

ORDINANCE NO. 487-2009

AN ORDINANCE OF THE CITY OF JOSHUA, TEXAS, APPROVING THE FINAL AMENDED PROJECT PLAN AND FINANCE PLAN FOR TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER ONE; MAKING CERTAIN FINDINGS, AND OTHER MATTERS RELATED THERETO; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Joshua, Texas, (the "City"), desires to promote the development of a certain geographic area within its jurisdiction by the creation of a reinvestment zone, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, Vernon's Texas Codes Annotated (the "Act"); and

WHEREAS, in compliance with the Act, the City Council, at a duly noticed public hearing on April 13, 2004, approved Ordinance No. 371-2004 creating Tax Increment Financing Reinvestment Zone Number One (the "Reinvestment Zone") establishing boundaries and establishing a Board of Directors for the Reinvestment Zone; and

WHEREAS, the City Council determined and hereby affirms that the creation of the Reinvestment Zone will result in benefits to the City, its residents and property owners, in general, and to the property, residents and property owners in the Reinvestment Zone; and

WHEREAS, on August 10, 2004 the City Council approved a Final Project Plan and Finance Plan for the Reinvestment Zone; and

WHEREAS, the details of the development within the zone have changed, necessitating amendments to the approved Final Project Plan and Financial Plan; and

WHEREAS, the Board of Directors of the Reinvestment Zone at a duly noticed meeting on September 29, 2009, adopted the Final Amended Project Plan and Finance Plan for the Reinvestment Zone as shown in Exhibits "1" and "2" attached hereto and made a part hereof for all purposes.

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

SECTION 1.

That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct.

SECTION 2.

That the City Council hereby approves the aforementioned Final Amended Project Plan and Finance Plan for the Reinvestment Zone attached hereto as Exhibits "1" and "2" respectively, and finds that they are feasible and conform to the requirements of the Act and the master plan of the City.

SECTION 3.

This ordinance shall be cumulative of all provisions of ordinances of the City of Joshua, Texas, except where the provisions of this ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed.

SECTION 4.

It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this ordinance are severable, and if any phrase, clause sentence, paragraph or section of this ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this ordinance, since the same would have been enacted by the City Council without the incorporation in this ordinance of any such unconstitutional phrase, clause, sentence, paragraph or section.

SECTION 5.

This ordinance shall be in full force and effect from and after its passage and it is so ordained.

PASSED AND APPROVED ON THIS 15th DAY OF October, 2009.

MAYOR

ATTEST:

CITY SECRETARY

APPROVED AS TO FORM AND LEGALITY:

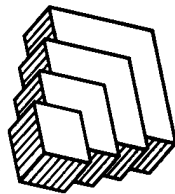
CITY ATTORNEY

City of Joshua, Texas

Revised
FEASIBILITY ANALYSIS
JOSHUA STATION AREA

Tax Increment Reinvestment Zone No. 1

Joshua, Texas



SCHRADER & CLINE, LLC

George R. Schrader

Larry D. Cline

4800 Broadway, Ste A Addison, TX 75001
972-661-1983 schcli@swbell.net

City of Joshua Tax Increment Reinvestment Zone No. 1

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City of Joshua Tax Increment Reinvestment Zone No. 1

FORWARD

Schrader & Cline, LLC was asked to prepare a Feasibility Analysis using tax increment financing to encourage accelerated development and redevelopment of the Joshua Station Tax Increment Reinvestment Zone No. 1 in the City of Joshua, Texas. This area of the City needs public infrastructure projects that will provide a stimulus for new development and redevelopment of existing facilities.

Section I summarizes the history of Joshua and discusses the current situation.

Section II details the tax increment analysis.

Section III contains exhibits.

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

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



SCHRADER & CLINE, LLC

Schrader & Cline, LLC
Addison, Texas
April 2004

SECTION I: HISTORY/CURRENT SITUATION

HISTORY

The City of Joshua was established in the late 1800's when the railroad was extended through the area in 1881. Joshua began as a farming community, and farming is still important to the economy, but other economic activities have come to the City, have stabilized, and have succeeded. The completion of SH174 in the 1920's and its widening in 1951 added a major highway thoroughfare to the City that provides a connection between the larger neighboring cities of Fort Worth, Burleson, and Cleburne. Now, 40,000 - 45,000 cars pass through Joshua daily along this highway.

Although SH174 has been completed for 80 years and in its current widened state since 1951, development along the highway has been slow to take place. Development that has occurred has primarily been single-use, one small tract at a time development. The relatively slow growth of the City from 1990 - 2000 (1.8% / year) has resulted in this type of development. One of the reasons for the lack of development and the resulting slow growth has been the absence of public infrastructure in the far southern sector of the City, particularly on the west side of the highway. Now, however, growth is accelerating in the southern portion of Tarrant County and the northern portion of Johnson County, and that has created more rapid population growth in the City of Joshua (almost double 1990-2000) creating a need for new development sites for new major mixed-use developments. The large undeveloped tract of land on the west side of SH174 immediately north of the south city limits is a logical location for this to happen, but with the previously mentioned lack of public infrastructure, major development will still be slow to occur. Without public infrastructure, the opportunity for new major mixed-use development in this area will be denied and any development will most likely be the small, single-use development that has been the case in other parts of the City.

CURRENT SITUATION

The current and anticipated future population growth of the City of Joshua is creating a growing opportunity for convenience retail (particularly a major grocery store) as well as other commercial space. A logical location for this type of development is the almost vacant tract of land on the west side of SH174 between the highway and railroad, beginning at the southern City Limits of the City and incorporating approximately 147 developable acres to the north. To make this area more attractive for development, the City of Joshua created a Tax Increment Financing (TIF) Reinvestment Zone for this area in 2004. This TIF Reinvestment Zone will be utilized to fund a series of public infrastructure improvements as shown in Exhibit I, which are needed to incentivize development of the area.

