

City of Farmersville
Tax Increment Financing Reinvestment Zone No.1

AGENDA

March 21st, 2012

1:15 P.M., City Hall Council Chambers

- I. Call to Order**
- II. Recognition of Citizens and Visitors**
- III. Business Items for Discussion and Possible Action**
 - Notice Chair Person – Joseph Hemlberger
 - Notice Vice Chair Person – Robbie Tedford
 - Notice Secretary – Stefanie Hurst
 - A) Consideration and possible action of Board duties.
 - B) Consideration and possible action regarding Board Bylaws
 - C) Consideration and possible action on preliminary project plan
 - D) Consideration and possible action on finance plan
 - E) Consideration and possible action on feasibility analysis
 - F) Consideration and possible action regarding Interlocal Agreement
- IV. Discussion in Contemplation of Placing Items on Future Agenda**
- V. Adjournment**

- No action may be taken on comments received under "Recognition of Visitors".
- The Board may vote and/or act upon each of the items listed in the Agenda.
- As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed executive session for the purpose of seeking confidential legal advice from the City attorney on any item covered by such section on any Agenda item listed herein.

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive service must be made 48 hours prior to this meeting. Please contact City Hall at 972/782-6151 or FAX 972/782-6604 for further information.

I, Daphne Hamlin, Finance Director certify that the above Agenda for March 21st, 2012 was posted in the regular posting place of the City of Farmersville on the 16th day of March, 2012 at 5:00 p.m.



Daphne Hamlin



TO: TIRS Board Members
FROM: Daphne Hamlin
DATE: March 21st, 2012
SUBJECT: Board Duties

Consideration and possible action of Board Duties



TIRZ : BOARD OF DIRECTORS DUTIES

- Elect Officers
- Review and recommend Board ByLaws to the City Council for final action and approval.
- Review and recommend Preliminary Project Plan and Finance Plan to the City Council for final action and approval.
- Review and recommend to the City Council for final action and approval the Interlocal Agreement between City and County.



TIRZ BOARD OF DIRECTORS DUTIES (Con't)

- Review and recommend to the City Council for final action and approval future Development Agreements between City and Developer.
- Monitor Project Plan during life of TIRZ— Recommend any changes to the City Council for final action and approval.
- Cause to be prepared an Annual Report for final action and approval of City Council, and submission to taxing jurisdictions, State Comptroller and Attorney General offices.



TO: TIRS Board Members
FROM: Daphne Hamlin
DATE: March 21st, 2012
SUBJECT: Board Bylaws

Consideration and possible action of Board Bylaws

City of Farmersville
Farmersville Tax Increment Financing Reinvestment Zone No. 1
BYLAWS

ARTICLE I

POWERS AND PURPOSE

Section 1. Financing Development or Redevelopment in the Zone. In order to implement the purposes for which Tax Increment Financing Reinvestment Zone No. One, City of Farmersville, Texas (the “Zone”) was formed, as set forth in **Ordinance No. 2011-1219-002**, approved on second reading December 19, 2011, creating the Zone, the City of Farmersville, Texas (the “City”) may issue obligations to finance all or part of the cost of implementing the “project plan” for the Zone as defined in the Tax Increment Financing Act of the Tax Code, Chapter 311, Vernon’s Texas Codes Annotated (the “Act”).

Section 2. Books and Records: Approval of Programs and Financial Statements. The Board of Directors shall keep correct and complete books and records of account and shall also keep minutes of its proceedings and the proceedings of committees having any of the authority of the Board of Directors. All books and records of the Zone may be inspected by any director or his agent or attorney for any proper purpose at any reasonable time; and at all times the City Council and the City Auditor will have access to the books and records of the Zone. The City Council must approve all programs and expenditures for the Zone and annually review any financial statements of the Zone.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Powers, Number, and Term of Office. The property and affairs of the Zone shall be managed and controlled by the City Council based on the recommendations of the Board of Directors of the Zone (“Board of Directors” or “Board”), subject to the restrictions imposed by law, the ordinance creating the Zone, and these Bylaws. It is the intention of the City Council that the Board of Directors shall function only in an advisory or study capacity with respect to the Zone and shall exercise only those powers, advisory in nature, which are either granted to the Board pursuant to the Act or delegated to the Board by the City Council.

The Board of Directors shall consist of five (5) directors: three (3) of whom shall be appointed by the City Council of the City, and two members shall be appointed by the County Commissioners Court of Collin County; provided however, that if a taxing unit (other than the

City) waives its right to appoint a member to the Board, as evidenced by written resolution duly adopted by the governing body of such taxing unit, the City may appoint such Board member in its stead.

The first Board of Directors shall serve for an initial term ending December 31, 2013 or until his or her successor is appointed. Subsequent directors shall be appointed by the governing bodies of the City and County, and shall serve for two (2) year terms beginning January 1, 2014 or until their successors are appointed by the respective governing bodies.

Any director may be removed from office by the City Council for cause deemed by the City Council as sufficient for their removal in the interest of the public, but only after a public hearing before the City Council on charges publicly made, if demanded by such Board member within ten (10) days.

In the event of a vacancy caused by the resignation, death, or removal for any reason, of a director, the governing body of the respective taxing unit which made such Board appointment shall be responsible for filling the vacancy.

Section 2. Meetings of Directors. The directors shall hold their meetings within a public building in the City as the Board of Directors may from time to time determine.

Section 3. Regular and Special Meetings. Regular and Special Meetings of the Board of Directors shall be held at such times and places as shall be designated, from time to time, by the Board of Directors. All meetings of the Board shall be of a public nature unless pertaining to matters of land purchase, security, personnel, or strictly legal matters. Notice of all regular and special meetings of the Board and any committees thereof shall be posted in accordance with the provisions of Chapter 551, Texas Government Code. There shall be at least one Regular Meeting held each year in the month of December.

Section 4. Emergency Meetings. Emergency Meetings of the Board of Directors shall be held whenever called by the chair, by the secretary, by a majority of the directors then in office or upon advice of or request by the City Council. The secretary shall give notice to each director of each Emergency Meeting. Notice of all Emergency Meetings shall state the purpose, which shall be the only business conducted and shall be subject to the requirements of State Law.

Section 5. Quorum. A majority three (3) of the five (5) directors holding current appointments shall constitute a quorum for the consideration of matters pertaining to the purposes of the Zone. The act of a majority of the directors present at a meeting at which a quorum is in attendance shall constitute the act of the Board of Directors, unless the act of a greater number is required by law.

Section 6. Conduct of Business. At the meetings of the Board of Directors, matters pertaining to the purposes of the Zone shall be considered in such order as from time to time the Board of Directors may determine.

At all meetings of the Board of Directors, the chair shall preside and in the absence of the chair, the vice chair shall exercise the power of the chair.

The secretary of the Board of Directors shall act as secretary of all meetings of the Board of Directors, but in the absence of the secretary, the presiding officer may appoint any person to act as secretary of the meeting. City staff shall provide notice of meetings and prepare meeting agendas.

Within five days following each Regular, Special and Emergency meeting, a copy of the minutes of the meeting shall be submitted to the City Secretary of the City.

Section 7. Compensation of Directors. Directors as such shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual reasonable expenses incurred in the performance of their duties hereunder.

Section 8. Attendance. Board members shall make every effort to attend all Regular, Special and Emergency meetings of the Board and/or Committees. The City Council may replace a City appointee of the Board or request replacement of an appointee from other taxing jurisdictions for non-attendance at three consecutive meetings.

ARTICLE III

OFFICERS

Section 1. Titles and Term of Office. The officers of the Zone shall consist of a chair, a vice chair, a secretary, and such other officers as the Board of Directors may from time to time elect or appoint; provided however that the City Council shall, on an annual basis, appoint the chair whose term shall end on December 31 of each year. One person may hold more than one office, except that the chair shall not hold the office of secretary. Terms of office for officers, other than the chair, shall not exceed two years.

All officers, other than the chair, shall be subject to removal from office, with or without cause, at any time by a vote of a majority of the entire Board of Directors.

A vacancy in the office of any officer, other than the chair, shall be filled by a vote of a majority of the directors.

Section 2. Powers and Duties of the Chair. The chair shall be the chief executive officer of the Board of Directors and, subject to the approval of the City Council, he/she shall be in general charge of the properties and affairs of the Zone and shall preside at all meetings of the Board of Directors.

Section 3. Vice Chair. The Vice chair shall be a member of the Board of Directors, shall have such powers and duties as may be assigned to him by the Board of Directors and shall exercise the powers of the chair during that officer's absence or inability to act. Any action taken by the vice chair in the performance of the duties of the chair shall be conclusive evidence of the absence or inability to act of the chair at the time such action was taken.

Section 4. Secretary. The secretary shall keep the minutes of all meetings of the Board of Directors in books provided for the purpose, he/she shall have charge of such books, records, documents and instruments as the Board of Directors may direct, all of which shall at all reasonable times be open to inspection, and he/she shall in general perform all duties incident to the office of secretary subject to the control of the City Council and the Board of Directors. The function of Secretary may be performed by City Staff.

Section 5. Compensation. Officers as such shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual reasonable expenses incurred in the performance of their duties hereunder.

Section 6. Staff. Staff functions for the Board of Directors may be performed by the City Manager or his designees.

ARTICLE IV

PROVISIONS REGARDING BYLAWS

Section 1. Effective Date. These Bylaws shall become effective only upon the occurrence of the following events:

- (1) The adoption of these Bylaws by the Board of Directors, and
- (2) The approval of these Bylaws by the City Council.

Section 2. Amendments to Bylaws. These Bylaws may be amended by majority vote of the Board of Directors, provided that the Board of Directors files with the City Council a written application requesting that the City Council approve such amendment to the Bylaws, specifying in such application, the amendment or amendments proposed to be made. If the City Council by appropriate resolution finds and determines that it is advisable that the proposed amendment be made, authorizes the same to be made and approves the form of the proposed amendment, the Board of Directors shall proceed to amend the Bylaws.

After consultation with the Board of Directors, the Bylaws may also be amended at any time by the City Council by adopting an amendment to the Bylaws by resolution of the City Council and delivering the Bylaws to the secretary of the Board of Directors.

Section 3. Interpretation of Bylaws. These Bylaws and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein. If any word, phrase, clause, sentence, paragraph, section or other part of these Bylaws, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of these Bylaws and the application of such word, phrase, clause, sentence, paragraph, section or other part of these Bylaws to any other person or circumstance shall not be affected thereby.

ARTICLE V

GENERAL PROVISIONS

Section 1. Notice and Waiver of Notice. Unless otherwise required by State Law, whenever any notice whatsoever is required to be given under the provision of these Bylaws, said notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled hereto at his post office address, as it appears on the books of the Zone, and such notice shall be deemed to have been given on the day of such mailing. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purposes of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened. A waiver of notice in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 2. Resignations. Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the City Council. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 3. Approval or Delegation of Power by the City Council. To the extent that these Bylaws refer to any approval by the City, such approval of delegation shall be evidenced by a certified copy of an ordinance, or resolution (if permissible), duly adopted by the City Council.

Approved by the TIRZ Board of Directors on the _____ day of _____, 2012.

Approved by the Farmersville City Council on the _____ day of _____, 2012.



TO: TIRS Board Members
FROM: Daphne Hamlin
DATE: March 21st, 2012
SUBJECT: Review preliminary project plan

Consideration and possible action of Preliminary Project Plan

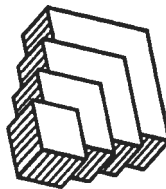
PRELIMINARY

PROJECT PLAN

February 2012

Tax Increment Financing Reinvestment Zone No. 1

City of Farmersville, Texas



SCHRADER & CLINE, LLC

George R. Schrader

Larry D. Cline

4800 Broadway, Ste A Addison, TX 75001
972-661-1973 schcli@swbell.net

PROJECT PLAN – FARMERSVILLE TIRZ NO. 1 PRELIMINARY

February 2012

The City of Farmersville, Texas established Tax Increment Financing Reinvestment Zone (“TIRZ”) No. 1 for the purpose of dedicating the increase in tax revenue generated within the TIRZ to provide funds for public infrastructure to encourage accelerated development and redevelopment along the US 380 corridor. The TIRZ consists of approximately 3,065 acres and is more fully described in *Project Plan Exhibit A*.

The City created this TIRZ to encourage accelerated development and redevelopment in this area of the City in an effort to stimulate new higher value, higher density development which would benefit and be incentivized from the proposed public infrastructure improvements. It is expected that the TIRZ will exist for thirty (30) years or the date when all project costs are paid, whichever comes first.

As set forth in Section 311.011 of the Tax Increment Financing Act of the Texas Tax Code Ann., the Project Plan for Tax Increment Financing Reinvestment Zone No. 1, Farmersville, Texas must and does include the following elements:

1. A map showing existing uses and conditions of real property in the TIRZ and a map showing proposed improvements to and proposed use of the property.

