



Amended Project and Financing Plan

Towne Centre Tax Increment Reinvestment Zone No. Two

June 2018



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City of Mesquite

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Introduction

Tax Increment Financing Program

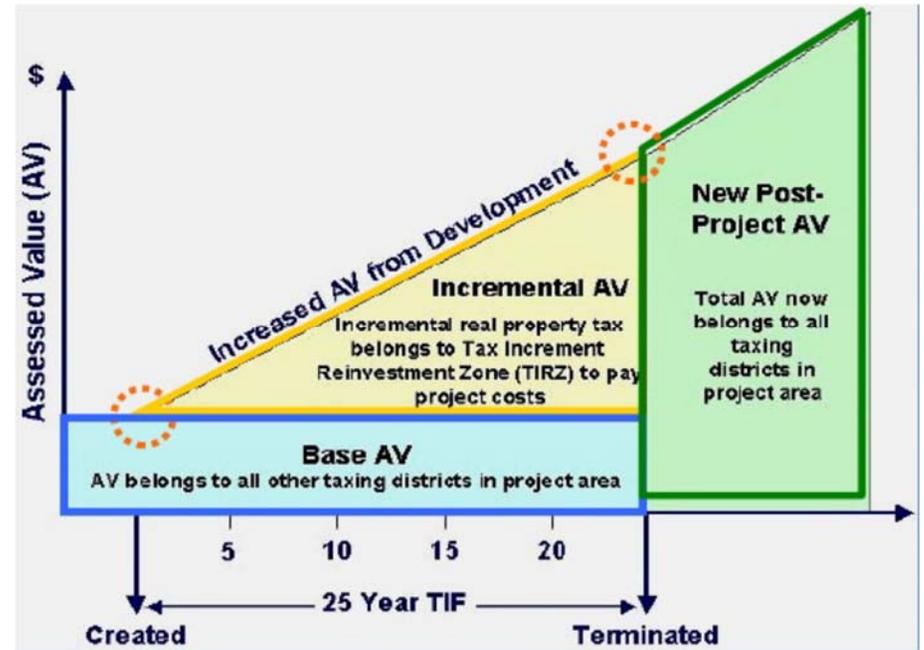
Chapter 311 of the Texas Tax Code (the TIF Act) authorizes the governing body of a municipality to promote redevelopment of a contiguous or noncontiguous geographic area by designating it a Tax Increment Reinvestment Zone (TIRZ). The future value of private investment within a TIRZ is leveraged to finance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

Towne Centre TIRZ No. Two History and Progress 1999-Present

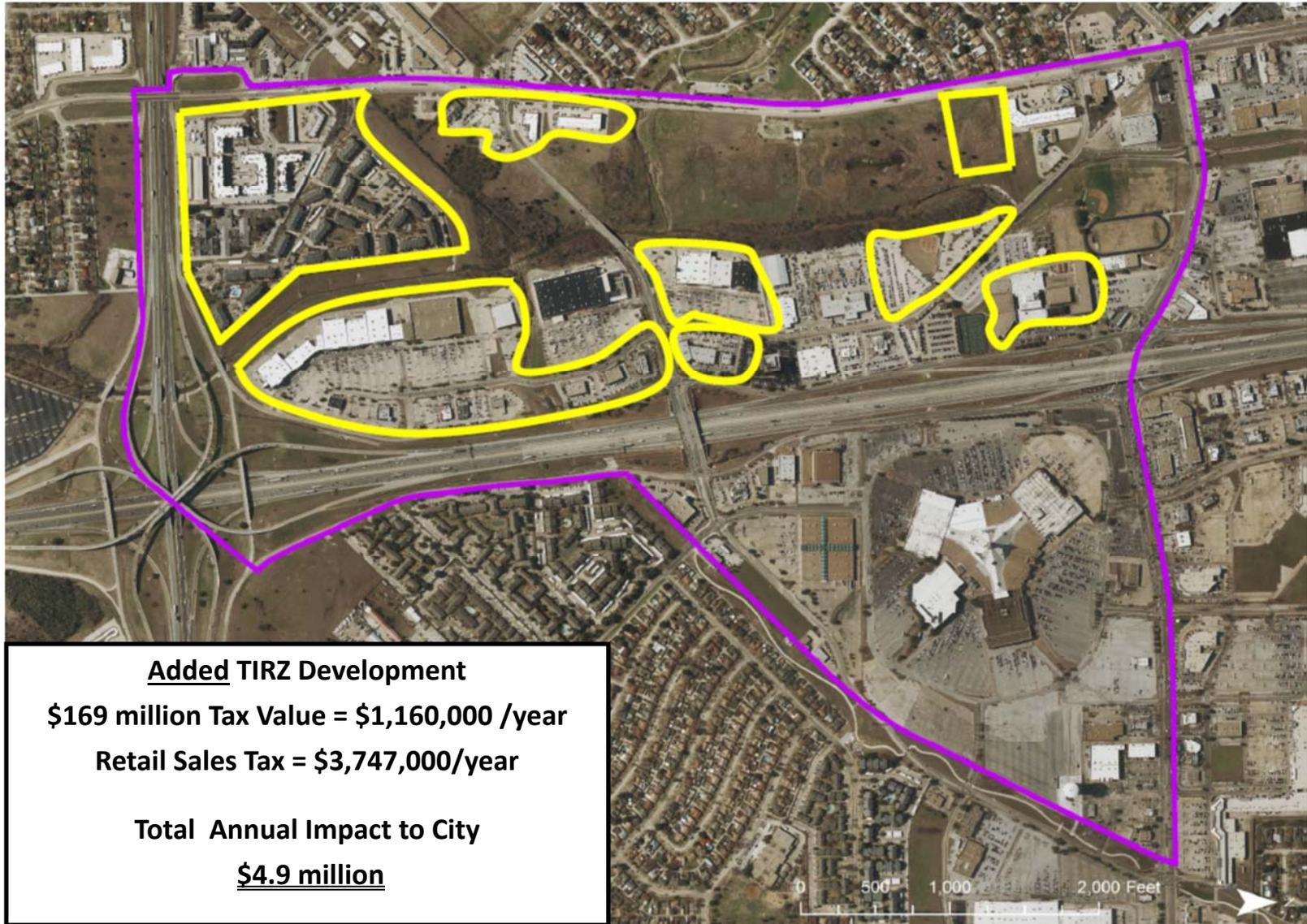
Return on Investment

- On September 21, 1998, the City of Mesquite established Tax Increment Reinvestment Zone (TIRZ) Number Two as an important step to maintain the long-term viability of the Town East Mall retail area and to accelerate the pace of new retail development along the IH 635 corridor. TIRZ participation includes 100% of new incremental ad valorem by both the City and Mesquite Independent School District.
- The TIRZ Board of Directors adopted a Final Project and Financing Plan on July 27, 1999, and the City Council approved the Plan by ordinance on August 16, 1999. To date, there have been seven amendments to the Plan with a total of \$33 million in public improvements and developer participation reinvested back into the Zone.
- Original estimates for the TIRZ assumed 90 percent of vacant land would be developed and 160,000 square feet of retail space would be added in the first 15 years.
- Thus far, 67 percent of the vacant land has been developed adding \$169 million to the City’s tax base, and 765,800 square feet of retail has been added, almost five times the amount of retail space originally anticipated.
- The objective of the TIRZ was, and still is, to accelerate the pace of taxable development in the Zone with a greater portion of the Zone used for retail or office development, as opposed to residential. Thus far, only 23 percent of the vacant land has been developed as residential.
- Total captured appraised value of the TIRZ has increased by \$179 million to \$368 million (an increase of 106%), which exceeds the original projection of \$340 million by 8.3 percent.

TIRZ Expenditures to Date

Developer Participation-Brazos Electric	\$471,332
South Mesquite Creek Sanitary Sewer Line	295,644
JDN Real Estate-Sewer Line	91,244
Town East Ford Drainage	421,521
Town East Water Line	3,000,000
IH 635 Improvements-4B Fund Advance	1,964,025
Town East Mall Lighting	1,946,302
Stream 2B7 Bank Stabilization	16,404
MISD-North Mesquite Project	5,900,000
MISD Water Line	427,557
MISD Operation of Project Facilities	2,705,616
Transportation Projects Various Locations	1,549,330
Town Centre Drive Concrete Repair	16,609
Town East Marquee Sign	700,000
TIRZ Administration	1,080,000
Town East Retail Area Holiday Security	5,715,128
IH 635 Improvements-SIB Loan Payment	6,017,979
Gus Thomasson Reconstruction-Engineering	153,683
Heritage Trail-Phase II	376,995
ROWS Street Lighting	151,423
ROWS Signal Improvements	<u>13,284</u>
 Total	 <u>\$33,014,076</u>

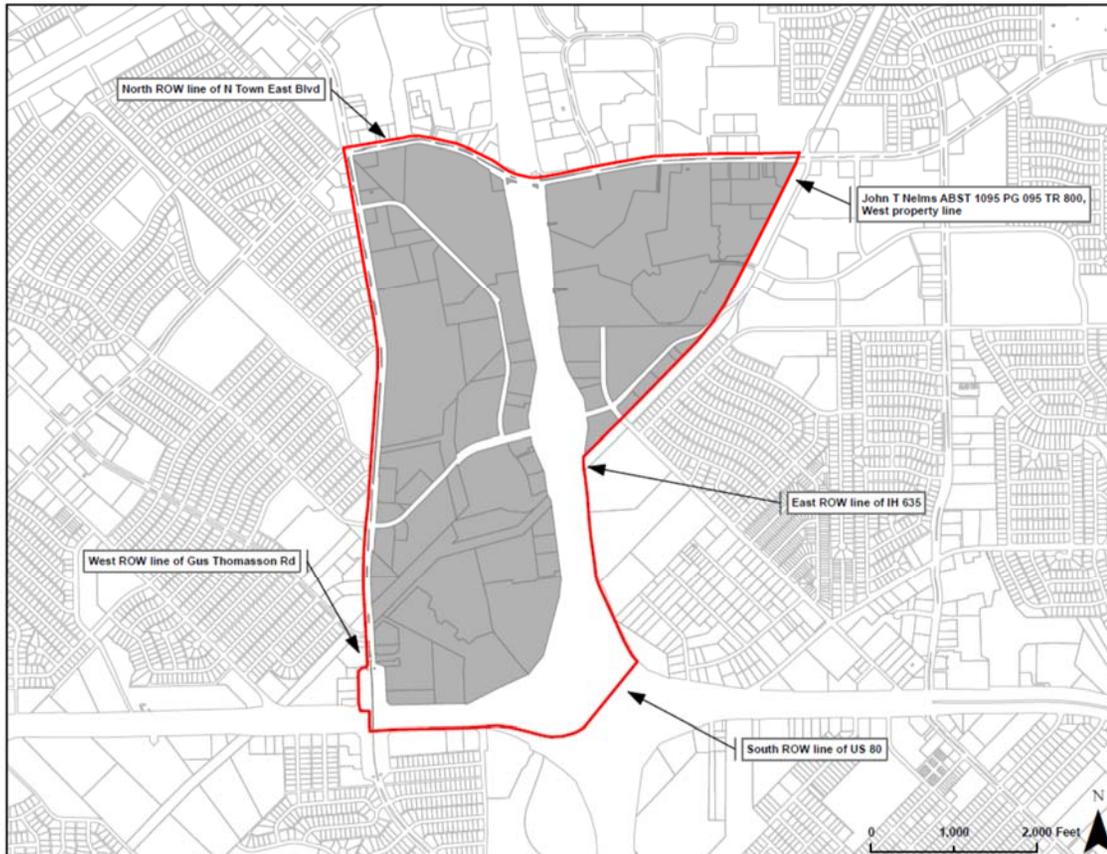
Towne Centre TIRZ No. Two History and Progress 1999-Present



Towne Centre TIRZ No. Two Boundary



Towne Centre TIRZ No. Two Boundary Description



Beginning at a point of the intersection of the west ROW line of Gus Thomasson Rd and the north ROW line of N Town East Blvd, thence

Easterly along the north ROW line of N Town East Blvd to a point where said line intersects with the west property line of John T Nelms ABST 1095 PG 095 TR 800, thence

Southwesterly along the west property line of John T Nelms ABST 1095 PG 095 TR 800 to a point where said line intersects with the east ROW line of IH 635, thence

