed or elected officials or any of their officers or employees shall incur any liability hereunder to the Developer or any other party in their individual capacities by reason of this Agreement or their acts or omissions under this Agreement.

4.16. Other Agreements and Remedies. Nothing in this Agreement is intended to constitute a waiver by the Public Parties of any remedy the Public Parties may have outside this Agreement against the Developer, or any Assignee, or any other person or entity involved in the design, construction or installation of the Public Improvements. The obligations of the Developer hereunder shall be those as a Party hereto and not solely as an owner of property in the Zone. Nothing herein shall be construed, nor is intended, to affect the Public Parties’ or the Developer’s rights and duties to perform their respective obligations under other agreements, regulations and ordinances.

4.17 No Waiver of Governmental Powers and Immunities. The Public Parties do not waive or surrender any of their governmental powers, immunities or rights and, notwithstanding any provision in this Agreement, this Agreement does not control, waive, limit or supplant the legislative authority or discretion of the Public Parties.

4.18. No Third Party Rights. Nothing in this Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give any person or entity other than the Parties any rights, remedies or claims under or by reason of this Agreement, and all covenants, conditions, promises and agreements in this Agreement shall be for the sole and exclusive benefit of the Parties.

4.19 Books and Records. The City shall have the right, during normal business hours and upon three (3) business days’ prior written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer with respect to any of the Public Improvements. For a period of two (2) years after completion of the Public Improvements, the Developer shall maintain proper books of record and account for the construction of the Public Improvements and all costs related thereto. Such accounting books shall be maintained in accordance with customary real estate accounting principles.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

**CITY:**

**CITY OF MESQUITE, TEXAS**

ATTEST:

\_\_\_\_\_  
Name: Sonja Land  
Title: City Secretary

By: \_\_\_\_\_  
Name: Cliff Keheley  
Title: City Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
Name: David L. Paschall  
Title: City Attorney

**BOARD:**

Board of Directors of Reinvestment Zone Number  
Eleven, City of Mesquite, Texas (Heartland Town  
Center)

ATTEST:

\_\_\_\_\_  
Name: Sonja Land  
Title: City Secretary

By: \_\_\_\_\_  
Name: Bruce Archer  
Title: Chair

APPROVED AS TO FORM:

\_\_\_\_\_  
Name: David L. Paschall  
Title: City Attorney

**DEVELOPER:**

HEARTLAND RETAIL, LLC,  
a Texas limited liability company

By: UST-Heartland GP, LLC  
a Texas limited liability company  
its Manager

By: \_\_\_\_\_  
Lance Fair  
Vice President

**Exhibit A**  
**Metes and Bounds Legal Description of the Retail Tract**

25.464 ACRE TRACT

BEING that certain tract of land situated in the Martha Music Survey, Abstract No. 312, in Kaufman County, Texas, and being part of that certain tract of land described in deed to CADG Kaufman 146, LLC, recorded in Volume 4363, Page 38, of the Deed Records of Kaufman County, Texas (DRKCT), and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set at the intersection of the southwest right-of-way line of Farm to Market Road No. 741 (called 90 foot R.O.W. at this point), and the northeasterly right-of-way line of Heartland Parkway (called 100 foot R.O.W. at this point), and being the west corner of said CADG Kaufman 146, LLC tract;

THENCE North 46°18'40" East, with said southwest right-of-way line of Farm to Market Road No. 741, said southwest right-of-way line according to Deed to the State of Texas recorded in Volume 454, Page 159, DRKCT, a distance of 428.96 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner at the west corner of that certain tract of land described as Tract 7 in deed to HW Heartland, L.P. recorded in Volume 3119, Page 142, DRKCT;

THENCE leaving said southwest right-of-way line of Farm to Market Road No. 741, and with the southwest and southeast lines of said Tract 7, the following bearings and distances to 1/2 inch iron rods with cap stamped "DAA" found for corner:

South 43°42'15" East, a distance of 207.45 feet;

And North 46°15'02" East, a distance of 146.43 feet;

THENCE North 15°07'57" East, continuing with said southeast line of Tract 7, a distance of 467.14 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 83°20'17" East, leaving said northwest line of Tract 7, and with the northerly line of said CADG Kaufman 146, LLC tract, a distance of 465.52 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE over and across said CADG Kaufman 146, LLC tract, the following bearings and distances to 5/8 inch iron rods with cap marked "PETITT-RPLS 4087" set for corner:

South 06°39'43" East, a distance of 222.01 feet;

South 68°43'31" East, a distance of 145.05 feet;

North 86°42'10" East, a distance of 198.45 feet;

South 07°44'02" East, a distance of 285.71 feet;

South 42°35'50" West, a distance of 477.61 feet;

South 15°12'36" West, a distance of 235.81 feet;

North 78°15'28" West, a distance of 65.47 feet;

And South 09°46'40" West, a distance of 165.00 feet, said iron rod being located on said northeasterly right-of-way line of Heartland Parkway (variable width R.O.W. at this point), and being the beginning of a non-tangent curve to the left;

THENCE with said northeasterly right-of-way line of Heartland Parkway, said right-of-way dedicated by Final Plat of Heartland Tract A, Phase 2B, recorded in Cabinet 3, Slide 38, of the Plat Records of Kaufman County, Texas, and with said curve having a central angle of 02°09'35", a radius of 790.00 feet, a chord which bears North 81°18'07" West, a chord distance of 29.78 feet, for an arc distance of 29.78 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner;

THENCE North 82°23'59" West, continuing with said northeasterly right-of-way line of Heartland Parkway, a distance of 23.30 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner, and being the beginning of a tangent curve to the right;

THENCE continuing with said northeasterly right-of-way line of Heartland Parkway, and with said curve having a central angle of 10°28'32", a radius of 300.00 feet, a chord which bears North 77°08'39" West, a chord distance of 54.77 feet, for an arc distance of 54.85 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner, and being the beginning of a tangent reverse curve to the left;

THENCE continuing with said northeasterly right-of-way line of Heartland Parkway, and with said curve having a central angle of 10°28'32", a radius of 300.00 feet, a chord which bears North 77°08'39" West, a chord distance of 54.77 feet, for an arc distance of 54.85 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner (called 100 foot R.O.W. at this point);

THENCE North 82°22'55" West, continuing with said northeasterly right-of-way line of Heartland Parkway, a distance of 172.65 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner, and being the beginning of a tangent curve to the right;

THENCE continuing with said northeasterly right-of-way line of Heartland Parkway, and with said curve having a central angle of 38°41'30", a radius of 950.00 feet, a chord which bears North 63°02'10" West, a chord distance of 629.41 feet, for an arc distance of 641.53 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner;

THENCE North 43°41'26" West, continuing with said northeasterly right-of-way line of Heartland Parkway, a distance of 249.59 feet to the POINT OF BEGINNING of herein described tract, containing 25.464 acres of land.

**Exhibit B**  
**Additional Property in the Retail Tract of the Zone**

LEGAL DESCRIPTION  
1.935 ACRE TRACT

BEING that certain tract of land situated in the Martha Music Survey, Abstract No. 312, in Kaufman County, Texas, and being that certain tract of land described as Tract 7 in deed to H.W. Heartland, L.P. (now known as UST-Heartland, L.P. according to Certificate of Amendment filed in the Office of the Secretary of State of Texas on December 3, 2013), recorded in Volume 3119, Page 142, of the Deed Records of Kaufman County, Texas (DRKCT), and being more particularly described as follows:

COMMENCING at a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set at the intersection of the southeast right-of-way (R.O.W.) line of Farm to Market Road No. 741 (called 90 foot R.O.W. at this point), and the northeasterly right-of-way line of Heartland Parkway (called 100 foot R.O.W. at this point), and being the west corner of that certain tract of land described in deed to Heartland Retail, LLC recorded in Volume 5787, Page 437, DRKCT;

THENCE North 46°18'40" East, with said southeast right-of-way line of Farm to Market Road No. 741, a distance of 428.96 feet to a 1/2 inch iron rod with cap stamped "DAA" found at the west corner of said Tract 7, and being the POINT OF BEGINNING of herein described tract;

THENCE North 46°18'40" East, continuing with said southeast right-of-way line of Farm to Market Road No. 741, a distance of 22.96 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner at the beginning of a tangent curve to the left;

