

RESOLUTION NO. 29-98

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, AUTHORIZING THE ISSUANCE OF NOTICE OF INTENTION TO ESTABLISH A TAX INCREMENT FINANCE (TIF) REINVESTMENT ZONE; SETTING A PUBLIC HEARING DATE TO CONSIDER ADOPTION OF A REINVESTMENT ZONE FOR THE FALCON'S LAIR AREA PURSUANT TO THE TAX INCREMENT FINANCING ACT, CHAPTER 311 OF THE TAX CODE; AND DECLARING AN EFFECTIVE DATE THEREOF.

WHEREAS, it is in the public interest to promote the development and redevelopment of the Falcon's Lair area of the City of Mesquite by creating a reinvestment zone pursuant to the Tax Increment Financing Act, Chapter 311 of the Tax Code; and

WHEREAS, it is appropriate to receive the comments of all affected property owners and of other taxing jurisdictions ("taxing units") which levy real property taxes within the proposed reinvestment zone regarding the establishment of the zone; and

WHEREAS, Chapter 311 requires the City of Mesquite to hold a public hearing regarding the creation of the reinvestment zone for the purpose of receiving these comments; and

WHEREAS, Chapter 311 requires the City of Mesquite to notify the affected taxing units of its intent to establish the reinvestment zone at least sixty (60) days prior to holding the public hearing regarding the creation of the zone; and

WHEREAS, other preliminary procedural steps required for the creation of the zone must be completed prior to the establishment of the zone;

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

SECTION 1. A public hearing shall be held on Monday, November 16, 1998, at 3:00 p.m. at City Hall, 711 N. Galloway, Mesquite, Texas, to consider a reinvestment zone for the Falcon's Lair area.

SECTION 2. A notice of the hearing shall be published in one or more newspapers of general circulation in Dallas County, once a week for three consecutive weeks, the first notice to appear before the 30th day but on or after the 60th day before the date set for the hearing. The notice shall not be in the part of the newspaper in which legal notices and classified ads appear and shall not be smaller than one-quarter page of a standard-size of tabloid size newspaper. The

headline for the notice shall read as follows: "NOTICE OF PUBLIC HEARING ON CREATION OF A REINVESTMENT ZONE IN THE FALCON'S LAIR AREA." The headline shall be in 18 point or larger type. The text of the notice shall contain the following information:

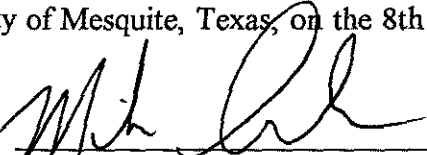
- (a) The time, date and location of the hearing.
- (b) A statement that the purpose of the hearing is to consider the adoption of a reinvestment zone for the Falcon's Lair area.
- (c) The geographical boundaries for the proposed reinvestment zone, a description of the tentative plans for the development of the proposed zone, and an estimate of the general impact of the proposed reinvestment zone on property value and tax revenues as set forth in Exhibit "1" attached hereto; and
- (d) A statement that any member of the public has the right to appear at the hearing and present evidence for or against the reinvestment zone area.

SECTION 3. The City Secretary shall notify the affected taxing units of its intent to establish the reinvestment zone at least sixty (60) days prior to holding the public hearing regarding the creation of the zone as set forth in Exhibit "2" attached hereto.

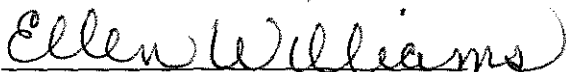
SECTION 4. The City Secretary shall send a notice of the hearing by certified mail to any person who has given written notice by certified or registered mail to the City Secretary or other designated official of the City requesting notice of the hearing within (60) sixty days preceding the date of adoption of this resolution. These notices shall be sent by certified mail before the 30th day of the hearing.

SECTION 5. That the resolution shall take effect immediately upon passage as the law in such cases provides.

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 8th day of September, 1998.


Mike Anderson
Mayor

ATTEST:


Ellen Williams
City Secretary

APPROVED:

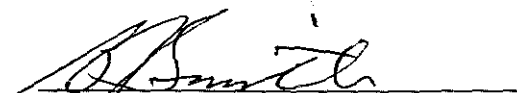

B.J. Smith
City Attorney

EXHIBIT "1"

PETITION REQUESTING ESTABLISHMENT

OF

TAX INCREMENT FINANCE
REINVESTMENT ZONE NO. 3
CITY OF MESQUITE, TEXAS

PETITION REQUESTING ESTABLISHMENT
OF

TAX INCREMENT FINANCE
REINVESTMENT ZONE NO. 3
CITY OF MESQUITE, TEXAS

Under the authority of Chapter 311 of the Texas Tax Code, "Tax Increment Financing Act," and pursuant to § 311.005(a)(5) thereof, the undersigned property owners (collectively, the "Applicant") hereby submit this petition (the "Petition") to the City Council of Mesquite, Texas (the "City") requesting the establishment of a reinvestment zone to be known as the Tax Increment Finance Reinvestment Zone No. 3, City of Mesquite, Texas (the "Zone").

1. CRITERIA OF THE PROPOSED ZONE

This Petition is legally sufficient under Texas Tax Code § 311.005(a)(5) to establish the Zone because it has been signed by the record owners of property constituting at least 50% of the appraised value of the property in the Zone proposed under this Petition, as determined by the current certified appraisal roll of Dallas County Appraisal District. A summary of the Dallas County Appraisal District accounts within the proposed Zone is set forth on Exhibit "A" attached hereto.

2. GENERAL NATURE OF THE PROPOSED ZONE

Establishment of the a reinvestment zone will promote development of the area within the proposed Zone and provide financing for reclamation and other necessary public improvements that would not occur solely through private investment in the reasonably foreseeable future. The proposed development within the Zone will include retail development, single family housing, public parks and a public golf course.

3. REINVESTMENT ZONE FINANCING PLAN AND PROJECT PLAN

A preliminary financing and project plan for the proposed Zone is attached hereto as Exhibit "B". The Applicant requests that a copy of the final financing plan be provided to the

governing body of each taxing unit that levies taxes on the real property in the proposed Zone. The proposed plan includes a detailed list of the estimated project costs, including cost of public works or public improvements within the proposed Zone, other incidental costs associated with the proposed Zone, and proposed revenue and debt service amounts.

4. **BOUNDARIES OF THE PROPOSED ZONE**

The proposed Zone contains approximately 1,433.7 acres, located entirely within the City of Mesquite (provided that a small portion of such property that is not currently within the boundaries of the City of Mesquite will be annexed into the City prior to creation of the Zone), shown on the attached Exhibit "C". The boundaries of the proposed Zone are further described in Section 2 of the Preliminary Financing Plan (attached as Exhibit "B" hereto).

5. **BOARD OF DIRECTORS OF THE PROPOSED ZONE**

The Applicant requests the City create a board of directors for the Zone as provided by Texas Tax Code § 311.009.

6. **TERMINATION OF THE ZONE**

The Applicant requests the proposed Zone terminate on the date on which all project costs, tax increment bonds, and interest on those bonds have been paid in full, in accordance with the termination procedures of Texas Tax Code § 311.017.

7. **BENEFIT OF THE ZONE**

The development within the proposed Zone will include necessary public improvements, certain infrastructure, amenities, and capital improvements. These improvements will contribute to the future development of the Zone and the community, significantly enhance the value of all the taxable real property in the proposed Zone, will be of general benefit to the City and will provide an enhanced tax base for the City far into the future.

8. ESTABLISHMENT OF THE ZONE

In accordance with Texas Tax Code § 311.001, the Applicant hereby requests the City publish notice of and conduct a public hearing on the creation of the Zone under Texas Tax Code § 311.005(a)(5), for the reasons set forth herein and pursuant to the terms set forth herein. Further, the Applicant requests the City comply with the specific notice requirements applicable to other taxing units that levy real property taxes in the proposed Zone, in accordance and compliance with Texas Tax Code § 311.003. The proposed Zone will not violate the provisions of Texas Tax Code § 311.006(a)(1) and (c).

9. ESTABLISHMENT OF TIF

Upon creation of Tax Increment Finance Reinvestment Zone No. 3, City of Mesquite, Texas, the Applicant further requests the City establish a tax increment fund for the proposed Zone under Texas Tax Code chapter 311.

LIST OF EXHIBITS:

- Exhibit "A": DCAD Appraisal Roll Summary
Exhibit "B": Preliminary Financing Plan
Exhibit "C": Map of Proposed Zone Boundaries

APPLICANT:

FALCON'S LAIR, LP,
a Delaware limited partnership

By: Alpert Development Company, L.L.C.,
a Delaware limited liability company,
General Partner

By: 

Spencer W. Alpert
President

00070

EXHIBIT "A"

DCAD APPRAISAL ROLL SUMMARY

[ATTACHED]

Schedule 1:
1998 Appraised Values
from Dallas Central Appraisal District,
Proposed Falcon's Lair Reinvestment Zone

DCAD Account	Site Address	Record Owner	Market Value	Assessed Value	Acres
Taxable accounts:					
38091500010020000	6400 Lumley Road	White Property Co .No. 2, L'	\$115,000	\$115,000	0.8
65056870010030100	1400 IH 20	Falcon's Lair L. P.	\$207,370	\$18,663	207.4
65056870010030400	1401 IH 20	Falcon's Lair L. P.	\$418,240	\$37,641	418.2
65056970510040200	1651 IH 20	Falcon's Lair L. P.	\$630	\$630	0.6
65118907510010000*	2200 Lawson Road	Falcon's Lair L. P.	\$561,560	\$561,560	561.6
65118907510030000**	1730 Lawson Road	Sarah Read	\$202,500	\$5,670	81.0
65118907510040000**	1720 Lawson Road	Robin Lardner et al.	\$47,500	\$1,330	19.0
Taxable total			\$1,552,800	\$740,494	1,288.7
City-owned accounts:					
65056970510070000	3010 LAWSON ROAD	City of Mesquite	\$1,020,300	\$1,020,300	145.0

*Account value is in dispute. Owner's tax consultant is source of values.

**Part of the 100 acres at 1720-1730 Lawson Road may be excluded from the reinvestment zone.

00072

EXHIBIT "B"

PRELIMINARY FINANCING PLAN

[ATTACHED]

FALCON'S LAIR

Reinvestment Zone

Preliminary
Financing Plan
and Project Plan

DRAFT

Analysis of tax increment financing,
prepared for the
Falcon's Lair Utility and Reclamation District
and the City of Mesquite

September 1, 1998

Stein Planning and Management
Dallas, Texas
(214) 526-3733

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Disclaimer:

Neither this report nor its conclusions may be referred to or included in any prospectus or part of any offering made in connection with sales of bonds, sale of securities or sale of participation interests to the public without express written approval of Stein Planning and Management.

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Section 1:
**What's Tax Increment Financing
 and Why Use It for Falcon's Lair
 Public Improvements?**

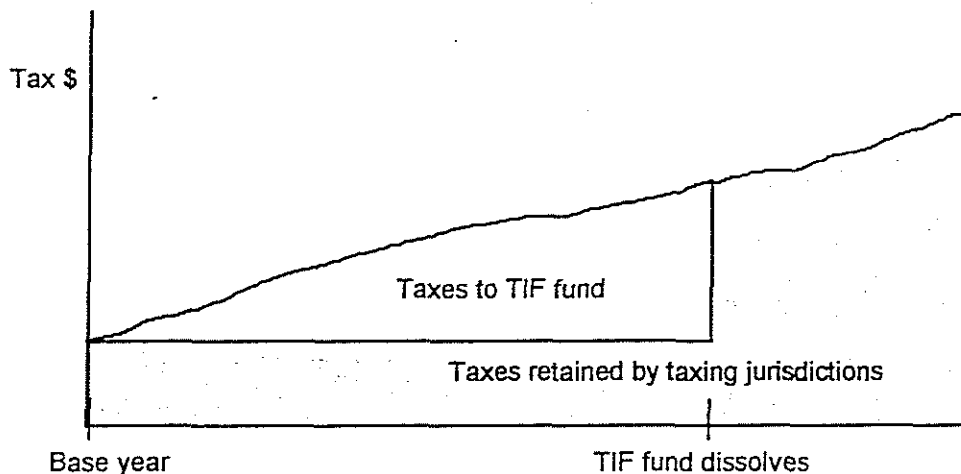
Tax Increment Financing Defined

Tax increment financing (TIF) is a tool local governments of Texas use to finance public improvements within a defined area. The improvements strengthen existing communities and attract new investments. The statutes governing tax increment financing are in Chapter 311 of the Texas Tax Code.

