

ORDINANCE NO. 5023

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

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

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

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

WHEREAS, on July 6, 2021, the Board of Directors of the Zone (the “**Board**”), prepared and adopted a project plan and reinvestment zone financing plan for the Zone (the “**Original Project and Financing Plan**”), which was subsequently approved by the City Council on July 6, 2021, pursuant to Ordinance No. 4877; and

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

WHEREAS, Section 311.011(e) of the Act allows the board of directors of a tax increment reinvestment zone to adopt an amendment to a project plan for the zone so long as the amendment is consistent with the requirements and limitations of the Act and is approved by the governing body of the municipality that created the zone; and

Eco Dev / IH-20 Business Park TIRZ No. 12 / Second Amended Project and Financing Plan

May 15, 2023

Page 2 of 5

WHEREAS, on March 21, 2022, the Board prepared and adopted an amended project plan and reinvestment zone financing plan for the Zone, which was subsequently approved by the City Council on March 21, 2022, pursuant to Ordinance No. 4944; and

WHEREAS, on May 15, 2023, the Board prepared and adopted a second 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 “**Second Amended Project and Financing Plan**”); and

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

WHEREAS, the Second 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 May 15, 2023, to consider approving the Second Amended Project and Financing Plan, increasing the total estimated project costs for the Zone, was published in the *Daily Commercial Record*, a newspaper of general circulation in the City, on May 4, 2023, which is at least seven days before the date of the public hearing held on May 15, 2023, 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 May 15, 2023, to consider approving the Second Amended Project and Financing Plan, increasing the total estimated project costs for the Zone, was mailed on May 4, 2023, by first class mail to all property owner(s) within the boundaries of the Zone; and

WHEREAS, on May 15, 2023, the City Council opened a public hearing in accordance with the Act and interested persons were allowed to speak for or against the Second Amended Project and Financing Plan, increasing the total estimated project costs for the Zone, the concept of tax increment financing, and other related matters; and

WHEREAS, after all comments and evidence, both written and oral, were received by the City Council, the public hearing was closed on May 15, 2023; and

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

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

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

WHEREAS, the City has taken all actions required to approve the Second Amended Project and Financing Plan, and increase the total estimated project costs for the Zone, including, but not limited to, all actions required by the home-rule Charter of the City, the Act, Chapter 551 of the Texas Government Code, commonly referred to as the Texas Open Meetings Act, and all other applicable laws; and

Eco Dev / IH-20 Business Park TIRZ No. 12 / Second Amended Project and Financing Plan

May 15, 2023

Page 3 of 5

WHEREAS, the City Council finds that approving the Second Amended Project and Financing Plan, increasing the total estimated project costs for the Zone as more fully set forth in the Second Amended Project and Financing Plan, is in the best interest of the City and its citizens.

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

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

SECTION 2. The City Council finds that the public hearing to consider approving the Second Amended Project and Financing Plan, increasing the total estimated project costs for the Zone, has been properly held and conducted, that a notice of such hearing has been published as required by applicable law, including the Act, and that owner(s) of property within the Zone were given notice of the public hearing and a reasonable opportunity to comment at the public hearing.

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

A. The Second Amended Project and Financing Plan includes:

- (1) A description and map showing existing uses and conditions of real property in the Zone and proposed uses of that property;
- (2) Proposed changes of zoning ordinances, the master plan of the City, building codes, other municipal ordinances, and subdivision rules and regulations, if any, of Dallas County, Texas, if applicable;
- (3) A list of estimated non-project costs; and
- (4) A statement of a method of relocating persons to be displaced, if any, as a result of implementing the plan.

B. The Second Amended Project and Financing Plan includes:

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

Eco Dev / IH-20 Business Park TIRZ No. 12 / Second Amended Project and Financing Plan

May 15, 2023

Page 4 of 5

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

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

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

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

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

SECTION 8. It is hereby declared to be the intent of the City Council that the words, phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any word, phrase, clause, sentence, paragraph, or section of this Ordinance shall be declared invalid or unconstitutional by a final judgment or decree of a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect any of the remaining words, phrases, clauses, sentences, paragraphs, or sections of this Ordinance, the City Council hereby declaring that this ordinance would have been enacted by the City Council without the incorporation of any such invalid or unconstitutional word, phrase, clause, sentence, paragraph, or section.

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

Eco Dev / IH-20 Business Park TIRZ No. 12 / Second Amended Project and Financing Plan
May 15, 2023
Page 5 of 5

DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas,
on the 15th day of May 2023.

DocuSigned by:
Daniel Aleman Jr.
D999585317D142B...

Daniel Alemán, Jr.
Mayor

ATTEST:

APPROVED AS TO LEGAL FORM:

DocuSigned by:
Sonja Land
C2518095973F46A...

Sonja Land
City Secretary

DocuSigned by:
David Paschall
666E18891208434...

David L. Paschall
City Attorney

EXHIBIT A

**Second Amended Project Plan and Reimbursement Zone Financing Plan
for
Reinvestment Zone Number Twelve, City of Mesquite, Texas (IH-20 Business Park)**



Second Amended Project Plan and Reinvestment Zone Financing Plan

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

May 15, 2023



Table of Contents

City of Mesquite

Department of Economic Development

Kim Buttram, CEcD

Director of Economic Development

Phone: (972) 216-6340

Mobile: (214) 212-4997

E-mail: kbuttram@cityofmesquite.com

Lexie Woodward, PCED

Manager of Economic Development

Phone: (972) 216-6446

Mobile: (503) 502-4404

E-mail: lwoodward@cityofmesquite.com

1515 N. Galloway Ave. Mesquite, TX 75149

Description of the Zone

Introduction	3
Actions Taken to Date	4-5
Boundary Description	6-11

Project Plan

Current Land Use	12-16
Current Property Ownership	17-19
Zoning	20-22
Future Land Use	23-27
Mesquite Airport Logistics Center	28-31
Project Plan	32-34
Authorized Public Improvements	35

Financing Plan

Financial Feasibility	36
Revenue Summary	37

Ordinances

Designation Ordinance No. 4579	38-40
--------------------------------	-------



Introduction

Tax Increment Financing Program

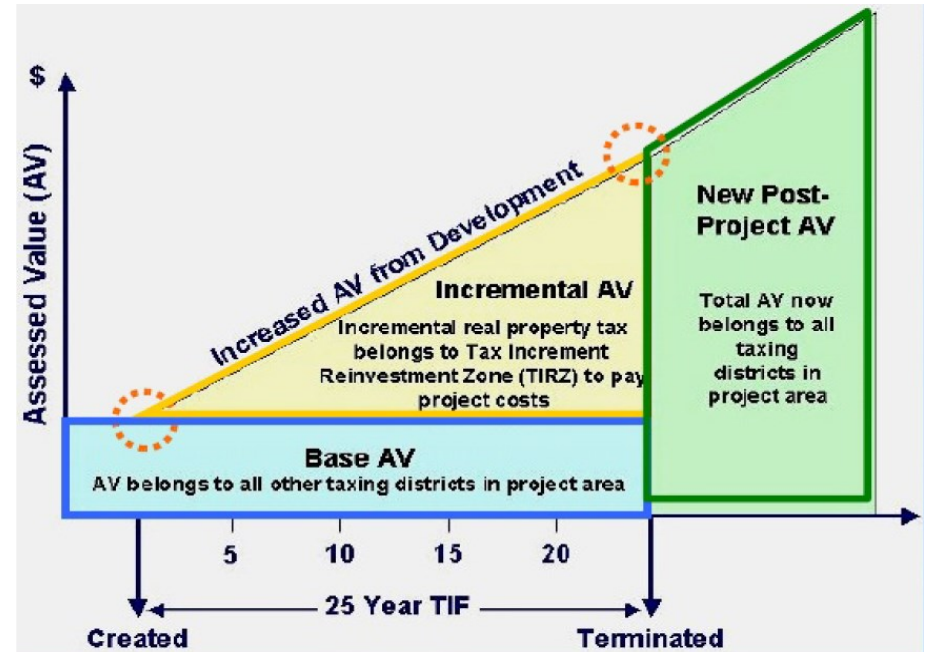
Chapter 311 of the Texas Tax Code (the “TIRZ Act”) authorizes the governing body of a municipality to promote redevelopment of a contiguous or noncontiguous geographic area by designating it a Tax Increment Reinvestment Zone (TIRZ). The future value of private investment within a TIRZ is leveraged to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

Key Points:

- Chapter 311 of the Texas Code controls all procedures for the creation of a TIRZ
- Base Value is assessed value in year TIRZ is designated (as of January 1)
- Development over time increases value
- Higher assessed value results in additional real property tax revenues

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

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



Board of Director Responsibilities

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

Actions Taken to Date

In early 2016, developer interest was growing for new industrial opportunities along IH-20 at Lawson Road centered around three large tracts totaling 130 acres that were owned by the City and Mesquite ISD. In August 2016, the City engaged KSA Engineers to develop a conceptual site plan and infrastructure study for a potential business park.

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

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

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

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

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

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

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

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

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

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

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

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

Actions Taken to Date

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

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

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

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

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

On June 7, 2021, the City Council opened a public hearing to allow any interested person to speak for or against the enlargement of Zone boundary to include the noncontiguous Airport area and to extend the term of the Zone an additional 12 years to expire on December 31, 2051. The City Council voted to continue the public hearing to the July 6, 2021, City Council meeting due to several property owners speaking against inclusion into the expanded zone.

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

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

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

On February 21, 2022, the City Council passed Resolution No. 12-2022 authorizing the City Manager to execute an agreement with DG Mesquite III, L.P. for Phase 2 of the Mesquite Airport Logistics Center

On March 21, 2022, the City Council passed Ordinance 4944 approving an amended Project Plan and Reinvestment Zone Financing Plan increasing the total estimated project costs for the zone.

On August 1, 2022, the City Council passed Ordinance 4968 approving the change of Zoning to Planned Development—Industrial to allow an industrial business park located at 4800 and 4900 Lasater Road and 925, 2700, and 3400 McKenzie Road.

On August 1, 2022, the City Council passed Ordinance 4969 approving the change of Zoning to Planned Development - General Retail for retail development at 4300 Lawson Road.

