



Project Plan and Reinvestment Zone Financing Plan

Tax Increment Reinvestment Zone No. Five (Ridge Ranch)

June 2018

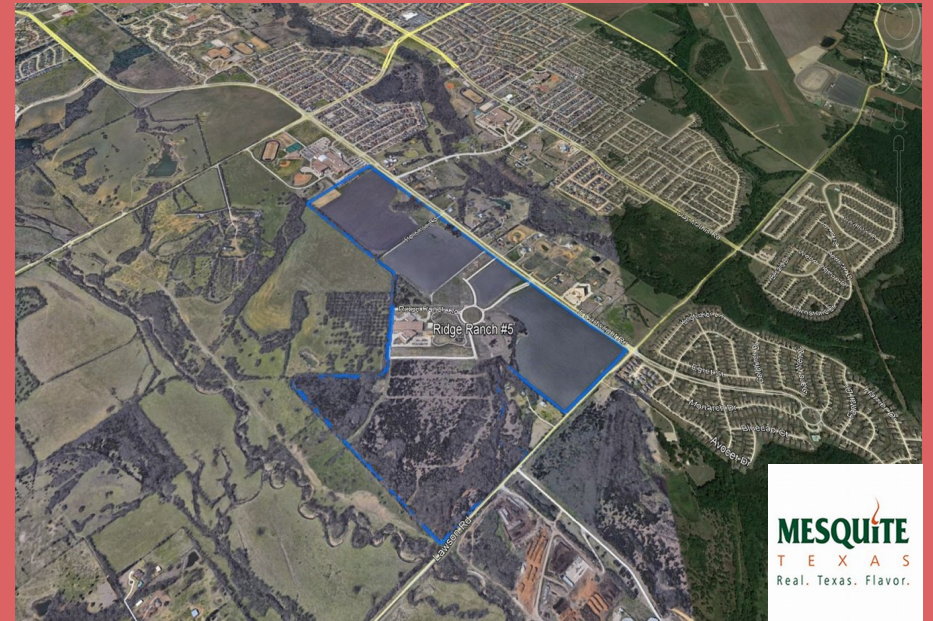


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Introduction

Tax Increment Financing Program

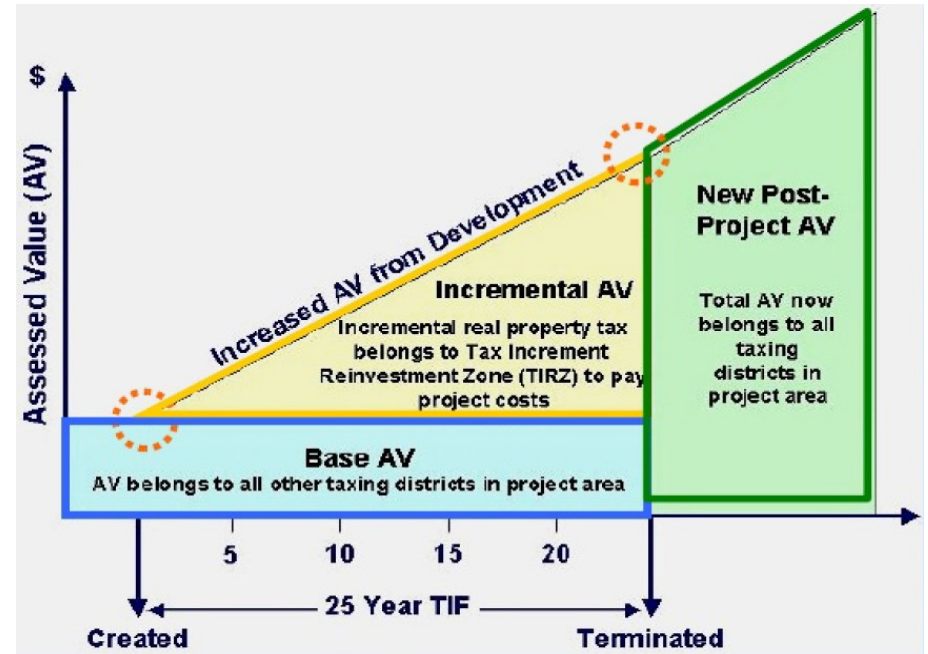
Chapter 311 of the Texas Tax Code (the TIRZ Act) authorizes the governing body of a municipality to promote redevelopment of a contiguous or noncontiguous geographic area by designating it a Tax Increment Reinvestment Zone (TIRZ). The future value of private investment within a TIRZ is leveraged to finance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

Key Points:

- Chapter 311 of the Texas Code controls all procedures for the creation of a TIRZ
- Base value is assessed value in year TIRZ is designated (as of January 1)
- Development over time increases assessed value

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.

Ridge Ranch TIRZ No. Five Actions Taken to Date

The City of Mesquite formally created the Ridge Ranch Tax Increment Reinvestment Zone through the passage of City Ordinance No. 4019 on December 15, 2008, with a term of 20 years expiring on December 31, 2028, if not sooner terminated.

The overall TIRZ contains multiple contiguous properties and will include 75 percent of the tax increments of the City—no other taxing jurisdictions are expected to participate. Required public notices were delivered and a public hearing was held in compliance with Section 311.003(c)(d) of the Tax Increment Financing Act.

The 750-lot, single-family, Planned Development known as Ridge Ranch, was approved by the City Council on September 4, 2007, and a Site Plan was later approved on January 7, 2008. The concept of this development is all residential, and incentives were granted to the owner, Ridge Ranch Development Corporation, in 2011 through a Chapter 380 Economic Development Agreement to attract higher value housing than what Mesquite was experiencing at that time. Under terms of the 380 Agreement, the owner will receive tax rebates of taxes actually paid on each home up to a maximum incentive of \$9,416,000. The percentage of tax rebate is based on valuation categories of homes to be constructed.

