

ORDINANCE NO. 4777

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, APPROVING AN AMENDED PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER ELEVEN, CITY OF MESQUITE, TEXAS (HEARTLAND TOWN CENTER) (THE “ZONE”); ENLARGING THE BOUNDARIES AND INCREASING THE GEOGRAPHIC AREA OF THE ZONE TO INCLUDE A TRACT CONSISTING OF APPROXIMATELY 1.935 ACRES AND BEING GENERALLY LOCATED SOUTH OF IH-20, EAST OF FM 741 AND NORTH OF HEARTLAND PARKWAY IN THE MARTHA MUSIC SURVEY, ABSTRACT NO. 312, IN KAUFMAN COUNTY, TEXAS, AND BEING LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY OF MESQUITE, TEXAS, BRINGING THE TOTAL ZONE AREA TO 148.681 ACRES, EXTENDING THE TERM OF THE ZONE FOR AN ADDITIONAL SEVEN YEARS TO EXPIRE DECEMBER 31, 2055, AND INCREASING THE TOTAL ESTIMATED PROJECT COSTS FOR THE ZONE; AMENDING ORDINANCE NO. 4532, PREVIOUSLY APPROVED BY THE CITY COUNCIL ON DECEMBER 18, 2017, AMENDING ORDINANCE NO. 4574, PREVIOUSLY APPROVED BY THE CITY COUNCIL ON JUNE 18, 2018, MAKING A FINDING OF FEASIBILITY; PROVIDING THAT THE ENLARGED ZONE SHALL TAKE EFFECT IMMEDIATELY UPON PASSAGE OF THIS ORDINANCE; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Mesquite, Texas (“**City**”) established Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center) (the “**Zone**”), and established a board of directors for the Zone (the “**Board of Directors**”) to promote development or redevelopment in the Zone pursuant to Ordinance No. 4532, approved by the City Council of the City (“**City Council**”) on December 18, 2017 (“**Ordinance No. 4532**”), in accordance with the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended (the “**Act**”); and

WHEREAS, on June 18, 2018, the Board of Directors prepared and adopted a project plan and reinvestment zone financing plan for the Zone, which was subsequently approved by the City Council on June 18, 2018, pursuant to Ordinance No. 4574 (“**Ordinance No. 4574**”); and

WHEREAS, the original boundaries of the Zone, consisting of approximately 146.746 acres, are described by metes and bounds in Exhibit “A” and depicted in Exhibit “B” attached to Ordinance No. 4532 (the “**Original Zone Boundaries**”); and

WHEREAS, the Original Zone Boundaries are comprised of two (2) tracts, an approximately 121.282 acre tract to be developed as a residential development, such tract being described by metes and bounds and depicted on Exhibit “C” and Exhibit “D” attached to Ordinance No. 4574 (the “**TIRZ Residential Tract**”), and an approximately 25.464 acre tract to be developed

as a commercial development, such tract being described by metes and bounds and depicted on Exhibit “E” and Exhibit “F” attached to Ordinance No. 4574 (the “**25.464 Acre Tract**”); and

WHEREAS, pursuant to Ordinance No. 4532, a tax increment fund was created and established for the Zone (the “**Tax Increment Fund**”); and

WHEREAS, Ordinance No. 4574 divided the Tax Increment Fund into two (2) subaccounts, the first for the deposit of a portion of the City’s ad valorem tax increment collected from the TIRZ Residential Tract (the “**Residential Account**”) and the second for the deposit of a portion of the City’s ad valorem tax increment collected from the 25.464 Acre Tract (the “**Commercial Account**”); and

WHEREAS, Ordinance No. 4574 established the portion of the tax increment produced by the City on the real property located within the TIRZ Residential Tract that the City is required to pay into the Residential Account and the portion of the tax increment produced by the City on the real property located within the 25.464 Acre Tract that the City is required to pay into the Commercial Account; and

WHEREAS, pursuant to Ordinance No. 4532, the Zone is to terminate upon the occurrence of any of the following: (i) December 31, 2048; or (ii) an earlier or later termination date designated by an ordinance adopted under Section 311.007(c) of the Act; or (iii) 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; 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 April 20, 2020, the Board of Directors 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 enlarge the boundaries and increase the geographic area of the Zone to include a tract of land consisting of approximately 1.935 acres and being generally located South of IH-20, East of FM 741 and North of Heartland Parkway in the Martha Music Survey, Abstract No. 312, in Kaufman County, Texas, and being located within the corporate limits of the City (the “**1.935 Acre Tract**”); and

WHEREAS, the 1.935 Acre Tract is generally depicted on the map attached hereto as Exhibit “B” and is described by metes and bounds in Exhibit “C” attached hereto and made a part hereof for all purposes; and

WHEREAS, the 1.935 Acre Tract is contiguous to the Original Zone Boundaries and is to be developed as part of the commercial development of the Zone; and

WHEREAS, the Amended Project and Financing Plan proposes to extend the term of the Zone for an additional seven (7) years to expire on December 31, 2055; and

WHEREAS, the Amended Project and Financing Plan further 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 April 20, 2020, to consider approving the Amended Project and Financing Plan, enlarging the boundaries and increasing the geographic area of the Zone, extending the term of the Zone, and 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 April 9, 2020, and in the Forney Messenger, a newspaper of general circulation in Kaufman County, Texas on April 9, 2020, which is at least seven days before the date of the public hearing held on April 20, 2020, in accordance with Section 311.003 of the Act; and

WHEREAS, notice of the public hearing to be held at 7:00 p.m. on April 20, 2020, to consider approving the Amended Project and Financing Plan, enlarging the boundaries and increasing the geographic area of the Zone, extending the term of the Zone, and increasing the total estimated project costs of the Zone, was mailed by first class mail to the property owners within the Original Zone Boundaries and to the property owners within the 1.935 Acre Tract on April 8, 2020; and

WHEREAS, on April 20, 2020, 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, enlarging the boundaries and increasing the geographic area of the Zone, the inclusion of property within the Zone, the boundaries of the Zone, extending the term of the Zone, increasing the total estimated project costs of the Zone, and the concept of tax increment financing; and

WHEREAS, owners of property within the 1.935 Acre Tract were given a reasonable opportunity to protest the inclusion of their property in the 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 20, 2020; and

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

WHEREAS, pursuant to Section 311.007(a) of the Act, the City Council may reduce or enlarge the boundaries of an existing tax increment reinvestment zone by ordinance or resolution, subject to the limitations provided by Section 311.006 of the Act; and

WHEREAS, pursuant to Section 311.006 of the Act, the City may change the boundaries of the Zone provided (i) not more than thirty percent (30%) of the property within the amended boundaries of the Zone, excluding any property that is publicly owned, is used for residential purposes, as defined by Section 311.006(d) of the Act; and (ii) the total appraised value of taxable real property within the amended boundaries of the Zone and in other existing reinvestment zones of the City, do not exceed twenty-five percent (25%) of the total appraised value of taxable real property in the City and in industrial districts created by the City; and

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

WHEREAS, the Board of Directors 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, for the projects set forth in the Amended Project and Financing Plan to be implemented and financed in their entirety, it is necessary for the boundaries of the Zone to be enlarged and the term of the Zone to be extended; and

WHEREAS, the City has taken all actions required to approve the Amended Project and Financing Plan, enlarge the boundaries and increase the geographic area of the Zone, extend the term of the Zone, 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, enlarging the boundaries and increasing the geographic area of the Zone to include the 1.935 Acre Tract, extending the term of the Zone for an additional seven (7) years to expire December 31, 2055, and increasing the total estimated project costs for the Zone as 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. That the statements, facts, findings and recitals contained in the preamble of this ordinance are hereby found and declared to be true and correct and are incorporated herein and adopted as part of this ordinance for all purposes.

SECTION 2. That the City Council, after conducting the above described public hearing and having heard the evidence and testimony presented at the hearing, has made the following findings:

- A. That the public hearing to consider approving the Amended Project and Financing Plan, enlarging the boundaries and increasing the geographic area of the Zone, extending the term of the Zone, and increasing the total estimated project costs of the 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 1.935 Acre Tract were given a reasonable opportunity to protest the inclusion of their property in the Zone; and
- B. That enlarging the boundaries and increasing the geographic area of the Zone to include the 1.935 Acre Tract will result in benefits to the City, its residents and property owners, in general, and to the property, residents and property owners in the Original Zone Boundaries and the 1.935 Acre Tract; and
- C. That the Zone as enlarged to include the 1.935 Acre Tract meets the criteria for a reinvestment zone set forth in the Act in that:
 - (i) The Original Zone Boundaries and the 1.935 Acre Tract are contiguous geographic areas located wholly within the corporate limits of the City; and
 - (ii) The 1.935 Acre Tract is predominately open, unproductive and undeveloped or underdeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City; and
- D. That thirty percent (30%) or less of the property in the Zone, after enlarging the Zone to include the 1.935 Acre Tract, excluding property that is publicly owned, is used for residential purposes as described in Section 311.006(d) of the Act; and
- E. That the total appraised value of taxable real property in the Zone, after enlarging the boundaries of the Zone to include the 1.935 Acre Tract, together with the total appraised value of taxable real property in all other existing reinvestment zones created by the City, do not exceed twenty-five percent (25%) of the total appraised value of taxable real property in the City and in industrial districts created by the City; and
- F. That improvements in the Zone, after enlarging the boundaries of the Zone to include the 1.935 Acre Tract, will significantly enhance the value of all the taxable real property in the Zone, including the Original Zone Boundaries and the 1.935 Acre Tract, and will be of general benefit to the City; and
- G. That the development or redevelopment of the 1.935 Acre Tract will not occur solely through private investment in the reasonably foreseeable future; and
- H. That the enlargement of the boundaries of the Zone to increase the geographic area of the Zone to include the 1.935 Acre Tract will promote development or redevelopment of the Original Zone Boundaries and the 1.935 Acre Tract.

SECTION 3. That the City Council finds that the Amended Project and Financing Plan submitted to the City Council includes the following information required by §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 the county, if applicable;
- (3) A list of estimated non-project costs; and
- (4) A statement of a method of relocating persons to be displaced, if any, as a result of implementing the plan.

B. The Amended Project and Financing Plan also includes:

- (1) A detailed list describing the estimated project costs of the Zone, including administrative expenses;
- (2) A statement listing the proposed kind, number and location of all public works or public improvements to be financed by the Zone;
- (3) A finding that the plan is economically feasible and an economic feasibility study;
- (4) The estimated amount of bonded indebtedness to be incurred;
- (5) The estimated time when related costs or monetary obligations are to be incurred;
- (6) A description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay project costs, including the percentage of tax increment to be derived from the property taxes of each taxing unit anticipated to contribute tax increment to the Zone that levies taxes on real property in the Zone;
- (7) The current total appraised value of taxable real property in the Zone;
- (8) The estimated captured appraised value of the Zone during each year of its existence; and
- (9) The duration of the Zone.

SECTION 4. That the City Council has reviewed the Amended Project and Financing Plan and hereby finds that the Amended Project and Financing Plan is feasible.

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

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

SECTION 7. That the City Council, acting under and in accordance with the Act including, without limitation, Sections 311.007(a) and 311.011(e) of the Act, hereby enlarges the boundaries and increases the geographic area of the Zone by adding the 1.935 Acre Tract to the Zone. The Original Zone Boundaries, as enlarged by the 1.935 Acre Tract, shall continue to be known as **"Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center)."**

SECTION 8. That the 1.935 Acre Tract shall be added to the portion of the Zone for commercial development and accordingly, the 1.935 Acre Tract, together with the 25.464 Acre Tract, shall hereinafter collectively be referred to as the **"TIRZ Commercial Tract."**

SECTION 9. That effective as of the date of this ordinance, with the addition of the 1.935 Acre Tract to the Zone, the Zone shall contain approximately 148.681 acres and shall consist of that certain tract of land more particularly described by metes and bounds in Exhibit "D" and depicted in Exhibit "E" attached hereto and made a part of this ordinance for all purposes.

SECTION 10. That pursuant to Section 311.007(c) and Section 311.017(a)(1) of the Act, the City Council hereby extends the term of the Zone to expire on December 31, 2055, or such later termination date designated by an ordinance hereafter adopted under Section 311.007(c) of the Act, or on 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. Accordingly, effective as of the date of this ordinance, Ordinance No. 4532 is amended by deleting Section 5 in its entirety and adding a new Section 5 to read as follows:

"SECTION 5. DURATION OF THE ZONE.

That the Zone shall take effect on December 18, 2017, consistent with Section 311.004(a)(3) of the Act, and the Zone shall terminate upon the occurrence of any of the following: (i) December 31, 2055; or (ii) a later termination date designated by an ordinance adopted under Section 311.007(c) of the Act; or (iii) 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 11. That the City Council hereby approves the increased total estimated project costs for the Zone as set forth in the Amended Project and Financing Plan.

SECTION 12. That pursuant to Section 311.012(c) of the Act: (i) the tax increment base of the City for the real property within the 1.935 Acre Tract is the total taxable value, as of January 1, 2020, of all real property taxable by the City and located within the 1.935 Acre Tract for the 2020 tax year (the “**1.935 Acre Tax Increment Base**”); and (ii) the tax increment base for all property located within the Original Zone Boundaries prior to the adoption of this ordinance shall remain unchanged.

SECTION 13. That the tax increment base for the property within the TIRZ Commercial Tract shall include the tax increment base for all property located within the boundaries of the 25.464 Acre Tract prior to the adoption of this ordinance as established by Ordinance No. 4574 and beginning January 1, 2020, shall include the 1.935 Acre Tax Increment Base.

SECTION 14. That pursuant to the Act, the amount of the tax increment for a year on real property located within the 1.935 Acre Tract is twenty-five percent (25%) of real property taxes levied and collected by the City based on the City’s ad valorem tax rate in effect for tax year 2017, for the period set forth in Section 16 below, for that year on the “Captured Appraised Value of the 1.935 Acre Tract” (defined below) of real property taxable by the City and located within the 1.935 Acre Tract (the “**1.935 Acre Tract Tax Increment**”). Consistent with Section 311.012(b) of the Act, the captured appraised value of real property taxable by the City within the 1.935 Acre Tract for a year is the total taxable value of all real property taxable by the City and located within the 1.935 Acre Tract for that year less the 1.935 Acre Tract Tax Increment Base of the City (the “**Captured Appraised Value of the 1.935 Acre Tract**”).

SECTION 15. That the 1.935 Acre Tract Tax Increment shall be deposited into the Commercial Account beginning with the 2021 tax year and continuing for the period set forth in Section 16 below.

SECTION 16. That to implement and fund the projects in the Amended Project and Financing Plan, and as a result of the extension of the term of the Zone, Ordinance No. 4574 is hereby amended by: (i) defining and referring to the 25.464 acres depicted in Exhibit “E” and described by metes and bounds in Exhibit “F” attached to Ordinance No. 4574 as the “25.464 Acre Tract” instead of the “TIRZ Commercial Tract” and accordingly, the words “TIRZ Commercial Tract” in the third and eighth WHEREAS paragraphs and in Section 6 of Ordinance No. 4574 shall be replaced with the words “25.464 Acre Tract;” (ii) replacing the defined term and each time Ordinance No. 4574 refers to “Commercial Tax Increment Base” with “25.464 Acre Tract Tax Increment Base;” (iii) replacing the defined term and each time Ordinance No. 4574 refers to “Commercial Tax Increment” with “25.464 Acre Tract Tax Increment;” (iv) replacing the defined term and each time Ordinance No. 4574 refers to “Commercial Captured Appraised Value” with “Captured Appraised Value of the 25.464 Acre Tract;” and (v) replacing “\$3,283,602.00” with “\$2,170,667.00” in Section 9. Accordingly, as of the date of this ordinance, Sections 6, 7 and 9 of Ordinance No. 4574 shall be amended to read as follows:

“SECTION 6. That pursuant to Section 311.012(c) of the Act, the tax increment base of the City for the property within the 25.464 Acre Tract is the total taxable value, as of January 1, 2017, of all real property taxable by the City and located within the 25.464 Acre Tract, for the year in which the Zone was designated as a reinvestment zone (the “25.464 Acre Tract Tax Increment Base”) or, if the City

does not levy an ad valorem tax in the year in which the Zone is designated, the 25.464 Acre Tract Tax Increment Base is determined by the appraisal district in which the Zone is located in accordance with Section 311.012(c) of the Act. Pursuant to Section 311.013(l) of the Act, the amount of the tax increment for a year on real property located within the 25.464 Acre Tract is twenty-five percent (25%) of real property taxes levied and collected by the City based on the City's ad valorem tax rate in effect on the date of establishment of the Zone, for the period set forth in Section 9 below, for that year on the Captured Appraised Value of the 25.464 Acre Tract (defined below) of real property taxable by the City and located within the 25.464 Acre Tract (the "25.464 Acre Tract Tax Increment"). Consistent with Section 311.012(b) of the Act, the captured appraised value of real property taxable by the City within the 25.464 Acre Tract for a year is the total taxable value of all real property taxable by the City and located within the 25.464 Acre Tract for that year less the 25.464 Acre Tract Tax Increment Base of the City (the "Captured Appraised Value of the 25.464 Acre Tract")."