Based on the establishment of a TIF Reinvestment Zone to fund the needed public infrastructure, a developer is proposing to develop about 32 acres of the area (Joshua Station) with the westward extension of Plum

City of Joshua Tax Increment Reinvestment Zone No. 1

Road as the southern boundary. Adjacent to this development is a proposed 14-15 acre transit site. This proposed development, as shown in Exhibit II A and II B, would occur during the 2013-2017 time period and would be a mixed-use development, including retail, office, and residential uses.

With the stimulus provided by the development of the Joshua Station area and the continued more rapid growth of the City of Joshua, it is anticipated the approximately 67-acres between Plum Street and the south city limits will also be developed. This development is expected to occur during the 2015—2022 time period, also as a mixed-use development as shown in Exhibit III.

SECTION II: TAX INCREMENT ANALYSIS

This section documents the detailed analysis and inputs used to generate the tax increment revenue estimates. Tax Increment financing involves:

- Designating an eligible redevelopment area as a tax increment financing reinvestment zone;
- Soliciting participation of other taxing jurisdictions (County only);
- Setting the assessment base at the level of the most recent assessment; and
- Placing tax revenues generated by the increase in assessed value to a tax increment fund for funding public improvements.

Thus, future tax increment revenues depend on four elements:

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

Assessment policies in Johnson County generally set building assessments at 100 percent of fair market value, roughly equal to construction costs for new construction. Assessed values are established as of January 1 of the tax year. Thus, development in 2004 goes on the tax rolls for the Tax Year 2005. In this analysis, to be conservative, no increase in existing land value will be included and values are increased only after full build-out in 2017. Also, only taxes from increases in real property values are directed to the TIF Fund. Taxes from increases in business personal property and inventory values continue to flow to each taxing jurisdiction.

The 2004 assessed value of the property within the TIF Reinvestment Zone boundary was \$ 2,769,463. For purposes of this tax increment analysis, the assessment base for the tax increment fund will be \$2,769,463. Taxes on this amount will continue to flow to each taxing jurisdiction during the life of the TIF Reinvestment Zone.

The TIF Fund generated by the incremental value of new development shown in Exhibits IV and V are calculated by multiplying the incremental assessed value by the property tax rates of participating jurisdictions.

City of Joshua Tax Increment Reinvestment Zone No. 1

Fiscal year 2008 tax rates used for future development:

<u>JURISDICTION</u>	<u>TAX RATE PER \$100 OF ASSESSED VALUE</u>	
City of Joshua	\$ 0.653476	
Johnson County	\$ 0.306708	(County Portion Only)

Over the remaining projection period, we have conservatively assumed that the nominal tax rates will remain constant.

Taxes generated against tax year 2004 values as of January 1, 2004 are due and collected at the beginning of 2005. This analysis compares income flowing to each taxing jurisdiction both with and without the TIF Reinvestment Zone.

Without the TIF Reinvestment Zone, new private development value over twenty years is expected to total only \$4.55 million, with an associated business personal property and business inventory value of \$2.275 million over the next 20 years. This projected growth rate is more than double the annual rate of commercial growth in the City during the previous few years. These projected incremental assessed values would yield the following tax revenues as shown in Exhibit VI:

<u>JURISDICTION</u>	<u>TOTAL 20-YEAR TAX REVENUE</u>
City of Joshua	\$ 312,200
Johnson County	\$ 171,700

With the TIF Reinvestment Zone, new private development value over twenty years will total \$74.1 million with an associated business personal property and business inventory value of \$37.1 million. These projected incremental assessed values would yield the following tax revenues as shown in Exhibit VII:

<u>JURISDICTION</u>	<u>TOTAL 20-YEAR TAX REVENUE</u>
TIF Fund	\$ 4,954,000
City of Joshua	\$ 1,687,900
Johnson County	\$ 1,200,500

Based on this analysis, establishment of the TIF Reinvestment Zone will provide income to the TIF Fund of \$ 4.954 million dollars over the next twenty years, which will adequately fund the projected \$4.7 million of public infrastructure projects. In addition, during the 20-year life of the TIF Reinvestment Zone, the City will receive over five times and the County will receive about seven times the tax revenue they would have received without the TIF Reinvestment Zone. Tax revenue for the first year after expiration of the TIF Reinvestment Zone (21-years) for each taxing jurisdiction will be almost over ten times more than it would receive without the TIF Reinvestment Zone.

Exhibit II B**REVISED PHASE I DEVELOPMENT**

YEAR	Improvement	Size, SF	Value, \$K
2013	Pad 1	4,000	701
2013	Pad 2	1,200	303
2013	Pad 3	4,200	573
	Subtotal	9,400	1,577
2014	Brookshire's	36,000	2,987
2014	Retail Shopping Center	16,800	1,828
2014	Pad 4	3,500	510
2014	Pad 5	3,500	455
2014	Pad 6	3,900	485
2014	Offices	45,956	3,768
	Subtotal	109,656	10,033
2015	Apartments (128 units)	110,464	7,423
2017	Apartments (119 units)	102,697	5,648
TOTAL		332,217	24,681

Exhibit III

REVISED DEVELOPMENT ANALYSIS FOR PHASE II

CURRENT PROPOSED JOSHUA STATION DEVELOPMENT-- PHASE I

Development Forecast
332,217 SF
\$24,681,000 Value
46.92 Acres (32.36 Ac. excluding transit site)

Development Density
10,266 SF / Ac.

Development Value
\$74.29 / SF

REMAINDER OF TIF AREA DEVELOPMENT -- PHASE II

Site
67 Acres (est.)

Potential Development (Based on 60% of Phase I density)
413,000 SF @ 6,160 SF / Ac.

Potential Value
\$33,040,000 @ \$80.00 / SF

Development Schedule
Begin development in 2015 and build-out over eight (8) years.

