

**CITY OF SEAGOVILLE, TEXAS
ORDINANCE NO. 33-2021**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SEAGOVILLE, TEXAS, DESIGNATING A GEOGRAPHIC AREA WITHIN THE CITY AS A TAX INCREMENT REINVESTMENT ZONE PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE, TO BE KNOWN AS REINVESTMENT ZONE NUMBER ONE, CITY OF SEAGOVILLE, TEXAS; DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE AND APPOINTING MEMBERS OF THE BOARD; 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 Seagoville, Texas (the "City"), pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Act"), may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, pursuant to and as required by the Act, the City Council prepared a *Reinvestment Zone Number One, City of Seagoville, Texas, Preliminary Project and Finance Plan* (the "Preliminary Project and Finance Plan"), attached hereto as **Exhibit A**, for a proposed tax increment reinvestment zone containing the approximately 555.25 acres described and depicted within the Preliminary Project and Finance Plan and incorporated herein for all purposes (the "Property"); and

WHEREAS, notice of the public hearing on the creation of the proposed zone was published in the Daily Commercial Record, a newspaper of general circulation within the City, on October 22, 2021, which date is not later than the seventh (7th) day before the public hearing held on November 1, 2021; and

WHEREAS, at the public hearing on November 1, 2021, 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, evidence was received and presented at the public hearing in favor of the creation of the zone; and

WHEREAS, the City has taken all actions required to create the zone including, but not limited to, all actions required by the Act, the Texas Open Meetings Act, and all other laws applicable to the creation of the zone; and

WHEREAS, the City desires to appoint initial members to the board of directors of the zone; and

WHEREAS, terms used in this Ordinance that have their initial letters capitalized shall have the meanings given to them in this Ordinance; however, terms that are **CAPITALIZED IN BOLD** shall have the meanings given to them in the Preliminary Project and Finance Plan.

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

SECTION 1. FINDINGS.

(a) The recitals, findings, and determinations contained in the preamble to this Ordinance are incorporated into the body of this Ordinance as if fully set forth in this Section and are hereby found and declared to be true and correct legislative findings and are adopted as part of this Ordinance for all purposes.

(b) The City Council finds that the **PUBLIC IMPROVEMENTS** will significantly enhance the value of all the taxable real property in the zone and will be of general benefit to the City.

(c) The City Council finds that the proposed zone meets the requirements of Section 311.005(a)(2) of the Act in that:

- (i) there is a need for essential public infrastructure and economic development programs to attract new business and commercial activity to the proposed zone for the purposes of increasing the real property tax base for all taxing units within the zone, increasing sales and use taxes for the City and the State of Texas, and increasing job opportunities for residents of the City and the region; and
- (ii) the reinvestment zone, as shown in **Exhibit A**, meets the criteria for the creation of a reinvestment zone set forth in Section 311.005 of the Act in that the area is predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs and arrests the sound growth of the municipality.

(d) The City Council finds that the proposed zone is a geographic area 100% within the City's corporate limits or extraterritorial jurisdiction.

(e) The City Council finds that not more than thirty percent (30%) of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes, and the total appraised value of taxable real property in the proposed zone does not exceed fifty percent

(50%) of the total appraised value of taxable real property in the City and in the industrial districts created by the City.

(f) The City Council finds that the development or redevelopment of the property in the proposed zone will not occur solely through private investment in the reasonably foreseeable future.

(g) The City Council finds that the Preliminary Project and Finance Plan is feasible.

(h) The City Council finds that the implementation of the Project and Finance Plan (as defined below) will alleviate the conditions described in Section 1(c) above and will serve a public purpose.

SECTION 2. 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 Property as a tax increment reinvestment zone. The name assigned to the zone for identification is Reinvestment Zone Number One, City of Seagoville, Texas (the "Zone"). The Zone is designated pursuant to Section 311.005(a)(2) of the Act.

SECTION 3. BOARD OF DIRECTORS.

3.1 The City Council hereby creates a board of directors for the Zone (the "Board") consisting of nine members. Seven members shall be appointed by the City Council to Places 1,2,3,4, 5, and 6. Place 7 shall be appointed by the Commissioners Court of Kaufman County, Texas (the "County"), if the County participates in the Zone. If the County does not participate in the Zone, the Commissioners Court shall be deemed to have waived its right to appoint such members and the Place goes away.

3.2 The City Council hereby appoints the following individuals to serve as the initial members of the Board for the terms indicated:

Place 1	Mayor	(term expires December 31, 2023)
Place 2	Council Place 1	(term expires December 31, 2022)
Place 3	Council Place 2	(term expires December 31, 2023)
Place 4	Council Place 3	(term expires December 31, 2022)
Place 5	Council Place 4	(term expires December 31, 2023)
Place 6	Council Place 5	(term expires December 31, 2022)

Place 7 shall be appointed by the County for a term that expires December 31, 2023.

Upon expiration of the indicated terms or upon City Council action to reconstitute the initial Board by appointing replacement members, subsequent appointments to fill vacancies shall be for terms of two years. The member appointed to Place 1 shall serve as the chairman of the Board. The Board is authorized to elect a vice-chairman and other officers as determined by the Board.

3.3 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 adopted a project plan and a reinvestment zone financing plan for the Zone (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 City Council hereby delegates to the Board all powers necessary to implement any Project and Finance Plan approved by the City Council, including the power to employ consultants and enter into agreements that the Board considers necessary or convenient to implement the Project and Finance Plan and to administer, operate, and manage the Zone including, but not limited to, the power to enter into reimbursement agreements and other obligations secured by the **TIRZ FUND** established pursuant to Section 6 of this Ordinance.

