

ORDINANCE NO. 4686

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, APPROVING AN AMENDED PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR TOWNE CENTRE REINVESTMENT ZONE NUMBER TWO, CITY OF MESQUITE, TEXAS (THE "ZONE"), EXTENDING THE TERM OF THE ZONE FOR AN ADDITIONAL TWENTY YEARS TO EXPIRE DECEMBER 31, 2039, AMENDING THE COMPOSITION OF THE BOARD OF DIRECTORS FOR THE ZONE EFFECTIVE JANUARY 1, 2020; AMENDING ORDINANCE NO. 3257 AND ORDINANCE NO. 4529; MAKING A FINDING OF FEASIBILITY; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE THEREOF.

WHEREAS, the City of Mesquite, Texas ("City"), established the Towne Centre Reinvestment Zone Number Two, City of Mesquite, Texas, and established a board of directors for the Towne Centre Reinvestment Zone Number Two, City of Mesquite, Texas (the "Board") by Ordinance No. 3257, approved by the City Council of the City ("City Council") on September 21, 1998, to promote development or redevelopment in such reinvestment zone, in accordance with the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended (the "Act"); and

WHEREAS, in accordance with the Act, the original boundaries of the Towne Centre Reinvestment Zone Number Two, City of Mesquite, Texas, have been enlarged and the geographic area of the original zone has been increased by Ordinance No. 4529, approved by the City Council on December 18, 2017; and

WHEREAS, the Towne Centre Reinvestment Zone Number Two, City of Mesquite, Texas, as created by City Ordinance No. 3257, as now and hereafter amended including, without limitation, as amended by Ordinance No. 4529 enlarging the boundaries and increasing the geographic area of the zone, is hereinafter collectively referred to as the "Zone;" and

WHEREAS, pursuant to Ordinance No. 3257, the Board is comprised of four members appointed by the City Council and three members appointed by the Mesquite Independent School District ("MISD"), however if a taxing unit waives its right to appoint a member of the Board, the City may appoint such board member in its stead; and

WHEREAS, on July 27, 1999, the Board prepared and adopted a project plan and reinvestment zone financing plan for the Zone which was subsequently approved by the City Council on August 16, 1999, pursuant to Ordinance No. 3313 (the "Original Project Plan and Financing Plan"); and

WHEREAS, amendments and/or restatements to the Original Project Plan and Financing Plan for the Zone have previously been adopted by the Board and approved by the City Council on the following dates pursuant to the following ordinances, to-wit: (i) on June 16, 2003, pursuant to Ordinance No. 3586; (ii) on August 25, 2003, pursuant to Ordinance No. 3596; (iii) on February

16, 2004, pursuant to Ordinance No. 3636; (iv) on October 17, 2005, pursuant to Ordinance No. 3771; (v) on January 22, 2008, pursuant to Ordinance No. 3928; (vi) on February 4, 2008, pursuant to Ordinance No. 3931; (vii) on December 15, 2008, pursuant to Ordinance No. 4018; (viii) on December 18, 2017, pursuant to Ordinance No. 4529; and (ix) on June 4, 2018, pursuant to Ordinance No. 4567; and

WHEREAS, Section 311.010(a) of the Act provides that the board of directors of a tax increment reinvestment zone shall make recommendations to the governing body of the municipality that created the zone concerning the administration of the Act in the zone; and

WHEREAS, pursuant to Section 311.011(e) of the Act, the board of directors of a tax increment reinvestment zone may adopt an amendment to a project plan for the zone at any time so long as the amendment is consistent with the requirements and limitations of the Act; and

WHEREAS, pursuant to Ordinance No. 3257, the Zone is to terminate on December 31, 2019, or at an earlier time designated by subsequent ordinance of the City Council in the event the City determines that the Zone should be terminated due to insufficient private investment, accelerated private investment or other good cause, or at such time as all project costs and tax increment bonds, if any, and the interest thereon, have been paid in full (the “Original Termination Date”); and

WHEREAS, MISD has indicated that it will not participate in the Zone after the Original Termination Date and accordingly, it is necessary to amend the composition of the board of directors for the Zone effective as of January 1, 2020; and

WHEREAS, on May 6, 2019, the Board prepared and adopted an amended project plan and reinvestment zone financing plan for the Zone, a copy of which is attached hereto as Exhibit “A” and made a part hereof for all purposes (the “2019 Amended Project and Financing Plan”); and

WHEREAS, the 2019 Amended Project and Financing Plan proposes to extend the term of the Zone for an additional twenty (20) years to expire on December 31, 2039; and

WHEREAS, the 2019 Amended Project and Financing Plan proposes to amend the composition of the board of directors of the Zone; and

WHEREAS, the 2019 Amended Project and Financing Plan is not effective unless it is approved by the City Council by ordinance adopted after a public hearing; and

WHEREAS, notice of a public hearing to be held at 7:00 p.m. on June 17, 2019, to consider approving the 2019 Amended Project and Financing Plan, extending the term of the Zone, and amending the composition of the board of directors of the Zone was published in the *Daily Commercial Record*, a newspaper of general circulation in the City on June 6, 2019, which is at least seven (7) days before the date of the public hearing held on June 17, 2019, in accordance with Section 311.003 of the Act; and

WHEREAS, notice of the public hearing to be held at 7:00 p.m. on June 17, 2019 to consider approving the 2019 Amended Project and Financing Plan, extending the term of the Zone,

and amending the composition of the board of directors of the Zone, was mailed by first class mail to the property owners within the Zone on June 6, 2019; and

WHEREAS, on June 17, 2019, the City Council opened a public hearing in accordance with the Act and interested persons were allowed to speak for or against the 2019 Amended Project and Financing Plan, extending the term of the Zone, amending the composition of the board of directors of the Zone, and the concept of tax increment financing; and

WHEREAS, after all comments and evidence, both written and oral, were received by the City Council, the public hearing was closed on June 17, 2019; and

WHEREAS, the public hearing was held in full compliance with the Act; and

WHEREAS, the 2019 Amended Project and Financing Plan is consistent with the requirements and limitations of the Act; and

WHEREAS, pursuant to Section 311.007(c) of the Act, the governing body of the municipality that designated a reinvestment zone by ordinance or resolution may extend the term of all or a portion of the zone after notice and hearing in the manner provided for the designation of the zone; and

WHEREAS, the Board is submitting the 2019 Project and Financing Plan to the City Council and is recommending the 2019 Amended Project and Financing Plan to the City Council for approval; and

WHEREAS, the City has taken all actions required to approve the 2019 Amended Project and Financing Plan, extend the term of the Zone, and amend the composition of the board of directors of the Zone including, but not limited to, all actions required by the home-rule Charter of the City, the Act, Chapter 551 of the Texas Government Code, commonly referred to as the Texas Open Meetings Act, and all other applicable laws; and

WHEREAS, the City Council finds that approving the 2019 Amended Project and Financing Plan, extending the term of the Zone, and amending the composition of the board of directors of the Zone effective January 1, 2020, is in the best interest of the City and its citizens.

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

SECTION 1. That the statements, facts, findings and recitals contained in the preamble of this ordinance are hereby found and declared to be true and correct and are incorporated herein and adopted as part of this ordinance for all purposes.

SECTION 2. That the City Council, after conducting the above described public hearing and having heard the evidence and testimony presented at the hearing, has found and determined based on the evidence and testimony presented to it, that the public hearing to consider the approval of the 2019 Amended Project and Financing Plan, extending the term of the Zone, and amending the composition of the board of directors of the Zone has been properly held and conducted and that notice of such hearing has been published as required by applicable law,

including the Act, and that owners of property within the Zone were given a reasonable opportunity to present testimony for or against the 2019 Amended Project and Financing Plan, extending the term of the Zone, and amending the composition of the board of directors of the Zone.

SECTION 3. That the City Council finds that the 2019 Amended Project and Financing Plan submitted to the City Council includes the following information required by § 311.011 of the Act:

- A. The 2019 Amended Project and Financing 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 2019 Amended Project and Financing Plan also 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 4. That the City Council has reviewed the 2019 Amended Project and Financing Plan and hereby finds that the 2019 Amended Project and Financing Plan is feasible.

SECTION 5. That the City Council hereby approves and adopts the 2019 Amended Project and Financing Plan attached hereto as Exhibit "A" and made a part hereof for all purposes.

SECTION 6. That the City Manager, or the City Manager's designee, is hereby authorized to execute all documents and take all actions necessary or requested to implement the 2019 Amended Project and Financing Plan.

SECTION 7. That pursuant to Section 311.007(c) of the Act, the City Council hereby extends the term of the Zone for an additional twenty (20) years to expire on December 31, 2039 and pursuant to Section 311.017(a) of the Act, the Zone will terminate on the earlier of: (1) December 31, 2039 or such earlier or later termination date designated by an ordinance hereafter adopted under Section 311.007(c) of the Act; or (2) the date on which all project costs, tax increment bonds and interest on those bonds, and other obligations of the Zone have been paid in full.

SECTION 8. That Ordinance No. 3257 is hereby amended, effective as of the date of passage of this ordinance, by deleting Section 4 in its entirety and replacing Section 4 with the following:

“SECTION 4. That the Zone shall take effect on January 1, 1999 and that the termination of the Zone shall occur on the earlier of: (1) December 31, 2039, or such earlier or later termination date designated by an ordinance hereafter adopted under Section 311.007(c) of the Act; or (ii) the date on which all project costs, tax increment bonds and interest on those bonds, and other obligations of the Zone have been paid in full.”

SECTION 9. That effective as of January 1, 2020, all members of the board of directors of the Zone shall be appointed by the City Council.

SECTION 10. That Ordinance No. 3257 is hereby amended, effective as of January 1, 2020, by deleting the first sentence of Section 5(a) and replacing such sentence with the following: “All seven (7) members of the board of directors shall be appointed by the City Council of the City.”

SECTION 11. That Ordinance No. 4529 is hereby amended, effective as of January 1, 2020, by deleting Section 9 in its entirety and replacing Section 9 with the following:

“SECTION 9. All seven (7) members of the Board shall be appointed by the City Council and shall meet the eligibility requirements of Section 311.009 of the Act.”

SECTION 12. That Ordinance No. 3257 will remain in full force and effect, save and except as amended by Ordinance No. 4529, and as further amended by this Ordinance.

SECTION 13. That Ordinance No. 4529 will remain in full force and effect, save and except as amended by this Ordinance.

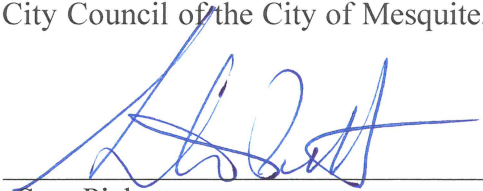
SECTION 14. That it is hereby found, determined, and declared that sufficient public notice of the date, hour, place and subject of the meeting of the City Council at which this ordinance was adopted was given as required by the Texas Open Meetings Act, Chapter 551 of the Texas Government Code. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

SECTION 15. 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 16. That it is hereby declared to be the intent of the City Council that the words, phrases, clauses, sentences, paragraphs and sections of this ordinance are severable, and if any word, phrase, clause, sentence, paragraph or section of this ordinance shall be declared invalid or unconstitutional by a final judgment or decree of a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any of the remaining words, phrases, clauses, sentences, paragraphs or sections of this ordinance, the City Council hereby declaring that this ordinance would have been enacted by the City Council without the incorporation of any such invalid or unconstitutional word, phrase, clause, sentence, paragraph or section.

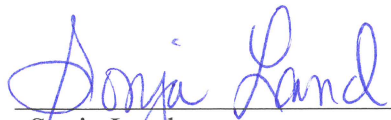
SECTION 17. That this ordinance shall take effect immediately upon passage of this ordinance.

DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas,
on the 17th day of June 2019.



