

ORDINANCE NO. 3587

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A DEVELOPMENT AGREEMENT WITH TOWN EAST DEALERSHIP PROPERTY, L.P., TO CONSTRUCT PUBLIC IMPROVEMENTS TO NORTH MESQUITE DRIVE WHICH WILL BE REIMBURSED BY THE TOWNE CENTRE TAX INCREMENT FINANCE REINVESTMENT ZONE NUMBER TWO, CITY OF MESQUITE, TEXAS; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Mesquite (the "City") recognizes the importance of its continued role in local economic development; and

WHEREAS, the City Council of the City of Mesquite, Texas (the "City Council"), established the Towne Centre Tax Increment Finance Reinvestment Zone Number Two, City of Mesquite, Texas (the "TIF Zone") and approved a Project and Financing Plan (the "Plan"), for such zone in accordance with the Tax Increment Financing Act, as amended pursuant to V.T.C.A., Tax Code, Chapter 311 (the "Act") to promote development and redevelopment in the TIF Zone through the use of tax increment financing; and

WHEREAS, the Act authorizes the expenditure of funds derived within the TIF Zone (the "Tax Increment Fund") for the construction of public improvements consistent with the Plan, in which expenditures and monetary obligations constitute project costs as defined in the Act (the "Project Costs"); and

WHEREAS, Town East Dealership Property, L.P., a Texas limited partnership ("Town East Ford"), presented a proposal to the Board of Directors of the TIF Zone (the "TIF Board") to construct certain public improvements in accordance with a proposed developer participation contract (the "Development Agreement") for North Mesquite Drive Reconstruction (the "Road Reconstruction"); and

WHEREAS, on June 4, 2003, the TIF Board approved the expenditures set forth in this Development Agreement, thereby adopting an amendment to the Plan to include such expenditures as Project Costs and authorizing reimbursement from the Towne Centre TIF Zone Tax Increment Fund in an amount not to exceed \$147,727.00 for the Road Reconstruction; and

WHEREAS, pursuant to Ordinance No. 3586 approved on June 16, 2003, the City Council approved the amendments to the Plan to include such Project Costs thereby authorizing reimbursement to Town East Ford from the Tax Increment Fund for a portion of the costs advanced by Town East Ford for the Road Reconstruction as set forth in this Development Agreement; and

WHEREAS, the reimbursement of funds advanced by Town East Ford for the Road Reconstruction is for the purpose of making public improvements consistent with and described in the Plan for the TIF Zone.

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

SECTION 1. That the terms and conditions of the developer participation contract between the City and Town East Dealership Property, L.P. (the "Development Agreement"), which is attached hereto and made a part hereof for all purposes as Exhibit "A," having been reviewed by the City Council and found to meet the requirements of Subchapter C, Chapter 212, Local Government Code and in the best interests of the City of Mesquite and its citizens, are hereby in all things approved.

SECTION 2. That the City Manager is hereby authorized to execute the Development Agreement and all other documents in connection therewith on behalf of the City of Mesquite substantially according to the terms and conditions set forth therein.

SECTION 3. That all ordinances or portions thereof in conflict with the provisions of this ordinance, to the extent of such conflict, are hereby repealed. To the extent that such ordinances or portions thereof are not in conflict herewith, the same shall remain in full force and effect.

SECTION 4. 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.

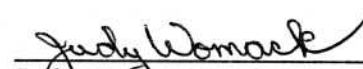
SECTION 5. That the need to enter into this Development Agreement and the need to protect the public interest, comfort and general welfare of the citizens of the City of Mesquite, creates an urgency and an emergency for the preservation of the public health, safety and welfare, and requires that this 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 16th day of June, 2003.




Mike Anderson  
Mayor

ATTEST:

  
\_\_\_\_\_  
Judy Womack  
City Secretary

APPROVED:

  
\_\_\_\_\_  
B. J. Smith  
City Attorney

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

**DEVELOPMENT AGREEMENT WITH TOWN EAST DEALERSHIP PROPERTY, L.P.,  
FOR NORTH MESQUITE DRIVE RECONSTRUCTION**

**THIS DEVELOPMENT AGREEMENT** (hereinafter referred to as "AGREEMENT") is entered into by and between the City of Mesquite, a Texas municipal corporation of Dallas County, Texas (hereinafter referred to as "CITY"), and Town East Dealership Property, L.P., a Texas limited partnership (hereinafter referred to as "TOWN EAST FORD"), acting by and through its duly authorized officers and its affiliates.

**WITNESSETH:**

**WHEREAS**, CITY recognizes the importance of its continued role in local economic development; and

**WHEREAS**, on September 21, 1998, the City Council of the City of Mesquite, Texas, approved Ordinance No. 3257 establishing the Towne Centre Tax Increment Financing Reinvestment Zone Number Two, City of Mesquite, Texas (hereinafter referred to as "TOWNE CENTRE TIF DISTRICT"), as amended, in accordance with the Tax Increment Financing Act, as amended pursuant to V.T.C.A., Tax Code, Chapter 311 (hereinafter referred to as the "ACT") to promote development and redevelopment in the Towne Centre area through the use of tax increment financing; and

**WHEREAS**, the ACT authorizes the expenditure of funds derived within a reinvestment zone, whether from bond proceeds or other funds, for the payment of expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by a municipality consistent with the project plan of the reinvestment zone, in which expenditures and monetary obligations constitute project costs as defined in the ACT (hereinafter referred to as "PROJECT COSTS"); and

**WHEREAS**, on June 4, 2003, the Board of Directors of the Towne Centre TIF District approved this AGREEMENT, authorizing reimbursement to TOWN EAST FORD from the Towne Centre TIF District Tax Increment Fund (hereinafter referred to as the "TAX INCREMENT FUND"); and

