

ORDINANCE NO. 3635

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, APPROVING THE 2004 AMENDED AND RESTATED PROJECT AND FINANCING PLAN FOR MESQUITE RODEO CITY TAX INCREMENT FINANCE REINVESTMENT ZONE NUMBER ONE, CITY OF MESQUITE, TEXAS; MAKING A FINDING OF FEASIBILITY; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.

WHEREAS, the City established Mesquite Rodeo City Tax Increment Finance Reinvestment Zone Number One, 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. 3138 approved by the City Council on February 3, 1997, in accordance with the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, Vernon's Texas Codes Annotated (the "Act"); and

WHEREAS, the Board on June 17, 1997, prepared and adopted a Project and Financing Plan for the Zone pursuant to Ordinance No. 3162 approved by the City Council on July 7, 1997; and

WHEREAS, the Board on December 15, 2000, prepared and adopted a Revised Project Plan and Financing Plan pursuant to Ordinance No. 3412 approved by the City Council on February 5, 2001; and

WHEREAS, the Board on August 12, 2003, prepared and adopted an Amended and Restated Project and Financing Plan pursuant to Ordinance No. 3597 approved by the City Council on August 25, 2003; and

WHEREAS, the Board on February 2, 2004, prepared and adopted the 2004 Amended and Restated Project and Financing Plan (the "Plan"), a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference for the Zone, and is hereby submitted by the Board for approval; and

WHEREAS, the Plan is substantially consistent with the adopted original and revised plans for the Zone which were approved by the City Council on July 7, 1997, February 5, 2001, and August 25, 2003, respectively.

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 City Council has reviewed the 2004 Amended and Restated Project and Financing Plan (the "Plan"), attached hereto as Exhibit "A," and finds the Plan to be feasible and hereby approves the Plan and its amendments.

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.

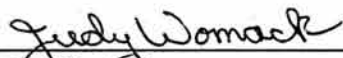
SECTION 4. That should any word, sentence, clause, paragraph or provision of this ordinance be held to be invalid or unconstitutional, the validity of the remaining provisions of this ordinance shall not be affected and shall remain in full force and effect.

SECTION 5. That the need to regulate the Plan and its amendments for Mesquite Rodeo City Tax Increment Finance Reinvestment Zone Number One of the City of Mesquite, and the need to protect the public interest, comfort and general welfare of the citizens of the City of Mesquite, creates an urgency and emergency for the preservation of the public health, safety and welfare, 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 February, 2004.

  
Mike Anderson  
Mayor

ATTEST:

  
Judy Womack  
City Secretary

APPROVED:

  
B. J. Smith  
City Attorney

**2004 Amended and Restated  
Project and Financing Plan  
for  
Mesquite Rodeo City  
Reinvestment Zone Number One**

**February 2, 2004**

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Neither this report nor its conclusions may be referred to or included in any product or part of any offering made in connection with private syndication of equity, sale of bonds, sales of securities or sale of participation interests to the public without express written approval of Stein Planning and Management, 3733 Shenandoah Street, Dallas, Texas 75205, 214-526-3733.

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## Section 1: Amended and Restated Plan

The Mesquite City Council ("Council") designated the Mesquite Rodeo City Reinvestment Zone Number One ("Zone 1") by Ordinance 3138 on February 3, 1997. The Council approved a project plan and financing plan for Zone 1 on April 21, 1997 and revised the project plan and financing plan on July 7, 1997. The Board of the Mesquite Independent School District voted in 1997 to participate in Zone 1 with 100% of the School District's Zone 1 tax increment.

Three years after the February 3, 1997 date when Zone 1 was created, no bonds had been issued for Zone 1, the City of Mesquite had not acquired property in Zone 1 that it would not have acquired in the absence of Zone 1 and no construction of Zone 1 improvements had begun that would not have begun in the absence of Zone 1. Subsequently, a member of the Zone 1 board of directors ("TIF Board") requested that the County of Dallas and the Dallas County Hospital District be allowed to terminate their participation in Zone 1. The TIF Board deemed the request reasonable and determined in 2001 to revise the project and financing plan to continue participation by only the City of Mesquite and the Mesquite Independent School District. The plan deleted improvements for the Rodeo City entertainment project to have been developed by AGF Scyene Rodeo or its assigns or successors. It added an erosion control and sidewalk improvement project along Hickory Tree Road.

This document is a further revision of the approved plan, an amended and restated project plan and financing plan for Zone 1. It does not modify the boundaries of Zone 1 as approved on February 3, 1997 and maintained without change. Upon approval by the Council, this amended and restated project and financing plan will supersede and replace the previously approved project plan and financing plan to the full extent permitted by Texas law.



## Section 2: What Is Tax Increment Financing?

Tax increment financing ("TIF") is a tool to finance public improvements within a defined area. These improvements are intended to attract new investment. The primary statute governing TIF is Chapter 311 of the Texas Tax Code. The Texas Government Code, Section 403.302, also addresses TIF as a factor in defining school district property values for purposes of equalizing wealth per student. Mesquite Independent School District tax increments paid to the tax increment fund for Zone 1 are not treated as local wealth.