- The boundaries of the TIRZ are shown on the map labeled *Project Plan Exhibit: B*;
- *Project Plan Exhibit: C* shows existing land use within the TIRZ. Currently, the area is generally undeveloped and contains less than thirty percent residential.
- *Project Plan Exhibit: D* lists public improvements being proposed for the TIRZ;
- *Project Plan Exhibit: E* shows anticipated Future Land Use within the TIRZ.

PROJECT PLAN – FARMERSVILLE TIRZ NO. 1 PRELIMINARY

2. Proposed changes of zoning ordinances, the master plan of the municipality, building codes, and other municipal ordinances.

- Any changes to codes, ordinances, or master plan as a result of the creation of the TIRZ will be made through the standard process and procedures of the City.

3. A list of estimated non-project costs.

- Non-project costs within the TIRZ are those development costs not paid for by the TIRZ. These costs will include, but are not limited to, \$347.215 million, which is comprised of new private development.

4. A statement of a method of relocating persons to be displaced as a result of implementing the plan.

- Although not anticipated, in the process of developing the TIRZ, any relocation will be made through the standard process and procedures of the City.

EXHIBIT A

**CITY OF FARMERSVILLE
TAX INCREMENT FINANCING REINVESTMENT ZONE NO. 1
BOUNDARY DESCRIPTION**

OBJECTID	Direction	Distance	COGO_Start
6	N 1-29-59 E	366.63	Point of Beginning
7	S 89-31-48 W	846.67	
8	N 1-8-17 E	240.3	
9	S 83-9-28 W	18.374	
10	S 4-23-15 E	31.38	
11	S 25-34-4 W	84.3	
12	N 57-59-45 W	63.4	
13	S 68-38-20 W	43.41	
14	S 82-20-26 W	152.07	
15	N 2-15-31 E	64.66	
16	N 73-25-47 W	113.14	
17	S 17-19-50 W	136.62	
18	N 89-17-53 W	112.991	
19	N 25-19-30 W	49.007	
20	N 82-33-1 W	144.831	
21	N 35-9-3 W	153.284	
22	S 88-44-51 W	91.522	
23	S 83-42-38 W	31.942	
24	S 47-33-47 W	23.712	
25	S 35-32-13 W	21.506	
26	S 70-20-49 W	14.867	
27	S 45-0-3 W	17.677	
28	S 75-57-46 W	14.431	
29	S 83-34-16 W	17.862	
30	S 72-38-47 W	16.763	
31	S 47-5-56 W	33.787	
32	S 41-54-20 W	26.201	
33	S 33-41-21 W	12.62	
34	S 0-0-0 W	30	
35	S 22-37-8 W	9.75	
36	S 68-11-54 W	18.849	
37	S 72-19-46 W	29.649	
38	S 86-45-32 W	26.543	
39	N 75-51-48 W	34.804	
40	N 48-22-2 W	21.073	
41	N 55-42-39 W	13.314	
42	N 63-26-14 W	14.535	
43	N 74-58-49 W	21.224	
44	N 86-25-30 W	16.031	
45	S 81-52-15 W	21.213	
46	S 71-57-49 W	11.305	
47	S 63-52-13 W	14.758	
48	N 3-41-8 E	38.079	

EXHIBIT A (CON'T)

49	N 19-9-35 W	57.93
50	N 42-47-22 E	155.14
51	N 34-53-36 W	135.62
52	N 47-1-25 E	72.494
53	N 66-41-29 W	58.51
54	N 24-58-37 E	26.52
55	N 54-22-40 E	57.036
56	N 81-11-14 W	223.205
57	N 8-4-3 E	79.96
58	N 82-41-42 W	108.354
59	S 8-2-23 W	313.345
60	S 73-39-45 W	110
61	N 8-1-24 E	429.925
62	N 16-0-12 W	20.49
63	S 73-52-58 W	52.1
64	S 52-21-41 W	792.686
65	S 43-25-12 W	20.184
66	S 35-32-15 E	110.005
67	S 53-14-27 W	177.278
68	N 33-33-50 W	113.182
69	S 51-55-52 W	545.657
70	S 52-28-19 W	2028.594
71	S 40-9-21 W	109.034
72	S 60-43-44 W	156.233
73	S 53-16-35 W	92.069
74	S 51-57-57 W	906.967
75	S 51-24-48 W	184.017
76	N 89-29-11 W	302.191
77	N 72-15-0 W	44.88
78	S 88-54-22 W	100.825
79	N 89-29-18 W	228.423
80	N 13-25-0 W	703.978
81	N 71-58-2 E	310.459
82	N 0-30-13 W	438.006
83	N 22-23-43 W	371.244
84	N 26-53-46 W	153.57
85	N 42-13-10 W	187.44
86	N 30-28-10 W	244.2
87	N 61-20-40 W	114.058
88	N 45-15-18 W	204.752
89	N 29-0-13 W	495.599
90	S 84-54-40 W	757.312
91	N 89-57-9 W	443.04
92	S 32-34-31 W	245.672
93	S 32-6-54 E	516.115
94	S 61-16-11 W	555.082
95	S 63-3-46 W	272.135
96	N 46-23-12 W	98.091
97	N 78-12-4 W	259.741

PROJECT PLAN – FARMERSVILLE TIRZ NO. 1 PRELIMINARY

EXHIBIT A (CON'T)

98	S 72-3-35 W	238.604
99	N 89-54-19 W	334.268
100	S 32-30-23 W	38.627
101	S 89-40-8 W	365.023
102	N 85-0-23 W	13.181
103	N 83-0-31 W	13.181
104	N 80-30-30 W	19.77
105	N 77-30-22 W	19.77
106	N 74-30-27 W	19.77
107	N 71-30-31 W	19.77
108	N 68-10-23 W	100.917
109	N 59-38-58 W	23.109
110	N 65-38-56 W	16.51
111	N 70-39-1 W	16.511
112	N 76-8-49 W	19.81
113	N 81-27-50 W	15.28
114	N 89-34-5 W	489.649
115	N 74-35-33 W	10.957
116	N 67-5-40 W	12.519
117	N 57-35-36 W	17.202
118	N 45-30-46 W	20.559
119	S 88-37-11 W	315.684
120	S 75-8-46 W	366.013
121	S 86-51-49 W	126.996
122	N 22-24-41 W	340.597
123	N 22-24-41 W	962.477
124	N 37-45-40 W	1025.66
125	N 11-25-40 E	219.706
126	S 79-29-49 E	300.14
127	S 83-5-56 E	656.74
128	N 1-29-4 E	806.514
129	N 2-38-24 E	1160.816
130	S 88-51-2 E	554.22
131	N 89-55-10 E	1585.103
132	N 0-29-3 E	32.539
133	N 89-18-3 E	1600.723
134	N 0-19-9 W	411.304
135	N 89-51-17 E	27.418
136	N 0-6-7 W	66.151
137	S 90-0-0 E	604.179
138	S 85-52-12 E	131.162
139	N 87-35-19 E	224.523
140	N 90-0-0 E	1055.271
141	N 1-1-46 E	99.972
142	S 89-50-59 E	1308.464
143	N 77-26-11 E	72.506
144	S 89-48-30 E	903.513
145	N 0-49-28 W	456.523
146	N 90-0-0 E	1365.836
147	N 0-48-56 W	334.187

PROJECT PLAN – FARMERSVILLE TIRZ NO. 1 PRELIMINARY

EXHIBIT A (CON'T)

148	N 2-26-28 E	1831.892
149	S 89-35-8 E	1106.182
150	N 89-35-15 E	303.095
151	S 0-58-16 E	264.078
152	S 24-34-53 E	154.2
153	S 0-20-41 E	922.171
154	N 89-33-35 E	366.805
155	S 0-20-15 W	375.868
156	S 82-24-9 W	591.184
157	S 0-46-5 E	1467.406
158	S 88-0-11 E	585.11
159	S 0-12-53 W	428.815
160	S 86-34-35 E	203.481
161	S 86-21-47 E	30.521
162	N 0-3-0 E	22.983
163	S 75-49-59 E	405.839
164	N 69-46-17 E	60.017
165	N 23-53-48 E	407.175
166	N 30-49-19 E	238.234
167	S 89-54-37 E	1150.685
168	S 8-52-21 E	29.859
169	N 90-0-0 E	747.008
170	N 0-0-0 E	249.003
171	N 90-0-0 E	460.022
172	N 0-0-0 E	122.391
173	S 89-47-25 E	333.882
174	S 88-48-13 E	297.462
175	S 89-53-14 E	208.58
176	S 0-0-0 W	110.326
177	S 89-7-39 E	831.512
178	S 0-35-34 E	529.889
179	N 88-45-1 E	27.275
180	S 3-0-33 E	289.898
181	S 71-42-55 W	193.349
182	S 0-17-45 E	926.912
183	S 89-29-18 W	868.222
184	S 1-4-44 E	458.028
185	N 87-38-47 E	156.476
186	S 3-14-30 W	203.776
187	N 88-14-39 E	39.606
188	S 0-22-40 W	154.189
189	S 88-51-43 W	75.515
190	S 1-28-12 E	75.027
191	S 90-0-0 W	22.985
192	S 0-25-4 W	92.106
193	N 89-14-55 E	8.881
194	S 0-43-35 E	58.58
195	N 86-56-54 E	49.865
196	S 0-30-51 E	76.652
197	N 88-22-35 E	268.823

PROJECT PLAN – FARMERSVILLE TIRZ NO. 1**PRELIMINARY****EXHIBIT A (CON'T)**

198	N 89-34-5 E	317.969
199	S 1-36-44 E	81.466
200	S 89-32-40 E	139.024
201	S 77-44-9 E	37.589
202	N 89-39-38 E	194.853
203	N 0-0-0 E	140.464
204	N 90-0-0 E	224.742
205	S 0-0-0 W	35.755
206	N 89-23-16 E	209.578
207	N 0-12-58 E	254.486
208	S 87-43-17 E	16.182
209	N 0-2-52 W	418.955
210	N 89-41-34 E	656.26
211	S 0-0-34 W	760.442
212	S 89-39-58 E	187.41
213	S 0-18-37 E	74.274
214	S 89-22-24 E	354.078
215	N 82-44-12 E	93.384
216	N 0-0-0 E	269.932
217	N 90-0-0 E	322
218	N 0-20-32 E	572.91
219	N 89-26-16 E	1181.9
220	N 0-41-25 E	891.065
221	S 89-21-45 E	691.89
222	S 89-39-29 E	971.921
223	S 89-36-28 E	949.272
224	N 1-28-31 E	1731.342
225	N 87-44-59 E	101.862
226	S 89-38-14 E	675.272
227	S 87-25-15 E	94.892
228	S 85-39-15 E	94.89
229	S 83-53-14 E	94.891
230	S 82-24-22 E	74.449
231	S 80-42-43 E	74.448
232	S 79-1-11 E	74.45
233	S 77-19-43 E	74.448
234	S 75-38-4 E	74.448
235	S 74-7-42 E	87.93
236	S 72-12-17 E	87.933
237	S 70-16-54 E	87.93
238	S 68-21-33 E	87.931
239	S 66-45-54 E	116.25
240	S 65-39-19 E	116.249
241	S 64-32-44 E	116.249
242	S 64-12-45 E	647.158
243	S 64-18-11 E	2071.707
244	S 64-16-17 E	1118.377
245	S 64-31-40 E	58.426
246	N 89-52-51 E	76.993
247	S 89-52-29 E	3056.239

PROJECT PLAN – FARMERSVILLE TIRZ NO. 1 PRELIMINARY

EXHIBIT A (CON'T)

248	S 0-14-3 W	1022.662
249	S 89-30-2 E	1925.931
250	S 89-18-49 E	2048.406
251	S 0-26-31 W	871.828
252	S 14-4-21 W	109.754
253	S 0-2-56 W	1545.715
254	S 81-18-5 W	2405.409
255	S 29-17-10 E	340.45
256	S 14-3-43 E	116.249
257	S 25-9-25 E	119.142
258	S 2-3-58 W	71.659
259	S 25-9-12 E	963.927
260	S 28-3-49 E	24.339
261	S 23-3-44 E	36.498
262	S 18-33-52 E	18.256
263	S 14-33-45 E	30.419
264	S 9-33-48 E	30.42
265	S 5-2-39 E	37.852
266	N 89-43-54 W	1252.016
267	S 0-53-35 W	95.338
268	N 89-29-0 W	3082.276
269	N 0-38-13 E	1225.311
270	S 89-30-50 W	218.038
271	S 89-30-50 W	1548.478
272	N 89-41-17 W	400.156
273	N 1-0-0 E	1428.42
274	N 89-57-4 W	1290.553
275	N 89-58-11 W	792.793
276	N 0-35-44 W	280.594
277	S 90-0-0 W	53.48
278	N 0-0-0 E	513.794
279	S 90-0-0 W	463.267
280	N 0-12-38 E	610.058
281	S 87-52-41 W	144.165
282	N 89-47-59 W	546.87
283	N 87-3-51 W	200.45
284	S 89-23-18 W	248.93
285	N 89-45-4 W	541.68
286	S 0-30-15 W	410.967
287	S 89-38-6 E	272.575
288	S 0-31-28 W	1281.56
289	S 89-57-40 W	2798.98
290	N 1-16-36 E	238.987
291	S 71-46-30 W	229.825
292	N 87-45-19 W	696.686
293	N 27-4-20 W	201.805
294	N 10-38-15 E	1320.909
295	N 89-43-29 W	396.983
296	N 27-38-59 E	45.753
297	N 89-43-45 W	132.059