THENCE continuing with said southeast right-of-way line of Farm to Market Road No. 741, and with said curve having a central angle of 14°27'58", a radius of 999.93 feet, a chord which bears North 39°04'41" East, a chord distance of 251.79 feet, for an arc distance of 252.46 feet to the end of said curve, a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 32°01'23" East, continuing with said southeast right-of-way line of Farm to Market Road No. 741, a distance of 211.13 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner at the beginning of a non-tangent curve to the left;

THENCE continuing with said southeast right-of-way line of Farm to Market Road No. 741, and with said curve having a central angle of 00°58'12", a radius of 909.93 feet, a chord which bears North 31°32'17" East, a chord distance of 15.40 feet, for an arc distance of 15.40 feet to the end of said curve, a concrete monument found for corner at the intersection of said southeast right-of-way line of Farm to Market Road No. 741, and the southerly right-of-way line of Interstate Highway No. 20 (variable width R.O.W.);

THENCE North 83°20'17" East, with said southerly right-of-way line of Interstate Highway No. 20, a distance of 79.06 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner at the northeast corner of said Tract 7;

THENCE South 15°07'57" West, leaving said southerly right-of-way line of Interstate Highway No. 20, and with the southeasterly line of said Tract 7, a distance of 477.91 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner;

THENCE South 46°15'02" West, continuing with said southeasterly line of Tract 7, a distance of 146.43 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner;

THENCE North 43°42'15" West, with the southwest line of Tract 7, a distance of 207.45 feet to the POINT OF BEGINNING of herein described tract, containing 1.935 acres of land.

**Exhibit C**  
**Project Costs and Public Improvements**

<b>Improvements:</b>	<b>Cost:</b>
Site Grading	\$210,000
Paving for common drives	\$560,000
Electric Relocation	\$140,000
Signage (enhanced)	\$200,000
Street Lighting (internal)	\$50,000
Common area/park	\$500,000
Sidewalks	\$200,000
FM 740 Interim improvements	\$300,000
<u>Landscape &amp; Irrigation</u>	<u>\$300,000</u>
Total Public Improvements	\$2,460,000

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, APPROVING AN AMENDED PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER ELEVEN, CITY OF MESQUITE, TEXAS (HEARTLAND TOWN CENTER) (THE “ZONE”); ENLARGING THE BOUNDARIES AND INCREASING THE GEOGRAPHIC AREA OF THE ZONE TO INCLUDE A TRACT CONSISTING OF APPROXIMATELY 1.935 ACRES AND BEING GENERALLY LOCATED SOUTH OF IH-20, EAST OF FM 741 AND NORTH OF HEARTLAND PARKWAY IN THE MARTHA MUSIC SURVEY, ABSTRACT NO. 312, IN KAUFMAN COUNTY, TEXAS, AND BEING LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY OF MESQUITE, TEXAS, BRINGING THE TOTAL ZONE AREA TO 148.681 ACRES, EXTENDING THE TERM OF THE ZONE FOR AN ADDITIONAL SEVEN YEARS TO EXPIRE DECEMBER 31, 2055, AND INCREASING THE TOTAL ESTIMATED PROJECT COSTS FOR THE ZONE; AMENDING ORDINANCE NO. 4532, PREVIOUSLY APPROVED BY THE CITY COUNCIL ON DECEMBER 18, 2017, AMENDING ORDINANCE NO. 4574, PREVIOUSLY APPROVED BY THE CITY COUNCIL ON JUNE 18, 2018, MAKING A FINDING OF FEASIBILITY; PROVIDING THAT THE ENLARGED ZONE SHALL TAKE EFFECT IMMEDIATELY UPON PASSAGE OF THIS ORDINANCE; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Mesquite, Texas (“City”) established Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center) (the “Zone”), and established a board of directors for the Zone (the “Board of Directors”) to promote development or redevelopment in the Zone pursuant to Ordinance No. 4532, approved by the City Council of the City (“City Council”) on December 18, 2017 (“Ordinance No. 4532”), in accordance with the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended (the “Act”); and

WHEREAS, on June 18, 2018, the Board of Directors prepared and adopted a project plan and reinvestment zone financing plan for the Zone, which was subsequently approved by the City Council on June 18, 2018, pursuant to Ordinance No. 4574 (“Ordinance No. 4574”); and