Exhibit IV
REVISED TIF INCOME PHASE I

YEAR	DEVELOPMENT VALUE, \$K*	DEVELOPMENT CUM. VALUE, \$K**	TIF FUND, \$K ***	CUM. TIF FUND, \$K
2004	-	-	-	-
2005	-	-	-	-
2006	7	7	-	-
2007	-	-	-	-
2008	(148)	(141)	-	-
2009	843	702	-	-
2010	211	913	7	7
2011	264	1,177	9	16
2012	330	1,507	11	27
2013	1,115	2,622	14	41
2014	10,405	13,027	25	66
2015	7,795	20,822	125	191
2016	-	20,822	200	391
2017	6,185	27,007	200	591
2018	-	27,682	259	850
2019	-	28,374	266	1,116
2020	-	29,084	272	1,388
2021	-	29,811	279	1,667
2022	-	30,556	286	1,953
2023	-	31,320	293	2,246
2024	-	-	301	2,547
TOTAL	27,007	31,320	2,547	2,547

*Values are above 2004 base value

** Value increased at 2.5% / year after full build out.

*** Based on tax rates of:

City	\$0.653476 / \$100 valuation
County	\$0.306708 / \$100 valuation
Total	\$0.960184 / \$100 valuation

Exhibit V

REVISED DEVELOPMENT PLAN & TIF INCOME PHASE II

YEAR	DEVELOPMENT KSF	DEVELOPMENT VALUE, \$K	DEVELOPMENT CUM. VALUE, \$K	TIF FUND, \$K*	TIF FUND CUM, \$K
2004	-	-	-	-	-
2005	-	84	84	-	-
2006	-	(52)	32	1	1
2007	-	721	753	-	-
2008	-	174	927	8	9
2009	-	249	1,176	9	18
2010	-	59	1,235	11	29
2011	-	62	1,297	12	41
2012	-	64	1,361	12	53
2013	-	68	1,429	13	66
2014	-	72	1,501	14	80
2015	65	5,200	6,701	14	94
2016	64	5,120	11,821	64	158
2017	65	5,200	17,021	114	272
2018	64	5,120	22,141	163	435
2019	65	5,200	27,341	213	648
2020	64	5,120	32,461	263	911
2021	65	5,200	37,661	312	1,223
2022	64	5,120	42,781	362	1,585
2023	-	-	42,781	411	1,996
2024	-	-	-	411	2,407
TOTAL	516	41,280	42,781	2,407	2,407

* Based on tax rates of:

City \$0.653476 / \$100 valuation
County \$0.306708 / \$100 valuation
Total \$0.960184 / \$100 valuation

Exhibit VI

PRIVATE DEVELOPMENT *WITHOUT* TIRZ* (REVISED)

Year	Development Value, \$K**	Cumulative Value, \$K	Bus PP& Inv Value, \$K	Cumulative BPP & Inv Value, \$K***	Total Cumulative Value, \$K	Income to City \$K	Income to County \$K
2004	0	0	0	0	0	0	0
2005	0	0	0	0	0	0	0
2006	0	0	0	0	0	0	0
2007	0	0	0	0	0	0	0
2008	0	0	0	0	0	0	0
2009	350	350	175	175	525	3.4	1.9
2010	0	350	0	175	525	3.4	1.9
2011	350	700	175	350	1,050	6.9	3.8
2012	0	700	0	350	1,050	6.9	3.8
2013	350	1,050	175	525	1,575	10.3	5.7
2014	350	1,400	175	700	2,100	13.7	7.5
2015	350	1,750	175	875	2,625	17.2	9.4
2016	350	2,100	175	1,050	3,150	20.6	11.3
2017	350	2,450	175	1,225	3,675	24.0	13.2
2018	350	2,800	175	1,400	4,200	27.4	15.1
2019	350	3,150	175	1,575	4,725	30.9	17.0
2020	350	3,500	175	1,750	5,250	34.3	18.9
2021	350	3,850	175	1,925	5,775	37.7	20.8
2022	350	4,200	175	2,100	6,300	41.2	22.6
2023	350	4,550	175	2,275	6,825	44.6	24.5
2024							
TOTAL	4,550	4,550	2,275	2,275	6,825	322.5	177.4

* Based on tax rates:

City	\$ 0.653476
County	\$ 0.359498
Total	<u>\$ 1.012974</u>

** Compound Growth Rate = 14%/ Year VS 7%/Year 2001-2003
(Based on 5 acre development @ \$70,000 / acre.)

*** Based on current ratio of BPP&I Value of 50% of real property value.

Exhibit VII

PRIVATE DEVELOPMENT WITH TIRZ * (REVISED)

Year	Cumulative Development Value, \$M	TIRZ Increment \$K	Cumulative BPP & Inv. ** Value, \$M	Income to City \$K	Income to County \$K
2004	0.0	0.0	0.0	0.0	0.0
2005	0.1	0.0	0.0	0.0	0.0
2006	0.0	0.8	0.0	0.0	0.0
2007	0.7	0.0	0.4	0.0	0.0
2008	0.8	7.2	0.4	2.6	1.8
2009	1.8	7.5	0.9	2.6	1.8
2010	2.1	18.1	1.1	5.9	4.2
2011	2.5	20.6	1.3	7.2	5.1
2012	2.9	23.8	1.5	8.5	6.0
2013	4.1	27.5	2.1	9.8	6.9
2014	14.5	38.9	7.3	13.7	9.7
2015	27.5	139.5	13.8	47.7	33.9
2016	32.6	264.3	16.3	90.2	64.1
2017	44.0	313.4	22.0	106.5	75.8
2018	49.8	422.7	24.9	143.8	102.3
2019	55.7	478.4	27.9	162.7	115.8
2020	61.5	535.0	30.8	182.3	129.7
2021	67.5	591.0	33.8	201.3	143.2
2022	73.3	647.8	36.7	220.9	157.1
2023	74.1	704.1	37.1	239.8	170.6
2024	0.0	711.5	0.0	242.4	172.5
TOTAL	74.1	4,952.1	37.1	1,687.9	1,200.5

* Based on tax rates:

City	\$ 0.653476
County	\$ 0.359498
<u>Total</u>	<u>\$ 1.012974</u>

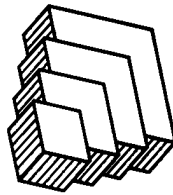
** Based on ratio of BPP&I value = 50% of real property value.