"SECTION 7. That the City Council hereby authorizes and approves the establishment of the Residential Account and the Commercial Account and hereby directs that the Residential Tax Increment be deposited into the Residential Account and the 25.464 Acre Tract Tax Increment be deposited into the Commercial Account."

"SECTION 9. That the "1.935 Acre Tract Tax Increment" as defined in Ordinance No. 4777 adopted by the City Council on April 20, 2020 [the City Secretary is directed to complete the blank with the number assigned to this ordinance] (hereinafter the "1.935 Acre Tract Tax Increment") and the 25.464 Acre Tract Tax Increment, shall hereinafter collectively be referred to as the "Commercial Tax Increment." The deposit of the Commercial Tax Increment into the Commercial Account shall commence with a deposit of the 25.464 Acre Tract Tax Increment collected and deposited in 2019 and, beginning with the deposit for the 2021 tax year, such deposit shall also include the 1.935 Acre Tract Tax Increment, and shall continue until the earlier of: (i) the expiration of thirty-eight (38) years from the initial deposit, or (ii) the total amount deposited to the Commercial Account [including, without limitation, all deposits of the 1.935 Acre Tract Tax Increment and the 25.464 Acre Tract Tax Increment] equals \$2,170.667.00.

SECTION 17. That as a result of the extension of the term of the Zone, Ordinance No. 4574 is further hereby amended by deleting Section 8 in its entirety and adding a new Section 8 to read as follows:

"SECTION 8. That the deposit of the Residential Tax Increment into the Residential Account shall commence with a deposit of the Residential Tax Increment collected and deposited in 2019 and shall continue until the earlier of: (i) the expiration of thirty-eight (38) years from the initial deposit, (ii) the total amount deposited to the Residential Account equals \$14,827,784.00, or (iii) payment in full of the assessment revenue bonds issued in 2018 for the payment of public improvements within the TIRZ Residential Tract."

SECTION 18. That Ordinance No. 4532 and Ordinance No. 4574 will remain in full force and effect, save and except as amended by this Ordinance.

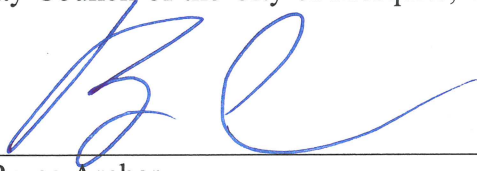
SECTION 19. That it is hereby found, determined, and declared that sufficient public notice of the date, hour, place and subject of the meeting of the City Council at which this ordinance was adopted was given as required by the Texas Open Meetings Act, Chapter 551 of the Texas Government Code. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

SECTION 20. 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 21. That it is hereby declared to be the intent of the City Council that the words, phrases, clauses, sentences, paragraphs and sections of this ordinance are severable, and if any word, phrase, clause, sentence, paragraph or section of this ordinance shall be declared invalid or unconstitutional by a final judgment or decree of a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any of the remaining words, phrases, clauses, sentences, paragraphs or sections of this ordinance, the City Council hereby declaring that this ordinance would have been enacted by the City Council without the incorporation of any such invalid or unconstitutional word, phrase, clause, sentence, paragraph or section.

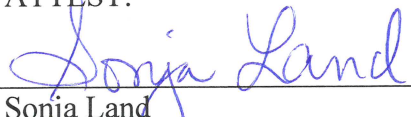
SECTION 22. That the enlarged Zone and all other provisions of this ordinance shall take effect immediately upon passage of this ordinance

DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 20th day of April 2020.



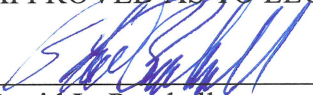
Bruce Archer
Mayor

ATTEST:



Sonja Land
City Secretary

APPROVED AS TO LEGAL FORM:



David L. Paschall
City Attorney

EXHIBIT "A"
Amended Project and Financing Plan



Heartland Town Center

**Amended Project and Financing Plan
Reinvestment Zone Number Eleven
City of Mesquite
(Heartland Town Center)**

April 2020



Trailwind Subdivision



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1515 N. Galloway Ave. Mesquite, TX 75149



Tax Increment Financing Program

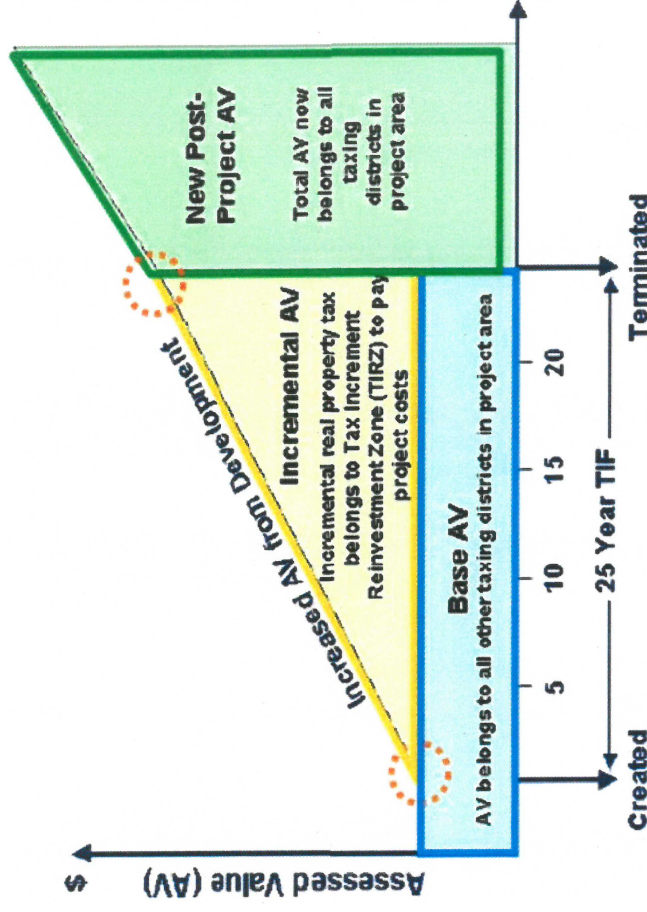
Chapter 311 of the Texas Tax Code (the TIRZ Act) authorizes the governing body of a municipality to promote redevelopment of a contiguous or noncontiguous geographic area by designating it a Tax Increment Reinvestment Zone (TIRZ). The future value of private investment within a TIRZ is leveraged to finance 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 assessed 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

On June 7, 2010, the City entered into an agreement with 269 Kaufman Partners, LTD., to develop 146 acres located in the City's ETJ near FM 741 and IH-20 as a high quality town center commercial development along the IH-20 Corridor. In 2014, the rights to develop the property expired due to inactivity, and in 2017, the developer, Centurion American, requested a new agreement and concept plan to include the addition of a residential development financed through a Tax Increment Reinvestment Zone (TIRZ) and a Public Improvement District (PID). On October 16, 2017, the City Council authorized the City Manager to negotiate a new development agreement with the requirement that the developer request voluntary annexation into the City Limits.

On November 13, 2017, the Developer filed a petition for the creation of the Heartland Town Center PID, and on November 14, 2017, the City Council passed resolutions calling for public hearings to consider both the Heartland Town Center PID and TIRZ.

On December 4, 2017, the City Council directed the City Manager to finalize and execute a development agreement with CADG Kaufman 146, LLC and Kaufman County Fresh Water Supply District No. 5 relating to the proposed Heartland Town Center Development. Under the new concept plan the development consists of two tracts, a 25.5-acre tract for general retail use and a 121.3-acre tract for residential use to include approximately 450 residential lots. The lots will primarily be 40-50 feet wide and will be comparable to lot sizes in the surrounding area. The creation of the TIRZ and PID was conditioned upon annexation into the City.

On December 18, 2017, after holding a public hearing, the City Council passed Ordinance No. 4532 creating Reinvestment Zone Number Eleven for a duration of 31 years, expiring on December 31, 2048, if not sooner terminated, and the tax increment for the TIRZ was set at the total value of the ad valorem tax collected on all real property within the TIRZ. At this same meeting, the City Council passed Resolution No. 80-2017 creating the Heartland Town Center PID to finance the cost of certain authorized public improvements that confer a special benefit to property located within the PID as authorized by State law.

On April 2, 2018, the City and Developer executed the Heartland Town Center Development Agreement. On May 29, 2018, the Developer filed a voluntary petition for annexation of the 25.5-acre tract planned for general retail.

On June 18, 2018, the TIRZ Board adopted a Project Plan and Reinvestment Zone Financing Plan that summarized \$18,111,386 in project costs for public infrastructure related to the residential development, but did not identify any project costs for the general retail tract noting that those improvements would be constructed by others. The Plan also described the financing methodology and revenue projections for the development, but no concept plan was defined for the proposed general retail tract. The Developer's estimated TIRZ revenues for retail was based on a mix of potential office, retail and grocery store uses.

On June 18, 2018, the City Council passed Ordinance No. 4574 approving the Board recommended Project Plan and Reinvestment Zone Financing Plan and also passed Resolution No. 33-2018 to dedicate 62 percent of tax increment collected within the residential tract to reduce the proposed PID assessments levied on property owners within the residential tract for a period of 31 years or until the total TIRZ revenues collected in the TIRZ Fund residential subaccount equals \$14,827,784, whichever occurs first. The Ordinance and Zone Financing Plan dedicated 25 percent of tax increment collected within the proposed general retail tract for a period of 31 years or until the total TIRZ revenues collected in the TIRZ Fund commercial subaccount equals \$3,283,602 to be used to reimburse a future developer for public improvements in the form of a Chapter 380 agreement.

On July 16, 2018, the City Council passed Ordinance No. 4584 annexing the 25.5-acre tract zoned as Agriculture into the City limits.

On August 1, 2018, the City and Developer entered into a Transfer and Service Agreement with Kaufman County Municipal Utility District No. 12 (K-MUD) and D.R. Horton to provide water and wastewater service to the proposed general retail tract and the developable portion of the proposed residential tract to be developed by D.R. Horton. The Heartland Town Center Development is entirely located within K-MUD's Certificate of Convenience and Necessity (CCN), and per the Development Agreement K-MUD will provide water and sewer service to the proposed general retail and residential tracts.

On August 3, 2018, the Developer sold the 121.3-acre residential tract to D.R. Horton and its affiliate to develop the Trailwind subdivision in two phases, with 210 lots in Phase 1 and 240 lots in Phase 2. The terms and conditions of

Actions Taken to Date

the Development Agreement relating to the PID and residential development was assigned to D.R. Horton and its affiliate.

On August 20, 2018, the City Council passed Ordinance No. 4589 approving a change of zoning for the 25.5-acre tract from Agriculture to General Retail.

On August 27, 2018, the Developer sold the 25.5-acre tract to Heartland Retail, LLC, an affiliate of Huffines Communities, to develop the general retail portion of Heartland Town Center. The terms and conditions of the Development Agreement relating to general retail was assigned to Heartland Retail, LLC.

On September 4, 2018, the City Council issued \$7,245,000 in special assessment revenue bonds to finance authorized public improvements within the 121.3-acre residential tract that directly provide a special benefit to property within Phase 1 and that those improvements that benefit the entire development. The Development Agreement caps total bond authorization at \$14 million, which leaves \$6,755,000 remaining in bond authorization for financing public improvements that directly benefit property within Phase 2. The City Council also passed Ordinance No. 4596 adopting a Service and Assessment Plan (SAP) to levy assessments based on lot type in an amount sufficient to pay debt service on the bonds. The PID administrator calculates the assessments based on anticipated TIRZ revenues collected in the residential subaccount and develops an assessment roll for the City to base its collections.

While the TIRZ boundary encompasses the entire 146.746 acres of the Heartland development, the PID boundary only includes the 121.3-acre residential tract, which will develop as single-family residential. The general retail tract is not part of the PID.

On October 1, 2018, the City Council passed Ordinance No. 4615 annexing the 121.3-acre residential tract into the City limits.

On November 19, 2018, the City Council passed Ordinance No. 4625 approving a change of zoning for the developable 110.9 acres within the residential tract from Agriculture to Planned Development—Single-family Residential and new concept plan for D.R. Horton's Trailwind subdivision.

In April 2019, Huffines Communities notified the City of its desire to rezone the combined 25.5-acre general retail tract, and a 1.9-acre tract zoned

Agriculture owned by an affiliate, into a 27-acre Planned Development District (PD), and on July 8, 2019, the Planning and Zoning Commission approved the PD-General Retail zoning application.

On August 5, 2019, the City Council postponed consideration of the PD zoning at the request of the Developer to an undetermined date in order to allow the Developer more time to refine the details of the proposed development.

On September 3, 2019, the City Council passed Ordinance No. 4709 approving an update to the PID SAP in accordance with State law.

On April 20, 2020, the City Council will consider the postponed PD zoning to combine the two Huffines tracts into one Retail Tract with a retail concept plan. At this meeting the City Council will also hold a public hearing to consider a Development Agreement and Chapter 380 Grant Agreement with Huffines to reimburse roadway impact fees and grant up to \$393,000 in sales tax if a 50,000 square-foot grocery store opens, and the City Council will hold a public hearing and consider an ordinance to approve this Amended Project and Financing Plan. This Amended Plan will:

- Extend the Term seven more years to expire December 31, 2055
- Enlarge the TIRZ Boundary to include the 1.9-acre tract
- Refine the financing methodology for the Retail Tract and reduce the maximum TIRZ revenues for the commercial account from \$3,283,602 to \$2,170,667

Board Recommendation

The Board has prepared and adopted this ***Amended Project Plan and Reinvestment Zone Financing Plan for Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center)***, and recommends approval by the Mesquite City Council.

The Board finds that the Zone is feasible, and that the amended TIRZ Project and Financing Plan is in the best interest of the City of Mesquite.

