

ORDINANCE NO. 4857

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, APPROVING A PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER FOURTEEN, CITY OF MESQUITE, TEXAS (ALCOTT LOGISTICS STATION); ESTABLISHING A TAX INCREMENT FOR THE ZONE; MAKING A FINDING REGARDING FEASIBILITY; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE THEREOF.

WHEREAS, the City of Mesquite, Texas (“**City**”), established Reinvestment Zone Number Fourteen, City of Mesquite, Texas (Alcott Logistics Station) (the “**Zone**”), and established a Board of Directors for the Zone to promote development or redevelopment in the Zone pursuant to Ordinance No. 4853 approved by the City Council of the City (the “**City Council**”) on April 5, 2021 (“**City Ordinance No. 4853**”), in accordance with the Tax Increment Financing Act, V.T.C.A, Tax Code, Chapter 311 (the “**Act**”); and

WHEREAS, the Zone consists of approximately 251.8175 acres and being the property located within the boundary description attached hereto as Exhibit A and made a part hereof for all purposes and being generally depicted as the shaded area on the boundary map attached hereto as Exhibit B and made a part hereof for all purposes; and

WHEREAS, pursuant to Section 311.013(l) of the Act, the governing body of a municipality that designates an area as a reinvestment zone may determine in the ordinance approving the reinvestment zone financing plan for the zone, the portion of the tax increment produced by the municipality that the municipality is required to pay into the tax increment fund for the zone; and

WHEREAS, pursuant to City Ordinance No. 4853, a tax increment fund was created and established for the Zone (the “**Tax Increment Fund**”); and

WHEREAS, on May 3, 2021, the Board of Directors of the Zone (the “**Board**”), prepared and adopted a project plan (“**Project Plan**”) and reinvestment zone financing plan (“**Financing Plan**”) for the Zone, a true and correct copy of which is attached hereto as Exhibit C and made a part hereof for all purposes (hereinafter collectively the “**Project Plan and Financing Plan**”); and

WHEREAS, the City Council desires to determine in this ordinance the portion of the tax increment produced by the City that the City is required to pay into the Tax Increment Fund for the Zone; and

WHEREAS, in compliance with the Act, the Board hereby submits the Project Plan and Financing Plan to the City Council for approval; and

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

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

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

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

A. The Project Plan includes:

- (1) A description and map showing existing uses and conditions of real property in the Zone and proposed uses of that property;
- (2) Proposed changes of zoning ordinances, the master plan of the City, building codes, other municipal ordinances, and subdivision rules and regulations, if any, of Dallas County, Texas, 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 Financing Plan includes:

- (1) A detailed list describing the estimated project costs of the Zone, including administrative expenses;
- (2) A statement listing the proposed kind, number, and location of all public works or public improvements to be financed by the Zone;
- (3) A finding that the plan is economically feasible and an economic feasibility study;
- (4) The estimated amount of bonded indebtedness to be incurred;

- (5) The estimated time when related costs or monetary obligations are to be incurred;
- (6) A description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay project costs, including the percentage of tax increment to be derived from the property taxes of each taxing unit anticipated to contribute tax increment to the Zone that levies taxes on real property in the Zone;
- (7) The current total appraised value of taxable real property in the Zone;
- (8) The estimated captured appraised value of the Zone during each year of its existence; and
- (9) The duration of the Zone.

SECTION 3. That in accordance with the Act, the City Council has reviewed the Project Plan and Financing Plan attached hereto as Exhibit C and made a part hereof for all purposes, and hereby finds that such Project Plan and Financing Plan is feasible.

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

SECTION 5. That pursuant to Section 311.012(c) of the Act, the tax increment base of the City, or any other taxing unit participating in the Zone, for the property within the Zone, is the total taxable value, as of January 1, 2021, of all real property taxable by the City or other taxing unit participating in the Zone and located within the Zone, for the year in which the Zone was designated as a reinvestment zone (the “**Tax Increment Base**”). Pursuant to Section 311.013(l) of the Act, the amount of the tax increment for a year on real property located within the Zone is fifty percent (50%) of real property taxes levied and collected by the City, and all or a portion of real property taxes of other taxing units participating in the Zone (as set forth in an agreement to participate in the Zone), for the period set forth in Section 6 below, for that year on the Captured Appraised Value (defined below) of real property taxable by the City or other taxing unit participating in the Zone and located in the Zone (the “**Tax Increment**”). Consistent with Section 311.012(b) of the Act, the captured appraised value of real property taxable by the City or other taxing unit participating in the Zone and located within the Zone for a year is the total taxable value of all real property taxable by the City or other taxing unit participating in the Zone and located within the Zone for that year less the Tax Increment Base of the City or other taxing unit participating in the Zone (the “**Captured Appraised Value**”).

SECTION 6. That the deposit of the Tax Increment into the Tax Increment Fund for the Zone shall commence with a deposit of the Tax Increment for tax year 2022 collected and deposited in 2023 and shall continue until the earlier of (i) the date on which all project costs and other obligations of the Zone have been paid or reimbursed in full; or (ii) December 31, 2051 or an earlier or later termination date of the Zone designated by an ordinance adopted under the Act.

SECTION 7. That all ordinances or portions thereof in conflict with the provisions of this ordinance, to the extent of such conflict, are hereby repealed. To the extent that such ordinances or portions thereof are not in conflict herewith, the same shall remain in full force and effect.

SECTION 8. That should any word, sentence, clause, paragraph, section or provision of this ordinance be held to be unconstitutional or invalid by a court of competent jurisdiction, the remaining provisions of this ordinance shall remain in full force and effect.

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

DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 3rd day of May 2021.



Bruce Archer
Mayor

ATTEST:



Sonja Land
City Secretary

APPROVED AS TO LEGAL FORM:



David L. Paschall
City Attorney

EXHIBIT "A"

Boundary Description of Proposed Reinvestment Zone

Beginning at the southeast corner of Paragon Park Blk 1 Lot 1 RA, thence:

Northerly along the east property line of Paragon Park Blk 1 Lot 1 RA and departing said property line with a parallel line continuing over and across E. Scyene Road to a point where said line reaches the north ROW line of E. Scyene Road, thence:

Easterly along the north ROW line of E. Scyene Road to a point where said ROW line is parallel to the east property line of Thomas F. McKinney & Samuel M. Williams Survey, ABST 1026 PG 525 Tract 1, thence:

Southerly over and across E. Scyene Road ROW and continuing along the east property line of Thomas F. McKinney & Samuel M. Williams Survey, ABST 1026 PG 525 Tract 1 to a point where said property line intersects the south property line of said Tract 1 for the southeast corner of said Tract 1, thence:

Westerly along the south property line of Thomas F. McKinney & Samuel M. Williams Survey, ABST 1026 PG 525 Tract 1 to a point where said property line intersects with the common east property line of said Tract 1 and Thomas F. McKinney & Samuel M. Williams Survey, ABST 1026 PG 525 Tract 1.3, thence:

Southerly along the common east property line of Thomas F. McKinney & Samuel M. Williams Survey, ABST 1026 PG 525 Tract 1 and Tract 1.3 to a point where said common property line intersects the south property line of said Tract 1.3 for the southeast corner of Tract 1.3, thence:

Westerly along the south property line of Thomas F. McKinney & Samuel M. Williams Survey, ABST 1026 PG 525 Tract 1.3 and departing said property line with a parallel line continuing over and across Faithon P. Lucas, Sr. Boulevard to a point where said line reaches the west ROW line of Faithon P. Lucas, Sr. Boulevard, thence:

Northerly along the west ROW line of Faithon P. Lucas, Sr. Boulevard until said ROW line intersects the south ROW line of Newsom Road, thence:

Westerly along the south ROW line of Newsom Road to the northeast corner of Creek Crossing Estates 15 PH (A) Blk A Lot 1, thence:

Northerly over and across Newsom Road and continuing along the east property line of Calvary First Baptist Church Lot 1 to a point where said property line intersects the abandoned south ROW line of East Glen Boulevard, thence:

Westerly along the abandoned south ROW line of East Glen Boulevard to a point of commencement of the south ROW line of East Glen Boulevard and continuing along said ROW line to a point where said ROW line is parallel to the east property line of Paragon Park Blk 2 Lot 1, thence:

Northerly over and across East Glen Boulevard and continuing along the east property line of Paragon Park Blk 2 Lot 1 to a point where said line intersects the north property line of said Lot 1 for the northeast corner of Lot 1, thence:

Westerly along the north property line of Paragon Park Blk 2 Lot 1 to a point where said line reaches the southeast corner of Paragon Park Blk 1 Lot 1 RA, which is the point of beginning.

EXHIBIT "B"

Map Depiction of Proposed Reinvestment Zone





Project Plan and Reinvestment Zone Financing Plan

Reinvestment Zone Number Fourteen,
City of Mesquite, Texas
(Alcott Logistics Station)

May 3, 2021



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City of Mesquite
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1515 N. Galloway Ave. Mesquite, TX 75149

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Introduction

Tax Increment Financing Program

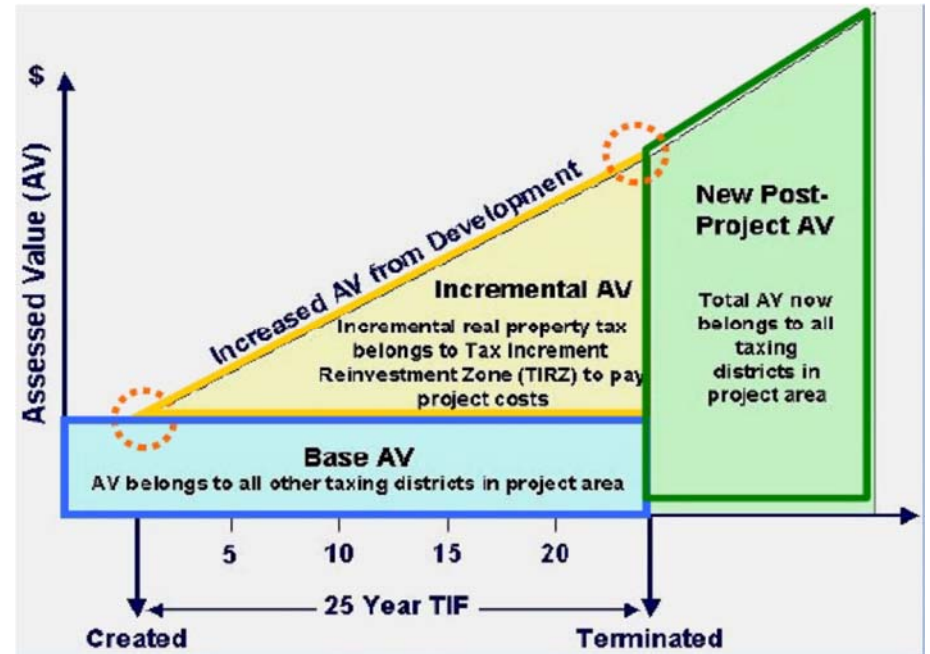
Chapter 311 of the Texas Tax Code (the "TIRZ Act") authorizes the governing body of a municipality to promote redevelopment of a contiguous or noncontiguous geographic area by designating it a Tax Increment Reinvestment Zone (TIRZ). The future value of private investment within a TIRZ is leveraged to 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 value
- Higher assessed value results in additional real property tax revenues

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 TIRZ Act.

