



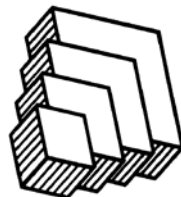
FINANCE PLAN

Prepared October 2012

Finalized May 2014

Tax Increment Reinvestment Zone No. 2

City of Denton, Texas



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

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

1. The proposed public improvements in the TIRZ may include:

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

FINANCE PLAN – DENTON TIRZ NO. 2

The specific capital improvement projects anticipated to be undertaken in the Denton TIRZ No. 2, are included in *Finance Plan Exhibit: C*.

2. **Estimated Project Cost of TIRZ, including administrative expenses.**
 - Project costs are estimated at approximately \$14.28 million dollars. Specific cost estimates are included in *Finance Plan Exhibit: C*.
3. **Economic Feasibility Study.**
 - An economic feasibility analysis has been completed and is included as *Finance Plan Exhibit: D*.
4. **The estimated amount of bonded indebtedness to be incurred.**
 - Initial project costs are to be advanced by a Developer. The City of Denton may consider issuing bonds when tax increment funds exceed the amount necessary to support debt service to reimburse the Developer.
5. **The time when related costs or monetary obligations are to be incurred.**
 - Please refer to *Finance Plan Exhibit: C* for details regarding the type of improvement costs anticipated. The Developer intends to begin construction of the projects in 2014, with a completion date of 2015. Annual TIRZ reimbursement payments will be provided to the Developer once the minimum improvements are completed.
6. **A description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay project costs including the percentage of tax increment to be derived from the property taxes of each taxing unit on real property in the TIRZ.**
 - Project costs will be financed through loans advanced by developers or by the use of tax increment funds received on a pay-as-you-go basis. No new debt is envisioned at the beginning of the TIRZ term, but bonds may be issued at a later date when adequate tax increment has been created to the support debt service. The revenue sources will be the real property taxes captured by the TIRZ, which will account for 100% of revenues used to fund project costs or bond debt service. For the Financial Plan, the City and Denton County will participate at a rate of 40% for twenty-five (25) years.
7. **The current total assessed value of taxable real property in the TIRZ.**
 - The current assessed base value of the taxable real property in the TIRZ using the 2012 certified values provided by the Denton Central Appraisal District is \$ 119,458. (*NOTE: this value represents an Ag Exemption)
8. **The estimated assessed value of the improvements in the TIRZ during each year of its existence.**
 - The estimated assessed value of the improvements in the TIRZ per year is listed in the following FINANCE PLAN TABLE 1.

FINANCE PLAN – DENTON TIRZ NO. 2

TABLE 1

**Assessed Real Property Value
Including Anticipated New Development
Years 2012-2036**

YEAR	DEVELOP- MENT	LAND	TOTAL ANNUAL VALUATION \$M	TOTAL CUMULATIVE VALUATIONS \$M	ROLLBAC K \$M	TOTAL CUMULATIVE AND ROLLBACK \$M
2012						
2013		\$0.72	\$0.72	\$0.72	\$1.44	\$2.16
2014	\$11.59	\$0.72	\$12.31	\$13.03	\$2.16	\$14.47
2015	\$11.59	\$0.72	\$12.31	\$25.34	\$2.88	\$27.50
2016	\$11.59	\$0.72	\$12.31	\$37.65	\$3.60	\$40.53
2017	\$11.59	\$0.72	\$12.31	\$49.96	\$3.60	\$53.56
2018	\$11.59	\$0.72	\$12.31	\$62.27	\$3.60	\$65.87
2019	\$11.59	\$0.72	\$12.31	\$74.58	\$3.60	\$78.18
2020	\$11.59	\$0.72	\$12.31	\$86.89	\$3.60	\$90.49
2021	\$11.59	\$0.72	\$12.31	\$99.20	\$3.60	\$102.80
2022	\$11.59	\$0.72	\$12.31	\$111.51	\$3.60	\$115.11
2023	\$11.59	\$0.72	\$12.31	\$123.82	\$3.60	\$127.42
2024	\$11.59	\$0.72	\$12.31	\$136.13	\$3.60	\$139.73
2025	\$11.59	\$0.72	\$12.31	\$148.44	\$3.60	\$152.04
2026	\$11.59	\$0.72	\$12.31	\$160.75	\$3.60	\$164.35
2027	\$11.59	\$0.72	\$12.31	\$173.06	\$3.60	\$176.66
2028	\$11.59	\$0.72	\$12.31	\$185.37	\$3.60	\$188.97
2029	\$11.59	\$0.72	\$12.31	\$197.68	\$3.60	\$201.28
2030	\$11.59	\$0.72	\$12.31	\$209.99	\$3.60	\$213.59
2031	\$11.59	\$0.72	\$12.31	\$222.30	\$3.60	\$225.90
2032	\$11.59	\$0.72	\$12.31	\$234.61	\$3.60	\$238.21
2033	\$11.59	\$0.72	\$12.31	\$246.92	\$3.60	\$250.52
2034	\$11.59	\$0.72	\$12.31	\$259.23	\$3.60	\$262.83
2035	\$11.59	\$0.72	\$12.31	\$271.54	\$3.60	\$275.14
2036	\$11.59	\$0.72	\$12.31	\$283.85	\$3.60	\$287.45
TOTAL	\$266,570,000	\$17,280,000	\$283,850,000		\$82,080,000	