**WHEREAS**, pursuant to Ordinance No. 3587 approved on June 16, 2003, the City Council of the City of Mesquite, Texas, authorized the reimbursement of PROJECT COSTS, wherein reimbursement will hereby be made to TOWN EAST FORD from the TAX INCREMENT FUND for the costs advanced by TOWN EAST

FORD for the North Mesquite Drive Reconstruction (hereinafter referred to as "IMPROVEMENTS"); and

**WHEREAS**, the contemplated IMPROVEMENTS to be developed within the TOWNE CENTRE TIF DISTRICT, as set forth in this AGREEMENT, are consistent with encouraging development of the TOWNE CENTRE TIF DISTRICT in accordance with the purposes for its creation and are in compliance with the CITY's Guidelines and Criteria as established by the ordinance creating such reinvestment zone adopted by the CITY and all applicable laws; and

**WHEREAS**, the reimbursement of funds advanced for the cost of the IMPROVEMENTS is for the purpose of making public improvements consistent with and described in the Project Plan and Reinvestment Zone Financing Plan for the TOWNE CENTRE TIF DISTRICT (hereinafter referred to as the "PROJECT PLAN"), which plan is attached hereto and made a part hereof for all purposes as Exhibit "A."

**NOW, THEREFORE**, in consideration of the mutual covenants and obligations herein, the parties agree as follows:

**SECTION 1.            DEVELOPMENT PLAN FOR TOWNE CENTRE AREA IMPROVEMENTS**

- A. In conjunction with the long-term development plan for the TOWNE CENTRE TIF DISTRICT, as described in the PROJECT PLAN, TOWN EAST FORD agrees to advance for public purposes the funding necessary to construct the IMPROVEMENTS. The IMPROVEMENTS to be constructed shall hereinafter be referred to as the "PROJECT". A description of the PROJECT is attached hereto and made a part hereof for all purposes as Exhibit "B." The PROJECT is located entirely within the city limits of Mesquite, Texas, and within the TOWNE CENTRE TIF DISTRICT and all eligible infrastructure improvements shall be constructed within the public right-of-way or within public easements.
- B. TOWN EAST FORD agrees to pay for the construction of the PROJECT pursuant to this AGREEMENT with reimbursement of a portion of the cost to be paid by CITY pursuant to this AGREEMENT.

**SECTION 2.            CITY PARTICIPATION**

In consideration of TOWN EAST FORD funding the PROJECT, CITY agrees, subject to the conditions contained in this AGREEMENT, to reimburse TOWN EAST FORD for a portion of the PROJECT COSTS associated with the costs of the PROJECT from current funds in the TAX INCREMENT FUND, as such funds are on deposit in the TAX INCREMENT FUND; provided, however, that notwithstanding any other provisions to the contrary, the CITY'S obligation to reimburse TOWN EAST FORD

as described below shall be limited to twenty percent (20%) of those aggregate costs including costs for design, construction and construction administration not exceeding one hundred forty-seven thousand, seven hundred twenty-seven dollars (\$147,727.00) plus interest as specified in Section 3.C. hereof toward the PROJECT COSTS associated with the costs of the PROJECT which have been or are to be incurred by TOWN EAST FORD. The costs incurred by TOWN EAST FORD as described in this AGREEMENT shall be reimbursed solely from the TAX INCREMENT FUND, subject to the limitation on reimbursement provided in Sections 2, 3 and 4 of this AGREEMENT. Notwithstanding any other provision to the contrary contained in this AGREEMENT, in no event shall the monies on deposit in the TAX INCREMENT FUND be used to reimburse TOWN EAST FORD for PROJECT COSTS advanced as described in this AGREEMENT in excess of one hundred forty-seven thousand, seven hundred twenty-seven dollars (\$147,727.00) plus interest as specified in Section 3.C.

### **SECTION 3. REIMBURSEMENT PROCEDURE**

- A. CITY and TOWN EAST FORD agree that the PROJECT COSTS advanced by TOWN EAST FORD may be reimbursed only from the TAX INCREMENT FUND, and only to the extent funds are available in said Fund. Subject to the conditions and limitations set out in Section 2, 3 and 4 of this AGREEMENT, reimbursement shall be made to TOWN EAST FORD. TOWN EAST FORD agrees to look solely to the TAX INCREMENT FUND and not to CITY's general funds or other CITY bond funds for reimbursement of all PROJECT COSTS advanced to the extent monies in the TAX INCREMENT FUND are available. Nothing in this AGREEMENT shall be construed to require CITY to approve reimbursements from any source of CITY funds other than the TAX INCREMENT FUND or to require CITY to issue TIF bonds, the issuance of such bonds being within the discretion of the City Council of the City of Mesquite, Texas. Upon the expiration of the term of the TOWNE CENTRE TIF DISTRICT as provided in the ordinance creating same, as amended, any PROJECT COSTS advanced by TOWN EAST FORD as described in this AGREEMENT that remain un-reimbursed due to the lack or unavailability of TAX INCREMENT FUNDS or due to TOWN EAST FORD's failure to meet any precondition of reimbursement under this AGREEMENT, shall no longer be considered PROJECT COSTS of the TOWNE CENTRE TIF DISTRICT and any obligation of CITY to reimburse TOWN EAST FORD shall automatically expire on such date; this provision, however, shall not be construed to limit or modify the obligations or covenants contained in any outstanding TIF bonds which CITY in its discretion may issue for the purpose of paying or reimbursing PROJECT COSTS. Further, any tax increment which has accrued during the term of the TOWNE CENTRE TIF DISTRICT but is collected subsequent to the date on which the term of the TOWNE CENTRE TIF DISTRICT expires

shall be applied toward the un-reimbursed payment of PROJECT COSTS that remains un-reimbursed immediately prior to the expiration of the term.