Stan Pickett
Mayor

ATTEST:



Sonja Land
City Secretary

APPROVED:



David L. Paschall
City Attorney

EXHIBIT "A"

Amended Project and Financing Plan

**Towne Centre
Reinvestment Zone Number Two
City of Mesquite, Texas**

May/June 2019



Amended Project and Financing Plan

Towne Centre Reinvestment Zone Number Two

May/June 2019

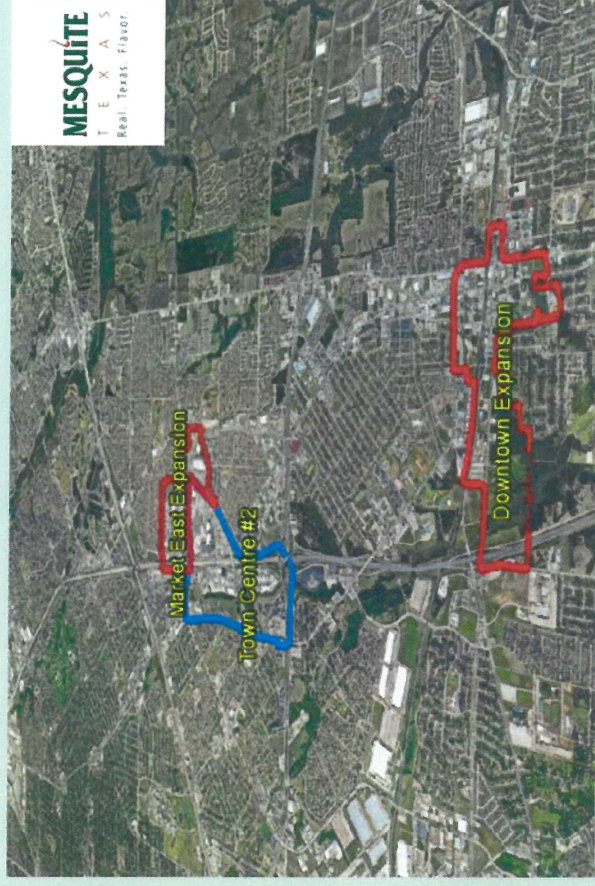


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City of Mesquite

Department of Economic Development

David Witcher

Director of Economic Development

Phone: (972) 216-6340

Mobile: (682) 540-4480

E-mail: dwitcher@cityofmesquite.com

Kim Buttram

Assistant Director of Economic Development

Phone: (972) 216.6446

Mobile: (214) 212.4997

E-mail: kbuttram@cityofmesquite.com

1515 N. Galloway Ave. Mesquite, TX 75149

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Introduction

Tax Increment Financing Program

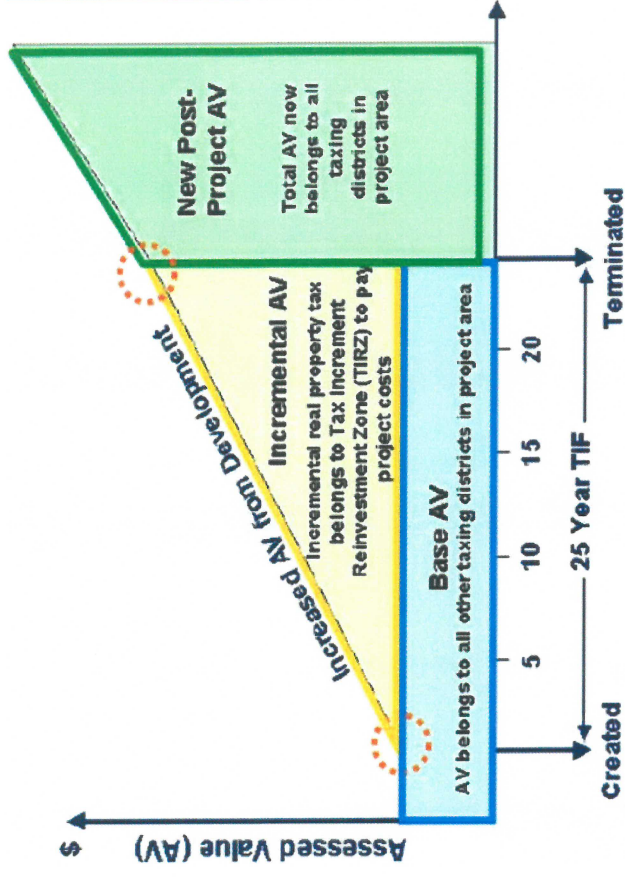
Chapter 311 of the Texas Tax Code (the TIF Act) authorizes the governing body of a municipality to promote redevelopment of a contiguous or noncontiguous geographic area by designating it a Tax Increment Reinvestment Zone (TIRZ). The future value of private investment within a TIRZ is leveraged to finance public improvements, to enhance existing public infrastructure, and to maximize the benefits of other incentive tools. Public investment in TIRZ, using tax increment as a financing mechanism, stimulates private sector investment in areas of the City that would not otherwise attract market interest. Taxing entities, including school districts, can opt in at a participation rate of their choosing, electing to contribute 0% to 100% of their tax increment into the zone.

Key Points:

- Chapter 311 of the Texas Code controls all procedures for the creation of a TIRZ
- Base value is assessed value in year TIRZ is designated (as of January 1)
- Development over time increases assessed value

Once a TIRZ has been established, incremental real property taxes resulting from new construction, public improvements and redevelopment efforts accrue to the various taxing entities. Local taxing entities retain the right to determine the amount of the tax increment. The City enters into written Interlocal Agreements with all participating taxing entities to specify: (1) the conditions for payment of tax increment into a tax increment fund, (2) the portion of tax increment to be paid by each entity into the tax increment fund, and (3) the term of the Interlocal Agreement.

The amount of a taxing unit's tax increment for a year is the amount of property taxes levied and collected by the unit for that year on the "captured" appraised value of real property taxable by the unit and located in the TIRZ. Captured appraised value is the total appraised value of all real property taxable by the unit and located in a TIRZ for that year less the total appraised value of taxable real property in the base year (the year in which zone was designated by ordinance).



Board of Director Responsibilities

The TIRZ Board prepares and adopts a project plan and a reinvestment zone financing plan and submits the plans to the City Council that designated the zone. Once a TIRZ project and financing plan has been approved by the City Council, the Board monitors the ongoing performance of the TIRZ by reviewing the construction status of proposed public improvements and amenities, reviewing the status of the tax increment fund, approving amendments to the project and financing plan, and recommending certain actions by City Council related to the TIRZ. The TIRZ Board must comply with the Texas Open Meetings Act as well as with all subsequent City Code provisions for City Boards and Commissions, to the extent that there is no conflict with the TIF Act.

Towne Centre TIRZ No. Two

Actions to Date

Actions to Date

- On September 21, 1998, the City of Mesquite established Tax Incremental Reinvestment Zone (TIRZ) Number Two as an important step to maintain the long-term viability of the Town East Mall retail area and to accelerate the pace of new retail development along the IH-635 corridor. Participation in the TIRZ includes 100% of new incremental ad valorem by both the City and Mesquite Independent School District (MISD).
- The TIRZ Board of Directors adopted a Final Project and Financing Plan on July 27, 1999, and the City Council passed Ordinance No. 3313 on August 16, 1999, approving the Plan. To date, there have been nine amendments to the Plan: (i) on June 16, 2003, pursuant to Ordinance 3586; (ii) on August 25, 2003, pursuant to Ordinance 3596; (iii) on February 16, 2004, pursuant to Ordinance No. 3636; (iv) on October 17, 2005, pursuant to Ordinance No. 3771; (v) on January 22, 2008, pursuant to Ordinance No. 3928; (vi) on February 4, 2008, pursuant to Ordinance No. 3931; (vii) on December 15, 2008, pursuant to Ordinance No. 4018; (viii) on December 18, 2017, pursuant to Ordinance No. 4529; and (ix) most recently on June 4, 2018, pursuant to Ordinance No. 4567.
- Estimates for the TIRZ assumed 90 percent of vacant land would be developed and 160,000 square feet of retail space would be added in the first 15 years. Thus far, 68 percent of the vacant land in the Zone has been developed adding over \$170 million to the City's tax base, and 765,800 square feet of retail has been added, almost five times the amount of retail space originally anticipated.
- The objective of the TIRZ was, and still is, to accelerate the pace of taxable development in the Zone with a greater portion of the Zone used for retail or office development.
- Total captured appraised value of the Zone has increased by \$183 million to \$375 million (an increase of 95%), which exceeds the original projection of \$340 million by ten percent.

TIRZ Expansion

- On December 4, 2017, the TIRZ Board of Directors adopted an amended Project Plan and Reinvestment Zone Financing Plan to expand the contiguous boundaries of the Zone to the Market East commercial and retail area north of Town East Boulevard, and east of Towne Centre Drive, as well as the non-contiguous boundaries of the greater Downtown Mesquite area. In 2009, House Bill 1770, enacted by the 81st Legislature, expanded the eligible geographic area of a reinvestment zone to include noncontiguous areas within the corporate limits, in the extraterritorial jurisdiction of a municipality, or in both. The proposed expansion was intended to help achieve one of the City Council's goals to revitalize Downtown Mesquite, and the incremental revenue from the greater TIRZ would be leveraged to finance public infrastructure for Downtown and provide a catalyst for private investment in the Downtown area.
- On December 18, 2017, after conducting a public hearing in accordance with State law, the City Council approved the expansion plan with passage of Ordinance No. 4529.
- On June 4, 2018, the TIRZ Board of Directors adopted an amended Project Plan to include planned projects for the Downtown area and updated projects throughout the greater TIRZ area. The City Council approved the amended Plan later the same day at their regular meeting pursuant to Ordinance No. 4567.
- To date, a total of \$36.8 million in public improvements and developer participation has been reinvested back into the Zone.

Towne Centre TIRZ No. Two Recommended Actions

Board Recommended Changes

- Tax Increment Reinvestment Zone (TIRZ) Number Two was established for a term of 20 years to expire on December 31, 2019. In keeping with the City Council's goal to redevelop the Downtown area and maintain the long-term economic vitality of the Town East Mall retail area, the TIRZ Board of Directors recommends extending the term of the TIRZ for another 20 years to expire on December 31, 2039.
- This proposed tenth amendment to the Project Plan and Reinvestment Zone Financing Plan extends the term another 20 years to expire on December 31, 2039, and is scheduled for adoption by the Board of Directors on May 6, 2019.
- Additionally, the Board of Directors proposes a change in the composition of the Board membership to replace three outgoing Board members who represent MISD. School districts are among the local taxing units which may opt to contribute anywhere from zero to 100 percent of their tax increment revenue to a TIRZ fund. In the past, school districts could reduce the value of taxable property reported to the State to reflect any increase in appraised value that was captured by a TIRZ in which the school district participated. In 1997 and 1999, the State Legislature changed school funding laws, eliminating a school districts' ability to achieve a reduction in taxable property value due to the existence of tax increment financing. Since school districts are no longer "held harmless" for increases in taxable property values in a TIRZ established after September 1, 1999, many school districts, including MISD, have opted not to participate in new or extended Reinvestment zones.
- The City Council is scheduled to hold a public hearing on June 17, 2019, to consider extending the term of the TIRZ and adoption of this amended Plan, along with the appointment of new members to the Board of Directors.

TIRZ Expenditures to Date

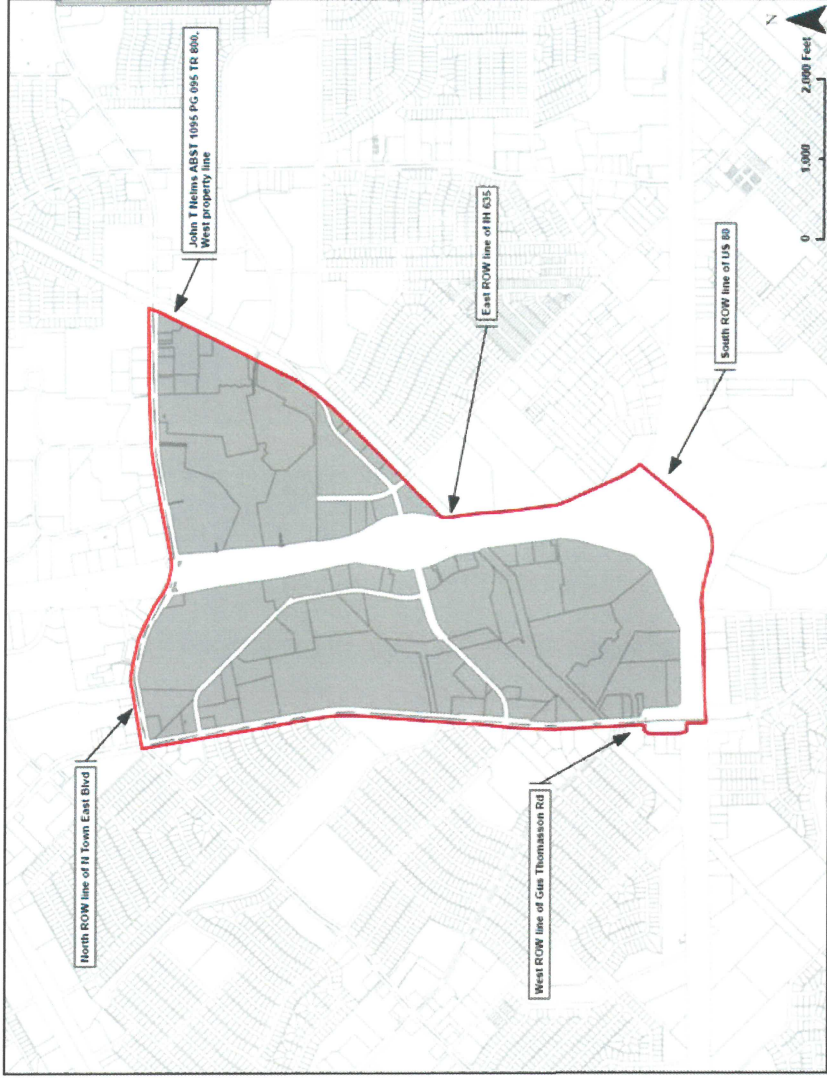
Developer Participation-Brazos Electric	\$471,332
South Mesquite Creek Sanitary Sewer Line	295,644
JDN Real Estate-Sewer Line	91,244
Town East Ford Drainage	421,521
Town East Water Line	3,000,000
IH 635 Improvements-4B Fund Advance	1,964,025
Town East Mall Lighting	1,946,302
Stream 2B7 Bank Stabilization	16,404
MISD-North Mesquite Project	5,900,000
MISD Water Line	427,557
MISD Operation of Project Facilities	2,705,616
Transportation Projects Various Locations	1,549,330
Town Centre Drive Concrete Repair	16,609
Town East Marquee Sign	700,000
TIRZ Administration	1,340,000
Town East Retail Area Holiday Security	6,958,116
IH 635 Improvements-SIB Loan Payment	7,221,575
Gus Thomasson Reconstruction	1,099,233
Heritage Trail-Phase II	383,535
ROWS Street Lighting	189,083
ROWS Signal Improvements	13,284
Mall Read/PlayTalk Public Improvements	<u>150,000</u>
Total	<u>\$36,860,410</u>

Towne Centre TIRZ No. Two
Original Boundary



Towne Centre TIRZ No. Two

Original Boundary Description



Beginning at a point of the intersection of the west ROW line of Gus Thomasson Rd and the north ROW line of N Town East Blvd, thence