City of Joshua, Texas

REVISED PROJECT PLAN JOSHUA STATION AREA

Tax Increment Reinvestment Zone No. 1

Joshua, Texas



SCHRADER & CLINE, LLC

George R. Schrader

Larry D. Cline

4800 Broadway, Ste A Addison, TX 75001
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PROJECT PLAN – JOSHUA STATION AREA

TAX INCREMENT REINVESTMENT ZONE NO. 1

PROJECT PLAN – JOSHUA STATION AREA

TAX INCREMENT REINVESTMENT ZONE NO. 1

Joshua, Texas

OCTOBER 2009

The City of Joshua, Texas has established a Tax Increment Reinvestment Zone (“Zone”) for the purpose of dedicating the increase in tax revenue generated within the Zone to provide funds for public infrastructure to encourage development in the Joshua Station area of the City. The Zone consists of approximately 175 acres and is more fully described in Exhibit A.

The City created this Zone to encourage development in the Joshua Station area of the City that has remained relatively unimproved and would benefit from the proposed public infrastructure improvements. It is expected that the Zone will exist for twenty (20) years or the date when all project costs are paid, whichever come first.

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

- 1. A map showing existing uses and conditions of real property in the Zone and a map showing proposed improvements to and proposed use of the property.**
 - The boundaries of the Zone are shown on the map labeled “Exhibit B;”
 - “Exhibit C” shows existing land use within the Zone. Currently, the area is almost totally undeveloped. The area contains less than ten percent residential.
 - “Exhibit D” identifies public improvements being proposed for the Zone;
 - A listing of those public improvements is shown in “Exhibit E;”
 - “Exhibit F” shows anticipated Future Land Use within the Zone.

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

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

3. A list of estimated non-project costs.

- Non-project costs within the Zone are those development costs not paid for by the Zone. These costs will include, but are not limited to, \$74.1 million, which is comprised of new development.

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

- In the process of developing the Zone, any relocations will be made through the standard process and procedures of the City.

Exhibit "A"

BOUNDARY DESCRIPTION

1. Beginning at the intersection of the southern most city limits of the City of Joshua and the eastern right-of-way of SH 174 (Broadway);
2. Thence westerly along the southern city limits of the City of Joshua to the western right-of-way of the Gulf, Colorado, and Santa Fe Railroad;
3. Thence, northerly along the western right-of-way of the Gulf, Colorado, and Santa Fe Railroad to a point directly west of the northwest corner of Casseland Survey, Abstract 173, Tract 23A;
4. Thence, easterly across the railroad right-of-way and along the northern boundary of Casseland Survey, Abstract 173, Tract 23A, to the southwest corner of Byers Survey, Abstract 29, Tract 62;
5. Thence, northerly along the western boundary and easterly along the northern boundary of Byers Survey, Abstract 29, Tract 62, to the southwest corner of Cox Addition, Block A, Lot 1R;
6. Thence, northerly along the western boundary and easterly along the northern boundary of Cox Addition, Block A, Lot 1R, continuing on that line across SH 174 (Broadway) to the east right-of-way line of SH 174 (Broadway);
7. Thence, southerly along the eastern right-of-way of SH 174 (Broadway) to the southern-most city limits point of the City of Joshua and the Point of Beginning, comprising an area of approximately 175 acres.

Insert Exhibit B

FROM: Schaefer & Cline

FAX NO.: 972-385-8888

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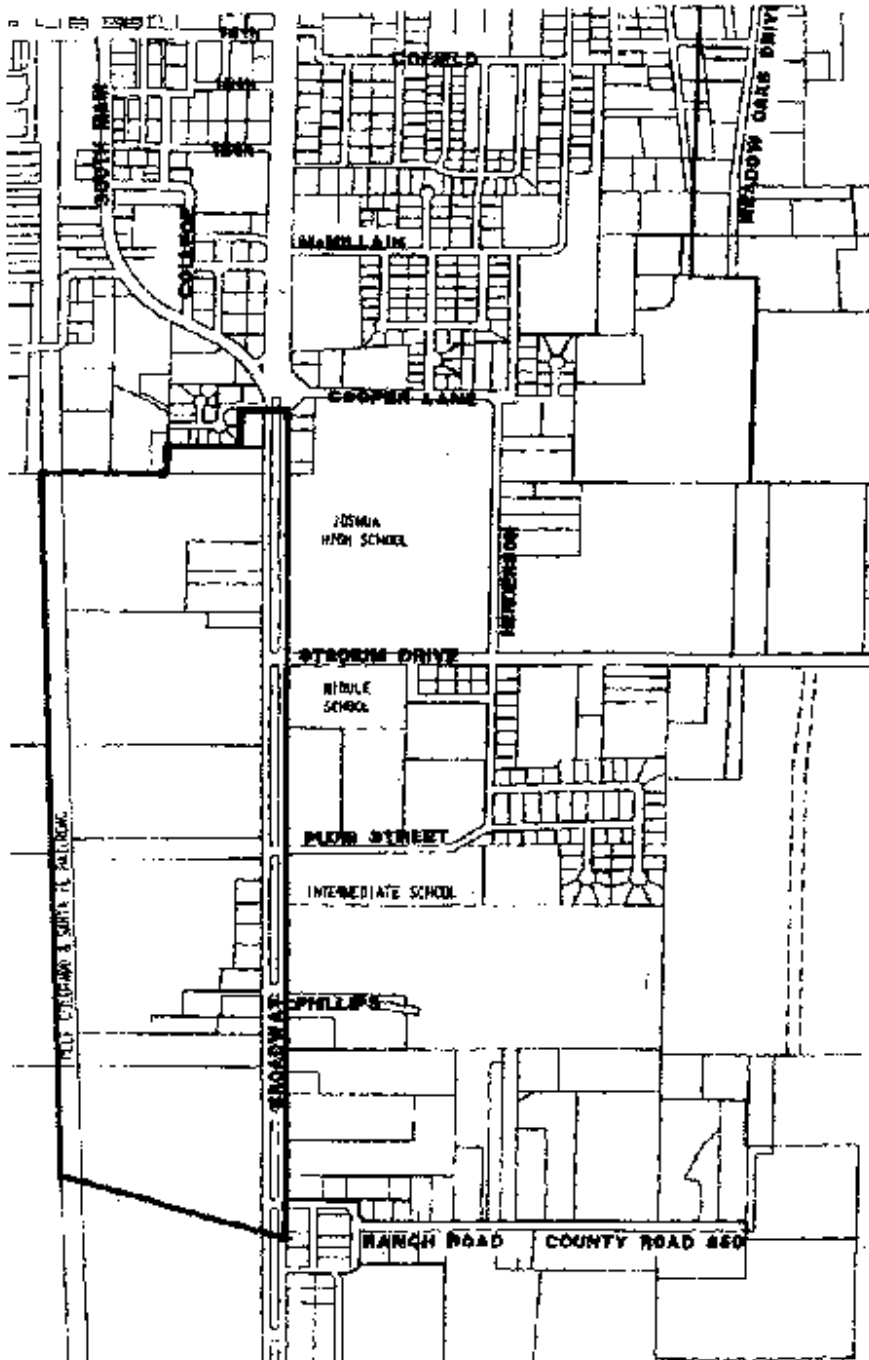