Original TIRZ Boundary



TIRZ Boundary Expansion



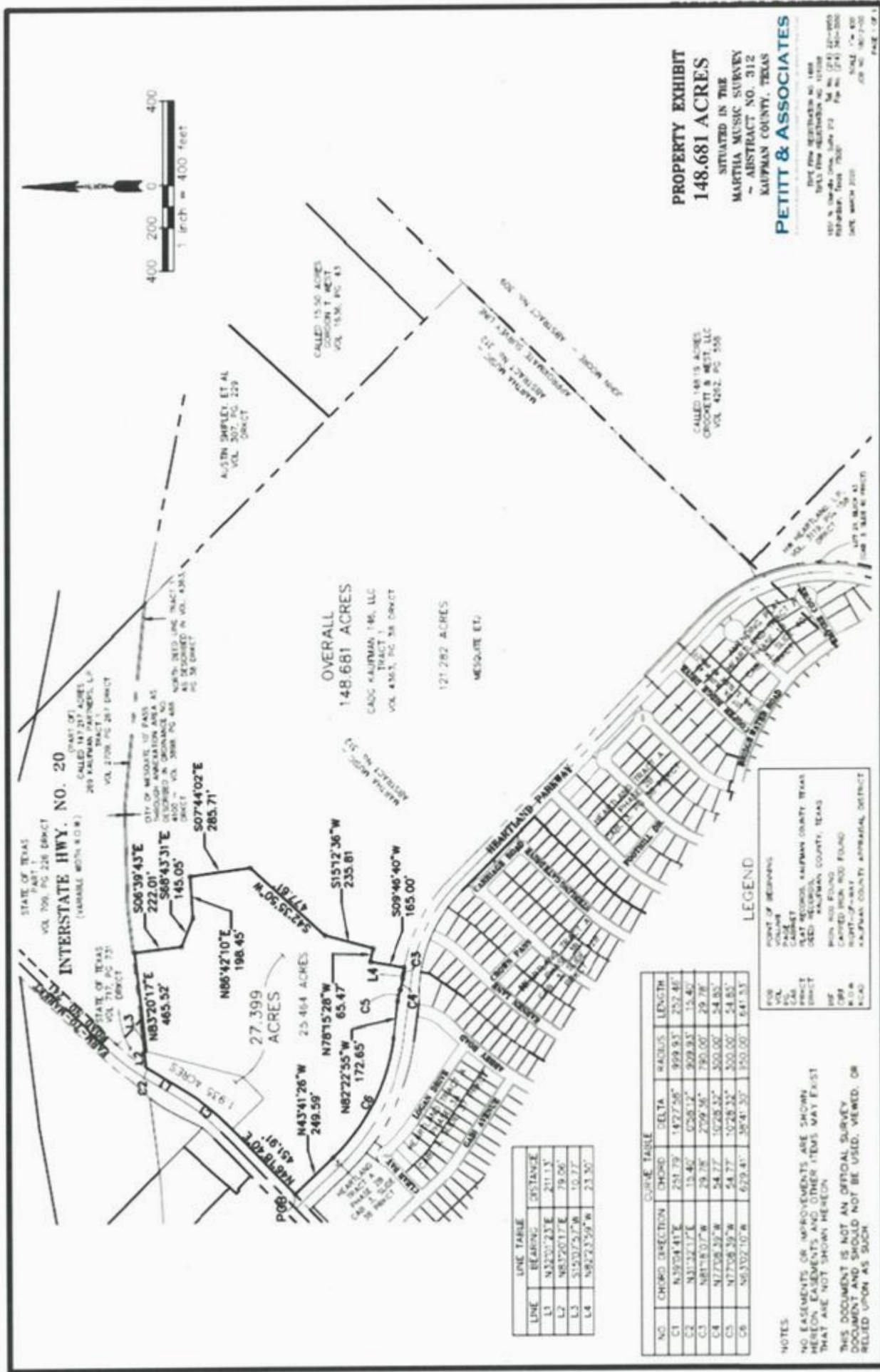
MESQUITE
T E X A S
Real. Texas. Service.

1.935 Acre Tract Mesquite City Limits

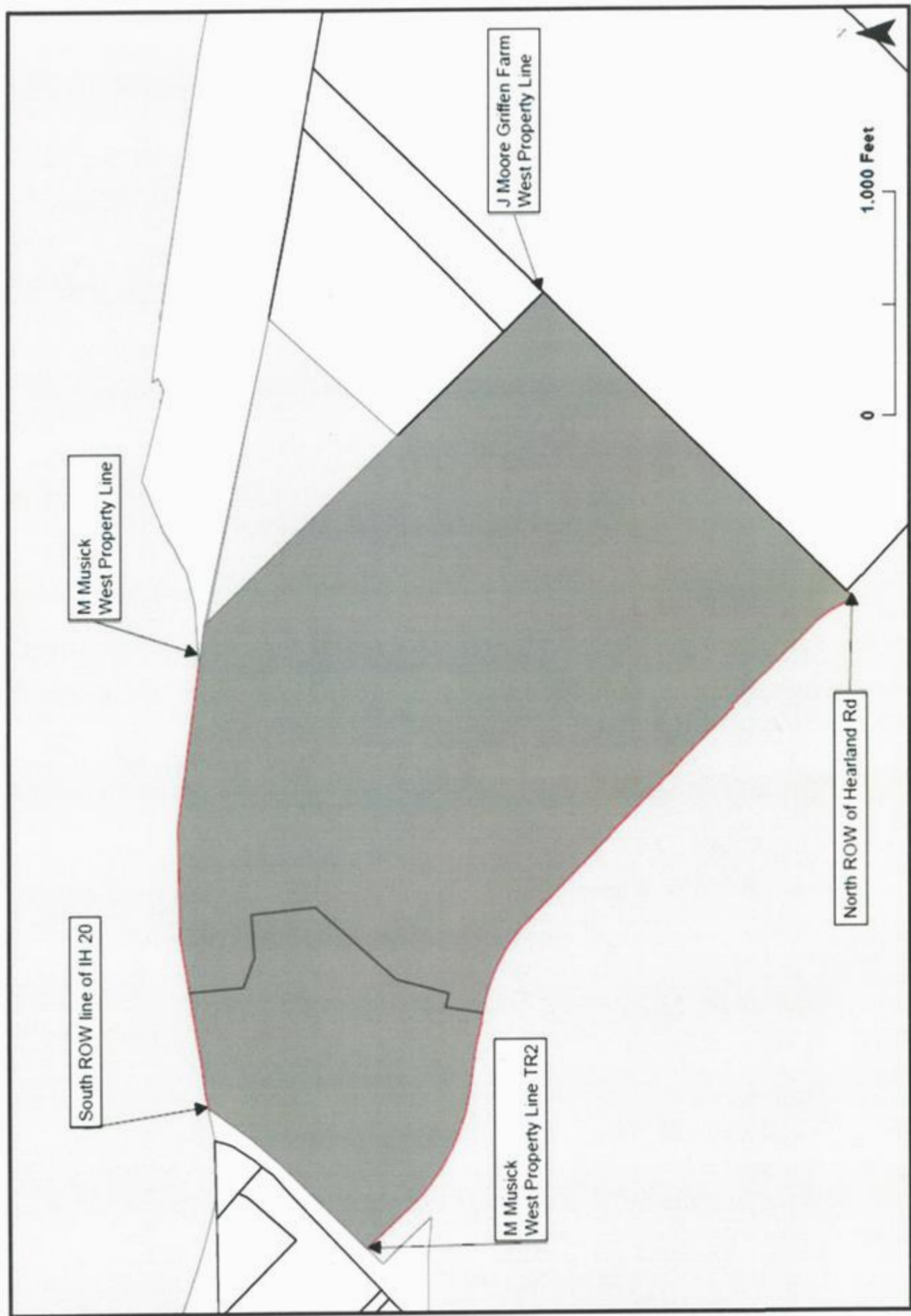
0 50 100 200 Feet

Date: 3/24/2020
Created by: Gabrielle Allen
File Path: C:\GIS\Projects\France\Portage_Mesquite_ParcelValues_Hearstund_2.mxd

New TIRZ Boundary



New TIRZ Boundary Description



New TIRZ Boundary Description

BEING that certain tract of land situated in the Martha Music Survey, Abstract No. 312, in Kaufman County, Texas, and being all that certain tract of land described as Tract 1 in deed to CADG Kaufman 146, LLC, recorded in Volume 4363, Page 38, of the Deed Records of Kaufman County, Texas (DRKCT), and being all of that certain tract of land described as Tract 7 in deed to H.W. Heartland, L.P. CADG Kaufman 146, LLC (now known as UST-Heartland, L.P. according to Certificate of Amendment filed in the Office of the Secretary of State of Texas on December 3, 2013), recorded in Volume 3119, Page 142, DRKCT, and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod with cap marked "PETITT RPLS 4087" found at the intersection of the southeast right-of-way line of Farm to Market Road No. 741 (called 90 foot R.O.W. at this point), and the northeast right-of-way line of Heartland Parkway (called 100 foot R.O.W. at this point), and being the west corner of said CADG Kaufman 146, LLC tract;

THENCE North 46°18'40" East, with said southeast right-of-way line of Farm to Market Road No. 741, a distance of 451.91 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner at the west corner of said HW Heartland, L.P. tract, and being the beginning of a tangent curve to the left;

THENCE continuing with said southeast right-of-way line of Farm to Market Road No. 741, and with said curve having a central angle of 14°27'58", a radius of 999.93 feet, a chord which bears North 39°04'41" East, a chord distance of 251.79 feet, for an arc distance of 252.46 feet to the end of said curve, a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" found for corner;

THENCE North 32°01'23" East, continuing with said southeast right-of-way line of Farm to Market Road No. 741, a distance of 211.13 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" found for corner at the beginning of a tangent curve to the left;

THENCE continuing with said southeast right-of-way line of Farm to Market Road No. 741, and with said curve having a central angle of 00°58'12", a radius of 909.93 feet, a chord which bears North 31°32'17" East, a chord distance of 15.40 feet, for an arc distance of 15.40 feet to the end of said curve, a

concrete monument found for corner at the intersection of said southeast right-of-way line of Farm to Market Road No. 741, and the southerly right-of-way line of Interstate Highway No. 20 (variable width R.O.W.);

THENCE North 83°20'17" East, with said southerly right-of-way line of Interstate Highway No. 20, a distance of 79.06 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" found for corner at the northeast corner of said Tract 7;

THENCE South 15°07'57" West with the north line of said CADG Kaufman 146, LLC tract, a distance of 10.77 feet to a 5/8 inch iron rod with cap marked "PETITT RPLS 4087" found for corner;

THENCE North 83°20'17" East, leaving said southeast line of Tract 7, and with the north line of said CADG Kaufman 146, LLC tract, a distance of 675.67 feet to a 5/8 inch iron rod with cap marked "PETITT RPLS 4087" found for corner;

THENCE North 88°27'43" East, with a north line of said CADG Kaufman 146, LLC tract, a distance of 474.11 feet to a 5/8 inch iron rod with cap marked "PETITT RPLS 4087" found for corner;

THENCE South 84°18'07" East, with a north line of said CADG Kaufman 146, LLC tract, a distance of 951.32 feet to a 5/8 inch iron rod with cap marked "PETITT RPLS 4087" found for corner;

THENCE South 78°58'41" East, with a north line of said CADG Kaufman 146, LLC tract, a distance of 18.88 feet to a 5/8 inch iron rod with cap marked "PETITT RPLS 4087" found for corner at a northeast corner of said CADG Kaufman 146, LLC tract;

THENCE South 45°06'42" East, with the northeasterly line of said CADG Kaufman 146, LLC tract, a distance of 2113.03 feet to a 3/4 inch iron pipe found for corner at the easternmost corner of said CADG Kaufman County 146, LLC tract;

THENCE South 44°46'26" West, with a southeasterly line of said CADG Kaufman 146, LLC tract, a distance of 1898.51 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner;

New TIRZ Boundary Description

THENCE South 65°43'36" West, with a southeasterly line of said CADG Kaufman 146, LLC tract, a distance of 65.81 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner at the southernmost corner of said CADG Kaufman 146, LLC tract, and being located on the northeasterly line of Lot 2X, Block 43, of Heartland Tract A, Phase 1B, an addition to Kaufman County, Texas as according to the Amending Plat recorded in Cabinet 3, Slide 20, of the Plat Records of Kaufman County, Texas (PRKCT), said iron rod also being located at the beginning of a non tangent curve to the left;

THENCE Northwesterly, with said northeasterly line of Lot 2X and with said curve to the left which has a central angle of 21°32'00", a radius of 800.00 feet, a chord which bears North 34°55'09" West, a chord distance of 298.90 feet, for an arc distance of 300.66 feet to the end of said curve, a 1/2 inch iron rod with cap marked "DAA" found for corner;

THENCE North 45°41'09" West, continuing with the northeasterly line of Lot 2X, a distance of 397.34 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner at the northernmost corner of said Lot 2X, Block 43, also being the northernmost corner of said Heartland Tract A, Phase 1B;

THENCE South 44°18'51" West, with the northwest line of said Lot 2X, Block 43, a distance of 10.00 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner at the easternmost corner of Heartland Tract A Phase 2B, an addition to Kaufman County, Texas, according to the Final Plat recorded in Cabinet 3, Slide 100, PRKCT, said iron rod also being located on the northeasterly right of way line of Heartland Parkway (called 80 foot right of way at this point), according to said Final Plat of Heartland Tract A Phase 2B;

THENCE North 45°41'09" West, with said northeasterly right of way line of Heartland Parkway, a distance of 1324.03 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner at the beginning of a tangent curve to the left;

THENCE Northwesterly, continuing with said northeasterly right of way line of Heartland Parkway, and with said curve having a central angle of 36° 41'46", a radius of 790.00 feet, a chord which bears North 64°02'02" West, a chord distance of 497.37 feet, for an arc distance of 505.97 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner;

THENCE North 82°23'59" West, continuing with said northeasterly right of way line of Heartland Parkway, a distance of 23.30 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner, and being the beginning of a tangent curve to the right;

THENCE continuing with said northeasterly right of way line of Heartland Parkway, and with said curve having a central angle of 10°28'32", a radius of 300.00 feet, a chord which bears North 77°08'39" West, a chord distance of 54.77 feet, for an arc distance of 54.85 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner, and being the beginning of a tangent reverse curve to the left;

THENCE continuing with said northeasterly right of way line of Heartland Parkway, and with said curve having a central angle of 10°28'32", a radius of 300.00 feet, a chord which bears North 77°08'39" West, a chord distance of 54.77 feet, for an arc distance of 54.85 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner (called 100 foot R.O.W. at this point);

THENCE North 82°22'55" West, continuing with said northeasterly right of way line of Heartland Parkway, a distance of 172.65 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner, and being the beginning of a tangent curve to the right;

THENCE continuing with said northeasterly right of way line of Heartland Parkway, and with said curve having a central angle of 38°41'30", a radius of 950.00 feet, a chord which bears North 63°02'10" West, a chord distance of 629.41 feet, for an arc distance of 641.53 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner;

THENCE North 43°41'26" West, continuing with said northeasterly right of way line of Heartland Parkway, a distance of 249.59 feet to the POINT OF BEGINNING of herein described tract, containing 148.681 acres of land.

Existing Uses and Conditions

The Property is currently located within the City limits in Kaufman County. The 27.4-acre retail tract is currently undeveloped, with 1.9 acres zoned Agriculture, and the other 25.5-acres zoned General Retail. The 121.3-acre residential tract is zoned Planned Development - Residential and is currently under development by D.R. Horton for single-family residential use. Both tracts are also located within Kaufman County Municipal Utility District No. 11 and water and sewer is available from K-MUD. Maps of current land use and zoning are shown on the following pages.

Current Property Ownership

There are five parcels within the residential tract which are owned by D.R. Horton and its affiliate Diecieseis. A total of five parcels make up the retail tract and are owned by Heartland Retail and HW Heartland, which are both affiliates of Huffines Communities.

The total appraised value of all residential tracts is \$822,190, and the total appraised value of all retail tracts is \$931,720, for a combined TIRZ taxable value of \$1,753,910. When the TIRZ expires in December 2055, the estimated appraised taxable value of real property within the TIRZ will be more than \$262 million. Details of each parcel is shown in the table below.

Property ID	Owner	Acreage	Base Value	2019 Value
9711	DR Horton Texas, LTD	5.31	1,195	106,240
187126	DR Horton Texas, LTD	5.00	1,130	95,580
200545	DR Horton Texas, LTD	0.50	112	4,280
201174	DR Horton Texas, LTD	41.00	9,221	607,310
200544	Diecieseis, LLC	69.47	15,631	8,780
9608	Heartland Retail, LLC	1.33	300	22,430
9609	Heartland Retail, LLC	10.65	2,394	179,070
76545	Heartland Retail, LLC	13.48	3,037	142,460
76744	HW Heartland, LP	0.57	559,070	559,070
76745	HW Heartland, LP	1.37	28,690	28,690
		148.68	620,780	1,753,910



121.3-acre Residential Tract



27.4-acre General Retail Tract

Land Use



Zoning



Zone Characteristics

Proposed Uses

The 121.3-acre residential tract is zoned Planned Development - Single Family Residential and is being developed by D.R. Horton in two phases over four years. Phase 1 consists of 210 lots and Phase 2 consists of 240 lots for a total of 450 lots. Of this lot count, 182 lots have 40-foot width lots and 268 lots have 50-foot widths.

D.R. Horton will construct their Express Homes brand of affordable housing with an average base home price of \$215,000 for the 40-foot width lots, and \$255,000 for the 50-foot width lots.

Grading and utility construction are underway in Phase 1, and the first 60 lots are expected to sell by 2021. Public infrastructure for Phase 2 is expected to begin sometime in 2022 with the first 60 lots in that phase beginning to sell by 2023. Both phases are expected to overlap with final lots completed by 2025 depending on market conditions.

The 27.4-acre retail tract will be zoned Planned Development - General Retail and is being developed by Huffines Communities as a major high value retail center to serve the rapidly growing residential housing in the adjacent Heartland master-planned community and other development underway along the IH-20 corridor.