- B. The frequency and amount of reimbursement to TOWN EAST FORD under this AGREEMENT shall coincide with the frequency and amount of payments made by the various taxing units into the TAX INCREMENT FUND from fiscal year to fiscal year. Subject to all limitations and conditions precedent contained in this AGREEMENT, CITY agrees to reimburse PROJECT COSTS advanced by TOWN EAST FORD after receipt of payments into the TAX INCREMENT FUND. CITY also reserves the right, when payments come into the TAX INCREMENT FUND, to repay all or any portion of the total amount to be reimbursed under this AGREEMENT at any given time. CITY will administer reimbursements under the outstanding development agreements (including this AGREEMENT) in an order of priority as provided herein. If CITY issues TIF bonds to pay for future projects in the Towne Centre TIF District, CITY may encumber Towne Centre TIF District Tax Increment Funds in support of TIF bonds and may fully disburse from bond proceeds received the existing unpaid PROJECT COSTS under this AGREEMENT. This AGREEMENT is first in priority and not subject to future agreements made by CITY pertaining to TOWNE CENTRE TIF DISTRICT.
- C. Interest on any unpaid PROJECT COSTS advanced by TOWN EAST FORD under this AGREEMENT shall accrue interest beginning 60 days from the date IMPROVEMENTS are completed in accordance with City of Mesquite construction standards and conformance with the project plan. The interest rate at which such interest shall be calculated shall be a fixed rate equal to 5.25% per annum. Such interest will be prorated on a daily basis for the purpose of determining the amount of interest owed with respect to a particular advance. Such interest will be compounded semi-annually based on the existing unpaid balance plus accrued interest to date and shall cease to accrue under this AGREEMENT when the existing unpaid balance plus any previously accrued interest is fully reimbursed or paid off, or upon expiration of the term of the TOWNE CENTRE TIF DISTRICT as provided in the ordinance creating same as amended. Nothing in this sub-paragraph shall be construed to obligate CITY to pay previously accrued interest or unpaid PROJECT COSTS that cease to be due as reimbursable PROJECT COSTS on or after the date of expiration of the TOWNE CENTRE TIF DISTRICT. Reimbursement of any interest under the terms of this AGREEMENT shall be made from the proceeds of TIF bonds or other monies on deposit in the TAX INCREMENT FUND as applicable, but shall not be an obligation to be paid from any other funds of the CITY.

- D. CITY hereby declares that the reimbursement procedure outlined above is necessary to implement the PROJECT PLAN and that the costs for constructing the IMPROVEMENTS, which are public improvements or public works, constitute reimburseable PROJECT COSTS.

**SECTION 4. TOWN EAST FORD OBLIGATIONS**

- A. TOWN EAST FORD understands that the IMPROVEMENTS must be completed expeditiously to facilitate timely completion of all projects in the TOWNE CENTRE TIF DISTRICT and in accordance with CITY ordinances, regulations and specifications.
- B. TOWN EAST FORD assumes all responsibilities for the PROJECT management and administration including but not limited to construction contract administration and materials testing and hereby agrees to execute a performance bond in accordance with Section 212.073 of the Texas Local Government Code and Chapter 2253 of the Texas Government Code for the construction of the IMPROVEMENTS to ensure completion of the PROJECT.
- C. Reimbursement by CITY from the TAX INCREMENT FUND is subject to the other conditions of the AGREEMENT and including availability of current funding in the TAX INCREMENT FUND.

**SECTION 5. FORCE MAJEURE**

It is expressly understood and agreed by the parties to this AGREEMENT that if the substantial completion of the construction of any improvements contemplated hereunder is delayed by reason by war, civil commotion, acts of God, inclement weather, governmental restrictions, regulations, or interference, delays caused by the franchise utilities (TXU Electric, Southwestern Bell Telephone, TXU Gas, AT&T Broadband Cable or their contractors), fire or other casualty, court injunction, necessary condemnation proceeding, acts of the other party, its affiliates/related entities and/or their contractors or any circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this AGREEMENT to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay so that the time period applicable to such design or constructions requirement shall be extended for a period of time equal to the period such party was delayed.

**SECTION 6. TERM**

The term of this AGREEMENT shall begin on the date of execution and end upon the earlier of (a) the complete performance of all obligations and conditions precedent

by parties to this AGREEMENT; (b) the expiration of the term of the TOWNE CENTRE TIF DISTRICT; provided however, that the obligation of the CITY to apply any tax increment which has accrued during the term of the TOWNE CENTRE TIF DISTRICT but which is not collected until subsequent to the expiration of the term toward un-reimbursed PROJECT COSTS pursuant to Section 3.A. of this AGREEMENT shall survive; or (c) TOWN EAST FORD declines to advance the PROJECT COSTS for the IMPROVEMENTS.

## **SECTION 7. INDEMNITY**

TOWN EAST FORD agrees to defend, indemnify and hold CITY, its officers, agents and employees, harmless against any and all claims, lawsuits, judgments, costs and expenses for personal injury (including death), property damage or other harm for which recovery of damages is sought that may arise out of or be occasioned by TOWN EAST FORD's breach of any of the terms or provisions of this AGREEMENT, or by any negligent act or omission of TOWN EAST FORD, its officers, agents, associates, employees or subconsultants in the performance of this AGREEMENT; except that the indemnity provided for in this paragraph shall not apply to any liability resulting from the sole negligence of CITY, its officers, agents, employees or separate contractors, and in the event of joint and concurrent negligence of both TOWN EAST FORD and CITY, responsibility, if any, shall be apportioned comparatively in accordance with the laws of the State of Texas, without, however, waiving any governmental immunity available to CITY under Texas law and without waiving any defenses of the parties under Texas law. The provisions of this paragraph are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

## **SECTION 8. AUTHORITY TO BIND**

TOWN EAST FORD, represents that Cecil Van Tuyl, the President of CVT Property, Inc., general partner of TOWN EAST FORD, or any other duly authorized officer or agent, by executing this AGREEMENT for TOWN EAST FORD, is acting within the scope of his authority as agent to bind TOWN EAST FORD regarding the obligations and assurances contained in this AGREEMENT.