WHEREAS, the original boundaries of the Zone, consisting of approximately 146.746 acres, are described by metes and bounds in Exhibit “A” and depicted in Exhibit “B” attached to Ordinance No. 4532 (the “Original Zone Boundaries”); and

WHEREAS, the Original Zone Boundaries are comprised of two (2) tracts, an approximately 121.282 acre tract to be developed as a residential development, such tract being described by metes and bounds and depicted on Exhibit “C” and Exhibit “D” attached to Ordinance No. 4574 (the “TIRZ Residential Tract”), and an approximately 25.464 acre tract to be developed

as a commercial development, such tract being described by metes and bounds and depicted on Exhibit “E” and Exhibit “F” attached to Ordinance No. 4574 (the “25.464 Acre Tract”); and

WHEREAS, pursuant to Ordinance No. 4532, a tax increment fund was created and established for the Zone (the “Tax Increment Fund”); and

WHEREAS, Ordinance No. 4574 divided the Tax Increment Fund into two (2) subaccounts, the first for the deposit of a portion of the City’s ad valorem tax increment collected from the TIRZ Residential Tract (the “Residential Account”) and the second for the deposit of a portion of the City’s ad valorem tax increment collected from the 25.464 Acre Tract (the “Commercial Account”); and

WHEREAS, Ordinance No. 4574 established the portion of the tax increment produced by the City on the real property located within the TIRZ Residential Tract that the City is required to pay into the Residential Account and the portion of the tax increment produced by the City on the real property located within the 25.464 Acre Tract that the City is required to pay into the Commercial Account; and

WHEREAS, pursuant to Ordinance No. 4532, the Zone is to terminate upon the occurrence of any of the following: (i) December 31, 2048; or (ii) an earlier or later termination date designated by an ordinance adopted under Section 311.007(c) of the Act; or (iii) the date on which all project costs, tax increment bonds and interest on those bonds, and other obligations of the Zone have been paid in full, in accordance with Section 311.017 of the Act (the “Original Termination Date”); and

WHEREAS, Section 311.010(a) of the Act provides that the board of directors of a tax increment reinvestment zone shall make recommendations to the governing body of the municipality that created the zone concerning the administration of the Act in the zone; and

WHEREAS, Section 311.011(e) of the Act allows the board of directors of a tax increment reinvestment zone to adopt an amendment to a project plan for the zone so long as the amendment is consistent with the requirements and limitations of the Act and is approved by the governing body of the municipality that created the zone; and

WHEREAS, on April 20, 2020, the Board of Directors prepared and adopted an amended project plan and reinvestment zone financing plan for the Zone, a copy of which is attached hereto as Exhibit “A” and made a part hereof for all purposes (the “Amended Project and Financing Plan”); and

WHEREAS, the Amended Project and Financing Plan proposes to enlarge the boundaries and increase the geographic area of the Zone to include a tract of land consisting of approximately 1.935 acres and being generally located South of IH-20, East of FM 741 and North of Heartland Parkway in the Martha Music Survey, Abstract No. 312, in Kaufman County, Texas, and being located within the corporate limits of the City (the “1.935 Acre Tract”); and

WHEREAS, the 1.935 Acre Tract is generally depicted on the map attached hereto as Exhibit “B” and is described by metes and bounds in Exhibit “C” attached hereto and made a part hereof for all purposes; and

WHEREAS, the 1.935 Acre Tract is contiguous to the Original Zone Boundaries and is to be developed as part of the commercial development of the Zone; and

WHEREAS, the Amended Project and Financing Plan proposes to extend the term of the Zone for an additional seven (7) years to expire on December 31, 2055; and

WHEREAS, the Amended Project and Financing Plan further proposes to increase the total estimated project costs for the Zone; and

WHEREAS, the Amended Project and Financing Plan is not effective unless it is approved by the City Council by ordinance adopted after a public hearing; and

WHEREAS, notice of a public hearing to be held at 7:00 p.m. on April 20, 2020, to consider approving the Amended Project and Financing Plan, enlarging the boundaries and increasing the geographic area of the Zone, extending the term of the Zone, and increasing the total estimated project costs for the Zone, was published in the Daily Commercial Record, a newspaper of general circulation in the City on April 9, 2020, and in the Forney Messenger, a newspaper of general circulation in Kaufman County, Texas on April 9, 2020, which is at least seven days before the date of the public hearing held on April 20, 2020, in accordance with Section 311.003 of the Act; and

