

**SUPPLEMENTAL  
CITY OF LAREDO**

**RECOGNITION AND COMMUNICATION NOTICE  
CITY COUNCIL CHAMBERS  
1110 HOUSTON STREET  
LAREDO, TEXAS 78040**

**December 4, 2017  
5:00 P.M.**

**The Mayor will be presenting the following:**

1. Recognizing the United States Marshals Service for their participation in Operation Safe Guard and for their commitment to keeping our community safe.
2. Recognizing Tony Vedia for his collaboration in the 3<sup>rd</sup> Annual Laredo Big Bad BBQ Cook-Off, that took place November 10-11, 2017 at The Outlet Shoppes Parking Lot.

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**CITY OF LAREDO  
CITY COUNCIL MEETING**

**A-2017-S-09  
CITY COUNCIL CHAMBERS  
1110 HOUSTON STREET  
LAREDO, TEXAS 78040**

**December 4, 2017  
5:30 P.M.**

**SUPPLEMENTAL AGENDA**

**I. PUBLIC HEARINGS**

1. **Public Hearing** on the proposed creation of Tax Increment Reinvestment Zone Number Two, City of Laredo, Texas, pursuant to section 311.005 (a)(4) of the Texas Tax Code, its benefits to the City, and to the property within this zone, to be located on approximately 1,027.14 acres of land northeast of Loop 20 at its intersection with Winfield Parkway.

**A SECOND PUBLIC HEARING ON THIS ITEM WILL BE HELD ON DECEMBER 12, 2017 IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 311.003 (C) OF THE TEXAS TAX CODE.**

## II. INTRODUCTORY ORDINANCES

2. Introduction of an Ordinance designating the Coves at Winfield Development being a +/- 1,027.14 acre area located Northeast of Loop 20 at its intersection with Winfield Parkway in the Northeast area of the City of Laredo and its extraterritorial jurisdiction as a Tax Increment Reinvestment Zone; Describing the boundaries of the Zone; Creating a Board of Directors for the Zone; Providing for an effective date and termination date for the Zone; Naming the Zone "Reinvestment Zone Number Two, City of Laredo, Texas"; Establishing a Tax Increment Fund; and Containing other Provisions related thereto.

## III. STAFF REPORTS

3. Discussion with possible action on the recommendation by the City Manager for the position of City Attorney in accordance with the City Charter of the City of Laredo, Article IV, Section 4.02, and any other matters related thereto.

## IV. ADJOURNMENT

This notice was posted at the Municipal Government Offices, 1110 Houston Street, Laredo, Texas, at a place convenient and readily accessible to the public at all times. Said notice was posted on Friday, December 1, 2017 at 5:30 p.m.

RECEIVED

2017 DEC -1 PM 5:27

CITY SECRETARY'S OFFICE

Jeffery K. Frankli for:

Jose A. Valdez, Jr.  
City Secretary

**Public Hearings (also Intro Ord)**

**City Council-Supplemental Agenda**

**Meeting Date:** 12/04/2017

**Staff Source:** Kristina Laurel Hale, Acting City Attorney

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**SUBJECT**

**Public Hearing** on the proposed creation of Tax Increment Reinvestment Zone Number Two, City of Laredo, Texas, pursuant to section 311.005 (a)(4) of the Texas Tax Code, its benefits to the City, and to the property within this zone, to be located on approximately 1,027.14 acres of land northeast of Loop 20 at its intersection with Winfield Parkway.

**A SECOND PUBLIC HEARING ON THIS ITEM WILL BE HELD ON DECEMBER 12, 2017 IN ACCORDANCE WITH THE REQUIREMENTS OF SECTION 311.003 (C) OF THE TEXAS TAX CODE.**

**VENDOR INFORMATION FOR COMMITTEE AGENDA**

None.

**PREVIOUS COUNCIL ACTION**

None.

**BACKGROUND**

The purpose of the proposed Zone will be to increase the value of taxable properties in the proposed Zone through the construction of new public improvements and infrastructure to be funded through tax revenue realized on the increased property values within the Zone. A map illustrating the proposed boundaries of the Zone is provided (see attachment).

**COMMITTEE RECOMMENDATION**

N/A

**STAFF RECOMMENDATION**

Staff recommends that this public hear be held.

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**Fiscal Impact**

**Fiscal Year:**

**Bugeted Y/N?:**

**Source of Funds:**

**Account #:**

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

N/A

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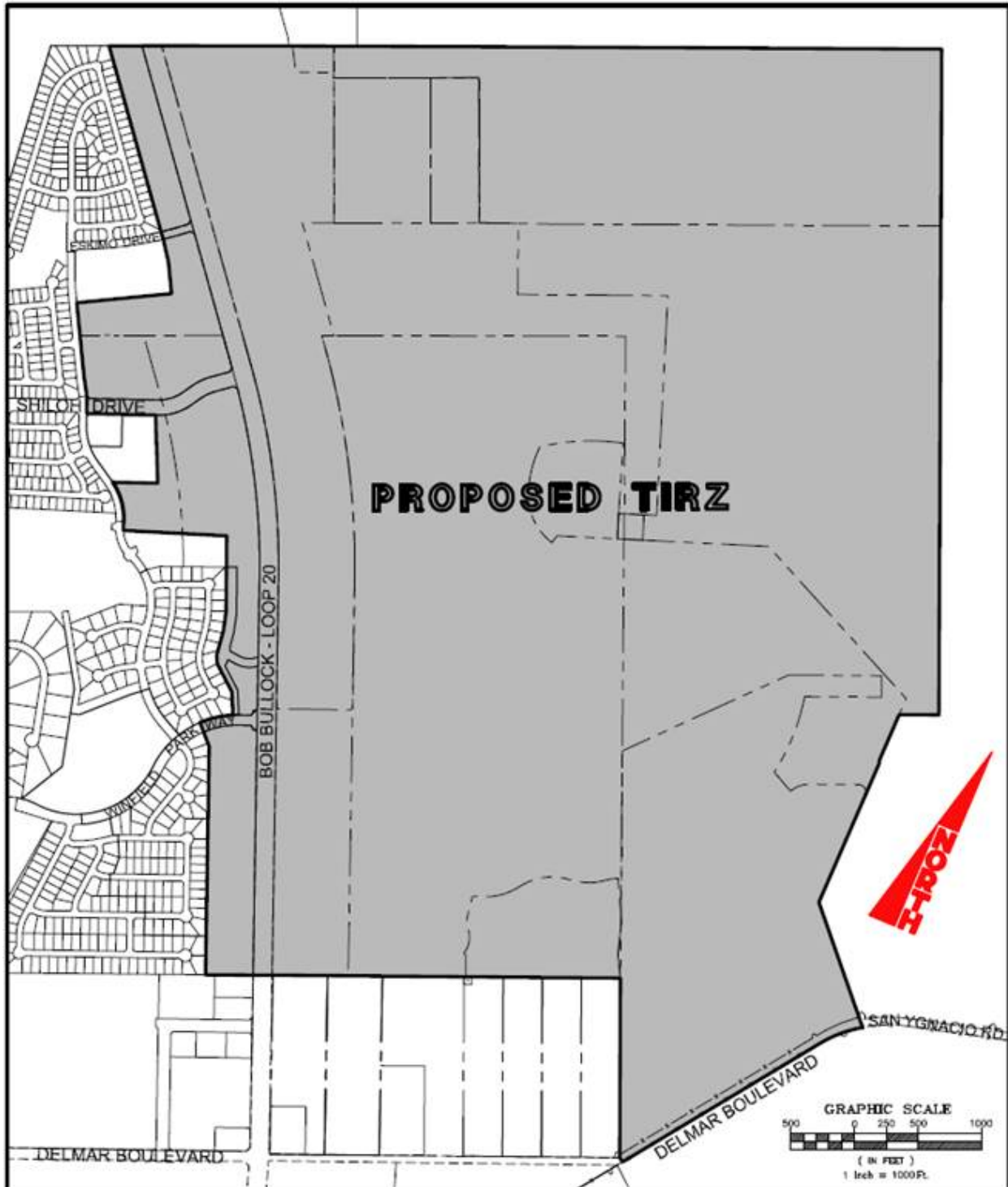
**Attachments**

MAP - PROPOSED ZONE

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# PROPOSED TIRZ

The purpose of the proposed Zone will be to increase the value of taxable properties in the proposed Zone through the construction of new public improvements and infrastructure to be funded through tax revenue realized on the increased property values within the Zone. A map illustrating the proposed boundaries of the Zone is provided below.



**City Council-Supplemental Agenda**

**Meeting Date:** 12/04/2017

**Initiated By:** Horacio A. De Leon, City Manager

**Staff Source:** Martin Aleman

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**SUBJECT**

Introduction of an Ordinance designating the Coves at Winfield Development being a +/- 1,027.14 acre area located Northeast of Loop 20 at its intersection with Winfield Parkway in the Northeast area of the City of Laredo and its extraterritorial jurisdiction as a Tax Increment Reinvestment Zone; Describing the boundaries of the Zone; Creating a Board of Directors for the Zone; Providing for an effective date and termination date for the Zone; Naming the Zone "Reinvestment Zone Number Two, City of Laredo, Texas"; Establishing a Tax Increment Fund; and Containing other Provisions related thereto.

**VENDOR INFORMATION FOR COMMITTEE AGENDA**

N/A

**PREVIOUS COUNCIL ACTION**

9/18/17 - Council approved Resolution 2017-R-111 affirming the commitment by the City Council to move forward with the Coves at Winfield Project and the intent to work with the Developer to negotiate a mutually acceptable contract agreement providing for the creation of a Reinvestment Zone Number Two

**BACKGROUND**

The City of Laredo received a petition from Killam Ranch Properties, Ltd. and Killam Development Ltd. for the creation of Tax Increment Reinvestment Zone (TIRZ) as it pertains to the Coves at Winfield Development Project. It is proposed that the creation of the TIRZ will promote and encourage construction of approximately 1,027.14 acres of mixed use development including single family, retail, office and commercial development and the creation of approximately 2,000 jobs during the 30 year term of the TIRZ.

A TIRZ is a financing tool authorized by the State of Texas Legislature in Chapter 311 of the Texas Tax Code. The purpose of the statute is to allow cities and counties to provide an incentive to develop areas that lack the infrastructure or have other impairments to desirable growth and development. When a Zone is created, the base value "of the area is frozen for tax purposes. The existing taxing entities continue to receive tax revenues as before; however the increased tax revenue (the increment) generated by new development within the Zone is used to reimburse costs related to public improvements for the term of the TIRZ.

Upon designation of the Zone, it is proposed that the City contribute to the Tax

Increment Fund an amount equal to 60% of the revenue generated from the City Maintenance & Operation Tax Rate as assessed and collected on the Captured Appraised value for each respective tax year during the 30 year term of the Zone. In no event shall the City's total contribution to the Tax Increment Fund be greater than \$44,608,344.96. Both Webb County and Laredo Community College have expressed their intent to participate in the Zone at the level of 60% of their maintenance and operation portion of assessed and collected taxes within Zone.

The petition submitted by Killam Ranch Properties, Ltd. and Killam Development Ltd. meets the criteria for Zone designation as stipulated in Chapter 311 of the Texas Tax Code in that the area to be designated a Reinvestment Zone is unproductive and underdeveloped and that Zone designation further supports economic development and job creation activities which would not occur but for the TIRZ designation. It is further determined that Zone designation will assist in promoting affordable housing through the provision of down payment assistance within the Zone and Citywide and enhance transportation mobility in and around the Zone. The TIRZ agreement between the Owners and the City would include donation of 50% of Right of Way along Loop 20 not to exceed 15 acres, the provision of \$7.9 million in Down Payment Assistance and the construction of a recreation center estimated at a cost of \$10 million funded through the TIRZ.

#### **COMMITTEE RECOMMENDATION**

N/A

#### **STAFF RECOMMENDATION**

That this Ordinance be Introduced,

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#### **Fiscal Impact**

**Fiscal Year:**

**Budgeted Y/N?:**

**Source of Funds:**

**Account #:**

**Change Order: Exceeds 25% Y/N:**

#### **FINANCIAL IMPACT:**

Fund 270 will be created to account for the Tax Increment Fund and it's related financial activity.

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#### **Attachments**

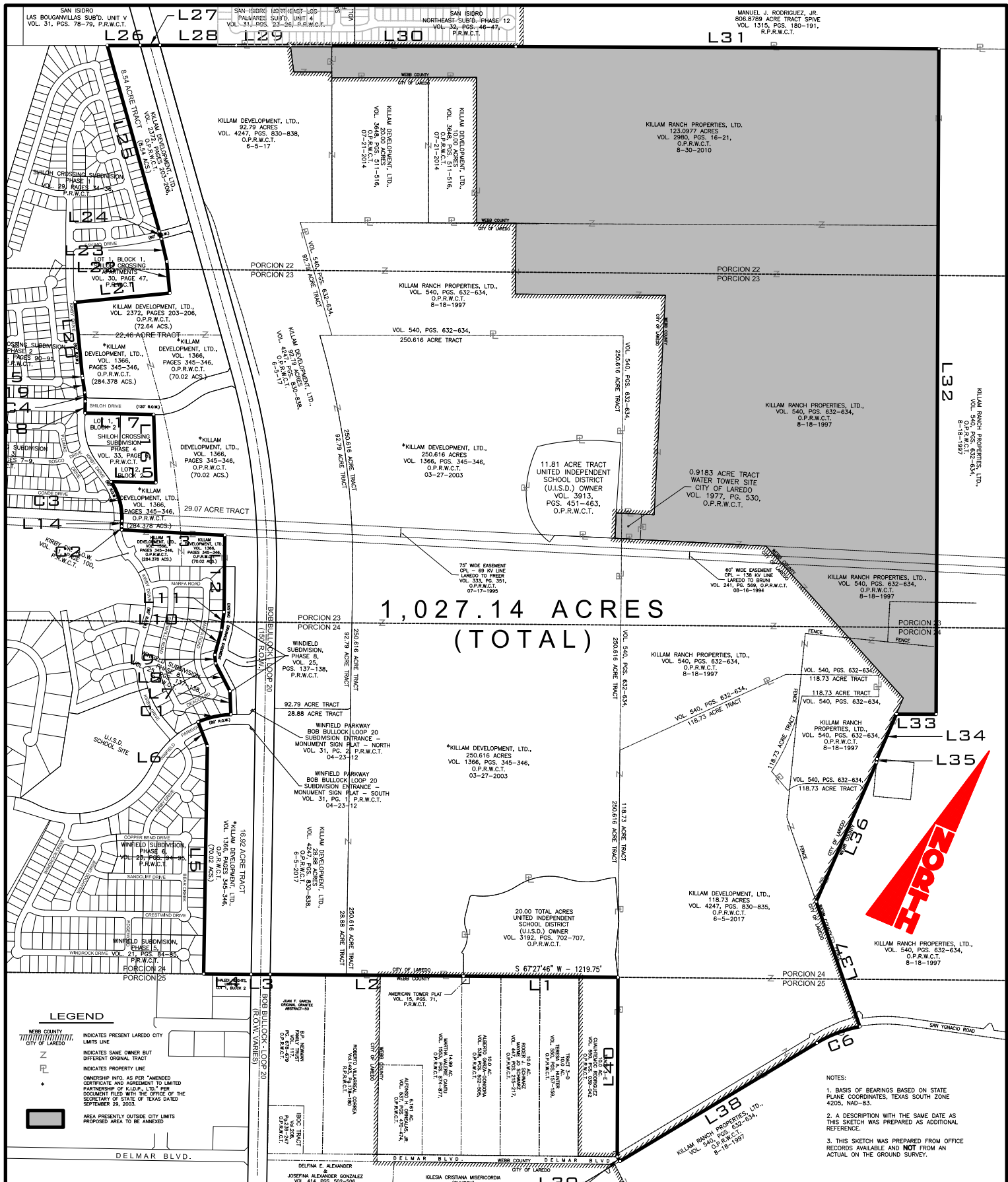
Exhibit B, TIRZ 2 Boundary Map

Exhibit C, TIRZ 2 Field Notes

Exhibit A, TIRZ 2 Project and Finance Plan

Int. Ordinance

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DRAWN BY: M.R.G.  
 CHECKED BY: O.J.S.  
 HSC JOB No.  
 FILENAME: TIRZ 2  
 JOB No.  
 DATE: 06.21.2017  
 SCALE: 1"=1000'  
 SHEET: 1 OF 1

**SKETCH  
 SHOWING A  
 1,027.14 TOTAL ACRES  
 SITUATED AT  
 PORCIONES 22, 23, 24 AND 25  
 PARTIALLY IN THE  
 CITY OF LAREDO, WEBB COUNTY, TEXAS**

**HOWLAND**  
 ENGINEERING AND SURVEYING CO.

TBPE Firm Registration No. F-4097 | TBPLS Firm Registration No. 10064-00  
 7615 N. Bartlett Avenue | P.O. Box 451128 (78045) | Laredo, TX, 78041  
 P. 956.722.4411 | F. 956.722.5414  
[www.howlandcompanies.com](http://www.howlandcompanies.com)



**1,027.14 ACRE TRACT DESCRIPTION**

**A TRACT OF LAND CONTAINING 1,027.14 ACRES**, more or less, situated in Porcion 22, Doña Maria Jesus Sanches, Original Grantee, Abstract 277, Porcion 23, Leonardo Sanches, Original Grantee, Abstract 283, Porcion 24, Toribio Rodrigues, Original Grantee, Abstract 268 and Porcion 25, Juan F. Garcia, Original Grantee, Abstract 50, City of Laredo, Webb County, Texas, this 1,027.14 acre tract being comprised by the following:

Killam ownership tracts:

A. A Killam Ranch Properties, Ltd. tract originally called to contain 44,142.45 acres known as TRACT "K-1" as per deed dated August 18, 1997 and recorded in Volume 540, Pages 632-634, Official Public Records of Webb County, Texas;

B. Killam Development, Ltd. tracts called to contain 250.616 acres, 284.378 acres and 70.02 acres as per deed recorded March 27, 2003 and recorded in Volume 1366, Pages 345-346, Official Public Records of Webb County, Texas; note that ownership information of Killam Development, Ltd. is as per "Amended Certificate and Agreement to Limited Partnership of Killam Industrial Development, Ltd." as per document filed with the Office of the Secretary of the State of Texas dated September 29, 2003;

C. A Killam Development, Ltd. tract called to contain a total 240.40 acres comprised of 92.79 acres, 28.88 acres and 118.73 acres as per Correction Warranty Deed dated June 5, 2017 and recorded in Volume 4247, Pages 830-838, Official Public Records of Webb County, Texas;

D. A Killam Development, Ltd. tract called to contain 72.64 acres as per deed recorded June 6, 2007 in Volume 2372, Pages 203-206, Official Public Records of Webb County, Texas;

E. A Killam Development, Ltd. tract called to contain a total of 30.00 acres being Tracts I and II as per deed recorded July 21, 2014 in Volume 511-516, Official Public Record of Webb County, Texas;

F. A Killam Ranch Properties, Ltd. tract called to contain 123.0977 acres as per deed recorded August 30, 2010 in Volume 2980, Pages, 16-21, Official Public Records of Webb County, Texas;

This 1,027.14 acre tract additionally comprised of the following:

G. A City of Laredo 0.9183 acre Water Tower Site tract as per deed recorded in Volume 1977, Page 530, Official Public Records of Webb County, Texas;

H. A 20.00 acre United Independent School District tract as per deed recorded December 28, 2011 in Volume 3192, Pages 702-707, Official Public Records of Webb County, Texas;

I. An 11.81 acre United Independent School District tract as per deed recorded January 20, 2016 in Volume 3913, Pages 451-463, Official Public Records of Webb County Texas;

J. Certain drainage easements as per Winfield Subdivision, Phase 8, recorded in Volume 25, Pages 137-138, Plat Records of Webb County, Texas;

K. Portions of the following dedicated public street right-of-ways: Bob Bullock Loop 20, Winfield Parkway, Shiloh Drive and Eskimo Drive;

This 1027.14 acre tract being more particularly described as follows:

**BEGINNING** at a point on the occupied southeast line of Porcion 24 same being the northwest line of Porcion 25 being the most easterly corner of a 20.00 acre tract conveyed to the United Independent School District (UISD) as per Special Warranty Deed recorded December 28, 2011 in Volume 3192, Pages 702-707, Official Public Records of Webb County, Texas, said point being an interior corner of this 1,027.14 acre tract;

THENCE S67°27'46"W, along the southerly line of said UISD 20.00 acre tract being along the occupied southeast line of Porcion 24 same being the northwest line of Porcion 25, a distance of 1219.75' to a point for the most southerly corner of the 20.00 acre tract for a deflection right;

THENCE S67°29'41"W along a barb wire fence being along the occupied southeast line of Porcion 24 same being the northwest line of Porcion 25 and the perimeter of the original Killam Ranch Properties, Ltd. TRACT "K-1", a distance of 1524.55' to a point on the easterly right-of-way line of Bob Bullock Loop 20 (150' ROW at this point) for a deflection left;

THENCE S67°02'01"W, crossing Bob Bullock Loop 20 (150' ROW at this point), a distance of 150.03' to a point on the west right-of-way line of said Loop 20;

THENCE S67°32'39"W, a distance of 375.01' to a point being the most easterly corner of Winfield Subdivision, Phase 5 as per plat recorded in Volume 21, Pages 84-85, Plat Records of Webb County, Texas, said point being the southwesterly corner hereof;

THENCE N22°04'40"W, along a common line Winfield Subdivision, Phase 5 and also with Winfield Subdivision, Phase 6 as per plat recorded in Volume 23, Pages 94-95, Plat Records of Webb County, Texas, at a distance of 1798.52' a point for a deflection left;

THENCE N44°00'33"W, along a common line with said Winfield Subdivision, Phase 6, at 122.85' a point on the southerly right-of-way line of Winfield Parkway (80' ROW) and thereafter crossing Winfield Parkway at a total distance of 202.90', a point on the northerly right-of-way line of said Winfield Parkway for an exterior corner hereof;

THENCE along the northerly right-of-way line of Winfield Parkway and a common line with Winfield Subdivision, Phase 8 as per plat recorded in Volume 25, Pages 137-138, Plat Records of Webb County,