## **SECTION 9. EVENT OF DEFAULT**

A default shall exist if either party fails to perform or observe any material covenant contained in this AGREEMENT or if the representation provided for in Section 8 is not true or correct. A party shall immediately notify the defaulting party in writing upon becoming aware of any change in the existence of any condition or event which would constitute a default by the defaulting party, or with the giving of notice and/or passage of time would constitute a default by the defaulting party under this AGREEMENT. Such notice shall specify the nature and the period of existence thereof



and what action, if any, the notifying party requires or proposes to require with respect to curing the default.

### **SECTION 10. REMEDIES AVAILABLE TO CITY**

If a default shall occur and continue after thirty (30) days written notice to TOWN EAST FORD to cure such default, CITY may at its option terminate this AGREEMENT or pursue any and all remedies it may be entitled to, at law or in equity, in accordance with Texas law without the necessity of further notice to or demand upon TOWN EAST FORD.

### **SECTION 11. VENUE AND GOVERNING LAW**

This AGREEMENT is performable in Dallas County, Texas, and venue of any action arising out of this AGREEMENT shall be exclusively in Dallas County, Texas. This AGREEMENT shall be governed and construed in accordance with the laws of the State of Texas.

### **SECTION 12. NOTICES**

Any notice required by this AGREEMENT shall be deemed to be properly served if deposited in the U.S. mails by certified letter, return receipt requested, addressed to the recipient at the recipient's address shown below, subject to the right of either party to designate a different address by notice given in the manner just described.

If intended for CITY to:

City Manager  
City of Mesquite  
P.O. Box 850137  
Mesquite, Texas 75185-0137

If intended for TOWN EAST FORD to:

Mike Ward, General Manager  
TOWN EAST FORD  
18411 LBJ Freeway  
Mesquite, Texas 75150

with a copy to:

Robert J. Holcomb  
V.T., Inc.  
8500 Shawnee Mission Pkwy., Suite 200  
Shawnee Mission, KS 66202

### **SECTION 13. APPLICABLE LAWS**

This AGREEMENT is made subject to the provisions of the Charter and ordinances of CITY as amended and all applicable Texas and federal laws.

**SECTION 14.           LEGAL CONSTRUCTION**

In case any one or more of the provisions contained in this AGREEMENT shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision thereof and this AGREEMENT shall be considered as if such invalid, illegal or unenforceable provision had never been contained in this AGREEMENT.

**SECTION 15.           COUNTERPARTS**

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

**SECTION 16.           CAPTIONS**

The captions to the various clauses of this AGREEMENT are for informational purposes only and shall not alter the substance of the terms and conditions of this AGREEMENT.

**SECTION 17.           SUCCESSORS AND ASSIGNS**

The terms and conditions of this AGREEMENT are binding upon the successors and assigns of all parties hereto. Provided, however, this AGREEMENT shall not be assigned by TOWN EAST FORD without prior City Council of the City of Mesquite, Texas, approval, which approval shall not be unreasonably withheld.

**SECTION 18.           ENTIRE AGREEMENT**

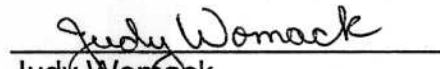
This AGREEMENT embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to matters in this AGREEMENT, and except as otherwise provided herein cannot be modified without written agreement of the parties to be attached and made a part of this AGREEMENT.

EXECUTED and effective as of the 16th day of June, 2003, by CITY, signing by and through its City Manager, and TOWN EAST FORD, acting through its duly authorized officials.


**CITY OF MESQUITE**

  
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Ted Barron  
City Manager

ATTEST:

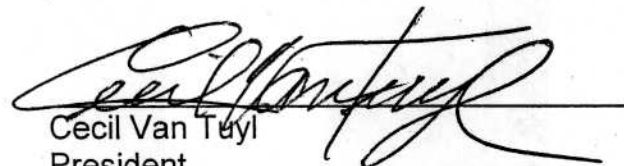
  
\_\_\_\_\_  
Judy Womack  
City Secretary

APPROVED AS TO FORM:

  
\_\_\_\_\_  
B. J. Smith  
City Attorney

**TOWN EAST DEALERSHIP  
PROPERTY, L.P.**

By: CVT Property, Inc., its general partner

  
\_\_\_\_\_  
Cecil Van Teyl  
President

# 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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# Contents

	Page
<b>Section 1: What's Tax Increment Financing?</b>	<b>1</b>
Tax Increment Financing Defined	1
Application in the Towne Centre Area	2
<b>Section 2: Zone Boundaries</b>	<b>3</b>
<b>Section 3: Development Proposals</b>	<b>6</b>
Public Improvements	6
Taxable Private Improvements	6
<b>Section 4: Revenue and Debt Service Pro Formas</b>	<b>9</b>
Revenue to the Tax Increment Fund	9
TIF Fund Reimbursement of Public Improvements	10
Funds Retained by Taxing Jurisdictions	10

**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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## Exhibits

	<b>Page</b>
<b>Exhibit A:</b> Real Property Tax Flow with Tax Increment Financing	1
<b>Exhibit B:</b> Reinvestment Zone Boundaries	4
<b>Exhibit C:</b> Existing Uses and Conditions of Real Property in the Zone	5
<b>Exhibit D:</b> General Location of Towne Centre Public Improvements	8