A municipality makes an area eligible for tax increment financing by designating a "reinvestment zone." Reinvestment zones are also called "tax increment zones" or "TIF zones." Costs of selected public improvements within the reinvestment zone may be paid by future tax revenues flowing from redeveloped or appreciated real properties in the zone. The additional tax dollars generated by growth of real property value in the zone are called the "tax increment." These dollars flow to a "tax increment fund" ("TIF fund") for a specified term of years. Money flowing to the TIF fund each year is disbursed according to a plan approved by the City Council and according to agreements approved by a TIF Board. For a reinvestment zone created pursuant to a petition, the Board has nine members, selected according to statutory rules.

Exhibit A shows how tax revenues from real properties in a reinvestment zone flow to taxing jurisdictions and a TIF fund. Exhibit A assumes real property values in the zone rise after the zone's designation.

**Exhibit A:
 Real Property Tax Flow with Tax Increment Financing**



Only cities may create reinvestment zones for tax increment financing. Once created, school districts, counties, hospital districts and college districts are allowed to participate in tax increment financing programs. Each taxing unit may choose to dedicate to the TIF fund all, a portion or none of the additional tax revenue attributable to increased real property value in the zone. The Falcon's Lair Utility and Reclamation District will actively pursue participation in the TIF program by the City of Mesquite and the Mesquite Independent School District.

Inclusion of a property in a reinvestment zone does not change the tax rates for the property. Tax rates in a reinvestment zone are the same as tax rates outside the reinvestment zone, within the same set of taxing jurisdictions.

The Case for TIF in Falcon's Lair

This preliminary financing plan asserts that:

- (1) Without tax increment financing for reclamation and other necessary public improvements, the north tract of Falcon's Lair would develop with approximately 500 single-family homes appraised at approximately \$100,000 each, plus approximately 50,000 square feet of retail development.
- (2) With TIF to ultimately reimburse the costs selected public improvements, The Falcon's Lair Utility and Reclamation District will advance funds for public improvements and cause development of approximately 2,751 dwelling units with appraised values beginning at approximately \$50,000 for the smallest multi-family dwelling to \$350,000 for executive homes. Mean appraised value per unit will be approximately \$129,000 (in 1999 dollars). Additional development will include approximately 120,000 retail square feet and a golf course open to the public.
- (3) In a twenty-year horizon, the net present value of tax revenues to general funds of local governments that levy property tax in Mesquite will be substantially greater with the proposed Falcon's Lair TIF program than without it.
- (4) The availability of higher-priced single-family housing on a golf course will expand the range of housing opportunities available in Mesquite. Housing for executives will enhance the ability of Mesquite to retain and attract businesses and jobs.
- (5) The golf course and parks in Falcon's Lair, open to the public, will enhance the quality of life in Mesquite without municipal cost for acquisition or course maintenance.

Exhibit B summarizes the estimated revenue that general funds of each taxing jurisdiction would receive from the subject area over the coming twenty years with a TIF program, compared to revenues the general funds would receive without the TIF program. The exhibit includes real property taxes, business personal property taxes from new development and sales tax for the City from new development. ***The taxing jurisdictions would net more revenue within twenty years with a TIF program.***

Exhibit B:
Alternative Revenues to General Funds
From the Reinvestment Zone,
With and Without a TIF Program, Twenty-year Analysis Period

Cumulative Revenue in Nominal Dollars
Net Present Value in 1999 Dollars, 5.50% Annual Discount

Scenario	to City	to MISD
(1) No TIF program	\$7,598,026 \$3,788,653	\$13,195,566 \$6,439,810
(2) City and MISD participate 100% in TIF. Dedications to TIF fund end when debt has been retired. Unless TIF Board and City Council determine south tract development warrants additional debt obligation, estimated debt retirement is after collection of taxes levied in 2010.	\$30,563,524 \$13,732,081	\$59,421,119 \$24,699,063

Notes:
 Revenue is portion of real property tax flowing to general fund and all business personal property tax and City sales tax generated by new development. Revenue doesn't reflect credit for TIF fund residual that the TIF Board may return to participating jurisdictions after satisfaction of TIF fund obligations. Revenue doesn't count value of public assets (streets, sewers, parks, etc.) acquired with TIF funds.

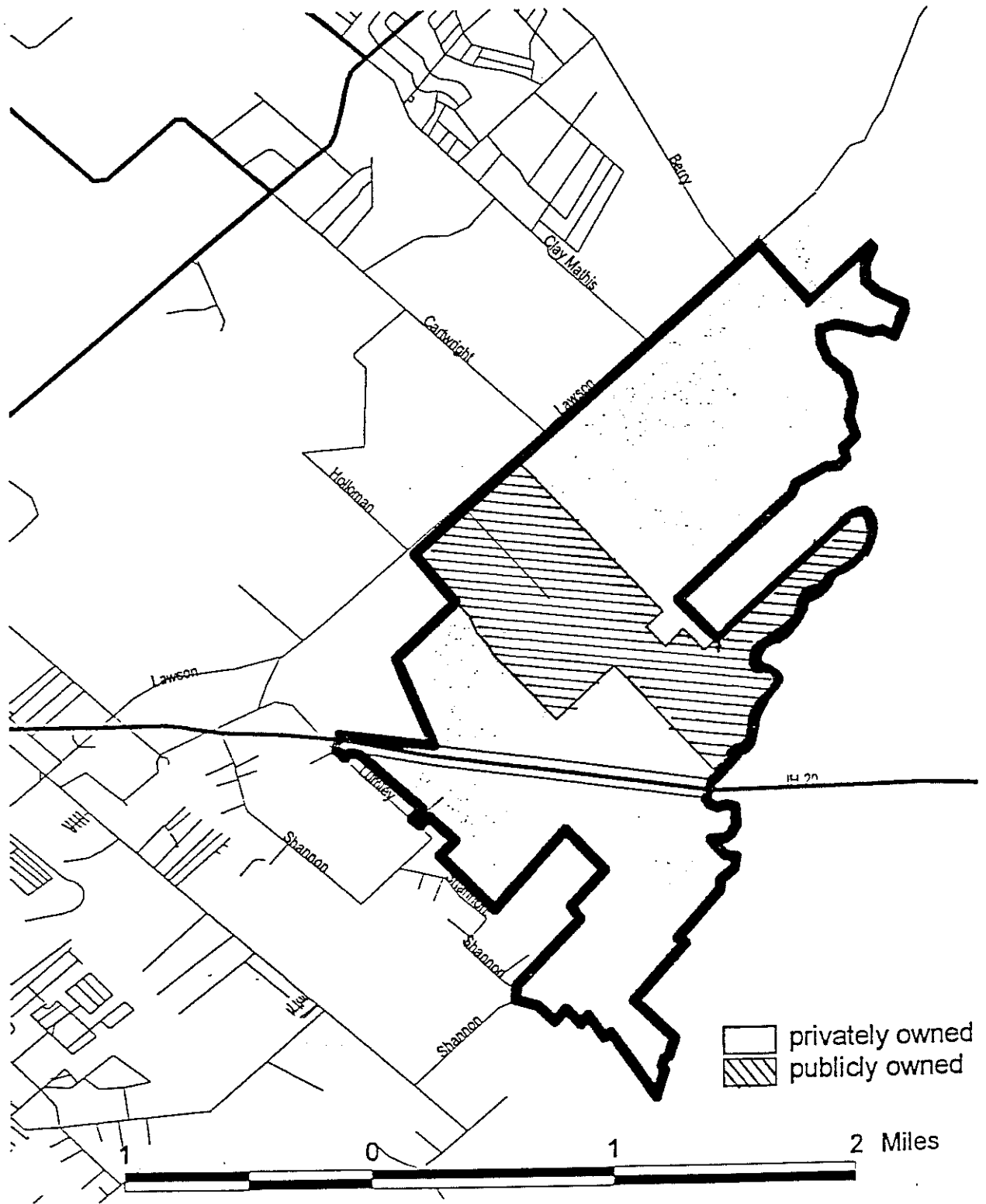
Section 2: Zone Boundaries

Exhibit C shows the proposed boundaries of the Falcon's Lair reinvestment zone. The zone includes approximately 1,289 acres of taxable real property. Additional acreage, owned by the City of Mesquite, including a wastewater treatment plant, and Interstate Highway 20 right-of-way belonging to the State of Texas also lie within the proposed zone.

Schedule 1 is an inventory of real property accounts and values that are within the proposed reinvestment zone, based on the 1998 Dallas Central Appraisal District roll.

Most of the land within the proposed zone is vacant or ranch land. Exhibit D is a map of existing land uses.

Exhibit C: Reinvestment Zone Boundaries



**Exhibit D:
Existing Uses of Real Property in the Zone**

[map to be developed in September]

Section 3: Redevelopment Proposals

Public Improvements

Exhibit E summarizes costs for selected public improvements in Falcon's Lair according to functional categories and project phases. Subject to due approvals, the Falcon's Lair Utility and Reclamation District, a public entity created by the State of Texas, will advance funds for these improvements; the Falcon's Lair TIF fund will eventually reimburse approved costs for the improvements and reasonable interest, as revenues become available to the TIF fund. Cost estimates will fluctuate as design progresses.

Exhibit F plots general locations of major public improvements to be reimbursed by the TIF fund. Actual locations may vary as design advances. The project phases of Exhibit F correspond to the planned sequence for development of taxable real property in Falcon's Lair.

Taxable Private Improvements

Schedule 2 forecasts the timing and the appraised values (in 1999 dollars) of taxable new development within the reinvestment zone boundaries, without and with a tax increment financing program and related public improvements.

The "without TIF" scenario is based on a site plan for development of the north tract without a TIF program, without reclamation of floodplain and without a golf course. This scenario assumes 500 single family homes, valued at \$100,000 (in 1999 dollars). The valuation matches the mean appraisal for Creek Crossing, a large, popular and successful development of single-family homes north of Falcon's Lair. A retail center with 50,000 square feet is also assumed.

An alternative development plan by Falcon's Lair's developer presents a more diverse, more upscale community, predicated on floodplain reclamation, a golf course and TIF to reimburse selected public improvement costs of the large site. The plan calls for 1,833 single-family homes, ranging from appraised values of \$100,000 to \$350,000 (in 1999 dollars). Average value of these homes will be approximately \$165,000. In addition to the single-family homes, the plan calls for 918 multi-family home units with average unit values over \$55,000, a golf course and 120,000 retail square feet.

Annual forecasts of appraised real property values in the reinvestment zone, with and without a tax increment financing program, appear in Schedule 3. Appraised values are based on the development scenarios of Schedule 2.