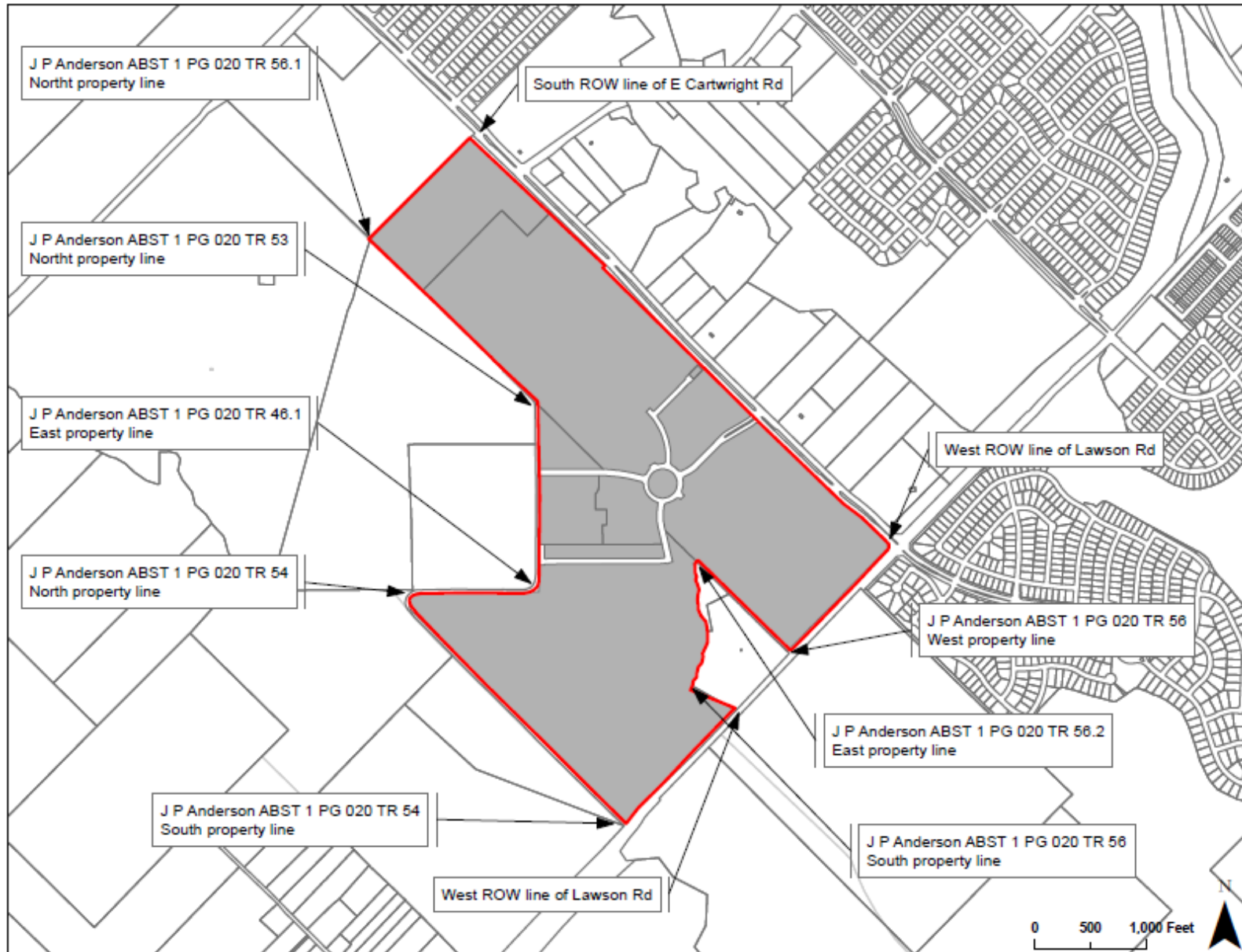
The base year tax value, 2015, (fiscal year 2015-2016), is \$250,450,686. The projected growth in taxable value per year is shown on Pages 12 through 14. The estimated taxable value at the end of the 30-year term is \$418,591,671. The projections show the estimated value of the captured appraised value of real property by tax year.

A draft Final Project and Financing Plan was scheduled for Board review on April 17, 2017, but that meeting was not held due to a lack of quorum.