Easterly along the north ROW line of N Town East Blvd to a point where said line intersects with the west property line of John T Nelms ABST 1095 PG 095 TR 800, thence

Southwesterly along the west property line of John T Nelms ABST 1095 PG 095 TR 800 to a point where said line intersects with the east ROW line of IH-635, thence

Southerly along the east ROW line of IH 635 to a point where said line intersects with the south ROW line of US 80, thence

Westerly along the south ROW line of US 80 to a point where said line intersects with the west ROW line of Gus Thomasson Rd, thence

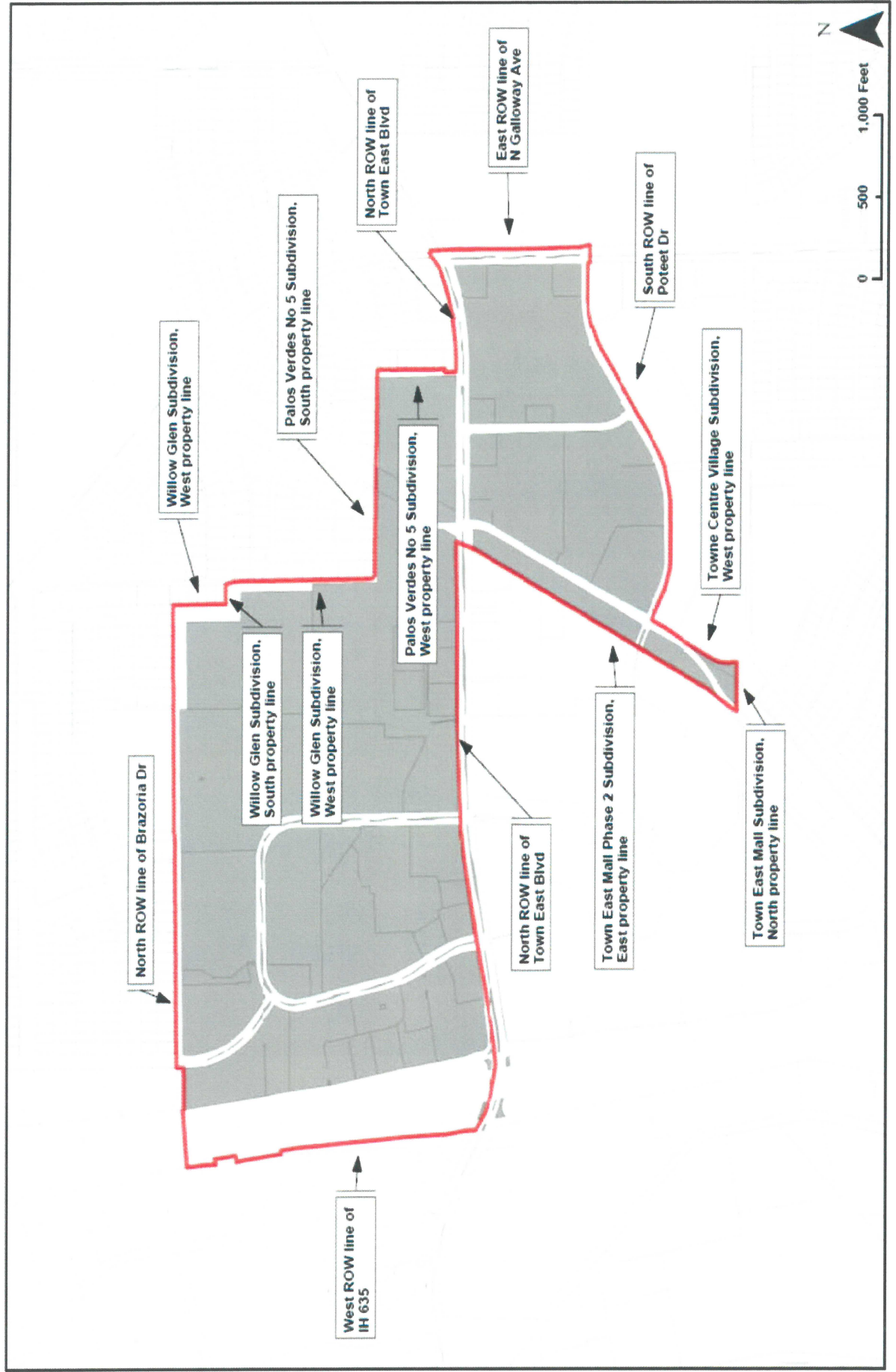
Northerly along the west ROW line of Gus Thomasson Rd to a point where said line intersects with the north ROW line of N Town East Blvd, which is the point of beginning.

Towne Centre TIRZ No. Two Market East Area Boundary



Original Boundary
Market East Expansion

Towne Centre TIRZ No. Two Market East Area Boundary Description



Towne Centre TIRZ No. Two Market East Area Boundary Description

Beginning at a point of intersection of the west ROW line of IH 635 and the North ROW line of Brazoria DR, thence

Easterly along the North ROW line of Brazoria DR to a point where said line intersects with the projection of the west property line of Willow Glen Subdivision, thence

Southerly along west property line of Willow Glen Subdivision to the a point where said line intersects with the south property line of Willow Glen Subdivision, thence

Easterly along the south property line of Willow Glen Subdivision to a point where said line intersects with the west property line of Willow Glen Subdivision, thence

Southerly along the west property line of Willow Glen Subdivision to a point where said line intersects with the south property line of the Palos Verdes No 5 Subdivision, thence

Easterly along the south property line of Palos Verdes No 5 Subdivision to a point where said line intersects with the west property line of Palos Verdes No 5 Subdivision, thence

Southerly along the west property line of Palos Verdes No 5 Subdivision to a point where said line intersects with the north ROW line of Town East Blvd, thence

Easterly along the north ROW line of Town East Blvd to a point where said line intersects with the east ROW line of N Galloway Ave, thence

Southerly along the east ROW line of N Galloway Ave to a point where said line intersects with the south ROW line of Poteet DR, thence

Westerly along the south ROW line of Poteet DR to a point where said line intersects with the west property line of Towne Centre Village Subdivision, thence

Southerly along the west property line of Towne Centre Village Subdivision to a point where said line intersects with the north property line of Town East Mall Subdivision, thence

Westerly along the north property line of Town East Mall Subdivision to a point where said line intersects with the boundary of the original Towne Centre No. Two TIRZ and commonly the east property line of Town East Mall Phase 2 Subdivision, thence

Northerly along the common boundary of the original TIRZ to a point where said line intersects with the north ROW line of Town East Blvd, thence

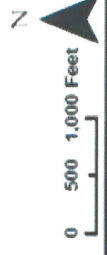
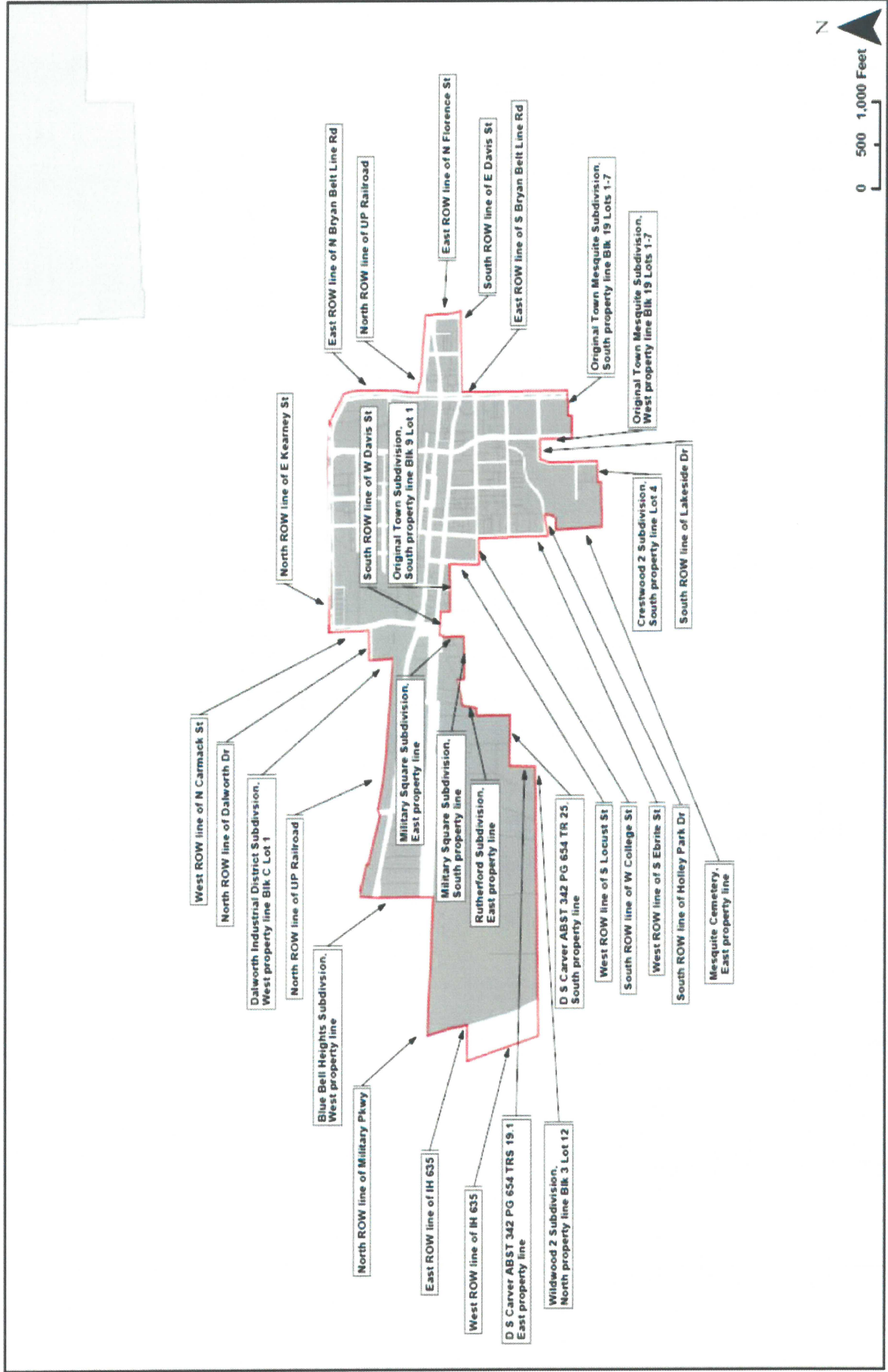
Westerly along the north ROW line of Town East Blvd, also being the common boundary of the original TIRZ to a point where said line intersects with the west ROW line of IH 635, thence

Northerly along the west ROW line of IH 635 to a point where said line intersects with the north ROW line of Brazoria DR, which is the point of beginning.

Towne Centre TIRZ No. Two Downtown Area Boundary



Towne Centre TIRZ No. Two Downtown Area Boundary Description



Towne Centre TIRZ No. Two

Downtown Area Boundary Description

Beginning at a point of the intersection of the most eastern boundary of Rodeo City TIRZ No. One and the ROW line of Military Pkwy, thence

Easterly along the ROW line of Military Pkwy to a point where said line intersects with the west property line of Blue Bell Heights Subdivision, thence

Northerly along the west property line of Blue Bell Heights Subdivision to a point where said line intersects with the north ROW line of UP Railroad, thence

Easterly along the north ROW line of UP Railroad to a point where said line intersects with the west property line of Dalworth Industrial District Subdivision Blk C Lot 1, thence

Northerly along the west property line of Dalworth Industrial District Subdivision Blk C Lot 1 to a point where said line intersects with the north ROW line of Dalworth Dr, thence

Easterly along the north ROW line of Dalworth Dr to a point where said line intersects with the west ROW line of N Carmack St, thence

Northerly along the west ROW line of N Carmack St to a point where said line intersects with the north ROW line of E Kearney St, thence

Easterly along the north ROW line of E Kearney St to a point where said line intersects with the east ROW line of N Bryan Belt Line Rd, thence

Southerly along the east ROW line of N Bryan Belt Line Rd to a point where said line intersects with the north ROW line of UP Railroad, thence

Easterly along the north ROW line of UP Railroad to a point where said line intersects with the east ROW line of N Florence St, thence

Southerly along the east ROW line of Florence St to a point where said line intersects with the south ROW line of E Davis St, thence

Westerly along the south ROW line of E Davis St to a point where said line intersects with the east ROW line of S Bryan Belt Line Rd, thence

Southerly along the east ROW line of S Bryan Belt Line Rd to a point where said line intersects with the south property line of Original Town Subdivision Blk 19 Lots 1-7, thence

Westerly along the south property line of Original Town Subdivision Blk 19 Lots 1-7 to a point where said line intersects with the west property line of Original Town Subdivision Blk 19 Lots 1-7, thence

Northerly along the west property line of Original Town Subdivision Blk 19 Lots 1-7 to a point where said line intersects with the south ROW line of Lakeside Dr, thence

Westerly along the south ROW line of Lakeside Dr to a point where said line intersects with the south property line of Crestwood 2 Subdivision Lot 4, thence

Westerly along the south property line of Crestwood 2 Subdivision lot 4 to a point where said line intersects with the east property line of Mesquite Cemetery, thence

Northerly along the east property line of Mesquite Cemetery to a point where said line intersects with the south ROW line of Holley Park Dr, thence

Westerly along the south ROW line of Holley Park Dr to a point where said line intersects with the west ROW line of S Ebrite St, thence

Northerly along the west ROW line of S Ebrite St to a point where said line intersects with the south ROW line of W College St, thence

Westerly along the south ROW line of W College St to a point where said line intersects with the west ROW line of S Locust St, thence

Northerly along the west ROW line of S Locust St to a point where said line intersects with the south property line of Original Town Subdivision Blk 9 Lot 1, thence

Westerly along the south property line of Original Town Subdivision Blk 9 Lot 1 to a point where said line intersects with the south ROW line of W Davis St, thence

Westerly along the south ROW line of W Davis St to a point where said line intersects with the east property line of Military Square Subdivision, thence

Southerly along the east property line of Military Square Subdivision to a point where said line intersects with the south property line of Military Square Subdivision, thence

Westerly along the south property line of Military Square Subdivision to a point where said line intersects with the east property line of Rutherford Subdivision, thence

Southerly along the east property line of Rutherford Subdivision to a point where said line intersects with the south property line of D S Carver ABST 342 PG 654 TR 25, thence

Westerly along the D S Carver ABST 342 PG 654 TR 25 to a point where said line intersects with the east property line of D S Carver ABST 342 PG 654 TR 19.1, thence

Southerly along the east property line of D S Carver ABST 342 PG 654 TR 19.1 to a point where said line intersects with the north property line of Wildwood 2 Subdivision Blk 3 Lot 12, thence

Westerly along the north property line of Wildwood 2 Subdivision Blk 3 Lot 12 to a point where said line intersects with the original boundary of Rodeo City TIRZ No. One, thence

Northerly along the boundary of Rodeo City TIRZ No. One and commonly the west ROW line of IH 635 to a point where said line intersects with the east ROW line of IH 635, thence

Northerly along the east ROW line of IH 635 and boundary of Rodeo City TIRZ No. One to a point where said line intersects with the ROW line of Military Pkwy, which is the point of beginning.

