

ORDINANCE NO. 4944

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, APPROVING AN AMENDED PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER TWELVE, CITY OF MESQUITE, TEXAS (IH-20 BUSINESS PARK)(THE “ZONE”); INCREASING THE TOTAL ESTIMATED PROJECT COSTS FOR THE ZONE; MAKING A FINDING REGARDING FEASIBILITY; PROVIDING REPEALER AND SEVERABILITY CLAUSES; AND PROVIDING AN EFFECTIVE DATE THEREOF.

WHEREAS, in accordance with the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended (the “**Act**”), the City of Mesquite, Texas (the “**City**”), established the IH-20 Business Park Reinvestment Zone Number Twelve, City of Mesquite, Texas (the “**Zone**”) to promote development or redevelopment in the Zone pursuant to Ordinance No. 4579, incorporated herein by reference and approved by the City Council on July 2, 2018 (“**Ordinance No. 4579**”); and

WHEREAS, pursuant to City Ordinance No. 4579, a tax increment of fifty percent (50%) was provided and a tax increment fund was created and established for the Zone (the “**Tax Increment Fund**”); and

WHEREAS, with the passage of Ordinance No. 4876, incorporated herein by reference and approved by the City Council on July 6, 2021, the Zone’s boundaries as established by Ordinance No. 4579 (the “**Original Zone Boundaries**”) were enlarged to include approximately 13 acres of City rights-of-way adjacent to the Zone (the “**Adjacent Rights-of-Way**”) and approximately 828 acres of noncontiguous land generally located south of Scyene Road, west of Lawson Road, north of Berry Road, and east of Ashley Furniture Industries Distribution Center (the “**Noncontiguous Area**”), and being located within the corporate limits and extraterritorial jurisdiction of the City (collectively the “**Enlargement Area**”), as described and depicted in Exhibits B and B-1 to Ordinance No. 4876 and also described and depicted in the Original Project and Financing Plan as defined below; and

WHEREAS, on July 6, 2021, the Board of Directors of the Zone (the “**Board**”), prepared and adopted a project plan and reinvestment zone financing plan for the Zone (the “**Original Project and Financing Plan**”), which was subsequently approved by the City Council on July 6, 2021, pursuant to Ordinance No. 4877; 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, Section 311.011(e) of the Act allows the board of directors of a tax increment reinvestment zone to adopt an amendment to a project plan for the zone so long as the amendment is consistent with the requirements and limitations of the Act and is approved by the governing body of the municipality that created the zone; and

WHEREAS, on March 21, 2022, 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 “**Amended Project and Financing Plan**”); and

WHEREAS, the Amended Project and Financing Plan proposes to increase the total estimated project costs for the Zone; and

WHEREAS, the 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 March 21, 2022, to consider approving the Amended Project and Financing Plan, increasing the total estimated project costs for the Zone, was published in the *Daily Commercial Record*, a newspaper of general circulation in the City on March 10, 2022, which is at least seven days before the date of the public hearing held on March 21, 2022, 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 March 21, 2022, to consider approving the Amended Project and Financing Plan, increasing the total estimated project costs for the Zone, was mailed on March 10, 2022, by first class mail to all property owner(s) within the boundaries of the Zone; and

WHEREAS, on March 21, 2022, the City Council opened a public hearing in accordance with the Act and interested persons were allowed to speak for or against the Amended Project and Financing Plan, increasing the total estimated project costs for the Zone, the concept of tax increment financing, and other related matters; and

WHEREAS, after all comments and evidence, both written and oral, were received by the City Council, the public hearing was closed on March 21, 2022; and

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

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

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

WHEREAS, the City has taken all actions required to approve the Amended Project and Financing Plan, and increase the total estimated project costs for 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 Amended Project and Financing Plan, increasing the total estimated project costs for the Zone as more fully set forth in the Amended Project and Financing Plan, 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. The statements, facts, findings, 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. The City Council finds that the public hearing to consider approving the Amended Project and Financing Plan, increasing the total estimated project costs for the Zone, has been properly held and conducted, that a notice of such hearing has been published as required by applicable law, including the Act, and that owner(s) of property within the Zone were given notice of the public hearing and a reasonable opportunity to comment at the public hearing.

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

A. The 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 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 Amended Project and 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 4. In accordance with the Act, the City Council has reviewed the Amended Project and Financing Plan and hereby finds that such Amended Project and Financing Plan is feasible.

SECTION 5. In accordance with the Act, the City Council hereby approves and adopts the Amended Project and Financing Plan.

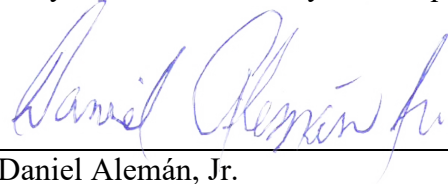
SECTION 6. The City Manager, or the City Manager's designee, is hereby authorized to execute all documents and take all actions necessary or requested to implement the Amended Project and Financing Plan.

SECTION 7. 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. 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 9. 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 21st day of March 2022.



Daniel Alemán, Jr.
Mayor

ATTEST:



Sonja Land
City Secretary

APPROVED AS TO LEGAL FORM:



David L. Paschall
City Attorney

EXHIBIT A

AMENDED PROJECT PLAN

AND

REINVESTMENT ZONE FINANCING PLAN

FOR

REINVESTMENT ZONE NUMBER TWELVE,

CITY OF MESQUITE, TEXAS

(IH-20 BUSINESS PARK)



Amended Project Plan and Reinvestment Zone Financing Plan

Reinvestment Zone Number Twelve,
City of Mesquite, Texas
(IH-20 Business Park)

March 21, 2022



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City of Mesquite

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Introduction

Tax Increment Financing Program

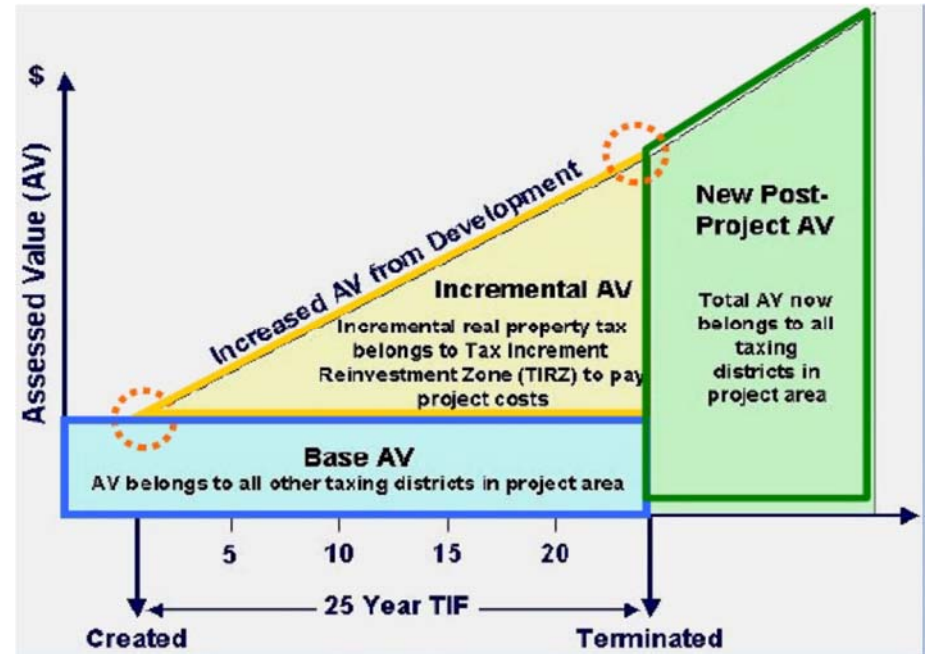
Chapter 311 of the Texas Tax Code (the “TIRZ Act”) authorizes the governing body of a municipality to promote redevelopment of a contiguous or noncontiguous geographic area by designating it a Tax Increment Reinvestment Zone (TIRZ). The future value of private investment within a TIRZ is leveraged to 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 early 2016, developer interest was growing for new industrial opportunities along IH-20 at Lawson Road centered around three large tracts totaling 130 acres that were owned by the City and Mesquite ISD. In August 2016, the City engaged KSA Engineers to develop a conceptual site plan and infrastructure study for a potential business park.

On September 2, 2016, City staff met with SLJ Company, LLC, a commercial real estate developer, regarding the site, and on September 6, 2016, the City Council gave staff direction to pursue development of the IH-20 Business Park and to acquire the Mesquite ISD tract in exchange for a nearby City-owned tract along McKenzie Road.

By October 2016, SLJ Company was under contract to purchase a 52-acre privately-owned tract located at 4800 Lasater Road and was pursuing acquisition of additional tracts located at 4900 Lasater Road and 2700 McKenzie Road.

On May 15, 2017, City Council gave direction for staff to begin negotiations of an economic development agreement with SLJ Company, operating under its affiliate IH-20 IP, LLC, for the purpose of developing a 248-acre IH-20 Business Park on an assemblage of six tracts of land.

On November 6, 2017, City staff presented a report to the City Council of the fiscal costs and benefits of the proposed IH-20 Business Park based on data from Insight Research Corporation and anticipated infrastructure costs from the KSA Engineers study. City Council gave direction to staff to pursue creation of a TIRZ to help finance public infrastructure related to the SLJ Company project.

On June 2, 2018, the City engaged Petty & Associates, Inc. to provide feasibility analysis and financial models related to the IH-20 Business Park and to prepare a Preliminary Reinvestment Zone Financial Plan for the TIRZ.

On June 4, 2018, City Council passed Resolution No. 31-2018 calling for a public hearing to create the TIRZ, and on June 18, 2018, the City Council opened the public hearing to consider an ordinance creating Reinvestment Zone Number Twelve, City of Mesquite, Texas (IH-20 Business Park). At City staff's request, the public hearing was continued to the July 2, 2018, City Council meeting.

On July 2, 2018, Petty & Associates presented the Preliminary Reinvestment Zone Financing Plan to the City Council, and later that evening the Council adopted Ordinance No. 4579 designating Reinvestment Zone Number Twelve, City of Mesquite, Texas (IH-20 Business Park) (the "Zone"), and setting a tax increment of fifty percent (50%).

On November 5, 2018, the City Council held a public hearing to transfer 44.097 acres of City-owned park property located at 4200 Faithon P. Lucas, Sr. Boulevard to Mesquite ISD for the future Vanguard High School and passed Resolution No. 63-2018 authorizing the sale of the property to Mesquite ISD. At this same meeting, the City Council authorized the purchase of 48.417 acres of Mesquite ISD property located at 925 McKenzie Road to complete the assemblage of three City-owned tracts within the Zone.

On March 4, 2019, the City Council authorized the City Manager to execute a hydrology and hydrologic study by Garver Engineering for the portion of South Mesquite Creek adjacent to the Zone to determine the extent of the fully developed floodplain and needed drainage improvements as well as conceptual design and route studies for sanitary sewer improvements related to the development.

On January 6, 2020, the City Council received a presentation from staff regarding Dalfen Industrial, LLC, an industrial real estate company, looking to develop one million square feet of industrial space on 54 acres adjacent to the west side of the Mesquite Metro Airport, to be named the *Mesquite Airport Logistics Center*.

In May 2020, SLJ Company, in partnership with 42 Real Estate, an investment and development company specializing in build-to-suit projects, acquired 216 acres of vacant property adjacent to the east side of Mesquite Metro Airport under the joint affiliate MSAP 216, LLC/42 BP, LP, with plans to develop 3.2 million square feet of industrial and airport hangar space, to be named *Mesquite Airport East*.

In December 2020, Dalfen Industrial acquired 39.1376 acres of privately-owned property for the Mesquite Airport Logistics Center, and SLJ/42 Real Estate also met with City staff to discuss concept plans for the Mesquite Airport East project.

Actions Taken to Date

On February 10, 2021, City planning staff conducted a pre-application meeting with SLJ/42 Real Estate to review preliminary concept plans for both the IH-20 Business Park and the Mesquite Airport East property.

On April 5, 2021, the City Council approved an amendment to the Garver hydrology and hydrologic study to prepare options for the proposed drainage channel and to revise the sanitary sewer conceptual design/route study to incorporate the findings of the 2021 Mesquite Wastewater Masterplan. These options were then presented to SLJ/42 Real Estate.

On May 3, 2021, the City Council held a public hearing and passed Resolution No. 27-2021 authorizing the City Manager to finalize and execute a Chapter 380 Economic Development Program Agreement with Dalfen Industrial affiliate Notain Realty granting incentives related to Phase 1 of the Mesquite Airport Logistics Center.

On May 27, 2021, notice was published in the *Daily Commercial Record* and notices were mailed to property owners regarding a public hearing scheduled for June 7, 2021, to consider expanding the Zone to include the noncontiguous area around Mesquite Metro Airport.

On May 28, 2021, the City and SLJ/42 Real Estate entered into a professional services agreement related to development of the IH-20 Business Park and Mesquite Airport East projects.

On June 7, 2021, the City Council opened a public hearing to allow any interested person to speak for or against the enlargement of Zone boundary to include the noncontiguous Airport area and to extend the term of the Zone an additional 12 years to expire on December 31, 2051. Several people in attendance spoke against their property being included in the expanded Airport area of the Zone, and the City Council voted to continue the public hearing to the July 6, 2021, City Council meeting.

On June 9, 2021, the Chapter 380 Agreement with Notain Realty (Mesquite Logistics Center), LP. was executed.

On July 6, 2021, the TIRZ Board of Directors adopted a Project Plan and Reinvestment Zone Financing Plan recommending its approval by the City Council contingent upon the Council adopting an ordinance to enlarge the boundaries of the Zone to include the noncontiguous Airport area.

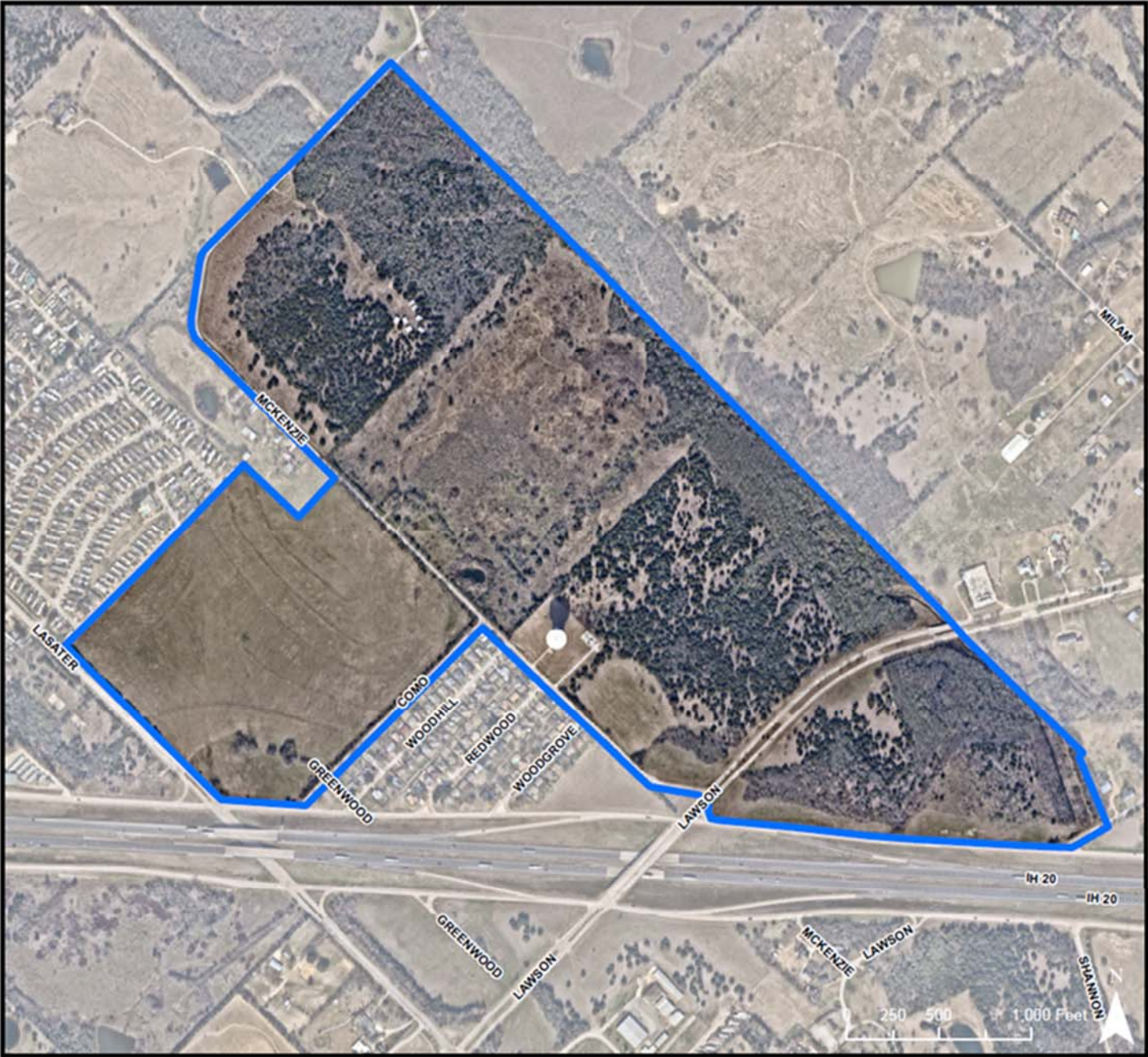
On July 6, 2021, the City Council adopted Ordinance No. 4876 to enlarge the boundaries of the Zone to include the noncontiguous area around the Mesquite Metro Airport and to extend the term of the Zone an additional 12 years to expire on December 31, 2051. At this same meeting, the City Council adopted Ordinance No. 4877 approving the Project Plan and Reinvestment Zone Financing Plan.

