

ORDINANCE NO. 3596

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 REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY FOR PASSAGE AT A CALLED MEETING; AND PROVIDING AN EFFECTIVE DATE.

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 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 for the Zone and was subsequently approved by the City Council on June 16, 2003, pursuant to Ordinance No. 3586; and

WHEREAS, the Board on August 12, 2003, prepared and adopted a revised 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, 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 or increases the total estimated project costs, or designates additional property in the Zone to be acquired by the municipality; and

WHEREAS, in compliance with V.T.C.A., Tax Code Section 311.033(c), the City has given the requisite notice and held a public hearing on the Amended Plan; and

WHEREAS, the approval of the Amended Plan must be by ordinance adopted after the required public hearing; and

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

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 revised 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 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.

SECTION 5. That all ordinances or portions thereof in conflict with the provisions of this ordinance, to the extent of such conflict, are hereby repealed. To the extent that such ordinances or portions thereof are not in conflict herewith, the same shall remain in full force and effect.

SECTION 6. That should any word, sentence, clause, paragraph 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.

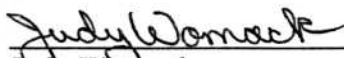
SECTION 7. That pursuant to the provisions of Article IV, Sections 18 and 19 of the Charter of the City of Mesquite, the approval of the Amended Plan for the Towne Centre Tax Increment Finance Reinvestment Zone Number Two of the City of Mesquite during a called meeting is necessary and creates an urgency and emergency for the immediate preservation of the public business, property, health or safety, 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 25th day of August, 2003.




Mike Anderson
Mayor

ATTEST:



Judy Womack
City Secretary

APPROVED:



B. J. Smith
City Attorney

Towne Centre Reinvestment Zone

Amended and Restated Project Plan 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**

Updated August 12, 2003

Contents

	Page
Section 1: What's Tax Increment Financing?	1
Tax Increment Financing Defined	1
Application in the Towne Centre Area	2
Section 2: Zone Boundaries	3
Section 3: Development Proposals	6
Public Improvements	6
Taxable Private Improvements	6
Section 4: Revenue and Debt Service Pro Formas	9
Revenue to the Tax Increment Fund	9
TIF Fund Reimbursement of Public Improvements	9
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.

Exhibits

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

Schedules

	Page
Schedule 1: 2002 Appraised Values from Dallas Central Appraisal District, Proposed Towne Centre Reinvestment Zone	12
Schedule 2: Estimated Project Costs	15
Schedule 3: Estimated Areas of Taxable New Development in the Zone	16
Schedule 4: Vacant and Underdeveloped Land, January 1, 2003	18
Schedule 5: Estimated Areas of Near-term Development in the Towne Centre TIF Zone	19
Schedule 6: Taxable Real Property Appraisal Forecasts for the Zone	20
Schedule 7: Estimated Real Property Taxes Collected, Retained and Dedicated to Tax Increment Fund from Towne Centre Reinvestment Zone	22
Schedule 8: Cash Flow and Reimbursement	24

Section 1: What's Tax Increment Financing?

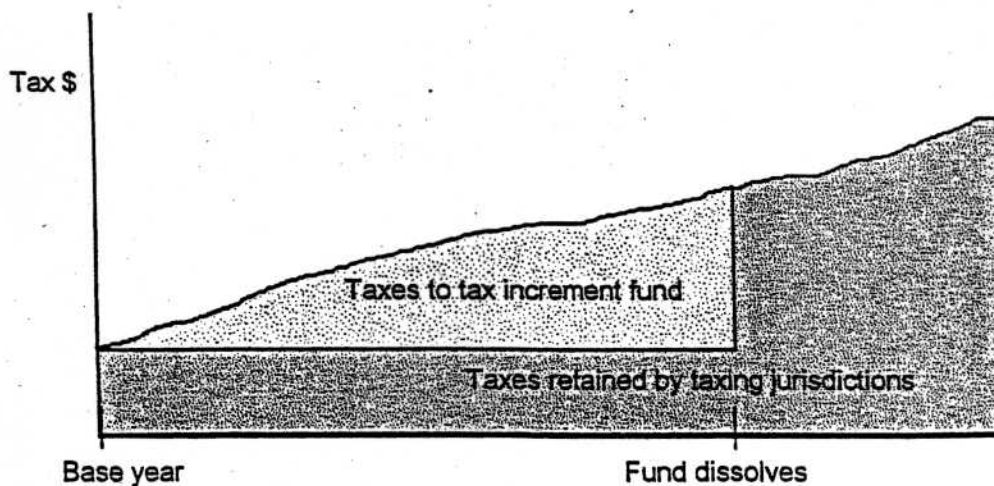
Tax Increment Financing Defined

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

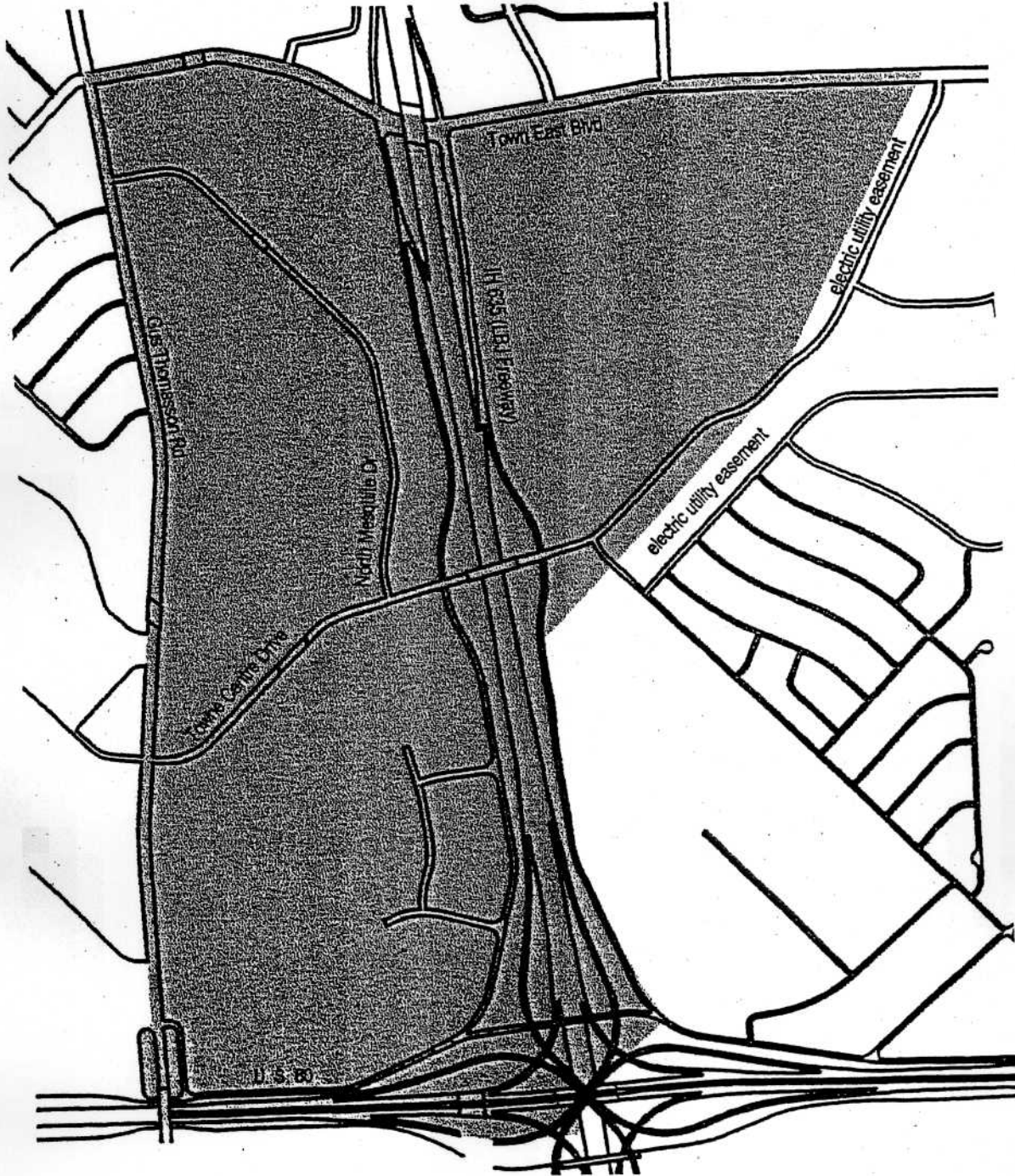
Exhibit B shows the boundaries of the Towne Centre reinvestment zone. The boundaries may be described as Town East Boulevard, the northwest edge of an electric utility easement generally following Towne Centre Drive, Interstate Highway 635, U. S. Highway 80 and Gus Thomasson Road to a point of beginning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