Exhibit "C"

FROM : Schnader & Cline

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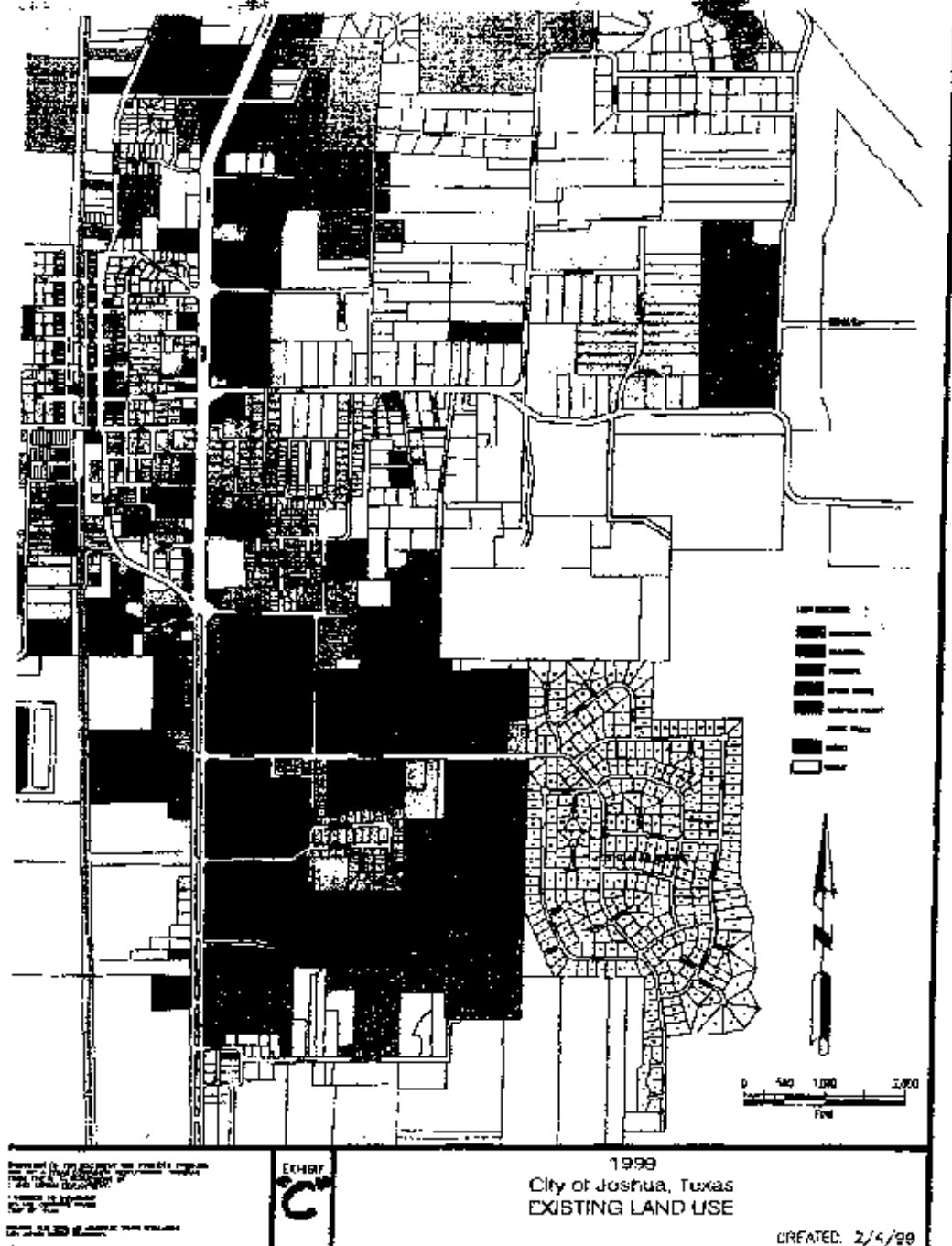


Exhibit "D"