3.4 Directors shall not receive any salary or other compensation for their services as directors.

3.5 Pursuant to Section 311.010(h) of the Act and Article III, Section 52-a of the Texas Constitution, the City Council hereby authorizes the Board, as necessary or convenient to implement the Project and Finance Plan and achieve its purposes, to establish and provide for the administration of one or more programs for the public purposes of developing and diversifying the economy of the Zone, eliminating unemployment and underemployment in the Zone, and developing or expanding transportation, business, and commercial activity in the Zone, including programs to make grants of land and buildings and make grants from the TIRZ Fund for activities that benefit the Zone and stimulate business and commercial activity in the Zone. In addition, the City Council hereby authorizes the Board to exercise all of the powers of the City under Chapter 380, Texas Local Government Code, as amended.

SECTION 4. DURATION OF THE ZONE. The Zone shall take effect immediately upon the passage and approval of this Ordinance. The Zone shall terminate on December 31, 2061 (with final year's tax to be collected by September 30, 2062), unless otherwise terminated in accordance with this section. The City shall have the right to terminate the Zone prior to the expiration of its stated term if all of the **PROJECT COSTS** have been paid in full. If upon expiration of the stated term of the Zone, **PROJECT COSTS** have not been paid, the City and the County, shall have no obligation to pay the shortfall.

SECTION 5. TAX INCREMENT BASE. The "tax increment base" for purposes of calculating the **CITY TAX INCREMENT**, and if the County participates in the Zone the **COUNTY TAX INCREMENT**, and means the total appraised value of all real property in the Zone that is taxable by the City and the County, respectively, as of January 1, 2021.

SECTION 6. CAPTURED APPRAISED VALUE. The "captured appraised value" for purposes of calculating the annual **CITY TAX INCREMENT**, and if the County participates in the Zone the **COUNTY TAX INCREMENT**, means the total real property value taxable (including increase tax values attributable to changes in use) by a taxing unit for a year and located in the Zone for that year less the tax increment base of the unit.

SECTION 7. TAX INCREMENT FUND. There is hereby created and established a **TIRZ FUND** for the Zone. Within the **TIRZ FUND**, there may be maintained subaccounts as necessary and convenient to carry out the purposes of the Act. The **CITY TAX INCREMENT** and **COUNTY TAX INCREMENT** shall be deposited into the **TIRZ FUND** as of the effective date

of the Zone. The **TIRZ FUND** and all subaccounts shall be maintained at the depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. Prior to termination of the Zone, funds shall be disbursed from the **TIRZ FUND** only to pay **PROJECT COSTS**.

SECTION 8. SEVERABILITY. If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be invalid, the validity of the remaining provisions of this Ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no provision of this Ordinance shall become inoperative because of the invalidity of another provision; and, therefore, all provisions of this Ordinance are declared severable for that purpose.

SECTION 9. OPEN MEETINGS. 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 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, as amended, 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.

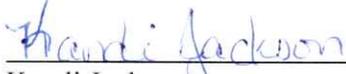
SECTION 10. EFFECTIVE DATE. This Ordinance shall take effect immediately upon its passage as provided by law.

PASSED, APPROVED, AND ADOPTED THIS 1ST DAY OF NOVEMBER, 2021.



Dennis Childress
Mayor

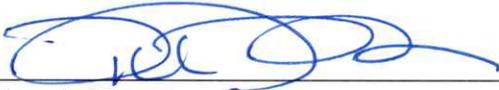
ATTEST:



Kandi Jackson
City Secretary

Effective: November 4, 2021

APPROVED AS TO FORM AND LEGALITY:



Victoria Thomas
City Attorney

EXHIBIT A
PRELIMINARY PROJECT AND FINANCE PLAN

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REINVESTMENT ZONE NUMBER ONE,
CITY OF SEAGOVILLE, TEXAS
PRELIMINARY PROJECT AND FINANCE PLAN

NOVEMBER 1, 2021

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SECTION 1: INTRODUCTION

1.1 Authority and Purpose

The City of Seagoville, Texas, a Texas home-rule municipality (the “City”) has the authority under Chapter 311, Texas Tax Code, Tax Increment Financing Act, as amended (the “Act”) to designate a contiguous or noncontiguous geographic area within the corporate limits or extraterritorial jurisdiction of the City as a tax increment reinvestment zone to promote development or redevelopment of the area because the governing body of the City (the “City Council”) has determined that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future, that the Zone is feasible, and that creation of the Zone is in the best interest of the City and the property in the Zone. The purpose of the Zone is to facilitate such development or redevelopment by financing the costs of public works, public improvements, programs, and other projects benefiting the Zone, plus other costs incidental to those expenditures, all of which costs are authorized by the Act.

1.2 Eligibility Requirements

An area is eligible under the Act to be designated as a tax increment reinvestment zone if it is predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City. The City cannot, however, designate a zone if more than thirty percent (30%) of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes, or if the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones exceeds fifty percent (50%) of the total appraised value of taxable real property in the City and in industrial districts created by the City.

1.3 Proposed Zone

The City Council intends to create a tax increment reinvestment zone to be known as “*Reinvestment Zone Number One, City of Seagoville, Texas*” (the “Zone”) that includes approximately 555.25 acres of land which parcels are identified on **Exhibit G** and depicted on **Exhibit A** (the “Property”). The Property is owned by Megatel Homes III, LLC, a Texas limited liability company (the “Owner”). The Property is currently zoned agriculture and residential. 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 and undeveloped due to factors such as the lack of public infrastructure and the need for economic incentive 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. If the public improvements, and other projects are financed as contemplated

by this Preliminary Plan (hereinafter defined), the City envisions that the Property will be developed to take full advantage of the opportunity to bring to the City, Dallas County, and Kaufman County, ("Kaufman County"), a quality master planned residential and commercial development.