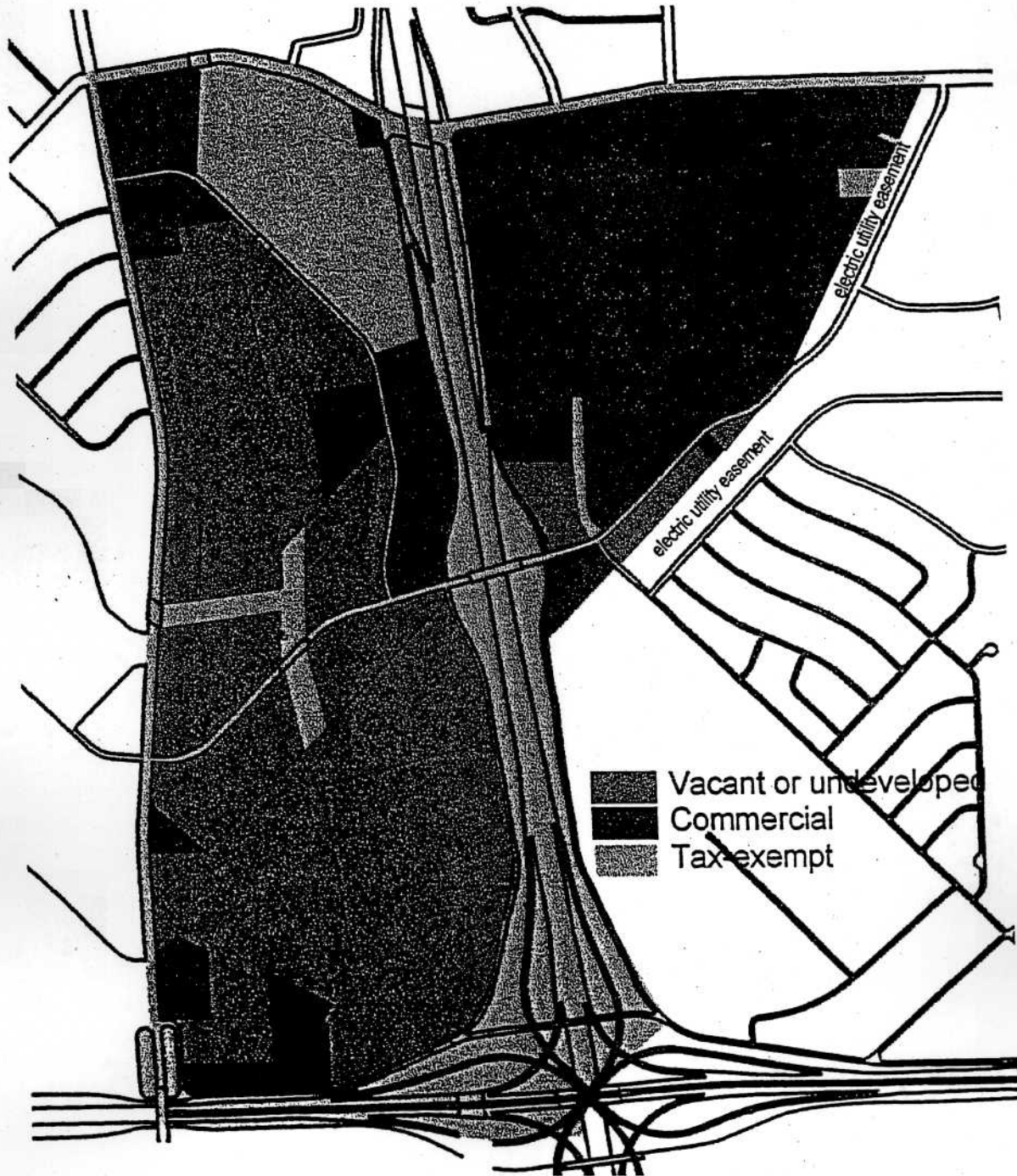
Schedule 1 is an inventory of real property accounts and values that are, to the best of knowledge of the TIF Board, within the reinvestment zone, based on the Dallas Central Appraisal District roll. Schedule 1 does not define the reinvestment zone boundaries. Schedule 1 identifies the total current appraised value of real property accounts in the Zone. The City reports 1998 base value of the Zone (total value of taxable real property) was \$189,878,280.

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. Schedule 2 includes costs of operating MISD project facilities.

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.