FROM : Schneider & Co Inc

FX NO. : 572366888

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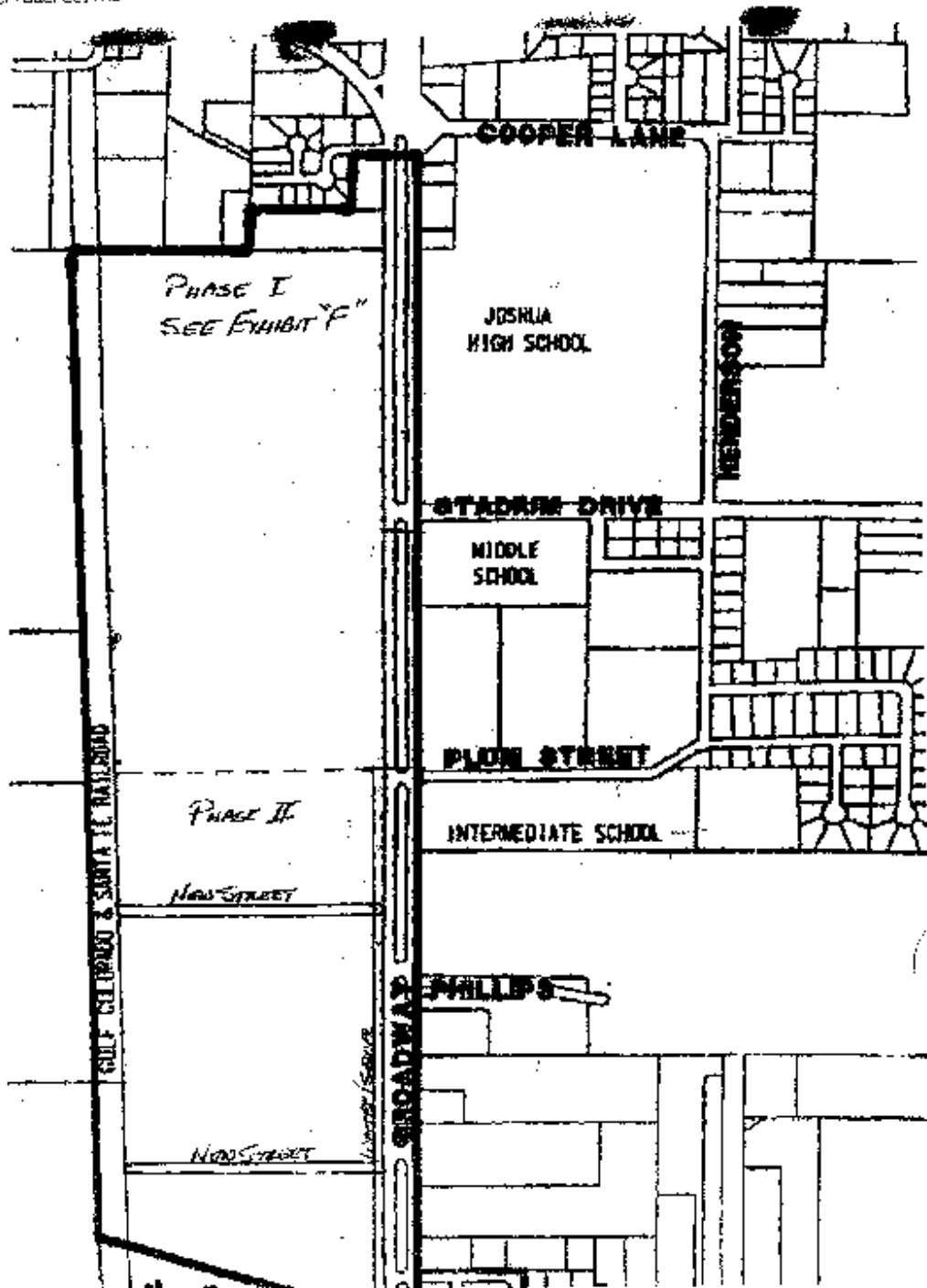


Exhibit "E"

PUBLIC INFRASTRUCTURE - REVISED

<u>PROJECT (PHASE I)</u>	<u>COST, \$K</u>
City Land Purchase	775
Street Construction (internal to the Joshua Station development)	206
Water & Sewer (improvements to the Joshua Station development and third party water line easement benefiting the Joshua Station development)	735
Storm Drainage	165
Consulting	100
SUBTOTAL	1,981
<u>PROJECT (PHASE II)</u>	
Plum Street Land *	750
Street Construction	
Plum Street *	300
New Streets (2)	375
Water & Sewer	750
Storm Drainage	375
Consulting	125
SUBTOTAL	2,675
GRAND TOTAL	4,656

* Plum Street land and street construction will be completed as part of Phase I and will be funded by 4A. These funds will be reimbursed from Phase II TIF Funds (if available).