Actions Taken to Date

In May 2020, Urban Logistics Realty (ULR), the developer of the 979,700 square-foot Urban District 30 industrial development along IH -30 at Republic and Columbia Parkway in Mesquite, met with City staff regarding a new industrial development concept to be located within the vacant and underutilized industrial corridor located along East Glen Boulevard and west of Mesquite Metro Airport.

Alcott Logistics Station envisions six Class A industrial buildings totaling approximately 2.3 million square feet on approximately 151 acres and is named after A. R. Alcott, an engineer for the Texas and Pacific Railroad, who filed the first plat for the township of Mesquite with Dallas County on May 22, 1873.

On August 17, 2020, the City Council received a presentation detailing the development concept to be completed in three phases over five years with ULR completing the first phase consisting of a 500,000+ square-foot building for an international manufacturer looking to relocate to Mesquite along with approximately \$11.4 million of public improvements, including the realignment of East Glen Boulevard. ULR would immediately follow up with a second phase to include two more buildings within the first three years of commencement, and the final phase would have other developers adding three more buildings at some point in the future. At the conclusion of the City Council briefing, Council gave direction to City staff to proceed with negotiations of a development agreement with ULR.

On October 2, 2020, the City obtained appraisal reports on two City-owned parcels totaling 73.7 acres.

On November 3, 2020, the City entered into a consulting contract with Petty & Associates, Inc. to conduct a TIRZ feasibility analysis on ULR's development revenue assumptions to help determine the City's participation rate needed to finance the public improvements proposed by ULR and other developers within a proposed TIRZ.

On December 22, 2020, ULR submitted preliminary valuations and infrastructure cost estimates and the City and ULR began negotiations on a Master Development Agreement and Chapter 380 Agreement to

outline the terms and obligations of ULR and the conditions required by the City for granting economic development incentives and its financial participation in constructing the public improvements.

On January 11, 2021, the City executed a Right of Entry Agreement to allow ULR and other authorized parties to conduct geotechnical borings, Phase 1 Environmental and survey of the City-owned parcels.

On March 15, 2021, the City Council passed Resolution No. 10-2021 calling for a public hearing to be held on April 5, 2021, to allow any interested person to speak for or against the creation of the TIRZ, and directed notice by the City Secretary and preparation of this Preliminary Reinvestment Zone Financing Plan. Notice of the public hearing was published on March 25, 2021, in the *Daily Commercial Record*.

On April 5, 2021, the City Council adopted Ordinance No. 4853 designating Reinvestment Zone Number Fourteen, City of Mesquite, Texas (Alcott Logistics Station) (the "Zone").

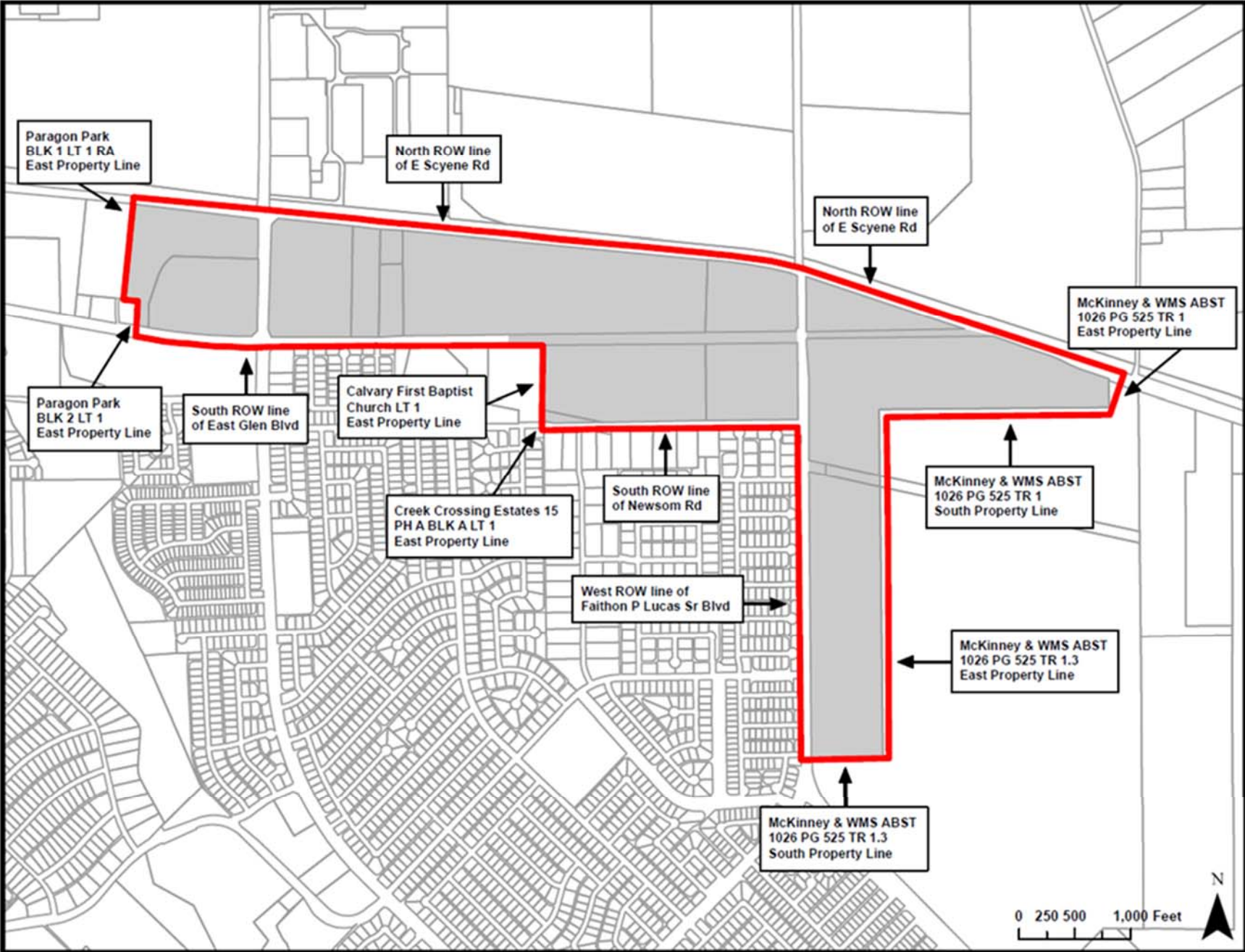
On April 19, 2021, the City Council adopted Ordinance No. 4856 approving a Comprehensive Plan amendment from Neighborhood Retail to Light Industrial, and a change in zoning of approximately 151 acres within the Zone from a prior PD Ordinance No. 1848 to a revised Planned Development Industrial District to allow uses and development standards contemplated by the proposed development agreement with ULR and other future developers.

TIRZ Board Recommendations

Consider adoption of a ***Project Plan and Reinvestment Zone Financing Plan (PPF) for Reinvestment Zone Number Fourteen, City of Mesquite, Texas (Alcott Logistics Station)***, and a TIRZ Reimbursement Agreement with the City and Developer pursuant to which the City will contribute 50% of its ad valorem tax increment into a tax increment fund to pay the costs of public improvements, programs, and other projects benefiting the Zone.



Boundary Description



Boundary Description

Beginning at the southeast corner of Paragon Park Blk 1 Lot 1 RA, thence:

Northerly along the east property line of Paragon Park Blk 1 Lot 1 RA and departing said property line with a parallel line continuing over and across E. Scyene Road to a point where said line reaches the north ROW line of E. Scyene Road, thence:

Easterly along the north ROW line of E. Scyene Road to a point where said ROW line is parallel to the east property line of Thomas F. McKinney & Samuel M. Williams Survey, ABST 1026 PG 525 Tract 1, thence:

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Southerly along the common east property line of Thomas F. McKinney & Samuel M. Williams Survey, ABST 1026 PG 525 Tract 1 and Tract 1.3 to a point where said common property line intersects the south property line of said Tract 1.3 for the southeast corner of Tract 1.3, thence:

Westerly along the south property line of Thomas F. McKinney & Samuel M. Williams Survey, ABST 1026 PG 525 Tract 1.3 and

departing said property line with a parallel line continuing over and across Faithon P. Lucas, Sr. Boulevard to a point where said line reaches the west ROW line of Faithon P. Lucas, Sr. Boulevard, thence:

Northerly along the west ROW line of Faithon P. Lucas, Sr. Boulevard until said ROW line intersects the south ROW line of Newsom Road, thence:

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Northerly over and across East Glen Boulevard and continuing along the east property line of Paragon Park Blk 2 Lot 1 to a point where said line intersects the north property line of said Lot 1 for the north-east corner of Lot 1, thence:

Westerly along the north property line of Paragon Park Blk 2 Lot 1 to a point where said line reaches the southeast corner of Paragon Park Blk 1 Lot 1 RA, which is the point of beginning.