1.4 Preliminary Plan and Hearing

Before the City Council adopts the ordinance designating the Zone, the City Council must prepare a preliminary reinvestment zone financing plan in accordance with the Act and hold a public hearing on the creation of the proposed Zone and its benefits to the City and to the Property, at which public hearing interested persons are given the opportunity to speak for and against the creation of the proposed Zone, the boundaries of the proposed Zone and the concept of tax increment financing, and at which hearing the owners of the Property will be given a reasonable opportunity to protest the inclusion of their Property in the proposed Zone. The requirement of the Act for a preliminary reinvestment zone financing plan is satisfied by this Preliminary Plan dated November 1, 2021 (the "Preliminary Plan"), the purpose of which is to describe, in general terms, the public improvements that will be undertaken and financed by the Zone. A description of how such public improvements and projects will be undertaken and financed will be determined by the Final Plan and by the TIRZ Agreement (both hereinafter defined), which require approval by the Board (hereinafter defined) and by the City Council.

1.5 Creation of the Zone

Upon the closing of the above referenced public hearing, the City Council may adopt an ordinance in accordance with the Act creating the Zone if (1) the City Council finds that development or redevelopment of the Property would not occur solely through private investment in the reasonably foreseeable future, (2) that the Zone is feasible, and (3) that improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City. Among other provisions required by the Act, the ordinance creating the Zone will appoint a Board of Directors for the Zone (the "Board").

1.6 Board Recommendations

After the creation of the Zone, the Board will review this Preliminary Plan and approve and recommend to the City Council a "*Reinvestment Zone Number One, City of Seagoville, Texas, Final Project and Finance Plan*" (the "Final Plan"), and an agreement between the Owner, Board, and City (the "TIRZ Agreement") pursuant to which the City will contribute a portion of its ad valorem tax increment attributable to new development in the Zone (the "Tax Increment") into a tax increment fund created by the City and segregated from all other funds of the City (the "TIRZ Fund") to pay to the Owner or its assigns, in accordance with the TIRZ Agreement, the costs of public improvements and other projects benefiting the Zone.

1.7 Council Action

The City Council will take into consideration the recommendations of the Board and will consider approval of the Final Plan, the TIRZ Agreement, and, if applicable the Kaufman County Participation Agreement. If the TIRZ Agreement is approved, the City Council will authorize and direct its execution. If the Kaufman County Participation Agreement is approved by Kaufman County, the City Council will authorize and direct its execution.

SECTION 2: DESCRIPTION AND MAPS

2.1 Existing Uses and Conditions

The Property is currently located within the corporate limits of the City and is zoned agricultural, residential, and multifamily, in accordance with the City's zoning ordinance. 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. A map of the Property and the proposed Zone is shown on **Exhibit A**.

2.2 Proposed Uses

The proposed uses of the Property are expected to contain residential, commercial, and multifamily.

2.3 Parcel Identification

The parcels identified on **Exhibit G** provide sufficient detail to identify with ordinary and reasonable certainty the territory included in the Zone.

SECTION 3: PROPOSED CHANGES TO ORDINANCES, PLANS, CODES, RULES, AND REGULATIONS

The Property is wholly located in the corporate limits of the City and shall be subject to the City's zoning regulation. The City has exclusive jurisdiction over the subdivision and platting of the property within the Property and the design, construction, installation, and inspection of water, sewer, drainage, roadway, and other public infrastructure. No proposed changes to zoning ordinances, comprehensive plan, building codes, subdivision rules, or other municipal ordinances are planned.

SECTION 4: RELOCATION OF DISPLACED PERSONS

No persons will be displaced and in need of relocation due to the creation of the Zone or implementation of the Final Plan.

SECTION 5: ESTIMATED NON-PROJECT COSTS

Non-project costs are private funds that will be spent to develop in the Zone but will not be financed by the Zone. The list of non-project costs is shown on **Exhibit B** and are estimated to be approximately \$599.1 million.

SECTION 6: PROPOSED PUBLIC IMPROVEMENTS

6.1 Categories of Public Improvements

The proposed public improvements to be financed by the Zone include roads, water, sanitary sewer, storm drainage, fencing, landscaping and retaining walls, principal and interest on public improvement district bonds, and professional services (the “Public Improvements”), as depicted in **Exhibit C**. It is anticipated that the Final Plan shall identify certain economic development grant projects to be funded by the Commercial Account (hereinafter defined). 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 Act.

6.2 Locations of Public Improvements

The estimated locations of the proposed Public Improvements are depicted on **Exhibit F**. These locations may be revised, with the approval of the City, from time to time without amending the Final Plan.

SECTION 7: ESTIMATED PROJECT COSTS

7.1 Project Costs

The total costs for projects in the Zone, which includes the Public Improvements costs and the cost of administering the Zone, are estimated to be \$102.0 million (the “Project Costs”), as shown on **Exhibit C**. The Project Costs include principal and interest payments for future debt service payments on obligations issued to finance the Public Improvements via Chapter 372 Texas Local Government Code.

7.2 Estimated Costs of Public Improvements

The estimated costs of the Public Improvements (the “Public Improvement Costs”) within the Zone are \$100.8 million, as shown on **Exhibit C**. It is anticipated that additional Public Improvements will be constructed in the future and the City Council may amend the Final Plan to include the costs of those Public Improvements.

7.3 Estimated Administrative Costs

The estimated costs for administration of the Zone shall be the actual, direct costs paid or incurred by or on behalf of the City to administer the Zone (the “Administrative Costs”). The Administrative Costs include the costs of professional services, including those for planning, engineering, and legal services paid by or on behalf of the City. The Administrative Costs also include organizational costs, the cost of publicizing the creation of the Zone, and the cost of implementing the project plan for the Zone paid by or on behalf of the City that are directly related to the administration of the Zone. The Administrative Costs shall be paid each year from the TIRZ Fund before any other Project Costs are paid. The Administrative Costs are estimated to begin in 2022 and escalate at two percent (2%) thereafter.

7.4 Estimated Timeline of Incurred Costs

The Administrative Costs will be incurred annually beginning at the time the Zone is created and through the duration of the Zone. It is estimated the Project Costs will be incurred during calendar years 2022 through 2028, as shown on **Exhibit D**.