Ridge Ranch TIRZ No. Five Boundary



Ridge Ranch TIRZ No. Five Boundary Description



Ridge Ranch TIRZ No. Five Boundary Description

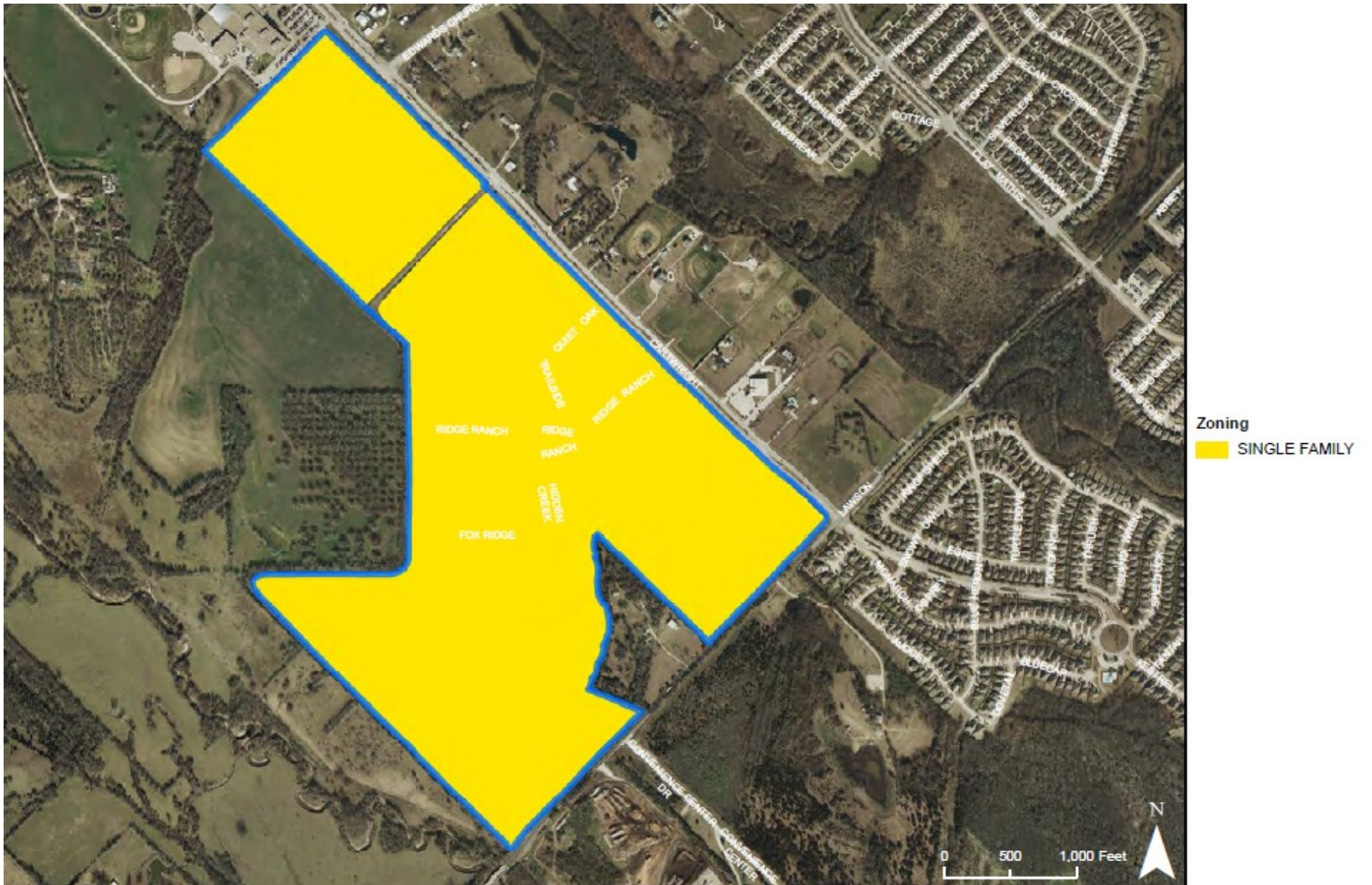
Beginning

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Ridge Ranch TIRZ No. Five Land Use



Ridge Ranch TIRZ No. Five Zoning



Town East & Skyline TIRZ No. 9

Zoning Characteristics

Current and Proposed Zoning—Mixed Use

On July 7, 2008, the City approved a change of zoning from General Retail, Light Commercial and Office to Planned Development – Mixed Use in accordance with the Concept Plan and certain stipulations related to Permitted Uses, being Residential, Conference Facilities and other permitted uses; signage; landscaping; pedestrian facilities; parking; and setback requirements.

The property must be developed in conformance with the requirements of current and/or future drainage improvement ordinances of the City, including Ordinance No. 3042 codified in Chapter 11 of the Mesquite City Code.

The Verde Center site is currently zoned “planned development” for a development that was proposed in 2007. The Concept Plan for the development has evolved and some adjustments may be required.

No zoning changes, variances or other changes of zoning ordinances, the master plan of the City, building codes, other municipal codes, or subdivision rules and regulations of the county are anticipated.

Proposed Uses

Public improvements scheduled for the Verde Center include the planning, design and construction of new public streets and roadways, cost participation with TxDOT in the design and development of a new frontage road along IH-635, as well as the signalization of existing and future intersections, installation of street lights, landscaping, and pedestrian walkways, and the extension and installation of water, wastewater and other utilities.

The property also requires extensive grading, site preparation and drainage improvements to facilitate development of the Project, as well as a series of parks, plazas, and other public gathering spaces. In addition, the Project will require both structured and surface parking, bridges, water towers, fountains, walking trails and other significant amenities, including the costs associated with designing, administering, and financing those public improvements.

Town East & Skyline TIRZ No. 9

Economic Feasibility

Market Analysis

Schrader & Cline, LLC was engaged to review and analyze

As residential areas in Mesquite have developed, they have been almost totally focused on smaller homes which could be classified as "starter" homes. In fact, even today, the average residential unit in Mesquite has a value of slightly over \$100,000. This existing housing stock is adequate and needed for families requiring a starter home, but once this family is ready to move up to a larger and more comfortable home, there is very little available in the City.

