

ORDINANCE NO. 3586

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, APPROVING AN AMENDED AND RESTATED PROJECT AND FINANCING PLAN FOR TOWNE CENTRE TAX INCREMENT FINANCE REINVESTMENT ZONE NUMBER TWO, CITY OF MESQUITE, TEXAS; MAKING A FINDING OF FEASIBILITY; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Mesquite, Texas (the "City"), established Towne Centre Tax Increment Finance Reinvestment Zone Number Two, City of Mesquite, Texas (the "Zone"), and established a Board of Directors for the Zone (the "Board") to promote development or redevelopment in the Zone pursuant to Ordinance No. 3257 approved by the City Council on September 21, 1998, 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 on July 27, 1999, prepared and adopted a Project Plan and Financing Plan (the "Plan") for the Zone and was subsequently approved by the City Council on August 16, 1999, pursuant to Ordinance No. 3313; and

WHEREAS, the Board on June 4, 2003, prepared and adopted an Amended and Restated Project and Financing Plan (the "Amended Plan") for the Zone, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference for the Zone; and

WHEREAS, if the Amended Plan reduces or increases the geographic area of the Zone, increases the amount of bonded indebtedness to be incurred, increases or decreases the percentage of a tax increment to be contributed by a taxing unit, increases the total estimated project costs or designates additional property in the Zone to be acquired by the municipality, the approval must be by ordinance adopted after a public hearing that satisfies the procedural requirements of Sections 311.003(c) and (d) of the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, Vernon's Texas Codes Annotated; and

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

WHEREAS, the Board has respectfully advised and recommended approval of the Amended 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, and are incorporated herein for all purposes.

SECTION 2. That the Amended and Restated Project and Financing Plan (the "Amended Plan") submitted to the City Council attached hereto as Exhibit "A" is hereby found to include the following information required under Section 311.011 of the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, Vernon's Texas Codes Annotated.

A. The project portion of the Amended Plan includes:

- (1) A map showing existing uses of real property within the Zone and a map showing proposed improvements to and proposed uses of that property;
- (2) Any proposed changes to zoning ordinances, the Master Plan of the City, building codes or other municipal ordinances;
- (3) A list of estimated non-project costs; and
- (4) A statement of the method for relocating persons who will be displaced as a result of implementation of the Amended Plan.

B. The financing portion of the Amended Plan includes:

- (1) A detailed list of the estimated project costs of the Zone including administrative expenses;
- (2) A list of the kind, number and location of all proposed public works or public improvements within the Zone;
- (3) An economic feasibility study;
- (4) The estimated amount of bonded indebtedness to be incurred;
- (5) The timing for incurring costs or monetary obligations;
- (6) The methods for financing all estimated project costs and the expected sources of revenues 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 within 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. As provided under Section 311.017 of the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, Vernon's Texas Codes Annotated, a tax increment financing reinvestment zone terminates on the earlier of: the termination date designated in the original

or amended ordinance creating the zone, or the date on which all project costs, tax increment bonds and interest on those bonds have been paid in full.

SECTION 3. That in accordance with the Act, the City Council has reviewed the Amended Plan attached hereto as Exhibit "A" and hereby finds the Amended 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 Amended Plan attached hereto as Exhibit "A."

SECTION 5. That should any word, sentence, clause, paragraph or provision of this ordinance be held to be invalid or unconstitutional, the validity of the remaining provisions of this ordinance shall not be affected and shall remain in full force and effect.

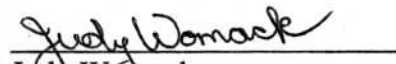
SECTION 6. That the need to approve the Amended Plan for Towne Centre Tax Increment Finance Reinvestment Zone Number Two of the City of Mesquite, and the need to protect the public interest, comfort and general welfare of the citizens of the City of Mesquite, creates an urgency and emergency for the preservation of the public health, safety and welfare, 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 16th day of June, 2003.




Mike Anderson
Mayor

ATTEST:



Judy Womack
City Secretary

APPROVED:



B. J. Smith
City Attorney

Towne Centre Reinvestment Zone

Amended and Restated Project and Financing Plan

A plan for tax increment financing
in Reinvestment Zone Number Two,
Prepared for the City of Mesquite
by Stein Planning and Management

June 21, 1999,
Updated June 4, 2003

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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 sales of bonds, sale 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?

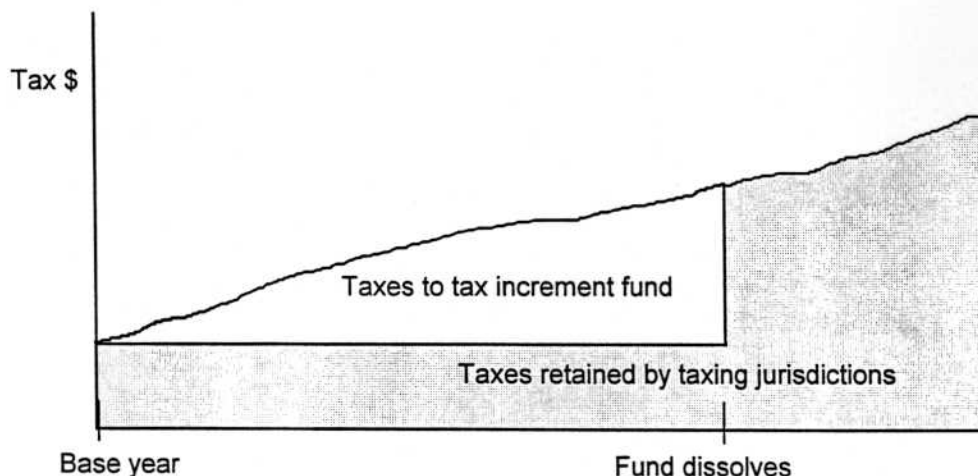
Tax Increment Financing Defined

Tax increment financing (TIF) is a tool local governments of Texas use to finance public improvements within a defined area. The improvements strengthen existing communities and attract new investments. 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 a reinvestment zone ("Zone"). Costs of selected public improvements within the reinvestment zone may be paid by future tax revenues flowing from newly developed or 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" ("Fund") for a specified term of years. Money flowing to the Fund each year is disbursed according to a plan approved by a TIF board and the City Council, as prescribed by statutes and the ordinance designating the reinvestment zone.

Exhibit A shows how tax revenues from real properties in a reinvestment zone flow to taxing jurisdictions and to the tax increment fund. Exhibit A assumes real property values in the Zone rise after the Zone's designation.

**Exhibit A:
Real Property Tax Flow with Tax Increment Financing**



Application in the Towne Centre Area

Only cities may create reinvestment zones for tax increment financing. Once created, school districts, counties, hospital districts and college districts are allowed to participate. Each taxing unit may choose to dedicate to the Fund all, a portion or none of the additional tax revenue attributable to increased real property value in the Zone. The City of Mesquite and the Mesquite Independent School District will each participate in this reinvestment zone with their full potential tax increments.

Inclusion of a property in a reinvestment zone does not change the tax rates for the property. Tax rates in a reinvestment zone are the same as tax rates outside the reinvestment zone, within the same set of taxing jurisdictions.

The City of Mesquite created Tax Increment Reinvestment Zone Number Two by City Ordinance Number 3257. The Zone was approved on September 21, 1998.

Section 2: Zone Boundaries

Exhibit B shows the boundaries of the Towne Centre reinvestment zone. The boundaries may be described as Town East Boulevard, the northwest edge of an electric utility easement generally following Towne Centre Drive, Interstate Highway 635, U. S. Highway 80 and Gus Thomasson Road to a point of beginning at Town East Boulevard.

Boundaries that follow public streets and highways shall be construed to extend to the far side of the right-of-way, measured from the center of the reinvestment zone. This interpretation of boundaries allows the tax increment fund to reimburse public improvements within these rights-of-way if such improvements are duly approved by the TIF Board and consistent with the project plan and financing plan for the reinvestment zone.

Schedule 1 is an inventory of real property accounts and values that are, to the best of knowledge of the TIF Board, within the reinvestment zone, based on the Dallas Central Appraisal District roll. Schedule 1 does not define the reinvestment zone boundaries. Schedule 1 identifies the total current appraised value of taxable real property accounts in the Zone. Unless adjusted for rectification of an error, this is also the tax increment base value of the Zone.

The high initial volume of vacant or underdeveloped land in the zone, particularly west of Interstate Highway 635, is apparent from Exhibit C, a 1998 map of existing land uses and conditions.

