

ORDINANCE NO. 4465

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, APPROVING A PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR THE SKYLINE TAX INCREMENT FINANCE REINVESTMENT ZONE NO. SEVEN, CITY OF MESQUITE, TEXAS; MAKING A FINDING REGARDING FEASIBILITY; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE THEREOF.

WHEREAS, the City of Mesquite, Texas (“City”), established the Skyline Tax Increment Finance Reinvestment Zone No. Seven, City of Mesquite, Texas (“Skyline TIF”) and established a Board of Directors for the Skyline TIF to promote development or redevelopment in the Skyline TIF pursuant to Ordinance No. 4401 approved by the City Council of the City on November 2, 2015, in accordance with the Tax Increment Financing Act, V.T.C.A, Tax Code, Chapter 311 (the “Act”); and

WHEREAS, on December 19, 2016, the Board of Directors of the Skyline TIF (the “Board”), recommended to the City Council that the boundaries and geographic area of the Skyline TIF be reduced to an area consisting of approximately 60.31 acres and being the property depicted as the shaded area on the map attached hereto as Exhibit “A” and made a part hereof for all purposes, said property being more particularly described by metes and bounds in Exhibit “A” attached hereto and made a part hereof for all purposes (the “Skyline TIF Reduced Zone”); and

WHEREAS, the Board has prepared a Project Plan (“Project Plan”) and Reinvestment Zone Financing Plan (“Reinvestment Zone Financing Plan”) for the Skyline TIF including only the Skyline TIF Reduced Zone, a true and correct copy of which is attached hereto as Exhibit “B” and made a part hereof for all purposes (hereinafter collectively the “Project Plan and Reinvestment Zone Financing Plan”); and

WHEREAS, on December 19, 2016, the Board approved and adopted the Project Plan and Reinvestment Zone Financing Plan but provided that such approval and adoption was made expressly subject to the City Council reducing the boundaries and geographic area of the Skyline TIF to consist only of the area within the Skyline TIF Reduced Zone; and

WHEREAS, by ordinance amending Ordinance No. 4401, the City Council has reduced the boundaries and geographic area of the Skyline TIF to consist only of the area within the Skyline TIF Reduced Zone; and

WHEREAS, in compliance with the Act, the Board hereby submits the Project Plan and Reinvestment Zone Financing Plan attached hereto as Exhibit “B” and made a part hereof for all purposes to the City Council for approval; and

WHEREAS, the Board respectfully recommends approval of the Project Plan and Reinvestment Zone Financing Plan by the City Council in order to promote development or redevelopment of the Skyline TIF Reduced Zone.

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

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

SECTION 2. That the City Council finds that the Project Plan and Reinvestment Zone Financing Plan submitted to the City Council includes the following information required by §311.011 of the Act:

A. The Project Plan includes:

- (1) A description and map showing existing uses and conditions of real property in the zone and proposed uses of that property;
- (2) Proposed changes of zoning ordinances, the master plan of the City, building codes, other municipal ordinances, and subdivision rules and regulations, if any, of the county, if applicable;
- (3) A list of estimated non-project costs; and
- (4) A statement of a method of relocating persons to be displaced, if any, as a result of implementing the plan.

B. The Reinvestment Zone Financing Plan includes:

- (1) A detailed list describing the estimated project costs of the zone, including administrative expenses;
- (2) A statement listing the proposed kind, number, and location of all public works or public improvements to be financed by the zone;
- (3) A finding that the plan is economically feasible and an economic feasibility study;
- (4) The estimated amount of bonded indebtedness to be incurred;
- (5) The estimated time when related costs or monetary obligations are to be incurred;
- (6) A description of the methods 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 anticipated to contribute tax increment to the zone that levies taxes on real property in 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.

SECTION 3. That in accordance with the Act, the City Council has reviewed the Project Plan and Reinvestment Zone Financing Plan attached hereto as Exhibit "B" and made a part hereof for all purposes and hereby finds such Project Plan and Reinvestment Zone Financing Plan to be feasible.

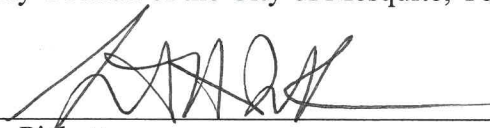
SECTION 4. That in accordance with the Act, the City Council hereby approves and adopts the Project Plan and Reinvestment Zone Financing Plan attached hereto as Exhibit "B" and made a part hereof for all purposes.

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 unconstitutional, the remaining provisions of this ordinance shall remain in full force and effect.

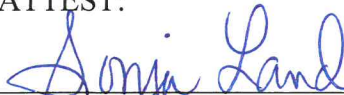
SECTION 7. That this ordinance shall take effect immediately upon passage of this ordinance.

DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 19th day of December, 2016.



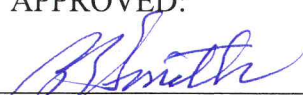
Stan Pickett
Mayor

ATTEST:



Sonja Land
City Secretary

APPROVED:



B. J. Smith
City Attorney

Exhibit "A"

Map and Metes and Bounds Description of Reduced Boundaries and Geographic Area
of Skyline Tax Increment Finance Reinvestment Zone No. Seven, City of Mesquite, Texas



EXHIBIT A - Page 2

BEING a tract of land situated in the Daniel Tanner Survey, Abstract No. 1426, in the City of Mesquite, Dallas County, Texas, and being part of that called 85.204 acre tract of land described in deed to The City of Mesquite, Texas, as recorded in Volume 95191, Page 00916 of the Deed Records of Dallas County, Texas (D.R.D.C.T.), and being more particularly described as follows:

COMMENCING at a 1/2-inch found iron rod for the west corner of Lot 1, Block 1 of Peachtree/Gross Addition, and addition to the City of Mesquite, Texas, as recorded in Volume 99074, Page 00009, D.R.D.C.T., said point being on the easterly right-of-way line of Peachtree Road (a 100 foot wide public right-of-way) as described in deed recorded in Volume 71054, Page 0405, D.R.D.C.T., said point also being the most westerly north corner of that tract of land described in deed to Golden Shamrock Realty, Inc., as recorded in Volume 2001007, Page 02031, D.R.D.C.T.;

THENCE South 46 degrees 16 minutes 40 seconds West, along the common westerly line of said Golden Shamrock Realty tract and said easterly right-of-way line of Peachtree Road, a distance of 120.96 feet to a 1/2-inch set iron rod with yellow plastic cap stamped "HALFF ASSOC INC." (hereinafter referred to as "with cap") for the POINT OF BEGINNING;

THENCE South 43 degrees 43 minutes 20 seconds East, departing said common line along the southeasterly line of said Golden Shamrock Realty tract, a distance of 269.56 feet (deed 270.00 feet) to a 5/8-inch found iron rod for corner;

THENCE South 21 degrees 45 minutes 55 seconds East, continuing along said southeasterly line, a distance of 650.20 feet (deed 650.00 feet) to a 1/2-inch set iron rod with cap for the southwest corner of said Golden Shamrock Realty tract;