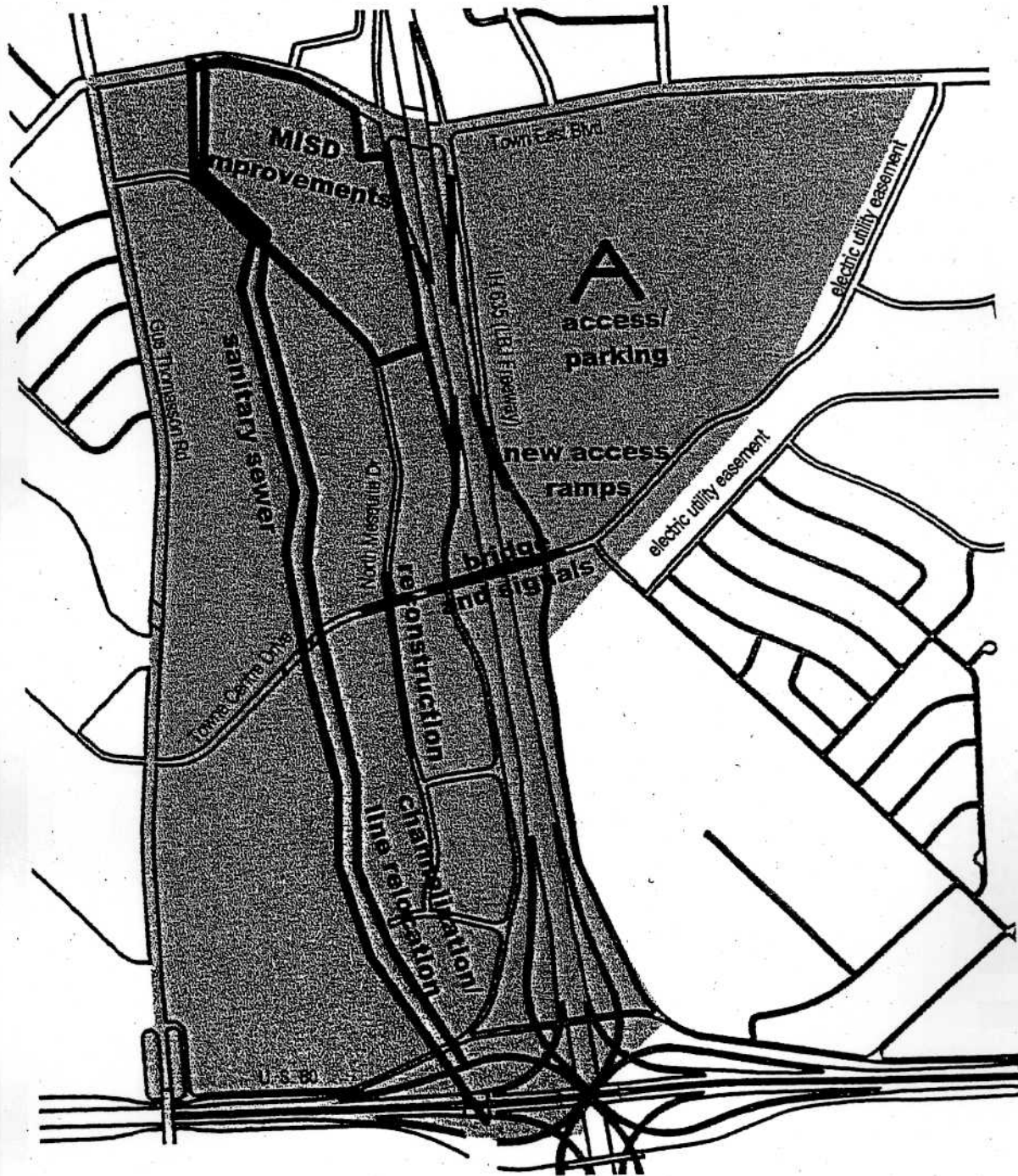
Schedules 4 and 5 are tributary schedule feeding Schedule 3. They identify land still vacant or underdeveloped in 2003 and estimate near-term development, respectively. Development assumptions are by Stein Planning and Management

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.

Schedule 7 assumes City and MISD property tax rates will remain constant at 2003 levels from that year forward 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. Fees for 2001, 2002 and 2003 have been collected in 2003.

- (2) Principal for public improvements by the MISD and operating costs for MISD project facilities, according to Schedule 2. 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 or City Council. 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 2019. This date of repayment may be earlier if revenue exceeds estimates or if the Fund incurs fewer project costs than planned. 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.

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. The City contemplates borrowing from the Texas Infrastructure Bond Fund to pay part of the cost of local access improvements to Interstate Highway 635 in the Zone, then repaying principal and interest using the tax increment fund.

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 2019. 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:
2003 Appraised Values from Dallas Central Appraisal District,
Towne Centre Reinvestment Zone**