FINANCE PLAN – DENTON TIRZ NO. 2

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

TABLE 2

**Annual Incremental Funds Provided for TIRZ No. 2
Years 2012-2037**

YEAR	CITY CONTRIBUTION \$K	COUNTY CONTRIBUTION \$K	TOTAL TIRZ CONTRIBUTIONS \$K	CUMULATIVE TIRZ CONTRIBUTIONS \$K
2012				
2013				
2014	\$5.97	\$0.82	\$6.79	\$6.79
2015	\$41.92	\$14.75	\$56.67	\$63.46
2016	\$77.87	\$28.68	\$106.55	\$170.01
2017	\$113.81	\$42.60	\$156.41	\$326.42
2018	\$147.78	\$56.53	\$204.31	\$530.73
2019	\$181.74	\$70.46	\$252.20	\$782.93
2020	\$215.70	\$84.39	\$300.09	\$1,083.02
2021	\$260.52	\$108.74	\$369.26	\$1,452.28
2022	\$295.96	\$124.15	\$420.11	\$1,872.39
2023	\$331.40	\$139.55	\$470.95	\$2,343.34
2024	\$366.84	\$154.96	\$521.80	\$2,865.14
2025	\$402.28	\$170.36	\$572.64	\$3,437.78
2026	\$437.72	\$185.77	\$623.49	\$4,061.27
2027	\$473.16	\$201.17	\$674.33	\$4,735.60
2028	\$508.60	\$216.58	\$725.18	\$5,460.78
2029	\$544.04	\$231.98	\$776.02	\$6,236.80
2030	\$579.48	\$247.39	\$826.87	\$7,063.67
2031	\$614.92	\$262.79	\$877.71	\$7,941.38
2032	\$650.36	\$278.20	\$928.56	\$8,869.94
2033	\$685.80	\$293.61	\$979.41	\$9,849.35
2034	\$721.24	\$309.01	\$1,030.25	\$10,879.60
2035	\$756.68	\$324.42	\$1,081.10	\$11,960.70
2036	\$792.12	\$339.82	\$1,131.94	\$13,092.64
2037	\$827.56	\$355.23	\$1,182.79	\$14,275.43
TOTAL	\$10,033,470	\$4,241,960	\$14,275,430	

	2012	TIRZ CONTRIBUTION TAX RATE / \$100 VALUATION	
	Tax Rate / \$100 Valuation	Years 1 – 10	Years 11-25
City of Denton	\$0.6897500	\$0.2759000	\$0.2879000
Denton County	\$0.2828670	\$0.1131468	\$0.1251468

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9. The duration of the TIRZ:

- The TIRZ was created in 2012. The TIRZ will exist for twenty-five (25) years with termination of the TIRZ set as 2036 or the date when all project costs are paid and any debt is retired, whichever comes first.