Texas, along the arc of a curve to the right a distance of 267.08', said curve having a radial bearing of S46°03'47"E, a radius 740.00' a central angle of 20°40'45", and a chord bearing and distance of N54°16'36"E-265.63', said point being the most easterly corner of Lot 18, Block 3 of said Winfield Subdivision, Phase 8 for an interior corner hereof;

THENCE along common lines with the perimeter of Block 3 of said Winfield Subdivision, Phase 8 the following bearings and distances to deflection points;

N25°23'03"W-183.16'

N50°21'52"W-246.81'

N28°54'50"W-68.19'

N07°27'48"W-203.60'

N14°58'38"W-143.15'

THENCE N22°29'28"W, continuing along a common line of said Block 3, at 359.17' a point for the most northerly corner of Winfield Subdivision, Phase 8 and at 605.11' a point for an interior corner hereof;

THENCE S70°00'14"W, a distance of 815.37' to a point on the easterly right-of-way line of Kirby Drive (60' ROW) as per the Right-of-Way Dedication Plat recorded in Volume 31, Page 100, Plat Records of Webb County, Texas, said point being an exterior corner hereof;

THENCE along the present easterly right-of-way line of Kirby Drive being long the arc of said curve to the right, a distance of 28.80' to a point of tangency, said curve to the right having a radial bearing of N63°53'35"E, a radius of 270.00', a central angle of 06°06'39" and a chord bearing and distance of N23°03'06"W-28.78';

THENCE N19°59'46"W, continuing along the easterly right-of-way line of Kirby Drive, a distance of 41.26' to a point of curvature of a curve to the left for the most northerly corner of Kirby Drive as per aforementioned Kirby Drive Right-of-Way Dedication Plat same being the southeasterly corner of Shiloh Crossing Subdivision, Phase 3 as per plat recorded in Volume 29, Pages 7-9, Plat Record of Webb County, Texas;

THENCE continuing along the present easterly right-of-way line of Kirby Drive as per plat of Shiloh Crossing Subdivision, Phase 3, being along the arc of said curve to the left a distance of 326.51' to a point being the most southerly corner of Lot 2, Block 2, Shiloh Crossing Subdivision, Phase 4 as per plat recorded in Volume 33, Page 6, Plat Records of Webb County, Texas for an exterior corner hereof, said curve to the left having a radius of 517.25', a central angle of 36°10'01" and a chord bearing and distance of N38°25'51"W-321.11';

THENCE N68°09'35"E along a common line with Lot 2, Block 2, Shiloh Crossing Subdivision, Phase 4, a distance of 354.07' to a point for the most easterly corner of said Lot 2 and Shiloh Crossing Subdivision, Phase 4 for an interior corner hereof;

THENCE N24°51'49"W, continuing along a common line with Lot 2, Block 2, a distance of 537.53' to a point on the southerly right-of-way line of Shiloh Drive (120' ROW) being the most northerly corner of said Lot 2, Block 2 for an exterior corner hereof;

THENCE S68°09'35"W, along the southerly right-of-way line of Shiloh Drive being partially along common lines with Lots 1 and 2, Block 2 of Shiloh Crossing Subdivision, Phase 4, a distance of 541.94' to a point for an exterior corner hereof;

THENCE N21°50'25"W, within Shiloh Drive right-of-way, a distance of 92.66' to a point of curvature of a curve to the right having a radius of 430.00', a central angle of 09°33'47" and a chord bearing and distance of N26°37'18"W-71.69';

THENCE along the arc of said curve to the right, a distance of 71.77' to a point of tangency;

THENCE N31°24'11"W along the easterly right-of-way line of Kirby Dr., a distance of 113.88' to a point of curvature of a curve to the right having a radius of 370.00', a central angle of 02°49'24" and a chord bearing and distance of N29°59'28"W – 18.23';

THENCE along the arc of said curve to the right a distance of 18.23' to a point of tangency;

THENCE N28°34'46"W, continuing along the easterly right-of-way line of Kirby Dr., a distance of 582.20' to a point being the southwest corner of Lot 1, Block 1, Shiloh Crossing Apartments as per plat recorded in Volume 30, Page 47, Plat Records of Webb County, Texas, said point being an exterior corner hereof;

THENCE N61°26'14"E, along a common line with said Lot 1, a distance of 750.00' to a point being the southeast corner of said lot for an interior corner hereof;

THENCE N28°34'46"W, continuing along a common line with said Lot 1, a distance of 249.97' to a point for a deflection left;

THENCE N35°51'34"W, continuing along a common line with said Lot 1, a distance of 184.49' to a point on the southerly right-of-way line of Eskimo Dr. (60'ROW), said point being the northeast corner of said Lot 1;

THENCE N39°42'53"W, crossing Eskimo Drive, a distance of 60.07' to a point on the northerly right-of-way line of Eskimo Drive, said point being the southeast corner of Block 1, Shiloh Crossing Subdivision, Phase 1 as per plat recorded in Volume 29, Pages 34-36, Plat Records of Webb County, Texas;

THENCE N38°36'06"W, leaving the northerly right-of-way line of Eskimo Drive same being along the easterly line of Block 1 of said Shiloh Crossing Subdivision, Phase 1, a distance of 1523.08' to a point being the northeast corner of Lot 49, Block 1, Shiloh Crossing Subdivision, Phase 1 same being the northwest corner hereof;

THENCE N67°01'14"E, along the northerly line of aforementioned Killam Development, Ltd. Tract called to contain 72.64 acres same being along the southerly line of San Isidro Las Baganvillas Subdivision, Unit 5 as per plat recorded in Volume 31, Pages 78-79, Plat Records of Webb County, Texas, a distance of

259.59' to a point on the present westerly right-of-way line of Bob Bullock Loop 20 (150' ROW at this point);

THENCE N66°23'38"E, crossing Bob Bullock Loop 20, a distance of 155.45' to a point on the easterly right-of-way of said Loop 20, said point being the northwest corner of aforementioned Killam Development, Ltd. tract called to contain 92.79 acres;

THENCE N67°11'52"E, leaving the easterly right-of-way line of Bob Bullock Loop 20, generally along a fence being along the northerly line of said Killam Development, Ltd. 92.79 acre tract, a distance of 601.68' to a point for a deflection left;

THENCE N67°04'52"E, continuing along the northerly line of the 92.79 acre tract, a distance of 428.45' to a point, a deflection right;

THENCE N67°15'19"E, along common lines with San Isidro Northeast Los Palmares Subdivision, Unit 4, San Isidro Northeast Los Palmares Subdivision, Unit 4, San Isidro Northeast Los Palmares Subdivision, Unit 5 and San Isidro Northeast Subdivision, Phase 12 as per plats recorded in Volume 31, Pages 23-26, Volume 31, Pages 81-82 and Volume 32, Pages 46-47, Plat Records of Webb County, Texas respectively, a distance of 1775.77' to a point for the southeast corner of said San Isidro Northeast Subdivision, Phase 12;

THENCE N67°17'29"E, along the northerly line of the aforementioned 123.0977 acre Killam Ranch Properties, Ltd. tract, a distance of 3339.29' to a point for the most northerly corner of said 123.0977 acre tract for the most northerly corner hereof;

THENCE S22°45'30"E, partially along the easterly line of said 123.0977 acre tract, a distance of 5248.77' to a point for the most easterly corner hereof;

THENCE S67°14'30"W, a distance of 312.90', to a point on the present Laredo City Limits Line for an interior corner hereof;

THENCE along the present Laredo City Limits Line as follows:

S00°27'38"W-386.63'

S17°36'11"E-27.83'

S00°27'53"W-1195.32'

THENCE S42°14'40"E, continuing along the present Laredo City Limits Line, a distance of 1045.35' to a point for the most easterly corner hereof and being a non-tangent point of a curve to the left;

THENCE continuing along the present Laredo City Limits Line being along the arc of said curve to the left having a radial bearing of S33°03'59"E, a radius of 1000.00', a central angle 20°57'24" and a chord bearing and distance of S46°27'19"W - 363.73', a distance of 365.76' to a point of tangency;

THENCE S35°58'38"W, along the present Laredo City Limits Line, a distance of 1810.11' to a point for the most southerly corner hereof;

THENCE N55°39'22"W, continuing again with the present Laredo City Limits Line, a distance of 41.67' to a point for a deflection right;

THENCE N22°45'22"W, deviating away from the present Laredo City Limits Line, a distance of 1415.28' to the **POINT OF BEGINNING** of this 1027.14 acre, more or less, tract of land.

- NOTES:
1. Basis of bearings based on State Plane Coordinates, Texas South Zone 4205, NAD-83.
  2. A sketch with the same date as this description was prepared as additional reference.
  3. The description was prepared from office records available and **NOT** from an actual on the ground survey.

Prepared by: Howland Engineering and Surveying Co. on June 21, 2017.

CITY OF LAREDO, TEXAS



**The Coves at Winfield  
Proposed  
Tax Increment Reinvestment Zone Number Two  
Preliminary  
Project Plan and Finance Plan**

Participation Levels:  
City of Laredo (60% of M&O), Webb County (60% of M&O) &  
Laredo Community College (60% of M&O)



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## EXECUTIVE SUMMARY

### Overview of Plan

Tax Increment Reinvestment Zone Number Two, City of Laredo, Texas, (the “Zone” or the “TIRZ”) represents an important opportunity for the future of the City of Laredo (the “City”). It will promote and encourage construction of approximately 1,027.14 acres of mixed use development including single-family, multi-family, retail, office and commercial development (the “Project”), and the creation of more than 2,000 jobs during the lifetime of the TIRZ.

Creation of the TIRZ and implementation of the Project as proposed will:

- (1) Increase the population and tax base of the area;
- (2) Remove low valued, vacant, and exempt land from the tax rolls and replace it with higher value development;
- (3) Fund the construction of a \$10,000,000.00 Recreation Center with state of the amenities and multi-use classroom and instructional facilities for use by the Laredo Community College District to provide enhanced educational outreach;
- (4) Facilitate the creation of a Public Improvement District (“PID”) within the area of the TIRZ to fund the cost of constructing the Recreation Center in conjunction with the TIRZ; and to fund the cost of operation and maintenance of the recreation and park facilities within the Project;
- (4) Provide \$7,900,000.00 in new tax increment to the City to fund Down Payment Assistance (“DPA”) to over 790 homeowners in furtherance of the City’s affordable housing goals;
- (5) Provide the donation by the Developer to the City of 50% of the portion of the right-of-way acquired to construct that section of Loop 20 adjacent to the boundary of the TIRZ at the time of acquisition, providing an estimated value of over \$9,800,000.00 to the City;
- (6) Create over 2,000 new jobs, and an estimated \$1,903,857,686.00 in payroll within the Laredo area during the term of the TIRZ;
- (7) Start a new model for development in the area that is more sensitive to the environment (i.e., green spaces, curving design, etc.) and is more sustainable (higher employment base, industrial and commercial growth, etc.).

The tracts of land which will be developed under the Project have remained vacant and undeveloped because either (1) the costs associated with developing the land in the preferred manner prohibited the efficient use of the property, or (2) the property was unavailable for development when development should have occurred and current development costs for the desired development are uneconomical.

Creation of the TIRZ will allow for construction of infrastructure and other improvements including single-family subdivisions, multi-family projects, commercial projects, retail developments, a Recreation Center, and thousands of new jobs and related economic development that will cause public benefits that would otherwise be very difficult, if not impossible, to obtain due to costs that include off-site utility extensions, on-site and off-site utility expansions, on-site street and utility extensions, drainage improvements and significant park and recreational installations.

The Zone is generally located at the southeast corner of East Del Mar Boulevard and Northern border of Loop 20 (the “Property”). Please see **Exhibit 1** for a location map of the Property. This Project and Finance Plan will be implemented through the execution of a Development Agreement between the City of Laredo, the Board of Directors of the Zone, and Killam Development, Ltd., its successors and assigns, (acting as the “Developer”), which sets forth the rights and obligations of the parties to assure successful completion of the proposed Project. Unless otherwise defined herein, all defined terms in this Project and Finance Plan shall have the meanings set forth in the Development Agreement.

### **Anticipated Benefits of Development**

The projected benefits of the Zone are as follows:

- The Property was to be undeveloped rural ranch land and open space. There were no foreseeable plans for development of the vast majority of the land from the owner and thus it would have remained as agricultural land under the tax rolls in the immediate future. In total, 737.4183 acres of the proposed Zone would be located in the City limits while 289.7217 acres would remain in the County. However, with this proposed mixed-use development, greater density will be established that supports retail, multifamily, office and institutional uses and creates additional employment. Moreover, the 289.7217-acre tract located in the County will be annexed into the City limits and will generate additional jobs and development and a superior tax base.
- As mentioned, +/-737.4183 acres of the project area are currently located in the city limits of the City and 289.7217 acres are within Webb County, Texas. The 289.7217 acres of the Property is proposed to be annexed through a petition filed by the owners of the property (Developer and a related entity) conditioned on (1) the City approving participation in the TIRZ in an amount equal to 60% of the revenue generated from the CITY M&O Tax Rate as assessed and collected on the Captured Appraised Value for each respective tax year during the term of the ZONE, and the remaining 40% being retained by the City, (2) Webb County approving participation in the ZONE by contributing to the Tax Increment Fund an amount equal to 60% of the revenue generated from the COUNTY M&O Tax Rate (as defined in the Interlocal Agreement) as assessed and collected on the Captured Appraised Value for each respective tax year during the term of the ZONE, and the remaining 40% being retained by the County, during the term of the Zone and (3) the Laredo Community College District (“LCCD”) approving participation in the TIRZ in an amount equal to 60% of the revenue generated from the CITY M&O Tax Rate as assessed and collected on the Captured Appraised Value for each respective tax year during the term of the ZONE, and the remaining 40% being retained by the LCCD.

- Over 28 acres of parkland will be developed and dedicated to the City (acting through the PID) for public use.
- Enhance and increase the population within the area, and the economy of the overall general area.
- Provide for pedestrian safety and access through walking trails and street light construction.
- Provide for public use sites and assist in funding emergency access networks.
- Enhance the quality of life within the development and surrounding areas through parks landscaping and increased recreational opportunities including a Recreation Center.
- Create a sustainable housing initiative for the benefit of landowners inside and outside of the Zone through encouraging green build and ENERGY STAR construction of homes and buildings.
- Generate significant revenue in the form of ad valorem tax, utility fees, sales tax, et al, and help extend utility (water and sewer) service to adjoining tracts and other areas for future development.
- Projected to add over +/- \$954,660,413.00 to the tax base of the participating taxing entities over the life of the Zone. \*<sup>1</sup>
- Require only the tax increment from within the Zone, and not revenue from existing taxpayers in the City or the County, to pay all the costs of the installation of all utilities required for the Project.
- Create a new and replicable standard for better and more sustainable development within the City that encourages new development to pay for itself in a greater amount and does not place the burden unfairly on the City's current budget or on the current and existing taxpayers.

### The TIRZ Concept

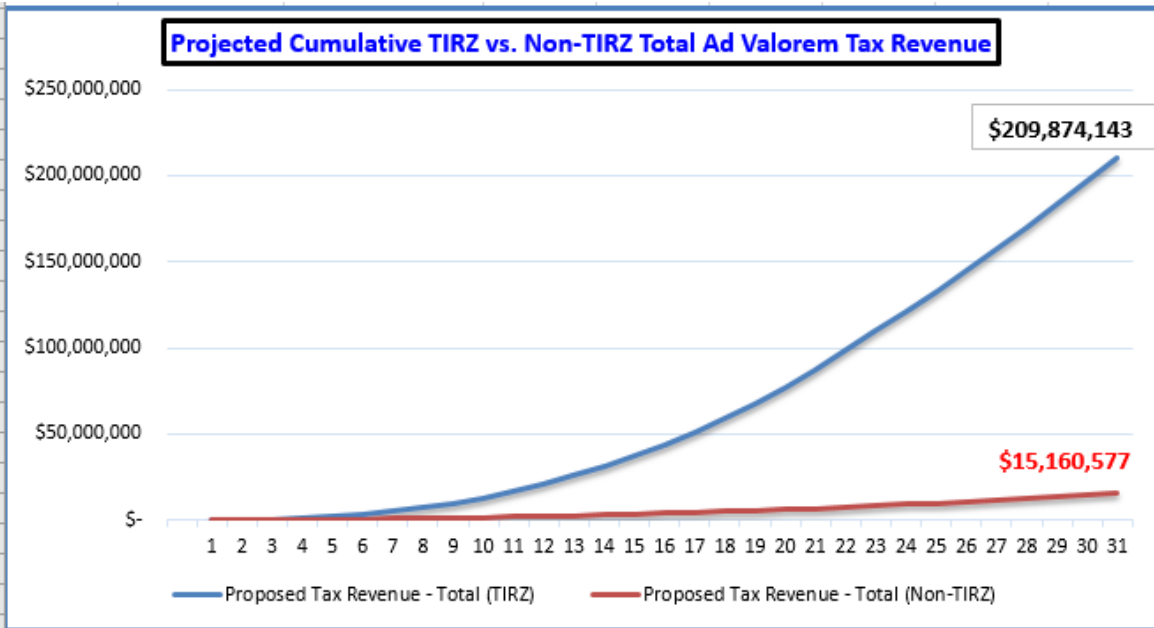
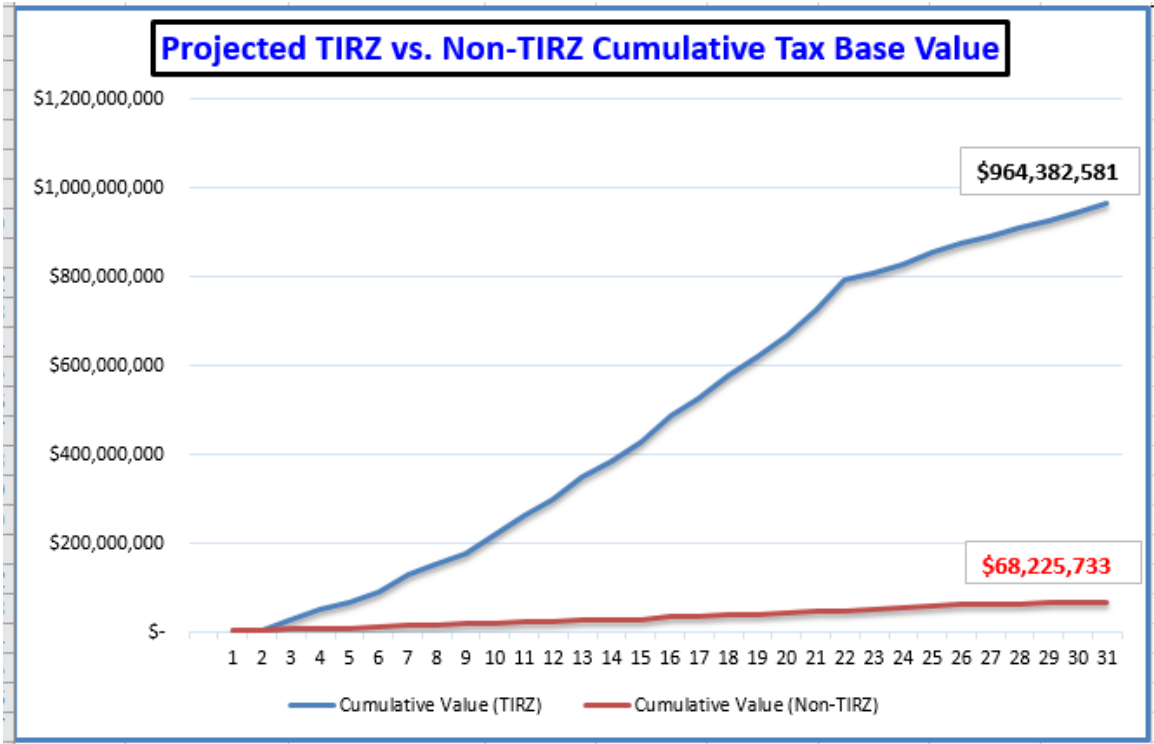
A TIRZ or Tax Increment Reinvestment Zone is a financing tool authorized by the State of Texas Legislature in Chapter 311 of the Texas Tax Code. The purpose of the statute is to allow cities and counties to provide an incentive to develop areas that lack the infrastructure or have other impairments to desirable growth and development.

When a zone is created, the "base value" of the area is frozen for tax purposes. The existing taxing entities continue to receive tax revenues as before. However, the increased tax revenue ("the increment") generated by new development within the zone will be used to reimburse costs related to public improvements within the zone as well as other related allowable expenses. The zone will have a life equal to a predetermined number of years. Upon reaching that date, or upon all costs having been reimbursed, whichever comes first, the zone will terminate. Upon termination, the increased tax revenue belongs to the respective taxing entities. The investment in public infrastructure and public amenities will cause the tax revenue received by the City and County to be much greater both during the TIRZ and afterwards than would have been received without the TIRZ. Comparison charts below illustrate the level

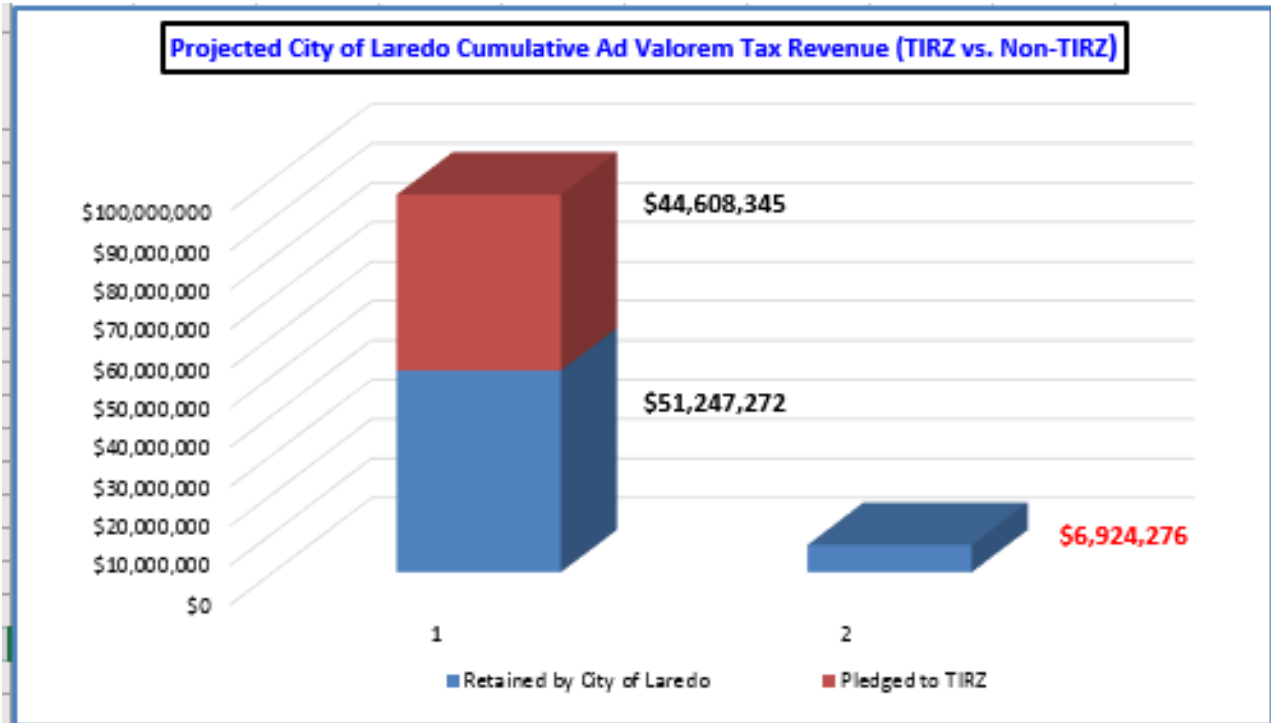
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\*<sup>1</sup> Projected \$964,382,581 in private improvements plus \$89,972,263 in project infrastructure over the term of the Project.