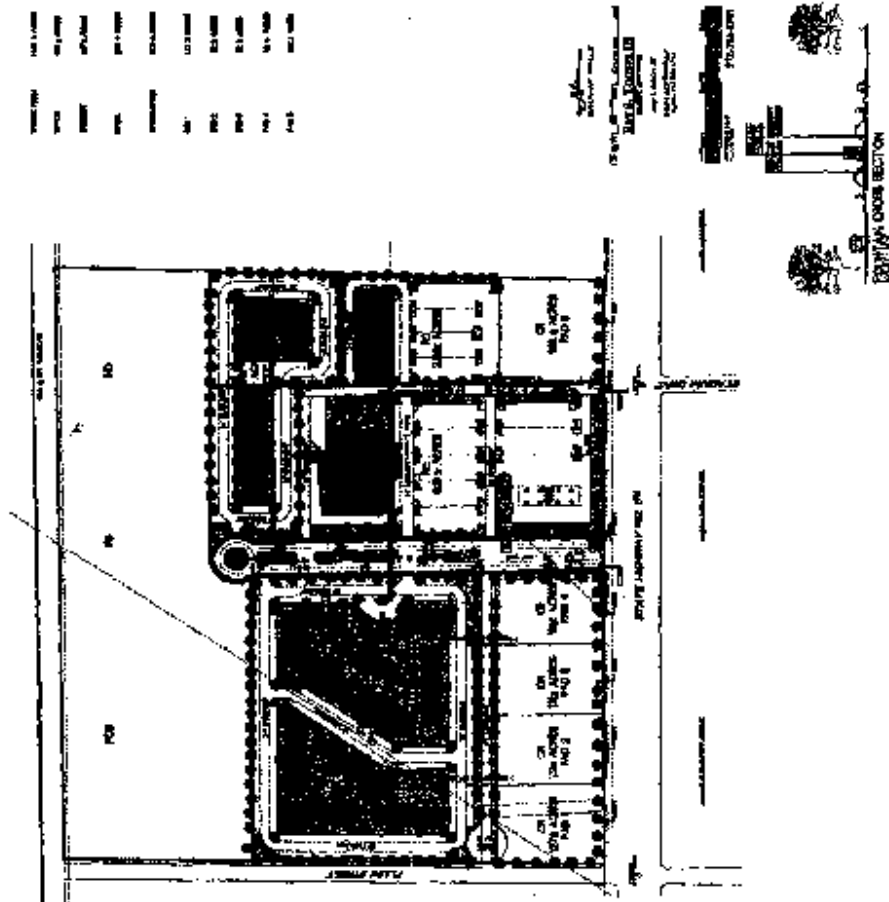
Exhibit "F"

FROM : Schrader & Cline

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DATE: 07/2009 07:31 PM PG

EXHIBIT II A

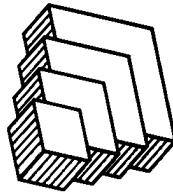


City of Joshua, Texas

REVISED FINANCE PLAN JOSHUA STATION AREA

Tax Increment Reinvestment Zone No. 1

Joshua, Texas



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FINANCE PLAN – JOSHUA STATION AREA
TAX INCREMENT REINVESTMENT ZONE NO. 1

Joshua, Texas

OCTOBER 2009

The Financing Plan provides information on the projected monetary impact that the formation of the Tax Increment Financing Reinvestment Zone (Zone) could have on the property described in Exhibit “A” and shown in 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 Zone are as follows:**
 - 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 Zone, and the cost of implementing the project plan for the Zone;
 - 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 Reinvestment Zone 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 Zone or to the implementation of the project plans for the Zone.

The specific capital improvement projects anticipated to be undertaken in the Joshua Tax Increment Reinvestment Zone No. 1, are included in Exhibit “C”.

2. **Estimated Project Cost of Zone, including administrative expenses.**
 - Project costs are estimated at approximately \$4.656 million dollars. Specific cost estimates are included in “Exhibit C”.
3. **Economic Feasibility Study.**
 - An economic feasibility study has been completed and is included as “Exhibit D”.
4. **The estimated amount of bonded indebtedness to be incurred.**
 - No bonded indebtedness is anticipated at this time.
5. **The time when related costs or monetary obligations are to be incurred.**
 - Please refer to “Exhibit C” for details regarding the phasing and type of improvement costs anticipated.
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 Zone**
 - Project costs will be financed through loans provided by developers or the use of tax increment funds received on a pay-as-you-go basis and no new debt is envisioned at this time. The revenue sources will be the real property taxes captured by the Zone, which will account for 100% of revenues used to fund project costs. For the Financial Plan, it is assumed that all participating taxing jurisdictions will participate at 100% of their incremental taxable value.
7. **The current total appraised value of taxable real property in the Zone.**
 - The appraised base value of the taxable real property in the Zone using the 2004 values provided by the Johnson County Appraisal District is \$2,769,463.

8. The estimated appraised value of the improvements in the Zone during each year of its existence.

- The estimated appraised value of the improvements in the Zone per year is listed in the following table.

Assessed Real Property Value of Anticipated New Development Joshua Station Area Tax Increment Reinvestment Zone No. 1, Joshua, Texas Years 2004-2023	
YEAR	TOTAL ASSESSED VALUE , \$M*
2004	2.8
2005	2.9
2006	2.8
2007	3.5
2008	3.6
2009	4.6
2010	4.9
2011	5.3
2012	5.7
2013	6.9
2014	17.3
2015	30.3
2016	35.4
2017	46.8
2018	52.6
2019	58.5
2020	64.3
2021	70.3
2022	76.1
2023	76.9

* Value of Phase I Development increased 2 ½ % /year after build out in 2017.

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

**Annual Incremental Funds Available from the Joshua Station Tax Increment Reinvestment Zone, Joshua, Texas
(REVISED)**

Years 2004-2023

Year	Assessed Value, \$M	Base Assessed Value, \$M	Annual Captured Value, \$M	TIF Funds, \$K City \$0.653476	TIF Funds, \$K County \$0.306708	TIF Funds, \$K Total \$0.960184
2004	2.8	2.8	0.0	0.0	0.0	0.0
2005	2.9	2.8	0.1	0.0	0.0	0.0
2006	2.8	2.8	0.0	0.5	0.3	0.8
2007	3.5	2.8	0.7	0.0	0.0	0.0
2008	3.6	2.8	0.8	4.9	2.3	7.2
2009	4.6	2.8	1.8	5.1	2.4	7.5
2010	4.9	2.8	2.1	12.3	5.8	18.1
2011	5.3	2.8	2.5	14.0	6.6	20.6
2012	5.7	2.8	2.9	16.2	7.6	23.8
2013	6.9	2.8	4.1	18.7	8.8	27.5
2014	17.3	2.8	14.5	26.5	12.4	38.9
2015	30.3	2.8	27.5	94.9	44.6	139.5
2016	35.4	2.8	32.6	179.9	84.4	264.3
2017	46.8	2.8	44.0	213.3	100.1	313.4
2018	52.6	2.8	49.8	287.7	135.0	422.7
2019	58.5	2.8	55.7	325.6	152.8	478.4
2020	64.3	2.8	61.5	364.1	170.9	535.0
2021	70.3	2.8	67.5	402.2	188.8	591.0
2022	76.1	2.8	73.3	440.9	206.9	647.8
2023	76.9	2.8	74.1	479.2	224.9	704.1
2024				484.2	227.3	711.5
			TOTAL	3,370.2	1,581.9	4,952.1

9. The duration of the zone:

- The Zone was created April 13, 2004. It is proposed that the Zone exist for twenty (20) years with termination of the Zone set as April 12, 2024 or the date when all project costs are paid and any debt is retired, whichever comes first.