Boundary Description

TRACT No.1

BEGINNING at the southwest corner of the 9.27 acre T. Toby, Tract 4 and the north right-of-way line of Airport Road, the POINT OF BEGINNING;

THENCE, north along the west boundary of the 9.27 acre T. Toby, Tract 4 to its northwest corner and the southwest boundary of the 41.629 acre T. Toby, Tract 3 (Denton Municipal Airport);

THENCE, northwest along the southwest boundary of the 41.629 acre T. Toby, Tract 3 (Denton Municipal Airport) to its southwest corner and the east right-of-way of Sabre Road;

THENCE, northwesterly along the east right-of-way of Sabre Road and the westerly boundary of the 41.629 acre T. Toby, Tract 3 (Denton Municipal Airport) and the 66.946 acre T. Toby, Tract 2 to the northwest corner of the 66.946 acre T. Toby, Tract 2;

THENCE, east along the north boundary of the 66.946 acre T. Toby, Tract 2 to the southwest corner of the 148.5803 acre J. Scott, Tract 1;

THENCE, north along the west boundary of the 148.5803 acre J. Scott, Tract 1 to its northwest corner and the south right-of-way of Jim Christal Road;

THENCE, east along the north boundary of the 148.5803 acre J. Scott, Tract 1 to its northeast corner and the west right-of-way of Western Blvd.;

THENCE, due east across Western Blvd. to its east right-of-way and the northwest corner of the 20.7207 acre J. Bacon, Tract 1;

THENCE, east along the south right-of-way of Jim Christal Road and the north boundaries of the 20.7207 acre J. Bacon, Tract 1 and the 173.055 acre West Park Addition, Phase 2, Block A, Lot 2a to the southwest corner of the 24.9953 acre B.b.b, Tract 15-17;

THENCE, north along the west boundaries of the 24.9953 acre B.b.b., Tract 15-17, the 39.999 acre B.b.b., Tract 18 and the 10 acre B.b.b, Tract 21a to the northwest corner of the 10 acre B.b.b, Tract 21a;

THENCE, east and south along the north and east boundary of the 10 acre B.b.b, Tract 21a to its southeast corner and the north boundary of the 39.999 acre B.b.b, Tract 18;

THENCE, east along the north boundary of the 39.999 acre B.b.b., Tract 18 to its northeast corner and the west boundary of the 43.3069 acre B.b.b, Tract 12-14;

THENCE, north along the west boundaries of the 43.3069 acre B.b.b, Tract 12-14 and the 19.5738 acre B.b.b, Tract 11 to the northwest corner of the 19.5738 acre B.b.b, Tract 11 and the south right-of-way of US Highway 380;

THENCE, east along the north boundary of the 19.5738 acre B.b.b., Tract 11 and the south right-of-way of US Highway 380 to the northeast corner of the 19.5738 acre B.b.b, Tract 11;

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THENCE, southeasterly along the east boundaries of the 19.5738 acre B.b.b, Tract 11 and the 43.3069 acre B.b.b, Tract 12-14, continuing westerly along the south boundary of the 43.3069 acre B.b.b, Tract 12-14 to its southwest corner and the southeast corner of the 39.999 acre B.b.b, Tract 18;

THENCE; west along the south boundary of the 39.999 acre B.b.b, Tract 18 to the northeast corner of the 24.9953 acre B.b.b., Tract 15-17;

THENCE, south along the east boundary of the 24.9953 acre B.b.b., Tract 15-17 to its southeast corner and the north right-of-way of Jim Christal Road;

THENCE, easterly along the north right-of-way of Jim Christal Road to the northwest corner of the 16.3051 acre J. Perry, Tract 1a;

THENCE, northeasterly, south, east, north and east along the north boundary of the 16.3051 acre J. Perry, Tract 1a to its northeast corner;

Thence, south along the east boundary of the 16.3051 acre J. Perry, Tract 1a to the northwest corner of the 18.3427 acre E. Puchalski, Tract 295;

THENCE, east along the north boundary of the 18.3427 acre E. Puchalski, Tract 295 to its northeast corner;

THENCE, southeasterly along the east boundaries of the 18.3427 acre E. Puchalski, Tract 295 and the 10.347 acre E. Puchalski, Tract 295a to its southeast corner and the northeast corner of the 31.0 acre E. Puchalski, Tract 296;

THENCE, southeasterly, west and south along the east boundary of the 31.0 acre E. Puchalski, Tract 296 to its southeast corner and the north boundary of the north part of the 31.305 acre E. Puchalski, Tracts 527, 528, and 529;