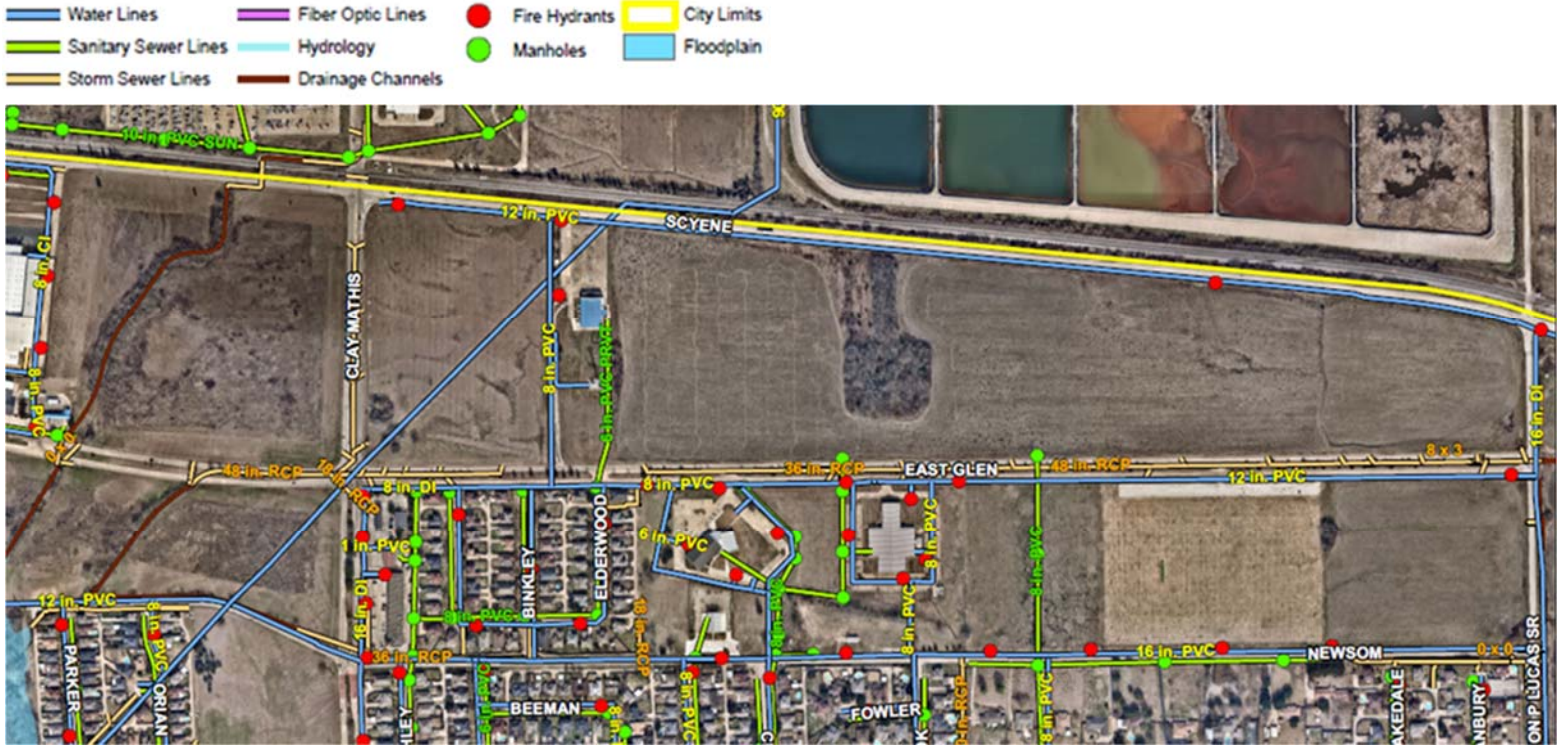
Zoning and Characteristics

The TIRZ is currently located wholly within the City of Mesquite and all parcels within the TIRZ are zoned either Industrial or PD-Industrial. Property within the TIRZ is mostly undeveloped, and there is adequate water and sanitary sewer infrastructure to support future development. The property lacks on-site storm water detention for the intended uses and is bisected by East Glen Boulevard. Two parcels are encumbered by a 90-inch water transmission line that may need to be relocated to maximize the development potential of the property, and one tract contains a cell tower with multiple providers. Existing utilities are shown in the aerial image below.

The proposed development will require public infrastructure improvements that: (1) the City cannot provide; and (2) will not be provided solely through private investment in the foreseeable future.



Northwest View of 26.2-acre Building "F" Site





City of Mesquite, TX

Planned Development Zoning

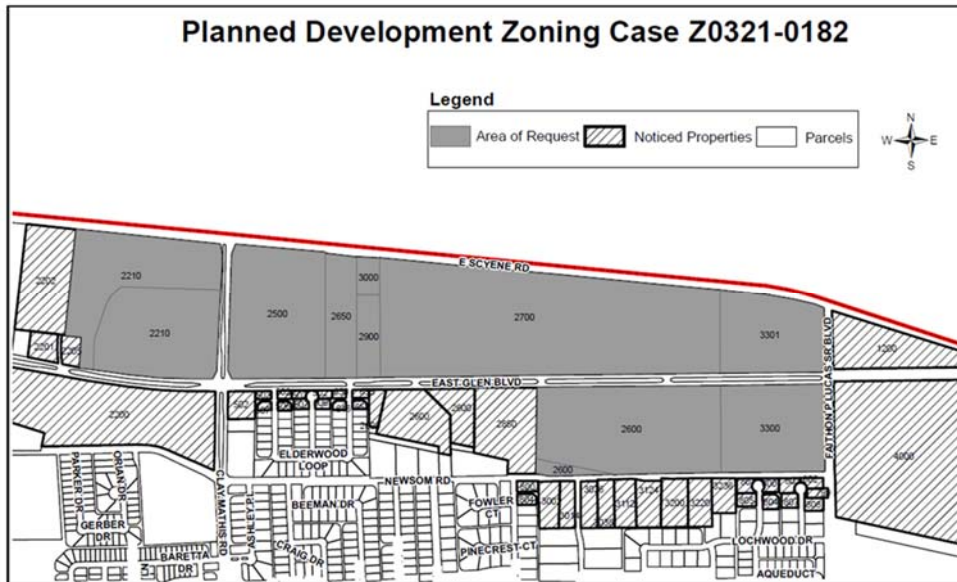
Planned Development Zoning

All parcels within the TIRZ are zoned Industrial or PD-Industrial and conform with the City’s Comprehensive Plan. Below is the area zoned *Planned Development—Industrial*. Planned Development (PD) districts are intended to encourage creative, innovative, and/or mixed use development, and to insure and promote land use compatibility and harmony for land that is to be developed as a whole in a single development or a programmed series of development phases.

ULR proposes to develop a series of three *Class A Industrial Buildings* as part of the master planned PD district. Class A Industrial buildings are those buildings that have gross rents based on a specified range between the top 30-40 percent of the office rents in the marketplace. Class A buildings are well located relative to the needs of major tenant sectors in the marketplace and building systems (mechanical, HVAC, elevator and utilities) have capacities that meet both current tenant requirements as well as anticipated future needs.

Class A building finishes have high quality design and materials and the building must continue to remain competitive with new construction. Tenant finishes are characterized by efficient layouts and the best quality trim and interior finish.

ULR’s concept will include innovative architecture and collaborative outdoor space to include a five acre public park and interconnecting eight-foot trail system with the surrounding residential. ULR refers to this concept as a “*Neighborhood Service Center.*” The minimum building setback along Newsom Road will be 200 feet and will include a landscaped buffer with a four-foot-high wrought iron fence and three-foot high earthen berm and solid landscape hedge. Within the landscape buffer there will be shade trees planted no more than 35 feet apart. Along East Glen Blvd and Clay Mathis Road there will be a 13-foot wide landscape strip along the property line parallel to the street and will be 25-foot wide when located across street from any residential. A buffer tree line with trees 35 feet apart will be established within the landscape strip and parking will be screened along the perimeter of any parking area adjoining the landscape strip.



Area within TIRZ zoned PD-Industrial

Existing Uses and Conditions

Property within the TIRZ is mostly vacant and undeveloped, with the exception of temporary soccer practice fields owned and maintained by the City on a 23-acre parcel south of East Glen Boulevard, and a church owned by St. Mary's Malankara Catholic Church of Dallas on 5.6 acres north of East Glen Boulevard and east of Clay Mathis Road.

The City acquired its 73.7 acres in April 1995 from Fairfield Financial Group, Inc. in a settlement for unpaid taxes and liens, and up until February 2021, has been leased as farmland for cultivation of cotton and corn crops. The largest assemblage of land totaling 90.2 acres lies to the east of Faithon P. Lucas, Sr. Boulevard and was acquired by Ashley Furniture Industries, Inc. in 2017 from the Espensen Family as part of their 358-acre development of a regional distribution and manufacturing facility. Prior to 2017, the Espensen Family managed the property as farmland.



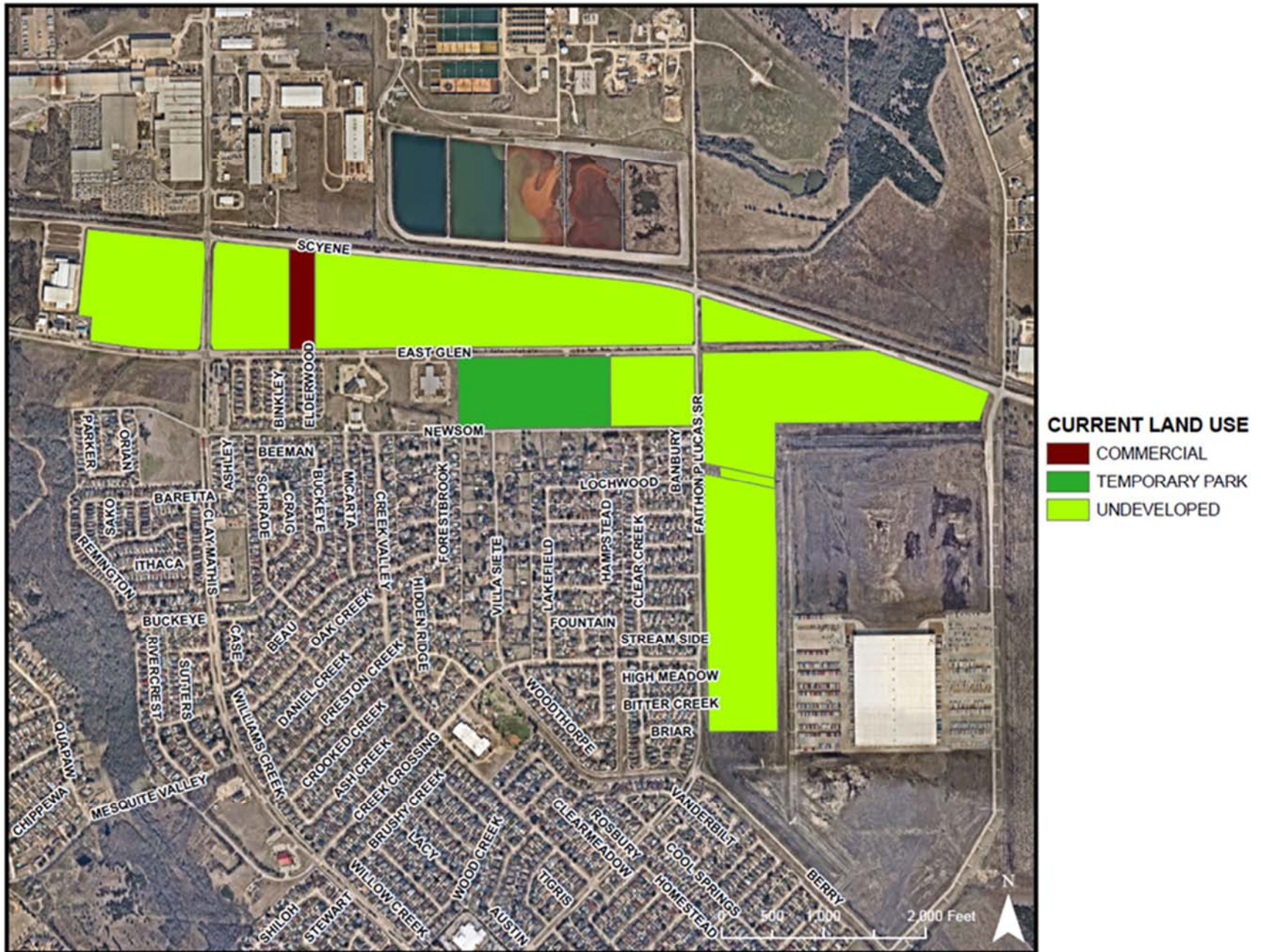
Northeast View of 27.8-acre Building A Site