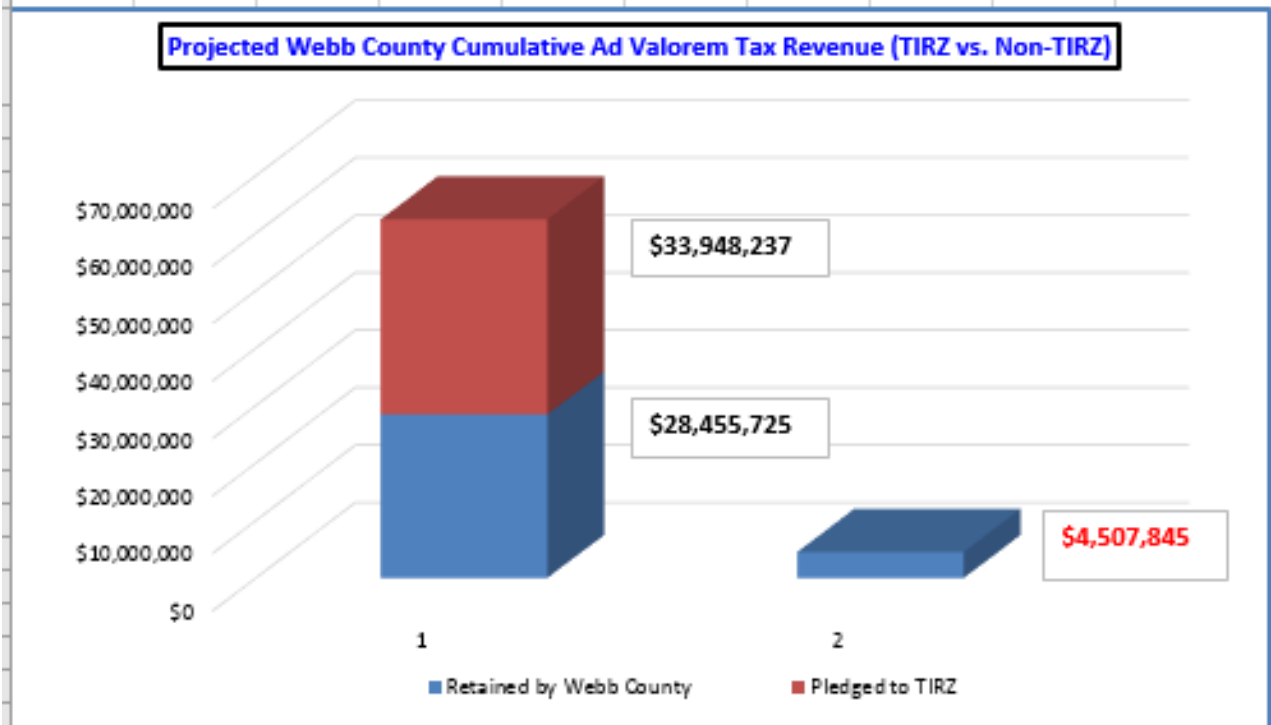
of tax revenue and public benefit received through the TIRZ Project and Finance Plan compared to ordinary non-TIRZ development.



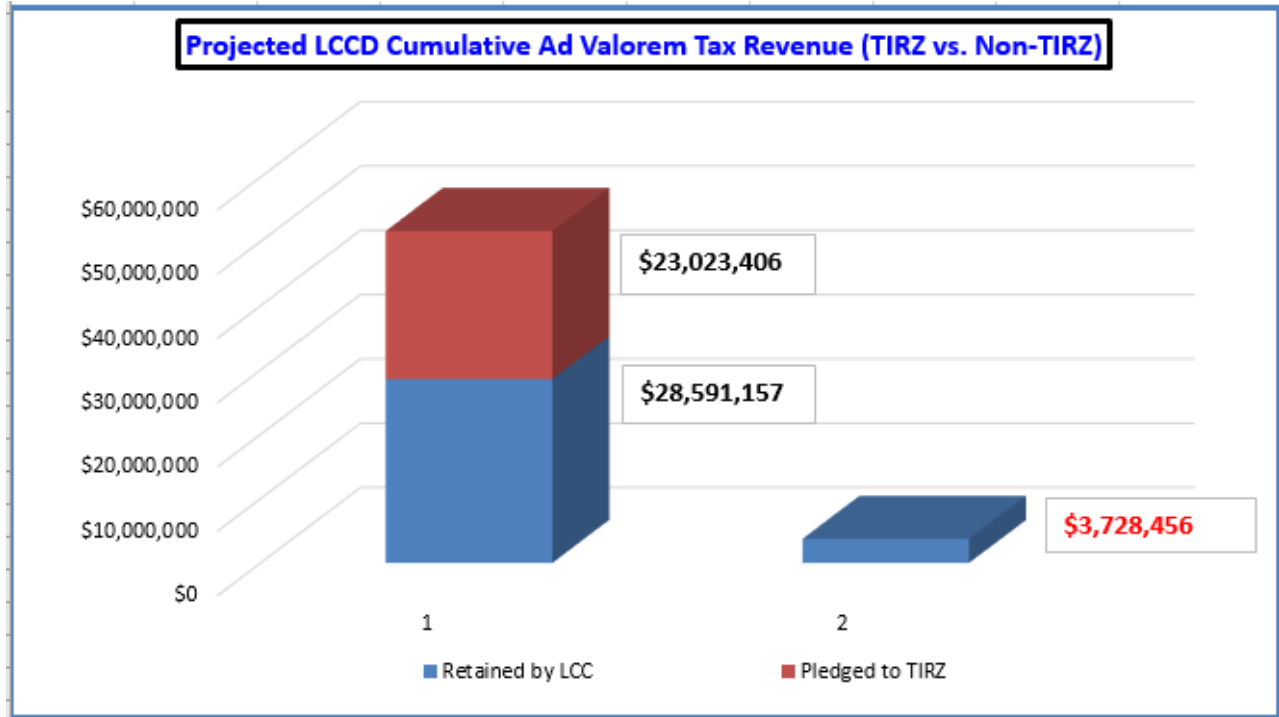
Total Ad Valorem Tax Revenue based on total tax rate under each taxing jurisdiction, not exclusive to M&O rates. Figures do not reflect additional revenue from Sales Tax and Hotel Occupancy Tax, resulting from creation of TIRZ.



City of Laredo is projected to receive \$51,247,272 over what is pledged to TIRZ Fund if TIRZ is created. City of Laredo is projected to receive \$6,924,276 if TIRZ is not created.

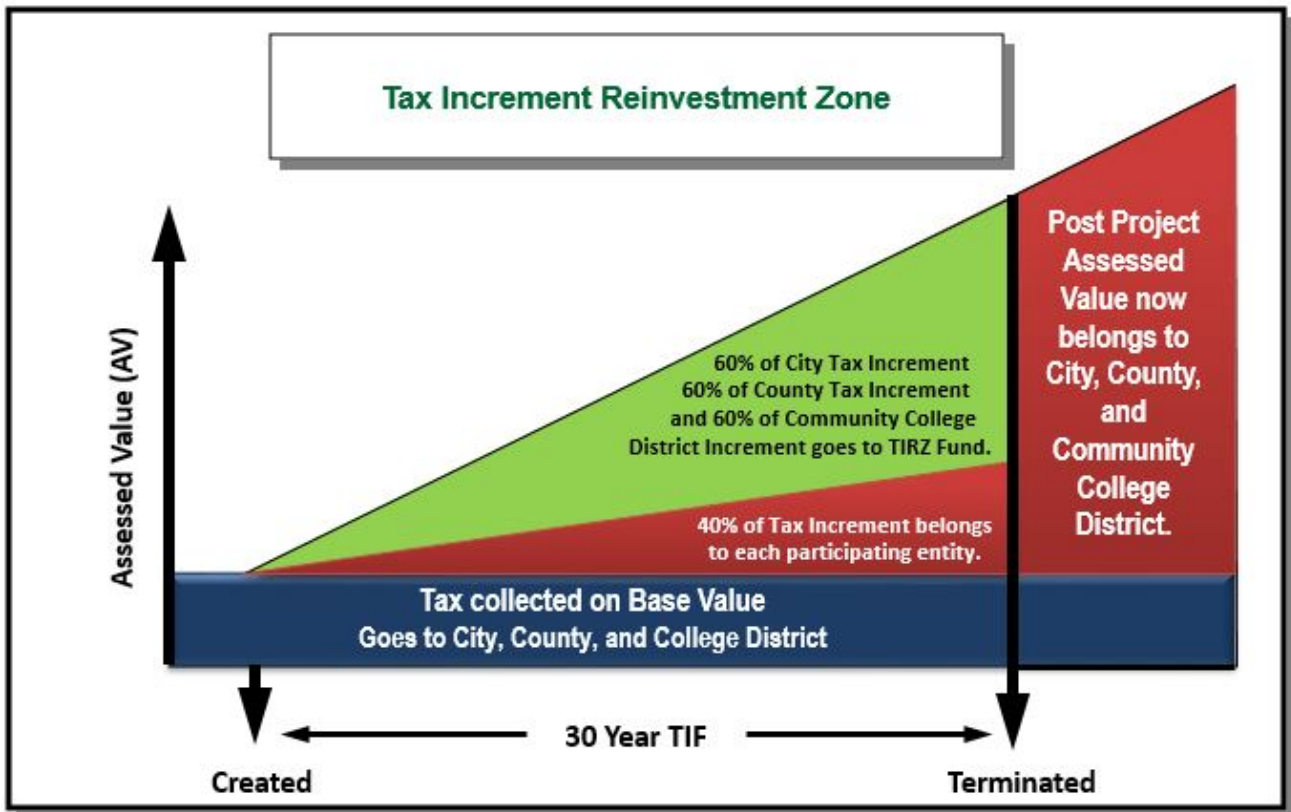


Webb County is projected to receive \$28,455,725 over what is pledged to TIRZ Fund if TIRZ is created. Webb County is projected to receive \$4,507,845 if TIRZ is not created.



LCCD is projected to receive \$28,591,157 over what is pledged to TIRZ Fund if TIRZ is created. LCCD is projected to receive \$3,728,456 if TIRZ is not created.

### TIRZ ASSESSED VALUE (AV) OVER PROJECT LIFE



## PROJECT PLAN

The Reinvestment Zone Number Two, City of Laredo, Texas Project and Finance Plan provide a long-term method to increase economic vitality, tax base, and population within the Zone.

The economics of attracting market rate housing, new businesses, retail establishments, commercial uses and new employment opportunities will be greatly enhanced utilizing the TIRZ to finance public infrastructure improvements and economic development initiatives.

The following specific objectives set the framework for the planned public improvements within the Zone:

- Complete infrastructure to support +/-1,027.14 acres of mixed use development with a forecasted developed tax base value of over \$954,660,413.
- Fund reimbursement of construction of primary public streets and public utility work to create access for future planned secure mixed-use developments.
- Provide attractive, safe pedestrian environments through landscaping, lighting and construction of public walkways in the single-family areas and open space areas of the development including pedestrian connectors between three (3) public schools and the new Recreation Center.
- Construct wastewater collection facilities to enhance and encourage environmentally sensitive and water conscious regional development and prevent developments with septic.
- Make utilities (sewer, water, and cable) available to adjoining properties in the City and County for future growth.
- Relieve the City and County of some of the maintenance costs of the community by establishing a PID, which will also establish a model community that incorporates availability of a secure and sustainable living and working environment.
- Create, and prove the feasibility of a new model of ‘smart growth’ development for the City and County which is socially and financially sustainable, environmentally sensitive, and which has green space and a lower carbon footprint resulting in 30% less impervious cover.

### Planned Private Development and Investment

The total private development investment stimulated by creation of the Zone is forecasted to be in excess of \$556,000,000 in the form of vertical construction of homes, apartments, office buildings, retail buildings and commercial uses.

### Public Infrastructure Improvements

The Public Infrastructure Improvements (hereinafter may be referred to as “Public Improvements”) which will be completed pursuant to the Project and Finance Plan are detailed in **Exhibits 4 through 9** of this

Project and Finance Plan, and the amount of public investment for reimbursement of the Public Improvements funding of the DPA program is projected to be \$89,972,263. If the interest cap is reached, no additional interest payments may be made unless the project out performs projections and surplus revenue resulting from additional increment is available.

### **Public Infrastructure Improvements and Related Eligible Expenses**

The Public Infrastructure Improvements to be constructed and financed pursuant to the Project and Finance Plan and related capital costs include, but are not limited to, reimbursements associated with the following internal and external project costs for public infrastructure to be constructed and dedicated to a Public Entity to provide services to: Public Schools, roadway improvements, retail and commercial spaces, multifamily housing, hotels, office buildings, City Recreation Center, public parks, together with all site work, internal streets and drainage, collector streets, storm water systems, sanitary sewer systems, street lighting, sidewalks as well as all other related infrastructure, soft project costs, DPA costs, and costs of creation as shown **Exhibit 5 and Exhibit 9**. The capital cost is forecasted to be \$89,972,264 of the full eligible build-out amount plus interest (to the extent available) on such amount until reimbursed.

### **Existing and Proposed Uses**

The existing uses in the area in which the Zone is located consist of open undeveloped or underdeveloped land and ranching operations.

The proposed uses in the Zone are those uses set forth in **Exhibit 2** which have been master-planned and organized in phases to provide the maximum value enhancement and benefits to the Zone, the City and the surrounding community.

### **Description of Zone**

The Zone will contain +/- 1,027.14 acres and will be located in the northeast sector of the City of Laredo. The exact location and legal description of the Zone are identified in the survey and field notes attached as **Exhibit 1**.

### **Project Feasibility**

The feasibility of the Project has been analyzed by an independent economist and the Developer. The results of this analysis establish that the Project is both economically feasible and is within market absorption capabilities. According to national employment creation statistics by type and square footage of development, it is estimated that the Project could create in excess of 2,000 new jobs over its lifetime, and estimated \$1,903,857,686.00 in payroll within the Laredo area, which will provide tremendous benefits to the municipality in the form of increased economic stimulus, ad valorem, and sales tax revenues.

Based on the above economic factors and other factors considered, the City Council of the City of Laredo finds that creation of the Zone and approval of the Project and Finance Plan is in the best interest of the City and is in furtherance of its municipal and governmental purposes.



## FINANCE PLAN

### Tax Increment Financing

The Tax Increment Financing Act (Chapter 311 of the Tax Code), provides for counties and cities to create “reinvestment zones” within which various public works and improvements can be undertaken, using tax increment revenues, bonds or notes, to pay for those improvements. The Act also allows the Zone to participate in the funding of improvements outside the Zone if the improvements benefit the Zone. At the time an area is designated a reinvestment zone for tax increment financing, the existing total of taxable value of real property in the zone is identified and designated as the Tax Increment Base. The Zone will not receive any sales tax revenue collected by the City or County.

Public improvements are made in the area to attract private development that would not otherwise occur. As the value of new development are added to the tax rolls, property values will rise, and there will be an increase in sales tax revenue as well. This rise in new ad valorem value is called the “captured appraised value.” The portion of the taxes pledged that are collected by the participating taxing jurisdictions on the increment between the frozen or base value and the new captured higher value, or the Tax Increment, are then deposited into a TIF Fund, which is used to reimburse or pay for the approved improvements. Once the public improvements are completed and reimbursed, the TIF and Zone are dissolved and any remaining amounts of taxes collected are kept by the taxing jurisdiction. In addition, the TIF will be dissolved if the Developer is in Default and does not cure the Default, or if the reimbursements for Public Infrastructure Improvements are paid earlier than anticipated. In effect, the taxing jurisdictions are “investing” future earnings to receive the benefit of higher tax revenues from new development. Taxing jurisdictions are not restricted from reassessing property value or changing their tax rate as allowed by State law during the life of the Zone.

### Financing Plan Overview

The Tax Increment Base is \$9,722,168 (hereinafter also referred to “Base Value”). The City has agreed to participate in the ZONE by contributing to the Tax Increment Fund an amount equal to 60% of the revenue generated from the CITY M&O Tax Rate as assessed and collected on the Captured Appraised Value for each respective tax year during the term of the ZONE as set forth in the Project and Finance Plan, the Development Agreement, and the Interlocal Agreements, all of which will be required to be approved by the City Council prior to being effective. In no event shall the CITY contribution to the Tax Increment Fund be greater than \$44,162,261.51 over the life of the ZONE. The contributions, if available tax increment is generated and collected, will begin in the 2018 tax year. The County has indicated that it will participate in the ZONE by contributing to the Tax Increment Fund an amount equal to 60% of the revenue generated from the COUNTY M&O Tax Rate (as defined in the Interlocal Agreement) as assessed and collected on the Captured Appraised Value for each respective tax year during the term of the ZONE. In no event shall the COUNTY contribution to the Tax Increment Fund be greater than \$33,608,754.92 over the life of the ZONE beginning with the 2018 tax year. The Community College District has indicated that it will participate in the ZONE by contributing to the Tax Increment Fund an amount equal to 60% of the revenue generated from the COUNTY M&O Tax Rate (as defined in the Interlocal Agreement) as assessed and collected on the Captured Appraised Value for each respective tax year during the term of the ZONE. In no event shall the COMMUNITY COLLEGE contribution to the

Tax Increment Fund be greater than \$22,793,171.56 over the life of the ZONE beginning with the 2018 tax year.

The Zone provides funding for approximately +/- \$89,972,263.61 of planned Public Infrastructure Improvements and DPA program funding which are eligible for reimbursement, in addition to interest, in the amount of \$10,121,879.66, and Administrative Costs paid to the City and County for administering the Zone in the amount of \$400,000.00. The Finance Plan indicates that the Zone will yield adequate revenues to provide for incremental financing of the Project as indicated in **Exhibits 4 through 9**. The total projected revenue of the Zone is \$100,564,187.99.

Financing Method: Initial financing for the public infrastructure is being accomplished through equity invested by the Developer through private investments. Initial financing for construction of the Recreational Center will be accomplished through the City issuing bonds or other obligations as recommended by the City's Financial Advisors and as approved by City Council (hereafter "Bonds Bonds"). It is anticipated that the Bonds will be issued by the City on behalf of the PID under a joint funding agreement with the TIRZ. Under the anticipated agreement the TIRZ would contribute its available Tax Increment to fund the debt service for the Bonds, and the PID would fund any remaining amounts of required debt service with revenue generated from assessments on property within the PID. Funding of the DPA will occur as available tax increment is available after debt service and other obligations are satisfied. The City may, but is not required to, issue additional bonds or obligations to more rapidly provide funding for the DPA component of the Project Plan.

No taxing jurisdiction is guaranteeing the repayment of the investments or obligations incurred by the Developer to fund the infrastructure within the Zone; they remain the obligation of the Developer. The Bonds which are issued will not become obligations of the City or County or College District. When Bonds are issued by the City, only the pledged Available Tax Increment (and PID assessments if required) can be looked to for repayment of those obligations. Other Public Infrastructure Improvements included in the Project and Finance Plan will be funded through similar financing sources and reimbursed to the Developer, as Available Tax Increment is available. Once the Tax Increment is sufficient to fund the debt service for the Bonds for the recreation center, additional special revenue bonds may be issued by the City to fund the DPA or other obligations of the Zone. The issuance of the additional bonds, if any, to fund the obligations of the Zone will only occur if it is advisable based on the Available Tax Increment and if it would result in lower overall interest expense. If additional bonds are issued, other than the joint revenue PID Bonds to fund the Recreation Center, the Available Tax Increment from the Zone will serve as the only repayment source for those obligations.

Priority of Payment: The City and the Board shall disburse funds from the Tax Increment Fund (or Bonds revenues) to pay expenditures in the following order or priority of payment:

1. FIRST, to reimburse the City and County for reasonable Administrative Costs, as they are incurred, which have been approved by the Zone in accordance with the Interlocal Agreement;
2. SECOND, payment of Debt Service on the Bonds issued by the City to fund the construction of the recreation center;

3. **THIRD**, to pay requests for reimbursement from the Developer for Project Costs which have been considered by and approved by the board of the TIRZ, plus allowed Interest thereon, as provided for in the Project and Finance Plane; and
4. **FOURTH**, to reimburse or pay the cost of any DPA or any project or improvement that was not included in the approved Project and Finance Plan, but was later added as a subsequent project with approval of the ZONE and the CITY.

The foregoing, notwithstanding, no funds will be paid from the Tax Increment Fund to the City or County for its financial and legal services in any dispute arising under the Development Agreement or Interlocal Agreement with another participating taxing entity.

**Capital Costs:** The total costs for projected to be incurred for Public Infrastructure Improvements total \$89,972,263.61 (less \$7,900,000.00 for funding DPA). The portion of the Public Improvements to be funded by the Developer that is projected to be reimbursed by the Zone is \$72,072,263.61, the remainder of the costs incurred by the Developer for Public Infrastructure is not projected to be the subject of reimbursement by the Zone. In the event the Zone out performs the projected revenue models the Developer will retain the right to seek additional reimbursements to the extent funds are available. The Finance Plan provides the projection of the earliest date the Developer might anticipate receiving funds from the TIRZ for reimbursement. The earliest projected payoff of the capital cost eligible for reimbursement would occur in fiscal year 2048 and would include an estimated reimbursement to the Developer contribution as indicated on the Sources and Uses Table attached as Exhibit 5. The total Project Costs are projected to be \$124,783,387.10, of which the estimated non-reimbursed Developer contribution is \$24,219,199.11.