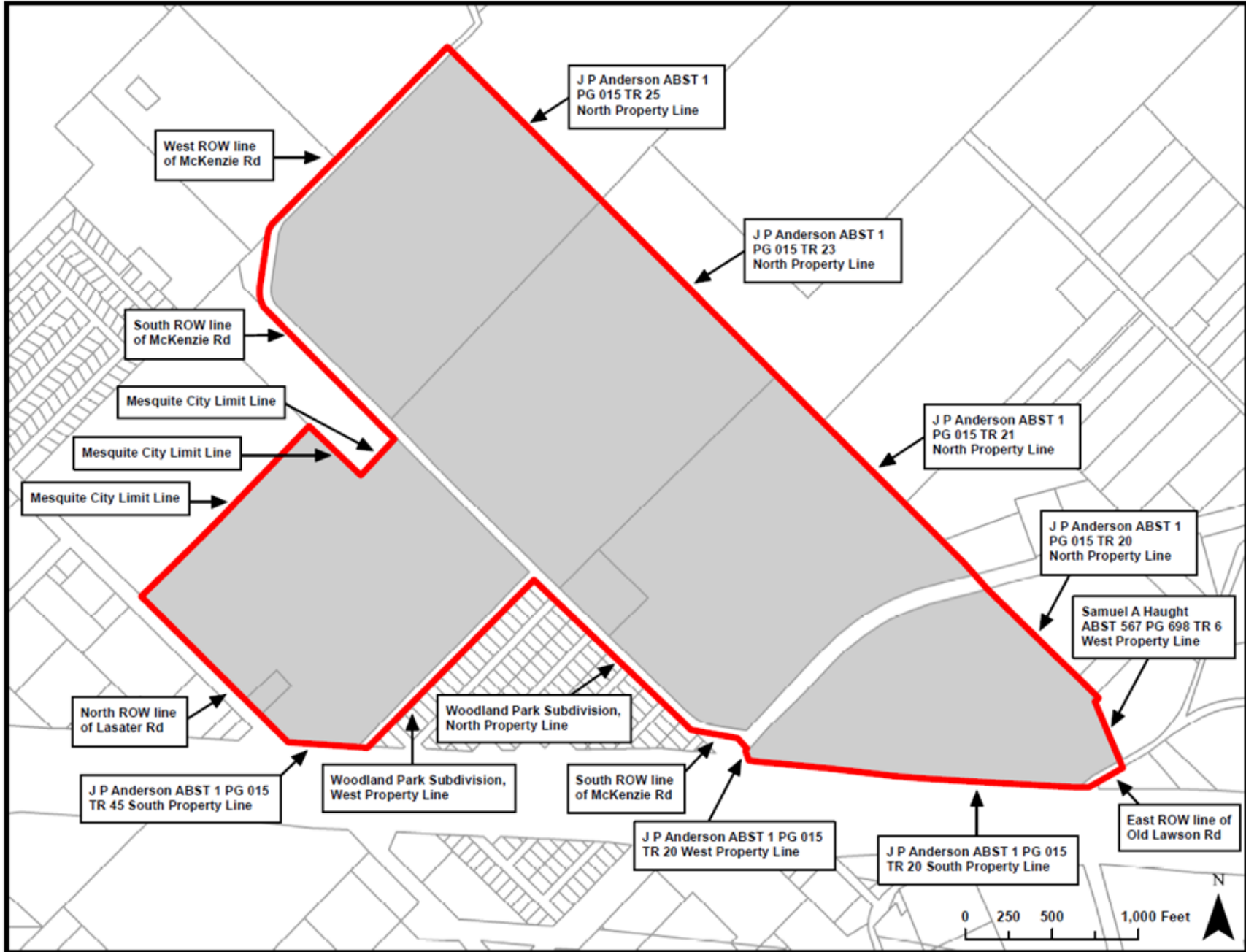
TIRZ Board Recommendation

Consider adoption of this ***Second Amended Project Plan and Reinvestment Zone Financing Plan (PPF) for Reinvestment Zone Number Twelve, City of Mesquite, Texas (IH-20 Business Park)***, which incorporates estimated and updated project costs related to the IH-20 Business Park, Retail tract, and Airport East business park.

IH-20 Area Boundary



IH-20 Area Boundary Description



IH-20 Area Boundary Description

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

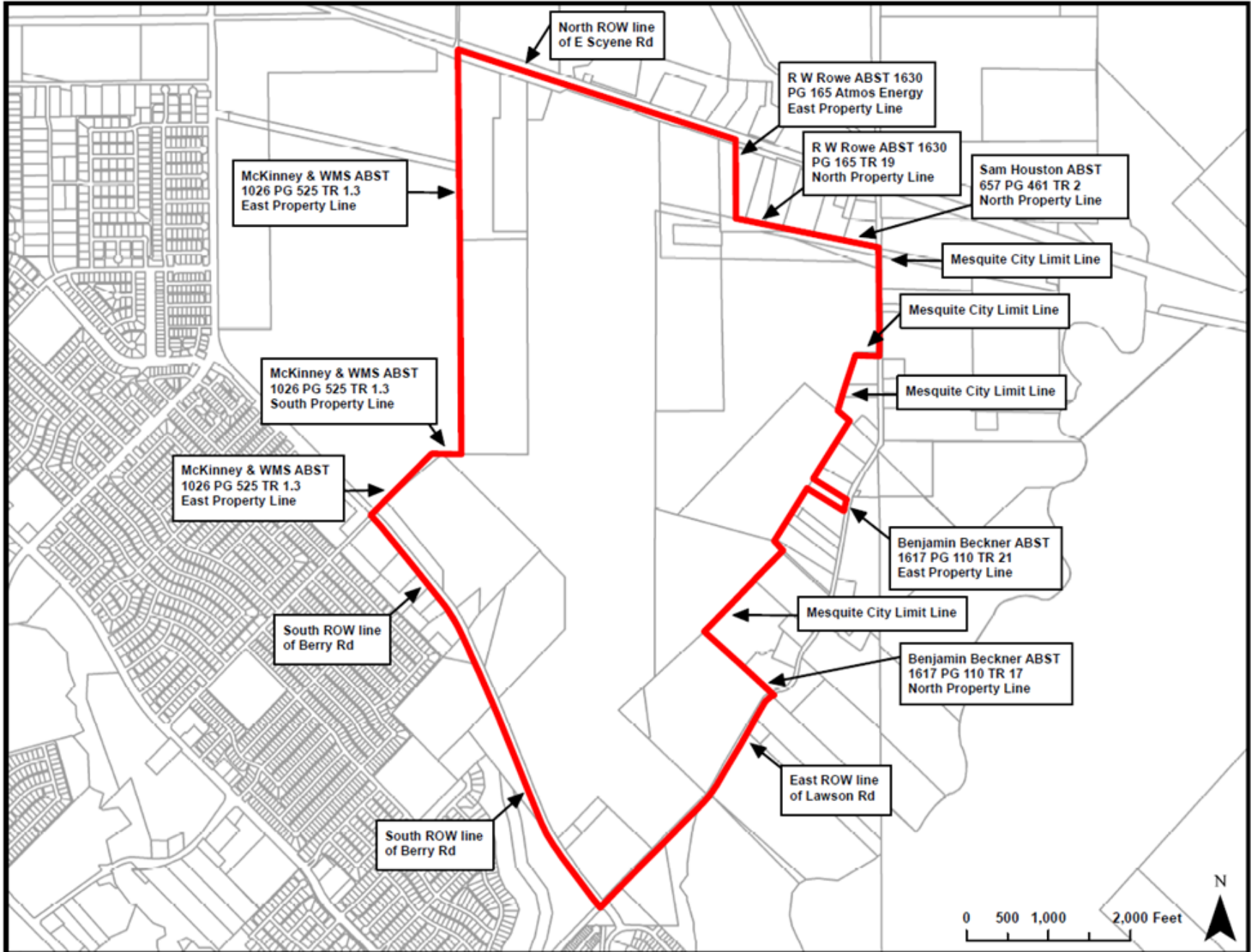
Southeasterly along the north ROW line of Lasater Road, said ROW line also being the corporate boundary line of the City of Mesquite, to a corner of John P. Anderson Survey, ABST 1 PG 015 Tract 45, thence:

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

Airport Area Boundary



Airport Area Boundary Description



Airport Area Boundary Description

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IH-20 Area Current Land Use

Existing Uses and Conditions

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

The City owns a total of 134.6 acres located on three other separate tracts located at 925 and 3400 McKenzie Road, and 4300 Lawson Road. The 48.4-acre tract located at 925 McKenzie Road was acquired in 2018 in a sale and purchase exchange with Mesquite ISD specifically to assemble additional developable land for the IH-20 Business Park. The other two City tracts totaling 86.24 acres were purchased, along with two other tracts outside the TIRZ, from the Resolution Trust Corporation (RTC) for \$50,000 in 1993. The RTC was the receiver of a \$2.5 million loan default by Macomo Properties as part of the greater savings and loan crisis of the 1980s.

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

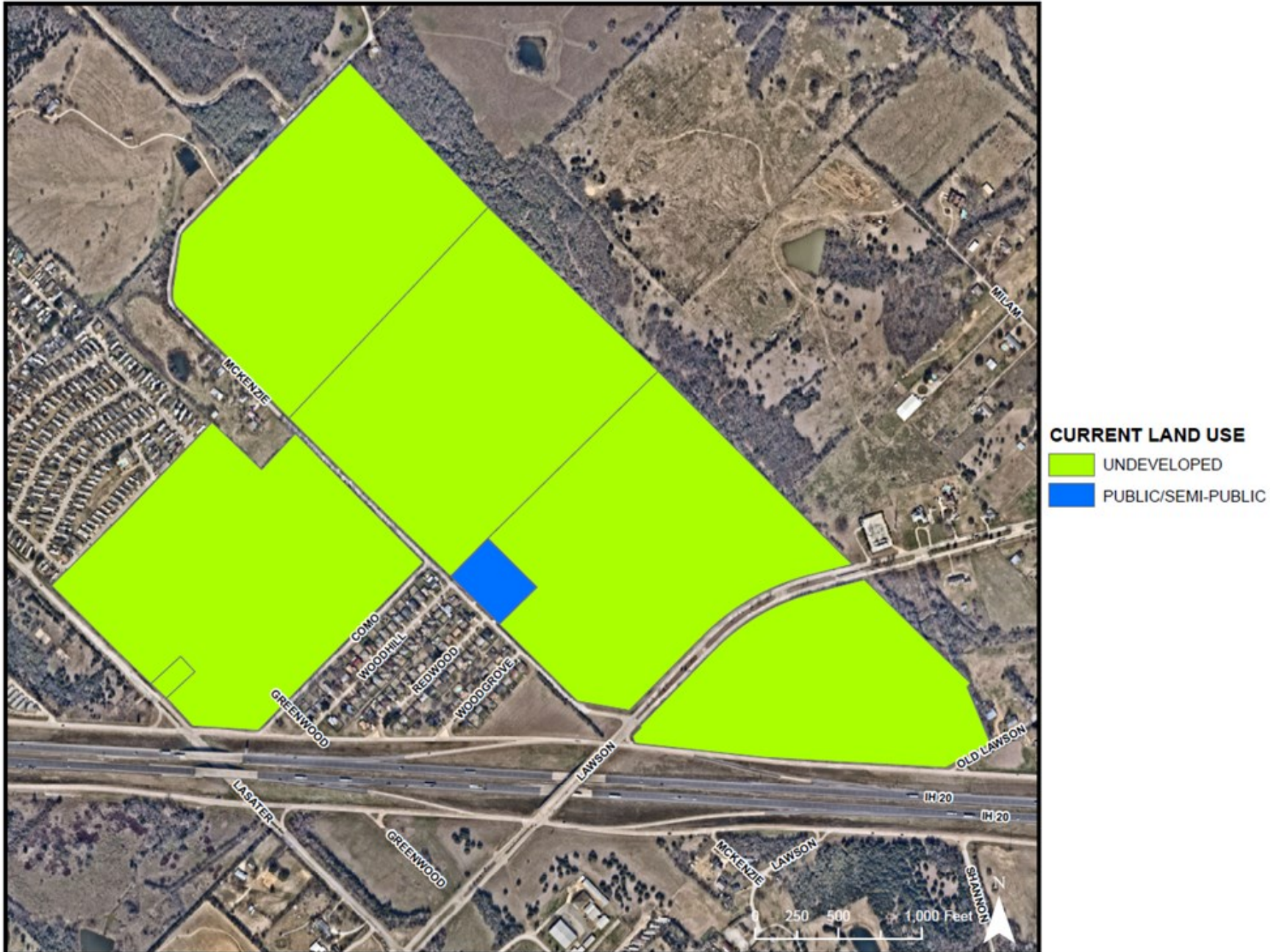


South View of City-owned Tract at 925 McKenzie Road



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

IH-20 Area Current Land Use



Airport Area Current Land Use

Existing Uses and Conditions

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

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

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



New Construction to the West



View inside Devil's Bowl Speedway



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

Airport Area Current Land Use

Existing Uses and Conditions

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

In addition to the two industrial buildings, Dalfen has neared completion of the widening and reconstruction of Airport Boulevard . The wider and thicker road will be rated for heavy industrial truck traffic and will extend past the Airport and connect to Berry Road through access along Dalfen’s future Building 5.

To accommodate the wider road, the Airport security fencing will be relocated and an added security gate installed so that access to the Airport is maintained.

Phase 2 of the Mesquite Airport Logistics Center is under construction, adding another 1,326,950 square feet and valuation of \$72 million.