THENCE North 77 degrees 14 minutes 05 seconds East, along the southerly line of said Golden Shamrock Realty tract, a distance of 312.75 feet (deed 313.33 feet) to a 1/2-inch set iron rod with cap for the southeast corner of said Golden Shamrock Realty tract, said point being on the common westerly right-of-way line of Interstate Highway 635 (L.B.J. Freeway, a variable width public right-of-way) and the easterly line of said City of Mesquite tract;

THENCE South 15 degrees 17 minutes 27 seconds East, along said common line, a distance of 503.14 feet to a point for corner, from which point a found aluminum TXDOT monument bears North 65 degrees 26 minutes 11 seconds East a distance of 0.68 feet;

EXHIBIT A - Page 3

THENCE South 09 degrees 56 minutes 00 seconds East, continuing along said common line, a distance of 250.56 feet to a point for corner, from which point a found aluminum TXDOT monument bears North 63 degrees 51 minutes 49 seconds East a distance of 0.74 feet;

THENCE South 02 degrees 28 minutes 33 seconds East, continuing along said common line, a distance of 800.01 feet to a 1/2-inch set iron rod with cap for corner;

THENCE South 06 degrees 24 minutes 28 seconds East, continuing along said common line, a distance of 311.76 feet to a 1/2-inch found iron rod with cap stamped "BRITAIN AND CRAWFORD" for the northeast corner of Lots 2 and 3, Block 1, Peachtree Center, an addition to the City of Mesquite as recorded in Volume 2003092, Page 00027, D.R.D.C.T.;

THENCE departing said common line and along the northerly line of said Peachtree Center addition, the following courses and distances:

North 70 degrees 39 minutes 48 seconds West a distance of 578.50 feet to a found 2-inch diameter disk stamped "MLA RPLS #4873" for corner;

North 19 degrees 20 minutes 12 seconds East a distance of 60.00 feet to a 1/2-inch found iron rod with cap stamped "BRITAIN AND CRAWFORD" for corner;

North 70 degrees 39 minutes 48 seconds West a distance of 70.00 feet to a 1/2-inch found iron rod with cap stamped "BRITAIN AND CRAWFORD" for corner;

South 80 degrees 33 minutes 59 seconds West a distance of 124.66 feet to a found 2-inch diameter disk stamped "MLA RPLS #4873" for corner;

North 05 degrees 37 minutes 15 seconds East a distance of 103.27 feet to a point for corner from which a found 2-inch diameter disk stamped "MLA RPLS #4873" bears North 21 degrees 18 minutes 56 seconds East a distance of 0.26 feet;

North 84 degrees 22 minutes 45 seconds West a distance of 150.41 feet to a found 2-inch diameter disk stamped "MLA RPLS #4873" for the point of curvature of a tangent circular curve to the left having a radius of 535.10 feet whose chord bears South 82 degrees 19 minutes 40 seconds West a distance of 246.07 feet;

Westerly, along said circular curve to the left, through a central angle of 26 degrees 35 minutes 10 seconds, an arc distance of 248.29 feet to a found 2-inch diameter disk stamped "MLA RPLS #4873" for the point of tangency;

EXHIBIT A - Page 4

South 69 degrees 02 minutes 05 seconds West a distance of 15.00 feet to a found 2-inch diameter disk stamped "MLA RPLS #4873" for corner,

North 65 degrees 11 minutes 14 seconds West a distance of 45.81 feet to a 1/2-inch set iron rod with cap for the most westerly northwest corner of said Peachtree Center addition, said point also being in the common westerly line of said City of Mesquite tract and the aforementioned easterly right-of-way line of Peachtree Road, said point being on a circular curve to the left having a radius of 759.73 feet whose chord bears North 31 degrees 03 minutes 06 seconds West a distance of 136.50 feet, said curve being non-tangent to the last described course;

THENCE Northwesterly, departing said northerly line of said Peachtree Center addition, along said common line between said City of Mesquite tract and said Peachtree Road and along said circular curve, through a central angle of 10 degrees 18 minutes 29 seconds, an arc distance of 136.68 feet to a 1/2-inch set iron rod with cap for the point of tangency;

THENCE North 36 degrees 12 minutes 20 seconds West, along said common line, a distance of 248.77 feet to a 1/2-inch set iron rod with cap for the point of curvature of a tangent circular curve to the right having a radius of 1,269.75 feet whose chord bears North 05 degrees 02 minutes 10 seconds East a distance of 1,674.13 feet;

THENCE Northerly, continuing along said common line and along said circular curve, through a central angle of 82 degrees 29 minutes 00 seconds, an arc distance of 1,827.94 feet to a 1/2-inch set iron rod with cap for the point of tangency;

THENCE North 46 degrees 16 minutes 40 seconds East, continuing along said common line, a distance of 341.44 feet to the POINT OF BEGINNING AND CONTAINING 2,626,887 square feet or 60.31 acres of land, more or less.

Exhibit "B"

Project Plan and Reinvestment Zone Financing Plan
for Skyline Tax Increment Finance Reinvestment Zone No. Seven, City of Mesquite, Texas

***SKYLINE TAX INCREMENT FINANCE
REINVESTMENT ZONE NO. SEVEN,
CITY OF MESQUITE, TEXAS***

PROJECT PLAN

and

REINVESTMENT ZONE FINANCING PLAN

December 19, 2016

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Executive Summary

State law requires that the Board of Directors of a reinvestment zone prepare and adopt a project plan and a reinvestment zone financing plan for property designated by a city as a reinvestment zone pursuant to the Tax Increment Financing Act, V.T.C.A., Tax Code, Chapter 311 (the "Act") and also requires that such project plan and reinvestment zone financing plan be submitted to the governing body of the city for approval. As set forth in Ordinance No. 4401, a copy of which is attached hereto as Exhibit "A", the City of Mesquite, Texas ("City") created the Skyline Tax Increment Finance Reinvestment Zone No. Seven, City of Mesquite, Texas ("Skyline TIF") and designated the area more fully described in Ordinance No. 4401 as a reinvestment zone pursuant to the Act. The Board of Directors of the Skyline TIF has recommended to the City Council that the boundaries and geographic area of the Skyline TIF be reduced to the area consisting of approximately 60.31 acres and being the property depicted as the shaded area on the map attached hereto as Exhibit "B", said property being more particularly described by metes and bounds in Exhibit "B" attached hereto (the "Skyline TIF Reduced Zone"). This document sets forth the project plan and the reinvestment zone financing plan for the Skyline TIF containing only the property within the Skyline TIF Reduced Zone and is expressly being approved by the Board of Directors of the Skyline TIF subject to the City Council of the City adopting an ordinance reducing the boundaries and geographic area of the Skyline TIF to consist only of the property contained within the Skyline TIF Reduced Zone.

HQZ Partners, LP, a Texas limited partnership, owns the approximately 60.31 acres of land that is located within the boundaries of the Skyline TIF Reduced Zone and is in the process of developing it as a state-of-the-art mixed used medical campus known as the Verde Center at Peachtree (sometimes referred to as the "Verde Center," the "Project" or the "Verde Center Project"). At full build-out it is estimated that total investment in the Verde Center will generate \$153,208,383 in taxable value, and according to a recent economic impact study completed by Insight Research Corporation, will create more than 1,800 jobs while providing in excess of \$3 billion of positive economic impact for the region.