Exhibit "A"

BOUNDARY DESCRIPTION

1. Beginning at the intersection of the southern most city limits of the City of Joshua and the eastern right-of-way of SH 174 (Broadway);
2. Thence westerly along the southern city limits of the City of Joshua to the western right-of-way of the Gulf, Colorado, and Santa Fe Railroad;
3. Thence, northerly along the western right-of-way of the Gulf, Colorado, and Santa Fe Railroad to a point directly west of the northwest corner of Casseland Survey, Abstract 173, Tract 23A;
4. Thence, easterly across the railroad right-of-way and along the northern boundary of Casseland Survey, Abstract 173, Tract 23A, to the southwest corner of Byers Survey, Abstract 29, Tract 62;
5. Thence, northerly along the western boundary and easterly along the northern boundary of Byers Survey, Abstract 29, Tract 62, to the southwest corner of Cox Addition, Block A, Lot 1R;
6. Thence, northerly along the western boundary and easterly along the northern boundary of Cox Addition, Block A, Lot 1R, continuing on that line across SH 174 (Broadway) to the east right-of-way line of SH 174 (Broadway);
7. Thence, southerly along the eastern right-of-way of SH 174 (Broadway) to the southern-most city limits point of the City of Joshua and the Point of Beginning, comprising an area of approximately 172 acres.

Exhibit "B"

FINANCE PLAN – JOSHUA STATION AREA
TAX INCREMENT REINVESTMENT ZONE NO. 1

Exhibit "B"

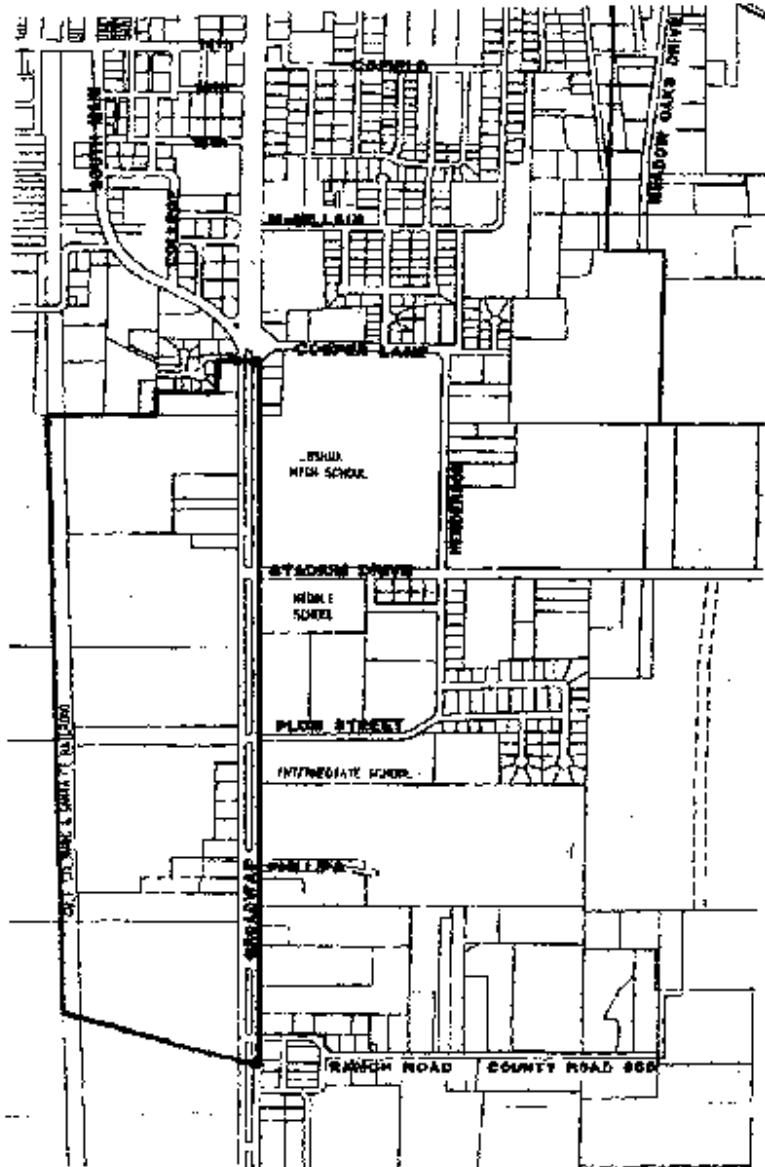


Exhibit "C"

PUBLIC INFRASTRUCTURE - REVISED

<u>PROJECT (PHASE I)</u>	<u>COST, \$K</u>
City Land Purchase	775
Street Construction (internal to the Joshua Station development)	206
Water & Sewer (improvements for the Joshua Station development and third party water line easement benefiting the Joshua Station development)	735
Storm Drainage	165
Consulting	100
SUBTOTAL	1,981
<u>PROJECT (PHASE II)</u>	
Plum Street Land *	750
Street Construction	
Plum Street *	300
New Streets (2)	375
Water & Sewer	750
Storm Drainage	375
Consulting	125
SUBTOTAL	2,675
GRAND TOTAL	4,656