Phase 2 Under Construction

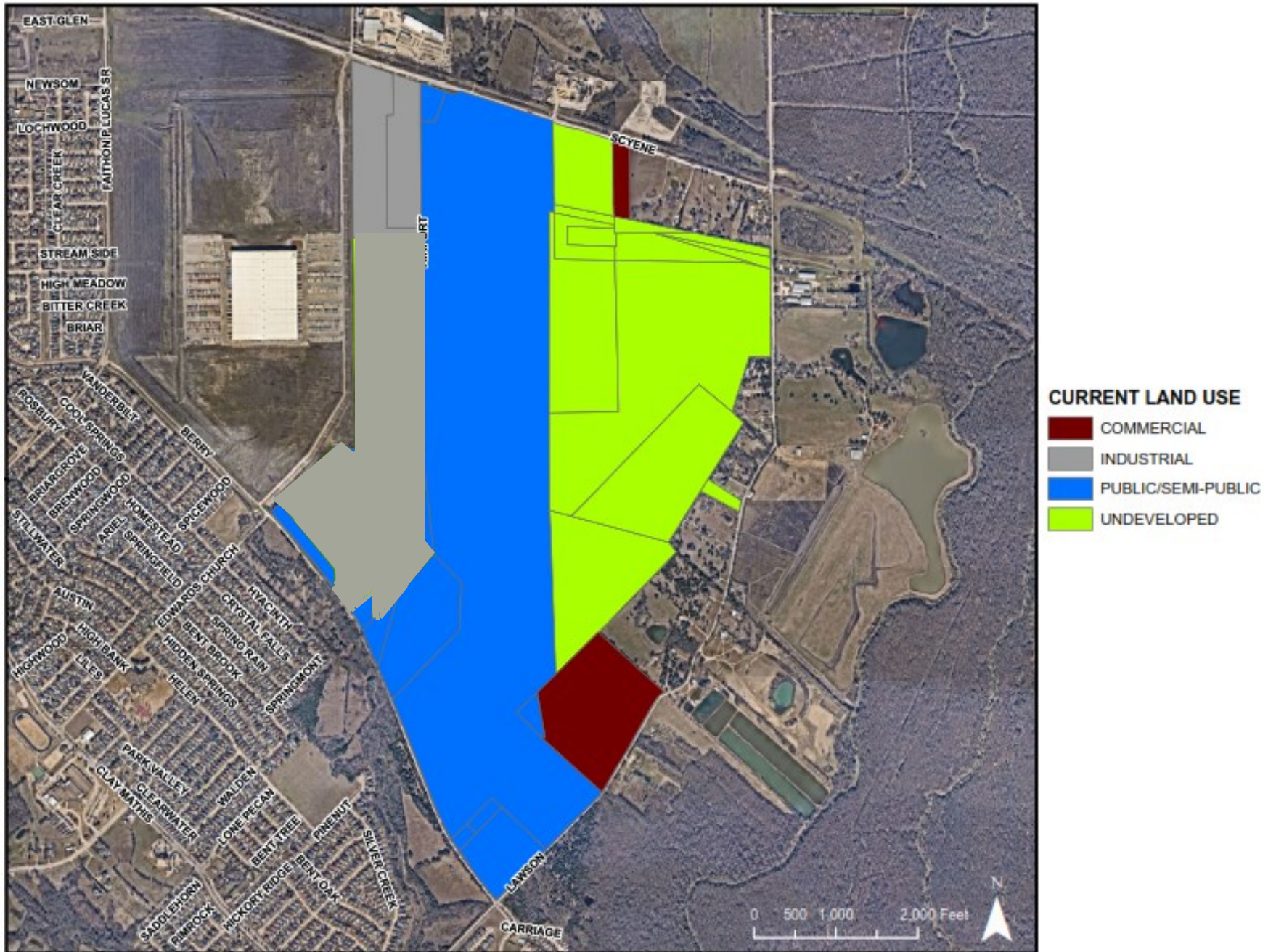


Phase 1 - Building 1 Completed



Airport Boulevard near completion

Airport Area Current Land Use



Current Property Ownership

Dallas Central Appraisal District records show fifty-eight (58) accounts for parcels owned by twenty-one (21) different property owners within the TIRZ for a total of 1,053.52 acres of land. The current total assessed value of taxable real property in the Zone is \$94,290,403. It is estimated that upon expiration of the 30-year term of the Zone, the total appraised value of taxable real property in the Zone will be more than \$771 million. The estimated total appraised value of taxable real property in the Airport area will be more than \$445 million, or 58 percent of the total

Airport Area

No.	PROPERTY ID	OWNER	ACREAGE	LEGAL DESCRIPTION	LAND	IMPROVEMENT VALUE	MARKET VALUE	EXEMPT VALUE	TOTAL ASSESSED VALUE
1	60HUDSON000000000	CITY OF MESQUITE	2.15	PHIL L HUDSON AIRPORT	-	-	-	-	-
2	65102652510050100	CITY OF MESQUITE	2.45	MCKINNEY & WMS ABST 1026 PG 525	-	-	-	-	-
3	38HUDSON000000000	CITY OF MESQUITE	311.13	PHIL L HUDSON AIRPORT	-	-	-	-	-
4	38006570000010000	DG MESQUITE III PROPERTY	12.48	SAM HOUSTON ABST 657 PG 461	436,660	-	436,660	-	436,660
5	65126254510049700	AIR REAL ESTATE, LLC	-	WM S ROBINSON ABST 1262 PG 545	-	451,660	451,660	-	451,660
6	65126254510049600	CITY OF MESQUITE	-	WM S ROBINSON ABST 1262 PG 545	-	-	-	-	-
7	38HUDSON000009400	BIRDHOUSE TOO LLC	-	PHIL L HUDSON AIRPORT	-	474,240	474,240	-	474,240
8	38HUDSON000009500	BIRDHOUSE TOO LLC	-	PHIL L HUDSON AIRPORT	-	474,240	474,240	-	474,240
9	38HUDSON000009200	WRE HANGER 1680 LLC	-	PHIL L HUDSON AIRPORT	-	489,220	489,220	-	489,220
10	38HUDSON000009300	SUNDANCE MC LLC	-	PHIL L HUDSON AIRPORT	-	489,220	489,220	-	489,220
11	38HUDSON000009600	GM HANGAR ONE	-	PHIL L HUDSON AIRPORT	-	469,250	469,250	-	469,250
12	38HUDSON000009700	D4 CLASSIC INDUSTRIES	-	PHIL L HUDSON AIRPORT	-	102,960	102,960	-	102,960
13	38HUDSON000009800	D2 COMMANCHE GROUP	-	PHIL L HUDSON AIRPORT	-	80,000	80,000	-	80,000
14	38HUDSON000009900	D1 COMMANCHE GROUP	-	PHIL L HUDSON AIRPORT	-	80,000	80,000	-	80,000
15	65126254510049800	CITY OF MESQUITE	-	WM S ROBINSON ABST 1262 PG 545	-	-	-	-	-
16	65126254510049400	AR19 ASSETS LLC	-	WM S ROBINSON ABST 1262 PG 545	-	167,770	167,770	-	167,770
17	65126254510049900	AIRPORT PROPERTIES INC	-	WM S ROBINSON ABST 1262 PG 545	-	-	-	-	-
18	65126254510020100	DG MESQUITE III PROPERTY	32.62	WM S ROBINSON ABST 1262 PG 545	1,696,450	-	1,696,450	-	1,696,450
19	38123800010010000	DG MESQUITE AIRPORT PROPERTY	30.02	MESQUITE AIRPORT LOGISTICS CENTER	1,961,380	52,073,470	54,034,850	-	54,034,850
20	38123800010020000	DG MESQUITE AIRPORT PROPERTY	24.68	MESQUITE AIRPORT LOGISTICS CENTER	1,612,790	31,212,630	32,825,420	-	32,825,420
21	65117470010080100	DG MESQUITE III PROPERTY	40.70	JOHN PIKE ABST 1174 PG 700	488,400	-	488,400	-	488,400
22	65117470010080200	DALLAS CITY OF	4.47	JOHN PIKE ABST 1174 PG 700	-	-	-	-	-
23	65117470010070000	CITY OF MESQUITE	1.78	JOHN PIKE ABST 1174 PG 700	-	-	-	-	-
24	65117470010020000	CITY OF MESQUITE	3.62	JOHN PIKE ABST 1174 PG 700	146,410	-	146,410	-	146,410
25	65117470010030000	CITY OF MESQUITE	22.57	JOHN PIKE ABST 1174 PG 700	-	-	-	-	-
26	65016020510050000	CITY OF MESQUITE	14.04	W W BRUTON ABST 160 PG 205	-	-	-	-	-

Current Property Ownership

Airport Area Continued

No.	PROPERTY ID	OWNER	ACREAGE	LEGAL DESCRIPTION	LAND	IMPROVEMENT VALUE	MARKET VALUE	EXEMPT VALUE	TOTAL ASSESSED VALUE
27	38144900000010000	CITY OF MESQUITE	1.00	OLLIES	-	-	-	-	-
28	38144900000020000	CITY OF MESQUITE	1.67	OLLIES	-	-	-	-	-
29	65163016510070000	ATMOS ENERGY	4.22	R W ROWE ABST 1630 PG 165	84,320	106,710	191,030	-	191,030
30	65065746110020000	DALLAS COUNTY OF	2.89	SAM HOUSTON ABST 657 PG 461	-	-	-	-	-
31	65163016510190000	DALLAS COUNTY OF	2.19	R W ROWE ABST 1630 PG 165	-	-	-	-	-
32	65126254510100000	MSAP 216 LLC & 42 BP LP	1.90	MCKW ROBINSON ABST 1262 & 1026	23,780	-	23,780	-	23,780
33	65126254510070000	MSAP 216 LLC & 42 BP LP	6.09	WM S ROBINSON ABST 1262 PG 545	16,620	-	16,620	16,228	392
34	6512625451007D100	MSAP 216 LLC & 42 BP LP	-	WM S ROBINSON ABST 1262 PG 545	16,890	-	16,890	16,491	399
35	65126254510080000	MSAP 216 LLC & 42 BP LP	3.00	WM S ROBINSON ABST 1262 PG 545	40,950	-	40,950	-	40,950
36	65065746110010100	MSAP 216 LLC & 42 BP LP	2.31	SAM HOUSTON ABST 657 PG 461	5,680	-	5,680	5,508	172
37	6506574611001D100	MSAP 216 LLC & 42 BP LP	11.69	SAM HOUSTON ABST 657 PG 461	32,400	-	32,400	31,517	883
38	6506574611001D200	MSAP 216 LLC & 42 BP LP	2.31	SAM HOUSTON ABST 657 PG 461	14,570	-	14,570	-	14,570
39	65065746010020000	MSAP 216 LLC & 42 BP LP	90.46	SAM HOUSTON ABST 657 PG 461	246,820	-	246,820	240,089	6,731
40	6506574601002D100	MSAP 216 LLC & 42 BP LP	0.10	SAM HOUSTON ABST 657 PG 461	250,730	-	250,730	243,892	6,838
41	65065746110010000	MSAP 216 LLC & 42 BP LP	0.10	SAM HOUSTON ABST 657 PG 461	28,710	-	28,710	27,841	869
42	65161711010010200	MSAP 216 LLC & 42 BP LP	47.22	BENJAMIN BECKNER ABST 1617 PG110	115,940	-	115,940	112,427	3,513
43	6516171101001D200	MSAP 216 LLC & 42 BP LP	0.10	BENJAMIN BECKNER ABST 1617 PG110	130,870	-	130,870	127,301	3,569
44	65161711010010000	EDWARDS LANNY LIVING TRUST	38.14	BENJAMIN BECKNER ABST 1617 PG110	381,410	-	381,410	378,359	3,051
45	65161711010170000	EDWARDS LANNY D BEVERLY K	38.37	BENJAMIN BECKNER ABST 1617 PG110	469,970	150,030	620,000	-	620,000
46	65161711010170001	EDWARDS LANNY LIVING TRUST	-	BENJAMIN BECKNER ABST 1617 PG110	-	840	840	-	840
47	750CW2020354TXA00	EDWARDS BEVERLY K	-	BENJAMIN BECKNER ABST 1617 PG110	-	64,560	64,560	-	64,560
48	65161711010210000	MSAP 216 LLC & 42 BP LP	1.58	BENJAMIN BECKNER ABST 1617 PG110	39,550	-	39,550	-	39,550
49	65102652510060000	MSAP 216 LLC & 42 BP LP	17.10	MCKINNEY & WMS ABST 1026 PG 525	170,600	-	170,600	-	170,600
50	6510265251006D100	MSAP 216 LLC & 42 BP LP	0.10	MCKINNEY & WMS ABST 1026 PG 525	173,310	-	173,310	-	173,310
51	6512625451001D100	MSAP 216 LLC & 42 BP LP	0.10	WM S ROBINSON ABST 1262 PG 545	99,980	-	99,980	97,254	2,726
52	65126254510010000	MSAP 216 LLC & 42 BP LP	36.07	WM S ROBINSON ABST 1262 PG 545	98,420	-	98,420	95,736	2,684

Current Property Ownership and Zoning

IH-20 Area

Dallas Central Appraisal District records show six accounts for six parcels owned by two different property owners, the City of Mesquite and IH-20 IP, LLC & SLJ CO, LLC, for a total of 242.1 acres of land. The current total assessed value of taxable real property for the City within the IH-20 area is \$12,636. It is estimated that upon expiration of the 30-year term of the Zone, the total appraised value of taxable real property in the IH-20 area will be more than \$326 million, or 42 percent of the total growth within the TIRZ.

