

ORDINANCE NO. 3152

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, APPROVING A DEVELOPMENT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR MESQUITE RODEO CITY TAX INCREMENT FINANCE DISTRICT NUMBER ONE, CITY OF MESQUITE, TEXAS; MAKING A FINDING REGARDING FEASIBILITY; DECLARING AN EMERGENCY; AND PROVIDING AN EFFECTIVE DATE THEREOF.

WHEREAS, the City established Mesquite Rodeo City Tax Increment Finance District Number One, City of Mesquite, Texas ("Zone") and established a Board of Directors for the Zone to promote development or redevelopment in the Zone pursuant to Ordinance No. 3138 approved by the Council on February 3, 1997, in accordance with the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, Vernon's Texas Codes Annotated (the "Act"); and

WHEREAS, the Board of Directors of Mesquite Rodeo City Tax Increment Finance District Number One, City of Mesquite, Texas (the "Board") on April 3, 1997, prepared and adopted a Development Plan and Finance Plan for the Zone; and

WHEREAS, the Development Plan and Reinvestment Zone Financing Plan are substantially consistent with the preliminary plan developed for the Zone, prior to the Zone's creation; and

WHEREAS, in compliance with the Act, the Board hereby submits the Development Plan and Reinvestment Zone Financing Plan for Mesquite Rodeo City Tax Increment Finance District Number One, City of Mesquite, Texas attached hereto as Exhibit "A", to the City Council for approval; and

WHEREAS, the Board has respectfully advised and recommended approval of the Development Plan and Reinvestment Zone Financing Plan by the City Council in order to promote development and redevelopment of the Zone;

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

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

SECTION 2. That the Development Plan and Reinvestment Zone Financing Plan submitted to the City Council attached hereto as Exhibit "A" is hereby found to include all information required under Section 311.011 of the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, Texas Codes Annotated (the "Act").

SECTION 3. That in accordance with the Act, the City Council has reviewed the Development Plan and Reinvestment Zone Financing Plan and hereby finds the Development Plan and Reinvestment Zone Financing Plan to be feasible and conforms to the Master Plan for the City of Mesquite.

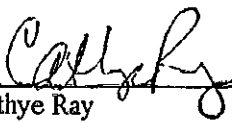
SECTION 4. That in accordance with the Act, the City Council hereby approves the Development Plan and Reinvestment Zone Financing Plan attached hereto as Exhibit "A".

SECTION 5. That the City Manager is hereby directed to notify the governing body of each taxing unit that taxes real property located in the Zone of the City's approval of the Development Plan and Reinvestment Zone Financing Plan, to transmit to each governing body copies of the Plans, and to request that each governing body notify the City of Mesquite in writing with respect to its participation in the Zone.

SECTION 6. That if any section, paragraph, clause or provision of this Ordinance shall be for any reason held to be invalid and unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 7. Whereas, the need to regulate a Development Plan and Reinvestment Zone Financing Plan for Mesquite Rodeo City Tax Increment Finance District Number One of the City of Mesquite, and the need to protect the public interest, comfort, and general welfare of the citizens of the City of Mesquite creates an urgency and emergency for the preservation of the public health, safety, and welfare, and requires that this ordinance shall take effect immediately from and after its passage and publication of said ordinance, as the law in such cases provides.


DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 21st day of April, 1997.



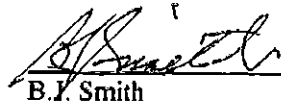
Cathye Ray
Mayor

ATTEST:

APPROVED:



Ellen Williams
City Secretary



B.J. Smith
City Attorney

Mesquite Rodeo City

***Tax Increment Finance District
Number One***

Development Plan



March 28, 1997

The Mesquite Rodeo City Tax Increment Finance District Number One (Rodeo City TIF District) was established by the City of Mesquite on February 3, 1997. Participating taxing jurisdictions are the City of Mesquite, Mesquite Independent School District, Dallas County, Dallas County Community College District and the Dallas County Hospital District.

The Rodeo City TIF District incorporates an area of 115.18 acres of property located at the southwest corner of Interstate Highway 635 and Military Parkway. The largest property owners include the Mesquite Independent School District, the Mesquite Championship Rodeo and AGF Scyene Rodeo, LTD. A number of smaller property owners are included in the district as well as a number of commercial and retail owners. No residential property is located within the Rodeo City TIF District.

The development of the Rodeo City TIF District involves primarily three parties undertaking three distinct yet complimentary projects. The board of directors must present to the Mesquite City Council a project plan (development plan) and reinvestment zone financing plan that is as consistent as possible with the preliminary plans developed for the zone before the creation of the board.

The development plan must include:

1. a. Map showing existing uses and conditions of real property in the zone and
b. Map showing proposed improvements to and proposed uses of that property;
2. Proposed changes of zoning ordinances, the master plan of the municipality, building codes and other municipal ordinances;
3. A list of estimated nonproject costs; and
4. A statement of a method of relocating persons to be displaced as a result of implementing the plan.

The Rodeo City TIF District No. One Development Plan includes each item required by State statute.

The reinvestment zone financing plan must include:

1. a detailed list describing the estimated project costs of the zone, including administrative expenses;
2. a statement listing the kind, number and location of all proposed public works or public improvements in the zone;
3. an economic feasibility study;

- 4. the estimated amount of bonded indebtedness to be incurred;
- 5. the time when related costs and 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 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 I: CITY OF MESQUITE PROJECT

RODEO CITY CONFERENCE CENTER, EXHIBIT HALL & HOTEL

The City of Mesquite will fund the construction and development of a 35,000 square foot conference center and 40,000 square foot exhibit hall. These facilities will be constructed on a 10 acre tract of land located due east of the Mesquite Arena. Development costs for public improvements to be reimbursed by the TIF District include:

* Land cost for Conference Center	\$975,000
* Conference Center & Exhibit Hall	\$2,125,000
* TOTAL	\$3,100,000

Additional public improvements to be constructed and investments not funded by the TIF District:

* Additional exhibition hall construction	\$3,900,000
* Sewer improvements	\$ 875,000
* Staff and consultant time	\$ 70,000
* TOTAL	\$4,845,000

TOTAL CITY COSTS: \$7,945,000

SECTION II: AGF SCYENE RODEO CITY PROJECT**A WESTERN THEME
ENTERTAINMENT/RESTAURANT/RETAIL COMPLEX**

The development company Addison AGF, Inc., owns 45 acres which will be developed into a western theme entertainment/restaurant/retail complex containing the following major components:

- * Country Western Music Theatre
- * Western dinner/dance hall
- * Mexican theme restaurant with outside dining
- * Art gallery
- * Comedy shop
- * Family entertainment Center
- * Western apparel mart
- * Cluster of restaurants
- * Cineplex
- * Kids' Corral interactive entertainment center
- * Rodeo Plaza

The key to the project and located at the center will be Rodeo Plaza, a landscaped "public square" area designed to encourage visitors to gather and be entertained during their stay in Rodeo City. The estimated construction costs of the Rodeo City development are presented by tract and the total reimbursement available to the developer is shown in the table below.

Public Infrastructure Cost

Tract 1:	121,150.00
Tract 2:	56,758.00
Tract 3:	5,936.00
Tract 4:	59,226.00
Tract 5:	208,411.00
Tract 5A:	5,656.00
Tract 6:	6,714.00
SUBTOTAL REIMBURSEMENT AMOUNT:	\$463,851.00

The total reimbursement available to the developer by use of dollars is shown in the table below:

Public Facilities Cost

Tract 5A: Community Parking	450,000.00
Tract 5: Rodeo Plaza	4,490,000.00
SUBTOTAL REIMBURSEMENT AMOUNT:	\$4,940,000.00
TOTAL REIMBURSEMENT AMOUNT:	\$5,403,851.00

**SECTION III: MESQUITE INDEPENDENT SCHOOL DISTRICT
PROJECT**

MEMORIAL STADIUM IMPROVEMENTS

The third major partner in the Rodeo City TIF District is the Mesquite Independent School District. Memorial Stadium is the home field for all four of Mesquite's high school campuses and is a highly visible landmark in the Rodeo City area. Improvements to the stadium will enhance the visual appeal of the area and provide a benefit to all tax payers within the MISD. The improvements eligible for TIF fund reimbursement total \$1,000,000.

**SECTION IV: SCHEDULE FOR REIMBURSING PUBLIC
IMPROVEMENT EXPENDITURES WITH THE TIF
FUND**

The three parties named above will advance funds for construction of specific public improvements and receive reimbursement, including interest at the municipal rate, from future cash flows to the TIF fund. The total value of cash advances in 1997 dollars is \$9,503,851. Expenditures for public improvements will be made according to a time schedule throughout the 20 year life of the TIF District.

The formula for disbursement of available TIF funds among creditors will be as follows:

1. TIF cash will be applied first to the administrative fees incurred by the City for the reinvestment zone and the TIF fund.

2. Until the year 2001, TIF cash remaining after administrative fees will be divided among creditors according to percentages reflecting the share of reimbursable expenditures for public improvements to be made by each creditor. The anticipated advances of reimbursable funds for each creditor and the percentage cost of the total project is:

* City:	32.6%	\$3,100,000
* AGF Scyene Rodeo:	56.9%	\$5,403,851
* MISD:	10.5%	\$1,000,000
* TOTAL	100.00%	\$9,503,851

3. Beginning in year 2001, the percentages of annual TIF revenue after administrative fees will reflect shares of reimbursable investments actually made by each creditor. Available TIF fund revenues will be divided among the remaining creditors according to the percentages that their actual expenditures approved for reimbursement bear to the total of actual expenditures approved for reimbursement.

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EXHIBIT "A-1"

4. No creditor shall receive more proceeds from the TIF fund than the amount of principal and interest due. When the TIF fund has satisfied an obligation to a creditor, available TIF funds may be distributed according to the percentage formula to remaining creditors. When obligations to all creditors have been satisfied, the Mesquite City Council shall terminate the reinvestment zone unless the TIF board representatives of all participating jurisdictions recommend continuation of the zone in order to accomplish one or more additional public improvement(s) and the City Council concurs with that recommendation. Positive TIF fund balances at the time of dissolution of the zone may be returned to general funds of participating jurisdictions according to the relative amounts of their ad valorem tax rate in the year of dissolution or spent for public improvements in the zone, at the discretion of the TIF board and confirmation of the Mesquite City Council.

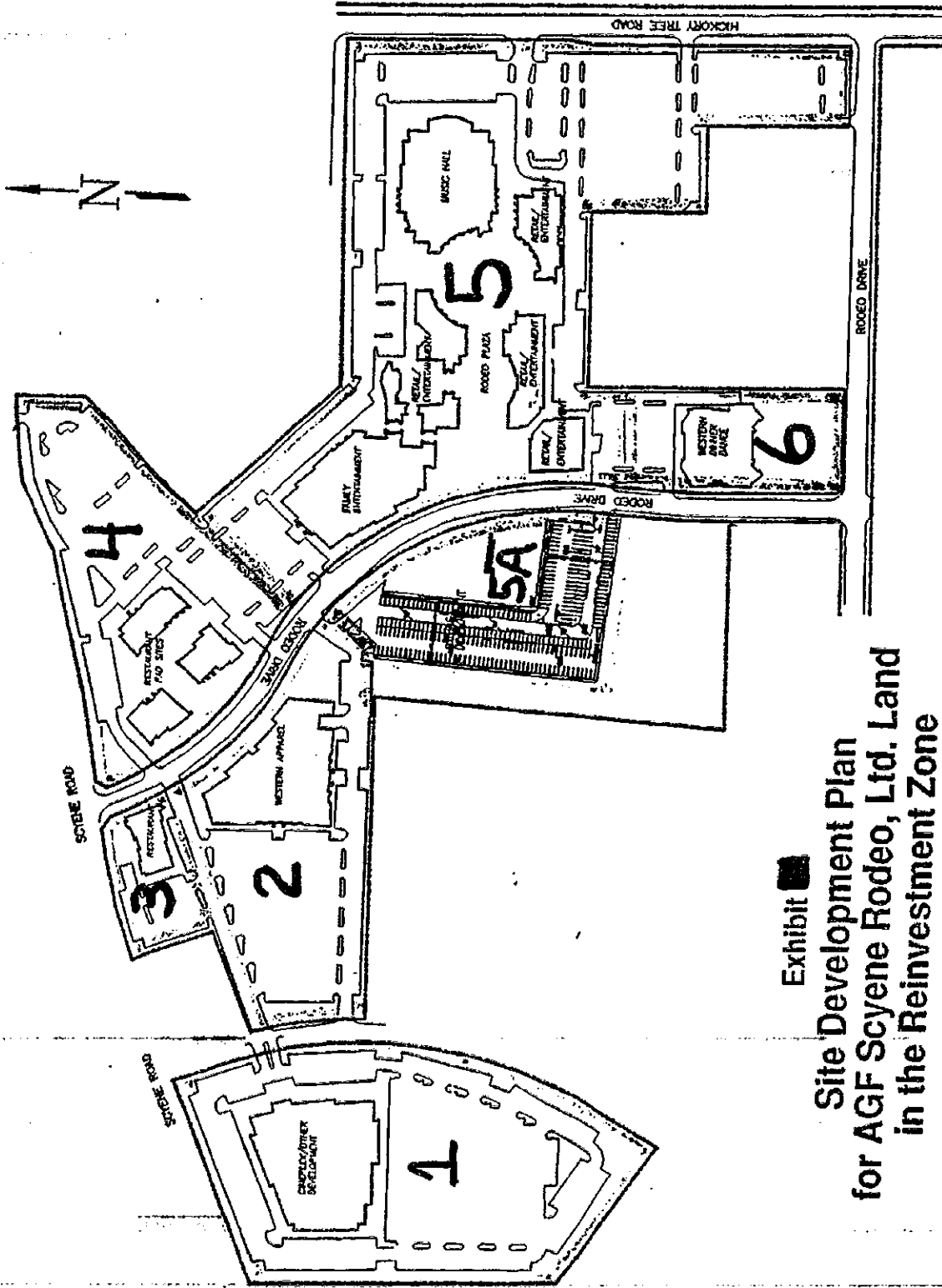
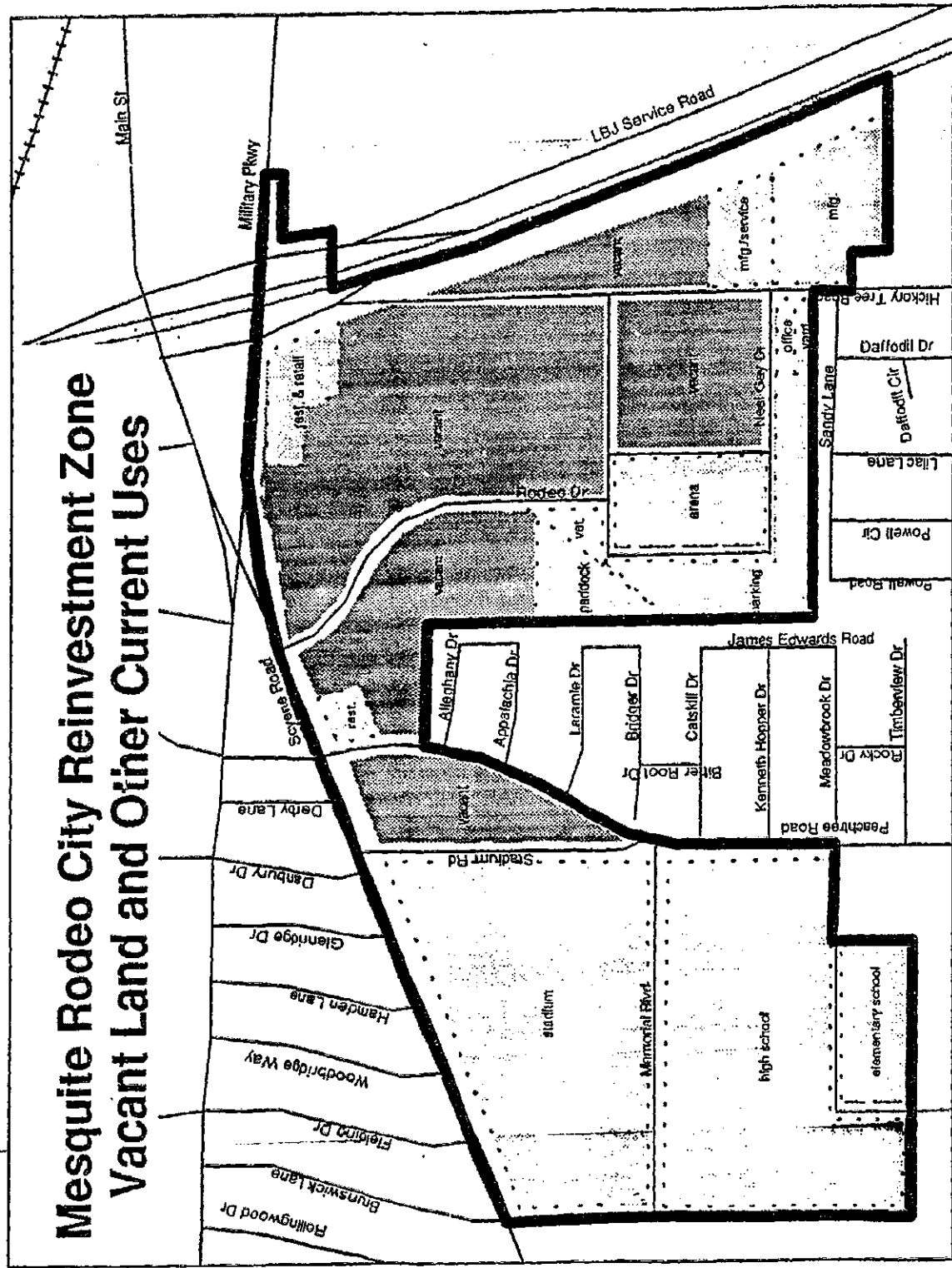