Exhibit E:
Summary of Public Improvement Expenses
Reimbursed by the TIF Fund

Improvement Category	Estimated Cost
Thoroughfares	
Phase 1	\$2,200,000
Phase 2	\$2,200,000
Phase 3	\$4,500,000
<u>Subtotal</u>	<u>\$8,900,000</u>
Water, sewer and drainage	
Phase 1	\$800,000
Phase 2	\$600,000
Phase 3	\$1,000,000
<u>Subtotal</u>	<u>\$2,400,000</u>
Golf course	
Phase 1	\$8,500,000
Parks	
Phase 1	\$500,000
Phase 2	\$500,000
Phase 3	\$1,000,000
<u>Subtotal</u>	<u>\$2,000,000</u>
Freeway interchange	
Phase 3	\$7,000,000
<u>Total</u>	<u>\$28,800,000</u>

-Chap 200
-Lums
-Follows in B. 112

Cost estimates are in 1999 dollars.

[Approved]

**Exhibit F:
General Locations of Major Public Improvements
Reimbursed by TIF Fund**

[map to be developed in September]

Land Use Requirements

Assuming the proposed reinvestment zone is created and this financing plan and project plan is adopted by the Board of Directors of the reinvestment zone, the landowner commits to:

- (a) Design the proposed golf course to incorporate design standards that have been suggested by the City of Mesquite and which are attached as Exhibit A to the "Additional Explanation of Requested Action," which is attached to the City of Mesquite Zoning Application filed by Falcon's Lair LP, dated August 19, 1998 (the "Additional Explanation"),
- (b) Satisfy the minimum dwelling size requirements set forth in Exhibit G to the Additional Explanation, and
- (c) Provide the development standards set forth in Paragraph 3.E. of the Additional Explanation.

Section 4: Revenue and Debt Service Pro Formas

The culmination of Section 3 was two alternative hypothetical futures for the Falcon's Lair study area. One alternative forecast the annual DCAD appraisals of real property in the study area *without* tax increment financing and related improvements. The second forecast annual DCAD appraisals of the same study area *with* tax increment financing and related improvements.

To choose wisely between courses leading to these alternative futures, the central question should be, "Which future is likely to yield the more favorable financial position?" Each potentially participating taxing jurisdiction must answer the question for itself.

The answer doesn't depend on merely how much tax revenue is collected in each scenario. With the TIF scenario, it's necessary to ask how much tax is *retained* by each taxing jurisdiction's general fund. Increased real property tax revenues due to any rise in appraised value flow for a term of years to a TIF fund to pay for public improvements in the reinvestment zone. The maximum duration of the Falcon's Lair reinvestment zone will permit collection for the TIF fund of twenty cycles of real property tax growth increments. The actual term for diverting real property tax growth will probably be much shorter. The actual term can be estimated from a note reimbursement schedule. When the stream of real property tax growth increments has satisfied the TIF fund's reimbursement obligations, all subsequent real property tax collections may resume flowing to a participating jurisdiction's general fund. Neither business personal property taxes nor sales tax ever flow to a TIF fund.

The balance of this financial planning exercise points to a conclusion that a TIF program such as presented in Sections 2 and 3 offers significant revenue advantages for local taxing jurisdictions. Three groups of schedules trace the logic for that conclusion:

- (1) Real property taxes collected, retained and dedicated to the TIF fund (Schedules 4A and 4B)
- (2) TIF fund reimbursement for public improvements (Schedules 5 and 6)
- (3) Differences in general fund revenues with TIF (Schedules 7A, 7B and 8)

Real Property Taxes Collected, Retained and Dedicated to the TIF Fund

Without a TIF program, real property taxes collected and retained for a jurisdiction's general fund are the same. No tax flows to a TIF fund.

Schedule 4A presents that "No TIF" scenario, showing real property taxes for each of five jurisdictions that levies property tax in Mesquite. Annual taxable values of real property in this schedule are imported from Schedule 3. Tax rates are assumed constant at 1997 rates. The assumed rate of tax collection is 98%. Tax receipts lag the theoretical January 1 appraisal dates by approximately one year. Most taxes are received between late December and late January. Transfers to the TIF fund may be immediate or may take until May 1.

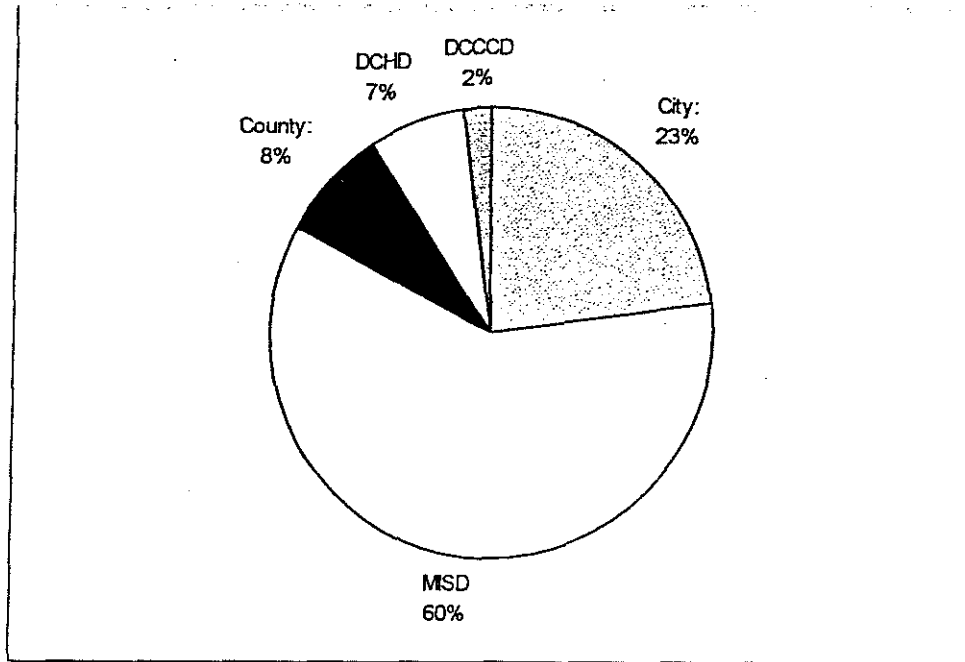
The final page of Schedule 4A sums the estimated real property taxes retained by each jurisdiction for a twenty-year analysis period. The final column shows the net present value (NPV) of that cumulative cash flow, discounting each annual value after 1999 by 5.5%, compounded.

Schedule 4B presents real property taxes collected *with* a TIF program in place, using the same formulas as Schedule 4A, except that the taxable values of real property imported from Schedule 3 are different. Additional lines of Schedule 4B show how the annual real property taxes collected are split between the TIF fund and the general fund for each taxing jurisdiction. Assumed tax rates and collection rates are the same as for Schedule 4A. Just as with Schedule 4A, the final columns sum cash flows for the same twenty-year analysis period and discount each annual value after 1999 by 5.5%, compounded.

Two taxing jurisdictions are assumed to contribute real property tax growth increments generated in the reinvestment zone to the TIF fund—the City and the Mesquite Independent School District. Three countywide jurisdictions also levy property taxes in the zone and are therefore eligible to contribute all or part of their real property tax growth increments. The Falcon's Lair Utility and Reclamation District has determined, however, not to seek participation by the countywide agencies. That decision reflects perceived preferences of countywide agencies to participate in new TIF programs only when clearly oriented to: (1) special needs of economically disadvantaged populations or areas or (2) attraction or retention of tax base, jobs or other countywide benefits inside Dallas County. Exhibit G shows the relatively large magnitude of the zone's total property taxes (and TIF fund revenue potential) levied by the City and the MISD.

A careful observer of Schedule 4B will note that dedications to the TIF fund end in that schedule after receipt of taxes in early 2011. The corollary is that real property taxes retained for the general funds jump as taxes are collected in early 2012. Determination of when the dedications to the TIF fund may stop depends on a calculation with Schedule 5—TIF Fund Reimbursement Schedule.

**Exhibit G:
Relative Magnitudes of Property Taxes Levied
in the Reinvestment Zone**



TIF Fund Reimbursement for Public Improvements

Annual revenue forecasts for the TIF fund from Schedule 4B constitute the first line of Schedule 5. After subtracting fees for the expense of administering the TIF fund, the balance is available for repayment of financial obligations.

In developing a reimbursement schedule, an initial assumption was that tax growth increments would flow to the TIF fund for twenty years. The term for diverting tax growth increments to the TIF fund was then shortened to correspond with the number of years needed to repay principal and interest expenses secured by the TIF fund.

The Falcon's Lair Utility and Reclamation District will advance funds for the various public improvements in Schedule 6. Assuming those improvements are consistent with the final TIF financing plan and project plan (as amended from time to time by the TIF Board and the City Council) and further assuming the TIF Board duly obligates the TIF fund to repay principal advanced for the improvements, plus interest, the TIF fund will repay such advances as funds become available within the term of twenty collection cycles to be established for

the TIF fund. Debt obligations of the TIF fund do not obligate the full faith and credit of the City of Mesquite or any other taxing jurisdiction.

Actual interest rates paid on notes backed by the TIF fund will be as agreed by the lender and the TIF Board. Rates may vary depending on market conditions. The assumed rate of 6.5% is an estimated market interest rate in 1998 for notes backed by cash flow to a TIF fund.

Given the assumptions of Schedule 5, the TIF fund would repay the stated cash advances with the stated interest in 2011, the thirteenth year of the TIF fund, after the twelfth annual cycle of tax receipts by the TIF fund.

Actual performance of the TIF fund will deviate from the pro formas in this plan. Performance will relate to actual construction schedules, actual DCAD appraisals, interest rates, tax rates and other variables. Consequently, the maximum term of the reinvestment zone (and TIF fund) extends longer than the period indicated as probably sufficient to repay all financial obligations. A maximum term of twenty annual collection cycles probably gives reasonable security to TIF fund creditors. The City ordinance designating the reinvestment zone may and should provide for earlier dissolution of the zone and TIF fund at such time as all financial obligations of the TIF fund have been satisfied.

The same designation ordinance should provide for disposition of any residual TIF fund balance at the time of dissolution. A reasonable disposition policy could require the TIF Board to prorate a residual balance to contributing taxing jurisdictions, unless the board should determine otherwise, with consent of a TIF Board representative of each participating taxing jurisdiction.

Differences in General Fund Revenues with TIF

To win acceptance, a TIF plan needs to (1) promote construction of appropriate improvements and (2) show probability that a TIF fund will have sufficient cash flow to repay its obligations. It should also show that the cumulative cash retained by the general fund of each participating jurisdiction will probably meet or exceed the cash it might have had in the horizon year in the absence of a TIF program. A TIF program affects both **real property** taxes and **business personal property** taxes flowing to a general fund each year. For the City, it affects **sales** tax receipts. To the extent that a TIF program increases business personal property or retail sales, it increases business personal property and sales tax to jurisdictions that levy these taxes.

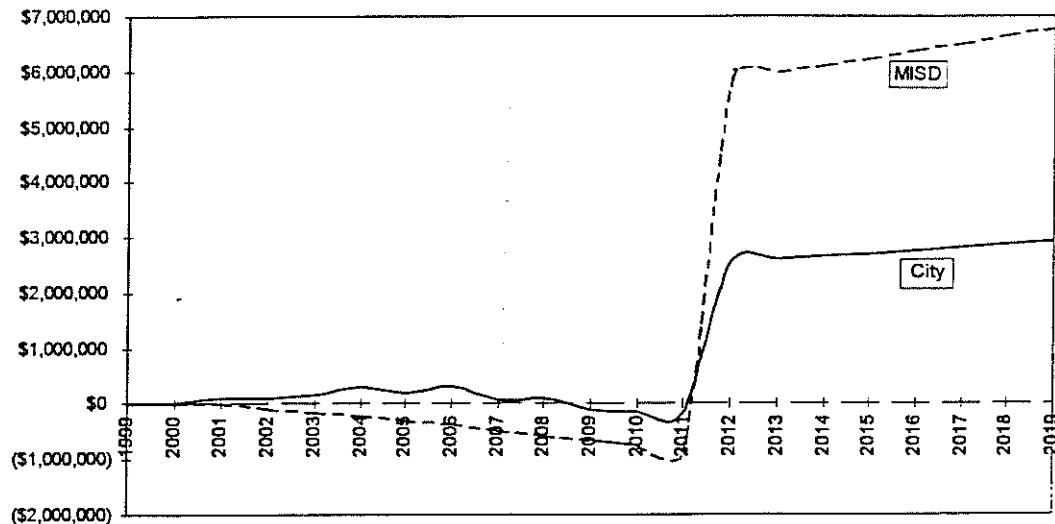
Schedules 7A and 7B forecast annual tax revenues retained for the general funds of the City and the MISD, without and with the proposed TIF program, respectively. Differences in general fund revenues with TIF, relative to revenues without TIF, appear in relevant lines of Schedule 8. These flows do not consider the asset values of public improvements accomplished through TIF.