A municipality makes an area eligible for tax increment financing by designating a "reinvestment zone" ("Zone"). Tax dollars generated by growth of real property value in the Zone are called the "tax increment." These tax increment dollars flow to a tax increment fund ("Fund") for a specified term of years. For Zone 1, tax increments on real property will flow to the Fund through December 31, 2018. The Fund may be used to pay for or reimburse expenses of constructing public improvements in the Zone and other uses permitted by Texas law. Money in the Fund may be disbursed according to a plan and agreements approved by the TIF Board and the Council. The TIF Board consists of five to fifteen members appointed according to state law and municipal ordinance.

Section 3:  
**Pro Forma**  
**(Economic Feasibility Study)**

The original plan for Zone 1 anticipated that AGF Scyene Rodeo, owner of the vacant tracts at the center of the zone, would advance funds for specific public improvements and construct taxable improvements for entertainment, retail and restaurant uses. The development would build on a theme set by the Mesquite Rodeo. City investments in the conference center and exhibit hall and School District investments in the stadium would contribute to the success of the themed entertainment complex.

After more than three years, the private developer had not constructed improvements and no longer had a specific plan to do so. Consequently, the City of Mesquite revised the Zone 1 project and financing plan in 2001 to reflect that changed reality. The City believes tax increment financing remains an inducement for economic development of Zone 1 and will consider subsequent changes to the plan if and when a landowner demonstrates interest in using tax increment financing to facilitate development.

Exhibit A is a map of Zone 1, showing existing uses and conditions. Schedule 1 identifies all real property accounts from the Dallas Central Appraisal District that are known to lie within Zone 1. The schedule shows appraised values for each account and for the zone in aggregate for base year 1997 and 2003, based on figures available in August 2003.

Schedule 2 projects aggregate annual values of Zone 1, annual captured appraised values of Zone 1 and annual tax increment revenues from Zone 1 for the duration of the zone. Appraisals through 2003 are actual values, not projections.

The projected values of Schedule 2 are predicated on annual value growth of 2%. No supplemental value growth been assumed for any development. Actual value changes for any year and for the duration of the zone may be more or less than the assumed 2%. The hypothetical growth rate is less than recent consumer price index changes.

Exhibit B locates public improvements to be reimbursed by the Fund. It also shows the vacant sites in Zone 1, all of which are anticipated for eventual use as entertainment, sports, retail, restaurant, hotel or office facilities.

The final schedule of the pro forma, Schedule 3, projects annual expenses of the tax increment fund, including administrative expenses, interest reimbursements and principal reimbursements. Actual reimbursements may vary from Schedule 3 for several reasons, including these:

- (1) Revenues vary;
- (2) A cash balance is maintained for the Fund;
- (3) Actual expenses vary;
- (4) Interest rates vary;



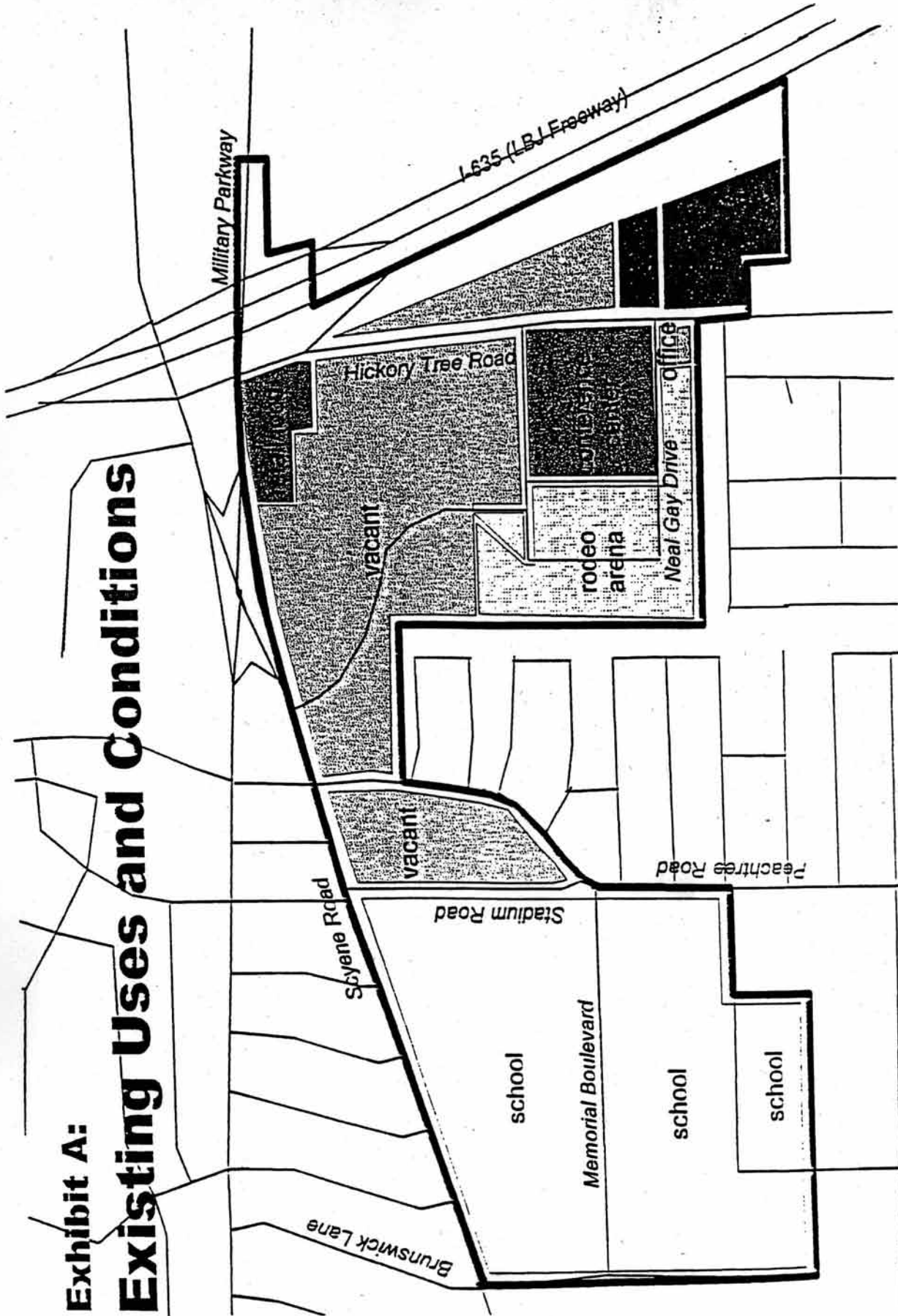
(5) Interest is earned on cash balances for the Fund.