The 130,000 square foot center will be anchored by a 50,000 square foot grocery store and will include six major pad sites for restaurant and retail fronting FM 741 and a mixture of retail and office in a quality atmosphere and architectural features that will provide an upscale, hill country modern feel for the consumer. The mix use development will be accentuated by extensive open space and landscaping that will promote walkability and a sense of community for the surrounding neighborhood.

Relocation of Displaced Persons

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

Proposed Changes of Zoning, Ordinances and Regulations

The residential tract is zoned PD-Single-family Residential with no plans to change zoning in the future. A Development Agreement governs the development standards, open space and other regulations within Trailwind, and deed restrictions on 30 prohibited uses has been filed with the Kaufman County Court of Record.

A change in zoning from Agriculture to PD-General Retail is planned for the 1.9-acre tract, along with the 25.5-acre tract already zoned General Retail. A proposed Development Agreement and Chapter 380 Grant Agreement will specify development incentives as well as architectural and building material standards for the retail development. This Agreement also contains the same deed restrictions as the residential property and will be filed upon execution by the City and Developer. A proposed TIRZ Reimbursement Agreement will outline the terms and conditions for reimbursing TIRZ revenues to the Developer as described in this Plan.



27.4-acre General Retail Tract

Concept Site Plan



Item	Quantity	Area (sq. ft.)	Volume (cu. yd.)	Notes
1. Building 1	1	12,000	12,000	
2. Building 2	1	9,453	9,453	
3. Building 3	1	13,868	13,868	
4. Building 4	1	9,819	9,819	
5. Building 5	1	60,000	60,000	
6. Building 6	1	1,500	1,500	
7. Building 7	1	15,000	15,000	
8. Total	7	121,640	121,640	

Notes:
1. Building 1 is located at the corner of Highway 101 and Highway 102.
2. Building 2 is located at the corner of Highway 101 and Highway 103.
3. Building 3 is located at the corner of Highway 101 and Highway 104.
4. Building 4 is located at the corner of Highway 101 and Highway 105.
5. Building 5 is located at the corner of Highway 101 and Highway 106.
6. Building 6 is located at the corner of Highway 101 and Highway 107.
7. Building 7 is located at the corner of Highway 101 and Highway 108.

Key Notes

- Parcel Number
- Drive Through - 7 Car stack
- 80' Buffer
- Park & Open Space
- Tractor Trailer Dock
- Shade Structure
- 80' Pole Sign
- 25' - 150' Monument Sign
- 6' Pad Site Tenant ID Sign
- Entry Monument Sign
- Tower
- Grocery
- Mixed Use
- Business
- Building 1 - 12,000 sf
- Building 2 - 9,453 sf
- Building 3 - 13,868 sf
- Building 4 - 9,819 sf
- Building 5 - 60,000 sf
- Building 6 - 1,500 sf
- Building 7 - 15,000 sf

Symbol Legend

- Canopy Tree
- Ornamental Tree
- Iron Fence & Shrub Screening

1. Deviations from current development standards/regulations not specifically addressed/limited for approval as part of Planned Development Regulations may require a hearing approval by the Board of Adjustment (BOA).
2. All current development requirements of the City as amended shall be met unless approved otherwise within these Planned Development Zoning District Development Regulations.
3. THIS ZONING CONCEPT PLAN IS FOR ILLUSTRATIVE PURPOSES ONLY AND SUBJECT TO CHANGE. This Zoning Concept Plan, along with development regulations, is intended to describe the intent of the Planned Development. Significant deviations from the Zoning Concept Plan, as determined by the Director of Planning and Development Services, will require an amendment to the Zoning Concept Plan and, as necessary, then development regulations.

Owner & Applicant:
Heartland Retail, LP, 8300 Douglas Ave., Suite 300 Dallas, TX 75225
(214) 750-1800

Architect:
CallisonRTKL, 1717 Pacific, Dallas, TX 75201
(214) 468-7510

Engineer/Surveyor:
Perrin Baraza, LLC, 1651 N Glenview Drive, Suite 212, Richardson, Texas 75081
(214) 221-9955

General Retail Project Costs

Estimated Project Costs

Estimated Project Costs for public infrastructure related to the proposed general retail development totals \$8,376,631 and is based on the Developer's engineering estimates. The Developer will pay for all Project Costs up front and will be reimbursed for actual costs of those authorized public improvements which are eligible for reimbursement under the TIRZ Act and mutually agreed to under the terms and conditions of a Development Agreement and Chapter 380 Grant Agreement between the City and the Developer.

As described in more detail in the Financing Plan, the Developer will be reimbursed for eligible project costs from a combination of roadway impact fee reimbursements, sales tax reimbursements from grocery store sales, and 25 percent of the City's property tax increment collected within the Retail Tract over the life of the TIRZ. Public infrastructure improvements eligible for reimbursement totals \$2,460,000, and the Developer's portion of public infrastructure costs total \$5,916,631.

TIRZ revenues are collected each year and deposited into a TIRZ Commercial Account, which is a subaccount of the TIRZ Fund and segregated from all other funds of the City.

TIRZ Revenues Capped

Under the terms and conditions of a TIRZ Reimbursement Agreement, the TIRZ Board and City pledge to dedicate 25 percent of the City's ad valorem tax increment revenue from within the boundaries of the 27.4-acre Retail Tract to directly reimburse the Developer for Project Costs for a period of 38 years or until the amount of TIRZ increment revenues placed into the Commercial Account totals \$2,170,667, whichever occurs first.

Under no circumstances will the amount of TIRZ revenues used for Project financing exceed the \$2,170,667 cap specified in the TIRZ Reimbursement Agreement, unless the Agreement is amended by the parties and approved by the City Council.

Non-Project Costs

Non-project costs are private funds that will be spent by the Developer to construct infrastructure within the Retail Tract that will not be reimbursed from TIRZ revenues. The list of non-project costs includes the Developer's portion of the Project Costs as well as water, wastewater and drainage. Total non-project costs are \$5,916,631 as listed here.

Estimated Retail Project Costs	Amount
Site Preparation	\$210,000
Paving of Common Drives	560,000
Utility Relocation	140,000
Signage	200,000
Street Lighting	50,000
Common areas/park	500,000
Sidewalks	200,000
FM 741 Interim Improvements	300,000
Landscaping/Irrigation	300,000
Total Retail Project Costs	\$2,460,000

Estimated Retail Non-Project Costs	Amount
Site Preparation	\$682,500
Roadway Improvements	1,186,357
Utility Relocation	200,000
Signage	350,000
Street Lighting	94,500
Common areas/park	750,000
Sidewalks	95,625
FM 741 Interim Improvements	300,000
Landscaping/Irrigation	525,000
Sanitary Sewer System Improvements	178,241
Water Distribution System Improvements	311,800
Storm Drainage Collection System Improvements	392,608
Electric Utilities	200,000
Offsite Natural Gas Utilities	650,000
Total Retail Non-Project Costs	\$5,916,631

Trailwind Subdivision



Residential Project Costs

Estimated Project Costs

The cost of public infrastructure related to the residential development totals \$15,786,440 and is based on the Developer's engineering Estimate of Probable Costs (EOPC). The Developer pays for the cost of all improvements up front and is reimbursed for actual costs of those public improvements that are eligible for reimbursement under the TIRZ Act.

As described later in the Financing Plan, the Developer is reimbursed for eligible project costs from special assessment revenue (PID) bond proceeds issued by the City issues and administered through a third party trustee. The total amount of authorized public infrastructure improvements is \$10,602,243, and the Developer's portion of infrastructure costs total \$5,184,197.

The debt service on the PID bonds are paid through a property assessment levied each year on each property owner within the PID (residential tract), and TIRZ revenues are collected each year and deposited into a TIRZ Residential Account held by the trustee and these TIRZ revenue deposits offset the annual assessment levied for each property owner.

TIRZ Revenues Capped

Per the Development Agreement, the maximum amount of TIRZ revenues placed in the Residential Account of the TIRZ Fund and dedicated to reduce the PID assessments is \$14,827,784.

However, DTA, Inc., the PID Administrator, calculates the TIRZ revenue offset, or credit, based on an allocation methodology so that the net total of assessments do not produce an equivalent tax rate which exceeds the competitive tax rate equivalent on improvement values estimated at the time bonds are issued. This calculation establishes the final TIRZ Annual Credit Amount for all home lot types. The maximum TIRZ Annual Credit Amount for each 50-foot width home lot is \$1,094, and \$923 for each 40-foot lot. The Trailwind development consists of 182 40-foot lots and 268 50-foot lots, so the maximum TIRZ revenues actually required for the assessment roll is currently \$14,296,518 and is based on the TIRZ ending in FY-48. When the next phase of bonds are issued and the seven additional years are added to the term of the TIRZ, this figure will change, but under no circumstances will the amount of TIRZ revenues used for project financing exceed the \$14,827,784 cap specified in the Development Agreement.

Residential Project Costs	Amount
Roadway Improvements	\$2,891,929
Water System Improvements	1,351,695
Sanitary Sewer System Improvements	1,189,510
Storm Drainage System Improvements	1,658,901
Professional and Other Soft Costs	3,070,642
Construction Contingency	439,566
Total Residential Project Costs	\$10,602,243

Non-Project Costs

Non-project costs are private funds that will be spent by the Developer to construct infrastructure in the TIRZ but will not be financed by TIRZ revenues or PID bonds. The list of non-project costs includes excavation and home pad site preparation, retaining walls between home pad sites and utilities constructed by Atmos Energy and Oncor Electric. The total non-project costs are \$5,184,197.

Residential Non-Project Costs	Amount
Site Preparation	\$2,297,846
Retaining Walls	691,400
Franchise Utilities/Street Lighting	1,443,000
Professional and Other Soft Costs	493,769
Construction Contingency	258,182
Total Residential Non-Project Costs	\$5,184,197

Residential Project Costs

Estimated Time When Costs Incurred

In September 2018, the City sold two issues of special assessment revenue bonds, Phase #1 bonds in the amount of \$5,410,000 to finance authorized public improvements that provide a special benefit to *only* property within Phase 1 of the development, and \$1,835,000 to finance those improvements that benefit the entire development, called Phase #2 Major Improvements. Below is a table that shows the sources and uses of those bond funds. This first series of PID bonds finances the Project Costs that are needed to construct \$3,829,230 in public infrastructure for Phase 1 of Trailwind, and \$2,489,229 in public infrastructure that benefit both Phases of the development. A second and final series of PID bonds will be issued in 2021 to finance the remaining \$4,283,784 in public improvements that benefit *only* Phase 2 of Trailwind.

Description	Phase #1 Bonds	PID Reimbursement Agreement	Phase #2 Major Improvement Bonds	2018 Grand Total
	Phase #1	Phase #1	Phase #2	
Sources of Funds				
Bond Par Amount	\$5,410,000	\$0	\$1,835,000	\$7,245,000
Reimbursement Agreement	\$0	\$647,000	\$0	\$647,000
Owner Cash Contribution	\$409,695	\$0	\$34,262	\$443,958
Total Sources of Funds	\$5,819,695	\$647,000	\$1,869,262	\$8,335,958
Uses of Funds				
Major Improvements (a)				
Water System Improvements	\$70,525	\$10,436	\$88,398	\$169,360
Sanitary Sewer System Improvements	\$20,280	\$3,001	\$25,419	\$48,700
Storm Drainage System Improvements	\$200,341	\$29,647	\$251,112	\$481,100
Professional and Other Soft Costs	\$716,312	\$106,000	\$897,841	\$1,720,153
Construction Contingency	\$29,115	\$4,308	\$36,493	\$69,916
Subtotal Major Improvements	\$1,036,573	\$153,393	\$1,299,263	\$2,489,229
Specific Improvements (a)				
Roadway Improvements	\$1,262,420	\$186,814	\$0	\$1,449,234
Water System Improvements	\$518,236	\$76,689	\$0	\$594,925
Sanitary Sewer System Improvements	\$504,759	\$74,694	\$0	\$579,453
Storm Drainage System Improvements	\$561,611	\$83,107	\$0	\$644,718
Professional and Miscellaneous Fees	\$488,597	\$72,303	\$0	\$560,900
Construction Contingency	\$0	\$0	\$0	\$0
Subtotal Specific Improvements	\$3,335,623	\$493,607	\$0	\$3,829,230
Financing Costs				
Capitalized Interest (b)	\$543,910	\$0	\$195,850	\$739,761
Bond Reserve	\$378,081	\$0	\$138,006	\$516,087
Delinquency and Prepayment Deposit	\$52,050	\$0	\$19,175	\$71,225
First Year's Administrative Expenses	\$30,000	\$0	\$35,000	\$65,000
Underwriter's Discount	\$162,300	\$0	\$55,050	\$217,350
Costs of Issuance	\$281,158	\$0	\$126,918	\$408,076
Subtotal Financing Costs	\$1,447,499	\$0	\$569,999	\$2,017,499
Total Uses of Funds	\$5,819,695	\$647,000	\$1,869,262	\$8,335,958

Authorized Public Improvements

Series 2021 Bond Sale

The table below summarizes the authorized public improvements that convey a special benefit to Phase 2 of the Trailwind development, which includes 240 home sites. There's a maximum of \$6,755,000 remaining in PID bond authorization under the Development Agreement, which will be adequate to cover the \$4,283,784 in estimated construction costs and cost of issuance.

Table III-C Phase #2 Specific Improvement Costs		
Description	Total	
Roadway Improvements	\$1,442,695.00	
Water System Improvements	\$587,410.00	
Sanitary Sewer System Improvements	\$561,357.00	
Storm Drainage System Improvements	\$533,083.00	
Professional and Other Soft Costs	\$789,589.00	
Construction Contingency	\$369,650.00	
Total Specific Improvements	\$4,283,784.00	
Note: Costs provided by Pettitt Barraza LLC. The amounts shown in Table III-C may be revised in Annual Service Plan Updates.		

Categories of Authorized Public Improvements

The categories of authorized improvements proposed to be financed by the TIRZ are as follows: water improvements, sanitary sewer improvements, storm sewer, erosion control and detention improvements, roadway and streetscape 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 before reimbursements are approved.

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 and shall be updated by the City consistent with the PID Service and Assessment Plan.

Roadway Improvements:

Consist of construction of perimeter road and thoroughfare improvements, including related paving, drainage, curbs, gutters, sidewalks, retaining walls, signage, and traffic control devices. All roadway projects will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City.

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 Assessed Property. The water distribution system improvements will be designed and constructed in accordance with TCEQ standards and specifications and it's anticipated that water distribution system will be owned and operated by K-MUD, unless otherwise determined through subsequent agreement.