On February 21, 2022, the City Council passed Resolution No. 12-2022 authorizing the City Manager to finalize and execute an agreement with Dalfen affiliate DG Mesquite III Property Owner, L.P. for Phase 2 of the Mesquite Airport Logistics Center, which includes Dalfen's commitment to purchase the remaining balance of 33 acres from the City-owned 50-acre tract, a portion of which includes two industrial buildings under construction in Phase 1, and the additional purchase of 12.5 acres of Airport property in order to complete the five building logistics center.

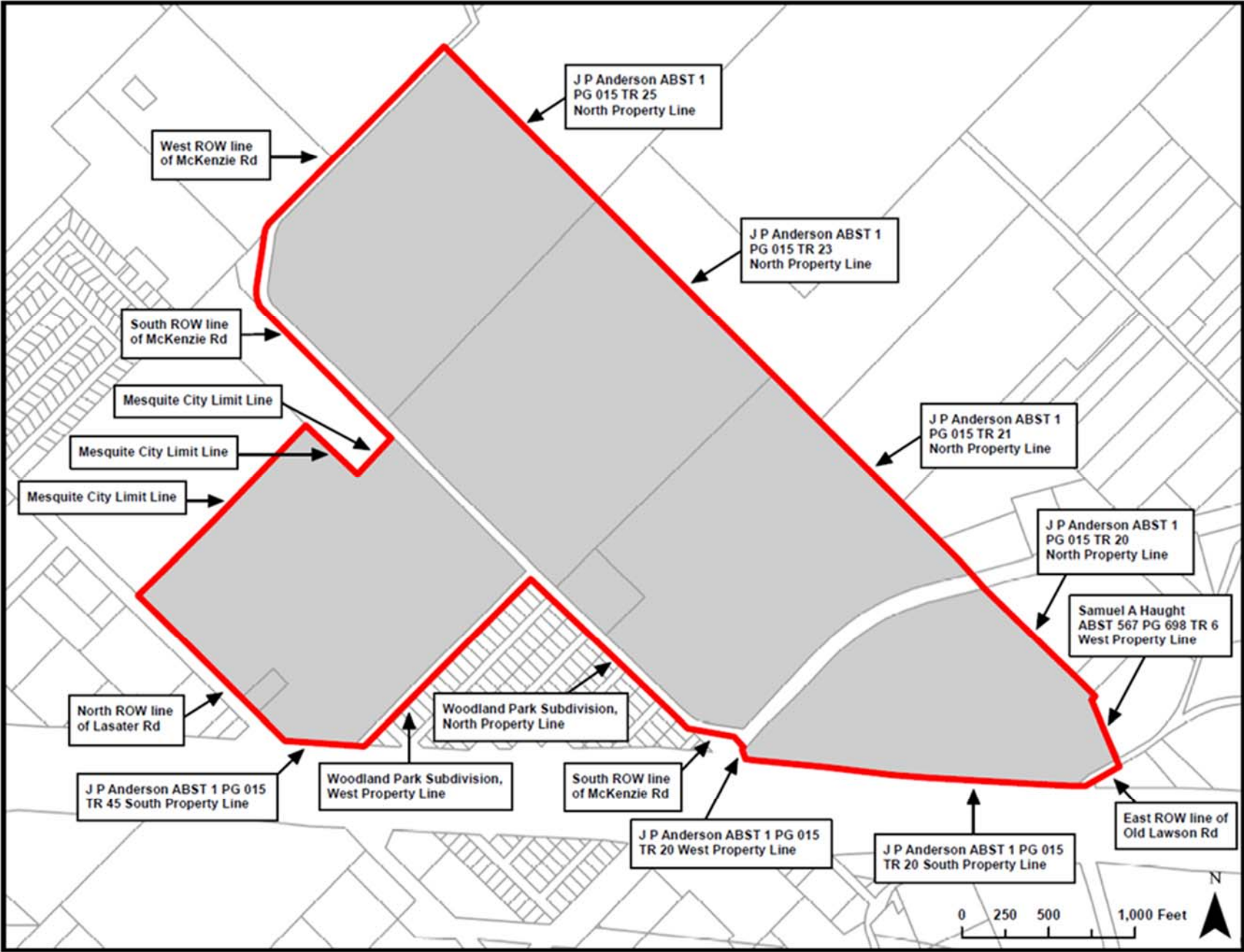
TIRZ Board Recommendation

Consider adoption of this ***Amended Project Plan and Reinvestment Zone Financing Plan (PPF) for Reinvestment Zone Number Twelve, City of Mesquite, Texas (IH-20 Business Park)***, which incorporates estimated project costs related to Phase 2 of the Mesquite Airport Logistics Center.

IH-20 Area Boundary



IH-20 Area Boundary Description



IH-20 Area Boundary Description

Beginning at the southwest corner of Blk A Lot 2 Woodland Park Subdivision, thence:

Northeasterly along the west property line of Woodland Park Subdivision, said line also being the east ROW line of Como Drive, to the northwest corner of Blk B Lot 19 of Woodland Park Subdivision, thence:

Southeasterly along the north property line of Woodland Park Subdivision, said property line also being the south ROW line of McKenzie Road (Alexander Road), to a point where said property line departs the south ROW line of McKenzie Road (Alexander Road), thence:

Easterly along the south ROW line of McKenzie Road (Alexander Road) and continuing over and across Lawson Road to a point where said line reaches the west property line of John P. Anderson Survey, ABST 1 PG 015 Tract 20, thence:

Southwesterly along the west property line of John P. Anderson Survey, ABST 1 PG 015 Tract 20 where said property line transitions to the south property line of John P. Anderson Survey, ABST 1 PG 015 Tract 20, thence:

Easterly along the south property line of John P. Anderson Survey, ABST 1 PG 015 Tract 20, said property line also being the north ROW line of the IH-20 westbound service road, and continuing over and across Old Lawson Road to a point where said line reaches the west property line of Samuel A. Haught Survey, ABST 567 PG 698 Tract 13, thence:

Northeasterly for a distance of approximately 180 feet along the west property line of Samuel A. Haught Survey, ABST 567 PG 698 Tract 13, said property line also being the east ROW line of Old Lawson Road, to a point parallel with the west property line of Samuel A. Haught Survey, ABST 567 PG 698 Tract 6, thence:

Northwesterly, over and across Old Lawson Road, along the west property line of Samuel A. Haught Survey, ABST 567 PG 698 Tract 6 for a distance of approximately 410 feet to a corner, thence:

Northeasterly along the west property line of Samuel A. Haught Survey, ABST 567 PG 698 Tract 6 for a distance of approximately 30 feet for a corner, said corner also being a common corner of John P. Anderson Survey, ABST 1 PG 015 Tract 20, thence:

Northwesterly along the north property line of John P. Anderson Survey, ABST 1 PG 015 Tract 20 for a distance of approximately 900 feet for a shared corner of Wainwright Blk 1 Lot 1, thence:

Northwesterly, over and across Lawson Road, to a point where said line intersects with the northeast corner of John P. Anderson Survey, ABST 1 PG 015 Tract 21, thence:

Northwesterly along the north property line of John P. Anderson Survey, ABST 1 PG 015 Tract 21 for a distance of 1,250 feet where said property line becomes the common boundary line with Reinvestment Zone Number Fifteen, City of Mesquite, Texas (Solterra), and continuing along the common boundary line with Reinvestment Zone Number Fifteen, City of Mesquite, Texas (Solterra) to a point where said line intersects with the northeast corner of John P. Anderson Survey, ABST 1 PG 015 Tract 23, thence:

Northwesterly along the north property line of John P. Anderson Survey, ABST 1 PG 015 Tract 23, said property line also being the common boundary line with Reinvestment Zone Number Fifteen, City of Mesquite, Texas (Solterra) to a point where said property line intersects with the northeast corner of John P. Anderson Survey, ABST 1 PG 015 Tract 25, thence:

Northwesterly along the north property line of John P. Anderson Survey, ABST 1 PG 015 Tract 25, said property line also being the common boundary line with Reinvestment Zone Number Fifteen, City of Mesquite, Texas (Solterra), over and across McKenzie Road (Alexander Road), to a point where said line reaches the west ROW line of McKenzie Road (Alexander Road), thence:

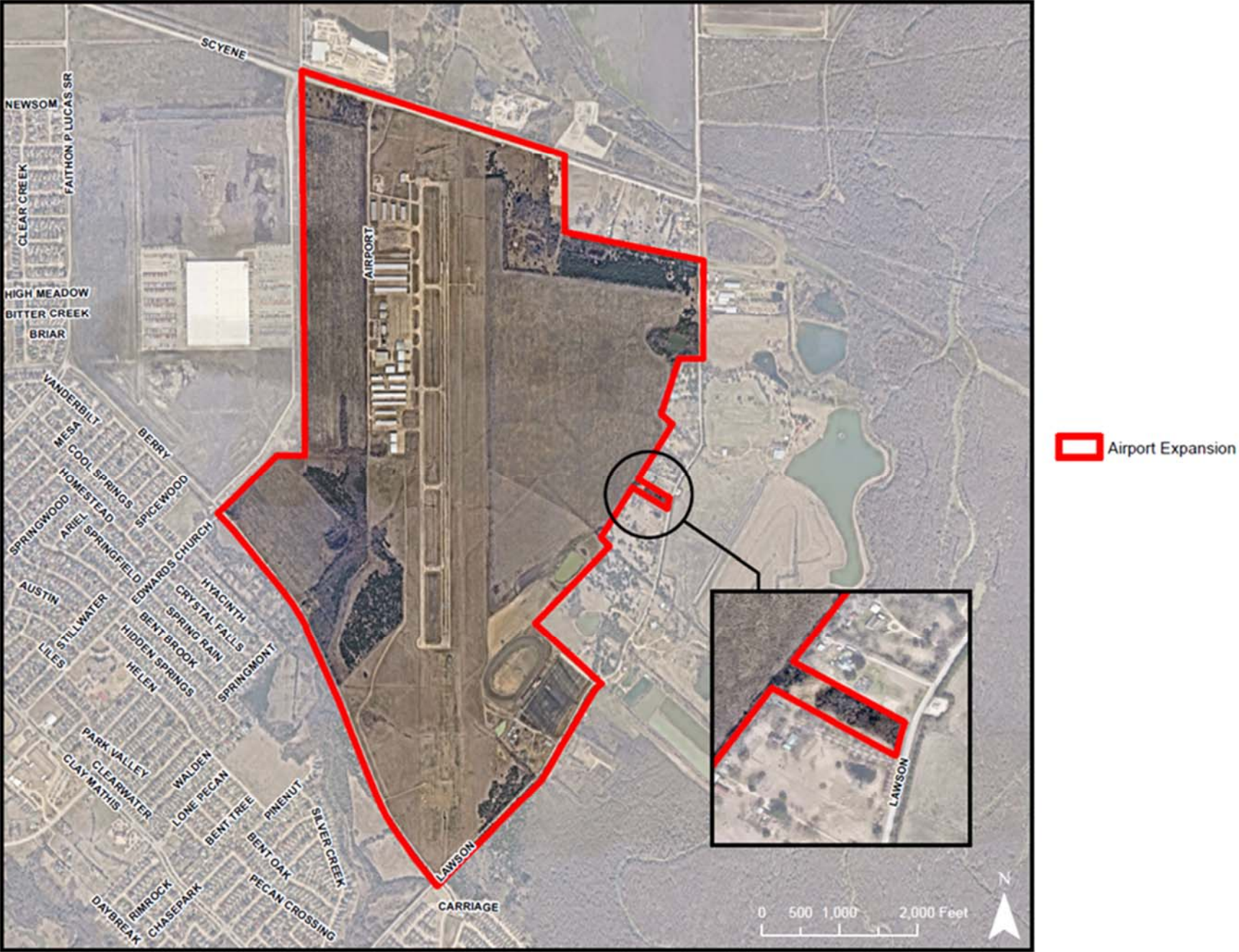
Southwesterly along the west ROW line of McKenzie Road (Alexander Road) to a point of curvature and continuing south and southeast along the south ROW line of McKenzie Road (Alexander Road), said ROW line also being the corporate boundary line of the City of Mesquite, to a corner of John P. Anderson Survey, ABST 1 PG 015 Tract 45, thence:

Southwesterly along the corporate boundary line of the City of Mesquite, to a point where said corporate boundary line reaches the north ROW line of Lasater Road, thence:

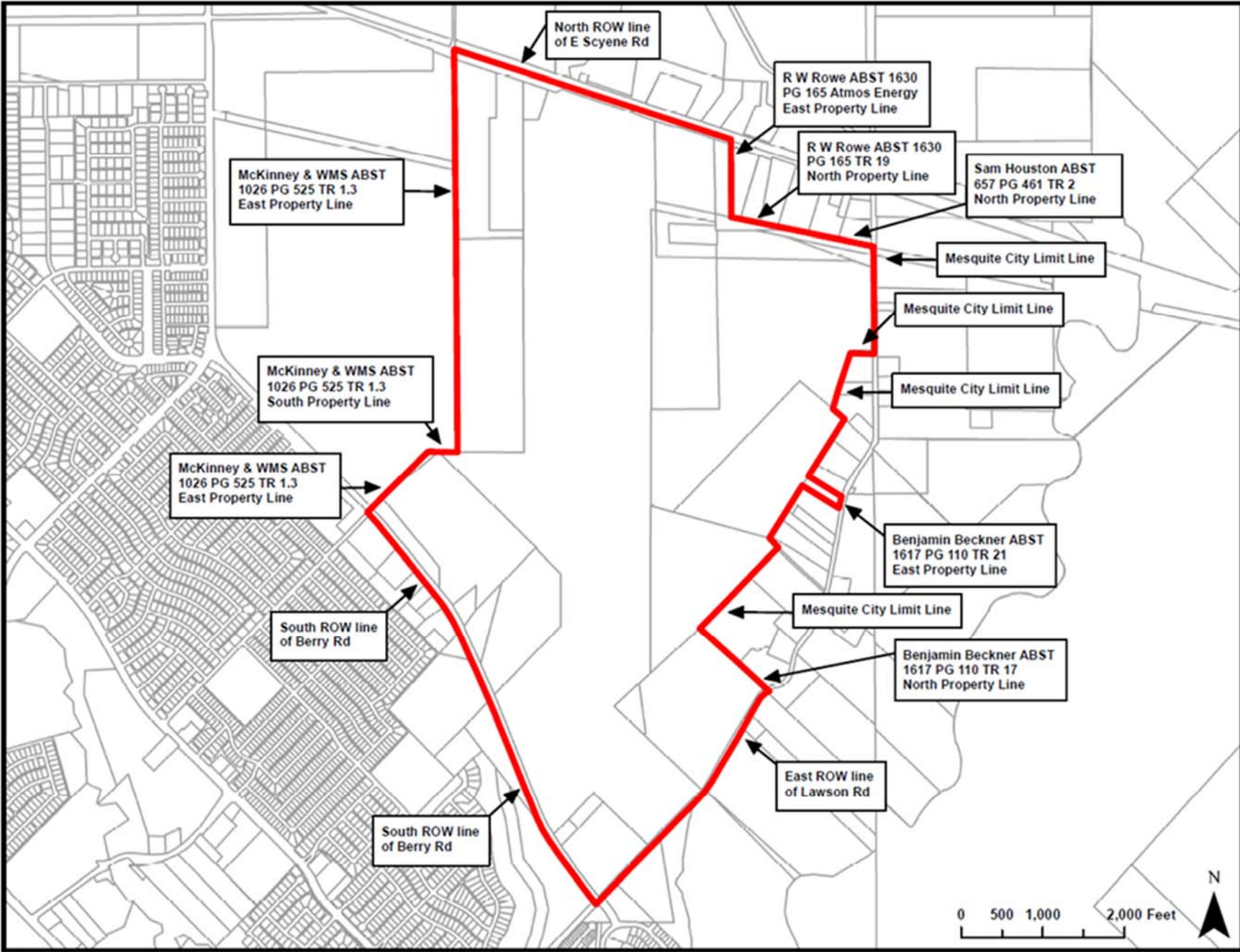
Southeasterly along the north ROW line of Lasater Road, said ROW line also being the corporate boundary line of the City of Mesquite, to a corner of John P. Anderson Survey, ABST 1 PG 015 Tract 45, thence:

Easterly along the south property line of John P. Anderson Survey, ABST 1 PG 015 Tract 45, said property line also being the north ROW line of the IH-20 westbound service road, continuing over and across Como Drive to the southwest corner of Blk A Lot 2 Woodland Park Subdivision, which is the point of beginning.