Exhibit B:
Reinvestment Zone Boundaries

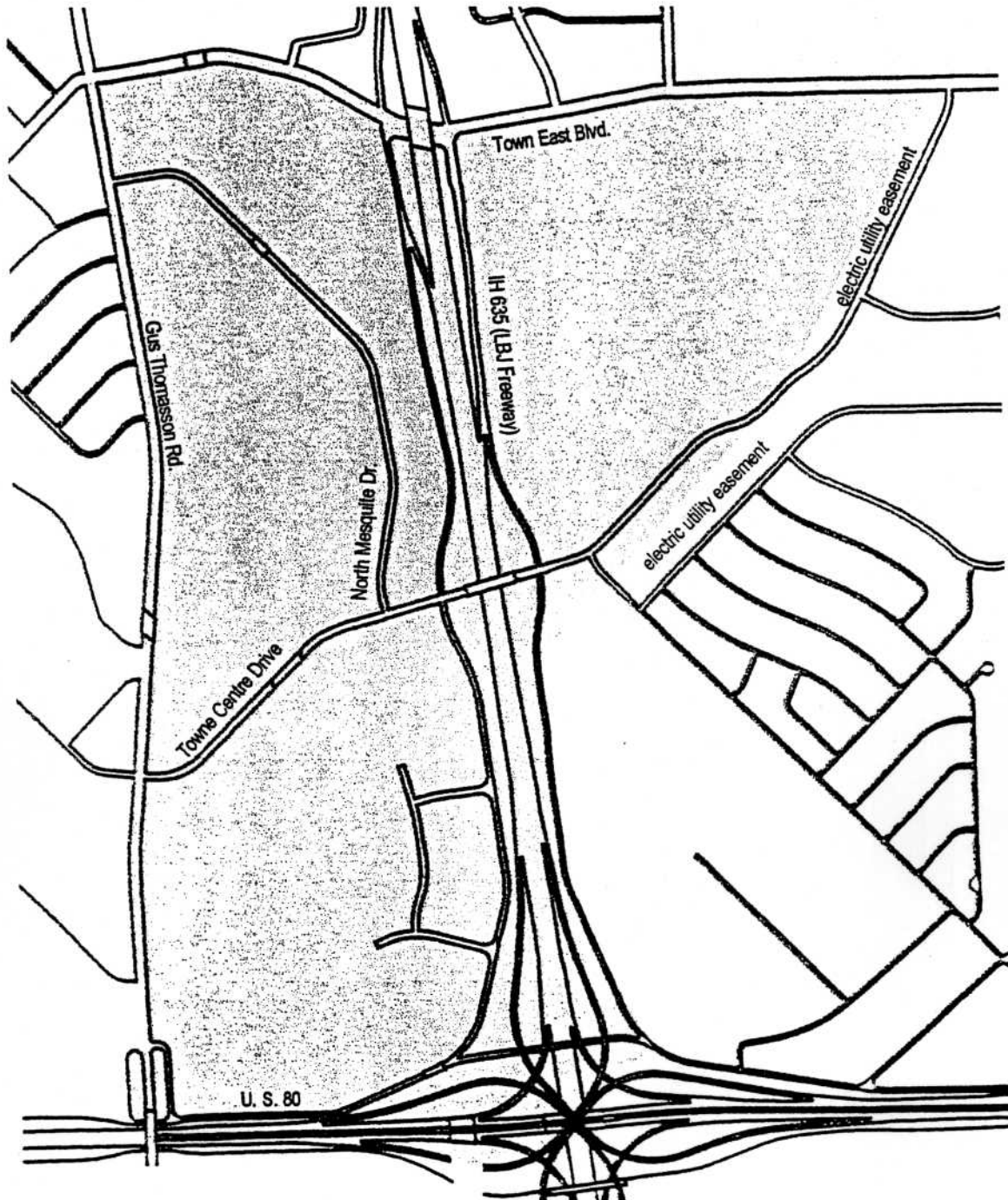
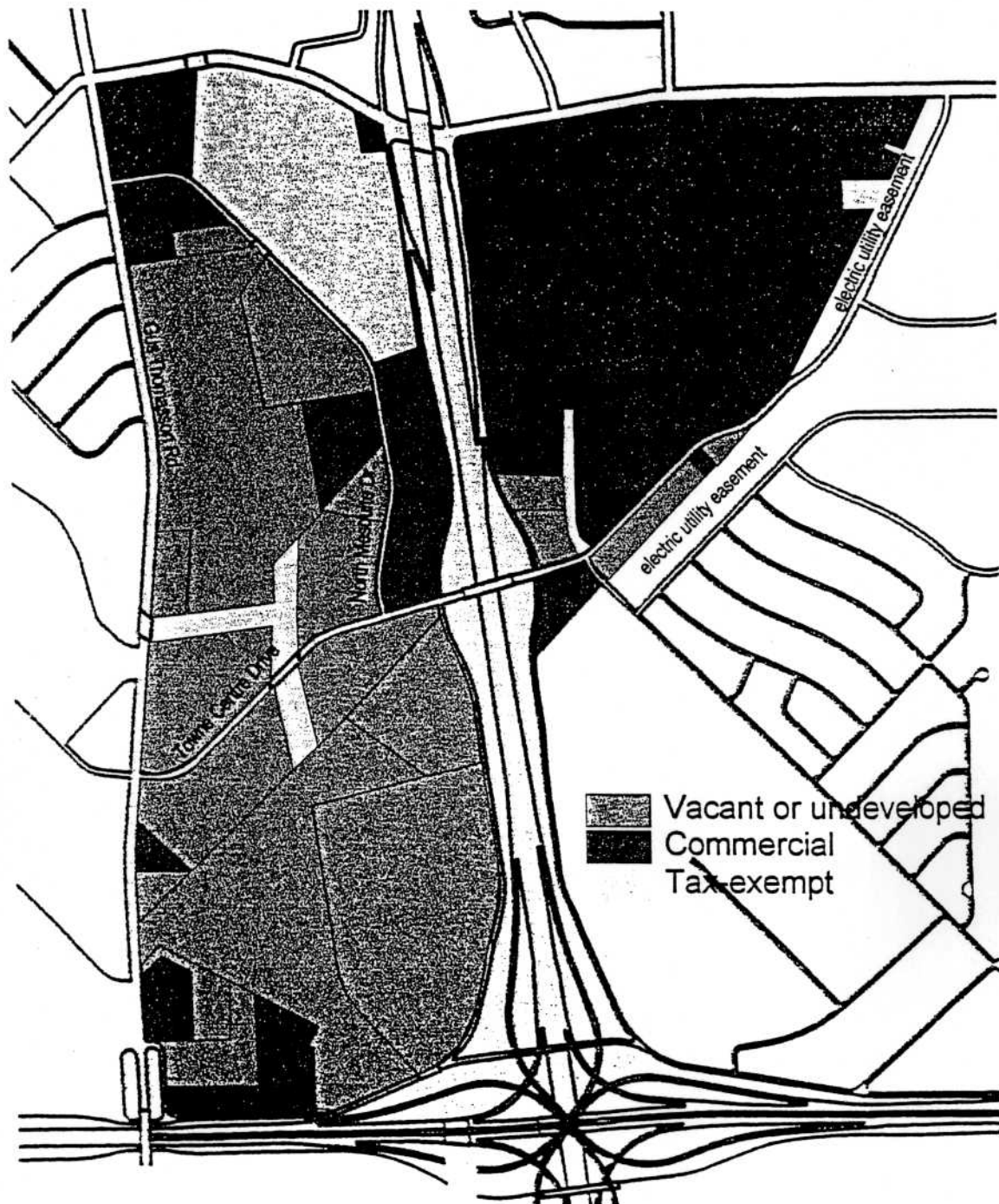


Exhibit C:
Existing Uses and Conditions of Real Property in the Zone



Section 3: Development Proposals

Public Improvements

Exhibit D plots the general locations of public improvements to be paid for with tax increment funds. Actual locations may vary as design advances.

The plan anticipates that the MISD will use \$6 million of cash flowing to the Fund for capital improvements for athletic and recreational facilities or other places of public assembly and related parking and landscaping costs at or near the North Mesquite High School campus. In the event that future studies indicate such places of public assembly would be better situated at an alternative site inside or outside the Zone, an alternative site is consistent with this project plan and financing plan, provided it is consistent with relevant State law for use of tax increment financing funds.

Schedule 2 identifies the kind, approximate number and estimated costs for public improvements and the sources of planning and construction funds that will ultimately be reimbursed by the Fund. These project cost estimates will fluctuate as design and construction progress.

Nonproject costs (public or private costs of development not reimbursed by tax increment funds) are expected to be in the vicinity of \$90 million.

Taxable Private Improvements

Schedule 3 forecasts the pace for conversion of vacant land to taxable new development within the reinvestment zone boundaries with a tax increment financing program and related public improvements.

An objective for the TIF program is to accelerate the pace of taxable development in the Zone. Another anticipated consequence of the TIF program is that a greater portion of the Zone will be used for retail or office development, as opposed to residential development, because the Zone will have easier access from IH 635. Better access will enhance the Zone's attraction for all uses, but if retail and office demand are present, prices paid for retail or office sites with good visibility and access should top the prices apartment developers can justify.

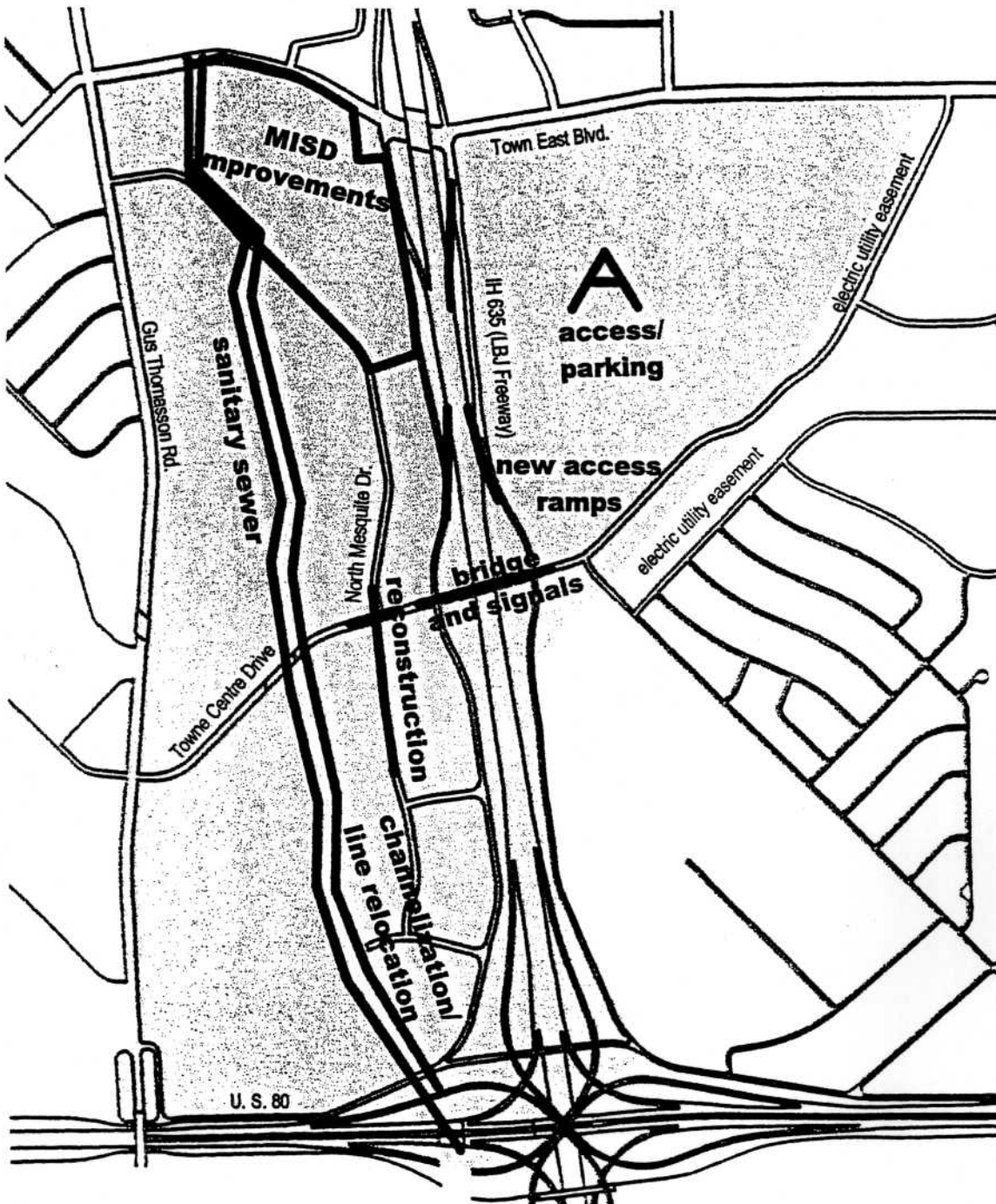
Schedules 4 and 5 are tributary schedule feeding Schedule 3. They identify land still vacant or underdeveloped in 2003 and estimate near-term development, respectively. Development assumptions are by Stein Planning and Management

and do not represent commitments by owners, developers or the City of Mesquite.

