

ORDINANCE NO. 1261

AN ORDINANCE OF THE CITY OF KYLE, TEXAS APPROVING THE AMENDED AND RESTATED PROJECT AND FINANCE PLAN AND AMENDED INTERLOCAL AGREEMENT FOR THE TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, CITY OF KYLE AND APPROVING THE EXTENSION OF THE TERM OF THE ZONE; AND OTHER MATTERS RELATED THERETO

WHEREAS, the City of Kyle, Texas (the “City”), is authorized under Chapter 311 of the Texas Tax Code, as amended (the “Act”), to create a tax increment reinvestment zone within its corporate limits and within its extraterritorial jurisdiction; and

WHEREAS, on December 18, 2018 the City Council of the City (the “City Council”) through Ordinance No. 1022 (the “Creation Ordinance”) designated Tax Increment Reinvestment Zone Two, City of Kyle (the “Zone”) with the boundaries being described in the metes and bounds and depictions attached to the Creation Ordinance; and

WHEREAS, on May 30, 2019 the City entered into an Interlocal Agreement (the “Original Interlocal Agreement”) with Hays County, Texas (the “County”); and

WHEREAS, the Board of Directors of the Zone (the “Board”) approved a Project and Financing Plan for the Zone on November 14, 2019; and

WHEREAS, on December 3, 2019, the City Council adopted Ordinance No. 1064 (the “Amending Ordinance” and, together with the Creation Ordinance, the “Zone Ordinance”) which amended the Creation Ordinance and adopted the Project and Financing Plan for the Zone (the “Original Project and Financing Plan”); and

WHEREAS, the City Council desires to (1) extend the term of the Zone from December 31, 2037 to December 31, 2057, (2) amend the Original Project and Financing Plan to add additional projects, (3) amend the Original Interlocal Agreement, and (4) issue obligations secured by revenues generated within the Zone to finance such authorized projects; and

WHEREAS, prior to extending the term of the Zone and amending the Original Project and Financing Plan, the City Council must hold a public hearing; and

WHEREAS, in order to hold a public hearing for the extension of the term of the Zone, notice must be given in a newspaper of general circulation in the City no later than the 7th day before the date of the hearing in accordance with Section 311.003 of the Act; and

WHEREAS, the City has published notice in the *Hays Free Press* on March 29, 2023 for a public hearing to be held on April 18, 2023; and

WHEREAS, on April 13, 2023, the Board adopted a resolution (1) approving the extension the term of the Zone from December 31, 2037 to December 31, 2057, (2) approving the amendment to the Original Project and Financing Plan to add additional projects, and (3) recommending that the City issue obligations secured by revenues generated within the Zone to finance such authorized projects; and

WHEREAS, the City Council finds and determines that the term of the Zone should be extended from December 31, 2037 to December 31, 2057; and

WHEREAS, the City Council finds and determines that the Original Project and Financing Plan should be amended to add additional projects to the plan; and

WHEREAS, the City Council finds and determines that the Original Interlocal Agreement should be amended; and

WHEREAS, the City Council finds and determines the Amended and Restated Project and Financing Plan for Reinvestment Zone Number Two, City of Kyle, a copy of which is attached hereto as **Exhibit A** (the Original Project and Financing Plan, as amended, the “Project and Financing Plan”) and the Amended Interlocal Agreement (the Original Interlocal Agreement, as amended, the “Interlocal Agreement”) a copy of which is attached hereto as **Exhibit B** are feasible and encourage further development within the Zone and includes all information required by the Act; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS AS FOLLOWS:

SECTION 1. Findings. The findings and determinations set forth in the preamble above are hereby deemed to be true and correct and incorporated herein.

SECTION 2. Approval of Extension of Term. The City Council hereby approves the extension of the term of the Zone from December 31, 2037 to December 31, 2057.

SECTION 3. Approval of Amended Final Plan. The City Council hereby approves the “Tax Increment and Reinvestment Zone Number Two, City of Kyle Amended Project and Financing Plan” in the form attached hereto as Exhibit A, which is incorporated herein as a part hereof for all purposes, as the Project and Financing Plan for the Zone, in accordance with the Act. The City hereby finds that the Project and Financing Plan satisfies the requirements of the Act, the Zone will enhance the value of all taxable real property in the Zone and the Project and Financing Plan is feasible.

SECTION 4. Approval of Amended Interlocal Agreement. The City Council hereby approves the amendment to the Interlocal Agreement, in substantially the form attached hereto as Exhibit B, which is incorporated herein as a part hereof for all purposes. The City Council hereby authorizes the Mayor, City Manager and Finance Director of the City to negotiate any final terms with the County to finalize the amendment to the Interlocal

Agreement and execute the final Interlocal Agreement, as amended.

SECTION 5. Additional Actions. The Mayor, City Manager, Finance Director of the City and the City Secretary are hereby authorized and directed to take any and all actions on behalf of the City necessary or desirable to carry out the intent and purposes of this Ordinance.

SECTION 6. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 7. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 8. Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance or the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 9. Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 10. Effective Date. This Ordinance shall become effective from and after its date of passage in accordance with the law.