PROJECT PLAN – FARMERSVILLE TIRZ NO. 1 PRELIMINARY

EXHIBIT A (CON'T)

298	S 86-16-25 W	501.22		
299	N 85-56-43 W	74.222		
300	S 0-2-10 W	217.699		
301	N 89-2-14 W	242.26		
302	N 0-1-2 W	235.537		
303	N 83-4-5 W	84.179		
304	N 89-19-38 W	386.617		
305	S 1-34-25 W	77.402		
306	S 86-47-53 W	637.533		
307	S 89-36-20 W	196.554		
308	S 86-46-11 W	346.05		
309	S 88-41-54 W	71.618		
310	S 70-20-43 W	37.847		
311	S 89-24-40 W	315.454		
312	S 61-47-28 W	36.635		
313	S 89-30-54 W	209.413		
314	N 0-34-19 W	90.803		
315	N 88-29-34 W	305.089		
316	S 42-38-52 W	65.069		
317	S 89-41-16 W	276.351		
318	S 5-8-11 W	268.376		
319	S 89-57-18 W	364.448		
320	N 1-25-54 E	137.306		
321	S 37-25-35 W	627.425		
322	S 67-15-30 W	147.302		
323	S 87-38-44 W	1382.771		
324	N 89-16-16 W	50	to point of beginning	contains 3,108.57 Acres

EXHIBIT A (CON'T)

SAVE AND EXCEPT

OBJECTID	Direction	Distance	COGO_Start
325	N 9-47-9 E	117.38	Point of beginning
326	N 17-30-3 E	387.77	
327	N 11-56-29 E	235.927	
328	N 16-44-39 E	131.237	
329	N 8-7-48 E	94.235	
330	N 1-40-13 E	143.273	
331	N 89-51-13 E	513.029	
332	S 0-24-9 W	7.47	
333	N 89-20-35 E	136.092	
334	S 89-10-28 E	435.451	
335	S 0-0-0 W	13.59	
336	S 89-48-21 E	801.802	
337	S 27-54-3 W	19.934	
338	S 21-43-2 W	226.387	
339	S 20-24-59 W	154.802	
340	S 21-43-1 W	306.322	
341	S 20-21-43 W	120.545	
342	S 15-27-43 W	84.529	
343	S 29-39-21 W	185.727	
344	S 25-22-6 W	48.486	
345	S 90-0-0 W	1049.131	
346	N 89-27-55 W	640.256	to the Point of beginning
			Contains 43.83 Acres

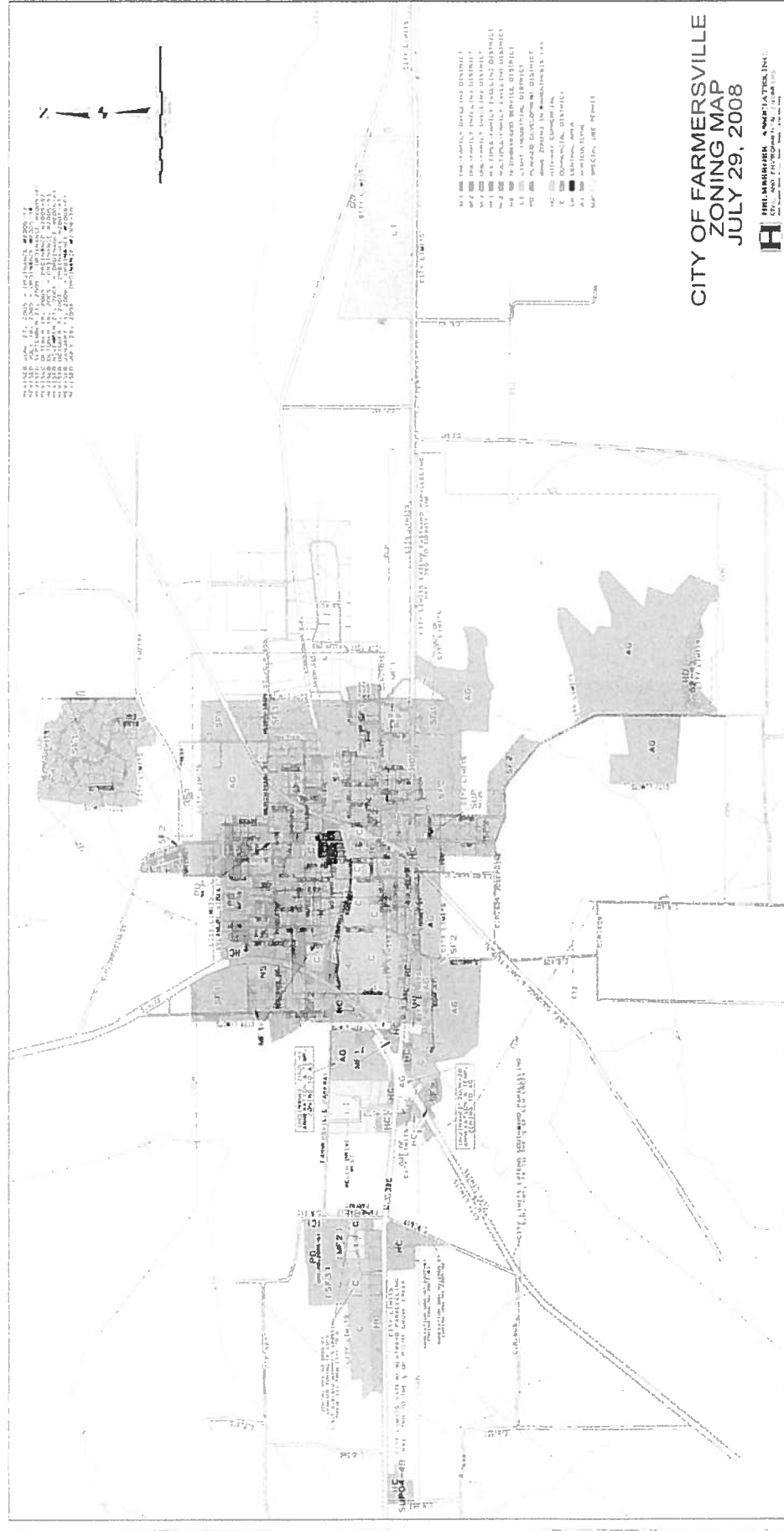
EXHIBIT B

**CITY OF FARMERSVILLE
TAX INCREMENT FINANCING REINVESTMENT ZONE NO. 1**



EXHIBIT C

CITY OF FARMERSVILLE
TAX INCREMENT FINANCING REINVESTMENT ZONE NO. 1
EXISTING LAND USE



**CITY OF FARMERSVILLE
TAX INCREMENT FINANCING REINVESTMENT ZONE NO. 1**

PUBLIC IMPROVEMENTS

<u>ITEM</u>	<u>COST, \$K</u>
Roadways & Storm Sewer	21,000
Sanitary Sewer (incl. Lift Stations)	2,500
Water	2,250
Community Center	5,000
Park Upgrades	500
Administration	<u>250</u>
TOTAL	31,500

CITY OF FARMERSVILLE TAX INCREMENT FINANCING REINVESTMENT ZONE NO. 1

PROJECT PLAN ROAD ESTIMATED COSTS*

Assumptions

Traffic Signal = \$125,000 (full movement, non-coordinated)		
Four Lane arterial (divided) per mile = \$3,900,000	\$740	per linear foot
(some drainage but no bridges)		
Four Lane collector (undivided) per mile =	\$500	per linear foot
Bridge for 4 lane arterial = \$2,000,000 average		
Bridge/culvert for 4 lane collector = \$1,000,000 average		

	Road Segment	Type	Linear Ft	Cost
Tract 1				
	CR 607 south of US 380	Arterial	3868	\$2,862,320
	South of US 380, west end	Collector	1813	\$906,500
	US 380 at west end	Signal		\$125,000
Tract 2				\$0
Tract 3	CR 560 north of US 380	Collector	2033	\$1,016,500
	CR 560 north of US 380	Culvert		\$1,000,000
	CR 560 at US 380	Signal		\$125,000
Tract 4	CR 611/610 North of US 380	Arterial	2760	\$2,042,400
	CR 611/612 West of SH 78	Arterial	4833	\$3,576,420
	CR 611 West of SH 78	Culvert		\$1,000,000
	CR 611 West at SH 78	Signal		\$125,000
Tract 5				\$0
Tract 6	Hamilton north of SH380	Collector	1676	\$838,000
	Hamilton north of SH380	Culvert		\$1,000,000
	Hamilton north of SH380	Signal		\$125,000
	Sid Nelson St east of Hamilton	Collector	1720	\$860,000
Tract 7				\$0
Tract 8	CR 653 north of US 380	Collector	2800	\$1,400,000
	CR 653 north of US 380	Culvert		\$1,000,000
	North of US 380, east end	Collector	1360	\$680,000
	South of US 380, east end	Collector	2801	\$1,400,500
	South of US 380, east end	Culvert		\$1,000,000
Total				\$21,082,640

*These are estimates only and are subject to detailed engineering of paving and drainage.

In addition, they do not include any Right-of-Way costs and are based on today's costs with no inflation factors included.

