

ORDINANCE NO. 4020

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, DESIGNATING A CERTAIN AREA FOR A TAX INCREMENT FINANCING DISTRICT TO BE KNOWN AS THE LUCAS FARMS TAX INCREMENT FINANCE REINVESTMENT ZONE NO. SIX, CITY OF MESQUITE, TEXAS; ESTABLISHING THE BOUNDARIES THEREOF; ESTABLISHING A BOARD OF DIRECTORS FOR SUCH REINVESTMENT ZONE AND OTHER MATTERS RELATING THERETO; PROVIDING FOR A REPEALER CLAUSE; PROVIDING FOR A SEVERABILITY CLAUSE; AND DECLARING AN EFFECTIVE DATE THEREOF.

WHEREAS, the City Council of the City of Mesquite, Texas (the "City"), desires to promote the development or redevelopment of a certain contiguous geographic area (the Lucas Farms area) within its jurisdiction by the creation of a reinvestment zone in compliance with Section 311.005(a)(2) of the Tax Increment Financing Act, Chapter 311 of the Texas Property Tax Code, Vernon's Texas Codes Annotated (the "Act") for tax increment financing; and

WHEREAS, in compliance with the Act, the City has called a public hearing to hear comments on the creation of the proposed reinvestment zone and its benefits to the City and the property in the proposed reinvestment zone; and

WHEREAS, a public hearing has been set for 3:00 p.m. on December 15, 2008, such date being at least seven days after the date of publication of the notice of such public hearing; and

WHEREAS, the City held such public hearing after publishing notice of such public hearing, and giving written notice of such hearing and receiving a waiver of the 60-day notice prior there to all taxing units overlapping the territory inside the proposed reinvestment zone; and

WHEREAS, the City at such hearing invited any interested person, or his attorney, to appear and contend for or against the creation of the reinvestment zone, the boundaries of the proposed reinvestment zone, whether all or part of the territory described in the ordinance calling such hearing should be included in such proposed reinvestment zone, the concept of tax increment financing and the appointment of a board of directors for the proposed reinvestment zone; and

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone, and opponents of the reinvestment zone appeared to contest creation of the reinvestment zone.

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

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

SECTION 2. That the City Council, after conducting such hearings and having heard such evidence and testimony, has made the following findings and determinations based on the testimony presented to it:

- (a) That a public hearing on the adoption of the reinvestment zone has been properly called, held and conducted and that notices of such hearings have been published as required by law and mailed to all taxing units overlapping the territory inside the proposed reinvestment zone; and
- (b) That the boundaries of the reinvestment zone should be the area as described in the description attached hereto as Exhibit "A;" and
- (c) That improvements in the reinvestment zone created herein for tax increment financing as described in Exhibit "A" will significantly enhance the value of all taxable real property in the reinvestment zone and will be of general benefit to the City; and
- (d) That the reinvestment zone as defined in Exhibit "A" meets the criteria for the creation of a reinvestment zone as set forth in Section 311.005 of the Act in that:
  - (1) It is a contiguous geographic area located wholly within the corporate limits of the City; and
  - (2) The area is predominately open and because of obsolete platting or deterioration of structures or site improvements, substantially impairs or arrests the growth of the City.
- (e) That 10 percent or less of the property in the proposed reinvestment zone, excluding property dedicated to public use, is currently used for residential purposes, which is defined in the Act as any property occupied by a house which has less than five living units; and
- (f) That the total appraised value of all taxable real property in the proposed reinvestment zone according to the most recent appraisal rolls of the City, together with the total appraised value of taxable real property in all other existing reinvestment zones within the City, according to the most recent appraisal rolls of the City, does not exceed 15 percent of the total appraised value of taxable real property in the City and in the industrial districts created by the City, if any; and
- (g) That the proposed reinvestment zone does not contain more than 15 percent of the total appraised value of real property taxable by Dallas County or Mesquite Independent School District; and

- (h) That the improvements in the reinvestment zone will significantly enhance the value of all taxable real property in the reinvestment zone; and
- (i) That the level of development or redevelopment of the property in the proposed reinvestment zone will not occur solely through private investment in the reasonably foreseeable future.

SECTION 3. That pursuant to the Act, the City hereby creates a reinvestment zone for tax increment financing encompassing only the area described by the description in Exhibit "A" attached hereto and such reinvestment zone is hereby designated and shall hereafter be designated as the Lucas Farms Tax Increment Finance Reinvestment Zone No. Six, City of Mesquite, Texas (the "Zone").

SECTION 4. That the Zone shall take effect on January 1, 2009 and that the termination of the Zone shall occur on December 31, 2028, 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.

SECTION 5. That there is hereby established a board of directors for the Zone which shall consist of seven members. The Board of Directors for the Zone ("Board") shall be appointed by the City Council as follows:

- (a) The initial Board shall be appointed by resolution of the governing body of the City within 60 days of the passage of this ordinance or within a reasonable time thereafter. All members appointed to the Board shall meet eligibility requirements as set forth in the Act.
- (b) The terms of the Board members shall be for two-year terms. The City Council shall annually designate a member of the Board to serve as Chairman of the Board for a one-year term, and the Board shall elect from its members, a Vice Chairman and other officers as it sees fit.
- (c) The Board shall make recommendations to the City Council concerning the administration of the Zone. It shall prepare and adopt a project plan and reinvestment zone financing plan for the Zone and must submit such plans to the City Council for its approval. The Board shall possess all powers necessary to prepare, implement and monitor such project plan for the Zone as the City Council considers advisable, including the submission of an annual report on the status of the Zone.

SECTION 6. That there is hereby created and established a Tax Increment Fund for the Zone which may be divided into such subaccounts as may be authorized by subsequent resolution or ordinance, into which all Tax Increments, less any of the amounts not required to be

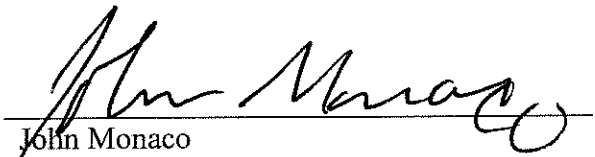
paid into the Tax Increment Fund pursuant to the Act, are to be deposited. The Tax Increment Fund and any subaccounts are to be maintained in an account at the depository bank of the City and shall be secured in the manner prescribed by law. In addition, all revenues from the sale of any tax increment bonds and notes hereafter issued by the City, revenues from the sale of any property acquired as part of the tax increment financing plan and other revenues to be dedicated to and used in the Zone shall be deposited into such fund or subaccount from which money will be disbursed to pay project costs for the Zone or to satisfy the claims of holders of tax increment bonds or notes issued for the Zone.

SECTION 7. 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 8. 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.

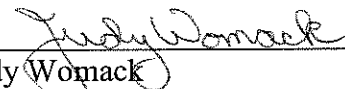
SECTION 9. That this ordinance shall take effect immediately from and after its passage and publication of said ordinance as the law in such cases provides.

DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 15th day of December, 2008.

  
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John Monaco  
Mayor

ATTEST:

APPROVED:

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

  
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B. J. Smith  
City Attorney