No.	PROPERTY ID	OWNER	ACREAGE	LEGAL DESCRIPTION	LAND	IMPROVEMENT VALUE	MARKET VALUE	EXEMPT VALUE	TOTAL ASSESSED VALUE
53	65000101510200000	CITY OF MESQUITE	34.37	J P ANDERSON ABST 1 PG 015	-	-	-	-	-
54	65000101510210000	CITY OF MESQUITE	51.87	J P ANDERSON ABST 1 PG 015	-	-	-	-	-
55	65000101510230000	IH 20 IP LLC	56.54	J P ANDERSON ABST 1 PG 015	1,249,700	-	1,249,700	1,244,702	4,998
56	65000101510250000	CITY OF MESQUITE	48.40	J P ANDERSON ABST 1 PG 015	-	-	-	-	-
57	65000101510450000	IH 20 IP LLC	50.13	J P ANDERSON ABST 1 PG 015	1,253,250	-	1,253,250	1,245,731	7,519
58	65000101510450100	IH 20 IP LLC	0.80	J P ANDERSON ABST 1 PG 015	19,980	-	19,980	19,861	119

Zoning and Characteristics

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

It's anticipated that SLJ/42 Real Estate will rezone the Airport East business park to Planned Development similar to the Planned Development approved for the IH-20 Business Park and Retail Area. The remaining property within the Airport area will be zoned Industrial, with the exception of three tracts that lie outside the City Limits within the ETJ.

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



Future Entrance to Mesquite Airport Logistics Center

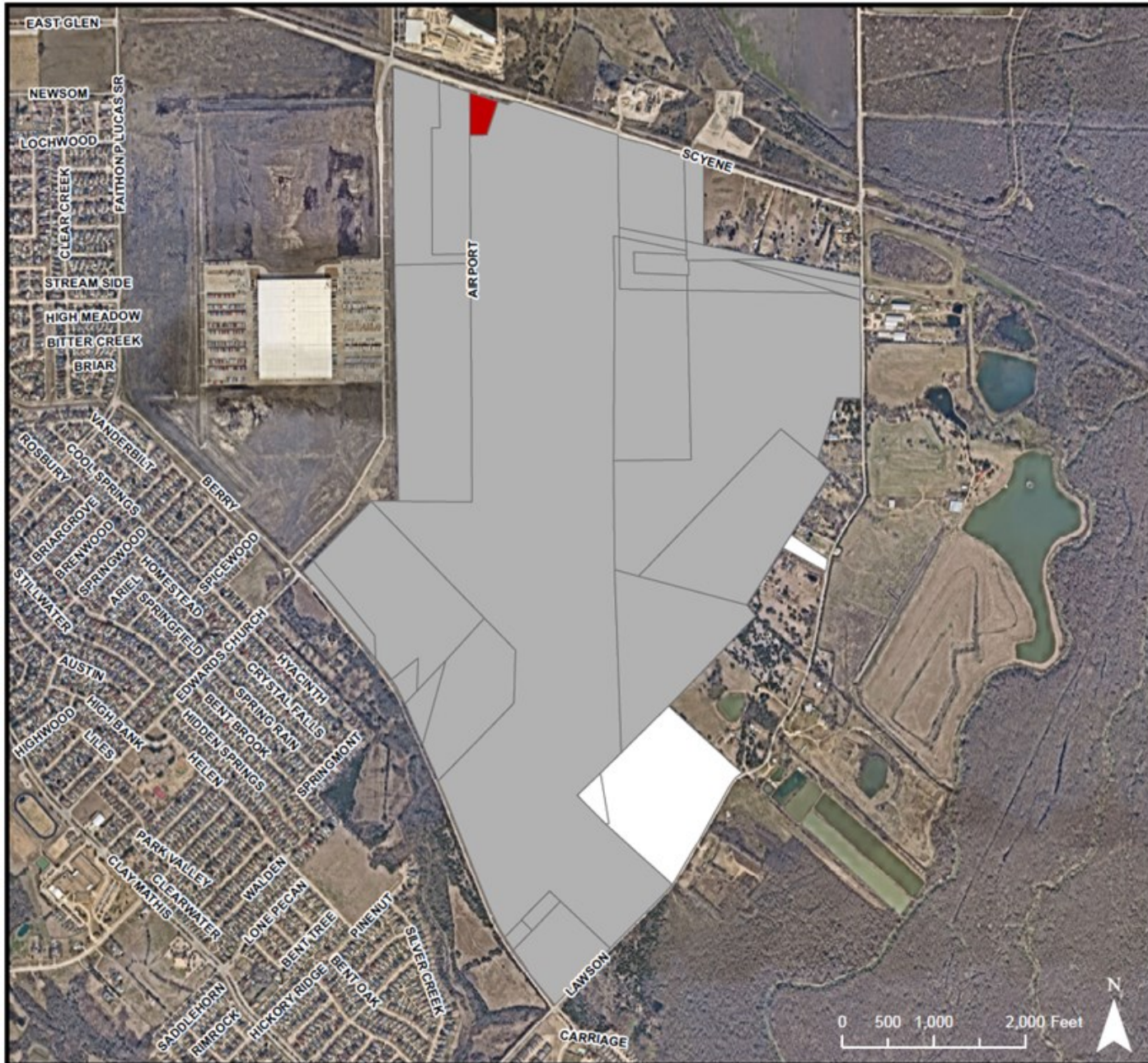
IH-20 Area Current Zoning



CURRENT ZONING

■ PLANNED DEVELOPMENT

Airport Area Current Zoning



Airport Area Future Zoning



IH-20 Area Future Land Use

Proposed Uses

Land uses for property within the IH-20 area of the TIRZ will be a mixture of retail and industrial. The SLJ/42 Real Estate concept plan shows the development of the business park as one contiguous industrial park with distribution cross-dock and cold storage uses. As shown to the right, the business park includes seven buildings and an Oncor Substation. The buildings will range from 159,636 to 1,272,253 SQ.FT.

The distribution cross-dock may be a combination of speculative industrial buildings and/or build-to-suit. Build-to-suit is an industrial building specifically constructed to meet the design and physical specifications of one particular user, which may come in a couple of different forms:

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

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

An approximate 135-acre portion of the development is currently city-owned property and will be conveyed to the developer through pending Chapter 380 agreements. The City land, as part of a grant to the developer, has requirements for the developer to return the land to the City or pay a market rate for the property, approximately and up to \$17.5 million, if the proposed development does not meet the terms of the agreements.