The Verde Center will be strategically located south of the Gross Road Intersection between IH-635 and Peachtree Road, is wholly located within the corporate limits of the City of Mesquite, and is designed to create jobs and stimulate economic development within the region. The phasing plan for the Verde Center is shown in Exhibit "C". Phase one of the Verde Center development will include the following:

- Development of a senior living facility, hotel, and wellness facility by the Brydant Development Services Company on 10-acres at Peachtree Road and the future bridge connection to Peachtree Road. A letter from Brydant Development Services providing additional details is attached hereto as Exhibit “D”.
- Connection of the existing bridge to Peachtree Road on the west and the future road parallel to the frontage road proposed for IH 635 on the east (Exhibit “E”).
- Mass grading to provide pad ready sites for development (Exhibit “F”).

Project Plan

Existing and Proposed Uses

Maps showing the existing uses and conditions and proposed uses are attached as Exhibits “G” and “H”. The real property is currently undeveloped.

Public improvements scheduled for the Verde Center include the planning, design and construction of new public streets and roadways, cost participation with TxDOT in the design and development of a new frontage road along IH-635, as well as the signalization of existing and future intersections, installation of street lights, landscaping, and pedestrian walkways, and the extension and installation of water, waste water and other utilities.

The property also requires extensive site preparation and drainage improvements to facilitate development of the Project, as well as a series of parks, plazas, and other public gathering spaces. In addition, the Project will require both structured and surface parking, bridges, water towers, fountains, walking trails and other significant amenities, including the costs associated with designing, administering, and financing those public improvements.

Proposed Changes of Zoning Ordinances, Master Plan, Building Codes and Other Municipal Ordinances

The Verde Center site is currently zoned “planned development” for a development that was proposed in 2007. The concept plan for the development has evolved and some adjustments may be required. A new concept plan will be required.

No zoning changes, variances or other changes of zoning ordinances, the master plan of the City, building codes, other municipal codes, or subdivision rules and regulations of the county are anticipated.

Estimated Non-Project Costs

Non-Project costs include the unreimbursed costs for public improvements, project administration, marketing, public relations, and any additional public works projects that may be required for the successful implementation of the Project Plan. In its current configuration, the Verde Center Project is estimated to cost approximately \$203,172,800. Included within the estimated Project Costs are \$13,550,000 of public infrastructure costs that are detailed in the Project Plan. The maximum amount to be reimbursed for Project Costs under the Skyline TIF is

\$19,979,396 million, and those costs will be reimbursed over time. No reimbursement is anticipated or provided for in the Project Plan for the unreimbursed portion of those costs which are referred to as Non-Project costs. The current estimate for Non-Project costs attributable to the construction of public infrastructure within the Verde Center is \$15,200,585, and those costs will be paid for without City or Skyline TIF participation. Non-Project costs include the following:

- Developers' unreimbursed portion of zone creation costs and capitalized zone operations shortfall - \$587,000;
- Unreimbursed costs for the pool and aquatic center - \$2,086,605;
- Marketing/Project Management - \$2,700,000;
- Maintenance and Security - \$5,752,800;
- Architectural and other pre-development expenses - \$1,670,435;
- Feasibility, consulting and other pre-development costs/Phase 1 - \$920,000; and
- Contingencies - \$1,483,745.

Displaced Persons Statement

No persons are expected to be displaced as a result of implementing the plan as there are no residences within the Skyline TIF boundary.

Reinvestment Zone Financing Plan

Estimated Project Costs

Estimated project costs of the Skyline TIF Project Plan (collectively the “Project Costs”) include the following:

• Bridge Construction	\$3,200,000
• TxDOT Engineering Cost Participation	\$750,000
• Parallel Access Road, bridge connection	\$1,000,000
• Water, wastewater, storm drainage	\$2,530,000
• Mass grading	\$500,000
• Public Amenity Area/Conversion Flood Plain	\$1,100,000
• Site Improvements, enhanced street lighting	\$3,370,000
• Enhanced Landscaping, public trails	\$1,100,000
• Financing Costs	\$4,979,396
• Administrative Costs	\$1,450,000
Total Estimated Project Costs	\$19,979,396

It is anticipated that developers will advance 100% of these Project Costs and, if the City Council approves development agreement(s) between the City and the developers, Project Costs will be reimbursed annually from available revenues generated by the tax increment produced from within the Skyline TIF. The financing plan also provides a \$50,000 per year reimbursement to the City for the cost of administering the Skyline TIF.

The maximum amount to be reimbursed for Project Costs under the Skyline TIF is \$19,979,396 million, and, if the City Council approves development agreement(s) between the City and developer(s), Project Costs will be reimbursed over time under the terms and subject to the conditions set forth in such development agreement(s) only as tax increments or other revenue produced from projects within the Verde Center becomes available for such reimbursements. Any financing costs to be reimbursed as Project Costs shall be subject to the approval of the City Council and shall not exceed reasonable market rates at the time development agreement(s), if any, are entered into between the City and developers.

Notwithstanding anything contained in this Project Plan and Reinvestment Zone Financing Plan to the contrary, all reimbursements of Project Costs shall be subject to approval by the City Council and shall be subject to and conditioned upon: (i) the City and developer(s) of project(s) in the Project Plan executing written development agreement(s) which have been approved by the City Council setting forth the terms and conditions of any reimbursement agreement between the City and such developer(s); and (ii) such developer(s) complying with the terms and conditions of such development agreement(s).

Proposed Public Works and Public Improvements

The City of Mesquite is not constructing any public improvements but developers of projects in the Project Plan will construct the following public improvements as part of the Project:

- Bridge Construction
- TxDOT Engineering Cost Participation
- Parallel Access Road, bridge connection
- Water, wastewater, storm drainage
- Mass grading
- Public Amenity Area/Conversion Flood Plain
- Site Improvements, enhanced street lighting
- Enhanced Landscaping, public trails

The kind, number and location of such proposed public improvements are generally identified in Exhibits C, E, F and H attached hereto. All proposed improvements within the development will be constructed to the City's standards and may be dedicated to the City of Mesquite with the City's concurrence.

Finding that Plan is Economically Feasible and Economic Feasibility Study

Dixon Hughes Goodman, LLP, (DHG), was engaged to review and analyze the healthcare needs and resources of the Mesquite market and region. According to a study conducted in 2012, the healthcare market for Mesquite and the surrounding region is critically underserved, and should easily support the type of medical facilities contemplated for the Verde Center.

On August 25, 2015, Insight Research Corporation completed an economic, employment, and tax revenue impact analysis for the Verde Center. They were tasked with determining whether the proposed sharing of tax revenues anticipated in this proposed financing plan would provide a

sufficient revenue stream to cover the City's average public services costs from the inception of the Verde Center Project throughout the life of the proposed Skyline TIF.

Their analysis concluded that the cumulative economic impact from the Verde Center Project will exceed \$3 billion for the region through 2039. At full development the Verde Center Project will create approximately 867 direct on-site jobs and an additional 953 indirect jobs for a total of 1,820 new full time employment positions with a cumulative tax revenue impact through 2039 of approximately \$275.5 million. City revenue from property taxes and sales taxes generated from retail purchases on the site will provide a sufficient revenue stream to provide ordinary and customary municipal service levels to the employees and residents of the Verde Center.