Southerly along the east ROW line of IH 635 to a point where said line intersects with the south ROW line of US 80, thence

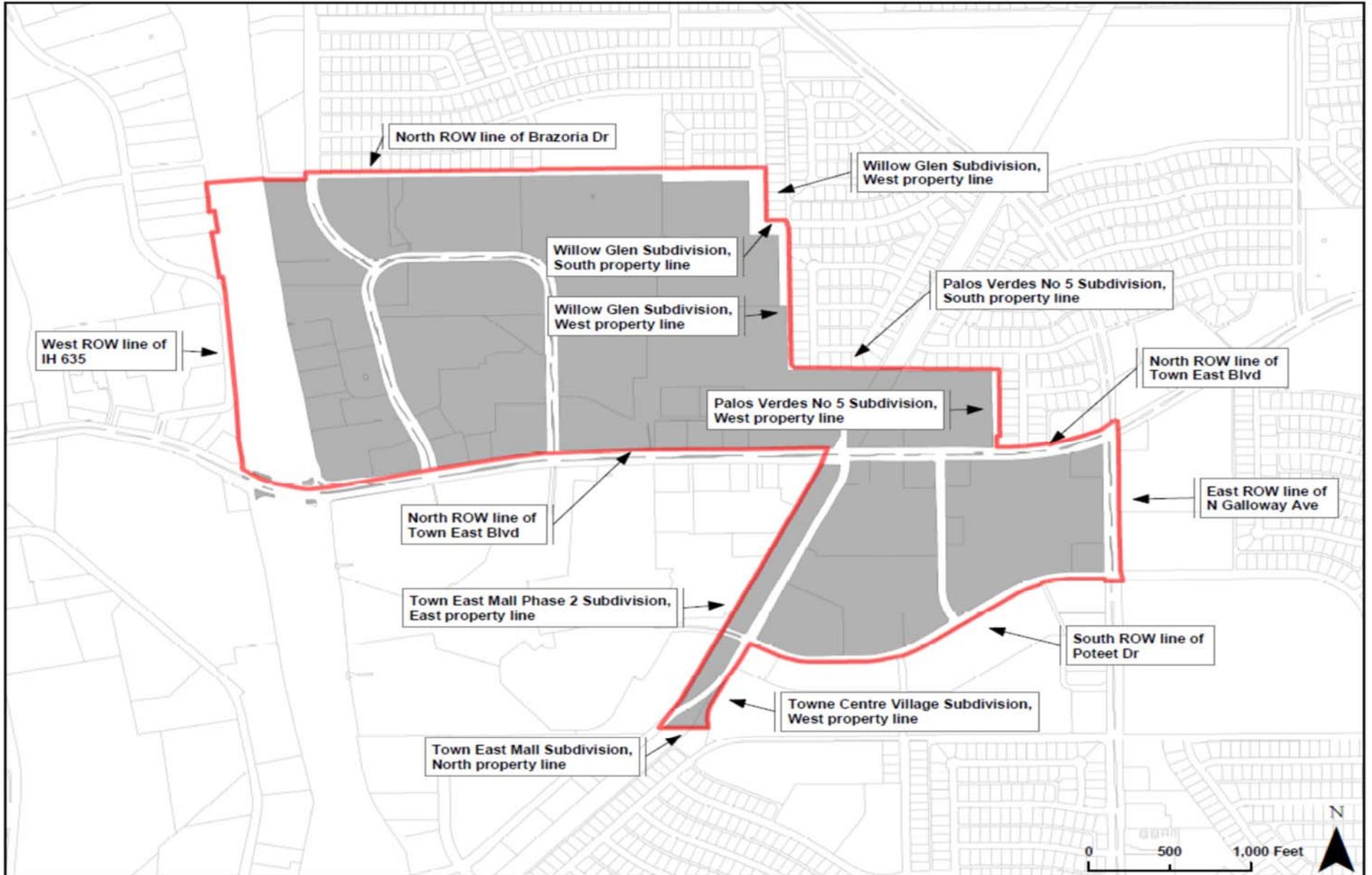
Westerly along the south ROW line of US 80 to a point where said line intersects with the west ROW line of Gus Thomasson Rd, thence

Northerly along the west ROW line of Gus Thomasson Rd to a point where said line intersects with the north ROW line of N Town East Blvd, which is the point of beginning.

Towne Centre TIRZ No. Two Market East Expansion Boundary



Towne Centre TIRZ No. Two Market East Boundary Description



Towne Centre TIRZ No. Two Market East Boundary Description

Beginning at a point of intersection of the west ROW line of IH 635 and the North ROW line of Brazoria DR, thence

Easterly along the North ROW line of Brazoria DR to a point where said line intersects with the projection of the west property line of Willow Glen Subdivision, thence

Southerly along west property line of Willow Glen Subdivision to the a point where said line intersects with the south property line of Willow Glen Subdivision, thence

Easterly along the south property line of Willow Glen Subdivision to a point where said line intersects with the west property line of Willow Glen Subdivision, thence

Southerly along the west property line of Willow Glen Subdivision to a point where said line intersects with the south property line of the Palos Verdes No 5 Subdivision, thence

Easterly along the south property line of Palos Verdes No 5 Subdivision to a point where said line intersects with the west property line of Palos Verdes No 5 Subdivision, thence

Southerly along the west property line of Palos Verdes No 5 Subdivision to a point where said line intersects with the north ROW line of Town East Blvd, thence

Easterly along the north ROW line of Town East Blvd to a point where said line intersects with the east ROW line of N Galloway Ave, thence

Southerly along the east ROW line of N Galloway Ave to a point where said line intersects with the south ROW line of Poteet DR, thence

Westerly along the south ROW line of Poteet DR to a point where said line intersects with the west property line of Towne Centre Village Subdivision, thence

Southerly along the west property line of Towne Centre Village Subdivision to a point where said line intersects with the north property line of Town East Mall Subdivision, thence

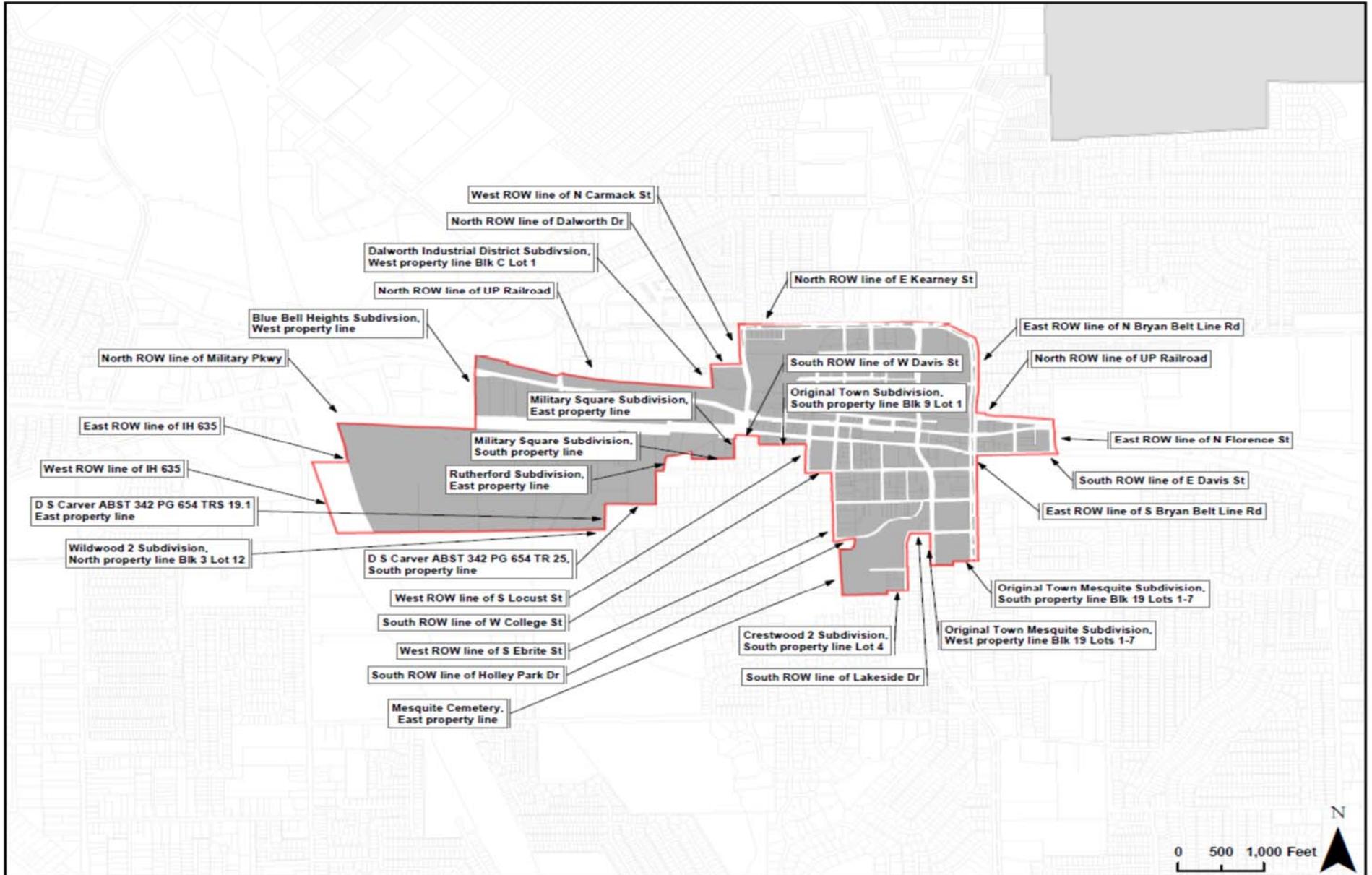
Westerly along the north property line of Town East Mall Subdivision to a point where said line intersects with the boundary of the original Towne Centre No. Two TIRZ and commonly the east property line of Town East Mall Phase 2 Subdivision, thence

Northerly along the common boundary of the original TIRZ to a point where said line intersects with the north ROW line of Town East Blvd, thence

Westerly along the north ROW line of Town East Blvd, also being the common boundary of the original TIRZ to a point where said line intersects with the west ROW line of IH 635, thence

Northerly along the west ROW line of IH 635 to a point where said line intersects with the north ROW line of Brazoria DR, which is the point of beginning.

Towne Centre TIRZ No. Two Downtown Area Boundary Description



Towne Centre TIRZ No. Two

Downtown Area Boundary Description

Beginning at a point of the intersection of the most eastern boundary of Rodeo City TIRZ No. One and the ROW line of Military Pkwy, thence

Easterly along the ROW line of Military Pkwy to a point where said line intersects with the west property line of Blue Bell Heights Subdivision, thence

Northerly along the west property line of Blue Bell Heights Subdivision to a point where said line intersects with the north ROW line of UP Railroad, thence

Easterly along the north ROW line of UP Railroad to a point where said line intersects with the west property line of Dalworth Industrial District Subdivision Blk C Lot 1, thence

Northerly along the west property line of Dalworth Industrial District Subdivision Blk C Lot 1 to a point where said line intersects with the north ROW line of Dalworth Dr, thence

Easterly along the north ROW line of Dalworth Dr to a point where said line intersects with the west ROW line of N Carmack St, thence

Northerly along the west ROW line of N Carmack St to a point where said line intersects with the north ROW line of E Kearney St, thence

Easterly along the north ROW line of E Kearney St to a point where said line intersects with the east ROW line of N Bryan Belt Line Rd, thence

Southerly along the east ROW line of N Bryan Belt Line Rd to a point where said line intersects with the north ROW line of UP Railroad, thence

Easterly along the north ROW line of UP Railroad to a point where said line intersects with the east ROW line of N Florence St, thence

Southerly along the east ROW line of Florence St to a point where said line intersects with the south ROW line of E Davis St, thence

Westerly along the south ROW line of E Davis St to a point where said line intersects with the east ROW line of S Bryan Belt Line Rd, thence

Southerly along the east ROW line of S Bryan Belt Line Rd to a point where said line intersects with the south property line of Original Town Subdivision Blk 19 Lots 1-7, thence

Westerly along the south property line of Original Town Subdivision Blk 19 Lots 1-7 to a point where said line intersects with the west property line of Original Town Subdivision Blk 19 Lots 1-7, thence

Northerly along the west property line of Original Town Subdivision Blk 19 Lots 1-7 to a point where said line intersects with the south ROW line of Lakeside Dr, thence