DCAD ACCOUNT	SITE ADDRESS	OWNER	2003 LAND VALUE	2003 IMP VALUE	2003 MARKET VALUE	2003 LAND AREA	2003 FLOOR AREA	2003 LAND/ LAND SF	2003 IMP/ BLDG SF	2003 MARKET/ LAND SF	1998 MARKET VALUE
Fully exempt accounts:											
55100765210030000	18203 LBJ FWY	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	MESQUITE ISD	\$2,226,070	\$2,545,670	\$4,771,740	636,020	100	\$3.50	N.A.	N.A.	\$1,914,000
65100765610010000	2000 TOWN EAST BLVD	MESQUITE ISD	\$2,115,700	\$4,950	\$2,120,650	604,488	0	\$3.50	N.A.	N.A.	
65109509610130000	3301 TOWNE CENTRE DR	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	MESQUITE CITY OF	\$56,520	\$0	\$56,520	102,758	0	\$0.55	N.A.	N.A.	\$87,340
65146263210720000	2405 TOWNE CENTRE DR	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	DEL PROPERTIES INC	\$62,910	\$0	\$62,910	114,389	0	\$0.55	N.A.	\$0.55	\$114,390
38124100030010000	18885 LBJ FWY	HORIZONS LAND CO LLC									
381241000A0030000	19020 LBJ FWY	JDN REAL ESTATE MESQUITE	\$599,030	\$0	\$599,030	206,621	0	\$2.00	#DIV/0!	\$2.00	
381593000A0020000	2400 GUS THOMASSON RD	KANJI ATIF ASHIQ	\$59,330	\$0	\$59,330	59,329	0	\$1.00	N.A.	\$1.00	\$32,630
382143000B0010000	2501 TOWNE CENTRE DR										\$335,940
382143000B0010200	2816 TOWNE CENTRE DR										\$28,570
382143000B003R000	2501 TOWNE CENTRE DR	REEF DEVELOPMENT INC TR									
382143000B004R000	2501 TOWNE CENTRE DR	REEF DEVELOPMENT INC TR									
382143000B03R0000	2501 TOWNE CENTRE DR	REEF DEVELOPMENT INC TR	\$242,090	\$0	\$242,090	48,917	0	\$4.95	#DIV/0!	\$4.95	
382143000B04R0000	2501 TOWNE CENTRE DR	REEF DEVELOPMENT INC TR	\$229,850	\$0	\$229,850	45,930	0	\$5.00	#DIV/0!	\$5.00	
38215810020010000	18833 LBJ FWY	THEG USA LP									\$2,296,040
38215780010020000	18861 LBJ FWY	THEG USA LP	\$661,250	\$0	\$661,250	44,063	0	\$15.00	#DIV/0!	\$15.00	
38218800010020000	2500 TOWNE CENTRE DR	CORRAL GROUP INC	\$497,700	\$0	\$497,700	476,576	0	\$1.04	#DIV/0!	\$1.04	
38218000020030000	2700 GUS THOMASSON RD	WEITZMAN HERBERT D									\$96,010
38218000020040000	2920 GUS THOMASSON RD	MESQUITE JV	\$1,553,180	\$100,390	\$1,653,570	1,941,290	0	\$0.80	N.A.	\$0.85	\$1,458,480
38218000020050000	3301 N MESQUITE DR	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	DEL PROPERTIES INC	\$232,040	\$0	\$232,040	232,044	0	\$1.00	N.A.	\$1.00	\$232,040
65146262810210100	18600 LBJ FWY	JDN REAL ESTATE MESQUITE									\$537,780
65146262810210200	19000 LBJ FWY	DALMAC CENTRE MESQUITE									\$53,620
65146262810210300	19200 LBJ FWY	DALMAC CENTRE MESQUITE									\$31,520
65146262810210400	19020 LBF FWY	JDN REAL ESTATE MESQUITE									
65146262810210600	18600 LBJ FWY	JDN REAL ESTATE MESQUITE									
65146262810230000	18500 LBJ FWY								N.A.	N.A.	\$65,120
65146263210620100	3201 N MESQUITE DR	JOY PHILIP &	\$54,210	\$0	\$54,210	72,283	0	\$0.75	N.A.	\$0.75	\$35,420
65146263210680000	2300 TOWNE CENTRE DR	FRANKLIN JEANNETTE									\$154,050
65146263210700000	2425 GUS THOMASSON RD	VALK DON	\$571,640	\$0	\$571,640	519,670	0	\$1.10	N.A.	\$1.10	\$129,920
65146263210710000	2200 TOWNE CENTRE DR	SCC MESQUITE PARTNERS LTD									\$327,420
65146263210710100	5201 N MESQUITE DR	TOWN EAST FORD SALES INC	\$140,000	\$0	\$140,000	70,000	0	\$2.00	N.A.	\$2.00	\$140,000
		Sum or average for undev. only:	\$5,004,220	\$100,390	\$5,104,610	4,235,892	0	\$1.18	N.A.	\$1.21	\$8,163,880
Town East Mall accounts:											
65109509610020000	1738 N TOWN EAST BLVD	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 PS	\$12,258,060	\$88,908,100	\$101,166,160	1,225,808	384,458	\$10.00	\$231.26	\$82.53	\$99,725,890
65109509610010100	1800 N TOWN EAST BLVD	J C PENNY COMPANY INC	\$3,872,490	\$5,540,160	\$9,412,650	578,858	197,642	\$6.71	\$28.03	\$16.32	\$8,939,300
65109509610010300	1418 N TOWN EAST BLVD	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	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 MALL PS	\$1,219,680	\$304,930	\$1,524,610	152,480	20,560	\$8.00	\$14.83	\$10.00	\$1,416,110
65109509610120000	1620 N TOWN EAST BLVD	PRIMARY PROPERTIES CORP	\$4,379,220	\$5,678,370	\$10,057,590	712,417	458,991	\$8.15	\$12.37	\$14.12	\$10,232,920
65109509610120100	3201 TOWNE CENTRE DR	TOWN EAST MALL PS	\$277,730	\$0	\$277,730	55,546	0	\$5.00	N.A.	\$5.00	\$277,730
65109509610120900	1838 N TOWN EAST BLVD	PAYLESS SHOESOURCE	\$10	\$262,500	\$262,510	1	3,500	\$10.00	\$75.00	\$262.5100	\$292,250
		Sum or average for Town East mall only:	\$31,444,830	\$112,224,650	\$143,669,480	4,204,218	1,728,212	\$7.48	\$64.94	\$34.17	\$141,183,240

Schedule 1:

2003 Appraised Values from Dallas Central Appraisal District, Towne Centre Reinvestment Zone

DCAD ACCOUNT	SITE ADDRESS	OWNER	2003 LAND VALUE	2003 IMP VALUE	2003 MARKET VALUE	2003 LAND AREA	2003 FLOOR AREA	2003 LAND/ LAND SF	2003 IMP/ BLDG SF	2003 MARKET/ LAND SF	1998 MARKET VALUE
Other developed accounts:											
38003430010010000	2099 E US HWY 80	MAVEX MANAGEMENT CORP									\$509,650
38003430010010100	2101 E US HWY 80										
38003430010010100	2101 E US HWY 80	BARONS INVESTORS LP THE									
38003430010010200	2099 E US HWY 80										
38003430010010200	2101 E US HWY 80	RESERVA ESPECIAL INC									
* 38003430010020000	2145 E US HWY 80	BARONS INVESTORS LP THE	\$1,380,590	\$0	\$ 1,380,590	690,295	0	\$2.00	#DIV/0!	\$2.00	
38008800010010000	2231 US HIGHWAY 80 E	PCKTEX LTD	\$940,900	\$980,920	\$1,921,820	235,224	43,802	\$4.00	\$22.39	\$8.17	\$1,603,580
3805350000020000	2220 GUS THOMASSON RD	ANDERSON SCOTT P	\$72,440	\$433,500	\$505,940	72,440	16,466	\$1.00	\$26.33	\$8.98	\$327,400
38097500010010000	18515 LBJ FWY	HAVERTY FURNITURE CO INC	\$521,910	\$1,492,820	\$2,014,530	74,558	40,780	\$7.00	\$36.60	\$27.02	\$1,100,000
38173610010010000	2110 N TOWN EAST BLVD	COMERICA BANK	\$212,230	\$209,700	\$421,930	18,790	2,944	\$11.29	\$71.23	\$22.48	\$278,240
38173610010020000	2100 N TOWN EAST BLVD	TOYSAN LTD PARTNERSHIP	\$1,025,900	\$594,740	\$1,620,640	209,387	48,184	\$4.90	\$12.35	\$7.74	\$1,610,640
38176500000010000	18401 LBJ FWY	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	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	ROCKOLA CORPORATION THE	\$1,597,080	\$2,300,780	\$3,897,840	199,833	199,833	\$8.00	\$11.53	\$19.53	\$3,700,000
38215800010010000	18801 LBJ FWY	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
38215780010010000	18881 LBJ FWY	THEG USA LP	\$1,347,320	\$1,496,000	\$ 2,843,320	89,821	22,000	\$15.00	\$68.00	\$31.66	
38215780020010000	2701 N MESQUITE DR	SCC MESQUITE PARTNERS LTD	\$1,924,920	\$5,897,930	\$ 7,822,850	384,983	94,098	\$5.00	\$62.68	\$20.32	
38216800010010000	2500 TOWNE CENTRE DR	CORRAL GROUP INC	\$236,238	\$715,002	\$ 951,240	94,495	10,580	\$2.50	\$87.58	\$10.07	
38218000010010000	3235 N MESQUITE DR	BANK ONE TEXAS N A	\$222,830	\$522,110	\$744,940	89,130	1,650	\$2.50	\$316.43	\$8.36	\$202,980
38223750010010000	2349 US HIGHWAY 80 E	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 USA									\$270,480
65146262810210500	19065 LBJ FWY	KOHL'S TEXAS LTD									
65146262810300000	2231 E U S HWY 80	SLOPEY R A & MARTHA C	\$14,570	\$2,930	\$17,500	3,842	1,800	\$4.00	\$1.63	\$4.81	\$17,600
65146262810840000	2500 TOWNE CENTRE DR	CORRAL GROUP INC									\$105,680
65146263810350000	2400 E US HWY 80	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	COVENANT FELLOWSHIP	\$0	\$277,500	\$277,500	-	8,742	#DIV/0!	\$31.74	#DIV/0!	\$350,000
380034000A001TE00	3300 GUS THOMASSON RD	COVENANT FELLOWSHIP	\$276,710	\$790	\$277,500	55,342	0	\$5.00	#DIV/0!	\$5.01	
380034000A0020000	3400 GUS THOMASSON RD	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	MAVEX MANAGEMENT CORP									
380034300101R0100	2101 E US HWY 80	BARONS INVESTORS LP THE									
380034300101R0200	2101 E US HWY 80	RESERVA ESPECIAL INC									
* 38003430011RA0000	2101 E US HWY 80	BARONS INVESTORS LP THE	\$1,417,966	\$11,303,934	\$ 12,721,900	708,983	420,056	\$2.00	\$26.91	\$17.94	
380431000A0010000	1800 TOWNE EAST BLVD	CHEVRON USA INC	\$362,290	\$851,730	\$1,214,020	30,191	2,004	\$12.00	\$425.01	\$40.21	\$496,580
380535200A0030000	2200 GUS THOMASSON RD	LAM CHUN	\$73,180	\$218,680	\$291,860	73,180	8,395	\$1.00	\$26.05	\$3.99	\$320,000
MAI 381241000A0010000	19075 LBJ FWY	JDN REAL ESTATE MESQUITE	\$10,415,210	\$5,579,540	\$ 15,994,750	697,443	159,819	\$14.93	\$34.91	\$22.93	
381241000A0020000	19035 LBJ FWY	JDN REAL ESTATE MESQUITE	\$1,557,420	\$670,000	\$ 2,227,420	44,083	5,885	\$35.33	\$113.85	\$50.53	
381241000A0040000	19085 LBJ FWY	KOHL'S TEXAS LTD	\$3,008,360	\$2,991,640	\$ 6,000,000	376,045	95,473	\$8.00	\$31.33	\$15.96	
381241000B0010000	18751 LBJ FWY	SYSTEM CAPITAL REAL PROPERTY	\$865,050	\$784,990	\$ 1,630,040	43,778	4,882	\$19.76	\$157.34	\$37.23	
381241000B0020000	18775 LBJ FWY	VR MESQUITE VENTURE I LTD	\$799,830	\$971,720	\$1,771,550	54,189	10,856	\$14.78	\$89.51	\$32.69	
381241000B0030000	18885 LBJ FWY	KOURY FAMILY LTD PS	\$829,379	\$1,411,401	\$2,240,780	48,787	10,800	\$17.00	\$130.89	\$45.93	
381241000B0040000	18885 LBJ FWY	HOME DEPOT USA	\$4,122,830	\$5,936,680	\$ 10,059,510	588,975	113,068	\$7.00	\$52.51	\$17.08	
381593000A0010000	2424 GUS THOMASSON RD	HARTSELL JAY	\$114,240	\$318,740	\$432,980	57,120	5,124	\$2.00	\$62.21	\$7.58	\$368,940
382143000A0020000	2727 TOWNE CENTRE DR	FRANKLIN TOWNE CENTRE L P	\$2,587,580	\$4,682,420	\$7,250,000	513,516	142,298	\$5.00	\$32.91	\$14.12	\$7,216,430
382143000A0030000	18690 LBJ FWY	REALTY INC TEXAS	\$637,517	\$1,739,883	\$2,377,400	75,002	21,468	\$8.50	\$81.05	\$31.70	\$637,520
382143000A0040000	18680 LBJ FWY	FSI RESTAURANT DEVELOPMENT L	\$1,081,581	\$828,089	\$1,887,650	101,101	7,574	\$10.50	\$109.07	\$18.67	\$758,500
382143000B0020000	2738 TOWNE CENTRE DR	MURPHY JOHN A	\$89,410	\$275,820	\$365,230	14,902	4,495	\$8.00	\$81.36	\$24.51	\$280,000
382143000B0050000	2521 TOWNE CENTRE DR	ZELL THREE INC	\$185,690	\$269,670	\$455,360	28,567	4,600	\$6.50	\$58.62	\$15.94	
382143000B01R0000	2604 TOWNE CENTRE DR	COLLINSWORTH & WATSON	\$360,050	\$542,348	\$902,396	40,006	3,600	\$9.00	\$150.65	\$22.56	

Schedule 1:
**2003 Appraised Values from Dallas Central Appraisal District,
 Towne Centre Reinvestment Zone**

DCAD ACCOUNT	SITE ADDRESS	OWNER	2003 LAND VALUE	2003 IMP VALUE	2003 MARKET VALUE	2003 LAND AREA	2003 FLOOR AREA	2003 LAND/ LAND SF	2003 IMP/ BLDG SF	2003 MARKET/ LAND SF	1998 MARKET VALUE
382143000C0010000	18770 LBJ FWY	OLP MESQUITE LTD	\$1,001,040	\$1,353,308	\$2,354,348	102,871	22,638	\$9.75	\$59.78	\$22.93	\$1,002,320
382143000D0010000	1418 N TOWN EAST BLVD	AWB REALTY LP	\$76,160	\$0	\$78,160	6,347	6,347	\$12.00	\$0.00	\$12.00	\$83,470
382143000D0020000	1500 N TOWN EAST BLVD	AWB REALTY LP	\$554,800	\$984,340	\$1,538,940	46,217	16,020	\$12.00	\$61.44	\$33.30	\$1,537,920
382143000D0040000	1400 N TOWN EAST BLVD	AWB REALTY LP	\$887,852	\$162,648	\$850,500	57,321	4,500	\$12.00	\$36.14	\$14.84	\$981,840
382143000D0050000	1420 N TOWN EAST BLVD	AWB REALTY LP	\$282,910	\$47,430	\$330,340	23,573	744	\$12.00	\$63.75	\$14.01	\$294,640
382143000D0060000	1600 N TOWN EAST BLVD	CHICK FIL A	\$538,110	\$371,710	\$907,820	44,649	3,399	\$12.01	\$109.36	\$20.33	\$1,184,240
382143000D0070000	1616 N TOWN EAST BLVD	CDKP PARTNERS L P	\$719,340	\$1,282,440	\$1,981,780	74,831	24,708	\$9.60	\$51.10	\$26.45	\$1,778,840
382143000D01R0000	1418 N TOWN EAST BLVD	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	AWB REALTY LP	\$209,240	\$173,880	\$383,100	17,437	2,370	\$12.00	\$73.36	\$21.97	\$329,830
382180000201A0000	3220 GUS THOMASSON RD	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 TEXAS NA	\$136,560	\$258,440	\$396,000	27,312	3,988	\$5.00	\$65.06	\$14.50	\$305,760
Sum or average for other development only:			\$47,895,113	\$69,012,371	\$116,907,484	8,268,208	1,883,951	\$5.79	\$36.63	\$14.14	\$42,854,680
Sum or average for all taxable developed land:			\$79,339,943	\$181,237,021	\$260,576,964	12,472,426	3,612,163	\$6.36	\$50.17	\$20.89	\$184,047,930
Sum or average for all taxable accounts:			\$84,344,163	\$181,337,411	\$265,681,574	16,708,318	3,612,163	\$5.05	\$50.20	\$15.90	\$190,211,810

*2003 certified value not available. Value is either preliminary 2003 or certified 2002.

