

ORDINANCE NO. 4831

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, APPROVING AN AMENDMENT TO THE PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR TOWNE CENTRE REINVESTMENT ZONE NUMBER TWO, CITY OF MESQUITE, TEXAS (THE “ZONE”); 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 (the “**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, 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; (ix) on June 4, 2018, pursuant to Ordinance No. 4567; and (x) on June 17, 2019, pursuant to Ordinance No. 4686 (such amendments and restatements being hereinafter collectively referred to as the “**Pre-2020 Amendments**”); and

WHEREAS, the Original Project Plan and Financing Plan, as amended and restated by the Pre-2020 Amendments, is hereinafter collectively referred to as the “**Project Plan and Financing Plan**”); 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, on November 16, 2020, the Board approved and adopted an amendment to the Project Plan and Financing Plan for the Zone, a copy of which is attached hereto as Exhibit A and made a part hereof for all purposes (the “**2020 Amendment**”); and

WHEREAS, the 2020 Amendment: (i) updates the taxable value of properties located within the Zone; (ii) increases certain projected revenues and decreases other projected revenues resulting in a combined net decrease in projected revenues for the Zone; (iii) postpones an existing project; (iv) increases estimated project costs for certain existing projects; (v) decreases estimated project costs for certain existing projects; (vi) transfers an expenditure; (vii) designates 1025 Military Parkway, Mesquite, Texas (“**1025 Military Parkway**”) as property owned by the City located within the Zone to be developed pursuant to the Project Plan and Financing Plan for the Zone and provides economic development incentives to incentivize the purchase and development of 1025 Military Parkway within the Zone; (viii) designates additional properties in the Zone to be acquired by the City to revitalize the portion of the Zone located within the “Downtown Area Boundary” of the Zone as described in the Project Plan and Financing Plan for the Zone; (ix) adds additional projects within the Zone eligible for funding with tax increment financing of the Zone; and (x) increases the total estimated projects costs for the Zone, all as more fully set forth in the chart attached hereto as Exhibit B comparing the Project Plan and Financing Plan and the 2020 Amendment; and

WHEREAS, the 2020 Amendment 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 November 16, 2020, to consider approving the 2020 Amendment was published in the *Daily Commercial Record*, a newspaper of general circulation in the City on November 5, 2020, which is at least seven days before the date of the public hearing held on November 16, 2020, 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 November 16, 2020, to consider approving the 2020 Amendment was mailed by first class mail to the property owners within the Zone on November 6, 2020; and

WHEREAS, on November 16, 2020, the City Council opened a public hearing in accordance with the Act and interested persons were allowed to speak for or against the 2020 Amendment including, without limitation, for or against increasing the total estimated project costs for the Zone, designating additional properties in the Zone to be acquired by the City, and the concept of tax increment financing; and

WHEREAS, the public and property owners within the Zone had the opportunity to submit comments on the proposed 2020 Amendment in writing to sland@cityofmesquite.com on or before 3:00 p.m. on November 16, 2020; and

WHEREAS, after all comments and evidence, both written and oral, were received by the City Council, the public hearing was closed on November 16, 2020; and

WHEREAS, the 2020 Amendment including, without limitation, (i) the funding of additional projects within the Zone with tax increment financing of the Zone; (ii) the acquisition by the City of additional properties within the Zone to revitalize the portion of the Zone located within the "Downtown Area Boundary" of the Zone as described in the Project Plan and Financing Plan for the Zone; (iii) the sale and development of 1025 Military Parkway and the economic development incentives to incentivize the purchase and development of 1025 Military Parkway within the Zone; and (iv) the increase in the total estimated project costs for the Zone, are essential to the revitalization and economic development or redevelopment of the Zone and will benefit the Zone; and

WHEREAS, the Board is submitting the 2020 Amendment to the City Council and has recommended the 2020 Amendment to the City Council for approval; and

WHEREAS, the City Council finds and determines that the 2020 Amendment will further a purpose of the Zone which is to promote development or redevelopment in the Zone; and

WHEREAS, the City Council finds and determines that the 2020 Amendment is consistent with the requirements and limitations of the Act; and

WHEREAS, the City Council finds and determines that the City has taken all actions required to approve the 2020 Amendment including, but not limited to, all actions required by 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 and determines that approving the 2020 Amendment is in the best interest of the Zone, 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 all testimony, comments and evidence, both written and oral, presented at the hearing, has found and determined based on the testimony, evidence and comments presented to it, that the public hearing to consider the approval of the 2020 Amendment 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 the public and owners of property within the Zone were

given a reasonable opportunity to present testimony for or against the 2020 Amendment including, without limitation, testimony for or against increasing the total estimated project costs for the Zone and designating additional properties in the Zone to be acquired by the City, and were allowed to speak for or against the concept of tax increment financing.