Westerly along the south ROW line of Lakeside Dr to a point where said line intersects with the south property line of Crestwood 2 Subdivision Lot 4, thence

Westerly along the south property line of Crestwood 2 Subdivision lot 4 to a point where said line intersects with the east property line of Mesquite Cemetery, thence

Northerly along the east property line of Mesquite Cemetery to a point where said line intersects with the south ROW line of Holley Park Dr, thence

Westerly along the south ROW line of Holley Park Dr to a point where said line intersects with the west ROW line of S Ebrite St, thence

Northerly along the west ROW line of S Ebrite St to a point where said line intersects with the south ROW line of W College St, thence

Westerly along the south ROW line of W College St to a point where said line intersects with the west ROW line of S Locust St, thence

Northerly along the west ROW line of S Locust St to a point where said line intersects with the south property line of Original Town Subdivision Blk 9 Lot 1, thence

Westerly along the south property line of Original Town Subdivision Blk 9 Lot 1 to a point where said line intersects with the south ROW line of W Davis St, thence

Westerly along the south ROW line of W Davis St to a point where said line intersects with the east property line of Military Square Subdivision, thence

Southerly along the east property line of Military Square Subdivision to a point where said line intersects with the south property line of Military Square Subdivision, thence

Westerly along the south property line of Military Square Subdivision to a point where said line intersects with the east property line of Rutherford Subdivision, thence

Southerly along the east property line of Rutherford Subdivision to a point where said line intersects with the south property line of D S Carver ABST 342 PG 654 TR 25, thence

Westerly along the D S Carver ABST 342 PG 654 TR 25 to a point where said line intersects with the east property line of D S Carver ABST 342 PG 654 TR 19.1, thence

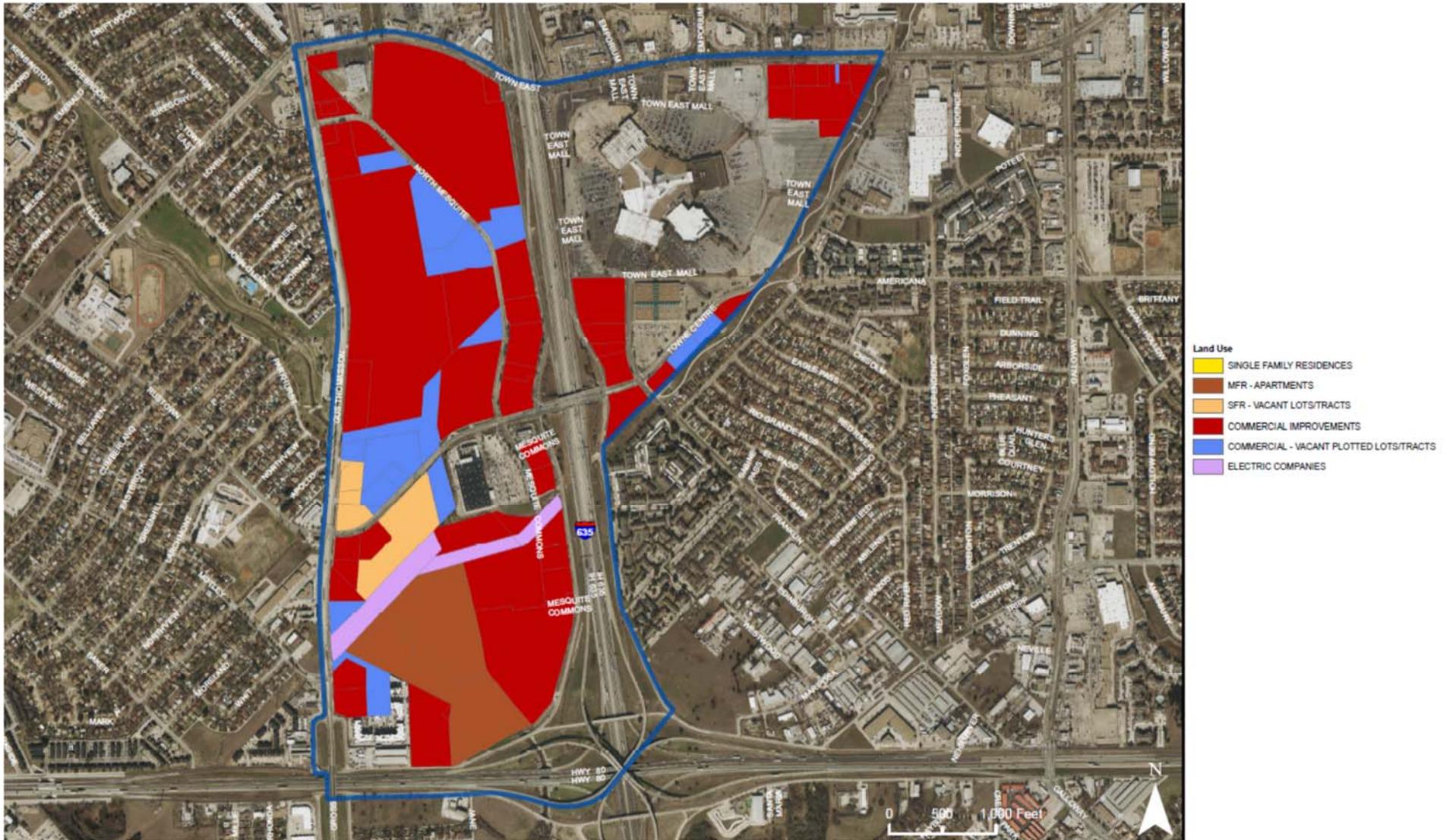
Southerly along the east property line of D S Carver ABST 342 PG 654 TR 19.1 to a point where said line intersects with the north property line of Wildwood 2 Subdivision Blk 3 Lot 12, thence

Westerly along the north property line of Wildwood 2 Subdivision Blk 3 Lot 12 to a point where said line intersects with the original boundary of Rodeo City TIRZ No. One, thence

Northerly along the boundary of Rodeo City TIRZ No. One and commonly the west ROW line of IH 635 to a point where said line intersects with the east ROW line of IH 635, thence

Northerly along the east ROW line of IH 635 and boundary of Rodeo City TIRZ No. One to a point where said line intersects with the ROW line of Military Pkwy, which is the point of beginning.

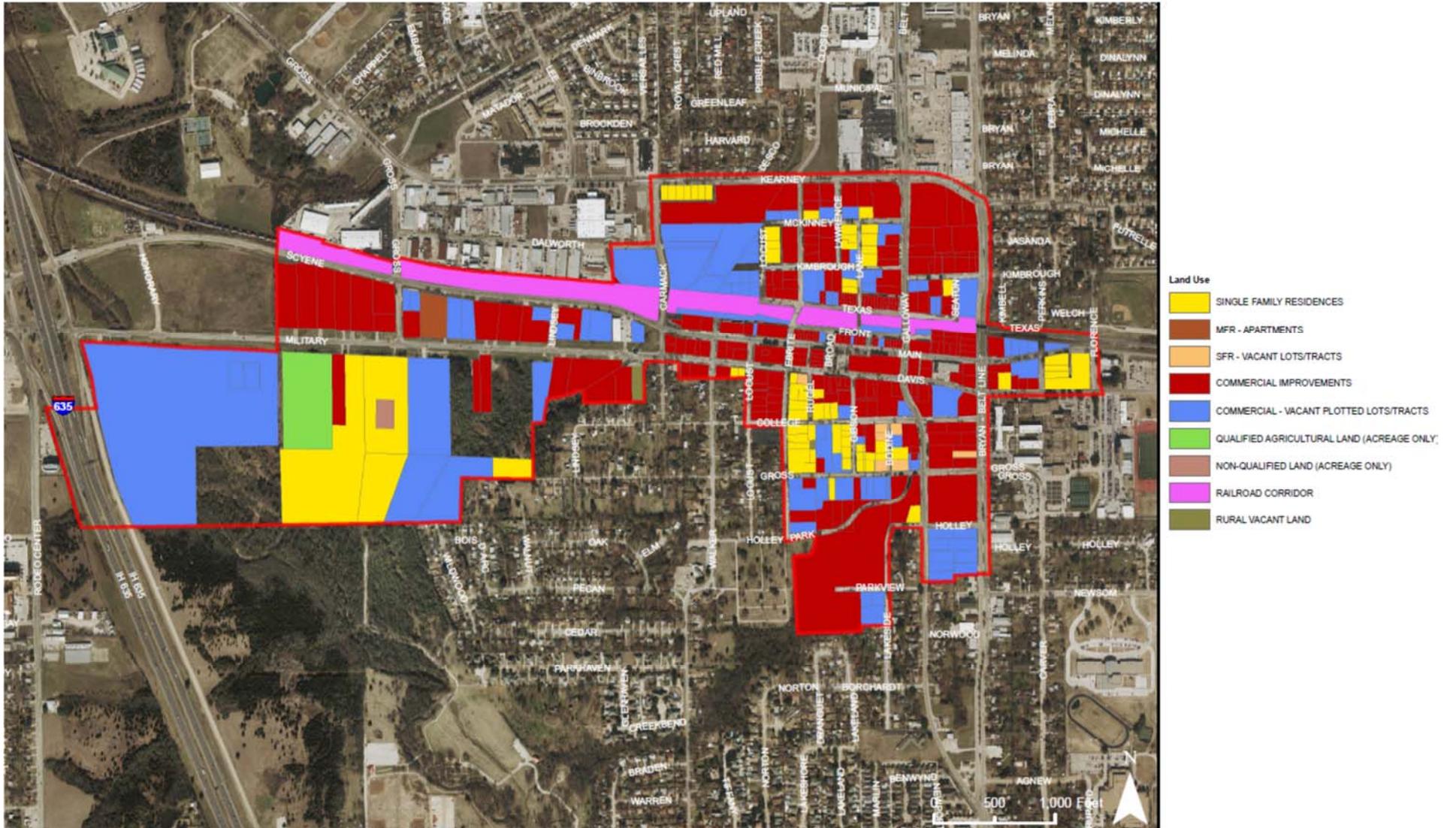
Towne Centre TIRZ No. Two Land Use



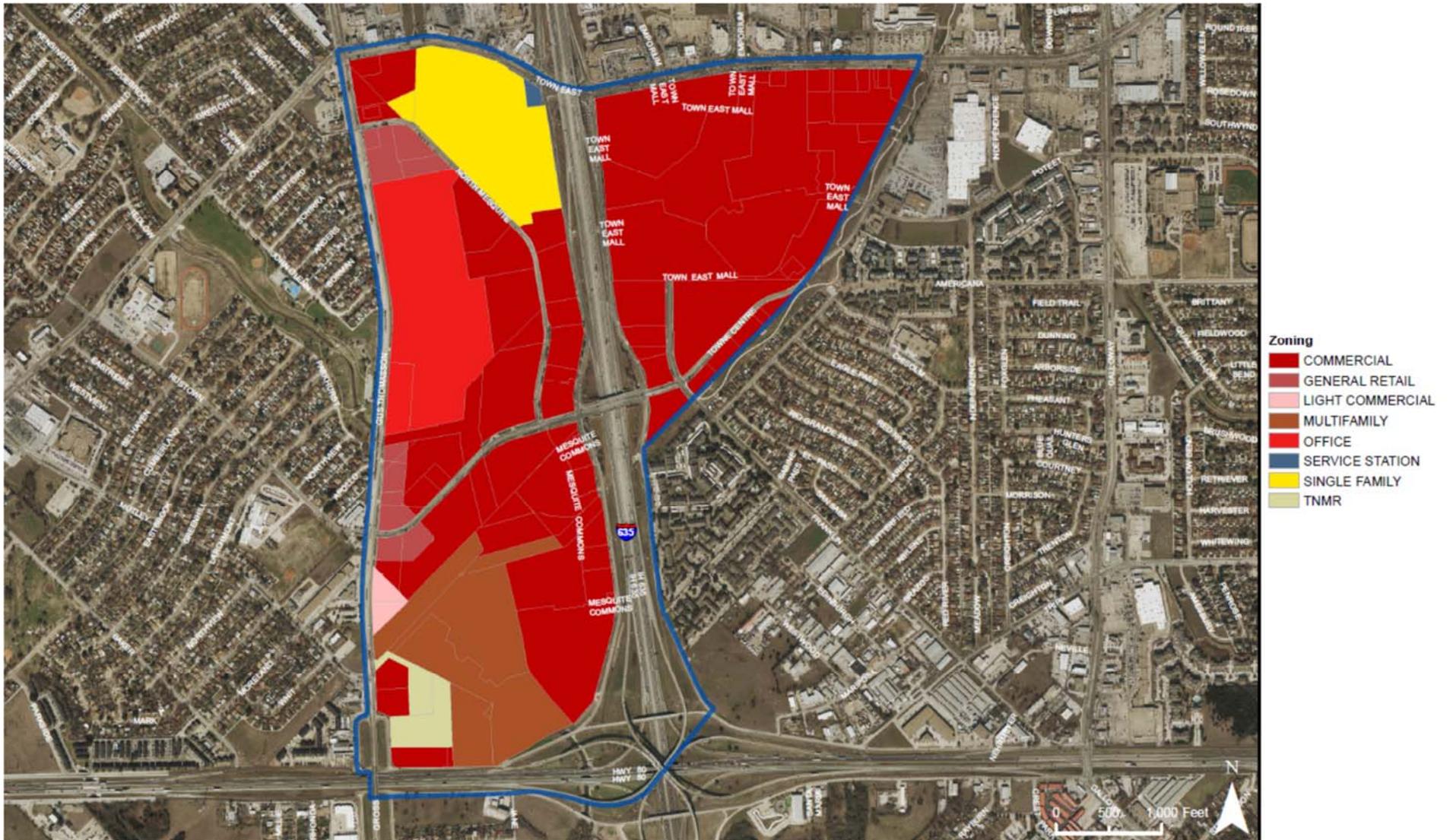
Towne Centre TIRZ No. Two Market East Land Use