The first year in which the Fund was due an increment was 2000. This increment was based on appraisals for 1999 and real property tax levied in fall 1999. Taxes were due without penalty by January 31, 2000. Section 311.013 prescribes payments to the Fund not later than the 90<sup>th</sup> day after the delinquency date for taxes.

The formula for division of available TIF dollars among creditors will be as follows:

- (1) TIF cash will be applied first to administrative fees incurred by the City of Mesquite for Zone 1.
- (2) TIF cash will be applied next to operating costs for MISD project facilities as indicated in Schedule 3.
- (3) Beginning in 2002, the percentages of annual TIF revenue after administrative fees and MISD operating costs for project facilities will reflect shares of reimbursable principal investments for project costs made to date by each creditor. This mechanism will assure that if one of the anticipated creditors does not make the anticipated public improvement principal expenditures from the project cost list (Schedule 3), that party will not receive undue benefits.
- (4) When the Fund has satisfied an obligation to a creditor, available TIF dollars may be distributed to remaining creditors.
- (5) A positive Fund balance at the termination of Zone 1 may be used for public improvements in the zone or may be returned to participating jurisdictions according to relative amounts of tax increments paid to the zone in the most recent year, at the discretion of the TIF Board, subject to approval by the Council.

**Exhibit A:  
Existing Uses and Conditions**







**Schedule 1:  
Real Property Accounts in the Reinvestment Zone**

2000 Owner of Record	DCAD Account #	Site Address	Land SF	Acres	2003 Total Appraisal	1997 Total Appraisal
<b>Taxable Accounts</b>						
AMBAJI SERI CORP	65097420510020200	500 HICKORY TREE RD	16,529	0.3795		
CHARGER SQUARE JV	381620000A02B0000	1704 MILITARY PKWY	42,061	0.9656	\$1,029,800	\$696,920
ELTRA JV	381620000A03A0000	1726 MILITARY PKWY	19,845	0.4556	\$119,070	\$59,540
ENGRAM BRYAN H ET AL	65103155010130000	410 HICKORY TREE RD	276,606	6.3500	\$276,610	\$96,810
FM TB MESQUITE LTD	381620000A02A0000	1714 MILITARY PKWY	17,711	0.4066	\$1,052,320	\$249,220
HOLLIN ROBERT W	65097420510020100	500 HICKORY TREE RD	105,549	2.4210	\$88,780	\$13,941
JADO PROPERTIES INC	65007456510010200	1703 RODEO DR	231,599	5.3168	\$521,100	\$231,600
JOHN Q HAMMONS HOTELS	65007456510030100	1700 RODEO DR	156,816	3.6000	\$7,800,000	
KENTUCKY FRIED CHICKEN	381620000A03B0000	1730 MILITARY PKWY	27,643	0.6346	\$802,660	\$290,520
KTEL CORPORATION	38142980010030000	21850 LBJ	72,000	1.6529	\$2,405,000	
MCCAY M A	38162050010040000	1720 NEAL GAY DR	28,100	0.6451	\$223,610	\$155,700
NUMO MANUFACTURING CO INC	38142980000010000	700 HICKORY TREE RD	417,923	9.5942	\$647,470	\$847,070
PARRISH ROLAND	381182000A0010000	2012 W SCYENE RD	38,219	0.8774	\$406,920	\$285,660
RODEO DRIVE PARTNERS	38162050010010200	1901 RODEO DR	8,350	0.1917	\$18,790	\$12,530
ROHAN EMANUEL & VALERIE	38142990000020000	622 HICKORY TREE RD	123,057	2.8250	\$278,850	\$219,180
SCYENE RODEO LTD	65007456510010000	1705 RODEO DR	84,867	1.8483	\$190,950	\$100,140
SCYENE RODEO LTD	65007456510010300	417 HICKORY TREE RD	122,892	2.8212	\$276,510	\$150,000
SCYENE RODEO LTD	65146264410030000	1900 W SCYENE RD	797,161	18.3003	\$597,860	\$263,060
SCYENE RODEO LTD	65146264410030200	2000 W SCYENE RD	363,382	8.3421	\$363,380	\$272,540
SCYENE RODEO LTD	65146264410030500	2000 W SCYENE RD	459,085	10.5387	\$344,300	\$144,080
SIMPSON DAVID R & ANN	38162050010020000	1919 RODEO DR	24,267	0.5571	\$205,590	\$192,120
SKINNER MASONRY INC	65007456510050000	627 HICKORY TREE RD	42,227	0.9894	\$124,210	\$71,080
SKINNER REAL EST LP PS	38162050010030000	613 HICKORY TREE RD	14,201	0.3280	\$53,250	\$28,400
SOUTHWEST RODEO L P	38162050010010000	600 HICKORY TREE RD	15,743	0.3614	\$35,420	\$19,680
SOUTHWEST RODEO L P	65146264410030400	1700 RODEO DR	185,348	4.2550	\$187,200	\$46,290
SOUTHWEST RODEO L P	65146264410030600	1700 RODEO DR	104,693	2.4034	\$235,560	\$50,000
SOUTHWEST RODEO LP	38162050010010100	1700 NEAL GAY DR	739,083	16.9670	\$4,328,150	\$3,135,210
SWAFFORD BURL	6509742051002D100	500 HICKORY TREE RD			\$88,780	\$13,941
TRI STATE PIZZA	381620000A0010000	21717 LBJ FWY	126,193	2.8970	\$1,752,900	\$1,400,000
TRI STATE PIZZA	381620000A0040000	21713 LBJ FWY	224,155	5.1459	\$462,070	\$275,550
TRI STATE PIZZA	381620000A0040100	21717 LBJ FWY	3,337	0.0766	\$1,000	
TXU INTEGRATED SOLUTIONS	3816205001001M100	1700 NEAL GAY DR	10	0.0002	\$84,010	
WHATABURGER OF MESQUITE	381620000A03C0000	1718 MILITARY PKWY	22,999	0.5260	\$516,960	\$259,270
Taxable accounts subtotal			4,911,631	112.7535	\$25,519,080	\$9,580,051
<b>Fully exempt accounts</b>						
MESQUITE CITY OF	65007456510030000	1800 RODEO DR	286,320	6.5730	\$9,452,480	\$443,140
MESQUITE CITY OF	65146264410030300	301 PEACHTREE RD	82,851	1.9020	\$124,280	\$165,700
MESQUITE I S D	38227600010010000	2411 MEMORIAL	2,178,000	50.0000	\$740,320	
MESQUITE I S D	38227600020010000	2500 MEMORIAL	1,811,720	37.0000	\$562,250	
MESQUITE I S D	65146264510050000	713 PEACHTREE RD	40,511	0.9300	\$69,870	\$7,440
MESQUITE I S D	65146264510070000	713 PEACHTREE RD	4,008	0.0920		\$740

**Schedule 2:  
Estimated Annual Appraisals of Zone and Receipts by Fund**

**Assumptions:**  
 Average annual appreciation: 2% Applied after 2003  
 Assumes these tax rates per \$100:  
 City: \$0.54148 100% participation  
 MISD: \$1.67000 100% participation  
 Exceptions: MISD levy was \$1.58 for 1999, 2000 and 2001, \$1.62 for 2002.

