



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

June 2018



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City of Mesquite
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Introduction

Tax Increment Financing Program

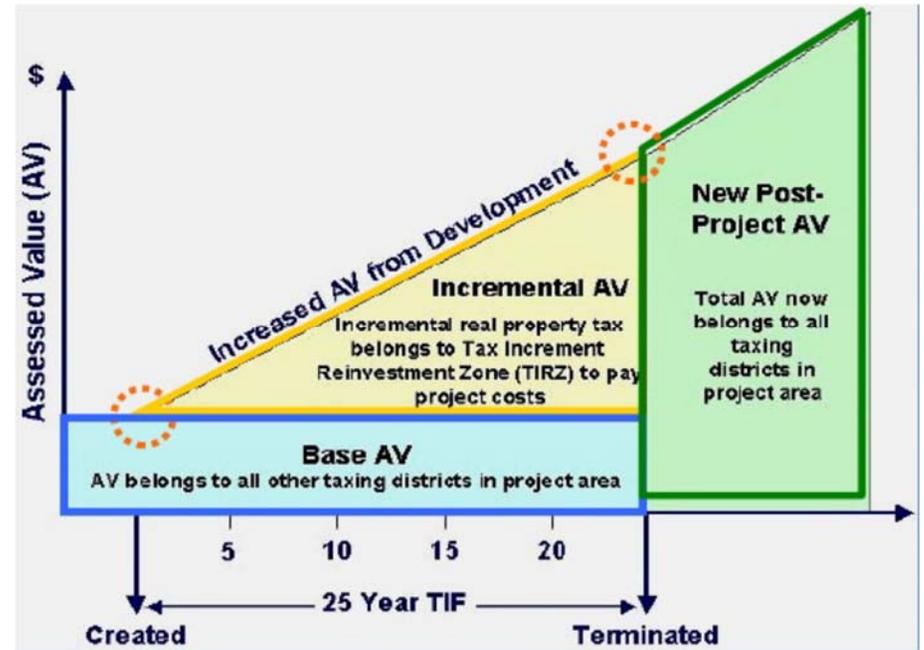
Chapter 311 of the Texas Tax Code (the TIRZ Act) authorizes the governing body of a municipality to promote redevelopment of a contiguous or noncontiguous geographic area by designating it a Tax Increment Reinvestment Zone (TIRZ). The future value of private investment within a TIRZ is leveraged to finance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

Key Points:

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

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

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



Board of Director Responsibilities

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

Heartland Town Center TIRZ No. 11

Actions Taken to Date

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

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

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

On December 18, 2017, after holding a public hearing, the City Council passed Ordinance No. 4532 creating Reinvestment Zone Number Eleven for a duration of 30 years, expiring on December 31, 2048, if not sooner terminated, and the tax increment for the TIRZ was set at the total value of the ad valorem tax collected on all real property within the TIRZ. At this same meeting, the City Council passed Resolution No. 80-2017, creating the Heartland Town Center PID to finance the cost of certain authorized public improvements that confer a special benefit to property located within the PID as authorized by State law.

On April 2, 2018, the City and Developer executed the Heartland Town Center Development Agreement, and currently the City intends to issue PID bonds on July 16, 2018.

Under the PID, the City will levy assessments based on lot type in an amount sufficient to pay debt service on any special assessment revenue bonds issued to finance a portion of the authorized improvements, capped by the Development Agreement at \$14 million. While the TIRZ boundary encompasses the entire 146.746 acres of the Heartland development, the PID boundaries only include the 121.3-acre residential tract, which will develop as single-family residential.

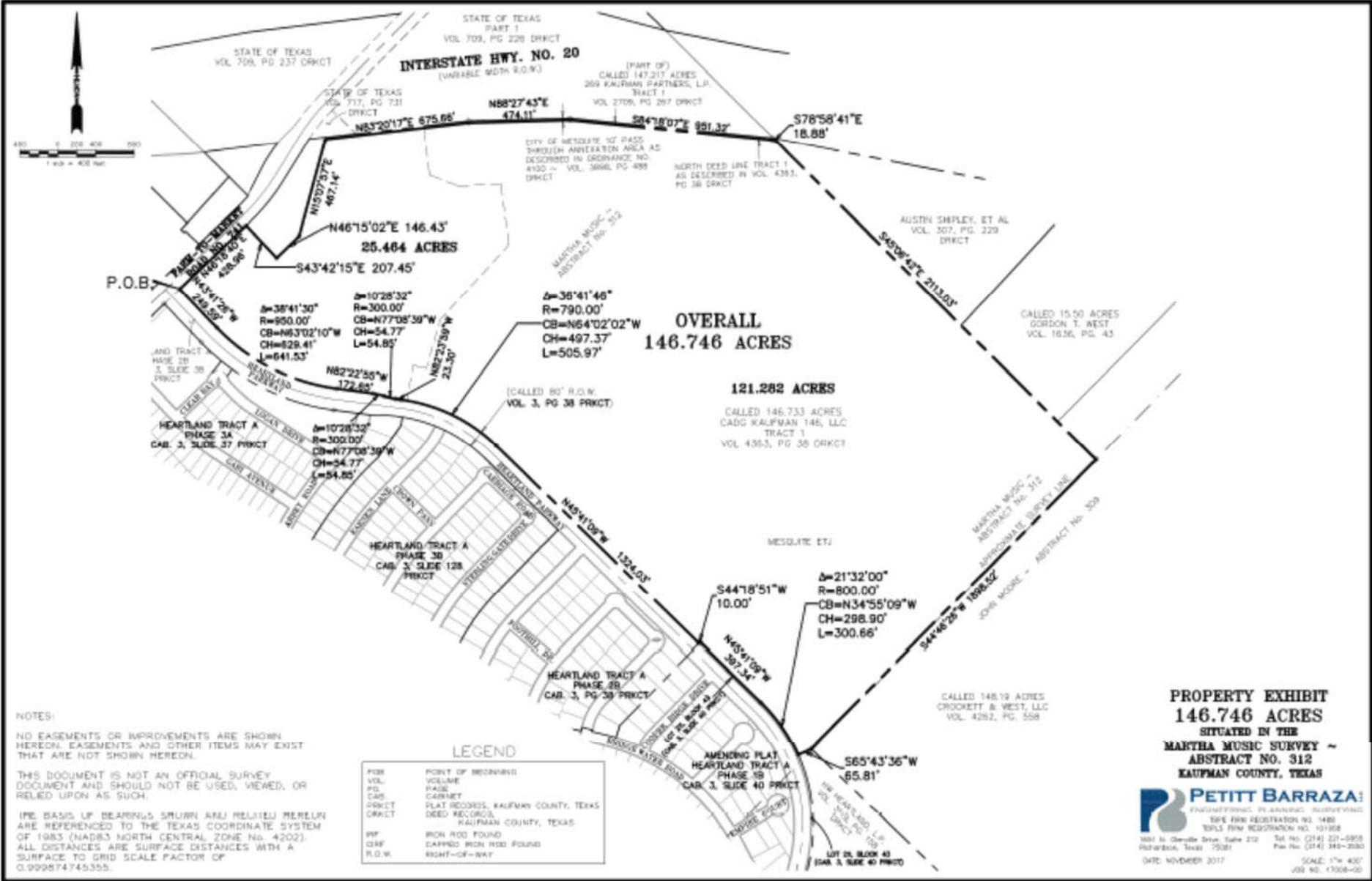
On May 29, 2018, the Developer filed a voluntary petition for annexation of the 25.5-acre general retail tract and a Resolution accepting the petition and calling for two public hearings is scheduled for the June 18, 2018, City Council meeting.

Board Recommendation

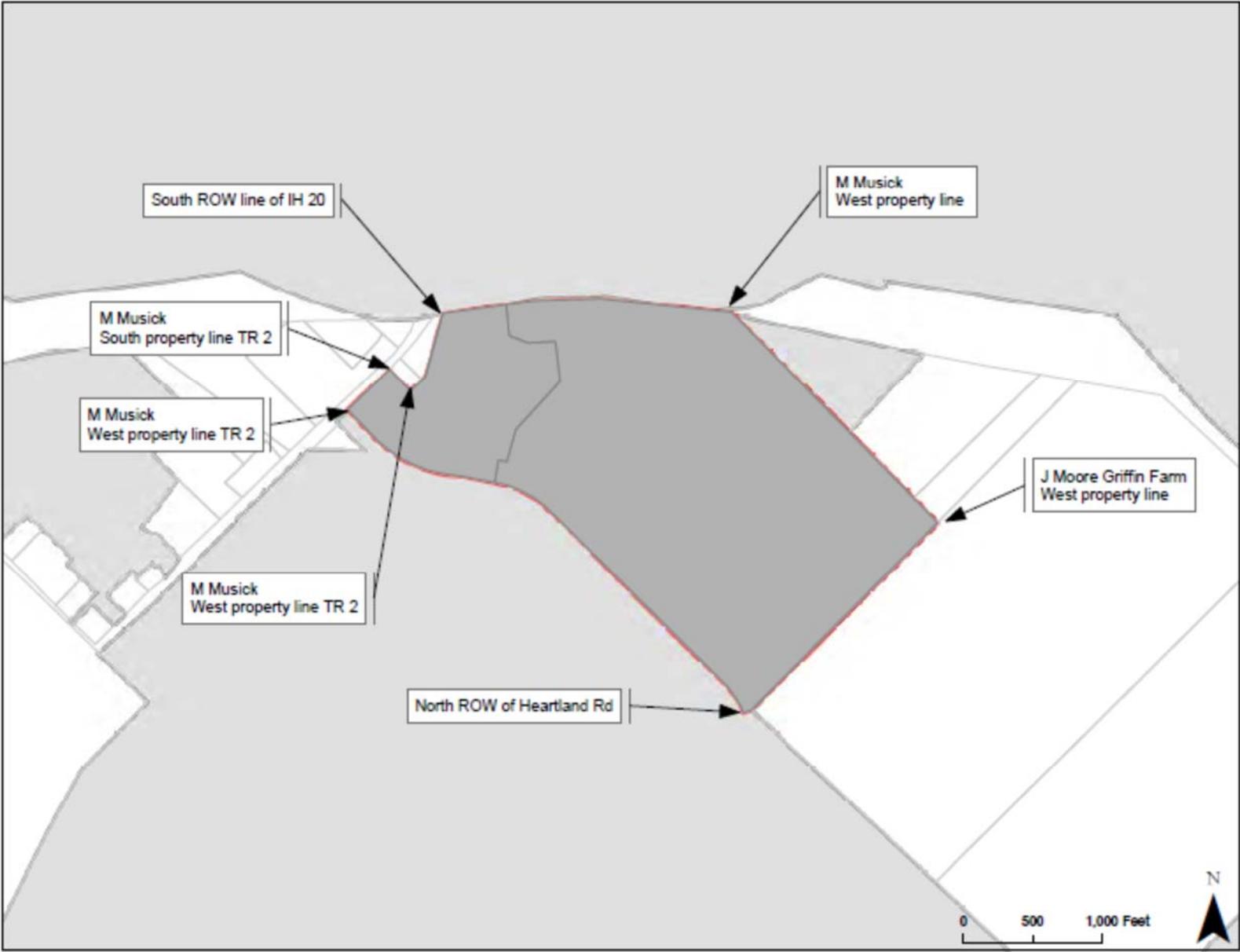
The Board has prepared and adopted, and recommends to the City Council this ***Reinvestment Zone Project and Financing Plan for Reinvestment Zone Number Eleven, City of Mesquite, Texas (Heartland Town Center)*** for approval, including a TIRZ Agreement with the City pursuant to which the City will contribute a portion of its ad valorem tax increment into a tax increment fund to pay the costs of public works, public improvements, programs, and other projects benefiting the Zone through payment of public improvement district special assessment revenue bonds (including interest and other financing costs of such bonds) issued by the City to finance those costs.