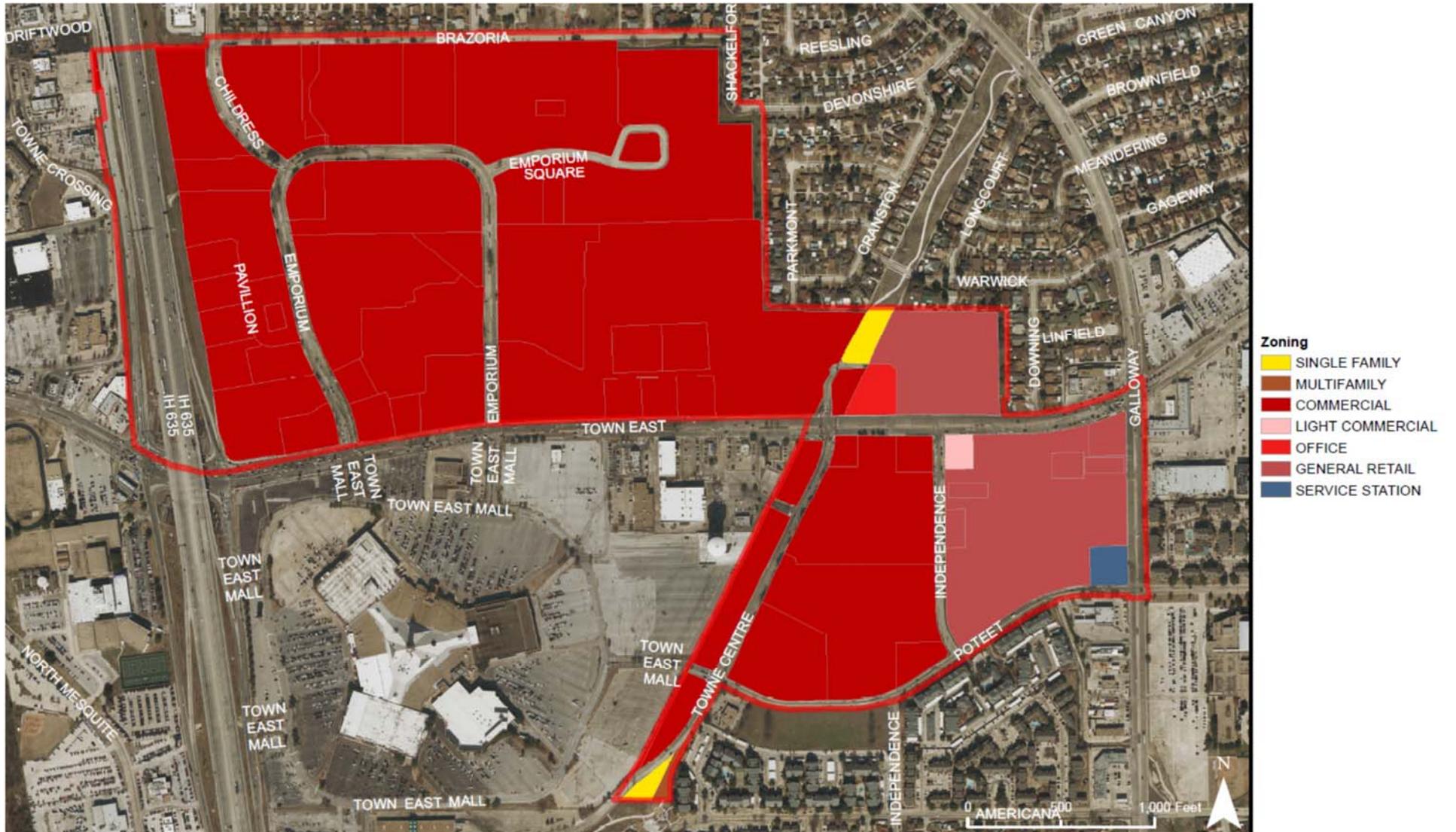
Towne Centre TIRZ No. Two Downtown Area Land Use



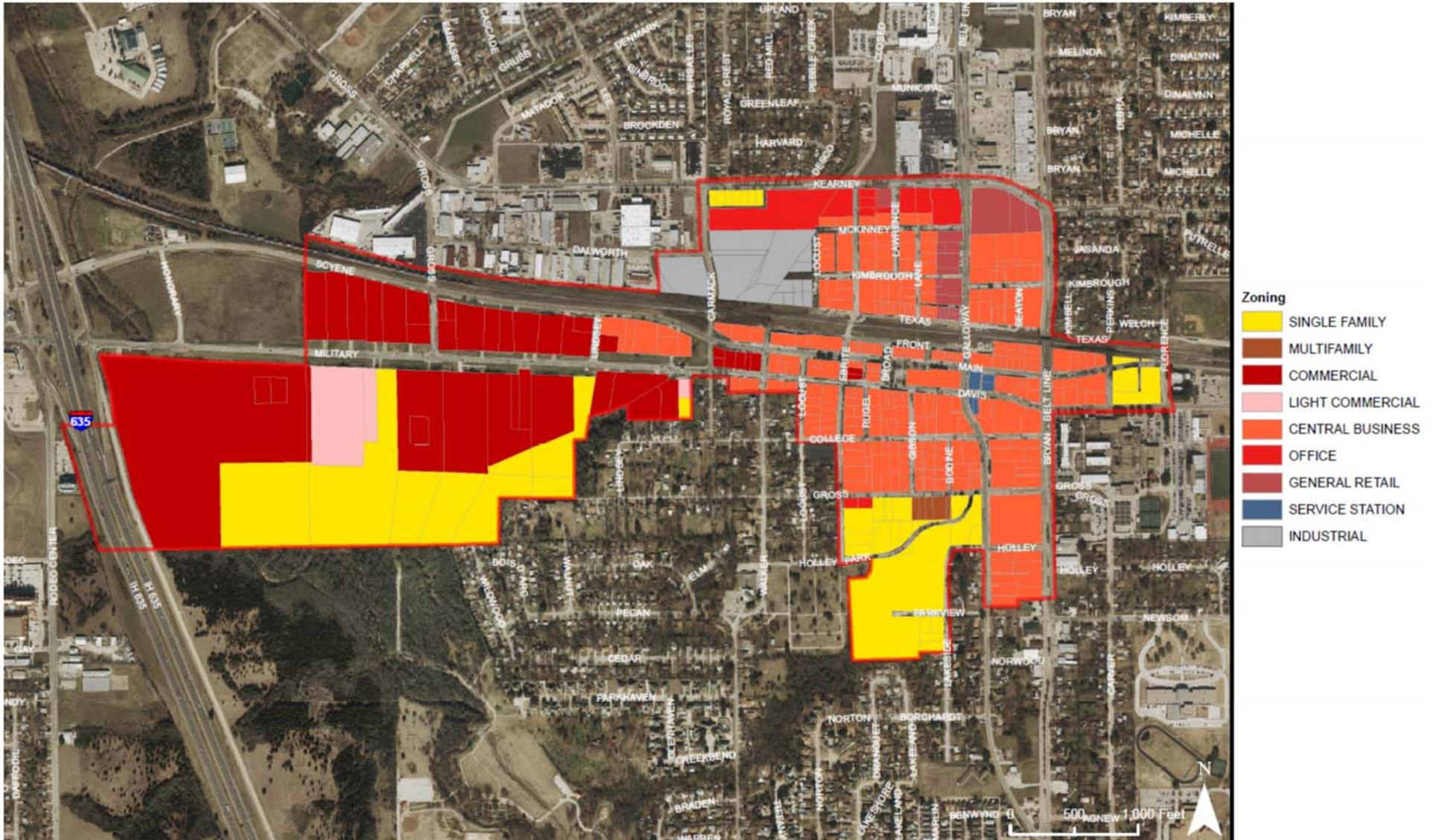
Towne Centre TIRZ No. Two Zoning



Towne Centre TIRZ No. Two Market East Zoning



Towne Centre TIRZ No. Two Downtown Area Zoning



Downtown Expansion Economic Feasibility

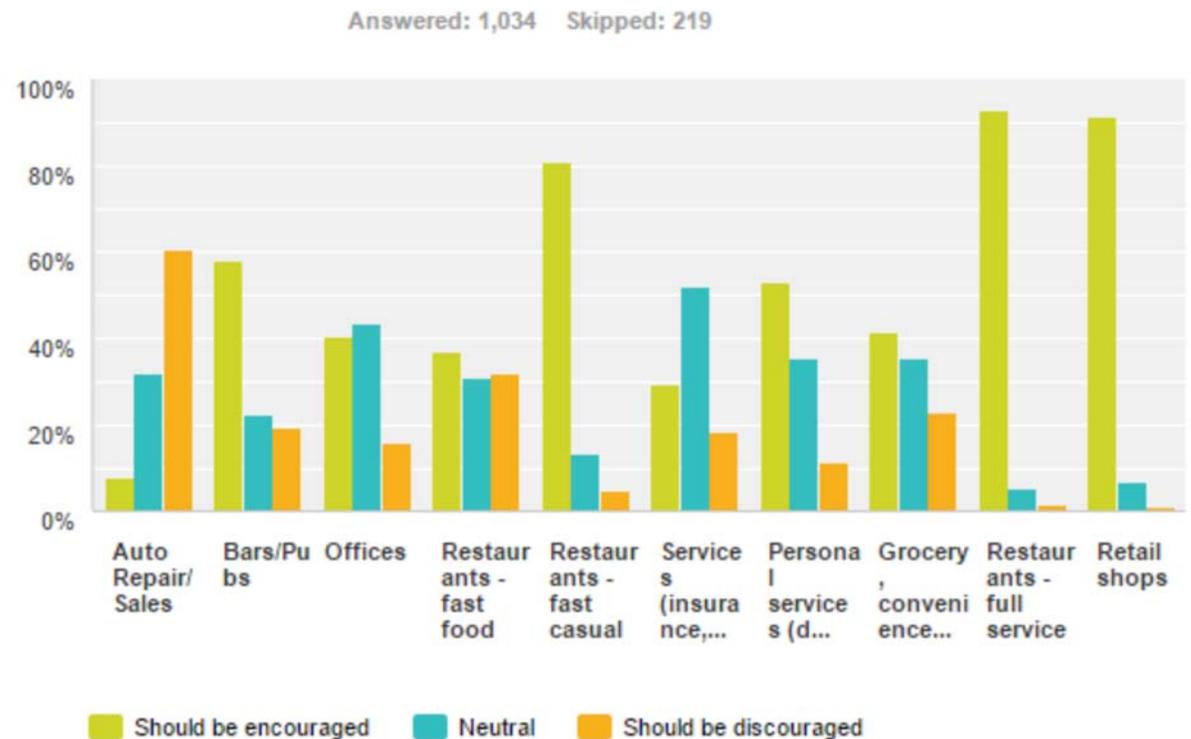
Downtown Market Analysis

In May 2017, a market analysis was prepared by CDS Community Development Strategies for downtown Mesquite to identify development opportunities and market potential within the Competitive Market Area (CMA), which includes a 10-minute drive time from downtown Mesquite. The economic and development opportunities within the study area are ultimately determined by the overall nature and volume of market demand in the CMA.