On October 15, 2015, Health Trust Senior Housing & Healthcare Real Estate Advisory Services was commissioned to perform an additional Market Study to determine the feasibility of including a senior housing community along North Peachtree Drive within the Verde Center development. That study concluded that there is ample unsatisfied demand to warrant development of a 163-unit senior housing complex that would contain 81 units for independent living, 57 units for assisted living, and 25 units for memory care, without consideration being given to the anticipated growth of the region.

Based on the economic feasibility studies above, the plan is economically feasible.

Estimated Bonded Indebtedness

No bonded indebtedness is anticipated to be incurred by the City of Mesquite or the Skyline TIF in connection with this Project.

Estimated Timing of Related Costs or Monetary Obligations

It is estimated that related costs or monetary obligations for the public improvement projects described in this Project Plan will be incurred by developers in years 2017-18 through 2022-23.

Method of Financing Project Costs and Expected Revenue Sources

Pursuant to the terms of Ordinance No. 4401, the current tax increment to be deposited into the Tax Increment Fund for the Skyline TIF is 75% of the tax increment of the City (as described in Section 311.012 of the Act), less any of the amounts not required to be paid into the Tax Increment Fund pursuant to the Act. Tax increments deposited into the Tax Increment Fund for

the Skyline TIF will be available for reimbursements of eligible approved Project Costs provided, however, all such reimbursements shall be subject to approval by the City Council and subject to compliance by the developer(s) with the terms and conditions of development agreement(s) entered into between the City and the developer(s) of projects in the Project Plan. In addition, it is anticipated that the Medical Management District encompassing the entirety of the Verde Center (the "MMD") will collect payments in lieu of taxes ("PILOT") assessments for the tax-exempt real and business personal property located within the Verde Center. The PILOT assessments are expected to provide supplemental revenue to cover the cost of ordinary and customary municipal services delivered within the Verde Center Project and such PILOT assessments may be used to provide additional available revenue to the City and the Skyline TIF Board to annually reimburse developer(s) for a portion of eligible approved Project Costs provided, however, all such reimbursements shall be subject to approval by the City Council and shall be subject to compliance by the developer(s) with the terms and conditions of development agreement(s) entered into between the City and the developer(s) of projects in the Project Plan. The maximum amount to be reimbursed for Project Costs under the Skyline TIF is \$19,979,396 million. No other taxing jurisdictions are expected to participate.

City ad valorem taxes are not collected on tax exempt properties, and that revenue would not be available for use and distribution by the City but for an agreement of the property owners, and the MMD to contribute the PILOT assessments.

Current Total Appraised Value of Taxable Real Property

The base year tax value for fiscal year 2015-2016 is \$656,870. The projected growth in taxable value per year is shown on the Finance Plan attached as Exhibit "I". The estimated taxable value at the end of the 30-year term is \$153,208,383.

Estimated Captured Appraised Value of Real Property by Year

The spread sheets attached as Exhibit "I" show the estimated value of the captured appraised value of real property by tax year.

Duration of the Zone

The Skyline TIF zone was designated as a reinvestment zone pursuant to the Act by the Mesquite City Council on November 2, 2015. The Skyline TIF zone was effective on November 2,

2105 and will terminate on the earlier of: (i) December 31, 2045; or (ii) an earlier or later termination date designated by an ordinance adopted under Section 311.007(c) of the Act; or (iii) on the date on which all Project Costs and tax increment bonds, if any, and the interest thereon, and other obligations of the Skyline TIF zone have been paid in full.

EXHIBITS

- A. Ordinance No. 4401
- B. Map and Legal Description of Reduced Boundaries and Geographic Area of Reinvestment Zone
- C. Phasing Plan for the Verde Center
- D. Letters from Brydant Development Services
 - a. November 26, 2015
 - b. November 18, 2016
- E. Verde Center Bridge Plan
- F. Verde Center Mass Grading Plan
- G. Existing Land Uses and Conditions of Real Property
- H. Proposed Improvements and Uses of Real Property
- I. Estimated Captured Appraised Value of Real Property by Year

ORDINANCE NO. 4401

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, DESIGNATING A CERTAIN AREA FOR A TAX INCREMENT FINANCING DISTRICT TO BE KNOWN AS THE SKYLINE TAX INCREMENT FINANCE REINVESTMENT ZONE NO. SEVEN, 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 within its jurisdiction by the creation of a reinvestment zone in compliance with Section 311.005(a)(2) of the Tax Increment Financing Act, V.T.C.A., Tax Code, Chapter 311 (the "Act") for tax increment financing; and

WHEREAS, in compliance with the Act, a preliminary reinvestment zone financing plan for the proposed reinvestment zone has been prepared; 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 7:00 p.m. on November 2, 2015, such date being at least seven days after the date of publication of the notice of such public hearing in a newspaper of general circulation in the City; and

WHEREAS, the City held such public hearing after publishing notice of such public hearing as required by law; and

WHEREAS, the City has provided a reasonable opportunity for the owners of property within the proposed reinvestment zone to protest the inclusion of their property in the proposed reinvestment zone; and

WHEREAS, at such hearing the City invited all interested persons to speak for or against the creation of the proposed reinvestment zone, its approval by the City Council, the boundaries of the proposed reinvestment zone and/or the concept of tax increment financing; 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, if any, 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 hearing and having heard such evidence and testimony, has made the following additional findings and determinations based on the testimony and evidence presented to it:

- a. That a preliminary reinvestment zone financing plan for the proposed reinvestment zone has been prepared, a public hearing on the adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by law and that owners of property within the proposed reinvestment zone have been given a reasonable opportunity to protest the inclusion of their property in the proposed reinvestment zone; and
- b. That the boundaries of the reinvestment zone should be the area shaded in yellow as depicted on the map attached hereto as Exhibit "A" and made a part hereof for all purposes; and
- c. That the reinvestment zone as depicted as the area shaded in yellow on the map attached hereto as Exhibit "A" is a contiguous geographic area located wholly within the corporate limits of the City; and
- d. That improvements in the reinvestment zone created herein will significantly enhance the value of all the taxable real property in the reinvestment zone and will be of general benefit to the City; and
- e. That the reinvestment zone as depicted as the area shaded in yellow on the map attached hereto as Exhibit "A" meets the criteria for the creation of a reinvestment zone as set forth in Section 311.005 of the Act in that the area within the proposed reinvestment zone is predominately open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City; and
- f. That 30 percent or less of the property in the proposed reinvestment zone, excluding property that is publicly owned, is used for residential purposes, which is defined in the Act as property occupied by a house having fewer than five living units; and
- g. That the total appraised value of 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 existing reinvestment zones within the City, according to the most recent appraisal rolls of the City, does not exceed 25 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

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

SECTION 3. That pursuant to the Act, the City hereby creates a reinvestment zone for tax increment financing encompassing only the area shaded in yellow as depicted on the map attached hereto as Exhibit "A" and made a part hereof for all purposes and such reinvestment zone is hereby designated and shall hereafter be designated as the Skyline Tax Increment Finance Reinvestment Zone No. Seven, City of Mesquite, Texas (the "Zone").