Airport Area Boundary



Airport Area Boundary Description



Airport Area Boundary Description

Beginning at the northeast corner of Edwards Survey, ABST 445 Blk L Lot 2A Creek Crossing Estates 17, and commencing northeast over and across Berry Road to a corner of McKinney & Williams Survey, ABST 1026 PG 525 Tract 1.3, thence:

Northeasterly along the east property line of McKinney & Williams Survey, ABST 1026 PG 525 Tract 1.3 for a distance of approximately 1,075 feet for a corner of said McKinney & Williams Survey, ABST 1026 PG 525 Tract 1.3, thence:

Easterly along the south property line of McKinney & Williams Survey, ABST 1026 PG 525 Tract 1.3 for a distance of approximately 300 feet for a corner of said McKinney & Williams Survey, ABST 1026 PG 525 Tract 1.3, thence:

Northerly along the east property line of McKinney & Williams Survey, ABST 1026 PG 525 Tract 1.3, continuing over and across Scyene Road to a point where said line reaches the north ROW line of Scyene Road, thence:

Easterly along the north ROW line of Scyene Road, said ROW line also being the corporate boundary line of the City of Mesquite, to a point where said corporate boundary line is parallel with the east property line of R.W. Rowe ABST 1630 PG 165 Atmos Energy Tract, thence:

Southerly along the east property line of R.W. Rowe ABST 1630 PG 165 Atmos Energy Tract to the southeast corner of said Atmos Energy Tract, said corner also being a point of intersection with the north property line of R.W. Rowe ABST 1630 PG 165 Tract 19, thence:

Easterly along the north property line of R.W. Rowe ABST 1630 PG 165 Tract 19 for a distance of approximately 800 feet for a shared corner of Sam Houston ABST 657 PG 461 Tract 2, thence:

Easterly along the north property line of Sam Houston ABST 657 PG 461 Tract 2 and continuing to the corporate boundary line of the City of Mesquite, said corporate boundary line also being the approximate centerline of Lawson Road, thence:

Southerly along the corporate boundary line of the City of Mesquite to a point where said corporate boundary line heads west, continuing over and across a portion of Lawson Road, to a point where said corporate boundary line reaches the northwest corner of Benjamin Beckner Survey, ABST 1617 PG 110 Tract 10, thence:

Southwesterly along the corporate boundary line of the City of Mesquite to a point where said corporate boundary line reaches the northwest corner of Benjamin Beckner Survey, ABST 1617 PG 110 Tract 21, thence:

Southeasterly along the north property line of Benjamin Beckner Survey, ABST 1617 PG 110 Tract 21 to the northeast corner of said Tract 21, thence:

Southerly along the east property line of Benjamin Beckner Survey, ABST 1617 PG 110 Tract 21 to the southeast corner of said Tract 21, thence:

Northwesterly along the south property line of Benjamin Beckner Survey, ABST 1617 PG 110 Tract 21 to the southwest corner of said Tract 21, said corner also being a point of intersection with the corporate boundary line of the City of Mesquite, thence:

Southwesterly along the corporate boundary line of the City of Mesquite to a point where said corporate boundary line reaches the northwest corner of Benjamin Beckner Survey, ABST 1617 PG 110 Tract 17, thence:

Southeasterly along the north property line of Benjamin Beckner Survey, ABST 1617 PG 110 Tract 17, over and across Lawson Road, to a point where said line reaches the east ROW of Lawson Road, thence:

Southwesterly along the east ROW line of Lawson Road to a point where said ROW line intersects with the south ROW line of Berry Road, thence:

Northwesterly along the south ROW line of Berry Road to the northeast corner of Edwards Survey, ABST 445 Blk L Lot 2A Creek Crossing Estates 17, which is the point of beginning.

IH-20 Area Current Land Use

Existing Uses and Conditions

Property within the IH-20 area of the TIRZ is vacant and undeveloped, with the exception of 2.89 acres owned by the City for the McKenzie elevated water tower and P25 public safety communications tower.

The City owns a total of 135.2 acres located on three other separate tracts located at 925 and 3400 McKenzie Road, and 4300 Lawson Road. The 48.4-acre tract located at 925 McKenzie Road was acquired in 2018 in a sale and purchase exchange with Mesquite ISD specifically to assemble additional developable land for the IH-20 Business Park. The other two City tracts totaling 86.81 acres were purchased, along with two other tracts outside the TIRZ, from the Resolution Trust Corporation (RTC) for \$50,000 in 1993. The RTC was the receiver of a \$2.5 million loan default by Macomo Properties as part of the greater savings and loan crisis of the 1980s.

The remaining privately-own tracts located at 4800 and 4900 Lasater Road, and 2700 McKenzie Road, were acquired by SLJ/42 Real Estate in 2018, 2019 and 2020 for the purpose of assembling the IH-20 Business Park

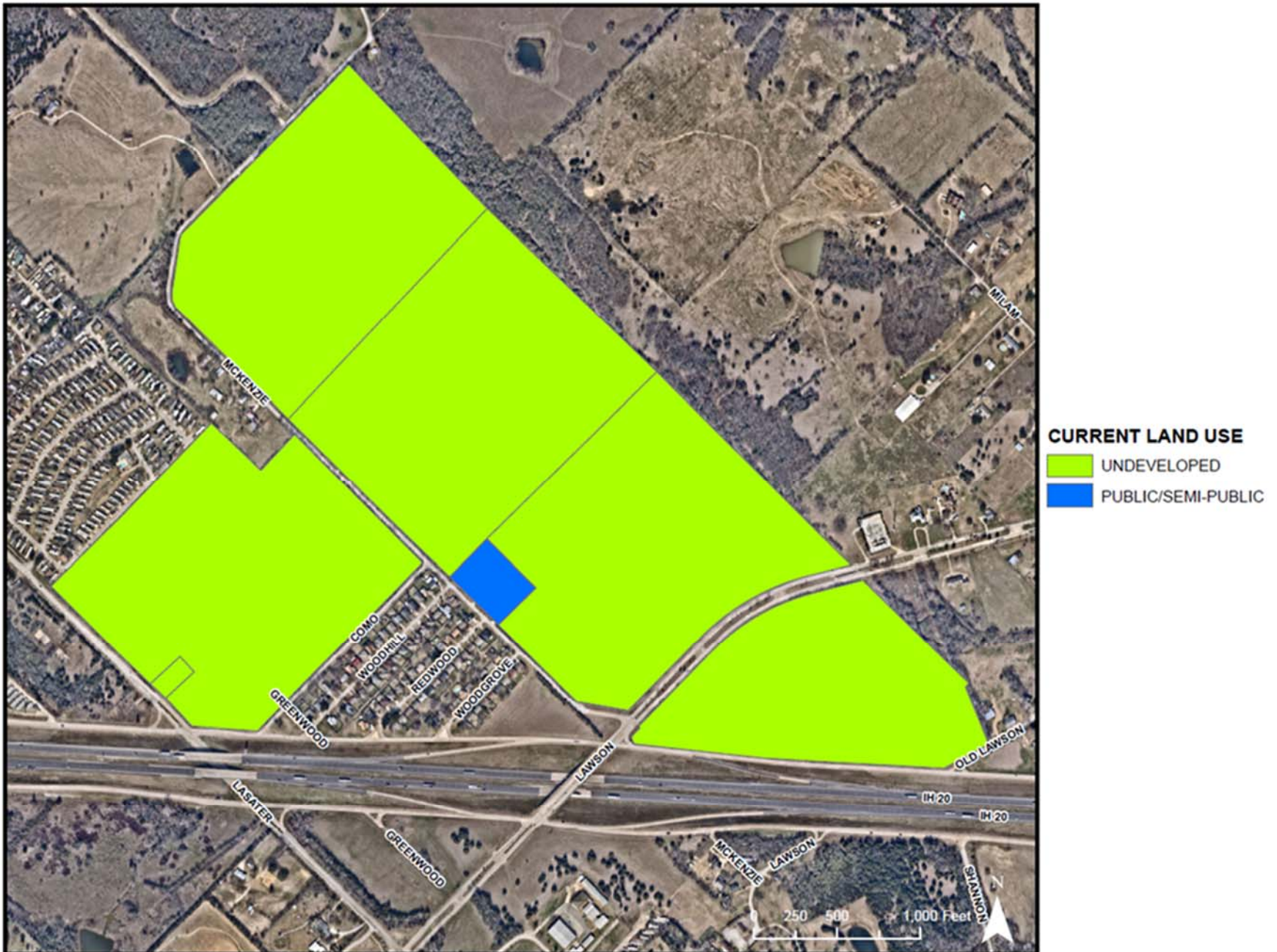


South View of City-owned Tract at 925 McKenzie Road



Northern View of City-owned Tracts at 3400 McKenzie Road (Left) and 4300 Lawson Road (Right)

IH-20 Area Current Land Use



Airport Area Current Land Use

Existing Uses and Conditions

Property surrounding the Mesquite Metro Airport is mostly vacant, undeveloped and zoned industrial. With exception of the City's 323.6-acre Airport and Mesquite Airport Logistics Center, two parcels have commercial uses, the 38-acre Devil's Bowl Speedway, located in the City's Extraterritorial Jurisdiction (ETJ), and the 4-acre Atmos Energy natural gas transmission line substation located at 4500 Scyene Road.

The Mesquite Metro Airport was first acquired in 1981 from the Hudson Family who first constructed the 4,000-foot asphalt runway in 1975. Since then, the Airport has grown into a major reliever airport for the north Texas region with a 6,000-foot concrete runway and corporate aircraft hangars.

Devil's Bowl Speedway is a dirt track, motor racing venue that began in 1949 and moved from Dallas to its present location in 1968. The other current use within the TIRZ is a 2-acre residential tract along Berry Road.



Northwest View of SLJ/42 Real Estate Property adjacent to Airport



View inside Devil's Bowl Speedway



North View of SLJ/42 Real Estate Property adjacent to Airport

Airport Area Current Land Use

Existing Uses and Conditions

Phase 1 of the Mesquite Airport Logistics Center is underway with construction of two Class A industrial buildings totaling 1,006,000 square feet and a taxable value of \$37 million.

In addition to the two industrial buildings, Dalfen Industrial will widen and reconstruct Airport Boulevard and relocate utilities. The wider and thicker road will be rated for heavy industrial truck traffic and will extend past the Airport and connect to Berry Road through access along Dalfen's future Building 5.

To accommodate the wider road, the Airport security fencing will be relocated and an added security gate installed so that access to the Airport is maintained. Dalfen will also reimburse the City all costs to raise the CASA weather radar tower along Airport Boulevard to a higher elevation required by the Federal Aviation Administration to clear the roofline of Dalfen's Building 1.



Southwest View of Building 1 Under Construction

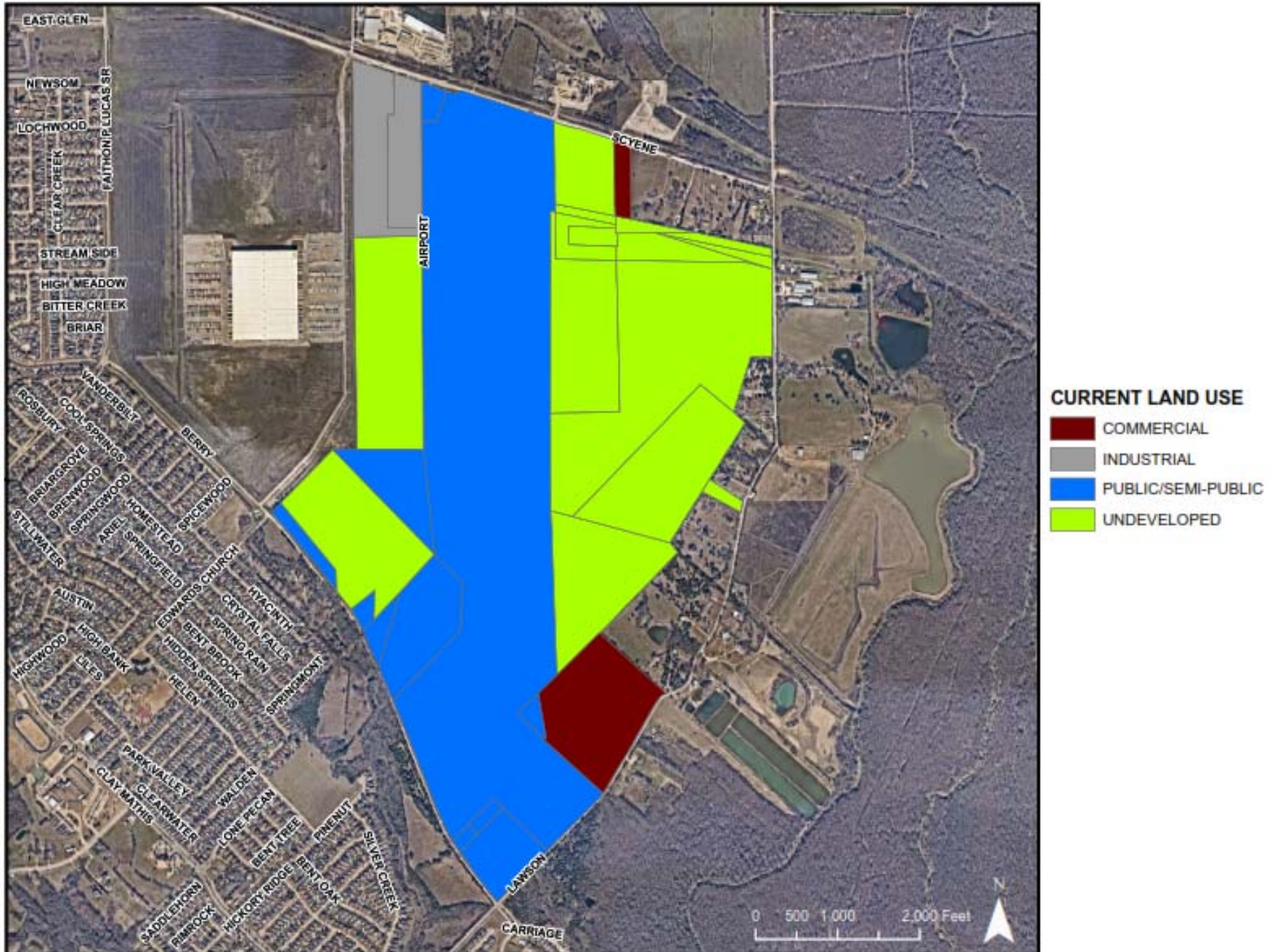


Building 1 Framing Under Construction



Building 1 Tilt Walls Being Poured

Airport Area Current Land Use



Current Property Ownership

Dallas Central Appraisal District records show fifty-nine (59) accounts for parcels owned by twenty-four (22) different property owners within the TIRZ for a total of 1,061.9 acres of land. The current total appraised value of taxable real property in the Zone is \$4,417,971. 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 \$415 million.