Towne Centre TIRZ No. Two Original Area Current Land Use



Towne Centre TIRZ No. Two Original Area Future Land Use



New Retail - Restaurant Pad Sites



Stallion Town East, LLC

A proposed development of five retail pad sites located on 4.7 acres along North Town East Boulevard and west of Interstate Highway 635.

- Approximately 15,349 square feet of retail space
- National chain for fast-casual dining
- National chain for specialty coffee
- Two fast food restaurants
- Casual dining restaurant

The project build-out value for land, real property and business personal property is estimated at \$12,165,567 with annual retail sales of \$12,557,150.

New Residential - Townhomes



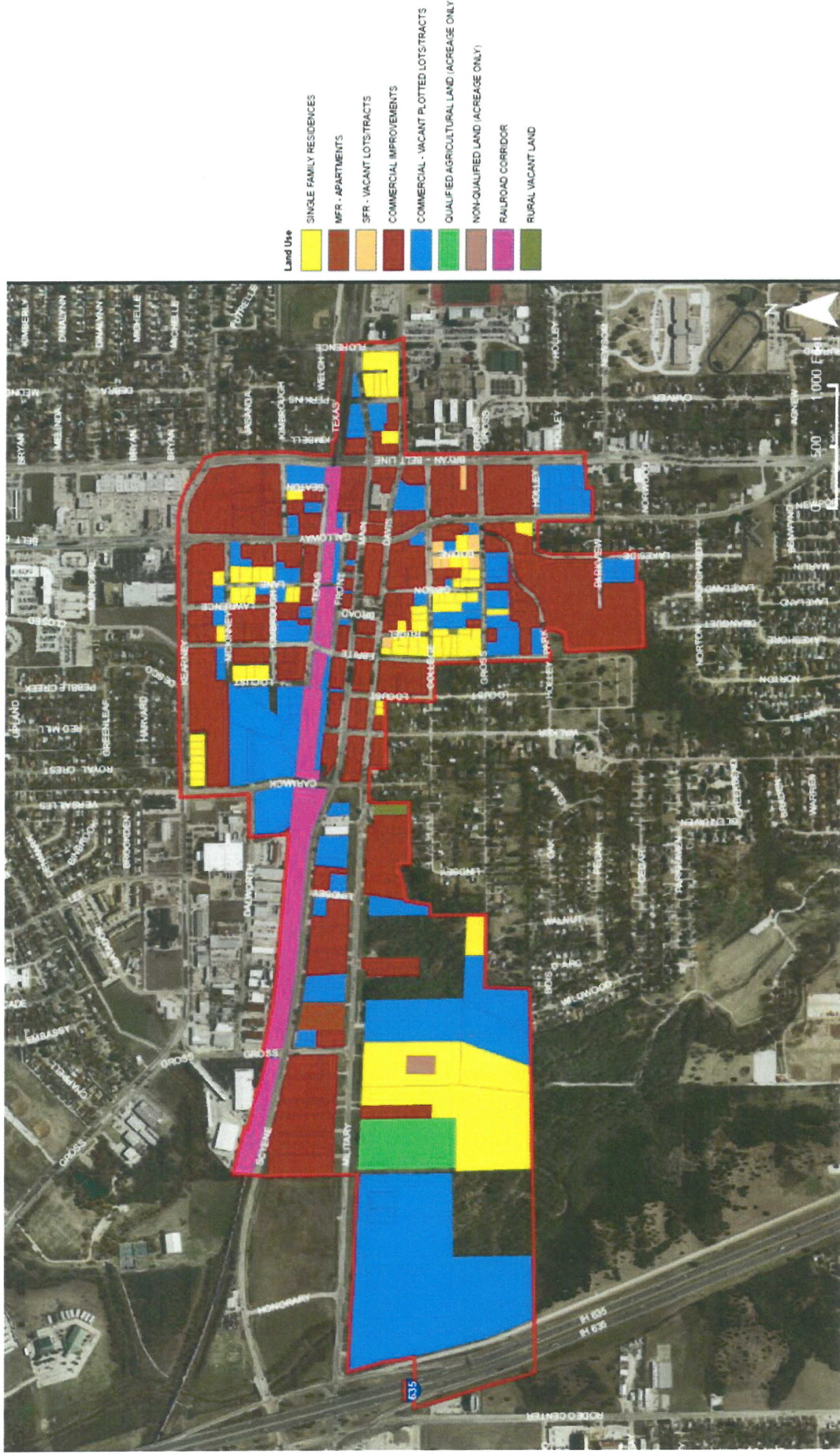
36.5 acre vacant Par-3 golf course

Cloverleaf Townhomes

- HISTORYMAKER Homes planned development for a maximum of 227 rear-entry townhomes located on the old Par-3 golf course and driving range along Gus Thomasson Road
- Maximum density of 8.5 dwelling units per acre and 6 units per building, 100% masonry for units facing Gus Thomasson Road
- Mandatory homeowner's association to maintain individual unit front yards and all building structures
- A minimum of 5 Tiered Amenities, at least one from each Tier
 - ◇ Tier 1 includes:
 - ⇒ Dog Park
 - ⇒ Walking paths and benches
 - ⇒ Plaza or common open space a minimum of 10,000 square feet
 - ⇒ Community gathering area for HOA-organized events
 - ◇ Tier 2 includes:
 - ⇒ Picnic area
 - ⇒ Rock garden
 - ⇒ Landscape trees/beds in common areas
 - ⇒ Entry monuments
 - ⇒ Multiple floor plans
 - ⇒ Decorative paving at key intersections
 - ⇒ Water features
 - ⇒ Historical markers
- \$250,000 per unit
- 10.15 acres dedicated to the City for South Mesquite Creek Channel and Erosion Control Improvements
- 38% (gross acreage) open space proposed, including 10.15 acre creek dedication, and trees lining along Gus Thomasson Road

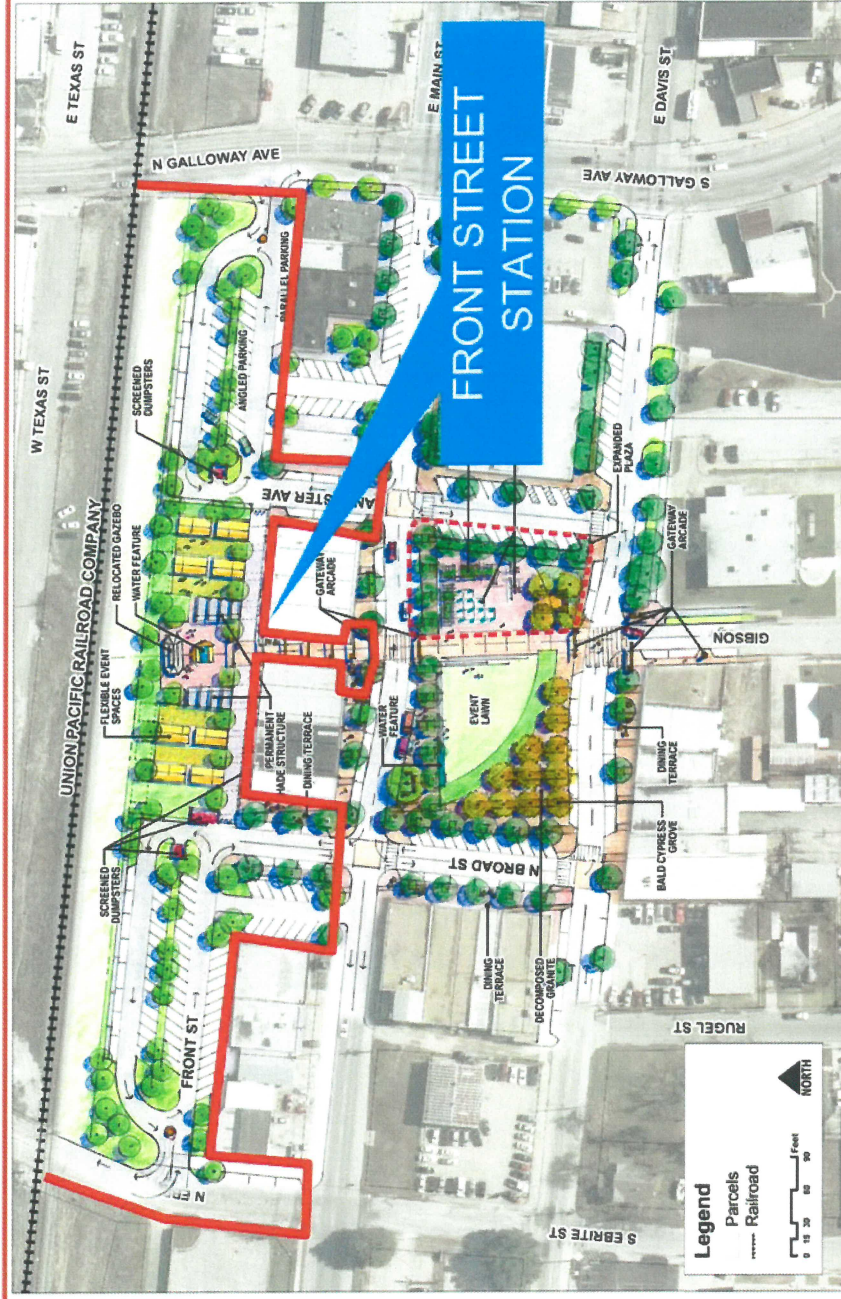


Towne Centre TIRZ No. Two Downtown Area Current Land Use



Towne Centre TIRZ No. Two Downtown Area Future Land Use

PREFERRED PLAN



DOWNTOWN INFRASTRUCTURE PLAN
 Kinley Horn
 July 9 2018

Downtown Vision

"Downtown Mesquite is an energetic, family-friendly environment where people of all ages and cultures gather to dine, shop, celebrate and live. A creative, attractive and social designation, Downtown Mesquite is rooted in history and reaches out to engage locals, neighbors and visitors." - *Downtown Vision Stakeholders Group, 2017*

Front Street Station

Front Street Station

Identified by Downtown Infrastructure Plan Committee as first major project to be designed and constructed:

- \$6 million in roadway, utility and public improvements
- Permanent event pavilion and shade structures
- Decorative stone ledges that will double as seating areas
- Tents to be used during events with access to electrical outlets
- Existing businesses air conditioning units, dumpsters and other mechanical to be screened
- Construction scheduled to begin summer 2019

McCullough Plaza

- Brings in railroad architectural elements from the main Pavilion and connects Front Street Station with the rest of Downtown
- Angle of the rail along the top of trellis lines up with Gibson Street, and ultimately with City Lake Park
- Interior pedestrian lighting will be programmable and accommodate a multitude of colors