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.	\$471,332	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	2002	SCC Development
South Mesquite Creek improvement, Phase 1 TIF reimburses this 50% share.	\$88,811	2002	SCC Development
South Mesquite Creek sanitary sewer, Phase 2 TIF reimburses this 50% share.	\$91,244	2002	JDN
South Mesquite Creek improvement, Phase 2 TIF reimburses this 30% share.	\$218,717	7/1/2003	Town East Ford
North Mesquite Drive improvement TIF reimburses this 20% share.	\$147,728	7/1/2003	Town East Ford
Town East Mall water line	\$100,000	2004	General Growth
IH 635 improvements (IH 30 to US 80)	\$1,984,025	2004	Mesquite 4B Fund
IH 635 improvements (IH 30 to US 80)	\$7,300,000	2004	Texas Infrastructure Bond Fund
Town East Mall parking and circulation	\$14,205,451	2006	bonds
MISD improvements			
Campus improvements inside zone	\$900,000	5/1/2005	Tax Incr. Fund
or public assembly areas outside zone	\$1,000,000	5/1/2006	Tax Incr. Fund
	\$1,000,000	5/1/2007	Tax Incr. Fund
	\$1,000,000	5/1/2008	Tax Incr. Fund
	\$1,000,000	5/1/2009	Tax Incr. Fund
	\$1,100,000	5/1/2010	Tax Incr. Fund
	<u>\$6,000,000</u>		
Operation of project facilities	\$1,730,275	2003	Tax Incr. Fund
	\$562,359	2004	Tax Incr. Fund
	\$284,048	2005	Tax Incr. Fund
	\$128,834	2006	Tax Incr. Fund
	<u>\$2,705,516</u>		
Traffic signals at North Mesquite Dr. and Towne Centre	\$240,000	5/1/2019	Mesquite Quality of Life Corp.
Interest expense for projects (from separate schedule)	\$9,473,913	2004-2019	Tax Incr. Fund
Administrative expenses (fees) to City	\$570,000	2003-2019	Tax Incr. Fund
Total project costs	\$38,319,446		

8/10/2003

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 5 for estimated areas of development projected 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	-	476,578	-	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	-	476,578	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								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								15,000	112,000	-	40,000	60,000	20,000
Cum. SF floor area developed since 1/1/2002							0	15,000	127,000	127,000	167,000	227,000	247,000
% of 2002 vacant land vacant/underdeveloped								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		
Valuations for Jan. 1:	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total	
SF of vacant/underdeveloped land on roll, 1/1	2,394,595	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	-	-	-	-	-	-	247,000
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	-	-	-	-	457,000
Cum. SF floor area developed since 1/1/2002	287,000	327,000	347,000	367,000	367,000	457,000	457,000	457,000	457,000	457,000	457,000
% of 2002 vacant land vacant/underdeveloped	46%	42%	40%	39%	39%	33%	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
Vacant or underdeveloped accounts:				
38218000020040000	2920 GUS THOMASSON RD	TOUR PLAY GOLF CENTER	MESQUITE JV	1,941,290
65146263210700000	2425 GUS THOMASSON RD	VACANT	VALK DON	519,670
38216800010020000	2500 TOWNE CENTRE DR	VACANT	CORRAL GROUP INC	476,576
38218000020050000	3301 N MESQUITE DR	PT TOUR PLAY GOLF	TOWN EAST DEALERSHIP	404,760
65146262710480000	2237 US HIGHWAY 80 E	VACANT	DEL PROPERTIES INC	232,044
381241000A0030000	19020 LBJ FWY	VACANT	JDN REAL ESTATE MESQUITE	206,621
38053500010010000	2237 US HIGHWAY 80 E	VACANT	DEL PROPERTIES INC	114,389
65146263210620100	3201 N MESQUITE DR	VACANT	JOY PHILIP &	72,283
65146263210710100	5201 N MESQUITE DR	PARKING	TOWN EAST FORD SALES INC	70,000
381593000A0020000	2400 GUS THOMASSON RD	VACANT	KANJI ATIF ASHIQ	59,329
382143000B03R0000	2501 TOWNE CENTRE DR	VACANT	REEF DEVELOPMENT INC TR	48,917
382143000B04R0000	2501 TOWNE CENTRE DR	VACANT	REEF DEVELOPMENT INC TR	45,930
38215780010020000	18861 LBJ FWY	VACANT	THEG USA LP	44,083
Sum or average				4,235,892

8/8/2003

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	Floor Area/ 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%

8/10/2003

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 2003 dollars.
Est. improvement appraisal per new retail floor area SF:	\$50	In 2003 dollars.
Est. improvement appraisal per new residential floor area SF:	\$30	In 2003 dollars.
Est. improvement appraisal per new office floor area SF:	\$60	In 2003 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
<i>Valuations for Jan. 1,</i>	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Taxable real property value*	\$189,878,280	\$197,596,210	\$211,467,840	\$233,837,720	\$253,811,290	\$265,142,850	\$267,794,279	\$270,472,221	\$274,283,858	\$285,757,838	\$288,615,417
Est. taxable value w appreciation of developed property only							\$0	\$1,095,953	\$8,644,697	\$0	\$3,875,995
Est. appraisal change for new retail development							\$0	\$0	\$0	\$0	\$0
Est. appraisal change for new residential development							\$0	\$0	\$0	\$0	\$0
Est. appraisal change for new office development							\$0	\$0	\$0	\$0	\$0
Est. total taxable real property value	\$189,878,280	\$197,596,210	\$211,467,840	\$233,837,720	\$253,811,290	\$265,142,850	\$267,794,279	\$271,568,174	\$282,928,553	\$285,757,838	\$292,591,412
Captured appraised value (Increase from 1998 base)		\$7,717,930	\$21,589,560	\$43,959,440	\$83,933,010	\$75,264,570	\$77,915,999	\$81,689,894	\$93,050,273	\$95,879,558	\$102,713,132

*Taxable real property values through 2003 in this and subsequent schedules are from the City of Mesquite. Figures for some years differ slightly from Schedule 1.