East View of 73.7-acre City-owned Parcels and Site of Buildings C and D



Current Land Use



Current Land Use

Current Property Ownership

Eighteen parcels of land owned by nine different property owners comprise the 251.8175 acres within the TIRZ. The current total appraised value of taxable real property in the Zone is \$1,675,709. It is estimated that upon expiration of the 30-year term of the Zone, the total appraised value of taxable real property in the Zone will be more than \$203 million.

PROPERTY ID	OWNER	ACRE	LEGAL DESCRIPTION	LAND	IMPROVEMENTS	MARKET VALUE	AG EXEMPTION	TOTAL ASSESSED VALUE
65004027510030500	S16 TEXAS HOLDEM MESQUITE LLC	14.7530	SAMUEL ANDREWS ABST 40 PG 375	\$ 516,360	\$ -	\$ 516,360	\$ -	\$ 516,360
65004027510030000	VALK DON	11.4062	SAMUEL ANDREWS ABST 40 PG 275	399,210	-	399,210	-	399,210
65135940010140200	DEES EDWARDS J JR & DIANE LEE	17.8021	THOMAS J SEWELL ABST 1359 PG 400	623,070	-	623,070	-	623,070
381746000A01R0000	ST MARY'S MALANKARA CATHOLIC CHURCH OF DALLAS	5.6371	SCYENE INDUSTRIAL PARK 1	-	-	-	-	-
65135940010070100	LOGISTICS MCR	1.4006	THOMAS J SEWELL ABST 1359 PG 400	122,060	-	122,060	-	122,060
65135940010070200	SUDI CORPORATION	3.0000	THOMAS J SEWELL ABST 1359 PG 400	105,000	-	105,000	104,610	390
65135940010070000	CITY OF MESQUITE	50.6736	THOMAS J SEWELL ABST 1359 PG 400	-	-	-	-	-
65135940010070400	CITY OF MESQUITE	23.0367	THOMAS J SEWELL ABST 1359 PG 400	-	-	-	-	-
65135839510050200	42 BP, LP & SLJ COMPANY, LLC	10.8470	JAMES M SEWELL ABST 1358 PG 395	379,650	-	379,650	378,240	1,410
65135940010220500	CITY OF MESQUITE	0.9848	THOMAS J SEWELL ABST 1359 PG 400	-	-	-	-	-
Abandoned Interurban Railway	CITY OF MESQUITE	0.3525	MCKINNEY & WMS ABST 1026 PG 525	-	-	-	-	-
E. Glen Abandoned ROW	CITY OF MESQUITE	5.8850	THOMAS J SEWELL ABST 1359 PG 400	-	-	-	-	-
Drainage Easement	CITY OF MESQUITE	3.2200	MCKINNEY & WMS ABST 1026 PG 525	-	-	-	-	-
65135839510050000	42 BP, LP & SLJ COMPANY, LLC	12.6147	JAMES M SEWELL ABST 1358 PG 395	441,490	-	441,490	439,851	1,639
65008564010150000	ASHLEY FURNITURE INDUSTRIES INC	8.1520	JAMES M BENNETT ABST 85 PG 640	290,210	-	290,210	289,151	1,059
65102652510010000	ASHLEY FURNITURE INDUSTRIES INC	43.8027	MCKINNEY & WMS ABST 1026 PG 525	1,559,390	-	1,559,390	1,553,696	5,694
65102652510010400 Abandoned Interurban Railway	ASHLEY FURNITURE INDUSTRIES INC	1.1923	MCKINNEY & WMS ABST 1026 PG 525	5,900	-	5,900	5,900	-
65102652510010300	ASHLEY FURNITURE INDUSTRIES INC	37.0572	MCKINNEY & WMS ABST 1026 PG 525	1,319,230	-	1,319,230	1,314,413	4,817
TOTAL ACRES		251.8175	TOTAL VALUES	\$ 5,761,570	\$ -	\$ 5,761,570	\$ 4,085,861	\$ 1,675,709

Proposed Uses

Land uses for property within the TIRZ will be industrial, with the first 151 acres to be developed under a Planned Development to include six industrial buildings, the first of which will be a 310,000 square foot “Build to Suit” Class A building for an international market leader in a niche industry with an annual inventory average of \$11 million.

Build to Suit is an industrial building specifically constructed to meet the design and physical specifications of one particular user, which may come in a couple of different forms:

- Sale-leaseback: In this process, a tenant will acquire the land, assume the liability of financing, and hire a general contractor to plan and construct the building. The tenant may then sell the property to an investor and lease the property back
- Using a Developer: Based on the company specifications, a tenant will hire a commercial developer. The developer will acquire, take ownership, and manage the risk of construction of the property. The tenant will then lease the property from the developer/owner

The property is typically leased for a predetermined length of time and typically longer term, due to the fact the building is designed specifically for the tenant.