Aerial view of Front Street Station from Railroad

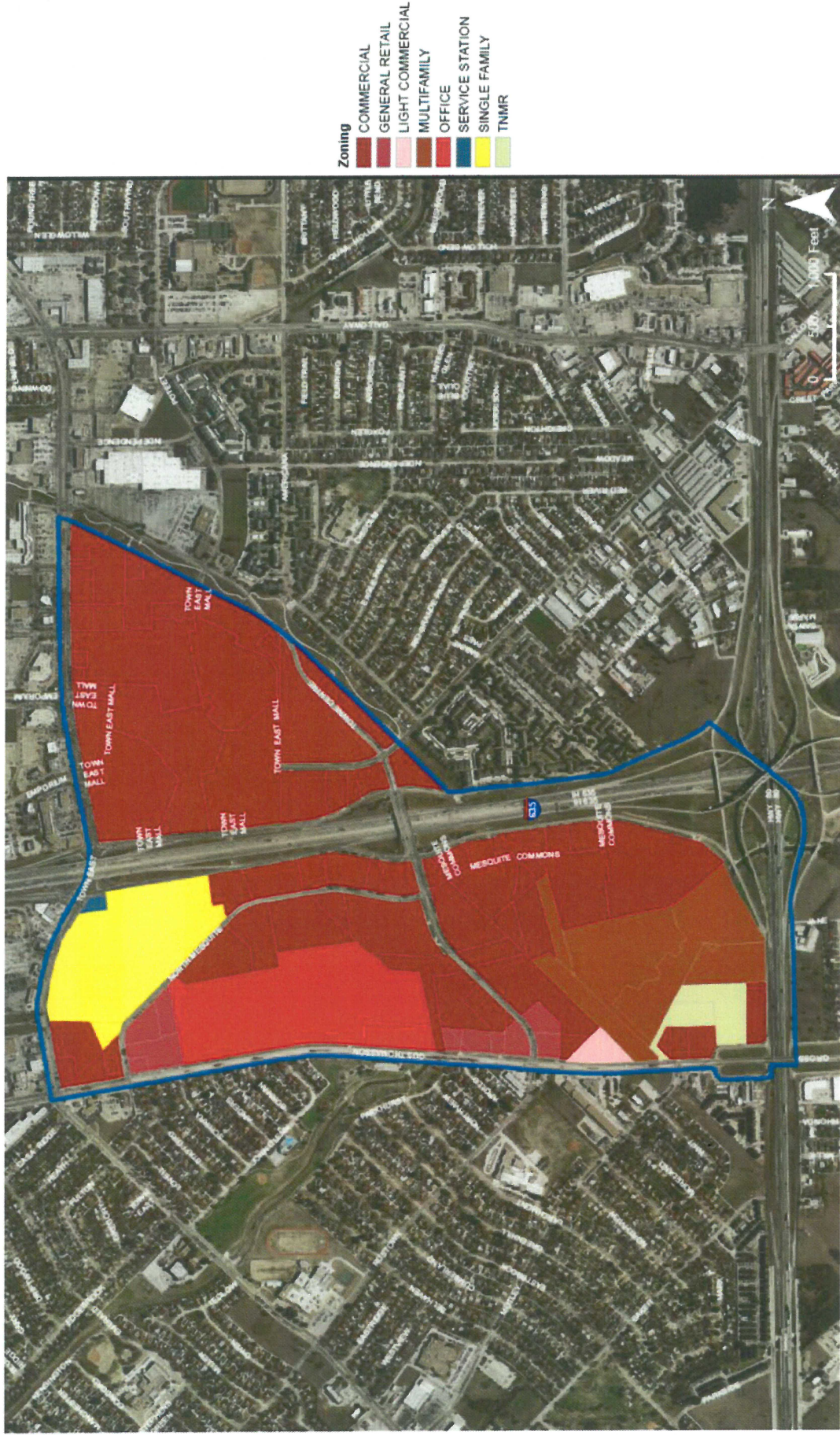


Overview of McCullough Plaza



View of McCullough Plaza from Main Street

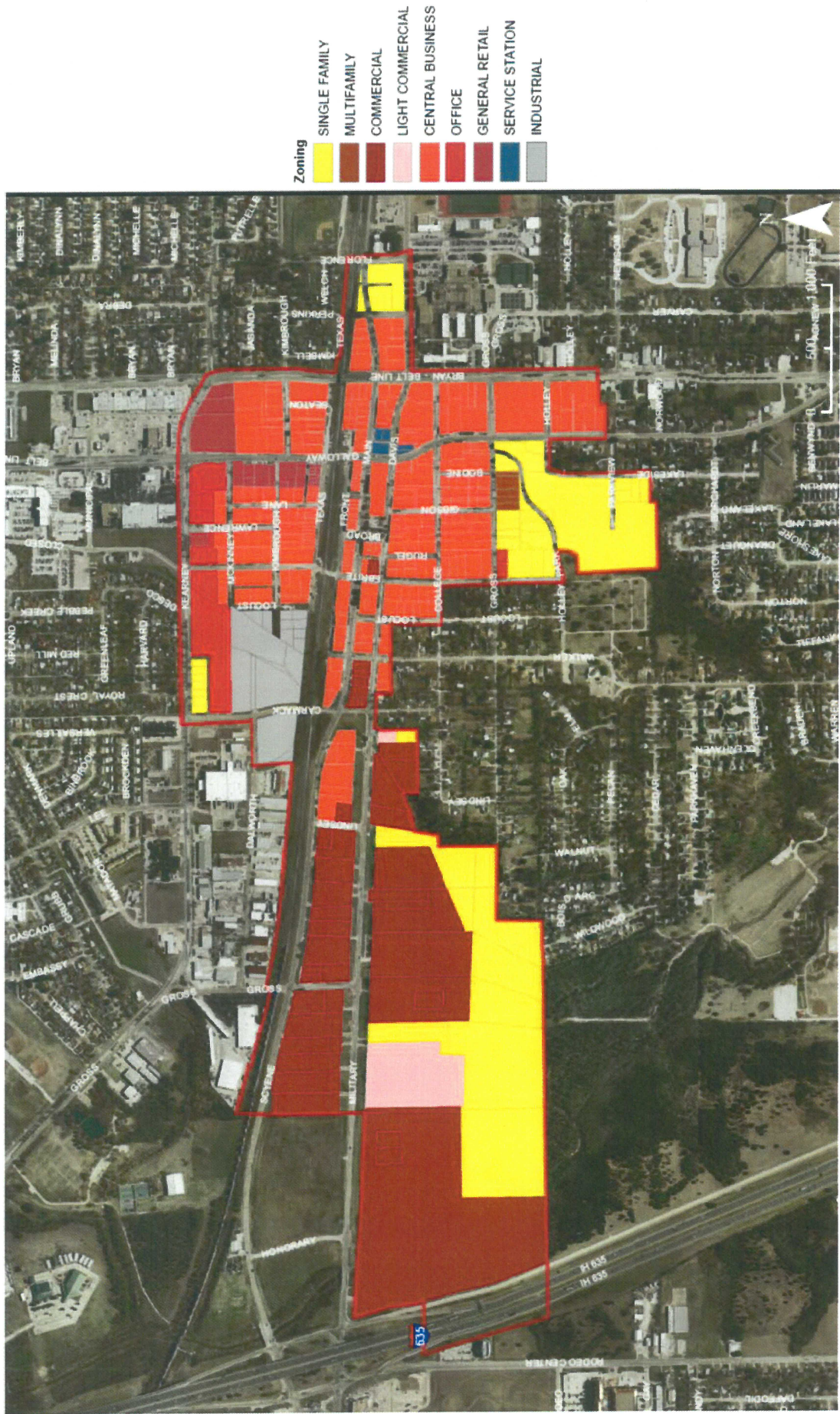
Towne Centre TIRZ No. Two Original Area Current Zoning



Towne Centre TIRZ No. Two Market East Area Current Zoning



Towne Centre TIRZ No. Two Downtown Area Current Zoning



Downtown Economic Feasibility

Downtown Market Analysis

In May 2017, a market analysis was prepared by CDS Community Development Strategies for downtown Mesquite to identify development opportunities and market potential within the Competitive Market Area (CMA), which includes a 10-minute drive time from downtown Mesquite. The economic and development opportunities within the study area are ultimately determined by the overall nature and volume of market demand in the CMA.

The following is a summary of that study, which is on file in the Mesquite Office of Economic Development.

Survey on future businesses in downtown:

Overwhelmingly, residents and business owners surveyed agreed that Restaurants (fast casual and full service) and Retail should be encouraged – 81%, 93%, and 91%, respectively



Downtown Area Characteristics

Downtown Mesquite

Downtown Mesquite contains a few historically significant structures which are commercial buildings comprising three blocks flanking the Downtown Square. The Downtown Square is adjacent to the railroad and is a source of sentiment to many residents. Mesquite also has significant historically maintained residences that are within ½-mile to several miles from the Square. The center of the Square is a parking lot with a public gazebo at the center. Anchoring the Downtown Square is a two-story Wells Fargo bank and its ATM drive-through lane, constructed following a fire which destroyed the east side of the Square. The Square is surrounded by churches, offices, retail (minimal) and auto related businesses. There are many professional service companies occupying downtown buildings, with a few retail shops including a popular quilt store, a women's boutique, and one Mexican food restaurant. Other surrounding uses include salons, barber shops and a long-standing resale book store. The Square is bisected by State Highway 352, one way west-bound known as Main Street, and one way east-bound known as Davis Street.

High traffic volumes and speeds limit on-street parking as well as pedestrian activity. In the blocks surrounding the Downtown Square on the south, there are many older residences and rental property in poor to average condition. Other residences have been converted to office space. Streets are tree-lined and lead to a well-kept public area known as City Lake Park where there is a public aquatic center, community activity center and a fire training facility. Further south, the home conditions improve, leading towards the Paschall Park area which contains home valued between \$200,000-\$350,000.

The total land square footage in the immediate downtown area is 6,822,167 square feet. Unimproved land in the study area includes 2,168,336 square feet or 49.7 acres (84 land plots). Land makes up 71.9% of the study area, this includes vacant land and parking lots. There is 849,357 square feet of improved space in the study area. Retail is only 6.4% of the study area while residential is 4.9% and office is 3.1%. Currently automotive is 2.8% of the study area. The 2016 appraised value of the study area is \$89,566,060. The residential is valued at \$8,138,640 and the commercial is valued at \$38,552,060. The vacant land/parking lots are valued at \$42,875,360. There are 332 parcels in the study area, of which 248 are improved. One hundred-eighteen parcels are residential; 48 are retail/restaurant; 30 are automotive related; 21 are office; 18 are industrial; nine are churches, and eight are various other uses including government, recreation and education.

Table 1: Study Area by Square Footage

Square Footage	Land Use	% of Total
84,209	Automotive	2.80%
11,073	Education	0.40%
14,500	Government	0.50%
2,168,336	Land	71.90%
93,526	Office	3.10%
25,916	Other	0.90%
7,686	Recreation	0.30%
99,975	Religious	3.30%
146,665	Residential	4.90%
193,787	Retail	6.40%
172,020	Warehouse	5.70%

Sources: City of Mesquite, CDS

Downtown Retail Potential

Retail Market

Approximately 74% of the retail supply in the CMA is located in the City of Mesquite, much of which is centered around the Town East Mall area. The CMA is projected to have retail sales growth of \$193 million, which would equate to a demand for 645,005 square feet of new retail space over the next 5 years. It is estimated that the downtown area could absorb 5% (currently 1.3%) of the projected retail demand for Mesquite, or 11,880 square feet from 2017 to 2022. Assuming 12.6% increase in sales over the following 5-year period, continued growth in the retail market at the conservative estimate of 5% for the study area over the next ten years would equate to an additional 26,874 square feet from 2022-2027.

Table 38: Projected Development

	2022	2027
CMA 5-Yr Term	645,005	726,350
Less U/C and Proposed	323,904	0
Estimated SF	321,101	726,350
Mesquite Absorption (74%)	237,614	537,499
Study Area Absorption (5%)	11,880	26,874

Recommendations for the Downtown Area

- Retail space should be marketed to eating and drinking places, family entertainment and music venues to name a few. This will attract locals as well as others in the DFW area.
- The area is lacking in general merchandise stores, fast food restaurants and eating places, and based on the leakage report, \$9,051,596 is being spent outside the CMA for food and beverages. More restaurant choices in the study area could capture some of this loss.
- Development of retail and services will likely be restricted to local operations filling the immediate needs of the residents such as food and drink, and services such as nail/spa, dry cleaners, and pet care.
- Careful tenant selection, combined with efforts to keep lease rates affordable, will help to curate a retail and dining environment that grows in value. Given that dining uses have become popular as retail anchors, it's suggested seeking out a café which can offer a reliable, moderately-priced but reasonable quality evening service in order to establish commercial activity after 5:00 p.m.
- A slightly more upscale dining/drinking establishment may be possible, but only likely with incentives from the City to entice the tenant to the area. This would be a major jump start for the downtown and a major investment to the City; however, it would be a catalyst for the entire area.



Downtown Office Potential

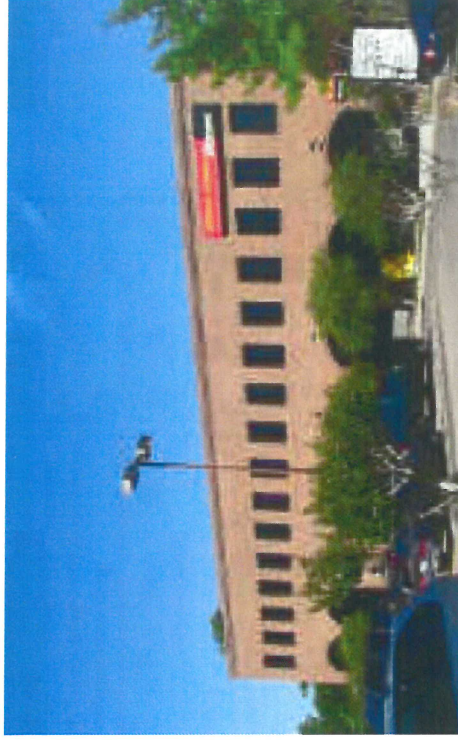
Office Market

By 2020, the CMA will have demand for 2.4 million square feet of office space, including space currently under construction or proposed, to accommodate expected employment growth. Mesquite includes 67.6% of the overall CMA office space, and it is estimated that 1.6 million square feet can be absorbed in Mesquite by 2020 with an additional demand for 1.5 million through 2025. Based on current lease rates and occupancies, it is estimated that the downtown area could successfully capture 3% of this market, or 48,269 square feet of office space.