Exhibit  Site Development Plan
for AGF Scyene Rodeo, Ltd. Land
in the Reinvestment Zone

Mesquite Rodeo City Reinvestment Zone Vacant Land and Other Current Uses



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Mesquite Rodeo City Reinvestment Zone Financing Plan

Prepared for the
City of Mesquite, Texas

November 15, 1996
Updated April 1, 1997

by

Stein
Planning and Management

3733 Shenandoah Street
Dallas, Texas 75205
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Disclaimer:

Neither this report nor its conclusions may be referred to or included in any prospectus or part of any offering made in connection with private syndication of equity, sale of bonds, sales of securities or sale of participation interests to the public without express written approval of Stein Planning and Management.

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Section 1:
**What's Tax Increment Financing
and Why Use It for Mesquite Rodeo City?**

Tax Increment Financing Defined

Tax increment financing is a tool that local governments of Texas use to finance public improvements within a defined area. These improvements are usually undertaken to promote the viability of existing businesses and to attract new commercial enterprises to the area. The statutes governing tax increment financing are in Chapter 311 of the Texas Tax Code.

A municipality makes an area eligible for tax increment financing by designating it as a "reinvestment zone." Reinvestment zones are also called "tax increment zones," "tax increment districts," "TIF zones" or "TIF districts." Costs of approved public improvements within the reinvestment zone may be repaid by future tax revenues that will flow from improved and appreciated real properties in the zone. The additional tax dollars generated by growth of real property value in the zone are called the "tax increment." These dollars flow to a "tax increment fund" ("TIF fund") for a specified term of years. Money flowing to the TIF fund each year is disbursed according to a plan and agreements approved by a TIF board that includes representatives of all participating local governmental units.

Only cities may create reinvestment zones for tax increment financing. Once created, school districts, counties, hospital districts and college districts are allowed to participate in the tax increment financing agreement. Each taxing unit may choose to dedicate to the TIF fund all, a portion or none of the additional tax revenue attributable to increased value in the zone.

Tax rates in a reinvestment zone are the same as tax rates outside the reinvestment zone, but within the same set of taxing jurisdictions. The only way a property owner within the zone will pay more taxes as a consequence of the zone is for his or her property to grow in value.

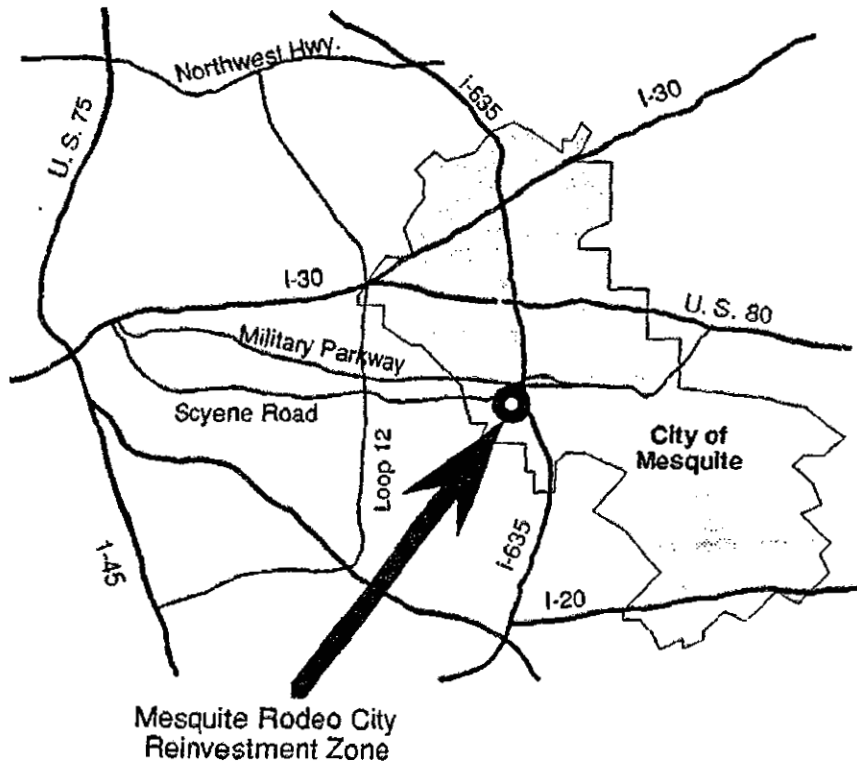
The Case for TIF at Mesquite Rodeo City

The land southwest of LBJ Freeway and Military Parkway has high potential for economic growth relative to its recent history. Exhibit A locates the proposed reinvestment zone in the City of Mesquite and relative to highways of the metropolitan area.

Despite its location on an interchange of the LBJ Freeway arc around metropolitan Dallas and the presence of a premier sports and tourism attraction, the Mesquite Championship Rodeo, much of the proposed reinvestment zone is vacant land. Aggregate real property values of the zone have fallen each year since at least 1992.

Exhibit A:

Proposed Reinvestment Zone Location in Context of Regional Highways

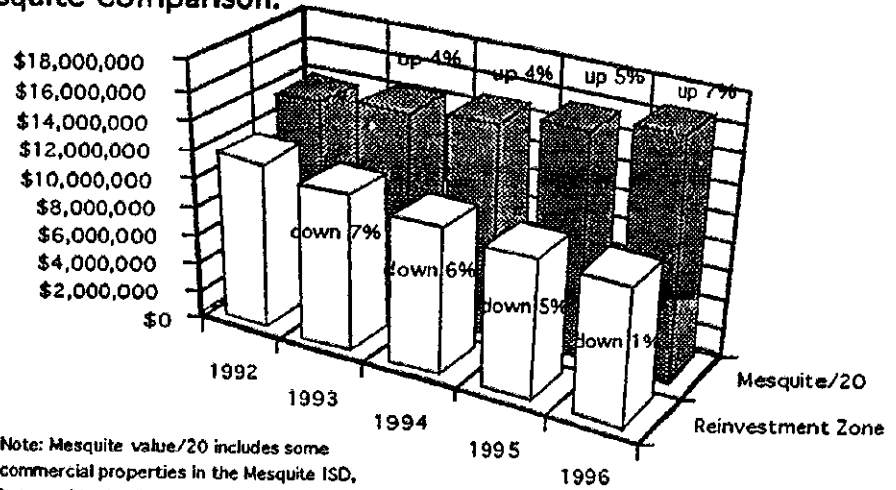


This history of decline contradicts the economic recovery and growth in value shown by both Mesquite and Dallas County during the same period. Exhibit B illustrates the decline of real property values in the proposed reinvestment zone in comparison with Mesquite and Dallas County. Real property values in Mesquite have *increased* annually since at least 1992. The Dallas County real property roll has appreciated since 1994.

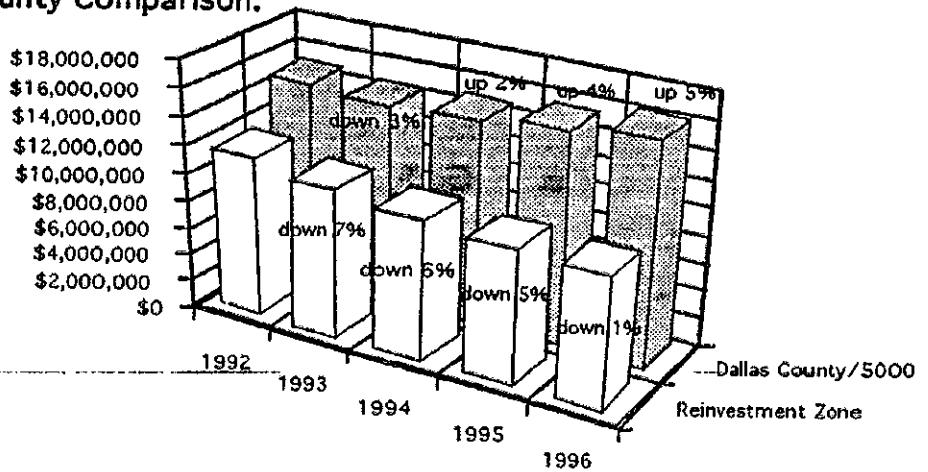
The City of Mesquite has identified the reinvestment zone as an area with strong potential for economic development if only the needed public improvements were constructed. Tax increment financing can be a source of the capital needed for the public improvements. This analysis demonstrates that (a) a tax increment fund for the Mesquite Rodeo City reinvestment zone can generate sufficient revenue to repay developer, City and School District advances for the public improvements deemed necessary for the zone's development and (b) the general funds of all the taxing jurisdictions that participate fully in the TIF fund will benefit from TIF participation.

Exhibit B: Reinvestment Zone Real Property Values Have Fallen, Even as Mesquite and County Values Have Risen

Mesquite Comparison:



County Comparison:



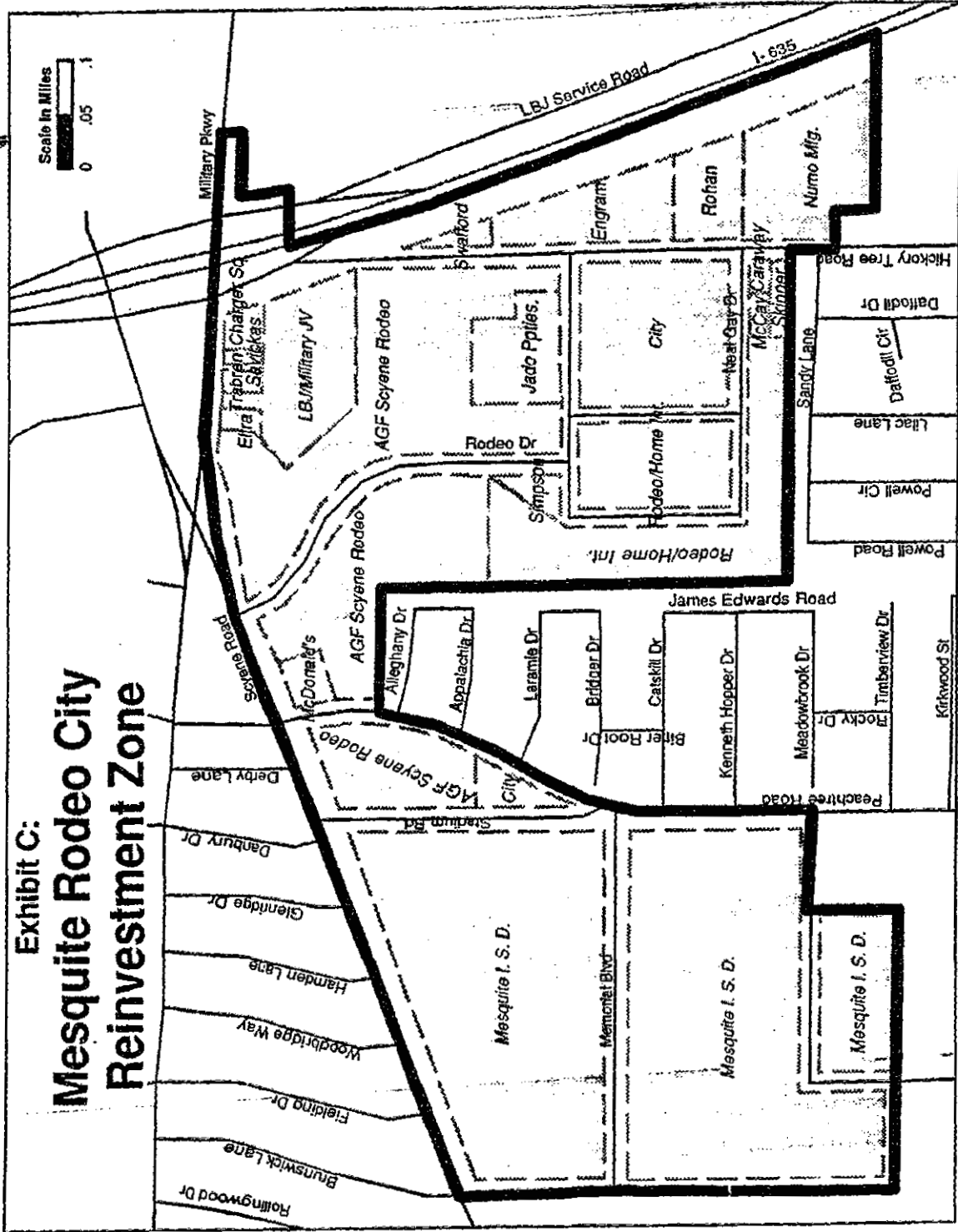
Section 2: Zone Boundaries

Exhibit C shows the proposed boundaries of the Mesquite Rodeo City Reinvestment Zone and the ownership of real property within the zone. The proposed district includes adjacent public rights-of-way.

Exhibit D inventories all the real property accounts within the proposed zone. This exhibit also confirms the annual declines of real property values in the zone since at least 1992.