The 1,653-acre Lucas Farms, located in the southeastern part of the City, is now ready to evolve from its agricultural use to a higher and better urban use. As a result, the area has recently been master-planned to create residential development with housing now unavailable in Mesquite and needed for a well-planned City which would have a range and choice of housing for a population of all ages, family circumstances, and economic status and meeting the City's

"move-up" ownership needs. A 284-acre (231 net acres) portion of the 1,653-acre Lucas Farms, to be known as Ridge Ranch, is now ready for development of the higher value homes that the City of Mesquite needs. The difficulty, however, is that the cost of lot development with the higher level of amenities needed to attract those wishing to live in homes of higher value, exceeds the potential sales value of the lots. This gap between cost of lot development and potential lot sales value must be closed in order to accelerate development and achieve the construction of these higher valued homes. One method to close this gap and accelerate development is by use of a Tax Increment Financing (TIF) Reinvestment Zone through which a portion of the City ad valorem tax revenues created as a result of the development is used to pay for publicly owned infrastructure required by the development.

Based on the economic feasibility studies above, the Board found that the Plan was economically feasible and recommended the creation of the TIRZ.

Timing of Obligations

It is estimated that related costs or monetary obligations for the public improvement projects described in this Amended Project and Financing Plan will be incurred by developers in years 2018-19 through 2022-23.

No bonded indebtedness is anticipated to be incurred by the City of Mesquite or the Skyline TIRZ in connection with this Project.

Town East & Skyline TIRZ No. 9

Economic Feasibility

Market Analysis

Assessment policies typically set residential assessments at 100 percent of fair market value, which are generally comparable to sales value for new construction. Assessed values are established as of January 1 of the tax year. Thus, development in 2010 goes on the tax rolls for the Tax Year 2011. In this analysis, it is assumed that the City of Mesquite will be the only taxing jurisdiction participating in the TIP. The 2008 tax rate of \$0.64/\$100 valuation was used, but only 50% of that tax rate was used to determine TIF Fund income. TIF Fund income is based on a 20-year TIP life. The remaining 50% of the City tax rate will flow to the General Operations of the City, as well as 100% of the income from the 2008 value of the land in the TIF. The 2008 value is assumed to be \$5,778,950 which is \$25,000 per acre for 231.158 acres which nets out Cartwright Road right-of-way and two school sites to be used by Mesquite ISD.

The forecast of new residential value generated within the Ridge Ranch TIP during the next 20 years, as shown in Table 1, is a total of just over \$277 million. Income to the TIP Fund based on the above new development values is shown in Table 2. Table 2 also shows the tax income which flows to the City of Mesquite. The income from only 50% of the tax rate still exceeds the income from the average home value in the City of Mesquite. Both the TIP Fund and the City are projected to receive \$11,199,000 over the 20-year life of the TIF. It is interesting to note that other taxing jurisdictions which are not participating in the TIP will receive the following income, based on 2008 tax rates:

The public infrastructure projects used to close the gap between lot development cost and potential lot sales value and to stimulate the more rapid development and higher residential values are shown in Table 3. As shown previously, income to the TIF Fund of \$11,199,000 over a 20-year period will be sufficient to cover the infrastructure costs of \$9,566,000.

Finally, Table 4 compares the income to the City from each residential unit compared to the imputed cost to the City for each residential unit. The analysis indicates that the annual income to the City exceeds the annual cost by \$233.27 per residential unit or 37.75%.

Timing of Obligations

It is estimated that related costs or monetary obligations for the public improvement projects described in this Amended Project and Financing Plan will be incurred by developers in years 2018-19 through 2022-23.

No bonded indebtedness is anticipated to be incurred by the City of Mesquite or the Skyline TIRZ in connection with this Project.

Tax Increment Captured Value Annual Revenue and Expenditure Projections 2017-2026

CITY OF MESQUITE, TEXAS											
Town East / Skyline TIF #9											
As of December 31, 2016											
		Base Year	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
		2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
TIF Base Value & Cumulative Growth (for calculations)		\$ 250,450,686	\$ 270,486,741	\$ 289,420,813	\$ 306,786,062	\$ 322,125,365	\$ 335,010,379	\$ 348,410,794	\$ 360,605,172	\$ 371,423,327	\$ 378,851,794
Projected % growth in taxable value			8.0%	7.0%	6.0%	5.0%	4.0%	4.0%	3.5%	3.0%	2.0%
Taxable Value Changes:											
Beginning TIF Value Increase		\$ -	\$ -	\$ 20,036,055	\$ 45,970,127	\$ 98,335,376	\$ 113,674,679	\$ 128,559,693	\$ 141,960,108	\$ 154,154,486	\$ 164,972,641
Appraised Value Annual Growth		-	20,036,055	18,934,072	17,365,249	15,339,303	12,885,015	13,400,415	12,194,378	10,818,155	7,428,467
Development:											
Project Entertainment		10,000,000			10,000,000						
Neighborhood Wal-Mart		5,000,000		5,000,000							
Quick Trip		2,000,000		2,000,000							
IDI		25,000,000			25,000,000						
3000 Skyline Drive		2,000,000					2,000,000				
Total Development		\$ 44,000,000	-	-	-	-	-	-	-	-	-
Ending TIF Value Increase		\$ -	\$ 20,036,055	\$ 45,970,127	\$ 98,335,376	\$ 113,674,679	\$ 128,559,693	\$ 141,960,108	\$ 154,154,486	\$ 164,972,641	\$ 172,401,108
City Tax Rate		0.6400	0.6870	0.6870	0.6870	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340
TIF Participation Percentage		75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Revenues:											
City of Mesquite		\$ -	\$ 103,236	\$ 236,861	\$ 506,673	\$ 625,779	\$ 707,721	\$ 781,490	\$ 848,620	\$ 908,174	\$ 949,068
Total Revenues		\$ -	\$ 103,236	\$ 236,861	\$ 506,673	\$ 625,779	\$ 707,721	\$ 781,490	\$ 848,620	\$ 908,174	\$ 949,068
Expenditures:											
City:											
Administrative Fee		\$ 1,450,000	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Project Entertainment		500,000	-	-	250,000	250,000	-	-	-	-	-
Skyline Dr Reconstruction		5,400,000	-	-	-	-	-	243,000	398,000	417,000	432,000
Heritage Trail Extension (Peachtree)		1,000,000	-	-	-	-	-	-	-	-	-
Screening Walls		1,900,000	-	-	-	-	250,000	250,000	250,000	250,000	250,000
ROWS Lights/Signals		500,000	-	-	-	-	-	-	-	-	-
Industrial Area Street Reconstruction		16,159,776	-	53,000	187,000	156,000	361,000	420,000	235,000	135,000	215,000
Total Expenditures		\$ 26,909,776	\$ -	\$ 103,000	\$ 237,000	\$ 456,000	\$ 661,000	\$ 720,000	\$ 778,000	\$ 833,000	\$ 927,000
Excess (Deficiency) Revenues over Expenditures		-	236	(139)	50,673	(35,221)	(12,279)	3,490	15,620	(18,826)	2,068
Beginning Fund Balance, Oct 1		-	-	236	97	50,770	15,549	3,270	6,760	22,381	3,555
Ending Fund Balance, Sep 30		\$ -	\$ 236	\$ 97	\$ 50,770	\$ 15,549	\$ 3,270	\$ 6,760	\$ 22,381	\$ 3,555	\$ 5,623