**CITY OF FARMERSVILLE
TAX INCREMENT FINANCING REINVESTMENT ZONE NO. 1
PROJECT PLAN PROPOSED ROADWAYS**

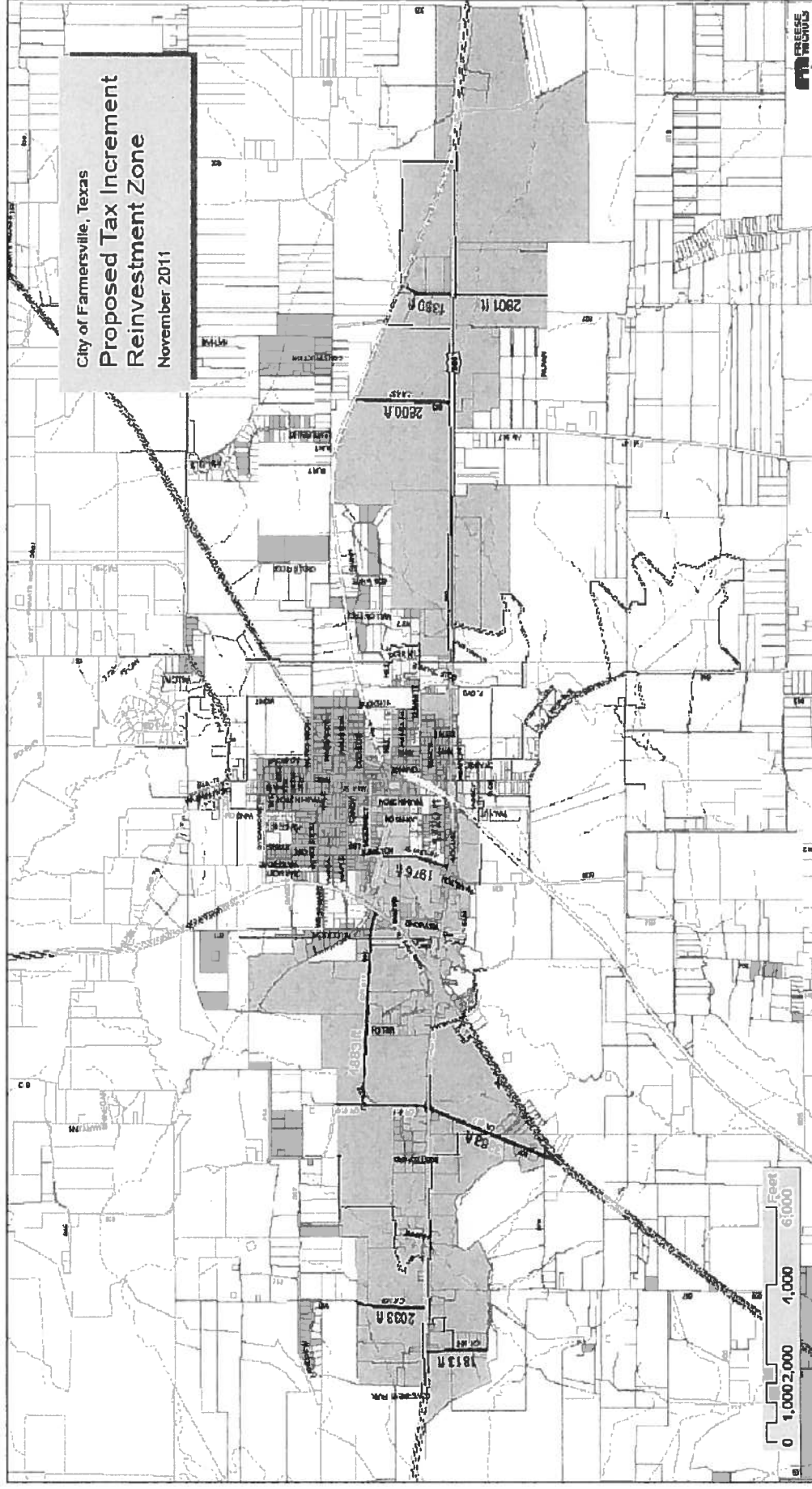
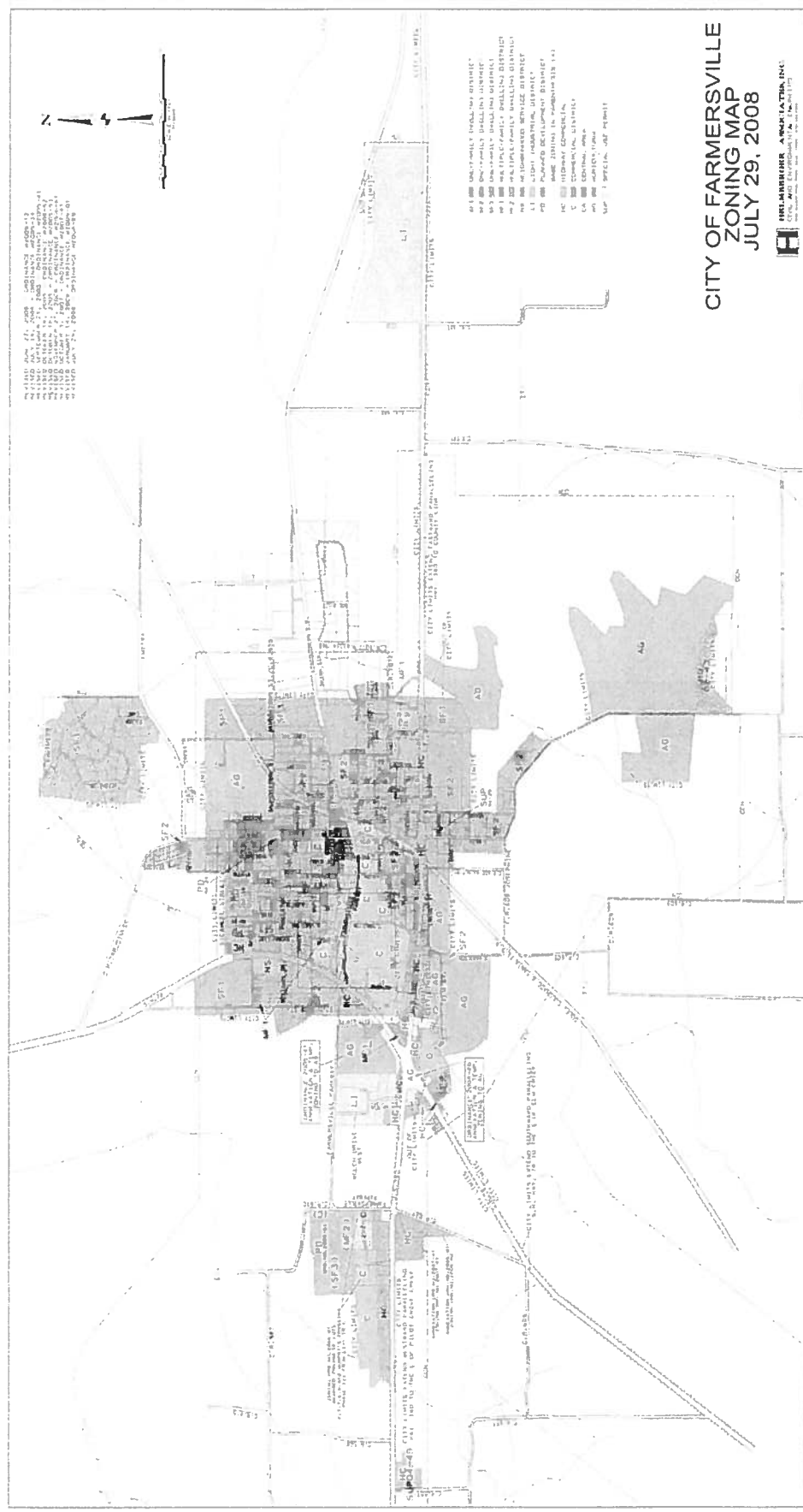


EXHIBIT E

CITY OF FARMERSVILLE
TAX INCREMENT FINANCING REINVESTMENT ZONE NO. 1
FUTURE LAND USE





TO: TIRS Board Members
FROM: Daphne Hamlin
DATE: March 21st, 2012
SUBJECT: Review Finance Plan

Consideration and possible action on Finance Plan

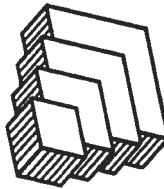
PRELIMINARY

FINANCE PLAN

February 2012

Tax Increment Financing Reinvestment Zone No. 1

City of Farmersville, Texas



SCHRADER & CLINE, LLC

George R. Schrader

Larry D. Cline

4800 Broadway, Ste A Addison, TX 75001
972-661-1973 schcli@swbell.net

February 2012

The Financing Plan provides information on the projected monetary impact that the formation of the Tax Increment Financing Reinvestment Zone (TIF) could have on the property described in *Finance Plan Exhibit: A* and shown in *Finance Plan Exhibit: B*. It will also describe how that impact can be utilized to enhance the area and region through leveraging the resources of the City in the project.

Below is a summary of the Financing Plan items required by law.

1. **The proposed public improvements in the TIF may include:**
 - Capital costs, including the actual costs of the construction of public works, public improvements, new buildings, structures, and fixtures; and the actual costs of the acquisition of land and the clearing and grading of land;
 - Financing costs, including all interest paid to holders of evidences of indebtedness or other obligations issued to pay for project costs and any premium paid over the principal amount of the obligations because of the redemption of the obligations before maturity;
 - Any real property assembly costs;
 - Professional service costs, including those incurred for architectural, planning, engineering, and legal advice and services;
 - Any relocation costs;
 - Organizational costs, including costs of conducting environmental impact studies or other studies, the cost of publicizing the creation of the TIF, and the cost of implementing the project plan for the TIF;
 - Interest before and during construction and for one year after completion of construction, whether or not capitalized;
 - The amount of any contributions made by the municipality from general revenue for the implementation of the project plan;
 - Imputed administrative costs, including reasonable charges for the time spent by employees of the municipality in connection with the implementation of a project plan;
 - The cost of operating the TIF and project facilities; and
 - Payments made at the discretion of the governing body of the municipality that the municipality finds necessary or convenient to the creation of the TIF or to the implementation of the project plans for the TIF.

The specific capital improvement projects anticipated to be undertaken in the Farmersville TIF No. 1, are included in *Finance Plan Exhibit: C*.

2. **Estimated Project Cost of TIF, including administrative expenses.**
 - Project costs are estimated at approximately \$31.5 million dollars. Specific cost estimates are included in *Finance Plan Exhibit: C*.
3. **Economic Feasibility Study.**
 - An economic feasibility analysis has been completed and is included as *Finance Plan Exhibit: D*.
4. **The estimated amount of bonded indebtedness to be incurred.**
 - If initial project costs are not advanced by a Developer, the City of Farmersville may consider issuing bonds.
5. **The time when related costs or monetary obligations are to be incurred.**
 - Please refer to *Finance Plan Exhibit: C* for details regarding the type of improvement costs anticipated. The timing will be monitored by the TIF Board to insure adequate TIF funds or funds from other sources are available.
6. **A description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay project costs including the percentage of tax increment to be derived from the property taxes of each taxing unit on real property in the TIF.**
 - Project costs will be financed through loans advanced by developers or by the use of tax increment funds received on a pay-as-you-go basis. No new debt is envisioned at this time, but bonds may be issued at a later date with debt service supported by tax increment funds or funds from other sources. The revenue sources will be the real property taxes captured by the TIF, or other sources which will be used to fund project costs or bond debt service. For the Financial Plan, the City will participate at 100% of the City tax rate for thirty (30) years, and the County will participate at 50% of the County tax rate for thirty (30) years, all on the incremental taxable value and all as shown in *Finance Plan Table 2 and Table 4*.
7. **The current total appraised value of taxable real property in the TIF.**
 - The current appraised base value of the taxable real property in the TIF using the 2011 certified taxable values provided by the Appraisal District is \$54,203,918.
8. **The estimated appraised value of the improvements in the TIF during each year of its existence.**
 - The estimated appraised value of the improvements in the TIF per year is listed in the following FINANCE PLAN TABLE 1 and TABLE 3.

TABLE 1

**ASSESSED REAL PROPERTY VALUE INCLUDING
ANTICIPATED NEW DEVELOPMENT
YEARS 2011-2040 (CITY OF FARMERSVILLE)**

YEAR	TOTAL ASSESSED VALUE, \$K
2011	54,204
2012	56,074
2013	66,587
2014	75,045
2015	83,153
2016	106,662
2017	116,931
2018	130,060
2019	152,829
2020	172,248
2021	187,650
2022	207,952
2023	213,484
2024	219,016
2025	235,198
2026	245,991
2027	256,544
2028	267,097
2029	277,650
2030	292,523
2031	303,316
2032	313,869
2033	324,422
2034	334,975
2035	349,849
2036	360,329
2037	370,569
2038	380,809
2039	391,049
2040	401,419

- The estimated annual incremental funds available from future development in the TIF are listed in the following table.

9. The duration of the TIF:

- The TIF was created in 2011. It is proposed that the TIF exist for thirty (30) years with termination of the TIF set as 2040 or the date when all project costs are paid and debt is retired, whichever comes first.

TABLE 2

ANNUAL INCREMENTAL FUNDS PROVIDED FOR TIF No. 1 YEARS 2011-2041

Year	ASSESSED VALUE \$K	BASE ASSESSED VALUE \$K	ANNUAL CUM. CAPTURED VALUE \$K	TIF FUND, \$K
2011	54,204	54,204	--	--
2012	56,074	54,204	1,870	--
2013	66,587	54,204	12,383	14
2014	75,045	54,204	20,841	93
2015	83,153	54,204	28,949	156
2016	106,662	54,204	52,458	217
2017	116,931	54,204	62,727	393
2018	130,060	54,204	75,856	470
2019	152,829	54,204	98,625	569
2020	172,248	54,204	118,044	740
2021	187,650	54,204	133,446	885
2022	207,952	54,204	153,748	1,001
2023	213,484	54,204	159,280	1,153
2024	219,016	54,204	164,812	1,195
2025	235,198	54,204	180,994	1,236
2026	245,991	54,204	191,787	1,357
2027	256,544	54,204	202,340	1,438
2028	267,097	54,204	212,893	1,518
2029	277,650	54,204	223,446	1,597
2030	292,523	54,204	238,319	1,676
2031	303,316	54,204	249,112	1,787
2032	313,869	54,204	259,665	1,868
2033	324,422	54,204	270,218	1,947
2034	334,975	54,204	280,771	2,027
2035	349,849	54,204	295,645	2,106
2036	360,329	54,204	306,125	2,217
2037	370,569	54,204	316,365	2,296
2038	380,809	54,204	326,605	2,373
2039	391,049	54,204	336,845	2,450
2040	401,419	54,204	347,215	2,526
2041	--	--	--	2,604
TOTAL	401,419	54,204	347,215	39,909

TIF CONTRIBUTION TAX RATE / \$100 VALUATION

City of Farmersville --	\$0.63	(100%)
Collin County --	0.12	(50%)
TOTAL	\$0.75	

**CITY OF FARMERSVILLE
TAX INCREMENT FINANCING REINVESTMENT ZONE NO. 1
BOUNDARY DESCRIPTION**

OBJECTID	Direction	Distance	COGO_Start
6	N 1-29-59 E	366.63	Point of Beginning
7	S 89-31-48 W	846.67	
8	N 1-8-17 E	240.3	
9	S 83-9-28 W	18.374	
10	S 4-23-15 E	31.38	
11	S 25-34-4 W	84.3	
12	N 57-59-45 W	63.4	
13	S 68-38-20 W	43.41	
14	S 82-20-26 W	152.07	
15	N 2-15-31 E	64.66	
16	N 73-25-47 W	113.14	
17	S 17-19-50 W	136.62	
18	N 89-17-53 W	112.991	
19	N 25-19-30 W	49.007	
20	N 82-33-1 W	144.831	
21	N 35-9-3 W	153.284	
22	S 88-44-51 W	91.522	
23	S 83-42-38 W	31.942	
24	S 47-33-47 W	23.712	
25	S 35-32-13 W	21.506	
26	S 70-20-49 W	14.867	
27	S 45-0-3 W	17.677	
28	S 75-57-46 W	14.431	
29	S 83-34-16 W	17.862	
30	S 72-38-47 W	16.763	
31	S 47-5-56 W	33.787	
32	S 41-54-20 W	26.201	
33	S 33-41-21 W	12.62	
34	S 0-0-0 W	30	
35	S 22-37-8 W	9.75	
36	S 68-11-54 W	18.849	
37	S 72-19-46 W	29.649	
38	S 86-45-32 W	26.543	
39	N 75-51-48 W	34.804	
40	N 48-22-2 W	21.073	
41	N 55-42-39 W	13.314	
42	N 63-26-14 W	14.535	
43	N 74-58-49 W	21.224	
44	N 86-25-30 W	16.031	
45	S 81-52-15 W	21.213	
46	S 71-57-49 W	11.305	
47	S 63-52-13 W	14.758	
48	N 3-41-8 E	38.079	