Exhibit E shows the vacant and developed land within the proposed district. East of Peachtree Road, the zone is predominantly vacant. Exceptions are the Mesquite Championship Rodeo Arena, a strip of restaurants and small retail businesses along the Scyene Road and Military Parkway frontage, the Trail Dust Steakhouse on Hickory Tree Road, buildings for manufacturing, repair, storage and offices along Hickory Tree Road and Neal Gay Drive and a veterinary clinic immediately north of the rodeo arena.

West of Peachtree Road, property is publicly-owned. The developed land is the MISD's West Mesquite High School, Seabourm Elementary School and Memorial Stadium.



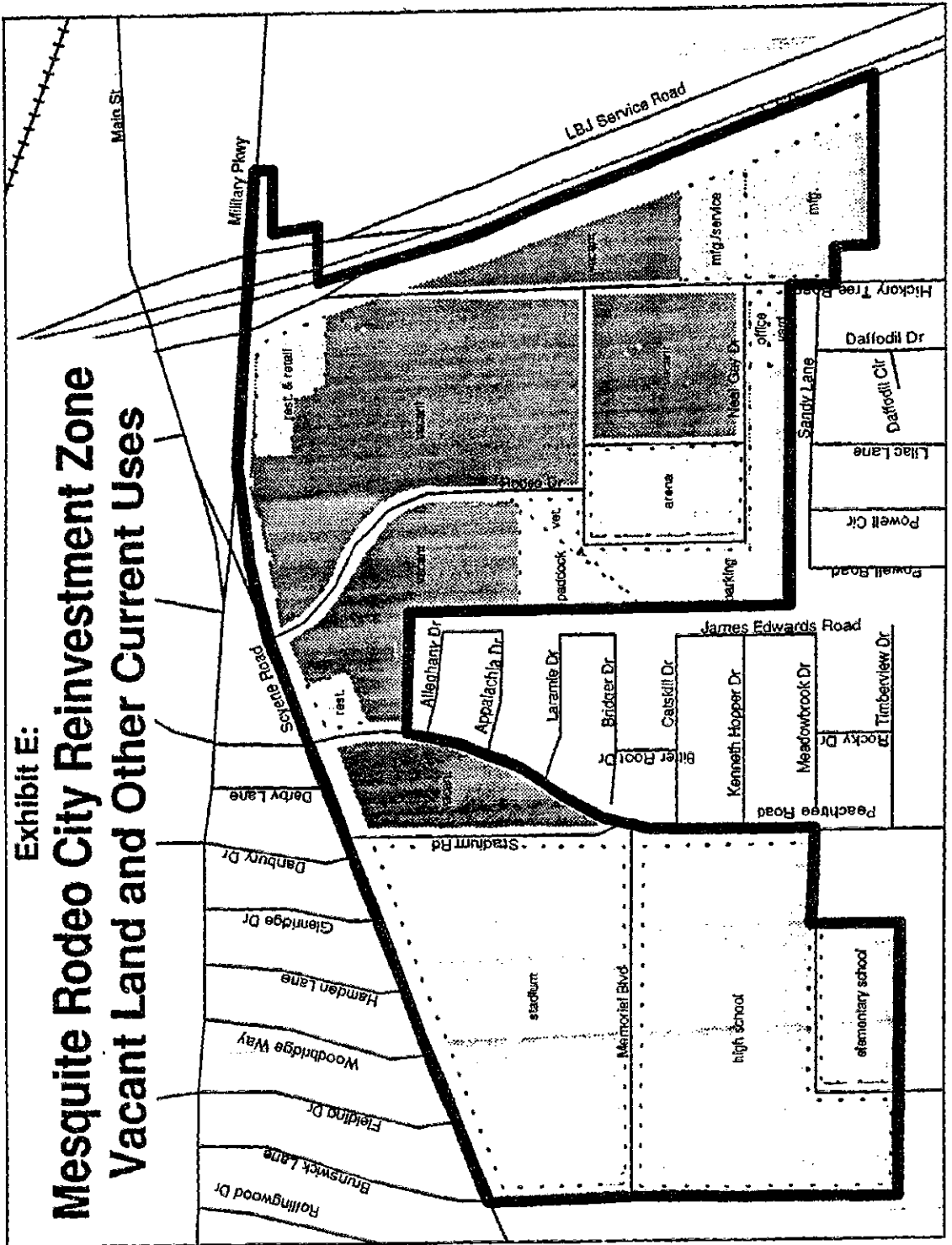


Exhibit E:
Mesquite Rodeo City Reinvestment Zone
Vacant Land and Other Current Uses

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Section 3: Proposed Improvements and Costs

Taxable New Construction

Exhibit F presents assumptions about the taxable development that will occur in the reinvestment zone over the next thirty years. The one specific development deemed likely without the reinvestment zone is the enclosure of the Mesquite Championship Rodeo Arena to make it an all-weather facility. Completion is expected in 1998. A new fast-food restaurant, warehouse/office space and new space for retail businesses have been anticipated, but no particular developments have been announced.

In addition to these hypothetical developments and values without the reinvestment zone, Exhibit F lists supplemental construction in the zone that developers have indicated as probable if the reinvestment zone and a plan for tax increment financing were approved. Total construction cost of the supplemental list is more than seven times the value of the "background" development package without the zone.

The Hampton Inn is a 150-room hotel to be constructed by John Q. Hammons Hotels Two, L. P., adjoining a 30,000 square-foot conference center and 40,000 square-foot exhibit hall on a ten-acre site adjacent to the Mesquite Championship Rodeo Arena. The hotel, conference center and exhibit hall site is at the southwest corner of Hickory Tree Road and Rodeo Drive. Plans for the hotel have always been based on an assumption that some additional destination entertainment, sports or recreational facility must be committed to the immediate vicinity before groundbreaking. The hotel will be expandable to 225 guest units. The projected value of new construction is conservative in that it does not include this potential expansion.

The destination attraction to complement the hotel, conference center and exhibition hall is Mesquite Rodeo City, a collection of rodeo-related entertainment concepts to be developed by AGF Scyene Rodeo, Ltd. Subject to appropriate agreements, including reimbursement (from a TIF fund) of cash advances for public improvements that AGF will make, AGF wishes to construct the taxable Mesquite Rodeo City improvements in Exhibit F. Exhibit G is a map generally locating buildings and site improvements by AGF or others on land held by AGF.

Exhibit F:
**Estimated Values of Taxable New Construction
 in the Reinvestment Zone,
 in 1997 Dollars**

	Estimated Project Size (1)	Estimated Construction Cost per Unit (1)	Est. Constr. Cost If Built in 1997 (1)
Construction Assumptions Without TIF			
Rodeo Arena enclosure (completed 1998)	N. A.	N. A.	\$1,000,000
Fast-food restaurant (comp. 1999)	2,500	\$80	\$200,000
Warehouse/office/manufacturing (2)	10,000	\$50	\$500,000
Miscellaneous retail (3)	40,000	\$65	\$2,600,000
Subtotal			\$4,300,000
Supplemental Construction With TIF			
Hampton Inn (comp. Mar. 98)	150	\$60,000	\$9,000,000
Mesquite Rodeo City			
Western dinner/dance hall (comp. 1999)	25,500	\$90	\$2,295,000
Family entertainment center (comp. 1999)	42,000	\$90	\$3,780,000
Western apparel mart (comp. 2000)	48,900	\$75	\$3,667,500
Cineplex (comp. 2001)	52,200	\$90	\$4,698,000
Country music theatre (comp. 2002)	40,800	\$90	\$3,672,000
Restaurant 1 (comp. 1998)	8,000	\$90	\$720,000
Restaurant 2 (comp. 1999)	8,000	\$90	\$720,000
Restaurant 3 (comp. 2000)	10,500	\$90	\$945,000
Restaurant 4 (comp. 2001)	8,100	\$90	\$819,000
Mesquite Rodeo City subtotal	245,000		\$21,316,500
Subtotal			\$30,316,500
Total Value			\$34,616,500

(1) Estimates of project size and either unit cost or total cost for Rodeo Arena, Hampton Inn and Rodeo City are by developer or manager. Developer's original unit costs of \$100 were reduced to \$90 by Stein Planning and Management. Others estimates are by Stein. Unit cost for hotel is per guest unit. All others are per square foot of floor area. Unit costs are in 1997 dollars.

(2) Assumes 2,000 SF every four years, beginning with construction in 2000.

(3) Assumes 8,000 SF every four years, beginning with construction in 2001.

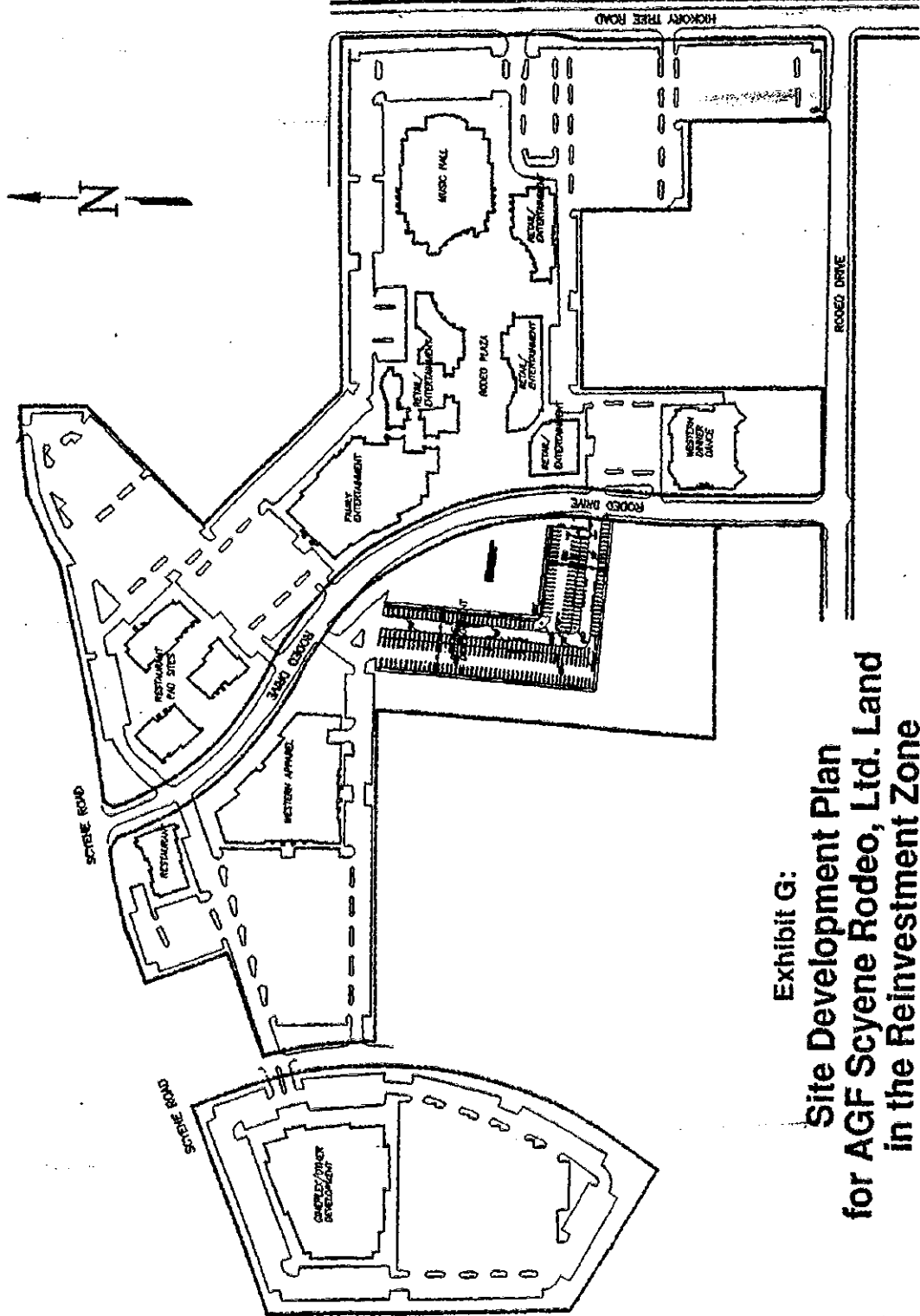


Exhibit G:
 Site Development Plan
 for AGF Scyene Rodeo, Ltd. Land
 in the Reinvestment Zone

Public Improvements

This preliminary financing plan for the reinvestment zone does not anticipate issue of special revenue bonds backed by the TIF fund. The public improvements listed in Exhibit H would be financed with cash from the named entities, which would be fully reimbursed with interest (at current rates for municipal obligations), using revenues accumulated by the TIF fund.

Beyond the public improvements reimbursed by the TIF fund, the City of Mesquite will invest additional dollars in zone improvements. These include:

<u>Item</u>	<u>Cost</u>
Staff and consultant time to organize TIF program	\$70,000
Additional exhibition hall construction costs	\$3,900,000
Sewer improvement costs (to Military east of LBJ)	<u>\$875,000</u>
Total City investment not reimbursed by TIF fund	\$4,845,000

**Exhibit H:
Estimated Costs of Public Improvements
to be Reimbursed by the TIF Fund**

Improvement	Estimated Construction Cost If Built in 1997
<i>To be Built with Funds Advanced by AGF Scyene Rodeo:</i>	
Public Infrastructure	
Western Dinner/Dance Theater--Tract 6	
Water system	\$4,254
Wastewater system	\$2,460
Subtotal	\$6,714
Rodeo Plaza/Family Entertainment Center--Tract 5	
Water system	\$83,104
Wastewater system	\$29,030
Storm drainage	\$96,277
Subtotal	\$208,411
Restaurants--Tract 4	
Water system	\$18,348
Wastewater system	\$18,162
Storm drainage	\$22,716
Subtotal	\$59,226
Western Apparel Mart--Tract 2	
Water system	\$31,232
Wastewater system	\$4,081
Storm drainage	\$21,446
Subtotal	\$56,758
Restaurant--Tract 3	
Water system	\$1,028
Wastewater system	\$4,908
Subtotal	\$5,936
Cineplex--Tract 1	
Water system	\$22,823
Wastewater system	\$8,319
Storm drainage	\$90,008
Subtotal	\$121,150
Community Parking--Tract 5A	
Storm drainage	\$5,656
Total for Infrastructure	\$463,851
Rodeo Plaza (outdoor public space)	\$4,490,000
Community Parking	\$450,000
AGF Total	\$5,403,851
<i>To be Built with Funds Advanced by City of Mesquite</i>	
Land for Conference Center	\$875,000
Exhibition Hall/Conference Center Construction	\$2,125,000
City of Mesquite Total	\$3,100,000
<i>To be Built with Funds Advanced by Mesquite Independent School District</i>	
Stadium Improvements	\$1,000,000
Total	\$9,503,851

* AGF Scyene Rodeo improvement costs by Nathan D. Maier, Consulting Engineers

Section 4: Projected Cash Flows to the TIF Fund and General Funds

Overview

To plan financing for the public improvements that will ultimately be paid for by the TIF fund, it's necessary to project annual cash flow to the TIF fund. Exhibit I estimates TIF fund revenue for each individual year from 1997 (the base year) through 2127 (thirty years later). Exhibit I also estimates annual impacts of tax increment financing on the ad valorem taxes flowing to the combined general funds of participating taxing jurisdictions. Projections are based on participation by the City of Mesquite, the Mesquite Independent School District and the Dallas County Community College District with 100% of their tax increments and participation by Dallas County and the County Hospital District with 80% of their tax increments.