NCTCOG Employment Forecasts for the CMA

	2015	2020	2025
Employment Projections	124,266	139,023	153,039
Incremental Increase		14,757	14,016
49.1% Labor Force/Prof. Jobs		7,245	6,881
340 SF per Job		2,463,300	2,339,831
Less: CMA pipeline space to 2020		83,136	0
Incremental Demand		2,380,164	2,339,831
Mesquite Share of Growth (67.6%)			
Incremental		1,608,990	1,581,725
Study Area Share of Growth (3%)		48,269	47,451

Source: CDS, NCTCOG



Recommendations for the Downtown Area

- Development should be phased in at 9,654 square feet per year.
- General multi-tenant office demand will be comprised primarily of smaller tenants that are businesses local to the area, often because the business owner lives in the area. These tenants are likely underserved by the existing supply of quality office space, but many will have limited capacity for increased leasing costs.
- Office development in the downtown study area should be considered outside of the old downtown square area; this area should be retained for retail.
- Medical office space has been very successful in the downtown and should be considered for any new development.

Downtown Industrial Potential

Industrial Market

The downtown study area includes 172,020 square feet of industrial space which consists of storage warehouses and office/showroom properties.

- Rents in the study area range from \$4 to \$12psf annually
- Vacancy is at 6.0% according to Xceligent
- The majority of the industrial properties are located north of Front Street
- 1.3% of the overall Mesquite industrial space is in the study area

Based on current studies of industrial space, it's estimated that approximately 411 square feet per employee should exist in the CMA. Using the employment projections from NCTCOG, space per employee (411sf) and the 26.19% of the employees being in industrial or industrial support, annual demand for industrial facilities in the CMA is 1,588,104 square feet through 2020. Mesquite currently includes 79.3% of the overall CMA industrial space. Maintaining this percentage, Mesquite could be expected to capture 1.2 million square feet of industrial space by 2020 and an additional 1.2 million square feet by 2025. The study area currently comprises 1.3% of the overall CMA industrial market. Based on projections, the downtown area is estimated to absorb 18,890 square feet of industrial space by 2020, or 3,778 square feet annually.



Table 46: Projected Industrial Space Demand in the CMA by NCTCOG

	2015	2020	2025
Employment Projections	124,266	139,023	153,039
Incremental Increase		14,757	14,016
26.19% Labor Force/Blue Collar Jobs		3,864	3,670
411 SF per Job		1,588,104	1,508,694
Less: CMA pipeline space to 2020		0	0
Incremental Demand		1,588,104	1,508,694
Mesquite Share of Growth (79.3%) Incremental		1,259,366	1,196,394
Study Area Share of Growth (1.5%) Incremental		18,890	17,945

Source: NCTCOG, CDS

Recommendations for the Downtown Area

- An opportunity exists for industrial space to grow over the next five years with 18,890sf easily absorbed
- It's estimated that a portion of the office space projected in the Office Market section earlier in this report (48,269 sf) could be absorbed in the flex market.
- Flex space (office/warehouse) industrial product can be aesthetically pleasing with brick facades, office development facing road frontage with warehouse in the back. Small manufacturers, medical suppliers, other suppliers, pool companies, etc. would be tenant profiles for the area.
- Industrial development should remain north of Front Street and the railroad tracks where the majority of the current supply is located.

Tax Increment Captured Value
Annual Revenue Projections
Original Zone

CITY OF MESQUITE, TEXAS Towne Centre TIRZ No. Two As of May 2019		Projected 2018-19 Actual Growth 1.08%	Proposed 2019-20 3.0%	Total Original TIRZ Years	Proposed 2020-21 3.0%	Proposed 2021-22 3.0%	Proposed 2022-23 2.0%	Proposed 2023-24 2.0%	Proposed 2024-25 2.0%
Projected Property Tax Growth %			3.0%		3.0%	3.0%	2.0%	2.0%	2.0%
REVENUE:									
ORIGINAL TIRZ AREA Base Value \$192,122,745									
TIRZ Base Value & Cumulative Growth		\$ 375,408,313	\$ 388,870,562		\$ 411,720,879	\$ 427,822,300	\$ 440,128,746	\$ 460,181,321	\$ 481,134,947
Taxable Value Changes:									
Beginning TIRZ Value		185,034,396	183,285,568		194,547,817	219,597,934	235,699,555	248,006,001	268,058,576
Appraised Value Annual Growth		(1,748,828)	11,262,249		11,600,117	12,351,620	8,556,446	8,802,575	9,203,626
Development:									
Stallion		-	-		9,700,000	-	-	-	-
History Maker Homes		-	-		3,750,000	3,750,000	3,750,000	11,250,000	11,750,000
Total Original TIRZ Value Increase		\$ 183,285,569	\$ 194,547,817		\$ 219,597,934	\$ 235,699,555	\$ 248,006,001	\$ 268,058,576	\$ 289,012,202
City Tax Rate		0.7340	0.7340		0.7340	0.7340	0.7340	0.7340	0.7340
TIRZ Participation Percentage		100%	100%		75%	75%	75%	75%	75%
City - Original TIRZ Zone		\$ 1,345,316	\$ 1,427,981	\$ 16,288,675	\$ 1,208,887	\$ 1,297,526	\$ 1,365,273	\$ 1,475,662	\$ 1,591,812
MISD Tax Rate		1.7624	1.7624						
TIRZ Participation Percentage		100%	100%						
MISD - Original TIRZ Zone		\$ 3,230,225	\$ 3,428,711	\$ 44,294,774					
Dallas County Reimb for City Costs / Interest Income FY17		-	-	\$ 796,030					
Total Original TIRZ Area Revenue		\$ 4,575,541	\$ 4,856,692	\$ 61,362,479	\$ 1,208,887	\$ 1,297,526	\$ 1,365,273	\$ 1,475,662	\$ 1,591,812

Tax Increment Captured Value Annual Revenue Projections Original Zone

CITY OF MESQUITE, TEXAS Towne Centre TIRZ No. Two As of May 2019		Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29	Proposed 2029-30	Proposed 2030-31	Proposed 2031-32	Proposed 2032-33	
Projected Property Tax Growth %	REVENUE:	2.0%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
ORIGINAL TIRZ AREA	Base Value \$192,122,745									
TIRZ Base Value & Cumulative Growth		\$ 490,757,646	\$ 493,211,434	\$ 495,677,491	\$ 498,155,879	\$ 500,646,658	\$ 503,149,891	\$ 505,665,641	\$ 508,193,969	
Taxable Value Changes:										
Beginning TIRZ Value		289,012,202	298,634,901	301,088,689	303,554,746	306,033,134	308,523,913	311,027,146	313,542,896	
Appraised Value Annual Growth		9,622,699	2,453,788	2,466,057	2,478,387	2,490,779	2,503,233	2,515,749	2,528,328	
Development: Stallion History Maker Homes		-	-	-	-	-	-	-	-	
Total Original TIRZ Value Increase		\$ 298,634,901	\$ 301,088,689	\$ 303,554,746	\$ 306,033,134	\$ 308,523,913	\$ 311,027,146	\$ 313,542,896	\$ 316,071,224	
City Tax Rate		0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	
TIRZ Participation Percentage		75%	75%	75%	75%	75%	75%	75%	75%	
City - Original TIRZ Zone		\$ 1,643,985	\$ 1,657,493	\$ 1,671,069	\$ 1,684,712	\$ 1,698,424	\$ 1,712,204	\$ 1,726,054	\$ 1,739,972	
MISD Tax Rate										
TIRZ Participation Percentage										
MISD - Original TIRZ Zone										
Dallas County Reimb for City Costs / Interest Income FY17										
Total Original TIRZ Area Revenue		\$ 1,643,985	\$ 1,657,493	\$ 1,671,069	\$ 1,684,712	\$ 1,698,424	\$ 1,712,204	\$ 1,726,054	\$ 1,739,972	

Tax Increment Captured Value Annual Revenue Projections Original Zone

	Proposed 2033-34	Proposed 2034-35	Proposed 2035-36	Proposed 2036-37	Proposed 2037-38	Proposed 2038-39	Proposed 2039-40	Total Expanded TIRZ Years	Total ALL TIRZ Years
CITY OF MESQUITE, TEXAS									
Towne Centre TIRZ No. Two									
As of May 2019									
Projected Property Tax Growth %	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%		
REVENUE:									
ORIGINAL TIRZ AREA	Base Value \$192,122,745								
TIRZ Base Value & Cumulative Growth	\$ 510,734,939	\$ 513,288,614	\$ 515,855,057	\$ 518,434,332	\$ 521,026,504	\$ 523,631,636	\$ 526,249,794		
Taxable Value Changes:									
Beginning TIRZ Value	316,071,224	318,612,194	321,165,869	323,732,312	326,311,587	328,903,759	331,508,891		
Appraised Value Annual Growth	2,540,970	2,553,675	2,566,443	2,579,275	2,592,172	2,605,133	2,618,158		
Development: Stallion History Maker Homes	-	-	-	-	-	-	-		
Total Original TIRZ Value Increase	\$ 318,612,194	\$ 321,165,869	\$ 323,732,312	\$ 326,311,587	\$ 328,903,759	\$ 331,508,891	\$ 334,127,049		
City Tax Rate	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340		
TIRZ Participation Percentage	75%	75%	75%	75%	75%	75%	75%		
City - Original TIRZ Zone	\$ 1,753,960	\$ 1,768,018	\$ 1,782,146	\$ 1,796,345	\$ 1,810,615	\$ 1,824,956	\$ 1,839,369	\$ 49,316,360	
MISD Tax Rate									
TIRZ Participation Percentage									
MISD - Original TIRZ Zone								\$ 44,294,774	
Dallas County Reimb for City Costs / Interest Income FY17									
Total Original TIRZ Area Revenue	\$ 1,753,960	\$ 1,768,018	\$ 1,782,146	\$ 1,796,345	\$ 1,810,615	\$ 1,824,956	\$ 1,839,369	\$ 33,047,685	

Tax Increment Captured Value Annual Revenue Projections Expanded Areas

	Projected 2019-19	Proposed 2019-20	Total Original TIRZ Years	Proposed 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25
CITY OF MESQUITE, TEXAS								
Towne Centre TIRZ No. Two								
As of May 2019								
DOWNTOWN MESQUITE AREA								
TIRZ Base Value & Cumulative Growth	\$ 45,993,698	\$ 48,445,509		\$ 47,339,956	\$ 49,275,701	\$ 50,265,603	\$ 51,265,515	\$ 52,291,122
Taxable Value Changes: Beginning TIRZ Value	-	842,919		2,195,730	3,589,125	5,024,322	6,009,824	7,015,036
Appraised Value Annual Growth	842,919	1,352,611		1,363,365	1,435,197	985,502	1,005,212	1,025,316
Development: Development I	-	-		-	-	-	-	-
Total Downtown TIRZ Value Increase	\$ 842,919	\$ 2,195,730		\$ 3,599,125	\$ 5,024,322	\$ 6,009,824	\$ 7,015,036	\$ 8,040,353
City Tax Rate	0.7340	0.7340		0.7340	0.7340	0.7340	0.7340	0.7340
TIRZ Participation Percentage	100%	100%		75%	75%	75%	75%	75%
City Downtown Area Revenue	\$ 6,187	\$ 16,117	\$ 22,304	\$ 19,705	\$ 27,089	\$ 33,084	\$ 38,618	\$ 44,262
Total Downtown Area Revenue	\$ 6,187	\$ 16,117	\$ 22,304	\$ 19,758	\$ 27,659	\$ 33,084	\$ 38,618	\$ 44,262
MARKET EAST EXPANSION AREA								
TIRZ Base Value & Cumulative Growth	\$ 173,335,270	\$ 168,035,328		\$ 208,176,388	\$ 214,421,860	\$ 218,710,113	\$ 223,084,315	\$ 227,548,002
Taxable Value Changes: Beginning TIRZ Value	-	7,270,030		21,970,068	42,111,149	48,356,440	52,644,873	57,019,075
Appraised Value Annual Growth	7,270,030	5,200,058		5,641,060	6,245,292	4,288,434	4,374,202	4,461,686
Development: Emporium Circle Restaurant Redey Market East New Retail Bld Phase 1 Market East New Retail Bld Phase 2 Market East Medical/Office Building	-	2,000,000		-	-	-	-	-
	-	7,000,000		13,000,000	-	-	-	-
	-	-		1,500,000	-	-	-	-
Total Market East TIRZ Value Increase	\$ 7,270,030	\$ 21,870,088		\$ 45,111,148	\$ 48,356,440	\$ 52,644,873	\$ 57,019,075	\$ 61,480,763
City Tax Rate	0.7340	0.7340		0.7340	0.7340	0.7340	0.7340	0.7340
TIRZ Participation Percentage	100%	100%		75%	75%	75%	75%	75%
City Market East Area Revenue	\$ 53,362	\$ 161,260	\$ 214,622	\$ 231,822	\$ 266,202	\$ 289,810	\$ 313,890	\$ 338,482
Total Market East Expansion Area Revenue	\$ 53,362	\$ 161,260	\$ 214,622	\$ 231,822	\$ 266,202	\$ 289,810	\$ 313,890	\$ 338,482
TOTAL EXPANDED AREA REVENUE	\$ 59,549	\$ 177,377	\$ 239,928	\$ 231,822	\$ 266,202	\$ 289,810	\$ 313,890	\$ 338,452
TOTAL REVENUES ALL AREAS	\$ 4,635,090	\$ 5,034,069	\$ 61,599,405	\$ 1,460,487	\$ 1,591,387	\$ 1,688,167	\$ 1,828,170	\$ 1,973,726