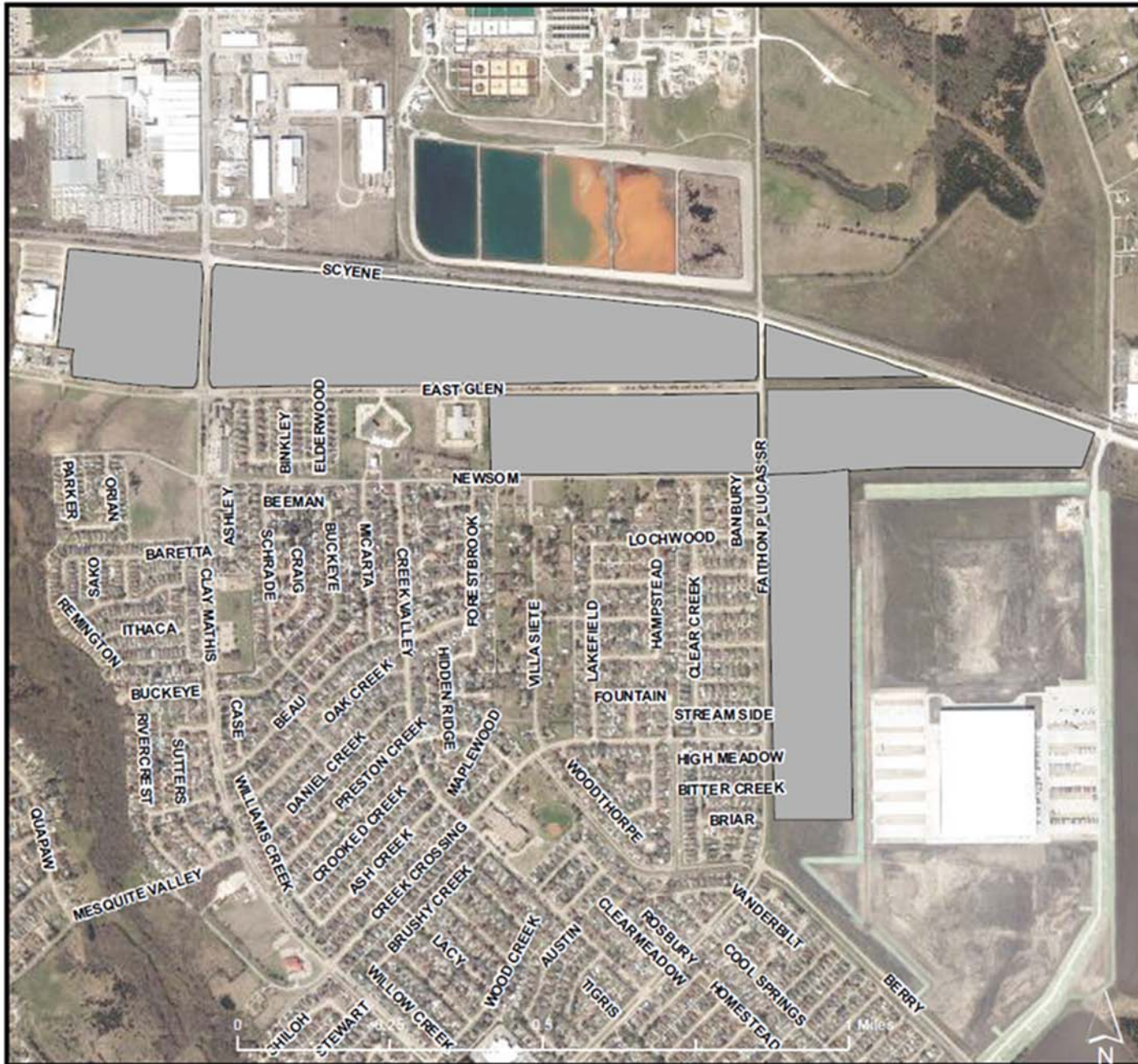


Front Entry of Build to Suit Industrial Building



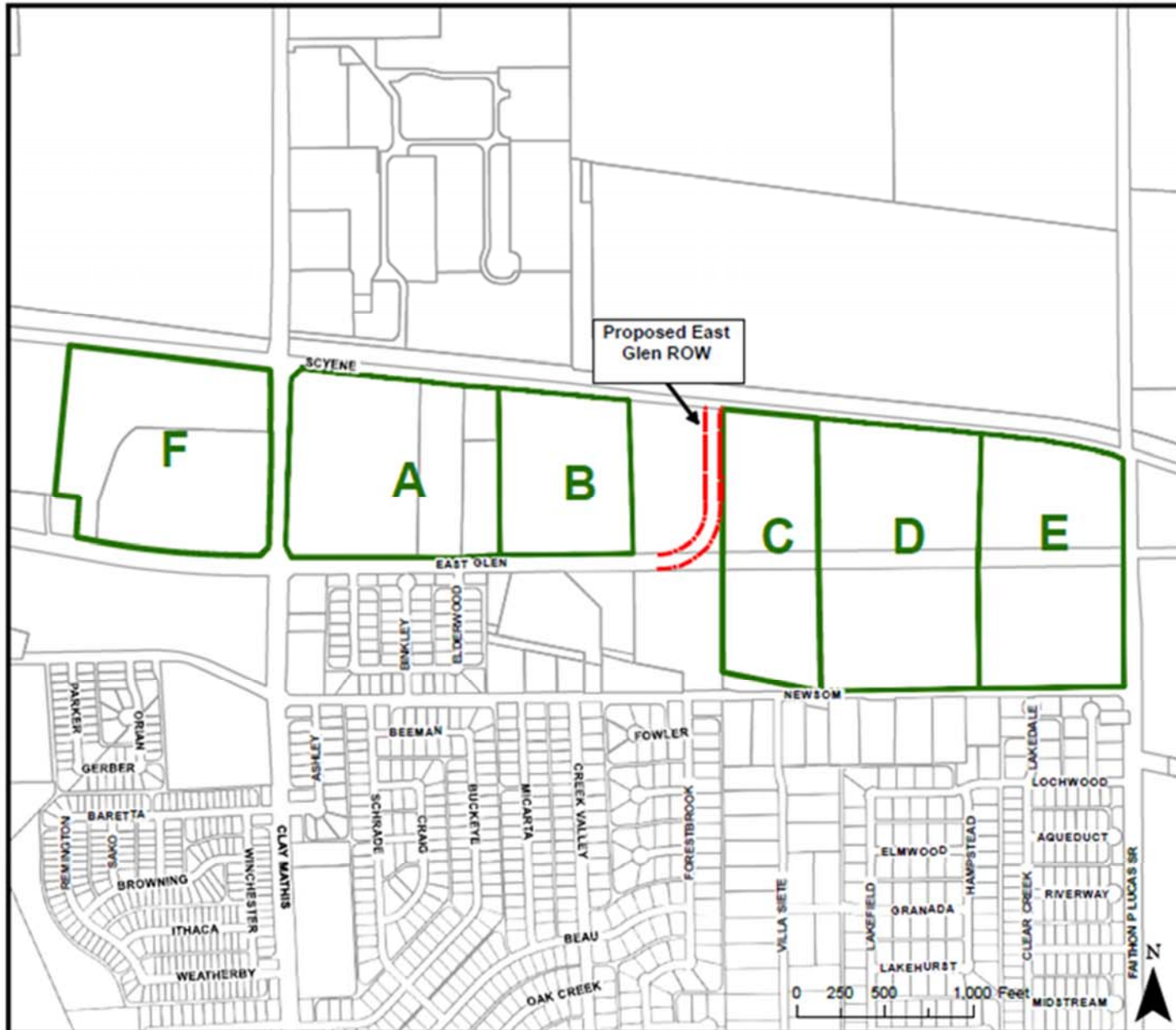
Elevation Concept of Class A Build to Suit Industrial Building

Future Land Use



Future Planned Development Land Use

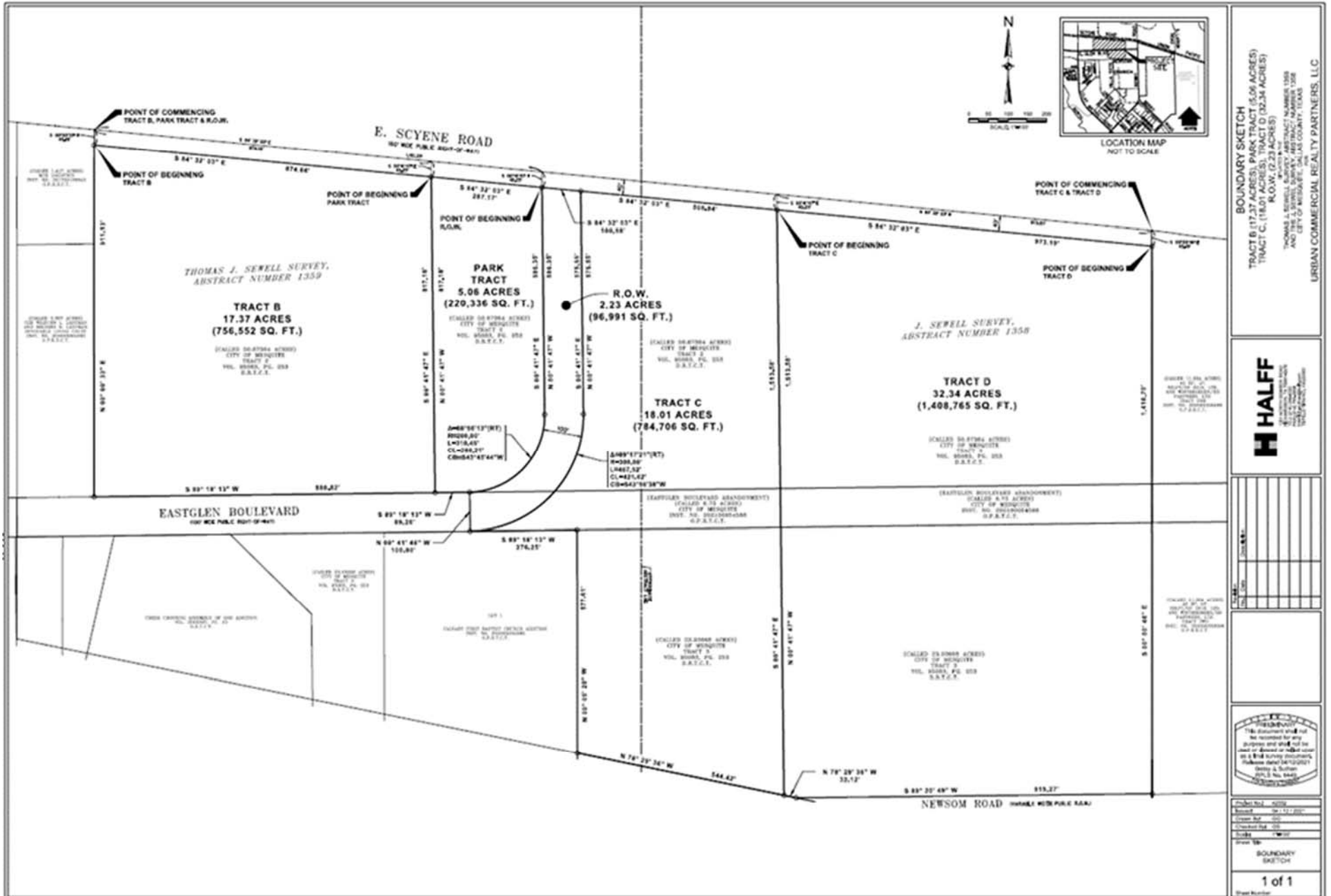
Alcott Logistics Station



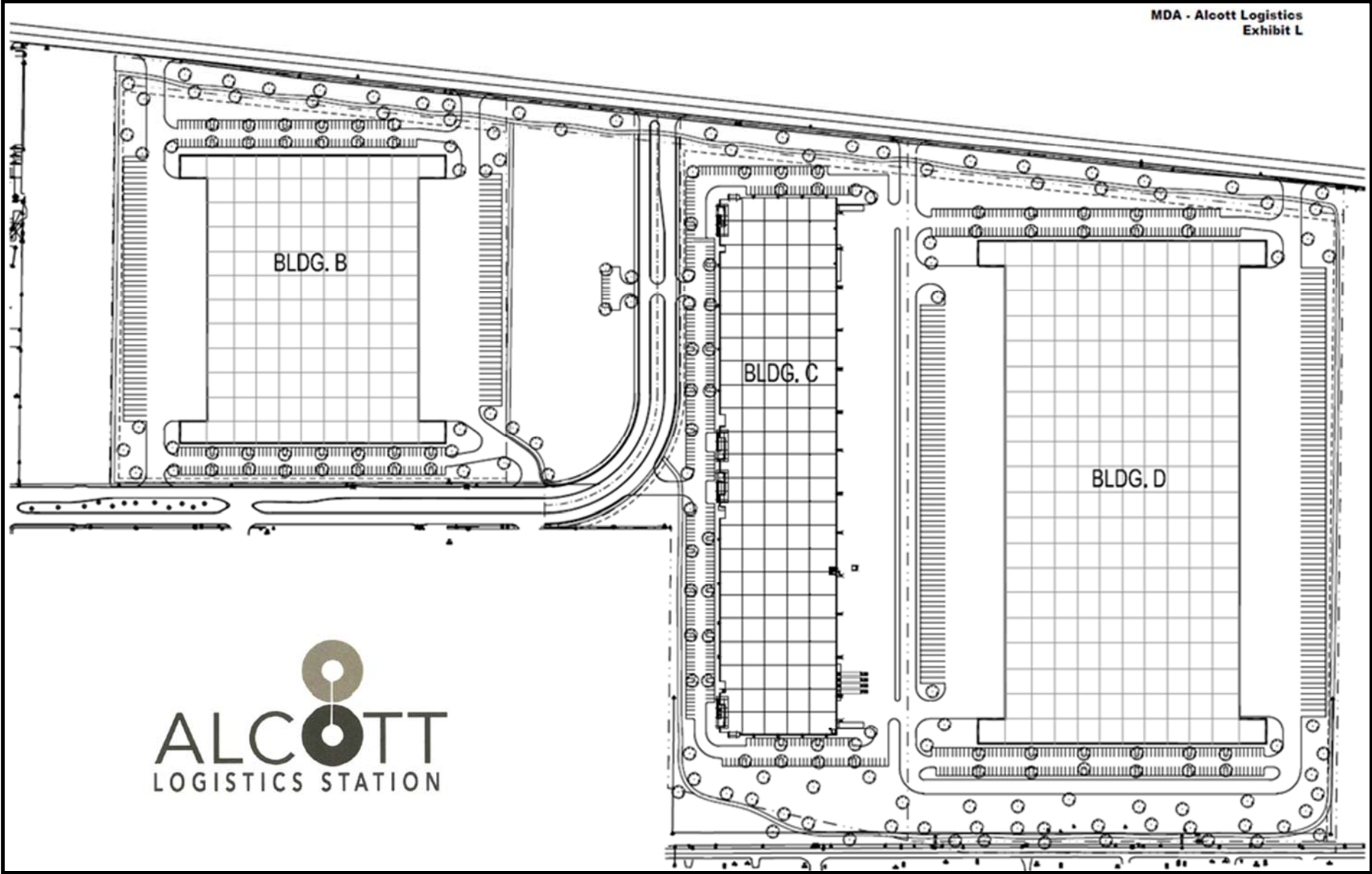
Proposed Industrial Building Sites

A	490,000 sqft
B	312,180 sqft
C	310,000 sqft
D	595,800 sqft
E	400,000 sqft
F	250,000 sqft