SECTION 4. That the Zone shall take effect on November 2, 2015, immediately upon passage of this ordinance, and that the termination of the Zone shall occur on the earlier of: (i) December 31, 2045; or (ii) an earlier or later termination date designated by an ordinance adopted under Section 311.007(c) of the Act; or (iii) on the date on which all project costs and tax increment bonds, if any, and the interest thereon, and other obligations of the Zone have been paid in full.

SECTION 5. That there is hereby created 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 the governing body of the City within 60 days after the passage of this ordinance or within a reasonable time thereafter. All members appointed to the Board shall meet the eligibility requirements as set forth in the Act.
- b. The terms of the Board members shall be for two-year terms. Each year the City Council shall appoint one member of the Board to serve as Chairman of the Board for a term of one year that begins on January 1 of the following year. The Board shall elect from its members, a Vice Chairman to preside in the absence of the Chairman or when there is a vacancy in the office of Chairman, and other officers as it considers appropriate.
- c. The Board shall make recommendations to the City Council concerning the administration of the Act in the Zone. The Board 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 the project plan for the Zone as the City Council considers advisable, including the submission of an annual report on the status of the Zone provided, however, the Board is not authorized to

issue bonds, impose taxes or fees, exercise the power of eminent domain or give final approval to the project plan for the Zone.


SECTION 6. That there is hereby created and established a tax increment fund for the Zone ("Tax Increment Fund") which may be divided into such subaccounts as may be authorized by subsequent resolution or ordinance, into which 75 percent of the tax increments of the City (as described in Section 311.012 of the Act), 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 or notes, revenues from the sale of any property acquired as part of the tax increment financing plan and other revenues to be used in the Zone shall be deposited into the Tax Increment Fund or subaccount from which money may be disbursed only to satisfy claims of holders of tax increment bonds or notes issued for the Zone, to pay project costs for the Zone, to make payments pursuant to an agreement made under Section 311.010(b) of the Act dedicating revenue from the Tax Increment Fund, or to repay other obligations incurred 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.

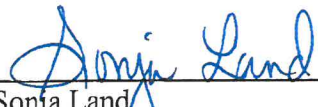
SECTION 9. That this ordinance shall take effect immediately upon passage of this ordinance.

DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 2nd day of November, 2015.




Stan Pickett
Mayor

ATTEST:



Sonja Land
City Secretary

APPROVED:



B. J. Smith
City Attorney

Map and Legal Description of
Reduced Boundaries and Geographic Area of Reinvestment Zone



EXHIBIT B - Page 1

EXHIBIT "B"

EXHIBIT B - Page 2

BEING a tract of land situated in the Daniel Tanner Survey, Abstract No. 1426, in the City of Mesquite, Dallas County, Texas, and being part of that called 85.204 acre tract of land described in deed to The City of Mesquite, Texas, as recorded in Volume 95191, Page 00916 of the Deed Records of Dallas County, Texas (D.R.D.C.T.), and being more particularly described as follows:

COMMENCING at a 1/2-inch found iron rod for the west corner of Lot 1, Block 1 of Peachtree/Gross Addition, and addition to the City of Mesquite, Texas, as recorded in Volume 99074, Page 00009, D.R.D.C.T., said point being on the easterly right-of-way line of Peachtree Road (a 100 foot wide public right-of-way) as described in deed recorded in Volume 71054, Page 0405, D.R.D.C.T., said point also being the most westerly north corner of that tract of land described in deed to Golden Shamrock Realty, Inc., as recorded in Volume 2001007, Page 02031, D.R.D.C.T.;

THENCE South 46 degrees 16 minutes 40 seconds West, along the common westerly line of said Golden Shamrock Realty tract and said easterly right-of-way line of Peachtree Road, a distance of 120.96 feet to a 1/2-inch set iron rod with yellow plastic cap stamped "HALFF ASSOC INC." (hereinafter referred to as "with cap") for the POINT OF BEGINNING;

THENCE South 43 degrees 43 minutes 20 seconds East, departing said common line along the southeasterly line of said Golden Shamrock Realty tract, a distance of 269.56 feet (deed 270.00 feet) to a 5/8-inch found iron rod for corner;

THENCE South 21 degrees 45 minutes 55 seconds East, continuing along said southeasterly line, a distance of 650.20 feet (deed 650.00 feet) to a 1/2-inch set iron rod with cap for the southwest corner of said Golden Shamrock Realty tract;

THENCE North 77 degrees 14 minutes 05 seconds East, along the southerly line of said Golden Shamrock Realty tract, a distance of 312.75 feet (deed 313.33 feet) to a 1/2-inch set iron rod with cap for the southeast corner of said Golden Shamrock Realty tract, said point being on the common westerly right-of-way line of Interstate Highway 635 (L.B.J. Freeway, a variable width public right-of-way) and the easterly line of said City of Mesquite tract;

THENCE South 15 degrees 17 minutes 27 seconds East, along said common line, a distance of 503.14 feet to a point for corner, from which point a found aluminum TXDOT monument bears North 65 degrees 26 minutes 11 seconds East a distance of 0.68 feet;

THENCE South 09 degrees 56 minutes 00 seconds East, continuing along said common line, a distance of 250.56 feet to a point for corner, from which point a found aluminum TXDOT monument bears North 63 degrees 51 minutes 49 seconds East a distance of 0.74 feet;

THENCE South 02 degrees 28 minutes 33 seconds East, continuing along said common line, a distance of 800.01 feet to a 1/2-inch set iron rod with cap for corner;

THENCE South 06 degrees 24 minutes 28 seconds East, continuing along said common line, a distance of 311.76 feet to a 1/2-inch found iron rod with cap stamped "BRITTAIN AND CRAWFORD" for the northeast corner of Lots 2 and 3, Block 1, Peachtree Center, an addition to the City of Mesquite as recorded in Volume 2003092, Page 00027, D.R.D.C.T.;

THENCE departing said common line and along the northerly line of said Peachtree Center addition, the following courses and distances:

North 70 degrees 39 minutes 48 seconds West a distance of 578.50 feet to a found 2-inch diameter disk stamped "MLA RPLS #4873" for corner;

North 19 degrees 20 minutes 12 seconds East a distance of 60.00 feet to a 1/2-inch found iron rod with cap stamped "BRITTAIN AND CRAWFORD" for corner;

North 70 degrees 39 minutes 48 seconds West a distance of 70.00 feet to a 1/2-inch found iron rod with cap stamped "BRITTAIN AND CRAWFORD" for corner;

South 80 degrees 33 minutes 59 seconds West a distance of 124.66 feet to a found 2-inch diameter disk stamped "MLA RPLS #4873" for corner;

North 05 degrees 37 minutes 15 seconds East a distance of 103.27 feet to a point for corner from which a found 2-inch diameter disk stamped "MLA RPLS #4873" bears North 21 degrees 18 minutes 56 seconds East a distance of 0.26 feet;

North 84 degrees 22 minutes 45 seconds West a distance of 150.41 feet to a found 2-inch diameter disk stamped "MLA RPLS #4873" for the point of curvature of a tangent circular curve to the left having a radius of 535.10 feet whose chord bears South 82 degrees 19 minutes 40 seconds West a distance of 246.07 feet;