For years when a portion of real property tax flows to the TIF fund, differences in revenues to general funds are slightly negative for the MISD and sometimes negative for the City. That's due to an assumption that some lesser amount of development in the proposed reinvestment zone would happen anyway. Unless real property values of the zone drop or tax rates drop, however, total real property taxes retained for the City and the MISD will never drop below 1999 collection levels. This concept can be seen in either Schedule 7B or Schedule 4B.

Other taxes collected and retained for government general funds mitigate the hypothetical foregone real property tax revenue. All business personal property tax flows to general funds. The City receives its normal rate of sales tax on taxable sales, including sales tax on construction materials, provided delivery is taken in Mesquite.

When the TIF fund will have paid all its reimbursement obligations, annual cash flow to the TIF fund may stop. With 100% of property taxes flowing to general funds, annual differences in real property tax cash flows to general funds turn immediately and strongly positive. Exhibit H illustrates the suddenness and magnitude of the shift from minor negative to strong positive differences.

**Exhibit H:
Differences in General Fund Revenues With TIF,
Relative to Revenues Without TIF**



To evaluate the net impact of a TIF program for general fund revenues, Schedules 7A, 7B and 8 each cumulate revenues or revenue differences for twenty years. Twenty years is a mid-range horizon for financial analysis. Few analyses exceed thirty years.

Cumulative revenues and differences are presented in nominal dollars and in discounted dollars. Discounting recognizes that a promise of a dollar in a future year is worth less than a dollar today because of probable inflation and the inherent uncertainty of any future payment. The discounted value of a stream of future payments is called net present value (NPV). If the key assumptions of a financial model are reasonable, any positive difference in NPV indicates a financially advantageous course.

Schedule 8 implies the revenue benefit for general funds that is presented by the Falcon's Lair reinvestment zone. Exhibit B does likewise.

Schedule 1:
1998 Appraised Values
from Dallas Central Appraisal District,
Proposed Falcon's Lair Reinvestment Zone

DCAD Account	Site Address	Record Owner	Market Value	Assessed Value	Acres
Taxable accounts:					
38091500010020000	6400 Lumley Road	White Property Co .No. 2, L'	\$115,000	\$115,000	0.8
65056870010030100	1400 IH 20	Falcon's Lair L. P.	\$207,370	\$18,663	207.4
65056870010030400	1401 IH 20	Falcon's Lair L. P.	\$418,240	\$37,641	418.2
65056970510040200	1551 IH 20	Falcon's Lair L. P.	\$630	\$630	0.6
65118907510010000*	2200 Lawson Road	Falcon's Lair L. P.	\$561,560	\$561,560	561.6
65118907510030000**	1730 Lawson Road	Sarah Read	\$202,500	\$5,670	81.0
65118907510040000**	1720 Lawson Road	Robin Lardner et al.	\$47,500	\$1,330	19.0
Taxable total			\$1,552,800	\$740,494	1,288.7
City-owned accounts:					
65056970510070000	3010 LAWSON ROAD	City of Mesquite	\$1,020,300	\$1,020,300	145.0

*Account value is in dispute. Owner's tax consultant is source of values.

**Part of the 100 acres at 1720-1730 Lawson Road may be excluded from the reinvestment zone.

Schedule 2:

**Forecasts of Taxable Development Added to Study Area,
With and Without the TIF Program**

Assumptions: Excludes Phase 3 development (south tract)
 Values added by construction are 1999 dollars.
 Construction scenario without TIF represents site plan proposed for previous owner, with mean DCAD appraisal for Cross Creek.
 Development scenario with TIF represents plans and values by Falcon's Lair developer.

Year:	Base	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Development entering roll as 1/1/	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012

Without TIF

Vacant land, with 1998 DCAD appraisal:
 \$740,494
 Single-family homes, with added values per unit (1999):
 \$100,000
 Retail, with added value per bldg. sq. ft. (1999):
 \$75

	-	-	-	50	50	50	50	50	50	50	50	50	50	-	-
	-	-	-	-	-	-	-	-	50,000	-	-	-	-	-	-

With TIF and Related Public Improvements

Vacant land, with 1998 DCAD appraisal:
 \$740,494
 Single-family homes, with added values per unit (1999):

Tract 1 \$100,000
 \$110,000
 \$120,000
 \$125,000
 \$135,000
 Tract 2 \$110,000
 \$120,000
 Tract 6 \$125,000
 \$135,000
 Tract 7 \$150,000
 \$160,000
 \$170,000
 Tract 9 \$300,000
 \$350,000
 Tract 10 \$250,000
 \$300,000
 \$325,000
 \$350,000

Tract 1	-	-	-	20	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	30	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	30	-	-	-	-	-	-	-	-	-
	-	-	-	50	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	7	-	-	-	-	-	-	-	-	-	-
Tract 2	-	-	-	25	20	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	25	-	-	-	-	-	-	-	-	-	-
Tract 6	-	-	-	-	-	45	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	38	-	-	-	-	-	-	-	-
Tract 7	-	-	-	-	30	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	30	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	34	-	-	-	-	-	-	-	-
Tract 9	-	-	-	-	15	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	16	-	-	-	-	-	-	-	-	-
Tract 10	-	-	-	-	20	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	25	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	35	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	18	-	-	-	-	-	-	-

**Schedule 2:
Forecasts of Taxable Development Added to Study Area,
With and Without the TIF Program**

Development entering roll as 1/1/	Year: 1998	1	2	3	4	5	6	7	8	9	10	11	12	13	14
		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Tract 16	\$125,000	-	-	-	-	43	70	-	-	-	-	-	-	-	-
	\$135,000	-	-	-	-	-	-	70	28	-	-	-	-	-	-
Tract 17	\$125,000	-	-	-	-	-	-	50	50	-	-	-	-	-	-
	\$135,000	-	-	-	-	-	-	-	60	40	-	-	-	-	-
	\$150,000	-	-	-	-	-	-	-	-	120	-	-	-	-	-
Tract 18	\$150,000	-	-	-	-	-	40	60	-	-	-	-	-	-	-
	\$160,000	-	-	-	-	-	-	75	25	-	-	-	-	-	-
	\$170,000	-	-	-	-	-	-	-	80	20	-	-	-	-	-
	\$180,000	-	-	-	-	-	-	-	-	100	-	-	-	-	-
	\$200,000	-	-	-	-	-	-	-	-	-	112	-	-	-	-
Tract 19	\$275,000	-	-	-	-	-	30	-	-	-	-	-	-	-	-
	\$300,000	-	-	-	-	-	-	30	-	-	-	-	-	-	-
	\$350,000	-	-	-	-	-	-	-	25	-	-	-	-	-	-
Tract 20	\$125,000	-	-	-	4	-	-	-	-	-	-	-	-	-	-
	\$135,000	-	-	-	12	-	6	-	1	-	-	-	-	-	-
	\$145,000	-	-	-	-	-	-	-	54	-	-	-	-	-	-
	\$155,000	-	-	-	-	-	-	-	-	86	-	-	-	-	-
	\$170,000	-	-	-	-	-	6	-	-	-	-	-	-	-	-
	\$180,000	-	-	-	-	-	-	-	9	-	-	-	-	-	-
	\$350,000	-	-	-	-	-	-	14	-	-	-	-	-	-	-
Single-family homes subtotal		-	-	-	95	163	189	259	317	332	366	112	-	-	-
Multifamily units, with added values per unit (1999):		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tract 13 (golf villas)	\$50,000	-	-	-	-	-	-	-	-	-	-	16	-	-	-
Tract 14	\$50,000	-	-	-	-	-	-	400	-	-	-	-	-	-	-
	\$60,000	-	-	-	-	-	-	-	-	-	-	502	-	-	-
Multi-family units subtotal		-	-	-	-	-	-	400	-	-	-	518	-	-	-
Retail, with added value per bldg. sq. ft. (1999):		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tract 11	\$75	-	-	-	-	-	-	-	100,000	-	-	-	-	-	-
Tract 12	\$75	-	-	-	-	-	-	-	20,000	-	-	-	-	-	-
Retail subtotal		-	-	-	-	-	-	-	120,000	-	-	-	-	-	-
Golf course, with added value (1999):		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	\$2,000,000	-	-	-	1	-	-	-	-	-	-	-	-	-	-

Schedule 2:
Forecasts of Taxable Development Added to Study Area,
With and Without the TIF Program

	Year:	15	16	17	18	19	20	Cumulative
Development entering roll as 1/1/		2013	2014	2015	2016	2017	2018	Total
Without TIF								
Vacant land, with 1998 DCAD appraisal:								
								\$740,494
Single-family homes, with added values per unit (1999):								
								\$100,000
		-	-	-	-	-	-	500
Retail, with added value per bldg. sq. ft. (1999):								
								\$75
		-	-	-	-	-	-	50,000
With TIF and Related Public Improvements								
Vacant land, with 1998 DCAD appraisal:								
								\$740,494
Single-family homes, with added values per unit (1999):								
Tract 1		\$100,000	-	-	-	-	-	20
		\$110,000	-	-	-	-	-	30
		\$120,000	-	-	-	-	-	30
		\$125,000	-	-	-	-	-	50
		\$135,000	-	-	-	-	-	7
Tract 2		\$110,000	-	-	-	-	-	45
		\$120,000	-	-	-	-	-	25
Tract 6		\$125,000	-	-	-	-	-	45
		\$135,000	-	-	-	-	-	38
Tract 7		\$150,000	-	-	-	-	-	30
		\$160,000	-	-	-	-	-	30
		\$170,000	-	-	-	-	-	34
Tract 9		\$300,000	-	-	-	-	-	15
		\$350,000	-	-	-	-	-	16
Tract 10		\$250,000	-	-	-	-	-	20
		\$300,000	-	-	-	-	-	25
		\$325,000	-	-	-	-	-	35
		\$350,000	-	-	-	-	-	18

Schedule 2:
Forecasts of Taxable Development Added to Study Area,
With and Without the TIF Program

	Year:	15	16	17	18	19	20	Cumulative
Development entering roll as 1/1/		2013	2014	2015	2016	2017	2018	Total
Tract 16	\$125,000	-	-	-	-	-	-	113
	\$135,000	-	-	-	-	-	-	98
Tract 17	\$125,000	-	-	-	-	-	-	100
	\$135,000	-	-	-	-	-	-	100
	\$150,000	-	-	-	-	-	-	120
Tract 18	\$150,000	-	-	-	-	-	-	100
	\$160,000	-	-	-	-	-	-	100
	\$170,000	-	-	-	-	-	-	100
	\$180,000	-	-	-	-	-	-	100
	\$200,000	-	-	-	-	-	-	112
Tract 19	\$275,000	-	-	-	-	-	-	30
	\$300,000	-	-	-	-	-	-	30
	\$350,000	-	-	-	-	-	-	25
Tract 20	\$125,000	-	-	-	-	-	-	4
	\$135,000	-	-	-	-	-	-	19
	\$145,000	-	-	-	-	-	-	54
	\$155,000	-	-	-	-	-	-	86
	\$170,000	-	-	-	-	-	-	6
	\$180,000	-	-	-	-	-	-	9
\$350,000	-	-	-	-	-	-	14	
Single-family homes subtotal		-	-	-	-	-	-	1,833
Multifamily units, with added values per unit (1999):								
Tract 13 (golf villas)	\$50,000	-	-	-	-	-	-	16
Tract 14	\$50,000	-	-	-	-	-	-	400
	\$60,000	-	-	-	-	-	-	502
Multi-family units subtotal		-	-	-	-	-	-	918
Retail, with added value per bldg. sq. ft. (1999):								
Tract 11	\$75	-	-	-	-	-	-	100,000
Tract 12	\$75	-	-	-	-	-	-	20,000
Retail subtotal		-	-	-	-	-	-	120,000
Golf course, with added value (1999):								
	\$2,000,000	-	-	-	-	-	-	1

Schedule 3: Forecasts of Taxable Real Property Value in the Study Area, With and Without TIF

Assumptions:
 Excludes Phase 3 development (south tract)
 Annual new construction cost inflation after 1/1/00: 3%
 Annual net value change after 1/1/05: 2%
 With or without TIF; applied to prior development only
 Taxable values are before reduction by homestead exemptions.