SECTION 8: ECONOMIC FEASIBILITY

8.1 Feasibility Study

For purposes of this Preliminary Plan, economic feasibility has been evaluated over the term of the Zone, as shown on **Exhibit E** (the “Feasibility Study”). This evaluation focuses on only direct financial benefits (i.e. ad valorem tax revenues from the development of Public Improvements in the Zone).

Based on the Feasibility Study, during the term of the Zone, new development (which would not have occurred but for the Zone) will generate approximately \$408.5 million in total new real property tax revenue for the City and Kaufman County. The City, as a participant, will benefit from the new development within the Zone and will retain approximately \$86.9 million in net additional real property tax revenue. Kaufman County, if it chooses to participate, will benefit from the new development within the Zone and will retain approximately \$59.2 million in net additional real property tax revenue. The remaining additional revenue will be deposited in the TIRZ Fund to pay Project Costs.

Entity	Gross AV Revenue	TIRZ Contribution	Net AV Revenue
City	\$ 289,971,062	\$ 202,979,743	\$ 86,991,319
County	\$ 118,568,261	\$ 59,284,130	\$ 59,284,130
Total	\$ 408,539,322	\$ 262,263,873	\$ 146,275,449

The Feasibility Study shows a portion of the new real property tax revenue generated by the Zone will be retained by the City, and a portion by Kaufman County. The remainder of the new real property tax revenue generated within the Zone will be available to pay Project Costs, until the term expires or is otherwise terminated. Upon expiration or termination of the Zone, one hundred percent (100%) of all tax revenue generated within the Zone will be retained by the respective taxing entities. Based on the foregoing, the feasibility of the Zone has been demonstrated.

SECTION 9: ESTIMATED BONDED INDEBTEDNESS

The City reserves the right, at its sole discretion, to issue bonded indebtedness to fund its obligations, pursuant to the Act.

SECTION 10: APPRAISED VALUE

10.1 Current Appraised Value

The current total appraised value of taxable real property in the Zone is \$1,432,028, which represents the Tax Increment Base, (the “Tax Increment Base”) of the Property and is determined by the Kaufman County Appraisal District and Dallas Central Appraisal District, in accordance with Section 311.012(c) of the Act.

10.2 Estimated Captured Appraised Value

The amount of the Tax Increment for a year during the term of the Zone is the amount of property taxes levied and collected by the City for that year on the captured appraised value of the Property less the Tax Increment Base of the Property, (the “Captured Appraised Value”). The Tax Increment Base of the Property is the total taxable value of the Property for the year in which the Zone was designated, as described in **Section 10.1** above. It is estimated that upon expiration of the term of the Zone, the total Captured Appraised Value of taxable real property in the Zone will be approximately \$1.3 billion, as shown on **Exhibit E**. The actual Captured Appraised Value, as certified by Kaufman County Appraisal District and Dallas Central Appraisal District will, for each year, will be used to calculate annual payment by the City into the TIRZ Fund pursuant to the Final Plan.

SECTION 11: METHOD OF FINANCING

The Owner has paid, or will in the future pay, those Project Costs attributable to the Public Improvements and will construct or cause to be constructed the Public Improvements.

The Final Plan shall obligate the City to deposit into the TIRZ Fund each year for the duration of the Zone an amount equal to seventy percent (70%) of the Captured Appraised Value in the Zone levied and collected that constitutes the Tax Increment for that year. For example, in FY 2022, the City tax rate is \$0.7888 per \$100 of assessed value, therefore the City will contribute \$0.55216 per \$100 of the Captured Appraised Value in the Zone levied and collected.

The Kaufman County Participation Agreement, if approved, shall obligate Kaufman County to deposit into the TIRZ Fund each year for the duration of the Zone an amount equal to fifty percent (50%) of the Captured Appraised Value in the Zone levied and collected that constitutes the Tax Increment for that year. For example, in FY 2022, the Kaufman County tax rate is \$0.379985 per \$100 of assessed value, therefore Kaufman County would contribute \$0.189993 per \$100 of the Captured Appraised Value in the Zone levied and collected.

TIRZ Revenue collected from residential property within the Zone shall be deposited into a specific account of the TIRZ Fund (the "Residential Account"). The Residential Account shall be allocated towards the Public Improvements, as further defined in the Final Plan. TIRZ Revenue collected from commercial property within the Zone shall be deposited into a specific account of the TIRZ Fund (the "Commercial Account"). The Commercial Account shall be allocated towards the Public Improvements and economic development grants, as further defined in the Final Plan.

Funds deposited into the TIRZ Fund shall always first be applied to pay the Administrative Costs. After the Administrative Costs have been paid, funds in the TIRZ Fund shall next be used to fund the Public Improvements. All payments of Project Costs shall be made solely from the TIRZ Fund and from no other funds of the City unless otherwise approved by the governing body, and the TIRZ Fund shall only be used to pay the Project Costs in accordance with the Final Plan and the TIRZ Agreement. The City may amend the Final Plan in compliance with the TIRZ Agreement, including but not limited to what is considered a Project Cost.

SECTION 12: DURATION OF THE ZONE, TERMINATION

12.1 Duration

The stated term of the Zone shall commence on the creation of the Zone, and shall continue for forty (40) years until December 31, 2061, with the last payment due by January 31, 2062 unless otherwise terminated in accordance with the TIRZ Creation Ordinance.

12.2 Termination

The Zone will terminate prior to the expiration of its stated term if the Project Costs are fully funded. If upon expiration of the stated term of the Zone, the Project Costs have not been fully funded, the City and Kaufman County shall have no obligation to pay the shortfall and the term shall not be extended. The provisions of this section shall be included in the TIRZ Agreement, and

Kaufman County Participation Agreement. Nothing in this section is intended to prevent the City from extending the term of the Zone in accordance with the Act.