**TIRZ Collections:** The TIRZ collections for this project shall not extend beyond December 31, 2048 and may be terminated earlier in the event a taxing entity has deposited its respective maximum available tax increment deposits into the TIRZ Fund, as described in the table below. Some taxing entities may deposit their maximum deposit prior to others and/or prior to the end of the TIRZ; the term of the TIRZ will continue through December 31, 2048 or will terminate once all taxing entities have deposited their available increment deposits , and all obligations of the Zone, of the Zone have been satisfied pursuant to Section 311.017 of the Texas Tax Code.

<b>TABLE-Maximum TIRZ Increment Deposit</b>		
<b>Participating Taxing Entities</b>	<b>Maximum Increment Deposit</b>	<b>Maximum Length of Deposits</b>
City of Laredo, Texas	\$44,162,261.51	December 31, 2048
Webb County	\$33,608,754.92	December 31, 2048
Community College District	\$22,793,171.56	December 31, 2048
<b>Maximum Deposits into the TIRZ Fund</b>	\$100,564,187.99	

**Developer’s Risk:** All financing, development costs, construction costs, improvements, damages, or other costs incurred by the Developer with respect to this project are at the sole risk of the Developer as defined in the Development Agreement. Neither the City, College District nor County shall incur any risk of loss whatsoever associated with the development, construction, completion, or failure of the Project, if such

loss is due to Developer. In the event that the Project fails the City shall have the right to terminate the TIRZ and any funds remaining in the TIRZ Account, after payment by the TIRZ Board of required obligations, shall be distributed to the City, College District and County on a pro-rata basis in accordance with each entity's participation level.

Limited Obligation of the City, College District and County: Except for the financial obligation of the City to issue Bonds to fund construction of the Recreational Center, the City, College District and County obligations shall be limited to each taxing entity imposing and collecting taxes on the properties in the Zone and depositing such tax receipts (as required by the respective Interlocal Agreements) into the Tax Increment Fund during the term of the TIRZ. The TIRZ collections for this Project shall not extend beyond 30 years or past the collection of taxes assessed for the year 2048 (and collected in 2049), and may be terminated prior to December 31, 2048 in the event the Project Plan is completed ahead of schedule causing reimbursements to be completed prior to the original termination date.

Any costs incurred by the Developer are not, and shall not in any event become, general obligations or debt of the City, College District, or County. The Project Costs incurred by the Developer shall be paid solely by the TIRZ revenues from Available Increment contributed to the Zone and shall never constitute a debt, indebtedness, or a pledge of the faith and credit or taxing power of the State, the City, College District, County, or any political corporation, subdivision, or agency of the State of Texas, other than the TIRZ.

Financing Policy: This Project and Finance Plan limits the amount of City, County, and Community College District Available Tax Increment (60% of the CITY M&O Tax Rate, 60% of the COUNTY M&O Tax Rate and 60% of the COMMUNITY COLLEGE M&O Tax Rate) paid to finance repayment of the City and Developer expenditures for reimbursable public improvements.

Short Term Financing: The short-term financing for the Project will be paid through initial capital investment provided by the Developer for Public Infrastructure Improvements installed by the Developer. The initial cost of the Recreation Center Improvements (\$10,000,000.00) is anticipated to be funded through issuance of Bonds which look solely to the Available Tax Increment generated within the Zone for repayment, as well as PID Assessments to the extent the Available Tax Increment is not sufficient. The Project costs advanced by the Developer for construction of the public improvements will be reimbursed according to the approved priority of payment as TIRZ Funds become available in the balance of the Tax Increment Fund.

Long Term Financing/Bonds: , which will be special revenue bonds issued pursuant to a joint funding agreement between the TIRZ and PID under which the TIRZ Available Tax Increment is Pledged as the primary source for payment of debt service on the Bonds and is further assured by the revenues of the PID generated through the imposition of debt service assessments. It is anticipated that the Zone will recommend the issuance of, and the City may issue (contingent upon City Council approval), \$10,000,000.00 of PID Bonds within the first 24 months of the term of the Zone (as referenced earlier, the "Bonds"). It is projected that the Bonds will be issued in the initial year of the Project and Finance Plan (2018).

### **Financial Assumptions**

The Finance Plan is based upon conservative assumptions. Accordingly, the Finance Plan assumes that there will be no tax rate changes during the project term, and assumes an increase in assessed values of

existing tax base of only 2.00% per year rather than the actual average appreciation rate which is historically in excess of 3.00% per year.

The Finance Plan also assumes that the taxing entities will continue to collect tax revenues at the same rate and that homestead and other exemption rates will remain unchanged. Build-out rates of tax base within the Finance Plan are based on conservative rates of absorption established from historical market data collected from the City of Laredo demographics. Roll Back Taxes generated within the Zone during its term of the TIRZ will be paid into the Tax Increment Fund, but have not been included in the financial projections to maintain the most conservative assumptions of performance.

### **Financial Feasibility**

Based on the private development plans, public improvement program, budgets and general financing strategy, financial assumptions, and the feasibility study prepared by Wert-Berater, Inc., and as required by Section 311.011(c)(3) of the Texas Tax Code, the City of Laredo City Council finds that the Finance and Project Plan set forth herein is economically feasible.

### **Financial and Governance Policies**

Pursuant to Chapter 311 of the Texas Tax Code, the Zone will be governed by a ten-member Board of Directors appointed by the City Council, the Board of Directors of the ZONE (hereinafter also referred to as the "TIRZ Board"). The TIRZ Board members shall include: a City designee, a County designee, a College District Designee, and five other initial members all of whom must be the owners of real property within the Zone, or an agent or employee of an owner of real property in the Zone; the other two board members shall be the State Senator and State Representative representing the districts in which the Zone is located. The chairperson of the TIRZ Board will be designated by the City Council.

The TIRZ Board will operate pursuant to Robert's Rules of Order and will adopt rules governing the management of the TIRZ. These rules are designed to ensure conformity with all Texas Tax Code rules and regulations, including but not limited to the requirement that all meetings are held in compliance with the Texas Open Meetings Act. The TIRZ Board may make non-Material Changes within the Project and Finance Plan without further approval by CITY, provided that said changes do not violate the competitive bidding requirements for public infrastructure improvements as required by Texas law to the extent they are applicable, and that the term of the Zone, the total contributions by participating taxing entities, and the area of the zone may not be modified by the Board. Additional guidelines and requirements for carrying out the Project and additional rights and obligations of the City, County, College District and Developer are contained in the City ordinances creating the Zone, approving the Finance Plan and Project Plan, as well as in the Development Agreement and the Interlocal Agreements related to the Project.

Compliance: The Developer shall comply with all applicable federal, state and local laws, rules and regulations, including all those relating to the construction of public improvements.

Reporting: The Developer shall submit a project status report and financial report on a semi-annual basis to the City.

Inspection: The Developer shall allow the City, County and/or the Board of Directors for the ZONE reasonable access to the Project site or sites for inspections during and upon completion of construction upon reasonable notice.

The TIRZ Board may from time-to-time recommend amendments to these financial policies to the City which, if adopted by the City, may affect the operation of the Zone.

**Conclusions**

Based upon a set of conservative assumptions and an analysis of the Zone Project and Finance Plan, the TIRZ Board and the Council of the City of Laredo has concluded that the TIRZ Project and Finance Plan is economically feasible in compliance with Chapter 311 of the Texas Tax Code.

The success of the Project within the Zone will encourage other large planned mixed-use developments with higher values. The new residential population base: will support an expanding retail base, will supplement the existing job market by adding over 2,000 new jobs, and will attract additional private development into the Zone and surrounding area. In addition, the Zone will serve to stabilize and enhance future property values in the City of Laredo and Webb County, and will serve the municipal and governmental purpose of protecting the public safety and welfare.

## **APPENDIX & EXHIBITS**

### **TIRZ REQUIREMENTS**

Section 311 of the Texas Tax Code (Tax Increment Financing Act) specifies that TIRZ Project and Finance Plans meet certain requirements. These requirements are listed below, along with a reference indicating where these elements can be located in the Project and Finance Plan. All of the exhibits identified below in this Appendix are incorporated into the Project and Finance Plan of the Zone as if fully set forth herein, and are made a part hereof for all purposes:

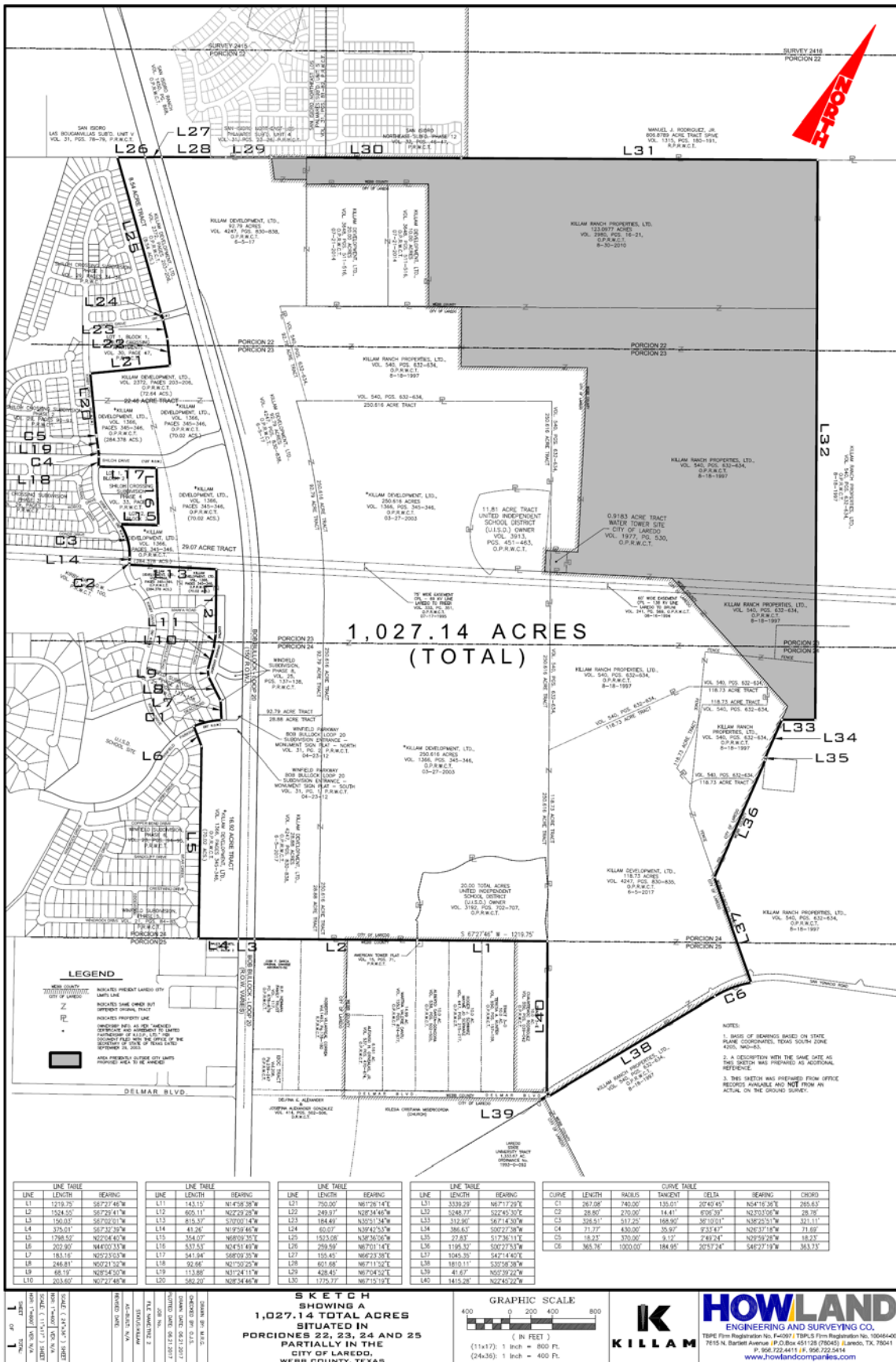
#### **Project Plan**

1. Survey and Field Notes of Property	Exhibit 1
2. Map of proposed improvements and uses- Winfield Coves Master Plan	Exhibit 2A
Map of existing uses and conditions	Exhibit 2B
3. Proposed changes of zoning ordinances, waivers and exceptions to subdivision rules and regulations	Exhibit 3
4. Estimated non-project costs	None claimed
5. Relocation plan for current residents	Not Applicable (no current residents)

#### **Finance Plan**

1. Summary	Exhibit 4
2. Detailed estimate of Project Costs including Administrative Costs	Exhibit 5 & Exhibit 7
3. Proposed Public Improvements (location, kind, number)	Exhibit 5 & Exhibit 9
4. Finding that Plan is economically feasible/economic feasibility study	Pages 8 & 12
4. Project timeline	Exhibit 4
5. Estimated amount of bonded indebtedness	Exhibit 6 & Page 12
6. Time when costs/obligations will be incurred	Exhibit 5 & Pages 11 & 12
7. Methods of financing, sources of revenue	Exhibit 6 & Pages 9, 11 & 12
8. Current total appraised value and Base Calculation	Exhibit 4 & 8
9. Estimated captured appraised value	Exhibit 6 & Exhibit 7
10. Duration of Zone	Exhibit 4

Exhibit 1  
Field Notes of Property & Survey



Preliminary





### 1,027.14 ACRE TRACT DESCRIPTION

**A TRACT OF LAND CONTAINING 1,027.14 ACRES**, more or less, situated in Porcion 22, Doña Maria Jesus Sanches, Original Grantee, Abstract 277, Porcion 23, Leonardo Sanches, Original Grantee, Abstract 283, Porcion 24, Toribio Rodrigues, Original Grantee, Abstract 268 and Porcion 25, Juan F. Garcia, Original Grantee, Abstract 50, City of Laredo, Webb County, Texas, this 1,027.14 acre tract being comprised by the following:

Killam ownership tracts:

A. A Killam Ranch Properties, Ltd. tract originally called to contain 44,142.45 acres known as TRACT "K-1" as per deed dated August 18, 1997 and recorded in Volume 540, Pages 632-634, Official Public Records of Webb County, Texas;

B. Killam Development, Ltd. tracts called to contain 250.616 acres, 284.378 acres and 70.02 acres as per deed recorded March 27, 2003 and recorded in Volume 1366, Pages 345-346, Official Public Records of Webb County, Texas; note that ownership information of Killam Development, Ltd. is as per "Amended Certificate and Agreement to Limited Partnership of Killam Industrial Development, Ltd." as per document filed with the Office of the Secretary of the State of Texas dated September 29, 2003;

C. A Killam Development, Ltd. tract called to contain a total 240.40 acres comprised of 92.79 acres, 28.88 acres and 118.73 acres as per Correction Warranty Deed dated June 5, 2017 and recorded in Volume 4247, Pages 830-838, Official Public Records of Webb County, Texas;

D. A Killam Development, Ltd. tract called to contain 72.64 acres as per deed recorded June 6, 2007 in Volume 2372, Pages 203-206, Official Public Records of Webb County, Texas;

E. A Killam Development, Ltd. tract called to contain a total of 30.00 acres being Tracts I and II as per deed recorded July 21, 2014 in Volume 511-516, Official Public Record of Webb County, Texas;

F. A Killam Ranch Properties, Ltd. tract called to contain 123.0977 acres as per deed recorded August 30, 2010 in Volume 2980, Pages, 16-21, Official Public Records of Webb County, Texas;

This 1,027.14 acre tract additionally comprised of the following:

G. A City of Laredo 0.9183 acre Water Tower Site tract as per deed recorded in Volume 1977, Page 530, Official Public Records of Webb County, Texas;

H. A 20.00 acre United Independent School District tract as per deed recorded December 28, 2011 in Volume 3192, Pages 702-707, Official Public Records of Webb County, Texas;



I. An 11.81 acre United Independent School District tract as per deed recorded January 20, 2016 in Volume 3913, Pages 451-463, Official Public Records of Webb County Texas;

J. Certain drainage easements as per Winfield Subdivision, Phase 8, recorded in Volume 25, Pages 137-138, Plat Records of Webb County, Texas;

K. Portions of the following dedicated public street right-of-ways: Bob Bullock Loop 20, Winfield Parkway, Shiloh Drive and Eskimo Drive;

This 1027.14 acre tract being more particularly described as follows:

**BEGINNING** at a point on the occupied southeast line of Porcion 24 same being the northwest line of Porcion 25 being the most easterly corner of a 20.00 acre tract conveyed to the United Independent School District (UISD) as per Special Warranty Deed recorded December 28, 2011 in Volume 3192, Pages 702-707, Official Public Records of Webb County, Texas, said point being an interior corner of this 1,027.14 acre tract;

THENCE S67°27'46"W, along the southerly line of said UISD 20.00 acre tract being along the occupied southeast line of Porcion 24 same being the northwest line of Porcion 25, a distance of 1219.75' to a point for the most southerly corner of the 20.00 acre tract for a deflection right;

THENCE S67°29'41"W along a barb wire fence being along the occupied southeast line of Porcion 24 same being the northwest line of Porcion 25 and the perimeter of the original Killam Ranch Properties, Ltd. TRACT "K-1", a distance of 1524.55' to a point on the easterly right-of-way line of Bob Bullock Loop 20 (150' ROW at this point) for a deflection left;

THENCE S67°02'01"W, crossing Bob Bullock Loop 20 (150' ROW at this point), a distance of 150.03' to a point on the west right-of-way line of said Loop 20;

THENCE S67°32'39"W, a distance of 375.01' to a point being the most easterly corner of Winfield Subdivision, Phase 5 as per plat recorded in Volume 21, Pages 84-85, Plat Records of Webb County, Texas, said point being the southwesterly corner hereof;

THENCE N22°04'40"W, along a common line Winfield Subdivision, Phase 5 and also with Winfield Subdivision, Phase 6 as per plat recorded in Volume 23, Pages 94-95, Plat Records of Webb County, Texas, at a distance of 1798.52' a point for a deflection left;

THENCE N44°00'33"W, along a common line with said Winfield Subdivision, Phase 6, at 122.85' a point on the southerly right-of-way line of Winfield Parkway (80' ROW) and thereafter crossing Winfield Parkway at a total distance of 202.90', a point on the northerly right-of-way line of said Winfield Parkway for an exterior corner hereof;

THENCE along the northerly right-of-way line of Winfield Parkway and a common line with Winfield Subdivision, Phase 8 as per plat recorded in Volume 25, Pages 137-138, Plat Records of Webb County,



Texas, along the arc of a curve to the right a distance of 267.08', said curve having a radial bearing of S46°03'47"E, a radius 740.00' a central angle of 20°40'45", and a chord bearing and distance of N54°16'36"E-265.63', said point being the most easterly corner of Lot 18, Block 3 of said Winfield Subdivision, Phase 8 for an interior corner hereof;

THENCE along common lines with the perimeter of Block 3 of said Winfield Subdivision, Phase 8 the following bearings and distances to deflection points;

N25°23'03"W-183.16'

N50°21'52"W-246.81'

N28°54'50"W-68.19'

N07°27'48"W-203.60'

N14°58'38"W-143.15'

THENCE N22°29'28"W, continuing along a common line of said Block 3, at 359.17' a point for the most northerly corner of Winfield Subdivision, Phase 8 and at 605.11' a point for an interior corner hereof;

THENCE S70°00'14"W, a distance of 815.37' to a point on the easterly right-of-way line of Kirby Drive (60' ROW) as per the Right-of-Way Dedication Plat recorded in Volume 31, Page 100, Plat Records of Webb County, Texas, said point being an exterior corner hereof;

THENCE along the present easterly right-of-way line of Kirby Drive being long the arc of said curve to the right, a distance of 28.80' to a point of tangency, said curve to the right having a radial bearing of N63°53'35"E, a radius of 270.00', a central angle of 06°06'39" and a chord bearing and distance of N23°03'06"W-28.78';

THENCE N19°59'46"W, continuing along the easterly right-of-way line of Kirby Drive, a distance of 41.26' to a point of curvature of a curve to the left for the most northerly corner of Kirby Drive as per aforementioned Kirby Drive Right-of-Way Dedication Plat same being the southeasterly corner of Shiloh Crossing Subdivision, Phase 3 as per plat recorded in Volume 29, Pages 7-9, Plat Record of Webb County, Texas;

THENCE continuing along the present easterly right-of-way line of Kirby Drive as per plat of Shiloh Crossing Subdivision, Phase 3, being along the arc of said curve to the left a distance of 326.51' to a point being the most southerly corner of Lot 2, Block 2, Shiloh Crossing Subdivision, Phase 4 as per plat recorded in Volume 33, Page 6, Plat Records of Webb County, Texas for an exterior corner hereof, said curve to the left having a radius of 517.25', a central angle of 36°10'01" and a chord bearing and distance of N38°25'51"W-321.11';

THENCE N68°09'35"E along a common line with Lot 2, Block 2, Shiloh Crossing Subdivision, Phase 4, a distance of 354.07' to a point for the most easterly corner of said Lot 2 and Shiloh Crossing Subdivision, Phase 4 for an interior corner hereof;



THENCE N24°51'49"W, continuing along a common line with Lot 2, Block 2, a distance of 537.53' to a point on the southerly right-of-way line of Shiloh Drive (120' ROW) being the most northerly corner of said Lot 2, Block 2 for an exterior corner hereof;

THENCE S68°09'35"W, along the southerly right-of-way line of Shiloh Drive being partially along common lines with Lots 1 and 2, Block 2 of Shiloh Crossing Subdivision, Phase 4, a distance of 541.94' to a point for an exterior corner hereof;

THENCE N21°50'25"W, within Shiloh Drive right-of-way, a distance of 92.66' to a point of curvature of a curve to the right having a radius of 430.00', a central angle of 09°33'47" and a chord bearing and distance of N26°37'18"W-71.69';

THENCE along the arc of said curve to the right, a distance of 71.77' to a point of tangency;