If Exhibit I proves correct in that the Dallas Central Appraisal District does indeed find a higher valuation for total real property in the zone as of January 1, 1998 (one year after the base valuation date of January 1, 1997), the first tax increment will flow to the TIF fund in January 1999 or the months immediately thereafter. This lag occurs because property taxes may be paid without penalty for thirteen months after the date for which property is valued.

Annual tax increments will increase as taxable improvements are completed and property appreciates. After approximately 2006, more than \$1 million a year will flow to the TIF fund for financing of public improvements according to duly approved plans and contracts.

For the term of the TIF fund's existence, the January 1, 1997 base value of real property in the reinvestment zone becomes the maximum basis for taxes paid to general funds. For the term of the fund's existence, the general funds of participating jurisdictions will forego whatever real property taxes might have resulted from property value increases without the TIF fund. When the TIF fund is terminated, real property taxes on the entire enhanced tax base flow to general funds. Exhibit J graphs these concepts.

Although real property taxes are diverted from general funds to the TIF fund for a term, business personal property (BPP) taxes, including all increases in BPP taxes, flow to general funds without interruption. Exhibit K shows how, in the case of Mesquite Rodeo City, the projected supplemental BPP taxes are sufficiently high as to offset the real property taxes foregone by general funds and leave the general funds better off *with* than *without* TIF for nearly every year of the TIF fund's existence.

Exhibit L displays much of the information from Exhibit I, but shows *cumulative* cash flows and cash flow differences for each year. Exhibit L also shows net present values of cash flows to the TIF fund and the net present values of cash flow differences to the combined general funds for thirty years after the reinvestment zone has been created.

Exhibit I:
Estimated Revenue Consequences of the TIF Zone
for Public Funds
 (Assumptions)

DCAD value of taxable real property in the TIF zone as of January 1, 1996:

Annual percentage of appreciation from 1996 to 1997 only without TIF:

Annual appreciation of real property unless at least \$3 million of taxable improvements have been invested in the zone within three years:

Annual appreciation of real property if at least \$3 million of taxable improvements have been invested in the zone within three years:

100% of combined 1996 tax rate, per \$100, for City, ISD, DCCCD, County and Hospital District:

Portion of total increment participating in TIF fund, based on 100% of combined 1996 ad valorem tax rate for City, ISD and DCCCD, 80% of rate for County and Hospital District:

Average annual rate of change in tax rate:

Average annual rate of inflation for construction costs:

Term of years for TIF zone:

**Exhibit 1:
Estimated Revenue Consequences of the TIF Zone for Public Funds
(City, School District and DCCCD Participating 100%, County and Hospital District Participating 80%)**

	Base Year						
	Year 1 Jan. 1997	Year 2 Jan. 1998	Year 3 Jan. 2000	Year 4 Jan. 2001	Year 5 Jan. 2002	Year 6 Jan. 2003	Year 7 Jan. 2004
Revenue to TIF Fund							
Taxable real property value of zone (simple appreciation from previous year)	\$9,494,066	\$9,917,655	\$18,094,391	\$25,025,694	\$31,798,674	\$39,365,298	\$44,494,534
Annual appreciation rate since previous year	0%	1%	2%	2%	2%	2%	2%
Plus taxable improvements new on roll this year	\$0	\$0	\$7,420,996	\$5,149,476	\$6,794,697	\$4,256,854	\$0
Plus adjustments for changes in tax-exempt status	(\$664,704)	(\$14,009)	\$0	\$0	\$0	\$0	\$0
Total taxable real property value of zone	\$8,829,361	\$9,903,655	\$25,515,387	\$31,175,170	\$38,593,370	\$43,622,092	\$44,494,534
Value growth increment since base year	\$478,294	\$8,910,238	\$16,606,025	\$22,345,009	\$29,754,009	\$34,792,731	\$35,665,173
Tax increment participating in TIF fund	\$462,817	\$8,621,915	\$16,146,080	\$21,622,731	\$28,800,889	\$33,666,898	\$34,511,099
Property tax rate	\$2.52262	\$2.54784	\$2.59905	\$2.62604	\$2.65130	\$2.67781	\$2.70459
Real property tax increment to TIF fund	\$11,792	\$221,870	\$419,846	\$587,606	\$763,597	\$901,535	\$1,029,361
Zone Revenue to General Funds from Real Property Tax Only							
Alternative 1: TIF Zone Created							
Zone's base year taxable real property value	\$8,829,361	\$8,829,361	\$8,829,361	\$8,829,361	\$8,829,361	\$8,829,361	\$8,829,361
Property tax rate	\$2.52262	\$2.54784	\$2.59905	\$2.62604	\$2.65130	\$2.67781	\$2.70459
Real property tax to general funds from base value	\$237,128	\$222,731	\$227,208	\$231,775	\$234,092	\$236,433	\$236,433
Plus tax on non-participating value increment	\$0	\$394	\$7,419	\$14,033	\$18,981	\$25,535	\$30,148
Total real property tax to general funds	\$237,128	\$223,125	\$234,627	\$245,808	\$253,073	\$261,968	\$266,581
Alternative 2: TIF Zone Not Created							
Taxable real property value of zone (simple appreciation from previous year)	\$9,494,066	\$9,917,655	\$10,137,200	\$10,452,874	\$10,667,768	\$11,355,563	\$11,479,218
Annual appreciation rate since previous year	0%	1%	1%	1%	1%	1%	1%
Plus taxable improvements new on roll this year*	\$0	\$0	\$212,100	\$108,273	\$585,265	\$0	\$0
Plus adjustments for changes in tax-exempt status	(\$664,704)	\$0	\$0	\$0	\$0	\$0	\$0
Total taxable real property value of zone	\$8,829,361	\$9,917,655	\$10,349,300	\$10,561,147	\$11,253,033	\$11,355,563	\$11,479,218
Property tax rate	\$2.52262	\$2.54784	\$2.59905	\$2.62604	\$2.65130	\$2.67781	\$2.70459
Real property tax to general funds	\$237,128	\$222,731	\$258,280	\$268,968	\$277,261	\$288,351	\$304,348
Comprehensive Difference in General Fund Values from Ad Valorem Taxes**							
Real property tax increment earned (foregone)							
Plus supplemental business personal property tax (from separate schedule)***							
Continued difference	\$0	\$0	(\$1,855)	(\$23,653)	(\$35,473)	(\$38,724)	(\$37,767)
	\$0	\$0	\$15,152	\$59,766	\$118,953	\$157,181	\$214,110
	\$0	(\$1,855)	(\$9,501)	\$36,293	\$81,848	\$110,456	\$176,344

*Imported from Exhibit M. Improvements are valued at construction cost. Values based on income approach may be higher.
 **Excludes taxes from increased property values outside the TIF zone, although there should be some enhancement of external commercial properties due to supplemental construction inside the TIF zone.
 ***Imported from Exhibit Q.

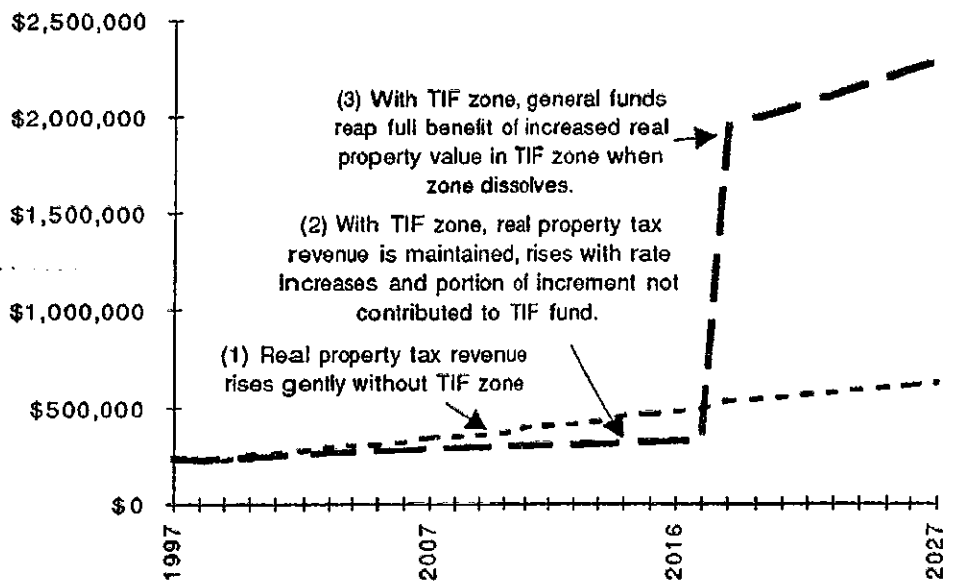
Exhibit I:
Estimated Revenue Consequences of the TIF Zone for Public Funds
 (City, School District and DCCCD Participating 100%, County and Hospital District Participating 80%)

Month of valuation and assumed receipt of full tax payments for the previous year:	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	Jan. 2005	Jan. 2006	Jan. 2007	Jan. 2008	Jan. 2009	Jan. 2010	Jan. 2011	Jan. 2012
Revenue to TIF Fund								
Taxable real property value of zone (simple appreciation from previous year)	\$45,984,425	\$46,417,560	\$51,276,191	\$52,301,715	\$52,824,732	\$53,492,787	\$54,776,525	\$55,324,290
Annual appreciation rate since previous year	2%	2%	2%	2%	1%	1%	1%	1%
Plus taxable improvements now on roll this year*	\$122,997	\$3,653,215	\$0	\$0	\$138,423	\$741,396	\$0	\$0
Plus adjustments for changes in tax-exempt status	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total taxable real property value of zone	\$45,507,412	\$50,270,776	\$51,276,191	\$52,301,715	\$52,963,155	\$54,234,183	\$54,776,525	\$55,324,290
Value growth increment since base year	\$36,678,051	\$41,441,414	\$42,446,830	\$43,472,353	\$44,133,794	\$45,404,821	\$45,947,163	\$46,494,928
Tax increment participating in TIF fund	\$35,491,262	\$40,100,430	\$41,073,312	\$42,065,851	\$42,705,689	\$43,935,587	\$44,460,380	\$44,990,420
Property tax rate	\$2.73163	\$2.75895	\$2.78654	\$2.81440	\$2.84255	\$2.87097	\$2.89968	\$2.92868
Real property tax increment to TIF fund	\$933,382	\$969,489	\$1,106,350	\$1,144,523	\$1,183,897	\$1,213,929	\$1,261,379	\$1,289,210
Zone Revenue to General Funds from Real Property Tax Only								
Alternative 1: TIF Zone Created								
Zone's base year taxable real property value	\$8,829,361	\$8,829,361	\$8,829,361	\$8,829,361	\$8,829,361	\$8,829,361	\$8,829,361	\$8,829,361
Property tax rate	\$2.73163	\$2.75895	\$2.78654	\$2.81440	\$2.84255	\$2.87097	\$2.89968	\$2.92868
Real property tax to general funds from base value	\$238,798	\$241,186	\$243,598	\$246,034	\$248,494	\$250,979	\$253,489	\$256,023
Plus tax on non-participating value increment	\$31,213	\$32,420	\$36,987	\$38,274	\$39,590	\$40,595	\$42,181	\$43,112
Total real property tax to general funds	\$270,011	\$273,606	\$280,595	\$284,307	\$288,084	\$291,573	\$295,670	\$299,135
Alternative 2: TIF Zone Not Created								
Taxable real property value of zone (simple appreciation from previous year)	\$11,594,011	\$11,834,168	\$12,617,817	\$12,743,998	\$12,871,435	\$13,139,957	\$14,020,167	\$14,160,368
Annual appreciation rate since previous year	1%	1%	1%	1%	1%	1%	1%	1%
Plus taxable improvements now on roll this year*	\$122,997	\$658,720	\$0	\$0	\$138,423	\$741,396	\$0	\$0
Plus adjustments for changes in tax-exempt status	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total taxable real property value of zone	\$11,716,998	\$12,492,888	\$12,617,817	\$12,743,998	\$13,009,859	\$13,881,353	\$14,020,167	\$14,160,368
Property tax rate	\$2.73163	\$2.75895	\$2.78654	\$2.81440	\$2.84255	\$2.87097	\$2.89968	\$2.92868
Real property tax to general funds	\$310,465	\$320,065	\$344,872	\$351,600	\$358,667	\$369,811	\$398,530	\$406,540
Comprehensive Difference in General Fund Values from Ad Valorem Taxes**								
Real property tax increment earned (foregone)	(\$40,455)	(\$46,459)	(\$64,078)	(\$67,293)	(\$70,583)	(\$78,238)	(\$102,860)	(\$107,405)
Plus supplemental business personal property tax (from separate schedule)***	\$220,576	\$227,238	\$238,639	\$245,846	\$253,271	\$260,920	\$268,799	\$276,917
Combined difference	\$180,122	\$180,779	\$174,562	\$178,553	\$182,687	\$182,682	\$165,939	\$169,512

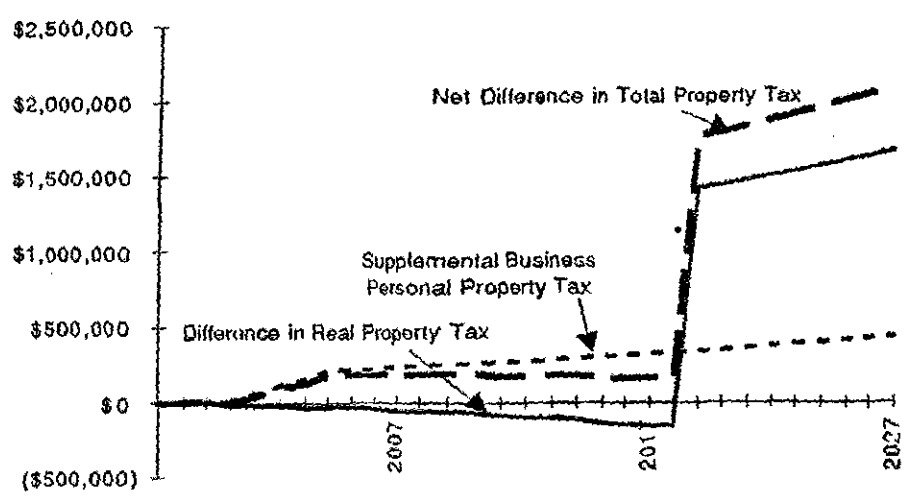
Exhibit I:
Estimated Revenue Consequences of the TIF Zone for Public Funds
 (City, School District and DCCCD Participating 100%, County and Hospital District Participating 80%)