Tax Increment Captured Value Annual Revenue and Expenditure Projections 2027-2036

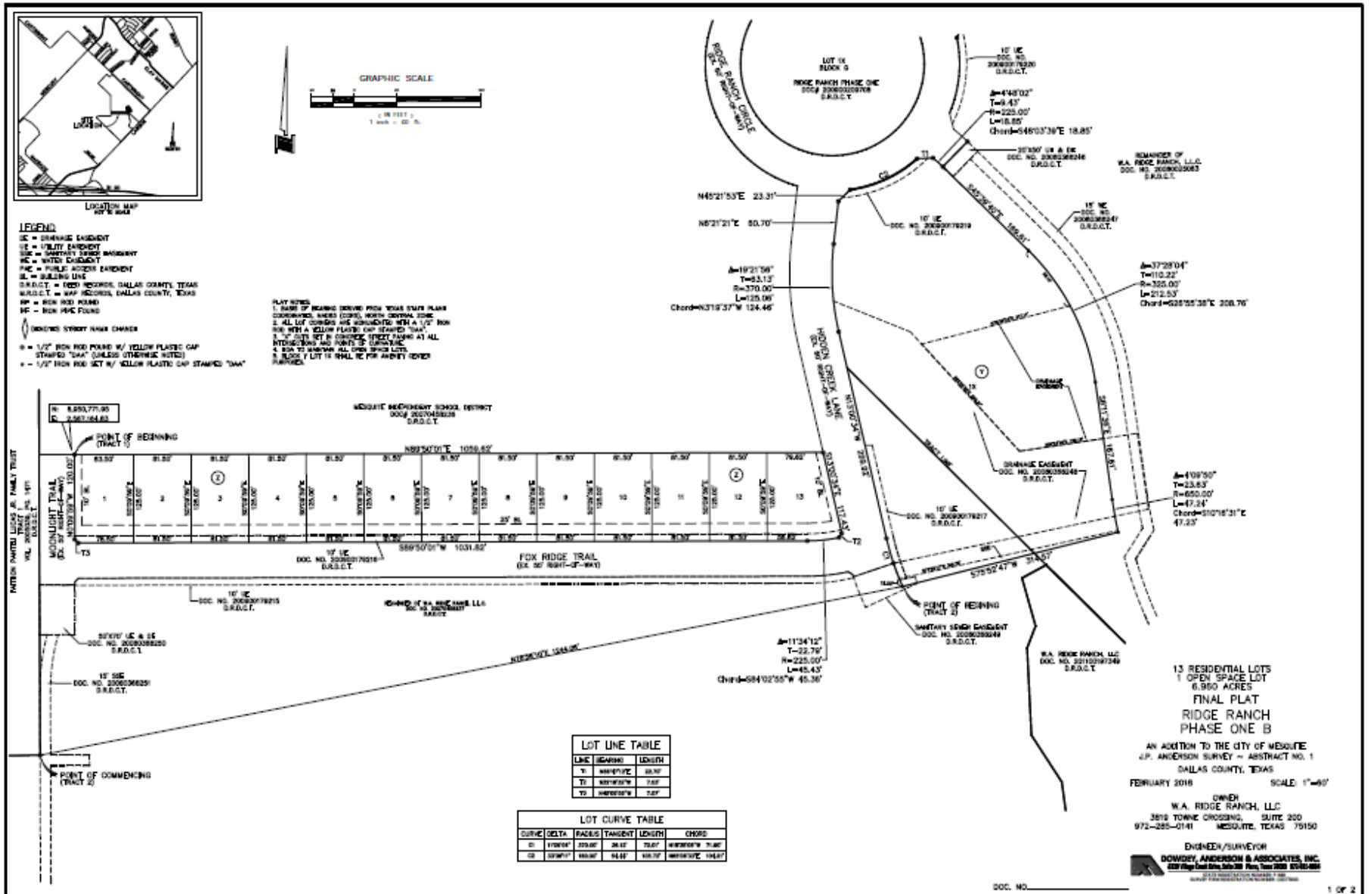
CITY OF MESQUITE, TEXAS											
Town East / Skyline TIF #9											
As of December 31, 2016											
		Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
		2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
TIF Base Value & Cumulative Growth (for calculations)		\$ 380,746,053	\$ 382,649,783	\$ 384,563,032	\$ 386,485,847	\$ 388,418,276	\$ 390,360,368	\$ 392,312,170	\$ 394,273,730	\$ 396,245,099	\$ 398,226,325
Projected % growth in taxable value		0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Taxable Value Changes:											
Beginning TIF Value Increase		\$ 172,401,108	\$ 174,295,367	\$ 176,199,097	\$ 178,112,346	\$ 180,035,161	\$ 181,967,590	\$ 183,909,682	\$ 185,861,484	\$ 187,823,044	\$ 189,794,413
Appraised Value Annual Growth		1,894,259	1,903,730	1,913,249	1,922,815	1,932,429	1,942,091	1,951,802	1,961,561	1,971,369	1,981,225
Development:											
Project Entertainment	10,000,000										
Neighborhood Wal-Mart	5,000,000										
Quick Trip	2,000,000										
IDI	25,000,000										
3000 Skyline Drive	2,000,000										
Total Development	\$ 44,000,000	-	-	-	-	-	-	-	-	-	-
Ending TIF Value Increase		\$ 174,295,367	\$ 176,199,097	\$ 178,112,346	\$ 180,035,161	\$ 181,967,590	\$ 183,909,682	\$ 185,861,484	\$ 187,823,044	\$ 189,794,413	\$ 191,775,639
City Tax Rate		0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340