Tax Increment Captured Value Annual Revenue Projections Expanded Areas

	Proposed 2020-20	Proposed 2021-21	Proposed 2022-22	Proposed 2023-23	Proposed 2024-24	Proposed 2025-25	Proposed 2026-26	Proposed 2027-27	Proposed 2028-28	Proposed 2029-29	Proposed 2030-31	Proposed 2031-32	Proposed 2032-33
CITY OF MESQUITE, TEXAS													
Towne Centre TIRZ No. Two													
As of May 2019													
DOWNTOWN MESQUITE AREA													
TIRZ Base Value & Cumulative Growth	\$ 63,338,954	\$ 63,603,639	\$ 63,871,667	\$ 64,141,016	\$ 64,411,721	\$ 64,683,779	\$ 64,957,198	\$ 65,231,984					
Taxable Value Changes:													
Beginning TIRZ Value	8,040,353	9,066,175	9,352,860	9,620,878	9,890,237	10,160,942	10,433,000	10,706,419					
Appraised Value Annual Growth	1,045,823	268,865	268,018	268,356	270,705	272,069	273,419	274,786					
Development:													
Development 1													
Total Downtown TIRZ Value Increase	\$ 9,086,175	\$ 9,362,060	\$ 9,620,878	\$ 9,890,237	\$ 10,160,942	\$ 10,433,000	\$ 10,706,419	\$ 10,981,205					
City Tax Rate	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340					
TIRZ Participation Percentage	75%	75%	75%	75%	75%	75%	75%	75%					
City Downtown Area Revenue	\$ 50,019	\$ 51,487	\$ 62,863	\$ 54,446	\$ 55,936	\$ 57,434	\$ 58,939	\$ 60,452					
Total Downtown Area Revenue	\$ 50,019	\$ 51,487	\$ 52,963	\$ 54,446	\$ 55,936	\$ 57,434	\$ 58,939	\$ 60,452					
MARKET EAST EXPANSION AREA													
TIRZ Base Value & Cumulative Growth	\$ 232,096,922	\$ 233,267,406	\$ 234,423,893	\$ 235,568,812	\$ 236,773,791	\$ 237,937,660	\$ 239,147,468	\$ 240,343,185					
Taxable Value Changes:													
Beginning TIRZ Value	61,460,782	66,031,682	67,182,166	68,358,463	69,530,572	70,708,551	71,882,420	73,062,208					
Appraised Value Annual Growth	4,550,920	1,160,486	1,166,287	1,172,118	1,177,979	1,183,669	1,189,788	1,195,737					
Development:													
Emporium Circle Restaurant Revoc													
Market East New Retail Bid Phase 1													
Market East New Retail Bid Phase 2													
Market East Medical/Office Building													
Total Market East TIRZ Value Increase	\$ 66,031,862	\$ 67,182,166	\$ 68,358,463	\$ 69,530,572	\$ 70,708,551	\$ 71,882,420	\$ 73,062,208	\$ 74,277,845					
City Tax Rate	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340					
TIRZ Participation Percentage	75%	75%	75%	75%	75%	75%	75%	75%					
City Market East Area Revenue	\$ 363,604	\$ 369,893	\$ 376,313	\$ 382,768	\$ 389,251	\$ 395,768	\$ 402,318	\$ 408,900					
Total Market East Expansion Area Revenue	\$ 363,604	\$ 369,893	\$ 376,313	\$ 382,768	\$ 389,251	\$ 395,768	\$ 402,318	\$ 408,900					
TOTAL EXPANDED AREA REVENUE													
TOTAL REVENUES ALL AREAS	\$ 2,057,508	\$ 2,078,874	\$ 2,100,345	\$ 2,121,924	\$ 2,143,611	\$ 2,165,406	\$ 2,187,310	\$ 2,209,324					

Tax Increment Captured Value Annual Revenue Projections Expanded Areas

	Proposed 2013-14	Proposed 2014-15	Proposed 2015-16	Proposed 2016-17	Proposed 2017-18	Proposed 2018-19	Proposed 2019-20	Proposed 2020-21	Total Expanded TRIZ Years	Total ALL TRIZ Years
CITY OF MESQUITE, TEXAS										
Towne Centre TIRZ No. Two										
As of May 2019										
DOWNTOWN MESQUITE AREA										
TIRZ Base Value & Cumulative Growth	\$ 56,595,144	\$ 55,785,668	\$ 56,084,613	\$ 56,244,936	\$ 56,626,681	\$ 56,909,794	\$ 57,194,343			
Taxable Value Changes: Beginning TIRZ Value	10,961,205	11,267,365	11,634,906	11,813,634	12,094,157	12,375,682	12,658,016			
Appraised Value Annual Growth	276,160	277,541	278,926	280,323	281,725	283,133	284,549			
Development: Development I	-	-	-	-	-	-	-			
Total Downtown TIRZ Value Increase	\$ 11,237,366	\$ 11,544,906	\$ 11,813,634	\$ 12,094,157	\$ 12,375,682	\$ 12,658,016	\$ 12,943,564			
City Tax Rate	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340			
TIRZ Participation Percentage	75%	75%	75%	75%	75%	75%	75%			
City Downtown Area Revenue	\$ 81,972	\$ 83,600	\$ 85,036	\$ 86,678	\$ 88,129	\$ 89,688	\$ 91,264		\$ 1,093,617	
Total Downtown Area Revenue	\$ 61,972	\$ 63,500	\$ 65,035	\$ 66,578	\$ 68,129	\$ 69,688	\$ 71,254		\$ 1,071,213	
MARKET EAST EXPANSION AREA										
TIRZ Base Value & Cumulative Growth	\$ 241,844,901	\$ 242,752,626	\$ 243,666,389	\$ 245,186,221	\$ 246,412,182	\$ 247,644,213	\$ 248,882,494			
Taxable Value Changes: Beginning TIRZ Value	74,277,946	75,479,661	76,687,366	77,901,149	79,120,961	80,346,912	81,578,973			
Appraised Value Annual Growth	1,201,716	1,207,735	1,213,763	1,219,832	1,225,931	1,232,061	1,238,221			
Development: Emporium Circle Restaurant Redey Market East New Retail Bldg Phase 1 Market East New Retail Bldg Phase 2 Market East Medical/Office Building	-	-	-	-	-	-	-			
Total Market East TIRZ Value Increase	\$ 75,479,661	\$ 76,687,366	\$ 77,901,149	\$ 79,120,961	\$ 80,346,912	\$ 81,578,973	\$ 82,817,104			
City Tax Rate	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340			
TIRZ Participation Percentage	75%	75%	75%	75%	75%	75%	75%			
City Market East Area Revenue	\$ 415,516	\$ 422,164	\$ 428,846	\$ 435,591	\$ 442,310	\$ 449,092	\$ 455,909		\$ 7,578,265	
Total Market East Expansion Area Revenue	\$ 415,516	\$ 422,164	\$ 428,846	\$ 435,561	\$ 442,310	\$ 449,092	\$ 455,909		\$ 7,578,265	
TOTAL EXPANDED AREA REVENUE										
TOTAL REVENUES ALL AREAS	\$ 2,231,447	\$ 2,253,682	\$ 2,276,027	\$ 2,298,485	\$ 2,321,054	\$ 2,343,737	\$ 2,366,532		\$ 41,697,163	\$ 103,296,588

Annual Expenditure Projections

CITY OF MESQUITE, TEXAS Towne Centre TIRZ No. Two As of May 2019	Projected 2018-19	Proposed 2019-20	Total Original TIRZ Years	Proposed 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25
EXPENDITURES:								
ORIGINAL TIRZ AREA								
Open Projects:								
Administrative Fee	\$ 130,000	\$ 130,000	\$ 1,600,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000
Town East Retail Area Security	600,000	500,000	8,058,116	500,000	500,000	500,000	500,000	500,000
LBJ Project-Debt Ser-\$5,615,287	-	-	7,221,575	-	-	-	-	-
Gus Thomasson Rebuild (80-Town East)	9,200,767	2,000,000	12,300,000	-	-	-	-	-
Hike & Bike Trail/Heritage Trail Phase II	1,000,000	821,465	2,205,000	-	-	-	-	-
ROWS Street Lighting	100,000	135,917	425,000	-	-	-	-	-
ROWS Signal Improvements (GT/Motley)	11,716	-	25,000	-	-	-	-	-
Mail Public Children's Area Improvements	-	-	150,000	-	-	-	-	-
South Mesquite Creek Drainage Project (\$7 million in bonds) **	-	525,000	525,000	525,000	525,000	525,000	525,000	525,000
Pavement Improvements throughout Zone	200,000	-	200,000	-	-	-	-	200,000
Retail Area Land Use Plan/Study	200,000	-	200,000	-	-	-	-	-
Completed Projects:								
Total of all Previous Projects	-	-	19,505,584	-	-	-	-	-
Total Original TIRZ Area Expenditures	\$ 11,442,483	\$ 4,112,382	\$52,415,275	\$ 1,155,000	\$ 1,155,000	\$ 1,155,000	\$ 1,155,000	\$ 1,355,000
EXPANDED TIRZ AREA EXPENDITURES								
Downtown Manager (with 2% inflation factor)	\$ 102,000	\$ 104,040	\$ 272,339	\$ 106,121	\$ 108,243	\$ 110,408	\$ 112,618	\$ 114,869
Downtown Maintenance (with 2% inflation factor)	-	100,000	100,000	102,000	104,040	106,121	108,243	110,408
Downtown Infrastructure and Streetscape	500,000	356,970	1,000,000	-	-	-	-	-
Purchase of Downtown Properties	-	-	419,150	-	-	-	-	-
Downtown Office Space Renovations	500,000	-	500,000	-	-	-	-	-
Front Street	2,300,000	3,585,415	6,072,891	-	-	-	-	-
Highway Corridor Maintenance (with 2% inflation factor)	102,000	104,040	206,040	106,121	108,243	110,408	112,618	114,869
Economic Development Incentives	200,000	200,000	400,000	100,000	100,000	100,000	100,000	100,000
Gibson Street (CURRENTLY NOT FUNDED)	-	-	-	-	-	-	-	-
Total Expanded TIRZ Area Expenditures	\$ 3,704,000	\$ 4,450,465	\$ 8,970,420	\$ 414,242	\$ 420,526	\$ 426,937	\$ 433,476	\$ 440,145
TOTAL EXPENDITURES ALL AREAS	\$ 15,146,483	\$ 8,562,847	\$61,385,694	\$ 1,569,242	\$ 1,575,526	\$ 1,581,937	\$ 1,588,476	\$ 1,795,145
Excess (Deficiency) Revenues over Expenditures	(10,511,393)	(3,528,776)	213,710	(106,775)	15,861	106,230	239,695	178,581
Beginning Fund Balance, Oct 1	14,253,879	3,742,486	-	213,707	104,932	120,793	227,023	466,718
Ending Fund Balance, Sep 30	\$ 3,742,486	\$ 213,707	\$ 104,932	\$ 120,793	\$ 227,023	\$ 466,718	\$ 645,298	\$ 645,298

Annual Expenditure Projections

CITY OF MESQUITE, TEXAS
Towne Centre TIRZ No. Two
As of May 2019

EXPENDITURES:

ORIGINAL TIRZ AREA

Open Projects:

	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29	Proposed 2029-30	Proposed 2030-31	Proposed 2031-32	Proposed 2032-33
Administrative Fee	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000
Town East Retail Area Security	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
LBJ Project-Debt Ser-\$5,615,287	-	-	-	-	-	-	-	-
Gus Thomasson Rebuild (80-Town East)	-	-	-	-	-	-	-	-
Hike & Bike Trail/Heritage Trail Phase II	-	-	-	-	-	-	-	-
ROWS Street Lighting	-	-	-	-	-	-	-	-
ROWS Signal Improvements (GT/Motley)	-	-	-	-	-	-	-	-
Mall Public Childrens Area Improvements	-	-	-	-	-	-	-	-
South Mesquite Creek Drainage Project (\$7 million in bonds) **	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000
Pavement Improvements throughout Zone	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Retail Area Land Use Plan/Study	-	-	-	-	-	-	-	-
Completed Projects:	-	-	-	-	-	-	-	-
Total of all Previous Projects	-	-	-	-	-	-	-	-
Total Original TIRZ Area Expenditures	\$ 1,355,000	\$ 1,355,000	\$ 1,355,000	\$ 1,355,000	\$ 1,355,000	\$ 1,355,000	\$ 1,355,000	\$ 1,355,000

EXPANDED TIRZ AREA EXPENDITURES

Downtown Manager (with 2% inflation factor)	\$ 117,166	\$ 119,509	\$ 121,899	\$ 124,337	\$ 126,824	\$ 129,361	\$ 131,948	\$ 134,587
Downtown Maintenance (with 2% inflation factor)	112,616	114,869	117,166	119,509	121,899	124,337	126,824	129,361
Downtown Infrastructure and Streetscape	-	-	-	-	-	-	-	-
Purchase of Downtown Properties	-	-	-	-	-	-	-	-
Downtown Office Space Renovations	-	-	-	-	-	-	-	-
Front Street	-	-	-	-	-	-	-	-
Highway Corridor Maintenance (with 2% inflation factor)	117,166	119,509	121,899	124,337	126,824	129,361	131,948	134,587
Economic Development Incentives	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Gibson Street (CURRENTLY NOT FUNDED)	-	-	-	-	-	-	-	-
Total Expanded TIRZ Area Expenditures	\$ 446,948	\$ 453,887	\$ 460,965	\$ 468,184	\$ 475,548	\$ 483,058	\$ 490,720	\$ 498,534

TOTAL EXPENDITURES ALL AREAS

	\$ 1,801,948	\$ 1,808,887	\$ 1,815,965	\$ 1,823,184	\$ 1,830,548	\$ 1,838,059	\$ 1,845,720	\$ 1,853,534
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Excess (Deficiency) Revenues over Expenditures

	255,561	269,967	284,380	298,740	313,063	327,347	341,590	355,789
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Beginning Fund Balance, Oct 1