**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
Taxable real property value*											
Est. taxable value w appreciation of developed property only	\$295,517,328	\$301,388,590	\$306,017,300	\$312,915,788	\$319,471,278	\$324,702,024	\$329,766,544	\$333,064,209	\$341,774,487	\$345,192,232	\$348,644,154
Est. appraisal change for new retail development	\$0	\$1,598,838	\$0	\$3,392,410	\$0	\$1,799,504	\$0	\$0	\$0	\$0	\$0
Est. appraisal change for new residential development	\$2,887,218	\$0	\$0	\$0	\$0	\$0	\$0	\$5,326,372	\$0	\$0	\$0
Est. appraisal change for new office development	\$0	\$0	\$3,800,310	\$0	\$2,015,875	\$0	\$0	\$0	\$0	\$0	\$0
Est. total taxable real property value	\$298,404,544	\$302,987,428	\$309,817,610	\$316,308,196	\$321,487,153	\$326,501,529	\$329,766,544	\$338,390,581	\$341,774,487	\$345,192,232	\$348,644,154
Captured appraised value (Increase from 1998 base)	\$108,526,264	\$113,109,146	\$119,939,330	\$126,429,916	\$131,608,873	\$136,623,249	\$139,868,264	\$148,512,301	\$151,896,207	\$155,313,952	\$158,765,874

**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		% of real property tax increments to TIF Fund:
	City: \$0.54148 (1)		100% City
	MISD: \$1.67000 (1)		100% School District
Assumes constant tax rates after 2002 and 100% collection			

Reinvestment Zone Year:	Base	1	2	3	4	5	6	7	8	9	10	11
<i>Valuations for Jan. 1,</i>	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Taxable value of real property (2)	\$189,878,280	\$197,596,210	\$211,467,840	\$233,837,720	\$253,811,290	\$285,142,850	\$267,794,279	\$271,568,174	\$282,928,553	\$285,757,838	\$292,591,412	\$298,404,544
Real property tax collected (3) by:												
City	\$1,028,153	\$1,069,944	\$1,145,058	\$1,266,184	\$1,374,337	\$1,435,896	\$1,450,052	\$1,470,487	\$1,532,002	\$1,547,322	\$1,584,324	\$1,615,801
MISD	\$3,000,077	\$3,122,020	\$3,341,192	\$3,694,636	\$4,111,743	\$4,427,886	\$4,472,164	\$4,535,189	\$4,724,907	\$4,772,156	\$4,888,277	\$4,983,356
Total	\$4,028,230	\$4,191,964	\$4,486,248	\$4,960,820	\$5,486,080	\$5,863,581	\$5,922,217	\$6,005,676	\$6,256,908	\$6,319,477	\$6,470,601	\$6,599,157
Real property tax retained (3) by:												
City	\$1,028,153	\$1,028,153	\$1,028,153	\$1,028,153	\$1,028,153	\$1,028,153	\$1,028,153	\$1,028,153	\$1,028,153	\$1,028,153	\$1,028,153	\$1,028,153
MISD	\$3,000,077	\$3,000,077	\$3,000,077	\$3,000,077	\$3,078,028	\$3,170,967	\$3,170,967	\$3,170,967	\$3,170,967	\$3,170,967	\$3,170,967	\$3,170,967
Total	\$4,028,230	\$4,028,230	\$4,028,230	\$4,028,230	\$4,104,181	\$4,199,120	\$4,199,120	\$4,199,120	\$4,199,120	\$4,199,120	\$4,199,120	\$4,199,120
Tax dedicated to TIF fund (3) by:												
City	\$0	\$41,791	\$116,903	\$238,032	\$346,184	\$407,543	\$421,900	\$442,334	\$503,849	\$519,169	\$558,171	\$587,648
MISD	\$0	\$121,943	\$341,115	\$694,559	\$1,035,715	\$1,258,918	\$1,301,197	\$1,364,221	\$1,553,940	\$1,601,189	\$1,715,309	\$1,812,389
Total	\$0	\$163,734	\$458,018	\$932,591	\$1,381,899	\$1,664,461	\$1,723,097	\$1,806,556	\$2,057,788	\$2,120,357	\$2,271,480	\$2,400,037

(1) MISD tax rates were \$1.58 through 2001, \$1.62 for 2002. Anticipated 2003 rates are applied for all other years.
 (2) Taxable real property values through 2002 in this schedule are courtesy of the City of Mesquite. Figures for some years differ slightly from Schedule 1.
 (3) 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:	12	13	14	15	16	17	18	19	20	Cumulative, 20 Years of Dedications
Valuations for Jan. 1,	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Taxable value of real property (2)	\$302,987,428	\$309,817,610	\$316,308,196	\$321,487,153	\$326,501,529	\$329,766,544	\$338,390,581	\$341,774,487	\$345,192,232	
Real property tax collected (3) by:										
City	\$1,640,616	\$1,677,600	\$1,712,746	\$1,740,789	\$1,767,940	\$1,785,620	\$1,832,317	\$1,850,640	\$1,869,147	\$31,368,621
MISD	\$5,059,890	\$5,173,954	\$5,282,347	\$5,388,835	\$5,452,578	\$5,507,101	\$5,651,123	\$5,707,634	\$5,764,710	\$96,039,695
Total	\$6,700,506	\$6,851,554	\$6,995,093	\$7,109,624	\$7,220,516	\$7,292,721	\$7,483,440	\$7,558,274	\$7,633,857	\$127,408,316
Real property tax retained (3) by:										
City	\$1,028,153	\$1,028,153	\$1,028,153	\$1,028,153	\$1,028,153	\$1,028,153	\$1,028,153	\$1,028,153	\$1,028,153	\$20,563,058
MISD	\$3,170,967	\$3,170,967	\$3,170,967	\$3,170,967	\$3,170,967	\$3,170,967	\$3,170,967	\$3,170,967	\$3,170,967	\$62,811,735
Total	\$4,199,120	\$4,199,120	\$4,199,120	\$4,199,120	\$4,199,120	\$4,199,120	\$4,199,120	\$4,199,120	\$4,199,120	\$83,374,793
Tax dedicated to TIF fund (3) by:										
City	\$612,463	\$649,447	\$684,593	\$712,638	\$739,788	\$757,467	\$804,164	\$822,488	\$840,994	\$10,805,563
MISD	\$1,888,923	\$2,002,987	\$2,111,380	\$2,197,868	\$2,281,608	\$2,336,134	\$2,480,155	\$2,536,687	\$2,593,743	\$33,227,980
Total	\$2,501,386	\$2,652,434	\$2,795,972	\$2,910,504	\$3,021,396	\$3,093,601	\$3,284,320	\$3,359,154	\$3,434,737	\$44,033,523

**Schedule 8:
Cash Flow and Reimbursement**

Year:	1	2	3	4	5	6	7	8	9	10	11	12		
	Base	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Cash for debt service by approx. May 1,														
Received from City*		\$0	\$396,726	\$0	\$346,165	\$407,543	\$421,900	\$442,334	\$503,849	\$519,169	\$556,171	\$587,648		
Received from MISD*		\$0	\$0	\$121,843	\$2,071,390	\$1,256,918	\$1,301,197	\$1,364,221	\$1,553,940	\$1,601,189	\$1,715,309	\$1,812,389		
Total real property tax to TIF fund		\$0	\$396,726	\$121,843	\$2,417,575	\$1,664,461	\$1,723,097	\$1,806,556	\$2,057,789	\$2,120,357	\$2,271,480	\$2,400,037		
Plus carryover from previous year		\$0	\$0	\$396,726	\$47,337	\$39,388	\$0	\$0	\$0	\$0	\$0	\$0		
Less administrative fees*		\$0	\$0	\$0	\$90,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000		
Less operating costs for MISD project facilities		\$0	\$0	\$0	\$1,730,275	\$562,359	\$284,048	\$128,834	\$0	\$0	\$0	\$0		
Less principal for MISD facilities		\$0	\$0	\$0	\$0	\$0	\$800,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,100,000		
Net funds available for debt service		\$0	\$0	\$0	\$396,726	\$518,669	\$644,637	\$1,111,490	\$509,049	\$647,722	\$1,027,788	\$1,090,357	\$1,241,480	\$1,270,037

*Figures through 2003 are from City of Mesquite.