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

Heartland Town Center TIRZ No. 11 Boundary



Heartland Town Center TIRZ No. 11 Boundary Description



Heartland Town Center TIRZ No. 11

Boundary Description

BEING that certain tract of land situated in the Martha Music Survey, Abstract No. 312, in Kaufman County, Texas, and being that certain tract of land described as Tract 1 in deed to CADG Kaufman 146, LLC, recorded in Volume 4363, Page 38, of the Deed Records of Kaufman County, Texas (DRKCT), and being more particularly described as follows:

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

THENCE North 46°18'40" East, with said southeast right-of-way line of Farm to Market Road No. 741, said southeast right-of-way line according to Deed to the State of Texas recorded in Volume 454, Page 159, DRKCT, a distance of 428.96 feet to a 1/2 inch iron rod with cap stamped "DAA" found for corner at the west corner of that certain tract of land described as Tract 7 in deed to HW Heartland, L.P. recorded in Volume 3119, Page 142, DRKCT;

THENCE leaving said southeast right-of-way line of Farm to Market Road No. 741, and with the southwest and southeast lines of said Tract 7, the following bearings and distances to 1/2 inch iron rods with cap stamped "DAA" found for corner:

South 43°42'15" East, a distance of 207.45 feet;

And North 46°15'02" East, a distance of 146.43 feet;

THENCE North 15°07'57" East, continuing with said southeast line of Tract 7, a distance of 467.14 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 83°20'17" East, leaving said southeast line of Tract 7, and with the north line of said CADG Kaufman 146, LLC tract, a distance of 675.66 feet to a 5/8 inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

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

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

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

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

THENCE South 44°46'26" West, with a southeasterly line of said CADG Kaufman 146, LLC tract, a distance of 1898.52 feet to a 1/2 inch iron rod with cap marked "DAA" found for corner;

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

Heartland Town Center TIRZ No. 11

Boundary Description

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

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

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

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

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

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

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

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

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

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

THENCE North 43°41'26" West, continuing with said northeasterly right-of-way line of Heartland Parkway, a distance of 249.59 feet to the POINT OF BEGINNING of herein described tract, containing 146.746 acres of land.

Heartland Town Center TIRZ No. 11

Current Land Use

Existing Uses and Conditions

The Property is currently located in Kaufman County and wholly within the City's ETJ. The Property is undeveloped, and there is no public infrastructure to support development. Development will require extensive public infrastructure that: (1) the City cannot provide; and (2) will not be provided solely through private investment in the foreseeable future. If the Property were to be developed today, it would be developed consistent with the terms of the Development Agreement. Maps of current land use and zoning are shown on the next two pages.

Current Property Ownership

There are five parcels within the TIRZ and details of the parcels are shown below.

The current total appraised value of taxable real property in the Zone is \$33,020. It is estimated that upon expiration of the term of the Zone, the total appraised value of taxable real property in the Zone will be more than \$161 million.



121-acre Residential Tract

PROPERTY ID	OWNER	ACRE	LEGAL DESCRIPTION	EX	LAND	IMPR.	MARKET	AG VALUE	TOTAL ASSESSED
9608	CADG KAUFMAN 146 LLC	1.334	M MUSICK, TRACT 2 PT, AKA TRACT F PT		\$ 26,680	\$ -	\$ 26,680	\$ 300	\$ 300
9609	CADG KAUFMAN 146 LLC	17.35	M MUSICK, PT TR 2, AKA TRACT F PT		\$ 347,000	\$ -	\$ 347,000	\$ 3,900	\$ 3,900
9711	CADG KAUFMAN 146 LLC	109.067	M MUSICK, TRACT 2 PT, AKA TRACT F PT		\$ 2,181,340	\$ -	\$ 2,181,340	\$ 24,540	\$ 24,540
76545	CADG KAUFMAN 146 LLC	13.982	M MUSICK, TRACT 2 PT, AKA TRACT F PT		\$ 111,860	\$ -	\$ 111,860	\$ 3,150	\$ 3,150
187126	THERIAULT AMY ETAL	5	M MUSICK		\$ 106,940	\$ -	\$ 106,940	\$ 1,130	\$ 1,130
		146.733			\$ 2,773,820	\$ -	\$ 2,773,820	\$ 33,020	\$ 33,020

Heartland Town Center TIRZ No. 11

Current Land Use



Heartland Town Center TIRZ No. 11

Current Zoning



Heartland Town Center TIRZ No. 11

Zone Characteristics

Proposed Uses

Currently, the property is zoned Agricultural and is vacant. Upon annexation, the 25-acre tract will be zoned General Retail consistent with the development standards contained in the Development Agreement. The 121-acre tract will be zoned Planned Development - Single Family Residential and is expected to develop in two phases over three to four years.

Phase 1 is expected to begin in 2019 with infrastructure improvements and 215 lots completed by 2022. Phase 2 is expected to begin in 2020 with infrastructure improvements and 235 lots completed by 2024. The anticipated average base home price for the 40-foot width lots is \$215,000, and the anticipated average base home price for the 50-foot width lots is \$255,000. Maps of the Property and description of the proposed uses of the Property are shown on the following pages.

The Property meets the eligibility requirements of the PID Act. The Property is undeveloped, and due to its size, location, and physical characteristics, development will not occur solely through private investment in the foreseeable future. The Property substantially impairs and arrests the sound growth of the City because it is predominately open, unproductive and undeveloped due to factors such as the lack of public infrastructure and other facilities and the need for economic incentives to attract development to the Zone for the purpose of providing long-term economic benefits including, but not limited to, increased real property tax base for all taxing units in the Zone. With the creation of the Zone and if the public works, public improvements, programs, and other projects are financed as contemplated by this Plan, the Developer envisions that the Property will be developed to take full advantage of the opportunity to bring to the City a master-planned development.

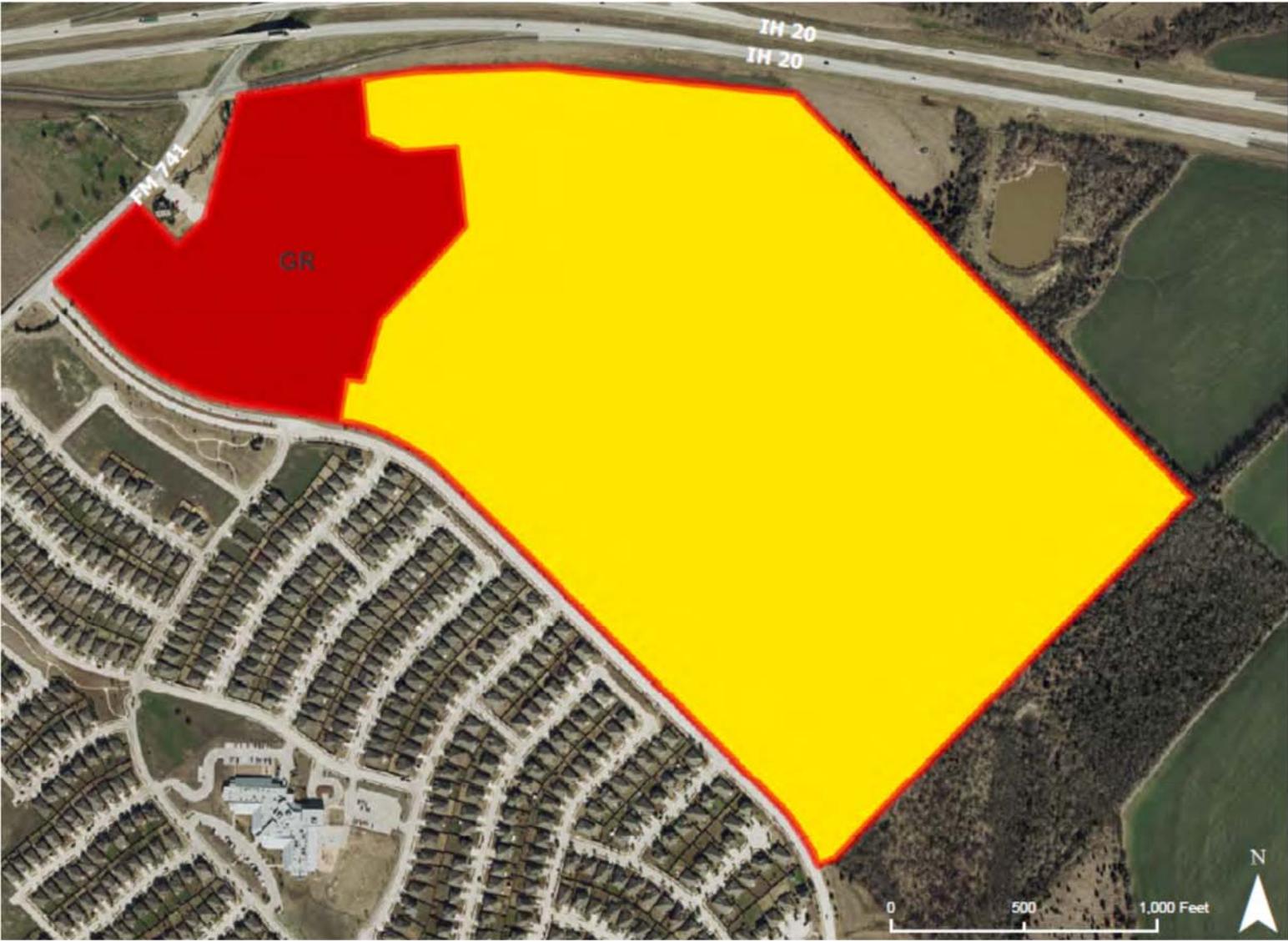
Proposed Changes to Ordinances, Codes, and Regulations

The Property is currently located in the ETJ of the City and is not subject to the City's zoning regulation, however the Development Agreement requires the Developer to file for voluntary annexation, and upon annexation to then file certain deed restrictions with the Kaufman County Court of Record. A list of 30 prohibited uses to be filed as deed restrictions is found in Exhibit D-1 of the Development Agreement.



25-acre General Retail Tract

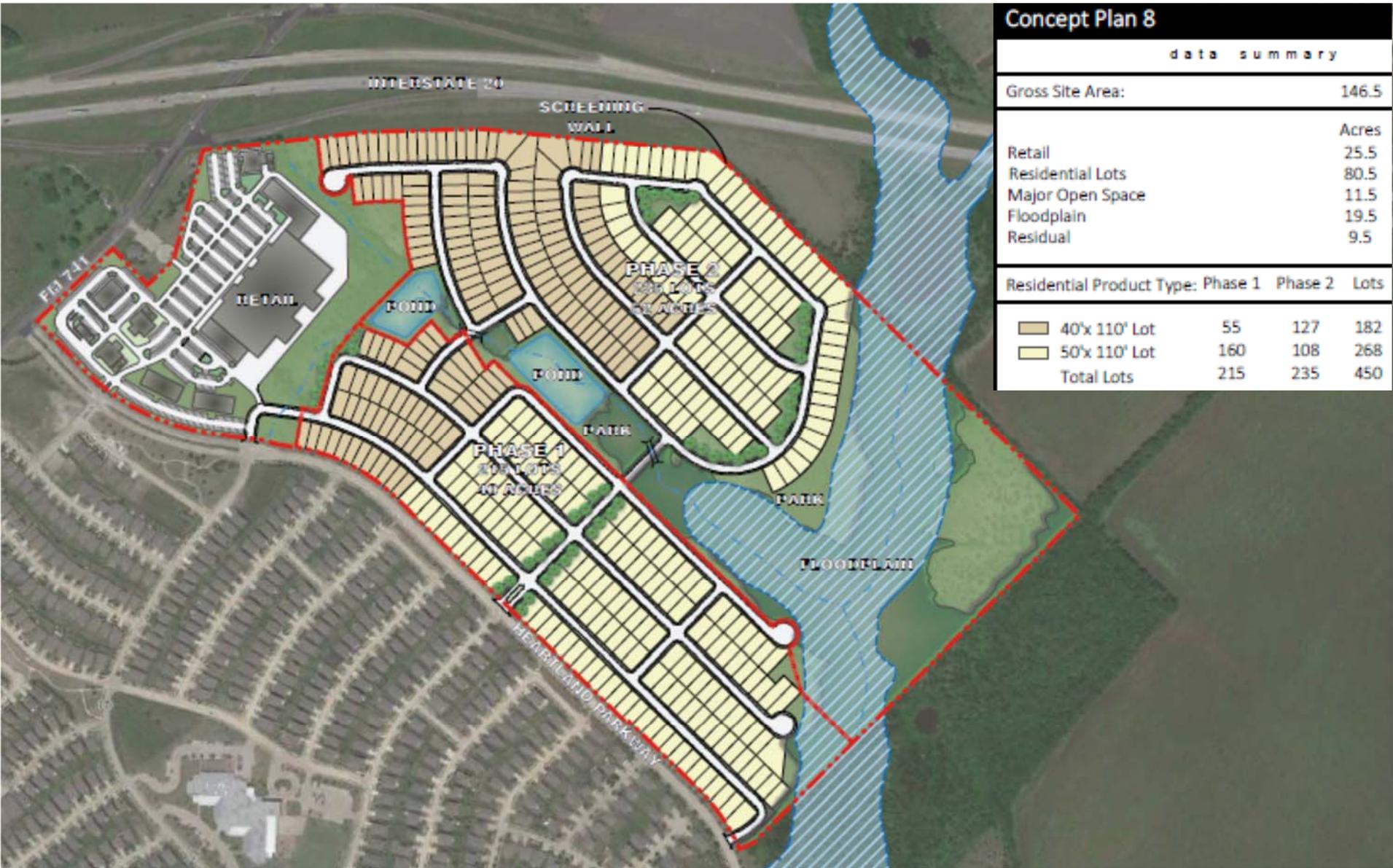
Heartland Town Center TIRZ No. 11 Future Land Use