Appraisals for 1/1, receipts by approx. 5/1,	Year: Base 1997	1 1998	2 1999	3 2000	4 2001	5 2002	6 2003	7 2004	8 2005	9 2006	10 2007	11 2008
<b>Appraisals</b>												
Stream 1: Real properties without specific anticipated improvements								\$26,029,339	\$26,549,926	\$27,080,925	\$27,622,543	\$28,174,994
Stream 2: Specific anticipated improvements								\$0	\$0	\$0	\$0	\$0
Specific anticipated improvements								\$0	\$0	\$0	\$0	\$0
Stream 2 subtotal								\$0	\$0	\$0	\$0	\$0
<b>Total appraisal*</b>	\$9,580,052	\$9,529,510	\$21,021,590	\$21,829,870	\$22,905,530	\$26,808,690	\$25,518,960	\$26,029,339	\$26,549,926	\$27,080,925	\$27,622,543	\$28,174,994
Less 1997 base value	\$9,580,052	\$9,580,052	\$9,580,052	\$9,580,052	\$9,580,052	\$9,580,052	\$9,580,052	\$9,580,052	\$9,580,052	\$9,580,052	\$9,580,052	\$9,580,052
Captured appraised value		\$0	\$11,441,538	\$12,249,818	\$13,325,478	\$17,226,638	\$15,938,908	\$16,449,287	\$16,969,874	\$17,500,873	\$18,042,491	\$18,594,942
<b>Revenue to Fund (lags appraisal 16 months)*</b>												
From City of Mesquite			\$0	\$0	\$200,439	\$0	\$93,278	\$86,306	\$89,070	\$91,888	\$94,764	\$97,696
From MISD								\$268,180	\$274,703	\$283,397	\$292,265	\$301,310
Captured appraised value times tax rate								\$210,543	\$28,605	\$30,035	\$0	\$0
Plus agreed adjustment for delayed payments								\$478,723	\$303,308	\$313,432	\$292,265	\$301,310
MISD subtotal			\$0	\$0	\$0	\$180,777	\$883,161	\$478,723	\$303,308	\$313,432	\$292,265	\$301,310
<b>Total</b>			\$0	\$0	\$200,439	\$180,777	\$776,439	\$563,029	\$392,378	\$405,320	\$387,028	\$399,006

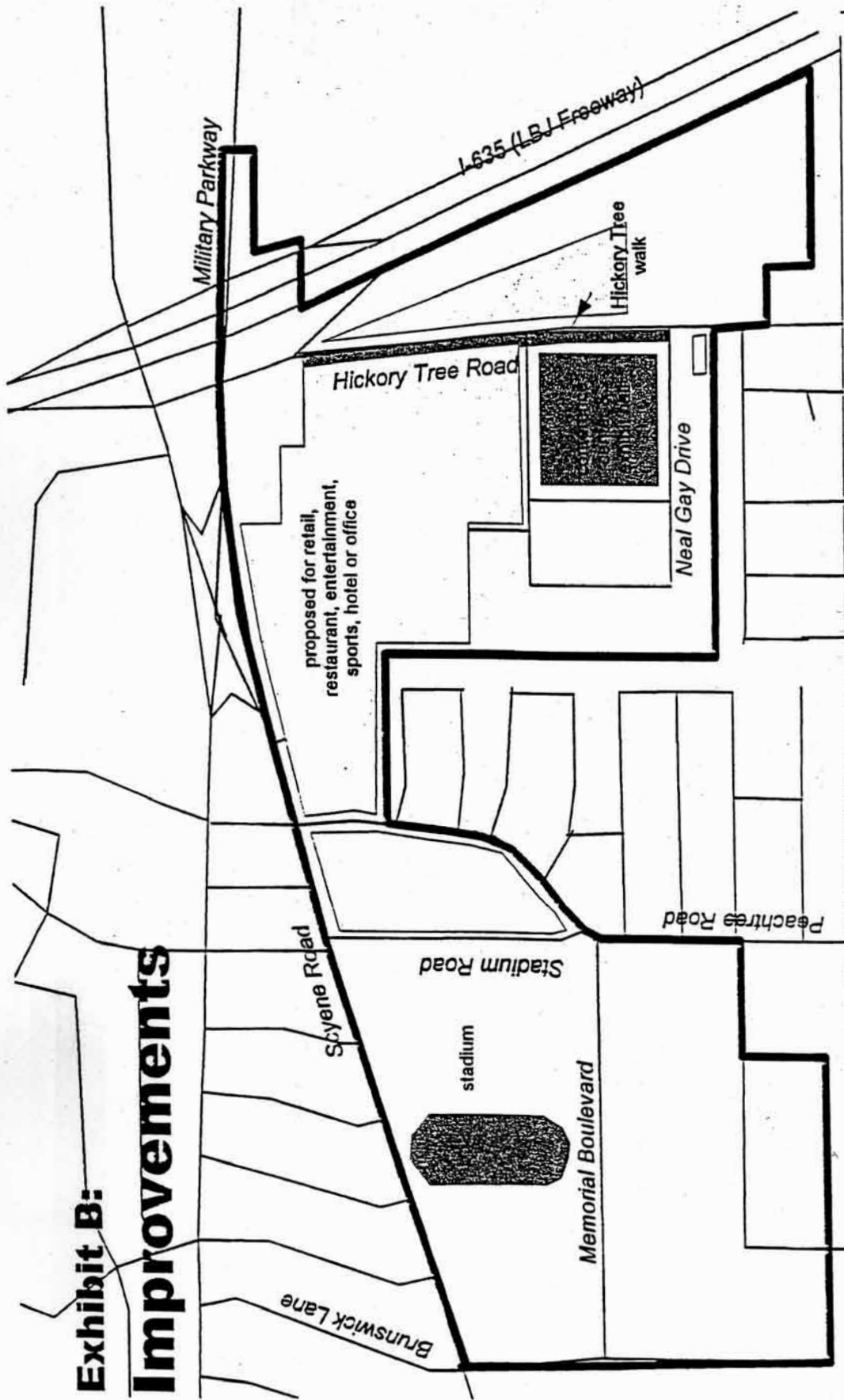
\*Figures through 2003 are from City of Mesquite.