Annual appraised real property values in the reinvestment zone with a tax increment financing program are estimated in Schedule 6. Schedule 6 also estimates captured appraised values of the Zone for each year of its term. Captured appraised value is the value taxable by a governmental unit, less the taxable 1998 base value.

No residents will be displaced as a result of implementing this project plan. Neither are any changes of zoning ordinances, the master plan of Mesquite, building codes or other municipal ordinances necessary at this time to implement the project and financing plan.

Exhibit D:
General Location of Towne Centre Public Improvement Projects



Section 4: Revenue and Debt Service Pro Formas

The balance of this project and financial plan anticipates:

- (1) Revenue to the tax increment fund;
- (2) Reimbursement of principal for the public improvements in the Zone, administrative costs and interest costs;
- (3) Net funds retained by taxing jurisdictions.

Revenue to the Tax Increment Fund

The bottom lines of Schedule 7 forecast revenue to the Fund, year by year, by source. The City of Mesquite and the Mesquite Independent School District will each contribute 100% of property tax on the captured appraised value of real property in the Zone. All real property tax on the 1998 base value of the Zone and all personal property tax will flow to participating jurisdictions at all times.

The duration of the Zone is set by City Ordinance 3257:

. . . the Zone shall take effect on January 1, 1999 and . . . termination shall occur on December 31, 2019, or at an earlier time designated by subsequent ordinance of the City Council in the event the City determines that the Zone should be terminated due to insufficient private investment, accelerated private investment or other good cause, or at such time as all project costs and tax increment bonds, if any, and the interest thereon have been paid in full.

Based on the principal, interest and administrative fees to be reimbursed by the Fund, the Fund will have received sufficient income to reimburse planned costs in year 2017. The final year in which incremental taxes flow to the Fund will be a function of how soon the Fund actually reimburses project costs. Although there is no commitment at this time to incur bonded indebtedness to finance any aspect of the public improvements or related public costs of the Zone, issuance of bonds, certificates or other debt instruments backed in whole or in part by TIF revenue is an option available to the City for financing public improvements.

Schedule 7 assumes City and MISD property tax rates will be constant at 2002 levels for the duration of the Zone. Substantially different tax rates could affect reimbursement timing. Based on these tax rates, the City would generate approximately 25% of Fund revenue and the MISD would generate 75%.

Tax Increment Fund Reimbursement for Public Improvements

Schedule 8 is a pro forma for reimbursement of public improvement expenses by the tax increment fund. The priority for application of annual cash flow to the tax increment fund's expenses will be as follows:

- (1) Administrative fees earned by the City for program management. These are \$30,000 per year, starting in 2000.
- (2) Principal for public improvements by the MISD, according to Schedule 2. The timing of cash payments for MISD public improvements may be adjusted by agreement of the TIF Board and the MISD Board. In accord with the project cost schedule, as may be adjusted from time to time, the MISD shall have a claim on tax increment funds senior to all others except administrative fees.
- (3) Interest and return of principal cash advanced for public improvements anticipated by this plan, according to agreements executed by the TIF Board. Interest rates shall not exceed reasonable market rates at the time of the interest agreement. Interest and principal payments may be for fixed periodic amounts or variable amounts, as agreed by the TIF Board and the lender. The TIF Board reserves the right to repay principal and interest earlier than required if cash flow to the Fund permits.

To be eligible for reimbursement, a public improvement must be (1) consistent with this project plan and financing plan approved from time to time by the TIF Board and City Council and (2) addressed by a reimbursement agreement executed by the TIF Board.

Given the assumptions of this plan for project expenditures, interest costs administrative fees and cash flow to the Fund, the Fund would repay the planned project costs in full in 2017. This date of repayment may be earlier or later. Parties owed principal and interest by the Fund must understand that the Fund is the sole source of repayment. Assuming construction and appraisal of the taxable improvements in the Zone as generally anticipated, the tax increment financing program appears economically feasible.

Funds Retained by Taxing Jurisdictions

Schedule 7 summarizes the cash retained by the City and the Mesquite Independent School District after contributions to the tax increment fund.

The tax increment fund will almost certainly have some residual balance of cash on hand after all financial obligations have been met. A residual balance is indicated by the bottom line of Schedule 8, effective in year 2017. Unless the

TIF Board, the City Council and the MISD Board agree otherwise, the residual balance will be distributed to the MISD and the City as soon as all obligations of the Fund have been discharged, according to the percentages of the Fund contributed by each jurisdiction. Should all three bodies agree to use a residual balance for supplemental public improvements in accord with State law for tax increment financing, a residual balance may be so applied.