TIF Participation Percentage		75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Revenues:											
City of Mesquite		\$ 959,496	\$ 969,976	\$ 980,508	\$ 991,094	\$ 1,001,732	\$ 1,012,423	\$ 1,023,167	\$ 1,033,966	\$ 1,044,818	\$ 1,055,725
Total Revenues		\$ 959,496	\$ 969,976	\$ 980,508	\$ 991,094	\$ 1,001,732	\$ 1,012,423	\$ 1,023,167	\$ 1,033,966	\$ 1,044,818	\$ 1,055,725
Expenditures:											
City:											
Administrative Fee	\$ 1,450,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Project Entertainment	500,000	-	-	-	-	-	-	-	-	-	-
Skyline Dr Reconstruction	5,400,000	435,000	439,000	442,000	446,000	450,000	453,000	456,000	461,000	328,000	-
Heritage Trail Extension (Peachtree)	1,000,000	-	-	-	-	-	-	-	-	136,000	468,000
Screening Walls	1,900,000	250,000	250,000	150,000	-	-	-	-	-	-	-
ROWS Lights/Signals	500,000	-	-	-	-	-	-	-	-	-	-
Industrial Area Street Reconstruction	16,159,776	225,000	230,000	340,000	495,000	502,000	509,000	518,000	522,000	531,000	538,000
Total Expenditures	\$ 26,909,776	\$ 960,000	\$ 969,000	\$ 982,000	\$ 991,000	\$ 1,002,000	\$ 1,012,000	\$ 1,024,000	\$ 1,033,000	\$ 1,045,000	\$ 1,056,000
Excess (Deficiency) Revenues over Expenditures		(504)	976	(1,492)	94	(268)	423	(833)	966	(182)	(275)
Beginning Fund Balance, Oct 1		5,623	5,119	6,095	4,604	4,697	4,429	4,852	4,019	4,985	4,803
Ending Fund Balance, Sep 30		\$ 5,119	\$ 6,095	\$ 4,604	\$ 4,697	\$ 4,429	\$ 4,852	\$ 4,019	\$ 4,985	\$ 4,803	\$ 4,528