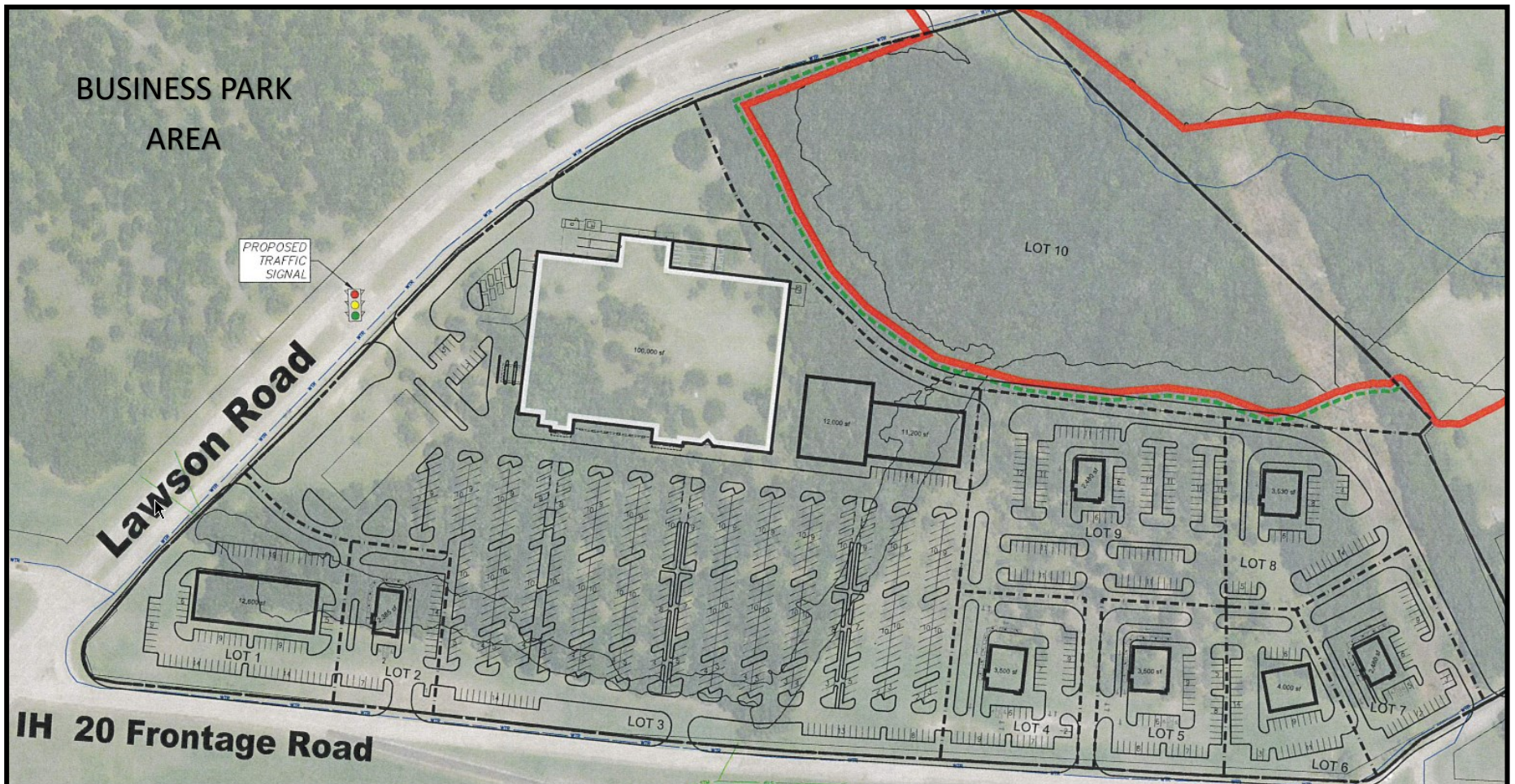
2023 IH-20 Business Park Area Concept

IH-20 Area Future Land Use

Proposed Uses

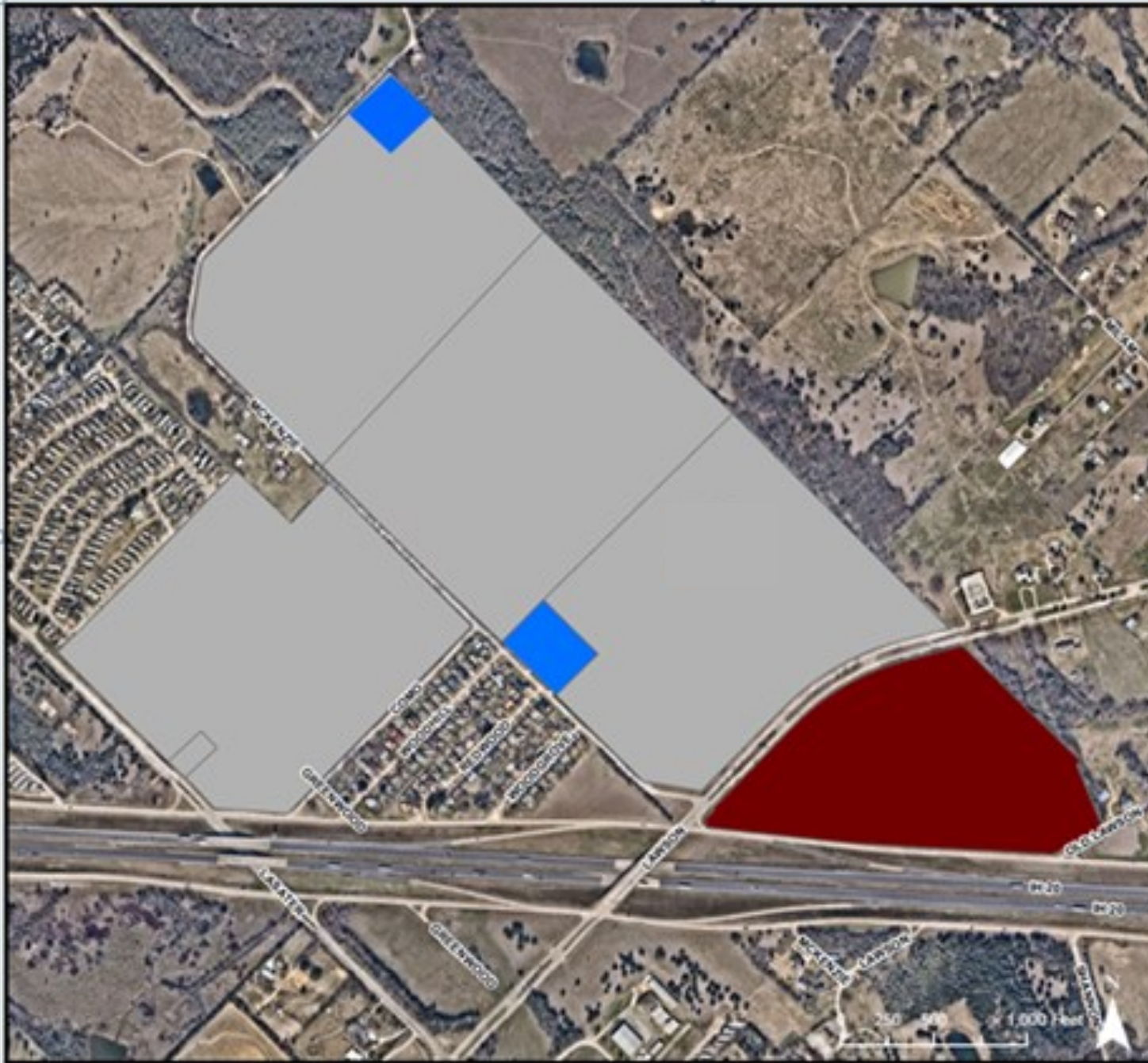
The 34.37-acre tract located at 4300 Lawson Road and across from the proposed business park will be purchased by the Developer from the City under a Chapter 380 Agreement and will be developed as retail.

As shown below, the SLJ/42 Real Estate concept plan for the retail area includes eleven sites encompassing 156,675 square feet of retail space. The sites will range from 2,480 to 100,000 square feet.



2023 IH-20 Retail Area Concept Plan

IH-20 Area Future Land Use



Airport Area Future Land Use

Proposed Uses

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

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

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

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



Elevation Concepts of Class A Industrial Designed by GSR Andrade Architects

Phase 1 of Dalfen’s Mesquite Airport Logistics Center consists of two Class A distribution centers totaling 1,006,338 square feet located just west of Mesquite Metro Airport. Building 1 is a 379,619 square-foot, cross-dock facility with 80 dock doors and four drive-in doors. Building 2 is a 626,719 square-foot, cross-dock facility with 134 dock doors and four drive-in doors. Both buildings have 36’ clear heights. Both facilities are leased and being occupied by tenants in 2023.

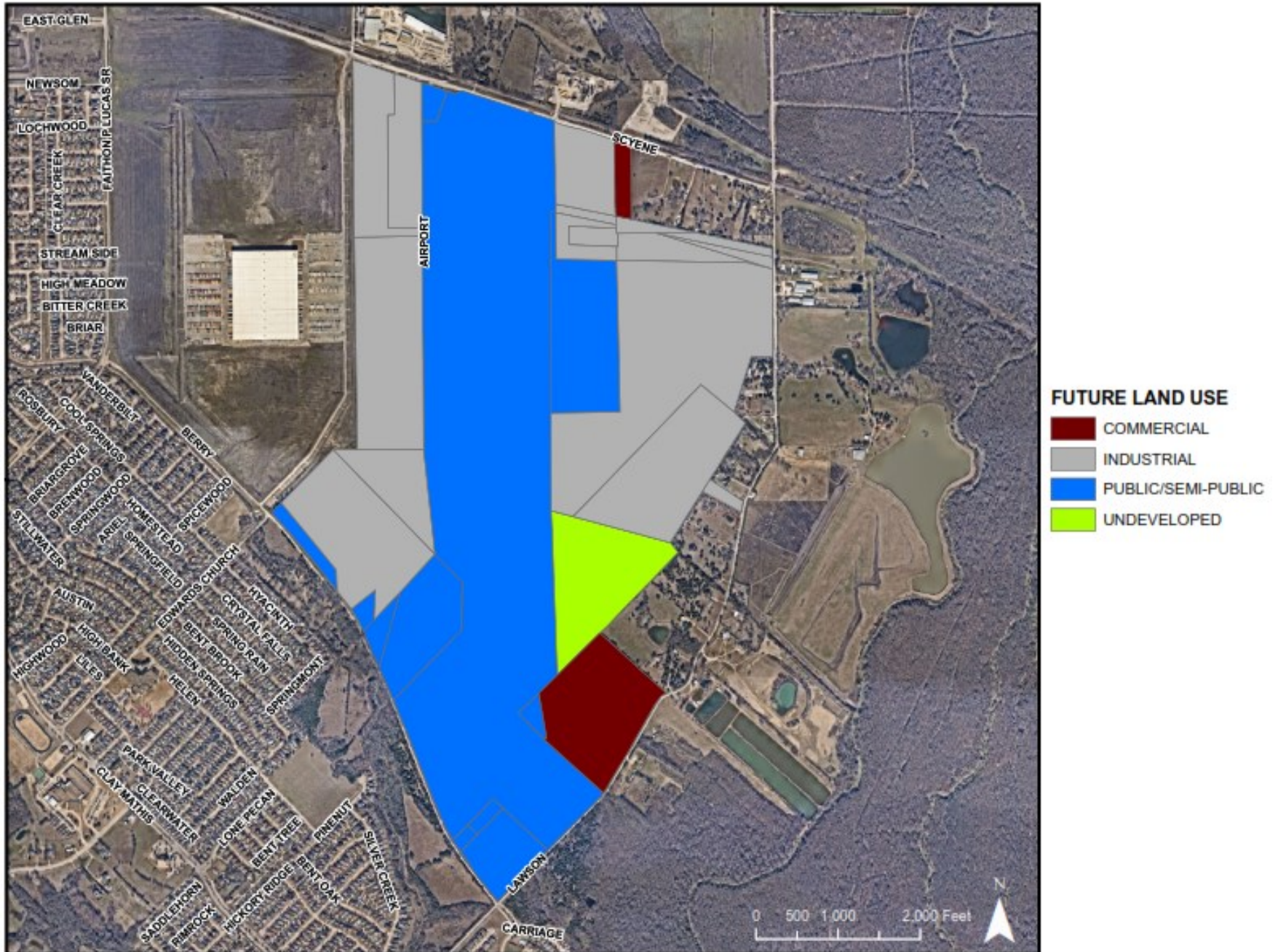
Phase 2 of the Mesquite Airport Logistics Center is under construction and will consist of three Class A industrial buildings totaling 1,326,950 square feet located just west of Mesquite Metro Airport and connecting to Berry Road. Buildings 3 and 4 will be a 340,000 square-foot, cross-dock facilities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

SLJ/42 Real Estate initial concepts plans are complete and subject to change for the IH-20 Business Park, Retail tract, and Airport East business park. They are expected to begin with the development of the IH-20 Business Park within the next few years, followed by the Retail and Airport East sites. SLJ and 42 Real Estate’s experience in Mesquite includes the redevelopment of the previous Big Town Mall site at US Hwy 80 into a Fed-Ex hub location. The Mesquite Airport East concept plan is a multi-building development encompassing 3,265,330 square feet of industrial and airport hangar space.