LIST OF EXHIBITS

Unless otherwise stated, all references to "Exhibits" contained in this Preliminary Plan shall mean and refer to the following exhibits, all of which are attached to and made a part of this Preliminary Plan for all purposes.

- Exhibit A** Map of the Zone
- Exhibit B** Non-Project Costs
- Exhibit C** Project Costs
- Exhibit D** Estimated Timeline of Incurred Costs
- Exhibit E** Feasibility Study
- Exhibit F** Map of the Public Improvements
- Exhibit G** Parcel Identification
- Exhibit H** Proposed Uses of the Property

EXHIBIT A – MAP OF THE ZONE

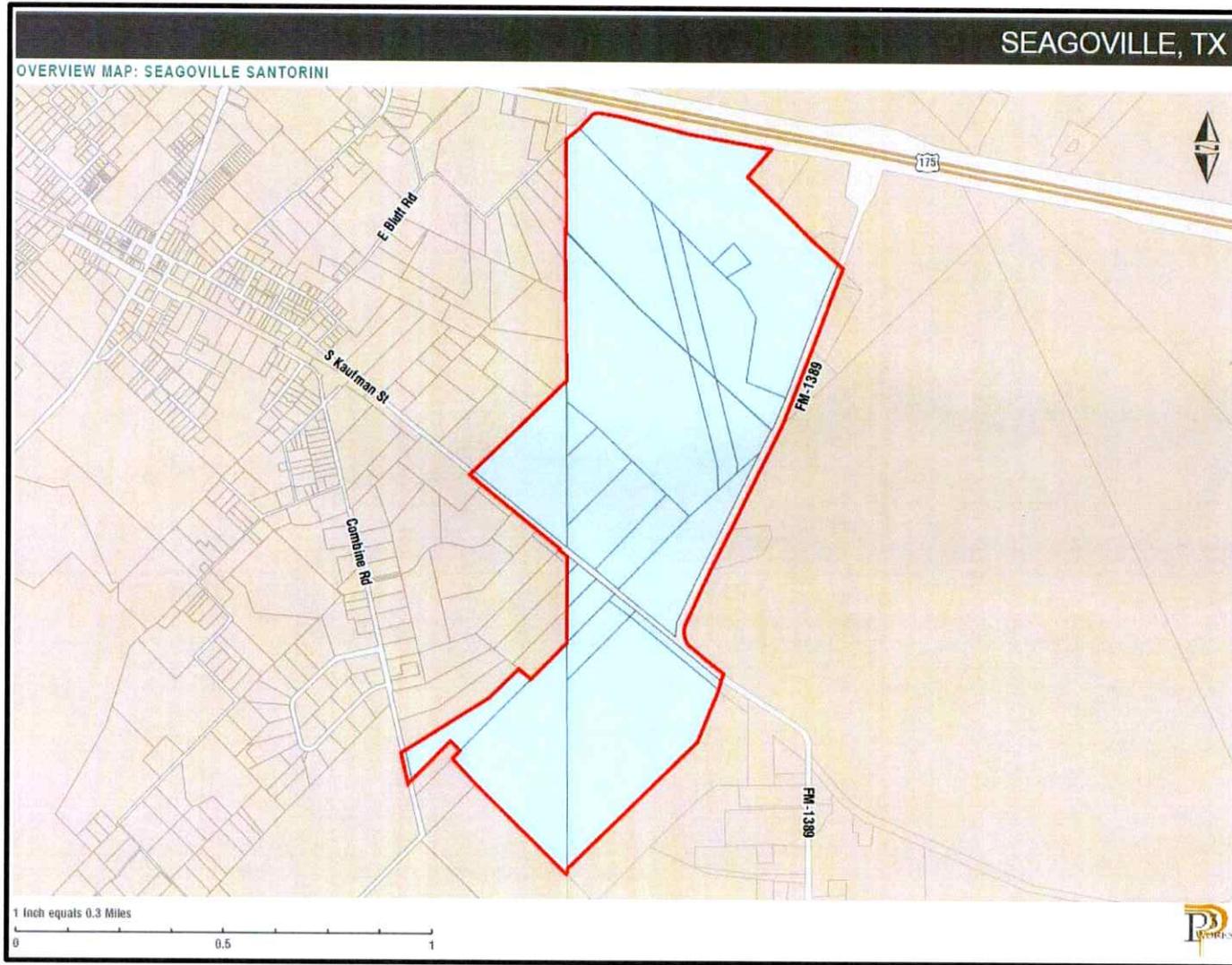


EXHIBIT B – NON-PROJECT COSTS

Reinvestment Zone Number One, City of Seagville Feasibility Study						
Lot type	Unit	Lot Value		Buildout Value		Non-Project Costs
		Per Unit	Total	Per Unit	Total	
40' Lot	1,066	60,000	\$ 63,960,000	\$ 300,000	\$ 319,800,000	\$ 255,840,000
50' Lot	881	64,000	\$ 56,384,000	\$ 320,000	\$ 281,920,000	\$ 225,536,000
60' Lot	60	70,000	\$ 4,200,000	\$ 350,000	\$ 21,000,000	\$ 16,800,000
Multifamily	1,000	24,000	\$ 24,000,000	\$ 120,000	\$ 120,000,000	\$ 96,000,000
Commercial	25,000	50	\$ 1,250,000	\$ 250	\$ 6,250,000	\$ 5,000,000
Total			\$ 149,794,000		\$ 748,970,000	\$ 599,176,000

1) Absorption schedule and values based on Developer's model dated 06-28-2021.

EXHIBIT C – PROJECT COSTS

Reinvestment Zone Number One, City of Seagoville Project Costs	
Project Costs	
Public Improvements	
Street	30,261,546
Water	7,172,933
Sewer	10,145,353
Drainage	18,218,820
Fencing, Landscaping & Retaining Walls	5,301,479
Soft Costs	18,508,515
Bond Issuance Costs	11,260,363
Public Improvements Subtotal	\$ 100,869,008
Administrative Costs	\$ 1,164,745
Total Project Costs	\$ 102,033,753

1) Costs based on Developer Model dated 6-28-21; escalated at 3% annually based on Developer absorption schedule.