- Land Use**
- General Retail 25.5 ac
 - COMMERCIAL IMPROVEMENTS
 - Public Improvement District 121 ac
 - SINGLE FAMILY RESIDENCES

Heartland Town Center TIRZ No. 11

Future Land Use



Heartland Town Center TIRZ No. 11

Future Land Use

Anticipated Development

Over the 31 year term of the TIRZ, anticipated development will include a high-quality, residential and mixed-use development.

Residential

Tract	Name	Type	Lots	Delivery Year	Completion Year	Taxable Value PSF/Unit	Incremental Value
Heartland							
1	40' LOTS	SFR	182	2019	2022	\$210,000	\$38,220,000
2	50' LOTS	SFR	268	2019	2022	\$262,500	\$70,350,000
Total			450				\$108,570,000

Mixed

Tract	Name	Type	SF	Delivery Year	Completion Year	Taxable Value PSF/Unit	Incremental Value
Heartland							
1	Grocery	RETAIL	115,023	2020	2022	\$200	\$23,004,600
2	Pads	RETAIL	46,174	2020	2022	\$200	\$9,234,800
3	Office	OFFICE	41,382	2022	2024	\$150	\$6,207,300
4	Bank	OFFICE	15,246	2020	2022	\$150	\$2,286,900
5	Retail	RETAIL	58,806	2022	2024	\$200	\$11,761,200
Total			276,631				\$52,494,800

PLAN YEARS
OUTPUT @ YEAR

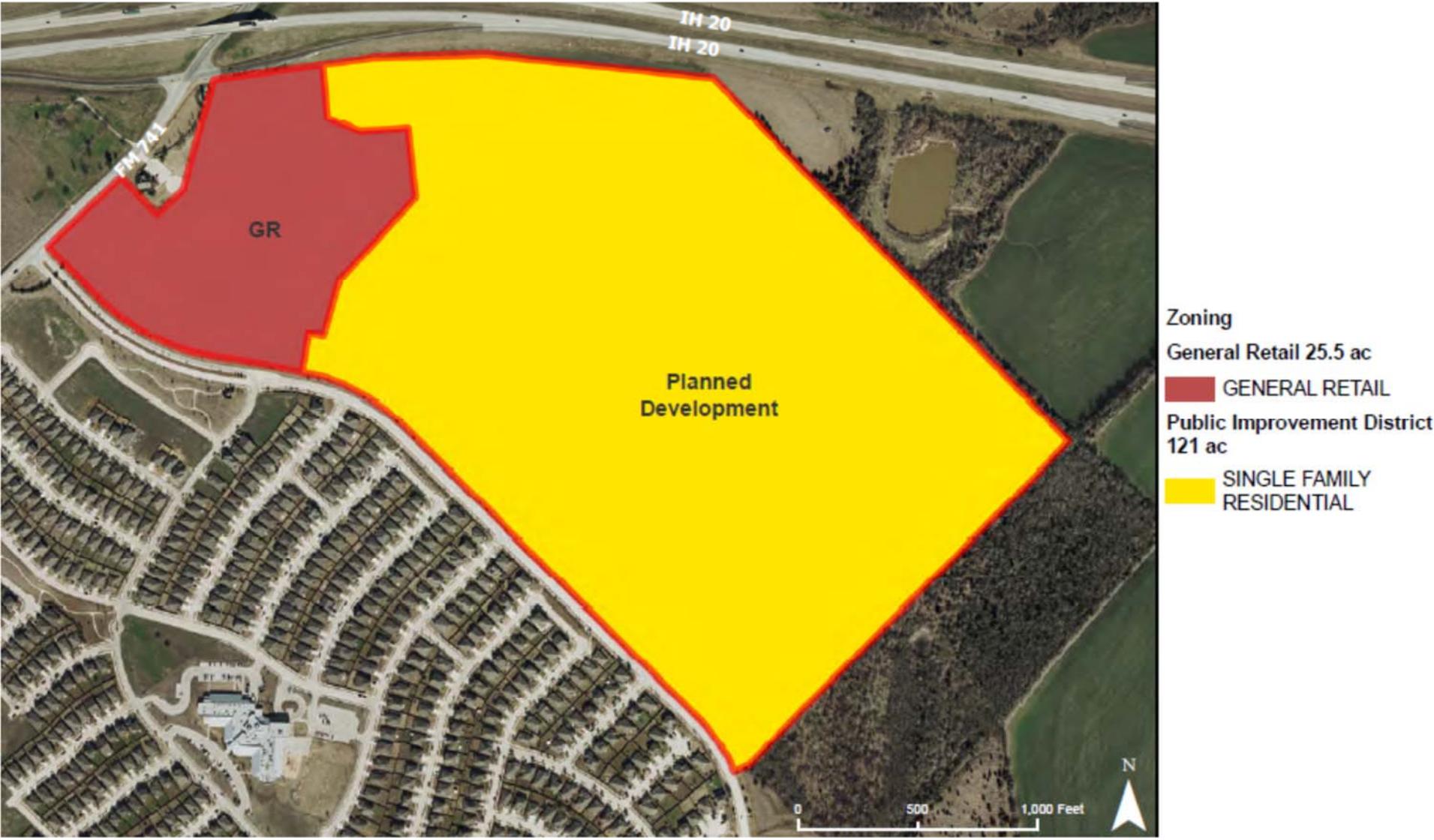
31
2048

YEAR
GROSS
NET PRESENT VALUE @ 6%

2048
18,437,378
7,947,696

Heartland Town Center TIRZ No. 11

Future Zoning



Heartland Town Center TIRZ No. 11

Estimated Non-Project Costs

Estimated Non-Project Costs	Amount
Site Preparation	\$ 1,122,041
Retaining Walls	275,800
Water Distribution System	464,130
Sanitary Sewer System	454,604
Storm Sewer System	654,760
Roadway Improvements	1,086,974
Franchise Utilities/Street Lighting	1,443,000
Professional/Miscellaneous Fees	508,915
District Creation Costs	357,740
Contingencies	1,113,545
Amenity Center	1,500,000
Utility Costs Heartland MUD Costs	1,600,000
	\$ 10,581,509

Estimated Non-Project Costs

Non-project costs are private funds that will be spent to develop in the TIRZ but will not be financed by TIRZ revenues. The list of non-project costs includes lot development costs and home construction costs. The total non-project costs are estimated at \$10,581,509.

Relocation of Displaced Persons

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

Heartland Town Center TIRZ No. 11

Estimated Project Costs

Estimated Project Costs	Amount
Site Preparation	\$ 1,464,886
Retaining Walls	413,700
Water Distribution System	696,195
Sanitary Sewer System	681,906
Storm Sewer System	982,140
Roadway Improvements	1,630,461
Professional/Miscellaneous Fees	763,373
Interest	10,306,164
Contingencies	172,561
Utility Costs Heartland MUD Costs	1,000,000
	\$ 18,111,386

Estimated Project Costs

The total estimated project costs for the Projects include administrative costs, the costs of the public improvements, and principal, interest and other financing costs of PID bonds, and are estimated at \$18,111,386 in 2017 dollars.

Estimated Time When Costs Incurred

The Administrative Costs will be incurred annually. It is estimated that the remainder of the Project Costs will be incurred during the time intervals set forth in the Financial Analysis.

TIRZ Revenues Capped

TIRZ revenues placed in the Residential Account of the TIRZ Fund and dedicated to offset or pay a portion of PID assessments cannot exceed \$14,827,784.

TIRZ revenues placed in the Commercial Account of the TIRZ Fund and dedicated to reimburse developer costs in the form of Chapter 380 Economic Development Agreements cannot exceed \$3,283,602.

Therefore; total TIRZ revenues are capped at \$18,111,386 per the Development Agreement.

Heartland Town Center TIRZ No. 11

Estimated Project Costs

Categories of Authorized Public Improvements

The categories of authorized improvements proposed to be financed by the TIRZ are as follows: water improvements, sanitary sewer improvements, storm sewer and detention improvements, roadway improvements, erosion control and landscape improvements. All public improvements shall be designed and constructed in accordance with all applicable City standards and shall otherwise be inspected, approved, and accepted by the City. At the City's option, the public improvements may be expanded to include any other category of improvements authorized by the TIRZ Act. Authorized improvements are subject to change and shall be updated by the City consistent with the PID Service and Assessment Plan (SAP).

Roadway Improvements:

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

Water Distribution System Improvements:

Consist of construction and installation of water lines, mains, pipes, valves and appurtenances necessary for the water distribution system, as well as related testing, trench safety and erosion protection, necessary to service the Assessed Property. The water distribution system improvements will be designed and constructed in accordance with TCEQ standards and specifications and it's anticipated that water distribution system will be owned and operated by the Kaufman MUD, unless otherwise determined through subsequent agreement.