**Schedule 1:
2002 Appraised Values from Dallas Central Appraisal District,
Towne Centre Reinvestment Zone**

DCAD ACCOUNT	SITE ADDRESS	SITE USE	OWNER	2002 LAND VALUE	2002 IMP VALUE	2002 MARKET VALUE	2002 LAND AREA	2002 FLOOR AREA	2002 LAND/ LAND SF	2002 IMP / BLDG SF	2002 MARKET/ LAND SF	1998 MARKET VALUE
Fully exempt accounts:												
55100765210030000	18203 LBJ FWY	NORTH MESQUITE HS	MESQUITE ISD	\$1,160,220	\$4,950	\$1,165,170	331,492	100	\$3.50	N. A.	N. A.	\$999,420
65100765210020000	18201 LBJ FWY	NORTH MESQUITE HS	MESQUITE ISD	\$2,226,070	\$2,193,260	\$4,419,330	636,020	100	\$3.50	N. A.	N. A.	\$1,914,000
65100765610010000	2000 TOWN EAST BLVD	NORTH MESQUITE HS	MESQUITE ISD	\$2,115,700	\$4,950	\$2,120,650	604,486	0	\$3.50	N. A.	N. A.	
65109509610130000	3301 TOWNE CENTRE DR	WATER TOWER	MESQUITE CITY OF	\$467,220	\$500,000	\$967,220	46,722	1,000	\$10.00	N. A.	N. A.	\$967,220
65146263210690000	2400 TOWNE CENTRE DR	VACANT	MESQUITE CITY OF	\$56,520	\$0	\$56,520	102,758	0	\$0.55	N. A.	N. A.	\$87,340
65146263210720000	2405 TOWNE CENTRE DR	VACANT	MESQUITE CITY OF	\$90,510	\$0	\$90,510	164,570	0	\$0.55	N. A.	N. A.	\$139,890
Vacant or underdeveloped accounts:												
38053500010010000	2237 US HIGHWAY 80 E	VACANT	DEL PROPERTIES INC	\$62,910	\$0	\$62,910	114,389	0	\$0.55	N. A.	\$0.55	\$114,390
38124100030010000	18885 LBJ FWY	VACANT	HORIZONS LAND CO LLC	\$788,000	\$0	\$788,000	43,778	0	\$18.00	N. A.	\$18.00	
38215610020010000	18633 LBJ FWY	TWEETERS SITE	THEG USA LP	\$1,675,220	\$0	\$1,675,220	139,602	0	\$12.00	N. A.	\$12.00	\$2,296,040
38218000020030000	2700 GUS THOMASSON RD	PT TOUR PLAY GOLF	WEITZMAN HERBERT D									\$98,010
38218000020040000	2920 GUS THOMASSON RD	TOUR PLAY GOLF CENTER	MESQUITE JV	\$1,941,470	\$100,390	\$2,041,860	1,941,290	0	\$1.00	N. A.	\$1.05	\$1,458,480
38218000020050000	3301 N MESQUITE DR	PT TOUR PLAY GOLF	TOWN EAST DEALERSHIP	\$101,190	\$0	\$101,190	404,760	0	\$0.25	N. A.	\$0.25	\$92,920
65146262710480000	2237 US HIGHWAY 80 E	VACANT	DEL PROPERTIES INC	\$232,040	\$0	\$232,040	232,044	0	\$1.00	N. A.	\$1.00	\$232,040
65146262810210100	18600 LBJ FWY	CANYON PARTNERS SITE	JDN REAL ESTATE MESQUITE	\$679,110	\$0	\$679,110	754,568	0	\$0.90	N. A.	\$0.90	\$537,790
65146262810210200	19000 LBJ FWY	VACANT	DALMAC CENTRE MESQUITE									\$53,620
65146262810210300	19200 LBJ FWY	VACANT	DALMAC CENTRE MESQUITE									\$31,520
65146262810210400	19020 LBF FWY	VACANT	JDN REAL ESTATE MESQUITE	\$592,710	\$0	\$592,710	206,518	0	\$2.87	N. A.	\$2.87	
65146262810210600	18600 LBJ FWY	VACANT	JDN REAL ESTATE MESQUITE	\$1,102,070	\$0	\$1,102,070	137,759	0	\$8.00	N. A.	\$8.00	
65146262810230000	18500 LBJ FWY	VACANT							N. A.	N. A.	N. A.	\$65,120
65146263210620100	3201 N MESQUITE DR	VACANT	JOY PHILIP &	\$54,210	\$0	\$54,210	72,283	0	\$0.75	N. A.	\$0.75	\$35,420
65146263210660000	2300 TOWNE CENTRE DR	VACANT	FRANKLIN JEANNETTE									\$154,050
65146263210700000	2425 GUS THOMASSON RD	VACANT	VALK DON	\$623,600	\$0	\$623,600	519,670	0	\$1.20	N. A.	\$1.20	\$129,920
65146263210710000	2200 TOWNE CENTRE DR	VACANT	SCC MESQUITE PARTNERS LTD	\$1,926,010	\$0	\$1,926,010	385,201	0	\$5.00	N. A.	\$5.00	\$327,420
65146263210710100	5201 N MESQUITE DR	PARKING	TOWN EAST FORD SALES INC	\$140,000	\$0	\$140,000	70,000	0	\$2.00	N. A.	\$2.00	\$140,000
381593000A0020000	2400 GUS THOMASSON RD	VACANT	KANJI ATIF ASHIQ	\$59,330	\$0	\$59,330	59,329	0	\$1.00	N. A.	\$1.00	\$32,630
382143000B0010000	2501 TOWNE CENTRE DR	VACANT										\$335,940
382143000B0010200	2816 TOWNE CENTRE DR	VACANT										\$28,570
382143000B003R000	2501 TOWNE CENTRE DR	VACANT	REEF DEVELOPMENT INC TR	\$290,500	\$0	\$290,500	48,417	0	\$6.00	N. A.	\$6.00	
382143000B004R000	2501 TOWNE CENTRE DR	VACANT	REEF DEVELOPMENT INC TR	\$275,580	\$0	\$275,580	45,930	0	\$6.00	N. A.	\$6.00	
			Sum or average for undev. only:	\$10,543,950	\$100,390	\$10,644,340	5,175,538	0	\$2.04	N. A.	\$2.06	\$6,163,880
Town East Mall accounts:												
65109509510020000	1738 N TOWN EAST BLVD	SEARS TOWN EAST	SEARS ROEBUCK & CO	\$5,061,510	\$6,212,140	\$11,273,650	813,692	203,409	\$6.22	\$30.54	\$13.85	\$10,601,010
65109509610010000	1800 N TOWN EAST BLVD	TOWN EAST MALL	TOWN EAST MALL PS	\$12,258,060	\$91,949,550	\$104,207,610	1,225,806	384,456	\$10.00	\$239.17	\$85.01	\$99,725,890
65109509610010100	1600 N TOWN EAST BLVD	J C PENNY TOWN EAST	J C PENNY COMPANY INC	\$3,872,490	\$5,540,160	\$9,412,650	576,856	197,642	\$6.71	\$28.03	\$16.32	\$8,939,300
65109509610010300	1418 N TOWN EAST BLVD	PARKING	TOWN EAST MALL PS	\$31,500	\$0	\$31,500	3,150	0	\$10.00	N. A.	\$10.00	\$31,500
65109509610030000	1748 N TOWN EAST BLVD	DILLARDS TOWN EAST	DILLARD TEXAS OPERATING	\$4,344,630	\$5,318,450	\$9,663,080	664,290	459,654	\$6.54	\$11.57	\$14.55	\$9,676,530
65109509610080000	1628 N TOWN EAST BLVD	TOWN EAST CINEMA 16	TOWN EAST MALL PS	\$1,219,680	\$304,770	\$1,524,450	152,460	20,560	\$8.00	\$14.82	\$10.00	\$1,416,110
65109509610120000	1620 N TOWN EAST BLVD	FOLEYS TOWN EAST	PRIMARY PROPERTIES CORP	\$4,379,220	\$5,678,320	\$10,057,540	712,417	458,991	\$6.15	\$12.37	\$14.12	\$10,232,920
65109509610120100	3201 TOWNE CENTRE DR	PARKING	TOWN EAST MALL PS	\$277,730	\$0	\$277,730	55,546	0	\$5.00	N. A.	\$5.00	\$277,730
65109509610129900	1638 N TOWN EAST BLVD	PAYLESS SHOES	PAYLESS SHOESOURCE	\$10	\$296,790	\$296,800	1	3,500	\$10.00	\$84.80	\$296,800.00	\$292,250
			Sum or average for Town East mall only:	\$31,444,830	\$115,300,180	\$146,745,010	4,204,218	1,728,212	\$7.48	\$66.72	\$34.90	\$141,193,240

Schedule 1:
**2002 Appraised Values from Dallas Central Appraisal District,
 Towne Centre Reinvestment Zone**