Sanitary Sewer Collection System Improvements:

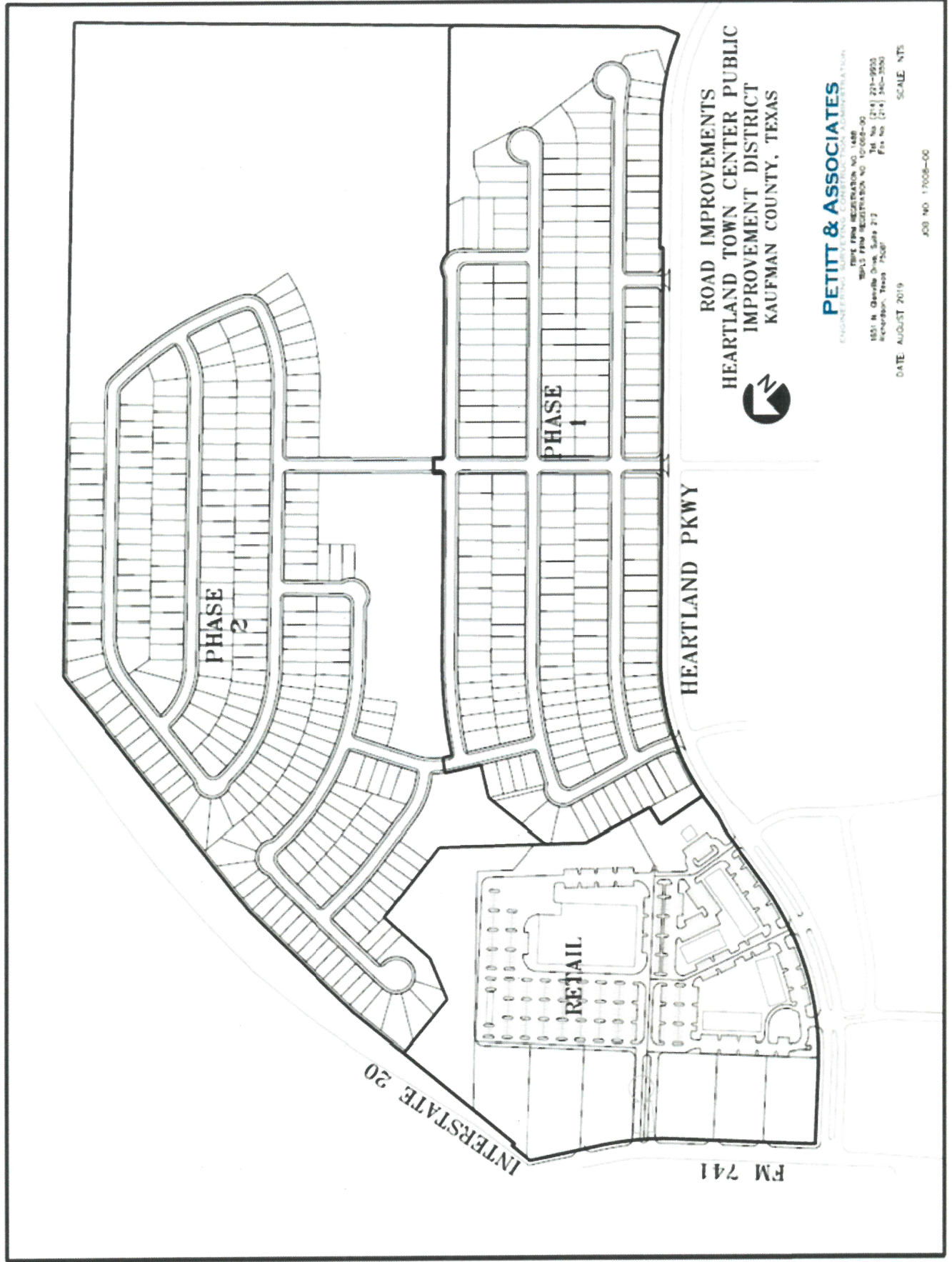
Consist of construction and installation of pipes, service lines, manholes, encasements and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with TCEQ standards and specifications and will be owned and operated by K-MUD.

Storm Drainage Collection System Improvements:

Consist of reinforced concrete pipes, reinforced concrete boxes, and multi-reinforced box culverts. The storm drainage collection system improvements will be designed and constructed in accordance with City standards and specifications and will be owned and operated by the City except those areas of floodplain to be maintained by a Home Owners Association.

Locations of Public Improvements. The estimated locations of the proposed public improvements are shown on the following pages. These locations are provided for informational purposes only and may be revised from time to time without amending the this Plan.

Roadway Improvements

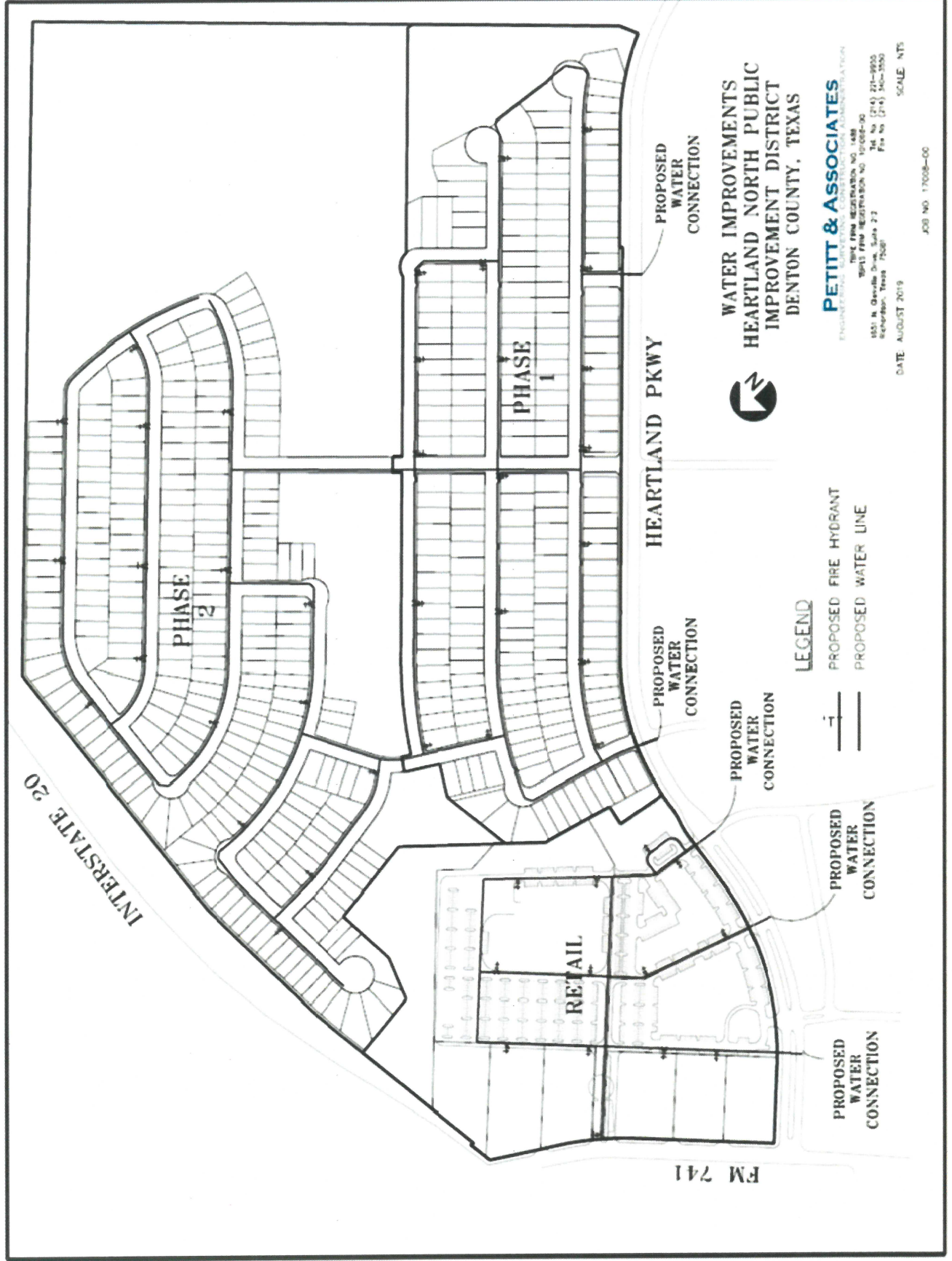


ROAD IMPROVEMENTS
HEARTLAND TOWN CENTER PUBLIC
IMPROVEMENT DISTRICT
KAUFMAN COUNTY, TEXAS

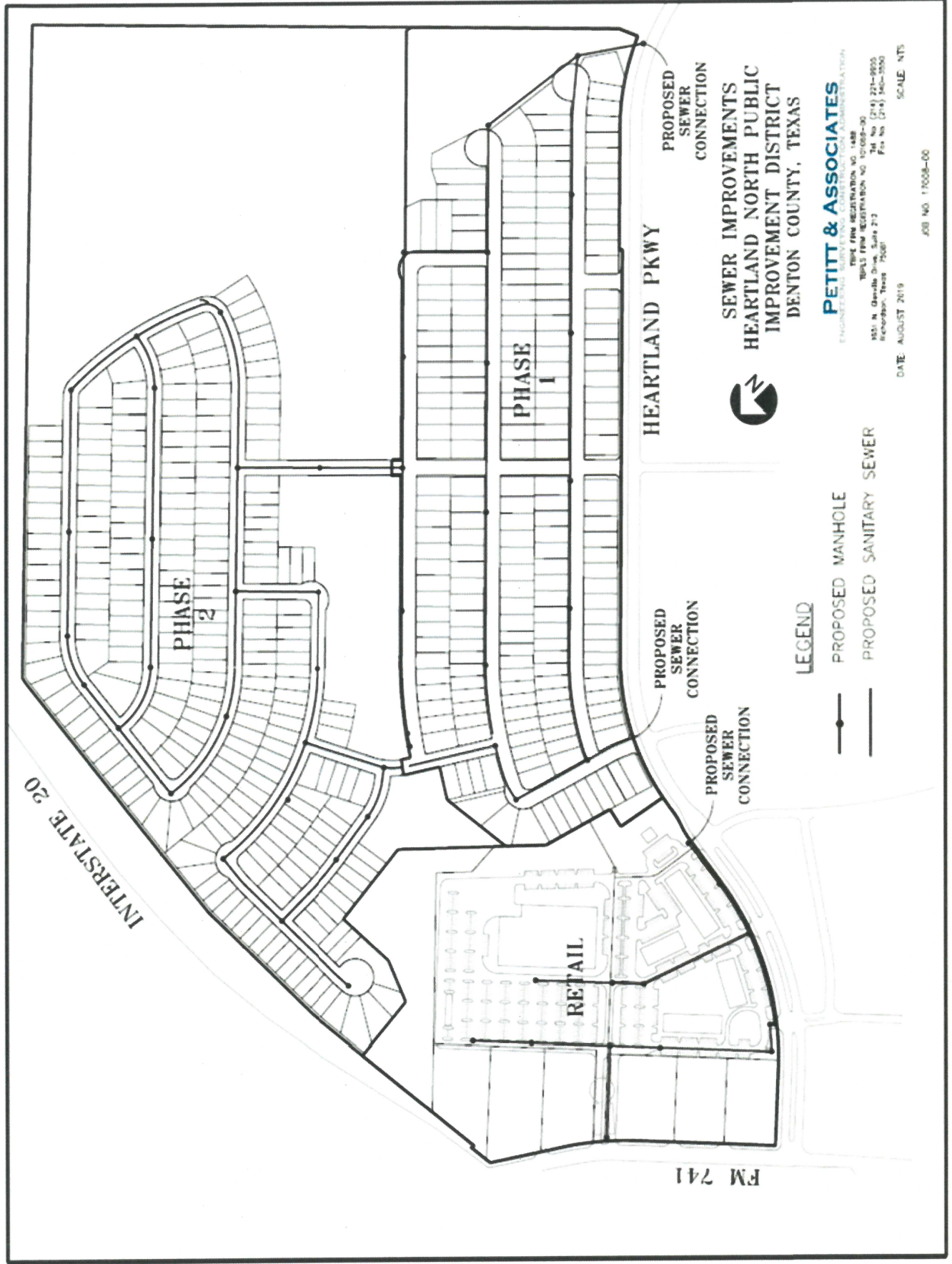


PETIT & ASSOCIATES
ENGINEERING, ARCHITECTURE, INTERIOR DESIGN, LANDSCAPE ARCHITECTURE
TXSPE REGISTRATION NO. 1488
TXPLS REGISTRATION NO. 107068-00
1601 N. Glendale Ave., Suite 212 Tel No. (214) 291-9900
Richardson, Texas 75081 Fax No. (214) 340-2050
DATE: AUGUST 2019 SCALE: NTS
J30 NO. 17008-00

Water Distribution System Improvements



Sanitary Sewer Collection System Improvements



Economic Feasibility Study Residential Development

Economic Feasibility Study

In July 2018, a market value appraisal was developed by Integra Realty Resources on behalf of the City and the PID bond underwriter for the purpose of underwriting the PID bonds and to determine if the project was financially feasible. The appraisal determined that single-family residential was the best and highest use for the property and the value-to-lien ratio met the minimum requirement of 2:1 for Phase#1 bonds and 3:1 for major improvements defined in the Development Agreement.

D.R. Horton's estimated value of its 450 homes at build-out by 2025 totals \$107,470,000. The Tax Rate Equivalent (TRE) for the levy of assessments on the 40-foot lots calculated at \$0.929 per \$100 taxable assessed valuation, and the 50-foot lots calculated at \$0.933, which are both below the maximum \$0.961 per \$100 TRE specified in the Development Agreement. TRE is defined as the estimated finished lot market value to bond amount and is an indicator of the return on the City's investment of public financing in the project.

The table below summarizes the valuation assumptions and assessment allocation based on lot type. The average annual assessment for the 40-foot lots in Phase 1 is \$2,379.90, and \$1,999.12 for the 50-foot lots.

TIRZ Revenues

Based on the Developer's estimated value of 450 homes at total build-out, or completion of sales, by 2025, and assuming a modest two-percent annual growth in appraised values, the estimated Captured Appraised Values detailed on Pages 30-35 show that the taxable value of the residential property will reach \$206 million by the time the TIRZ expires in December 2055, and that TIRZ Revenues available for TIRZ Project Costs within the residential tract will total \$21,877,489. Currently, TIRZ revenues for PID assessments is capped at \$14,827,784, which leaves \$7,049,705 remaining towards the last several years for other public infrastructure costs, such as a fire station or other public facility that would benefit property owners within the TIRZ.

Since the TIRZ captures 62.5 percent of the City's taxable value, the amount that the City is anticipated to receive for general fund operations over the same period totals \$13,126,493.

Table V-2: Phase#1 Assessment Per Lot

Lot Type	# of Lots	Estimated Assessed Value Per Home	Estimated Build-Out AV	Equivalent Unit Factor	Equivalent Units	Phase #1 Bonds Assessment	PID Reimbursement Agreement Assessment	Total Assessment	Total Assessment Per Lot	Total Assessment Installments	Total Assessment Installments Per Lot	Average Annual Assessment Installment Per Lot
50	155	\$255,000.00	\$39,525,000.00	1.00	155.00	\$4,167,741.54	\$468,814.39	\$4,636,557.93	\$30,104.37	\$10,477,774.61	\$67,598.55	\$2,379.90
40	55	\$315,000.00	\$17,325,000.00	0.84	46.20	\$1,242,254.46	\$148,565.61	\$1,390,820.07	\$25,287.67	\$3,121,052.82	\$56,782.78	\$1,999.12
Total	210		\$56,850,000.00		201.20	\$5,409,996.00	\$617,380.00	\$6,027,376.00		\$13,598,827.43		

Table V-3: Phase #2 Major Improvements Assessment Per Lot

Lot Type	# of Lots	Estimated Assessed Value Per Home	Estimated Build-Out AV	Equivalent Unit Factor	Equivalent Units	Phase #2 Major Improvements Bonds Assessment	Total Assessment	Total Assessment Per Lot	Total Assessment Installments	Total Assessment Installments Per Lot	Average Annual Assessment Installment Per Lot
50	113	\$255,000.00	\$28,815,000.00	1.00	113.00	\$943,895.67	\$943,895.67	\$8,353.06	\$2,681,500.42	\$23,730.09	\$833.03
40	127	\$315,000.00	\$27,305,000.00	0.84	106.68	\$891,104.33	\$891,104.33	\$7,016.57	\$2,531,526.23	\$19,931.28	\$699.74
Total	240		\$56,120,000.00		219.68	\$1,835,000.00	\$1,835,000.00		\$5,213,026.65		

Method of Financing Residential Development

Method of Financing

For the 121.3-acre residential development, the City will be issuing special assessment revenue bonds secured by PID assessments to finance the PID-eligible portion of Project Costs, and any remaining costs of public improvements will be paid by the Developer, D.R. Horton. PID assessments are levied on each parcel of property within the PID, which is the entire 121.3-acre tract.

In accordance with the Development Agreement, this TIRZ Project and Finance Plan, as amended, and the PID Service and Assessment Plan, TIRZ revenues will be collected annually at 62.5 percent of the City's ad valorem tax increment from within the boundaries of the residential tract only for a period of 38 years or until the amount of TIRZ revenues placed in the TIRZ Residential Account totals \$14,827,784, whichever occurs first.

While the assessments are used to finance the PID bonds, the PID bonds do not represent a general obligation of indebtedness to either the City or the TIRZ - they are solely paid by property owners within the PID. The TIRZ revenues are collected by the City at the same time when property taxes are due and the funds are sent to the bond trustee to offset, or reduce, the amount of assessments levied on each parcel or lot.

The City's PID Administrator allocates TIRZ assessments to each property and prepares an annual Assessment Roll for the City to bill assessments. The table below shows the current Assessment Roll. As home builders sell homes to end-buyers, the assessments are reallocated and an updated SAP is approved by City Council.