WHEREAS, notice of the public hearing to be held at 7:00 p.m. on April 20, 2020, to consider approving the Amended Project and Financing Plan, enlarging the boundaries and increasing the geographic area of the Zone, extending the term of the Zone, and increasing the total estimated project costs of the Zone, was mailed by first class mail to the property owners within the Original Zone Boundaries and to the property owners within the 1.935 Acre Tract on April 8, 2020; and

WHEREAS, on April 20, 2020, the City Council opened a public hearing in accordance with the Act and interested persons were allowed to speak for or against the Amended Project and Financing Plan, enlarging the boundaries and increasing the geographic area of the Zone, the inclusion of property within the Zone, the boundaries of the Zone, extending the term of the Zone, increasing the total estimated project costs of the Zone, and the concept of tax increment financing; and

WHEREAS, owners of property within the 1.935 Acre Tract were given a reasonable opportunity to protest the inclusion of their property in the Zone; and

WHEREAS, after all comments and evidence, both written and oral, were received by the City Council, the public hearing was closed on April 20, 2020; and

WHEREAS, the public hearing was held in full compliance with the Act; and

WHEREAS, pursuant to Section 311.007(a) of the Act, the City Council may reduce or enlarge the boundaries of an existing tax increment reinvestment zone by ordinance or resolution, subject to the limitations provided by Section 311.006 of the Act; and

WHEREAS, pursuant to Section 311.006 of the Act, the City may change the boundaries of the Zone provided (i) not more than thirty percent (30%) of the property within the amended boundaries of the Zone, excluding any property that is publicly owned, is used for residential purposes, as defined by Section 311.006(d) of the Act; and (ii) the total appraised value of taxable real property within the amended boundaries of the Zone and in other existing reinvestment zones of the City, do not exceed twenty-five percent (25%) of the total appraised value of taxable real property in the City and in industrial districts created by the City; and

WHEREAS, pursuant to Section 311.007(c) of the Act, the governing body of the municipality that designated a reinvestment zone by ordinance or resolution may extend the term of all or a portion of the zone after notice and hearing in the manner provided for the designation of the zone; and

WHEREAS, the Board of Directors is submitting the Amended Project and Financing Plan to the City Council and is recommending the City Council approve the Amended Project and Financing Plan; and

WHEREAS, the Amended Project and Financing Plan is consistent with the requirements and limitations of the Act; and

WHEREAS, for the projects set forth in the Amended Project and Financing Plan to be implemented and financed in their entirety, it is necessary for the boundaries of the Zone to be enlarged and the term of the Zone to be extended; and

WHEREAS, the City has taken all actions required to approve the Amended Project and Financing Plan, enlarge the boundaries and increase the geographic area of the Zone, extend the term of the Zone, and increase the total estimated project costs for the Zone including, but not limited to, all actions required by the home-rule Charter of the City, the Act, Chapter 551 of the Texas Government Code, commonly referred to as the Texas Open Meetings Act, and all other applicable laws; and

WHEREAS, the City Council finds that approving the Amended Project and Financing Plan, enlarging the boundaries and increasing the geographic area of the Zone to include the 1.935 Acre Tract, extending the term of the Zone for an additional seven (7) years to expire December 31, 2055, and increasing the total estimated project costs for the Zone as set forth in the Amended Project and Financing Plan, is in 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 statements, facts, findings and recitals contained in the preamble of this ordinance are hereby found and declared to be true and correct and are incorporated herein and adopted as part of this ordinance for all purposes.