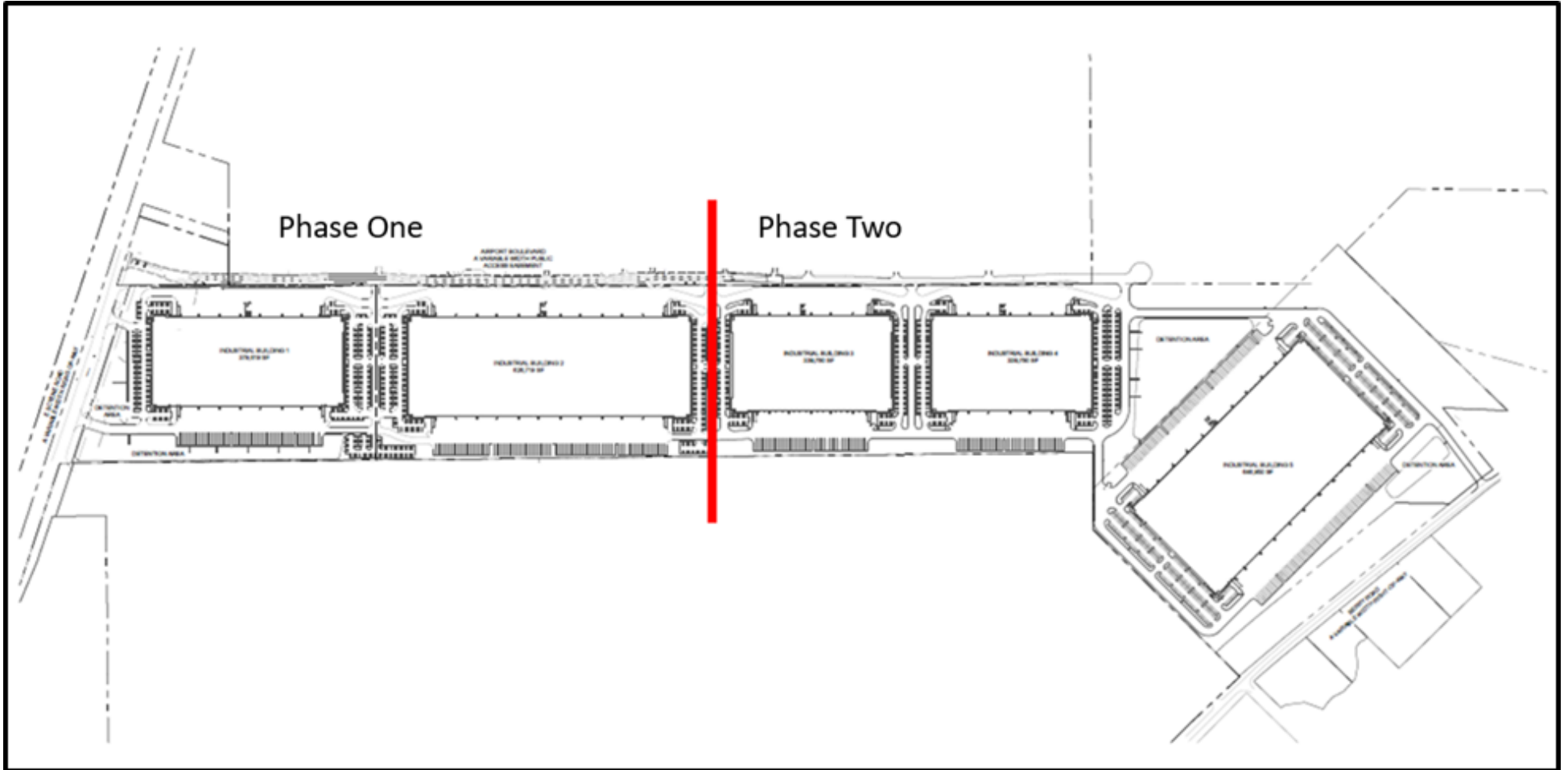


Elevation Concepts of Class A Industrial SLJ/42 Real Estate

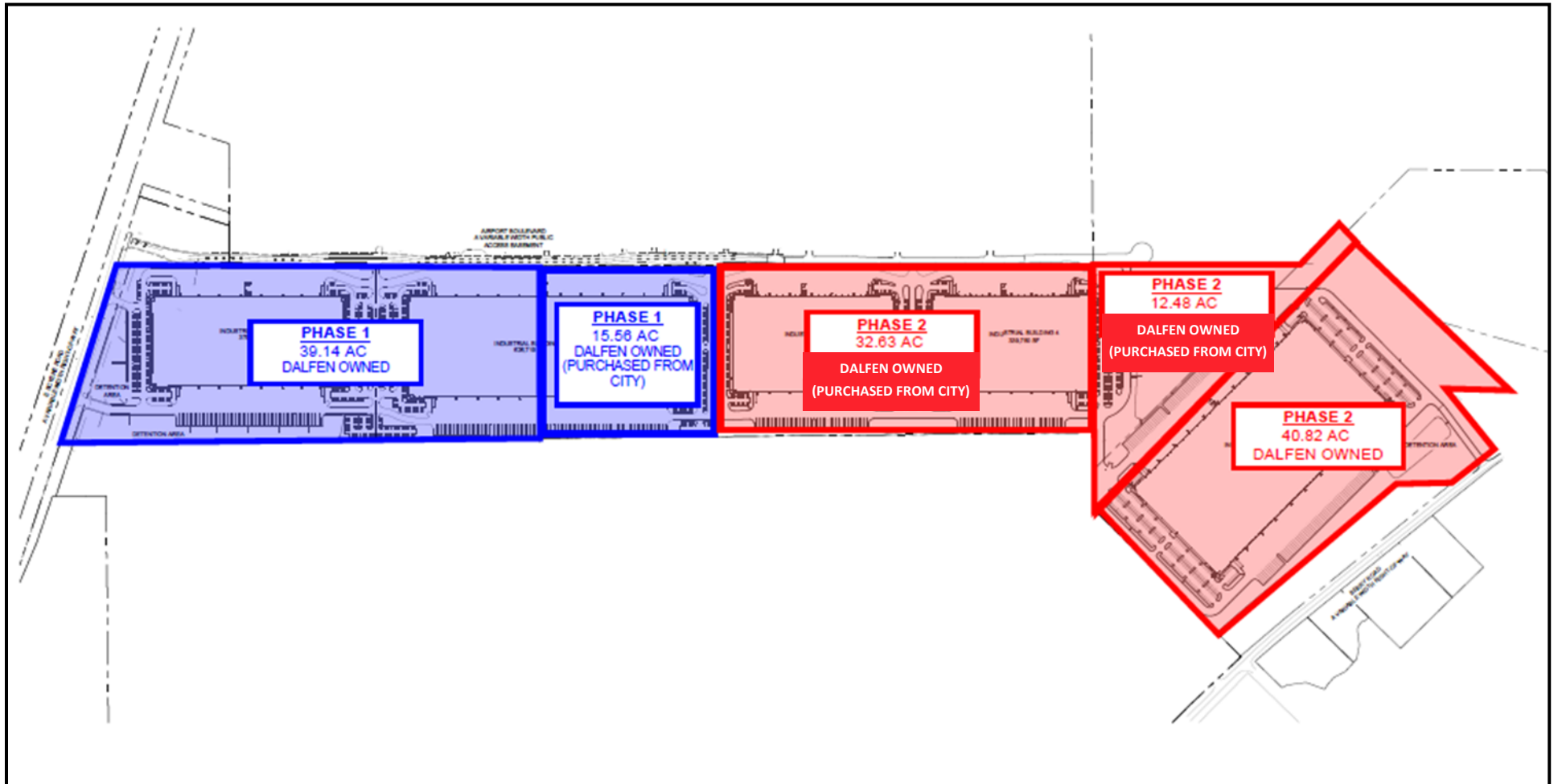
Airport Area Future Land Use



Mesquite Airport Logistics Center Site Plan



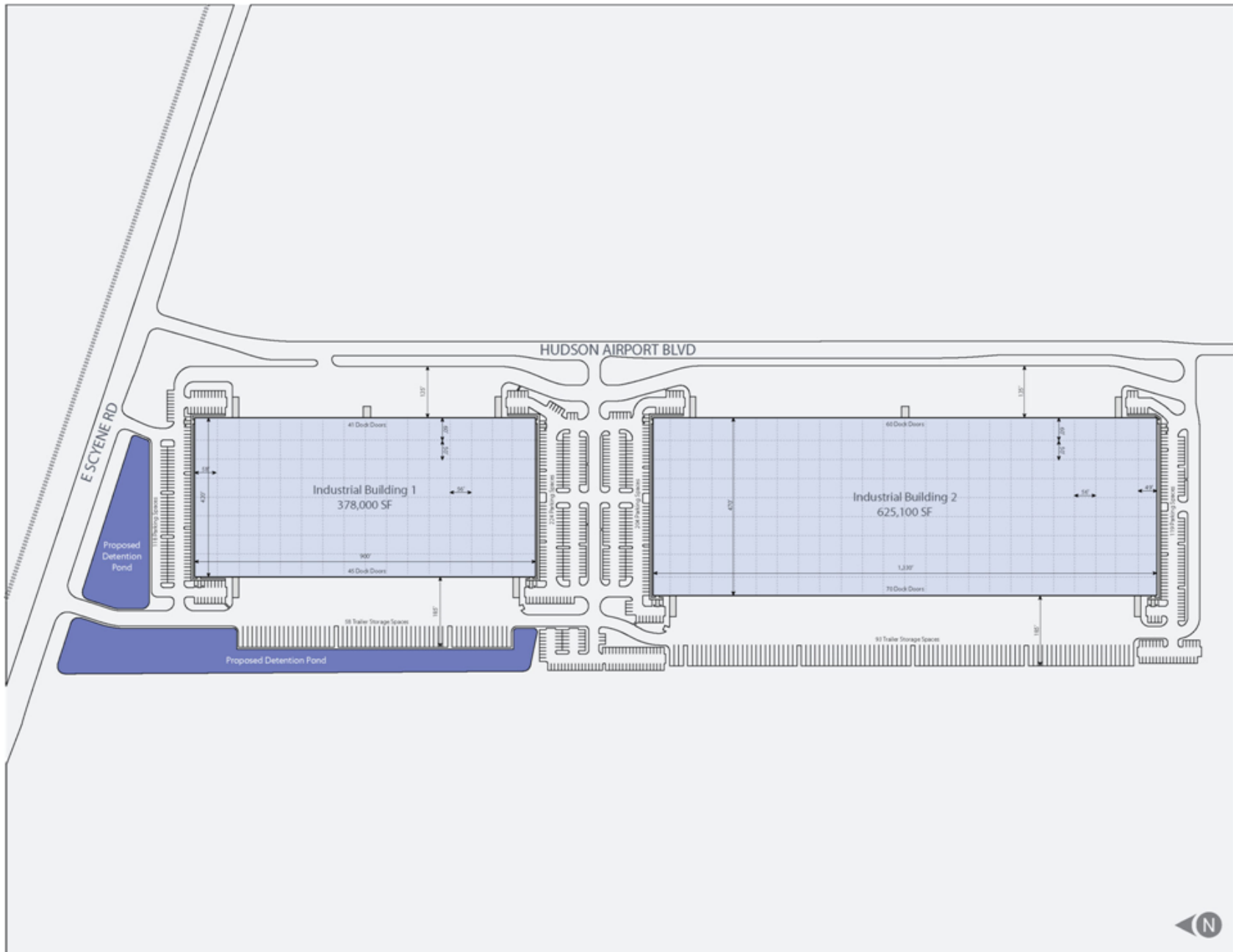
Mesquite Airport Logistics Center Phasing



Mesquite Airport Logistics Center Phase 1



Mesquite Airport Logistics Center Phase 1 Site Plan



Project Plan

Proposed Project Costs

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

The public infrastructure improvements to be constructed within the TIRZ are estimated at \$40,925,457 and will be reimbursed by the TIRZ. Savings from one line item may be applied to cost increases in another line item in accordance with the terms of the Chapter 380 Agreement.

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

SLJ/42 Real Estate, under its affiliate IH 20 IP, LP., intends to purchase the three City-owned tracts of land totaling 134.6 acres (which does not include the 2.9-acre tract where the McKenzie elevated water storage tower is located) to complete their assemblage of property needed to begin development of the IH-20 Business Park. The Developer will receive grants of the purchase price through the Chapter 380 Agreement with the City.

Estimated Non-Project Costs

Non-project costs are private funds that will be spent to develop in the TIRZ but will not be financed by TIRZ revenues. The total non-project costs are currently estimated at \$425 million.

Relocation of Displaced Persons

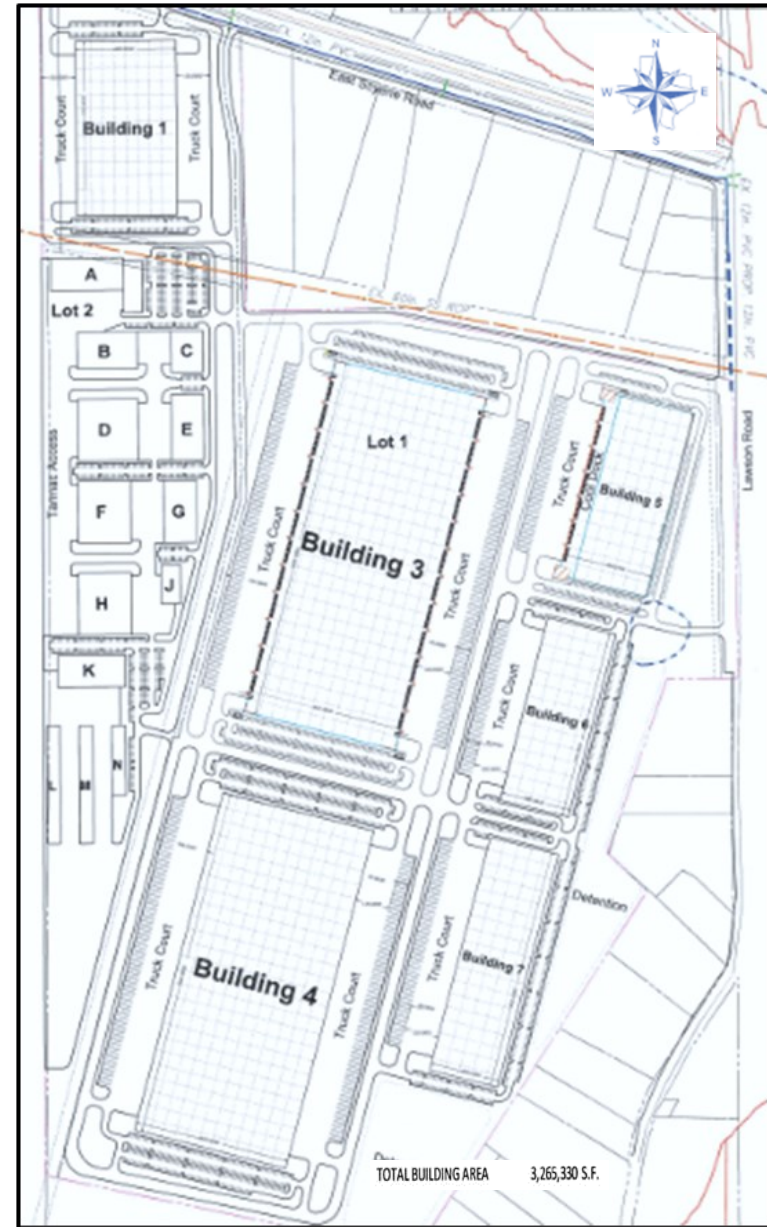
No persons will be displaced or relocated due to the implementation of this Plan.