Sanitary Sewer Collection System Improvements:

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

Storm Drainage Collection System Improvements:

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

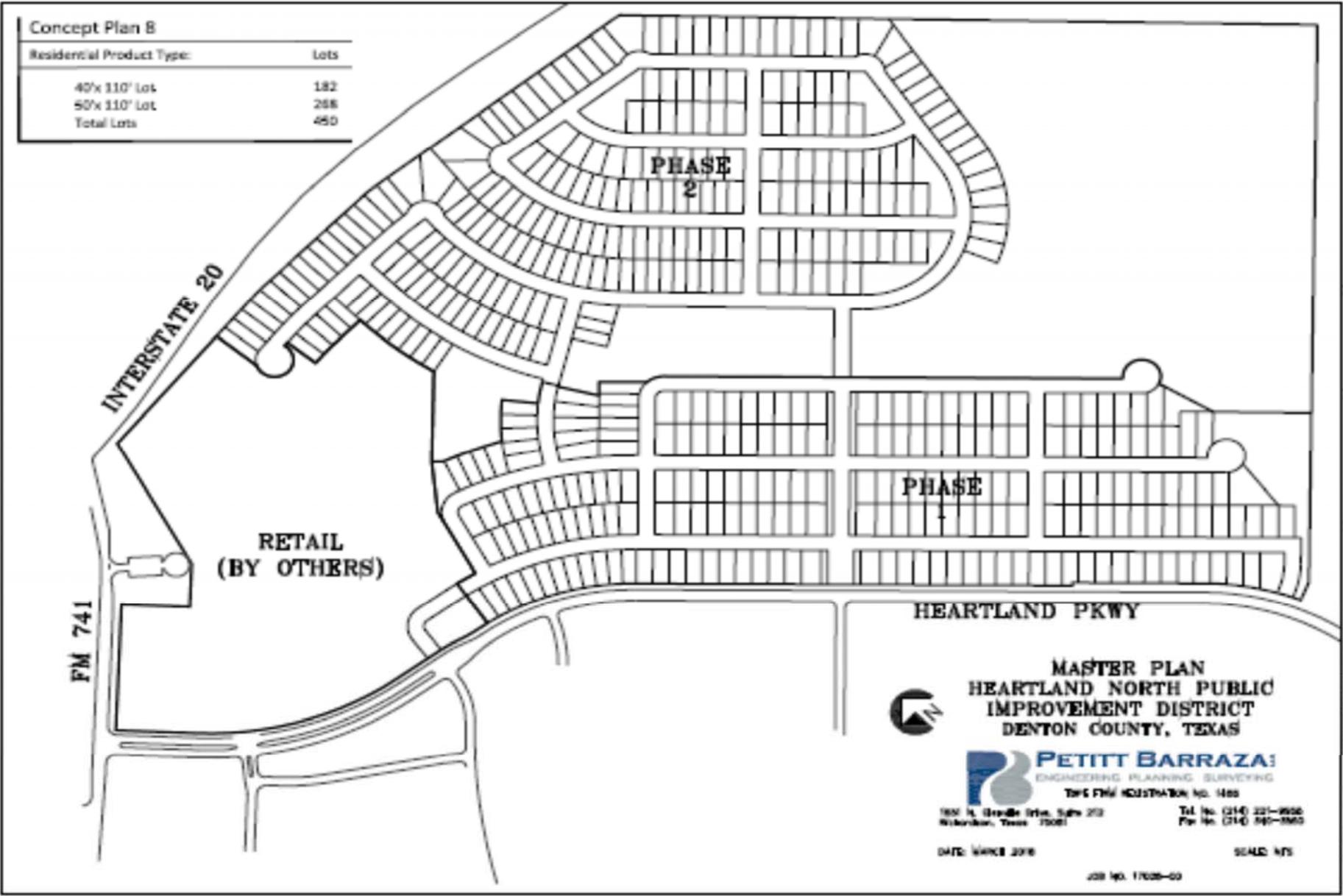
Locations of Public Improvements. The estimated locations of the proposed public improvements are shown on the following pages. These locations are provided for informational purposes only and may be revised from time to time without amending the this Plan.



25-acre General Retail Tract

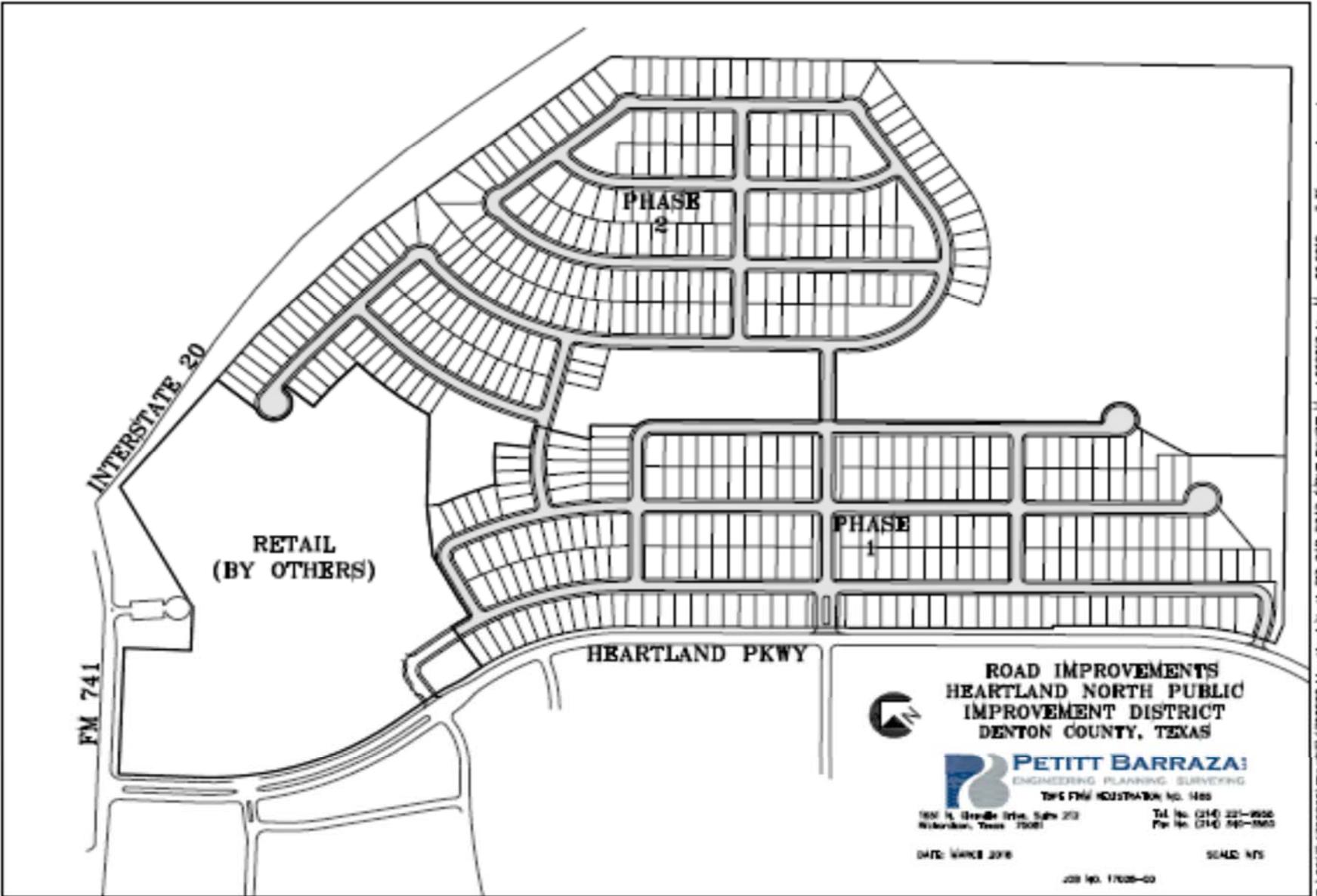
Heartland Town Center TIRZ No. 11

Project Phases



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Heartland Town Center TIRZ No. 11 Roadway Improvements



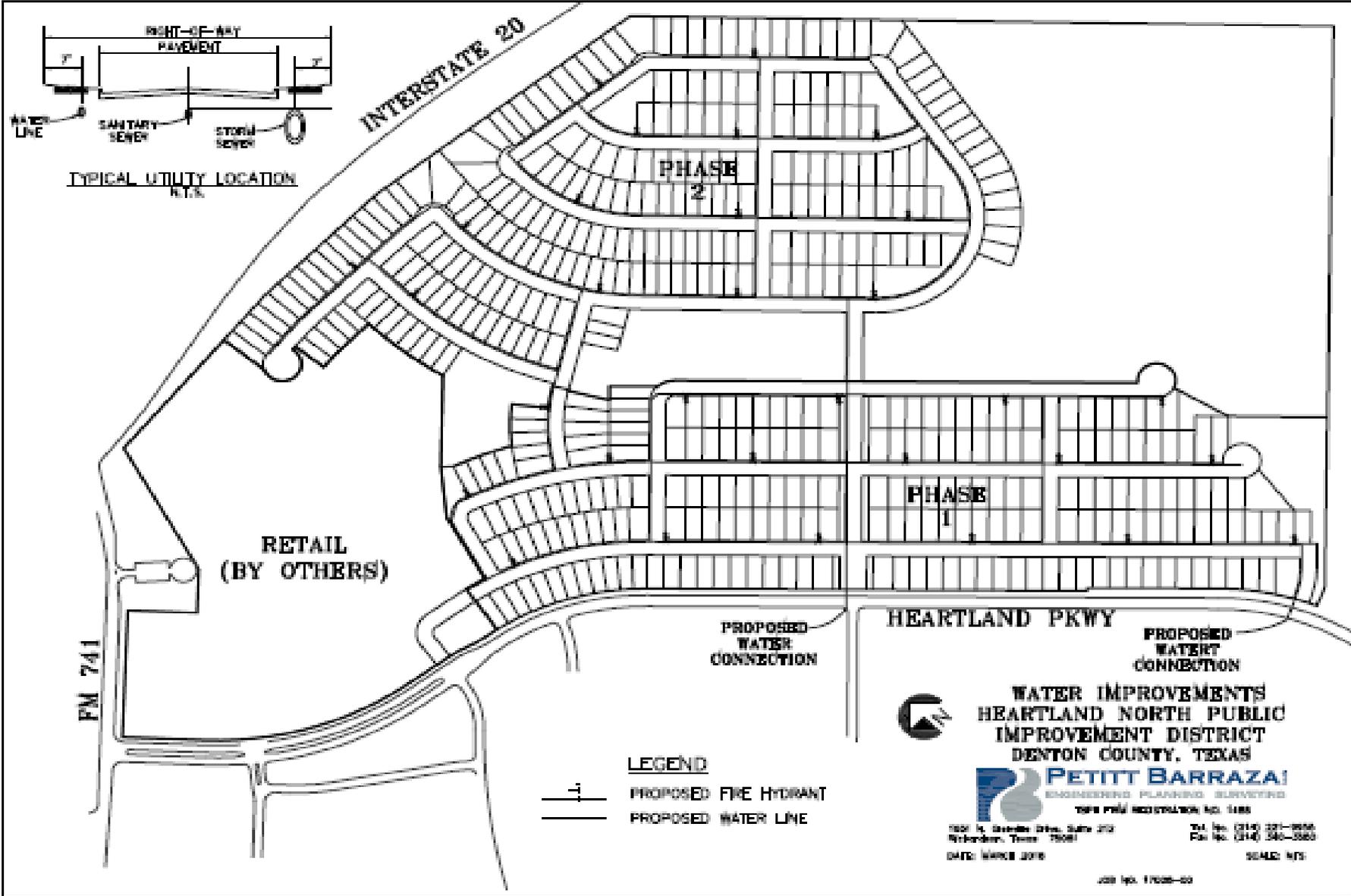
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Heartland Town Center TIRZ No. 11