Appendix A Heartland Town Center Public Improvement District Assessment Roll Assessment by Parcel									
Phase #1 Assessment									
Parcel ID	Owner	Total 40 Lots	Total 50 Lots	Total Lots	PID Assessment	PID	FY 2019-2020		
201174	D.R. Horton Texas LTD	55	155	210	\$6,057,000.00		Annual Installment		
Totals		55	155	210	\$6,057,000.00		\$136,349.61		
Phase #2 Major Improvements Assessment									
Parcel ID	Owner	Total 40 Lots	Total 50 Lots	Total Lots	PID Assessment	PID	FY 2019-2020		
200544	Decrestes LLC	127	113	240	\$1,835,000.00		Annual Installment		
Totals		127	113	240	\$1,835,000.00		\$44,875.00		

Annual TIRZ Credit History

The Table below shows the amount of TIRZ revenues received by the trustee and used to credit, or reduce, the annual assessments for each property owner. The PID administrator shows that annual TIRZ Credits will begin in FY-21, so no TIRZ revenues have been used to finance the Project yet.

Appendix D TIRZ Annual Credit History (a) All Parcels						
Phase #1 Assessment						
Parcel ID	2020 (c)	2021	TIRZ Credits Applied (b)	2022	2023	2024
201174	\$0.00					
Totals	\$0.00					
Phase #2 Major Improvements Assessment						
Parcel ID	2020 (c)	2021	TIRZ Credits Applied (b)	2022	2023	2024
200544	\$0.00					
Totals	\$0.00					

(a) The City Council has agreed to use a portion of TIRZ Revenues generated to reduce the Annual Installment for Assessed Property based on a desire to maintain a competitive, composite equivalent ad valorem tax rate.

(b) The maximum TIRZ Annual Credit Amount shall not exceed the amounts shown in Section V of the SAP or in an Annual SAP Update.

(c) TIRZ Credit application will begin in FY 2020-2021 and will be reflected in the FY 2020-2021 Annual Service Plan Update.

Debt Service

It is not anticipated that the TIRZ will incur any bonded indebtedness. PID bonds are issued by the City, not the TIRZ and are an obligation of the property owner, not the TIRZ.

Economic Feasibility Study

General Retail Development

Economic Feasibility Study

In August 2019, the Developer's consultant, Stein Planning, LLC, conducted a feasibility analysis based on appraisals of comparable properties in Kaufman, Rockwall and north-east Dallas Counties. The analysis also considered mean average store sales and floor areas of restaurants on pad sites and an analysis of grocery store sales. Together with engineering estimates of developable acreage and an initial concept plan, the consultant determined that \$23,274,280 in real property and \$4,839,360 in business personal property could be developed on nine parcels totaling 129,812 square feet of gross floor space. The table below summarizes the Developer's findings of feasibility.

Proposed Development and Values on the Site, in 2019 Dollars

Notes:

Proposed uses, gross floor areas and years of completion represent August 2019 plans by Huffines Communities, subject to change. Values added per square foot of gross floor area are estimates by Stein Planning, LLC, based on appraisals for comparable properties. Values represented by completed properties are assumed added to the appraisal roll on January 1 following the year of completion.

A fraction of value may be added earlier if construction began or land value was significantly increased before the previous January 1.

(a)	(b)	(c)	(d)	(e)	Anticipated Kaufman Central Appraisal District Taxable Value					(i)				
					Parcel Number	Proposed Use	Land Area (SF)	Gross Floor Area (SF)	Real Property		Anticipated Year Completed			
									(f)			(g)	(h)	(j)
					Per SF of GFA	Total	Per SF of GFA	Total						
1	Restaurant pad	46,690	2,500	0.05	\$380	\$950,000	\$35	\$87,500	2020					
2	Restaurant pad	45,300	2,500	0.06	\$380	\$950,000	\$35	\$87,500	2021					
3	Restaurant pad	62,744	4,000	0.06	\$380	\$1,520,000	\$35	\$140,000	2021					
4	Restaurant pad	52,934	3,500	0.07	\$380	\$1,330,000	\$35	\$122,500	2022					
5	Restaurant pad	62,255	3,500	0.06	\$380	\$1,330,000	\$35	\$122,500	2022					
6	Restaurant pad	53,102	3,000	0.06	\$380	\$1,140,000	\$35	\$105,000	2022					
7	Retail mix	164,220	20,671	0.13	\$190	\$3,927,490	\$30	\$620,130	2021					
8	Retail mix	125,213	22,141	0.18	\$190	\$4,206,790	\$30	\$664,230	2023					
9 (part)	Grocery	299,666	50,000	0.17	\$90	\$4,500,000	\$50	\$2,500,000	2021					
9 (part)	Office	74,916	15,000	0.20	\$190	\$2,850,000	\$20	\$300,000	2021					
10	Retail mix	51,967	3,000	0.06	\$190	\$570,000	\$30	\$90,000	2023					
11X	Buffer	154,529	0	0.00	\$0	\$0	\$0	\$0	2021					
Total		1,193,536	129,812	0.11		\$23,274,280		\$4,839,360						

Timing assumptions about new construction values added to the property appraisal roll, by year (before inflation since 2019)

Added Jan. 1, 2020	\$0	\$0
Added Jan. 1, 2021	\$950,000	\$87,500
Added Jan. 1, 2022	\$13,747,490	\$3,647,630
Added Jan. 1, 2023	\$3,800,000	\$350,000
Added Jan. 1, 2024	\$4,776,790	\$754,230
Total	\$23,274,280	\$4,839,360

Method of Financing

General Retail

Method of Financing

In accordance with the Heartland Town Center Development Agreement, this TIRZ Project Plan and Reinvestment Zone Financing Plan, and the PID Service and Assessment Plan, TIRZ revenues are collected annually at 25 percent of the ad valorem tax increment from the general retail tract to directly reimburse the Developer, or any other owner of all or any part of the TIRZ general retail tract, for public improvements eligible under the TIRZ Act.

The TIRZ Board prepared and adopted this amended Project Plan and Reinvestment Zone Financing Plan (amended Plan) to expand the geographic boundary of the TIRZ to include the 1.9-acre tract and to extend the term of the Zone an additional seven years to expire on December 31, 2055 or until the amount of TIRZ increment revenue collected in the TIRZ Commercial Account totals \$2,170,667, whichever occurs first. This amended Plan is based on retail valuation assumptions and estimated project expenditures provided by the Developer.

A Development Agreement and Chapter 380 Agreement outlines the terms and conditions for the reimbursement of roadway impact fees and a portion of City sales tax. Under the Agreement, the Developer will be reimbursed roadway impact fees up to a maximum of \$574,441, and when a minimum 50,000 square-foot grocery store develops and opens, then the Developer will be reimbursed 50 percent of the net general sales tax generated from that grocery store for a period of ten years from the date a certificate of occupancy is issued or \$393,000, whichever occurs first.

Debt Service

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

TIRZ Revenues

Based on the Developer's estimated \$28,113,640 in taxable value of retail at total build-out by 2025, and assuming a modest two-percent annual growth in appraised values, the estimated Captured Appraised Values detailed on Pages 36-41 show that a total of \$2,452,798 in TIRZ Revenues will be generated by the time the TIRZ expires in December 2055; however, the Developer's consultants estimated the total TIRZ Revenues at \$2,170,667, and this represents the maximum incentive amount to be reimbursed to the Developer under the incentive agreement. This leaves an estimated \$282,131 remaining that could be applied towards administrative costs or other eligible public infrastructure costs within the TIRZ.

Since the TIRZ captures 25 percent of the City's taxable value, the amount that the City is anticipated to receive from the remaining 75 percent of the City's tax rate for general fund operations totals \$7,358,394 over this same period.

Conceptual Landscape Plan for Heartland Retail

(EXHIBIT F)



TIRZ Revenue Summary

Reinvestment Zone Number Eleven (Heartland Town Center) Revenue Summary As of April 2020				
TAXABLE VALUE				
TIRZ Tax Value at End of Life - projected				\$ 262,576,751
Base Tax Year Value (2017 Tax Year)				33,020
TIRZ Taxable Value Increase				\$ 262,543,731
Percent Increase				795105.18%
REVENUES				
TIRZ Revenues - Residential Account				\$ 21,877,489
TIRZ Revenues - Commercial Account				2,452,798
Total TIRZ Revenues				\$ 24,330,287
EXPENDITURES				
Project Description	Amount	Frequency	Subtotal	
City Administration Fee (Beginning in FY-46)	\$ 50,000	per year (as available)	\$	200,000
Public Safety Infrastructure (Beginning in FY-48)	Varies	per year (as available)		7,663,102
TIRZ Annual Credit Amount for Residential Assessments	Varies	per year		14,296,518
TIRZ Increment Amount for Retail Public Improvements	Varies	per year		2,170,667
Total Expenditures			\$	24,330,287

Residential Captured Appraised Value Annual TIRZ Revenues FY-24 thru FY-30

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020						
RESIDENTIAL						
TIRZ Base Value & Cumulative Growth (for calculations)						
Projected % growth in taxable value						
Taxable Value Changes:						
Beginning TIRZ Value Increase	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Appraised Value Annual Growth	52,708,728 \$	81,823,446 \$	111,520,481 \$	113,751,416 \$	116,026,990 \$	118,348,075 \$
DR Horton Trailwind Subdivision:	1,054,720	1,637,015	2,230,955	2,275,574	2,321,086	2,367,507
450 New Homes (Total \$107,470,000)	28,060,000	28,060,000	-	-	-	-
TIRZ Value Increase	81,823,446 \$	111,520,481 \$	113,751,416 \$	116,026,990 \$	118,348,075 \$	120,715,583 \$
City Tax Rate (Fixed Per Development Agreement)	0.6870	0.6870	0.6870	0.6870	0.6870	0.6870
TIRZ Participation Percentage	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%
TIRZ Revenues:						
Tax Increment	351,329 \$	478,841 \$	488,420 \$	498,191 \$	508,157 \$	518,323 \$
TIRZ Revenue (Residential Account)	351,329 \$	478,841 \$	488,420 \$	498,191 \$	508,157 \$	518,323 \$
						528,691

Reinvestment Zone Number Eleven						
Heartland Town Center						
As of April 2020						
RESIDENTIAL						
TIRZ Base Value & Cumulative Growth (for calculations)						
Projected % growth in taxable value						
Taxable Value Changes:						
Beginning TIRZ Value Increase						
Appraised Value Annual Growth						
DR Horton Trailwind Subdivision:						
450 New Homes (Total \$107,470,000)						
TIRZ Value Increase						
City Tax Rate (Fixed Per Development Agreement)						
TIRZ Participation Percentage						
TIRZ Revenues:						
Tax Increment						
TIRZ Revenue (Residential Account)						

Residential Captured Appraised Value Annual TIRZ Revenues FY-38 thru FY-44

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020									
RESIDENTIAL									
TIRZ Base Value & Cumulative Growth (for calculations)									
Projected % growth in taxable value									
Taxable Value Changes:									
Beginning TIRZ Value Increase									
	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Appraised Value Annual Growth	\$ 141,442,229	\$ 144,271,619	\$ 147,157,598	\$ 150,101,295	\$ 153,103,867	\$ 156,166,490	\$ 159,290,366	\$ 162,476,719	
DR Horton Trailwind Subdivision:									
450 New Homes (Total \$107,470,000)	2,829,390	2,885,978	2,943,698	3,002,572	3,062,623	3,123,876	3,186,353		
	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
TIRZ Value Increase	\$ 144,271,619	\$ 147,157,598	\$ 150,101,295	\$ 153,103,867	\$ 156,166,490	\$ 159,290,366	\$ 162,476,719		
City Tax Rate (Fixed Per Development Agreement)	0.6870	0.6870	0.6870	0.6870	0.6870	0.6870	0.6870	0.6870	
TIRZ Participation Percentage	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%	
TIRZ Revenues:									
Tax Increment	\$ 619,466	\$ 631,858	\$ 644,497	\$ 657,390	\$ 670,540	\$ 683,953	\$ 697,634		
TIRZ Revenue (Residential Account)	\$ 619,466	\$ 631,858	\$ 644,497	\$ 657,390	\$ 670,540	\$ 683,953	\$ 697,634		

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020									
RESIDENTIAL									
TIRZ Base Value & Cumulative Growth (for calculations)									
Projected % growth in taxable value									
Taxable Value Changes:									
Beginning TIRZ Value Increase									
Appraised Value Annual Growth									
DR Horton Trailwind Subdivision:									
450 New Homes (Total \$107,470,000)									
Proposed 2044-45	Proposed 2045-46	Proposed 2046-47	Proposed 2047-48	Proposed 2048-49	Proposed 49-50	Proposed 50-51			
\$ 165,754,088	\$ 169,089,170	\$ 172,450,553	\$ 175,899,564	\$ 179,417,556	\$ 183,005,907	\$ 186,666,025			
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%			
\$ 182,478,719	\$ 185,728,799	\$ 189,041,881	\$ 172,423,284	\$ 175,872,275	\$ 179,380,267	\$ 182,978,618			
3,250,080	3,315,082	3,381,383	3,449,011	3,517,991	3,586,351	3,660,118			
-	-	-	-	-	-	-			
-	-	-	-	-	-	-			
\$ 165,726,799	\$ 169,041,881	\$ 172,423,264	\$ 175,872,275	\$ 179,390,267	\$ 182,978,618	\$ 186,638,736			
0.6870	0.6870	0.6870	0.6870	0.6870	0.6870	0.6870			
62.5%	62.5%	62.5%	62.5%	62.5%	62.5%	62.5%			
TIRZ Revenues:									
Tax Increment									
\$ 711,589	\$ 725,824	\$ 740,342	\$ 755,152	\$ 770,257	\$ 785,664	\$ 801,380			
\$ 711,589	\$ 725,824	\$ 740,342	\$ 755,152	\$ 770,257	\$ 785,664	\$ 801,380			

Residential Captured Appraised Value Annual TIRZ Revenues FY-52 thru FY-56

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020		Proposed 51-52	Proposed 52-53	Proposed 53-54	Proposed 54-55	Ends 12/31/2055 55-56	Total All Years
		\$ 190,399,345	\$ 194,207,332	\$ 198,091,479	\$ 202,053,308	\$ 206,094,375	
RESIDENTIAL							
TIRZ Base Value & Cumulative Growth (for calculations)							
Projected % growth in taxable value		2.0%	2.0%	2.0%	2.0%	2.0%	
Taxable Value Changes:							
Beginning TIRZ Value Increase		\$ 186,638,736	\$ 190,372,056	\$ 194,180,043	\$ 198,064,190	\$ 202,026,019	
Appraised Value Annual Growth		3,733,320	3,807,987	3,884,147	3,961,830	4,041,066	
DR Horton Trailwind Subdivision:		-	-	-	-	-	
450 New Homes (Total \$107,470,000)		-	-	-	-	-	
TIRZ Value Increase		\$ 190,372,056	\$ 194,180,043	\$ 198,064,190	\$ 202,026,019	\$ 206,067,096	
City Tax Rate (Fixed Per Development Agreement)		0.6870	0.6870	0.6870	0.6870	0.6870	
TIRZ Participation Percentage		62.5%	62.5%	62.5%	62.5%	62.5%	
TIRZ Revenues:							
Tax Increment		\$ 817,410	\$ 833,761	\$ 850,438	\$ 867,449	\$ 884,801	\$ 21,877,489
TIRZ Revenue (Residential Account)		\$ 817,410	\$ 833,761	\$ 850,438	\$ 867,449	\$ 884,801	\$ 21,877,489

Retail Captured Appraised Value Annual TIRZ Revenues FY-18 thru FY-23

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020						
RETAIL TRACT						
	Base Year 2017-18	Actual 2018-19	Total Through 2018-19	Proposed 2019-20	Proposed 2020-21	Proposed 2021-22
TIRZ Base Value & Cumulative Growth	\$ 6,731	\$ 5,731	\$ 5,731	\$ 931,720	\$ 1,987,854	\$ 19,422,731
Estimated Percent (%) growth	7.0%	6.0%		16157.5%	2.0%	2.0%
Taxable Value Changes:						
Beginning TIRZ Value Increase	\$ -	\$ -	\$ -	\$ -	\$ 925,989	\$ 1,982,123
Appraised Value Annual Growth	-	-	-	925,989	18,634	39,757
Retail Development:	-	-	-	-	-	-
Heartland Town Center (Total \$28,113,640)	-	-	-	-	1,037,500	17,395,120
TIRZ Value Increase	\$ -	\$ -	\$ -	\$ 925,989	\$ 1,982,123	\$ 19,417,000
City Tax Rate (Fixed Per Development Agreement)	0.6870	0.6870		0.6870	0.6870	0.6870
TIRZ Participation Percentage	25.0%	25.0%		25.0%	25.0%	25.0%
TIRZ Revenues:						
Tax Increment	\$ -	\$ -	\$ -	\$ 1,590	\$ 3,404	\$ 33,349
TIRZ Revenue (Commercial Account)	\$ -	\$ -	\$ -	\$ 1,590	\$ 3,404	\$ 33,349
						\$ 41,143