Month of valuation and assumed receipt of full tax payments for the previous year:	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23
	Jan. 2013	Jan. 2014	Jan. 2015	Jan. 2016	Jan. 2017	Jan. 2018	Jan. 2019	Jan. 2020
Revenue to TIF Fund								
Taxable real property value of zone (simple appreciation from previous year)	\$55,877,533	\$56,593,663	\$58,002,391	\$58,582,415	\$59,168,239	\$59,937,026	\$61,484,866	\$62,099,815
Annual appreciation rate since previous year	1%	1%	1%	1%	1%	1%	1%	1%
Plus taxable improvements new on roll this year*	\$155,797	\$834,447	\$0	\$0	\$175,351	\$939,178	\$0	\$0
Plus adjustments for changes in tax-exempt status	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total taxable real property value of zone	\$56,033,329	\$57,428,110	\$58,002,391	\$58,582,415	\$59,343,590	\$60,876,204	\$61,484,866	\$62,099,815
Value growth increment since base year	\$47,203,868	\$48,599,749	\$49,173,030	\$49,753,054	\$50,514,228	\$52,046,842	\$52,655,604	\$53,270,454
Tax increment participating in TIF fund	\$45,676,516	\$47,026,164	\$47,581,862	\$48,143,117	\$48,879,681	\$0	\$0	\$0
Property tax rate	\$2.95797	\$2.98755	\$3.01742	\$3.04760	\$3.07807	\$3.10885	\$3.13994	\$3.17134
Real property tax increment to TIF fund	\$1,317,825	\$1,351,096	\$1,404,929	\$1,435,745	\$1,467,207	\$1,504,551		
Zone Revenue to General Funds from Real Property Tax Only								
Alternative 1: TIF Zone Created								
Zone's base year taxable real property value	\$8,829,361	\$8,829,361	\$8,829,361	\$8,829,361	\$8,829,361	\$60,876,204	\$61,484,866	\$62,099,815
Property tax rate	\$2.95797	\$2.98755	\$3.01742	\$3.04760	\$3.07807	\$3.10885	\$3.13994	\$3.17134
Real property tax to general funds from base value	\$258,584	\$261,170	\$263,781	\$266,419	\$269,083	\$271,774	\$1,892,551	\$1,930,591
Plus tax on non-participating value increment	\$44,062	\$45,182	\$46,982	\$48,012	\$49,064	\$50,313	\$0	\$0
Total real property tax to general funds	\$302,646	\$306,351	\$310,763	\$314,431	\$318,148	\$322,087	\$1,892,551	\$1,930,591
Alternative 2: TIF Zone Not Created								
Taxable real property value of zone (simple appreciation from previous year)	\$14,301,972	\$14,602,346	\$15,591,162	\$15,747,073	\$15,904,544	\$16,240,694	\$17,351,670	\$17,525,187
Annual appreciation rate since previous year	1%	1%	1%	1%	1%	1%	1%	1%
Plus taxable improvements new on roll this year*	\$155,797	\$834,447	\$0	\$0	\$175,351	\$939,178	\$0	\$0
Plus adjustments for changes in tax-exempt status	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total taxable real property value of zone	\$14,457,769	\$15,436,794	\$15,591,162	\$15,747,073	\$16,079,895	\$17,179,871	\$17,351,670	\$17,525,187
Property tax rate	\$2.95797	\$2.98755	\$3.01742	\$3.04760	\$3.07807	\$3.10885	\$3.13994	\$3.17134
Real property tax to general funds	\$414,712	\$427,656	\$461,181	\$470,451	\$479,907	\$494,951	\$534,097	\$544,832
Comprehensive Difference in General Fund Values from Ad Valorem Taxes**								
Real property tax increment earned (forgone)	(\$112,066)	(\$121,305)	(\$150,418)	(\$156,020)	(\$161,760)	(\$172,863)	\$1,358,454	\$1,385,759
Plus supplemental business personal property tax (from separate schedule)***	\$285,280	\$293,895	\$302,771	\$311,915	\$321,335	\$331,099	\$341,036	\$351,336
Combined difference	\$173,214	\$172,591	\$152,353	\$155,895	\$159,575	\$158,175	\$1,699,491	\$1,737,095

Exhibit J: Real Property Tax Revenue to General Funds from Study Area With and Without a TIF Zone



**Exhibit K:
Estimated Differences to General Funds
in Total Ad Valorem Tax Revenues
Collected from the TIF Zone**



**Exhibit L:
Cumulative Revenues to the TIF Fund and General Funds**

Month of valuation and assumed receipt of full tax payments for the previous year.	Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	Jan. 1997	Jan. 1998	Jan. 1999	Jan. 2000	Jan. 2001	Jan. 2002	Jan. 2003	Jan. 2004
For All Five Taxing Jurisdictions								
Case A: Reinvestment Zone Created								
Tax to TIF Fund*	\$0	\$0	\$11,792	\$233,661	\$653,307	\$1,220,913	\$1,984,510	\$2,886,045
Net Present Value of Payments to TIF Fund**	\$0	\$0	\$10,855	\$201,223	\$543,849	\$984,372	\$1,547,710	\$2,178,938
Real Property Tax to General Funds	\$237,128	\$459,859	\$685,211	\$919,838	\$1,163,351	\$1,474,107	\$1,873,795	\$1,940,316
Supplemental Business Personal Tax to General Funds	\$0	\$0	\$0	\$15,152	\$75,918	\$194,271	\$351,452	\$565,562
Total of RP Tax and Supplemental BPP Tax to General Funds	\$237,128	\$459,859	\$685,211	\$934,990	\$1,239,269	\$1,668,378	\$2,025,197	\$2,505,878
Case B: Reinvestment Zone Not Created								
Real Property Tax to General Funds	\$237,128	\$459,859	\$687,066	\$945,346	\$1,214,332	\$1,491,593	\$1,789,944	\$2,094,292
Surplus (Deficit) Ad Valorem Tax to General Funds if RZ Created	\$0	\$0	(\$1,855)	(\$10,356)	\$24,937	\$116,785	\$235,242	\$411,586
Net Present Value of Surpluses (Deficits) to General Funds**	\$0	\$0	(\$1,676)	(\$8,978)	\$19,838	\$91,121	\$178,513	\$302,178
For City of Mesquite								
Net Surplus (Deficit) Ad Valorem Tax to General Funds if RZ Created, from Real Property Base and Supplemental BPP	\$0	\$0	(\$488)	(\$3,999)	\$670	\$16,467	\$36,612	\$68,307
For Mesquite Independent School District								
Net Surplus (Deficit) Ad Valorem Tax to General Funds if RZ Created, from Real Property Base and Supplemental BPP	\$0	\$0	(\$1,351)	(\$10,812)	\$1,856	\$45,617	\$101,423	\$189,224
For Dallas County Community College District								
Net Surplus (Deficit) Ad Valorem Tax to General Funds if RZ Created, from Real Property Base and Supplemental BPP	\$0	\$0	(\$47)	(\$379)	\$64	\$1,583	\$3,520	\$6,567
For Dallas County								
Net Surplus (Deficit) Ad Valorem Tax to General Funds if RZ Created, from Real Property Base and Supplemental BPP	\$0	\$0	(\$189)	(\$1,528)	\$260	\$6,386	\$14,199	\$26,491
Tax from Non-participating Value Increment	\$0	\$0	\$205	\$4,061	\$11,353	\$21,217	\$34,487	\$50,154
Total	\$0	\$0	\$16	\$2,533	\$11,613	\$27,604	\$48,686	\$76,646
For Dallas County Hospital District								
Net Surplus (Deficit) Ad Valorem Tax to General Funds if RZ Created, from Real Property Base and Supplemental BPP	\$0	\$0	(\$175)	(\$1,412)	\$240	\$5,903	\$13,124	\$24,486
Tax from Non-participating Value Increment	\$0	\$0	\$189	\$3,753	\$10,484	\$19,611	\$31,876	\$46,357
Total	\$0	\$0	\$15	\$2,341	\$10,724	\$25,514	\$45,000	\$70,842

*Assumption: Reinvestment zone terminates after 20 years.
 Future cash flows are discounted to reflect the time value of money, using a rate based on 1-year U. S. Treasury bills: **5.20%

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**Exhibit L:
Cumulative Revenues to the TIF Fund and General Funds**

Stein Planning and Management, 4/1/97

	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
	Month of valuation and assumed receipt of full tax payments for the previous year: Jan. 2005	Jan. 2006	Jan. 2007	Jan. 2008	Jan. 2009	Jan. 2010	Jan. 2011	Jan. 2012
For All Five Taxing Jurisdictions								
Case A: Reinvestment Zone Created								
Tax to TIF Fund*	\$3,819,427	\$4,788,916	\$5,895,266	\$7,039,790	\$8,223,687	\$9,437,616	\$10,698,995	\$11,998,205
Net Present Value of Payments to TIF Fund**	\$2,802,141	\$3,416,471	\$4,082,871	\$4,738,188	\$5,382,545	\$6,010,585	\$6,630,919	\$7,233,600
Real Property Tax to General Funds	\$2,210,327	\$2,463,933	\$2,764,527	\$3,048,834	\$3,336,918	\$3,628,492	\$3,924,162	\$4,223,297
Supplemental Business Personal Tax to General Funds	\$786,139	\$1,013,376	\$1,252,016	\$1,497,862	\$1,751,133	\$2,012,052	\$2,280,852	\$2,557,769
Total of RP Tax and Supplemental BPP Tax to General Funds	\$2,996,465	\$3,497,309	\$4,016,543	\$4,546,696	\$5,088,051	\$5,640,544	\$6,205,013	\$6,791,066
Case B: Reinvestment Zone Not Created								
Real Property Tax to General Funds	\$2,404,758	\$2,724,823	\$3,069,495	\$3,421,096	\$3,779,763	\$4,149,574	\$4,548,104	\$4,954,645
Surplus (Deficit) Ad Valorem Tax to General Funds if RZ Created	\$591,708	\$772,488	\$947,048	\$1,125,601	\$1,308,288	\$1,490,970	\$1,656,909	\$1,826,421
Net Present Value of Surpluses (Deficits) to General Funds**	\$422,250	\$536,803	\$641,948	\$744,182	\$843,613	\$938,125	\$1,019,732	\$1,098,976
For City of Mesquite								
Net Surplus (Deficit) Ad Valorem Tax to General Funds if RZ Created, from Real Property Base and Supplemental BPP	\$100,590	\$132,754	\$162,577	\$192,989	\$224,012	\$254,816	\$281,647	\$309,050
For Mesquite Independent School District								
Net Surplus (Deficit) Ad Valorem Tax to General Funds if RZ Created, from Real Property Base and Supplemental BPP	\$278,653	\$367,752	\$450,369	\$534,616	\$620,556	\$705,888	\$780,213	\$856,125
For Dallas County Community College District								
Net Surplus (Deficit) Ad Valorem Tax to General Funds if RZ Created, from Real Property Base and Supplemental BPP	\$9,671	\$12,763	\$15,631	\$18,555	\$21,537	\$24,499	\$27,079	\$29,713
For Dallas County								
Net Surplus (Deficit) Ad Valorem Tax to General Funds if RZ Created, from Real Property Base and Supplemental BPP	\$39,011	\$51,485	\$63,052	\$74,846	\$86,878	\$98,824	\$109,230	\$119,858
Tax from Non-participating Value Increment	\$66,975	\$83,223	\$102,449	\$122,939	\$142,913	\$164,009	\$185,929	\$206,334
Total	\$105,986	\$134,708	\$165,501	\$197,185	\$229,791	\$262,833	\$295,159	\$328,191
For Dallas County Hospital District								
Net Surplus (Deficit) Ad Valorem Tax to General Funds if RZ Created, from Real Property Base and Supplemental BPP	\$36,058	\$47,587	\$58,278	\$69,179	\$80,300	\$91,342	\$100,960	\$110,780
Tax from Non-participating Value Increment	\$61,349	\$76,922	\$94,692	\$113,076	\$132,092	\$151,591	\$171,852	\$192,560
Total	\$97,407	\$124,509	\$152,970	\$182,255	\$212,392	\$242,933	\$272,811	\$303,342

*Assumption: Reinvestment zone terminates after 20 years.
 **Future cash flows are discounted to reflect the time value of money, using a rate based on 1-year U. S. Treasury bills: 5.20%

EXHIBIT "A-2"

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EXHIBIT "A-2"

Cumulative Revenues to the TIF Fund and General Funds

Exhibit L:

Month of valuation and assumed receipt of full tax payments for the previous year:

Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23
Jan. 2013	Jan. 2014	Jan. 2015	Jan. 2016	Jan. 2017	Jan. 2018	Jan. 2019	Jan. 2020

\$13,005,830	\$14,656,926	\$16,061,854	\$17,497,599	\$18,954,807	\$20,469,957	\$20,469,957	\$20,469,957
Tax to TIF Fund							
\$7,819,117	\$9,389,831	\$9,859,951	\$9,501,948	\$10,034,279	\$10,553,164	\$10,553,164	\$10,553,164
Net Present Value of Payments to TIF Fund							
\$4,523,943	\$4,832,294	\$5,149,057	\$5,457,488	\$5,775,638	\$6,097,723	\$7,990,274	\$9,920,866
Real Property Tax to General Funds							
\$2,843,048	\$3,136,944	\$3,439,715	\$3,751,630	\$4,072,965	\$4,404,004	\$4,745,040	\$5,096,375
Supplemental Business Personal Tax to General Funds							
\$7,358,992	\$7,959,239	\$8,592,772	\$9,209,118	\$9,848,600	\$10,501,727	\$12,735,914	\$15,017,241
Total of RP Tax and Supplemental BPP Tax to General Funds							
\$5,969,356	\$6,797,012	\$7,228,645	\$7,208,552	\$7,703,502	\$7,237,599	\$8,782,431	\$9,782,431
Real Property Tax to General Funds							
\$1,999,635	\$2,172,226	\$2,324,579	\$2,480,474	\$2,640,049	\$2,798,224	\$4,487,715	\$6,234,810
Surplus (Deficit) Ad Valorem Tax to General Funds							
\$1,175,849	\$1,248,852	\$1,310,026	\$1,368,528	\$1,427,424	\$1,481,976	\$2,039,126	\$2,580,456
Net Present Value of Surpluses (Deficits) to General Funds							
\$307,049	\$364,671	\$387,515	\$410,904	\$434,882	\$458,247	\$826,690	\$1,203,297
Net Surplus (Deficit) Ad Valorem Tax to General Funds							
\$930,689	\$1,010,207	\$1,073,489	\$1,138,280	\$1,204,649	\$1,269,428	\$2,290,086	\$3,333,327
Net Surplus (Deficit) Ad Valorem Tax to General Funds							
\$92,405	\$95,061	\$97,257	\$99,506	\$41,809	\$44,058	\$78,461	\$115,689
Net Surplus (Deficit) Ad Valorem Tax to General Funds							
\$130,717	\$141,429	\$150,288	\$159,359	\$168,651	\$177,720	\$320,612	\$466,666
Net Surplus (Deficit) Ad Valorem Tax to General Funds							
\$231,231	\$254,711	\$279,126	\$304,077	\$329,574	\$355,721	\$355,721	\$355,721
Net Surplus (Deficit) Ad Valorem Tax to General Funds							
\$361,948	\$396,140	\$429,415	\$463,438	\$498,225	\$533,447	\$576,303	\$822,387
Net Surplus (Deficit) Ad Valorem Tax to General Funds							
\$120,819	\$130,721	\$139,910	\$147,293	\$155,882	\$164,264	\$296,337	\$431,333
Net Surplus (Deficit) Ad Valorem Tax to General Funds							
\$213,724	\$235,426	\$257,992	\$281,054	\$304,621	\$328,798	\$328,798	\$328,798
Net Surplus (Deficit) Ad Valorem Tax to General Funds							
\$334,543	\$366,147	\$386,902	\$428,347	\$460,502	\$493,052	\$525,125	\$760,120
Total							