	645,298	900,859	1,170,846	1,455,226	1,753,966	2,067,029	2,394,376	2,735,966
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Ending Fund Balance, Sep 30

	\$ 900,859	\$ 1,170,846	\$ 1,455,226	\$ 1,753,966	\$ 2,067,029	\$ 2,394,376	\$ 2,735,966	\$ 3,091,755
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Annual Expenditure Projections

CITY OF MESQUITE, TEXAS
Towne Centre TIRZ No. Two
As of May 2019

EXPENDITURES:

ORIGINAL TIRZ AREA

Open Projects:
 Administrative Fee
 Town East Retail Area Security
 LBJ Project-Debt Ser-\$5,815,287
 Gus Thomasson Rebuild (80-Town East)
 Hike & Bike Trail/Heritage Trail Phase II
 ROWS Street Lighting
 ROWS Signal Improvements (GT/Motley)
 Mail Public Children's Area Improvements
 South Mesquite Creek Drainage Project (\$7 million in bonds) **
 Pavement Improvements throughout Zone
 Retail Area Land Use Plan/Study
 Completed Projects:
 Total of all Previous Projects

	Proposed 2033-34	Proposed 2034-35	Proposed 2035-36	Proposed 2036-37	Proposed 2037-38	Proposed 2038-39	Proposed 2039-40	Total Expanded TIRZ Years	Total ALL TIRZ Years
\$	130,000	130,000	130,000	130,000	130,000	130,000	130,000	2,600,000	4,200,000
	500,000	500,000	500,000	500,000	500,000	500,000	500,000	10,000,000	18,058,116
	-	-	-	-	-	-	-	-	7,221,575
	-	-	-	-	-	-	-	-	12,300,000
	-	-	-	-	-	-	-	-	2,205,000
	-	-	-	-	-	-	-	-	425,000
	-	-	-	-	-	-	-	-	25,000
	-	-	-	-	-	-	-	-	150,000
	525,000	525,000	525,000	525,000	525,000	525,000	-	9,975,000	10,500,000
	200,000	200,000	200,000	200,000	200,000	200,000	200,000	3,200,000	3,400,000
	-	-	-	-	-	-	-	-	200,000
	-	-	-	-	-	-	-	-	19,505,584
Total Original TIRZ Area Expenditures	\$ 1,355,000	\$ 1,355,000	\$ 1,355,000	\$ 1,355,000	\$ 1,355,000	\$ 1,355,000	\$ 830,000	\$ 25,775,000	\$ 78,190,275

EXPANDED TIRZ AREA EXPENDITURES

Downtown Manager (with 2% inflation factor)
 Downtown Maintenance (with 2% inflation factor)
 Downtown Infrastructure and Streetscape
 Purchase of Downtown Properties
 Downtown Office Space Renovations
 Front Street
 Highway Corridor Maintenance (with 2% inflation factor)
 Economic Development Incentives
 Gibson Street (CURRENTLY NOT FUNDED)

\$	137,279	140,024	142,825	145,681	148,595	151,567	154,598	2,578,456	2,850,795
	131,948	134,587	137,279	140,024	142,825	145,681	148,595	2,478,332	2,578,332
	-	-	-	-	-	-	-	-	1,000,000
	-	-	-	-	-	-	-	-	419,150
	-	-	-	-	-	-	-	-	500,000
	137,279	140,024	142,825	145,681	148,595	151,567	154,598	2,578,456	6,072,891
	100,000	100,000	100,000	100,000	100,000	100,000	100,000	2,000,000	2,784,496
	-	-	-	-	-	-	-	-	2,400,000
Total Expanded TIRZ Area Expenditures	\$ 506,505	\$ 514,635	\$ 522,928	\$ 531,386	\$ 540,014	\$ 548,814	\$ 557,791	\$ 9,635,244	\$ 18,605,664

TOTAL EXPENDITURES ALL AREAS

\$ 1,861,505	\$ 1,869,635	\$ 1,877,928	\$ 1,886,386	\$ 1,895,014	\$ 1,903,814	\$ 1,912,614	\$ 1,921,414	\$ 35,410,244	\$ 96,795,939
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Excess (Deficiency) Revenues over Expenditures

Beginning Fund Balance, Oct 1

3,091,755	3,461,698	3,845,745	4,243,844	4,655,942	5,081,982	5,521,905	5,971,905		
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Ending Fund Balance, Sep 30

\$ 3,461,698	\$ 3,845,745	\$ 4,243,844	\$ 4,655,942	\$ 5,081,982	\$ 5,521,905	\$ 6,000,646	\$ 6,500,646	\$ 6,286,939	\$ 6,500,649
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Project Plan and Costs

SUMMARY CITY OF MESQUITE Towne Centre TIRZ No. Two As of May 2019		
TAXABLE VALUE		
TIRZ Tax Value-2018-19	\$ 593,837,281	
Base Tax Year Value - Original Area (1998 Tax Year)	192,122,745	
Base Tax Year Value - Downtown Area (2017 Tax Year)	44,250,779	
Base Tax Year Value - Market East Area (2017 Tax Year)	166,065,240	
Total Base	402,438,764	
Value Increase	\$ 191,398,517	
Percent Increase	115.26%	
PROJECTED REVENUES		
	Original Period	Extended Period
Total Projected Revenues - Original Area	\$ 61,362,479	\$ 33,047,685
Total Projected Revenues - Downtown Area	22,304	1,071,213
Total Projected Revenues - Market East Area	214,622	7,578,285
PROJECTED REVENUES	\$ 61,599,405	\$ 41,697,183
TOTAL PROJECTED REVENUES	\$ 103,296,688	
TOTAL REVENUES RECEIVED TO DATE	\$ 51,930,246	

Project Plan and Costs

ESTIMATED PROJECT COSTS					
DESCRIPTION	AMOUNT	PERIOD	Original Period		Extended Period
			TOTAL	TOTAL	TOTAL
City Administration Fee	\$ 130,000	per year	\$ 1,600,000	\$	2,600,000
Town East Retail Area Security	500,000	per year	8,058,116		10,000,000
Pavement Improvements in TIRZ Area	200,000	per year as available	200,000		3,200,000
Economic Development Incentives	250,000	per year as available	400,000		2,000,000
Downtown Manager <i>(with 2% inflation factor)</i>	100,000	per year	272,339		2,578,456
Downtown Maintenance <i>(with 2% inflation factor)</i>	100,000	per year	100,000		2,478,332
Highway Corridor Maintenance <i>(with 2% inflation factor)</i>	100,000	per year	206,040		2,578,456
South Mesquite Creek Drainage <i>(including bridge) (bonds)</i>	7,000,000	2019-2039	525,000		9,975,000
Retail Area Land Use Plan/Study	200,000	2017-2018	200,000		-
Downtown Infrastructure and Streetscape	1,000,000	2018-2020	1,000,000		-
Purchase of Downtown Properties	500,000	2017-2018	419,150		-
Downtown Office Space Renovation	500,000	2018-2019	500,000		-
Front Street	5,000,000	2019-2020	6,072,891		-
Gibson Street <i>(bonds)</i>	6,000,000	2019-2039	-		-
LBJ Project-Debt Ser-\$5,615,287	7,221,575	2007-2019	7,221,575		-
Gus Thomasson Rebuild <i>(80-Town East)</i>	12,300,000	2014-2019	12,300,000		-
Hike & Bilke Trail/Heritage Trail Phase II	2,505,000	2014-2019	2,205,000		-
ROWS Street Lighting	425,000	2013-2018	425,000		-
ROWS Signal Improvements <i>(GT/Motley)</i>	25,000	2013-2018	25,000		-
Mal Public Children's Area Improvements	150,000	2017-2018	150,000		-
AVAILABLE FUNDING FOR OTHER PROJECTS	6,500,649				

Project Plan and Costs

PREVIOUS TIRZ ZONE PROJECTS: (completed)			
Dev Participation-Brazos Elect	471,332	completed	471,332
SMC Sanitary Sewer Line-Phase I	58,750	completed	58,750
SMC Improvements-Phase I	88,811	completed	88,811
JDN Real Estate-Sewer Line	91,244	completed	91,244
Town East Ford Drainage Proj	421,521	completed	421,521
Town East Water Line-Principal	3,000,000	completed	3,000,000
Repay 4-B for LBJ Project Advances	1,964,025	completed	1,964,025
Town East Mall Lighting Project	1,946,302	completed	1,946,302
Stream 2B7 Bank Stabilization	16,404	completed	16,404
SMC Improve-Phase II (Engineering)	148,083	completed	148,083
MISD-North Mesquite Project	5,900,000	completed	5,900,000
MISD Water Line	427,557	completed	427,557
MISD Operation of Project Facilities	2,705,616	completed	2,705,616
Transportation Projects (2008 - 2013)	1,549,330	completed	1,549,330
Town Centre - Concrete Repairs	16,609	completed	16,609
Town East Marquee Sign	700,000	completed	700,000
PROJECTED EXPENDITURES		TOTAL EXPENDITURES	\$ 61,385,694 \$ 35,410,244
		TOTAL PROPOSED EXPENDITURES	\$ 96,795,939
		PROPOSED REVENUES LESS EXPENDITURES	\$ 213,710 \$ 6,286,939

Towne Centre TIRZ No. Two Designation Ordinance No. 3257

00115

ORDINANCE NO. 3257

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, DESIGNATING A CERTAIN AREA FOR A TAX INCREMENT FINANCING DISTRICT TO BE KNOWN AS THE TOWNE CENTRE TAX INCREMENT FINANCE DISTRICT REINVESTMENT ZONE NO. TWO, (TICIFD) CITY OF MESQUITE, TEXAS, ESTABLISHING THE BOUNDARIES THEREOF, ESTABLISHING A BOARD OF DIRECTORS FOR SUCH REINVESTMENT ZONE, AND OTHER MATTERS RELATING THERETO.

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 Towne Centre area) within its jurisdiction by creation of a reinvestment zone for tax increment financing, as authorized by the Tax Increment Financing Act, Chapter 311 of the *Texas Property Tax Code*, *Vernon's Texas Codes Annotated* (the "Act"); 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, by Resolution No. 20-98 duly adopted by the City on the 20th day of July, 1998, said public hearing was set for 3 p.m. on the 21st day of September, 1998, such date being at least seven (7) 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 at least sixty (60) days prior thereto 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;

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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 used for residential purposes, which is defined in the Act as any property occupied by a house which has less than five (5) 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

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- c) The board of directors 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 of directors 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 if any portion of this Ordinance shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof.

SECTION 8. This ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Mesquite and it is accordingly so ordained.

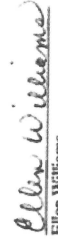
DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 21st day of September, 1998.


Mike Anderson
Mayor

APPROVED:


B. J. Smith
City Attorney

ATTEST


Ellen Williams
City Secretary

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- 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 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 Towne Centre Reinvestment Zone Number Two, City of Mesquite, Texas (the "Zone").

SECTION 4. That the Zone shall take effect on January 1, 1999 and that the termination of the Zone shall occur on December 31, 2019, or at an earlier time designated by subsequent ordinance of the City Council in the event the City determines that the Zone should be terminated due to insufficient private investment, accelerated private investment or other good cause, or at such time as all project costs and tax increment bonds, if any, and the interest thereon, have been paid in full.

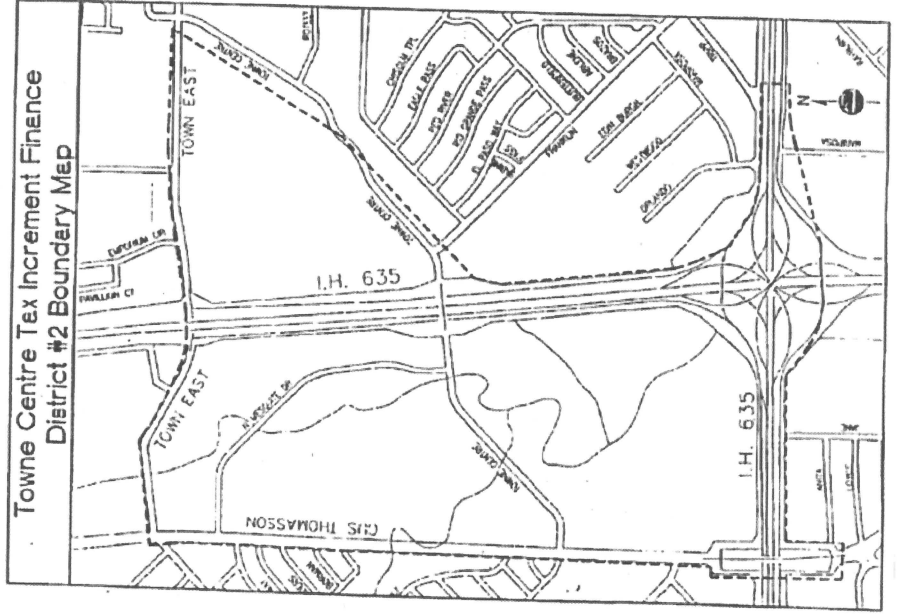
SECTION 5. That there is hereby established a board of directors for the Zone which shall consist of seven (7) members. The board of directors for the Zone shall be appointed as follows:

- a) Four (4) members shall be appointed by the City Council and three (3) members appointed by the Mesquite Independent School District, however, that if a taxing unit waives its right to appoint a member of the board, the City may appoint such board member in its stead. The initial board of directors shall be appointed by resolution of the governing bodies of the City and the taxing units as provided herein within sixty (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 (2) year terms. The City Council shall annually designate a member of the board to serve as chairman of the board of directors for a one (1) year term, and the board shall elect from its members, a vice chairman and other officers as it sees fit.

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EXHIBIT "A"

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