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020							
	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29	Proposed 2029-30
RETAIL TRACT							
TIRZ Base Value & Cumulative Growth	\$ 29,971,430	\$ 30,570,858	\$ 31,182,276	\$ 31,805,921	\$ 32,442,040	\$ 33,090,880	\$ 33,752,688
Estimated Percent (%) growth	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Taxable Value Changes:							
Beginning TIRZ Value Increase	\$ 23,955,455	\$ 29,965,609	\$ 30,565,127	\$ 31,176,545	\$ 31,800,190	\$ 32,436,309	\$ 33,085,149
Appraised Value Annual Growth	479,224	599,429	611,417	623,846	636,118	648,841	661,818
Retail Development:	-	-	-	-	-	-	-
Heartland Town Center (Total \$28,113,640)	5,531,020	-	-	-	-	-	-
TIRZ Value Increase	\$ 29,965,699	\$ 30,565,127	\$ 31,176,545	\$ 31,800,190	\$ 32,436,309	\$ 33,085,149	\$ 33,746,967
City Tax Rate (Fixed Per Development Agreement)	0.6870	0.6870	0.6870	0.6870	0.6870	0.6870	0.6870
TIRZ Participation Percentage	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
TIRZ Revenues:							
Tax Increment	\$ 51,468	\$ 52,496	\$ 53,546	\$ 54,617	\$ 55,709	\$ 56,824	\$ 57,960
TIRZ Revenue (Commercial Account)	\$ 51,466	\$ 52,496	\$ 53,546	\$ 54,617	\$ 55,709	\$ 56,824	\$ 57,960

Retail Captured Appraised Value Annual TIRZ Revenues FY-31 thru FY-37

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020									
RETAIL TRACT									
TIRZ Base Value & Cumulative Growth									
Estimated Percent (%) growth									
Taxable Value Changes:									
Beginning TIRZ Value Increase									
Appraised Value Annual Growth									
Retail Development:									
Heartland Town Center (Total \$28,113,640)									
TIRZ Value Increase									
City Tax Rate (Fixed Per Development Agreement)									
TIRZ Participation Percentage									
TIRZ Revenues:									
Tax Increment									
TIRZ Revenue (Commercial Account)									

Reinvestment Zone Number Eleven									
Heartland Town Center									
As of April 2020									
RETAIL TRACT									
TIRZ Base Value & Cumulative Growth									
Estimated Percent (%) growth									
Taxable Value Changes:									
Beginning TIRZ Value Increase									
Appraised Value Annual Growth									
Retail Development:									
Heartland Town Center (Total \$28,113,640)									
TIRZ Value Increase									
City Tax Rate (Fixed Per Development Agreement)									
TIRZ Participation Percentage									
TIRZ Revenues:									
Tax Increment									
TIRZ Revenue (Commercial Account)									

Retail Captured Appraised Value Annual TIRZ Revenues FY-45 thru FY-51

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020		Proposed 2044-45	Proposed 2045-46	Proposed 2046-47	Proposed 2047-48	Proposed 2048-49	Proposed 49-50	Proposed 50-51
RETAIL TRACT								
TIRZ Base Value & Cumulative Growth		\$ 45,426,687	\$ 46,335,221	\$ 47,281,928	\$ 48,207,164	\$ 49,171,307	\$ 50,154,734	\$ 51,157,828
Estimated Percent (%) growth		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Taxable Value Changes:								
Beginning TIRZ Value Increase		\$ 44,530,237	\$ 45,420,956	\$ 46,329,490	\$ 47,256,195	\$ 48,201,433	\$ 49,165,576	\$ 50,149,003
Appraised Value Annual Growth		890,719	908,534	926,704	945,239	964,143	983,426	1,003,095
Retail Development:		-	-	-	-	-	-	-
Heartland Town Center (Total \$28,113,640)		-	-	-	-	-	-	-
TIRZ Value Increase		\$ 45,420,956	\$ 46,329,490	\$ 47,256,195	\$ 48,201,433	\$ 49,165,576	\$ 50,149,003	\$ 51,152,097
City Tax Rate (Fixed Per Development Agreement)		0.6870	0.6870	0.6870	0.6870	0.6870	0.6870	0.6870
TIRZ Participation Percentage		25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
TIRZ Revenues:								
Tax Increment		\$ 78,010	\$ 79,571	\$ 81,183	\$ 82,786	\$ 84,442	\$ 86,131	\$ 87,854
TIRZ Revenue (Commercial Account)		\$ 78,010	\$ 79,571	\$ 81,183	\$ 82,786	\$ 84,442	\$ 86,131	\$ 87,854

Retail Captured Appraised Value Annual TIRZ Revenues FY-52 thru FY-56

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020						
	Proposed 51-52	Proposed 52-53	Proposed 53-54	Proposed 54-55	Ends 12/31/2055 55-56	Total All Years
	\$ 190,399,345	\$ 194,207,332	\$ 198,091,479	\$ 202,053,308	\$ 206,094,375	
<u>RETAIL TRACT</u>						
TIRZ Base Value & Cumulative Growth	\$ 52,180,985	\$ 53,224,605	\$ 54,289,097	\$ 55,374,879	\$ 56,482,376	
Estimated Percent (%) growth	2.0%	2.0%	2.0%	2.0%	2.0%	
Taxable Value Changes:						
Beginning TIRZ Value Increase	\$ 51,152,097	\$ 52,175,254	\$ 53,218,874	\$ 54,283,366	\$ 55,369,148	
Appraised Value Annual Growth	1,023,157	1,043,620	1,064,492	1,085,782	1,107,498	
Retail Development:	-	-	-	-	-	
Heartland Town Center (Total \$28,113,640)	-	-	-	-	-	
TIRZ Value Increase	\$ 52,175,254	\$ 53,218,874	\$ 54,283,366	\$ 55,369,148	\$ 56,476,645	
City Tax Rate (Fixed Per Development Agreement)	0.6870	0.6870	0.6870	0.6870	0.6870	
TIRZ Participation Percentage	25.0%	25.0%	25.0%	25.0%	25.0%	
TIRZ Revenues:						
Tax Increment	\$ 89,611	\$ 91,403	\$ 93,232	\$ 95,097	\$ 96,999	
TIRZ Revenue (Commercial Account)	\$ 89,611	\$ 91,403	\$ 93,232	\$ 95,097	\$ 96,999	\$ 2,452,798

Annual TIRZ Expenditures FY-18 thru FY-23

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020

	Base Year 2017-18	Actual 2018-19	Total Through 2018-19	Proposed 2019-20	Proposed 2020-21	Proposed 2021-22	Proposed 2022-23
\$ 27,289	\$ 27,289	\$ 27,289	\$ 27,289	\$ 822,190	\$ 838,634	\$ 26,530,408	\$ 62,736,015
\$ -	\$ -	\$ -	\$ -	\$ 5,003	\$ 6,888	\$ 147,146	\$ 267,462
EXPENDITURES:							
Administrative Fee - (\$200,000/\$50K per yr. beginning FY-46)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety Infrastructure - (\$7.6 million/\$765K beginning FY-48)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual TIRZ Amount to PID - (62.5% of Increment ad valorem for Residential 0.687 Tax Rate- Max \$14,927,784)	\$ -	\$ -	\$ -	3,413	3,484	113,798	226,318
Annual TIRZ Amount to PID - (25% of Increment ad valorem for Retail 0.687 Tax Rate - Max \$2,170,667)	\$ -	\$ -	\$ -	-	5,632	29,264	37,195
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Project Expenditures	\$ -	\$ -	\$ -	\$ 3,413	\$ 9,116	\$ 143,062	\$ 263,513
Excess (Deficiency) Revenues over Expenditures	\$ -	\$ -	\$ -	1,590	(2,228)	4,085	3,948
Beginning Fund Balance, Oct 1	\$ -	\$ -	\$ -	\$ -	1,590	(637)	3,447
Ending Fund Balance, Sep 30	\$ -	\$ -	\$ -	\$ 1,590	\$ (637)	\$ 3,447	\$ 7,396

Annual TIRZ Expenditures FY-24 thru FY-30

Reinvestment Zone Number Eleven Heartland Town Center As of April 2020							
	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29	Proposed 2029-30
\$	81,850,735	\$ 111,547,750	\$ 113,778,705	\$ 116,054,279	\$ 118,375,364	\$ 120,742,872	\$ 123,157,729
\$	402,796	\$ 531,337	\$ 541,966	\$ 552,808	\$ 563,866	\$ 575,146	\$ 586,652
Total TIRZ Revenues - All Accounts							
EXPENDITURES:							
Administrative Fee - (\$200,000/\$50K per yr. beginning FY 48)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety Infrastructure - (\$7.8 million/\$785K beginning FY 48)	-	-	-	-	-	-	-
Annual TIRZ Amount to PID - (62.5% of Increment ad valorem for Residential 0.887 Tax Rate- Max \$14,827,784)	351,329	478,841	488,420	498,191	508,157	518,323	528,891
Annual TIRZ Amount to PID - (25% of Increment ad valorem for Retail 0.887 Tax Rate - Max \$2,170,687)	47,450	48,399	49,367	50,354	51,362	52,389	53,437
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
\$	398,779	\$ 527,240	\$ 537,787	\$ 548,545	\$ 559,519	\$ 570,712	\$ 582,128
Total Project Expenditures							
Excess (Deficiency) Revenues over Expenditures	4,016	4,097	4,179	4,263	4,347	4,435	4,523
Beginning Fund Balance, Oct 1							
Ending Fund Balance, Sep 30	\$ 11,412	\$ 15,509	\$ 19,687	\$ 23,950	\$ 28,297	\$ 32,732	\$ 37,256

Annual TIRZ Expenditures FY-31 thru FY-37

Reinvestment Zone Number Eleven							
Heartland Town Center							
As of April 2020							
	Proposed 2030-31	Proposed 2031-32	Proposed 2032-33	Proposed 2033-34	Proposed 2034-35	Proposed 2035-36	Proposed 2036-37
	\$ 125,620,884	\$ 128,133,301	\$ 130,695,967	\$ 133,309,887	\$ 135,976,084	\$ 138,695,606	\$ 141,469,518
Total TIRZ Revenues - All Accounts	\$ 598,387	\$ 610,358	\$ 622,567	\$ 635,021	\$ 647,724	\$ 660,681	\$ 673,897
EXPENDITURES:							
Administrative Fee - (\$200,000/\$50K per yr. beginning FY-46)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety Infrastructure - (\$7.6 million/\$785K beginning FY-48)	-	-	-	-	-	-	-
Annual TIRZ Amount to PID - (62.5% of Increment ad valorem for Residential 0.687 Tax Rate- Max \$14,827,784)	539,267	550,055	561,059	572,282	583,730	595,407	607,318
Annual TIRZ Amount to PID - (25% of Increment ad valorem for Retail 0.687 Tax Rate - Max \$2,170,667)	54,505	55,595	56,707	57,841	58,998	60,178	61,382
	-	-	-	-	-	-	-
Total Project Expenditures	\$ 593,772	\$ 605,650	\$ 617,766	\$ 630,123	\$ 642,728	\$ 655,585	\$ 668,700
Excess (Deficiency) Revenues over Expenditures	4,615	4,707	4,802	4,898	4,996	5,096	5,198
Beginning Fund Balance, Oct 1	37,256	41,870	46,578	51,380	56,278	61,274	66,370
Ending Fund Balance, Sep 30	\$ 41,870	\$ 46,578	\$ 51,380	\$ 56,278	\$ 61,274	\$ 66,370	\$ 71,567

Annual TIRZ Expenditures FY-38 thru FY-44

Reinvestment Zone Number Eleven									
Heartland Town Center									
As of April 2020									
	Proposed 2037-38	Proposed 2038-39	Proposed 2039-40	Proposed 2040-41	Proposed 2041-42	Proposed 2042-43	Proposed 2043-44		
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total TIRZ Revenues - All Accounts	687,378	701,128	715,153	729,459	744,050	758,934	774,115		
EXPENDITURES:									
Administrative Fee - (\$200,000/\$50K per yr. beginning FY-48)	\$	\$	\$	\$	\$	\$	\$	\$	\$
Public Safety Infrastructure - (\$7.6 million/\$785K beginning FY-48)	-	-	-	-	-	-	-	-	-
Annual TIRZ Amount to PID - (62.5% of Increment ad valorem for Residential 0.687 Tax Rate- Max \$14,827,784)	619,466	631,858	644,497	657,390	670,540	683,953	697,634		
Annual TIRZ Amount to PID - (25% of Increment ad valorem for Retail 0.687 Tax Rate - Max \$2,170,667)	62,609	63,862	65,139	66,442	67,770	69,126	70,508		
	-	-	-	-	-	-	-		
	-	-	-	-	-	-	-		
Total Project Expenditures	\$ 682,075	\$ 695,720	\$ 709,636	\$ 723,832	\$ 738,310	\$ 753,079	\$ 768,142		
Excess (Deficiency) Revenues over Expenditures	5,303	5,408	5,517	5,627	5,740	5,855	5,973		
Beginning Fund Balance, Oct 1	71,567	76,870	82,278	87,795	93,421	99,162	105,017		
Ending Fund Balance, Sep 30	\$ 76,870	\$ 82,278	\$ 87,795	\$ 93,421	\$ 99,162	\$ 105,017	\$ 110,989		

Annual TIRZ Expenditures FY-45 thru FY-51

Reinvestment Zone Number Eleven							
Heartland Town Center							
As of April 2020							
	Proposed 2044-45	Proposed 2045-46	Proposed 2046-47	Proposed 2047-48	Proposed 2048-49	Proposed 49-50	Proposed 50-51
\$	165,754,088	\$ 168,069,170	\$ 172,450,553	\$ 175,899,564	\$ 179,417,556	\$ 183,005,907	\$ 186,666,025
\$	789,600	\$ 805,394	\$ 821,505	\$ 837,938	\$ 854,699	\$ 871,795	\$ 889,234
Total TIRZ Revenues - All Accounts							
EXPENDITURES:							
Administrative Fee - (\$200,000/\$50K per yr. beginning FY-46)	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Public Safety Infrastructure - (\$7.6 million/\$765K beginning FY-48)	-	-	-	-	-	-	-
Annual TIRZ Amount to PID - (62.5% of Increment ad valorem for Residential 0.687 Tax Rate- Max \$14,827,764)	711,589	725,824	525,683	-	-	-	-
Annual TIRZ Amount to PID - (25% of Increment ad valorem for Retail 0.687 Tax Rate - Max \$2,170,667)	71,919	73,357	74,824	76,320	77,847	79,404	80,992
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total Project Expenditures	\$ 783,508	\$ 849,181	\$ 650,507	\$ 126,320	\$ 127,847	\$ 129,404	\$ 130,992
Excess (Deficiency) Revenues over Expenditures	6,091	(43,786)	170,998	711,618	726,852	742,391	758,242
Beginning Fund Balance, Oct 1	110,989	117,081	73,295	244,293	955,910	1,682,762	2,425,153
Ending Fund Balance, Sep 30	\$ 117,081	\$ 73,295	\$ 244,293	\$ 955,910	\$ 1,682,762	\$ 2,425,153	\$ 3,183,395