THENCE, east along the north boundary of the north part of the 31.305 acre E. Puchalski, Tracts 527, 528, and 529 to its northeast corner;

Thence, southwesterly along the east boundary and west along the south boundary of the north part of the 31.305 acre E. Puchalski, Tracts 527, 528, and 529 to the east right-of-way of Precision Road;

THENCE, west across Precision Road to its west right-of-way and the southeast corner of the 173.055 acre West Park Addition, Phase 2, Block A, Lot 2a;

THENCE, west along the south boundary of the 173.055 acre West Park Addition, Phase 2, Block A, Lot 2a to the northeast corner of the 5.922 acre West Park Addition, Phase 2, Block A, Lot 3;

THENCE, south and west along the east and south boundary of the 5.922 acre West Park Addition, Phase 2, Block A, Lot 3, continuing west along the south boundary of the 6.889 acre R. D. Wells Interchange, Block 1, Lot 1 (City of Denton) to the east boundary of the 173.055 acre West Park Addition, Phase 2, Block A, Lot 2a;

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THENCE, south along the east boundary of the 173.055 acre West Park Addition, Phase 2, Block A, Lot 2a to its southeast corner and the north right-of-way of Airport Road;

THENCE, west along the north right-of-way of Airport Road and the south boundary of the 173.055 acre West Park Addition, Phase 2, Block A, Lot 2a to its southwest corner and the east right-of-way of Western Blvd.;

THENCE, west across Western Blvd. to its west right-of-way and the southeast corner of the 66.946 acre T. Toby, Tract 2;

THENCE, west along the north right-of-way of Airport Road and the south boundaries of the 66.946 acre T. Toby, Tract 2, the 41.629 acre T. Toby, Tract 3 (Denton Municipal Airport) and the 9.27 acre T. Toby, Tract 4 and the POINT OF BEGINNING.