For All Five Taxing Jurisdictions

Case A: Reinvestment Zone Created

Tax to TIF Fund

Net Present Value of Payments to TIF Fund

Real Property Tax to General Funds

Supplemental Business Personal Tax to General Funds

Total of RP Tax and Supplemental BPP Tax to General Funds

Case B: Reinvestment Zone Not Created

Real Property Tax to General Funds

Surplus (Deficit) Ad Valorem Tax to General Funds

Net Present Value of Surpluses (Deficits) to General Funds

For City of Mesquite

Net Surplus (Deficit) Ad Valorem Tax to General Funds

For Mesquite Independent School District

Net Surplus (Deficit) Ad Valorem Tax to General Funds

For Dallas County Community College District

Net Surplus (Deficit) Ad Valorem Tax to General Funds

For Dallas County

Net Surplus (Deficit) Ad Valorem Tax to General Funds

Tax from Non-participating Value Increment

Total

For Dallas County Hospital District

Net Surplus (Deficit) Ad Valorem Tax to General Funds

Tax from Non-participating Value Increment

Total

For Dallas County Hospital District

Net Surplus (Deficit) Ad Valorem Tax to General Funds

Tax from Non-participating Value Increment

Total

Assumption: Reinvestment zone terminates after 20 years.
 "Future cash flows are discounted to reflect the time value of money, using a rate based on 1-year U.S. Treasury bills: 5.20%"

**Exhibit L:
Cumulative Revenues to the TIF Fund and General Funds**

Month of valuation and assumed receipt of full tax payments for the previous year:	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
	Jan. 2121	Jan. 2122	Jan. 2123	Jan. 2124	Jan. 2125	Jan. 2126	Jan. 2127
For All Five Taxing Jurisdictions							
Case A: Reinvestment Zone Created							
Tax to TIF Fund*	\$20,469,357	\$20,469,357	\$20,469,357	\$20,469,357	\$20,469,357	\$20,469,357	\$20,469,357
Net Present Value of Payments to TIF Fund**	\$10,553,164	\$10,553,164	\$10,553,164	\$10,553,164	\$10,553,164	\$10,553,164	\$10,553,164
Real Property Tax to General Funds	\$11,890,262	\$13,899,243	\$15,948,605	\$18,039,159	\$20,171,733	\$22,347,171	\$24,566,336
Supplemental Business Personal Tax to General Funds	\$5,458,321	\$5,831,198	\$6,215,395	\$6,611,074	\$7,018,764	\$7,438,766	\$7,871,452
Total of RP Tax and Supplemental BPP Tax to General Funds	\$17,348,583	\$19,730,441	\$22,163,940	\$24,650,233	\$27,190,496	\$29,785,937	\$32,437,788
Case B: Reinvestment Zone Not Created							
Real Property Tax to General Funds	\$9,338,215	\$9,905,169	\$10,483,519	\$11,073,494	\$11,675,328	\$12,289,259	\$12,915,529
Surplus (Deficit) Ad Valorem Tax to General Funds if RZ Created	\$8,010,369	\$9,825,272	\$11,660,421	\$13,576,738	\$15,515,168	\$17,496,678	\$19,522,258
Net Present Value of Surpluses (Deficits) to General Funds**	\$3,106,421	\$3,617,467	\$4,114,025	\$4,596,512	\$5,065,336	\$5,520,890	\$5,985,636
For City of Mesquite							
Net Surplus (Deficit) Ad Valorem Tax to General Funds if RZ Created, from Real Property Base and Supplemental BPP	\$1,589,222	\$1,991,687	\$2,383,877	\$2,794,992	\$3,215,237	\$3,644,922	\$4,093,961
For Mesquite Independent School District							
Net Surplus (Deficit) Ad Valorem Tax to General Funds if RZ Created, from Real Property Base and Supplemental BPP	\$4,399,669	\$5,499,640	\$6,603,781	\$7,742,647	\$8,906,604	\$10,096,893	\$11,313,330
For Dallas County Community College District							
Net Surplus (Deficit) Ad Valorem Tax to General Funds if RZ Created, from Real Property Base and Supplemental BPP	\$152,698	\$190,527	\$229,195	\$268,721	\$309,125	\$350,427	\$392,648
For Dallas County							
Net Surplus (Deficit) Ad Valorem Tax to General Funds if RZ Created, from Real Property Base and Supplemental BPP	\$615,954	\$768,550	\$924,529	\$1,083,971	\$1,246,959	\$1,413,557	\$1,583,866
Tax from Non-participating Value Increment	\$355,721	\$355,721	\$355,721	\$355,721	\$355,721	\$355,721	\$355,721
Total	\$971,674	\$1,124,270	\$1,280,250	\$1,439,691	\$1,602,673	\$1,769,277	\$1,939,587
For Dallas County Hospital District							
Net Surplus (Deficit) Ad Valorem Tax to General Funds if RZ Created, from Real Property Base and Supplemental BPP	\$569,317	\$710,359	\$854,529	\$1,001,899	\$1,152,540	\$1,306,530	\$1,463,945
Tax from Non-participating Value Increment	\$328,788	\$328,788	\$328,788	\$328,788	\$328,788	\$328,788	\$328,788
Total	\$898,105	\$1,039,147	\$1,183,317	\$1,330,686	\$1,481,328	\$1,635,318	\$1,792,733

*Assumption: Reinvestment zone terminates after 20 years.

Future cash flows are discounted to reflect the time value of money, using a rate based on 1-year U. S. Treasury bills: **5.20%

Assumptions about property values, TIF fund participation, tax rates, etc. are necessarily inherent in Exhibit I. Actual conditions may differ from these assumed conditions. Consequently, it's important that the revenue estimates be regarded as reasonable estimates, nothing more. Assumptions are identified so that the revenue projections might be better understood and the consequence of a different assumption or range of assumptions might be tested as appropriate.

Assumption: Real Property Values

Real property values are assumed to change little each year except for value added by new construction. Except for new construction, Exhibit I inflates the previous year's real property value for the reinvestment zone by either 0% (1997 only), 1% or 2%. The 2% real property inflation/appreciation rate is applied only when at least \$3 million of taxable improvements have been added to the zone in the preceding three years. This inflation rate assumes a "bottoming out" of the historic value declines in the zone (seen in Exhibits B and D), but may prove a conservative rate of inflation and appreciation for the long term.

The major generator of revenue for the TIF fund will be *new construction* of taxable real property. The Dallas Central Appraisal District may base its valuations of real property improvements on one of the following appraisal methods: (1) cost of construction, (2) capitalization of the property's net operating income or (3) values of comparable properties. Exhibit I assumes new construction will be valued at cost. After the taxable new improvements in the zone have been operating a few years, it may become appropriate to value real property based on net operating income, which may indicate higher values than represented by Exhibit I.

Exhibit M traces the development of estimated values for taxable *new construction* in the reinvestment zone, year by year. The "Total Value" line of Exhibit M is directly input to Exhibit I in the Exhibit I line captioned "Plus taxable improvements new on roll this year." Estimated 1997 costs of new construction in Exhibit M mirror the cost estimates in Exhibit F. Exhibit M inflates the 1997 construction costs to estimated future costs of construction in appropriate years, assuming a 3% average annual inflation rate for construction costs.

A line of Exhibit I makes adjustments for conversions of real property between taxable and tax-exempt status. The January 1997 roll will reflect that approximately ten acres of taxable land was acquired by the City of Mesquite in 1996 for a hotel, conference center and exhibition hall site. It's anticipated that the January 1998 roll will reflect transfer of part of that tax-exempt property in 1997 to taxable status. An expectation for the January 1999 roll is dedication of approximately one acre of taxable land for Rodeo Plaza, a tax-exempt public space.

**Exhibit M:
Estimated Annual Values of Taxable New Construction
in the Reinvestment Zone**

	Estimated Project Size (1)	Estimated Construction Cost per Unit (1)	Est. Constr. Cost if Built in 1997 (1)	Base Year	Year 1	Year 2	Year 3	Year 4
				Jan. 1997	Jan. 1998	Jan. 1999	Jan. 2000	Jan. 2001
Construction Assumptions Without TIF								
Rodeo Arena enclosure (completed 1998)	N. A.	N. A.	\$1,000,000	\$0	\$0	\$1,030,000	\$0	\$0
Fast-food restaurant (comp. 1999)	2,500	\$90	\$200,000	\$0	\$0	\$0	\$212,180	\$0
Warehouse/office/manufacturing (2)	10,000	\$50	\$500,000	\$0	\$0	\$0	\$0	\$109,273
Miscellaneous retail (3)	40,000	\$65	\$2,600,000	\$0	\$0	\$0	\$0	\$0
Subtotal			\$4,300,000	\$0	\$0	\$1,030,000	\$212,180	\$109,273
Supplemental Construction With TIF								
Hampton Inn (comp. Mar. 98)	150	\$60,000	\$9,000,000	\$0	\$0	\$9,270,000	\$0	\$0
Mesquite Rodeo City								
Western dinner/dance hall (comp. 1999)	25,500	\$90	\$2,295,000	\$0	\$0	\$0	\$2,434,766	\$0
Family entertainment center (comp. 1999)	42,000	\$90	\$3,780,000	\$0	\$0	\$0	\$4,010,202	\$0
Western apparel mart (comp. 2000)	48,900	\$75	\$3,667,500	\$0	\$0	\$0	\$0	\$4,007,576
Cineplex (comp. 2001)	52,200	\$90	\$4,698,000	\$0	\$0	\$0	\$0	\$0
Country music theatre (comp. 2002)	40,800	\$90	\$3,672,000	\$0	\$0	\$0	\$0	\$0
Restaurant 1 (comp. 1998)	8,000	\$90	\$720,000	\$0	\$0	\$741,600	\$0	\$0
Restaurant 2 (comp. 1999)	8,000	\$90	\$720,000	\$0	\$0	\$0	\$763,846	\$0
Restaurant 3 (comp. 2000)	10,500	\$90	\$945,000	\$0	\$0	\$0	\$0	\$1,032,627
Restaurant 4 (comp. 2001)	9,100	\$90	\$819,000	\$0	\$0	\$0	\$0	\$0
Mesquite Rodeo City subtotal	245,000		\$21,316,500	\$0	\$0	\$741,600	\$7,208,816	\$5,040,203
Subtotal			\$30,316,500	\$0	\$0	\$10,011,600	\$7,208,816	\$5,040,203
Total Value			\$34,616,500	\$0	\$0	\$11,041,600	\$7,420,996	\$5,149,476

(1) Estimates of project size and either unit cost or total cost for Rodeo Arena, Hampton Inn and Rodeo City are by developer or manager. Others estimates are by Stein Planning and Management. Unit cost for hotel is per guest unit. All others are per square foot of floor area. Unit costs are in 1997 dollars.

(2) Assumes 2,000 SF every four years, beginning with construction in 2000.

(3) Assumes 8,000 SF every four years, beginning with construction in 2001.

Annual inflation of construction costs after 1997:

**Exhibit M:
Estimated Annual Values of Taxable New Construction
in the Reinvestment Zone**

	Year 5 Jan. 2002	Year 6 Jan. 2003	Year 7 Jan. 2004	Year 8 Jan. 2005	Year 9 Jan. 2006	Year 10 Jan. 2007	Year 11 Jan. 2008	Year 12 Jan. 2009	Year 13 Jan. 2010
Construction Assumptions Without TIF									
Rodeo Arena enclosure (completed 1998)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fast-food restaurant (comp. 1999)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Warehouse/office/manufacturing (2)	\$0	\$0	\$0	\$122,987	\$0	\$0	\$0	\$138,423	\$0
Miscellaneous retail (3)	\$585,265	\$0	\$0	\$0	\$658,720	\$0	\$0	\$0	\$0
Subtotal	\$585,265	\$0	\$0	\$122,987	\$658,720	\$0	\$0	\$138,423	\$741,396
Supplemental Construction With TIF									
Hampton Inn (comp. Mar. 98)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mesquite Rodeo City	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Western dinner/dance hall (comp. 1999)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Family entertainment center (comp. 1999)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Western apparel mall (comp. 2000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cineplex (comp. 2001)	\$5,287,640	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Country music theatre (comp. 2002)	\$0	\$4,256,854	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Restaurant 1 (comp. 1998)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Restaurant 2 (comp. 1999)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Restaurant 3 (comp. 2000)	\$921,792	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Restaurant 4 (comp. 2001)	\$6,209,432	\$4,256,854	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mesquite Rodeo City subtotal	\$6,209,432	\$4,256,854	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$6,794,697	\$4,256,854	\$0	\$122,987	\$658,720	\$0	\$0	\$138,423	\$741,396
Total Value									

Exhibit M:
**Estimated Annual Values of Taxable New Construction
 in the Reinvestment Zone**

	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22
Construction Assumptions Without TIF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rodeo Arena enclosure (completed 1998)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fast-food restaurant (comp. 1999)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Warehouse/office/manufacturing (2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous retail (3)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplemental Construction WITH TIF	\$0	\$0	\$155,797	\$834,447	\$0	\$0	\$175,351	\$939,178	\$0
Hampton Inn (comp. Mar. 98)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mesquite Rodeo City	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Western dinner/dance hall (comp. 1999)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Family entertainment center (comp. 1999)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Western apparel mart (comp. 2000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cinplex (comp. 2001)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Country music theatre (comp. 2002)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Restaurant 1 (comp. 1998)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Restaurant 2 (comp. 1999)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Restaurant 3 (comp. 2000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Restaurant 4 (comp. 2001)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Mesquite Rodeo City subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$155,797	\$834,447	\$0	\$0	\$175,351	\$939,178	\$0
Total Value	\$0	\$0	\$155,797	\$834,447	\$0	\$0	\$175,351	\$939,178	\$0

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EXHIBIT "A-2"

**Exhibit M:
Estimated Annual Values of Taxable New Construction
In the Reinvestment Zone**

	Year 23 Jan. 2020	Year 24 Jan. 2021	Year 25 Jan. 2022	Year 26 Jan. 2023	Year 27 Jan. 2024	Year 28 Jan. 2025	Year 29 Jan. 2026	Year 30 Jan. 2027	Thirty Years Cumulative
Construction Assumptions Without TIF									
Rodeo Arena enclosure (completed 1996)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,030,000
Fast-food restaurant (comp. 1999)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$212,180
Warehouse/office/manufacturing (2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$701,831
Miscellaneous retail (3)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,759,006
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,703,017
Supplemental Construction With TIF									
Hampton Inn (comp. Mar. 98)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,270,000
Mesquite Rodeo City									
Western dinner/dance hall (comp. 1999)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,434,766
Family entertainment center (comp. 1999)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,010,202
Western apparel mart (comp. 2000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,007,576
Cinplex (comp. 2001)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,287,640
Country music theatre (comp. 2002)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,256,854
Restaurant 1 (comp. 1998)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$741,600
Restaurant 2 (comp. 1999)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$763,848
Restaurant 3 (comp. 2000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,032,827
Restaurant 4 (comp. 2001)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$921,792
Mesquite Rodeo City subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,456,905
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,726,905
Total Value	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$38,429,922

Assumption: Participating Jurisdictions

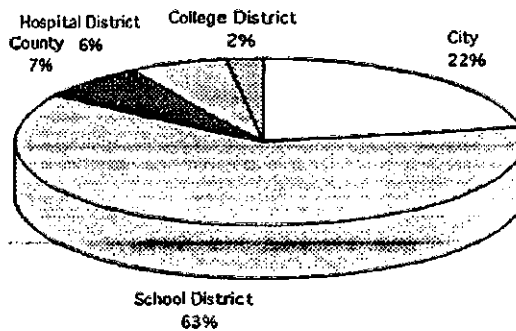
There are six jurisdictions that levy ad valorem taxes in the proposed reinvestment zone. With their 1996 ad valorem tax rates, they are:

Jurisdiction	1996 Tax Rate	Percent of Zone's Total Ad Valorem Tax
City of Mesquite	\$0.54148	22%
Mesquite Independent School District	\$1.50000	60%
Dallas County	\$0.21000	8%
Dallas County Hospital District	\$0.19410	8%
Dallas County Community College District	\$0.05206	2%
Dallas County School Equalization District	\$0.00640	0%
Combined	\$2.50404	100%

After the City creates the Mesquite Rodeo City reinvestment zone, the governing body of each of these eligible jurisdictions decides whether and to what extent it will pledge real property taxes from the zone's growth to the TIF fund. Business personal property taxes may not be pledged to the TIF fund.