Development entering roll as 1/1/	Year											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
Without TIF												
Vacant land*	\$740,494	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Single-family homes	\$0	\$0	\$5,150,000	\$5,304,500	\$5,463,635	\$5,627,544	\$5,796,370	\$5,970,261	\$6,149,369	\$6,333,850	\$0	\$0
Retail space	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total, new this roll	\$740,494	\$0	\$5,150,000	\$5,304,500	\$5,463,635	\$5,627,544	\$5,796,370	\$5,970,261	\$6,149,369	\$6,333,850	\$0	\$0
Cumulative, with appreciation/depreciation adjustment	\$740,494	\$740,494	\$5,890,494	\$11,194,994	\$16,658,629	\$22,286,173	\$28,082,543	\$33,912,122	\$39,092,152	\$44,427,958	\$49,761,808	\$55,095,658
With TIF and Related Public Improvements												
Vacant land*	\$740,494	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Single-family homes, with added values per unit (1999):												
Tract 1	\$100,000	\$0	\$2,060,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$110,000	\$0	\$0	\$3,500,970	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$120,000	\$0	\$0	\$0	\$3,933,817	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$125,000	\$0	\$6,437,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$135,000	\$0	\$0	\$1,002,651	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tract 2	\$110,000	\$0	\$2,832,500	\$2,333,960	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$120,000	\$0	\$0	\$3,182,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tract 6	\$125,000	\$0	\$0	\$0	\$6,148,589	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$135,000	\$0	\$0	\$0	\$0	\$5,773,660	\$0	\$0	\$0	\$0	\$0	\$0
Tract 7	\$150,000	\$0	\$0	\$4,774,050	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$160,000	\$0	\$0	\$0	\$5,245,090	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$170,000	\$0	\$0	\$0	\$0	\$6,505,441	\$0	\$0	\$0	\$0	\$0	\$0
Tract 9	\$300,000	\$0	\$0	\$4,774,050	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$350,000	\$0	\$0	\$0	\$6,119,271	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tract 10	\$250,000	\$0	\$0	\$5,304,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$300,000	\$0	\$0	\$0	\$8,195,453	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$325,000	\$0	\$0	\$0	\$0	\$12,802,663	\$0	\$0	\$0	\$0	\$0	\$0
	\$350,000	\$0	\$0	\$0	\$0	\$0	\$7,303,427	\$0	\$0	\$0	\$0	\$0

**Schedule 3:
Forecasts of Taxable Real Property Value in the Study Area,
With and Without TIF**

Year:	Base	1	2	3	4	5	6	7	8	9	10	
Development entering roll as 1/1/	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
Tract 16	\$125,000 \$135,000	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$5,873,408 \$0	\$9,848,202 \$0	\$0 \$10,955,140	\$0 \$4,513,518	\$0 \$0	\$0 \$0
Tract 17	\$125,000 \$135,000 \$150,000	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$7,245,463 \$0 \$0	\$7,462,827 \$9,671,824 \$0	\$0 \$6,641,319 \$22,137,730	\$0 \$0 \$0
Tract 18	\$150,000 \$160,000 \$170,000 \$180,000 \$200,000	\$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0	\$6,753,053 \$0 \$0 \$0 \$0	\$10,433,467 \$13,911,289 \$0 \$16,239,111 \$0	\$0 \$4,776,209 \$0 \$4,181,571 \$22,137,730	\$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$28,375,650
Tract 19	\$275,000 \$300,000 \$350,000	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$0 \$0 \$0	\$9,285,448 \$0 \$0	\$0 \$10,433,467 \$0	\$0 \$0 \$10,447,958	\$0 \$0 \$0	\$0 \$0 \$0
Tract 20	\$125,000 \$135,000 \$145,000 \$155,000 \$170,000 \$180,000 \$350,000	\$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0 \$530,450 \$1,718,658 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$911,662 \$0 \$0 \$1,148,019 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$0 \$1,934,365 \$0	\$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0 \$0 \$0 \$0 \$0 \$0 \$0
Single-family homes subtotal, new this roll	\$0	\$0	\$0	\$11,330,000	\$27,121,909	\$35,513,628	\$53,028,348	\$65,962,695	\$64,556,437	\$71,492,568	\$28,375,650	
Multifamily units, with added values per unit (1999):												
Tract 13 (golf villas)	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Tract 14	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$23,185,481	\$0	\$0	\$0	
Golf course	\$60,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Multi-family units subtotal, new this roll	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,185,481	\$0	\$0	\$0	
Retail, with added value per bldg. sq. ft. (1999):												
Tract 11	\$75	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,955,392	\$0	\$0	
Tract 12	\$75	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,791,078	\$0	\$0	
Retail subtotal, new this roll	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,746,471	\$0	\$0	
Golf course	\$0	\$0	\$0	\$0	\$2,121,800	\$0	\$0	\$0	\$0	\$0	\$0	
Total, new this roll	\$740,494	\$0	\$0	\$11,330,000	\$29,243,709	\$35,513,628	\$53,028,348	\$89,148,176	\$75,302,908	\$71,492,568	\$28,375,650	
Cumulative, with appreciation/depreciation adjustment	\$740,494	\$740,494	\$740,494	\$12,070,494	\$41,314,203	\$76,827,830	\$129,856,178	\$219,004,354	\$298,687,349	\$376,153,664	\$412,052,387	

*Base year value is 1998 appraisal. Vacant land appraisal is assumed constant, reflecting conversion to building lots, balanced by appreciation of remaining land and loss of agricultural exemption. Assumption is financially conservative.

**Schedule 3:
Forecasts of Taxable Real Property Value in the Study Area,
With and Without TIF**

Year	Development entering roll as TIF										20-Year Cumulative Total	
	2008	2010	2011	2012	2013	2014	2015	2016	2017	2018		
Without TIF	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Single-family homes	\$6,523,866	\$6,719,582	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$59,038,978
Retail spaces	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,477,696
Total, new this roll	\$6,523,866	\$6,719,582	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$63,516,675
Cumulative, with appreciation/depreciation adjustment	\$60,867,101	\$68,804,025	\$70,180,106	\$71,583,708	\$73,015,382	\$74,475,690	\$75,965,204	\$77,484,508	\$79,034,198	\$80,614,882	\$82,227,164	\$838,582,900
With TIF and Related Public Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vacant land*	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tract 1	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$2,060,000
Single-family homes, with added values per unit (1999):	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,500,970
Tract 1	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$3,933,817
	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$6,437,500
	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$1,002,551
Tract 2	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$5,186,480
Tract 2	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000	\$3,182,700
Tract 6	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$6,146,589
Tract 6	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$5,773,860
Tract 7	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$4,774,050
Tract 7	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000	\$5,245,090
Tract 9	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$8,505,441
Tract 9	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$1,119,271
Tract 10	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$5,304,500
Tract 10	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$8,195,453
Tract 10	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$12,802,653
Tract 10	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$7,303,427

**Schedule 3:
Forecasts of Taxable Real Property Value in the Study Area,
With and Without TIF**

Year:	11	12	13	14	15	16	17	18	19	20	20-year Cumulative Total	
Development entering roll as 1/1/	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		
Tract 16	\$125,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,721,810
	\$135,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,468,658
Tract 17	\$125,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,708,290
	\$135,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,313,142
	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,137,730
Tract 18	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,186,520
	\$160,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,687,498
	\$170,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,420,682
	\$180,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,137,730
	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28,375,650
Tract 19	\$275,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,285,448
	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,433,467
	\$350,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,447,958
Tract 20	\$125,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$530,450
	\$135,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,791,517
	\$145,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,349,429
	\$155,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,394,219
	\$170,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,148,019
	\$180,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,934,365
	\$350,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,680,443
Single-family homes subtotal, new this roll		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$357,381,233
Multifamily units, with added values per unit (1999):												
Tract 13 (golf villas)	\$50,000	\$1,043,819	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,043,819
Tract 14	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,185,481
	\$80,000	\$39,299,768	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,299,768
Multi-family units subtotal, new this roll		\$40,343,587	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$63,529,068
Retail, with added value per bldg. sq. ft. (1999):												
Tract 11	\$75	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,955,392
Tract 12	\$75	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,791,078
Retail subtotal, new this roll		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,746,471
Golf course		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,121,800
Total, new this roll		\$40,343,587	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$433,778,572
Cumulative, with appreciation/depreciation adjustment	\$460,637,022	\$469,849,762	\$479,246,757	\$488,831,692	\$498,608,326	\$508,580,493	\$518,752,103	\$529,127,145	\$539,709,687	\$550,503,881		

**Schedule 4A:
Real Property Taxes Collected and Retained from the Study Area,
Without TIF**

Assumptions:

1997 property tax rates per \$100:	% of real property tax increments to TIF Fund:	Exemptions per S-F home (from separate schedule)
City: \$0.58148	0% City	\$0 City
MISD: \$1.53000	0% School District	\$15,000 School District
County: \$0.20100	0% County	20% County
Hospital District: \$0.18577	0% Hospital District	20% Hospital District
College District: \$0.05000	0% College District	20% College District
Assumes constant tax rates and 98% collection		

Reinvestment Zone Year: Valuations for Jan. 1; Collections by March 31:	Base Estimated 1998	1 1999	2 2000	3 2001	4 2002	5 2003	6 2004	7 2005	8 2006
Total taxable value of real property	\$740,494	\$740,494	\$740,494	\$5,890,494	\$11,194,994	\$16,658,629	\$22,286,173	\$28,082,543	\$39,092,152
Real property tax:									
City		\$4,220	\$4,220	\$4,220	\$33,567	\$63,795	\$94,929	\$126,998	\$160,028
MISD		\$11,103	\$11,103	\$11,103	\$77,077	\$145,367	\$216,043	\$289,177	\$364,842
County		\$1,459	\$1,459	\$1,459	\$9,574	\$17,933	\$26,543	\$35,286	\$44,248
Hospital District		\$1,348	\$1,348	\$1,348	\$8,849	\$16,574	\$24,532	\$32,612	\$40,895
College District		\$363	\$363	\$363	\$2,382	\$4,461	\$6,603	\$8,778	\$11,007
Total		\$18,492	\$18,492	\$18,492	\$131,448	\$248,130	\$368,650	\$492,850	\$621,020