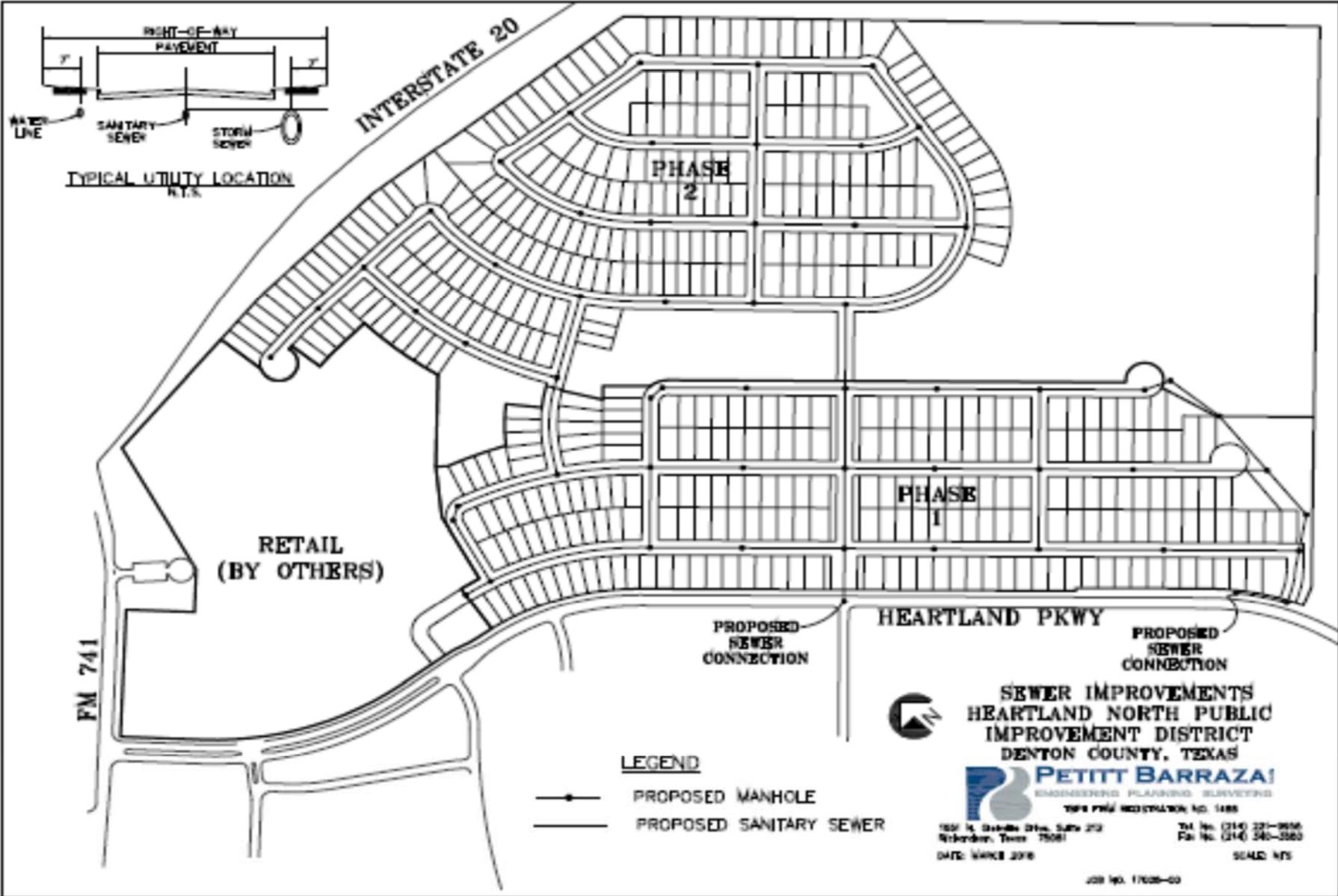
Water and Sewer Improvements



Heartland Town Center TIRZ No. 11 Water Improvements



Heartland Town Center TIRZ No. 11 Wastewater Improvements



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Heartland Town Center TIRZ No. 11

Financial Feasibility

Economic Feasibility Study

In March 2018, a taxable value analysis was developed by David Pettit Economic Development, LLC, as part of the preliminary project and financing plan to determine the economic feasibility of the project. The study examined the expected tax revenue the TIRZ would receive based on development assumptions. The Table on Page 15 summarizes the anticipated development square footages, the anticipated taxable value per unit for residential development, and the anticipated taxable value per square foot for mixed use development.

The following pages show the estimated captured appraised value of the Zone during each year of its existence and the net benefits of the Zone to each of the local taxing jurisdictions as well as the method of financing.

Based on the foregoing analysis, the feasibility of the Zone has been demonstrated.

To fund the improvements outlined in the Project Plan, the City will contribute 62.5 percent of its real property tax increment towards residential development and 25 percent of its real property tax increment towards the mixed use development.

Method of Financing

For the 121-acre development, the City anticipates issuing special assessment revenue bonds secured by PID assessments to finance all or a portion of Project Costs, with any remaining costs of public improvements paid by the Developer.

In accordance with the Development Agreement, this TIRZ Project and Finance Plan, and the PID SAP, TIRZ revenues will be collected annually at 62.5 percent of the ad valorem tax increment from the residential tract only, to reduce the amount of assessments for a period of up to 31 years or until the amount of TIRZ revenue related to the PID and placed in the City’s TIRZ Fund residential account totals \$14,827,784, whichever occurs first.

Residential

REAL PROPERTY TAX		PARTICIPATION	
CITY OF MESQUITE	0.68700000	62.50%	0.4293750
KAUFMAN COUNTY	0.48870000	0%	0.0000000
KAUFMAN COUNTY R&B	0.10000000	0%	0.0000000
FORNEY ISD	1.54000000	0%	0.0000000
KAUFMAN ESD 6	0.03000000	0%	0.0000000
	2.84570000		0.4293750

Mixed

REAL PROPERTY TAX		PARTICIPATION	
CITY OF MESQUITE	0.68700000	25.00%	0.1717500
KAUFMAN COUNTY	0.48870000	0%	0.0000000
KAUFMAN COUNTY R&B	0.10000000	0%	0.0000000
FORNEY ISD	1.54000000	0%	0.0000000
KAUFMAN ESD 6	0.03000000	0%	0.0000000
	2.84570000		0.1717500

PERSONAL PROPERTY TAX		PARTICIPATION	
CITY OF MESQUITE	0.68700000	0%	0.0000000
KAUFMAN COUNTY	0.48870000	0%	0.0000000
KAUFMAN COUNTY R&B	0.10000000	0%	0.0000000
FORNEY ISD	1.54000000	0%	0.0000000
KAUFMAN ESD 6	0.03000000	0%	0.0000000
	2.84570000		0.0000000

Taxing Unit Participation and Tax Increment Contribution
87.5% City Tax Increment or 0.6011 Tax Rate Equivalent

Heartland Town Center TIRZ No. 11

Financial Feasibility

Method of Financing

Section 311.010(h) of the TIRZ Act provides that the Board, subject to the approval of the City Council, may establish and provide for the administration of one or more programs as the Board determines is necessary or convenient to implement and achieve the purposes of this Plan, which programs are for the public purposes of developing and diversifying the economy of the Zone and developing business and commercial activity within the Zone. Such economic development programs may include, to the extent permitted by law, programs to make grants of any lawfully available money from the TIRZ Fund, both of which are for activities that benefit the Zone and stimulate business and commercial activity in the Zone. All grants that are part of the economic development programs must serve the public purpose of attracting new business and commercial activity to the Zone for the purpose of providing long-term economic benefits including, but not limited to, increases in the real property tax base for all taxing units within the Zone, and increased job opportunities for residents of the City, the County, and the region, all of which benefit the Zone and the City.

The City anticipates reimbursing the Developer, or any owner of any part of the general retail tract, eligible Project Costs for programs authorized by Chapter 380, Local Government Code.

In accordance with the Development Agreement, this TIRZ Project and Finance Plan, and the PID SAP, TIRZ revenues will be collected annually at 25 percent of the ad valorem tax increment from the general retail tract only, to reimburse the Developer, or any other owner of all or any part of the TIRZ general retail tract, for public improvements in accordance with any Chapter 380 Economic Development Program Agreement for a period of up to 31 years or until the amount of TIRZ revenues in the Commercial Account of the TIRZ Fund totals \$3,283,602, whichever occurs first.

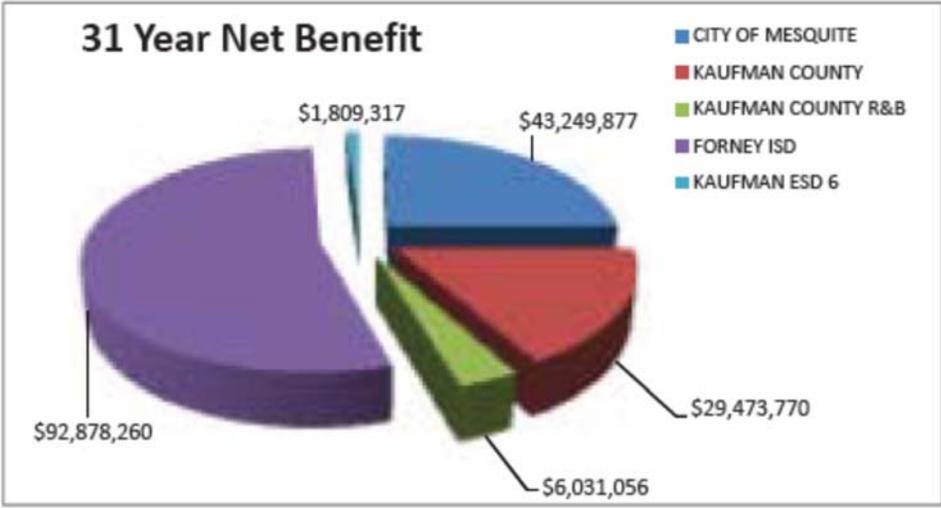
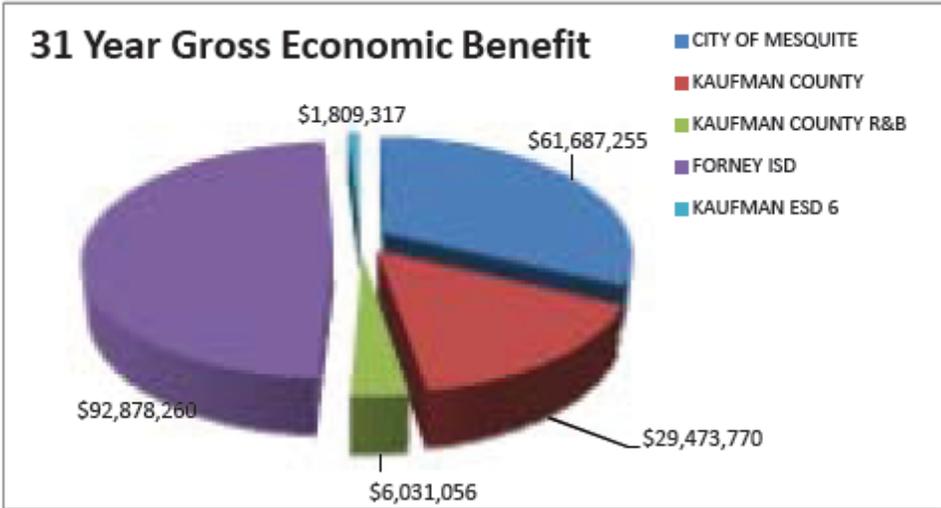