Urban Logistics Realty Parcels



Neighborhood Service Center



Conceptual Layout of Buildings B, C and D

Neighborhood Service Center

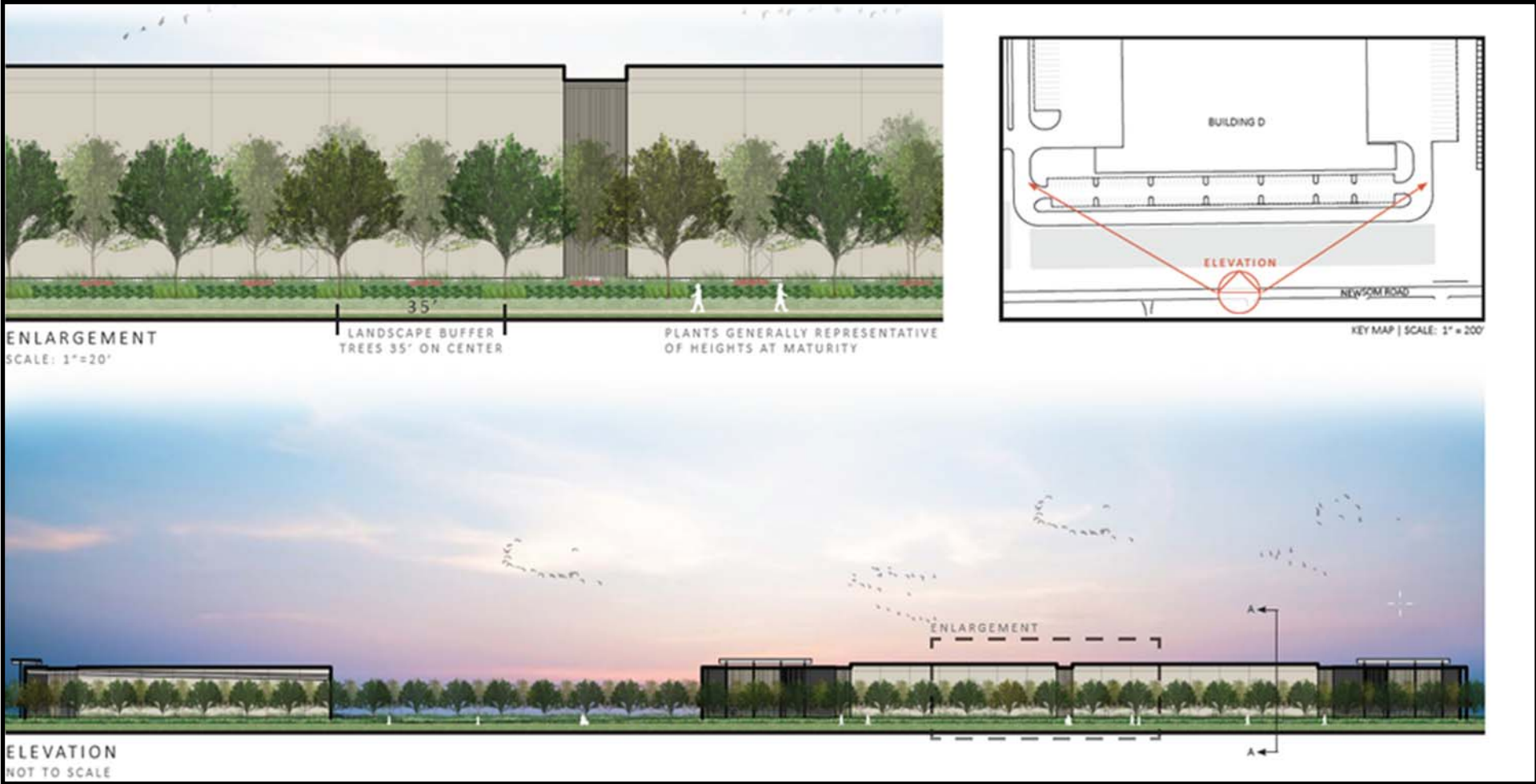


ALCOTT
LOGISTICS STATION

COLLABORATIVE
OUTDOOR SPACE

presented by
urban
LOGISTICS REALTY

Newsom Road Landscape Buffer Illustration



Proposed Project Costs

This project plan includes the funding of \$11.4 million in authorized public infrastructure improvements to be constructed within the TIRZ.

The categories listed in the table below outline the public improvements to be constructed by developers related to water, sanitary sewer, and storm drainage facilities, park improvements, roadway improvements, trail and landscaping improvements, and other public facilities, and are meant to include all projects eligible under Chapter 311, Section 311.002 of the Texas Tax Code.

The costs illustrated in the table below are estimates and may be revised. Savings from one line item may be applied to cost increases in another line item in accordance with applicable development agreements between the City and developers.

ULR under its affiliate Alcott Logistics Partners, LP intends to purchase the City's 75 acres, which includes a portion of abandoned East Glen Boulevard, at fair market value to begin the development of Alcott Logistics Station and will receive grants of the purchase price through a Chapter 380 Agreement with the City.

Estimated Non-Project Costs

Non-project costs are private funds that will be spent to develop in the TIRZ but will not be financed by TIRZ revenues. The total non-project costs are currently estimated at \$41.5 million.

Relocation of Displaced Persons

No persons will be displaced or relocated due to the implementation of this Plan.

Estimated Project Costs		
Description	Cost	% of Total
Water and Sewer System Improvements	\$ 1,000,000	8.7%
Roadway Improvements	1,800,000	15.8%
Storm Drainage and Detention Improvements	1,500,000	13.2%
Trail Improvements	750,000	6.6%
Park Improvements	750,000	6.6%
Monument/Wayfinding Signage Improvements	300,000	2.6%
Landscaping and Irrigation Improvements	1,000,000	8.7%
Grading	200,000	1.7%
Franchise Utilities	500,000	4.4%
City Park Maintenance	600,000	5.3%
City Administrative Costs	1,500,000	13.2%
Contingency, Interest and Soft Costs	1,500,000	13.2%
Total	\$11,400,000	100.0%

Authorized Public Improvements

Categories of Authorized Public Improvements

The categories of authorized public improvements proposed to be financed by the TIRZ are as follows: water improvements; sanitary sewer improvements; storm water and detention improvements; roadway improvements and associated grading; streetlights; franchise utility relocations; parks, trails and landscape improvements. All public improvements shall be designed and constructed in accordance with all applicable City standards and shall otherwise be inspected, approved, and accepted by the City. At the City's option, the public improvements may be expanded to include any other category of improvements authorized by the TIRZ Act. Authorized improvements are subject to change.

Roadway Improvements:

Consist of construction of perimeter road and thoroughfare improvements, including related paving, drainage, curb and gutter, sidewalks, retaining walls, wayfinding signage, and traffic control devices. Specific improvements include the abandonment, demolition and relocation of East Glen right-of-way and construction of a new section of roadway connecting to Scylene Road as depicted below.

Water Distribution System Improvements:

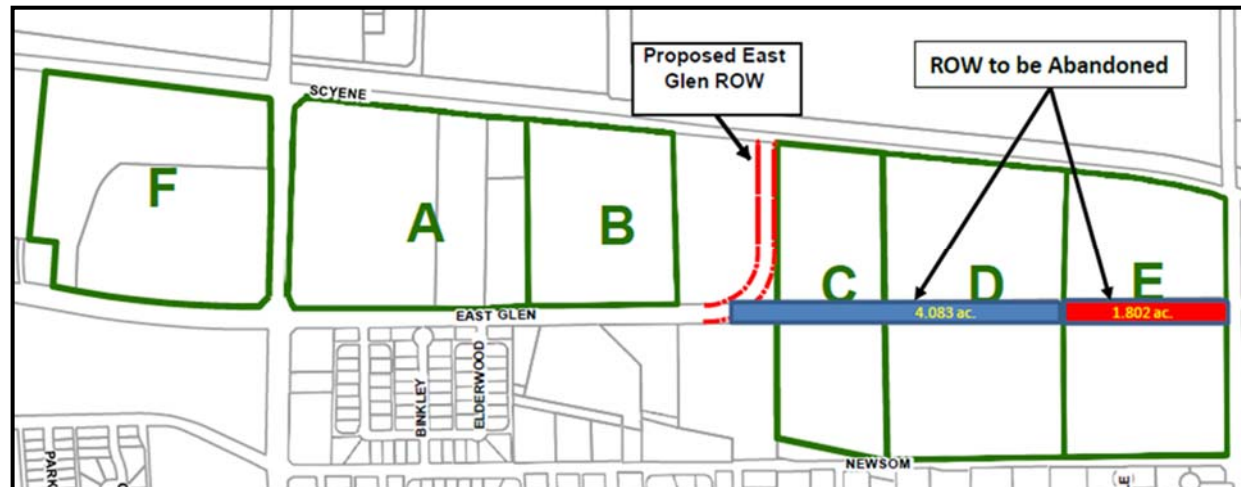
Consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the property. The water distribution system improvements will be owned and operated by the City.