Airport Area

Fifty-two (52) of the parcels of land within the TIRZ are located within the Airport expansion area and total 819.23 acres of land. The current total appraised value of taxable real property for the City within the Airport area is \$4,336,744, and it's estimated that upon expiration of the 30-year term of the Zone, the total appraised value of taxable real property in the Airport area will be more than \$202 million, or 48 percent of the total growth within the TIRZ.

No.	PROPERTY ID	OWNER	ACREAGE	LEGAL DESCRIPTION	LAND	IMPROVEMENT VALUE	MARKET VALUE	EXEMPT VALUE	TOTAL ASSESSED VALUE
1	60HUDSON000000000	CITY OF MESQUITE	2.15	PHIL L HUDSON AIRPORT	\$ -	\$ -	\$ -	\$ -	\$ -
2	65102652510050100	CITY OF MESQUITE	2.45	MCKINNEY & WMS ABST 1026 PG 525	-	-	-	-	-
3	38HUDSON000000000	CITY OF MESQUITE	323.60	PHIL L HUDSON AIRPORT	-	-	-	-	-
4	65126254510049700	AIR REAL ESTATE, LLC	-	WM S ROBINSON ABST 1262 PG 545	-	451,660	451,660	-	451,660
5	65126254510049600	CITY OF MESQUITE	-	WM S ROBINSON ABST 1262 PG 545	-	-	-	-	-
6	38HUDSON0000009400	BIRDHOUSE TOO LLC	-	PHIL L HUDSON AIRPORT	-	474,240	474,240	-	474,240
7	38HUDSON0000009500	BIRDHOUSE LLC	-	PHIL L HUDSON AIRPORT	-	474,240	474,240	-	474,240
8	38HUDSON0000009200	SUNDANCE MC LLC	-	PHIL L HUDSON AIRPORT	-	489,220	489,220	-	489,220
9	38HUDSON0000009300	SUNDANCE MC LLC	-	PHIL L HUDSON AIRPORT	-	489,220	489,220	-	489,220
10	38HUDSON0000009600	GM HANGAR ONE	-	PHIL L HUDSON AIRPORT	-	469,250	469,250	-	469,250
11	38HUDSON0000009700	D4 CLASSIC INDUSTRIES	-	PHIL L HUDSON AIRPORT	-	102,960	102,960	-	102,960
12	38HUDSON0000009800	D2 COMMANCHE GROUP	-	PHIL L HUDSON AIRPORT	-	80,000	80,000	-	80,000
13	38HUDSON0000009900	D1 COMMANCHE GROUP	-	PHIL L HUDSON AIRPORT	-	80,000	80,000	-	80,000
14	65126254510049800	CITY OF MESQUITE	-	WM S ROBINSON ABST 1262 PG 545	-	-	-	-	-
15	65126254510049400	AR19 ASSETS LLC	-	WM S ROBINSON ABST 1262 PG 545	-	167,770	167,770	-	167,770
16	65126254510049900	AIRPORT PROPERTIES INC	-	WM S ROBINSON ABST 1262 PG 545	-	-	-	-	-
17	65126254510020100	CITY OF MESQUITE	50.00	WM S ROBINSON ABST 1262 PG 545	-	-	-	-	-
18	65126254510020000	DG MESQUITE AIRPORT PROPERTY	22.37	WM S ROBINSON ABST 1262 PG 545	514,560	-	514,560	511,652	2,908
19	65117470010080100	DG MESQUITE III PROPERTY	40.70	JOHN PIKE ABST 1174 PG 700	324,990	-	324,990	319,699	5,291
20	65117470010080200	DALLAS CITY OF	4.47	JOHN PIKE ABST 1174 PG 700	-	-	-	-	-
21	65117470010070000	CITY OF MESQUITE	1.95	JOHN PIKE ABST 1174 PG 700	67,900	47,750	115,650	94,269	21,381
22	65117470010020000	CITY OF MESQUITE	3.45	JOHN PIKE ABST 1174 PG 700	108,680	-	108,680	-	108,680
23	65117470010030000	CITY OF MESQUITE	22.57	JOHN PIKE ABST 1174 PG 700	-	-	-	-	-
24	65016020510050000	CITY OF MESQUITE	14.04	W W BRUTON ABST 160 PG 205	-	-	-	-	-
25	38144900000010000	CITY OF MESQUITE	1.00	OLLIES	-	-	-	-	-
26	38144900000020000	CITY OF MESQUITE	1.67	OLLIES	-	-	-	-	-

Current Property Ownership

Airport Area Continued

No.	PROPERTY ID	OWNER	ACREAGE	LEGAL DESCRIPTION	LAND	IMPROVEMENT VALUE	MARKET VALUE	EXEMPT VALUE	TOTAL ASSESSED VALUE
27	65163016510070000	ATMOS ENERGY	4.22	R W ROWE ABST 1630 PG 165	71,460	86,150	157,610	-	157,610
28	65102652510050000	DG MESQUITE AIRPORT PROPERTY	15.77	MCKINNEY & WMS ABST 1026 PG 525	283,790	-	283,790	-	283,790
29	65065746110020000	DALLAS COUNTY OF	2.89	SAM HOUSTON ABST 657 PG 461	-	-	-	-	-
30	65163016510190000	DALLAS COUNTY OF	2.19	R W ROWE ABST 1630 PG 165	-	-	-	-	-
31	65126254510100000	FOWLER FARM TRUST	1.90	MCKW ROBINSON ABST 1262 & 1026	11,410	-	11,410	-	11,410
32	65126254510070000	MSAP 216 LLC & 42 BP LP	6.09	WM S ROBINSON ABST 1262 PG 545	16,620	-	16,620	16,228	392
33	6512625451007D100	MSAP 216 LLC & 42 BP LP	6.09	WM S ROBINSON ABST 1262 PG 545	16,890	-	16,890	16,491	399
34	65126254510080000	NIETO JEFFREY ALAN	3.00	WM S ROBINSON ABST 1262 PG 545	40,950	-	40,950	-	40,950
35	65065746110010100	SCOTT EVELYN F ESTATE	2.31	SAM HOUSTON ABST 657 PG 461	5,680	-	5,680	5,531	149
36	6506574611001D100	MSAP 216 LLC & 42 BP LP	11.69	SAM HOUSTON ABST 657 PG 461	32,400	-	32,400	31,635	765
37	6506574611001D200	MSAP 216 LLC & 42 BP LP	2.31	SAM HOUSTON ABST 657 PG 461	6,410	-	6,410	-	6,410
38	65065746010020000	MSAP 216 LLC & 42 BP LP	90.46	SAM HOUSTON ABST 657 PG 461	246,820	-	246,820	240,987	5,833
39	6506574601002D100	MSAP 216 LLC & 42 BP LP	0.10	SAM HOUSTON ABST 657 PG 461	250,730	-	250,730	244,804	5,926
40	65065746110010000	SCOTT EVELYN F ESTATE	0.10	SAM HOUSTON ABST 657 PG 461	28,710	-	28,710	27,957	753
41	65161711010010200	MSAP 216 LLC & 42 BP LP	47.22	BENJAMIN BECKNER ABST 1617 PG110	115,940	-	115,940	112,896	3,044
42	6516171101001D200	MSAP 216 LLC & 42 BP LP	0.10	BENJAMIN BECKNER ABST 1617 PG110	160,610	-	160,610	157,517	3,093
43	65161711010010000	EDWARDS LANNY LIVING TRUST	38.14	BENJAMIN BECKNER ABST 1617 PG110	188,800	-	188,800	185,749	3,051
44	65161711010170000	EDWARDS LANNY D TR & BEVERLY K	38.37	BENJAMIN BECKNER ABST 1617 PG110	201,420	151,610	353,030	353,030	-
45	65161711010170001	EDWARDS LANNY LIVING TRUST	-	BENJAMIN BECKNER ABST 1617 PG110	-	820	820	820	-
46	750CW2020354TXA00	EDWARDS BEVERLY K	-	BENJAMIN BECKNER ABST 1617 PG110	-	55,040	55,040	55,040	-
47	65161711010210000	MSAP 216 LLC & 42 BP LP	1.58	BENJAMIN BECKNER ABST 1617 PG110	23,550	-	23,550	23,550	-
48	65102652510060000	MSAP 216 LLC & 42 BP LP	17.10	MCKINNEY & WMS ABST 1026 PG 525	134,350	-	134,350	-	134,350
49	6510265251006D100	MSAP 216 LLC & 42 BP LP	0.10	MCKINNEY & WMS ABST 1026 PG 525	136,480	-	136,480	-	136,480
50	65102652510050001	DG MESQUITE AIRPORT PROPERTY	1.00	MCKINNEY & WMS ABST 1026 PG 525	35,000	85,830	120,830	-	120,830
51	6512625451001D100	MSAP 216 LLC & 42 BP LP	0.10	WM S ROBINSON ABST 1262 PG 545	99,980	-	99,980	97,617	2,363
52	65126254510010000	MSAP 216 LLC & 42 BP LP	35.97	WM S ROBINSON ABST 1262 PG 545	98,420	-	98,420	96,094	2,326

Current Property Ownership and Zoning

IH-20 Area

Dallas Central Appraisal District records show seven accounts for six parcels owned by two different property owners, the City of Mesquite and IH-20 IP, LLC & SLJ CO, LLC, for a total of 242.67 acres of land. The current total appraised value of taxable real property for the City within the IH-20 area is \$81,227. It is estimated that upon expiration of the 30-year term of the Zone, the total appraised value of taxable real property in the IH-20 area will be more than \$213 million, or 52 percent of the total growth within the TIRZ.

No.	PROPERTY ID	OWNER	ACREAGE	LEGAL DESCRIPTION	LAND	IMPROVEMENT VALUE	MARKET VALUE	EXEMPT VALUE	TOTAL ASSESSED VALUE
53	65000101510200000	CITY OF MESQUITE	34.94	J P ANDERSON ABST 1 PG 015	\$ -	\$ -	\$ -	\$ -	\$ -
54	65000101510210000	CITY OF MESQUITE	51.87	J P ANDERSON ABST 1 PG 015	-	-	-	-	-
55	65000101510230000	IH 20 IP LLC & SLJ CO, LLC	55.54	J P ANDERSON ABST 1 PG 015	971,990	-	971,990	966,992	4,998
56	650001015102300HS	IH 20 IP LLC & SLJ CO, LLC	1.00	J P ANDERSON ABST 1 PG 015	17,500	52,110	69,610	-	69,610
57	65000101510250000	CITY OF MESQUITE	48.40	J P ANDERSON ABST 1 PG 015	-	-	-	-	-
58	65000101510450000	IH 20 IP LLC & SLJ CO, LLC	50.13	J P ANDERSON ABST 1 PG 015	877,280	-	877,280	870,764	6,516
59	65000101510450100	IH 20 IP LLC & SLJ CO, LLC	0.80	J P ANDERSON ABST 1 PG 015	11,950	-	11,950	11,847	103

Zoning and Characteristics

The TIRZ is currently located within the City and partially within the ETJ, and the majority of the parcels within the TIRZ are zoned Industrial. Property within the TIRZ is mostly undeveloped, and there is a need to provide drainage and sanitary sewer infrastructure to support future development in the IH-20 area.

It's anticipated that SLJ/42 Real Estate will request a rezoning of their IH-20 area property from General Retail and Agricultural to Industrial, and all of the property within the Airport area will be zoned Industrial, with the exception of three tracts that lie outside the City Limits within the ETJ.

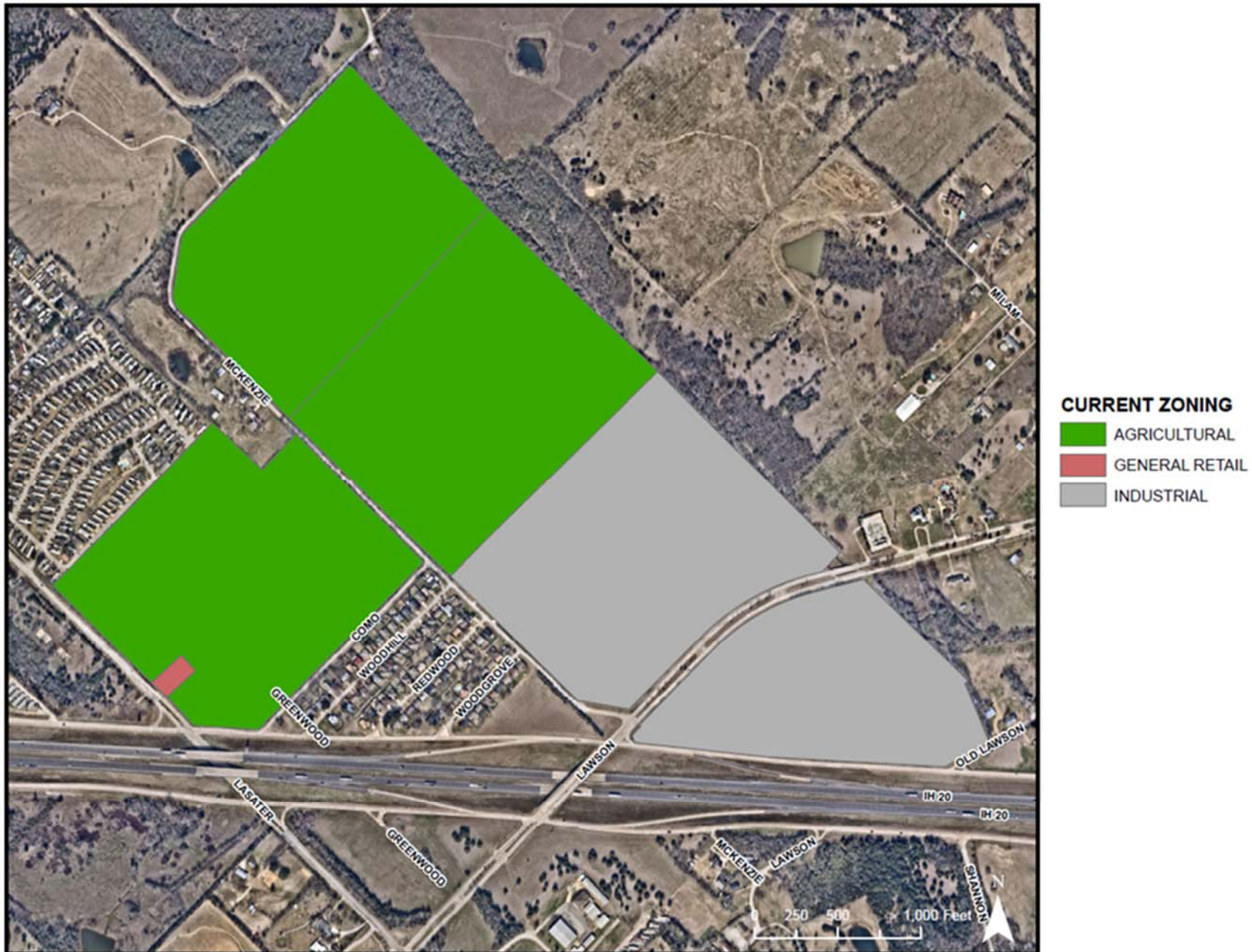
No other proposed changes are anticipated to City codes, ordinances or subdivision rules and regulations.

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.