Westerly, along said circular curve to the left, through a central angle of 26 degrees 35 minutes 10 seconds, an arc distance of 248.29 feet to a found 2-inch diameter disk stamped "MLA RPLS #4873" for the point of tangency;

South 69 degrees 02 minutes 05 seconds West a distance of 15.00 feet to a found 2-inch diameter disk stamped "MLA RPLS #4873" for corner,

North 65 degrees 11 minutes 14 seconds West a distance of 45.81 feet to a 1/2-inch set iron rod with cap for the most westerly northwest corner of said Peachtree Center addition, said point also being in the common westerly line of said City of Mesquite tract and the aforementioned easterly right-of-way line of Peachtree Road, said point being on a circular curve to the left having a radius of 759.73 feet whose chord bears North 31 degrees 03 minutes 06 seconds West a distance of 136.50 feet, said curve being non-tangent to the last described course;

THENCE Northwesterly, departing said northerly line of said Peachtree Center addition, along said common line between said City of Mesquite tract and said Peachtree Road and along said circular curve, through a central angle of 10 degrees 18 minutes 29 seconds, an arc distance of 136.68 feet to a 1/2-inch set iron rod with cap for the point of tangency;

THENCE North 36 degrees 12 minutes 20 seconds West, along said common line, a distance of 248.77 feet to a 1/2-inch set iron rod with cap for the point of curvature of a tangent circular curve to the right having a radius of 1,269.75 feet whose chord bears North 05 degrees 02 minutes 10 seconds East a distance of 1,674.13 feet;

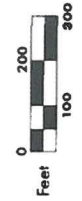
THENCE Northerly, continuing along said common line and along said circular curve, through a central angle of 82 degrees 29 minutes 00 seconds, an arc distance of 1,827.94 feet to a 1/2-inch set iron rod with cap for the point of tangency;

THENCE North 46 degrees 16 minutes 40 seconds East, continuing along said common line, a distance of 341.44 feet to the POINT OF BEGINNING AND CONTAINING 2,626,887 square feet or 60.31 acres of land, more or less.

EXHIBIT "C"



GATEWAY
PLANNING
CONSULTANTS



The Verde Center at Peachtree - Mesquite, Texas
Illustrative Concept Plan

August 13, 2015

Exhibit D

Letters from Brydant Development Services

Brydant Development Services, LLC
3260 N Hayden Rd. Ste. 210
Scottsdale, AZ 85251
602.396.5295 Tel
www.brydant.com



October 26, 2015

Honorable Stan Pickett, Mayor
Members of the Mesquite City Council
City of Mesquite
1515 N. Galloway
Mesquite, Texas 75149

Dear Mayor and Members of the City Council:

The Brydant Team collectively has over 100 years of planning, development, and finance experience, and has implemented over \$1.5 billion dollars in public private partnerships. Our Team members come from both the public and private sectors and have a deep understanding and commitment to developing community projects in a way that is fiscally responsible for all.

Earlier this year, Brydant entered into a joint venture relationship with the owners and developers of the Peachtree property and have been greatly impressed with the planning, and entitlement work that has been completed on that Project to date. The experience of the Verde Center development team, and their alignment with the interests of the City were extremely important considerations in our decision to participate and go forward with this development.

As part of our project due diligence, we have reviewed the prior market studies, economic impact analysis, preliminary cost estimates, and have participated in discussions with various city staff members. Based on the favorable information received, Brydant commissioned an independent study of the Senior Living component by Health Trust, Inc., which confirmed substantial community need. Pending completion of the public finance issues currently before City Council, we intend to go forward with this development.

Based on the information and knowledge that we have obtained, the Brydant approach to this development is straight forward and is consistent with a formula that we have successfully implemented:

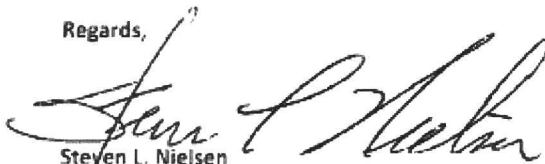
- Brydant, has agreed to jointly develop the property with the current development team, and as part of that agreement, is bringing necessary financing to recapitalize the project, provide up-front dollars required to fund public infrastructure, and has agreed to underwrite and fund in excess of \$60 million necessary to complete the senior living, YMCA, hotel and wellness components of the project. This commitment, however, is subject to final execution of the Tax Increment Finance agreement and implementation of a master service plan and development agreement with the Mesquite Medical Management District. To meet our investor requirements the land purchase needs to be completed by the 15th of December, 2015.
- Upon completion of final design and permit approvals, Brydant will initiate construction of the necessary infrastructure, including completion of the roadway system connecting the existing

bridge to Peachtree Road and the TxDot right-of-way, mass grading of the site, and conversion of the existing flood plain to an attractive public amenity. In addition, Brydant has committed to fund the costs necessary to construct a private access drive as well as the owner's portion of the costs incurred in constructing the TxDot access road in front of the property. With the exception of the TxDot roadway work, the estimated start of construction would be the second quarter of 2016.

- Brydant utilizes a Design-Build Agreement with a Guaranteed Maximum Price (GMP) to design and construct to a fixed budget. We hold the contractor responsible for completion of the project on time, and on budget.
- Upon completion of the mass grading and roadway connections, we anticipate construction of the Senior Living Component and the Wellness Center to begin by the third quarter of 2016. Construction for that work should take approximately 18 months to complete.
- Simultaneously, we will continue working in conjunction with the current development team and Navvis Consulting Group, a division of Healthways, regarding the final design and lease-up required for the remaining medical center component.

We look forward to working together with the City in developing this important community-based project. In our experience, these kinds of public/private relationships can only work with the appropriate transparency and mutual cooperation of everyone involved, and we look forward to the opportunity of joining with you in that effort.

Regards,



Steven L. Nielsen
Brydant Development Services, LLC

SLN/ns

Cc: Cliff Keheley
Jerry Dittman
Tom Palmer
J. Scott Backes
Jim Lang
Jim Ray

Brydant Development Services, LLC
2415 E. Camelback Rd. Ste. 400
Phoenix, AZ 85016
602.396.5295 Tel
www.brydantdevelopment.com



NOVEMBER 18, 2016

City of Mesquite

Mesquite City Hall
757 N. Galloway Ave.
Mesquite, Texas 75149

Dear TIF Board,

I apologize that I cannot attend tonight's very important meeting. Today we broke ground on a \$150M olympic training center and multisport complex project in Omaha, Nebraska, however since we have broken ground in Omaha we are now moving to break ground in Mesquite!

Once the TIF plan is approved by the board and City Council we are prepared to finalize the transaction for the purchase of 10-acres for the development of the senior living project. The senior living project is approximately \$35M and consists of 80 Independent Living Units, 50 Assisted Living Units, and 25 Memory Care Units. Life Care Services (LCS) who is an operator of over 140 facilities in the U.S. with superior service ratings, will be the manager of the community. In addition Life Care Services is the operational manager of our new \$45M Amarillo, TX senior living community, "Bridlewood at Terra Vida".

With anticipated close of financing on the land by the end of the year, we will be working with our design team and operator from our Bridlewood project, with an expectation that we will have a formal ground breaking in June 2017. To date we have completed a 3rd party Market Demand Analysis, Preliminary Design, Construction Estimates, Operational Proformas with LCS, and full Project Proforma. Upon close of financing we will be commissioning full design drawings and the balance of predevelopment activities.