Tax Increment Captured Value Annual Revenue and Expenditure Projections 2037-2046

CITY OF MESQUITE, TEXAS Town East / Skyline TIF #9 As of December 31, 2016											
	Proposed 2036-37	Proposed 2037-38	Proposed 2038-39	Proposed 2039-40	Proposed 2040-41	Proposed 2041-42	Proposed 2042-43	Proposed 2043-44	Proposed 2044-45	Proposed 2045-46	Total All Years
TIF Base Value & Cummulative Growth (for cal	\$ 400,217,456	\$ 402,218,544	\$ 404,229,636	\$ 406,250,784	\$ 408,282,038	\$ 410,323,449	\$ 412,375,066	\$ 414,436,941	\$ 416,509,126	\$ 418,591,671	
Projected % growth in taxable value	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
Taxable Value Changes:											
Beginning TIF Value Increase	\$ 191,775,639	\$ 193,766,770	\$ 195,767,858	\$ 197,778,950	\$ 199,800,098	\$ 201,831,352	\$ 203,872,763	\$ 205,924,380	\$ 207,986,255	\$ 210,058,440	
Appraised Value Annual Growth	1,991,132	2,001,087	2,011,093	2,021,148	2,031,254	2,041,410	2,051,617	2,061,875	2,072,185	2,082,546	
Development:											
Project Entertainment											
Neighborhood Wal-Mart											
Quick Trip											
IDI											
3000 Skyline Drive											
Total Development	-	-	-	-	-	-	-	-	-	-	
Ending TIF Value Increase	\$ 193,766,770	\$ 195,767,858	\$ 197,778,950	\$ 199,800,098	\$ 201,831,352	\$ 203,872,763	\$ 205,924,380	\$ 207,986,255	\$ 210,058,440	\$ 212,140,985	
City Tax Rate	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	
TIF Participation Percentage	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	
Revenues:											
City of Mesquite	\$ 1,066,686	\$ 1,077,702	\$ 1,088,773	\$ 1,099,900	\$ 1,111,082	\$ 1,122,320	\$ 1,133,614	\$ 1,144,964	\$ 1,156,372	\$ 1,167,836	\$ 26,909,776
Total Revenues	\$ 1,066,686	\$ 1,077,702	\$ 1,088,773	\$ 1,099,900	\$ 1,111,082	\$ 1,122,320	\$ 1,133,614	\$ 1,144,964	\$ 1,156,372	\$ 1,167,836	\$ 26,909,776
Expenditures:											
City:											
Administrative Fee	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 1,450,000
Project Entertainment	-	-	-	-	-	-	-	-	-	-	500,000
Skyline Dr Reconstruction	-	-	-	-	-	-	-	-	-	-	5,400,000
Heritage Trail Extension (Peachtree)	396,000	-	-	-	-	-	-	-	-	-	1,000,000
Screening Walls	-	-	-	-	-	-	-	-	-	-	1,900,000
ROWS Lights/Signals	-	-	200,000	200,000	100,000	-	-	-	-	-	500,000
Industrial Area Street Reconstruction	620,000	1,025,000	840,000	850,000	960,000	1,072,000	1,084,000	1,095,000	1,106,000	1,125,776	16,159,776
Total Expenditures	\$ 1,066,000	\$ 1,075,000	\$ 1,090,000	\$ 1,100,000	\$ 1,110,000	\$ 1,122,000	\$ 1,134,000	\$ 1,145,000	\$ 1,156,000	\$ 1,175,776	\$ 26,909,776
Excess (Deficiency) Revenues over Expenditures	686	2,702	(1,227)	(100)	1,082	320	(386)	(36)	372	(7,940)	0
Beginning Fund Balance, Oct 1	4,528	5,214	7,916	6,690	6,589	7,671	7,990	7,604	7,568	7,940	-
Ending Fund Balance, Sep 30	\$ 5,214	\$ 7,916	\$ 6,690	\$ 6,589	\$ 7,671	\$ 7,990	\$ 7,604	\$ 7,568	\$ 7,940	\$ 0	\$ 0

Town East & Skyline TIRZ No. 9

Project Plan and Costs



Town East & Skyline TIRZ No. 9

Project Plan and Costs

Only developers of projects identified in this Amended Project Plan will construct public improvements subject to the terms of the MDA, not the City. The following is a list of the kind of proposed public improvements and the general locations as shown in the illustrations:

- Bridge Construction
- TxDOT Engineering Cost Participation
- Parallel Access Road, bridge connection
- Water, wastewater, storm drainage
- Mass grading
- Public Amenity Area/Conversion Flood Plain
- Site Improvements, enhanced street lighting
- Enhanced Landscaping, public trails

All proposed public improvements within the development will be constructed to the City's standards and may be dedicated to the City of Mesquite with the City's concurrence.

Notwithstanding anything contained in this Project Plan and Reinvestment Zone Financing Plan to the contrary, all reimbursements of Project Costs shall be subject to approval by the City Council and shall be subject to and conditioned upon: (i) the execution of the MDA; (ii) the City and developer(s) of project(s) in the Amended Project Plan executing written development agreement(s) which have been approved by the City Council setting forth the terms and conditions of any reimbursement agreement between the City and such developer(s); and (iii) such developer(s) complying with the terms and conditions of such development agreement(s).

Town East & Skyline TIRZ No. 9

Project Plan and Costs

Estimated Non-Project Costs

Non-Project costs include the unreimbursed costs for public improvements, project administration, marketing, public relations, and any additional public works projects that may be required for the successful implementation of the Project Plan. In its current configuration, the Verde Center Project is estimated to cost approximately \$203,172,800. Included within the estimated Project Costs are \$13,550,000 of public infrastructure costs that are detailed in the Project Plan. The maximum amount to be reimbursed for Project Costs under the Skyline TIRZ is \$15,000,000 million, and those costs will be reimbursed over time. No reimbursement is anticipated or provided for in the Project Plan for the unreimbursed portion of those costs which are referred to as Non-Project costs.

Non-project costs within the TIF are those development costs not paid for by the TIF. These costs will include, but are not limited to, \$ 211 million, which is comprised of new private residential development.

Displaced Persons Statement

No persons are expected to be displaced as a result of implementing the plan as there are no residences within the Skyline TIRZ boundary.

Ridge Ranch TIRZ No. Five Designation Ordinance No. 4019

ORDINANCE NO. 4019

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, DESIGNATING A CERTAIN AREA FOR A TAX INCREMENT FINANCING DISTRICT TO BE KNOWN AS THE RIDGE RANCH TAX INCREMENT FINANCE REINVESTMENT ZONE NO. FIVE, CITY OF MESQUITE, TEXAS; ESTABLISHING THE BOUNDARIES THEREOF; ESTABLISHING A BOARD OF DIRECTORS FOR SUCH REINVESTMENT ZONE AND OTHER MATTERS RELATING THERETO; PROVIDING FOR A REPEALER CLAUSE; AND PROVIDING FOR A SEVERABILITY CLAUSE.