Sanitary Sewer Collection System Improvements:

Consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the property. The sanitary sewer improvements will be owned and operated by the City of Mesquite.

Storm Drainage Collection System Improvements:

Consist of reinforced concrete pipes, reinforced concrete boxes, multi-reinforced box culverts, and detention systems. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and maintained by the City.



Financial Feasibility

Economic Feasibility Study

In May 2020, Urban Logistics Realty (ULR) conducted an economic feasibility study to evaluate the market potential for industrial development in Mesquite. Their analysis found that between 2018 and 2020, there had been 220 industrial tenant prospects that actively searched for space in the East Dallas/Mesquite industrial market, representing more than 25.7 million square feet of potential development.

ULR’s market analysis examined the development potential of 151 acres of vacant and underutilized industrial land located in the Planned Development area and estimates a conservative \$125 million of taxable value could be added over a six-year buildout period. The Table below summarizes the Developer’s assumptions.

Commercial Land	Acres
2700 E SCYENE RD	50.4967
2600 EAST GLEN BLVD	23.03668
2500 E SCYENE RD	17.8021
2210 E SCYENE RD	14.753
2210 E SCYENE RD	11.4062
3300 EAST GLEN BLVD	12.6147
3301 EAST GLEN BLVD	10.847
2650 E SCYENE RD	5.6371
3000 E SCYENE RD	1.4006
2900 EAST GLEN BLVD	3.00
Total	150.99

Industrial Bldgs	Square Feet	Value / SF	Total \$ Value	Delivery Estimate
Bldg A	490,000	\$54.00	\$26,460,000	2025
Bldg B	312,180	\$54.00	\$16,857,720	2024
Bldg C	310,000	\$54.00	\$16,740,000	2022
Bldg D	595,800	\$52.00	\$30,981,600	2023
Bldg E	400,000	\$52.00	\$20,800,000	2026
Bldg F	250,000	\$56.00	\$14,000,000	2027
	2,357,980		\$125,839,320	

Method of Financing

The City will dedicate 50% of the property tax increment collected within the TIRZ over a 30-year term to reimburse developers who construct eligible public improvements that benefit property within the TIRZ in accordance with the TIRZ Act. Developers who construct specific public improvements that benefit their specific development will be reimbursed proportionately to the available tax increment generated by their specific development in accordance with a TIRZ Reimbursement Agreement.

It is not anticipated at this time that the TIRZ will incur any bonded indebtedness.

The following pages show the estimated captured increment values of the Zone during each year of the 30-year term at the City’s current tax rate and the City’s net benefits of the Zone with a 50% City TIRZ participation rate. These values only reflect real property tax revenues and do not include business personal property (BPP). It is anticipated that future tenants looking to relocate within the TIRZ will seek incentives based on BPP.

Based on the foregoing analysis, the TIRZ will generate an estimated \$15.6 million over the life of the TIRZ to finance planned and future public improvements, and during this same period the City will collect an estimated \$15.6 million for its General Fund operations; and therefore, feasibility of the Zone has been demonstrated.

Revenue Summary (50% TIRZ Participation Rate)

City of Mesquite Alcott - TIRZ Feasibility Study - 50%												
TIRZ Term	Calendar Year	Collected Year	Growth/Year ¹	Alcott Logistics ²		Added Development Value	Taxable Value	Incremental Value	City			
				SF	\$/SF				Tax Rate	Participation Rate	TIRZ Contribution	
										Annual	Cumulative	
Base	2021	2022			\$ 53	\$ -	1,675,709	-	0.70862	50%	-	-
1	2022	2023	2%	310,000	\$ 54	\$ 16,758,600	18,467,823	16,792,114	0.70862	50%	-	-
2	2023	2024	2%	595,800	\$ 55	\$ 32,853,127	51,690,307	50,014,598	0.70862	50%	59,496	59,496
3	2024	2025	2%	312,180	\$ 56	\$ 17,558,259	70,282,372	68,606,663	0.70862	50%	177,207	236,703
4	2025	2026	2%	490,000	\$ 57	\$ 28,110,763	99,798,783	98,123,074	0.70862	50%	243,080	479,783
5	2026	2027	2%	400,000	\$ 59	\$ 23,406,513	125,201,271	123,525,562	0.70862	50%	347,660	827,443
6	2027	2028	2%	250,000	\$ 60	\$ 14,921,652	142,626,949	140,951,240	0.70862	50%	437,663	1,265,106
7	2028	2029	2%		\$ 61	\$ -	145,479,488	143,803,779	0.70862	50%	499,404	1,764,511
8	2029	2030	2%		\$ 62	\$ -	148,389,078	146,713,369	0.70862	50%	509,511	2,274,022
9	2030	2031	0%		\$ 62	\$ -	148,389,078	146,713,369	0.70862	50%	519,820	2,793,842
10	2031	2032	0%		\$ 62	\$ -	148,389,078	146,713,369	0.70862	50%	519,820	3,313,662
11	2032	2033	2%		\$ 63	\$ -	151,356,859	149,681,150	0.70862	50%	519,820	3,833,482
12	2033	2034	2%		\$ 65	\$ -	154,383,996	152,708,287	0.70862	50%	530,335	4,363,818
13	2034	2035	2%		\$ 66	\$ -	157,471,676	155,795,967	0.70862	50%	541,061	4,904,878
14	2035	2036	2%		\$ 67	\$ -	160,621,110	158,945,401	0.70862	50%	552,001	5,456,879
15	2036	2037	2%		\$ 69	\$ -	163,833,532	162,157,823	0.70862	50%	563,159	6,020,038
16	2037	2038	2%		\$ 70	\$ -	167,110,203	165,434,494	0.70862	50%	574,541	6,594,580
17	2038	2039	2%		\$ 71	\$ -	170,452,407	168,776,698	0.70862	50%	586,151	7,180,731
18	2039	2040	2%		\$ 73	\$ -	173,861,455	172,185,746	0.70862	50%	597,993	7,778,724
19	2040	2041	0%		\$ 73	\$ -	173,861,455	172,185,746	0.70862	50%	610,071	8,388,795
20	2041	2042	0%		\$ 73	\$ -	173,861,455	172,185,746	0.70862	50%	610,071	8,998,866
21	2042	2043	2%		\$ 74	\$ -	177,338,684	175,662,975	0.70862	50%	610,071	9,608,937
22	2043	2044	2%		\$ 76	\$ -	180,885,458	179,209,749	0.70862	50%	622,391	10,231,329
23	2044	2045	2%		\$ 77	\$ -	184,503,167	182,827,458	0.70862	50%	634,958	10,866,287
24	2045	2046	2%		\$ 79	\$ -	188,193,230	186,517,521	0.70862	50%	647,776	11,514,063
25	2046	2047	2%		\$ 80	\$ -	191,957,095	190,281,386	0.70862	50%	660,850	12,174,913
26	2047	2048	2%		\$ 82	\$ -	195,796,237	194,120,528	0.70862	50%	674,186	12,849,099
27	2048	2049	2%		\$ 84	\$ -	199,712,161	198,036,452	0.70862	50%	687,788	13,536,888
28	2049	2050	2%		\$ 85	\$ -	203,706,405	202,030,696	0.70862	50%	701,663	14,238,551
29	2050	2051	0%		\$ 85	\$ -	203,706,405	202,030,696	0.70862	50%	715,815	14,954,366
30	2051	2052	0%		\$ 85	\$ -	203,706,405	202,030,696	0.70862	50%	715,815	15,670,181
2,357,980											15,670,181	

Assumptions:

Base Value \$ 1,675,709

City Tax Rate 0.70862

Footnotes:

1) Values increased at 2% per year, with zero percent increases for two years every decade to simulate an economic downturn.

2) Values and schedule based on data provided by Developer on 03/26/2021.

Cumulative Revenue and Net Benefit By Year (50% TIRZ Participation Rate)

Year	Base Year	1	2	3	4	5	6	7	8	9	10	11	12
Category	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Tax Generated	0	0	118,992	473,406	959,566	1,654,886	2,530,212	3,529,022	4,548,044	5,587,684	6,627,324	7,666,964	8,727,636
TIRZ Participation	0	0	59,496	236,703	479,783	827,443	1,265,106	1,764,511	2,274,022	2,793,842	3,313,662	3,833,482	4,363,818
Net City Benefit	0	0	59,496	236,703	479,783	827,443	1,265,106	1,764,511	2,274,022	2,793,842	3,313,662	3,833,482	4,363,818

Year	13	14	15	16	17	18	19	20	21	22
Category	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Total Tax Generated	9,809,756	10,913,758	12,040,076	13,189,160	14,361,462	15,557,448	16,777,590	17,997,732	19,217,874	20,462,658
TIRZ Participation	4,904,878	5,456,879	6,020,038	6,594,580	7,180,731	7,778,724	8,388,795	8,998,866	9,608,937	10,231,329
Net City Benefit	4,904,878	5,456,879	6,020,038	6,594,580	7,180,731	7,778,724	8,388,795	8,998,866	9,608,937	10,231,329

Year	23	24	25	26	27	28	29	30	Alcott Station
Category	2044	2045	2046	2047	2048	2049	2050	2051	Totals
Total Tax Generated	21,732,574	23,028,126	24,349,826	25,698,198	27,073,776	28,477,102	29,908,732	31,340,362	31,340,362
TIRZ Participation	10,866,287	11,514,063	12,174,913	12,849,099	13,536,888	14,238,551	14,954,366	15,670,181	15,670,181
Net City Benefit	10,866,287	11,514,063	12,174,913	12,849,099	13,536,888	14,238,551	14,954,366	15,670,181	15,670,181

Designation Ordinance No. 4853

ORDINANCE NO. 4853

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA CONSISTING OF APPROXIMATELY 251.8175 ACRES OF LAND GENERALLY LOCATED SOUTH OF EAST SCYENE ROAD, WEST OF THE MESQUITE METRO AIRPORT, NORTH OF BERRY ROAD AND NEWSOM ROAD, AND EAST OF SMOKEY MOUNTAIN TRAIL IN THE CITY OF MESQUITE, DALLAS COUNTY, TEXAS, LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY OF MESQUITE, TEXAS, AS A REINVESTMENT ZONE PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE, TO BE KNOWN AS REINVESTMENT ZONE NUMBER FOURTEEN, CITY OF MESQUITE, TEXAS (ALCOTT LOGISTICS STATION); DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; ESTABLISHING A TAX INCREMENT FUND FOR THE ZONE; CONTAINING FINDINGS RELATED TO THE CREATION OF THE ZONE; PROVIDING A DATE FOR THE TERMINATION OF THE ZONE; PROVIDING THAT THE ZONE TAKE EFFECT IMMEDIATELY UPON PASSAGE OF THE ORDINANCE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Mesquite, Texas (the "City"), pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Act"), may designate a geographic area within the corporate limits of the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, the Act provides that the governing body of a municipality by ordinance may designate a contiguous or noncontiguous geographic area that is in the corporate limits of the municipality to be a reinvestment zone if the governing body determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future; and