THENCE N31°24'11"W along the easterly right-of-way line of Kirby Dr., a distance of 113.88' to a point of curvature of a curve to the right having a radius of 370.00', a central angle of 02°49'24" and a chord bearing and distance of N29°59'28"W – 18.23';

THENCE along the arc of said curve to the right a distance of 18.23' to a point of tangency;

THENCE N28°34'46"W, continuing along the easterly right-of-way line of Kirby Dr., a distance of 582.20' to a point being the southwest corner of Lot 1, Block 1, Shiloh Crossing Apartments as per plat recorded in Volume 30, Page 47, Plat Records of Webb County, Texas, said point being an exterior corner hereof;

THENCE N61°26'14"E, along a common line with said Lot 1, a distance of 750.00' to a point being the southeast corner of said lot for an interior corner hereof;

THENCE N28°34'46"W, continuing along a common line with said Lot 1, a distance of 249.97' to a point for a deflection left;

THENCE N35°51'34"W, continuing along a common line with said Lot 1, a distance of 184.49' to a point on the southerly right-of-way line of Eskimo Dr. (60'ROW), said point being the northeast corner of said Lot 1;

THENCE N39°42'53"W, crossing Eskimo Drive, a distance of 60.07' to a point on the northerly right-of-way line of Eskimo Drive, said point being the southeast corner of Block 1, Shiloh Crossing Subdivision, Phase 1 as per plat recorded in Volume 29, Pages 34-36, Plat Records of Webb County, Texas;

THENCE N38°36'06"W, leaving the northerly right-of-way line of Eskimo Drive same being along the easterly line of Block 1 of said Shiloh Crossing Subdivision, Phase 1, a distance of 1523.08' to a point being the northeast corner of Lot 49, Block 1, Shiloh Crossing Subdivision, Phase 1 same being the northwest corner hereof;

THENCE N67°01'14"E, along the northerly line of aforementioned Killam Development, Ltd. Tract called to contain 72.64 acres same being along the southerly line of San Isidro Las Baganvillas Subdivision, Unit 5 as per plat recorded in Volume 31, Pages 78-79, Plat Records of Webb County, Texas, a distance of



259.59' to a point on the present westerly right-of-way line of Bob Bullock Loop 20 (150' ROW at this point);

THENCE N66°23'38"E, crossing Bob Bullock Loop 20, a distance of 155.45' to a point on the easterly right-of-way of said Loop 20, said point being the northwest corner of aforementioned Killam Development, Ltd. tract called to contain 92.79 acres;

THENCE N67°11'52"E, leaving the easterly right-of-way line of Bob Bullock Loop 20, generally along a fence being along the northerly line of said Killam Development, Ltd. 92.79 acre tract, a distance of 601.68' to a point for a deflection left;

THENCE N67°04'52"E, continuing along the northerly line of the 92.79 acre tract, a distance of 428.45' to a point, a deflection right;

THENCE N67°15'19"E, along common lines with San Isidro Northeast Los Palmares Subdivision, Unit 4, San Isidro Northeast Los Palmares Subdivision, Unit 4, San Isidro Northeast Los Palmares Subdivision, Unit 5 and San Isidro Northeast Subdivision, Phase 12 as per plats recorded in Volume 31, Pages 23-26, Volume 31, Pages 81-82 and Volume 32, Pages 46-47, Plat Records of Webb County, Texas respectively, a distance of 1775.77' to a point for the southeast corner of said San Isidro Northeast Subdivision, Phase 12;

THENCE N67°17'29"E, along the northerly line of the aforementioned 123.0977 acre Killam Ranch Properties, Ltd. tract, a distance of 3339.29' to a point for the most northerly corner of said 123.0977 acre tract for the most northerly corner hereof;

THENCE S22°45'30"E, partially along the easterly line of said 123.0977 acre tract, a distance of 5248.77' to a point for the most easterly corner hereof;

THENCE S67°14'30"W, a distance of 312.90', to a point on the present Laredo City Limits Line for an interior corner hereof;

THENCE along the present Laredo City Limits Line as follows:

S00°27'38"W-386.63'  
 S17°36'11"E-27.83'  
 S00°27'53"W-1195.32'

THENCE S42°14'40"E, continuing along the present Laredo City Limits Line, a distance of 1045.35' to a point for the most easterly corner hereof and being a non-tangent point of a curve to the left;

THENCE continuing along the present Laredo City Limits Line being along the arc of said curve to the left having a radial bearing of S33°03'59"E, a radius of 1000.00', a central angle 20°57'24" and a chord bearing and distance of S46°27'19"W - 363.73', a distance of 365.76' to a point of tangency;

THENCE S35°58'38"W, along the present Laredo City Limits Line, a distance of 1810.11' to a point for the most southerly corner hereof;



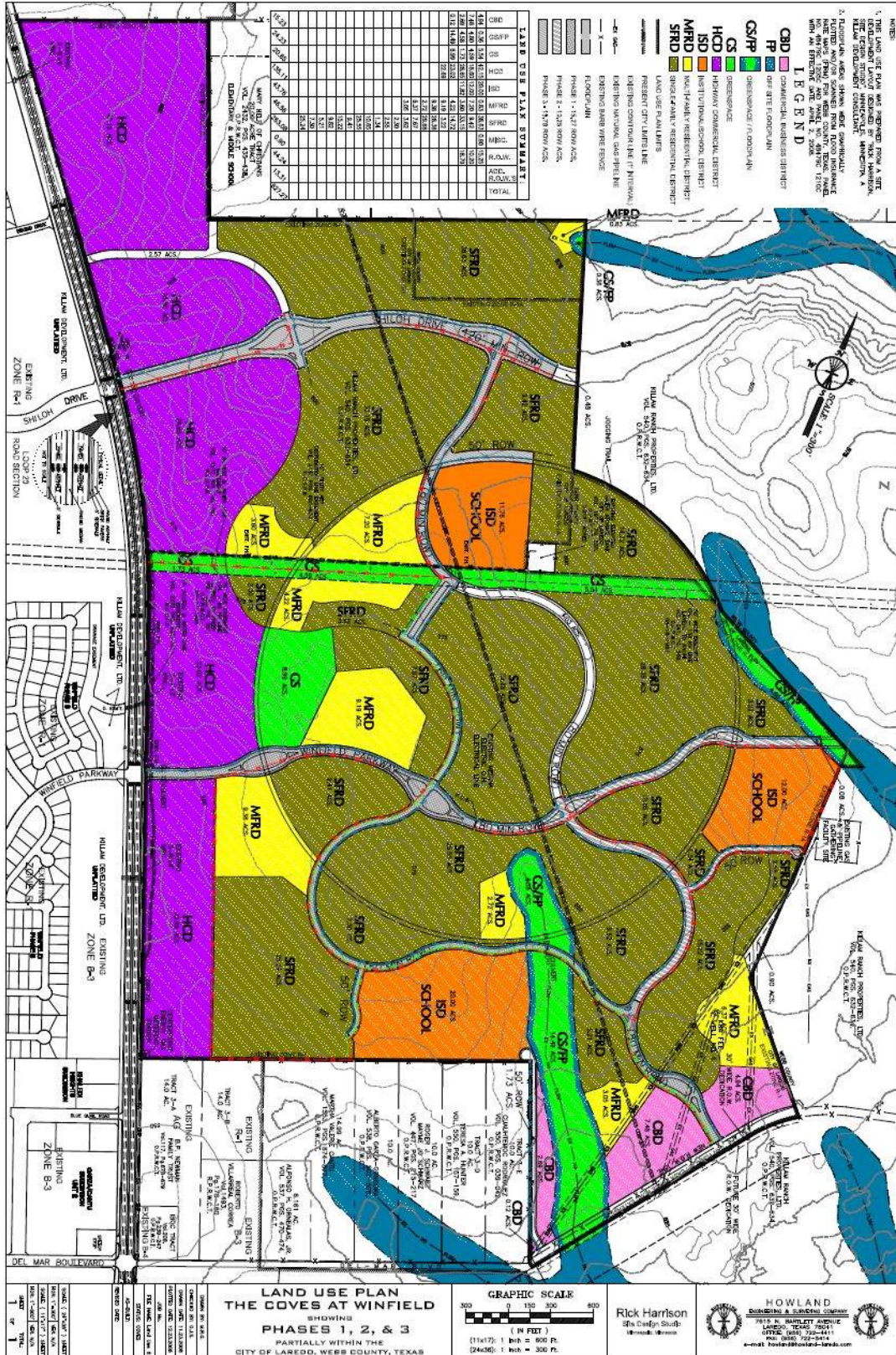
THENCE N55°39'22"W, continuing again with the present Laredo City Limits Line, a distance of 41.67' to a point for a deflection right;

THENCE N22°45'22"W, deviating away from the present Laredo City Limits Line, a distance of 1415.28' to the **POINT OF BEGINNING** of this 1027.14 acre, more or less, tract of land.

- NOTES:
1. Basis of bearings based on State Plane Coordinates, Texas South Zone 4205, NAD-83.
  2. A sketch with the same date as this description was prepared as additional reference.
  3. The description was prepared from office records available and **NOT** from an actual on the ground survey.

Prepared by: Howland Engineering and Surveying Co. on June 21, 2017.

Exhibit 2  
A. Map of Proposed Improvements and Uses



## B. Map of Existing Uses and Conditions



All privately owned property in the Zone, as shown in the above map, is currently undeveloped, having no vertical development. The land is open vacant land or is in use for agricultural purposes.



## Exhibit 3

A. Waivers and Exceptions to the City of Laredo Land Development Ordinance,  
Subdivision Code, and Platting Regulations

NOTE: THE LANGUAGE OF THIS EXHIBIT IS TO BE MODIFIED PRIOR TO FINAL READING OF THE ORDINANCE CREATING THE TIRZ PURSUANT TO DISCUSSIONS BETWEEN THE CITY PLANNING DEPARTMENT AND THE DEVELOPER.

The following specific waivers and exceptions to the City of Laredo Land Development Ordinance, Subdivision Code, and Platting Regulations will be required for the Project, and said waivers and exceptions are granted by the City Council of the City of Laredo through passage of the ordinance approving this Project Plan:

1. The requirement that two access points must be provided into any subdivision with over 20 lots shall not apply to this Project. Emergency access walks/drives shall be recognized as secondary access points for emergency service vehicles.
2. The requirement that the maximum street length ending in a cul-de-sac shall be 600 feet will not apply to this Project provided the unit of development enjoying the variance is designed and platted using the 'coving method' and there are emergency access walks/drives serving the unit of development.
3. The requirements pertaining to sidewalks contained in the City's Development Code will not apply to this Project provided a sidewalk on one side of the street having a width of at least adequate for pedestrian and bike traffic is provided in a plan that is sealed by the registered engineer designing the unit of development.
4. The requirements pertaining to side yard set-backs from property line will be five (5) feet for lots not on a corner and ten (10) feet on the side of any lot on a corner where the side of the lot is along the adjoining street.
5. The requirements pertaining to front yard set-backs for R-1 zoning will be 20 feet rather than the 25 feet as required by the City Development Code.
6. There will be no park fee collected because the parkland dedication will exceed the CITY's requirements as of 10/30/2016.
7. The Front Yard set-back and rear yard set-back on all residential lots in the project shall be twenty (20) feet.
8. The minimum lot with for each residential lot (i.e. R-1 zoning) in the project shall be forty-five (45) feet, and the minimum lot size shall be 4,500 square feet.

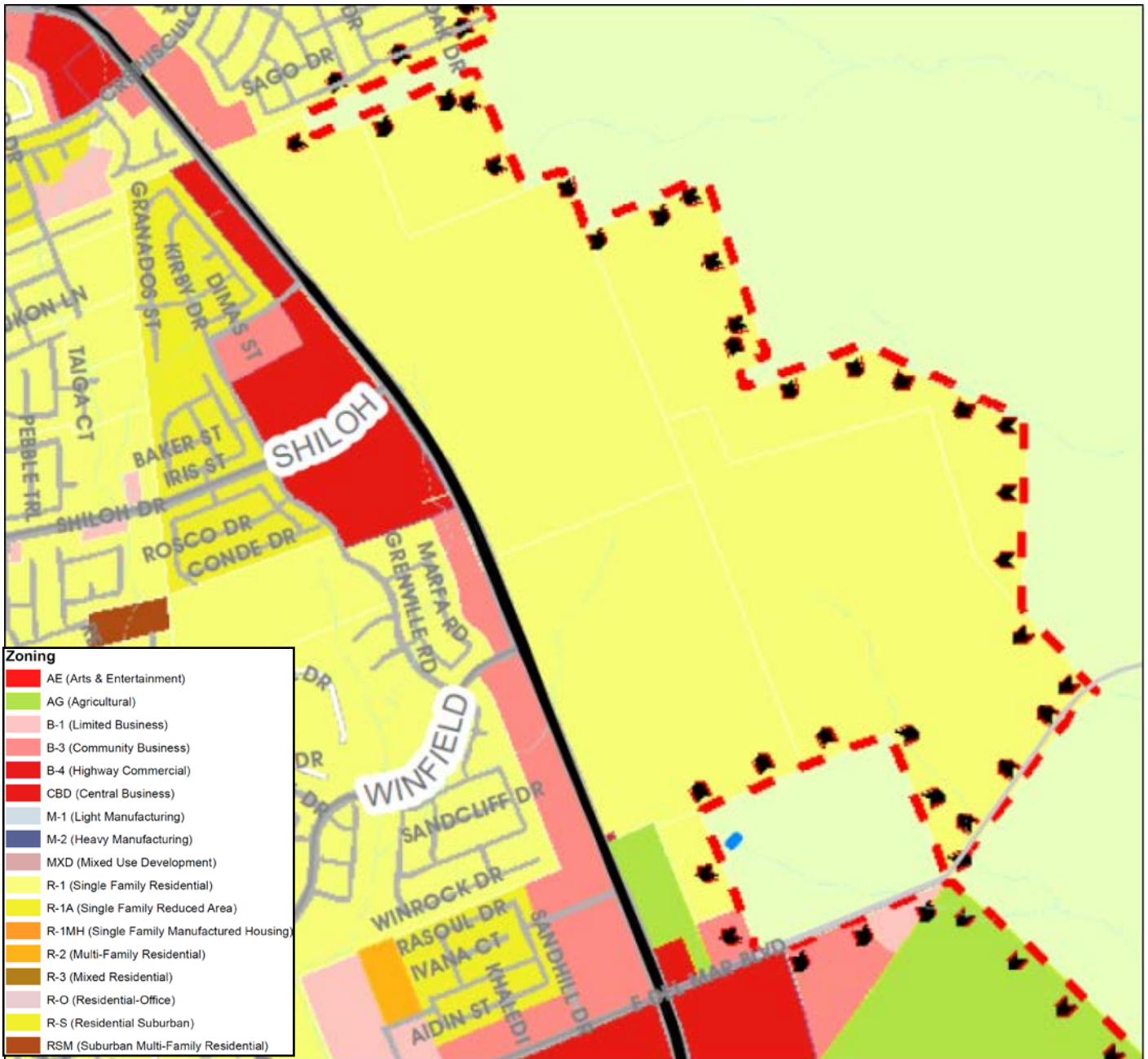
Pursuant to Section 311.010(c) of the Texas Tax Code the Board of the Zone is hereby delegated the powers of the City under Chapter 211 of the Texas Local Government Code. As such the Board may take all actions as would the City under said Chapter 211. In addition, the Board may hear and grant

exceptions to the City’s Land Development Ordinance, Subdivision Code, and Platting Regulations (a “Waiver”). The Board must notify the City Secretary (with copy to the City Attorney) in writing if a Waiver is granted. The City Council can overturn said Waiver within ten (10) business days after the notice is received by the City Secretary. The notice must be sent to the City Secretary by email or hand delivery within two business days from the day the Waiver was granted.

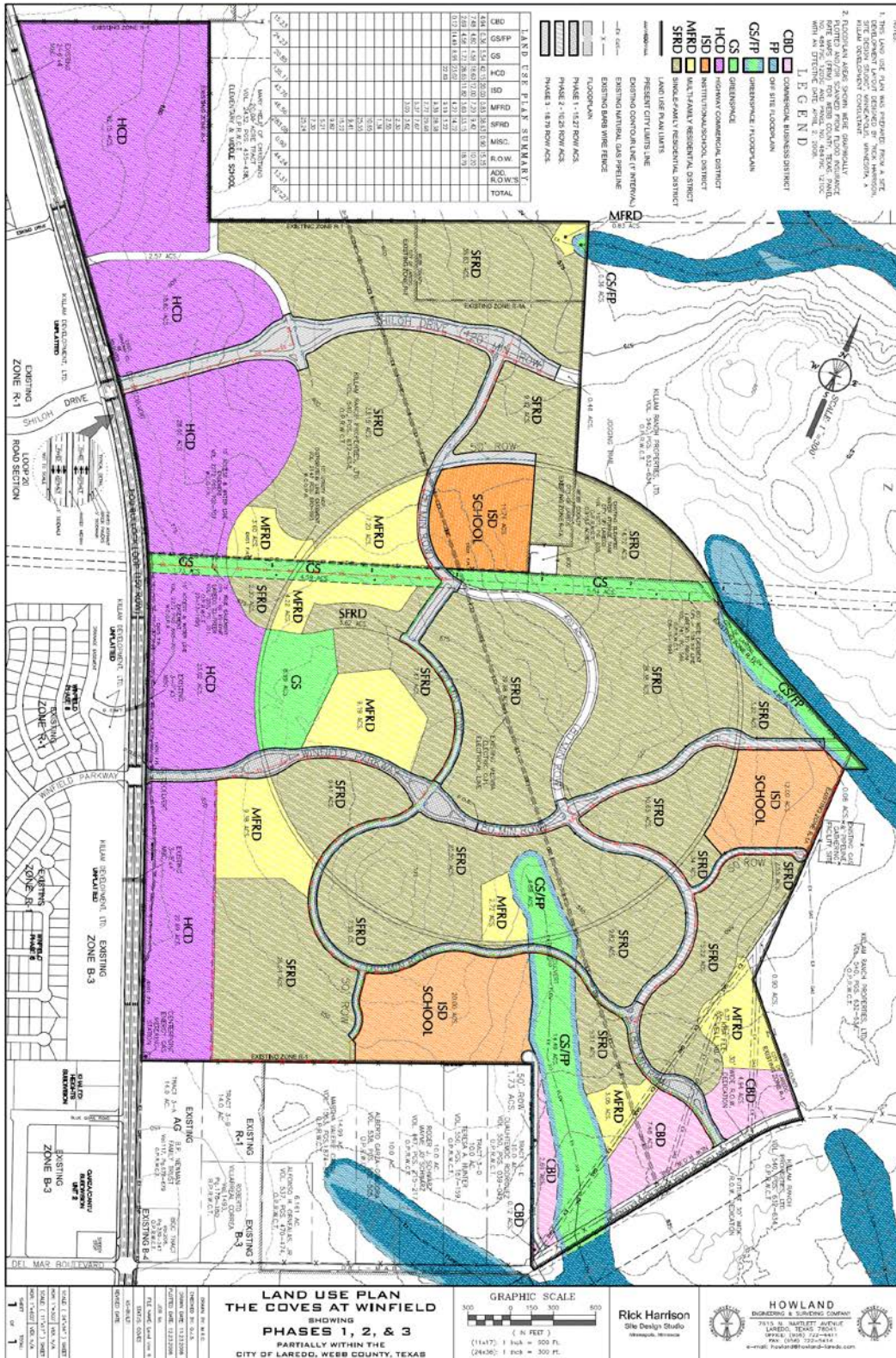
*[Remainder of Page Intentionally Left Blank-Project Plan and Finance Plan Continue on Next Page]*

B. Current and Future Land Use/Zoning

1. Current Land Use: All property (other than publicly owned tracts) located within the Zone are currently used as open space or agricultural land; none of the private property tracts are developed. The current zoning of the property with the Zone is as depicted in the zoning map below; a full-size copy of which is available at the City Planning Department or online at: <file:///C:/Users/dearl/Desktop/Laredo%20zoning%20map.pdf>



1. Future Land Use: The future land use and zoning for the property within the Zone is depicted below:



A full-size copy of this Exhibit is available at Developer's Office for inspection.