**Schedule 2:  
Estimated Annual Appraisals of Zone and Receipts by Fund**

	12	13	14	15	16	17	18	19	20	21	
Appraisals for 1/1, receipts by approx. 5/1,	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Cumulative
<b>Appraisals</b>											
Stream 1: Real properties without specific anticipated improvements	\$28,738,494	\$29,313,264	\$29,899,529	\$30,497,519	\$31,107,470	\$31,729,619	\$32,364,212	\$33,011,496	\$33,671,726	\$34,345,160	
Stream 2: Specific anticipated improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Specific anticipated improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Stream 2 subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total appraisal*	\$28,738,494	\$29,313,264	\$29,899,529	\$30,497,519	\$31,107,470	\$31,729,619	\$32,364,212	\$33,011,496	\$33,671,726	\$34,345,160	
Less 1997 base value	\$9,580,052	\$9,580,052	\$9,580,052	\$9,580,052	\$9,580,052	\$9,580,052	\$9,580,052	\$9,580,052	\$9,580,052	\$9,580,052	
Captured appraised value	\$19,158,442	\$19,733,212	\$20,319,477	\$20,917,467	\$21,527,418	\$22,149,567	\$22,784,160	\$23,431,444	\$24,091,674	\$24,765,108	
<b>Revenue to Fund (lags appraisal 16 months)*</b>											
From City of Mesquite	\$100,688	\$103,739	\$106,851	\$110,028	\$113,264	\$116,567	\$119,935	\$123,372	\$126,877	\$130,452	\$1,905,211
From MISD											
Captured appraised value times tax rate	\$310,536	\$319,946	\$329,545	\$339,335	\$349,322	\$359,508	\$369,898	\$380,495	\$391,305	\$402,331	\$4,970,074
Plus agreed adjustment for delayed payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$269,183
MISD subtotal	\$310,536	\$319,946	\$329,545	\$339,335	\$349,322	\$359,508	\$369,898	\$380,495	\$391,305	\$402,331	\$8,103,195
Total	\$411,223	\$423,685	\$436,396	\$449,361	\$462,586	\$476,075	\$489,833	\$503,867	\$518,182	\$532,783	\$8,008,407



# Exhibit B: Improvements



- public improvements to be reimbursed by Tax Increment Fund
- proposed retail, restaurant, entertainment, sports, hotel or office

**Schedule 3:  
Reimbursement Schedule for Tax Increment Fund**

**Assumptions:**

City reimbursable expense: land for Conference Center	\$975,000	Advanced 1995. 438,000 SF at Hickory Tree and Neal Gay
City reimbursable expense: Exhibition Hall and Conference Center	\$2,125,000	Advanced 1998. 80,000 SF at Hickory Tree and Neal Gay
City reimbursable expense: Hickory Tree Road grading and walks	\$148,200	Advanced by 4/30/2002. 1,200 linear feet on west side Neal Gay
MISD reimbursable expenses	\$1,000,000	Advanced 1999. 40,000 playing field at Scyena and Stadium
City share of TIF reimbursable expenses and revenue	78.45%	Share based on investments through 4/30/2003
MISD share of TIF reimbursable expenses and revenue	23.55%	Share based on investments through 4/30/2003
Distributions are according to expenditures to date for reimbursable improvements.		
Estimated interest paid by Fund for City, MISD advances	0.00%	Annual compounding