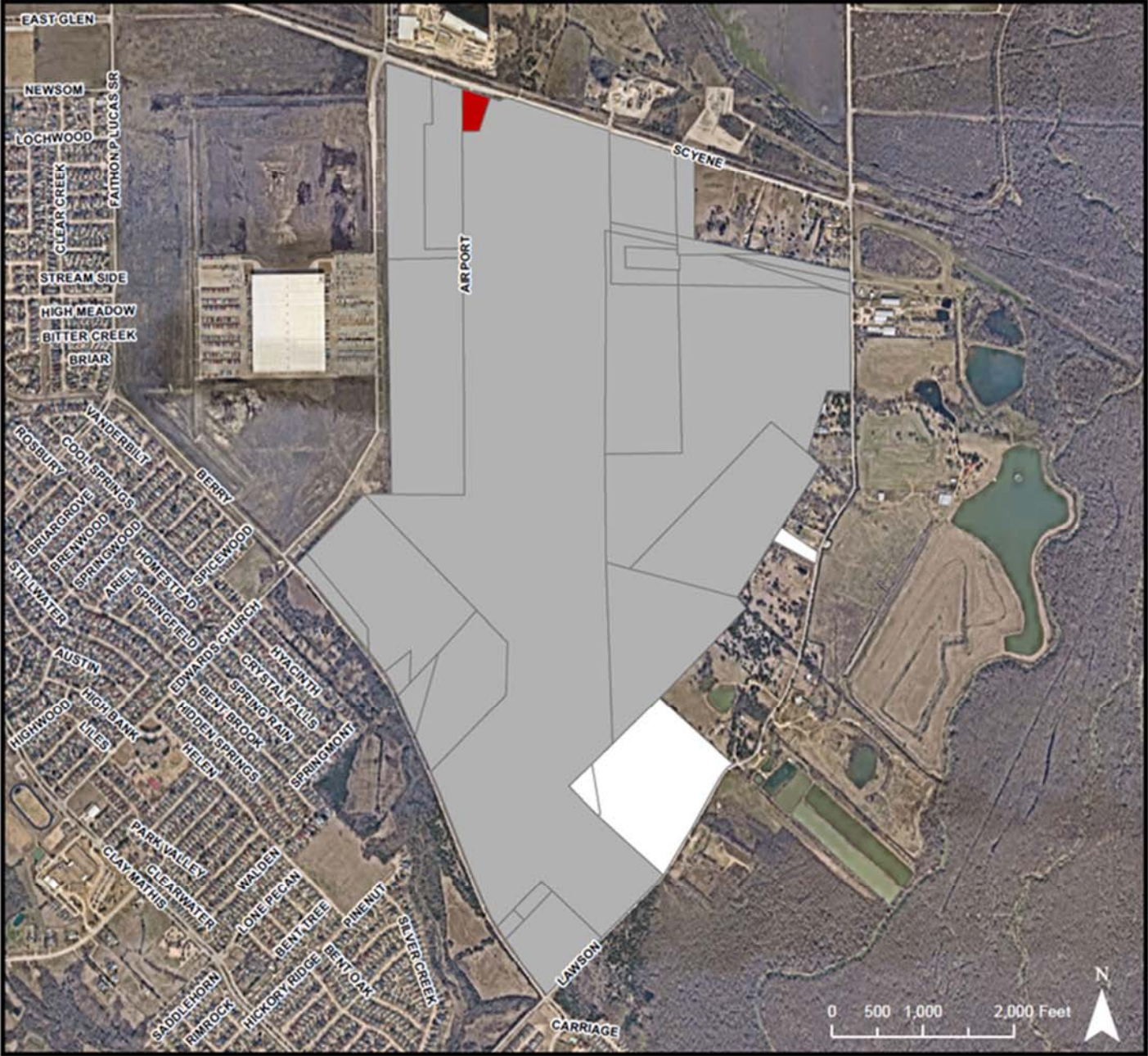


Future Entrance to Mesquite Airport Logistics Center

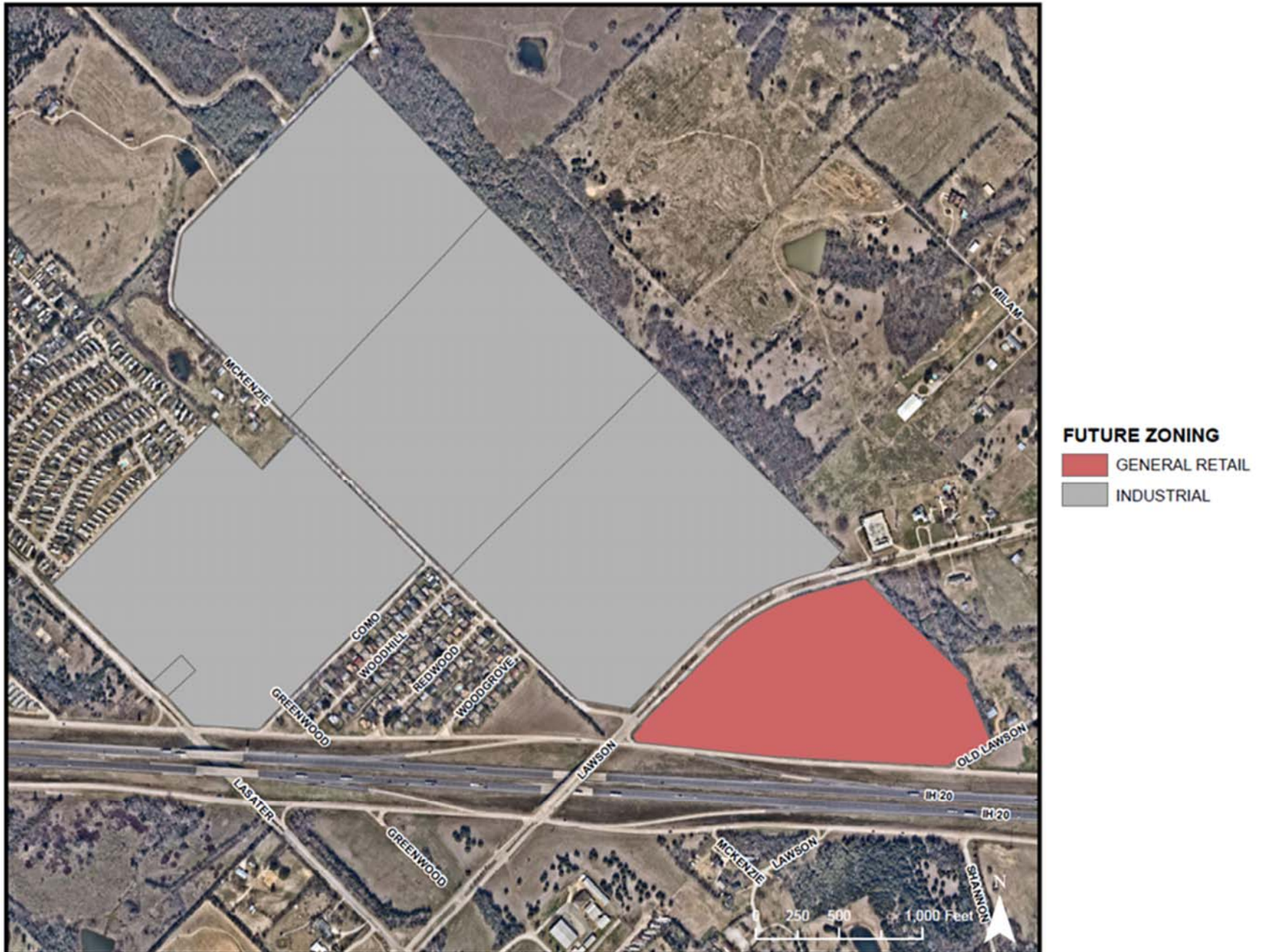
IH-20 Area Current Zoning



Airport Area Current Zoning



IH-20 Area Future Zoning



Airport Area Future Zoning



Proposed Uses

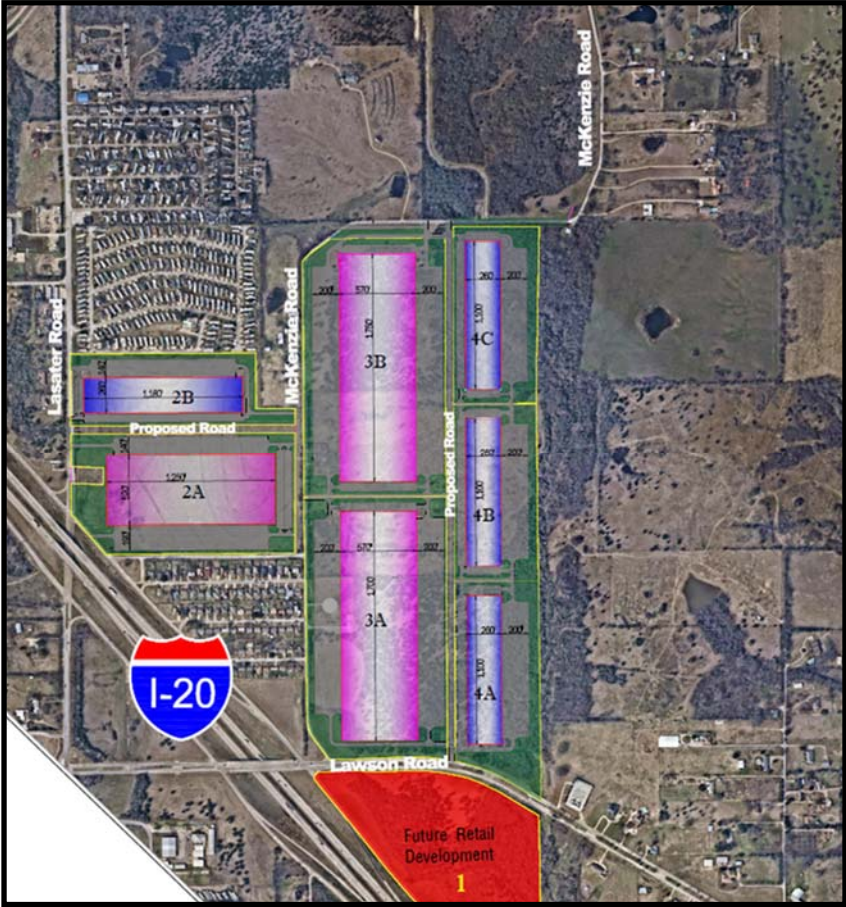
Land uses for property within the IH-20 area of the TIRZ will be a mixture of retail and industrial. The SLJ/42 Real Estate concept plan as shown to the right is the 2018 plan and will change; however, the Developer is still modifying the concept plan based on continued findings from the Garver Engineering study as well as changing market demands, and those revisions will be incorporated in a future amendment to this Project and Financing Plan.

The 34.94-acre tract located at 4300 Lawson Road, currently owned by the City, will be purchased by the Developer under a Chapter 380 Agreement and will be developed as retail. The remaining assemblage of land will be developed as one contiguous industrial park with distribution cross-dock and cold storage uses and possibly a data center.

The distribution cross-dock may be a combination of speculative industrial buildings and/or build-to-suit. 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:

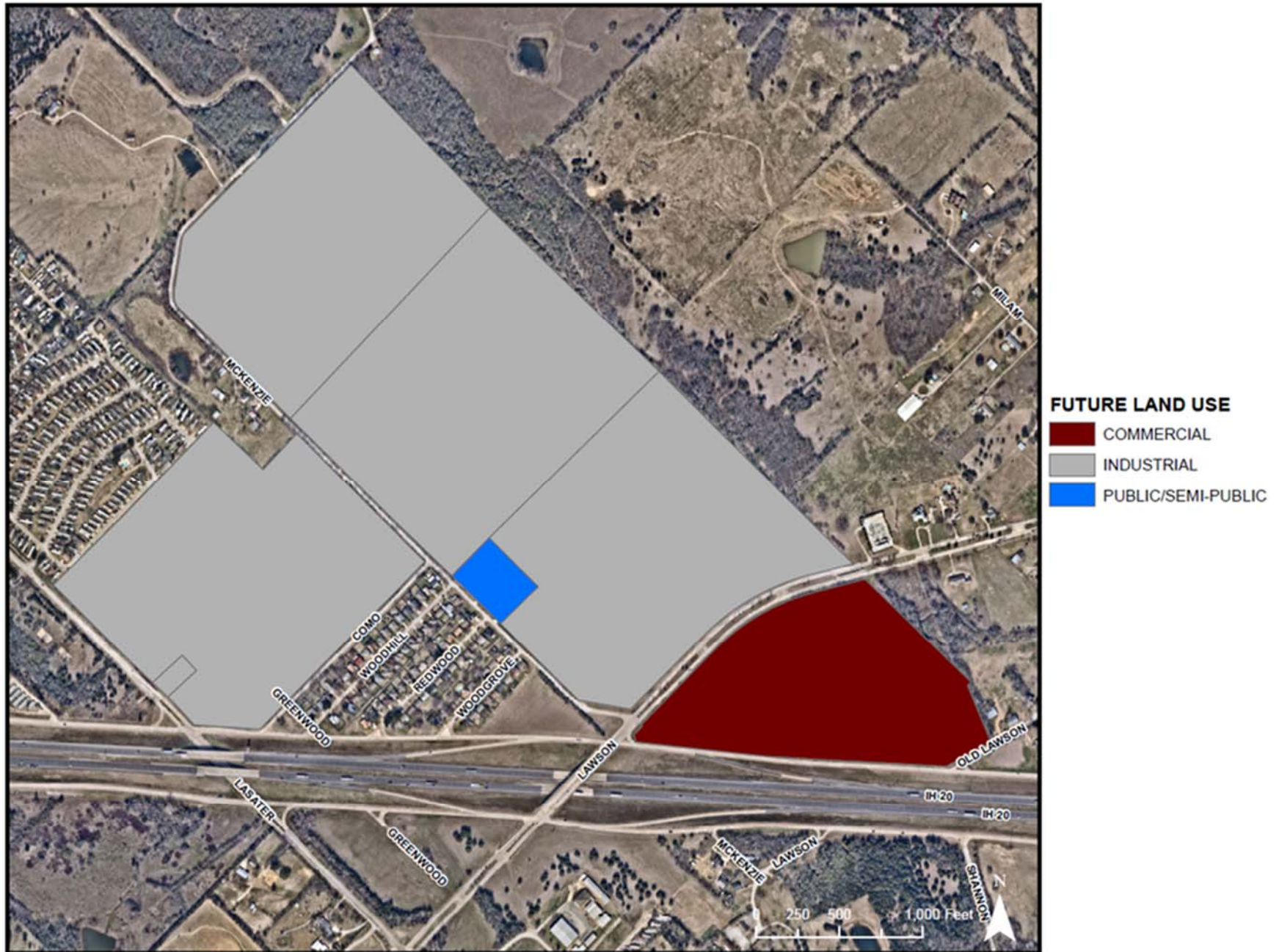
- Sale-leaseback: In this process, a tenant will acquire the land, assume the liability of financing, and hire a general contractor to plan and construct the building. The tenant may then sell the property to an investor and lease the property back
- Using a Developer: Based on the company specifications,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



2018 IH-20 Business Park Concept Plan

IH-20 Area Future Land Use



Airport Area Future Land Use

Proposed Uses

Land uses for property within the Airport area of the TIRZ will be mostly industrial with some private airport hangar development east of the Mesquite Metro Airport. Both SLJ/42 Real Estate and Dalfen Industrial plan to construct Class A industrial buildings specializing in build-to-suit facilities to house distribution/cross-dock and cold storage operations.

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.

While the SLJ/42 Real Estate concepts are still under revision, Phase 1 of Dalfen’s Mesquite Airport Logistics Center will consist of two Class A distribution centers totaling 1,006,338 square feet located just west of Mesquite Metro Airport. Building 1 will be a 379,619 square-foot, cross-dock facility with 80 dock doors and four drive-in doors. Building 2 will be a 626,719 square-foot, cross-dock facility with 134 dock doors and four drive-in doors. Both buildings have 36’ clear heights. The developer expects Phase 1 to be completed by 2022.