Annual TIRZ Expenditures FY-52 thru FY-56

Reinvestment Zone Number Eleven						
Heartland Town Center						
As of April 2020						
	Proposed 51-52	Proposed 52-53	Proposed 53-54	Proposed 54-55	Ends 12/31/2055 55-56	Total All Years
	\$ 190,399,345	\$ 194,207,332	\$ 198,091,479	\$ 202,053,308	\$ 206,094,375	
Total TIRZ Revenues - All Accounts	\$ 907,021	\$ 925,164	\$ 943,670	\$ 962,546	\$ 981,799	\$ 24,330,287
EXPENDITURES:						
Administrative Fee - (\$200,000/\$50K per yr. beginning FY-46)	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 200,000
Public Safety Infrastructure - (\$7.6 million/\$785K beginning FY-48)	-	-	-	-	-	-
Annual TIRZ Amount to PID - (62.5% of Increment ad valorem for Residential 0.687 Tax Rate- Max \$14,827,784)	-	-	-	-	-	14,296,518
Annual TIRZ Amount to PID - (25% of Increment ad valorem for Retail 0.687 Tax Rate - Max \$2,170,667)	82,612	84,264	85,949	87,668	-	2,170,667
	-	-	-	-	-	-
	-	-	-	-	-	-
Total Project Expenditures	\$ 132,612	\$ 134,264	\$ 135,949	\$ 137,668	\$ 50,000	\$ 16,667,185
Excess (Deficiency) Revenues over Expenditures	774,409	790,900	807,721	824,878	931,799	7,663,102
Beginning Fund Balance, Oct 1	3,183,395	3,957,804	4,748,704	5,556,425	6,381,303	-
Ending Fund Balance, Sep 30	\$ 3,957,804	\$ 4,748,704	\$ 5,556,425	\$ 6,381,303	\$ 7,313,102	\$ 7,663,102

Designation Ordinance No. 4532

ORDINANCE NO. 4532

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA CONSISTING OF APPROXIMATELY 146.746 ACRES OF LAND GENERALLY LOCATED SOUTH OF INTERSTATE HIGHWAY 20, EAST OF FM 741 AND NORTH OF HEARTLAND PARKWAY IN KAUFMAN COUNTY, TEXAS, LOCATED WITHIN THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF MESQUITE AS A REINVESTMENT ZONE PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE, TO BE KNOWN AS REINVESTMENT ZONE NUMBER ELEVEN, CITY OF MESQUITE, TEXAS (HEARTLAND TOWN CENTER); 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 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 with the boundaries described in the metes and bounds attached hereto as *Exhibit A* and more generally depicted in *Exhibit B* attached hereto (the "Zone"); and

WHEREAS, pursuant to and as required by the Act, the City has prepared a *Preliminary Project and Financing Plan for Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center)* dated November 2017 (hereinafter referred to as the "Preliminary Project and Finance Plan") for a proposed tax increment reinvestment zone containing the real property within the Zone; 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 and in a newspaper of general

Heartland Town Center TIRZ #11 Creation
Page 1

circulation in the ETJ on or before December 11, 2017, which date is the seventh (7th) day before the public hearing held on December 18, 2017; and

WHEREAS, on December 18, 2017, 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 Zone, the boundaries of the 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 Zone; and

WHEREAS, after all comments and evidence, both written and oral, were received by the City Council, the public hearing was closed on December 18, 2017; 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 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 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.

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 hearing and having heard the evidence and testimony presented at the 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 such 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

Heartland Town Center TIRZ #11 Creation
Page 2

- (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 ETJ 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
- (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 and depicted in *Exhibits A and B* hereto as a tax increment reinvestment zone. The name assigned to the zone for identification is **Reinvestment Zone Number Eleven, City of Mesquite, Texas** (Heartland Town Center) (hereinafter referred to as the "Zone").

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. Council Members 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.
- (f) The initial Board shall be seven members and the following shall be members:
1. Stan Pickett
 2. Jeff Casper
 3. Bruce Archer
 4. Dan Aleman
 5. Greg Noschese
 6. Tandy Boroughs
 7. To Be Appointed

The City Council hereby appoints Mayor Stan Pickett to serve as chairman of the Board for the remainder of calendar year 2017 and during 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.

Designation Ordinance No. 4532

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 upon the occurrence of any of the following: (i) December 31, 2048; or (ii) an earlier or later termination date designated by an ordinance adopted under Section 311.007(c) of the Act; or (iii) 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.

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, 2017, 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") or if the City does not levy an ad valorem tax in the year in which the Zone is designated, the Tax Increment Base is determined by the appraisal district in which the Zone is located in accordance with Section 311.012(c) of the Act. Pursuant to Section 311.013(f) 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 Texas Tax Code, 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, that may be divided into subaccounts as set forth in the Project and Finance 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 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 remain in full force and effect. The City of Mesquite hereby declares that it would have passed this Ordinance, and each provision, section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more provisions, sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

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 its 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 18th day of December, 2017.


Stan Pickett
Mayor

APPROVED:


B.J. Smith
City Attorney

ATTEST:



Sonja Lind
City Secretary

EXHIBIT "B"
Depiction of 1.935 Acre Tract

EXHIBIT "C"

Metes and Bounds Description of 1.935 Acre Tract

**EXHIBIT "C" to Ordinance No. 4777
Metes and Bounds Description of the 1.935 Acre Tract**

Additional Property in the Retail Tract of the Zone

LEGAL DESCRIPTION
1.935 ACRE TRACT

BEING that certain tract of land situated in the Martha Music Survey, Abstract No. 312, in Kaufman County, Texas, and being that certain tract of land described as Tract 7 in deed to H.W. Heartland, L.P. (now known as UST-Heartland, L.P. according to Certificate of Amendment filed in the Office of the Secretary of State of Texas on December 3, 2013), recorded in Volume 3119, Page 142, of the Deed Records of Kaufman County, Texas (DRKCT), and being more particularly described as follows:

COMMENCING at a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set at the intersection of the southeast right-of-way (R.O.W.) line of Farm to Market Road No. 741 (called 90 foot R.O.W. at this point), and the northeasterly right-of-way line of Heartland Parkway (called 100 foot R.O.W. at this point), and being the west corner of that certain tract of land described in deed to Heartland Retail, LLC recorded in Volume 5787, Page 437, DRKCT;

THENCE North 46°18'40" East, with said southeast right-of-way line of Farm to Market Road No. 741, a distance of 428.96 feet to a 1/2 inch iron rod with cap stamped "DAA" found at the west corner of said Tract 7, and being the POINT OF BEGINNING of herein described tract;

THENCE North 46°18'40" East, continuing with said southeast right-of-way line of Farm to Market Road No. 741, a distance of 22.96 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner at the beginning of a tangent curve to the left;

THENCE continuing with said southeast right-of-way line of Farm to Market Road No. 741, and with said curve having a central angle of 14°27'58", a radius of 999.93 feet, a chord which bears North 39°04'41" East, a chord distance of 251.79 feet, for an arc distance of 252.46 feet to the end of said curve, a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 32°01'23" East, continuing with said southeast right-of-way line of Farm to Market Road No. 741, a distance of 211.13 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner at the beginning of a non-tangent curve to the left;

THENCE continuing with said southeast right-of-way line of Farm to Market Road No. 741, and with said curve having a central angle of 00°58'12", a radius of 909.93 feet, a chord which bears North 31°32'17" East, a chord distance of 15.40 feet, for an arc distance of 15.40 feet to the end of said curve, a concrete monument found for corner at the intersection of said southeast right-of-way line of Farm to Market Road No. 741, and the southerly right-of-way line of Interstate Highway No. 20 (variable width R.O.W);

THENCE North 83°20'17" East, with said southerly right-of-way line of Interstate Highway No. 20, a distance of 79.06 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner at the northeast corner of said Tract 7;

THENCE South 15°07'57" West, leaving said southerly right-of-way line of Interstate Highway No. 20, and with the southeasterly line of said Tract 7, a distance of 477.91 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner;

THENCE South 46°15'02" West, continuing with said southeasterly line of Tract 7, a distance of 146.43 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner;

THENCE North 43°42'15" West, with the southwest line of Tract 7, a distance of 207.45 feet to the POINT OF BEGINNING of herein described tract, containing 1.935 acres of land.

EXHIBIT "D"

Metes and Bounds Description of 148.681 Acre Tract

EXHIBIT "D" to Ordinance No. 4777
Metes and Bonds Description of the 148.681 Acre Tract
Page 1 of 3

LEGAL DESCRIPTION
148.681 ACRE TRACT

BEING that certain tract of land situated in the Martha Music Survey, Abstract No. 312, in Kaufman County, Texas, and being all that certain tract of land described as Tract 1 in deed to CADG Kaufman 146, LLC, recorded in Volume 4363, Page 38, of the Deed Records of Kaufman County, Texas (DRKCT), and being all of that certain tract of land described as Tract 7 in deed to H.W. Heartland, L.P. (now known as UST-Heartland, L.P. according to Certificate of Amendment filed in the Office of the Secretary of State of Texas on December 3, 2013), recorded in Volume 3119, Page 142, DRKCT, and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod with cap marked "PETITT RPLS 4087" found at the intersection of the southeast right-of-way line of Farm to Market Road No. 741 (called 90 foot R.O.W. at this point), and the northeast right-of-way line of Heartland Parkway (called 100 foot R.O.W. at this point), and being the west corner of said CADG Kaufman 146, LLC tract;

THENCE North 46°18'40" East, with said southeast right-of-way line of Farm to Market Road No. 741, a distance of 451.91 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner at the west corner of said HW Heartland, L.P. tract, and being the beginning of a tangent curve to the left;

THENCE continuing with said southeast right-of-way line of Farm to Market Road No. 741, and with said curve having a central angle of 14°27'58", a radius of 999.93 feet, a chord which bears North 39°04'41" East, a chord distance of 251.79 feet, for an arc distance of 252.46 feet to the end of said curve, a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" found for corner;

THENCE North 32°01'23" East, continuing with said southeast right-of-way line of Farm to Market Road No. 741, a distance of 211.13 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" found for corner at the beginning of a tangent curve to the left;

THENCE continuing with said southeast right-of-way line of Farm to Market Road No. 741, and with said curve having a central angle of 00°58'12", a radius of 909.93 feet, a chord which bears North 31°32'17" East, a chord distance of 15.40 feet, for an arc distance of 15.40 feet to the end of said curve, a concrete monument found for corner at the intersection of said southeast right-of-way line of Farm to Market Road No. 741, and the southerly right-of-way line of Interstate Highway No. 20 (variable width R.O.W);

THENCE North 83°20'17" East, with said southerly right-of-way line of Interstate Highway No. 20, a distance of 79.06 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" found for corner at the northeast corner of said Tract 7;

THENCE South 15°07'57" West with the north line of said CADG Kaufman 146, LLC tract, a distance of 10.77 feet to a 5/8 inch iron rod with cap marked "PETITT RPLS 4087" found for corner;

EXHIBIT "D" to Ordinance No. 4777
Metes and Bonds Description of the 148.681 Acre Tract
Page 2 of 3

THENCE North 83°20'17" East, leaving said southeast line of Tract 7, and with the north line of said CADG Kaufman 146, LLC tract, a distance of 675.67 feet to a 5/8 inch iron rod with cap marked "PETITT RPLS 4087" found for corner;

THENCE North 88°27'43" East, with a north line of said CADG Kaufman 146, LLC tract, a distance of 474.11 feet to a 5/8 inch iron rod with cap marked "PETITT RPLS 4087" found for corner;

THENCE South 84°18'07" East, with a north line of said CADG Kaufman 146, LLC tract, a distance of 951.32 feet to a 5/8 inch iron rod with cap marked "PETITT RPLS 4087" found for corner;

THENCE South 78°58'41" East, with a north line of said CADG Kaufman 146, LLC tract, a distance of 18.88 feet to a 5/8 inch iron rod with cap marked "PETITT RPLS 4087" found for corner at a northeast corner of said CADG Kaufman 146, LLC tract;

THENCE South 45°06'42" East, with the northeasterly line of said CADG Kaufman 146, LLC tract, a distance of 2113.03 feet to a 3/4 inch iron pipe found for corner at the easternmost corner of said CADG Kaufman County 146, LLC tract;

THENCE South 44°46'26" West, with a southeasterly line of said CADG Kaufman 146, LLC tract, a distance of 1898.51 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner;

THENCE South 65°43'36" West, with a southeasterly line of said CADG Kaufman 146, LLC tract, a distance of 65.81 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner at the southernmost corner of said CADG Kaufman 146, LLC tract, and being located on the northeasterly line of Lot 2X, Block 43, of Heartland Tract A, Phase 1B, an addition to Kaufman County, Texas according to the Amending Plat recorded in Cabinet 3, Slide 20, of the Plat Records of Kaufman County, Texas (PRKCT), said iron rod also being located at the beginning of a non tangent curve to the left;

THENCE Northwesterly, with said northeasterly line of Lot 2X and with said curve to the left which has a central angle of 21°32'00", a radius of 800.00 feet, a chord which bears North 34°55'09" West, a chord distance of 298.90 feet, for an arc distance of 300.66 feet to the end of said curve, a 1/2 inch iron rod with cap marked "DAA" found for corner;

THENCE North 45°41'09" West, continuing with the northeasterly line of Lot 2X, a distance of 397.34 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner at the northernmost corner of said Lot 2X, Block 43, also being the northernmost corner of said Heartland Tract A, Phase 1B;

THENCE South 44°18'51" West, with the northwest line of said Lot 2X, Block 43, a distance of 10.00 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner at the easternmost corner of Heartland Tract A Phase 2B, an addition to Kaufman County, Texas, according to the Final Plat recorded in Cabinet 3, Slide 100, PRKCT, said iron rod also being located on the

EXHIBIT "D" to Ordinance No. 4777
Metes and Bonds Description of the 148.681 Acre Tract
Page 3 of 3

northeasterly right of way line of Heartland Parkway (called 80 foot right of way at this point), according to said Final Plat of Heartland Tract A Phase 2B;

THENCE North 45°41'09" West, with said northeasterly right of way line of Heartland Parkway, a distance of 1324.03 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner at the beginning of a tangent curve to the left;

THENCE Northwesterly, continuing with said northeasterly right of way line of Heartland Parkway, and with said curve having a central angle of 36° 41'46", a radius of 790.00 feet, a chord which bears North 64°02'02" West, a chord distance of 497.37 feet, for an arc distance of 505.97 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner;

THENCE North 82°23'59" West, continuing with said northeasterly right of-way line of Heartland Parkway, a distance of 23.30 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner, and being the beginning of a tangent curve to the right;

THENCE continuing with said northeasterly right of way line of Heartland Parkway, and with said curve having a central angle of 10°28'32", a radius of 300.00 feet, a chord which bears North 77°08'39" West, a chord distance of 54.77 feet, for an arc distance of 54.85 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner, and being the beginning of a tangent reverse curve to the left;

THENCE continuing with said northeasterly right of way line of Heartland Parkway, and with said curve having a central angle of 10°28'32", a radius of 300.00 feet, a chord which bears North 77°08'39" West, a chord distance of 54.77 feet, for an arc distance of 54.85 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner (called 100 foot R.O.W. at this point);

THENCE North 82°22'55" West, continuing with said northeasterly right of-way line of Heartland Parkway, a distance of 172.65 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner, and being the beginning of a tangent curve to the right;

THENCE continuing with said northeasterly right of way line of Heartland Parkway, and with said curve having a central angle of 38°41'30", a radius of 950.00 feet, a chord which bears North 63°02'10" West, a chord distance of 629.41 feet, for an arc distance of 641.53 feet to the end of said curve, a 1/2 inch iron rod with cap stamped "DAA" found for corner;

THENCE North 43°41'26" West, continuing with said northeasterly right of-way line of Heartland Parkway, a distance of 249.59 feet to the POINT OF BEGINNING of herein described tract, containing 148.681 acres of land.

EXHIBIT 'E'
Depiction of 148.681 Acre Tract

[illegible]

NO	CHORD	INVERSION	CHORD#	DELTA	RADIUS	LENGTH
C1	A3274	41E	231.79	18.7756°	999.93	252.45°
C2	A3132	1E	15.40	3768.13°	900.93	15.40°
C3	A3118	0.0E	29.78°	7309.56°	700.00	29.78°
C4	A2708	21W	24.27	10736.52°	300.00	24.88°
C5	A6738	35W	24.27	10736.52°	300.00	24.88°
C6	A6732	0.0W	619.4	59.84°	950.0	64.53°

[illegible]

NOTES

NO EASEMENTS OR IMPROVEMENTS ARE SHOWN HEREON. EASEMENTS AND OTHER ITEMS MAY EXIST THAT ARE NOT SHOWN HEREON.

THIS DOCUMENT IS NOT AN OFFICIAL SURVEY DOCUMENT AND SHOULD NOT BE USED, VIEWED, OR RELIED UPON AS SUCH.

PROPERTY EXHIBIT
148.681 ACRES
SITUATED IN THE
MARTHA MUSIC SURVEY
~ ABSTRACT NO. 312
KAUFMAN COUNTY, TEXAS
PETITT & ASSOCIATES

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