**Schedule 4A:
Real Property Taxes Collected and Retained from the Study Area,
Without TIF**

<i>Reinvestment Zone Year:</i>	9	10	11	12	13	14	15	16	17
<i>Valuations for Jan. 1:</i>									
<i>Collections by March 31:</i>	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total taxable value of real property	\$46,023,364	\$53,277,682	\$60,867,101	\$68,804,025	\$70,180,106	\$71,583,708	\$73,015,382	\$74,475,690	\$75,965,204
Real property tax:									
City	\$222,767	\$262,264	\$303,603	\$346,851	\$392,080	\$399,922	\$407,920	\$416,078	\$424,400
MISD	\$518,675	\$611,356	\$708,882	\$811,432	\$918,193	\$939,826	\$960,871	\$982,338	\$1,004,233
County	\$63,361	\$74,319	\$85,786	\$97,782	\$110,327	\$112,534	\$114,784	\$117,080	\$119,421
Hospital District	\$58,560	\$68,687	\$79,286	\$90,373	\$101,967	\$104,007	\$106,087	\$108,209	\$110,373
College District	\$15,761	\$18,487	\$21,340	\$24,324	\$27,445	\$27,993	\$28,553	\$29,124	\$29,707
Total	\$879,124	\$1,035,113	\$1,198,896	\$1,370,763	\$1,551,011	\$1,584,281	\$1,618,216	\$1,652,829	\$1,688,135

Schedule 4A:
Real Property Taxes Collected and Retained from the Study Area,
Without TIF

<i>Reinvestment Zone Year:</i>	18	19	20	21	Cumulative, 20 Years of Collections	NPV in 1999, Annual Discount of 5.50%
<i>Valuations for Jan. 1; Collections by March 31:</i>	2016	2017	2018	2019		
Total taxable value of real property	\$77,484,508	\$79,034,198	\$80,614,882			
Real property tax:						
City	\$432,888	\$441,546	\$450,377	\$459,384	\$5,447,837	\$2,667,858
MISD	\$1,026,567	\$1,049,348	\$1,072,584	\$1,096,285	\$12,816,299	\$6,259,644
County	\$121,810	\$124,246	\$126,731	\$129,266	\$1,533,948	\$751,380
Hospital District	\$112,580	\$114,832	\$117,128	\$119,471	\$1,417,719	\$694,447
College District	\$30,301	\$30,907	\$31,525	\$32,158	\$381,579	\$186,910
Total	\$1,724,146	\$1,760,878	\$1,798,345	\$1,836,561	\$21,597,382	\$10,560,238

**Schedule 4B:
Real Property Taxes Collected, Retained and Dedicated to TIF Fund
From the Proposed Falcon's Lair Reinvestment Zone**

Assumptions:

1997 property tax rates per \$100:

City:	\$0.56148
MISD:	\$1.53000
County:	\$0.20100
Hospital District:	\$0.18577
College District:	\$0.05000

Assumes constant tax rates and 98% collection

% of real property tax increments to TIF Fund: imptions per S-F home (homes from separate schedule)

100%	City	\$0	City
100%	School District	\$15,000	School District
0%	County	20%	County
0%	Hospital District	20%	Hospital District
0%	College District	20%	College District

Reinvestment Zone Year: Valuations for Jan. 1; Collections by March 31:	Base Estimated 1998	1 1999	2 2000	3 2001	4 2002	5 2003	6 2004	7 2005	8 2006
Total taxable value of real property	\$740,494	\$740,494	\$740,494	\$12,070,494	\$41,314,203	\$76,627,830	\$129,856,178	\$219,004,354	\$298,687,349
Real property tax collected by:									
City		\$4,220	\$4,220	\$4,220	\$68,784	\$235,429	\$437,804	\$739,986	\$1,247,997
MISD		\$11,103	\$11,103	\$11,103	\$159,619	\$561,438	\$1,051,422	\$1,788,277	\$3,053,668
County		\$1,459	\$1,459	\$1,459	\$19,313	\$66,232	\$122,196	\$205,177	\$353,783
Hospital District		\$1,348	\$1,348	\$1,348	\$17,850	\$61,214	\$112,937	\$189,631	\$326,976
College District		\$363	\$363	\$363	\$4,804	\$16,476	\$30,397	\$51,039	\$88,006
Total		\$18,492	\$18,492	\$18,492	\$270,369	\$940,789	\$1,754,755	\$2,974,110	\$5,070,430
Real property tax retained by:									
City		\$4,220	\$4,220	\$4,220	\$4,220	\$4,220	\$4,220	\$4,220	\$4,220
MISD		\$11,103	\$11,103	\$11,103	\$11,103	\$11,103	\$11,103	\$11,103	\$11,103
County		\$1,459	\$1,459	\$1,459	\$19,313	\$66,232	\$122,196	\$205,177	\$353,783
Hospital District		\$1,348	\$1,348	\$1,348	\$17,850	\$61,214	\$112,937	\$189,631	\$326,976
College District		\$363	\$363	\$363	\$4,804	\$16,476	\$30,397	\$51,039	\$88,006
Total		\$18,492	\$18,492	\$18,492	\$57,289	\$159,244	\$280,853	\$461,170	\$784,087
Property tax dedicated to TIF fund by:									
City		\$0	\$0	\$0	\$64,564	\$231,209	\$433,584	\$735,766	\$1,243,777
MISD		\$0	\$0	\$0	\$148,516	\$550,335	\$1,040,319	\$1,777,174	\$3,042,565
County		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hospital District		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
College District		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$0	\$0	\$0	\$213,080	\$781,545	\$1,473,903	\$2,512,940	\$4,286,343

Schedule 4B:
Real Property Taxes Collected, Retained and Dedicated to TIF Fund
From the Proposed Falcon's Lair Reinvestment Zone

<i>Reinvestment Zone Year:</i>	9	10	11	12	13	14	15	16	17
<i>Valuations for Jan. 1:</i>	2007	2008	2009	2010	2011	2012	2013	2014	2015
<i>Collections by March 31:</i>	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total taxable value of real property	\$376,153,664	\$412,052,387	\$460,637,022	\$469,849,762	\$479,246,757	\$488,831,692	\$498,608,326	\$508,580,493	\$518,752,103
Real property tax collected by:									
City	\$1,702,071	\$2,143,513	\$2,348,082	\$2,624,942	\$2,677,441	\$2,730,990	\$2,785,609	\$2,841,322	\$2,898,148
MISD	\$4,173,765	\$5,252,978	\$5,766,053	\$6,494,531	\$6,632,687	\$6,773,566	\$6,917,282	\$7,063,873	\$7,213,396
County	\$483,757	\$606,093	\$662,931	\$755,658	\$770,771	\$786,187	\$801,910	\$817,948	\$834,307
Hospital District	\$447,102	\$560,169	\$612,700	\$698,401	\$712,369	\$726,616	\$741,149	\$755,972	\$771,091
College District	\$120,338	\$150,769	\$164,908	\$187,975	\$191,734	\$195,569	\$199,480	\$203,470	\$207,539
Total	\$6,927,033	\$8,713,523	\$9,554,674	\$10,761,507	\$10,984,982	\$11,212,927	\$11,445,431	\$11,682,585	\$11,924,481
Real property tax retained by:									
City	\$4,220	\$4,220	\$4,220	\$4,220	\$4,220	\$2,730,990	\$2,785,609	\$2,841,322	\$2,898,148
MISD	\$11,103	\$11,103	\$11,103	\$11,103	\$11,103	\$6,773,566	\$6,917,282	\$7,063,873	\$7,213,396
County	\$483,757	\$606,093	\$662,931	\$755,658	\$770,771	\$786,187	\$801,910	\$817,948	\$834,307
Hospital District	\$447,102	\$560,169	\$612,700	\$698,401	\$712,369	\$726,616	\$741,149	\$755,972	\$771,091
College District	\$120,338	\$150,769	\$164,908	\$187,975	\$191,734	\$195,569	\$199,480	\$203,470	\$207,539
Total	\$1,066,520	\$1,332,354	\$1,455,861	\$1,657,356	\$1,690,197	\$11,212,927	\$11,445,431	\$11,682,585	\$11,924,481
Property tax dedicated to TIF fund by:									
City	\$1,697,851	\$2,139,293	\$2,343,862	\$2,620,722	\$2,673,221	\$0	\$0	\$0	\$0
MISD	\$4,162,662	\$5,241,875	\$5,754,950	\$6,483,429	\$6,621,564	\$0	\$0	\$0	\$0
County	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hospital District	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
College District	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$5,860,513	\$7,381,168	\$8,098,813	\$9,104,151	\$9,294,785	\$0	\$0	\$0	\$0

Schedule 4B:
Real Property Taxes Collected, Retained and Dedicated to TIF Fund
From the Proposed Falcon's Lair Reinvestment Zone

<i>Reinvestment Zone Year:</i>	18	19	20	21	Cumulative, 20 Years of Collections	NPV in 1998, Annual Discount of 5.50%
<i>Valuations for Jan. 1;</i>	2016	2017	2018	2019		
<i>Collections by March 31:</i>	2016	2017	2018	2019		
Total taxable value of real property	\$529,127,145	\$539,709,687	\$550,503,881			
Real property tax collected by:						
City	\$2,956,111	\$3,015,233	\$3,075,538	\$3,137,049	\$37,674,487	\$18,366,746
MISD	\$7,365,909	\$7,521,472	\$7,680,147	\$7,841,995	\$93,334,266	\$45,413,412
County	\$850,994	\$868,013	\$885,374	\$903,081	\$10,796,643	\$5,255,277
Hospital District	\$786,513	\$802,243	\$818,288	\$834,654	\$9,978,569	\$4,857,078
College District	\$211,690	\$215,924	\$220,242	\$224,647	\$2,685,732	\$1,307,283
Total	\$12,171,216	\$12,422,886	\$12,679,589	\$12,941,426	\$154,469,697	\$75,199,797
Real property tax retained by:						
City	\$2,956,111	\$3,015,233	\$3,075,538	\$3,137,049	\$23,490,635	\$9,744,639
MISD	\$7,365,909	\$7,521,472	\$7,680,147	\$7,841,995	\$58,510,876	\$24,266,663
County	\$850,994	\$868,013	\$885,374	\$903,081	\$10,796,643	\$5,255,277
Hospital District	\$786,513	\$802,243	\$818,288	\$834,654	\$9,978,569	\$4,857,078
College District	\$211,690	\$215,924	\$220,242	\$224,647	\$2,685,732	\$1,307,283
Total	\$12,171,216	\$12,422,886	\$12,679,589	\$12,941,426	\$105,462,456	\$43,062,502
Property tax dedicated to TIF fund by:						
City	\$0	\$0	\$0	\$0	\$14,183,852	\$8,622,108
MISD	\$0	\$0	\$0	\$0	\$34,823,390	\$21,146,749
County	\$0	\$0	\$0	\$0	\$0	\$0
Hospital District	\$0	\$0	\$0	\$0	\$0	\$0
College District	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0	\$49,007,241	\$29,768,857

TIF Fund Reimbursement Schedule

Schedule 5:

Assumptions:
 Public improvement costs (in 1999 dollars) are imported from a separate schedule and adjusted for inflation on this schedule.
 Public improvement cost inflation factor: Annual increase after 3/31/00
 Annual interest on cash advances: Compounded annually