The approval of the TIF District this past year, has allowed us to assemble the project team and work through significant programming issues. As is typical with large complex projects, we have had some unforeseen issues as it relates to the land, which has impacted our intended schedule. We are rapidly approaching the resolution of these issues and should be on target with our proposed dates demonstrated above. We are very excited about serving the Mesquite community by delivering a high quality senior living project and providing superior healthcare for its residents.

The role of the MMD is critical to our plans, and the success of the TIF, and we fully support, and are ready to execute a formal agreement for the PILOT, to guarantee that the TIF and the City will receive revenue as they would with any conventional private development even though ours will be a non-profit development.

We look forward to many years of great success in Mesquite and congratulate you on the vision of establishing the TIF and the perseverance in pursuing what will be a great development.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven Nielsen". The signature is fluid and cursive, with the first name "Steven" and last name "Nielsen" clearly distinguishable.

Steven L. Nielsen
President
Brydant Development Services

Exhibit E

Verde Center Bridge Plan

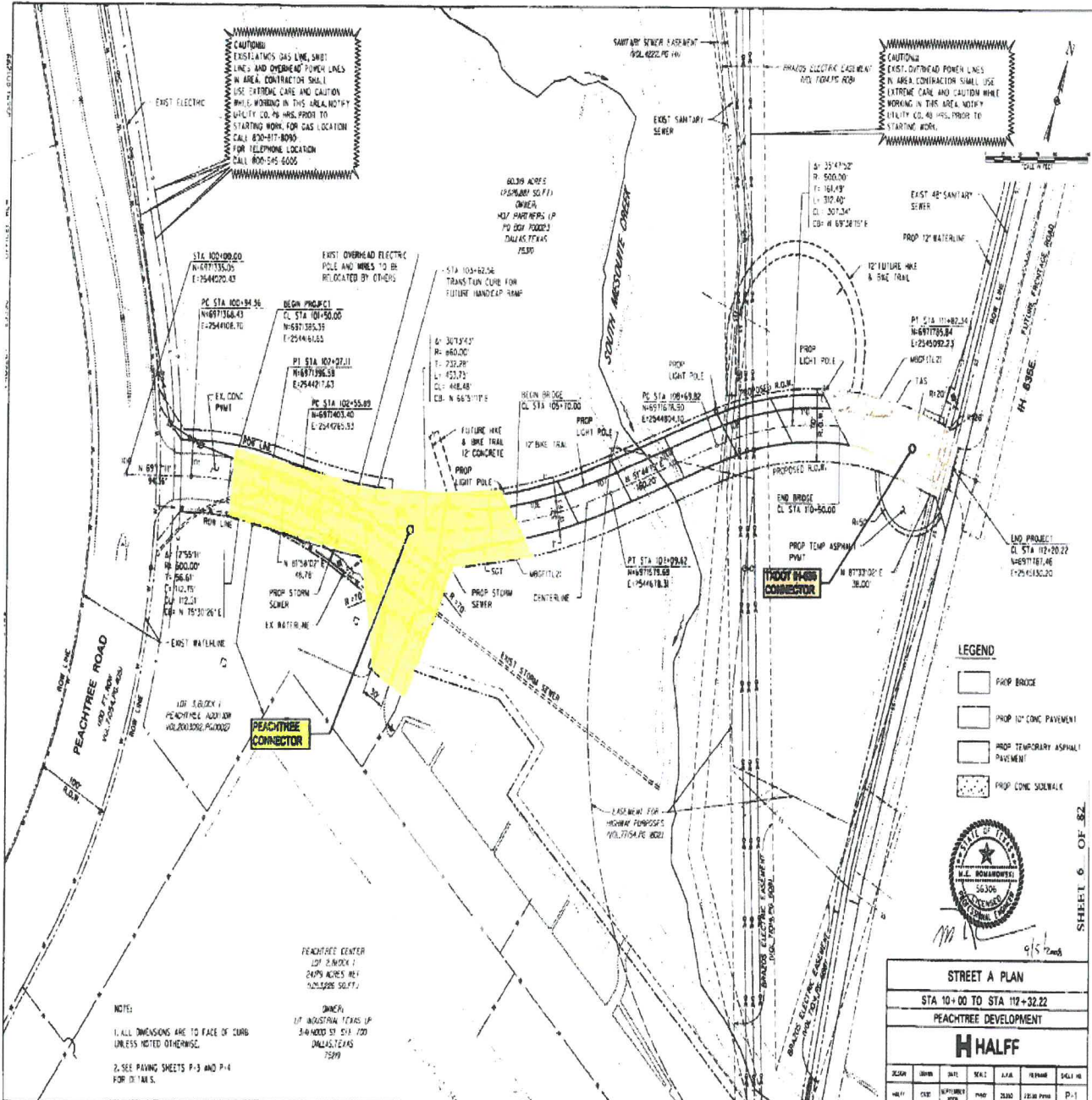


Exhibit G

Existing Land Uses and Conditions of Real Property



Exhibit H

Proposed Improvements and Uses of Real Property



Exhibit I

Estimated Captured Appraised Value of Real Property by Year

**CITY OF MESQUITE, TEXAS
Proposed Skyline TIF #7**

	Base Year 2015-16	Proposed 2016-17	Proposed 2017-18	Proposed 2018-19	Proposed 2019-20	Proposed 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25
TIF Base Value & Cumulative Growth (for calculations)	\$ 656,870	\$ 709,420	\$ 759,079	\$ 804,624	\$ 844,855	\$ 878,649	\$ 913,795	\$ 945,778	\$ 974,151	\$ 993,634
Projected % growth in taxable value		8.0%	7.0%	6.0%	5.0%	4.0%	4.0%	3.5%	3.0%	2.0%
Taxable Value Changes:										
Beginning TIF Value Increase	\$ -	\$ -	\$ 52,550	\$ 102,209	\$ 147,754	\$ 39,473,985	\$ 57,777,779	\$ 76,082,925	\$ 106,114,908	\$ 139,143,281
Appraised Value Annual Growth	-	52,550	49,659	45,545	40,231	33,794	35,146	31,983	28,373	19,483
Development:										
Fitness Center (YMCA) - Brydant										
Assisted Living - Brydant					9,966,000					
Hotel & Amenities - Brydant					29,320,000					
Medical Office Building - Verde Group						5,770,000	5,770,000			
Acute Care Hospital - Verde Group						12,500,000	12,500,000			
Outpatient Diagnostic - Verde Group								23,000,000	22,000,000	
Structured Parking - Verde Group								7,000,000	4,000,000	
Other - Verde Group									7,000,000	7,000,000
Ending TIF Value Increase	\$ -	\$ 52,550	\$ 102,209	\$ 147,754	\$ 39,473,985	\$ 57,777,779	\$ 76,082,925	\$ 106,114,908	\$ 139,143,281	\$ 146,162,764
City Tax Rate	0.6400	0.6870	0.6870	0.6870	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340
TIF Participation Percentage	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Revenues:										
City of Mesquite	\$ -	\$ 271	\$ 527	\$ 761	\$ 217,304	\$ 318,067	\$ 418,837	\$ 584,163	\$ 765,984	\$ 804,626
Total Revenues	\$ -	\$ 271	\$ 527	\$ 761	\$ 217,304	\$ 318,067	\$ 418,837	\$ 584,163	\$ 765,984	\$ 804,626
Expenditures:										
Verde Group Reimbursement + Interest	-	-	-	-	218,863	318,067	418,837	584,163	765,984	804,626
Total Expenditures	\$ -	\$ -	\$ -	\$ -	\$ 218,863	\$ 318,067	\$ 418,837	\$ 584,163	\$ 765,984	\$ 804,626
Excess (Deficiency) Revenues over Expenditures	-	271	527	761	(1,559)	(0)	(0)	(0)	(0)	0
Beginning Fund Balance, Oct 1	-	-	271	797	1,559	(0)	(0)	(1)	(1)	(2)
Ending Fund Balance, Sep 30	\$ -	\$ 271	\$ 797	\$ 1,559	\$ (0)	\$ (0)	\$ (1)	\$ (1)	\$ (2)	\$ (1)