The following is a summary of that study, which is on file in the Mesquite Office of Economic Development.

Survey on future businesses in downtown:

Overwhelmingly, residents and business owners surveyed agreed that Restaurants (fast casual and full service) and Retail should be encouraged – 81%, 93%, and 91%, respectively



Downtown Expansion Characteristics

Downtown Mesquite

Downtown Mesquite contains a few historically significant structures which are commercial buildings comprising three blocks flanking the Downtown Square. The Downtown Square is adjacent to the railroad and is a source of sentiment to many residents. Mesquite also has significant historically maintained residences that are within ½-mile to several miles from the Square. The center of the Square is a parking lot with a public gazebo at the center. Anchoring the Downtown Square is a two-story Wells Fargo bank and its ATM drive-through lane, constructed following a fire which destroyed the east side of the Square. The Square is surrounded by churches, offices, retail (minimal) and auto related businesses. There are many professional service companies occupying downtown buildings, with a few retail shops including a popular quilt store, a women’s boutique, and one Mexican food restaurant. Other surrounding uses include salons, barber shops and a long-standing resale book store. The Square is bisected by State Highway 352, one way west-bound known as Main Street, and one way east-bound known as Davis Street.

High traffic volumes and speeds limit on-street parking as well as pedestrian activity. In the blocks surrounding the Downtown Square on the south, there are many older residences and rental property in poor to average condition. Other residences have been converted to office space. Streets are tree-lined and lead to a well-kept public area known as City Lake Park where there is a public aquatic center, community activity center and a fire training facility. Further south, the home conditions improve, leading towards the Paschall Park area which contains home valued between \$200,000-\$350,000.

Table 1: Study Area by Square Footage

Square Footage	Land Use	% of Total
84,209	Automotive	2.80%
11,073	Education	0.40%
14,500	Government	0.50%
2,168,336	Land	71.90%
93,526	Office	3.10%
25,916	Other	0.90%
7,686	Recreation	0.30%
99,975	Religious	3.30%
146,665	Residential	4.90%
193,787	Retail	6.40%
172,020	Warehouse	5.70%

Sources: City of Mesquite, CDS

The total land square footage in the immediate downtown area is 6,822,167 square feet. Unimproved land in the study area includes 2,168,336 square feet or 49.7 acres (84 land plots). Land makes up 71.9% of the study area, this includes vacant land and parking lots. There is 849,357 square feet of improved space in the study area. Retail is only 6.4% of the study area while residential is 4.9% and office is 3.1%. Currently automotive is 2.8% of the study area. The 2016 appraised value of the study area is \$89,566,060. The residential is valued at \$8,138,640 and the commercial is valued at \$38,552,060. The vacant land/parking lots are valued at \$42,875,360. There are 332 parcels in the study area, of which 248 are improved. One hundred-eighteen parcels are residential; 48 are retail/restaurant; 30 are automotive related; 21 are office; 18 are industrial; nine are churches, and eight are various other uses including government, recreation and education.

Downtown Expansion

Retail Potential

Retail Market

Approximately 74% of the retail supply in the CMA is located in the City of Mesquite, much of which is centered around the Town East Mall area. The CMA is projected to have retail sales growth of \$193 million, which would equate to a demand for 645,005 square feet of new retail space over the next 5 years. It is estimated that the downtown area could absorb 5% (currently 1.3%) of the projected retail demand for Mesquite, or 11,880 square feet from 2017 to 2022. Assuming 12.6% increase in sales over the following 5-year period, continued growth in the retail market at the conservative estimate of 5% for the study area over the next ten years would equate to an additional 26,874 square feet from 2022-2027.

Table 38: Projected Development

	2022	2027
CMA 5-Yr Term	645,005	726,350
Less U/C and Proposed	323,904	0
Estimated SF	321,101	726,350
Mesquite Absorption (74%)	237,614	537,499
Study Area Absorption (5%)	11,880	26,874



Recommendations for the Downtown Area

- Retail space should be marketed to eating and drinking places, family entertainment and music venues to name a few. This will attract locals as well as others in the DFW area.
- The area is lacking in general merchandise stores, fast food restaurants and eating places, and based on the leakage report, \$9,051,596 is being spent outside the CMA for food and beverages. More restaurant choices in the study area could capture some of this loss.
- Development of retail and services will likely be restricted to local operations filling the immediate needs of the residents such as food and drink, and services such as nail/spa, dry cleaners, and pet care.
- Careful tenant selection, combined with efforts to keep lease rates affordable, will help to curate a retail and dining environment that grows in value. Given that dining uses have become popular as retail anchors, it's suggested seeking out a café which can offer a reliable, moderately-priced but reasonable quality evening service in order to establish commercial activity after 5:00 p.m.
- A slightly more upscale dining/drinking establishment may be possible, but only likely with incentives from the City to entice the tenant to the area. This would be a major jump start for the downtown and a major investment to the City; however, it would be a catalyst for the entire area.

Downtown Expansion Office Potential

Office Market

By 2020, the CMA will have demand for 2.4 million square feet of office space, including space currently under construction or proposed, to accommodate expected employment growth. Mesquite includes 67.6% of the overall CMA office space, and it is estimated that 1.6 million square feet can be absorbed in Mesquite by 2020 with an additional demand for 1.5 million through 2025. Based on current lease rates and occupancies, it is estimated that the downtown area could successfully capture 3% of this market, or 48,269 square feet of office space.

NCTCOG Employment Forecasts for the CMA

	2015	2020	2025
Employment Projections	124,266	139,023	153,039
Incremental Increase		14,757	14,016
49.1% Labor Force/Prof. Jobs		7,245	6,881
340 SF per Job		2,463,300	2,339,831
Less: CMA pipeline space to 2020		83,136	0
Incremental Demand		2,380,164	2,339,831
Mesquite Share of Growth (67.6%)			
Incremental		1,608,990	1,581,725
Study Area Share of Growth (3%)		48,269	47,451

Source: CDS, NCTCOG



Recommendations for the Downtown Area

- Development should be phased in at 9,654 square feet per year.
- General multi-tenant office demand will be comprised primarily of smaller tenants that are businesses local to the area, often because the business owner lives in the area. These tenants are likely underserved by the existing supply of quality office space, but many will have limited capacity for increased leasing costs.
- Office development in the downtown study area should be considered outside of the old downtown square area; this area should be retained for retail.
- Medical office space has been very successful in the downtown and should be considered for any new development.

Downtown Expansion Industrial Potential

Industrial Market

The downtown study area includes 172,020 square feet of industrial space which consists of storage warehouses and office/showroom properties.

- Rents in the study area range from \$4 to \$12psf annually
- Vacancy is at 6.0% according to Xceligent
- The majority of the industrial properties are located north of Front Street
- 1.3% of the overall Mesquite industrial space is in the study area

Based on current studies of industrial space, it's estimated that approximately 411 square feet per employee should exist in the CMA. Using the employment projections from NCTCOG, space per employee (411sf) and the 26.19% of the employees being in industrial or industrial support, annual demand for industrial facilities in the CMA is 1,588,104 square feet through 2020. Mesquite currently includes 79.3% of the overall CMA industrial space. Maintaining this percentage, Mesquite could be expected to capture 1.2 million square feet of industrial space by 2020 and an additional 1.2 million square feet by 2025. The study area currently comprises 1.3% of the overall CMA industrial market. Based on projections, the downtown area is estimated to absorb 18,890 square feet of industrial space by 2020, or 3,778 square feet annually.



Table 46: Projected Industrial Space Demand in the CMA by NCTCOG

	2015	2020	2025
Employment Projections	124,266	139,023	153,039
Incremental Increase		14,757	14,016
26.19% Labor Force/Blue Collar Jobs		3,864	3,670
411 SF per Job		1,588,104	1,508,694
Less: CMA pipeline space to 2020		0	0
Incremental Demand		1,588,104	1,508,694
Mesquite Share of Growth (79.3%) Incremental		1,259,366	1,196,394
Study Area Share of Growth (1.5%) Incremental		18,890	17,945

Source: NCTCOG, CDS

Recommendations for the Downtown Area

- An opportunity exists for industrial space to grow over the next five years with 18,890sf easily absorbed
- It's estimated that a portion of the office space projected in the Office Market section earlier in this report (48,269 sf) could be absorbed in the flex market.
- Flex space (office/warehouse) industrial product can be aesthetically pleasing with brick facades, office development facing road frontage with warehouse in the back. Small manufacturers, medical suppliers, other suppliers, pool companies, etc. would be tenant profiles for the area.
- Industrial development should remain north of Front Street and the railroad tracks where the majority of the current supply is located.

Tax Increment Captured Value
Annual Revenue Projections
Original Term

CITY OF MESQUITE, TEXAS Towne Centre TIRZ No. Two As of June 2018		Total Through 2015-16	Actual 2016-17	Projected 2017-18	Proposed 2018-19	Proposed 2019-20	Total Original TIRZ Years
Projected Property Tax Growth %					8.0%	5.0%	
REVENUE:							
ORIGINAL TIRZ AREA		Base Value \$189,878,280					
TIRZ Base Value & Cumulative Growth			\$368,935,350	\$377,157,141	\$407,329,712	\$435,196,198	
Taxable Value Changes:							
Beginning TIRZ Value				179,057,070	187,278,861	217,451,432	
Appraised Value Annual Growth				8,221,791	30,172,571	20,366,486	
Development:							
Dick's Sporting Goods				-	-	7,500,000	
Development II				-	-	-	
Development III				-	-	-	
Total Original TIRZ Value Increase				\$187,278,861	\$217,451,432	\$245,317,918	
City Tax Rate				0.6870	0.7340	0.7340	
TIRZ Participation Percentage				100%	100%	100%	
City - Original TIRZ Zone		\$11,062,808	\$ 1,145,965	\$ 1,286,606	\$ 1,596,094	\$ 1,800,634	\$16,892,106
MISD Tax Rate				1.7624	1.7624	1.7624	
TIRZ Participation Percentage				100%	100%	100%	
MISD - Original TIRZ Zone		\$31,179,533	\$ 3,155,702	\$ 3,300,603	\$ 3,832,364	\$ 4,323,483	\$45,791,685
Dallas County Reimb for City Costs / Interest Income		\$ 549,769	50,184	-	-	-	\$ 599,953
Total Original TIRZ Area Revenue		\$42,792,110	\$ 4,351,851	\$ 4,587,208	\$ 5,428,458	\$ 6,124,117	\$63,283,743

Tax Increment Captured Value Annual Revenue Projections Original Term with Expansion

CITY OF MESQUITE, TEXAS Towne Centre TIRZ No. Two As of June 2018						
	Total Through 2015-16	Actual 2016-17	Projected 2017-18	Proposed 2018-19	Proposed 2019-20	Total Original TIRZ Years
Projected Property Tax Growth %				8.0%	5.0%	
DOWNTOWN MESQUITE AREA						
TIRZ Base Value & Cumulative Growth			<u>Base Year</u> \$ 44,635,306	\$ 48,422,133	\$ 50,843,239	
Taxable Value Changes:						
Beginning TIRZ Value				-	3,566,825	
Appraised Value Annual Growth				3,566,825	2,421,107	
Development:						
Development I				-	-	
Development II				-	-	
Development III				-	-	
Total Downtown TIRZ Value Increase				\$ 3,566,825	\$ 6,007,931	
City Tax Rate				0.7340	0.7340	
TIRZ Participation Percentage				100%	100%	
City Downtown Area Revenue				\$ 26,327	\$ 44,098	\$ 70,426
Total Downtown Area Revenue				\$ 26,327	\$ 44,098	\$ 70,426
MARKET EAST EXPANSION AREA						
TIRZ Base Value & Cumulative Growth			<u>Base Year</u> \$182,596,660	\$197,204,383	\$216,564,612	
Taxable Value Changes:						
Beginning TIRZ Value				-	14,607,733	
Appraised Value Annual Growth				14,607,733	9,660,220	
Development:						
Emporium Circle Restaurant Redevel				-	2,000,000	
Market East New Retail Bid Phase 1				-	7,500,000	
Market East New Retail Bid Phase 2				-	-	
Market East Medical/Office Building				-	-	
Total Market East TIRZ Value Increase				\$ 14,607,733	\$ 33,967,952	
City Tax Rate				0.7340	0.7340	
TIRZ Participation Percentage				100%	100%	
City Market East Area Revenue				\$ 107,221	\$ 249,325	\$ 356,546
Total Market East Expansion Area Revenue				\$ 107,221	\$ 249,325	\$ 356,546
TOTAL EXPANDED AREA REVENUE				\$ 133,548	\$ 293,423	\$ 426,971
TOTAL REVENUES ALL AREAS	\$42,792,110	\$ 4,351,851	\$ 4,587,208	\$ 5,562,006	\$ 6,417,539	\$63,710,715