DCAD ACCOUNT	SITE ADDRESS	SITE USE	OWNER	2002 LAND VALUE	2002 IMP VALUE	2002 MARKET VALUE	2002 LAND AREA	2002 FLOOR AREA	2002 LAND/ SF	2002 IMP/ SF	2002 MARKET/ LAND SF	1998 MARKET VALUE
Other developed accounts:												
38003430010010000	2099 E US HWY 80	THE BARONS APTS	MAVEX MANAGEMENT CORP									\$509,650
38003430010010100	2101 E US HWY 80	VACANT										
38003430010010100	2101 E US HWY 80	THE BARONS APARTMENTS	BARONS INVESTORS LP THE									
38003430010010200	2099 E US HWY 80	VACANT										
38003430010010200	2101 E US HWY 80	THE BARONS APARTMENTS	RESERVA ESPECIAL INC									
65146262810210500	19065 LBJ FWY	KOHL'S	KOHL'S TEXAS LTD	\$3,008,360	\$4,152,120	\$7,160,480	376,045	95,473	\$8.00	\$43.49	\$19.04	
65146262810300000	2231 E U S HWY 80		SLOPEY R A & MARTHA C	\$14,570	\$2,930	\$17,500	3,642	1,800	\$4.00	\$1.63	\$4.81	\$17,600
65146263210640000	2500 TOWNE CENTRE DR	GOLDEN CORRAL	CORRAL GROUP INC	\$602,490	\$669,780	\$1,272,270	528,496	10,580	\$1.14	\$63.31	\$2.41	\$105,680
65146263610350000	2400 E US HWY 80	ELECTRIC LINE	TEXAS UTILITIES ELECTRIC CO	\$333,530	\$0	\$333,530	1,114,744	0	\$0.30	N. A.	\$0.30	\$333,530
380034000A0010000	3300 GUS THOMASSON RD	ALLSTATE	COVENANT FELLOWSHIP	\$276,710	\$278,290	\$555,000	55,342	20,308	\$5.00	\$13.70	\$10.03	\$350,000
380034000A0020000	3400 GUS THOMASSON RD	BLOCKBUSTER	YAMAGUCHI MICHIO TR ET AL	\$368,460	\$691,540	\$1,060,000	52,637	6,514	\$7.00	N. A.	\$20.14	\$800,000
380034300101R0000	2145 E US HWY 80	THE BARONS APARTMENTS	MAVEX MANAGEMENT CORP	\$800,690	\$8,536,140	\$9,336,830	400,347	174,157	\$2.00	\$49.01	\$23.32	
380034300101R0100	2101 E US HWY 80	THE BARONS APARTMENTS	BARONS INVESTORS LP THE	\$1,468,390	\$9,831,610	\$11,300,000	587,354	242,328	\$2.50	\$40.57	\$19.24	
380034300101R0200	2101 E US HWY 80	THE BARONS APARTMENTS	RESERVA ESPECIAL INC	\$4,730	\$0	\$4,730	412,513	0	\$0.01	N. A.	\$0.01	
38006600010010000	2231 US HIGHWAY 80 E	WILLOW BEND CARE CTR	CKKTX LTD	\$940,900	\$980,920	\$1,921,820	235,224	43,802	\$4.00	\$22.39	\$8.17	\$1,603,590
380431000a0010000	1900 TOWNE EAST BLVD	CHEVRON	CHEVRON USA INC	\$362,290	\$851,730	\$1,214,020	30,191	2,004	\$12.00	\$425.01	\$40.21	\$496,580
38053500000020000	2220 GUS THOMASSON RD	CREEKSIDE VILLAGE	ANDERSON SCOTT P	\$72,440	\$433,500	\$505,940	72,440	16,466	\$1.00	\$26.33	\$6.98	\$327,400
380535200A0030000	2200 GUS THOMASSON RD	EASTRIDGE PARK LEARNIN	LAM CHUN	\$73,180	\$218,680	\$291,860	73,180	8,395	\$1.00	\$26.05	\$3.99	\$320,000
38097500010010000	18515 LBJ FWY	HAVERTY FURNITURE	HAVERTY FURNITURE CO INC	\$521,910	\$1,090,670	\$1,612,580	74,558	40,780	\$7.00	\$26.75	\$21.63	\$1,100,000
381241000B0020000	18775 LBJ FWY	LIFEWAY CHRISTIAN BOOK	VR MESQUITE VENTURE I LTD	\$799,830	\$389,540	\$1,189,370	54,189	10,856	\$14.76	\$35.88	\$21.95	
381241000B0030000	18885 LBJ FWY	MATTRESS FIRM, CAR TOY	KOURY FAMILY LTD PS	\$825,000	\$676,300	\$1,501,300	48,787	10,800	\$16.91	\$62.62	\$30.77	
381593000A0010000	2424 GUS THOMASSON RD	SOUTHWEST LAND TITLE	HARTSELL JAY	\$114,240	\$318,740	\$432,980	57,120	5,124	\$2.00	\$62.21	\$7.58	\$368,940
38173610010010000	2110 N TOWN EAST BLVD	CHINA FIRST	COMERICA BANK	\$150,320	\$209,700	\$360,020	18,790	2,944	\$8.00	\$71.23	\$19.16	\$278,240
38173610010020000	2100 N TOWN EAST BLVD	TOYS R US	TOYSAN LTD PARTNERSHIP	\$1,025,900	\$594,740	\$1,620,640	209,367	48,164	\$4.90	\$12.35	\$7.74	\$1,610,640
38176500000010000	18401 LBJ FWY	TOWN EAST FORD	HELMUTH BEVERLY A TR ET AL	\$1,018,740	\$529,770	\$1,548,510	145,534	10,652	\$7.00	\$49.73	\$10.64	\$1,438,200
38176500000030000	4201 N MESQUITE DR	FORD PARTS SERVICE	HELMUTH BEVERLY A TR ET AL	\$610,540	\$1,751,940	\$2,362,480	305,268	40,035	\$2.00	\$43.76	\$7.74	\$2,043,080
38214300010010000	18500 LBJ FWY	SHEPLER S	ROCKOLA CORPORATION THE	\$1,597,060	\$2,300,780	\$3,897,840	199,633	199,633	\$8.00	\$11.53	\$19.53	\$3,700,000
382143000A0020000	2727 TOWNE CENTRE DR	GARDEN RIDGE	FRANKLIN TOWNE CENTRE L P	\$2,567,580	\$5,232,380	\$7,799,960	513,516	142,296	\$5.00	\$36.77	\$15.19	\$7,216,430
382143000A0030000	18690 LBJ FWY	JUST FOR FEET	REALTY INC TEXAS	\$637,520	\$2,205,080	\$2,842,600	75,002	21,468	\$8.50	\$102.71	\$37.90	\$637,520
382143000A0040000	18680 LBJ FWY	SALTGRASS STEAKHOUSE	FSI RESTAURANT DEVELOPMENT L	\$859,360	\$1,049,960	\$1,909,320	101,101	7,574	\$8.50	\$138.63	\$18.89	\$758,500
382143000B0020000	2736 TOWNE CENTRE DR	KWIK KOPY	MURPHY JOHN A	\$89,410	\$275,820	\$365,230	14,902	4,495	\$6.00	\$61.36	\$24.51	\$260,000
382143000B0050000	2521 TOWNE CENTRE DR	CITY GARAGE	ZELL THREE INC	\$185,690	\$269,670	\$455,360	28,567	4,600	\$6.50	\$58.62	\$15.94	
382143000B01R0000	2604 TOWNE CENTRE DR	CW MINI MART	COLLINSWORTH & WATSON	\$360,050	\$630,160	\$990,210	40,006	3,600	\$9.00	\$175.04	\$24.75	
382143000C0010000	18770 LBJ FWY	BASSETT FURNITURE	OLP MESQUITE LTD	\$1,001,040	\$1,579,700	\$2,580,740	102,671	22,638	\$9.75	\$69.78	\$25.14	\$1,002,320
382143000D0010000	1416 N TOWN EAST BLVD	PARKING	AWB REALTY LP	\$76,160	\$0	\$76,160	6,347	6,347	\$12.00	\$0.00	\$12.00	\$63,470
382143000D0020000	1500 N TOWN EAST BLVD	PETCO	AWB REALTY LP	\$554,600	\$984,340	\$1,538,940	46,217	16,020	\$12.00	\$61.44	\$33.30	\$1,537,920
382143000D0040000	1400 N TOWN EAST BLVD	BANK OF AMERICA	AWB REALTY LP	\$687,850	\$302,150	\$990,000	57,321	4,500	\$12.00	\$67.14	\$17.27	\$981,840
382143000D0050000	1420 N TOWN EAST BLVD	BURGER STREET	AWB REALTY LP	\$282,910	\$65,420	\$348,330	23,573	744	\$12.00	\$87.93	\$14.78	\$294,640
382143000D0060000	1600 N TOWN EAST BLVD	CHICK FIL A	CHICK FIL A	\$536,110	\$648,750	\$1,184,860	44,649	3,399	\$12.01	\$190.86	\$26.54	\$1,184,240
382143000D0070000	1616 N TOWN EAST BLVD	TEXAS DRUG WAREHOUSE	CDKP PARTNERS L P	\$719,340	\$1,262,440	\$1,981,780	74,931	24,706	\$9.60	\$51.10	\$26.45	\$1,778,840
382143000D01R0000	1418 N TOWN EAST BLVD	M J DESIGNS	MJ CROSSING LTD	\$1,171,520	\$418,480	\$1,590,000	195,253	46,068	\$6.00	\$9.08	\$8.14	\$3,421,330
382143000D03R0000	1414 N TOWN EAST BLVD	LONG JOHN SILVERS	AWB REALTY LP	\$209,240	\$173,860	\$383,100	17,437	2,370	\$12.00	\$73.36	\$21.97	\$329,930
38215600010010000	18601 LBJ FWY	TOWN EAST TOWER	INTERNATIONAL TOWN E TWR	\$852,860	\$4,357,970	\$5,210,830	121,837	106,078	\$7.00	\$41.08	\$42.77	\$4,400,550
38218000010010000	3235 N MESQUITE DR	BANK ONE	BANK ONE TEXAS N A	\$222,830	\$522,110	\$744,940	89,130	1,650	\$2.50	\$316.43	\$8.36	\$202,980
382180000201A0000	3220 GUS THOMASSON RD	THOMASSON VILLAGE SC	FRANMAK INC	\$637,130	\$1,362,870	\$2,000,000	127,422	36,300	\$5.00	\$37.54	\$15.70	\$1,512,000
382180000202A0000	3224 GUS THOMASSON RD	BANK OF AMERICA	BANK OF AMERICA TEXAS NA	\$136,560	\$259,440	\$396,000	27,312	3,988	\$5.00	\$65.06	\$14.50	\$305,750
38223750010010000	2349 US HIGHWAY 80 E	U HAUL	SAC SELF STORAGE LP	\$457,340	\$1,004,820	\$1,462,160	91,467	42,560	\$5.00	\$23.61	\$15.99	\$1,292,820
65146262810160000	18885 LBJ FWY	HOME DEPOT	HOME DEPOT USA	\$4,122,830	\$5,936,690	\$10,059,520	588,975	113,068	\$7.00	\$52.51	\$17.08	\$270,480
Sum or average for other development only:				\$31,358,210	\$63,051,530	\$94,409,740	7,443,037	1,605,284	\$4.21	\$39.28	\$12.68	\$42,854,690
Sum or average for all taxable developed land:				\$62,803,040	\$178,351,710	\$241,154,750	11,647,255	3,333,496	\$5.39	\$53.50	\$20.70	\$184,047,930
Sum or average for all taxable accounts:				\$73,346,990	\$178,452,100	\$251,799,090	16,822,793	3,333,496	\$4.36	\$53.53	\$14.97	\$190,211,810

**Schedule 2:
Estimated Project Costs**

Item	Estimated Cost When Advanced	Fund Advance Date	Who Advances?
TIF Project Costs			
Relocation of Brazos Electric distribution line along east bank of South Mesquite Creek, between Towne Centre Drive and U. S. 80; TIF reimburses this 50% share.	\$480,000	05/01/2002	JDN
South Mesquite Creek sanitary sewer, Phase 1 parallel to Gus Thomasson and IH 635, between Town East Boulevard and U. S. 80; TIF reimburses this 50% share.	\$58,750	05/01/2002	Development
South Mesquite Creek improvement, Phase 1 TIF reimburses this 50% share.	\$88,811	05/01/2002	Development
South Mesquite Creek sanitary sewer, Phase 2 TIF reimburses this 50% share.	\$91,244	05/01/2002	JDN
South Mesquite Creek improvement, Phase 2 TIF reimburses this 30% share.	\$218,717	07/01/2003	Ford
North Mesquite Drive improvement TIF reimburses this 20% share.	\$147,728	07/01/2003	Ford
Town East Mall water line	\$100,000	05/01/2004	developer
IH 635 improvements (IH 30 to US 80)	\$5,423,948	05/01/2004	bonds
Town East Mall parking and circulation	\$14,102,264	05/01/2004	bonds
MISD improvements			
Campus improvements inside zone or public assembly areas outside zone	\$900,000	05/01/2005	Tax Incr. Fund
	\$1,000,000	05/01/2006	Tax Incr. Fund
	\$1,000,000	05/01/2007	Tax Incr. Fund
	\$1,000,000	05/01/2008	Tax Incr. Fund
	\$1,000,000	05/01/2009	Tax Incr. Fund
	<u>\$1,100,000</u>	05/01/2010	Tax Incr. Fund
	\$6,000,000		
Less adjustment for nonpayment of TIF revenue wt	\$0	05/01/2001	MISD
	\$0	05/01/2002	MISD
	<u>\$680,343</u>	05/01/2003	MISD
	\$680,343		
Net funds for MISD improvements	<u>\$5,319,657</u>		
Traffic signals at North Mesquite Dr. and Towne Centre E	\$237,893	05/01/2019	Mesquite Quality of Life Corp.
Interest expense for projects (from separate schedule)	\$8,540,874	2004-2019	Tax Incr. Fund
Administrative expenses (fees) to City	\$540,000	2000-2019	Tax Incr. Fund
Total project costs	<u>\$35,383,729</u>		

June 4, 2003

**Schedule 3:
Estimated Areas of Taxable New Development in the Zone**

Assumptions:

Retail development quantities through 1/1/2008 are based on specific developments.

SF floor area added to Mall: , completed by 1/1/2008

For office development and retail after 2008, average floor area coverage:

For residential development after 2003, average floor area coverage:

See Schedule 3 for estimated areas of development through 1/1/2008.