FINANCE PLAN – FARMERSVILLE TIF NO. 1 PRELIMINARY

EXHIBIT A (CON'T)

49	N 19-9-35 W	57.93
50	N 42-47-22 E	155.14
51	N 34-53-36 W	135.62
52	N 47-1-25 E	72.494
53	N 66-41-29 W	58.51
54	N 24-58-37 E	26.52
55	N 54-22-40 E	57.036
56	N 81-11-14 W	223.205
57	N 8-4-3 E	79.96
58	N 82-41-42 W	108.354
59	S 8-2-23 W	313.345
60	S 73-39-45 W	110
61	N 8-1-24 E	429.925
62	N 16-0-12 W	20.49
63	S 73-52-58 W	52.1
64	S 52-21-41 W	792.686
65	S 43-25-12 W	20.184
66	S 35-32-15 E	110.005
67	S 53-14-27 W	177.278
68	N 33-33-50 W	113.182
69	S 51-55-52 W	545.657
70	S 52-28-19 W	2028.594
71	S 40-9-21 W	109.034
72	S 60-43-44 W	156.233
73	S 53-16-35 W	92.069
74	S 51-57-57 W	906.967
75	S 51-24-48 W	184.017
76	N 89-29-11 W	302.191
77	N 72-15-0 W	44.88
78	S 88-54-22 W	100.825
79	N 89-29-18 W	228.423
80	N 13-25-0 W	703.978
81	N 71-58-2 E	310.459
82	N 0-30-13 W	438.006
83	N 22-23-43 W	371.244
84	N 26-53-46 W	153.57
85	N 42-13-10 W	187.44
86	N 30-28-10 W	244.2
87	N 61-20-40 W	114.058
88	N 45-15-18 W	204.752
89	N 29-0-13 W	495.599
90	S 84-54-40 W	757.312
91	N 89-57-9 W	443.04
92	S 32-34-31 W	245.672
93	S 32-6-54 E	516.115
94	S 61-16-11 W	555.082
95	S 63-3-46 W	272.135
96	N 46-23-12 W	98.091
97	N 78-12-4 W	259.741
98	S 72-3-35 W	238.604

FINANCE PLAN – FARMERSVILLE TIF NO. 1 PRELIMINARY

EXHIBIT A (CON'T)

99	N 89-54-19 W	334.268
100	S 32-30-23 W	38.627
101	S 89-40-8 W	365.023
102	N 85-0-23 W	13.181
103	N 83-0-31 W	13.181
104	N 80-30-30 W	19.77
105	N 77-30-22 W	19.77
106	N 74-30-27 W	19.77
107	N 71-30-31 W	19.77
108	N 68-10-23 W	100.917
109	N 59-38-58 W	23.109
110	N 65-38-56 W	16.51
111	N 70-39-1 W	16.511
112	N 76-8-49 W	19.81
113	N 81-27-50 W	15.28
114	N 89-34-5 W	489.649
115	N 74-35-33 W	10.957
116	N 67-5-40 W	12.519
117	N 57-35-36 W	17.202
118	N 45-30-46 W	20.559
119	S 88-37-11 W	315.684
120	S 75-8-46 W	366.013
121	S 86-51-49 W	126.996
122	N 22-24-41 W	340.597
123	N 22-24-41 W	962.477
124	N 37-45-40 W	1025.66
125	N 11-25-40 E	219.706
126	S 79-29-49 E	300.14
127	S 83-5-56 E	656.74
128	N 1-29-4 E	806.514
129	N 2-38-24 E	1160.816
130	S 88-51-2 E	554.22
131	N 89-55-10 E	1585.103
132	N 0-29-3 E	32.539
133	N 89-18-3 E	1600.723
134	N 0-19-9 W	411.304
135	N 89-51-17 E	27.418
136	N 0-6-7 W	66.151
137	S 90-0-0 E	604.179
138	S 85-52-12 E	131.162
139	N 87-35-19 E	224.523
140	N 90-0-0 E	1055.271
141	N 1-1-46 E	99.972
142	S 89-50-59 E	1308.464
143	N 77-26-11 E	72.506
144	S 89-48-30 E	903.513
145	N 0-49-28 W	456.523
146	N 90-0-0 E	1365.836
147	N 0-48-56 W	334.187
148	N 2-26-28 E	1831.892

EXHIBIT A (CON'T)

149	S 89-35-8 E	1106.182
150	N 89-35-15 E	303.095
151	S 0-58-16 E	264.078
152	S 24-34-53 E	154.2
153	S 0-20-41 E	922.171
154	N 89-33-35 E	366.805
155	S 0-20-15 W	375.868
156	S 82-24-9 W	591.184
157	S 0-46-5 E	1467.406
158	S 88-0-11 E	585.11
159	S 0-12-53 W	428.815
160	S 86-34-35 E	203.481
161	S 86-21-47 E	30.521
162	N 0-3-0 E	22.983
163	S 75-49-59 E	405.839
164	N 69-46-17 E	60.017
165	N 23-53-48 E	407.175
166	N 30-49-19 E	238.234
167	S 89-54-37 E	1150.685
168	S 8-52-21 E	29.859
169	N 90-0-0 E	747.008
170	N 0-0-0 E	249.003
171	N 90-0-0 E	460.022
172	N 0-0-0 E	122.391
173	S 89-47-25 E	333.882
174	S 88-48-13 E	297.462
175	S 89-53-14 E	208.58
176	S 0-0-0 W	110.326
177	S 89-7-39 E	831.512
178	S 0-35-34 E	529.889
179	N 88-45-1 E	27.275
180	S 3-0-33 E	289.898
181	S 71-42-55 W	193.349
182	S 0-17-45 E	926.912
183	S 89-29-18 W	868.222
184	S 1-4-44 E	458.028
185	N 87-38-47 E	156.476
186	S 3-14-30 W	203.776
187	N 88-14-39 E	39.606
188	S 0-22-40 W	154.189
189	S 88-51-43 W	75.515
190	S 1-28-12 E	75.027
191	S 90-0-0 W	22.985
192	S 0-25-4 W	92.106
193	N 89-14-55 E	8.881
194	S 0-43-35 E	58.58
195	N 86-56-54 E	49.865
196	S 0-30-51 E	76.652
197	N 88-22-35 E	268.823
198	N 89-34-5 E	317.969

FINANCE PLAN – FARMERSVILLE TIF NO. 1 PRELIMINARY

EXHIBIT A (CON'T)

199	S 1-36-44 E	81.466
200	S 89-32-40 E	139.024
201	S 77-44-9 E	37.589
202	N 89-39-38 E	194.853
203	N 0-0-0 E	140.464
204	N 90-0-0 E	224.742
205	S 0-0-0 W	35.755
206	N 89-23-16 E	209.578
207	N 0-12-58 E	254.486
208	S 87-43-17 E	16.182
209	N 0-2-52 W	418.955
210	N 89-41-34 E	656.26
211	S 0-0-34 W	760.442
212	S 89-39-58 E	187.41
213	S 0-18-37 E	74.274
214	S 89-22-24 E	354.078
215	N 82-44-12 E	93.384
216	N 0-0-0 E	269.932
217	N 90-0-0 E	322
218	N 0-20-32 E	572.91
219	N 89-26-16 E	1181.9
220	N 0-41-25 E	891.065
221	S 89-21-45 E	691.89
222	S 89-39-29 E	971.921
223	S 89-36-28 E	949.272
224	N 1-28-31 E	1731.342
225	N 87-44-59 E	101.862
226	S 89-38-14 E	675.272
227	S 87-25-15 E	94.892
228	S 85-39-15 E	94.89
229	S 83-53-14 E	94.891
230	S 82-24-22 E	74.449
231	S 80-42-43 E	74.448
232	S 79-1-11 E	74.45
233	S 77-19-43 E	74.448
234	S 75-38-4 E	74.448
235	S 74-7-42 E	87.93
236	S 72-12-17 E	87.933
237	S 70-16-54 E	87.93
238	S 68-21-33 E	87.931
239	S 66-45-54 E	116.25
240	S 65-39-19 E	116.249
241	S 64-32-44 E	116.249
242	S 64-12-45 E	647.158
243	S 64-18-11 E	2071.707
244	S 64-16-17 E	1118.377
245	S 64-31-40 E	58.426
246	N 89-52-51 E	76.993
247	S 89-52-29 E	3056.239
248	S 0-14-3 W	1022.662

EXHIBIT A (CON'T)

249	S 89-30-2 E	1925.931
250	S 89-18-49 E	2048.406
251	S 0-26-31 W	871.828
252	S 14-4-21 W	109.754
253	S 0-2-56 W	1545.715
254	S 81-18-5 W	2405.409
255	S 29-17-10 E	340.45
256	S 14-3-43 E	116.249
257	S 25-9-25 E	119.142
258	S 2-3-58 W	71.659
259	S 25-9-12 E	963.927
260	S 28-3-49 E	24.339
261	S 23-3-44 E	36.498
262	S 18-33-52 E	18.256
263	S 14-33-45 E	30.419
264	S 9-33-48 E	30.42
265	S 5-2-39 E	37.852
266	N 89-43-54 W	1252.016
267	S 0-53-35 W	95.338
268	N 89-29-0 W	3082.276
269	N 0-38-13 E	1225.311
270	S 89-30-50 W	218.038
271	S 89-30-50 W	1548.478
272	N 89-41-17 W	400.156
273	N 1-0-0 E	1428.42
274	N 89-57-4 W	1290.553
275	N 89-58-11 W	792.793
276	N 0-35-44 W	280.594
277	S 90-0-0 W	53.48
278	N 0-0-0 E	513.794
279	S 90-0-0 W	463.267
280	N 0-12-38 E	610.058
281	S 87-52-41 W	144.165
282	N 89-47-59 W	546.87
283	N 87-3-51 W	200.45
284	S 89-23-18 W	248.93
285	N 89-45-4 W	541.68
286	S 0-30-15 W	410.967
287	S 89-38-6 E	272.575
288	S 0-31-28 W	1281.56
289	S 89-57-40 W	2798.98
290	N 1-16-36 E	238.987
291	S 71-46-30 W	229.825
292	N 87-45-19 W	696.686
293	N 27-4-20 W	201.805
294	N 10-38-15 E	1320.909
295	N 89-43-29 W	396.983
296	N 27-38-59 E	45.753
297	N 89-43-45 W	132.059
298	S 86-16-25 W	501.22

FINANCE PLAN – FARMERSVILLE TIF NO. 1 PRELIMINARY

EXHIBIT A (CON'T)