Debt Service

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

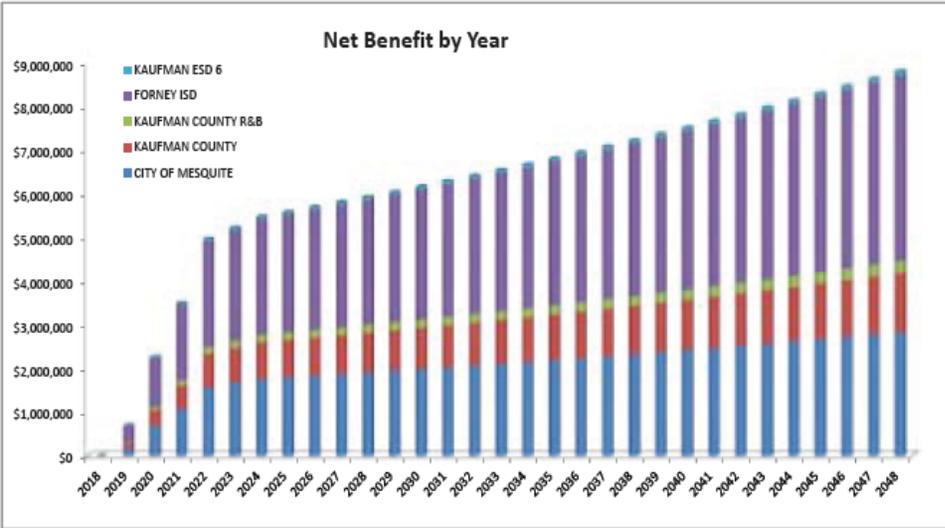
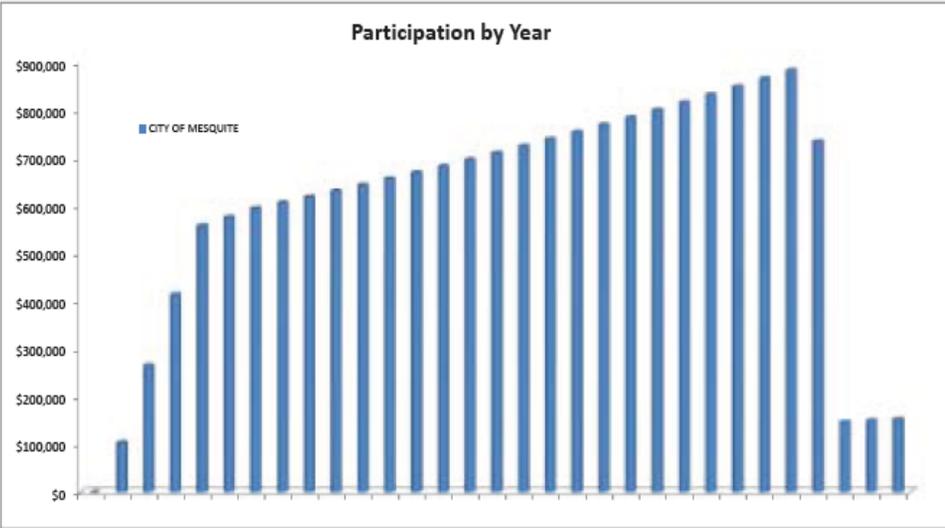
Heartland Town Center TIRZ No. 11 Revenue Summary

Taxing Jurisdictions	Total Taxes Generated	Participation	Net Benefit
CITY OF MESQUITE	\$61,687,255	\$18,437,378	\$43,249,877
KAUFMAN COUNTY	\$29,473,770	\$0	\$29,473,770
KAUFMAN COUNTY R&B	\$6,031,056	\$0	\$6,031,056
FORNEY ISD	\$92,878,260	\$0	\$92,878,260
KAUFMAN ESD 6	\$1,809,317	\$0	\$1,809,317
Total	\$191,879,657	\$18,437,378	\$173,442,279



Heartland Town Center TIRZ No. 11 Revenue Summary

Taxing Jurisdictions	Total Taxes Generated	Participation	Net Benefit
CITY OF MESQUITE	\$61,687,255	\$18,437,378	\$43,249,877
KAUFMAN COUNTY	\$29,473,770	\$0	\$29,473,770
KAUFMAN COUNTY R&B	\$6,031,056	\$0	\$6,031,056
FORNEY ISD	\$92,878,260	\$0	\$92,878,260
KAUFMAN ESD 6	\$1,809,317	\$0	\$1,809,317
Total	\$191,879,657	\$18,437,378	\$173,442,279



Heartland Town Center TIRZ No. 11

Financial Feasibility Analysis

Residential

▶ INPUT

INFLATION RATE	2.00%
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DISCOUNT RATE	6.00%
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REAL PROPERTY TAX		PARTICIPATION	
CITY OF MESQUITE	0.68700000	62.50%	0.4293750
KAUFMAN COUNTY	0.48870000	0.00%	0.0000000
KAUFMAN COUNTY R&B	0.10000000	0.00%	0.0000000
FORNEY ISD	1.54000000	0.00%	0.0000000
KAUFMAN ESD 6	0.03000000	0.00%	0.0000000
	2.84570000		0.4293750

PERSONAL PROPERTY TAX		PARTICIPATION	
CITY OF MESQUITE	0.68700000	0%	0.0000000
KAUFMAN COUNTY	0.48870000	0%	0.0000000
KAUFMAN COUNTY R&B	0.10000000	0%	0.0000000
FORNEY ISD	1.54000000	0%	0.0000000
KAUFMAN ESD 6	0.03000000	0%	0.0000000
	2.84570000		0.0000000

Sales Tax Rate	0.0200000	0.00%	0.0000000
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▶ OUTPUT

TOTAL TAX REVENUE		TOTAL	PROPERTY	
CITY OF MESQUITE	24.1%	\$ 28,296,365	=	\$ 28,296,365
KAUFMAN COUNTY				\$ 20,128,724
KAUFMAN COUNTY R&B				\$ 4,118,830
FORNEY ISD				\$ 63,429,988
KAUFMAN ESD 6				\$ 1,235,649
	100.0%	117,209,556		\$ 117,209,556
		100.0%		100.0%

TOTAL PARTICIPATION		TOTAL	PROPERTY	
CITY OF MESQUITE	100.0%	\$ 17,685,228	=	\$ 17,685,228
KAUFMAN COUNTY				\$ -
KAUFMAN COUNTY R&B				\$ -
FORNEY ISD				\$ -
KAUFMAN ESD 6				\$ -
	100.0%	\$ 17,685,228		\$ 17,685,228
		100.0%		100.0%

NET BENEFIT		TOTAL	PROPERTY	
CITY OF MESQUITE	100.0%	\$ 10,611,137	=	\$ 10,611,137
KAUFMAN COUNTY				\$ 20,128,724
KAUFMAN COUNTY R&B				\$ 4,118,830
FORNEY ISD				\$ 63,429,988
KAUFMAN ESD 6				\$ -
	100.0%	\$ 10,611,137		\$ 98,288,679
				926.3%

Tract	TYPE	DELIVERY YEAR	COMPLETION YEAR	# UNITS	PROPERTY		
					PER UNIT	TAX VALUE	
1	40' LOTS	SFR	2019	2022	182	\$ 210,000.00	\$ 38,220,000
2	50' LOTS	SFR	2019	2022	268	\$ 262,500.00	\$ 70,350,000
TOTAL					450	108,570,000	

Heartland Town Center TIRZ No. 11

Financial Feasibility Analysis

Residential Revenue Projections

		Calendar Year	0	1	2	3	4	6	8	7	8	9	10	11	12	13
TOTAL TAX REVENUE		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
<i>Home Sale Schedule</i>		Total														
	40' LOTS	182	-	-	39	52	52	39								
	50' LOTS	268	-	-	61	73	73	61								
		450	-	-	100	125	125	100	-	-	-	-	-	-	-	-
<i>Taxable Value - Real Property</i>																
	40' LOTS	-	-	8,190,000	10,920,000	10,920,000	8,190,000	-	-	-	-	-	-	-	-	-
	50' LOTS	-	-	16,012,500	19,162,500	19,162,500	16,012,500	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cumulative Taxable Value	-	-	24,202,500	54,769,050	85,946,931	111,868,370	114,105,737	116,387,862	118,715,609	121,089,921	123,511,719	125,981,954	128,501,593	131,071,625	
REAL PROPERTY		Taxable Value	-	-	24,202,500	54,769,050	85,946,931	111,868,370	114,105,737	116,387,862	118,715,609	121,089,921	123,511,719	125,981,954	128,501,593	131,071,625
	CITY OF MESQUITE	-	-	166,271	376,263	590,455	768,536	783,906	799,585	815,576	831,888	848,526	865,496	882,806	900,462	
	KAUFMAN COUNTY	-	-	118,278	267,656	420,023	546,701	557,635	568,787	580,163	591,766	603,602	615,674	627,987	640,547	
	KAUFMAN COUNTY R&B	-	-	24,203	54,769	85,947	111,868	114,106	116,388	118,716	121,090	123,512	125,982	128,502	131,072	
	FORNEY ISD	-	-	372,719	843,443	1,323,583	1,722,773	1,757,228	1,792,373	1,828,220	1,864,785	1,902,080	1,940,122	1,978,925	2,018,503	
	KAUFMAN ESD 6	-	-	7,261	16,431	25,784	33,561	34,232	34,916	35,615	36,327	37,054	37,795	38,550	39,321	
	Total	-	-	888,731	1,558,563	2,445,792	3,183,438	3,247,107	3,312,049	3,378,290	3,445,856	3,514,773	3,585,068	3,656,770	3,728,905	
SUMMARY																
	CITY OF MESQUITE	-	-	166,271	376,263	590,455	768,536	783,906	799,585	815,576	831,888	848,526	865,496	882,806	900,462	
	KAUFMAN COUNTY	-	-	118,278	267,656	420,023	546,701	557,635	568,787	580,163	591,766	603,602	615,674	627,987	640,547	
	KAUFMAN COUNTY R&B	-	-	24,203	54,769	85,947	111,868	114,106	116,388	118,716	121,090	123,512	125,982	128,502	131,072	
	FORNEY ISD	-	-	372,719	843,443	1,323,583	1,722,773	1,757,228	1,792,373	1,828,220	1,864,785	1,902,080	1,940,122	1,978,925	2,018,503	
	KAUFMAN ESD 6	-	-	7,261	16,431	25,784	33,561	34,232	34,916	35,615	36,327	37,054	37,795	38,550	39,321	
	Total	-	-	888,731	1,558,563	2,445,792	3,183,438	3,247,107	3,312,049	3,378,290	3,445,856	3,514,773	3,585,068	3,656,770	3,728,905	

Heartland Town Center TIRZ No. 11

Financial Feasibility Analysis

Residential Cost-Benefit

133,693,067	136,366,910	139,094,267	141,870,142	144,713,066	147,607,930	150,560,097	153,571,299	156,642,726	159,776,679	162,971,091	166,230,613	169,666,123	172,946,226	176,406,160	179,933,263	183,631,918	187,202,660		
574,045	585,525	597,236	609,181	621,364	633,792	646,467	659,397	672,585	686,036	699,757	713,752	728,027	742,588	757,440	772,588	788,040	803,801		GROSS
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,885,228
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
574,045	585,525	597,236	609,181	621,364	633,792	646,467	659,397	672,585	686,036	699,757	713,752	728,027	742,588	757,440	772,588	788,040	803,801		17,885,228
574,045	585,525	597,236	609,181	621,364	633,792	646,467	659,397	672,585	686,036	699,757	713,752	728,027	742,588	757,440	772,588	788,040	803,801		GROSS
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,885,228
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
574,045	585,525	597,236	609,181	621,364	633,792	646,467	659,397	672,585	686,036	699,757	713,752	728,027	742,588	757,440	772,588	788,040	803,801		17,885,228
344,427	351,315	358,342	365,508	372,819	380,275	387,890	395,638	403,551	411,622	419,854	428,251	436,816	445,553	454,464	463,553	472,824	482,281		GROSS
653,358	666,425	679,754	693,349	707,216	721,360	735,787	750,503	765,513	780,823	796,440	812,369	828,616	845,188	862,092	879,334	896,920	914,859		10,811,137
133,693	136,367	139,094	141,876	144,714	147,608	150,560	153,571	156,643	159,776	162,971	166,231	169,555	172,946	176,405	179,933	183,532	187,203		20,128,724
2,058,873	2,100,051	2,142,052	2,184,893	2,228,590	2,273,162	2,318,625	2,364,998	2,412,298	2,460,544	2,509,755	2,559,950	2,611,149	2,663,372	2,716,639	2,770,972	2,826,392	2,882,919		4,118,830
40,108	40,910	41,728	42,563	43,414	44,282	45,168	46,071	46,993	47,933	48,891	49,869	50,867	51,884	52,922	53,980	55,060	56,161		63,429,888
3,230,459	3,295,068	3,360,969	3,428,189	3,496,752	3,566,688	3,638,021	3,710,782	3,784,997	3,860,697	3,937,911	4,016,669	4,097,003	4,178,943	4,262,522	4,347,772	4,434,728	4,523,422		86,285,679