Year:	Base	1	2	3	4	5	6	7	8	9	10	11	12
<i>Valuations for Jan. 1:</i>	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
SF of vacant/underdeveloped land on roll, 1/1					5,175,538	4,235,892	4,235,892	4,141,545	3,371,171	3,371,171	2,894,595	2,694,595	2,594,595
Net vacant land SF developed for retail prior year						939,646	-	94,347	770,374	-	476,576	-	100,000
Vacant land SF developed for residential prior year						-	-	-	-	-	-	200,000	-
Vacant land SF developed for office prior year						-	-	-	-	-	-	-	-
Total land SF developed prior year						939,646	-	94,347	770,374	-	476,576	200,000	100,000
Cum. vacant land SF developed since 1/1/2002						939,646	939,646	1,033,993	1,804,367	1,804,367	2,280,943	2,480,943	2,580,943
SF retail floor area new on roll as of 1/1						289,836	-	15,000	112,000	-	40,000	-	20,000
SF residential floor area new on roll as of 1/1						-	-	-	-	-	-	60,000	-
SF office floor area new on roll as of 1/1						-	-	-	-	-	-	-	-
Total SF floor area new on roll as of 1/1						289,836	-	15,000	112,000	-	40,000	60,000	20,000
Cum. SF floor area developed since 1/1/2002						289,836	289,836	304,836	416,836	416,836	456,836	516,836	536,836
% of 2002 vacant land vacant/underdeveloped							82%	82%	80%	65%	65%	56%	50%

**Schedule 3:
Estimated Areas of Taxable New Development in the Zone**

<i>Year:</i>	13	14	15	16	17	18	19	20	21		
<i>Valuations for Jan. 1:</i>	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total	
SF of vacant/underdeveloped land on roll, 1/12,	394,595	2,194,595	2,094,595	1,994,595	1,994,595	1,694,595	1,694,595	1,694,595	1,694,595	1,694,595	1,694,595
Net vacant land SF developed for retail prior year	-	200,000	-	100,000	-	-	-	-	-	2,680,943	
Vacant land SF developed for residential prior year	-	-	-	-	-	300,000	-	-	-	500,000	
Vacant land SF developed for office prior year	200,000	-	100,000	-	-	-	-	-	-	300,000	
Total land SF developed prior year	200,000	200,000	100,000	100,000	-	300,000	-	-	-	3,480,943	
Cum. vacant land SF developed since 1/1/2002	2,780,943	2,980,943	3,080,943	3,180,943	3,180,943	3,480,943	3,480,943	3,480,943	3,480,943	3,480,943	
SF retail floor area new on roll as of 1/1	-	40,000	-	20,000	-	-	-	-	-	536,836	
SF residential floor area new on roll as of 1/1	-	-	-	-	-	90,000	-	-	-	150,000	
SF office floor area new on roll as of 1/1	40,000	-	20,000	-	-	-	-	-	-	60,000	
Total SF floor area new on roll as of 1/1	40,000	40,000	20,000	20,000	-	90,000	-	-	-	746,836	
Cum. SF floor area developed since 1/1/2002	576,836	616,836	636,836	656,836	656,836	746,836	746,836	746,836	746,836	746,836	
% of 2002 vacant land vacant/underdeveloped	46%	42%	40%	39%	39%	33%	33%	33%	33%	33%	

**Schedule 4:
Vacant and Underdeveloped Land,
January 1, 2003,
Towne Centre Reinvestment Zone**

DCAD ACOUNT	SITE ADDRESS	SITE USE	OWNER	2003 LAND AREA	2003 FLOOR AREA
Vacant or underdeveloped accounts:					
38053500010010000	2237 US HIGHWAY 80 E	VACANT	DEL PROPERTIES INC	114,389	0
38124100030010000	18885 LBJ FWY	VACANT	HORIZONS LAND CO LLC		
38215610020010000	18633 LBJ FWY	TWEETERS SITE	THEG USA LP		
38218000020030000	2700 GUS THOMASSON RD	PT TOUR PLAY GOLF	WEITZMAN HERBERT D		
38218000020040000	2920 GUS THOMASSON RD	TOUR PLAY GOLF CENTER	MESQUITE JV	1,941,290	0
38218000020050000	3301 N MESQUITE DR	PT TOUR PLAY GOLF	TOWN EAST DEALERSHIP	404,760	0
65146262710480000	2237 US HIGHWAY 80 E	VACANT	DEL PROPERTIES INC	232,044	0
65146262810210100	18600 LBJ FWY	CANYON PARTNERS SITE	JDN REAL ESTATE MESQUITE		
65146262810210200	19000 LBJ FWY	VACANT	DALMAC CENTRE MESQUITE		
65146262810210300	19200 LBJ FWY	VACANT	DALMAC CENTRE MESQUITE		
65146262810210400	19020 LBF FWY	VACANT	JDN REAL ESTATE MESQUITE		
65146262810210600	18600 LBJ FWY	VACANT	JDN REAL ESTATE MESQUITE		
65146262810230000	18500 LBJ FWY	VACANT			
65146263210620100	3201 N MESQUITE DR	VACANT	JOY PHILIP &	72,283	0
65146263210660000	2300 TOWNE CENTRE DR	VACANT	FRANKLIN JEANNETTE		
65146263210700000	2425 GUS THOMASSON RD	VACANT	VALK DON	519,670	0
65146263210710000	2200 TOWNE CENTRE DR	VACANT	SCC MESQUITE PARTNERS LTD		
65146263210710100	5201 N MESQUITE DR	PARKING	TOWN EAST FORD SALES INC	70,000	0
381241000A0030000	19020 LBJ FWY	VACANT	JDN REAL ESTATE MESQUITE	206,621	0
381593000A0020000	2400 GUS THOMASSON RD	VACANT	KANJI ATIF ASHIQ	59,329	0
382143000B0010000	2501 TOWNE CENTRE DR	VACANT			
382143000B0010200	2816 TOWNE CENTRE DR	VACANT			
382143000B003R000	2501 TOWNE CENTRE DR	VACANT	REEF DEVELOPMENT INC TR		
382143000B004R000	2501 TOWNE CENTRE DR	VACANT	REEF DEVELOPMENT INC TR		
382143000B03R0000	2501 TOWNE CENTRE DR	VACANT	REEF DEVELOPMENT INC TR	48,917	0
382143000B04R0000	2501 TOWNE CENTRE DR	VACANT	REEF DEVELOPMENT INC TR	45,930	0
38215780010020000	18861 LBJ FWY	VACANT	THEG USA LP	44,083	0
38216800010020000	2500 TOWNE CENTRE DR	VACANT	CORRAL GROUP INC	476,576	0
Sum or average for undev. only:				4,235,892	0

Schedule 5:
Estimated Areas of Near-term Development
in the Towne Centre TIF Zone

Development by Year of Initial Appraisal	Land SF	Approx. Floor SF	FloorArea/ Land Area
New retail anticipated on roll as of 1/1/2005			
REEF sites	94,347	15,000	16%
The Marketplace at Towne Centre (TEB @ GT; on roll by 1/1/2006)			
grocery		40,000	
pad site		20,000	
convenience store		4,000	
Subtotal	519,670	64,000	12%
Remnant of Tweetters site (1/1/2006)	44,083	8,000	18%
JDN site remnant (1/1/2006)	206,621	40,000	19%
Large remnant of Golden Corral site (1/1/2008)	476,576	40,000	8%

June 4, 2003

**Schedule 6:
Taxable Real Property Appraisal Forecasts for the Zone**

Assumptions:

Annual net change of appraisals for developed land and improvements:	1.0%	
One-time land appraisal increase per land SF at development (excl. mall properties):	\$3	in 2002 dollars.
Est. improvement appraisal per new retail floor area SF:	\$50	in 2002 dollars.
Est. improvement appraisal per new residential floor area SF:	\$30	in 2002 dollars.
Est. improvement appraisal per new office floor area SF:	\$70	in 2002 dollars.
Annual inflation of land and floor area appraisal values before completion:	3.0%	

Year:	Base	1	2	3	4	5	6	7	8	9	10
Valuations for Jan. 1,	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Actual taxable real property value	\$190,211,810	\$197,596,210	\$210,901,600	\$233,271,480	\$251,799,090						
Est. taxable value w appreciation of developed property only						\$254,317,081	\$274,868,612	\$277,617,298	\$281,533,592	\$293,342,005	\$296,275,425
Est. appraisal change for new retail development						\$17,830,060	\$0	\$1,128,832	\$8,904,038	\$0	\$4,095,275
Est. appraisal change for new residential development						\$0	\$0	\$0	\$0	\$0	\$0
Est. appraisal change for new office development						\$0	\$0	\$0	\$0	\$0	\$0
Est. total taxable real property value	\$190,211,810	\$197,596,210	\$210,901,600	\$233,271,480	\$251,799,090	\$272,147,141	\$274,868,612	\$278,746,130	\$290,437,629	\$293,342,005	\$300,370,700
Captured appraised value (increase from 1998 base)		\$7,384,400	\$20,689,790	\$43,059,670	\$61,587,280	\$81,935,331	\$84,656,802	\$88,534,320	\$100,225,819	\$103,130,195	\$110,158,890

**Schedule 6:
Taxable Real Property Appraisal Forecasts for the Zone**

Year:	11	12	13	14	15	16	17	18	19	20	21
Valuations for Jan. 1,	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Actual taxable real property value											
Est. taxable value w appreciation of developed property only	\$303,374,407	\$309,411,724	\$314,169,111	\$321,791,393	\$328,538,431	\$334,200,545	\$339,414,575	\$342,808,720	\$351,777,832	\$355,295,611	\$358,848,567
Est. appraisal change for new retail development	\$0	\$1,646,801	\$0	\$3,494,183	\$0	\$1,853,489	\$0	\$0	\$0	\$0	\$0
Est. appraisal change for new residential development	\$2,973,835	\$0	\$0	\$0	\$0	\$0	\$0	\$5,486,163	\$0	\$0	\$0
Est. appraisal change for new office development	\$0	\$0	\$4,436,229	\$0	\$2,353,198	\$0	\$0	\$0	\$0	\$0	\$0
Est. total taxable real property value	\$306,348,242	\$311,058,526	\$318,605,340	\$325,285,576	\$330,891,629	\$336,054,034	\$339,414,575	\$348,294,883	\$351,777,832	\$355,295,611	\$358,848,567
Captured appraised value (increase from 1998 base)	\$116,136,432	\$120,846,716	\$128,393,530	\$135,073,766	\$140,679,819	\$145,842,224	\$149,202,765	\$158,083,073	\$161,566,022	\$165,083,801	\$168,636,757

Schedule 7:
Estimated Real Property Taxes Collected, Retained and Dedicated to Tax Increment Fund
From the Towne Centre Reinvestment Zone

Assumptions:

Property tax rates per \$100 after 2001 (2002 rates): % of real property tax increments to TIF Fund:
 City: \$0.54148 100% City
 MISD: \$1.62000 100% School District
 Assumes constant tax rates and 100% collection