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## Schedules

	Page
<b>Schedule 1:</b> 2002 Appraised Values from Dallas Central Appraisal District, Proposed Towne Centre Reinvestment Zone	12
<b>Schedule 2:</b> Estimated Project Costs	14
<b>Schedule 3:</b> Taxable New Development Forecasts for the Zone	15
<b>Schedule 4:</b> Vacant and Underdeveloped Land, January 1, 2003	17
<b>Schedule 5:</b> Estimated Areas of Near-term Development in the Towne Centre TIF Zone	18
<b>Schedule 6:</b> Taxable Real Property Value Forecasts for the Zone	19
<b>Schedule 7:</b> Estimated Real Property Taxes Collected, Retained and Dedicated to Tax Increment Fund from Towne Centre Reinvestment Zone	21
<b>Schedule 8:</b> Cash Flow and Reimbursement	23

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## Section 1: What's Tax Increment Financing?

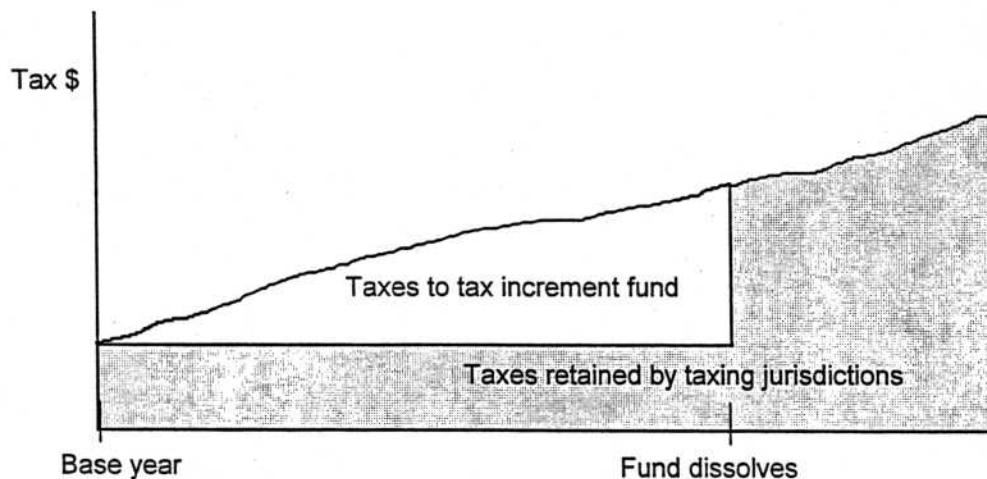
### Tax Increment Financing Defined

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**





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## **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.

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## 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