Year:	Base	1	2	3	4	5	6	7	8	9	10
Receipts by March 31:											
Expenses during year ended March 31:	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Cash available to TIF Fund	\$ -	\$ -	\$ -	\$ 213,080	\$ 781,545	\$ 1,473,903	\$ 2,512,940	\$ 4,286,343	\$ 5,880,513	\$ 7,381,168	\$ 10,000
Real property tax to TIF Fund	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Less administrative fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net funds for debt service	\$ -	\$ -	\$ -	\$ 203,080	\$ 771,545	\$ 1,463,903	\$ 2,502,940	\$ 4,276,343	\$ 5,850,513	\$ 7,371,168	\$ -
Advances and debt service	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,060,900	\$ 1,629,544	\$ 2,334,444	\$ 3,368,874	\$ 4,299,874	\$ 5,381,755	\$ 6,801,351	\$ 8,857,768
Principal carried from previous year	\$ 0	\$ 10,500,000	\$ 15,444,000	\$ 16,504,900	\$ 23,334,444	\$ 30,368,874	\$ 30,368,874	\$ 30,368,874	\$ 30,368,874	\$ 30,368,874	\$ 30,368,874
New principal advanced by FL&RD	\$ 1,000,000	\$ 9,500,000	\$ 4,944,000	\$ 1,060,900	\$ 6,829,544	\$ 7,034,430	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Less principal repaid this year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net reimbursable principal	\$ 1,000,000	\$ 10,500,000	\$ 15,444,000	\$ 16,504,900	\$ 23,334,444	\$ 30,368,874	\$ 30,368,874	\$ 30,368,874	\$ 30,368,874	\$ 30,368,874	\$ 30,368,874
Interest carried from previous year	\$ 0	\$ 0	\$ 65,000	\$ 751,725	\$ 1,601,368	\$ 2,008,730	\$ 2,190,004	\$ 1,803,390	\$ 0	\$ 0	\$ 0
Interest accrued this period	\$ 0	\$ 65,000	\$ 688,725	\$ 1,052,722	\$ 1,476,907	\$ 1,847,176	\$ 2,116,327	\$ 2,091,197	\$ 1,949,163	\$ 1,695,575	\$ 1,695,575
Interest before reduction this period	\$ 0	\$ 65,000	\$ 751,725	\$ 1,804,447	\$ 2,778,275	\$ 3,653,906	\$ 4,306,331	\$ 3,894,587	\$ 1,949,163	\$ 1,695,575	\$ 1,695,575
Total interest repaid this year	\$ 0	\$ 0	\$ 0	\$ 203,080	\$ 771,545	\$ 1,463,903	\$ 2,502,940	\$ 4,276,343	\$ 5,850,513	\$ 7,371,168	\$ -
Net reimbursable interest	\$ 0	\$ 65,000	\$ 751,725	\$ 1,601,368	\$ 2,008,730	\$ 2,190,004	\$ 1,803,390	\$ 0	\$ 0	\$ 0	\$ 0
Total principal and interest owed by TIF Fund	\$ 0	\$ 10,565,000	\$ 18,195,725	\$ 18,106,268	\$ 25,341,174	\$ 32,558,877	\$ 32,172,264	\$ 29,987,118	\$ 26,085,768	\$ 20,410,174	\$ 0
TIF Fund balance at end of period	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

**Schedule 5:
TIF Fund Reimbursement Schedule**

	Year:	11	12	13	14	15	16	17	18	19	20	21
	Receipts by March 31:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	Expenses during year ended March 31:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cash available to TIF Fund												
Real property tax to TIF Fund		\$ 8,098,813	\$ 9,104,151	\$ 9,294,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less administrative fees		\$ 10,000	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net funds for debt service		\$ 8,088,813	\$ 9,094,151	\$ 9,284,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advances and debt service												
Principal carried from previous year		\$ 20,410,174	\$ 13,648,023	\$ 5,440,993	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
New principal advanced by FLUARD		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Less principal repaid this year		\$ 6,762,152	\$ 8,207,029	\$ 5,440,993	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net reimbursable principal		\$ 13,648,023	\$ 5,440,993	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest carried from previous year		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interest accrued this period		\$ 1,326,661	\$ 887,121	\$ 353,665	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total interest before reduction this period		\$ 1,326,661	\$ 887,121	\$ 353,665	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Less interest repaid this year		\$ 1,326,661	\$ 887,121	\$ 353,665	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net reimbursable interest		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total principal and interest owed by TIF Fund		\$ 13,648,023	\$ 5,440,993	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TIF Fund balance at end of period		\$ 0	\$ 0	\$ 3,490,128	\$ 3,490,128	\$ 3,490,128	\$ 3,490,128	\$ 3,490,128	\$ 3,490,128	\$ 3,490,128	\$ 3,490,128	\$ 3,490,128

Schedule 6:
Public Improvements to be Purchased by Falcon's Lair Utility and Reclamation District
and Reimbursed by the TIF Fund

Costs are in 1999 dollars.

Expenses during year ended 3/31	Year: 1 1999	2 2000	3 2001	4 2002	5 2003	6 2004	7 2005	8 2006	9 2007	10 2008	11 2009	Cumulative Total
Phase 1												
Thoroughfares	\$500,000	\$1,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,200,000
Water, sewer and drainage	\$0	\$800,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$800,000
Golf course	\$500,000	\$6,500,000	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,500,000
Parks	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000
Subtotal	\$1,000,000	\$9,500,000	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,000,000
Phase 2												
Thoroughfares	\$0	\$0	\$2,200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,200,000
Water, sewer and drainage	\$0	\$0	\$600,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$600,000
Parks	\$0	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000
Subtotal	\$0	\$0	\$3,300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,300,000
Phase 3 (south tract)												
Thoroughfares	\$0	\$0	\$0	\$0	\$2,250,000	\$2,250,000	\$0	\$0	\$0	\$0	\$0	\$4,500,000
Water, sewer and drainage	\$0	\$0	\$0	\$0	\$500,000	\$500,000	\$0	\$0	\$0	\$0	\$0	\$1,000,000
Freeway interchange	\$0	\$0	\$0	\$0	\$3,500,000	\$3,500,000	\$0	\$0	\$0	\$0	\$0	\$7,000,000
Parks	\$0	\$0	\$0	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000
Subtotal	\$0	\$0	\$0	\$1,000,000	\$6,250,000	\$6,250,000	\$0	\$0	\$0	\$0	\$0	\$13,500,000
Total for period	\$1,000,000	\$9,500,000	\$4,800,000	\$1,000,000	\$6,250,000	\$6,250,000	\$0	\$0	\$0	\$0	\$0	\$28,800,000

Schedule 7A: Total Revenues to General Funds, Without TIF

Assumptions:
 Business personal property appraisal per retail square foot: in 1999 dollars; based on Town East area
 Sales per retail SF: in 1999 dollars
 City sales tax as percentage of sales:
 Per cent of added value captured for City sales tax on materials: For deliveries taken in Mesquite
 Annual inflation rate of BPP and sales:
 Excludes off-site sales taxes paid by residents.

1997 property tax rates per \$100:
 City:
 MISD:
 Constant tax rates
 property tax collection

Year:	Base	1	2	3	4	5	6	7	8	9	10	11	12
Calendar year:	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
City													
Real property taxes retained*			\$4,220	\$4,220	\$33,567	\$63,795	\$94,929	\$126,998	\$160,028	\$222,767	\$262,284	\$303,603	\$346,851
Business personal property tax**			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,819	\$10,015	\$10,215	\$10,420
Sales tax, except construction materials***			\$0	\$0	\$0	\$0	\$0	\$0	\$107,689	\$109,843	\$112,040	\$114,281	\$116,566
Sales tax on construction materials****			\$23,175	\$23,870	\$24,586	\$25,324	\$26,084	\$47,016	\$27,672	\$28,502	\$29,357	\$30,238	\$0
Sales tax subtotal			\$23,175	\$23,870	\$24,586	\$25,324	\$26,084	\$47,016	\$135,361	\$138,345	\$141,397	\$144,519	\$116,566
Total			\$27,395	\$28,090	\$58,153	\$89,119	\$121,013	\$174,014	\$295,390	\$370,931	\$413,677	\$458,337	\$473,837
MISD													
Real property taxes retained*			\$11,103	\$11,103	\$77,077	\$145,367	\$216,043	\$289,177	\$364,842	\$518,675	\$611,356	\$708,882	\$811,432
Business personal property tax**			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,835	\$26,352	\$26,879	\$27,416
Total			\$11,103	\$11,103	\$77,077	\$145,367	\$216,043	\$289,177	\$364,842	\$544,510	\$637,708	\$735,760	\$838,848

*From separate schedule
 ** Cumulative floor area from separate schedule, times estimated BPP appraisal per SF, times annual adjustment, times tax rate, times collection rate.
 ***Cumulative retail floor area from separate schedule, times sales per SF, times annual adjustment, times tax rate, times collection rate. City only.
 Assumes retail space is complete and occupied three months before property appears on appraisal roll. Sales tax receipts lag sales by three months, while property tax receipts lag appraisals by about a year.
 ****Value added by construction during the year (from separate schedule), times percentage on which Mesquite collects sales tax, times sales tax rate.

**Schedule 7A:
Total Revenues to General Funds, Without TIF**

	Year:	13	14	15	16	17	18	19	20	21	Cumulative, 20 Years of Property Tax Collections	NPV in 1999, Discounted at 5.50%
	Calendar year:	2011	2012	2013	2014	2015	2016	2017	2018	2019		
City												
Real property taxes retained*	\$392,080	\$399,922	\$407,920	\$416,078	\$424,400	\$432,888	\$441,546	\$450,377	\$459,384	\$469,384	\$5,447,837	\$2,667,858
Business personal property tax**	\$10,628	\$10,641	\$11,057	\$11,279	\$11,504	\$11,734	\$11,969	\$12,208	\$12,452	\$12,700	\$144,142	\$68,473
Sales tax, except construction materials***	\$118,898	\$121,276	\$123,701	\$126,175	\$128,699	\$131,273	\$133,898	\$136,576	\$139,308	\$142,080	\$1,720,222	\$840,045
Sales tax on construction materials****	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$285,825	\$212,278
Sales tax subtotal	\$118,898	\$121,276	\$123,701	\$126,175	\$128,699	\$131,273	\$133,898	\$136,576	\$139,308	\$142,080	\$2,006,047	\$1,052,323
Total	\$521,606	\$532,038	\$542,679	\$553,532	\$564,603	\$575,895	\$587,413	\$599,161	\$611,144	\$623,164	\$7,598,026	\$3,788,653
MISD												
Real property taxes retained*	\$919,193	\$939,826	\$960,871	\$982,338	\$1,004,233	\$1,026,567	\$1,049,348	\$1,072,584	\$1,096,285	\$1,120,470	\$12,816,299	\$6,259,644
Business personal property tax**	\$27,965	\$28,524	\$29,095	\$29,676	\$30,270	\$30,875	\$31,493	\$32,123	\$32,765	\$33,420	\$379,268	\$180,167
Total	\$947,157	\$968,350	\$989,966	\$1,012,014	\$1,034,503	\$1,057,443	\$1,080,841	\$1,104,706	\$1,129,050	\$1,153,890	\$13,195,566	\$6,439,810

Schedule 7B: Total Revenues to General Funds, With TIF

Assumptions:

Excludes Phase 3 development (south tract). Excludes off-site sales taxes paid by residents.		
Business personal property appraisal per retail square foot:	\$30	In 1999 dollars; based on Town East area
Annual sales by golf course (in 1999 dollars):	\$2,000,000	3 years after opening; 30%, 60% in first 2 years
Sales per retail SF (in 1999 dollars):	\$125	Does not apply to golf course
City sales tax as percentage of sales:	1.5%	
Per cent of added value captured for City sales tax on materials:	30%	For deliveries taken in Mesquite
Annual inflation rate of BPP and sales:	2.0%	

1997 property tax rates per \$100:	
City:	\$0.58148
MISD:	\$1.53000
Constant tax rates	
	98%
property tax collection	