Heartland Town Center TIRZ No. 11

Financial Feasibility Analysis

Residential Cost-Benefit

PARTICIPATION

REAL PROPERTY	Taxable Value	-	-	24,202,600	64,769,060	86,948,931	111,868,370	114,106,737	116,387,862	118,716,609	121,089,821	123,611,719	126,981,964	128,601,693	131,071,626
CITY OF MESQUITE	-	-	103,919	235,165	369,035	480,335	489,942	499,740	509,735	519,930	530,328	540,935	551,754	562,789	
KAUFMAN COUNTY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN COUNTY R&B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FORNEY ISD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN ESD 6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	103,919	235,165	369,035	480,335	489,942	499,740	509,735	519,930	530,328	540,935	551,754	562,789	
SUMMARY															
CITY OF MESQUITE	-	-	103,919	235,165	369,035	480,335	489,942	499,740	509,735	519,930	530,328	540,935	551,754	562,789	
KAUFMAN COUNTY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN COUNTY R&B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FORNEY ISD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN ESD 6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	103,919	235,165	369,035	480,335	489,942	499,740	509,735	519,930	530,328	540,935	551,754	562,789	
TOTAL TAX REVENUE - PARTICIPATION = NET BENEFIT															
SUMMARY															
CITY OF MESQUITE	-	-	62,352	141,099	221,421	288,201	293,965	299,844	305,841	311,958	318,197	324,561	331,052	337,673	
KAUFMAN COUNTY	-	-	118,278	267,656	420,023	546,701	557,635	568,787	580,163	591,766	603,602	615,674	627,987	640,547	
KAUFMAN COUNTY R&B	-	-	24,203	54,769	85,947	111,868	114,106	116,388	118,716	121,090	123,512	125,982	128,502	131,072	
FORNEY ISD	-	-	372,719	843,443	1,323,583	1,722,773	1,757,228	1,792,373	1,828,220	1,864,785	1,902,080	1,940,122	1,978,925	2,018,503	
KAUFMAN ESD 6	-	-	7,261	16,431	25,784	33,561	34,232	34,916	35,615	36,327	37,054	37,795	38,550	39,321	
Total	-	-	684,811	1,323,398	2,076,757	2,703,103	2,757,165	2,812,309	2,868,555	2,925,826	2,984,445	3,044,133	3,105,016	3,167,116	

Heartland Town Center TIRZ No. 11

Financial Feasibility Analysis

Retail

INPUT

INFLATION RATE	2.00%
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DISCOUNT RATE	6.00%
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REAL PROPERTY TAX		PARTICIPATION	
CITY OF MESQUITE	0.68700000	25%	0.1717500
KAUFMAN COUNTY	0.48870000	0%	0.0000000
KAUFMAN COUNTY R&B	0.10000000	0%	0.0000000
FORNEY ISD	1.54000000	0%	0.0000000
KAUFMAN ESD 6	0.03000000	0%	0.0000000
	2.84570000		0.1717500

PERSONAL PROPERTY TAX		PARTICIPATION	
CITY OF MESQUITE	0.68700000	0%	0.0000000
KAUFMAN COUNTY	0.48870000	0%	0.0000000
KAUFMAN COUNTY R&B	0.10000000	0%	0.0000000
FORNEY ISD	1.54000000	0%	0.0000000
KAUFMAN ESD 6	0.03000000	0%	0.0000000
	2.84570000		0.0000000

Sales Tax Rate	0.0200000	0.00%	0.0000000
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OUTPUT

TOTAL TAX REVENUE		TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
CITY OF MESQUITE	51.2%	\$ 43,239,115	= \$ 13,134,408	+ \$ -	+ \$ 30,104,707
KAUFMAN COUNTY	11.1%	\$ 9,343,210	= \$ 9,343,210	+ \$ -	+ \$ -
KAUFMAN COUNTY R&B	2.3%	\$ 1,911,850	= \$ 1,911,850	+ \$ -	+ \$ -
FORNEY ISD	34.8%	\$ 29,442,486	= \$ 29,442,486	+ \$ -	+ \$ -
KAUFMAN ESD 6	0.7%	\$ 573,555	= \$ 573,555	+ \$ -	+ \$ -
	100.0%	\$ 84,510,215	= \$ 54,405,507	\$ -	\$ 30,104,707
		100.0%	64.4%	0.0%	35.6%

TOTAL PARTICIPATION		TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
CITY OF MESQUITE	100.0%	\$ 3,283,602	= \$ 3,283,602	+ \$ -	+ \$ -
KAUFMAN COUNTY	0.0%	\$ -	= \$ -	+ \$ -	+ \$ -
KAUFMAN COUNTY R&B	0.0%	\$ -	= \$ -	+ \$ -	+ \$ -
FORNEY ISD	0.0%	\$ -	= \$ -	+ \$ -	+ \$ -
KAUFMAN ESD 6	0.0%	\$ -	= \$ -	+ \$ -	+ \$ -
	100.0%	\$ 3,283,602	= \$ 3,283,602	\$ -	\$ -
		100.0%	100.0%	0.0%	0.0%

NET BENEFIT		TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
CITY OF MESQUITE	49.2%	\$ 39,955,513	= \$ 9,850,806	+ \$ -	+ \$ 30,104,707
KAUFMAN COUNTY	11.5%	\$ 9,343,210	= \$ 9,343,210	+ \$ -	+ \$ -
KAUFMAN COUNTY R&B	2.4%	\$ 1,911,850	= \$ 1,911,850	+ \$ -	+ \$ -
FORNEY ISD	36.2%	\$ 29,442,486	= \$ 29,442,486	+ \$ -	+ \$ -
KAUFMAN ESD 6	0.7%	\$ 573,555	= \$ 573,555	+ \$ -	+ \$ -
	100.0%	\$ 81,226,613	= \$ 51,121,906	\$ -	\$ 30,104,707
		100.0%	62.9%	0.0%	37.1%

Retail		Year	AREA SF	REAL PROPERTY		PERSONAL PROPERTY		SALES	
				\$ / SF	TAX VALUE	\$ / SF	TAX VALUE	\$ / SF	TAX VALUE
1	Grocery	2020	115,023	\$ 200.00	\$ 23,004,600	\$ -	\$ -	\$ 150.00	\$ 17,253,450
2	Pads	2020	46,174	\$ 200.00	\$ 9,234,800	\$ -	\$ -	\$ 250.00	\$ 11,543,500
3	Office	2022	41,382	\$ 200.00	\$ 8,276,400	\$ -	\$ -	\$ -	\$ -
4	Bank	2020	15,246	\$ 200.00	\$ 3,049,200	\$ -	\$ -	\$ -	\$ -
5	Retail	2022	58,806	\$ 200.00	\$ 11,761,200	\$ -	\$ -	\$ 250.00	\$ 14,701,500
TOTAL			276,631		55,326,200	-	-		43,498,450

Heartland Town Center TIRZ No. 11

Financial Feasibility Analysis

Retail Revenue Projections

Calendar Year		0	1	2	3	4	5	6	7	8	9	10	11	12	13
TOTAL TAX REVENUE															
REAL PROPERTY	% OCCUPIED	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Taxable Value	-	-	-	17,044,300	26,465,460	45,307,400	60,315,000	65,325,200	65,432,724	67,601,370	68,712,606	69,005,060	61,084,695	62,305,267
	PV	-	-	-	121,216	181,825	311,262	345,676	380,091	387,693	395,447	403,356	411,423	415,651	428,044
CITY OF MESQUITE		-	-	-	86,228	129,342	221,417	245,898	270,379	275,787	281,302	286,929	292,667	298,520	304,491
KAUFMAN COUNTY		-	-	-	17,644	26,466	45,307	50,317	55,326	56,433	57,561	58,713	59,887	61,085	62,306
KAUFMAN COUNTY R&B		-	-	-	271,722	407,583	697,734	774,879	852,023	869,064	886,445	904,174	922,258	940,703	959,517
FORNEY ISD		-	-	-	5,293	7,940	13,592	15,095	16,598	16,930	17,268	17,614	17,966	18,325	18,692
KAUFMAN ESD 6		-	-	-	502,104	753,156	1,288,313	1,431,865	1,574,418	1,605,906	1,638,024	1,670,785	1,704,200	1,738,284	1,773,050
Total		-	-	-	502,104	753,156	1,288,313	1,431,865	1,574,418	1,605,906	1,638,024	1,670,785	1,704,200	1,738,284	1,773,050
PERSONAL PROPERTY	% OCCUPIED	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Taxable Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	PV	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CITY OF MESQUITE		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN COUNTY		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN COUNTY R&B		-	-	-	-	-	-	-	-	-	-	-	-	-	-
FORNEY ISD		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN ESD 6		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	-	-	-	-	-	-
SALES TAX	% OCCUPIED	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Taxable Value	-	-	-	14,395,476	21,607,713	36,147,700	39,023,076	43,490,460	44,360,419	45,265,787	45,160,903	47,004,121	46,025,504	46,905,320
	PV	-	-	-	287,970	431,954	722,954	796,462	869,969	887,368	905,116	923,218	941,682	960,516	979,726
Total		-	-	-	287,970	431,954	722,954	796,462	869,969	887,368	905,116	923,218	941,682	960,516	979,726
SUMMARY															
	PV	-	-	-	409,186	613,779	1,034,216	1,142,138	1,250,060	1,275,061	1,300,562	1,326,574	1,353,105	1,380,167	1,407,771
CITY OF MESQUITE		-	-	-	86,228	129,342	221,417	245,898	270,379	275,787	281,302	286,929	292,667	298,520	304,491
KAUFMAN COUNTY		-	-	-	17,644	26,466	45,307	50,317	55,326	56,433	57,561	58,713	59,887	61,085	62,306
KAUFMAN COUNTY R&B		-	-	-	271,722	407,583	697,734	774,879	852,023	869,064	886,445	904,174	922,258	940,703	959,517
FORNEY ISD		-	-	-	5,293	7,940	13,592	15,095	16,598	16,930	17,268	17,614	17,966	18,325	18,692
KAUFMAN ESD 6		-	-	-	502,104	753,156	1,288,313	1,431,865	1,574,418	1,605,906	1,638,024	1,670,785	1,704,200	1,738,284	1,773,050
Total		-	-	-	790,073	1,185,110	2,012,267	2,228,327	2,444,387	2,493,274	2,543,140	2,594,003	2,645,883	2,698,800	2,752,776

Heartland Town Center TIRZ No. 11

Financial Feasibility Analysis

Retail Cost-Benefit

PARTICIPATION

REAL PROPERTY	Taxable Value	-	-	-	17,844,300	26,466,460	46,307,400	60,316,600	66,326,200	66,432,734	67,661,376	68,712,606	69,886,668	61,004,696	62,306,267
	PV														
CITY OF MESQUITE		-	-	-	30,304	46,456	77,815	86,419	95,023	96,923	98,862	100,839	102,856	104,913	107,011
KAUFMAN COUNTY		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN COUNTY R&B		-	-	-	-	-	-	-	-	-	-	-	-	-	-
FORNEY ISD		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN ESD 6		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		-	-	-	30,304	46,456	77,815	86,419	95,023	96,923	98,862	100,839	102,856	104,913	107,011
PERSONAL PROPERTY	Taxable Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	PV														
CITY OF MESQUITE		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN COUNTY		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN COUNTY R&B		-	-	-	-	-	-	-	-	-	-	-	-	-	-
FORNEY ISD		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN ESD 6		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	-	-	-	-	-	-
SALES TAX	Taxable Value	-	-	-	14,396,476	21,697,713	36,147,700	39,823,076	43,498,460	44,368,419	46,266,767	46,168,903	47,064,121	46,026,604	46,966,320
	PV														
Total		-	-	-	608,394	-	-	-	-	-	-	-	-	-	-
SUMMARY	PV														
CITY OF MESQUITE		-	-	-	30,304	46,456	77,815	86,419	95,023	96,923	98,862	100,839	102,856	104,913	107,011
KAUFMAN COUNTY		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN COUNTY R&B		-	-	-	-	-	-	-	-	-	-	-	-	-	-
FORNEY ISD		-	-	-	-	-	-	-	-	-	-	-	-	-	-
KAUFMAN ESD 6		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		-	-	-	30,304	46,456	77,815	86,419	95,023	96,923	98,862	100,839	102,856	104,913	107,011
TOTAL TAX REVENUE - PARTICIPATION = NET BENEFIT															
SUMMARY	PV														
CITY OF MESQUITE		-	-	-	378,882	566,323	956,400	1,055,719	1,155,037	1,178,138	1,201,701	1,225,735	1,250,249	1,275,254	1,300,760
KAUFMAN COUNTY		-	-	-	86,228	129,342	221,417	245,898	270,379	275,787	281,302	286,929	292,667	298,520	304,491
KAUFMAN COUNTY R&B		-	-	-	17,544	26,466	45,307	50,317	55,326	56,433	57,551	58,713	59,887	61,085	62,306
FORNEY ISD		-	-	-	271,722	407,583	697,734	774,879	852,023	869,064	886,445	904,174	922,258	940,703	959,517
KAUFMAN ESD 6		-	-	-	5,293	7,940	13,592	15,095	16,598	16,930	17,268	17,614	17,966	18,325	18,692
Total		-	-	-	759,769	1,139,654	1,934,451	2,141,908	2,349,364	2,396,351	2,444,278	2,493,164	2,543,027	2,593,888	2,645,765