Year:	1	2	3	4	5	6	7	8	9	10	
Base	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Receipts, expenses by approx. 8/1,</b>											
<b>Revenue to Fund</b>											
Annual revenue to Fund (from Schedule 2)			\$0	\$0	\$200,439	\$180,777	\$778,439	\$563,029	\$392,378	\$405,320	\$387,028
Plus balance carried from previous period		\$0	\$0	\$0	\$0	\$200,439	\$118,488	\$43,485	\$0	\$0	\$0
Total new balance		\$0	\$0	\$0	\$200,439	\$381,216	\$894,925	\$608,514	\$392,378	\$405,320	\$387,028
<b>Expenses before debt service</b>											
Administrative fees (to City)		\$0	\$0	\$0	\$0	\$40,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Operating costs for MISD project facilities		\$0	\$0	\$0	\$0	\$0	\$489,814	\$266,180	\$28,605	\$30,035	\$0
Net available for debt service		\$0	\$0	\$0	\$200,439	\$341,216	\$395,311	\$330,334	\$353,773	\$365,285	\$377,028
<b>Debt service expenses</b>											
<b>Advances by City for reimbursable improvements</b>											
Principal balance carried forward		\$0	\$3,100,000	\$3,100,000	\$3,100,000	\$3,100,000	\$3,075,923	\$2,806,952	\$2,554,412	\$2,283,952	\$2,004,692
Plus new principal advanced	\$0	\$3,100,000	\$0	\$0	\$0	\$148,200	\$0	\$0	\$0	\$0	\$0
Sum of principal before repayment	\$0	\$3,100,000	\$3,100,000	\$3,100,000	\$3,100,000	\$3,248,200	\$3,075,923	\$2,806,952	\$2,554,412	\$2,283,952	\$2,004,692
Less reduction of principal this period	\$0	\$0	\$0	\$0	\$0	\$170,277	\$268,971	\$252,540	\$270,459	\$279,281	\$288,238
Net principal owed	\$0	\$3,100,000	\$3,100,000	\$3,100,000	\$3,100,000	\$3,075,923	\$2,806,952	\$2,554,412	\$2,283,952	\$2,004,692	\$1,716,454
Outstanding interest carried forward		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus interest accrued this period	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sum of interest before repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less reduction of interest this period	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net interest owed	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total principal and interest owed to City	\$0	\$3,100,000	\$3,100,000	\$3,100,000	\$3,100,000	\$3,075,923	\$2,806,952	\$2,554,412	\$2,283,952	\$2,004,692	\$1,716,454
<b>Advances by MISD for reimbursable improvements</b>											
Principal balance carried forward		\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$947,547	\$864,692	\$788,898	\$703,585	\$617,560
Plus new principal advanced	\$0	\$0	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sum of principal before repayment	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$947,547	\$864,692	\$788,898	\$703,585	\$617,560
Less reduction of principal this period	\$0	\$0	\$0	\$0	\$0	\$52,453	\$82,855	\$77,794	\$83,313	\$88,025	\$88,790
Net principal owed	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$947,547	\$864,692	\$788,898	\$703,585	\$617,560	\$528,770
Outstanding interest carried forward		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus interest accrued this period	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sum of interest before repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less reduction of interest this period	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net interest owed	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total principal and interest owed to others	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$947,547	\$864,892	\$788,898	\$703,585	\$617,560	\$528,770
Total principal and interest owed	\$0	\$3,100,000	\$4,100,000	\$4,100,000	\$4,100,000	\$4,023,470	\$3,671,844	\$3,341,310	\$2,987,537	\$2,622,252	\$2,245,224
Fund balance at end of period		\$0	\$0	\$0	\$200,439	\$118,488	\$43,485	\$0	\$0	\$0	\$0

**Schedule 3:  
Reimbursement Schedule for Tax Increment Fund**

	11	12	13	14	15	16	17	18	19	20	21	Cumulative