Exhibit 4  
A. Summary Fact Sheet

City of Laredo Tax Increment Reinvestment Zone #2			
Estimated 30 Year Build out of Residential, Multi-Family, & Commercial			
Summary Fact Sheet			
November 29, 2017			
Site Area		1,027.14	+/- Acres
2017 Base Value	\$	9,722,168	
2017 Base Maintenance & Operations (M&O) Taxes	\$	109,381	
			Taxable Value
			(Total Value)
<b>PROPOSED DEVELOPMENT</b>			
Single Family Residential Units	1,767	Homes	\$ 721,407,249
Multifamily 10 du/acre	905	Units	\$ 93,214,088
Large Anchor Retail	211,000	Sq. Ft.	\$ 28,102,742
Junior Anchor Retail	194,000	Sq. Ft.	\$ 31,006,248
Small Retail	196,000	Sq. Ft.	\$ 64,556,394
Specialty Retail	48,000	Sq. Ft.	\$ 12,786,082
Hotel	100	Units	\$ 13,309,778
Public School	44	Acres	\$ -
Usable Green Space/Park & Recreation Center	23	Acres	\$ -
Green Space in Flood Plain	45	Acres	\$ -
Main Collector Roadway	79	Acres	\$ -
			<b>Total \$ 964,382,581</b>
<b>SUMMARY</b>		<b>Base Value</b>	<b>Collection of M&amp;O Taxes</b>
	2017 \$	9,722,168	\$ 109,381
	Projected 2048 \$	964,382,581	\$ 10,741,460
	Difference \$	954,660,413	\$ 10,632,079
<b>ASSUMPTIONS</b>			
City of Laredo M&O Rate	\$	0.494068	per \$100
Tax Rate Contribution to Tax Increment Fund *	\$	0.296441	
City of Laredo Participation Rate		60.00%	
Community College M&O Rate	\$	0.255000	per \$100
Tax Rate Contribution to Tax Increment Fund	\$	0.153000	
Community College Participation Rate		60.00%	
Webb County M&O Rate	\$	0.376000	per \$100
Contribution to Tax Increment Fund	\$	0.225600	
Webb County Participation Rate		60.00%	
Tax Collection Rate		99.00%	
Estimated TIRZ Term		30 Years	
<b>SOURCES &amp; USES</b>			
Est. Total Net TIF Revenues (60% City, 60% County, 60% LCC)	\$	100,564,187.99	
Est. Eligible Project Costs	\$	124,783,387.10	
Developer's Contribution	\$	(24,219,199.11)	
<b>BENEFITS TO CITY</b>			
Additional Sales Tax Revenue (100%)	\$	43,599,714.61	
Additional Hotel Occupancy Tax (100%)	\$	5,897,447.48	
Additional Funding for City Services (100%)	\$	24,289,243.83	
Offset Cost of City Services - From PID Revenue (100%)	\$	18,944,460.04	
Additional Tax from Increment (40%)	\$	29,441,507.67	
Donation of 50% of Loop 20 ROW adjacent to TIRZ (100%)**	\$	9,801,000.00	
Recreation Center with Multi-Use Facilities (100%)	\$	10,000,000.00	
Down Payment Assistance Funding (100%)	\$	7,900,000.00	
	<b>Total \$</b>	<b>149,873,373.63</b>	
<p>Notes: The projections and estimates contained in this Finance and Project Plan are subject to and may be impacted by market and economic conditions both domestic and international. Actual completion and construction of the Project may take more or less time than described herein. However it is understood that the Developer will use its best efforts to complete the project as quickly as economically feasible. A growth rate of 2.0% per year has been used to establish value of future tax base. In the event the actual performance of the project outperforms assumptions, the Developer's Contribution will be reduced.</p> <p>* Tax Rate contributed by City of Laredo is the City's pledge prior to netting out City's cost of service for the new community within the TIRZ.</p> <p>** Developer will donate 50% of that portion of the Loop 20 Right of Way which is adjacent to and contiguous with the limits of the TIRZ, up to a maximum of 15 acres; with the donation to occur at equal date and time as the acquisition(s) by purchase of the corresponding 50% of the Right of Way in said area.</p>			

B. Overall Summary with Escalators Table

City of Laredo Tax Increment Finance Zone #2 Finance Plan - Overall Summary with Escalators (30 year) Tax Value added by year with escalator 60% of Tax on Increment Pledged to TIRZ									
Development Type/ by a/c	Development Year						2023		
	2017	2018	2019	2020	2021	2022			
Total Current Value	1	2	3	4	5	6			
Lots/Tracts Platted	50	50	50	75	75	75			
Lots/Tracts Constructed	0	50	50	50	75	75			
Single Family Homes	-	-	-	50	50	75			
Apartment	-	-	-	200	-	-			
Large Anchor Retail	20,000	-	20,000	-	20,000	-			
Junior Anchor Retail	25,000	-	25,000	-	-	23,000			
Small Retail	-	-	38,000	-	-	-			
Specialty Retail	-	-	-	-	-	-			
Hotel	-	-	-	-	-	-			
Single Family Homes - Incremental Value	-	-	11,724,900	11,959,398	12,198,586	18,663,857			
Single Family Homes - Cumulative Increment	-	-	11,724,900	23,918,796	36,595,758	55,991,510			
Apartment - Incremental Value	-	-	-	12,068,640	-	-			
Apartment - Cumulative Increment	-	-	-	12,068,640	-	-			
Large Anchor Retail - Incremental Value	-	-	1,500,000	-	-	-			
Large Anchor Retail - Cumulative Increment	-	-	1,500,000	1,560,600	3,183,624	3,247,296			
Junior Anchor Retail - Incremental Value	-	-	2,111,400	-	-	-			
Junior Anchor Retail - Cumulative Increment	-	-	2,111,400	2,153,628	2,196,701	4,481,269			
Small Retail - Incremental Value	4,625,000	-	7,170,600	-	-	-			
Small Retail - Cumulative Increment	4,625,000	4,717,500	11,982,450	12,222,099	12,466,541	12,715,872			
Specialty Retail - Incremental Value	-	-	-	-	-	-			
Specialty Retail - Cumulative Increment	-	-	-	-	-	-			
Hotel - Incremental Value	-	-	-	-	-	-			
Hotel - Cumulative Increment	-	-	-	-	-	-			
Added Annual Increment Value =	\$ 4,625,000.00	\$ -	\$ 22,536,900.00	\$ 24,028,038.00	\$ 13,790,397.96	\$ 20,904,471.09			
Cumulative Increment =	\$ 4,625,000.00	\$ 4,717,500.00	\$ 27,348,750.00	\$ 51,923,763.00	\$ 66,752,636.22	\$ 88,992,160.03			
<b>Tax Collected by Taxing Entity</b>									
Proposed Tax Revenue - City of Laredo	\$ 6,666,666	\$ 23,307,666	\$ 135,121,422	\$ 256,538,700	\$ 329,803,411	\$ 459,681,791			
40% Retained by City	\$ 9,140,266	\$ 9,323,066	\$ 54,048,572	\$ 102,615,480	\$ 131,921,372	\$ 175,872,771			
60% Contributed to TIRZ	\$ 13,710,399	\$ 13,984,599	\$ 81,072,850	\$ 153,923,220	\$ 197,882,039	\$ 283,809,020			
Proposed Tax Revenue - Webb County	\$ 6,330,000	\$ 17,390,000	\$ 102,831,300	\$ 195,233,350	\$ 250,989,910	\$ 334,610,520			
40% Retained by County	\$ 6,956,000	\$ 7,095,120	\$ 41,132,520	\$ 78,093,340	\$ 100,395,960	\$ 133,844,210			
60% Contributed to TIRZ	\$ 10,434,000	\$ 10,644,680	\$ 61,698,780	\$ 117,140,010	\$ 150,593,950	\$ 200,766,310			
Proposed Tax Revenue - Comms. College District	\$ 6,250,000	\$ 11,793,375	\$ 69,739,310	\$ 132,405,600	\$ 170,219,220	\$ 226,990,010			
40% Retained by District	\$ 10,200,000	\$ 4,717,500	\$ 27,895,730	\$ 52,962,240	\$ 68,087,690	\$ 90,772,000			
60% Contributed to TIRZ	\$ 15,900,000	\$ 7,076,250	\$ 41,843,580	\$ 79,443,360	\$ 102,131,530	\$ 136,218,010			
<b>TOTAL TAX AVAILABLE FROM INCREMENT =</b>	\$ 52,034,400	\$ 59,075,080	\$ 307,692,030	\$ 584,177,640	\$ 751,012,550	\$ 1,001,222,320			
Assumed 99.0% Collection Rate	\$ 51,514,050	\$ 52,544,330	\$ 304,615,110	\$ 578,335,870	\$ 743,502,420	\$ 991,210,090			
<b>TOTAL ANNUAL PROJECT COSTS=</b>	\$ 7,361,526.72	\$ 3,411,153.06	\$ 1,306,269.58	\$ 1,740,570.36	\$ 1,814,757.14	\$ 3,891,636.67			

Overall Summary with Escalators Table (Continued)

Development Type/ by acre	City of Laredo Tax Increment Finance Zone #2 Finance Plan - Overall Summary with Escalators (30 year) Tax Value added by year with escalator 60% of Tax on Increment Pledged to TIRZ									
	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Development Year	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Development Type/ by acre	14	15	16	17	18	19	20	2036	2037	20
Lots/Tracts Platted	100	100	100	100	100	100	100	100	100	142
Lots/Tracts Constructed	100	100	100	100	100	100	100	100	100	100
Single Family Homes	-	-	-	-	-	-	-	-	-	-
Apartment	-	-	105	-	-	-	-	-	-	-
Large Anchor Retail	-	40,000	-	-	-	-	20,000	-	-	-
Junior Anchor Retail	-	-	30,000	-	-	-	15,000	-	-	23,000
Small Retail	-	-	30,000	-	-	-	15,000	-	-	-
Specialty Retail	-	-	-	-	-	-	-	-	-	-
Hotel	-	-	-	-	-	-	-	-	-	-
Single Family Homes - Incremental Value	29,156,879	29,740,016	30,334,817	30,941,513	31,560,343	32,191,550	32,835,381	33,483,612	34,145,243	34,820,274
Single Family Homes - Cumulative Increment	2,69,701,129	3,04,835,168	341,266,689	379,033,535	418,174,550	458,729,591	500,739,564	548,299,547	597,469,530	648,259,513
Apartment - Incremental Value	-	-	8,035,626	-	-	-	-	-	-	-
Apartment - Cumulative Increment	58,846,419	60,023,348	69,259,440	70,644,629	72,057,522	73,498,672	74,968,646	76,468,000	77,996,293	79,543,925
Large Anchor Retail - Incremental Value	3,880,820	10,963,316	11,182,583	11,406,234	11,634,261	11,866,676	12,103,479	12,344,672	12,590,263	12,840,250
Large Anchor Retail - Cumulative Increment	6,943,624	10,963,316	11,182,583	11,406,234	11,634,261	11,866,676	12,103,479	12,344,672	12,590,263	12,840,250
Junior Anchor Retail - Incremental Value	10,272,759	10,478,214	14,250,371	14,535,378	14,820,385	15,105,392	15,390,399	15,675,406	15,960,413	16,245,420
Junior Anchor Retail - Cumulative Increment	26,629,907	27,162,505	35,028,862	35,729,440	36,430,018	37,130,596	37,831,174	38,531,752	39,232,330	39,932,908
Small Retail - Incremental Value	4,565,670	4,656,984	4,750,124	4,845,126	4,942,029	5,040,869	5,141,686	5,244,503	5,349,319	5,456,175
Small Retail - Cumulative Increment	9,505,345	9,695,452	9,889,361	10,087,149	10,288,892	10,494,669	10,704,563	10,918,594	11,136,781	11,359,146
Specialty Retail - Incremental Value	29,156,878.86	33,620,836.33	49,256,142.23	30,941,513.10	39,282,262.95	32,191,550.23	35,791,850.96	34,242,998.76	32,794,146.56	31,345,294.36
Hotel - Incremental Value	386,464,854.02	427,814,987.43	485,627,429.40	526,281,491.09	576,089,383.86	619,802,721.77	667,990,627.17	719,643,521.06	776,851,414.95	838,714,308.84
Hotel - Cumulative Increment	9,505,345	9,695,452	9,889,361	10,087,149	10,288,892	10,494,669	10,704,563	10,918,594	11,136,781	11,359,146
Added Annual Increment Value =	\$ 29,156,878.86	\$ 33,620,836.33	\$ 49,256,142.23	\$ 30,941,513.10	\$ 39,282,262.95	\$ 32,191,550.23	\$ 35,791,850.96	\$ 34,242,998.76	\$ 32,794,146.56	\$ 31,345,294.36
Cumulative Increment =	\$ 386,464,854.02	\$ 427,814,987.43	\$ 485,627,429.40	\$ 526,281,491.09	\$ 576,089,383.86	\$ 619,802,721.77	\$ 667,990,627.17	\$ 719,643,521.06	\$ 776,851,414.95	\$ 838,714,308.84
<b>Tax Collected by Taxing Entity</b>										
Proposed Tax Revenue - City of Laredo	\$ 1,909,399.17	\$ 2,113,696.95	\$ 2,399,329.73	\$ 2,600,188.44	\$ 2,846,273.30	\$ 3,062,246.91	\$ 3,300,327.93	\$ 3,560,419.06	\$ 3,842,520.29	\$ 4,146,632.61
40% Retained by City	\$ 763,759.67	\$ 845,478.78	\$ 959,731.89	\$ 1,040,075.37	\$ 1,138,509.32	\$ 1,224,898.76	\$ 1,320,151.17	\$ 1,426,167.63	\$ 1,542,296.92	\$ 1,669,253.24
60% Contributed to TIRZ	\$ 1,145,639.50	\$ 1,268,218.17	\$ 1,439,597.84	\$ 1,560,113.06	\$ 1,707,763.98	\$ 1,837,348.15	\$ 1,980,196.76	\$ 2,136,261.43	\$ 2,300,223.37	\$ 2,477,379.37
Proposed Tax Revenue - Webb County	\$ 1,453,107.85	\$ 1,608,584.35	\$ 1,825,959.13	\$ 1,978,184.41	\$ 2,166,096.08	\$ 2,330,458.23	\$ 2,511,644.76	\$ 2,711,644.76	\$ 2,931,644.76	\$ 3,181,644.76
40% Retained by County	\$ 581,243.14	\$ 643,433.74	\$ 730,383.65	\$ 791,527.36	\$ 866,438.43	\$ 932,183.29	\$ 1,004,657.90	\$ 1,082,659.06	\$ 1,166,265.06	\$ 1,255,457.90
60% Contributed to TIRZ	\$ 871,864.71	\$ 965,150.61	\$ 1,095,575.48	\$ 1,187,291.04	\$ 1,299,657.65	\$ 1,398,274.94	\$ 1,506,986.85	\$ 1,628,985.70	\$ 1,764,979.70	\$ 1,926,186.85
Proposed Tax Revenue - Comms. College District	\$ 985,485.38	\$ 1,090,928.22	\$ 1,238,349.94	\$ 1,342,017.80	\$ 1,469,027.93	\$ 1,580,496.94	\$ 1,703,376.10	\$ 1,831,611.17	\$ 1,965,209.44	\$ 2,114,068.71
40% Retained by District	\$ 394,194.15	\$ 436,371.29	\$ 495,339.98	\$ 536,807.12	\$ 587,611.17	\$ 632,198.78	\$ 681,350.44	\$ 734,083.27	\$ 790,495.37	\$ 850,561.47
60% Contributed to TIRZ	\$ 591,291.23	\$ 654,556.93	\$ 743,009.97	\$ 805,210.68	\$ 881,416.76	\$ 948,298.16	\$ 1,021,925.66	\$ 1,100,227.89	\$ 1,184,714.07	\$ 1,273,507.24
<b>TOTAL TAX AVAILABLE FROM INCREMENT =</b>	\$ 4,347,392.40	\$ 4,813,209.52	\$ 5,463,639.81	\$ 5,921,024.65	\$ 6,481,357.31	\$ 6,973,202.09	\$ 7,513,348.79	\$ 8,093,414.06	\$ 8,714,632.09	\$ 9,378,714.30
Assumed 99.0% Collection Rate	\$ 4,304,512.48	\$ 4,765,077.43	\$ 5,409,002.42	\$ 5,861,814.40	\$ 6,416,583.34	\$ 6,903,470.06	\$ 7,440,195.30	\$ 7,993,376.10	\$ 8,574,632.09	\$ 9,194,714.30
<b>TOTAL ANNUAL PROJECT COSTS=</b>	\$ 2,621,159.57	\$ 2,833,794.18	\$ 2,482,697.55	\$ 2,542,004.47	\$ 2,609,456.79	\$ 2,634,658.50	\$ 2,667,990.62	\$ 2,700,327.93	\$ 2,732,665.24	\$ 2,764,999.37

Overall Summary with Escalators Table (Continued)

Development Type/ by acre	City of Laredo Tax Increment Finance Zone #2 Finance Plan - Overall Summary with Escalators (30 year) Tax Value added by year with escalator 60% of Tax on Increment Pledged to TIRZ									
	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Development Year	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
21	22	23	24	25	26	27				
0	0	0	0	0	0	0				
142	0	0	0	0	0	0				
100	142									
Apartment										
Large Anchor Retail	34,000		23,000		21,000					
Junior Anchor Retail				18,000					18,000	
Small Retail	15,000				23,000					
Specialty Retail	24,000									
Hotel										
Single Family Homes - Incremental Value	33,492,089	48,509,941								
Single Family Homes - Cumulative Increment	3,44,246,444	6,03,641,314	615,714,141	628,028,423	640,388,992	653,400,772	66,648,787			
Apartment - Incremental Value										
Apartment - Cumulative Increment	76,468,018	77,997,379	79,557,326	81,149,473	82,771,442	84,426,871	86,115,409			
Large Anchor Retail - Incremental Value	3,714,868		2,614,524		2,483,616					
Large Anchor Retail - Cumulative Increment	18,246,560	18,611,491	21,598,245	22,030,210	24,954,431	25,453,519	25,962,590			
Junior Anchor Retail - Incremental Value				2,504,487						
Junior Anchor Retail - Cumulative Increment	20,715,855	21,130,172	21,552,775	24,488,318	24,978,084	28,083,314	2,605,668			
Small Retail - Incremental Value	4,042,651				6,709,706					
Small Retail - Cumulative Increment	46,759,997	47,695,197	48,649,100	49,622,082	57,324,231	58,470,715	59,640,129			
Specialty Retail - Incremental Value	5,244,520									
Specialty Retail - Cumulative Increment	10,489,040	10,698,821	10,912,798	11,131,054	11,353,675	11,580,748	11,812,363			
Hotel - Incremental Value										
Hotel - Cumulative Increment	10,918,654	11,137,027	11,359,768	11,586,963	11,818,702	12,055,076	12,296,178			
Added Annual Increment Value =	\$ 46,494,128.57	\$ 48,509,941.50	\$ 2,614,524.44	\$ 2,504,487.07	\$ 9,193,322.71	\$ 2,605,668.34	\$ -			
Cumulative Increment =	\$ 727,844,568.28	\$ 790,911,401.15	\$ 809,344,153.61	\$ 828,035,523.75	\$ 853,789,556.94	\$ 873,471,016.42	\$ 890,940,436.75			
<b>Tax Collected by Taxing Entity</b>										
Proposed Tax Revenue - City of Laredo	\$ 3,596,047.10	\$ 3,907,640.14	\$ 3,998,710.47	\$ 4,091,058.55	\$ 4,218,300.99	\$ 4,315,540.78	\$ 4,401,851.50			
40% Retained by City	\$ 1,438,418.84	\$ 1,563,056.06	\$ 1,599,484.19	\$ 1,636,423.42	\$ 1,687,320.40	\$ 1,726,216.31	\$ 1,760,740.64			
60% Contributed to TIRZ	\$ 2,157,628.26	\$ 2,344,584.08	\$ 2,399,226.28	\$ 2,454,635.13	\$ 2,530,980.59	\$ 2,589,324.47	\$ 2,641,110.86			
Proposed Tax Revenue - Webb County	\$ 2,735,695.58	\$ 2,973,826.87	\$ 3,043,134.02	\$ 3,113,413.57	\$ 3,210,248.73	\$ 3,284,251.02	\$ 3,349,936.04			
40% Retained by County	\$ 1,094,678.23	\$ 1,189,530.75	\$ 1,217,253.61	\$ 1,245,365.43	\$ 1,284,099.49	\$ 1,313,700.41	\$ 1,339,974.42			
60% Contributed to TIRZ	\$ 1,642,017.35	\$ 1,784,296.12	\$ 1,825,880.41	\$ 1,868,048.14	\$ 1,926,149.24	\$ 1,970,550.61	\$ 2,009,961.63			
Proposed Tax Revenue - Comms. College District	\$ 1,856,003.65	\$ 2,016,824.07	\$ 2,063,877.59	\$ 2,111,490.59	\$ 2,177,163.37	\$ 2,227,351.09	\$ 2,271,898.11			
40% Retained by District	\$ 742,401.46	\$ 806,729.63	\$ 825,331.04	\$ 844,596.23	\$ 870,865.35	\$ 890,940.44	\$ 908,759.25			
60% Contributed to TIRZ	\$ 1,113,602.19	\$ 1,210,094.44	\$ 1,238,546.55	\$ 1,266,894.35	\$ 1,306,298.02	\$ 1,336,410.65	\$ 1,363,138.87			
<b>TOTAL TAX AVAILABLE FROM INCREMENT =</b>	<b>\$ 8,188,746.33</b>	<b>\$ 8,898,291.08</b>	<b>\$ 9,105,672.08</b>	<b>\$ 9,315,962.71</b>	<b>\$ 9,605,713.09</b>	<b>\$ 9,827,142.90</b>	<b>\$ 10,023,618.75</b>			
Assumed 99.0% Collection Rate	\$ 8,106,858.86	\$ 8,809,308.17	\$ 9,014,615.36	\$ 9,222,803.08	\$ 9,509,655.96	\$ 9,728,871.47	\$ 9,923,448.90			
<b>TOTAL ANNUAL PROJECT COSTS=</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>			



Overall Summary with Escalators Table (Continued)