Tax Increment Captured Value Annual Expenditure Projections Original Term with Expansion

Towne Centre TIRZ No. Two As of June 2018	Total Through 2015-16	Actual 2016-17	Projected 2017-18	Proposed 2018-19	Proposed 2019-20	Total Original TIRZ Years
Projected Property Tax Growth %				8.0%	5.0%	
EXPENDITURES:						
ORIGINAL TIRZ AREA						
Open Projects:						
Administrative Fee	\$ 1,080,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 1,600,000
Town East Retail Area Security	5,715,128	625,940	640,000	600,000	500,000	8,081,068
LBJ Project-Debt Ser-\$5,615,287	6,017,979	601,798	601,798	-	-	7,221,575
Gus Thomasson Rebuild (80-Town East)	153,683	631,551	11,642,000	1,872,766	-	14,300,000
Hike & Bike Trail/Heritage Trail Phase II	378,995	6,540	1,121,485	500,000	500,000	2,505,000
ROWS Street Lighting	151,423	37,660	235,917	-	-	425,000
ROWS Signal Improvements (GT/Motley)	13,284	-	11,716	-	-	25,000
Mall Public Children's Area Improvements	-	-	150,000	-	-	150,000
South Mesquite Creek Drainage Project (\$7 million in bonds)	-	-	-	-	525,000	525,000
Pavement Improvements throughout Zone	-	-	-	200,000	-	200,000
Retail Area Land Use Plan/Study	-	-	200,000	-	-	200,000
Completed Projects:						
Total of all Previous Projects	19,505,584	-	-	-	-	19,505,584
Total Original TIRZ Area Expenditures	\$33,014,076	\$ 2,033,489	\$ 14,732,896	\$ 3,302,766	\$ 1,655,000	\$54,738,227
EXPANDED TIRZ AREA EXPENDITURES						
Downtown Manager (with 2% inflation factor)			\$ 100,000	\$ 102,000	\$ 104,040	\$ 308,040
Downtown Maintenance (with 2% inflation factor)			-	-	100,000	100,000
Downtown Infrastructure			250,000	500,000	250,000	1,000,000
Purchase of Downtown Properties			500,000	-	-	500,000
Downtown Office Space Renovations			-	500,000	-	500,000
Front Street (\$5 million cash project)			-	1,000,000	4,000,000	5,000,000
Gibson Street (\$6 bond project)			-	-	450,000	450,000
Highway Corridor Maintenance (with 2% inflation factor)			100,000	102,000	104,040	306,040
Economic Development Incentives			-	250,000	250,000	500,000
			-	-	-	-
			-	-	-	-
Total Expanded TIRZ Area Expenditures			\$ 950,000	\$ 2,454,000	\$ 5,258,080	\$ 7,712,080
TOTAL EXPENDITURES ALL AREAS	\$33,014,076	\$ 2,033,489	\$ 15,682,896	\$ 5,756,766	\$ 6,913,080	\$63,400,307
Excess (Deficiency) Revenue over Expenditures	9,778,034	2,318,362	(11,095,688)	(194,760)	(495,541)	310,408
Beginning Fund Balance, Oct 1	-	9,778,034	12,096,396	1,000,708	805,948	-
Ending Fund Balance, Sep 30	\$ 9,778,034	\$ 12,096,396	\$ 1,000,708	\$ 805,948	\$ 310,408	\$ 310,408

Tax Increment Captured Value Annual Revenue Projections Extended Term 2021-2031

CITY OF MESQUITE, TEXAS Towne Centre TIRZ No. Two As of June 2018											
	Proposed 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29	Proposed 2029-30	Proposed 2030-31
Projected Property Tax Growth %	4.0%	4.0%	3.5%	3.0%	2.0%	2.0%	0.5%	0.5%	0.5%	0.5%	0.5%
REVENUE: City participation changed to 75% in original zone for expanded years											
ORIGINAL TIRZ AREA	Base Value \$189,878,280										
TIRZ Base Value & Cumulative Growth	\$ 452,604,046	\$ 470,708,208	\$ 487,182,995	\$ 501,798,485	\$ 511,834,454	\$ 522,071,144	\$ 524,681,499	\$ 527,304,907	\$ 529,941,431	\$ 532,591,138	\$ 535,254,094
Taxable Value Changes:											
Beginning TIRZ Value	245,317,918	262,725,766	280,829,928	297,304,715	311,920,205	321,956,174	332,192,864	334,803,219	337,426,627	340,063,151	342,712,858
Appraised Value Annual Growth	17,407,848	18,104,162	16,474,787	14,615,490	10,035,970	10,236,689	2,610,356	2,623,407	2,636,525	2,649,707	2,662,956
Development:											
Dick's Sporting Goods	-	-	-	-	-	-	-	-	-	-	-
Development II	-	-	-	-	-	-	-	-	-	-	-
Development III	-	-	-	-	-	-	-	-	-	-	-
Total Original TIRZ Value Increase	\$ 262,725,766	\$ 280,829,928	\$ 297,304,715	\$ 311,920,205	\$ 321,956,174	\$ 332,192,864	\$ 334,803,219	\$ 337,426,627	\$ 340,063,151	\$ 342,712,858	\$ 345,375,814
City Tax Rate	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340
TIRZ Participation Percentage	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
City - Original TIRZ Zone	\$ 1,446,305	\$ 1,545,969	\$ 1,636,662	\$ 1,717,121	\$ 1,772,369	\$ 1,828,722	\$ 1,843,092	\$ 1,857,534	\$ 1,872,048	\$ 1,886,634	\$ 1,901,294
MISD Tax Rate											
MISD - Original TIRZ Zone											
Dallas County Reimb for City Costs / Interest Income											
Total Original TIRZ Area Revenue	\$ 1,446,305	\$ 1,545,969	\$ 1,636,662	\$ 1,717,121	\$ 1,772,369	\$ 1,828,722	\$ 1,843,092	\$ 1,857,534	\$ 1,872,048	\$ 1,886,634	\$ 1,901,294

Tax Increment Captured Value
Annual Revenue Projections
Extended Term
2032-2040

CITY OF MESQUITE, TEXAS Towne Centre TIRZ No. Two As of June 2018										
	Proposed 2031-32	Proposed 2032-33	Proposed 2033-34	Proposed 2034-35	Proposed 2035-36	Proposed 2036-37	Proposed 2037-38	Proposed 2038-39	Proposed 2039-40	Total Expanded TIRZ Years
Projected Property Tax Growth %	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
REVENUE:										
ORIGINAL TIRZ AREA	Base Value \$189,878,280									
TIRZ Base Value & Cumulative Growth	\$ 537,930,365	\$ 540,620,016	\$ 543,323,117	\$ 546,039,732	\$ 548,769,931	\$ 551,513,780	\$ 554,271,349	\$ 557,042,706	\$ 559,827,920	
Taxable Value Changes:										
Beginning TIRZ Value	345,375,814	348,052,085	350,741,736	353,444,837	356,161,452	358,891,651	361,635,500	364,393,069	367,164,426	
Appraised Value Annual Growth	2,676,270	2,689,652	2,703,100	2,716,616	2,730,199	2,743,850	2,757,569	2,771,357	2,785,214	
Development:										
Dick's Sporting Goods Development II	-	-	-	-	-	-	-	-	-	
Development III	-	-	-	-	-	-	-	-	-	
Total Original TIRZ Value Increase	\$ 348,052,085	\$ 350,741,736	\$ 353,444,837	\$ 356,161,452	\$ 358,891,651	\$ 361,635,500	\$ 364,393,069	\$ 367,164,426	\$ 369,949,640	
City Tax Rate	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	
TIRZ Participation Percentage	75%	75%	75%	75%	75%	75%	75%	75%	75%	
City - Original TIRZ Zone	\$ 1,916,027	\$ 1,930,833	\$ 1,945,714	\$ 1,960,669	\$ 1,975,699	\$ 1,990,803	\$ 2,005,984	\$ 2,021,240	\$ 2,036,573	\$ 37,091,290
MISD Tax Rate										
TIRZ Participation Percentage										
MISD - Original TIRZ Zone										
Dallas County Reimb for City Costs / Interest Income										
Total Original TIRZ Area Revenue	\$ 1,916,027	\$ 1,930,833	\$ 1,945,714	\$ 1,960,669	\$ 1,975,699	\$ 1,990,803	\$ 2,005,984	\$ 2,021,240	\$ 2,036,573	\$ 37,091,290

Tax Increment Captured Value Annual Revenue Projections Extended Term with Expansion 2021-2031

CITY OF MESQUITE, TEXAS Towne Centre TIRZ No. Two As of June 2018											
	Proposed 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29	Proposed 2029-30	Proposed 2030-31
Projected Property Tax Growth %	4.0%	4.0%	3.5%	3.0%	2.0%	2.0%	0.5%	0.5%	0.5%	0.5%	0.5%
DOWNTOWN MESQUITE AREA											
TIRZ Base Value & Cumulative Growth	\$ 52,876,969	\$ 54,992,048	\$ 56,916,769	\$ 58,624,272	\$ 59,796,758	\$ 60,992,693	\$ 61,297,656	\$ 61,604,145	\$ 61,912,165	\$ 62,221,726	\$ 62,532,835
Taxable Value Changes:											
Beginning TIRZ Value	6,007,931	8,041,661	10,156,740	12,081,461	13,788,964	14,961,450	16,157,385	16,462,348	16,768,837	17,076,857	17,386,418
Appraised Value Annual Growth	2,033,730	2,115,079	1,924,722	1,707,503	1,172,485	1,195,935	304,963	306,488	308,021	309,561	311,109
Development:											
Development I	-	-	-	-	-	-	-	-	-	-	-
Development II	-	-	-	-	-	-	-	-	-	-	-
Development III	-	-	-	-	-	-	-	-	-	-	-
Total Downtown TIRZ Value Increase	\$ 8,041,661	\$ 10,156,740	\$ 12,081,461	\$ 13,788,964	\$ 14,961,450	\$ 16,157,385	\$ 16,462,348	\$ 16,768,837	\$ 17,076,857	\$ 17,386,418	\$ 17,697,527
City Tax Rate	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340
TIRZ Participation Percentage	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
City Downtown Area Revenue	\$ 44,269	\$ 55,913	\$ 66,508	\$ 75,908	\$ 82,363	\$ 88,946	\$ 90,625	\$ 92,312	\$ 94,008	\$ 95,712	\$ 97,425
Total Downtown Area Revenue	\$ 44,269	\$ 55,913	\$ 66,508	\$ 75,908	\$ 82,363	\$ 88,946	\$ 90,625	\$ 92,312	\$ 94,008	\$ 95,712	\$ 97,425
MARKET EAST EXPANSION AREA											
TIRZ Base Value & Cumulative Growth	\$ 239,727,197	\$ 249,316,285	\$ 258,042,365	\$ 265,783,625	\$ 271,099,298	\$ 276,521,284	\$ 277,903,890	\$ 279,293,410	\$ 280,689,877	\$ 282,093,326	\$ 283,503,793
Taxable Value Changes:											
Beginning TIRZ Value	33,967,952	57,130,537	66,719,625	75,445,695	83,186,965	88,502,638	93,924,624	95,307,230	96,696,750	98,093,217	99,496,666
Appraised Value Annual Growth	8,662,584	9,589,088	8,726,070	7,741,271	5,315,673	5,421,986	1,382,606	1,389,519	1,396,467	1,403,449	1,410,467
Development:											
Emporium Circle Restaurant Redev	-	-	-	-	-	-	-	-	-	-	-
Market East New Retail Bld Phase 1	-	-	-	-	-	-	-	-	-	-	-
Market East New Retail Bld Phase 2	13,000,000	-	-	-	-	-	-	-	-	-	-
Market East Medical/Office Building	1,500,000	-	-	-	-	-	-	-	-	-	-
Total Market East TIRZ Value Increase	\$ 57,130,537	\$ 66,719,625	\$ 75,445,695	\$ 83,186,965	\$ 88,502,638	\$ 93,924,624	\$ 95,307,230	\$ 96,696,750	\$ 98,093,217	\$ 99,496,666	\$ 100,907,133
City Tax Rate	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340
TIRZ Participation Percentage	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
City Market East Area Revenue	\$ 314,504	\$ 367,292	\$ 415,329	\$ 457,944	\$ 487,207	\$ 517,055	\$ 524,666	\$ 532,316	\$ 540,003	\$ 547,729	\$ 555,494
Total Market East Expansion Area Revenue	\$ 314,504	\$ 367,292	\$ 415,329	\$ 457,944	\$ 487,207	\$ 517,055	\$ 524,666	\$ 532,316	\$ 540,003	\$ 547,729	\$ 555,494
TOTAL EXPANDED AREA REVENUE											
TOTAL REVENUES ALL AREAS	\$ 1,805,078	\$ 1,969,173	\$ 2,118,499	\$ 2,250,973	\$ 2,341,939	\$ 2,434,723	\$ 2,458,383	\$ 2,482,162	\$ 2,506,059	\$ 2,530,076	\$ 2,554,213