Revenue to Fund	\$399,006	\$411,223	\$423,665	\$436,396	\$449,361	\$462,586	\$476,075	\$489,833	\$503,667	\$518,162	\$532,763	\$8,008,407
Annual revenue to Fund (from Schedule 2)	\$399,006	\$411,223	\$423,665	\$436,396	\$449,361	\$462,586	\$476,075	\$489,833	\$503,667	\$518,162	\$532,763	\$8,008,407
Plus balance carried from previous period	\$0	\$0	\$0	\$0	\$0	\$0	\$277,034	\$743,108	\$1,222,942	\$1,716,809	\$2,224,990	\$2,747,773
Total new balance	\$399,006	\$411,223	\$423,665	\$436,396	\$449,361	\$462,586	\$723,109	\$1,210,941	\$1,720,516	\$2,239,152	\$2,780,536	\$10,756,114
Expenses before debt service	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Administrative fees (to City)	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Operating costs for MISD project facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net available for debt service	\$389,006	\$401,223	\$413,665	\$426,396	\$439,361	\$452,586	\$713,109	\$1,200,941	\$1,710,516	\$2,229,152	\$2,770,536	\$10,746,114
Advances by City for reimbursable improvements	\$1,716,454	\$1,419,058	\$1,112,323	\$796,061	\$470,081	\$134,190	\$0	\$0	\$0	\$0	\$0	\$0
Principal balance carried forward	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus new principal advanced	\$1,716,454	\$1,419,058	\$1,112,323	\$796,061	\$470,081	\$134,190	\$0	\$0	\$0	\$0	\$0	\$0
Sum of principal before repayment	\$1,716,454	\$1,419,058	\$1,112,323	\$796,061	\$470,081	\$134,190	\$0	\$0	\$0	\$0	\$0	\$0
Less reduction of principal this period	\$297,395	\$306,735	\$316,262	\$325,692	\$334,190	\$343,190	\$352,190	\$361,190	\$370,190	\$379,190	\$388,190	\$397,190
Net principal owed	\$1,419,058	\$1,112,323	\$796,061	\$470,081	\$134,190	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outstanding interest carried forward	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus interest accrued this period	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sum of interest before repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less reduction of interest this period	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net interest owed	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total principal and interest owed to City	\$1,419,058	\$1,112,323	\$796,061	\$470,081	\$134,190	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Advances by MISD for reimbursable improvements	\$528,770	\$437,159	\$342,671	\$245,248	\$144,832	\$41,362	\$0	\$0	\$0	\$0	\$0	\$0
Principal balance carried forward	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus new principal advanced	\$528,770	\$437,159	\$342,671	\$245,248	\$144,832	\$41,362	\$0	\$0	\$0	\$0	\$0	\$0
Sum of principal before repayment	\$528,770	\$437,159	\$342,671	\$245,248	\$144,832	\$41,362	\$0	\$0	\$0	\$0	\$0	\$0
Less reduction of principal this period	\$91,611	\$94,468	\$97,423	\$100,416	\$103,470	\$106,524	\$109,578	\$112,632	\$115,686	\$118,740	\$121,794	\$124,848
Net principal owed	\$437,159	\$342,671	\$245,248	\$144,832	\$41,362	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Outstanding interest carried forward	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus interest accrued this period	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sum of interest before repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less reduction of interest this period	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net interest owed	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total principal and interest owed to others	\$437,159	\$342,671	\$245,248	\$144,832	\$41,362	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total principal and interest owed	\$1,856,218	\$1,454,994	\$1,041,309	\$614,913	\$175,552	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initial balance at end of period	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