SECTION 2. That the City Council, after conducting the above described public hearing and having heard the evidence and testimony presented at the hearing, has made the following findings:

- A. That the public hearing to consider approving the Amended Project and Financing Plan, enlarging the boundaries and increasing the geographic area of the Zone, extending the term of the Zone, and increasing the total estimated project costs of the Zone, has been properly called, held and conducted and that notice of such hearing has been published as required by applicable law, including the Act, and that owners of property within the 1.935 Acre Tract were given a reasonable opportunity to protest the inclusion of their property in the Zone; and
- B. That enlarging the boundaries and increasing the geographic area of the Zone to include the 1.935 Acre Tract will result in benefits to the City, its residents and property owners, in general, and to the property, residents and property owners in the Original Zone Boundaries and the 1.935 Acre Tract; and
- C. That the Zone as enlarged to include the 1.935 Acre Tract meets the criteria for a reinvestment zone set forth in the Act in that:
  - (i) The Original Zone Boundaries and the 1.935 Acre Tract are contiguous geographic areas located wholly within the corporate limits of the City; and
  - (ii) The 1.935 Acre Tract is predominately open, unproductive and undeveloped or underdeveloped 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
- D. That thirty percent (30%) or less of the property in the Zone, after enlarging the Zone to include the 1.935 Acre Tract, excluding property that is publicly owned, is used for residential purposes as described in Section 311.006(d) of the Act; and
- E. That the total appraised value of taxable real property in the Zone, after enlarging the boundaries of the Zone to include the 1.935 Acre Tract, together with the total appraised value of taxable real property in all other existing reinvestment zones created by the City, do not exceed twenty-five percent (25%) of the total appraised value of taxable real property in the City and in industrial districts created by the City; and
- F. That improvements in the Zone, after enlarging the boundaries of the Zone to include the 1.935 Acre Tract, will significantly enhance the value of all the taxable real property in the Zone, including the Original Zone Boundaries and the 1.935 Acre Tract, and will be of general benefit to the City; and
- G. That the development or redevelopment of the 1.935 Acre Tract will not occur solely through private investment in the reasonably foreseeable future; and
- H. That the enlargement of the boundaries of the Zone to increase the geographic area of the Zone to include the 1.935 Acre Tract will promote development or redevelopment of the Original Zone Boundaries and the 1.935 Acre Tract.

SECTION 3. That the City Council finds that the Amended Project and Financing Plan submitted to the City Council includes the following information required by §311.011 of the Act:

- A. The Amended Project and Financing 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 Amended Project and Financing Plan also 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 4. That the City Council has reviewed the Amended Project and Financing Plan and hereby finds that the Amended Project and Financing Plan is feasible.

SECTION 5. That the City Council hereby approves and adopts the Amended Project and Financing Plan attached hereto as Exhibit “A” and made a part hereof for all purposes.

SECTION 6. That the City Manager, or the City Manager’s designee, is hereby authorized to execute all documents and take all actions necessary or requested to implement the Amended Project and Financing Plan.

SECTION 7. That the City Council, acting under and in accordance with the Act including, without limitation, Sections 311.007(a) and 311.011(e) of the Act, hereby enlarges the boundaries and increases the geographic area of the Zone by adding the 1.935 Acre Tract to the Zone. The Original Zone Boundaries, as enlarged by the 1.935 Acre Tract, shall continue to be known as “Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center).”

SECTION 8. That the 1.935 Acre Tract shall be added to the portion of the Zone for commercial development and accordingly, the 1.935 Acre Tract, together with the 25.464 Acre Tract, shall hereinafter collectively be referred to as the “TIRZ Commercial Tract.”

SECTION 9. That effective as of the date of this ordinance, with the addition of the 1.935 Acre Tract to the Zone, the Zone shall contain approximately 148.681 acres and shall consist of that certain tract of land more particularly described by metes and bounds in Exhibit “D” and depicted in Exhibit “E” attached hereto and made a part of this ordinance for all purposes.

SECTION 10. That pursuant to Section 311.007(c) and Section 311.017(a)(1) of the Act, the City Council hereby extends the term of the Zone to expire on December 31, 2055, or such earlier or later termination date designated by an ordinance hereafter adopted under Section 311.007(c) of the Act, or on the date on which all project costs, tax increment bonds and interest on those bonds, and other obligations of the Zone have been paid in full. Accordingly, effective as of the date of this ordinance, Ordinance No. 4532 is amended by deleting Section 5 in its entirety and adding a new Section 5 to read as follows:

“SECTION 5. DURATION OF THE ZONE.