Tax Increment Captured Value Annual Revenue Projections Extended Term with Expansion 2032-2040

CITY OF MESQUITE, TEXAS Towne Centre TIRZ No. Two As of June 2018										
	Proposed 2031-32	Proposed 2032-33	Proposed 2033-34	Proposed 2034-35	Proposed 2035-36	Proposed 2036-37	Proposed 2037-38	Proposed 2038-39	Proposed 2039-40	Total Expanded TIRZ Years
Projected Property Tax Growth %	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
DOWNTOWN MESQUITE AREA										
TIRZ Base Value & Cumulative Growth	\$ 62,845,499	\$ 63,159,727	\$ 63,475,525	\$ 63,792,903	\$ 64,111,867	\$ 64,432,427	\$ 64,754,589	\$ 65,078,362	\$ 65,403,754	
Taxable Value Changes:										
Beginning TIRZ Value	17,697,527	18,010,191	18,324,419	18,640,217	18,957,595	19,276,559	19,597,119	19,919,281	20,243,054	
Appraised Value Annual Growth	312,664	314,227	315,799	317,378	318,965	320,559	322,162	323,773	325,392	
Development:										
Development I	-	-	-	-	-	-	-	-	-	
Development II	-	-	-	-	-	-	-	-	-	
Development III	-	-	-	-	-	-	-	-	-	
Total Downtown TIRZ Value Increase	\$ 18,010,191	\$ 18,324,419	\$ 18,640,217	\$ 18,957,595	\$ 19,276,559	\$ 19,597,119	\$ 19,919,281	\$ 20,243,054	\$ 20,568,446	
City TaxRate	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	
TIRZ Participation Percentage	75%	75%	75%	75%	75%	75%	75%	75%	75%	
City Downtown Area Revenue	\$ 99,146	\$ 100,876	\$ 102,614	\$ 104,362	\$ 106,117	\$ 107,882	\$ 109,656	\$ 111,438	\$ 113,229	\$ 1,839,311
Total Downtown Area Revenue	\$ 99,146	\$ 100,876	\$ 102,614	\$ 104,362	\$ 106,117	\$ 107,882	\$ 109,656	\$ 111,438	\$ 113,229	\$ 1,839,311
MARKET EAST EXPANSION AREA										
TIRZ Base Value & Cumulative Growth	\$ 284,921,312	\$ 286,345,918	\$ 287,777,648	\$ 289,216,536	\$ 290,662,619	\$ 292,115,932	\$ 293,576,512	\$ 295,044,394	\$ 296,519,616	
Taxable Value Changes:										
Beginning TIRZ Value	100,907,133	102,324,652	103,749,258	105,180,988	106,619,876	108,065,959	109,519,272	110,979,852	112,447,734	
Appraised Value Annual Growth	1,417,519	1,424,607	1,431,730	1,438,888	1,446,083	1,453,313	1,460,580	1,467,883	1,475,222	
Development:										
Emporium Circle Restaurant Redev	-	-	-	-	-	-	-	-	-	
Market East New Retail Bld Phase 1	-	-	-	-	-	-	-	-	-	
Market East New Retail Bld Phase 2	-	-	-	-	-	-	-	-	-	
Market East Medical/Office Building	-	-	-	-	-	-	-	-	-	
Total Market East TIRZ Value Increase	\$ 102,324,652	\$ 103,749,258	\$ 105,180,988	\$ 106,619,876	\$ 108,065,959	\$ 109,519,272	\$ 110,979,852	\$ 112,447,734	\$ 113,922,956	
City TaxRate	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	0.7340	
TIRZ Participation Percentage	75%	75%	75%	75%	75%	75%	75%	75%	75%	
City Market East Area Revenue	\$ 563,297	\$ 571,140	\$ 579,021	\$ 586,942	\$ 594,903	\$ 602,904	\$ 610,944	\$ 619,025	\$ 627,146	\$ 10,614,860
Total Market East Expansion Area Revenue	\$ 563,297	\$ 571,140	\$ 579,021	\$ 586,942	\$ 594,903	\$ 602,904	\$ 610,944	\$ 619,025	\$ 627,146	\$ 10,614,860
TOTAL EXPANDED AREA REVENUE										
TOTAL REVENUES ALL AREAS	\$ 2,578,470	\$ 2,602,849	\$ 2,627,350	\$ 2,651,973	\$ 2,676,719	\$ 2,701,589	\$ 2,726,584	\$ 2,751,703	\$ 2,776,948	\$ 49,545,462

Tax Increment Captured Value Annual Expenditure Projections Extended Term with Expansion 2021-2031

CITY OF MESQUITE, TEXAS												
Towne Centre TIRZ No. Two												
As of June 2018												
	Proposed 2020-21	Proposed 2021-22	Proposed 2022-23	Proposed 2023-24	Proposed 2024-25	Proposed 2025-26	Proposed 2026-27	Proposed 2027-28	Proposed 2028-29	Proposed 2029-30	Proposed 2030-31	Proposed 2030-31
Projected Property Tax Growth %	4.0%	4.0%	3.5%	3.0%	2.0%	2.0%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
EXPENDITURES:												
ORIGINAL TIRZ AREA												
Open Projects:												
Administrative Fee	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000
Town East Retail Area Security	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
LBJ Project-Debt Ser-\$5,615,287	-	-	-	-	-	-	-	-	-	-	-	-
Gus Thomasson Rebuild (80-Town East)	-	-	-	-	-	-	-	-	-	-	-	-
Hike & Bike Trail/Heritage Trail Phase II	-	-	-	-	-	-	-	-	-	-	-	-
ROWS Street Lighting	-	-	-	-	-	-	-	-	-	-	-	-
ROWS Signal Improvements (GT/Motley)	-	-	-	-	-	-	-	-	-	-	-	-
Mall Public Children's Area Improvements	-	-	-	-	-	-	-	-	-	-	-	-
South Mesquite Creek Drainage Project (\$7 million in bonds)	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000
Pavement Improvements throughout Zone	-	-	-	-	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Retail Area Land Use Plan/Study	-	-	-	-	-	-	-	-	-	-	-	-
Completed Projects:												
Total of all Previous Projects	-	-	-	-	-	-	-	-	-	-	-	-
Total Original TIRZ Area Expenditures	\$ 1,155,000	\$ 1,155,000	\$ 1,155,000	\$ 1,155,000	\$ 1,355,000							
EXPANDED TIRZ AREA EXPENDITURES												
Downtown Manager (with 2% inflation factor)	\$ 106,121	\$ 108,243	\$ 110,408	\$ 112,616	\$ 114,869	\$ 117,166	\$ 119,509	\$ 121,899	\$ 124,337	\$ 126,824	\$ 129,361	\$ 129,361
Downtown Maintenance (with 2% inflation factor)	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166	119,509	121,899	124,337	124,337
Downtown Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Downtown Properties	-	-	-	-	-	-	-	-	-	-	-	-
Downtown Office Space Renovations	-	-	-	-	-	-	-	-	-	-	-	-
Front Street (\$5 million cash project)	-	-	-	-	-	-	-	-	-	-	-	-
Gibson Street (\$6 bond project)	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Highway Corridor Maintenance (with 2% inflation factor)	106,121	108,243	110,408	112,616	114,869	117,166	119,509	121,899	124,337	126,824	129,361	129,361
Economic Development Incentives	-	200,000	200,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
	-	-	-	-	-	-	-	-	-	-	-	-
Total Expanded TIRZ Area Expenditures	\$ 764,242	\$ 970,526	\$ 976,937	\$ 1,033,476	\$ 1,040,145	\$ 1,046,948	\$ 1,053,887	\$ 1,060,965	\$ 1,068,184	\$ 1,075,548	\$ 1,083,059	\$ 1,083,059
TOTAL EXPENDITURES ALL AREAS	\$ 1,919,242	\$ 2,125,526	\$ 2,131,937	\$ 2,188,476	\$ 2,395,145	\$ 2,401,948	\$ 2,408,887	\$ 2,415,965	\$ 2,423,184	\$ 2,430,548	\$ 2,438,059	\$ 2,438,059
Excess (Deficiency) Revenues over Expenditures	(114,163)	(156,353)	(13,438)	62,498	(53,207)	32,775	49,496	66,197	82,875	99,528	116,154	116,154
Beginning Fund Balance, Oct 1	310,408	196,244	39,891	26,453	88,951	35,744	68,519	118,015	184,212	267,087	366,615	366,615
Ending Fund Balance, Sep 30	\$ 196,244	\$ 39,891	\$ 26,453	\$ 88,951	\$ 35,744	\$ 68,519	\$ 118,015	\$ 184,212	\$ 267,087	\$ 366,615	\$ 482,769	\$ 482,769

Tax Increment Captured Value Annual Expenditure Projections Extended Term with Expansion 2032-2040

CITY OF MESQUITE, TEXAS										
Towne Centre TIRZ No. Two										
As of June 2018										
	Proposed 2031-32	Proposed 2032-33	Proposed 2033-34	Proposed 2034-35	Proposed 2035-36	Proposed 2036-37	Proposed 2037-38	Proposed 2038-39	Proposed 2039-40	Total Expanded TIRZ Years
Projected Property Tax Growth %	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
EXPENDITURES:										
ORIGINAL TIRZ AREA										
Open Projects:										
Administrative Fee	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 2,600,000
Town East Retail Area Security	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	10,000,000
LBJ Project-Debt Ser-\$5,615,287	-	-	-	-	-	-	-	-	-	-
Gus Thomasson Rebuild (80-Town East)	-	-	-	-	-	-	-	-	-	-
Hike & Bike Trail/Heritage Trail Phase II	-	-	-	-	-	-	-	-	-	-
ROWS Street Lighting	-	-	-	-	-	-	-	-	-	-
ROWS Signal Improvements (GT/Motley)	-	-	-	-	-	-	-	-	-	-
Mall Public Children's Area Improvements	-	-	-	-	-	-	-	-	-	-
South Mesquite Creek Drainage Project (\$7 million in bonds)	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000	-	9,975,000
Pavement Improvements throughout Zone	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	3,200,000
Retail Area Land Use Plan/Study	-	-	-	-	-	-	-	-	-	-
Completed Projects:										
Total of all Previous Projects	-	-	-	-	-	-	-	-	-	-
Total Original TIRZ Area Expenditures	\$ 1,355,000	\$ 830,000	\$ 25,775,000							
EXPANDED TIRZ AREA EXPENDITURES										
Downtown Manager (with 2% inflation factor)	\$ 131,948	\$ 134,587	\$ 137,279	\$ 140,024	\$ 142,825	\$ 145,681	\$ 148,595	\$ 151,567	\$ 154,598	\$ 2,578,456
Downtown Maintenance (with 2% inflation factor)	126,824	129,361	131,948	134,587	137,279	140,024	142,825	145,681	148,595	2,478,332
Downtown Infrastructure	-	-	-	-	-	-	-	-	-	-
Purchase of Downtown Properties	-	-	-	-	-	-	-	-	-	-
Downtown Office Space Renovations	-	-	-	-	-	-	-	-	-	-
Front Street (\$5 million cash project)	-	-	-	-	-	-	-	-	-	-
Gibson Street (\$6 bond project)	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	-	8,550,000
Highway Corridor Maintenance (with 2% inflation factor)	131,948	134,587	137,279	140,024	142,825	145,681	148,595	151,567	154,598	2,578,456
Economic Development Incentives	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	4,650,000
	-	-	-	-	-	-	-	-	-	-
Total Expanded TIRZ Area Expenditures	\$ 1,090,720	\$ 1,098,534	\$ 1,106,505	\$ 1,114,635	\$ 1,122,928	\$ 1,131,386	\$ 1,140,014	\$ 1,148,814	\$ 707,791	\$ 20,835,244
TOTAL EXPENDITURES ALL AREAS	\$ 2,445,720	\$ 2,453,534	\$ 2,461,505	\$ 2,469,635	\$ 2,477,928	\$ 2,486,386	\$ 2,495,014	\$ 2,503,814	\$ 1,537,791	\$ 46,610,244
Excess (Deficiency) Revenues over Expenditures	132,750	149,315	165,845	182,338	198,791	215,203	231,569	247,889	1,239,157	2,935,217
Beginning Fund Balance, Oct 1	482,769	615,519	764,833	930,678	1,113,016	1,311,807	1,527,010	1,758,579	2,006,468	310,408
Ending Fund Balance, Sep 30	\$ 615,519	\$ 764,833	\$ 930,678	\$ 1,113,016	\$ 1,311,807	\$ 1,527,010	\$ 1,758,579	\$ 2,006,468	\$ 3,245,625	\$ 3,245,625