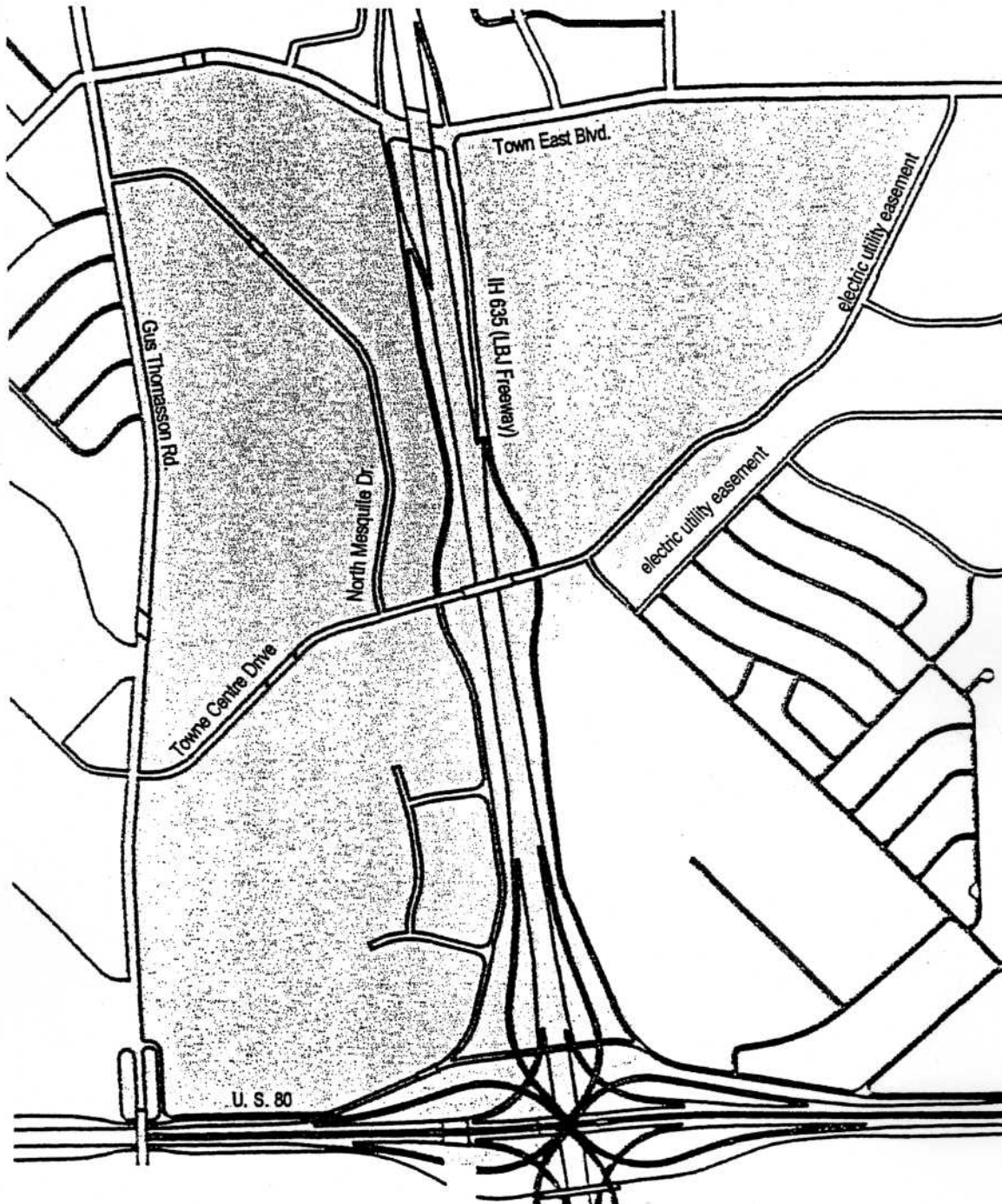
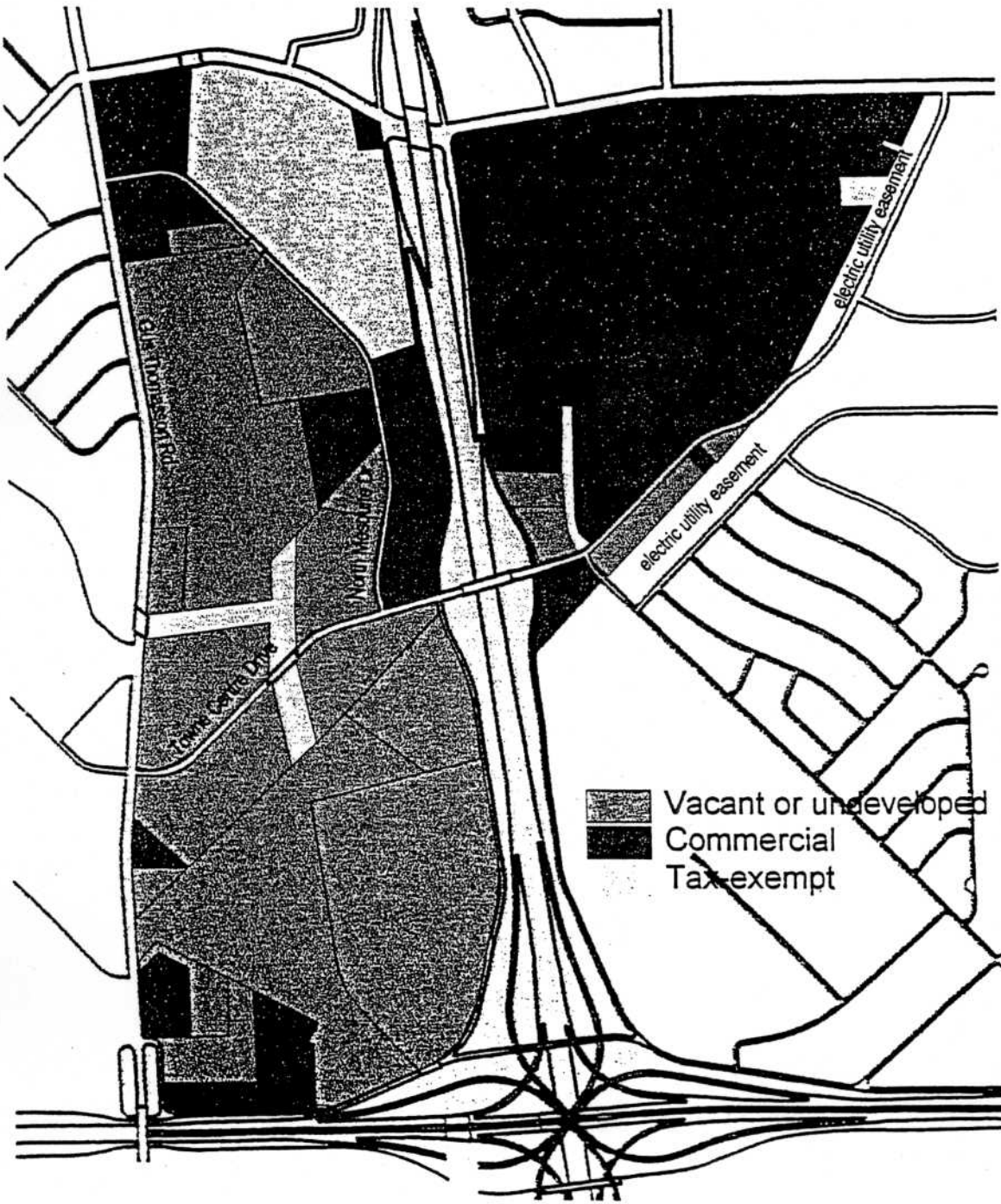


Exhibit C:  
Existing Uses and Conditions of Real Property in the Zone



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## 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