EXHIBIT "I"

**CITY OF MESQUITE, TEXAS
Proposed Skyline TIF #7**

	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29	Proposed 2029-30	Proposed 2030-31	Proposed 2031-32	Proposed 2032-33	Proposed 2033-34	Proposed 2034-35	Proposed 2035-36
TIF Base Value & Cumulative Growth (for calculi:	\$ 998,602	\$ 1,003,595	\$ 1,008,613	\$ 1,013,656	\$ 1,018,725	\$ 1,023,818	\$ 1,028,937	\$ 1,034,082	\$ 1,039,253	\$ 1,044,449	\$ 1,049,671
Projected % growth in taxable value	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Taxable Value Changes:											
Beginning TIF Value Increase	\$ 146,162,764	\$ 153,167,732	\$ 153,172,725	\$ 153,177,743	\$ 153,182,786	\$ 153,187,855	\$ 153,192,948	\$ 153,198,067	\$ 153,203,212	\$ 153,208,383	\$ 153,213,579
Appraised Value Annual Growth	4,968	4,993	5,018	5,043	5,068	5,094	5,119	5,145	5,170	5,196	5,222
Development:											
Fitness Center (YMCA) - Brydant											
Assisted Living - Brydant											
Hotel & Amenities - Brydant											
Medical Office Building - Verde Group											
Acute Care Hospital - Verde Group											
Outpatient Diagnostic - Verde Group											
Structured Parking - Verde Group											
Other - Verde Group	7,000,000										
Ending TIF Value Increase	\$ 153,167,732	\$ 153,172,725	\$ 153,177,743	\$ 153,182,786	\$ 153,187,855	\$ 153,192,948	\$ 153,198,067	\$ 153,203,212	\$ 153,208,383	\$ 153,213,579	\$ 153,218,801
City Tax Rate	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340
TIF Participation Percentage	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Revenues:											
City of Mesquite	\$ 843,188	\$ 843,216	\$ 843,243	\$ 843,271	\$ 843,299	\$ 843,327	\$ 843,355	\$ 843,384	\$ 843,412	\$ 843,441	\$ 843,469
Total Revenues	\$ 843,188	\$ 843,216	\$ 843,243	\$ 843,271	\$ 843,299	\$ 843,327	\$ 843,355	\$ 843,384	\$ 843,412	\$ 843,441	\$ 843,469
Expenditures:											
Verde Group Reimbursement + Interest	843,188	843,216	843,243	843,271	843,299	843,327	843,355	843,384	843,412	843,441	843,469
Total Expenditures	\$ 843,188	\$ 843,216	\$ 843,243	\$ 843,271	\$ 843,299	\$ 843,327	\$ 843,355	\$ 843,384	\$ 843,412	\$ 843,441	\$ 843,469
Excess (Deficiency) Revenues over Expenditures	0	(0)	0	0	0	0	0	(0)	0	(0)	0
Beginning Fund Balance, Oct 1	(1)	(1)	(1)	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)
Ending Fund Balance, Sep 30	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (0)	\$ (0)	\$ 0	\$ 0	\$ (0)	\$ (0)	\$ 0

EXHIBIT "I"

**CITY OF MESQUITE, TEXAS
Proposed Skyline TIF #7**

	Proposed 2036-37 \$ 1,054,919 0.5%	Proposed 2037-38 \$ 1,060,194 0.5%	Proposed 2038-39 \$ 1,065,495 0.5%	Proposed 2039-40 \$ 1,070,822 0.5%	Proposed 2040-41 \$ 1,076,177 0.5%	Proposed 2041-42 \$ 1,081,557 0.5%	Proposed 2042-43 \$ 1,086,965 0.5%	Proposed 2043-44 \$ 1,092,400 0.5%	Proposed 2044-45 \$ 1,097,862 0.5%	Total All Years
TIF Base Value & Cumulative Growth (for calcul:										
Projected % growth in taxable value										
Taxable Value Changes:										
Beginning TIF Value Increase	\$ 153,218,801	\$ 153,224,049	\$ 153,229,324	\$ 153,234,625	\$ 153,239,952	\$ 153,245,307	\$ 153,250,687	\$ 153,256,095	\$ 153,261,530	
Appraised Value Annual Growth	5,248	5,275	5,301	5,327	5,354	5,381	5,408	5,435	5,462	
Development:										
Fitness Center (YMCA) - Brydant										
Assisted Living - Brydant										
Hotel & Amenities - Brydant										
Medical Office Building - Verde Group										
Acute Care Hospital - Verde Group										
Outpatient Diagnostic - Verde Group										
Structured Parking - Verde Group										
Other - Verde Group										
Ending TIF Value Increase	\$ 153,224,049	\$ 153,229,324	\$ 153,234,625	\$ 153,239,952	\$ 153,245,307	\$ 153,250,687	\$ 153,256,095	\$ 153,261,530	\$ 153,266,992	
City Tax Rate	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	
TIF Participation Percentage	75%	75%	75%	75%	75%	75%	75%	75%	75%	
Revenues:										
City of Mesquite	\$ 843,498	\$ 843,527	\$ 843,557	\$ 843,586	\$ 843,615	\$ 843,645	\$ 843,675	\$ 843,705	\$ 843,735	\$ 19,979,688
Total Revenues	\$ 843,498	\$ 843,527	\$ 843,557	\$ 843,586	\$ 843,615	\$ 843,645	\$ 843,675	\$ 843,705	\$ 843,735	\$ 19,979,688
Expenditures:										
Verde Group Reimbursement + Interest	843,498	843,527	843,557	843,586	843,615	843,645	843,675	843,705	843,735	19,979,688
Total Expenditures	\$ 843,498	\$ 843,527	\$ 843,557	\$ 843,586	\$ 843,615	\$ 843,645	\$ 843,675	\$ 843,705	\$ 843,735	\$ 19,979,688
Excess (Deficiency) Revenues over Expenditures	0	0	(0)	(0)	0	0	(0)	(0)	(0)	0
Beginning Fund Balance, Oct 1	0	1	1	1	1	1	1	1	1	1
Ending Fund Balance, Sep 30	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 0