Development Type/ by acre	2045		2046		2047		2048		TOTALS
	28	29	30	31	31	31	31		
Lots/Tracts Platted	0	0	0	0	0	0	0	0	1767
Lots/Tracts Constructed	0	0	0	0	0	0	0	0	1767
Single Family Homes	-	-	-	-	-	-	-	-	1,767
Apartment	-	-	-	-	-	-	-	-	905
Large Anchor Retail	-	-	-	-	-	-	-	-	211,000
Junior Anchor Retail	-	-	-	-	-	-	-	-	194,000
Small Retail	-	-	-	-	-	-	-	-	196,000
Specialty Retail	-	-	-	-	-	-	-	-	48,000
Hotel	-	-	-	-	-	-	-	-	100
Single Family Homes - Incremental Value	-	-	-	-	-	-	-	-	-
Single Family Homes - Cumulative Increment	679,798,163	693,394,126	707,262,009	721,407,249	721,407,249	721,407,249	721,407,249	721,407,249	7,214,072,449
Apartment - Incremental Value	-	-	-	-	-	-	-	-	-
Apartment - Cumulative Increment	87,837,717	89,594,471	91,386,361	93,214,088	93,214,088	93,214,088	93,214,088	93,214,088	93,214,088
Large Anchor Retail - Incremental Value	-	-	-	-	-	-	-	-	-
Large Anchor Retail - Cumulative Increment	26,481,842	27,011,478	27,551,708	28,102,742	28,102,742	28,102,742	28,102,742	28,102,742	28,102,742
Junior Anchor Retail - Incremental Value	-	-	-	-	-	-	-	-	-
Junior Anchor Retail - Cumulative Increment	29,217,880	29,802,238	30,398,283	31,006,248	31,006,248	31,006,248	31,006,248	31,006,248	31,006,248
Small Retail - Incremental Value	-	-	-	-	-	-	-	-	-
Small Retail - Cumulative Increment	60,832,932	62,049,591	63,290,582	64,556,394	64,556,394	64,556,394	64,556,394	64,556,394	64,556,394
Specialty Retail - Incremental Value	-	-	-	-	-	-	-	-	-
Specialty Retail - Cumulative Increment	12,048,610	12,289,583	12,535,374	12,786,082	12,786,082	12,786,082	12,786,082	12,786,082	12,786,082
Hotel - Incremental Value	-	-	-	-	-	-	-	-	-
Hotel - Cumulative Increment	12,542,101	12,792,943	13,048,802	13,309,778	13,309,778	13,309,778	13,309,778	13,309,778	13,309,778
Added Annual Increment Value =	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cumulative Increment =	\$ 908,759,245.48	\$ 926,934,430.39	\$ 945,473,119.00	\$ 964,302,581.38	\$ 964,302,581.38	\$ 964,302,581.38	\$ 964,302,581.38	\$ 964,302,581.38	\$ 964,302,581.38
<b>Tax Collected by Taxing Entity</b>									
Proposed Tax Revenue - City of Laredo	\$ 4,489,888.63	\$ 4,579,686.40	\$ 4,671,280.13	\$ 4,764,705.73	\$ 4,764,705.73	\$ 4,764,705.73	\$ 4,764,705.73	\$ 4,764,705.73	\$ 47,347,341.50
40% Retained by City	\$ 1,795,955.45	\$ 1,831,874.56	\$ 1,868,512.05	\$ 1,905,882.29	\$ 1,905,882.29	\$ 1,905,882.29	\$ 1,905,882.29	\$ 1,905,882.29	\$ 19,338,896.64
60% Contributed to TIRZ	\$ 2,693,933.18	\$ 2,747,811.84	\$ 2,802,768.08	\$ 2,858,823.44	\$ 2,858,823.44	\$ 2,858,823.44	\$ 2,858,823.44	\$ 2,858,823.44	\$ 28,408,444.86
Proposed Tax Revenue - Webb County	\$ 3,416,934.76	\$ 3,485,273.46	\$ 3,554,978.93	\$ 3,626,078.51	\$ 3,626,078.51	\$ 3,626,078.51	\$ 3,626,078.51	\$ 3,626,078.51	\$ 36,580,395.49
40% Retained by County	\$ 1,366,773.91	\$ 1,394,109.38	\$ 1,421,991.57	\$ 1,450,431.40	\$ 1,450,431.40	\$ 1,450,431.40	\$ 1,450,431.40	\$ 1,450,431.40	\$ 14,632,158.20
60% Contributed to TIRZ	\$ 2,050,160.85	\$ 2,091,164.07	\$ 2,132,987.36	\$ 2,175,647.10	\$ 2,175,647.10	\$ 2,175,647.10	\$ 2,175,647.10	\$ 2,175,647.10	\$ 21,948,237.29
Proposed Tax Revenue - Comms. College District	\$ 2,317,336.08	\$ 2,363,682.80	\$ 2,410,956.45	\$ 2,459,175.58	\$ 2,459,175.58	\$ 2,459,175.58	\$ 2,459,175.58	\$ 2,459,175.58	\$ 24,632,342.69
40% Retained by District	\$ 926,934.43	\$ 945,473.12	\$ 964,302.58	\$ 983,670.23	\$ 983,670.23	\$ 983,670.23	\$ 983,670.23	\$ 983,670.23	\$ 9,836,702.30
60% Contributed to TIRZ	\$ 1,390,401.65	\$ 1,418,209.68	\$ 1,446,573.87	\$ 1,475,505.35	\$ 1,475,505.35	\$ 1,475,505.35	\$ 1,475,505.35	\$ 1,475,505.35	\$ 14,795,640.39
<b>TOTAL TAX AVAILABLE FROM INCREMENT =</b>	<b>\$ 10,224,159.47</b>	<b>\$ 10,428,642.66</b>	<b>\$ 10,637,215.51</b>	<b>\$ 10,849,939.82</b>	<b>\$ 10,849,939.82</b>	<b>\$ 10,849,939.82</b>	<b>\$ 10,849,939.82</b>	<b>\$ 10,849,939.82</b>	<b>\$ 109,299,979.78</b>
Assumed 99.0% Collection Rate	\$ 10,121,917.87	\$ 10,324,356.23	\$ 10,530,843.36	\$ 10,741,460.22	\$ 10,741,460.22	\$ 10,741,460.22	\$ 10,741,460.22	\$ 10,741,460.22	\$ 107,606,979.98
<b>TOTAL ANNUAL PROJECT COSTS=</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (72,111,148.74)</b>
									<b>\$ 29,468,208.47</b>

\* Surplus applied to offset cost of service.

Exhibit 5  
Sources & Uses Table

City of Laredo Tax Increment Reinvestment Zone #2					
Sources & Uses of Funds					
<b>Sources of Funds</b>		Net TIF Revenues City of Laredo	\$	44,162,261.51	
		Net TIF Revenues Comm. College	\$	22,793,171.56	
		Net TIF Revenues Webb County	\$	33,608,754.92	
		Net TIF Revenues Sales Tax	\$	-	
			\$	100,564,187.99	
<b>Uses of Funds</b>					
	Units	Amount	Cost Per Unit	Location	Total Cost/Expense
<b>CITY PROJECT COSTS</b>					
City Recreation Center	Building		\$ 10,000,000.00	On Site	\$ 10,000,000.00
Affordable Housing - City DPA Funding			\$ 7,900,000.00	City Wide	\$ 7,900,000.00
<b>DEVELOPMENT PROJECT COSTS</b>					
<b>Major Roadway Costs</b>					
Street Improvements	Area 1 thru Area 4	Per Eng. Report	Per Eng. Report	On Site	\$ 11,810,267.80
Storm Water System	Area 1 thru Area 4	Per Eng. Report	Per Eng. Report	On Site	\$ 1,516,853.50
Water Distribution System	Area 1 thru Area 4	Per Eng. Report	Per Eng. Report	On Site	\$ 2,438,114.52
Sanitary Sewer System	Area 1 thru Area 4	Per Eng. Report	Per Eng. Report	On Site	\$ 3,254,345.54
Storm Water Pollution Prevention	Area 1 thru Area 4	Per Eng. Report	Per Eng. Report	On Site	\$ 186,734.12
Street Lighting	Area 1 thru Area 4	Per Eng. Report	Per Eng. Report	On Site	\$ 334,931.83
Miscellaneous Costs	Area 1 thru Area 4	Per Eng. Report	Per Eng. Report	On Site	\$ 1,482,880.85
Engineering	Area 1 thru Area 4	Per Eng. Report	Per Eng. Report	On Site	\$ 2,080,172.04
Materials Testing	Area 1 thru Area 4	Per Eng. Report	Per Eng. Report	On Site	\$ 590,171.81
<b>Internal Project Costs</b>					
Street/Pavement Improvements	Area 1 thru Area 4	Per Eng. Report	Per Eng. Report	On Site	\$ 10,687,674.24
Storm Sewer System	Area 1 thru Area 4	Per Eng. Report	Per Eng. Report	On Site	\$ 5,842,191.15
Storm water Pollution Prevention	Area 1 thru Area 4	Per Eng. Report	Per Eng. Report	On Site	\$ 519,287.86
Water Distribution System	Area 1 thru Area 4	Per Eng. Report	Per Eng. Report	On Site	\$ 5,982,561.74
Sanitary Sewer System	Area 1 thru Area 4	Per Eng. Report	Per Eng. Report	On Site	\$ 4,800,779.64
Land Grading & Drainage	Area 1 thru Area 4	Per Eng. Report	Per Eng. Report	On Site	\$ 1,421,829.73
Miscellaneous Costs	Area 1 thru Area 4	Per Eng. Report	Per Eng. Report	On Site	\$ 4,187,324.52
Engineering Costs	Area 1 thru Area 4	Per Eng. Report	Per Eng. Report	On Site	\$ 3,867,442.28
Construction Materials Testing	Area 1 thru Area 4	Per Eng. Report	Per Eng. Report	On Site	\$ 1,017,747.97
Additional/Regulatory Fees					\$ 2,428,458.10
Sub-Total (Roadways & Internal Projects)					\$ 64,207,766.84
<b>Contingency &amp; Soft Costs</b>					
Project Contingency (10%)	N/A	N/A	N/A	N/A	\$ 7,214,496.77
Development Start-Up Costs	N/A	N/A	N/A	N/A	\$ 500,000.00
Legal Costs	N/A	N/A	N/A	N/A	\$ 150,000.00
<b>Less</b>					
Infrastructure to School Sites					\$ -
<b>Subtotals</b>					\$ 89,972,263.81
<b>COST/EXPENSE:</b>					
City Project Cost (City Recreation Center & DPA)		\$	17,900,000.00		
Development Project Costs		\$	72,072,263.61		
Interest Expense / Finance Costs (estimated) @ 4.5%		\$	10,121,879.66		
<b>Total</b>		\$	100,094,143.27		
Cost of Service (City)		\$	24,289,243.83		
Admin. Expenses (City & County)		\$	400,000.00		
<b>Grand Total</b>		\$	124,783,387.10		
<b>REVENUE:</b>					
Total TIF Revenue		\$	100,564,187.99		
Developer's Contribution		\$	(24,219,199.11)		
<p>The above allocation of costs are estimated and may be changed or adjusted by action of the Board of the TIRZ to meet project requirements, however the total maximum contributions of the participating taxing entities and term of the Zone may not be increased without approval by the City Council, Webb County Commissioners Court, and the Board of the LCCD.</p> <p>Funding for construction of Recreational Center will be financed through certificate of obligations issued by City of Laredo, to be repaid using the TIRZ Tax Increment, and guaranteed by PID Debt Service Assessment.</p>					

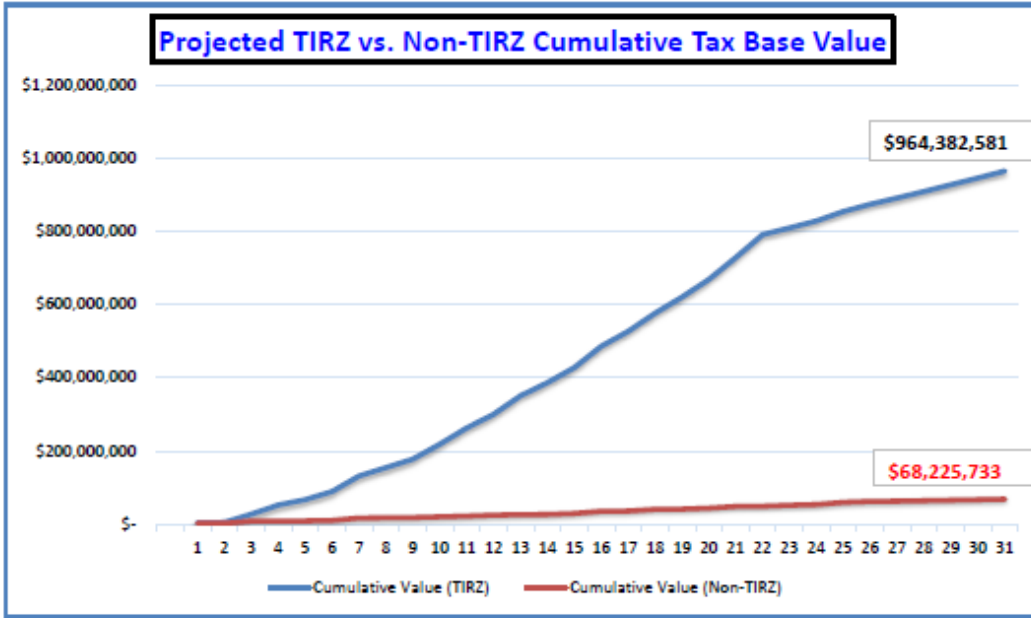
(Rev. 11/29/17)

Exhibit 6

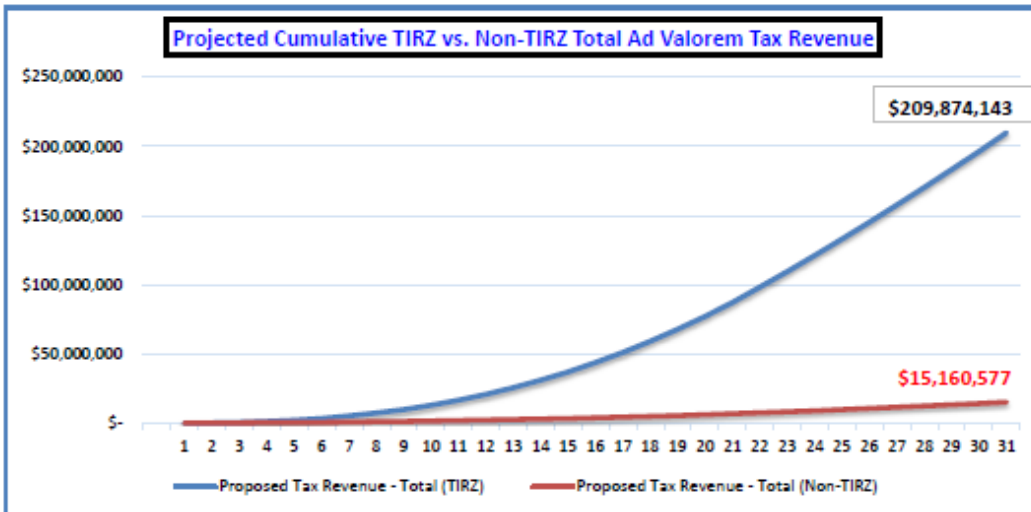
A. TIF Revenue Build Out Assumptions

City of Laredo Tax Increment Reinvestment Zone #2							
ALL TAXABLE ASSESSED VALUES ONLY							
Designation	Description	Category	S.F./ Units	Avg Unit Value	Type Unit	Today's Total Value	
SFRD	Single Family	Single Family	1,767	\$242,000.00	Homes	\$427,614,000.00	
MFRD	Apartment	Multi-Family	905	\$58,000.00	Door/Unit	\$52,490,000.00	
CBD-Anchor 1	Large Anchor Retail	Highway Commercial	211,000	\$75.00	Sq. Ft.	\$15,825,000.00	
CBD-Anchor 2	Junior Anchor Retail	Comm. Business Dist.	194,000	\$90.00	Sq. Ft.	\$17,460,000.00	
CBD-Retail	Small Retail/Office	Comm. Business Dist.	196,000	\$185.00	Sq. Ft.	\$36,260,000.00	
CBD-Grocery	Grocery Store	Comm. Business Dist.	48,000	\$150.00	Sq. Ft.	\$7,200,000.00	
CBD-Hotel	Hotel	Comm. Business Dist.	100	\$74,949.00	Door/Unit	\$7,494,900.00	
ISD	Public School	Institutional/School		\$0.00	Acre	\$0.00	
GS	Usable Green Space/Park	Public Use/Park		\$0.00	Acre	\$0.00	
GS/FP	Green Space in Flood Plain	Public Use/Open Space		\$0.00	Acre	\$0.00	
PH & KR ROW	Main Collector Roadway	Public Use/ROW		\$0.00	Acre	\$0.00	
<b>Totals</b>						<b>\$564,343,900.00</b>	

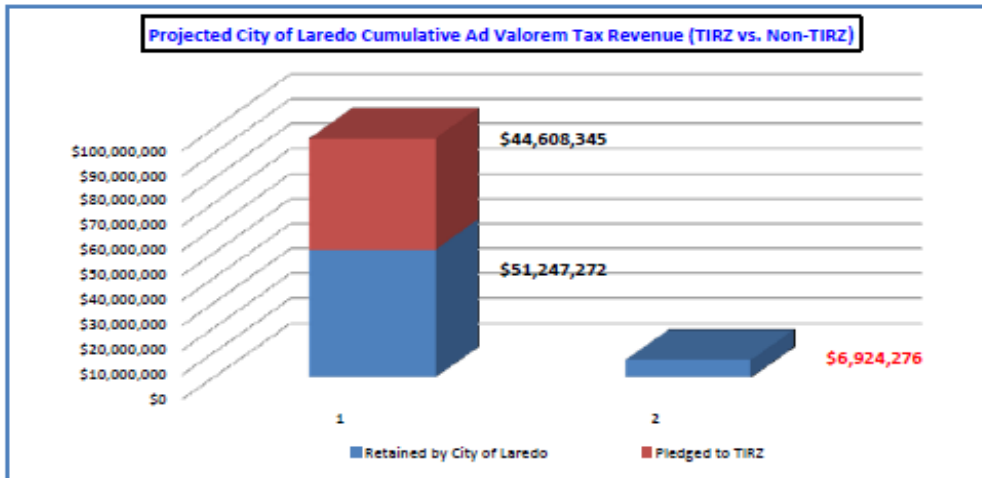
B. TIRZ v. Non-TIRZ Revenue Projections



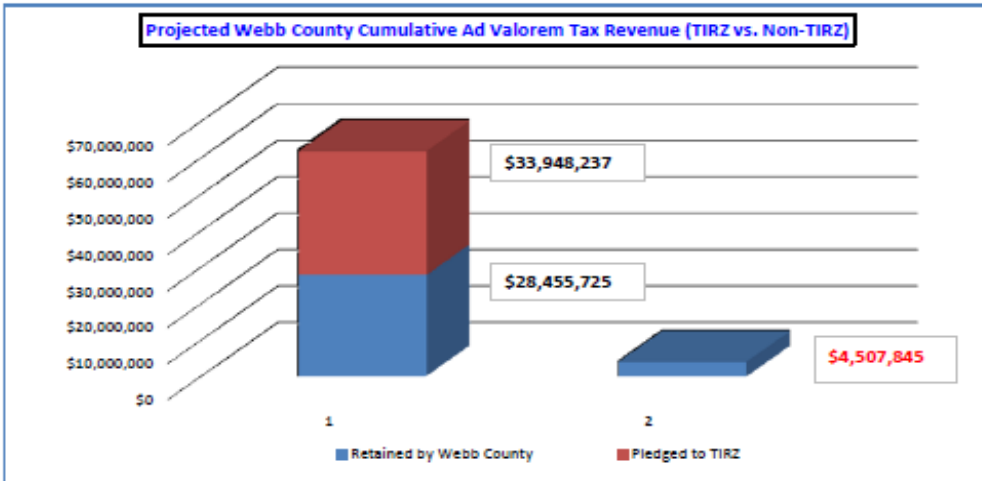
Non-TIRZ cumulative value based on no residential and hotel development, and half of retail development occurring compared to build out scenario of TIRZ getting established and Project Plan completed.



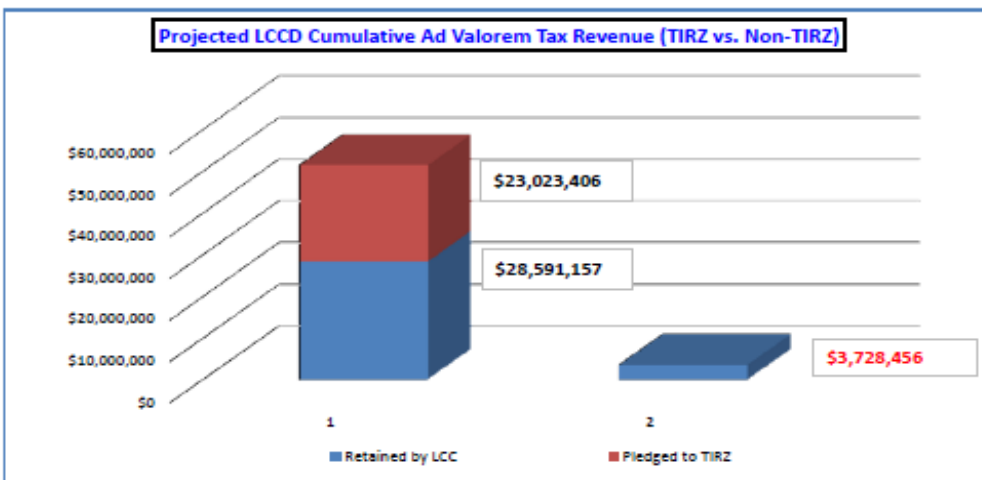
Total Ad Valorem Tax Revenue based on total tax rate under each taxing jurisdiction, not exclusive to M&O rates. Figures do not reflect additional revenue from Sales Tax and Hotel Occupancy Tax, resulting from creation of TIRZ.



City of Laredo is projected to receive \$51,247,272 over what is pledged to TIRZ Fund if TIRZ is created. City of Laredo is projected to receive \$6,924,276 if TIRZ is not created.



Webb County is projected to receive \$28,455,725 over what is pledged to TIRZ Fund if TIRZ is created. Webb County is projected to receive \$4,507,845 if TIRZ is not created.



LCCD is projected to receive \$28,591,157 over what is pledged to TIRZ Fund if TIRZ is created. LCCD is projected to receive \$3,728,456 if TIRZ is not created.