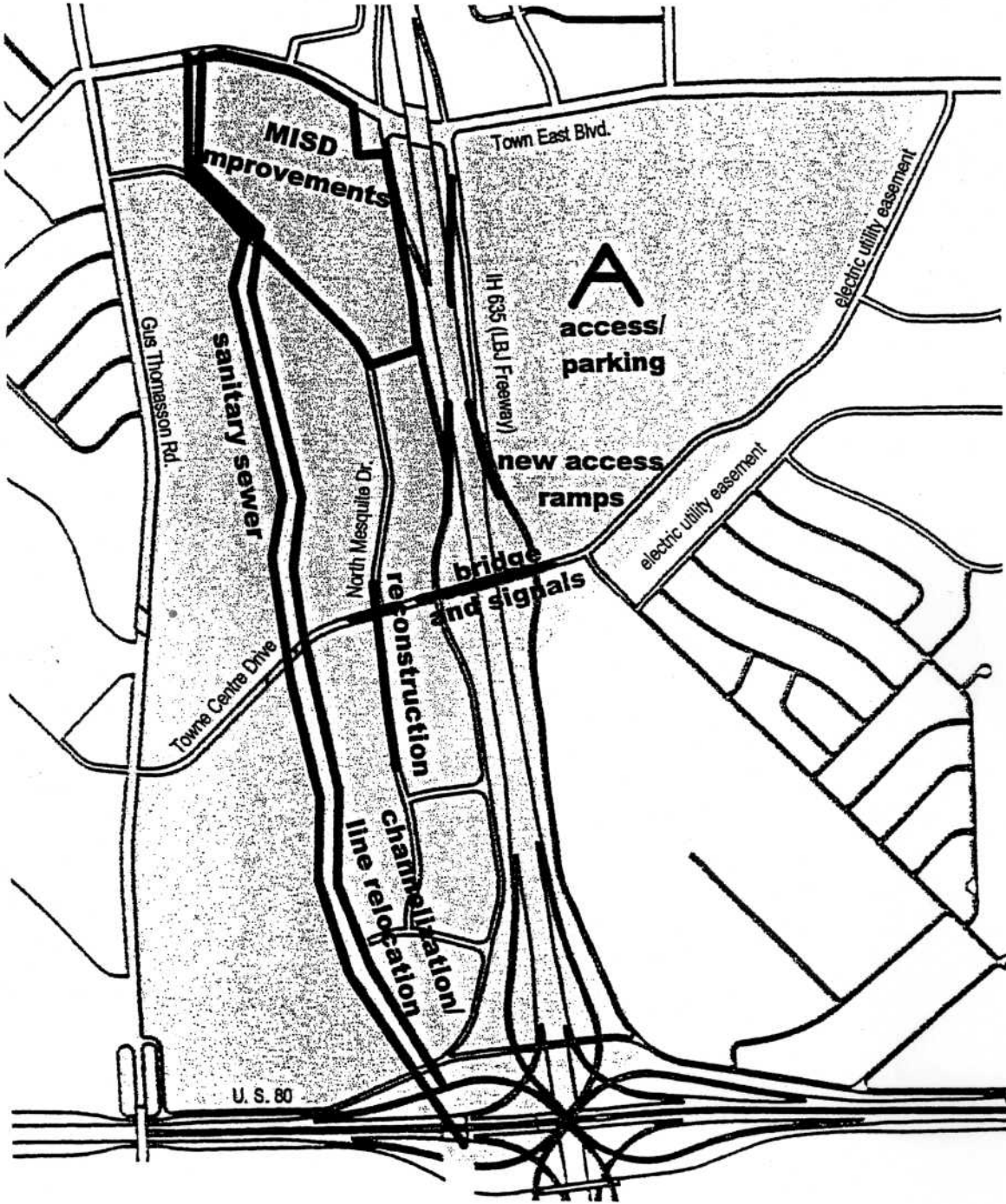
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and do not represent commitments by owners, developers or the City of Mesquite.

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



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## 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%.



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## **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

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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		\$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	KANUJI 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	\$6,163,680
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/ LAND SF	2002 IMP / BLDG SF	2002 MARKET/ LAND SF	1998 MARKET VALUE
<b>Other developed accounts:</b>												
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 E US HIGHWAY 80 E	WILLOW BEND CARE CTR	PCKTEX 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	18690 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	\$173,980	\$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	FRANKMAK 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	\$65.08	\$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?
<b>TIF Project Costs</b>			
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
<b>MISD improvements</b>			
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
<b>Total project costs</b>	<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						-	-	-	-	-	-	-	-
<b>Total land SF developed prior year</b>						939,646	-	94,347	770,374	-	476,576	200,000	100,000
<b>Cum. vacant land SF developed since 1/1/2002</b>						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						-	-	-	-	-	-	-	-
<b>Total SF floor area new on roll as of 1/1</b>						289,836	-	15,000	112,000	-	40,000	60,000	20,000
<b>Cum. SF floor area developed since 1/1/2002</b>						289,836	289,836	304,836	416,836	416,836	456,836	516,836	536,836
<b>% of 2002 vacant land vacant/underdeveloped</b>							82%	82%	80%	65%	65%	56%	50%

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

Year:	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	2,680,943
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	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	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 ACCOUNT	SITE ADDRESS	SITE USE	OWNER	2003 LAND AREA	2003 FLOOR AREA
<b>Vacant or underdeveloped accounts:</b>					
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 Tweeters 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**

<b>Year:</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>	<b>21</b>
<i>Valuations for Jan. 1,</i>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Actual taxable real property value</b>											
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
<b>Est. total taxable real property value</b>	<b>\$306,348,242</b>	<b>\$311,058,526</b>	<b>\$318,605,340</b>	<b>\$325,285,576</b>	<b>\$330,891,629</b>	<b>\$336,054,034</b>	<b>\$339,414,575</b>	<b>\$348,294,883</b>	<b>\$351,777,832</b>	<b>\$355,295,611</b>	<b>\$358,848,567</b>
<b>Captured appraised value (increase from 1998 base)</b>	<b>\$116,136,432</b>	<b>\$120,846,716</b>	<b>\$128,393,530</b>	<b>\$135,073,766</b>	<b>\$140,679,819</b>	<b>\$145,842,224</b>	<b>\$149,202,765</b>	<b>\$158,083,073</b>	<b>\$161,566,022</b>	<b>\$165,083,801</b>	<b>\$168,636,757</b>