This analysis assumes that the City, School District and College District will participate 100% in the TIF fund and that the County and Hospital District will participate with 80% of their tax increments. The relative significance of each jurisdiction's property taxes to the reinvestment zone, using that formula, is easily viewed in a pie chart, Exhibit N:

**Exhibit N:
Relative Volumes of Real Property Taxes
Contributed to the Reinvestment Zone by
Participating Jurisdictions**



Assumption: Tax Rate Change

Another variable that affects cash flows to the TIF fund is the aggregate annual change in the tax rates of the participating jurisdictions. This variable has far less significance than the total value of the zone or the degree of participation by taxing jurisdictions. A jurisdiction's tax rate increases or decreases after the TIF zone is created will affect both annual revenue to its general fund and annual revenue to the TIF fund.

Some assumption about annual changes in tax rates is necessary when estimating cash flows to the TIF fund. Exhibit O presents tax rate histories since 1990. In the aggregate, ad valorem tax rates have demonstrated a historic average increase of more than 3% annually since 1990. Using a three-year history, rather than a six-year history, the historic trend is an average annual increase of slightly less than 1%. This analysis has assumed average annual ad valorem tax rate increases of 1%.

Assumption: Term of TIF Fund

Texas law provides no maximum number of years that a reinvestment zone may exist and tax increments may accrue in a TIF fund, but the statute enabling TIF funds says an ordinance designating a reinvestment zone must provide a date for termination of the zone. Zone terms are commonly long enough to allow issuance and retirement of bonds. The modal term is thirty years or slightly longer. Terms may be shorter if a municipality is confident that a TIF fund will retire all obligations in a shorter term.

Exhibit I assumes the Mesquite Rodeo City TIF fund will collect taxes for twenty years. That term appears just adequate to repay the \$9.5 million of public improvements listed in Exhibit H. This analysis is a reasonable estimate, but there is no guarantee that all loans to be repaid by the TIF fund will be repaid on any schedule. The Mesquite City Council should have the option of terminating the zone sooner if all financial obligations of the TIF fund have been satisfied.

**Exhibit O:
Mesquite Property Tax Rate Histories
and Average Annual Changes**

	City of Mesquite	Mesquite ISD (1)	Dallas County	Dallas County Hospital District	Dallas Co. Com. College Dist.	Five Rates Combined (2)	
Tax Rates Set in:							
1990	\$0.53000	\$1.18000	\$0.16881	\$0.17500	\$0.04310	\$2.08691	
1991	\$0.57000	\$1.36000	\$0.17882	\$0.19796	\$0.04648	\$2.35326	
1992	\$0.47000	\$1.46000	\$0.20240	\$0.20696	\$0.04935	\$2.38871	
1993	\$0.51000	\$1.46000	\$0.20240	\$0.20696	\$0.05206	\$2.43142	
1994	\$0.52825	\$1.50000	\$0.20240	\$0.19959	\$0.05206	\$2.48230	
1995	\$0.64148	\$1.50000	\$0.21610	\$0.19959	\$0.05206	\$2.50923	
1996	\$0.54148	\$1.50000	\$0.21000	\$0.19410	\$0.05206	\$2.48764	
Tax Rate Increase (Decrease) from Previous Year:							
	From	To					
1990	1991	7.55%	15.25%	5.93%	13.12%	7.84%	12.23%
1991	1992	(17.54%)	7.35%	13.19%	4.55%	6.17%	1.51%
1992	1993	8.51%	0.00%	0.00%	0.00%	5.49%	1.79%
1993	1994	3.58%	2.74%	0.00%	(3.56%)	0.00%	2.09%
1994	1995	2.50%	0.00%	6.77%	0.00%	0.00%	1.08%
1995	1996	0.00%	0.00%	(2.82%)	(2.75%)	0.00%	(0.46%)
Average Annual Increase (Decrease):							
	over 6 years	0.36%	4.52%	4.07%	1.82%	3.46%	3.19%
	over 3 years	2.06%	0.91%	1.25%	(2.07%)	0.00%	0.91%

(1) Includes County Education District, which levied taxes in 1991 and 1992.

(2) A sixth ad valorem tax, not included, is the Dallas County School Equalization tax, levied by the County. It pays for school buses and cost \$0.00640 per \$100.

Assumption: Business Personal Property Values

All the participating jurisdictions levy ad valorem taxes on both real and business personal property. Although an increment of real property taxes will flow to the TIF fund, all business personal property (BPP) taxes will flow to general funds.

Exhibit I includes an estimate of supplemental BPP tax from development made probable by the reinvestment zone and TIF fund. Annual entries for the supplemental BPP tax come directly from Exhibit Q, which is based on inflation of Exhibit P.

Exhibit P estimates a hypothetical January 1997 value of business personal property in the Hampton Inn and AGF Scyene Rodeo buildings listed in Exhibit F. The BPP values are based on actual BPP values per square foot or per guest unit for comparable properties appraised by the Dallas Central Appraisal District. Comparable properties and their BPP values per unit are identified in Exhibit P. Typical BPP values per unit are multiplied by a measure of project size.

Exhibit Q adjusts the hypothetical 1997 BPP values from Exhibit P for the year when various projects will appear on the tax roll for the first time and adjusts the values again for subsequent years. Exhibit Q assumes a 3% annual inflation rate from January 1997 until the property first appears on the appraisal roll, but a 2% net change in subsequent years. Some types of business personal property depreciate, but are also subject to replacement and inflation. Inventories typically turn over quickly enough that they are not depreciated.

**Exhibit P:
Estimated Values of Supplemental
Business Personal Property
in the Reinvestment Zone, in 1997 Dollars**

New Development (1)	Estimated BPP Value (2)	Approximate Project Size (3)	BPP per Unit (4)
Hotel	\$450,000	150	\$3,000
Comparables for 1995 and 1996 DCAD BPP Values:			
Hampton Inn, 12670 E. Northwest Hwy., Garland	\$394,770	125	\$3,158
Hampton Inn, 1577 Gateway, Richardson	\$225,750	130	\$1,737
Hampton Inn, 4555 Beltway, Addison	\$454,950	160	\$2,843
Residence Inn by Marriott, 10333 N. Central	\$406,100	103	\$3,943
Residence Inn by Marriott, 13636 Goldmark	\$342,540	70	\$4,893
Entertainment Facilities			
Western dinner/dance hall	\$510,000	25,500	\$20
Family entertainment center	\$840,000	42,000	\$20
Cineplex	\$783,000	52,200	\$15
Country music theater	\$1,632,000	40,800	\$40
Total for entertainment facilities	\$3,765,000	160,500	
Comparables for 1996 DCAD BPP Values:			
Medieval Times	\$912,230	62,339	\$15
AMC Towne Crossing 8 Theaters, 3636 Gus Thomason	\$545,700	35,799	\$15
United Artists Theater, 3635 Gus Thomason	\$244,080	22,735	\$11
AMC Grand 24 Theatres, 10110 Technology	\$2,960,620	84,628	\$35
Restaurants			
Restaurant 1	\$240,000	8,000	\$30
Restaurant 2	\$240,000	8,000	\$30
Restaurant 3	\$420,000	10,500	\$40
Restaurant 4	\$364,000	9,100	\$40
Total for restaurants	\$604,000	17,100	
Comparables for 1995 and 1996 DCAD BPP Values:			
Outback Steakhouse, 3903 Town Crossing	\$282,540	5,922	\$48
Trail Dust Steakhouse, 2717 LBJ	\$183,930	15,148	\$12
McDonald's, 2012 W. Scyene	\$121,210	3,800	\$32
Taco Bell, 1714 Military	\$118,460	2,400	\$49
Macaroni Grill, NW Hwy. near North Dallas Tollway	\$313,980	7,500	\$42
Grady's American Grill, Walnut Hill Lane	\$432,560	7,500	\$58
Western Apparel Mart	\$1,467,000	48,900	\$30
Comparables for 1996 DCAD BPP Values:			
Sheplers' Western Wear, 18500 LBJ	\$1,328,610	56,986	\$23
Cavender's Boot City, 1765 Town East	\$657,250	61,818	\$11
Western Warehouse, 10838 N. Central	\$985,000	21,582	\$46
Total BPP Value for New Development	\$6,286,000		

(1) Excludes new development assumed to occur without TIF.

(2) Estimated values are based on planned project size times a BPP value per unit

(3) Hotel size is measured in guest units. Other project sizes are measured in square feet of floor area. Floor areas are estimated by the developer.

(4) For planned construction, business personal property value per unit is a theoretical January 1997 estimate by Stein Planning and Management.

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Exhibit Q:
Estimated Annual Values of Supplemental Business Personal Property
in the Reinvestment Zone

Assumptions:

Personal property inflation rate before construction	3.0%	Average annual increase.
Personal property inflation rate after construction	2.0%	Assumes depreciation, replacement and inflation.
Tax rate	\$2,497.64	Combined rate for participating jurisdictions in 1996, per \$100.
Average annual tax rate change	1.0%	Applies after 1996.

Values and taxes are net of estimated increases that would occur without tax increment financing. Estimated business personal property values in January 1997 dollars are from a separate schedule and are net of any abatements.

	Base Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Month of valuation and assumed receipt of tax payments for the previous year:	Jan. 1997	Jan. 1998	Jan. 1999	Jan. 2000	Jan. 2001	Jan. 2002	Jan. 2003	Jan. 2004	Jan. 2005
Hotel BPP value		\$0	\$334,184	\$340,867	\$347,685	\$354,638	\$361,731	\$368,968	\$376,345
Entertainment facility BPP values									
Western dinner/dance hall		\$0	\$0	\$557,291	\$568,437	\$579,805	\$591,401	\$603,229	\$615,294
Family entertainment center		\$0	\$0	\$917,891	\$936,248	\$954,973	\$974,073	\$993,554	\$1,013,425
Cineplex		\$0	\$0	\$0	\$0	\$907,712	\$925,866	\$944,383	\$963,271
Country music theater		\$0	\$0	\$0	\$0	\$0	\$1,948,693	\$1,987,667	\$2,027,421
Subtotal		\$0	\$0	\$1,475,181	\$1,504,685	\$2,442,490	\$4,440,034	\$4,528,834	\$4,619,411
Restaurant BPP values									
Restaurant 1		\$0	\$254,616	\$259,708	\$264,902	\$270,201	\$275,605	\$281,117	\$286,739
Restaurant 2		\$0	\$0	\$262,254	\$267,500	\$272,850	\$278,307	\$283,873	\$289,550
Restaurant 3		\$0	\$0	\$0	\$472,714	\$482,168	\$491,811	\$501,648	\$511,681
Restaurant 4		\$0	\$0	\$0	\$0	\$421,976	\$430,415	\$439,024	\$447,804
Subtotal		\$0	\$254,616	\$521,963	\$1,005,116	\$1,447,194	\$1,476,138	\$1,505,660	\$1,535,774
Western apparel mart BPP value		\$0	\$0	\$0	\$1,651,121	\$1,684,144	\$1,717,827	\$1,752,183	\$1,787,227
Total for net new development									
Business personal property value		\$0	\$588,800	\$2,338,011	\$4,508,607	\$5,928,466	\$7,995,729	\$8,155,644	\$8,318,756
Business personal property tax			\$0	\$15,152	\$60,786	\$118,353	\$157,181	\$214,110	\$220,576

**Exhibit Q:
Estimated Annual Values of Supplemental Business Personal Property
in the Reinvestment Zone**

Month of valuation and assumed receipt of tax payments for the previous year:	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16
	Jan. 2006	Jan. 2007	Jan. 2008	Jan. 2009	Jan. 2010	Jan. 2011	Jan. 2012	Jan. 2013
Hotel BPP value	\$548,388	\$559,356	\$570,543	\$581,954	\$593,593	\$605,455	\$617,574	\$629,926
Entertainment facility BPP values								
Western dinner/dance hall	\$627,600	\$640,152	\$652,955	\$666,014	\$679,334	\$692,921	\$706,779	\$720,915
Family entertainment center	\$1,033,694	\$1,054,368	\$1,075,455	\$1,096,964	\$1,118,904	\$1,141,282	\$1,164,107	\$1,187,389
Cineplex	\$982,536	\$1,002,187	\$1,022,231	\$1,042,675	\$1,063,529	\$1,084,799	\$1,106,495	\$1,128,625
Country music theater	\$2,067,969	\$2,109,328	\$2,151,515	\$2,194,545	\$2,238,436	\$2,283,205	\$2,328,869	\$2,375,446
Subtotal	\$4,711,799	\$4,806,035	\$4,902,156	\$5,000,199	\$5,100,203	\$5,202,207	\$5,306,251	\$5,412,376
Restaurant BPP values								
Restaurant 1	\$292,474	\$298,323	\$304,290	\$310,375	\$316,583	\$322,915	\$329,373	\$335,960
Restaurant 2	\$295,341	\$301,248	\$307,273	\$313,418	\$319,687	\$326,080	\$332,602	\$339,254
Restaurant 3	\$521,914	\$532,352	\$542,999	\$553,859	\$564,937	\$576,235	\$587,760	\$599,515
Restaurant 4	\$456,760	\$465,895	\$475,213	\$484,718	\$494,412	\$504,300	\$514,386	\$524,674
Subtotal	\$1,566,489	\$1,597,819	\$1,629,775	\$1,662,371	\$1,695,618	\$1,729,531	\$1,764,121	\$1,799,404
Western apparel mall BPP value	\$1,822,971	\$1,859,431	\$1,896,620	\$1,934,552	\$1,973,243	\$2,012,708	\$2,052,962	\$2,094,021
Total for net new development	\$8,649,648	\$8,822,641	\$8,999,094	\$9,179,076	\$9,362,657	\$9,549,910	\$9,740,909	\$9,935,727
Business personal property value	\$227,238	\$238,639	\$245,846	\$253,271	\$260,920	\$268,799	\$276,917	\$285,280
Business personal property tax								

Exhibit Q:
Estimated Annual Values of Supplemental Business Personal Property
in the Reinvestment Zone