SECTION 3. That the City Council has reviewed the 2020 Amendment and hereby finds that the Project Plan and Financing Plan, as amended by the 2020 Amendment, is feasible.

SECTION 4. That the City Council hereby amends the Project Plan and Financing Plan to: (i) update the taxable value of properties located within the Zone; (ii) increase certain projected revenues and decrease other projected revenues resulting in a combined net decrease in projected revenues for the Zone; (iii) postpone an existing project; (iv) increase estimated project costs for certain existing projects; (v) decrease estimated project costs for certain existing projects; (vi) transfer an expenditure; (vii) designate 1025 Military Parkway as property owned by the City located within the Zone to be developed pursuant to the Project Plan and Financing Plan for the Zone and provide economic development incentives to incentivize the purchase and development of 1025 Military Parkway within the Zone; (viii) designate additional properties in the Zone to be acquired by the City to revitalize the portion of the Zone located within the “Downtown Area Boundary” of the Zone as described in the Project Plan and Financing Plan for the Zone; (ix) add additional projects within the Zone eligible for funding with tax increment financing of the Zone; and (x) increase the total estimated projects costs for the Zone, all as more fully set forth in the 2020 Amendment.

SECTION 5. That in accordance with the Act, the City Council hereby approves and adopts the 2020 Amendment attached hereto as Exhibit A and incorporated as part of this ordinance 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 Project Plan and Financing Plan, as amended by the 2020 Amendment.

SECTION 7. That the Project Plan and Financing Plan is amended by this ordinance in no other manner except as set forth in the 2020 Amendment.

SECTION 8. 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 9. 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 10. 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 11. 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 16th day of November 2020.



Bruce Archer
Mayor

ATTEST:



Sonja Land
City Secretary

APPROVED AS TO LEGAL FORM:



David L. Paschall
City Attorney

EXHIBIT A

AMENDMENT TO THE
PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN
FOR THE TOWNE CENTRE
REINVESTMENT ZONE NUMBER TWO,
CITY OF MESQUITE, TEXAS

dated November 16, 2020

The Project Plan and Reinvestment Zone Financing Plan for the Towne Centre Reinvestment Zone Number Two, City of Mesquite, Texas approved by the City Council of the City of Mesquite on June 17, 2019 by City Ordinance No. 4686 (the “**Project Plan and Financing Plan**”) is hereby amended by deleting Pages 39, 40 and 41 of the Project Plan and Financing Plan and replacing those pages with the pages attached hereto as Exhibit 1 and made a part hereof for all purposes.

EXHIBIT 1

**SUMMARY
CITY OF MESQUITE
Towne Centre TIRZ No. Two
November 2020**

TAXABLE VALUE

TIRZ Tax Value-2020-21	\$630,277,275
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)	<u>166,065,240</u>
Total Base Value	<u>402,438,764</u>
Value Increase	<u>\$ 227,838,511</u>
Percent Increase	56.61%

PROJECTED REVENUES

Total Projected Revenues - Original Area	\$ 92,164,077
Total Projected Revenues - Downtown Area	1,443,196
Total Projected Revenues - Market East Area	<u>6,453,082</u>
TOTAL PROJECTED REVENUES	\$ 100,060,355
TOTAL REVENUES RECEIVED TO DATE	\$ 61,932,520