Exhibit 7  
Projected Value of Taxable New Improvements

<b>City of Laredo Tax Increment Finance Zone #2</b>					
Finance Plan - Overall Summary with Escalators (30 year)					
Tax Value added by year with escalator					
60% of Tax on Increment Pledged to TIRZ					
Development Year	2045	2046	2047	2048	
Development Type/ by acre	28	29	30	31	TOTALS
Lots/Tracts Platted	0	0	0	0	1767
Lots/Tracts Constructed	0	0	0	0	1767
Single Family Homes	-	-	-	-	1,767
Apartment	-	-	-	-	905
Large Anchor Retail	-	-	-	-	211,000
Junior Anchor Retail	-	-	-	-	194,000
Small Retail	-	-	-	-	196,000
Specialty Retail	-	-	-	-	48,000
Hotel	-	-	-	-	100
Single Family Homes - Incremental Value	-	-	-	-	
Single Family Homes - Cumulative Increment	679,798,163	693,394,126	707,262,009	721,407,249	721,407,249
Apartment - Incremental Value	-	-	-	-	
Apartment - Cumulative Increment	87,837,717	89,594,471	91,386,361	93,214,088	93,214,088
Large Anchor Retail - Incremental Value	-	-	-	-	
Large Anchor Retail - Cumulative Increment	26,481,842	27,011,478	27,551,708	28,102,742	28,102,742
Junior Anchor Retail - Incremental Value	-	-	-	-	
Junior Anchor Retail - Cumulative Increment	29,217,880	29,802,238	30,398,283	31,006,248	31,006,248
Small Retail - Incremental Value	-	-	-	-	
Small Retail - Cumulative Increment	60,832,932	62,049,591	63,290,582	64,556,394	64,556,394
Specialty Retail - Incremental Value	-	-	-	-	
Specialty Retail - Cumulative Increment	12,048,610	12,289,583	12,535,374	12,786,082	12,786,082
Hotel - Incremental Value	-	-	-	-	
Hotel - Cumulative Increment	12,542,101	12,792,943	13,048,802	13,309,778	13,309,778
Added Annual Increment Value=	\$ -	\$ -	\$ -	\$ -	
Cumulative Increment =	\$ 908,759,245.48	\$ 926,934,430.39	\$ 945,473,119.00	\$ 964,382,581.38	\$ 964,382,581.38
<b>Tax Collected by Taxing Entity</b>					
Proposed Tax Revenue - City of Laredo	\$ 4,489,888.63	\$ 4,579,686.40	\$ 4,671,280.13	\$ 4,764,705.73	\$ 74,347,241.60
40% Retained by City	\$ 1,795,955.45	\$ 1,831,874.56	\$ 1,868,512.05	\$ 1,905,882.29	\$ 29,738,896.64
60% Contributed to TIRZ	\$ 2,693,933.18	\$ 2,747,811.84	\$ 2,802,768.08	\$ 2,858,823.44	\$ 44,608,344.96
Proposed Tax Revenue - Webb County	\$ 3,416,934.76	\$ 3,485,273.46	\$ 3,554,978.93	\$ 3,626,078.51	\$ 56,580,395.49
40% Retained by County	\$ 1,366,773.91	\$ 1,394,109.38	\$ 1,421,991.57	\$ 1,450,431.40	\$ 22,632,158.20
60% Contributed to TIRZ	\$ 2,050,160.86	\$ 2,091,164.07	\$ 2,132,987.36	\$ 2,175,647.10	\$ 33,948,237.30
Proposed Tax Revenue - Comm. College District	\$ 2,317,336.08	\$ 2,363,682.80	\$ 2,410,956.45	\$ 2,459,175.58	\$ 38,372,342.69
40% Retained by District	\$ 926,934.43	\$ 945,473.12	\$ 964,382.58	\$ 983,670.23	\$ 15,348,937.08
60% Contributed to TIRZ	\$ 1,390,401.65	\$ 1,418,209.68	\$ 1,446,573.87	\$ 1,475,505.35	\$ 23,023,405.61
<b>TOTAL TAX AVAILABLE FROM INCREMENT =</b>	<b>\$ 10,224,159.47</b>	<b>\$ 10,428,642.66</b>	<b>\$ 10,637,215.51</b>	<b>\$ 10,849,959.82</b>	<b>\$ 169,299,979.78</b>
Assumed 99.0% Collection Rate	\$ 10,121,917.87	\$ 10,324,356.23	\$ 10,530,843.36	\$ 10,741,460.22	\$ 167,606,979.98
<b>TOTAL ANNUAL PROJECT COSTS=</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (72,111,148.74)</b>
				<b>SURPLUS/(SHORTAGE)*=</b>	<b>\$ 29,468,208.47</b>

\* Surplus applied to offset cost of service.

Exhibit 8  
Tract Summary & Base Value Calculation

<b>City of Laredo TIRZ #2</b>						
<b>TIRZ TAX DISTRICT TRACT SUMMARY</b>						
Tract No.	Acreege	Webb County Property ID	Assessed Value	City Tax	County Tax	LCCD Tax
<b>Coves at Winfield</b>						
1	48.18800	206089	\$2,210.00	\$14.08	\$9.16	\$7.58
2	211.51510	206280	\$9,190.00	\$58.54	\$38.11	\$31.52
3	134.01000	206279	\$6,433.00	\$40.98	\$26.68	\$22.07
4	81.18000	206600	\$3,900.00	\$24.84	\$16.17	\$13.38
5	50.72000	206459	\$2,425.57	\$15.45	\$10.06	\$8.32
6	199.37280	501290	\$9,570.00	\$60.96	\$39.69	\$32.83
7	40.62720	397658	\$1,950.00	\$12.42	\$8.09	\$6.69
8	30.00000	363302	\$1,380.00	\$8.79	\$5.72	\$4.73
9	20.00000	475020	\$280,000.00	\$1,783.60	\$1,161.16	\$960.40
10	115.65000	206279 & 206459	\$5,551.20	\$35.36	\$23.02	\$19.04
<b>SUB-TOTALS</b>	<b>931.26</b>		<b>\$322,610</b>	<b>\$2,055.02</b>	<b>\$1,337.86</b>	<b>\$1,106.55</b>

East Side of Loop 20

8	16.8979	439693	\$1,542,480	\$9,825.60	\$6,396.66	\$5,290.71
9	21.2100	206401	\$839,298	\$5,346.33	\$3,480.57	\$2,878.79
11	1.6000	545299	\$478,810	\$3,050.02	\$1,985.63	\$1,642.32
12	25.1104	473373	\$2,909,050	\$18,530.65	\$12,063.83	\$9,978.04
13	5.5877	206403	\$769,150	\$4,899.49	\$3,189.67	\$2,638.18
14	8.5535	439691	\$976,120	\$6,217.88	\$4,047.97	\$3,348.09
	16.9178	206601	\$1,884,650	\$12,005.22	\$7,815.64	\$6,464.35
<b>SUB-TOTALS</b>	<b>95.88</b>		<b>\$9,399,558</b>	<b>\$59,875</b>	<b>\$38,980</b>	<b>\$32,240</b>

West Side of Loop 20

<b>Total</b>	<b>1,027.14</b>		<b>\$9,722,168</b>	<b>\$61,930</b>	<b>\$40,318</b>	<b>\$33,347</b>
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Exhibit 9  
Allocated Land Uses and Values Table

City of Laredo Tax Increment Reinvestment Zone #2						
Allocated Land Uses and Values (Current Value)				ALL TAXABLE ASSESED VALUES ONLY		
Designation	Description	Category	S.F./ Units	Avg Unit Value	Type Unit	Today's Total Value
SFBD	Single Family	Single Family	1,767	\$242,000.00	Homes	\$427,614,000.00
MFRD	Apartment	Multi-Family	905	\$58,000.00	Door/Unit	\$52,490,000.00
CBD-Anchor 1	Large Anchor Retail	Highway Commercial	211,000	\$75.00	Sq. Ft.	\$15,825,000.00
CBD-Anchor 2	Junior Anchor Retail	Comm. Business Dist.	194,000	\$90.00	Sq. Ft.	\$17,460,000.00
CBD-Retail	Small Retail/Office	Comm. Business Dist.	196,000	\$185.00	Sq. Ft.	\$36,260,000.00
CBD-Grocery	Grocery Store	Comm. Business Dist.	48,000	\$150.00	Sq. Ft.	\$7,200,000.00
CBD-Hotel	Hotel	Comm. Business Dist.	100	\$74,949.00	Door/Unit	\$7,494,900.00
ISD	Public School	Institutional/School		\$0.00	Acre	\$0.00
GS	Usable Green Space/Park	Public Use/Park		\$0.00	Acre	\$0.00
GS/FP	Green Space in Flood Plain	Public Use/Open Space		\$0.00	Acre	\$0.00
PH &KR ROW	Main Collector Roadway	Public Use/ROW		\$0.00	Acre	\$0.00
<b>Totals</b>						<b>\$564,343,900.00</b>



## INTRODUCTORY ORDINANCE

**DESIGNATING THE COVES AT WINFIELD DEVELOPMENT PROJECT BEING A +/- 1,027.14 ACRE AREA LOCATED NORTHEAST OF LOOP 20 AT ITS INTERSECTION WITH WINFIELD PARKWAY IN THE NORTHEAST AREA OF THE CITY OF LAREDO AND ITS EXTRATERRITORIAL JURISDICTION AS A TAX INCREMENT REINVESTMENT ZONE; DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; PROVIDING FOR AN EFFECTIVE DATE AND TERMINATION DATE FOR THE ZONE; NAMING THE ZONE “REINVESTMENT ZONE NUMBER TWO, CITY OF LAREDO, TEXAS”; ESTABLISHING A TAX INCREMENT FUND; AND CONTAINING OTHER PROVISIONS RELATED THERETO.**

**WHEREAS**, the City Council (the “Council”) of the City of Laredo, Texas, an incorporated home-rule municipality, (the “City”) desires to support revitalization, economic development and job creation activities for the community through the construction of the Coves at Winfield Development Project (the “Project”), to be funded in whole or in part through the creation of a Tax Increment Reinvestment Zone (a “Reinvestment Zone”), as hereinafter more specifically defined and named, and with boundaries as hereinafter provided, pursuant to the provisions of the Tax Increment Financing Act (the “Act”), *Texas Tax Code, Chapter 311*; and

**WHEREAS**, the City received a petition for Reinvestment Zone designation by owners representing over 50% of the appraised value of the land in the proposed Reinvestment Zone meeting the requirements of and pursuant to Section 311.005(a)(4) of the Act; and the City agrees to create the Zone (as defined below) as petitioned; and

**WHEREAS**, the proposed public improvements for the Zone are those set forth in the preliminary Project and Finance Plan for the Zone attached hereto as Exhibit “A”; and

**WHEREAS**, pursuant to the Act, the City may designate a contiguous geographic area within the jurisdiction and extraterritorial jurisdiction of the City to be a Reinvestment Zone if the area satisfies certain sections of the Act; and

**WHEREAS**, the City has determined that the area to be designated a Reinvestment Zone is unproductive and underdeveloped in its current state and furthermore that Zone designation will assist in promoting affordable housing through the provision of down payment assistance within the Zone and Citywide, promote recreational opportunities, and enhance transportation mobility in and around the Zone; and

**WHEREAS**, the Commissioners Court of Webb County has expressed its intent to participate in the Zone at the level of 60% of its maintenance and operation portion of the County’s assessed and collected taxes within the Zone during the term of the Zone; and

**WHEREAS**, the Board of Trustees of the Laredo Community College District has expressed its intent to participate in the Zone at the level of 60% of its maintenance and

operation portion of the District's assessed and collected taxes within the Zone during the term of the Zone; and

**WHEREAS**, pursuant to §311.003(b) of the Act, the City has prepared a preliminary project and finance plan for the Zone (the "Plan"), and has provided a copy of the Plan to the governing body of each taxing unit that levies taxes on real property in the proposed Zone, and

**WHEREAS**, it is hereby officially found and determined that the meeting at which the public hearing on the creation of the proposed Zone and this Ordinance was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by the Act and by Chapter 551, Texas Government Code;

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAREDO:**

**SECTION 1. FINDINGS.** The City hereby finds and declares that: (a) 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; and (b) the Zone area is unproductive and underdeveloped in its current state pursuant to Article VIII, Section 1-g(b), the Texas Constitution as is consistent with the requirements of Section 311.005(a)(4) of the Act, and that the Zone:

(1) is an area described in a petition requesting that the area be designated as a reinvestment zone, and the petition was submitted to the governing body of the City by the owners of property constituting at least 50 percent of the appraised value of the property in the area according to the most recent certified appraisal roll for Webb County being the county in which the area is located.

The City, pursuant to the Act, further finds and declares that:

- (1) the proposed Zone is a contiguous geographical area located wholly within the city limits and extraterritorial jurisdiction of the City of Laredo;
- (2) the total appraised value of the taxable real property in the proposed Zone or in existing reinvestment zones, if any, does not exceed twenty-five (25%) of the total appraised value of taxable real property in the City and any industrial districts created by the city;
- (3) less than 30 percent of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes; and
- (4) development or redevelopment within the boundaries of the proposed Zone will not occur solely through private investment in the reasonably foreseeable future without creation of the Zone.

**SECTION 2. DESIGNATING THE AREA AS A REINVESTMENT ZONE.** The area located east and west of Loop 20 at its intersection with Winfield Parkway in the Northeast area of the City, commonly known as "Coves at Winfield Development Project", more specifically described in Exhibit "B" and attached hereto, is hereby designated as a Tax Increment Reinvestment Zone. Pursuant to Section 311.004(c) of the Act, the Council hereby specifies that the reinvestment zone is being designated under Section 311.005(a)(4) of the Act.

**SECTION 3. DESCRIPTION OF THE BOUNDARIES OF THE REINVESTMENT ZONE.** Attached hereto as Exhibits “C” which is incorporated herein as if a part hereof, is a field note description and a map depicting the boundaries of the Zone, which consists of approximately +/- 1,027.14 acres of real property within the city limits and extraterritorial jurisdiction of the City. The City hereby finds that the description of the boundaries of the Zone set forth herein meet the requirements of section 311.004(a)(1).

**SECTION 4. CREATION AND COMPOSITION OF A BOARD OF DIRECTORS FOR THE ZONE AND AUTHORITY OF BOARD.** There is hereby created a Board of Directors (the “Board”) for the Zone, with all the rights, powers and duties as provided by the Act. Pursuant to §311.009(b) and §311.009(e)(2) the Board shall consist of ten (10) members (the “Director” or collectively “Directors”) and have the following composition:

- a) One member appointed by the City of Laredo, Texas by ordinance of the City Council and meeting the requirements of §311.009(e)(2) of the Act, which said members for the purpose of establishing the initial Board shall be:
- b) One member appointed by Webb County, Texas and meeting the requirements of §311.009(e)(2) of the Act, provided if the County waives the appointment of a board member the position shall be filled by an appointment made by the Council; and
- c) One member appointed by the Laredo Community College District (the “LCCD”), and meeting the requirements of §311.009(e)(2) of the Act, provided if the LCCD waives the appointment of a board member the position shall be filled by an appointment made by the Council; and
- d) The member of the State Senate, or their designee, pursuant to §311.009(b); and
- e) The member of the State House of Representatives, or their designee, pursuant to §311.009(b). and
- f) Five members of the private sector of the City of Laredo community, specifically excluding property owners and their employees.

The term of each initial director shall be determined by lot and then recorded in the minutes of the organizational meeting of the Board. The initial directors shall serve a term of two (2) years. The term of each subsequent director shall be two (2) years. Vacancies shall be filled for the remainder of the unexpired term, by appointment made by the governing body that appointed the director who served in the vacated position. Directors shall continue to serve after their term expires until they are reappointed or until their replacement is appointed.

The Council shall annually appoint a member of the Board to serve as chairman of the Board for a one year term beginning January 1<sup>st</sup> and ending December 31<sup>st</sup>. The Board may elect a vice-chairman to serve in the absence of the chairman, and other officers as it deems appropriate.

The Board may hold its meetings at any place within the City accessible to the public as the Board may from time to time determine; provided that, in the absence of any such determination by the Board, the meetings shall be held at the City Council Chambers of the City. The Board

shall conduct its meetings in accordance with the requirements of the Act and the Texas Open Meetings Act, *Chapter 551, Tex. Gov't. Code*, as amended. Regular meetings of the Board shall be held at such times and places as shall be designated, from time to time, by resolution of the Board. Notice of regular meetings need not be given to each of the Directors but public notice of each meeting shall be given in the manner prescribed by law. Special meetings of the Board shall be held whenever called by the chairman, the vice-chairman in the absence of the chairman, or upon advice of or request by the Mayor. A majority of the directors fixed by this Ordinance shall constitute a quorum for Board meetings. 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, unless the act of a greater number is required by law. Pursuant to section 311.009(g)(1) of the Act, a Director is not a public official by virtue of their appointment to or service on the Board of Directors, and the provisions of City Ordinance No. 2012-0-126 shall not apply to the members of the Board of Directors. Pursuant to section 311.018 of the Act, to the extent of a conflict between Chapter 2, Article VIII, of the Code of Ordinances, City of Laredo, Texas, or any regulation adopted thereunder, and section 311.009(g)(1) of the Act, the provisions of the Act shall control.

The Board shall administer the Zone and shall make recommendations to the Council concerning the administration of the Zone. The Board shall prepare and adopt a project plan and financing plan for the Zone and must submit such plans to the Council for its approval. Pursuant to §311.010(a), the Board shall possess all powers necessary to prepare and monitor such project plan and financing plan for the Zone as allowed by the Act and/or as the Council considers advisable, including the power to create and cause the submission of an annual report on the status of the Zone in place of the Developer (as defined below). Without limiting the foregoing, the Board is specifically delegated the powers under *Chapter 211 of the Texas Local Government Code* of the City pursuant to Section 311.010 and shall have any other powers which City is entitled to delegate to the Board under Sections 311.010 (b), including the power to enter into contracts pursuant to Section 311.010(c), (d), (f), or (h) of the Act.

**SECTION 5. EFFECTIVE DATE AND TERMINATION DATE OF THE ZONE.** The Zone shall take effect immediately upon passage of this ordinance (the “Effective Date”). The term of the Zone shall be for a period of 30 years, beginning on the Effective Date, unless otherwise terminated earlier as a result of: (i) payment in full of all project costs, tax increment bonds or certificates of obligation, notes, or other debt if any, including interest on said bonds or notes, certificates of obligations and other obligations of the Zone; (ii) by action of the City Council following a termination of an agreement for development within the Zone as a result of the default of the developer thereunder according to the terms of such development agreement; or (iii) as otherwise permitted by law. The City shall not attempt to terminate the zone prior to the earlier of the expiration of the 30 year term or the full reimbursement of the Zone’s obligation, including reimbursements to the Developer, without first obtaining a recommendation of the Board to terminate the Zone.

**SECTION 6. ASSIGNING A NAME TO THE ZONE.** The Zone created hereby is assigned the name of “REINVESTMENT ZONE NUMBER TWO, CITY OF LAREDO, TEXAS.”

**SECTION 7. TAX INCREMENT BASE.** The Tax Increment Base for the Zone pursuant to Section 311.012(c) is the total taxable value (after exemptions) of all real property within the zone and taxable by the City, determined as of January 1, 2017, the year in which the Zone was

designated as a Tax Increment Reinvestment Zone (the "Tax Increment Base"). As of the date of this Ordinance the Tax Increment Base is found to be approximately \$9,722,168.00.

**SECTION 8. LIMITATION OF TAX INCREMENT AND ESTABLISHMENT OF A TAX INCREMENT FUND.** There is hereby created and established in the depository bank of the City, a fund to be called the "REINVESTMENT ZONE NUMBER TWO, CITY OF LAREDO, TEXAS TAX INCREMENT FUND" (herein called the "Tax Increment Fund").

The Tax Increment Fund may be divided into additional accounts and sub-accounts authorized by resolution of the Board of the Zone.

- a. The Tax Increment Fund shall consist of, and there shall be deposited therein, (i) the percentage of the tax increment, as defined by Section 311.012(a) of the Act, that each taxing unit which levies real property taxes in the Zone, has elected to pledge as contribution to the Tax Increment Fund under an agreement with the City authorized by Section 311.013(f) of the Act, plus (ii) an amount calculated as a millage rate per hundred dollars of Captured Appraised Value (as defined below) of real property in the Zone that equals 60% of the "City's M&O Tax Rate" as same is levied, collected and allocated to the City's general fund, up to a maximum aggregate amount of \$44,608,344.96 As used herein, "City's M&O Tax Rate" means that portion of the City's ad valorem tax rate used by the City for maintenance, support, current expenses and operations, and general municipal purposes and excluding the portion of the City's property tax rate that is collected and apportioned for payment of outstanding general obligation bonded indebtedness commonly referred to as the "interest and sinking fund rate". As used above, the phrase "Captured Appraised Value" means the captured appraised value of the property in the Zone as defined by Section 311.012(b) of the Act (i.e. the total appraised value of all real property taxable by the City and located in the Zone in any given year less the Tax Increment Base. The amount of the tax increment to be contributed by the City to the Zone shall be limited as set forth above and shall not exceed \$44,608,344.96 in any event.
- b. Any interest received on monies held within the Tax Increment Fund as a result of depository interest or investment of said funds shall be added to the balance of the Tax Increment Fund.
- c. The Tax Increment Fund shall be maintained in an account at a depository bank of the City and shall be secured in the manner prescribed by law for Texas cities. In addition, all revenues from (i) the sale of any obligations hereafter issued by the City and secured in whole or in part from the tax increments; (ii) revenues from the sale of any property acquired as part of a tax increment financing plan adopted by the Board; (iii) roll back taxes generated from assessments of property within the Zone during the 30 year term, and (iv) other revenues dedicated to and used in the Zone shall be deposited into the Tax Increment Fund. Prior to the termination of the Zone, money shall be disbursed from the Tax Increment Fund only to pay project costs, as defined by the Act in accordance with the final Project and Financing Plan approved pursuant to the Act and the terms of agreements authorized by the Board and City for the implementation of the final Project and Financing Plan, or to satisfy the claims of holders of tax increments bonds, notes, or approved reimbursement requests issued by or for the Zone.

Any expenditure to be made from the Tax Increment Fund or any contract related thereto, must be approved by the Board prior to such expenditure being made or contract being executed. Approval by the Council of the Project Plan and Financing Plan shall constitute approval by the Council for the payment of the funds identified therein, provided such payment is approved by the Board according to the policies and procedures set forth in the Project Plan, Financing Plan.

**SECTION 9. INCORPORATION OF RECITALS.** The Council hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the Council hereby incorporates such recitals as a part of this Ordinance.

**SECTION 10. SEVERABILITY.** If any provision of this Ordinance or the application thereof to any circumstances shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, as if such invalid provision had never appeared herein, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

**SECTION 11. EFFECTIVE DATE.** The Zone shall take effect immediately upon passage of this ordinance, pursuant to §311.004(a)(3) of the Act.

**PASSED AND ADOPTED** on this \_\_\_\_ day of \_\_\_\_\_, **2017.**

\_\_\_\_\_  
PETE SAENZ, MAYOR

**ATTEST:**

\_\_\_\_\_  
JOSE A. VALDEZ  
CITY SECRETARY

**APPROVED AS TO FORM:**

\_\_\_\_\_  
KRISTINA LAUREL HALE  
ACTING CITY ATTORNEY

EXHIBIT A

EXHIBIT B



## EXHIBIT C

**City Council-Supplemental Agenda**

**Meeting Date:** 12/04/2017

**Initiated By:** Horacio A. De Leon, City Manager

**Staff Source:** Horacio A. De Leon, City Manager

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**SUBJECT**

Discussion with possible action on the recommendation by the City Manager for the position of City Attorney in accordance with the City Charter of the City of Laredo, Article IV, Section 4.02, and any other matters related thereto.

**PREVIOUS COUNCIL ACTION**

N/A

**BACKGROUND**

N/A

**COMMITTEE RECOMMENDATION**

N/A

**STAFF RECOMMENDATION**

N/A

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**Fiscal Impact**

**Fiscal Year:**

**Budgeted Y/N?:**

**Source of Funds:**

**Account #:**

**Change Order: Exceeds 25% Y/N:**

**FINANCIAL IMPACT:**

Funding is available in the City Attorney department budget in General Fund.

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