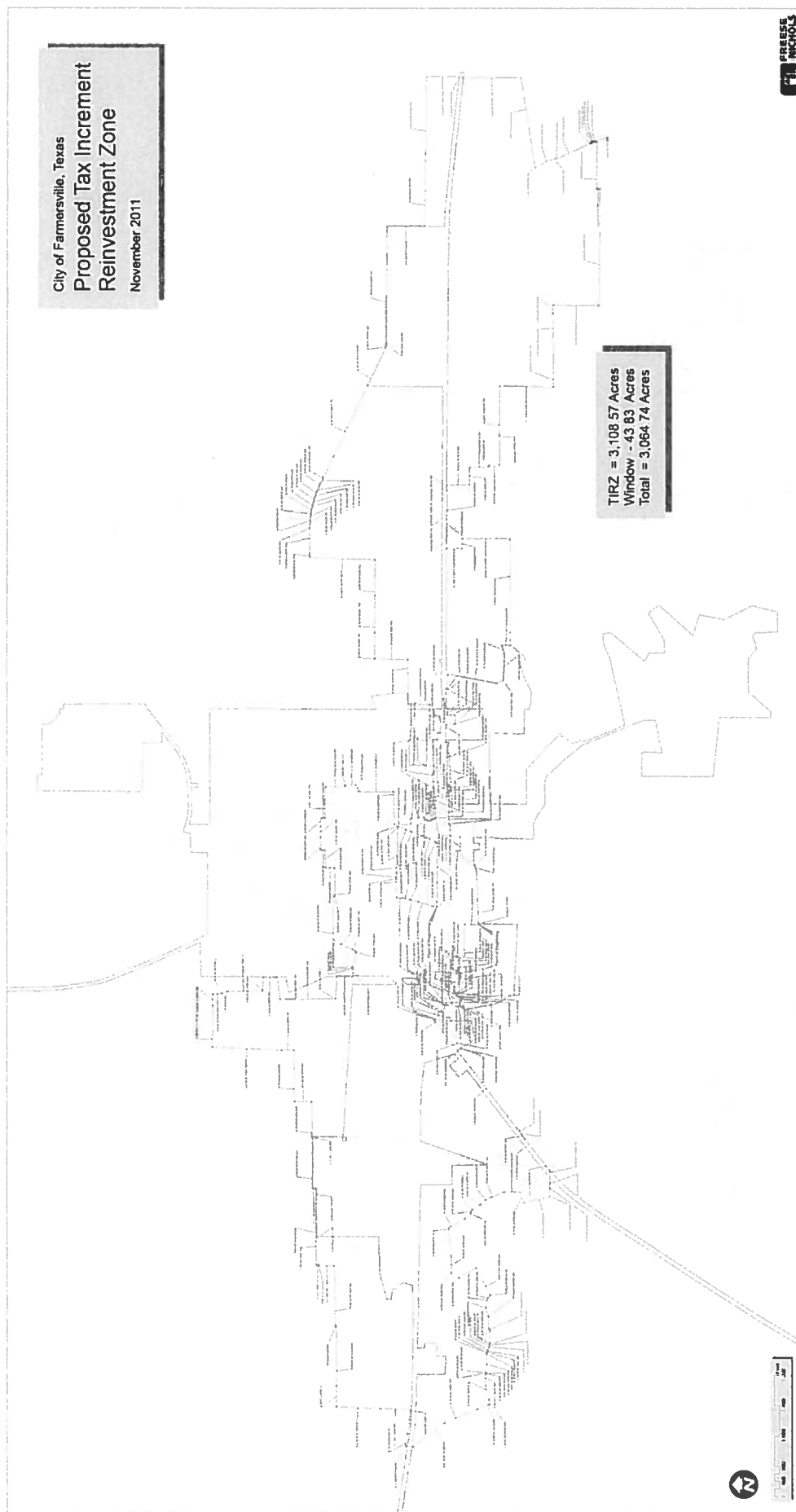
299	N 85-56-43 W	74.222		
300	S 0-2-10 W	217.699		
301	N 89-2-14 W	242.26		
302	N 0-1-2 W	235.537		
303	N 83-4-5 W	84.179		
304	N 89-19-38 W	386.617		
305	S 1-34-25 W	77.402		
306	S 86-47-53 W	637.533		
307	S 89-36-20 W	196.554		
308	S 86-46-11 W	346.05		
309	S 88-41-54 W	71.618		
310	S 70-20-43 W	37.847		
311	S 89-24-40 W	315.454		
312	S 61-47-28 W	36.635		
313	S 89-30-54 W	209.413		
314	N 0-34-19 W	90.803		
315	N 88-29-34 W	305.089		
316	S 42-38-52 W	65.069		
317	S 89-41-16 W	276.351		
318	S 5-8-11 W	268.376		
319	S 89-57-18 W	364.448		
320	N 1-25-54 E	137.306		
321	S 37-25-35 W	627.425		
322	S 67-15-30 W	147.302		
323	S 87-38-44 W	1382.771		
324	N 89-16-16 W	50	to point of beginning	contains 3,108.57 Acres

EXHIBIT A (CON'T)

SAVE AND EXCEPT

OBJECTID	Direction	Distance	COGO_Start
325	N 9-47-9 E	117.38	Point of beginning
326	N 17-30-3 E	387.77	
327	N 11-56-29 E	235.927	
328	N 16-44-39 E	131.237	
329	N 8-7-48 E	94.235	
330	N 1-40-13 E	143.273	
331	N 89-51-13 E	513.029	
332	S 0-24-9 W	7.47	
333	N 89-20-35 E	136.092	
334	S 89-10-28 E	435.451	
335	S 0-0-0 W	13.59	
336	S 89-48-21 E	801.802	
337	S 27-54-3 W	19.934	
338	S 21-43-2 W	226.387	
339	S 20-24-59 W	154.802	
340	S 21-43-1 W	306.322	
341	S 20-21-43 W	120.545	
342	S 15-27-43 W	84.529	
343	S 29-39-21 W	185.727	
344	S 25-22-6 W	48.486	
345	S 90-0-0 W	1049.131	
346	N 89-27-55 W	640.256	to the Point of beginning
			Contains 43.83 Acres

**CITY OF FARMERSVILLE
TAX INCREMENT FINANCING REINVESTMENT ZONE NO. 1**



**CITY OF FARMERSVILLE
TAX INCREMENT FINANCING REINVESTMENT ZONE NO. 1**

PUBLIC IMPROVEMENTS

<u>ITEM</u>	<u>COST, \$K</u>
Roadways & Storm Sewer	21,000
Sanitary Sewer (incl. Lift Stations)	2,500
Water	2,250
Community Center	5,000
Park Upgrades	500
Administration	<u>250</u>
TOTAL	31,500



TO: TIRS Board Members
FROM: Daphne Hamlin
DATE: March 21st, 2012
SUBJECT: Review Feasibility Analysis

Consideration and possible action on Feasibility Analysis

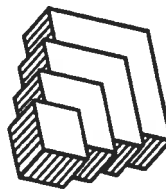
PRELIMINARY

FEASIBILITY ANALYSIS
(EXHIBIT D OF THE FINANCE PLAN)

February 2012

Tax Increment Financing Reinvestment Zone No. 1

City of Farmersville, Texas



SCHRADER & CLINE, LLC

George R. Schrader

Larry D. Cline

4800 Broadway, Ste A Addison, TX 75001
972-661-1973 schcli@swbell.net

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Section III: EXHIBITS	7

FORWARD

Schrader & Cline, LLC was asked to prepare a Feasibility Analysis using tax increment financing to encourage accelerated development and redevelopment for **Tax Increment Financing Reinvestment Zone (TIRZ) No. 1 in the City of Farmersville, Texas**. The areas of the City and County within the boundary of the TIRZ need public infrastructure projects that will provide a stimulus for new development.

Section I summarizes the history of and current conditions in the area of TIRZ No. 1

Section II details the tax increment analysis.

Section III contains Exhibits.

The following projections of development, redevelopment and tax revenues are subject to change. As underlying conditions in the national and regional economy change, the pace and value of new development and redevelopment projected for the TIRZ area may shift. Future property tax rates are particularly difficult to predict given their dependence on changes in the tax base, the mix of taxes levied and the various jurisdictions' overall fiscal and budgetary policies. Thus, the projected tax increments are subject to change. The analysis of future tax increment funds is dependent on a series of projections, assumptions, and other inputs. As a result, the report should be reviewed in totality.

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

SECTION I: HISTORY AND CURRENT CONDITIONS

Farmersville originated in 1849 as a settlement on the Jefferson-McKinney Road and near Republic of Texas National Road. Farmersville was named by pioneers for their chief occupation. The town was incorporated on June 2, 1873. As the town became a trade center, agriculture kept pace. Farmersville in the 1930's was known as the "Onion Capital of North Texas", annually shipping over 1,000 carloads of onions. Along with some small industry, cattle, cotton and maize crops remain important. The population of the city has continued to increase from 2,311 in 1970 to 3,301 in 2010, a 43% increase.

As the town has grown over time, the US 380 highway corridor has become the main development spine through the City of Farmersville. But even the expansion of the highway has done little to stimulate new economic development. Real property values have stagnated since 2008 and have even declined more recently. Some method of stimulating growth along this corridor is needed, especially to create growth beyond highway retail. This will require infrastructure (roadways, storm sewer, sanitary sewer, water) which does not presently exist, to pull development beyond the immediate highway corridor. Creation of a Tax Increment Financing Reinvestment Zone (TIRZ) is needed as an economic development tool to fund the needed public infrastructure to spearhead new private development along the US 380 corridor.

SECTION II: TAX INCREMENT ANALYSIS

This section documents the detailed analysis and inputs used to generate the tax increment revenue estimates.

Tax Increment Financing involves:

- Designating an eligible redevelopment area as a Tax Increment Financing Reinvestment Zone;
- Setting the assessment base at the level of the most recent assessment; and
- Placing tax revenues generated by the increase in assessed value in a tax increment fund for funding public improvements.

Thus, future tax increment revenues depend on four elements:

- The timing and added value of new development;
- Appreciation of existing land and improvements;
- The loss of value from any existing improvements demolished to make way for new development; and
- Future tax rates and the percentage of participation of the taxing jurisdiction.

Assessment policies typically set building assessments at 100 percent of fair market value, which are generally comparable to construction costs for new construction. Assessed values are established as of January 1 of the tax year. Thus, development in 2011 goes on the tax rolls for the Tax Year 2012. The 2011 certified taxable value of real property in the TIRZ boundary is \$54,203,918. This value is the base tax value. In this analysis, to be conservative, no increase in existing values or in value of new development after completion has been included.

All taxes from the existing 2011 certified value of both real and business personal property will continue to flow to the City and County. During the 30-year life of the TIRZ, 100% of taxes on increased real property value from the City and 50% of taxes on increased real property value from the County will flow to the TIRZ Fund: The County will receive 50% of taxes on increased real property value. Both the City and County will receive 100% of the taxes from the increased business personal property value.

For the purpose of determining the expected increase in value within the TIRZ boundary, the area was divided into nineteen (19) development tracts as shown in Exhibit 1 and Exhibit 2. Within each development tract, the expected increase in value was determined as shown in Exhibit 3. Once these values were determined, development time frames were applied as shown in Exhibit 4. Over the next thirty (30) years, it is projected that within the TIRZ boundary, the following new development will occur:

Commercial --	980,000	square feet
Retail --	660,000	square feet
Industrial --	977,000	square feet
Single-Family --	674	units
Multi-Family --	1,250	units

This new development will add an additional \$347,215,000 to the City and County real property taxable value (see Exhibit 5).

Based on the increase in value shown in Exhibit 5, and the tax rate participation outlined previously, the income to the TIRZ Fund will total \$39,909,000 as shown in Exhibit 6. This TIRZ Fund estimate exceeds the \$31,500,000 for infrastructure projects listed in the Project Plan by almost 27%.