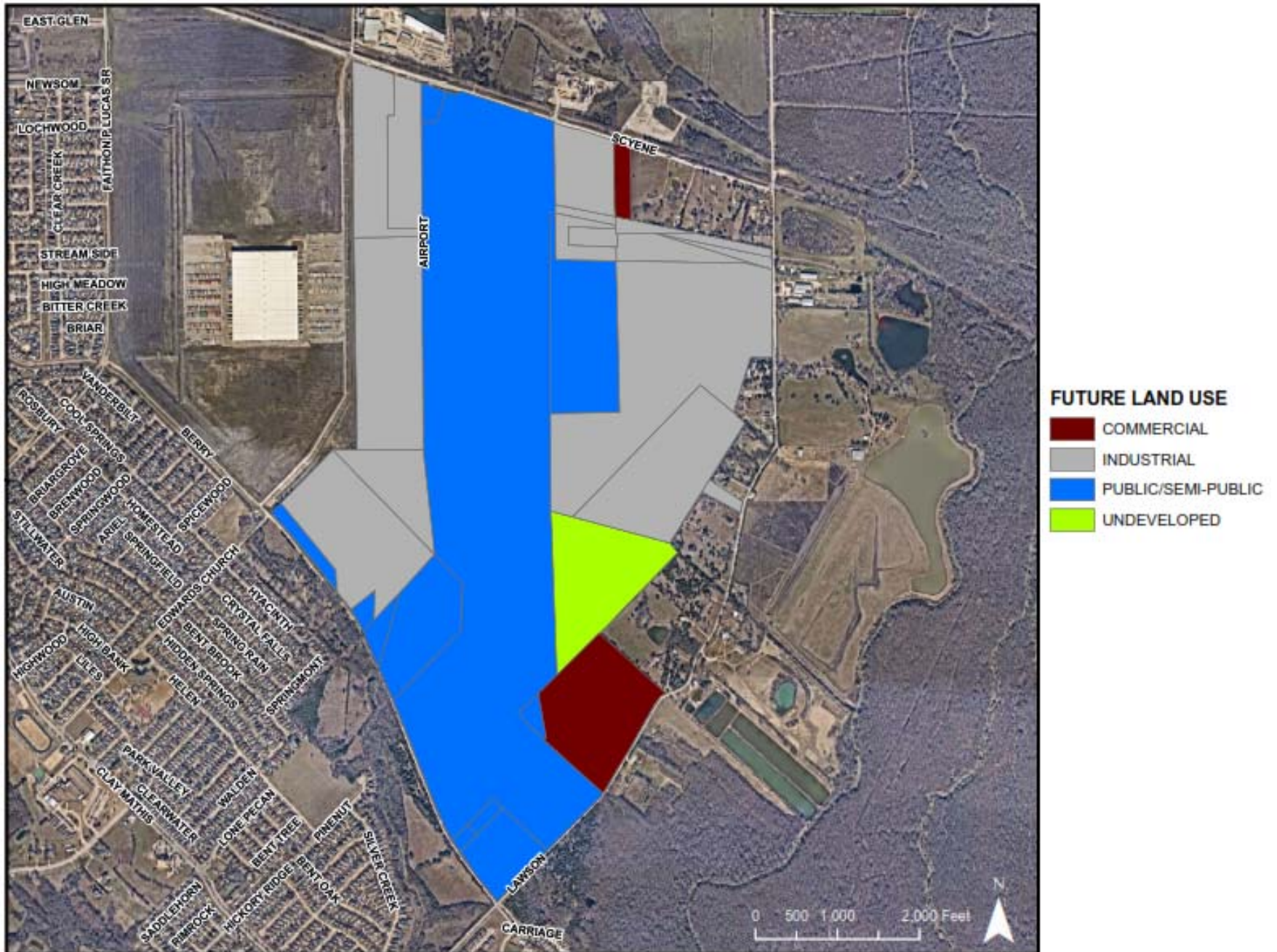
Phase 2 of Mesquite Airport Logistics Center will consist of three Class A industrial buildings totaling 1,326,950 square feet located just west of Mesquite Metro Airport and connecting to Berry Road. Buildings 3 and 4 will be a 340,000 square-foot, cross-dock facilities and Building 5 will be a 646,950 square-foot cross-dock facility. The developer expects Phase 2 to be completed by 2023.

Dalfen Industrial is an investor and developer of industrial properties in the United States and Canada. The company has been in the commercial real estate business since 1970 and entered the U.S. market in 1990. During the last year, Dalfen has completed more than \$1.7 billion in property transactions and they own and operate more than 25 million square feet of industrial buildings across the United States.

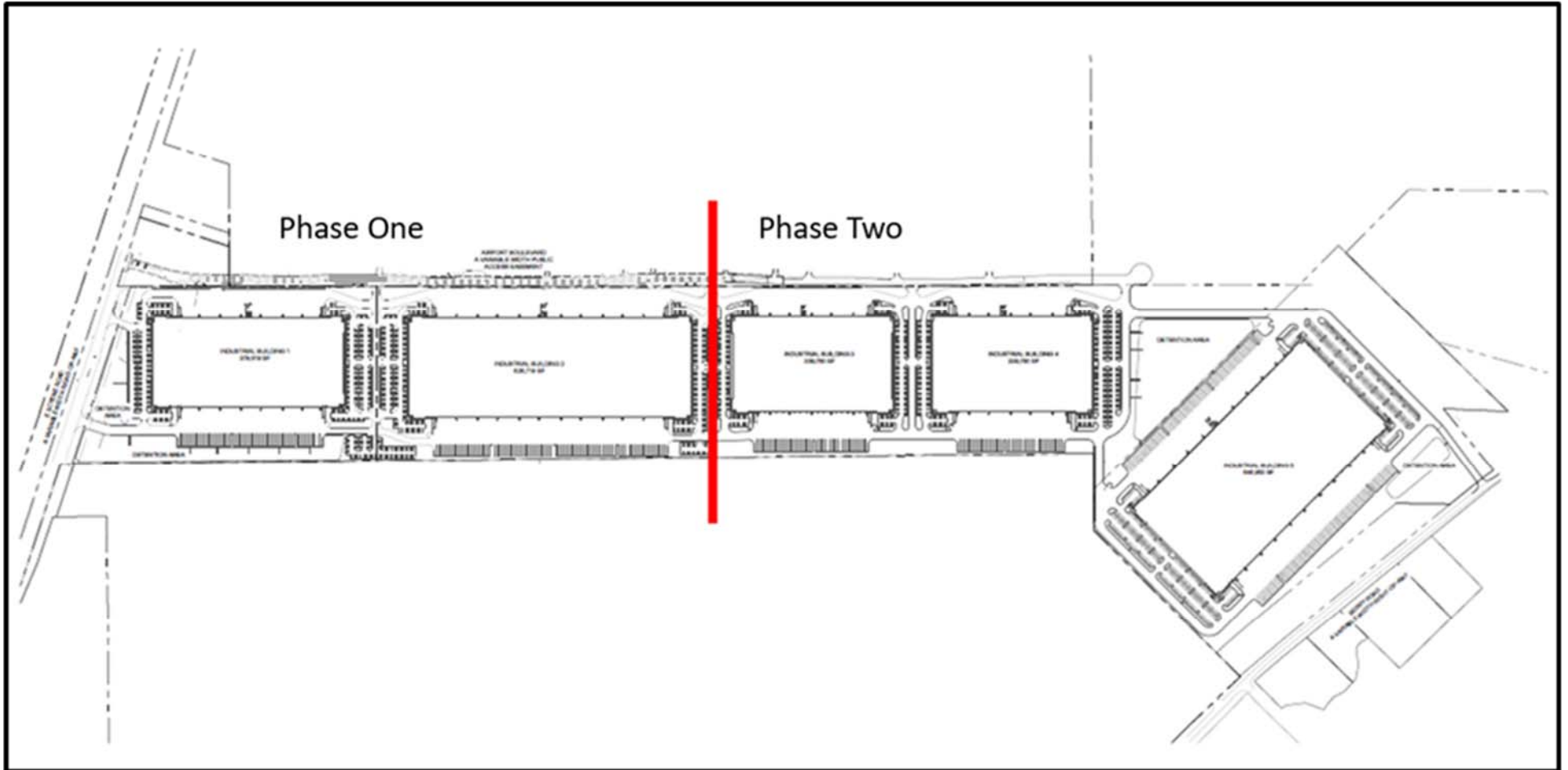


Elevation Concepts of Class A Industrial Designed by GSR Andrade Architects

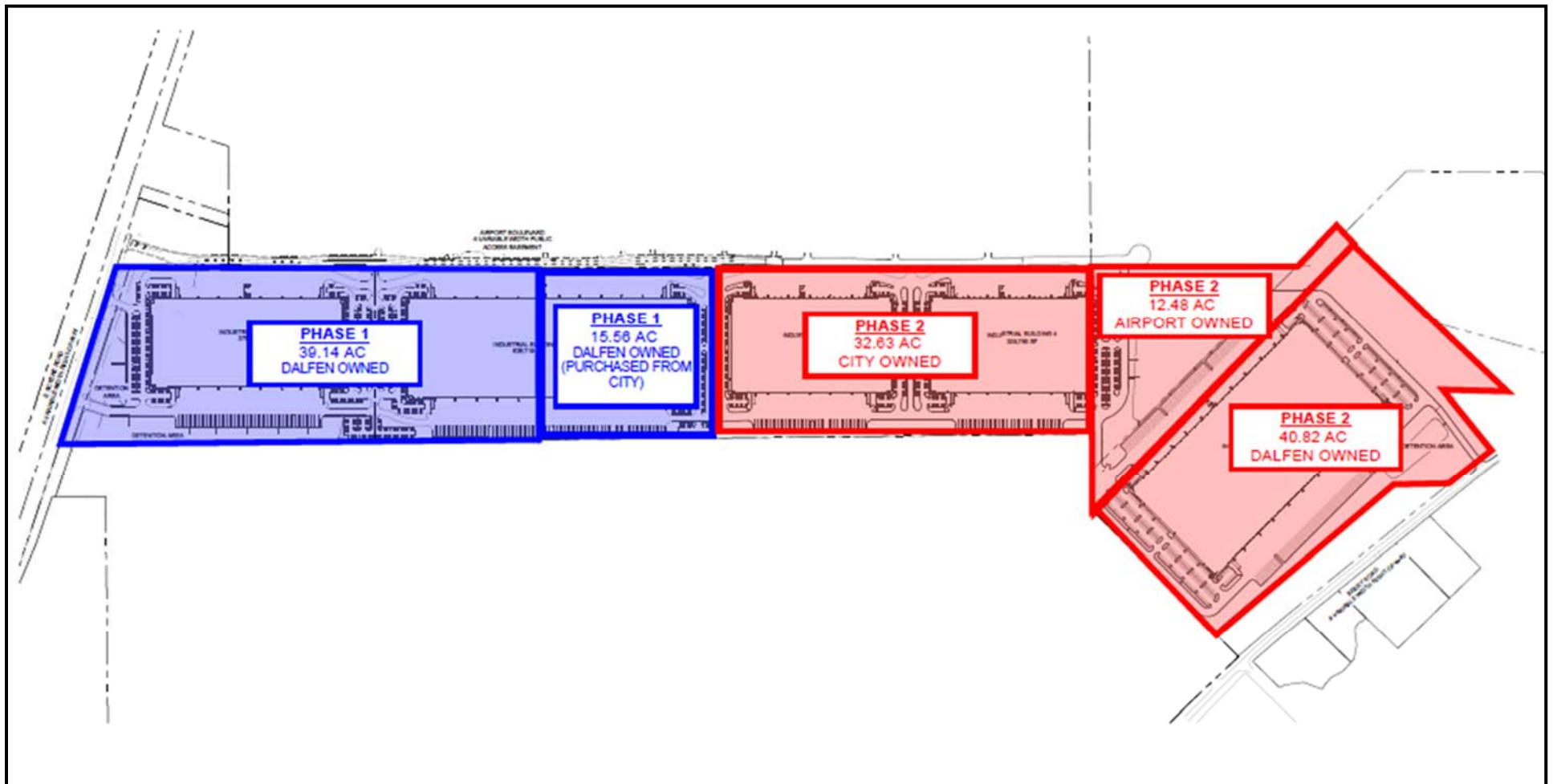
Airport Area Future Land Use



Mesquite Airport Logistics Center Site Plan



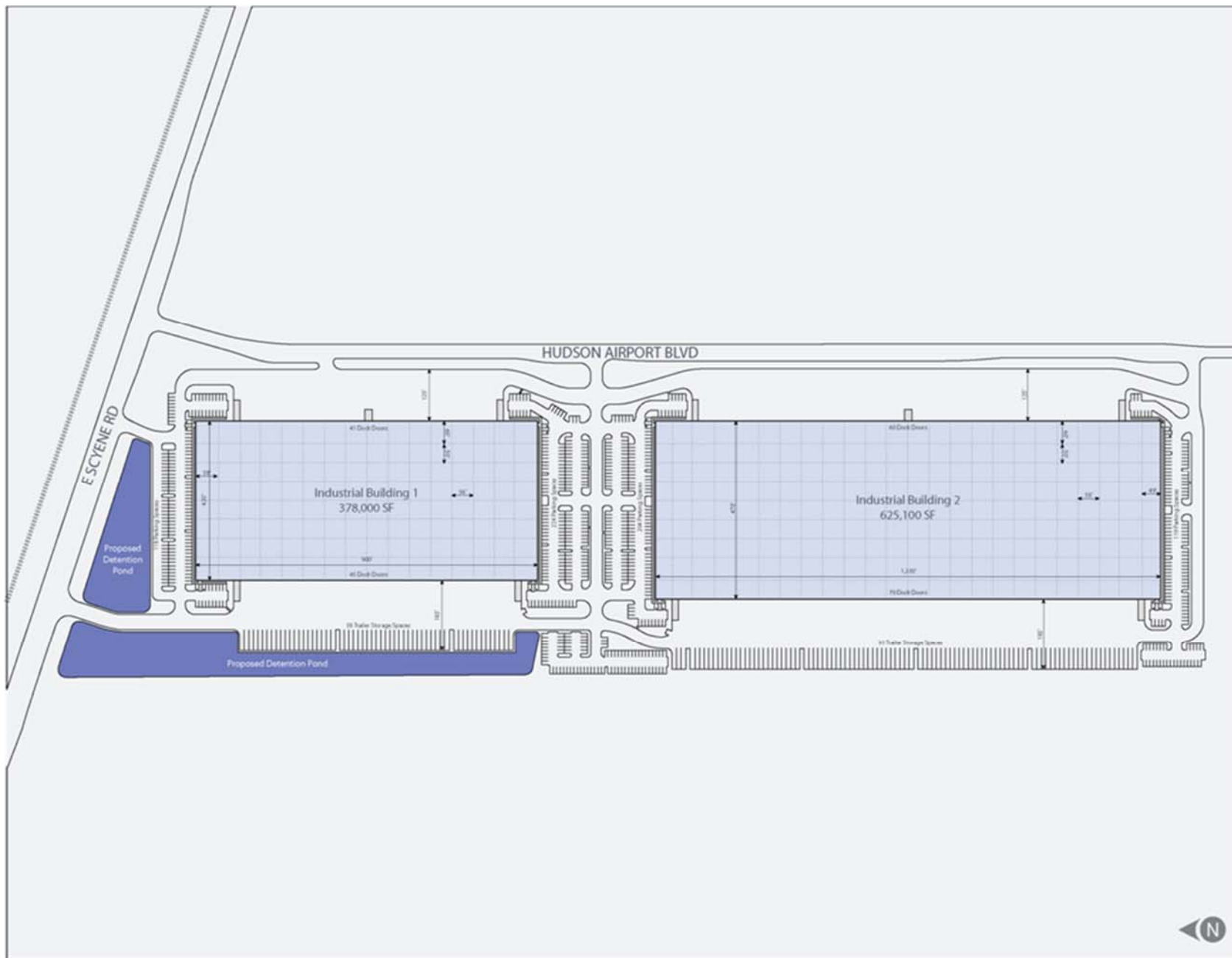
Mesquite Airport Logistics Center Phasing



Mesquite Airport Logistics Center Phase 1 Concept



Mesquite Airport Logistics Center Phase 1 Site Plan



Proposed Project Costs

This project plan is bifurcated between the 2018 original TIRZ boundary and IH-20 Business Park concept, and the expanded noncontiguous area around the Mesquite Metro Airport.

The Developer, SLJ/42 Real Estate, is still revising project costs based on preliminary findings of drainage and sanitary sewer costs from a hydrological study conducted by Garver Engineering; therefore, the project costs summarized on the following two pages refer only to the original 2018 estimated project costs and private investment for 3.7 million square feet of industrial and retail development.

The 2018 public infrastructure improvements to be constructed within the TIRZ were estimated at \$23,850,721 with the TIRZ reimbursing 50 percent, or \$12,422,610. The costs illustrated in the tables are estimates and will be revised when this Project and Financing Plan is amended to reflect the revised SLJ/42 Real Estate concept plan. Savings from one line item may be applied to cost increases in another line item in accordance with the terms of the Chapter 380 Agreement.