That the Zone shall take effect on December 18, 2017, consistent with Section 311.004(a)(3) of the Act, and the Zone shall terminate upon the occurrence of any of the following: (i) December 31, 2055; or (ii) an earlier or later termination date designated by an ordinance adopted under Section 311.007(c) of the Act; or (iii) the date on which all project costs, tax increment bonds and interest on those bonds, and other obligations of the Zone have been paid in full, in accordance with Section 311.017 of the Act.”

SECTION 11. That the City Council hereby approves the increased total estimated project costs for the Zone as set forth in the Amended Project and Financing Plan.

SECTION 12. That pursuant to Section 311.012(c) of the Act: (i) the tax increment base of the City for the real property within the 1.935 Acre Tract is the total taxable value, as of January 1, 2020, of all real property taxable by the City and located within the 1.935 Acre Tract for the 2020 tax year (the “1.935 Acre Tax Increment Base”); and (ii) the tax increment base for all property located within the Original Zone Boundaries prior to the adoption of this ordinance shall remain unchanged.

SECTION 13. That the tax increment base for the property within the TIRZ Commercial Tract shall include the tax increment base for all property located within the boundaries of the 25.464 Acre Tract prior to the adoption of this ordinance as established by Ordinance No. 4574 and beginning January 1, 2020, shall include the 1.935 Acre Tax Increment Base.

SECTION 14. That pursuant to the Act, the amount of the tax increment for a year on real property located within the 1.935 Acre Tract is twenty-five percent (25%) of real property taxes levied and collected by the City based on the City’s ad valorem tax rate in effect for tax year 2017, for the period set forth in Section 16 below, for that year on the “Captured Appraised Value of the 1.935 Acre Tract” (defined below) of real property taxable by the City and located within the 1.935 Acre Tract (the “1.935 Acre Tract Tax Increment”). Consistent with Section 311.012(b) of the Act, the captured appraised value of real property taxable by the City within the 1.935 Acre Tract for a year is the total taxable value of all real property taxable by the City and located within the 1.935 Acre Tract for that year less the 1.935 Acre Tract Tax Increment Base of the City (the “Captured Appraised Value of the 1.935 Acre Tract”).

SECTION 15. That the 1.935 Acre Tract Tax Increment shall be deposited into the Commercial Account beginning with the 2021 tax year and continuing for the period set forth in Section 16 below.

SECTION 16. That to implement and fund the projects in the Amended Project and Financing Plan, and as a result of the extension of the term of the Zone, Ordinance No. 4574 is hereby amended by: (i) defining and referring to the 25.464 acres depicted in Exhibit “E” and described by metes and bounds in Exhibit “F” attached to Ordinance No. 4574 as the “25.464 Acre Tract” instead of the “TIRZ Commercial Tract” and accordingly, the words “TIRZ Commercial Tract” in the third and eighth WHEREAS paragraphs and in Section 6 of Ordinance No. 4574 shall be replaced with the words “25.464 Acre Tract;” (ii) replacing the defined term and each time Ordinance No. 4574 refers to “Commercial Tax Increment Base” with “25.464 Acre Tract Tax Increment Base;” (iii) replacing the defined term and each time Ordinance No. 4574 refers to “Commercial Tax Increment” with “25.464 Acre Tract Tax Increment;” (iv) replacing the defined term and each time Ordinance No. 4574 refers to “Commercial Captured Appraised Value” with “Captured Appraised Value of the 25.464 Acre Tract;” and (v) replacing “\$3,283,602.00” with “\$2,170,667.00” in Section 9. Accordingly, as of the date of this ordinance, Sections 6, 7 and 9 of Ordinance No. 4574 shall be amended to read as follows:

“SECTION 6. That pursuant to Section 311.012(c) of the Act, the tax increment base of the City for the property within the 25.464 Acre Tract is the total taxable value, as of January 1, 2017, of all real property taxable by the City and located within the 25.464 Acre Tract, for the year in which the Zone was designated as a reinvestment zone (the “25.464 Acre Tract Tax Increment Base”) or, if the City