CITY OF FARMERSVILLE
TAX INCREMENT FINANCING REINVESTMENT ZONE NO. 1

SECTION III: EXHIBITS

EXHIBIT 1

CITY OF FARMERSVILLE TAX INCREMENT FINANCING REINVESTMENT ZONE NO. 1



EXHIBIT 2

CITY OF FARMERSVILLE
TAX INCREMENT FINANCING REINVESTMENT ZONE NO. 1

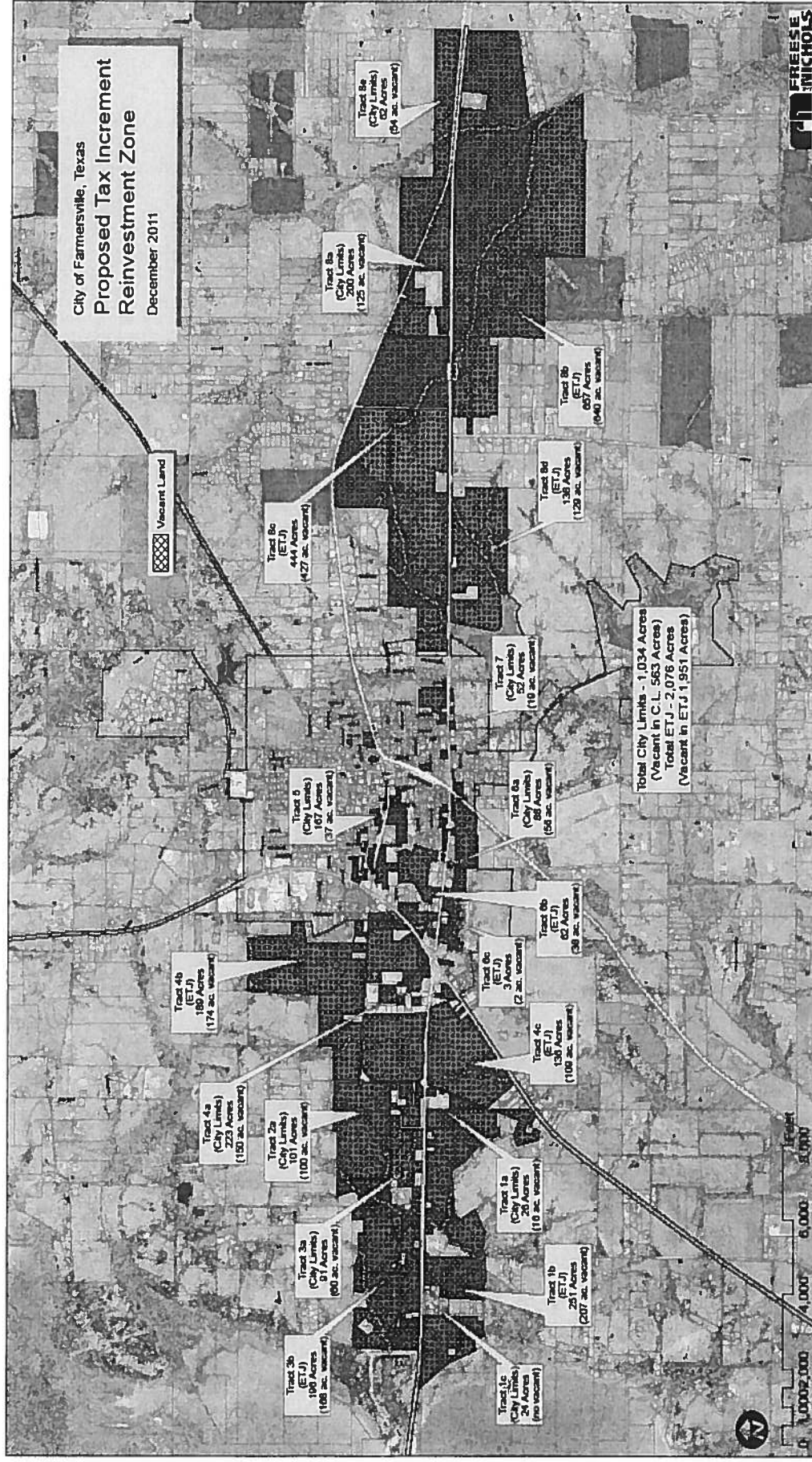


EXHIBIT 3

**CITY OF FARMERSVILLE
TAX INCREMENT FINANCING REINVESTMENT ZONE NO. 1**

DEVELOPMENT ANALYSIS DETAIL

<u>TRACT</u>	<u>DEVELOPMENT ANALYSIS</u>
1a	<p>Info from Kim Wiens at EMP</p> <p>Retail – 10.28 ac. (approx.) = 24,800 SF = \$1,800,000</p> <p>Bank – 1.043 ac. = 3,000 SF = \$400,000</p> <p>Storage – 3.8 ac. = 20,000 SF = \$500,000</p>
1b	<p>251 ac., 207 ac. vacant</p> <p>Highway Retail – 35 ac. (5,000 LF frontage @ 300' deep = 1,500,000 SF)</p> <p>10% lot coverage = 150,000 SF @ \$60/SF = \$9,000,000</p> <p>Single-Family – 207 - 35 = 172 ac., 20% developed = 34 ac.</p> <p>34 ac. @ 4 du/ac. = 136 un @ \$175K/un = \$23,800,000</p>
1c	<p>24 ac., 0 ac. vacant</p> <p>No development</p>
2	<p>Used information provided by developer except extended development time frame from 5 to 11 years.</p> <p>101 ac., 100 ac. vacant</p> <p>Assisted Living -- \$13,500,000</p> <p>Medical Office -- \$10,000,000</p> <p>Retail -- \$3,000,000</p> <p>Storage -- \$6,000,000</p> <p>Single-Family -- 298 un @ \$140K/un = \$41,720,000</p> <p>Multi-Family – 360 un @ \$75K/un = \$27,000,000</p>
3a	<p>91 ac., 60 ac. vacant</p> <p>Highway Retail – 27.5 ac. (4,000 LF frontage @ 300' deep = 1,200,000 SF)</p> <p>10% lot coverage = 120,000 SF @ \$60/SF = \$7,200,000</p> <p>Multi-Family – 60 ac. - 27.5 ac. = 32.5 ac.</p> <p>32.5 ac. @ 15% coverage = 212,355 SF (say 212,000 SF)</p> <p>212,000 SF @ 1,000 SF/un = 212 un @ \$60K/un = \$12,720,000</p>
3b	<p>196 ac., 168 ac. vacant</p> <p>Highway Retail – 20.7 ac. (3,000 LF frontage @ 300' deep = 900,000 SF)</p> <p>10% lot coverage = 90,000 SF @ \$60/SF = \$5,400,000</p> <p>Single-Family – 168 ac. - 20.7 ac. = 147.3 ac. @ 20% dev. = 29.5 ac.</p> <p>29.5 ac. @ 4 du/ac. = 118 du @ \$175K/un = \$20,650,000</p>

EXHIBIT 3 (CON'T)

- 4a 223 ac., 75 ac. reserved, 75 ac. vacant
Highway Retail – 20.7 ac. (3,000 LF frontage @ 300' deep = 900,000 SF)
10% lot coverage = 90,000 SF @ \$60/SF = \$5,400,000
Multi-Family – 75 ac. - 20.7 ac. = 54.3 ac.
54.3 ac. @ 15% coverage = 354,796 SF (say 355,000 SF)
355,000 SF @ 1,000 SF/un = 355 un @ \$60K/un = \$21,300,000
- 4b 188 ac., 174 ac. vacant
Street Retail – 20.7 ac. (3,000 LF frontage @ 300' deep = 900,000 SF)
10% lot coverage = 90,000 SF @ 50% dev. = 45,000 SF
45,000 SF @ \$50/SF = \$2,250,000
Single-Family – 174 ac. - 20.7 ac. = 153.3 ac. @ 20% dev. = 30.66 ac.
30.66 ac. @ 4 du/ac. = 122 un @ 175K/un = \$21,350,000
- 4c 136 ac., 109 ac. vacant
Highway Retail – 20.7 ac. (3,000 LF frontage @ 300' deep = 900,000 SF)
10% lot coverage = 90,000 SF @ \$60/SF = \$5,400,000
Multi-Family – 109 ac. - 20.7 ac. = 88.3 ac. @ 25% dev. = 22 ac.
22 ac. @ 15% coverage = 143,748 SF (say 144,000 SF)
144,000 SF @ 1,000 SF/un = 144 un @ \$60K/un = \$8,640,000
- 5 167 ac., 37 ac. vacant
Assume 4,000 SF of development every 5 years
4,000 SF/yr 5 times = 20,000 SF @ 60K/SF = \$1,200,000
- 6a 87 ac., 56 ac. vacant
Assume redevelopment and new development on 40 ac.
40 ac. @ 15% coverage = 261,360 SF @ \$60/SF = \$15,680,000
- 6b 62 ac., 38 ac. vacant
Assume mixed-use development
38 ac. @ 15% coverage = 248,292 SF @ \$60/SF = \$14,900,000
- 6c 3ac., 2 ac. vacant
Assume no development
- 7 52 ac., 19 ac. vacant
Assume redevelopment and new development on 25 ac.
25 ac. @ 15% coverage = 163,350 SF @ \$60/SF = \$9,800,000

EXHIBIT 3 (CON'T)

- 8a 188 ac., 125 ac. vacant
 125 ac. @ 5% coverage = 272,250 SF @ \$60/SF = \$16,335,000
 25 years of 30 year build out = \$13,625,000
- 8b 659 ac., 640 ac. vacant
 640 ac. @ 5% coverage = 1,393,920 SF @ \$60/SF = \$83,635,000
 15 years of 30 year build out - \$41,817,600
 Assume 50% developed = \$20,908,800
- 8c 443 ac., 427 ac. vacant
 427 ac. @ 5% coverage = 930,000 SF @ \$60/SF = \$55,800,000
 18 years of 30 year build out = \$33,480,000
 Assume 50% developed = \$16,740,000
- 8d 139 ac., 129 ac. vacant
 129 ac. @ 5% coverage = 280,960 SF @ \$60/SF = \$16,857,600
 20 years of 30 year build out = \$11,238,400
 Assume 50% development = \$5,619,200
- 8e 54 ac., 54 ac. vacant
 54 ac. @ 5% coverage = 117,612 SF @ \$60/SF = \$7,050,000
 15 years of 30 year build out = \$3,525,000
 Assume 50% developed = \$1,762,500

EXHIBIT 4

**CITY OF FARMERSVILLE
TAX INCREMENT FINANCING REINVESTMENT ZONE NO. 1**

FUTURE DEVELOPMENT ASSUMPTIONS

<u>TRACT</u>	<u>ASSUMPTIONS</u>		
1a 26 ac. 16 ac. vac.	Used information provided by developer		
	Retail	2012 - 2015	\$1,800,000
	Bank	2013	400,000
	Storage	2016	500,000
	TOTAL		\$2,700,000
1b 251 ac. 207 ac. vac.	Highway Retail Single-Family (20% dev.) TOTAL	2021 - 2040 2026 - 2040	\$9,000,000 23,800,000 \$32,800,000
1c 24 ac.	N/A		
2 101 ac. 100 ac. vac.	Used information provided by developer except extended development time frame from 5 to 11 years		
	Assisted Living	2013, 2016, 2019	\$13,500,000
	Medical Office	2013, 2016, 2019, 2022	10,000,000
	Retail	2015, 2017	3,000,000
	Storage	2014, 2017, 2020	6,000,000
	Single-Family	2012 - 2022	41,720,000
	Multi-Family	2016, 2019, 2022	27,000,000
	TOTAL		\$101,220,000
3a 91 ac. 60 ac. vac.	Highway Retail Multi-Family TOTAL	2013 - 2035 2018, 2021	\$7,200,000 12,720,000 \$19,920,000
3b 196 ac. 168 ac. vac.	Highway Retail Single-Family (20% dev.) TOTAL	2021 - 2040 2021 - 2040	\$5,400,000 20,650,000 \$26,050,000
4a 223 ac. 75 ac. vac. 75 ac. CCCC	Highway Retail Multi-Family TOTAL	2016 - 2040 2020, 2025	\$5,400,000 21,300,000 \$26,700,000

EXHIBIT 4 (CON'T)

TRACT	ASSUMPTIONS		
4b 188 ac. 174 ac. vac.	Street Retail (50% dev.) Single-Family (20% dev.) TOTAL	2026 - 2040 2026 - 2040	\$2,200,000 <u>21,350,000</u> \$23,550,000
4c 136 ac. 109 ac. vac.	Highway Retail Multi-Family (25% dev.) TOTAL	2026 - 2040 2030, 2035	\$5,400,000 <u>8,640,000</u> \$14,040,000
5 167 ac. 37 ac. vac.	4,000 SF of development every 5 years	2016, 2021, 2026, 2031, 2036	\$1,200,000
6a 87 ac. 56 ac. vac.	Redevelopment & New development 40 ac. @ 15% coverage	2014 - 2040	\$15,680,000
6b 62 ac. 38 ac. vac.	Mixed-Use 38 ac. @ 15% coverage	2014 - 2040	\$14,900,000
6c 3 ac. 2 ac. vac.	N/A		
7 52 ac. 19 ac. vac.	Redevelopment & New development 25 ac. @ 15% coverage	2014 - 2040	\$9,800,000
8a 188 ac. 125 ac. vac.	Light Industrial 125 ac. @ 5% coverage 30-year build out	2016 - 2040	\$13,625,000

EXHIBIT 4 (CON'T)

<u>TRACT</u>	<u>ASSUMPTIONS</u>		
8b 659 ac. 640 ac. vac.	Light Industrial 531 ac. @ 5% coverage 30-year build out	2026 - 2040	\$20,908,800
8c 443 ac. 427 ac. vac.	Light Industrial 427 ac. @ 5% coverage 30-year build out	2023 - 2040	\$16,740,000
8d 139 ac. 129 ac. vac.	Light Industrial 129 ac. @ 5% coverage 30-year build out	2021 - 2040	\$5,619,200
8e 54 ac. 54 ac. vac.	Light Industrial 54 ac. @ 5% coverage 30-year build out	2026 - 2040	\$1,762,500
GRAND TOTAL			<u>\$347,215,500</u>

EXHIBIT 5

FUTURE DEVELOPMENT - \$K

TRACT																				
YEAR	1a	1b	1c	2a	3a	3b	4a	4b	4c	5	6a	6b	6c	7	8a	8b	8c	8d	8e	TOTAL
2011																				0
2012	750			1,120																1,870
2013	400			9,800	313															10,513
2014	450			6,200	313						580	555		360						8,458
2015	600			5,700	313						580	555		360						8,108
2016	500			20,200	313		216			240	580	555		360	545					23,509
2017				7,700	313		216				580	555		360	545					10,269
2018				4,200	6,673		216				580	555		360	545					13,129
2019				20,200	313		216				580	555		360	545					22,769
2020				6,200	313		10,866				580	555		360	545					19,419
2021		450		4,200	6,673	1,303	216			240	580	555		360	545			280		15,402
2022		450		15,700	313	1,303	216				580	555		360	545			280		20,302
2023		450			313	1,303	216				580	555		360	545		930	280		5,532
2024		450			313	1,303	216				580	555		360	545		930	280		5,532
2025		450			313	1,303	10,866				580	555		360	545		930	280		16,182
2026		2,030			313	1,303	216	1,570	360	240	580	555		360	545	1,394	930	280	117	10,793
2027		2,030			313	1,303	216	1,570	360		580	555		360	545	1,394	930	280	117	10,553
2028		2,030			313	1,303	216	1,570	360		580	555		360	545	1,394	930	280	117	10,553
2029		2,030			313	1,303	216	1,570	360		580	555		360	545	1,394	930	280	117	10,553
2030		2,030			313	1,303	216	1,570	4,680		580	555		360	545	1,394	930	280	117	14,873
2031		2,030			313	1,303	216	1,570	360	240	580	555		360	545	1,394	930	280	117	10,793
2032		2,030			313	1,303	216	1,570	360		580	555		360	545	1,394	930	280	117	10,553
2033		2,030			313	1,303	216	1,570	360		580	555		360	545	1,394	930	280	117	10,553
2034		2,030			313	1,303	216	1,570	360		580	555		360	545	1,394	930	280	117	10,553
2035		2,030			314	1,303	216	1,570	4,680		580	555		360	545	1,394	930	280	117	14,874