The categories of public improvements to be constructed by the Developer include water, sanitary sewer, and storm drainage facilities, roadway improvements, landscaping, and wetland improvements and are meant to include all projects eligible under Chapter 311, Section 311.002 of the Texas Tax Code.

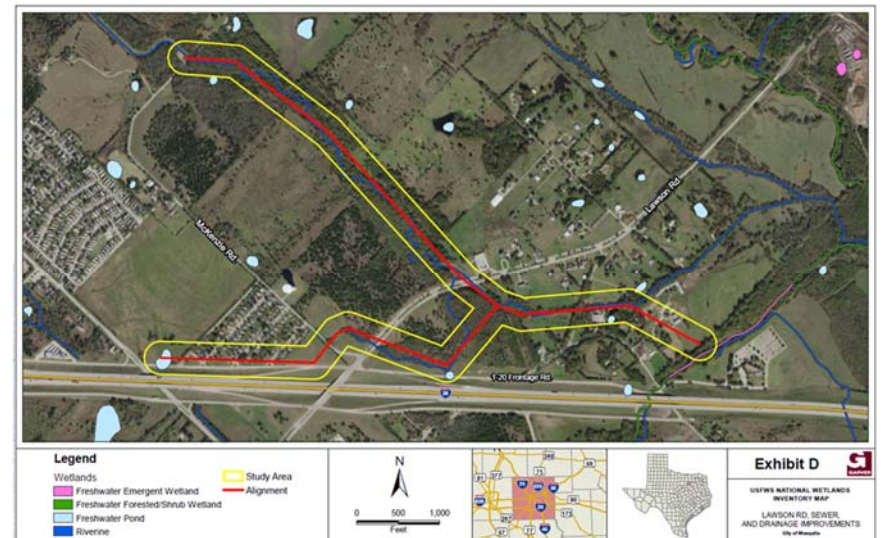
SLJ/42 Real Estate, under its affiliate IH 20 IP, LP., intends to purchase the three City-owned tracts of land totaling 135.2 acres (which does not include the 2.9-acre tract where the McKenzie elevated water storage tower is located) at fair market value to complete their assemblage of property needed to begin development of the IH-20 Business Park. The Developer will receive grants of the purchase price through the 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 \$440 million.

Relocation of Displaced Persons

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



Garver Engineering Hydrologic Study Area

Total Costs of Project as Provided by Developer 6/22/2018

Category	Total Project Costs 6/22	TIRZ Reimbursable (50% of TIRZ Eligible Costs) ¹
Infrastructure Costs		
Lasater Road Construction ³	\$ -	\$ -
McKenzie Road Construction	1,579,572	\$ 789,786
Como Road Construction ⁴	-	\$ -
Interior Park Road Construction	1,569,627	\$ 784,814
Offsite Sanitary Sewer Extension		\$ -
8" cost (required)	2,320,500	\$ 1,160,250
15" cost (oversizing)	994,500	\$ 994,500 ²
Sanitary Sewer System	347,000	\$ 173,500
Water Main in McKenzie Road	750,000	\$ 375,000
Water Distribution System	466,000	\$ 233,000
Mass Grading/Excavation to create developable property	7,029,000	\$ 3,514,500
Industrial Park Detention Pond & Storm Drainage to Detention Pond	1,380,000	\$ 690,000
Creek / Wetland Study and Improvements	4,199,773	\$ 2,099,887
Entry Feature and Landscaping	150,000	\$ 75,000
Surveys, Environmental, Geotech & Other Reports	1,929,000	\$ 964,500
Contingency	1,135,749	\$ 567,874
TOTAL Infrastructure Costs	23,850,721	\$ 12,422,610
BUILDING COSTS		
Design Services		
Total Industrial Building and Site Construction (3,752,800 SF estimate x \$75.00 PSF estimate)	281,460,000	-
Total Retail Building and Site Construction (35,000 SF estimate x \$200.00 PSF estimate)	30,000,000	-
Permits & Impact Fees		-
Contingency (5%)	16,818,000	-
	328,278,000	12,422,610
TOTALS	\$352,128,721	\$ 12,422,610

Project Plan (IH-20 Area)

Category	Total Project Costs 6/22	TIRZ Reimbursable (50% of TIRZ Eligible Costs) ¹
Infrastructure Costs		
Lasater Road Construction ³	\$ -	\$ -
McKenzie Road Construction	1,579,572	\$ 789,786
Como Road Construction ⁴	-	-
Interior Park Road Construction	1,569,627	\$ 784,814
Offsite Sanitary Sewer Extension		\$ -
8" cost (required)	2,320,500	\$ 1,160,250
15" cost (oversizing)	994,500	\$ 994,500 ²
Sanitary Sewer System	347,000	\$ 173,500
Water Main in McKenzie Road	750,000	\$ 375,000
Water Distribution System	466,000	\$ 233,000
Mass Grading/Excavation to create developable property	7,029,000	\$ 3,514,500
Industrial Park Detention Pond & Storm Drainage to Detention Pond	1,380,000	\$ 690,000
Creek / Wetland Study and Improvements	4,199,773	\$ 2,099,887
Entry Feature and Landscaping	150,000	\$ 75,000
Surveys, Environmental, Geotech & Other Reports	1,929,000	\$ 964,500
Contingency	1,135,749	\$ 567,874
TOTAL Infrastructure Costs	23,850,721	\$ 12,422,610

Project Plan (Airport Area)

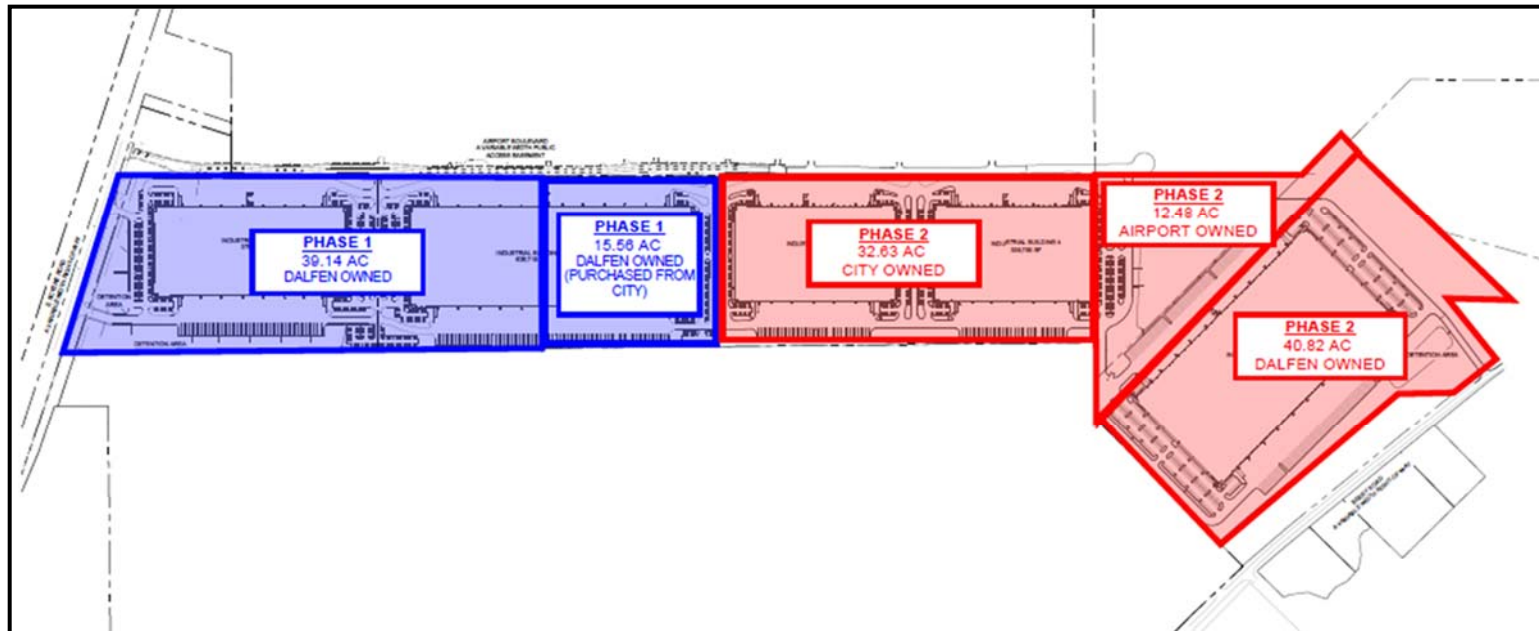
SLJ/42 Real Estate is revising their concept plan for their Mesquite Airport East development; therefore, the project plan for the Airport area only reflects the TIRZ project costs related to Dalfen’s Mesquite Airport Logistics Center.

The Table shown to the right represents a summary of the private capital investment for the proposed Dalfen industrial project. Under its Chapter 380 Agreements, Dalfen Industrial will reimburse the City for the cost to raise a nearby weather radar, and Dalfen will reconstruct Airport Boulevard. It’s anticipated that the City may incur up to \$100,000 to install new security gates and fiber connectivity for new Airport security fencing provided by Dalfen.

As shown below, Dalfen, under its affiliate Notain Realty purchased 15.5637 acres of City-owned property for \$720,000, and under its affiliate DG Mesquite III Property Owner, Dalfen will purchase the remaining 32.6243 acres of City property for \$1.6 million and an additional 12.4763 acre tract for \$597,814 to complete the assemblage of land for the Mesquite Airport Logistics Center.

Under terms and conditions of the Chapter 380 Agreements with Dalfen, the City will then grant the purchase price of the properties back to the developer in exchange for widening and reconstructing Airport Boulevard and installing a new 2,400 foot waterline along Berry Road.

Mesquite Airport Logistics Center Capital Investment				
Phase 1	Size (SF)	Hard Costs	Start Date	Completion Date
Building 1	379,619	\$14,000,000	2021	2022
Building 2	626,719	23,000,000	2021	2022
Total	1,006,338	\$37,200,000		
Phase 2	Size (SF)	Hard Costs	Start Date	Completion Date
Building 3	340,000	\$15,312,500	2022	2023
Building 4	340,000	15,312,500	2022	2023
Building 5	646,950	41,375,000	2022	2023
Total	1,326,950	\$72,000,000		



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 realignment of McKenzie Road right-of-way to maximize industrial building space.

Water Distribution System Improvements:

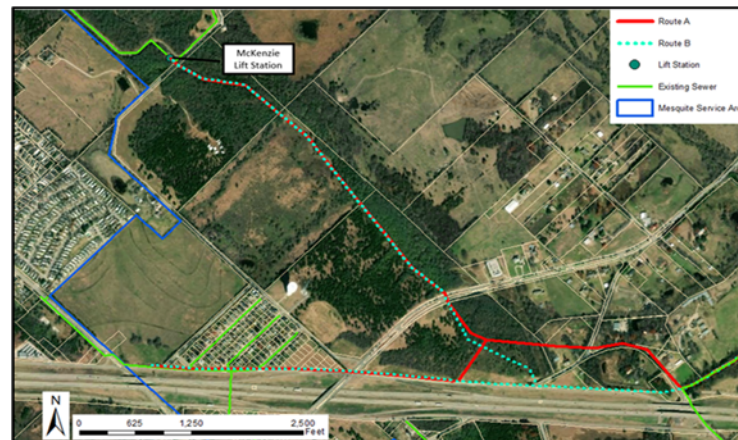
Consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the property. The water distribution system improvements will be owned and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



Sanitary Sewer Route Options in IH-20 Area

Economic Feasibility Study

In June 2018, an economic feasibility study was prepared in part by Petty & Associates, Inc. and focused only on "direct" financial benefits (i.e., tax revenues from new development in the Zone). The analysis did not take into consideration the "multiplier effect" that would result from new development that occurs outside the Zone.

This 2018 feasibility was based on the development concept and projected infrastructure costs provided by SLJ/42 Real Estate on June 22, 2018. The feasibility study was updated only to include the Dalfen concept and assumptions related to two phases of the Mesquite Airport Logistics Center project and to update the City's tax rate, expected development absorption schedule and square-foot market rates for industrial space.

As illustrated in the Feasibility Summary Table on the next page, during the term of the Zone, new development that occurs within the Zone (which would not have occurred but for the Zone) will generate an estimated \$33,415,696 million in total new real and business personal property tax revenue. At the 50 percent TIRZ participation rate, the City's net benefit from new development within the Zone will be an estimated \$44,549,667 million.

These projections assume an annual property value inflation factor of one percent with two years of no growth every ten years. Based on the foregoing, the feasibility of the Zone has been demonstrated. A portion of the new tax revenue generated for the City by new development within the Zone will be retained by the City. The remainder of the new tax revenue generated by new development within the Zone will be available to pay actual Project Costs until the term of the Zone expires or until the Zone is otherwise terminated as hereinafter provided. All taxing revenues generated for other taxing units by the new development within the Zone will be retained 100 percent by the other taxing units. Upon expiration or termination of the Zone, 100 percent of all tax revenue generated within the Zone will be retained by the City.

Method of Financing

The City will dedicate 50 percent 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 percent City TIRZ participation rate. These revenues reflect real property tax values including business personal property (BPP).

Based on the foregoing analysis, the TIRZ will generate an estimated \$44.5 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 \$44.5 million for its General Fund operations; and therefore, feasibility of the Zone has been demonstrated.

Revenue Summary (IH-20 Area)