SUMMARY
CITY OF MESQUITE
Towne Centre TIRZ No. Two
November 2020

PROJECTED PUBLIC IMPROVEMENT PROJECTS

DESCRIPTION	AMOUNT	PERIOD	TOTAL
City Administration Fee	\$ 130,000	per year	\$ 4,200,000
Town East Retail Area Security	500,000	per year	18,227,379
Pavement Improvements in TIRZ Area	200,000	per year	4,397,922
Economic Development Incentives	250,000	per year	2,400,000
Downtown Manager <i>(with 2% inflation factor)</i>	100,000	per year	3,358,602
Downtown Maintenance <i>(with 2% inflation factor)</i>	100,000	per year	1,214,868
Highway Corridor Maintenance <i>(2% inflation factor)</i>	100,000	per year	71,475
South Mesquite Creek Drainage <i>(including bridge)</i> <i>(bonds)</i>	7,000,000	2019-2039	9,507,110
Retail Area Land Use Plan/Study	200,000	2019-2020	-
Downtown Infrastructure and Streetscape	1,000,000	2018-2020	197,935
Purchase of Downtown Properties	500,000	2017-2018	2,447,090
Downtown Office Space Renovation	500,000	2018-2019	-
Front Street	5,000,000	2019-2021	6,467,508
Gibson Street <i>(bonds)</i>	6,000,000	2019-2039	-
Gus Thomasson Rebuild <i>(80-Town East)</i>	12,300,000	2014-2021	13,300,000
Hike & Bike Trail/Heritage Trail Phase II	2,505,000	2014-2019	2,005,000
Downtown Development Operations	125,000	per year	2,588,738
117 W. Main Street Building Renovations	525,000	2021-2022	525,000
1025 Military Pkwy. Sale and Redevelopment <i>(Kodiak Capital Partners)</i>	265,846	2024-2028	265,846
Heritage Plaza Building Reconstruction	385,000	2021-2022	385,000

SUMMARY
CITY OF MESQUITE
Towne Centre TIRZ No. Two
November 2020

PROJECTED PUBLIC IMPROVEMENT PROJECTS

DESCRIPTION	AMOUNT	PERIOD	TOTAL
<i>PREVIOUS TIRZ ZONE PROJECTS: (completed)</i>			
LBJ Project-Debt Ser-\$5,615,287	7,221,575	completed	7,221,575
ROWS Street Lighting	189,083	completed	189,083
ROWS Signal Improvements (GT/Motley)	13,284	completed	13,284
Mall Public Children's Area Improvements	150,000	completed	150,000
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 Project	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
TOTAL PROJECTED EXPENDITURES			\$ 98,639,000
PROJECTED REVENUES LESS PROJECTED EXPENDITURES			\$ 1,421,355

EXHIBIT B
COMPARISON CHART

Comparison Chart

SUMMARY CITY OF MESQUITE Towne Centre TIRZ No. Two FROM APPROVED PROJECT AND FINANCING PLAN (ORDINANCE #4686 - JUNE 17, 2019)		SUMMARY CITY OF MESQUITE Towne Centre TIRZ No. Two PROPOSED 2020 AMENDMENT	
TAXABLE VALUE		TIRZ - TAX VALUE 2020-21	DISCUSSION
TIRZ Tax Value-2018-19	\$593,837,281	\$ 630,277,275	6.1% Increase
Base Tax Year Value - Original Area (1998 Tax Year)	192,122,745	192,122,745	
Base Tax Year Value - Downtown Area (2017 Tax Year)	44,250,779	44,250,779	
Base Tax Year Value - Market East Area (2017 Tax Year)	<u>166,065,240</u>	<u>166,065,240</u>	
Total Base Value	<u>402,438,764</u>	<u>402,438,764</u>	
Value Increase	<u>\$ 191,398,517</u>	<u>\$ 227,838,511</u>	19% Increase
Percent Increase	47.56%	56.61%	
PROJECTED REVENUES		PROJECTED REVENUES	DISCUSSION
Total Projected Revenues - Original Area	\$ 94,410,164	\$ 92,164,077	2.4% decrease
Total Projected Revenues - Downtown Area	1,093,517	\$ 1,443,196	32% increase
Total Projected Revenues - Market East Area	<u>7,793,208</u>	<u>6,453,082</u>	17.2% decrease
TOTAL PROJECTED REVENUES	\$ 103,296,888	\$ 100,060,355	Tax rate reduced
TOTAL REVENUES RECEIVED TO DATE	\$ 51,930,246	\$ 61,932,520	