Heartland Town Center TIRZ No. 11

Financial Feasibility Analysis

Retail Cost-Benefit

63,662,413	64,823,401	66,119,930	67,442,329	68,791,176	70,166,999	71,670,339	73,001,746	74,461,781	75,961,016	77,470,037	79,019,438	80,609,026	82,211,823	83,866,069	85,633,100	87,243,044	88,908,721		
109,151	111,334	113,561	115,832	118,149	120,512	122,922	125,380	127,888	130,446	133,055	135,716	138,430	141,199	144,023	146,903	149,841	152,838		GROSS 3,283,802
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
109,151	111,334	113,561	115,832	118,149	120,512	122,922	125,380	127,888	130,446	133,055	135,716	138,430	141,199	144,023	146,903	149,841	152,838		3,283,602
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	GROSS -
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49,906,046	50,906,367	51,904,674	53,024,366	54,004,666	55,166,662	56,269,003	57,396,281	58,643,167	59,714,060	60,908,331	62,126,498	63,369,026	64,636,400	65,929,137	67,247,719	68,602,674	69,964,627		GROSS -
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
109,151	111,334	113,561	115,832	118,149	120,512	122,922	125,380	127,888	130,446	133,055	135,716	138,430	141,199	144,023	146,903	149,841	152,838		GROSS 3,283,802
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
109,151	111,334	113,561	115,832	118,149	120,512	122,922	125,380	127,888	130,446	133,055	135,716	138,430	141,199	144,023	146,903	149,841	152,838		3,283,602

1,326,775	1,353,310	1,380,376	1,407,984	1,436,144	1,464,867	1,494,164	1,524,047	1,554,528	1,585,616	1,617,331	1,649,678	1,682,671	1,716,326	1,750,651	1,785,664	1,821,377	1,857,805		GROSS 88,866,613
310,581	316,792	323,128	329,591	336,182	342,906	349,764	356,760	363,895	371,173	378,596	386,168	393,891	401,769	409,805	418,001	426,361	434,888		8,343,210
63,552	64,823	66,120	67,442	68,791	70,167	71,570	73,002	74,462	75,951	77,470	79,019	80,600	82,212	83,856	85,533	87,244	88,989		1,911,860
978,707	998,281	1,018,247	1,038,612	1,059,384	1,080,572	1,102,183	1,124,227	1,146,711	1,169,646	1,193,039	1,216,899	1,241,237	1,266,062	1,291,383	1,317,211	1,343,555	1,370,426		28,442,488
19,066	19,447	19,836	20,233	20,637	21,050	21,471	21,901	22,339	22,785	23,241	23,706	24,180	24,664	25,157	25,660	26,173	26,697		673,666
2,698,681	2,752,654	2,807,707	2,863,862	2,921,139	2,979,562	3,039,163	3,099,936	3,161,936	3,225,173	3,289,677	3,365,470	3,422,580	3,491,031	3,560,852	3,632,069	3,704,710	3,778,804		81,226,613

Heartland Town Center TIRZ No. 11 Designation Ordinance No. 4532

ORDINANCE NO. 4532

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA CONSISTING OF APPROXIMATELY 146.746 ACRES OF LAND GENERALLY LOCATED SOUTH OF INTERSTATE HIGHWAY 20, EAST OF FM 741 AND NORTH OF HEARTLAND PARKWAY IN KAUFMAN COUNTY, TEXAS, LOCATED WITHIN THE EXTRATERRITORIAL JURISDICTION OF THE CITY OF MESQUITE AS A REINVESTMENT ZONE PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE, TO BE KNOWN AS REINVESTMENT ZONE NUMBER ELEVEN, CITY OF MESQUITE, TEXAS (HEARTLAND TOWN CENTER); DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; ESTABLISHING A TAX INCREMENT FUND FOR THE ZONE; CONTAINING FINDINGS RELATED TO THE CREATION OF THE ZONE; PROVIDING A DATE FOR THE TERMINATION OF THE ZONE; PROVIDING THAT THE ZONE TAKE EFFECT IMMEDIATELY UPON PASSAGE OF THE ORDINANCE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

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

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

WHEREAS, the City Council of the City (the "City Council") desires for the City to consider the creation of a tax increment reinvestment zone with the boundaries described in the metes and bounds attached hereto as *Exhibit A* and more generally depicted in *Exhibit B* attached hereto (the "Zone"); and

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

WHEREAS, notice of the public hearing on the creation of the proposed zone was published in a newspaper of general circulation in the City and in a newspaper of general

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

WHEREAS, on December 18, 2017, the City Council opened a public hearing in accordance with Section 311.003(c) of the Act and interested persons were allowed to speak for or against the creation of the Zone, the boundaries of the Zone, and the concept of tax increment financing, and owners of property in the proposed Zone were given a reasonable opportunity to protest the inclusion of their property in the Zone; and

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

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

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

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

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

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

SECTION 1. RECITALS INCORPORATED.

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

SECTION 2. FINDINGS.

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

- (a) That the public hearing on the creation of the proposed reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by applicable law, including the Act, and that owners of property within the proposed reinvestment zone were given a reasonable opportunity to protest the inclusion of their property in the proposed reinvestment zone; and

Heartland Town Center TIRZ #11 Creation

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Heartland Town Center TIRZ No. 11

Designation Ordinance No. 4532

- (b) That creation of the proposed reinvestment zone with boundaries as described and depicted in *Exhibits A and B* will result in benefits to the City, its residents and property owners, in general, and to the property, residents and property owners in the reinvestment zone; and
- (c) That the proposed reinvestment zone, as described and depicted in *Exhibits A and B*, meets the criteria for the creation of a reinvestment zone set forth in the Act in that:
 - 1. It is a geographic area located wholly within the ETJ of the City; and
 - 2. The area is predominately open, unproductive and undeveloped or underdeveloped, and the lack of necessary public improvements and other facilities substantially impairs the sound growth of the City; and
- (d) That thirty percent (30%) or less of the property in the proposed reinvestment zone, excluding property that is publicly owned, is currently used for residential purposes; and
- (e) That the total appraised value of taxable real property in the proposed reinvestment zone, together with the total appraised value of taxable real property in all other existing reinvestment zones within the City, according to the most recent appraisal rolls of the City, does not exceed twenty-five percent (25%) of the current total appraised value of taxable real property in the City and in the industrial districts created by the City, if any; and
- (f) That the improvements in the proposed reinvestment zone will significantly enhance the value of all taxable real property in the proposed reinvestment zone and will be of general benefit to the City; and
- (g) That the development or redevelopment of the property in the proposed reinvestment zone will not occur solely through private investment in the reasonably foreseeable future; and
- (h) That the proposed reinvestment zone will promote development or redevelopment of the economy within the proposed reinvestment zone and develop or expand business and commercial activity within the proposed reinvestment zone; and
- (i) The City Council has prepared the Preliminary Project and Finance Plan prior to the execution of this Ordinance; and
- (j) The City Council finds that the Preliminary Project and Finance Plan is feasible.

SECTION 3. DESIGNATION AND NAME OF THE ZONE.

Pursuant to the authority of, and in accordance with the requirements of the Act, the City Council hereby designates the area described and depicted in *Exhibits A and B* hereto as a tax increment reinvestment zone. The name assigned to the zone for identification is **Reinvestment Zone Number Eleven, City of Mesquite, Texas** (Heartland Town Center) (hereinafter referred to as the "Zone").

SECTION 4. BOARD OF DIRECTORS.

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

The City Council hereby appoints Mayor Stan Pickett to serve as chairman of the Board for the remainder of calendar year 2017 and during calendar year 2018. Before the end of calendar year 2018 and each calendar year thereafter, the City Council shall appoint one member of the Board to serve as chairman for a term of one year that begins on January 1 of the following year. If the City Council does not appoint a chairman during that period, the Mayor of the City is automatically appointed to serve as chairperson for the term that begins on January 1 of the following year. The Board may elect a vice-chairman to preside in the absence of the chairman or when there is a vacancy in the office of chairman. The Board may elect other officers as it considers appropriate.

Heartland Town Center TIRZ No. 11 Designation Ordinance No. 4532

SECTION 5. DURATION OF THE ZONE.

That the Zone shall take effect immediately upon the passage of this Ordinance, consistent with Section 311.004(a)(3) of the Act, and the Zone shall terminate upon the occurrence of any of the following: (i) December 31, 2048; or (ii) an earlier or later termination date designated by an ordinance adopted under Section 311.007(c) of the Act; or (iii) the date on which all project costs, tax increment bonds and interest on those bonds, and other obligations of the Zone have been paid in full, in accordance with Section 311.017 of the Act.

SECTION 6. TAX INCREMENT BASE AND TAX INCREMENT.

Pursuant to Section 311.012(c) of the Act, the tax increment base of the City, or any other taxing unit participating in the Zone, is the total taxable value, as of January 1, 2017, of all real property taxable by the City or other taxing unit participating in the Zone, and located in the Zone for the year in which the Zone was designated as a reinvestment zone (the "Tax Increment Base") or if the City does not levy an ad valorem tax in the year in which the Zone is designated, the Tax Increment Base is determined by the appraisal district in which the Zone is located in accordance with Section 311.012(c) of the Act. Pursuant to Section 311.013(l) of the Act, the amount of the tax increment for a year will be determined in the ordinance adopted under Section 311.011 of the Act approving the reinvestment zone financing plan for the Zone calculated on the amount of real property taxes levied and collected by the City, and all or a portion of property taxes of other taxing units participating in the Zone and located in the Zone (as set forth in an agreement to participate in the Zone) for that year on the Captured Appraised Value (defined below) of real property taxable by the City or other taxing unit participating in the Zone and located in the Zone (the "Tax Increment"). Consistent with Section 311.012(b) of the Texas Tax Code, as amended, the Captured Appraised Value of real property taxable by the City or other taxing unit participating in the Zone for a year is the total taxable value of all real property taxable by the City or other taxing unit participating in the Zone and located in the Zone for that year less the Tax Increment Base of the City or other taxing unit participating in the Zone (the "Captured Appraised Value").

SECTION 7. TAX INCREMENT FUND.

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

SECTION 8. SEVERABILITY CLAUSE.

That should any provision, section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City of Mesquite hereby declares that it would have passed this Ordinance, and each provision, section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more provisions, sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

SECTION 9. OPEN MEETINGS.

That it is hereby found, determined, and declared that sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the Municipal Center and at the City Hall of the City for the time required by law preceding its meeting, as required by the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered, and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

SECTION 10. EFFECTIVE DATE.

That this Ordinance shall be in full force and effect from and after its passage as required by law.

DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 18th day of December, 2017.


Stan Pickett
Mayor

ATTEST:


Sonja Land
City Secretary

APPROVED:


B.J. Smith
City Attorney