				Initial Development ¹						Initial Development TIRZ Revenue					
Term	Calendar Year	Collection Year	Growth/Year	Industrial			Commercial			Cumulative Incremental Value	Gross TIRZ Revenue	TIRZ Contribution to Initial Developer		Initial Dev. Remaining TIRZ Revenue	
				Industrial Sq/Ft Added ¹	Cumulative Industrial Sq/Ft	Incremental BPP Value	Incremental Real Property Value	Retail Sq/Ft Added ¹	Cumulative Retail Sq/Ft			Incremental Retail Value	Annual		Cumulative
1	2018	2019	1.0%	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -
2	2019	2020	1.0%	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -
3	2020	2021	1.0%	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -
4	2021	2022	1.0%	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -
5	2022	2023	1.0%	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -
6	2023	2024	1.0%	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -
7	2024	2025	1.0%	500,000	500,000	12,500,000	35,000,000	-	-	-	35,000,000	\$ -	\$ -	\$ -	\$ -
8	2025	2026	1.0%	-	500,000	12,500,000	35,350,000	-	-	-	35,350,000	\$ 124,009	\$ 124,009	\$ 124,009	\$ -
9	2026	2027	0.0%	500,000	1,000,000	25,000,000	70,350,000	-	-	-	70,350,000	\$ 125,249	\$ 125,249	\$ 249,257	\$ -
10	2027	2028	0.0%	-	1,000,000	25,000,000	70,350,000	-	-	-	70,350,000	\$ 249,257	\$ 249,257	\$ 498,514	\$ -
11	2028	2029	1.0%	500,000	1,500,000	37,500,000	106,053,500	26,250	26,250	2,625,000	108,678,500	\$ 249,257	\$ 249,257	\$ 747,771	\$ -
12	2029	2030	1.0%	-	1,500,000	37,500,000	107,114,035	-	26,250	2,651,250	109,765,285	\$ 385,059	\$ 385,059	\$ 1,132,830	\$ -
13	2030	2031	1.0%	500,000	2,000,000	50,000,000	143,185,175	-	26,250	2,677,763	145,862,938	\$ 388,909	\$ 388,909	\$ 1,521,739	\$ -
14	2031	2032	1.0%	-	2,000,000	50,000,000	144,617,027	-	26,250	2,704,540	147,321,567	\$ 516,807	\$ 516,807	\$ 2,038,546	\$ -
15	2032	2033	1.0%	500,000	2,500,000	62,500,000	181,063,197	-	26,250	2,731,586	183,794,783	\$ 521,975	\$ 521,975	\$ 2,560,521	\$ -
16	2033	2034	1.0%	-	2,500,000	62,500,000	182,873,829	-	26,250	2,758,901	185,632,731	\$ 651,203	\$ 651,203	\$ 3,211,725	\$ -
17	2034	2035	1.0%	-	2,500,000	62,500,000	184,702,568	-	26,250	2,786,490	187,489,058	\$ 657,715	\$ 657,715	\$ 3,869,440	\$ -
18	2035	2036	1.0%	-	2,500,000	62,500,000	186,549,593	-	26,250	2,814,355	189,363,949	\$ 664,292	\$ 664,292	\$ 4,533,733	\$ -
19	2036	2037	0.0%	-	2,500,000	62,500,000	186,549,593	-	26,250	2,814,355	189,363,949	\$ 670,935	\$ 595,286	\$ 5,129,019	\$ 75,649
20	2037	2038	0.0%	-	2,500,000	62,500,000	186,549,593	-	26,250	2,814,355	189,363,949	\$ 670,935	\$ -	\$ 5,129,019	\$ 670,935
21	2038	2039	1.0%	-	2,500,000	62,500,000	188,415,089	-	26,250	2,842,499	191,257,588	\$ 670,935	\$ -	\$ 5,129,019	\$ 670,935
22	2039	2040	1.0%	-	2,500,000	62,500,000	190,299,240	-	26,250	2,870,924	193,170,164	\$ 677,645	\$ -	\$ 5,129,019	\$ 677,645
23	2040	2041	1.0%	-	2,500,000	62,500,000	192,202,233	-	26,250	2,899,633	195,101,866	\$ 684,421	\$ -	\$ 5,129,019	\$ 684,421
24	2041	2042	1.0%	-	2,500,000	62,500,000	194,124,255	-	26,250	2,928,629	197,052,884	\$ 691,265	\$ -	\$ 5,129,019	\$ 691,265
25	2042	2043	1.0%	-	2,500,000	62,500,000	196,065,497	-	26,250	2,957,916	199,023,413	\$ 698,178	\$ -	\$ 5,129,019	\$ 698,178
26	2043	2044	1.0%	-	2,500,000	62,500,000	198,026,152	-	26,250	2,987,495	201,013,647	\$ 705,160	\$ -	\$ 5,129,019	\$ 705,160
27	2044	2045	1.0%	-	2,500,000	62,500,000	200,006,414	-	26,250	3,017,370	203,023,784	\$ 712,211	\$ -	\$ 5,129,019	\$ 712,211
28	2045	2046	1.0%	-	2,500,000	62,500,000	202,006,478	-	26,250	3,047,544	205,054,022	\$ 719,334	\$ -	\$ 5,129,019	\$ 719,334
29	2046	2047	0.0%	-	2,500,000	62,500,000	202,006,478	-	26,250	3,047,544	205,054,022	\$ 726,527	\$ -	\$ 5,129,019	\$ 726,527
30	2047	2048	0.0%	-	2,500,000	62,500,000	202,006,478	-	26,250	3,047,544	205,054,022	\$ 726,527	\$ -	\$ 5,129,019	\$ 726,527
31	2048	2049	1.0%	-	2,500,000	62,500,000	204,026,543	-	26,250	3,078,019	207,104,562	\$ 726,527	\$ -	\$ 5,129,019	\$ 726,527
32	2049	2050	1.0%	-	2,500,000	62,500,000	206,066,808	-	26,250	3,108,799	209,175,607	\$ 733,792	\$ -	\$ 5,129,019	\$ 733,792
33	2050	2051	1.0%	-	2,500,000	62,500,000	208,127,476	-	26,250	3,139,887	211,267,363	\$ 741,130	\$ -	\$ 5,129,019	\$ 741,130
34	2051	2052	1.0%	-	2,500,000	62,500,000	210,208,751	-	26,250	3,171,286	213,380,037	\$ 748,541	\$ -	\$ 5,129,019	\$ 748,541
				2,500,000					26,250			\$ 15,837,797	\$ 5,129,019		\$ 10,708,778

2018 Assumptions	
Base Value:	\$ 3,932,905
Industrial Value/Sq. Ft.	\$ 70
BPP Value/Sq. Ft.	\$ 25
Max TIRZ Contribution:	\$ 5,129,019
Retail Value/Sq. Ft.	\$ 100
2021 Assumptions	
City Tax Rate:	0.70862
TIRZ Percentage:	50%

Revenue Summary (Airport Area and Total Net Effect)

Non-Contiguous Area - Development ^{2,3}			TIRZ Contribution from Non-Contiguous Area		City Net Effect					
Industrial Sq/Ft Added ³	Cumulative Industrial Sq/Ft	Total Cumulative Incremental Value			Annual Real Property Tax to City		Annual BPP Tax to City		Property Tax to City	
					Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
-	-	-	\$ -	\$ -	\$ 27,869	\$ -	\$ 27,869	\$ 27,869		
-	-	-	\$ -	\$ -	\$ 27,869	\$ -	\$ 27,869	\$ 55,739		
-	-	-	\$ -	\$ -	\$ 27,869	\$ -	\$ 27,869	\$ 83,608		
-	-	-	\$ -	\$ -	\$ 27,869	\$ -	\$ 27,869	\$ 111,477		
-	-	-	\$ -	\$ -	\$ 27,869	\$ -	\$ 27,869	\$ 139,347		
1,006,338	1,006,338	70,443,660	\$ -	\$ -	\$ 27,869	\$ -	\$ 27,869	\$ 167,216		
1,326,950	2,333,288	164,034,597	\$ 249,589	\$ 249,589	\$ 277,458	\$ -	\$ 277,458	\$ 444,674		
-	2,333,288	165,674,943	\$ 581,191	\$ 830,780	\$ 733,069	\$ 88,578	\$ 821,646	\$ 1,266,321		
-	2,333,288	165,674,943	\$ 587,003	\$ 1,417,783	\$ 740,121	\$ 88,578	\$ 828,698	\$ 2,095,019		
-	2,333,288	165,674,943	\$ 587,003	\$ 2,004,786	\$ 864,129	\$ 177,155	\$ 1,041,284	\$ 3,136,303		
-	2,333,288	167,331,692	\$ 587,003	\$ 2,591,789	\$ 864,129	\$ 177,155	\$ 1,041,284	\$ 4,177,588		
-	2,333,288	169,005,009	\$ 592,873	\$ 3,184,661	\$ 1,005,801	\$ 265,733	\$ 1,271,534	\$ 5,449,121		
-	2,333,288	170,695,059	\$ 598,802	\$ 3,783,463	\$ 1,015,580	\$ 265,733	\$ 1,281,313	\$ 6,730,434		
-	2,333,288	172,402,010	\$ 604,790	\$ 4,388,253	\$ 1,149,466	\$ 354,310	\$ 1,503,776	\$ 8,234,210		
-	2,333,288	174,126,030	\$ 610,838	\$ 4,999,090	\$ 1,160,682	\$ 354,310	\$ 1,514,992	\$ 9,749,202		
-	2,333,288	175,867,290	\$ 616,946	\$ 5,616,036	\$ 1,296,019	\$ 442,888	\$ 1,738,906	\$ 11,488,108		
-	2,333,288	177,625,963	\$ 623,115	\$ 6,239,152	\$ 1,308,700	\$ 442,888	\$ 1,751,588	\$ 13,239,696		
-	2,333,288	179,402,223	\$ 629,347	\$ 6,868,498	\$ 1,321,508	\$ 442,888	\$ 1,764,396	\$ 15,004,092		
-	2,333,288	179,402,223	\$ 635,640	\$ 7,504,138	\$ 1,334,445	\$ 442,888	\$ 1,777,332	\$ 16,781,424		
-	2,333,288	179,402,223	\$ 635,640	\$ 8,139,778	\$ 1,334,445	\$ 442,888	\$ 1,777,332	\$ 18,558,756		
-	2,333,288	181,196,245	\$ 635,640	\$ 8,775,418	\$ 1,334,445	\$ 442,888	\$ 1,777,332	\$ 20,336,088		
-	2,333,288	183,008,207	\$ 641,996	\$ 9,417,415	\$ 1,347,511	\$ 442,888	\$ 1,790,398	\$ 22,126,486		
-	2,333,288	184,838,289	\$ 648,416	\$ 10,065,831	\$ 1,360,707	\$ 442,888	\$ 1,803,594	\$ 23,930,081		
-	2,333,288	186,686,672	\$ 654,901	\$ 10,720,732	\$ 1,374,035	\$ 442,888	\$ 1,816,923	\$ 25,747,004		
-	2,333,288	188,553,539	\$ 661,450	\$ 11,382,181	\$ 1,387,497	\$ 442,888	\$ 1,830,384	\$ 27,577,388		
-	2,333,288	190,439,074	\$ 668,064	\$ 12,050,245	\$ 1,401,093	\$ 442,888	\$ 1,843,981	\$ 29,421,369		
-	2,333,288	192,343,465	\$ 674,745	\$ 12,724,990	\$ 1,414,825	\$ 442,888	\$ 1,857,713	\$ 31,279,082		
-	2,333,288	194,266,900	\$ 681,492	\$ 13,406,482	\$ 1,428,695	\$ 442,888	\$ 1,871,583	\$ 33,150,664		
-	2,333,288	194,266,900	\$ 688,307	\$ 14,094,789	\$ 1,442,703	\$ 442,888	\$ 1,885,591	\$ 35,036,255		
-	2,333,288	194,266,900	\$ 688,307	\$ 14,783,096	\$ 1,442,703	\$ 442,888	\$ 1,885,591	\$ 36,921,846		
-	2,333,288	196,209,569	\$ 688,307	\$ 15,471,403	\$ 1,442,703	\$ 442,888	\$ 1,885,591	\$ 38,807,437		
-	2,333,288	198,171,664	\$ 695,190	\$ 16,166,593	\$ 1,456,852	\$ 442,888	\$ 1,899,739	\$ 40,707,176		
-	2,333,288	200,153,381	\$ 702,142	\$ 16,868,735	\$ 1,471,141	\$ 442,888	\$ 1,914,029	\$ 42,621,205		
-	2,333,288	202,154,915	\$ 709,163	\$ 17,577,899	\$ 1,485,574	\$ 442,888	\$ 1,928,462	\$ 44,549,667		
2,333,288			\$ 17,577,899		\$ 34,363,254	\$ 10,186,413	\$ 44,549,667			

Designation Ordinance No. 4579

ORDINANCE NO. 4579

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA CONSISTING OF APPROXIMATELY 248.1466 ACRES OF LAND CONSISTING OF THE FOLLOWING SIX (6) TRACTS OF LAND: (1) 4300 LAWSON ROAD; (2) 3400 MCKENZIE ROAD; (3) 4800 LASATER ROAD; (4) 4900 LASATER ROAD; (5) 2700 MCKENZIE ROAD; AND (6) 925 MCKENZIE ROAD, ALL SIX (6) TRACTS OF LAND BEING 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 TWELVE, CITY OF MESQUITE, TEXAS (IH-20 BUSINESS PARK); DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; ESTABLISHING A TAX INCREMENT 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 or within the extraterritorial jurisdiction (the "ETJ") of the City, or in both, 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 or within the ETJ 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 containing approximately 248.1466 acres of land consisting of the following six (6) tracts of land: (1) 4300 Lawson Road; (2) 3400 McKenzie Road; (3) 4800 Lasater Road; (4) 4900 Lasater Road; (5) 2700 McKenzie Road; and (6) 925 McKenzie Road, all six (6) tracts of land being located within the corporate limits of the City, said tracts being more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof for all purposes, with the boundaries of said tracts being generally depicted in Exhibit "B" attached hereto and made a part hereof for all purposes; and

Economic Development/Creation of IH-20 Business Park TIRZ #12/July 2, 2018

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WHEREAS, pursuant to and as required by the Act, the City will prepare a preliminary project and financing plan for the proposed zone (the "Preliminary Project and Finance Plan") containing the real property described and depicted in Exhibits "A" and "B" attached hereto; 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 June 7, 2018, which date is more than seven (7) days before the public hearing on June 18, 2018; and

WHEREAS, on June 18, 2018, 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, on June 18, 2018, the City Council continued the public hearing on the creation of the proposed zone to the City Council meeting on July 2, 2018, with the public hearing remaining open; and

WHEREAS, on July 2, 2018, the City Council continued the public hearing on the creation of the proposed zone 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, the public hearing on the creation of the proposed zone, opened on June 18, 2018, and continued on July 2, 2018, is hereinafter referred to as the "public hearing"; and

WHEREAS, after all comments and evidence, both written and oral, were received by the City Council, the public hearing was closed on July 2, 2018; 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; and

WHEREAS, the percentage of the property in the proposed zone, excluding property that is publicly owned, that is currently used for residential purposes is less than thirty percent (30%); and

WHEREAS, a Preliminary Project and Finance Plan has been prepared for the proposed reinvestment zone.

Designation Ordinance No. 4579

Economic Development/Creation of IH-20 Business Park TIRZ #12/July 2, 2018
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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 reinvestment zone has been properly called, held and conducted and that notice of the public hearing has been published as required by applicable law, including the Act, and that owners of property within the proposed reinvestment zone were given a reasonable opportunity to protest the inclusion of their property in the proposed reinvestment zone; and
- (b) That creation of the proposed reinvestment 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 reinvestment zone; and
- (c) That the proposed reinvestment 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:
 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 or underdeveloped, and 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 reinvestment 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 reinvestment zone, 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 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 reinvestment zone will significantly enhance the value of all taxable real property in the proposed reinvestment zone and will be of general benefit to the City; and

Economic Development/Creation of IH-20 Business Park TIRZ #12/July 2, 2018
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- (g) 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; and
- (h) That the proposed reinvestment zone will promote development or redevelopment of the economy within the proposed reinvestment zone and develop or expand business and commercial activity within the proposed reinvestment zone; and
- (i) The City Council has prepared the Preliminary Project and Finance Plan prior to the execution of this Ordinance; and
- (j) The City Council finds that the Preliminary Project and Finance Plan 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 area described by metes and bounds in Exhibit "A" attached hereto and depicted on Exhibit "B" attached hereto as a tax increment reinvestment zone (the "Zone"). The name assigned to the Zone for identification is Reinvestment Zone Number Twelve, City of Mesquite, Texas (IH-20 Business Park).

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.
- (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 is a resident of 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 and Finance Plan") as required by the Act, and shall submit the Project and Finance Plan to the City Council for approval. The Board shall consider amendments to the Project and Finance 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.

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(f) The initial Board shall be seven members and the following shall be members:

1. Stan Pickett
2. Robert Miklos
3. Jeff Casper
4. Bruce Archer
5. Dan Aleman
6. Greg Noschese
7. Tandy Boroughs

The City Council hereby appoints Mayor Stan Pickett to serve as Chairman of the Board for the remainder of calendar year 2018. Before the end of calendar year 2018 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 chairperson 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, 2039, 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 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 for the Zone is the total taxable value, as of January 1, 2018, of all real property taxable by the City 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 on real property located in the Zone is fifty percent (50%) of real property taxes levied and collected by the City for that year on the Captured Appraised Value (defined below) of real property taxable by the City 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 for a year is the total taxable value of all real property taxable by the City and located in the Zone for that year less the Tax Increment Base of the City (the "Captured Appraised Value").

SECTION 7. TAX INCREMENT FUND.

That there is hereby created and established a tax increment fund (the "Tax Increment Fund") for the Zone, that may be divided into subaccounts as set forth in the Project and Finance

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Plan, into which the Tax Increment of the City and participating taxing units, if any, as such increments are described in the Project and Finance 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 it is hereby declared to be the intent of the City Council that the provisions, sections, subsections, sentences, articles, paragraphs, clauses, phrases and words of this Ordinance are severable and if any provision, section, subsection, sentence, article, paragraph, clause, phrase or word of this Ordinance, or the application thereto to any persons or circumstances, shall be held unconstitutional or invalid by a final judgment or decree of a court of competent jurisdiction, it is expressly provided that such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining provisions, sections, subsections, sentences, articles, paragraphs, clauses, phrases and words of this Ordinance; and the City Council hereby declares it would have passed this Ordinance without the incorporation of any such invalid or unconstitutional provision, section, subsection, sentence, article, paragraph, clause, phrase or word and such remaining provisions, sections, subsections, sentences, articles, paragraphs, clauses, phrases and words shall remain in full force and effect.

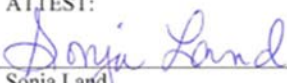
SECTION 9. EFFECTIVE DATE.

That this Ordinance shall take effect immediately upon passage of this ordinance.

DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 2nd day of July, 2018.



Stan Pickett
Mayor

ATTEST:


Sonja Land
City Secretary

APPROVED:


Paula Anderson
Interim City Attorney