EXHIBIT D – ESTIMATED TIMELINE OF INCURRED COSTS

Reinvestment Zone Number One, City of Seagoville Estimated Timeline to Incur Project Costs				
Calendar Year ¹	Creation Costs	Construction Costs	Total Project Costs	
			Annual	Cumulative
2022	5,630,181	6,213,380	11,843,561	11,843,561
2023	5,630,181	9,397,809	15,027,990	26,871,551
2024	-	7,975,356	7,975,356	34,846,908
2025	-	14,275,121	14,275,121	49,122,029
2026	-	21,816,003	21,816,003	70,938,032
2027	-	22,618,533	22,618,533	93,556,564
2028	-	7,312,444	7,312,444	100,869,008
2029	-	-	-	100,869,008
			100,869,008	

¹) Estimated timeline subject to change.

EXHIBIT E – FEASIBILITY STUDY

Reinvestment Zone Number One, City of Seagoville Feasibility Study																										
Assumptions																										
Total Base Value: 1,432,028																										
TIRZ Term	Year	Growth/ Year ¹	Kaufman County Taxable Value		Dallas County Taxable Value ²		City TIRZ Revenue						Kaufman County TIRZ Revenue													
			New Assessed Value ²	Incremental Value	New Assessed Value ²	Incremental Value	Residential Account		Commercial Account		Residential Account		Commercial Account													
							Rate	%	Annual	Cumulative	Annual	Cumulative	Rate	%	Annual	Cumulative										
Base	2021	0%	-	-	-	-	0.7888	70%	\$	-	\$	-	\$	-	0.3800	50%	\$	-	\$	-	\$	-				
1	2022	2.0%	-	-	-	-	0.7888	70%	\$	-	\$	-	\$	-	0.3800	50%	\$	-	\$	-	\$	-				
2	2023	2.0%	56,129,580	56,129,580	-	-	0.7888	70%	\$	-	\$	-	\$	-	0.3800	50%	\$	-	\$	-	\$	-				
3	2024	2.0%	84,896,640	142,148,812	-	-	0.7888	70%	\$	274,021	\$	274,021	\$	35,904	\$	35,904	0.3800	50%	\$	94,288	\$	94,288	\$	12,354	\$	12,354
4	2025	2.0%	72,046,685	217,038,472	-	-	0.7888	70%	\$	467,007	\$	741,028	\$	317,881	\$	353,786	0.3800	50%	\$	160,692	\$	254,980	\$	109,380	\$	121,734
5	2026	2.0%	128,956,638	350,335,880	-	-	0.7888	70%	\$	730,718	\$	1,471,747	\$	467,681	\$	821,467	0.3800	50%	\$	251,433	\$	506,413	\$	160,924	\$	282,658
6	2027	2.0%	144,711,871	502,054,468	52,366,552	52,366,552	0.7888	70%	\$	1,164,758	\$	2,636,504	\$	769,657	\$	1,591,124	0.3800	50%	\$	400,781	\$	907,194	\$	264,831	\$	547,489
7	2028	2.0%	142,804,602	654,900,160	61,523,604	114,937,488	0.7888	70%	\$	2,276,241	\$	4,912,745	\$	785,050	\$	2,376,174	0.3800	50%	\$	683,738	\$	1,590,932	\$	270,128	\$	817,617
8	2029	2.0%	50,943,750	718,941,913	15,114,406	132,350,644	0.7888	70%	\$	3,449,984	\$	8,362,730	\$	800,751	\$	3,176,925	0.3800	50%	\$	968,731	\$	2,559,663	\$	275,530	\$	1,093,147
9	2030	0%	-	718,941,913	-	132,350,644	0.7888	70%	\$	3,883,731	\$	12,246,461	\$	816,766	\$	3,993,691	0.3800	50%	\$	1,084,895	\$	3,644,558	\$	281,041	\$	1,374,187
10	2031	0%	-	718,941,913	-	132,350,644	0.7888	70%	\$	3,883,731	\$	16,130,192	\$	816,766	\$	4,810,457	0.3800	50%	\$	1,084,895	\$	4,729,453	\$	281,041	\$	1,655,228
11	2032	2.0%	-	733,120,751	-	134,997,657	0.7888	70%	\$	3,883,731	\$	20,013,922	\$	816,766	\$	5,627,223	0.3800	50%	\$	1,084,895	\$	5,814,348	\$	281,041	\$	1,936,269
12	2033	2.0%	-	747,987,166	-	137,697,610	0.7888	70%	\$	3,961,405	\$	23,975,328	\$	833,101	\$	6,460,325	0.3800	50%	\$	1,106,593	\$	6,920,941	\$	286,662	\$	2,222,930
13	2034	2.0%	-	762,946,909	-	140,451,562	0.7888	70%	\$	4,040,634	\$	28,015,962	\$	849,763	\$	7,310,088	0.3800	50%	\$	1,128,725	\$	8,049,666	\$	292,395	\$	2,515,325
14	2035	2.0%	-	778,205,848	-	143,260,593	0.7888	70%	\$	4,121,446	\$	32,137,408	\$	866,759	\$	8,176,847	0.3800	50%	\$	1,151,299	\$	9,200,965	\$	298,243	\$	2,813,568
15	2036	2.0%	-	793,769,965	-	146,125,805	0.7888	70%	\$	4,203,875	\$	36,341,283	\$	884,094	\$	9,060,941	0.3800	50%	\$	1,174,325	\$	10,375,290	\$	304,207	\$	3,117,775
16	2037	2.0%	-	809,645,364	-	149,048,321	0.7888	70%	\$	4,287,953	\$	40,629,236	\$	901,776	\$	9,962,717	0.3800	50%	\$	1,197,812	\$	11,573,102	\$	310,292	\$	3,428,067
17	2038	2.0%	-	825,838,271	-	152,029,287	0.7888	70%	\$	4,373,712	\$	45,002,948	\$	919,811	\$	10,882,528	0.3800	50%	\$	1,221,768	\$	12,794,870	\$	316,497	\$	3,744,564