Comparison Chart

SUMMARY CITY OF MESQUITE Towne Centre TIRZ No. Two FROM APPROVED PROJECT AND FINANCING PLAN (ORDINANCE 4686 - JUNE 17, 2019)				SUMMARY CITY OF MESQUITE Towne Centre TIRZ No. Two PROPOSED 2020 AMENDMENT	
PROJECTED PUBLIC IMPROVEMENT PROJECTS				PROJECTED PUBLIC IMPROVEMENT PROJECTS	
DESCRIPTION	AMOUNT	PERIOD	TOTAL	AMENDED PLAN TOTAL	DISCUSSION
City Administration Fee	\$ 130,000	per year	\$ 4,200,000	\$ 4,200,000	No change
Town East Retail Area Security	500,000	per year	18,058,116	18,227,379	Increased activity
Pavement Improvements in TIRZ Area	200,000	per year	3,400,000	4,397,922	Emporium Circle
Economic Development Incentives	250,000	per year	2,400,000	2,400,000	No change
Downtown Manager (with 2% inflation factor)	100,000	per year	2,850,795	3,358,602	Revised
Downtown Maintenance (with 2% inflation factor)	100,000	per year	2,578,332	1,214,868	
Highway Corridor Maintenance (with 2% inflation factor)	100,000	per year	2,784,496	71,475	Revised
South Mesquite Creek Drainage (including bridge) (bonds)	7,000,000	2019-2039	10,500,000	9,507,110	Actual debt service
Retail Area Land Use Plan/Study	200,000	2019-2020	200,000	-	Postponed
Downtown Infrastructure and Streetscape	1,000,000	2018-2020	1,000,000	197,935	Revised
Purchase of Downtown Properties	500,000	2017-2018	419,150	2,447,090	Revised
Downtown Office Space Renovation	500,000	2018-2019	500,000	-	See Heritage Plaza Building
Front Street	5,000,000	2019-2021	6,072,891	6,467,508	Revised
Gibson Street (bonds)	6,000,000	2019-2039	-	-	No change
Gus Thomasson Rebuild (80-Town East)	12,300,000	2014-2021	12,300,000	13,300,000	Revised
Hike & Bike Trail/Heritage Trail Phase II	2,505,000	2014-2019	2,205,000	2,005,000	
Downtown Development Operations	-	-	-	2,588,738	Addition
117 W. Main Street Building Renovations	-	-	-	525,000	Addition - renovation needed for revitalization
1025 Military Pkwy. Sale and Redevelopment (Kodiak Capital Partners, LLC)	-	-	-	265,846	Addition - Incentive to spur new use (sale of goods and services) and increase taxable value
Heritage Plaza Building Reconstruction	-	-	-	385,000	Addition - TIRZ portion of costs to office downtown operations

Comparison Chart

SUMMARY CITY OF MESQUITE Towne Centre TIRZ No. Two FROM APPROVED PROJECT AND FINANCING PLAN (ORDINANCE 4686 - JUNE 17, 2019)				SUMMARY CITY OF MESQUITE Towne Centre TIRZ No. Two PROPOSED 2020 AMENDMENT	
PROJECTED PUBLIC IMPROVEMENT PROJECTS				PROJECTED PUBLIC IMPROVEMENT PROJECTS	
DESCRIPTION	AMOUNT	PERIOD	TOTAL	AMENDED PLAN TOTAL	DISCUSSION
<i>PREVIOUS TIRZ ZONE PROJECTS: (completed)</i>				<i>PREVIOUS TIRZ ZONE PROJECTS: (completed)</i>	
LBJ Project-Debt Ser-\$5,615,287	7,221,575	completed	7,221,575	7,221,575	
ROWS Street Lighting	189,083	completed	189,083	189,083	
ROWS Signal Improvements (GT/Motley)	13,284	completed	13,284	13,284	
Mall Public Children's Area Improvements	150,000	completed	150,000	150,000	
Dev Participation-Brazos Elect	471,332	completed	471,332	471,332	
SMC Sanitary Sewer Line-Phase I	58,750	completed	58,750	58,750	
SMC Improvements-Phase I	88,811	completed	88,811	88,811	
JDN Real Estate-Sewer Line	91,244	completed	91,244	91,244	
Town East Ford Drainage Project	421,521	completed	421,521	421,521	
Town East Water Line-Principal	3,000,000	completed	3,000,000	3,000,000	
Repay 4-B for LBJ Project Advances	1,964,025	completed	1,964,025	1,964,025	
Town East Mall Lighting Project	1,946,302	completed	1,946,302	1,946,302	
Stream 2B7 Bank Stabilization	16,404	completed	16,404	16,404	
SMC Improve-Phase II (Engineering)	148,083	completed	148,083	148,083	
MISD-North Mesquite Project	5,900,000	completed	5,900,000	5,900,000	
MISD Water Line	427,557	completed	427,557	427,557	
MISD Operation of Project Facilities	2,705,616	completed	2,705,616	2,705,616	
Transportation Projects (2008 - 2013)	1,549,330	completed	1,549,330	1,549,330	
Town Centre - Concrete Repairs	16,609	completed	16,609	16,609	
Town East Marquee Sign	700,000	completed	700,000	700,000	
TOTAL PROJECTED EXPENDITURES			\$ 96,548,306	\$ 98,639,000	
PROJECTED REVENUES LESS PROJECTED EXPENDITURES			\$ 6,748,582	\$ 1,421,355	