does not levy an ad valorem tax in the year in which the Zone is designated, the 25.464 Acre Tract Tax Increment Base is determined by the appraisal district in which the Zone is located in accordance with Section 311.012(c) of the Act. Pursuant to Section 311.013(l) of the Act, the amount of the tax increment for a year on real property located within the 25.464 Acre Tract is twenty-five percent (25%) of real property taxes levied and collected by the City based on the City's ad valorem tax rate in effect on the date of establishment of the Zone, for the period set forth in Section 9 below, for that year on the Captured Appraised Value of the 25.464 Acre Tract (defined below) of real property taxable by the City and located within the 25.464 Acre Tract (the "25.464 Acre Tract Tax Increment"). Consistent with Section 311.012(b) of the Act, the captured appraised value of real property taxable by the City within the 25.464 Acre Tract for a year is the total taxable value of all real property taxable by the City and located within the 25.464 Acre Tract for that year less the 25.464 Acre Tract Tax Increment Base of the City (the "Captured Appraised Value of the 25.464 Acre Tract")."

"SECTION 7. That the City Council hereby authorizes and approves the establishment of the Residential Account and the Commercial Account and hereby directs that the Residential Tax Increment be deposited into the Residential Account and the 25.464 Acre Tract Tax Increment be deposited into the Commercial Account."

"SECTION 9. That the "1.935 Acre Tract Tax Increment" as defined in Ordinance No. \_\_\_\_ adopted by the City Council on April 20, 2020 [the City Secretary is directed to complete the blank with the number assigned to this ordinance] (hereinafter the "1.935 Acre Tract Tax Increment") and the 25.464 Acre Tract Tax Increment, shall hereinafter collectively be referred to as the "Commercial Tax Increment." The deposit of the Commercial Tax Increment into the Commercial Account shall commence with a deposit of the 25.464 Acre Tract Tax Increment collected and deposited in 2019 and, beginning with the deposit for the 2021 tax year, such deposit shall also include the 1.935 Acre Tract Tax Increment, and shall continue until the earlier of: (i) the expiration of thirty-eight (38) years from the initial deposit, or (ii) the total amount deposited to the Commercial Account [including, without limitation, all deposits of the 1.935 Acre Tract Tax Increment and the 25.464 Acre Tract Tax Increment] equals \$2,170,667.00.

SECTION 17. That as a result of the extension of the term of the Zone, Ordinance No. 4574 is further hereby amended by deleting Section 8 in its entirety and adding a new Section 8 to read as follows:

"SECTION 8. That the deposit of the Residential Tax Increment into the Residential Account shall commence with a deposit of the Residential Tax Increment collected and deposited in 2019 and shall continue until the earlier of: (i) the expiration of thirty-eight (38) years from the initial deposit, (ii) the total amount deposited to the Residential Account equals \$14,827,784.00, or (iii) payment in full of the assessment revenue bonds issued in 2018 for the payment of public improvements within the TIRZ Residential Tract."

SECTION 18. That Ordinance No. 4532 and Ordinance No. 4574 will remain in full force and effect, save and except as amended by this Ordinance.

SECTION 19. That it is hereby found, determined, and declared that sufficient public notice of the date, hour, place and subject of the meeting of the City Council at which this ordinance was adopted was given as required by the Texas Open Meetings Act, Chapter 551 of the Texas Government Code. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

SECTION 20. 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 21. That it is hereby declared to be the intent of the City Council that the words, phrases, clauses, sentences, paragraphs and sections of this ordinance are severable, and if any word, phrase, clause, sentence, paragraph or section of this ordinance shall be declared invalid or unconstitutional by a final judgment or decree of a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any of the remaining words, phrases, clauses, sentences, paragraphs or sections of this ordinance, the City Council hereby declaring that this ordinance would have been enacted by the City Council without the incorporation of any such invalid or unconstitutional word, phrase, clause, sentence, paragraph or section.

SECTION 22. That the enlarged Zone and all other provisions of 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 20th day of April 2020.

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Bruce Archer  
Mayor

ATTEST:

APPROVED AS TO LEGAL FORM:

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Sonja Land  
City Secretary

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David L. Paschall  
City Attorney

EXHIBIT "A"  
Amended Project and Financing Plan

**EXHIBIT "B"**  
Depiction of 1.935 Acre Tract

EXHIBIT "C"

Metes and Bounds Description of 1.935 Acre Tract

**EXHIBIT "D"**

**Metes and Bounds Description of 146.681 Acre Tract**

EXHIBIT 'E'  
Depiction of 148.681 Acre Tract