Expanded Towne Centre TIRZ No. Two Project Plan and Costs

SUMMARY CITY OF MESQUITE Towne Centre TIRZ No. Two As of June 2018		
TAXABLE VALUE		
TIRZ Tax Value - Fiscal Year 2017-18		\$ 604,589,109
Base Tax Year Value - Original Area (1998 Tax Year)		189,878,280
Base Tax Year Value - Downtown Area (2017 Tax Year)		44,835,308
Base Tax Year Value - Market East Area (2017 Tax Year)		182,596,660
	Total	417,310,248
	Value Increase	\$ 187,278,861
	Percent Increase	102.56%
PROJECTED REVENUES		
	<u>Original Term</u>	<u>Extended Term</u>
Total Projected Revenues - Original Area	\$ 63,283,743	\$ 37,091,290
Total Projected Revenues - Downtown Area	70,426	\$ 1,839,311
Total Projected Revenues - Market East Area	356,546	10,614,860
PROJECTED REVENUES	\$ 63,710,715	\$ 49,545,462
TOTAL PROJECTED REVENUES	\$ 113,256,176	
TOTAL REVENUES RECEIVED TO DATE	\$ 47,143,961	

Expanded Towne Centre TIRZ No. Two Project Plan and Costs

ESTIMATED PROJECT COSTS				
DESCRIPTION	AMOUNT	PERIOD	TOTAL	
			Original Term	Extended Term
COMPLETED				
Dev Participation-Brazos Elect	471,332	completed	471,332	
SMC Sanitary Sewer Line-Phase I	58,750	completed	58,750	
SMC Improvements-Phase I	88,811	completed	88,811	
JDN Real Estate-Sewer Line	91,244	completed	91,244	
Town East Ford Drainage Proj	421,521	completed	421,521	
Town East Water Line-Principal	3,000,000	completed	3,000,000	
Repay 4-B for LBJ Project Advances	1,964,025	completed	1,964,025	
Town East Mall Lighting Project	1,946,302	completed	1,946,302	
Stream 2B7 Bank Stabilization	16,404	completed	16,404	
SMC Improve-Phase II (Engineering)	148,083	completed	148,083	
MISD-North Mesquite Project	5,900,000	completed	5,900,000	
MISD Water Line	427,557	completed	427,557	
MISD Operation of Project Facilities	2,705,616	completed	2,705,616	
Transportation Projects (2008 - 2013)	1,549,330	completed	1,549,330	
Town Centre - Concrete Repairs	16,609	completed	16,609	
Town East Marquee Sign	700,000	completed	700,000	

Expanded Towne Centre TIRZ No. Two Project Plan and Costs

UNDERWAY & PROJECTED					
				Original Term	Extended Term
City Administration Fee	\$	130,000	per year	\$ 1,600,000	\$ 2,600,000
Town East Retail Area Security		500,000	per year	8,081,068	10,000,000
Pavement Improvements in TIRZ Area		200,000	per year	200,000	3,200,000
Economic Development Incentives		250,000	per year	500,000	4,650,000
Downtown Manager (with 2% inflation factor)		100,000	per year	306,040	2,578,456
Downtown Maintenance (with 2% inflation factor)		100,000	per year	100,000	2,478,332
Highway Corridor Maintenance (with 2% inflation factor)		100,000	per year	306,040	2,578,456
South Mesquite Creek Drainage (including bridge) (bonds)		7,000,000	2019-2039	525,000	9,975,000
Retail Area Land Use Plan/Study		200,000	2017-2018	200,000	-
Downtown Infrastructure		1,000,000	2018-2020	1,000,000	-
Purchase of Downtown Properties		500,000	2017-2018	500,000	-
Downtown Office Space Renovation		500,000	2018-2019	500,000	-
Front Street		5,000,000	2019-2020	5,000,000	-
Gibson Street (bonds)		6,000,000	2019-2039	450,000	8,550,000
LBJ Project-Debt Ser-\$5,615,287		7,221,575	2007-2019	7,221,575	-
Gus Thomasson Rebuild (80-Town East)		14,300,000	2014-2019	14,300,000	-
Hike & Bike Trail/Heritage Trail Phase II		2,505,000	2014-2019	2,505,000	-
ROWS Street Lighting		425,000	2013-2018	425,000	-
ROWS Signal Improvements (GT/Motley)		25,000	2013-2018	25,000	-
Mall Public Children's Area Improvements		150,000	2017-2018	150,000	-
UNDESIGNATED PROJECTS				-	3,245,626
PROJECT COSTS BY TERM				\$ 63,400,307	\$ 49,855,870
TOTAL PROJECT COSTS		\$ 113,256,177			
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES				310,408	(310,408)

Expanded Towne Centre TIRZ No. Two Project Plan Changes

CHANGES TO UNDERWAY & PROJECTED (\$1,800,543)								
June 4, 2018			December 18, 2017					
			Original Term	Extended Term			Original Term	Extended Term
City Administration Fee	\$ 130,000	per year	\$ 1,600,000	\$ 2,600,000	\$ 130,000	per year	\$ 1,600,000	\$ 2,600,000
Town East Retail Area Security	500,000	per year	8,081,068	10,000,000	500,000	per year	8,095,128	10,000,000
Pavement Improvements in TIRZ Area	200,000	per year	200,000	3,200,000	450,000	per year	1,050,000	9,000,000
Economic Development Incentives	250,000	per year	500,000	4,650,000	250,000	per year	500,000	5,000,000
Downtown Manager (with 2% inflation factor)	100,000	per year	306,040	2,578,456	100,000	per year	306,040	2,578,456
Downtown Maintenance (with 2% inflation factor)	100,000	per year	100,000	2,478,332	100,000	per year	306,040	2,578,456
Highway Corridor Maintenance (with 2% inflation factor)	100,000	per year	306,040	2,578,456	100,000	per year	306,041	2,578,456
South Mesquite Creek Drainage (including bridge) (bonds)	7,000,000	2019-2039	525,000	9,975,000	6,000,000	project	3,596,778	2,403,222
Retail Area Land Use Plan/Study	200,000	2017-2018	200,000	-	200,000	project	200,000	-
Downtown Infrastructure	1,000,000	2018-2020	1,000,000	-	1,000,000	project	1,000,000	-
Purchase of Downtown Properties	500,000	2017-2018	500,000	-	-		-	-
Downtown Office Space Renovation	500,000	2018-2019	500,000	-	-		-	-
Front Street	5,000,000	2019-2020	5,000,000	-	2,000,000	project	2,000,000	-
Gibson Street (bonds)	6,000,000	2019-2039	450,000	8,550,000	1,500,000	project	1,500,000	-
North Mesquite Drive	-		-	-	1,000,000	project	-	1,000,000
LBJ Project-Debt Ser-\$5,615,287	7,221,575	2007-2019	7,221,575	-	7,221,575		7,221,575	-
Gus Thomasson Rebuild (80-Town East)	14,300,000	2014-2019	14,300,000	-	14,300,000		14,300,000	-
Hike & Bike Trail/Heritage Trail Phase II	2,505,000	2014-2019	2,505,000	-	2,505,000		2,505,000	-
ROWS Street Lighting	425,000	2013-2018	425,000	-	425,000		425,000	-
ROWS Signal Improvements (GT/Motley)	25,000	2013-2018	25,000	-	25,000		25,000	-
Mall Public Children's Area Improvements	150,000	2017-2018	150,000	-	150,000		150,000	-
UNDESIGNATED PROJECTS			-	3,245,626			-	12,725,944
PROJECT COSTS BY TERM			\$ 63,400,307	\$ 49,855,870			\$ 64,592,186	\$ 50,464,534
TOTAL PROJECT COSTS			\$ 113,256,177		\$ 115,056,720			
EXCESS (DEFICIENCY) REVENUES OVER EXPENDITURES			310,408	(310,408)			-	-

Towne Centre TIRZ No. Two Designation Ordinance No. 3257

00115

ORDINANCE NO. 3257

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, DESIGNATING A CERTAIN AREA FOR A TAX INCREMENT FINANCING DISTRICT TO BE KNOWN AS THE TOWNE CENTRE TAX INCREMENT FINANCE DISTRICT REINVESTMENT ZONE NO. TWO, (TCTIFD) CITY OF MESQUITE, TEXAS, ESTABLISHING THE BOUNDARIES THEREOF, ESTABLISHING A BOARD OF DIRECTORS FOR SUCH REINVESTMENT ZONE, AND OTHER MATTERS RELATING THERETO.

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 (the Towne Centre area) within its jurisdiction by creation of a reinvestment zone for tax increment financing, as authorized by 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 has 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, by Resolution No. 20-98 duly adopted by the City on the 20th day of July, 1998, said public hearing was set for 3 p.m. on the 21st day of September, 1998, such date being at least seven (7) 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 at least sixty (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;

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

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 used for residential purposes, which is defined in the Act as any property occupied by a house which has less than five (5) 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

Towne Centre TIRZ No. Two Designation Ordinance No. 3257

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- 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
- 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 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 Towne Centre Reinvestment Zone Number Two, City of Mesquite, Texas (the "Zone").

SECTION 4. That the Zone shall take effect on January 1, 1999 and that the termination of the Zone shall occur on December 31, 2019, 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 for the Zone which shall consist of seven (7) members. The board of directors for the Zone shall be appointed as follows:

- a) Four (4) members shall be appointed by the City Council and three (3) members appointed by the Mesquite Independent School District, however, that if a taxing unit waives its right to appoint a member of the board, the City may appoint such board member in its stead. The initial board of directors shall be appointed by resolution of the governing bodies of the City and the taxing units as provided herein within sixty (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 (2) year terms. The City Council shall annually designate a member of the board to serve as chairman of the board of directors for a one (1) year term, and the board shall elect from its members, a vice chairman and other officers as it sees fit.

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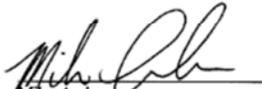
- c) The board of directors shall make recommendations to the City Council concerning the administration of the Zone. It shall prepare and adopt a project plan and reinvestment zone financing plan for the Zone and must submit such plans to the City Council for its approval. The board of directors shall 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 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.

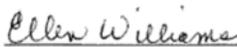
SECTION 7. That if any portion of this Ordinance shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof.

SECTION 8. This ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Mesquite and it is accordingly so ordained.

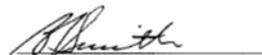
DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 21st day of September, 1998.


Mike Anderson
Mayor

ATTEST


Ellen Williams
City Secretary

APPROVED:


B. J. Smith
City Attorney