**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
<b>Taxable value of real property</b>	\$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
<b>Real property tax collected by:</b>											
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
<b>Total*</b>	<b>\$4,035,306</b>	<b>\$4,191,964</b>	<b>\$4,474,235</b>	<b>\$4,948,808</b>	<b>\$5,442,587</b>	<b>\$5,882,406</b>	<b>\$5,941,230</b>	<b>\$6,025,042</b>	<b>\$6,277,751</b>	<b>\$6,340,529</b>	<b>\$6,492,453</b>
<b>Real property tax retained by:</b>											
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
<b>Total*</b>	<b>\$4,035,306</b>	<b>\$4,035,306</b>	<b>\$4,035,306</b>	<b>\$4,035,306</b>	<b>\$4,111,390</b>	<b>\$4,111,390</b>	<b>\$4,111,390</b>	<b>\$4,111,390</b>	<b>\$4,111,390</b>	<b>\$4,111,390</b>	<b>\$4,111,390</b>
<b>Tax dedicated to TIF fund by:</b>											
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
<b>Total*</b>	<b>\$0</b>	<b>\$156,659</b>	<b>\$438,930</b>	<b>\$913,502</b>	<b>\$1,331,197</b>	<b>\$1,771,016</b>	<b>\$1,829,840</b>	<b>\$1,913,652</b>	<b>\$2,166,361</b>	<b>\$2,229,139</b>	<b>\$2,381,062</b>

\*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	
<b>Taxable value of real property</b>	\$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	
<b>Real property tax collected by:</b>											
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
<b>Total*</b>	<b>\$6,621,656</b>	<b>\$6,723,468</b>	<b>\$6,886,591</b>	<b>\$7,030,983</b>	<b>\$7,152,156</b>	<b>\$7,263,741</b>	<b>\$7,336,378</b>	<b>\$7,528,324</b>	<b>\$7,603,607</b>	<b>\$7,679,644</b>	<b>\$127,843,552</b>
<b>Real property tax retained by:</b>											
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
<b>Total*</b>	<b>\$4,111,390</b>	<b>\$4,111,390</b>	<b>\$4,111,390</b>	<b>\$4,111,390</b>	<b>\$4,111,390</b>	<b>\$4,111,390</b>	<b>\$4,111,390</b>	<b>\$4,111,390</b>	<b>\$4,111,390</b>	<b>\$4,111,390</b>	<b>\$81,999,550</b>
<b>Tax dedicated to TIF fund by:</b>											
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
<b>Total*</b>	<b>\$2,510,266</b>	<b>\$2,612,078</b>	<b>\$2,775,200</b>	<b>\$2,919,592</b>	<b>\$3,040,766</b>	<b>\$3,152,351</b>	<b>\$3,224,988</b>	<b>\$3,416,934</b>	<b>\$3,492,217</b>	<b>\$3,568,253</b>	<b>\$45,844,002</b>

**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
<b>Cash for debt service, approx. May 1</b>												
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
<b>Net funds available for debt service</b>	\$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	\$72,589	\$320,288	\$320,288
Net reimbursable principal	\$0	\$0	\$0	\$0	\$0	\$17,537,525	\$17,537,525	\$17,537,525	\$17,537,525	\$17,464,936	\$17,144,647	\$17,144,647
Interest carried from previous year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$64,968	\$168,263	\$150,858	\$0	\$0
Interest accrued this period	\$0	\$0	\$0	\$0	\$0	\$0	\$920,720	\$924,131	\$929,554	\$928,640	\$916,909	\$916,909
<b>Total interest before reduction this period</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$920,720	\$989,099	\$1,097,817	\$1,079,498	\$916,909	\$916,909
Less interest repaid this year	\$0	\$0	\$0	\$0	\$0	\$0	\$855,752	\$820,836	\$946,959	\$1,079,498	\$916,909	\$916,909
Net reimbursable interest	\$0	\$0	\$0	\$0	\$0	\$0	\$64,968	\$168,263	\$150,858	\$0	\$0	\$0
<b>Total p &amp; i owed by TIF fund</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$17,537,525	\$17,602,493	\$17,705,788	\$17,688,383	\$17,464,936	\$17,144,647
<b>Total paid for fees, principal, interest</b>	\$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	\$2,267,198
<b>TIF fund balance at end of period</b>	\$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	
<b>Cash for debt service, approx. May 1</b>											
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
<b>Net funds available for debt service</b>	<b>\$3,164,840</b>	<b>\$2,582,078</b>	<b>\$2,745,200</b>	<b>\$2,889,592</b>	<b>\$3,010,766</b>	<b>\$3,122,351</b>	<b>\$3,194,988</b>	<b>\$3,386,934</b>	<b>\$6,523,399</b>	<b>\$10,091,653</b>	
<b>Advances and reimbursements, approx. May 1</b>											
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	
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	
Interest carried from previous year	\$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	
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	
<b>Total p &amp; i owed by TIF fund</b>	<b>\$14,879,902</b>	<b>\$13,079,019</b>	<b>\$11,020,467</b>	<b>\$8,709,449</b>	<b>\$6,155,929</b>	<b>\$3,356,765</b>	<b>\$338,007</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>Total paid for fees, principal, interest</b>	<b>\$4,294,840</b>	<b>\$2,612,078</b>	<b>\$2,775,200</b>	<b>\$2,919,592</b>	<b>\$3,040,766</b>	<b>\$3,152,351</b>	<b>\$3,224,988</b>	<b>\$385,752</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,792,335</b>
<b>TIF fund balance at end of period</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,031,182</b>	<b>\$6,523,399</b>	<b>\$10,091,653</b>	

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. Land SF	Total 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	\$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 Centre	\$2,567,580	\$5,232,380	\$7,799,960	513,516	142,296	28%	\$37	\$5	\$15	\$2,160,830	\$15	28%
Haverly'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 Centre	\$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%
Sallgrass 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					<u>Incl above</u>	<u>13,500</u>								
					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 remnal 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.	