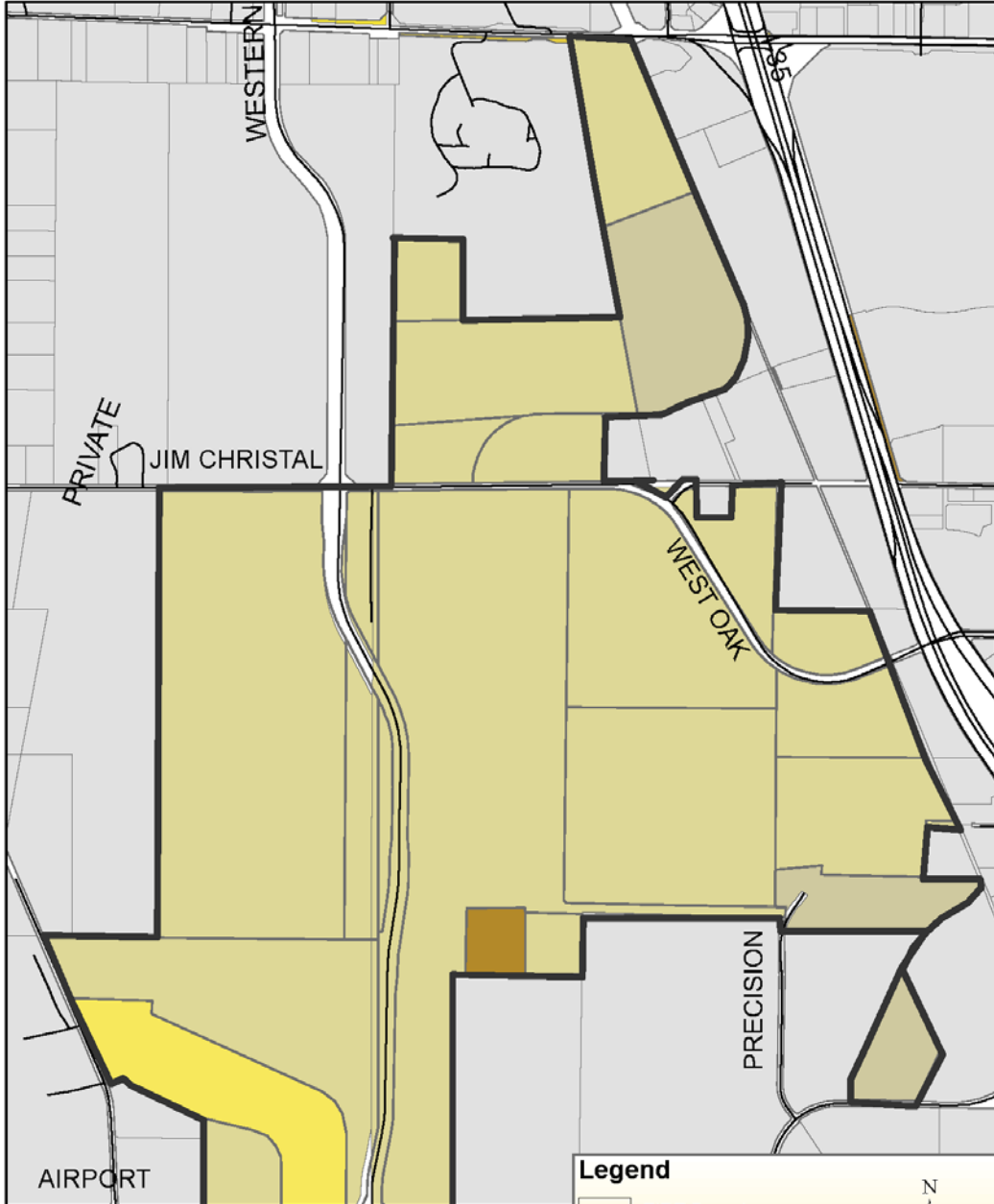
TRACT No. 2

The entire south part of the 31.305 acre E. Puchalski; Tract 527, 528, and 529.

TRACT No.1 and TRACT No. 2 contain a total of approximately 848.8 acres of which approximately 48.5 acres are municipally owned.

EXHIBIT B
Property Boundary Map






Exhibit B: Westpark TIRZ





This map is a graphic representation prepared by the City of Denton and is intended for use only as a reference. Data depicted is not guaranteed for accuracy and may be subject to revision at any time without notification. A Registered Surveyor for the State of Texas was not consulted. For Survey level accuracy, supervision and certification of the produced data by a Registered Professional Land Surveyor for the State of Texas would need to be performed.

0 412.5825 1,650 2,475 3,300 Feet

Legend

-  TIRZ Boundary
- Property Description**
-  Government
-  Real Acreage Rangeland
-  Commercial Vacant Lot
-  Real Farmhouse

Project Plan

<u>PROJECT</u>	<u>ESTIMATED COST</u>
Street Improvements and Traffic Signals	\$6,000,000
Utility / Drainage Improvements	\$5,000,000
Landscaping, Irrigation, and Entry Monuments	\$500,000
Engineering/Architecture and other soft costs	\$1,500,000
Support for Industrial Projects	\$1,275,430
TOTAL	\$14,275,430

Project Definitions

Street Improvements and Traffic Signals: includes the construction and reconstruction of paving improvements capable of handling heavy truck traffic and that provide common turning radius for semi trailers and may consist of, but are not limited to, primary and secondary major arterial thoroughfares and collector streets that will provide improved access within the industrial park, to State highways, and Interstate 35. Also includes all traffic signals required by the City of Denton or Texas Department of Transportation.

Utilities and Drainage: includes the extension of water and wastewater lines along the right-of-ways of the streets within the District. Water and wastewater lines will be built to adequately accommodate the District at build-out and its anticipated industrial users.

A number of properties in the district are situated in the floodplain. Adequate stormwater drainage will be built to accommodate the maximum use of the land and comply with the drainage standards in the Denton Development Code.

Landscaping, Irrigation, and Entry Monuments: includes all landscaping and irrigation required to meet City Code and includes entry monuments for Western Blvd and Jim Christal Rd.

Engineering/Architecture, and other soft costs: professional services necessary to cause and support all described infrastructure improvements.

Industrial Projects: may include grants, loans and services for public and private development. Eligible TIRZ project costs are not limited to public uses and may also include projects that stimulate economic development. Chapter 380 of the Local Government Code grants municipalities in Texas the authority to offer grants and loans of public funds to stimulate economic development.