Year:	Base	1	2	3	4	5	6	7	8	9	10	11	12
Calendar year:	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
City													
Real property taxes retained*			\$4,220	\$4,220	\$4,220	\$4,220	\$4,220	\$4,220	\$4,220	\$4,220	\$4,220	\$4,220	\$4,220
Business personal property tax**			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,565	\$24,036	\$24,517	\$25,007
Sales tax, except construction materials***			\$0	\$0	\$9,551	\$19,484	\$33,122	\$33,785	\$292,915	\$298,773	\$304,749	\$310,844	\$317,060
Sales tax on construction materials****			\$50,985	\$131,597	\$159,811	\$238,628	\$401,167	\$338,863	\$321,717	\$127,690	\$181,548	\$0	\$0
Sales tax subtotal			\$50,985	\$131,597	\$169,362	\$258,111	\$434,269	\$372,648	\$814,631	\$426,464	\$486,295	\$310,844	\$317,060
Total			\$55,205	\$135,816	\$173,582	\$262,331	\$438,509	\$376,868	\$818,851	\$454,248	\$514,551	\$339,580	\$346,287
MISD													
Real property taxes retained*			\$11,103	\$11,103	\$11,103	\$11,103	\$11,103	\$11,103	\$11,103	\$11,103	\$11,103	\$11,103	\$11,103
Business personal property tax**			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$62,004	\$63,244	\$64,509	\$65,799
Total			\$11,103	\$11,103	\$11,103	\$11,103	\$11,103	\$11,103	\$11,103	\$73,107	\$74,347	\$75,612	\$76,902

*From separate schedule
 ** Cumulative floor area from separate schedule, times estimated BPP appraisal per SF, times annual adjustment, times tax rate, times collection rate.
 ***Cumulative retail floor area from separate schedule, times sales per SF, plus golf course sales, times annual adjustment, times tax rate, times collection rate. City only.
 Assumes retail space is complete and occupied three months before property appears on appraisal roll. Sales tax receipts lag sales by three months, while property tax receipts lag appraisals by about a year.
 ****Value added by construction during the year (from separate schedule), times percentage on which Mesquite collects sales tax, times sales tax rate.

Schedule 7B:
Total Revenues to General Funds, With TIF

	Year:	13	14	15	16	17	18	19	20	21	Cumulative,	NPV in 1999,
Calendar year:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2018	20 Years of Property Tax Collections	Discounted at 5.50%
City												
Real property taxes retained*	\$4,220	\$2,730,990	\$2,785,609	\$2,841,322	\$2,898,148	\$2,956,111	\$3,015,233	\$3,075,538	\$3,137,049		\$23,490,635	\$9,744,639
Business personal property tax**	\$25,507	\$26,017	\$26,538	\$27,069	\$27,610	\$28,162	\$28,725	\$29,300	\$29,886		\$345,940	\$164,335
Sales tax, except construction materials***	\$323,402	\$329,870	\$336,467	\$343,196	\$350,060	\$357,062	\$364,203	\$371,487	\$378,917		\$4,774,946	\$2,358,629
Sales tax on construction materials****	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$1,952,004	\$1,464,479
Sales tax subtotal	\$323,402	\$329,870	\$336,467	\$343,196	\$350,060	\$357,062	\$364,203	\$371,487	\$378,917		\$6,726,949	\$3,823,107
Total	\$353,129	\$3,086,877	\$3,148,614	\$3,211,587	\$3,275,818	\$3,341,335	\$3,408,161	\$3,476,325	\$3,545,851		\$30,563,524	\$13,732,081
MISD												
Real property taxes retained*	\$11,103	\$6,773,566	\$6,917,282	\$7,063,873	\$7,213,396	\$7,365,909	\$7,521,472	\$7,680,147	\$7,841,995		\$58,510,876	\$24,266,663
Business personal property tax**	\$67,115	\$68,458	\$69,827	\$71,223	\$72,648	\$74,101	\$75,583	\$77,094	\$78,636		\$910,242	\$432,400
Total	\$78,218	\$6,842,024	\$6,987,109	\$7,135,097	\$7,286,044	\$7,440,010	\$7,597,055	\$7,757,241	\$7,920,632		\$59,421,119	\$24,699,063

Schedule 8: Differences in General Fund Revenues With TIF, Relative to Revenues Without TIF

Assumptions:

Excludes Phase 3 development (south tract). Excludes off-site sales taxes paid by residents.		
Business personal property appraisal per retail square foot:	\$30	in 1999 dollars; based on Town East area
Annual sales by golf course (in 1999 dollars):	\$2,000,000	3 years after opening; 30%, 60% in first 2 years
Sales per retail SF (in 1999 dollars):	\$125	Does not apply to golf course
City sales tax as percentage of sales:	1.5%	
Per cent of added value captured for City sales tax on materials:	30%	For deliveries taken in Mesquite
Annual inflation rate of BPP and sales:	2.0%	

1997 property tax rates per \$100:	
City:	\$0.58148
MISD:	\$1.53000
Constant tax rates	
	98% property tax collection

Year:	Base	1	2	3	4	5	6	7	8	9	10	11	12
Calendar year:	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
City													
Difference in real property taxes retained*			\$0	\$0	(\$29,347)	(\$59,575)	(\$90,710)	(\$122,778)	(\$155,809)	(\$218,547)	(\$258,045)	(\$299,383)	(\$342,632)
Difference in business personal property tax**			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,746	\$14,021	\$14,302	\$14,588
Differences in sales tax, exc. construction materials***			\$0	\$0	\$9,551	\$19,484	\$33,122	\$33,785	\$185,228	\$188,930	\$192,709	\$196,563	\$200,494
Difference in sales tax on construction materials****			\$27,810	\$107,726	\$135,225	\$213,304	\$375,083	\$291,847	\$294,044	\$99,188	\$152,189	(\$30,238)	\$0
Subtotal: difference in sales tax			\$27,810	\$107,726	\$144,776	\$232,787	\$408,206	\$325,632	\$479,270	\$288,118	\$344,897	\$166,325	\$200,494
Total difference			\$27,810	\$107,726	\$115,429	\$173,212	\$317,496	\$202,854	\$323,461	\$83,317	\$100,874	(\$118,757)	(\$127,550)
MISD													
Difference in real property taxes retained*			\$0	\$0	(\$65,974)	(\$134,264)	(\$204,940)	(\$278,074)	(\$353,739)	(\$507,572)	(\$600,253)	(\$697,779)	(\$800,329)
Difference in business personal property tax**			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,169	\$38,893	\$37,630	\$38,383
Total difference			\$0	\$0	(\$65,974)	(\$134,264)	(\$204,940)	(\$278,074)	(\$353,739)	(\$471,403)	(\$563,360)	(\$660,148)	(\$761,946)

*Difference in revenues from separate schedules

**Difference in cumulative floor areas from separate schedule, times estimated BPP appraisal per SF, times annual adjustment, times tax rate, times collection rate

***Difference in cumulative retail floor areas from separate schedule, times estimated sales per SF, plus golf course sales, times annual adjustment, times tax rate, times collection rate. Assumes retail space is complete and occupied three months before property appears on appraisal roll. Sales tax receipts lag sales by three months, while property tax receipts lag appraisals by about a year.

****Difference in value added by construction during the year (from separate schedule), times percentage on which Mesquite collects sales tax, times sales tax rate.

Schedule B:
Differences in General Fund Revenues With TIF,
Relative to Revenues Without TIF

	Year: Calendar year:	13 2011	14 2012	15 2013	16 2014	17 2015	18 2016	19 2017	20 2018	21 2019	Cumulative, 20 Years of Property Tax Collections	NPV in 1999, Discounted at 5.50%
City												
Difference in real property taxes retained*		(\$387,860)	\$2,331,068	\$2,377,689	\$2,425,243	\$2,473,748	\$2,523,223	\$2,573,687	\$2,625,161	\$2,677,684	\$18,042,798	\$7,076,781
Difference in business personal property tax**		\$14,879	\$15,177	\$15,480	\$15,790	\$16,106	\$16,428	\$16,756	\$17,092	\$17,433	\$201,788	\$95,862
Differences in sales tax, exc. construction materials***		\$204,504	\$208,594	\$212,766	\$217,021	\$221,362	\$225,789	\$230,305	\$234,911	\$239,609	\$3,054,724	\$1,518,584
Difference in sales tax on construction materials****		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,666,179	\$1,252,201
Subtotal: difference in sales tax		\$204,504	\$208,594	\$212,766	\$217,021	\$221,362	\$225,789	\$230,305	\$234,911	\$239,609	\$4,720,902	\$2,770,784
Total difference		(\$168,477)	\$2,554,839	\$2,605,936	\$2,658,054	\$2,711,215	\$2,765,440	\$2,820,749	\$2,877,164	\$2,934,707	\$22,965,499	\$9,943,427
MISD												
Difference in real property taxes retained*		(\$908,090)	\$5,833,740	\$5,956,411	\$6,081,536	\$6,209,162	\$6,339,342	\$6,472,125	\$6,607,563	\$6,745,711	\$45,694,578	\$18,007,020
Difference in business personal property tax**		\$39,151	\$39,934	\$40,732	\$41,547	\$42,378	\$43,225	\$44,090	\$44,972	\$45,871	\$530,975	\$252,234
Total difference		(\$868,939)	\$5,873,674	\$5,997,144	\$6,123,083	\$6,251,540	\$6,382,567	\$6,516,215	\$6,652,535	\$6,791,582	\$46,225,552	\$18,259,253

EXHIBIT "2"

**Notice of the Intention of the City of Mesquite, Texas to Establish a
Reinvestment Zone for Tax Increment Financing
Pursuant to the Tax Increment Financing Act,
Texas Tax Code Ann. Ch. 311 for the Falcon's Lair area
(an area roughly bound by Lawson Road, Clay-Mathis Road extended,
the East Fork of the Trinity River and IH 20.)
City of Mesquite, Texas**

September 9, 1998

Board of Trustees
Mesquite Independent School District
c/o Dr. Cary Tanamachi, President
405 E. Davis
Mesquite, Texas 75149

Board of Trustees
Dallas County Community College District
c/o Pattie Powell, Chairman
701 Elm Street
Dallas, Texas 75202

Dallas County Commissioners
c/o Lee Jackson, County Judge
411 Elm Street
Dallas, Texas 75202

Board of Managers
Dallas County Hospital District
c/o Jim Campbell, Chairman
5201 Harry Hines Blvd.
Dallas, Texas 75235

Dear Honorable Members:

In accordance with the attached certified copy of a resolution approved by the City Council September 8, 1998 ("Resolution"), please be advised that the City of Mesquite intends to establish a reinvestment zone for the Falcon's Lair area (an area roughly bound by Lawson Road, Clay-Mathis Road extended, the East Fork of the Trinity River and IH 20) in the City of Mesquite pursuant to the Tax Increment Financing Act ("Act") for the purpose of encouraging redevelopment. A description of the boundaries for the proposed reinvestment zone, a description of the tentative plans for the development of the proposed reinvestment zone, and an estimate of the general impact of the proposed reinvestment zone on property values and tax revenues are attached to the Resolution as Exhibit 1.

A public hearing to receive public comment on the creation of the proposed reinvestment zone and its benefits to the City and to the property in the proposed reinvestment zone is scheduled to be held on November 16, 1998 at 3:00 p.m. at 711 N. Galloway Mesquite, Texas. The City of Mesquite requests that you designate a representative, no later than the fifteenth day after the date of this notice, as required by the Act, to meet with the City Council or the City Council's designated representative, to discuss the project plan and the reinvestment zone financing plan.

For more information on this matter, please contact the City of Mesquite, Economic Development Office, P.O. Box 850137, Mesquite, Texas 75185-0137, 1515 North Galloway Mesquite, Texas 75149, (972) 216-6342, FAX (972) 216-8100.

Ellen Williams
City Secretary