WHEREAS, the City Council of the City of Mesquite, Texas (the "City"), desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone in compliance with Section 311.005(a)(2) of the Tax Increment Financing Act, Chapter 311 of the Texas Property Tax Code, Vernon's Texas Codes Annotated (the "Act"); and

WHEREAS, in compliance with the Act, the City called a public hearing to hear comments on the creation of the proposed reinvestment zone and its benefits to the City and the property in the proposed reinvestment zone; and

WHEREAS, a public hearing was set for 3:00 p.m. on December 15, 2008, such date being at least seven days after the date of publication of the notice of such public hearing; and

WHEREAS, the City held such public hearing after publishing notice of such public hearing, and giving written notice of such hearing 60 days prior thereto to all taxing units overlapping the territory inside the proposed reinvestment zone; and

WHEREAS, the City at such hearing invited any interested person, or his attorney, to appear and contend for or against the creation of the reinvestment zone, the boundaries of the proposed reinvestment zone, whether all or part of the territory described in the ordinance calling such hearing should be included in such proposed reinvestment zone, the concept of tax increment financing and the appointment of a board of directors for the proposed reinvestment zone; and

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone, and opponents of the reinvestment zone appeared to contest creation of the reinvestment zone.

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

Eco Dev/Creation of Ridge Ranch TIF Reinvestment Zone No. Five/December 15, 2008
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SECTION 1. That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct.

SECTION 2. That the City Council, after conducting such hearings and having heard such evidence and testimony, has made the following findings and determinations based on the testimony presented to it:

- (a) That a public hearing on the adoption of the reinvestment zone has been properly called, held and conducted, and that notices of such hearings have been published as required by law and mailed to all taxing units overlapping the territory inside the proposed reinvestment zone; and
- (b) That the boundaries of the reinvestment zone should be the area as described in the description attached hereto as Exhibit "A;" and
- (c) That improvements in the reinvestment zone created herein for tax increment financing as described in Exhibit "A" will significantly enhance the value of all taxable real property in the reinvestment zone and will be of general benefit to the City; and
- (d) That the reinvestment zone as defined in Exhibit "A" meets the criteria for the creation of a reinvestment zone as set forth in Section 311.005 of the Act in that:
 - (1) It is a contiguous geographic area located wholly within the corporate limits of the City; and
 - (2) The area is predominately open and because of obsolete platting or deterioration of structures or site improvements, substantially impairs or arrests the growth of the City.
- (e) That 10 percent or less of the property in the proposed reinvestment zone, excluding property dedicated to public use, is currently used for residential purposes, which is defined in the Act as any property occupied by a house which has less than five living units; and
- (f) That the total appraised value of all taxable real property in the proposed reinvestment zone according to the most recent appraisal rolls of the City, 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 15 percent of the total appraised value of taxable real property in the City and in the industrial districts created by the City, if any; and
- (g) That the proposed reinvestment zone does not contain more than 15 percent of the total appraised value of real property taxable by Dallas County or Mesquite Independent School District; and

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- (h) That the improvements in the reinvestment zone will significantly enhance the value of all taxable real property in the reinvestment zone; and
- (i) That the level of development or redevelopment of the property in the proposed reinvestment zone will not occur solely through private investment in the reasonably foreseeable future.

SECTION 3. That pursuant to the Act, the City hereby creates a reinvestment zone for tax increment financing encompassing only the area described by the description in Exhibit "A" attached hereto and such reinvestment zone is hereby designated and shall hereafter be designated as the Ridge Ranch Tax Increment Finance Reinvestment Zone No. Five, City of Mesquite, Texas (the "Zone").

SECTION 4. That the Zone shall take effect on January 1, 2009, and that the termination of the Zone shall occur on December 31, 2028, or at an earlier time designated by subsequent ordinance of the City Council in the event the City determines that the Zone should be terminated due to insufficient private investment, accelerated private investment or other good cause, or at such time as all project costs and tax increment bonds, if any, and the interest thereon, have been paid in full.

SECTION 5. That there is hereby established a board of directors ("Board") for the Zone which shall consist of seven members. The Board for the Zone shall be appointed by the City Council as follows:

- (a) The initial Board shall be appointed by resolution of the governing body of the City within 60 days of the passage of this ordinance or within a reasonable time thereafter. All members appointed to the Board shall meet eligibility requirements as set forth in the Act.
- (b) The terms of the Board members shall be for two-year terms. The City Council shall annually designate a member of the Board to serve as Chairman of the Board for a one-year term, and the Board shall elect from its members, a Vice Chairman and other officers as it sees fit.
- (c) The Board shall make recommendations to the City Council concerning the administration of the Zone. It shall prepare and adopt a project plan and reinvestment zone financing plan for the Zone and must submit such plans to the City Council for its approval. The Board shall possess all powers necessary to prepare, implement and monitor such project plan for the Zone as the City Council considers advisable, including the submission of an annual report on the status of the Zone.

SECTION 6. That there is hereby created and established a Tax Increment Fund for the Zone which may be divided into such subaccounts as may be authorized by subsequent resolution or ordinance, into which all Tax Increments, 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

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and any subaccounts are to be maintained in an account at the depository bank of the City and shall be secured in the manner prescribed by law. In addition, all revenues from the sale of any tax increment bonds and notes hereafter issued by the City, revenues from the sale of any property acquired as part of the tax increment financing plan and other revenues to be dedicated to and used in the Zone shall be deposited into such fund or subaccount from which money will be disbursed to pay project costs for the Zone or to satisfy the claims of holders of tax increment bonds or notes issued for the Zone.

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

SECTION 8. That should any word, sentence, clause, paragraph or provision of this ordinance be held to be invalid or unconstitutional, the validity of the remaining provisions of this ordinance shall not be affected and shall remain in full force and effect.

SECTION 9. This ordinance shall take effect immediately from and after its passage and publication of said ordinance as the law in such cases provides.


DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 15th day of December, 2008.


John Monaco
Mayor

ATTEST:


Judy Wornack
City Secretary

APPROVED:


B. J. Smith
City Attorney