18	2039	2.0%	-	842,355,037	-	155,069,873	0.7888	70%	\$	4,461,186	\$	49,464,134	\$	938,208	\$	11,820,735	0.3800	50%	\$	1,246,203	\$	14,041,073	\$	322,827	\$	4,067,392
19	2040	0%	-	842,355,037	-	155,069,873	0.7888	70%	\$	4,550,410	\$	54,014,543	\$	956,972	\$	12,777,707	0.3800	50%	\$	1,271,127	\$	15,312,201	\$	329,284	\$	4,396,676
20	2041	0%	-	842,355,037	-	155,069,873	0.7888	70%	\$	4,550,410	\$	58,564,953	\$	956,972	\$	13,734,679	0.3800	50%	\$	1,271,127	\$	16,583,328	\$	329,284	\$	4,725,960
21	2042	2.0%	-	859,202,137	-	158,171,271	0.7888	70%	\$	4,550,410	\$	63,115,363	\$	956,972	\$	14,691,650	0.3800	50%	\$	1,271,127	\$	17,854,456	\$	329,284	\$	5,055,244
22	2043	2.0%	-	876,386,180	-	161,334,696	0.7888	70%	\$	4,641,418	\$	67,756,781	\$	976,111	\$	15,667,761	0.3800	50%	\$	1,296,550	\$	19,151,006	\$	335,870	\$	5,391,113
23	2044	2.0%	-	893,913,904	-	164,561,390	0.7888	70%	\$	4,734,246	\$	72,491,027	\$	995,633	\$	16,663,395	0.3800	50%	\$	1,322,481	\$	20,473,487	\$	342,587	\$	5,733,700
24	2045	2.0%	-	911,792,182	-	167,852,618	0.7888	70%	\$	4,828,931	\$	77,319,958	\$	1,015,546	\$	17,678,941	0.3800	50%	\$	1,348,931	\$	21,822,417	\$	349,439	\$	6,083,139
25	2046	2.0%	-	930,028,025	-	171,209,670	0.7888	70%	\$	4,925,510	\$	82,245,468	\$	1,035,857	\$	18,714,798	0.3800	50%	\$	1,375,909	\$	23,198,326	\$	356,428	\$	6,439,567
26	2047	2.0%	-	948,628,586	-	174,633,864	0.7888	70%	\$	5,024,020	\$	87,269,488	\$	1,056,574	\$	19,771,372	0.3800	50%	\$	1,403,427	\$	24,601,754	\$	363,556	\$	6,803,123
27	2048	2.0%	-	967,601,158	-	178,126,541	0.7888	70%	\$	5,124,500	\$	92,393,988	\$	1,077,706	\$	20,849,077	0.3800	50%	\$	1,431,496	\$	26,033,250	\$	370,827	\$	7,173,950
28	2049	2.0%	-	986,953,181	-	181,689,072	0.7888	70%	\$	5,226,990	\$	97,620,979	\$	1,099,260	\$	21,948,337	0.3800	50%	\$	1,460,126	\$	27,493,376	\$	378,244	\$	7,552,194
29	2050	0%	-	986,953,181	-	181,689,072	0.7888	70%	\$	5,331,530	\$	102,952,509	\$	1,121,245	\$	23,069,582	0.3800	50%	\$	1,489,328	\$	28,982,704	\$	385,809	\$	7,938,003
30	2051	0%	-	986,953,181	-	181,689,072	0.7888	70%	\$	5,331,530	\$	108,284,039	\$	1,121,245	\$	24,190,826	0.3800	50%	\$	1,489,328	\$	30,472,032	\$	385,809	\$	8,323,811
31	2052	2.0%	-	1,006,692,244	-	185,322,853	0.7888	70%	\$	5,331,530	\$	113,615,570	\$	1,121,245	\$	25,312,071	0.3800	50%	\$	1,489,328	\$	31,961,361	\$	385,809	\$	8,709,620
32	2053	2.0%	-	1,026,826,089	-	189,029,310	0.7888	70%	\$	5,438,161	\$	119,053,730	\$	1,143,670	\$	26,455,741	0.3800	50%	\$	1,519,115	\$	33,480,476	\$	393,525	\$	9,103,145
33	2054	2.0%	-	1,047,362,611	-	192,809,896	0.7888	70%	\$	5,546,924	\$	124,600,654	\$	1,166,543	\$	27,622,284	0.3800	50%	\$	1,549,497	\$	35,029,973	\$	401,395	\$	9,504,540
34	2055	2.0%	-	1,068,309,863	-	196,666,094	0.7888	70%	\$	5,657,863	\$	130,258,517	\$	1,189,874	\$	28,812,158	0.3800	50%	\$	1,580,487	\$	36,610,460	\$	409,423	\$	9,913,963
35	2056	2.0%	-	1,089,676,060	-	200,599,416	0.7888	70%	\$	5,771,020	\$	136,029,537	\$	1,213,671	\$	30,025,830	0.3800	50%	\$	1,612,097	\$	38,222,557	\$	417,612	\$	10,331,575
36	2057	2.0%	-	1,111,469,582	-	204,611,405	0.7888	70%	\$	5,886,440	\$	141,915,977	\$	1,237,945	\$	31,263,774	0.3800	50%	\$	1,644,339	\$	39,866,896	\$	425,964	\$	10,757,539
37	2058	2.0%	-	1,133,698,973	-	208,703,633	0.7888	70%	\$	6,004,169	\$	147,920,146	\$	1,262,704	\$	32,526,478	0.3800	50%	\$	1,677,226	\$	41,544,121	\$	434,483	\$	11,192,022
38	2059	2.0%	-	1,156,372,953	-	212,877,705	0.7888	70%	\$	6,124,252	\$	154,044,398	\$	1,287,958	\$	33,814,436	0.3800	50%	\$	1,710,770	\$	43,254,892	\$	443,173	\$	11,635,195
39	2060	0%	-	1,156,372,953	-	212,877,705	0.7888	70%	\$	6,246,737	\$	160,291,136	\$	1,313,717	\$	35,128,153	0.3800	50%	\$	1,744,986	\$	44,999,877	\$	452,036	\$	12,087,231
40	2061	0%	-	1,156,372,953	-	212,877,705	0.7888	70%	\$	6,246,737	\$	166,537,873	\$	1,313,717	\$	36,441,870	0.3800	50%	\$	1,744,986	\$	46,744,863	\$	452,036	\$	12,539,268
			680,489,765		129,004,563				\$ 166,537,873		\$ 36,441,870		\$ 46,744,863		\$ 12,539,268											