Reinvestment Zone Number Twelve, City of Mesquite, Texas Project Costs

Mesquite IH-20 Retail	
Excavation & Grading	84,486
Retaining Walls	1,301,374
Traffic Signal	981,195
Storm Sewer Improvements	1,766,151
Creek Enhancements	320,179
Waters of the US Mitigation	2,325,000
Subtotal \$	6,778,385
Mesquite IH-20 Industrial	
Excavation & Grading	299,723
Retaining Walls	3,369,181
McKenzie Road Blue	4,527,078
McKenzie Road	3,203,466
Sanitary Sewer	6,487,298
Creek Enhancements	556,564
Waters of the US Mitigation	1,375,176
Contingency	3,963,697
Oncor Substation Property Acquisition	137,497
Subtotal \$	23,919,680
Mesquite Airport East	
Utilities - Offsite Water	157,310
Utilities - Offsite Sanitary Sewer	558,872
Offsite Storm Channel	5,674,001
Subtotal \$	6,390,183
Mesquite Airport Logistics Center	
Gates and Fencing	458,943
Property Acquisition	2,852,685
Airport Tower Improvements	120,000
Subtotal \$	3,431,628
Total Public Improvement Costs \$	40,519,876
Administrative Costs \$	405,681
Total Project Costs \$	40,925,557

Project Plan

SLJ/42 Real Estate is in the process of finalizing their plan for the Mesquite Airport East development. Under pending Chapter 380 agreements, SLJ/42 Real Estate would enter into a “through-the-fence” agreement to access the Mesquite Metro Airport for fuel and hangar access; new hangars would be built by the developer as part of the agreement. As shown to the right, SLJ/42 Real Estate would build approximately three million square feet of industrial and hangar space on the property with approximate valuation of \$194 million added to the TIRZ on the 216-acre tract. A major factor in the development of this site is the potential access to the future State Highway 190 George Bush turnpike, as well as the impact of pending right-of-way acquisitions by the North Texas Tollway Authority for the construction of SH 190.



Mesquite Airport East	
Estimated TIRZ Costs*	
5/31/2022 DRAFT	
Category**	Estimated Project Costs
Utilities - Offsite Water: 12" line to connect existing water line to the site.	\$ 157,310
Utilities - Offsite Sanitary Sewer: extension to connect to the site.	\$ 558,872
Offsite Storm Channel: offsite storm channel shown on Concept Plan (Exhibit B).	\$ 5,674,001
Total Estimated Costs - including interest, inspection fees, supervision, engineering, planning, legal, contingency, etc.	\$ 6,390,182
*Current TIRZ estimates are based on the conceptual drawings attached hereto as Exhibit A and B. TIRZ estimates will most definitely change once full construction drawings are completed and once hard pricing is received.	
** Current contemplated categories of TIRZ items. Additional eligible TIRZ line items may be included as they are identified.	

2023 Airport East Concept Plan

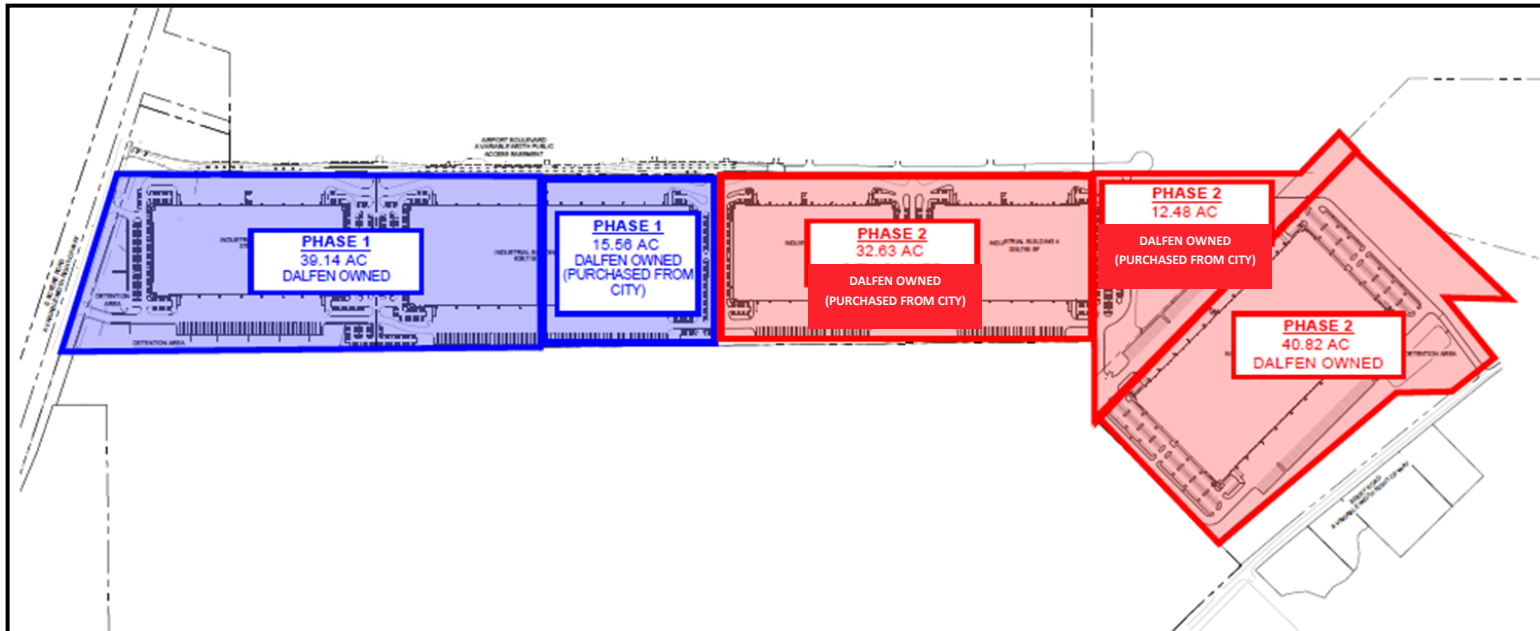
Project Plan

The Table shown to the right represents a summary of the private capital investment for the proposed Dalfen industrial project. Under its Chapter 380 Agreements, Dalfen Industrial will reimburse the City for the cost to raise a nearby weather radar, and Dalfen will reconstruct Airport Boulevard. It's anticipated that the City may incur up to \$458,000 to install new security gates and fiber connectivity for new Airport security fencing provided by Dalfen.

As shown below, Dalfen, under its affiliate Notain Realty purchased 15.5637 acres of City-owned property for \$720,000, and under its affiliate DG Mesquite III Property Owner, Dalfen purchased the remaining 32.6243 acres of City property for \$1.68 million and an additional 12.4763 acre tract for \$600,000 to complete the assemblage of land for the Mesquite Airport Logistics Center.

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

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



Authorized Public Improvements

Categories of Authorized Public Improvements

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

Roadway Improvements:

Consist of construction of perimeter road and thoroughfare improvements, including related paving, drainage, curb and gutter, sidewalks, retaining walls, wayfinding signage, and traffic control devices. Specific improvements include the realignment of McKenzie Road right-of-way to maximize industrial building space.

Water Distribution System Improvements:

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

Sanitary Sewer Collection System Improvements:

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

Storm Drainage Collection System Improvements:

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



Sanitary Sewer Route Options in IH-20 Area

Financial Feasibility

Economic Feasibility Study

As illustrated in the Feasibility Summary Table on the next page, during the term of the Zone, new development that occurs within the Zone (which would not have occurred but for the Zone) will generate an estimated \$103,226,450 million in total new real property tax revenue. At the 50 percent TIRZ participation rate, the City's net benefit from new development within the Zone will be an estimated \$51,613,225 million.

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

Method of Financing

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

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

The following pages show the estimated captured increment values of the Zone during each year of the 30-year term at the City's current tax rate and the City's net benefits of the Zone with a 50 percent City TIRZ participation rate. Based on the foregoing analysis, the TIRZ will generate an estimated \$51.6 million over the life of the TIRZ to finance planned and future public improvements, and during this same period the City will collect an estimated \$51.6 million for its General Fund operations; and therefore, feasibility of the Zone has been demonstrated.

Revenue Summary

Reinvestment Zone Number Twelve, City of Mesquite, Texas Feasibility Study

TIRZ Term	Tax Year	Growth/Year ¹	Added Development Value ²				Taxable Value	Incremental Value	%	City TIRZ Increment				Total		City Retained Revenue	
			IH-20 Retail	IH-20 Industrial	Airport East	Airport Logistics Center				IH-20 Retail	IH-20 Industrial	Airport East	Airport Logistics Center	Annual	Cumulative	Annual	Cumulative
Base	2021	0%	\$ -	\$ -	\$ -	\$ -	4,386,111	-	50%	-	-	-	-	-	-	-	-
1	2022	2%	\$ -	\$ -	\$ -	\$ -	4,473,833	87,722	50%	-	-	-	-	-	-	-	-
2	2023	2%	\$ -	\$ -	\$ -	\$ -	4,563,310	177,199	50%	1	5	264	264	533	533	533	533
3	2024	2%	\$ -	\$ -	\$ -	\$ -	41,654,576	37,268,465	50%	2	9	533	533	1,077	1,610	1,077	1,610
4	2025	2%	\$ -	\$ -	\$ -	\$ -	114,487,668	110,101,557	50%	2	14	807	122,563	123,387	124,997	123,387	124,997
5	2026	2%	\$ 28,822,409	\$ 52,688,553	\$ 55,268,466	\$ -	253,556,849	249,170,738	50%	3	19	1,087	362,209	363,318	488,315	363,318	488,315
6	2027	2%	\$ 2,918,237	\$ 95,299,871	\$ 27,099,057	\$ -	383,945,151	379,559,040	50%	94,850	173,406	183,245	369,717	821,218	1,309,533	821,218	1,309,533
7	2028	2%	\$ 1,106,289	\$ 29,905,574	\$ 88,472,722	\$ -	511,108,639	506,722,528	50%	106,351	490,482	276,349	377,375	1,250,556	2,560,090	1,250,556	2,560,090
8	2029	2%	\$ 537,179	\$ 16,683,871	\$ 23,694,553	\$ -	562,246,416	557,860,305	50%	112,119	598,706	573,277	385,186	1,669,289	4,229,378	1,669,289	4,229,378
9	2030	0%	\$ -	\$ -	\$ -	\$ -	562,246,416	557,860,305	50%	116,130	665,587	662,978	393,154	1,837,848	6,067,227	1,837,848	6,067,227
10	2031	0%	\$ -	\$ -	\$ -	\$ -	562,246,416	557,860,305	50%	116,130	665,587	662,978	393,154	1,837,848	7,905,075	1,837,848	7,905,075
11	2032	2%	\$ -	\$ -	\$ -	\$ -	573,491,344	569,105,233	50%	116,130	665,587	662,978	393,154	1,837,848	9,742,923	1,837,848	9,742,923
12	2033	2%	\$ -	\$ -	\$ -	\$ -	584,961,171	580,575,060	50%	118,453	678,903	676,501	401,281	1,875,138	11,618,062	1,875,138	11,618,062
13	2034	2%	\$ -	\$ -	\$ -	\$ -	596,660,394	592,274,283	50%	120,823	692,486	690,295	409,570	1,913,174	13,531,236	1,913,174	13,531,236
14	2035	2%	\$ -	\$ -	\$ -	\$ -	608,593,602	604,207,491	50%	123,240	706,340	704,365	418,026	1,951,971	15,483,206	1,951,971	15,483,206
15	2036	2%	\$ -	\$ -	\$ -	\$ -	620,765,474	616,379,363	50%	125,706	720,471	718,716	426,650	1,991,543	17,474,749	1,991,543	17,474,749
16	2037	2%	\$ -	\$ -	\$ -	\$ -	633,180,784	628,794,673	50%	128,221	734,885	733,354	435,447	2,031,907	19,506,656	2,031,907	19,506,656
17	2038	2%	\$ -	\$ -	\$ -	\$ -	645,844,399	641,458,288	50%	130,786	749,588	748,285	444,420	2,073,078	21,579,735	2,073,078	21,579,735
18	2039	2%	\$ -	\$ -	\$ -	\$ -	658,761,287	654,375,176	50%	133,403	764,584	763,514	453,572	2,115,073	23,694,807	2,115,073	23,694,807
19	2040	0%	\$ -	\$ -	\$ -	\$ -	658,761,287	654,375,176	50%	136,071	779,880	779,049	462,907	2,157,907	25,852,715	2,157,907	25,852,715
20	2041	0%	\$ -	\$ -	\$ -	\$ -	658,761,287	654,375,176	50%	136,071	779,880	779,049	462,907	2,157,907	28,010,622	2,157,907	28,010,622
21	2042	2%	\$ -	\$ -	\$ -	\$ -	671,936,513	667,550,402	50%	136,071	779,880	779,049	462,907	2,157,907	30,168,529	2,157,907	30,168,529
22	2043	2%	\$ -	\$ -	\$ -	\$ -	685,375,243	680,989,132	50%	138,794	795,482	794,893	472,429	2,201,598	32,370,128	2,201,598	32,370,128
23	2044	2%	\$ -	\$ -	\$ -	\$ -	699,082,748	694,696,637	50%	141,570	811,396	811,055	482,142	2,246,163	34,616,291	2,246,163	34,616,291
24	2045	2%	\$ -	\$ -	\$ -	\$ -	713,064,403	708,678,292	50%	144,402	827,629	827,540	492,048	2,291,620	36,907,911	2,291,620	36,907,911
25	2046	2%	\$ -	\$ -	\$ -	\$ -	727,325,691	722,939,580	50%	147,291	844,186	844,355	502,153	2,337,985	39,245,896	2,337,985	39,245,896
26	2047	2%	\$ -	\$ -	\$ -	\$ -	741,872,205	737,486,094	50%	150,238	861,074	861,506	512,460	2,385,278	41,631,174	2,385,278	41,631,174
27	2048	2%	\$ -	\$ -	\$ -	\$ -	756,709,649	752,323,538	50%	153,243	878,300	879,000	522,973	2,433,517	44,064,691	2,433,517	44,064,691
28	2049	2%	\$ -	\$ -	\$ -	\$ -	771,843,842	767,457,731	50%	156,309	895,871	896,843	533,696	2,482,720	46,547,411	2,482,720	46,547,411
29	2050	0%	\$ -	\$ -	\$ -	\$ -	771,843,842	767,457,731	50%	159,436	913,793	915,044	544,634	2,532,907	49,080,318	2,532,907	49,080,318
30	2051	0%	\$ -	\$ -	\$ -	\$ -	771,843,842	767,457,731	50%	159,436	913,793	915,044	544,634	2,532,907	51,613,225	2,532,907	51,613,225
Total			\$ 33,384,115	\$ 194,577,869	\$ 194,534,798	\$ 109,000,000				3,301,285	18,387,823	18,141,951	11,782,166	51,613,225		51,613,225	