## Section 4: Project and Financing Plan Checklist

This project and financing plan meets the content requirements for a project plan and financing plan set forth in Section 311.011(b) and (c) of the Local Government Code. The following list recites and addresses each requirement:

(b) The project plan must include:

- (1) A map showing existing uses and conditions of real property in the zone and a map showing proposed improvements to and proposed uses of that property.

Exhibit A is a map of existing uses and conditions. Exhibit B is a map of proposed improvements and proposed uses. The City of Mesquite anticipates that vacant building sites in Zone 1 will be used for retail, restaurant, entertainment, sports, hotel or office purposes, ideally achieving a synergy with the rodeo, conference center and exhibit hall facilities in the zone.

- (2) Proposed changes of zoning ordinances, the master plan of the municipality, building codes and other municipal ordinances.

There are no proposed changes of zoning ordinances, the master plan of the municipality, building codes or other municipal ordinances affecting Zone 1 particularly, except an ordinance to adopt this amended and restated project and financing plan.

- (3) A list of estimated nonproject costs.

There are no planned nonproject costs at present.

- (4) A statement of a method of relocating persons to be displaced as a result of implementing the plan.

No displacements are planned.

(c) The reinvestment zone financing plan must include:

- (1) A detailed list describing the estimated project costs of the zone, including administrative expenses.

Schedule 3 identifies the project costs of Zone 1. These are estimated principal costs, interest and administrative costs incurred by the City of Mesquite and the Mesquite Independent School District.

- (2) A statement listing the kind, number and location of all proposed public works or public improvements in the zone.

The same first page of Schedule 3 (Assumptions) duly itemizes the public works or improvements in Zone 1.

- (3) An economic feasibility study.

Section 3 of this plan is a pro forma and economic feasibility study for Zone 1. Based on the facts and assumptions stated therein, it indicates the economic feasibility of reimbursing project costs with the Zone 1 tax increments.

- (4) The estimated amount of bonded indebtedness to be incurred.

No bonds will be issued that are backed solely or primarily by cash flow to the Fund.

- (5) The time when related costs or monetary obligations are to be incurred.

Schedule 3 indicates the expected timing of expenditures for project costs.

- (6) A description of the method of financing all estimated project costs and the expected sources of revenue to finance or pay project costs, including the percentage of tax increment to be derived from the property taxes of each taxing unit that levies taxes on real property in the zone.

Schedule 3 indicates the sources of funding for project costs. The Fund will receive real property tax revenue that results from net increases in real property value since 1997. These revenues are projected in Schedule 2 and carried to Schedule 3.

The City of Mesquite and the Mesquite Independent School District will each contribute 100% of real property tax increments from Zone 1 to the Fund for the duration of Zone 1. Assuming the 2003 property tax rates remain constant for the duration, the City of Mesquite would be the source of approximately 24% of revenue to the Fund. The School District would be the source of approximately 76% of revenue to the Fund. Other jurisdictions that levy taxes on real property in the zone, including Dallas County, the Dallas County Hospital District and the Dallas County Community College District, will pay no revenue to the Fund.

- (7) The current total appraised value of taxable real property in the zone.

The City of Mesquite identifies the current (August 2003) total appraised value of taxable real property in Zone 1 as \$25,518,960. Base value in 1997, according to the City, was \$9,580,052.



- (8) The estimated captured appraised value of the zone during each year of its existence.

A line of Schedule 2 estimates captured appraised value of Zone 1 during each year of the zone's existence.

- (9) The duration of the zone..

The duration of the Zone 1 is set by City Ordinance 3138, Section 4:

"That the Zone shall take effect on January 1, 1999 and that the termination of the Zone shall occur on December 31, 2018, 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 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."