1) Values increased at 2% annually, with two years of no growth each decade to simulate an economic downturn.
 2) Absorption schedule and values follow Developer's model dated 06-28-2021.
 3) Dallas County is not anticipated to participate within the Zone.

EXHIBIT F – MAPS OF THE PUBLIC IMPROVEMENTS

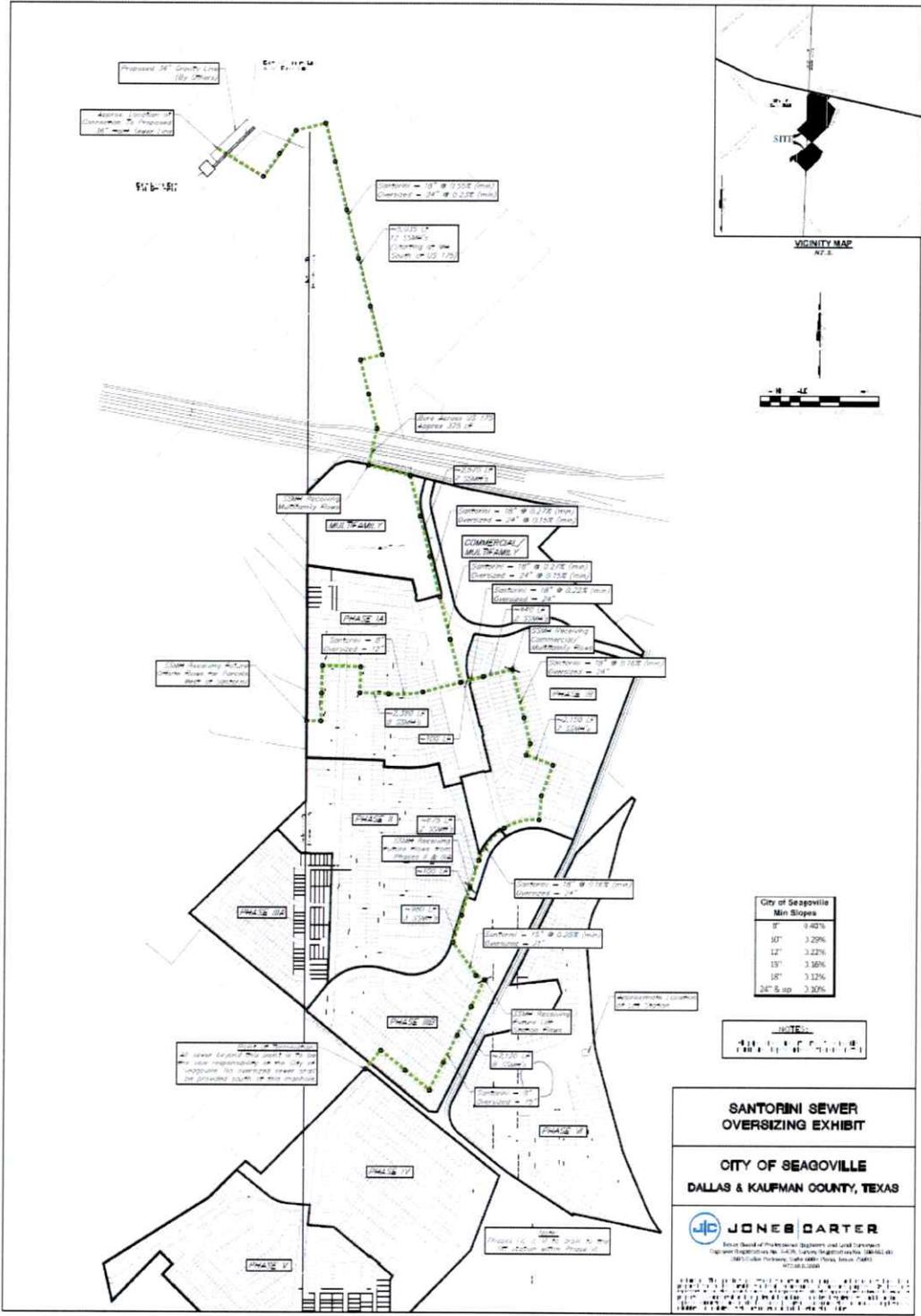


EXHIBIT G – PARCEL IDENTIFICATION

County	Parcel ID
Kaufman	12613
Kaufman	9472
Kaufman	9467
Kaufman	9462
Kaufman	9469
Kaufman	9470
Kaufman	9471
Kaufman	12570
Kaufman	12604
Kaufman	9483
Kaufman	9466
Kaufman	9477
Kaufman	9465
Kaufman	209777
Dallas	65174264510010000
Dallas	65085008510140900
Dallas	65085008010230000

EXHIBIT H – PROPOSED USES OF THE PROPERTY