Assumptions	
Tax Increment Base	\$ 4,386,111
City AV Rate	0.65814

Footnotes:
1) Values increased at 2% per year, with zero percent increases for two years every decade to simulate an economic downturn.
2) Values and schedule based on data provided by Developer dated 06/06/2022.

Designation Ordinance No. 4579

ORDINANCE NO. 4579

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA CONSISTING OF APPROXIMATELY 248.1466 ACRES OF LAND CONSISTING OF THE FOLLOWING SIX (6) TRACTS OF LAND: (1) 4300 LAWSON ROAD; (2) 3400 MCKENZIE ROAD; (3) 4800 LASATER ROAD; (4) 4900 LASATER ROAD; (5) 2700 MCKENZIE ROAD; AND (6) 925 MCKENZIE ROAD, ALL SIX (6) TRACTS OF LAND BEING LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY OF MESQUITE, TEXAS, AS A REINVESTMENT ZONE PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE, TO BE KNOWN AS REINVESTMENT ZONE NUMBER TWELVE, CITY OF MESQUITE, TEXAS (IH-20 BUSINESS PARK); DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; ESTABLISHING A TAX INCREMENT FOR THE ZONE; ESTABLISHING A TAX INCREMENT FUND FOR THE ZONE; CONTAINING FINDINGS RELATED TO THE CREATION OF THE ZONE; PROVIDING A DATE FOR THE TERMINATION OF THE ZONE; PROVIDING THAT THE ZONE TAKE EFFECT IMMEDIATELY UPON PASSAGE OF THE ORDINANCE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

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

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

WHEREAS, the City Council of the City (the "City Council") desires for the City to consider the creation of a tax increment reinvestment zone containing approximately 248.1466 acres of land consisting of the following six (6) tracts of land: (1) 4300 Lawson Road; (2) 3400 McKenzie Road; (3) 4800 Lasater Road; (4) 4900 Lasater Road; (5) 2700 McKenzie Road; and (6) 925 McKenzie Road, all six (6) tracts of land being located within the corporate limits of the City, said tracts being more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof for all purposes, with the boundaries of said tracts being generally depicted in Exhibit "B" attached hereto and made a part hereof for all purposes; and

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

Page 2 of 6

WHEREAS, pursuant to and as required by the Act, the City will prepare a preliminary project and financing plan for the proposed zone (the "Preliminary Project and Finance Plan") containing the real property described and depicted in Exhibits "A" and "B" attached hereto; and

WHEREAS, notice of the public hearing on the creation of the proposed zone was published in a newspaper of general circulation in the City on June 7, 2018, which date is more than seven (7) days before the public hearing on June 18, 2018; and

WHEREAS, on June 18, 2018, the City Council opened a public hearing in accordance with Section 311.003(c) of the Act and interested persons were allowed to speak for or against the creation of the proposed zone, the boundaries of the proposed zone, and the concept of tax increment financing, and owners of property in the proposed zone were given a reasonable opportunity to protest the inclusion of their property in the proposed zone; and

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

WHEREAS, on July 2, 2018, the City Council continued the public hearing on the creation of the proposed zone in accordance with Section 311.003(c) of the Act and interested persons were allowed to speak for or against the creation of the proposed zone, the boundaries of the proposed zone, and the concept of tax increment financing, and owners of property in the proposed zone were given a reasonable opportunity to protest the inclusion of their property in the proposed zone; and

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

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

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

WHEREAS, the City has taken all actions required to create the proposed zone including, but not limited to, all actions required by the home-rule Charter of the City, the Act, Chapter 551 of the Texas Government Code, commonly referred to as the Texas Open Meetings Act, and all other laws applicable to the creation of the proposed zone; and

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

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

Designation Ordinance No. 4579

Economic Development/Creation of IH-20 Business Park TIRZ #12/July 2, 2018
Page 3 of 6

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

SECTION 1. RECITALS INCORPORATED.

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

SECTION 2. FINDINGS.

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

- (a) That the public hearing on the creation of the proposed reinvestment zone has been properly called, held and conducted and that notice of the public hearing has been published as required by applicable law, including the Act, and that owners of property within the proposed reinvestment zone were given a reasonable opportunity to protest the inclusion of their property in the proposed reinvestment zone; and
- (b) That creation of the proposed reinvestment zone with boundaries as described and depicted in Exhibits "A" and "B" will result in benefits to the City, its residents and property owners, in general, and to the property, residents and property owners in the reinvestment zone; and
- (c) That the proposed reinvestment zone, as described and depicted in Exhibits "A" and "B," meets the criteria for the creation of a reinvestment zone set forth in the Act in that:
 1. It is a geographic area located wholly within the corporate limits of the City; and
 2. The area is predominately open, unproductive and undeveloped or underdeveloped, and the lack of necessary public improvements and other facilities substantially impairs the sound growth of the City; and
- (d) That thirty percent (30%) or less of the property in the proposed reinvestment zone, excluding property that is publicly owned, is currently used for residential purposes; and
- (e) That the total appraised value of taxable real property in the proposed reinvestment zone, together with the total appraised value of taxable real property in all other existing reinvestment zones within the City, according to the most recent appraisal rolls of the City, does not exceed twenty-five percent (25%) of the current total appraised value of taxable real property in the City and in the industrial districts created by the City, if any; and
- (f) That the improvements in the proposed reinvestment zone will significantly enhance the value of all taxable real property in the proposed reinvestment zone and will be of general benefit to the City; and

Economic Development/Creation of IH-20 Business Park TIRZ #12/July 2, 2018
Page 4 of 6

- (g) That the development or redevelopment of the property in the proposed reinvestment zone will not occur solely through private investment in the reasonably foreseeable future; and
- (h) That the proposed reinvestment zone will promote development or redevelopment of the economy within the proposed reinvestment zone and develop or expand business and commercial activity within the proposed reinvestment zone; and
- (i) The City Council has prepared the Preliminary Project and Finance Plan prior to the execution of this Ordinance; and
- (j) The City Council finds that the Preliminary Project and Finance Plan is feasible.

SECTION 3. DESIGNATION AND NAME OF THE ZONE.

Pursuant to the authority of, and in accordance with the requirements of the Act, the City Council hereby designates the area described by metes and bounds in Exhibit "A" attached hereto and depicted on Exhibit "B" attached hereto as a tax increment reinvestment zone (the "Zone"). The name assigned to the Zone for identification is Reinvestment Zone Number Twelve, City of Mesquite, Texas (IH-20 Business Park).

SECTION 4. BOARD OF DIRECTORS.

- (a) The City Council hereby creates a board of directors for the Zone (hereinafter referred to as the "Board") consisting of seven (7) members all appointed by the City Council. Members of the City Council may serve as Board members.
- (b) The Board members appointed to the Board shall be eligible to serve on the Board if that person is at least 18 years of age and is a resident of the county in which the Zone is located or a county adjacent to that county.
- (c) The Board shall make recommendations to the City Council concerning the administration, management and operation of the Zone. The Board shall prepare or cause to be prepared and adopt a project plan and a reinvestment zone financing plan for the Zone (hereinafter referred to as the "Project and Finance Plan") as required by the Act, and shall submit the Project and Finance Plan to the City Council for approval. The Board shall consider amendments to the Project and Finance Plan on its own initiative or upon submission by the City Council, but amendments considered by the Board shall not take effect unless and until adopted by the City Council.
- (d) Directors shall not receive any salary or other compensation for their services as directors.
- (e) Members of the Board shall be appointed for terms of two years. The terms of the Board members may be staggered. The City Council may remove and replace Board members at any time during a term.

Designation Ordinance No. 4579

Economic Development/Creation of IH-20 Business Park TIRZ #12/July 2, 2018
Page 5 of 6

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

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

The City Council hereby appoints Mayor Stan Pickett to serve as Chairman of the Board for the remainder of calendar year 2018. Before the end of calendar year 2018 and each calendar year thereafter, the City Council shall appoint one member of the Board to serve as chairman for a term of one year that begins on January 1 of the following year. If the City Council does not appoint a chairman during that period, the Mayor of the City is automatically appointed to serve as chairperson for the term that begins on January 1 of the following year. The Board may elect a vice-chairman to preside in the absence of the chairman or when there is a vacancy in the office of chairman. The Board may elect other officers as it considers appropriate.

SECTION 5. DURATION OF THE ZONE.

That the Zone shall take effect immediately upon the passage of this Ordinance, consistent with Section 311.004(a)(3) of the Act, and the Zone shall terminate on the earlier of: (1) December 31, 2039, or an earlier or later termination date designated by an ordinance adopted under Section 311.007(c) of the Act; or (2) the date on which all project costs, tax increment bonds and interest on those bonds, and other obligations of the Zone have been paid in full, in accordance with Section 311.017 of the Act.

SECTION 6. TAX INCREMENT BASE AND TAX INCREMENT.

That pursuant to Section 311.012(c) of the Act, the tax increment base of the City for the Zone is the total taxable value, as of January 1, 2018, of all real property taxable by the City and located in the Zone for the year in which the Zone was designated as a reinvestment zone (the "Tax Increment Base"). Pursuant to Section 311.013(l) of the Act, the amount of the tax increment for a year on real property located in the Zone is fifty percent (50%) of real property taxes levied and collected by the City for that year on the Captured Appraised Value (defined below) of real property taxable by the City and located in the Zone (the "Tax Increment"). Consistent with Section 311.012(b) of the Act, the captured appraised value of real property taxable by the City for a year is the total taxable value of all real property taxable by the City and located in the Zone for that year less the Tax Increment Base of the City (the "Captured Appraised Value").

SECTION 7. TAX INCREMENT FUND.

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

Economic Development/Creation of IH-20 Business Park TIRZ #12/July 2, 2018
Page 6 of 6

Plan, into which the Tax Increment of the City and participating taxing units, if any, as such increments are described in the Project and Finance Plan and includes administration costs, less any of the amounts not required to be paid into the Tax Increment Fund pursuant to the Act, are to be deposited. The Tax Increment Fund and any subaccounts shall be maintained at the affiliated depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. In addition, all revenues to be dedicated to and used in the Zone shall be deposited into the Tax Increment Fund from which money will be disbursed to pay project costs, plus interest, for the Zone. Surplus funds in the Tax Increment Fund shall be disbursed as authorized and provided in the Act.

SECTION 8. SEVERABILITY CLAUSE.

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

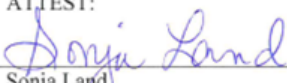
SECTION 9. EFFECTIVE DATE.

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

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



Stan Pickett
Mayor

ATTEST:


Sonja Land
City Secretary

APPROVED:


Paula Anderson
Interim City Attorney