EXHIBIT 6

**CITY OF FARMERSVILLE
TAX INCREMENT FINANCING REINVESTMENT ZONE NO. 1**

TIRZ FUND

<u>YEAR</u>	<u>NEW DEVELOPMENT, \$K</u>	<u>CUMULATIVE NEW DEVELOPMENT, \$K</u>	<u>TIRZ FUND, \$K*</u>
2011	-----	-----	-----
2012	1,870	1,870	-----
2013	10,513	12,383	14
2014	8,458	20,841	93
2015	8,108	28,949	156
2016	23,509	52,458	217
2017	10,269	62,727	393
2018	13,129	75,856	470
2019	22,769	98,625	569
2020	19,419	118,044	740
2021	15,402	133,446	885
2022	20,302	153,748	1,001
2023	5,532	159,280	1,153
2024	5,532	164,812	1,195
2025	16,182	180,994	1,236
2026	10,793	191,787	1,357
2027	10,553	202,340	1,438
2028	10,553	212,893	1,518
2029	10,553	223,446	1,597
2030	14,873	238,319	1,676
2031	10,793	249,112	1,787
2032	10,553	259,665	1,868
2033	10,553	270,218	1,947
2034	10,553	280,771	2,027
2035	14,874	295,645	2,106
2036	10,480	306,125	2,217
2037	10,240	316,365	2,296
2038	10,240	326,605	2,373
2039	10,240	336,845	2,450
2040	10,370	347,215	2,526
2041	-----	-----	<u>2,604</u>
TOTAL	347,215	347,215	39,909**

*Based on 2011 tax rates of:

City - \$0.63/\$100 valuation
 Co. (50%) - 0.12/\$100 valuation
 TOTAL \$0.75/\$100 valuation

**City contribution: \$33,524,000 (84%)
 County contribution: \$6,385,000 (16%)



TO: TIRS Board Members
FROM: Daphne Hamlin
DATE: March 21st, 2012
SUBJECT: Review Interlocal Agreement

Consideration and possible action on Interlocal Agreement

INTERLOCAL AGREEMENT

THE STATE OF TEXAS	§	
	§	
COUNTY OF COLLIN	§	

This **INTERLOCAL AGREEMENT** (the "Agreement") is made by and between the **CITY OF FARMERSVILLE, TEXAS** (the "City"), a municipal corporation and general law municipality of the State of Texas situated in Collin County, acting by and through its governing body, the City Council; **COLLIN COUNTY, TEXAS**, a body corporate and politic under the laws of the State of Texas, acting by and through its governing body, the Collin County Commissioners' Court (the "County"); and **REINVESTMENT ZONE NUMBER ONE, CITY OF FARMERSVILLE** (the "Zone"), a reinvestment Zone created by the City pursuant to Chapter 311 of the Texas Tax Code, as amended, acting by and through its Board of Directors. This Agreement is made pursuant to Chapter 791 of the Texas Government Code, and Chapter 311 of the Texas Tax Code, as amended.

The City, the County and the Zone hereby agree to the following terms and conditions of this Agreement.

I. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set out below:

"Agreement" means this Interlocal Agreement between the City, the County and the Zone.

"Captured Appraised Value" means the captured appraised value of the Zone, as defined by Chapter 311 of the Texas Tax Code, as amended.

"City" means the City of Farmersville, Texas, and its successors and assigns.

"Countersignature Date" means that date shown as the date countersigned by the City Attorney on the signature page of this Agreement.

"County" means Collin County, Texas, and its successors and assigns.

"County Tax Increment Participation" means the amount of the County tax levy on the

Captured Appraised Value which the County agrees to contribute to the Zone pursuant to of Sections III (A) and (B) of this Agreement.

"Project" means the development of transportation improvements, and any supporting improvements, facilities, and infrastructure related thereto on property within the boundary of the reinvestment Zone, and as further described in the Project Plan.

"Project Plan" means the project plan and reinvestment Zone financing plan for the Zone, a true and correct copy of which is attached to this Agreement as ***Exhibit "B"***, and such amendments and revisions to such plan as may be adopted by the Board of Directors of the Zone and approved by the City Council of the City.

"Tax Increment Fund" means the tax increment fund created by the City in the City's Depository Accounts for the Zone.

"Zone" means Reinvestment Zone Number One, City of Farmersville, Texas, created by the City on first reading December 13, 2011 and second reading December 19, 2011, by Ordinance No. 2011-1219-002, a true and correct copy of said ordinance is attached to this Agreement as ***Exhibit "A"***. Otherwise, the terms used herein have the meanings ascribed to them in Chapter 311 of Texas Tax Code, as amended.

II. BACKGROUND

On first reading December 13, 2011 and second reading December 19, 2011, the City created the Zone by adoption of City Ordinance No. 2011-1219-002, for the purposes of development and redevelopment of the property within the Zone pursuant to the Project Plan. The City has agreed to participate in the Zone by contributing tax increments produced in the Zone to the Tax Increment Fund. The County desires to participate in the Zone in consideration for the agreements set forth below. The parties now desire to enter into an Interlocal Agreement pursuant to Section 311.013(f) of the Texas Tax Code, as amended.

III. OBLIGATIONS OF COUNTY

A. Tax Increment Participation.

For and in consideration of the agreements of the parties set forth herein, and subject to the remaining subsections of this section, the County agrees to participate in the Zone by contributing to the Tax Increment Fund during the term of this Agreement fifty percent (50%) of the tax increment attributed to the Captured Appraised Value in the Zone attributable to the County, and the County's contribution along with the contributions of the City shall fund Projects identified in the approved Project Plan, as amended, for the Zone. County participation is limited to a maximum of \$6,385,000 or thirty (30) years, whichever is reached first. In addition, the use of County funds is limited to roadways and associated storm sewer projects.

B. County Tax Increment Limitation

The County is not obligated to pay the County Tax Increment Participation from any source other than taxes collected on the Captured Appraised Value. Furthermore, the County has no duty or obligation to pay the County Tax Increment Participation from any other County taxes or revenues, or until the County Tax Increment Participation in the Zone is actually collected. The obligation to pay the County Tax Increment Participation accrues as taxes representing the County Tax Increment Participation are collected by the County, and payment shall be due on May 1 of each year the County participates in the reinvestment Zone. No interest or penalty will be charged to the County for any late payment received from the County; provided, however, the penalty and interest received by the County on any delinquent taxes from the County Tax Increment Participation shall be paid to the Tax Increment Fund. Any portion of the taxes representing the County Tax Increment Participation that are paid to the County and subsequently refunded pursuant to a provision of the Texas Tax Code, as amended, shall be offset against future payments to the Tax Increment Fund.

C. Expansion of the Zone.

The obligation of the County to participate in the Zone is limited to the area described in the Project Plan. The County's participation does not extend to the tax increment on any additional property added to the Zone unless the County specifically agrees to participate in the additional area.

D. Board of Directors

Notwithstanding anything to the contrary in City's Ordinance creating the Zone, pursuant to the provisions of Section 311.009(a) of the Texas Tax Code, as amended, the County shall have the right to appoint and thereafter at all times maintain Two (2) members on the Board of Directors of the Zone. Failure of the County to appoint a person to the Board of Directors of the Zone shall not be deemed a waiver of the County's right to make an appointment at a later date. The County will make good faith efforts to appoint and maintain a person to serve on the Board of Directors.

IV. OBLIGATIONS OF THE CITY AND THE ZONE

A. Project Plan

Any member of the County Commissioners' Court may review and comment upon any amendment to the Project Plan prior to its approval by the City Council. The City agrees to provide the County with any proposed amendments to the Project Plan at least fourteen (14) days prior to their submission to the City Council for approval. The City agrees to work with the Zone Board of Directors to implement the Project Plan.

B. Disposition of Tax Increments

Upon termination of the Zone, and after all obligations and bonded indebtedness of the Zone have been paid, the City and the Zone shall pay to the County, within sixty (60) days of said termination, all monies remaining in the Tax Increment Fund that are attributable to the County Tax Increment Participation paid by the County into the Tax Increment Fund.

C. Audits

In the event the City creates a redevelopment authority in connection with the Zone, the City shall provide to the County a copy of each of the audits required by the agreement between the City, the Zone and any such redevelopment authority within thirty (30) days of receipt of each audit.

V. TERM AND TERMINATION

A. Agreement Term

This Agreement becomes effective as of the Countersignature Date. The term of this Agreement shall commence with the tax year beginning on January 1, 2011. This Agreement shall terminate on December 31, 2040, unless earlier terminated by the parties hereto. Nothing in this Agreement limits the authority of the Collin County Commissioners' Court to extend the term of this Agreement. Upon termination of this Agreement, the obligation of the County to contribute to the Tax Increment Fund for the Zone shall end; however, any refund obligations of the City, the Zone or any related redevelopment authority shall survive such termination.

B. Early Termination

The Zone may terminate pursuant to the provisions of Section 311.017 of the Texas Tax Code, as amended.

VI. MISCELLANEOUS

A. Severability

In the event any term, covenant or condition herein contained is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition herein contained.

In the event any term, covenant or condition shall be held invalid and affects in any manner the limitations on the County's, or any other party's, contributions or participation, then neither the County, nor any other party, shall have any liability for any incremental or other payments as may otherwise be provided for in this Agreement.

B. Entire Agreement

This Agreement merges the prior negotiations and understandings of the parties hereto and embodies the entire agreement of the parties, and there are no other agreements, assurances, conditions, covenants (express or implied) or other terms with respect to the covenants, whether written or verbal, antecedent or contemporaneous, with the execution hereof.

C. Written Amendment

Unless otherwise provided herein, this Agreement may be amended only by written instrument duly executed on behalf of each party.

D. Notices

All notices required or permitted hereunder shall be in writing and shall be deemed delivered when actually received or, if earlier, on the third (3rd) day following deposit in a United States Postal Service post office or receptacle with proper postage affixed (certified mail, return receipt requested) addressed to the respective other party at the address set out below or at such other address as the receiving party may have theretofore prescribed by notice to the sending party.

The initial addresses of the parties, which any party may change by giving written notice of its changed address to the other parties, are as follows:

City of Farmersville:

City of Farmersville
205 South Main Street
Farmersville, Texas 75442
Attn: City Manager
Telephone: 972-782-6151
Facsimile: 972-782-6604

Collin County:

County Judge Keith Self
2300 Bloomdale Road, Suite 4192
McKinney, Texas 75071
Telephone: 972-548-4623
Facsimile: 972-548-4699

Zone:

Chairman, Board of Directors
Reinvestment Zone Number One
City of Farmersville
205 South Main Street,
Farmersville, Texas 75442
Telephone: 972-782-6151
Facsimile: 972-782-6604

E. Non-Waiver

Failure of any party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on, and to enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any other right or remedy occurring as a result of any future default or failure of performance.

F. Assignment

No party shall assign this Agreement at law or otherwise without the prior written consent of the other parties. No party shall delegate any portion of its performance under this Agreement without the written consent of the other parties.

G. Successors

This Agreement shall bind and benefit the parties and their legal successors. This Agreement does not create any personal liability on the part of any officer, agent or employee of the City, County, or the Zone.

H. No Waiver of Immunity

No party hereto waives or relinquishes any immunity or defense on behalf of itself, its trustees, officers, employees, and agents as a result of its execution of this Agreement and performance of the covenants contained herein.

IN WITNESS HEREOF, the City, the County and the Zone have made and executed this Agreement in multiple copies, each of which is an original.

CITY OF FARMERSVILLE, TEXAS

JOSEPH E. HELMBERGER, Mayor
City of Farmersville
Date: _____

ATTEST:

EDIE SIMS, City Secretary

APPROVED AS TO FORM:

ALAN LATHROM, City Attorney
Date: _____

COLLIN COUNTY, TEXAS

By: _____
Name: KEITH SELF
Title: County Judge
Date: _____

ATTEST:

County Clerk
Date: _____

**REINVESTMENT ZONE NUMBER, ONE
CITY OF FARMERSVILLE, TEXAS**

By: _____
Name: _____
Title: Chairman, Board of Directors
Date: _____

ATTEST:

By: _____
Name: _____
Title: Secretary, Board of Directors
Date: _____