Reinvestment Zone Year:	Base	1	2	3	4	5	6	7	8	9	10
<i>Valuations for Jan. 1,</i>	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Taxable value of real property	\$190,211,810	\$197,596,210	\$210,901,600	\$233,271,480	\$251,799,090	\$272,147,141	\$274,868,612	\$278,746,130	\$290,437,629	\$293,342,005	\$300,370,700
Real property tax collected by:											
City*	\$1,029,959	\$1,069,944	\$1,141,990	\$1,263,118	\$1,363,442	\$1,473,622	\$1,488,359	\$1,509,355	\$1,572,662	\$1,588,388	\$1,626,447
MISD*	\$3,005,347	\$3,122,020	\$3,332,245	\$3,685,689	\$4,079,145	\$4,408,784	\$4,452,872	\$4,515,687	\$4,705,090	\$4,752,140	\$4,866,005
Total*	\$4,035,306	\$4,191,964	\$4,474,235	\$4,948,808	\$5,442,587	\$5,882,406	\$5,941,230	\$6,025,042	\$6,277,751	\$6,340,529	\$6,492,453
Real property tax retained by:											
City*	\$1,029,959	\$1,029,959	\$1,029,959	\$1,029,959	\$1,029,959	\$1,029,959	\$1,029,959	\$1,029,959	\$1,029,959	\$1,029,959	\$1,029,959
MISD*	\$3,005,347	\$3,005,347	\$3,005,347	\$3,005,347	\$3,081,431	\$3,081,431	\$3,081,431	\$3,081,431	\$3,081,431	\$3,081,431	\$3,081,431
Total*	\$4,035,306	\$4,035,306	\$4,035,306	\$4,035,306	\$4,111,390	\$4,111,390	\$4,111,390	\$4,111,390	\$4,111,390	\$4,111,390	\$4,111,390
Tax dedicated to TIF fund by:											
City*	\$0	\$39,985	\$112,031	\$233,160	\$333,483	\$443,663	\$458,400	\$479,396	\$542,703	\$558,429	\$596,488
MISD*	\$0	\$116,674	\$326,899	\$680,343	\$997,714	\$1,327,352	\$1,371,440	\$1,434,256	\$1,623,658	\$1,670,709	\$1,784,574
Total*	\$0	\$156,659	\$438,930	\$913,502	\$1,331,197	\$1,771,016	\$1,829,840	\$1,913,652	\$2,166,361	\$2,229,139	\$2,381,062

*Taxes are due without penalty on January 31 of the year after the column header. Balances obligated to the TIF fund are due 90 days later.

Schedule 7:

Estimated Real Property Taxes Collected, Retained and Dedicated to Tax Increment Fund
From the Towne Centre Reinvestment Zone

Reinvestment Zone Year:	11	12	13	14	15	16	17	18	19	20	Cumulative, 20 Years of Dedications
<i>Valuations for Jan. 1,</i>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Taxable value of real property	\$306,348,242	\$311,058,526	\$318,605,340	\$325,285,576	\$330,891,629	\$336,054,034	\$339,414,575	\$348,294,883	\$351,777,832	\$355,295,611	
Real property tax collected by:											
City*	\$1,658,814	\$1,684,320	\$1,725,184	\$1,761,356	\$1,791,712	\$1,819,665	\$1,837,862	\$1,885,947	\$1,904,807	\$1,923,855	\$32,090,849
MISD*	\$4,962,842	\$5,039,148	\$5,161,407	\$5,269,626	\$5,360,444	\$5,444,075	\$5,498,516	\$5,642,377	\$5,698,801	\$5,755,789	\$95,752,703
Total*	\$6,621,656	\$6,723,468	\$6,886,591	\$7,030,983	\$7,152,156	\$7,263,741	\$7,336,378	\$7,528,324	\$7,603,607	\$7,679,644	\$127,843,552
Real property tax retained by:											
City*	\$1,029,959	\$1,029,959	\$1,029,959	\$1,029,959	\$1,029,959	\$1,029,959	\$1,029,959	\$1,029,959	\$1,029,959	\$1,029,959	\$20,599,178
MISD*	\$3,081,431	\$3,081,431	\$3,081,431	\$3,081,431	\$3,081,431	\$3,081,431	\$3,081,431	\$3,081,431	\$3,081,431	\$3,081,431	\$61,400,372
Total*	\$4,111,390	\$4,111,390	\$4,111,390	\$4,111,390	\$4,111,390	\$4,111,390	\$4,111,390	\$4,111,390	\$4,111,390	\$4,111,390	\$81,999,550
Tax dedicated to TIF fund by:											
City*	\$628,856	\$654,361	\$695,225	\$731,397	\$761,753	\$789,706	\$807,903	\$855,988	\$874,848	\$893,896	\$11,491,671
MISD*	\$1,881,410	\$1,957,717	\$2,079,975	\$2,188,195	\$2,279,013	\$2,362,644	\$2,417,085	\$2,560,946	\$2,617,370	\$2,674,358	\$34,352,331
Total*	\$2,510,266	\$2,612,078	\$2,775,200	\$2,919,592	\$3,040,766	\$3,152,351	\$3,224,988	\$3,416,934	\$3,492,217	\$3,568,253	\$45,844,002

**Schedule 8:
Cash Flow and Reimbursement**

Assumptions:

MISD payments to TIF fund are delayed one calendar year behind City payments for the corresponding period, until May 1, 2010.
Management fees due City are deferred until 5/1/2002.

Year:	Base	1	2	3	4	5	6	7	8	9	10	11
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Cash for debt service, approx. May 1												
Received from City			\$39,985	\$112,031	\$233,160	\$333,483	\$443,663	\$458,400	\$479,396	\$542,703	\$558,429	\$596,488
Received from MISD			\$0	\$116,674	\$326,899	\$680,343	\$997,714	\$1,327,352	\$1,371,440	\$1,434,256	\$1,623,658	\$1,670,709
Total real property tax to TIF fund			\$39,985	\$228,705	\$560,058	\$1,013,826	\$1,441,377	\$1,785,752	\$1,850,836	\$1,976,959	\$2,182,088	\$2,267,198
Plus carryover from previous year			\$0	\$39,985	\$308,675	\$59,928	\$677,309	\$0	\$0	\$0	\$0	\$0
Less administrative fees			\$0	\$0	\$90,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Less principal for MISD facilities			\$0	\$0	\$0	\$0	\$0	\$900,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Net funds available for debt service	\$0	\$0	\$39,985	\$268,690	\$778,733	\$1,043,754	\$2,088,687	\$855,752	\$820,836	\$946,959	\$1,152,088	\$1,237,198

Assumptions:

Relocation of Brazos Electric distribution line	\$480,000	Advanced in 2002, reimbursed by May 2003
South Mesquite Creek sanitary sewer improvement	\$58,750	Advanced in 2002, reimbursed by May 2003
South Mesquite Creek improvement	\$88,811	Advanced in 2002, reimbursed by May 2003
South Mesquite Creek sanitary sewer improvement	\$91,244	Advanced in 2002, reimbursed by May 2003
South Mesquite Creek improvement	\$218,717	Advanced 7/1/03 by Town East Ford
North Mesquite Drive improvement	\$147,728	Advanced 7/1/03 by Town East Ford
Town East Mall water line	\$100,000	Advanced 5/1/04 by developer
IH 635 (IH 30 to US 80) improvements	\$5,423,948	Advanced 5/1/04 by City, probably bonds
Town East Mall parking and circulation	\$14,102,264	Advanced 5/1/04 by City, probably bonds
Signals at N. Mesquite Dr. and Towne Centre Blvd.	\$237,893	Advanced 5/1/19 by MQOLC
Interest on cash advances, compounded annually	5.25%	Actual terms will be set when repayment agreement originates.

Advances in 2002 accrued no interest.

City may issue bonds to pay advances for IH 635 and Town East Mall circulation/parking.

**Advances and reimbursements,
approx. May 1**

Principal carried from previous year	\$0	\$0	\$0	\$0	\$0	\$0	\$17,537,525	\$17,537,525	\$17,537,525	\$17,537,525	\$17,537,525	\$17,464,936
New principal advanced	\$0	\$0	\$0	\$718,805	\$366,445	\$19,626,212	\$0	\$0	\$0	\$0	\$0	\$0
Less principal repaid this year	\$0	\$0	\$0	\$718,805	\$366,445	\$2,088,687	\$0	\$0	\$0	\$0	\$72,589	\$320,288
Net reimbursable principal	\$0	\$0	\$0	\$0	\$0	\$0	\$17,537,525	\$17,537,525	\$17,537,525	\$17,537,525	\$17,464,936	\$17,144,647
Interest carried from previous year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64,968	\$168,263	\$150,858	\$0
Interest accrued this period	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$920,720	\$924,131	\$929,554	\$928,640	\$916,909
Total interest before reduction this period	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$920,720	\$989,099	\$1,097,817	\$1,079,498	\$916,909
Less interest repaid this year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$855,752	\$820,836	\$946,959	\$1,079,498	\$916,909
Net reimbursable interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64,968	\$168,263	\$150,858	\$0	\$0
Total p & i owed by TIF fund	\$0	\$0	\$0	\$0	\$0	\$0	\$17,537,525	\$17,602,493	\$17,705,788	\$17,688,383	\$17,464,936	\$17,144,647
Total paid for fees, principal, interest	\$0	\$0	\$0	\$808,805	\$396,445	\$2,118,687	\$1,785,752	\$1,850,836	\$1,976,959	\$2,182,088	\$2,267,198	
TIF fund balance at end of period	\$0	\$0	\$39,985	\$308,675	\$59,928	\$677,309	\$0	\$0	\$0	\$0	\$0	\$0

Schedule 8:

Cash Flow and Reimbursement

Year:	12	13	14	15	16	17	18	19	20	21	Cumulative for 20 Years (2 through 21)
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Cash for debt service, approx. May 1											
Received from City	\$628,856	\$654,361	\$695,225	\$731,397	\$761,753	\$789,706	\$807,903	\$855,988	\$874,848	\$893,896	\$11,491,671
Received from MISD	\$3,665,984	\$1,957,717	\$2,079,975	\$2,188,195	\$2,279,013	\$2,362,644	\$2,417,085	\$2,560,946	\$2,617,370	\$2,674,358	\$34,352,331
Total real property tax to TIF fund	\$4,294,840	\$2,612,078	\$2,775,200	\$2,919,592	\$3,040,766	\$3,152,351	\$3,224,988	\$3,416,934	\$3,492,217	\$3,568,253	\$45,844,002
Plus carryover from previous year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,031,182	\$6,523,399	
Less administrative fees	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$0	\$0	\$540,000
Less principal for MISD facilities	\$1,100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000,000
Net funds available for debt service	\$3,164,840	\$2,582,078	\$2,745,200	\$2,889,592	\$3,010,766	\$3,122,351	\$3,194,988	\$3,386,934	\$6,523,399	\$10,091,653	
Advances and reimbursements, approx. May 1											
Principal carried from previous year	\$17,144,647	\$14,879,902	\$13,079,019	\$11,020,467	\$8,709,449	\$6,155,929	\$3,356,765	\$338,007	\$0	\$0	\$0
New principal advanced	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,711,461
Less principal repaid this year	\$2,264,746	\$1,800,883	\$2,058,552	\$2,311,018	\$2,553,520	\$2,799,164	\$3,018,758	\$338,007	\$0	\$0	\$20,711,461
Net reimbursable principal	\$14,879,902	\$13,079,019	\$11,020,467	\$8,709,449	\$6,155,929	\$3,356,765	\$338,007	\$0	\$0	\$0	\$0
Interest carried from previous year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest accrued this period	\$900,094	\$781,195	\$686,648	\$578,575	\$457,246	\$323,186	\$176,230	\$17,745	\$0	\$0	\$8,540,874
Total interest before reduction this period	\$900,094	\$781,195	\$686,648	\$578,575	\$457,246	\$323,186	\$176,230	\$17,745	\$0	\$0	\$8,540,874
Less interest repaid this year	\$900,094	\$781,195	\$686,648	\$578,575	\$457,246	\$323,186	\$176,230	\$17,745	\$0	\$0	\$8,540,874
Net reimbursable interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total p & i owed by TIF fund	\$14,879,902	\$13,079,019	\$11,020,467	\$8,709,449	\$6,155,929	\$3,356,765	\$338,007	\$0	\$0	\$0	\$0
Total paid for fees, principal, interest	\$4,294,840	\$2,612,078	\$2,775,200	\$2,919,592	\$3,040,766	\$3,152,351	\$3,224,988	\$385,752	\$0	\$0	\$35,792,335
TIF fund balance at end of period	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,031,182	\$6,523,399	\$10,091,653	

Schedule Not Used:

January 1, 2002 Dallas Central Appraisal District Preliminary Values of Real and Business Personal Property For Selected Developments and Comparables in the Towne Centre Vicinity

Business Name	Location	Land Appraisal	Improvements Appraisal	Total Real Property Appraisal	Land SF	Approx. Floor SF	FloorArea/ Land Area	mpr. Floor SF	Appr. and Land SF	Total Appr. Appraisal Land SF	Business Personal Property Appraisal	BPP/ Floor SF	Total Real Property
Typical Businesses													
Bank of America	3224 Gus Thomas	\$136,560	\$259,440	\$396,000	27,312	3,988	15%	\$65	\$5	\$14	\$230,630	\$58	58%
Bank One	3235 N. Mesquite	\$222,830	\$522,110	\$744,940	89,130	1,650	2%	\$316	\$3	\$8	\$10,860	\$7	1%
Bassett Furniture	18770 LBJ	\$1,001,040	\$1,708,740	\$2,709,780	102,802	22,638	22%	\$75	\$10	\$26	\$464,340	\$21	17%
Blockbuster	2598 Gus Thomas	\$368,460	\$691,540	\$1,060,000	52,637	6,514	12%	\$106	\$7	\$20	\$160,230	\$25	15%
Burger Street	1420 N. Town East	\$282,910	\$65,420	\$348,330	23,573	744	3%	\$88	\$12	\$15	\$36,780	\$49	11%
Chevron	1900 Towne East E	\$362,200	\$851,730	\$1,213,930	30,191	2,004	7%	\$425	\$12	\$40	\$270,330	\$135	22%
Chik-Fil-A	1600 N. Town East	\$536,110	\$648,750	\$1,184,860	44,649	3,399	8%	\$191	\$12	\$27	\$168,150	\$49	14%
Garden Ridge	2727 Towne Centr	\$2,567,580	\$5,232,380	\$7,799,960	513,516	142,296	28%	\$37	\$5	\$15	\$2,160,830	\$15	28%
Haverty's Furniture	18515 LBJ	\$521,910	\$1,232,750	\$1,754,660	74,558	40,780	55%	\$30	\$7	\$24	\$793,880	\$19	45%
Home Depot	18885 LBJ	\$4,417,310	\$5,936,690	\$10,354,000	588,975	113,068	19%	\$53	\$7	\$18	\$6,566,820	\$58	63%
Kohl's	19065 LBJ	\$3,008,380	\$8,225,000	\$11,233,380	528,496	95,473	18%	\$86	\$6	\$21	\$3,346,500	\$35	30%
Kwik Kopy, Dallas Diamc	2736 Towne Centr	\$89,410	\$275,820	\$365,230	14,902	4,495	30%	\$61	\$6	\$25	\$168,030	\$37	46%
Long John Silvers	1414 N. Town East	\$209,240	\$173,860	\$383,100	17,437	2,370	14%	\$73	\$12	\$22	\$37,240	\$16	10%
Pelco	1500 N. Town East	\$554,600	\$983,340	\$1,537,940	46,217	16,020	35%	\$61	\$12	\$33	\$424,970	\$27	28%
Saltgrass Steakhouse	18680 LBJ	\$859,360	\$1,049,960	\$1,909,320	101,101	7,574	7%	\$139	\$9	\$19	\$418,750	\$55	22%
Sheplers Western Wear	18500 LBJ	\$1,597,060	\$2,300,780	\$3,897,840	199,639	51,458	26%	\$45	\$8	\$20	\$1,292,210	\$25	33%
Toys R Us	2100 N. Town East	\$1,025,900	\$594,740	\$1,620,640	209,367	48,164	23%	\$12	\$5	\$8	\$1,734,920	\$36	107%
Totals or averages		17,760,860	30,753,050	48,513,910	2,664,502	562,635	21%	\$55	\$7	\$18	\$18,285,470	\$32	38%

New retail anticipated on roll as of 1/1/2003

Staples	\$0	206,474	23,940	12%
Linens 'n Things			35,040	
Michael's			24,084	
Ross			30,192	
Ultimate Electronics			31,676	
shoes, ladies' clothing (2), cosmetics (Retail 1-6)			42,825	
Subtotal	\$0	619,423	163,817	26%

Average for above retail comparables through 1/1/2003

Golden Corral (85% on roll 1/02, balance by 1/03)		80,000	6,000	8%
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New retail anticipated on roll as of 1/1/2003

Macaroni Grill		78,249	6,000	8%
Applebee's		73,199	6,000	8%
Tweeter's (on Levitz site) (assume 1/1/2003 appraisal)		139,392	85,000	

Schedule Not Used:

January 1, 2002 Dallas Central Appraisal District Preliminary Values of Real and Business Personal Property
For Selected Developments and Comparables in the Towne Centre Vicinity

balance of Tweeter's site					incl above	13,500									
					139,392	98,500	71%								
New retail anticipated on roll as of 1/1/2003															
Best Buy						45,620									
Bed, Bath and Beyond						25,000									
Borders Books						23,000									
					385,201	93,620	24%								
New retail anticipated on roll as of 1/1/2004															
strip convenience stores across from Garden Ridge					123,000	15,000	12%								
retail outparcel 3 (assume 1/1/2004 appraisal)					58,603	6,000	10%								
retail outparcel 4 (assume 1/1/2004 appraisal)					63,122	6,000	10%								
The Marketplace at Towne Centre (TEB @ GT; on roll by 1/1/2006)															
grocery						40,000									
pad site						20,000									
convenience store						4,000									
					519,670	64,000	12%								
large remnant of Golden Corral site e of corner, facing TC Dr. (1/1/2008)					486,280	40,000	8%								
Department stores (2001 values)															
Sears	3000 Town East	\$5,061,510	\$5,539,500	\$10,601,010	813,692	203,409	25%	\$27	\$6	\$13	\$8,496,490	\$42	80%		
Foley's	4000 Town East	\$4,379,220	\$5,853,700	\$10,232,920	712,417	162,396	23%	\$36	\$6	\$14	\$6,557,090	\$40	64%		
Dillard's	5000 Town East	\$4,344,630	\$5,331,900	\$9,676,530	664,290	204,636	31%	\$26	\$7	\$15	\$6,743,890	\$33	70%		
J. C. Penney	6000 Town East	\$3,872,490	\$5,066,810	\$8,939,300	576,856	197,642	34%	\$26	\$7	\$15	\$6,387,090	\$32	71%		
Nordstrom at Galleria	5200 Alpha	\$2,525,150	\$15,144,990	\$17,670,140	80,163	230,000	287%	\$66	\$32	\$220	\$20,450,700	\$89	116%		
Apartments (2001 values)															
The Place at Towne Cros	3701 Towne Cross	\$2,653,980	\$12,309,020	\$14,963,000	884,660	352,187	40%	\$35	\$3	\$17	N.A.	N.A.	N.A.		
The Lane at Towne Cros	4035 Towne Cross	\$2,049,980	\$8,685,020	\$10,735,000	683,255	298,255	44%	\$29	\$3	\$16	N.A.	N.A.	N.A.		
The Barons	2101 E US Hwy 8C	\$1,463,120	\$13,531,610	\$14,994,730	999,758	242,328	24%	\$56	\$1	\$15	N.A.	N.A.	N.A.		
Falltree Apts.	19200 LBJ	\$501,880	\$2,806,240	\$3,308,120	250,940	103,030	41%	\$27	\$2	\$13	N.A.	N.A.	N.A.		
Smith Summit Apts.	1057 Americana	\$1,186,290	\$7,198,120	\$8,384,410	474,516	255,121	54%	\$28	\$3	\$18	N.A.	N.A.	N.A.		
Totals or averages		\$7,855,250	\$44,530,010	\$52,385,260	3,293,129	1,250,921	38%	\$36	\$2	\$16	N.A.	N.A.	N.A.		