Advance and reimbursement assumptions:

Relocation of Brazos Electric distribution line	\$471,332	Reimbursed in 2002, no interest
South Mesquite Creek sanitary sewer improvement	\$58,750	Reimbursed in 2003, no interest
South Mesquite Creek Improvement	\$88,811	Reimbursed in 2003, no interest
South Mesquite Creek sanitary sewer improvement	\$91,244	Reimbursed in 2003, no interest
South Mesquite Creek Improvement	\$218,717	Reimbursed in 2003, no interest
North Mesquite Drive improvement	\$147,728	Reimbursed in 2003, no interest
Town East Mall water line	\$100,000	Advanced 2004 by General Growth, reimbursed 2004
IH 635 Improvements (IH 30 to US 80)	\$1,964,025	Advanced 5/1/04 by Mesquite 4B Fund
IH 635 Improvements (IH 30 to US 80)	\$7,300,000	Advanced 5/1/04 by TX DOT
Town East Mall parking and circulation	\$14,205,451	Advanced 5/1/06 by City
Signals at N. Mesquite Dr. and Towne Centre Blvd.	\$240,000	Advanced 5/1/19 by MQOLC
Interest on cash advances, compounded annually	4.00%	Actual terms will be set when repayment agreement originates.

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

Advances and reimbursements

by approx. May 1,	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Principal carried from previous year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,252,535	\$22,279,039	\$22,279,039	\$22,279,039	\$22,201,056	\$21,847,618
New principal advanced	\$0	\$0	\$0	\$471,332	\$605,249	\$9,364,025	\$14,205,451	\$0	\$0	\$0	\$0	\$0	\$0
Less principal repaid this year	\$0	\$0	\$0	\$471,332	\$605,249	\$1,111,490	\$178,947	\$0	\$0	\$77,983	\$353,438	\$396,132	\$0
Net reimbursable principal	\$0	\$0	\$0	\$0	\$0	\$8,252,535	\$22,279,039	\$22,279,039	\$22,279,039	\$22,201,056	\$21,847,618	\$21,451,486	\$0
Interest carried from previous year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$243,440	\$118,551	\$0	\$0	\$0
Interest accrued this period	\$0	\$0	\$0	\$0	\$0	\$0	\$330,101	\$891,162	\$900,899	\$895,824	\$888,042	\$873,905	\$873,905
Total interest before reduction this period	\$0	\$0	\$0	\$0	\$0	\$0	\$330,101	\$891,162	\$1,144,339	\$1,012,374	\$888,042	\$873,905	\$873,905
Less interest repaid this year	\$0	\$0	\$0	\$0	\$0	\$0	\$330,101	\$647,722	\$1,027,788	\$1,012,374	\$888,042	\$873,905	\$873,905
Net reimbursable interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$243,440	\$118,551	\$0	\$0	\$0
Total p & i owed by TIF fund	\$0	\$0	\$0	\$0	\$0	\$0	\$8,252,535	\$22,279,039	\$22,522,479	\$22,395,590	\$22,201,056	\$21,847,618	\$21,451,486
Total paid for fees, principal, interest	\$0	\$0	\$0	\$471,332	\$695,249	\$1,141,490	\$1,439,049	\$1,677,722	\$2,057,788	\$2,120,357	\$2,271,480	\$2,400,037	\$0
TIF fund balance at end of period	\$0	\$0	\$396,726	\$47,337	\$39,388	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**Schedule 8:
Cash Flow and Reimbursement**

	13	14	15	16	17	18	19	20	21	Cumulative for 20 Years (2 through 21)
Cash for debt service by approx. May 1,	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Received from City*	\$612,463	\$649,447	\$684,593	\$712,638	\$739,788	\$757,467	\$804,184	\$822,488	\$840,994	\$10,805,584
Received from MISD*	\$1,888,923	\$2,002,987	\$2,111,380	\$2,197,868	\$2,281,608	\$2,338,134	\$2,480,155	\$2,538,687	\$2,583,743	\$33,227,960
Total real property tax to TIF fund	\$2,501,386	\$2,652,434	\$2,795,972	\$2,910,504	\$3,021,396	\$3,093,601	\$3,284,320	\$3,359,154	\$3,434,737	\$44,033,524
Plus carryover from previous year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$570,000
Less administrative fees*	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Less operating costs for MISD project facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less principal for MISD facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000,000
Net funds available for debt service	\$2,471,386	\$2,622,434	\$2,765,972	\$2,880,504	\$2,991,396	\$3,063,601	\$3,254,320	\$3,329,154	\$3,404,737	

Advances and reimbursements by approx. May 1,	2011	2012	2013	2014	2015	2016	2017	2018	2019	Cumulative
Principal carried from previous year	\$21,451,486	\$19,838,160	\$18,009,252	\$15,963,649	\$13,721,691	\$11,279,163	\$8,666,729	\$5,759,078	\$2,660,287	\$24,886,057
New principal advanced	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$240,000	\$24,886,057
Less principal repaid this year	\$1,613,327	\$1,828,908	\$2,045,602	\$2,241,958	\$2,442,528	\$2,612,434	\$2,907,651	\$3,098,791	\$2,900,287	\$24,886,057
Net reimbursable principal	\$19,838,160	\$18,009,252	\$15,963,649	\$13,721,691	\$11,279,163	\$8,666,729	\$5,759,078	\$2,660,287	\$0	
Interest carried from previous year	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest accrued this period	\$858,059	\$793,528	\$720,370	\$638,548	\$548,868	\$451,167	\$348,669	\$230,363	\$106,411	\$9,473,913
Total Interest before reduction this period	\$858,059	\$793,528	\$720,370	\$638,548	\$548,868	\$451,167	\$348,669	\$230,363	\$106,411	\$9,473,913
Less interest repaid this year	\$858,059	\$793,528	\$720,370	\$638,548	\$548,868	\$451,167	\$348,669	\$230,363	\$106,411	\$9,473,913
Net reimbursable interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total p & i owed by TIF fund	\$19,838,160	\$18,009,252	\$15,963,649	\$13,721,691	\$11,279,163	\$8,666,729	\$5,759,078	\$2,660,287	\$0	
Total paid for fees, principal, interest	\$2,501,386	\$2,652,434	\$2,795,972	\$2,910,504	\$3,021,396	\$3,093,601	\$3,284,320	\$3,359,154	\$3,036,698	\$40,929,970
TIF fund balance at end of period	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$398,038	

Towne Centre Reimbursement Zone Project Plan and Financing Plan

August 12, 2003, Page 25