Month of valuation and assumed receipt of tax payments for the previous year:	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24
	Jan. 2014	Jan. 2015	Jan. 2016	Jan. 2017	Jan. 2018	Jan. 2019	Jan. 2020	Jan. 2021
Hotel BPP value	\$642,524	\$655,375	\$668,482	\$681,852	\$695,489	\$709,399	\$723,587	\$738,058
Entertainment facility BPP values								
Western dinner/dance hall	\$735,333	\$750,040	\$765,041	\$780,342	\$795,948	\$811,867	\$828,105	\$844,667
Family entertainment center	\$1,211,137	\$1,235,360	\$1,260,067	\$1,285,269	\$1,310,974	\$1,337,193	\$1,363,937	\$1,391,216
Cineplex	\$1,151,198	\$1,174,222	\$1,197,706	\$1,221,660	\$1,246,094	\$1,271,015	\$1,296,436	\$1,322,364
Country music theater	\$2,422,955	\$2,471,414	\$2,520,843	\$2,571,259	\$2,622,685	\$2,675,138	\$2,728,641	\$2,783,214
Subtotal	\$5,520,624	\$5,631,036	\$5,743,657	\$5,858,530	\$5,975,701	\$6,095,215	\$6,217,119	\$6,341,461
Restaurant BPP values								
Restaurant 1	\$342,680	\$349,533	\$356,524	\$363,654	\$370,927	\$378,346	\$385,913	\$393,631
Restaurant 2	\$346,039	\$352,960	\$360,019	\$367,220	\$374,564	\$382,055	\$389,696	\$397,490
Restaurant 3	\$611,506	\$623,736	\$636,210	\$648,935	\$661,913	\$675,152	\$688,655	\$702,428
Restaurant 4	\$535,167	\$545,871	\$556,788	\$567,924	\$579,282	\$590,868	\$602,685	\$614,739
Subtotal	\$1,835,392	\$1,872,100	\$1,909,542	\$1,947,732	\$1,986,687	\$2,026,421	\$2,066,949	\$2,108,288
Western apparel mart BPP value	\$2,135,902	\$2,178,620	\$2,222,192	\$2,266,636	\$2,311,969	\$2,358,208	\$2,405,372	\$2,453,480
Total for net new development								
Business personal property value	\$10,134,441	\$10,337,130	\$10,543,873	\$10,754,750	\$10,969,845	\$11,189,242	\$11,413,027	\$11,641,287
Business personal property tax	\$293,895	\$302,771	\$311,915	\$321,335	\$331,039	\$341,036	\$351,336	\$361,946

**Exhibit Q:
Estimated Annual Values of Supplemental Business Personal Property
in the Reinvestment Zone**

Month of valuation and assumed receipt of tax payments for the previous year:	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30	Thirty Years
	Jan. 2022	Jan. 2023	Jan. 2024	Jan. 2025	Jan. 2026	Jan. 2027	Cumulative
Hotel BPP value	\$752,820	\$767,876	\$783,234	\$798,898	\$814,876	\$831,174	
Entertainment facility BPP values							
Western dinner/dance hall	\$861,560	\$878,791	\$896,367	\$914,295	\$932,580	\$951,232	
Family entertainment center	\$1,419,040	\$1,447,421	\$1,476,370	\$1,505,897	\$1,536,015	\$1,566,735	
Cineplex	\$1,348,812	\$1,375,788	\$1,403,304	\$1,431,370	\$1,459,997	\$1,489,197	
Comby music theater	\$2,838,878	\$2,895,656	\$2,953,589	\$3,012,640	\$3,072,893	\$3,134,351	
Subtotal	\$6,468,290	\$6,597,656	\$6,729,609	\$6,864,202	\$7,001,486	\$7,141,515	
Restaurant BPP values							
Restaurant 1	\$401,504	\$409,534	\$417,725	\$426,079	\$434,601	\$443,293	
Restaurant 2	\$405,440	\$413,549	\$421,820	\$430,256	\$438,861	\$447,639	
Restaurant 3	\$716,476	\$730,806	\$745,422	\$760,330	\$775,537	\$791,048	
Restaurant 4	\$627,034	\$639,574	\$652,366	\$665,413	\$678,722	\$692,286	
Subtotal	\$2,150,454	\$2,193,463	\$2,237,332	\$2,282,079	\$2,327,720	\$2,374,275	
Western apparel mart BPP value	\$2,502,549	\$2,552,600	\$2,603,652	\$2,655,725	\$2,708,840	\$2,763,017	
Total for net new development	\$11,874,113	\$12,111,595	\$12,353,827	\$12,600,904	\$12,852,922	\$13,109,980	
Business personal property value	\$372,877	\$384,138	\$395,738	\$407,690	\$420,002	\$432,686	\$7,871,452
Business personal property tax							

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Section 5:
**Schedule for Reimbursing
Public Improvement Expenditures
with the TIF Fund**

To accomplish the public improvements and to prompt the taxable private improvements desired for the reinvestment zone, three parties will advance funds for construction of specific public improvements and receive reimbursement, including interest at municipal rates, from future cash flows to the TIF fund. The three parties are (1) the developer of the Mesquite Rodeo City theme entertainment complex, AGF Scyene Rodeo, Ltd. (2) the City of Mesquite and (3) the Mesquite Independent School District. The nature, source, amounts and timing of cash advances are postulated on the first page of Exhibit R (Assumptions). The total value of cash advances in 1997 dollars is \$9,500,000.

These anticipated expenditures for public improvements will be made according to a time schedule stretching to 2002, as seen in Exhibit R. As the anticipated expenditures appear in the appropriate year column of Exhibit R, they have been inflated to meet anticipated increases in construction costs.

Exhibit R charts the anticipated principal and interest balances due to each party that will advance funds for public improvements to be repaid from the TIF fund. The interest rate for all parties is estimated at 6.5%, but will be a fair rate of interest for municipal obligations at the time funds are actually advanced.

The first revenue will flow to the TIF fund in approximately January 1999. The formula for division of available TIF funds among creditors will be as follows, subject to recommendation by the TIF board and confirmation by the Mesquite City Council:

(1) TIF cash will be applied first to administrative fees incurred by the City of Mesquite for the reinvestment zone and TIF fund. These fees are estimated at \$10,000 a year. Fees need to be justified by a log of staff time expended on relevant tasks or by receipts for services and supplies, according to policy set by the TIF board.

(2) Until year 2001, TIF cash remaining after administrative fees will be divided among creditors according to percentages reflecting the share of reimbursable expenditures for public improvements to be made by each creditor. In this preliminary financing plan, the City is anticipated to advance 32.63% of reimbursable funds and receive a like share of TIF fund revenues until repaid. AGF Scyene Rodeo will receive a 56.84% share. The MISD will receive a 10.53% share. These percentages appear on the Exhibit R "Assumptions" display.

(3) Beginning in 2001, the percentages of annual TIF revenue after administrative fees will reflect shares of reimbursable investments *actually* made by each creditor. This mechanism will assure that if one of the anticipated creditors does not make any or part of the

**Exhibit R:
Schedule for Reimbursing Public Improvement Expenditures with the TIF Fund
(Assumptions)**

All values for advances are expressed in January 1997 dollars.

Land cost advanced by City for Conference Center	\$975,000	Paid in 1996. Interest from January 1997.
Public parking cost advanced by developer	\$450,000	Advanced in January 1998.
Stadium improvements advanced by MISD	\$660,000	Advanced in January 1998.
Public infrastructure costs advanced by developer	\$276,000	Advanced in January 1999.
Rodeo Plaza cost advanced by developer	\$1,800,000	Advanced in January 1999.
Exhibition Hall and Conference Center costs advanced by City	\$1,590,000	Advanced in equal increments, Jan. 1998, 1999 and 2000.
Stadium improvements advanced by MISD	\$340,000	Advanced in January 1999.
Public infrastructure costs advanced by developer	\$63,000	Advanced in January 2000.
Exhibition Hall and Conference Center costs advanced by City	\$535,000	Advanced in January 2001.
Public infrastructure costs advanced by developer	\$121,000	Advanced in January 2001.
Rodeo Plaza cost advanced by developer	\$2,690,000	Advanced in January 2002.
Sum of reimbursable advances	\$9,500,000	Sum and all components expressed in 1997 dollars.
Share of investment and return of TIF increment to City	32.63%	Shares are based on 1997 values of investments.
Share of investment and return of TIF increment to developer	56.84%	Shares are based on 1997 values of investments.
Share of investment and return of TIF increment to MISD	10.53%	Shares are based on 1997 values of investments.
Annual rate of inflation for improvement costs after Jan. 1997	3%	
Estimated interest paid on City, MISD advances to TIF fund	6.50%	Interest is annual.
Estimated interest paid on developer advances to TIF fund	6.50%	Interest is annual.
Estimated annual TIF administrative fee	\$10,000	No interest will be added to administrative fee.

Exhibit R:
Schedule for Reimbursing Public Improvement Expenditures from the TIF Fund

Year and month of valuation and application of tax based on previous year's value:	Jan. 2009	Jan. 2010	Jan. 2011	Jan. 2012	Jan. 2013	Jan. 2014	Jan. 2015	Jan. 2016	Jan. 2017	Jan. 2018
TIF Fund Revenue and Cash Balances										
Tax increment to TIF fund from separate schedule	\$1,144,523	\$1,103,897	\$1,281,378	\$1,289,210	\$1,317,825	\$1,351,098	\$1,404,928	\$1,435,745	\$1,467,207	\$1,504,551
TIF fund balance, if positive, after debt service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$715,946
Loans Serviced with TIF Fund Revenue										
City TIF fund administrative expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outstanding administrative fees carried forward	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Plus administrative fees incurred this period	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Subtotal of administrative fees before repayment	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Less reduction of administrative fees this period	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net administrative (less owed)	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Advances from City for public improvements										
Principal balance carried from previous year and plus new principal advanced	\$3,257,891	\$3,089,441	\$2,917,844	\$2,482,750	\$2,226,702	\$1,844,739	\$1,633,526	\$1,284,518	\$902,768	\$485,939
Sum of principal before repayment	\$3,257,891	\$3,089,441	\$2,917,844	\$2,482,750	\$2,226,702	\$1,844,739	\$1,633,526	\$1,284,518	\$902,768	\$485,939
Less reduction of principal this period	\$158,450	\$181,597	\$203,201	\$233,893	\$255,048	\$261,963	\$311,213	\$349,008	\$381,749	\$418,830
Net principal owed	\$3,099,441	\$2,907,844	\$2,714,643	\$2,248,857	\$1,971,654	\$1,582,776	\$1,322,313	\$935,516	\$521,019	\$67,109
Outstanding interest carried forward	\$211,763	\$201,484	\$199,860	\$181,379	\$144,736	\$126,408	\$106,178	\$83,494	\$58,600	\$31,586
Plus interest accrued this period	\$211,763	\$201,484	\$199,860	\$181,379	\$144,736	\$126,408	\$106,178	\$83,494	\$58,600	\$31,586
Sum of interest before repayment	\$423,526	\$402,968	\$399,720	\$362,758	\$289,472	\$252,816	\$212,356	\$166,988	\$117,200	\$63,172
Less reduction of interest this period	\$211,763	\$201,484	\$199,860	\$181,379	\$144,736	\$126,408	\$106,178	\$83,494	\$58,600	\$31,586
Net interest owed	\$211,763	\$201,484	\$199,860	\$181,379	\$144,736	\$126,408	\$106,178	\$83,494	\$58,600	\$31,586
Total principal and interest owed	\$3,311,204	\$3,109,328	\$2,914,503	\$2,430,236	\$2,161,386	\$1,759,184	\$1,434,489	\$1,021,510	\$579,619	\$100,695
Advances from developer for public improvements										
Principal balance carried from previous year and plus new principal advanced	\$5,255,724	\$4,952,459	\$4,607,101	\$4,222,223	\$3,785,358	\$3,304,276	\$2,775,773	\$2,193,681	\$1,543,587	\$59,367
Sum of principal before repayment	\$5,255,724	\$4,952,459	\$4,607,101	\$4,222,223	\$3,785,358	\$3,304,276	\$2,775,773	\$2,193,681	\$1,543,587	\$59,367
Less reduction of principal this period	\$303,285	\$345,358	\$436,877	\$436,985	\$461,082	\$528,504	\$581,882	\$650,304	\$724,130	\$774,130
Net principal owed	\$4,952,439	\$4,607,101	\$4,170,224	\$3,785,238	\$3,324,276	\$2,775,772	\$2,191,889	\$1,543,277	\$769,457	\$19,237
Outstanding interest carried forward	\$341,622	\$321,910	\$299,482	\$274,445	\$248,048	\$214,778	\$180,425	\$142,603	\$100,333	\$54,177
Plus interest accrued this period	\$341,622	\$321,910	\$299,482	\$274,445	\$248,048	\$214,778	\$180,425	\$142,603	\$100,333	\$54,177
Sum of interest before repayment	\$683,244	\$643,820	\$598,964	\$548,890	\$496,096	\$429,556	\$360,850	\$285,206	\$200,666	\$108,354
Less reduction of interest this period	\$341,622	\$321,910	\$299,482	\$274,445	\$248,048	\$214,778	\$180,425	\$142,603	\$100,333	\$54,177
Net interest owed	\$341,622	\$321,910	\$299,482	\$274,445	\$248,048	\$214,778	\$180,425	\$142,603	\$100,333	\$54,177
Total principal and interest owed	\$5,294,061	\$5,254,011	\$4,469,706	\$4,259,673	\$3,820,374	\$3,000,550	\$2,372,304	\$1,728,883	\$870,090	\$173,611
Advances from MSD for public improvements										
Principal balance carried from previous year and plus new principal advanced	\$1,040,508	\$1,021,614	\$964,451	\$906,410	\$827,213	\$746,928	\$657,195	\$558,745	\$448,228	\$195,168
Sum of principal before repayment	\$1,040,508	\$1,021,614	\$964,451	\$906,410	\$827,213	\$746,928	\$657,195	\$558,745	\$448,228	\$195,168
Less reduction of principal this period	\$16,892	\$57,163	\$64,400	\$73,197	\$80,885	\$85,133	\$90,450	\$110,516	\$120,844	\$132,117
Net principal owed	\$1,023,616	\$964,451	\$900,051	\$833,213	\$746,328	\$661,795	\$566,745	\$448,228	\$327,384	\$163,051
Outstanding interest carried forward	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891
Plus interest accrued this period	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891
Sum of interest before repayment	\$61,782	\$61,782	\$61,782	\$61,782	\$61,782	\$61,782	\$61,782	\$61,782	\$61,782	\$61,782
Less reduction of interest this period	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891
Net interest owed	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891	\$30,891
Total principal and interest owed	\$1,054,507	\$1,021,614	\$964,451	\$906,410	\$827,213	\$746,928	\$657,195	\$558,745	\$448,228	\$195,168
Total fees, interest and principal owed	\$8,073,514	\$7,489,395	\$7,073,276	\$6,277,307	\$5,377,706	\$4,386,161	\$3,279,334	\$2,063,550	\$740,474	\$0

anticipated public improvement on the approved schedule, that party will not receive undue benefits. Available TIF fund revenues will be divided among remaining creditors according to the percentages that their actual expenditures approved for reimbursement bear to the total of actual expenditures approved for reimbursement.

(4) No creditor shall receive more proceeds from the TIF fund than the amount of principal and interest due. When the TIF fund has satisfied an obligation to a creditor, available TIF funds may be distributed according to the percentage formula to remaining creditors. When obligations to all creditors have been satisfied, the Mesquite City Council shall terminate the reinvestment zone unless the TIF board representatives of all participating jurisdictions recommend continuation of the zone in order to accomplish one or more additional public improvement(s) and the City Council concurs with that recommendation. Positive TIF fund balances at the time of dissolution of the zone may be returned to general funds of participating jurisdictions according to the relative amounts of their ad valorem tax rate in the year of dissolution or spent for public improvements in the zone, at the discretion of the TIF board and confirmation of the Mesquite City Council.

Exhibit R projects retirement of all financial obligations of the TIF fund by January 2018, after twenty years of collected taxes, with a small surplus. *Actual retirement of all obligations may occur sooner or later.*