WHEREAS, the City Council of the City (the "City Council") desires for the City to consider the creation of a tax increment reinvestment zone consisting of approximately 251.8175 acres of land generally located south of East Scyene Road, west of the Mesquite Metro Airport, north of Berry Road and Newsom Road, and east of Smokey Mountain Trail in the City of Mesquite, Dallas County, Texas, and being the property located within the boundary description attached hereto as Exhibit A and generally depicted as the shaded area on the boundary map attached hereto as Exhibit B, both of which are incorporated herein by reference (the "Proposed Zone"); and

WHEREAS, a preliminary reinvestment zone financing plan has been prepared for the Proposed Zone as required by the Act (the "Preliminary Reinvestment Zone Financing Plan"); and

WHEREAS, notice of the public hearing on the creation of the Proposed Zone was published in a newspaper of general circulation in the City on March 25, 2021, which date is before the seventh (7th) day before the public hearing held on April 5, 2021; and

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WHEREAS, on April 5, 2021, the City Council opened a public hearing in accordance with Section 311.003(c) of the Act and interested persons were allowed to speak for or against the creation of the Proposed Zone, the boundaries of the Proposed Zone, and the concept of tax increment financing, and owners of property in the Proposed Zone were given a reasonable opportunity to protest the inclusion of their property in the Proposed Zone; and

WHEREAS, after all comments and evidence, both written and oral, were received by the City Council, the public hearing was closed on April 5, 2021; and

WHEREAS, the public hearing was held in full accordance with Section 311.003(c) of the Act; and

WHEREAS, the City has taken all actions required to create the Proposed 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 laws applicable to the creation of the Proposed Zone.

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

SECTION 1. RECITALS INCORPORATED.

That the facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are incorporated and adopted as part of this Ordinance for all purposes.

SECTION 2. FINDINGS.

That the City Council, after conducting the above described public hearing and having heard the evidence and testimony presented at the public hearing, has made the following findings and determined based on the evidence and testimony presented to it:

- (a) That the public hearing on the creation of the Proposed Zone has been properly called, 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 Proposed Zone were given a reasonable opportunity to protest the inclusion of their property in the Proposed Zone; and
- (b) That creation of the Proposed Zone with boundaries as described and depicted in Exhibits A and B will result in benefits to the City, its residents and property owners, in general, and to the property, residents and property owners in the Proposed Zone; and
- (c) That the Proposed Zone, as described and depicted in Exhibits A and B, meets the criteria for the creation of a reinvestment zone set forth in the Act in that:

Designation Ordinance No. 4853

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- (1) It is a geographic area located wholly within the corporate limits of the City; and
- (2) The area is predominately open, unproductive and undeveloped and, because of the lack of necessary public improvements and other facilities, substantially impairs the sound growth of the City; and
- (d) That thirty percent (30%) or less of the property in the Proposed Zone, excluding property that is publicly owned, is currently used for residential purposes; and
- (e) That the total appraised value of taxable real property in the Proposed Zone, together with the total appraised value of taxable real property in all other existing reinvestment zones of the City, according to the most recent appraisal rolls of the City, does not exceed twenty-five percent (25%) of the current total appraised value of taxable real property in the City and in the industrial districts created by the City, if any; and
- (f) That the improvements in the Proposed Zone will significantly enhance the value of all taxable real property in the Proposed Zone and will be of general benefit to the City; and
- (g) That the development or redevelopment of the property in the Proposed Zone will not occur solely through private investment in the reasonably foreseeable future; and
- (h) That the Proposed Zone will promote development or redevelopment of the economy within the Proposed Zone and develop or expand business and commercial activity within the Proposed Zone; and
- (i) That the Preliminary Reinvestment Zone Financing Plan for the Proposed Zone was prepared prior to the adoption of this Ordinance; and
- (j) That the City Council finds that the Preliminary Reinvestment Zone Financing Plan for the Proposed Zone is feasible.

SECTION 3. DESIGNATION AND NAME OF THE ZONE.

Pursuant to the authority of, and in accordance with the requirements of the Act, the City Council hereby designates the property located within the boundary description attached hereto as Exhibit A and generally depicted as the shaded area on the boundary map attached hereto as Exhibit B as a tax increment reinvestment zone (the "Zone"). The name assigned to the Zone for identification is Reinvestment Zone Number Fourteen, City of Mesquite, Texas (Alcott Logistics Station).

SECTION 4. BOARD OF DIRECTORS.

- (a) The City Council hereby creates a board of directors for the Zone (hereinafter referred to as the "Board") consisting of seven (7) members all appointed by the City Council. Members of the City Council may serve as Board members.

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- (b) The Board members appointed to the Board shall be eligible to serve on the Board if that person is at least 18 years of age and: (1) is a resident of the county in which the Zone is located or a county adjacent to that county; or (2) owns real property in the Zone, whether or not the individual resides in the county in which the Zone is located or a county adjacent to that county.
- (c) The Board shall make recommendations to the City Council concerning the administration, management, and operation of the Zone. The Board shall prepare or cause to be prepared and adopt a project plan and a reinvestment zone financing plan for the Zone (hereinafter referred to as the "Project Plan and Financing Plan") as required by the Act and shall submit the Project Plan and Financing Plan to the City Council for approval. The Board shall consider amendments to the Project Plan and Financing Plan on its own initiative or upon submission by the City Council, but amendments considered by the Board shall not take effect unless and until adopted by the City Council.
- (d) Directors shall not receive any salary or other compensation for their services as directors.
- (e) Members of the Board shall be appointed for terms of two years. The terms of the Board members may be staggered. The City Council may remove and replace Board members at any time during a term.
- (f) The initial Board shall be seven members and the following shall be the initial members of the Board:
 - (1) Bruce Archer
 - (2) Sherry Wisdom
 - (3) Kenny Green
 - (4) Robert Miklos
 - (5) Tandy Boroughs
 - (6) B. W. Smith
 - (7) Daniel Aleman

The City Council hereby appoints Mayor Bruce Archer to serve as chairman of the Board for the remainder of calendar year 2021. Before the end of calendar year 2021 and each calendar year thereafter, the City Council shall appoint one member of the Board to serve as chairman for a term of one year that begins on January 1 of the following year. If the City Council does not appoint a chairman during that period, the Mayor of the City is automatically appointed to serve as chairman for the term that begins on January 1 of the following year. The Board may elect a vice-chairman to preside in the absence of the chairman or when there is a vacancy in the office of chairman. The Board may elect other officers as it considers appropriate.

SECTION 5. DURATION OF THE ZONE.

That the Zone shall take effect immediately upon the passage of this Ordinance, consistent with Section 311.004(a)(3) of the Act, and the Zone shall terminate on the earlier of: (1) December 31, 2051 or an earlier or later termination date designated by an ordinance adopted under Section 311.007(c) of the Act; or (2) the date on which all project costs, tax increment bonds and interest

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on those bonds, and other obligations of the Zone have been paid in full, in accordance with Section 311.017 of the Act.

SECTION 6. TAX INCREMENT BASE AND TAX INCREMENT.

That pursuant to Section 311.012(c) of the Act, the tax increment base of the City, or any other taxing unit participating in the Zone, is the total taxable value, as of January 1, 2021, of all real property taxable by the City or other taxing unit participating in the Zone, and located in the Zone for the year in which the Zone was designated as a reinvestment zone (the "**Tax Increment Base**"). Pursuant to Section 311.013(l) of the Act, the amount of the tax increment for a year will be determined in the ordinance adopted under Section 311.011 of the Act approving the reinvestment zone financing plan for the Zone calculated on the amount of real property taxes levied and collected by the City, and all or a portion of property taxes of other taxing units participating in the Zone and located in the Zone (as set forth in an agreement to participate in the Zone) for that year on the Captured Appraised Value (defined below) of real property taxable by the City or other taxing unit participating in the Zone and located in the Zone (the "**Tax Increment**"). Consistent with Section 311.012(b) of the Act, as amended, the captured appraised value of real property taxable by the City or other taxing unit participating in the Zone for a year is the total taxable value of all real property taxable by the City or other taxing unit participating in the Zone and located in the Zone for that year less the Tax Increment Base of the City or other taxing unit participating in the Zone (the "**Captured Appraised Value**").

SECTION 7. TAX INCREMENT FUND.

That there is hereby created and established a tax increment fund for the Zone ("**Tax Increment Fund**"), that may be divided into subaccounts as set forth in the Project Plan and Financing Plan, into which the Tax Increment of the City and participating taxing units, if any, as such increments are described in the Project Plan and Financing Plan and includes administration costs, 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 shall be maintained at the affiliated depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. In addition, all revenues to be dedicated to and used in the Zone shall be deposited into the Tax Increment Fund from which money will be disbursed to pay project costs, plus interest, for the Zone. Surplus funds in the Tax Increment Fund shall be disbursed as authorized and provided in the Act.

SECTION 8. SEVERABILITY CLAUSE.

That should any provision, section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall not be affected and shall remain in full force and effect. The City Council hereby declares that it is the intent of the City Council that the provisions, sections, subsections, sentences, clauses and phrases of this Ordinance are severable and that the City Council would have passed this Ordinance without the incorporation of such invalid or unconstitutional provision, section, subsection, sentence, clause or phrase and all remaining provisions, sections, subsections, sentences, clauses and phrases shall remain in full force and effect.

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SECTION 9. OPEN MEETINGS.

That it is hereby found, determined, and declared that sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the Municipal Center and at the City Hall of the City for the time required by law preceding the meeting, as required by the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered, and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

SECTION 10. EFFECTIVE DATE.

That this Ordinance shall be in full force and effect from and after its passage as required by law.

DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 5th day of April 2021.



Bruce Archer
Mayor

ATTEST:



Sonja Land
City Secretary

APPROVED AS TO LEGAL FORM:



David L. Paschall
City Attorney