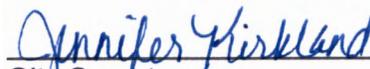
[Remainder of Page Intentionally Left Blank; Signatures to Follow]

PASSED AND APPROVED on this April 18, 2023.

CITY OF KYLE, TEXAS

By: 
Mayor

ATTEST:


City Secretary

(City Seal)

EXHIBIT A

Amended and Restated Project and Financing Plan

See Tab No. __



TAX INCREMENT REINVESTMENT ZONE NUMBER TWO,
CITY OF KYLE, TEXAS
AMENDED AND RESTATED
PROJECT AND FINANCE PLAN
APRIL 18, 2023

TABLE OF CONTENTS

Table of Contents	1
Section 1: Definitions	2
Section 2: Introduction	5
Section 3: Description and Maps	7
Section 4: Proposed Changes to Ordinances, Plans, Codes, Rules, and Regulations	7
Section 5: Relocation of Displaced Persons	8
Section 6: Estimated Non-Project Costs	8
Section 7: Proposed Public Improvements	8
Section 8: Estimated Project Costs	8
Section 9: Economic Feasibility	9
Section 10: Estimated Bonded Indebtedness	9
Section 11: Appraised Value	10
Section 12: Method of Financing	10
Section 13: Duration of the Zone, Termination	11
List of Exhibits	12
Exhibit A – Map of the Zone.....	13
Exhibit B – Non-Project Costs	14
Exhibit C – Project Costs.....	15
Exhibit D – Estimated Timeline of Incurred Costs.....	16
Exhibit E – Feasibility Study.....	17
Exhibit F – Debt Service Schedule	18
Exhibit G – Proposed Uses of the Property.....	19
Exhibit H – Map of the Public Improvements.....	20
Exhibit I – Legal Description of the Zone	21

SECTION 1: DEFINITIONS

Capitalized terms used in this Amended Plan shall have the meanings given to them in **Section I** below unless otherwise defined in this Amended Plan or unless the context in which a term is used clearly requires a different meaning. Unless otherwise defined, a reference to a “Section,” or an “Exhibit,” shall be a reference to a Section of this Amended Plan or an Exhibit attached to and made a part of this Amended Plan for all purposes.

“**Act**” means Chapter 311, Texas Tax Code, Tax Increment Financing Act.

“**Administrative Costs**” means the actual, direct costs paid or incurred by or on behalf of the City to administer the Zone, including planning, engineering, legal services, organizational costs, publicizing costs, or implementations costs paid by or on behalf of the City that are directly related to the administration of the Zone.

“**Amended Plan**” means this *Tax Increment Reinvestment Zone Number Two, City of Kyle Amended and Restated Project and Finance Plan* approved by the City Council on April 18, 2023.

“**Appraisal District**” means the Hays Central Appraisal District.

“**Board**” means the Board of Directors for the Zone.

“**Captured Appraised Value**” means the new taxable value generated in addition to the Tax Increment Base on a parcel-by-parcel basis for each year during the term of the Zone, as calculated and confirmed annually by the Appraisal District.

“**City**” means the City of Kyle, Texas.

“**City Council**” means the governing body of the City.

“**City TIRZ Increment**” means fifty percent (50%) of the City’s ad valorem real property taxes collected and received by the City on the Captured Appraised Value in the Zone, and deposited into the TIRZ Fund.

“**County**” means Hays County, Texas.

“**County Participation Agreement**” means that certain Interlocal Agreement to Participate in Tax Increment Reinvestment Zone Number Two, City of Kyle, Texas entered into by the City, and the County, on May 30[?], 2019, as amended from time to time, detailing the City and County’s participation in the Zone.

“County TIRZ Increment” means the portion of the County’s ad valorem tax increment equal to fifty percent (50%) of the ad valorem real property taxes collected and received by the County on the Captured Appraised Value in the Zone.

“Creation Ordinance” means Ordinance No. 1022 adopted by the City Council on December 18, 2018, as amended by Ordinance No. 1064 on December 3, 2019.

“Feasibility Study” means the economic feasibility study as evaluated over the term of the Zone and focused only on direct financial benefits, as shown on **Exhibit E**.

“Non-Project Costs” means those certain costs that will be spent to develop in the Zone, but will not be financed by the Zone, and will be financed by private funds, as described in **Section 6**, and shown on **Exhibit B**.

“Original Plan” means the *Tax Increment Reinvestment Zone Number Two, City of Kyle Project and Finance Plan* approved by the City Council on December 3, 2019.

“Preliminary Plan” means the *Tax Increment Reinvestment Zone Number Two, City of Kyle Preliminary Project and Finance Plan* approved by the City Council on December 18, 2018.

“Project Costs” means the total costs, including interest on obligations, for the Public Improvements in the Zone.

“Property” means 1,482.9 acres of land as depicted on **Exhibit A** and described on **Exhibit I**.

“Public Improvements” means the proposed public improvements to be financed by the Zone, as depicted on **Exhibit H**, and detailed on **Exhibit C**, which include:

- a. Streetscapes, landscaping, roadways, transportation, roundabouts, underground waste receptacles and other applicable associated improvements;
- b. Public art including water features
- c. Parks, plazas and other public realm spaces dedicated exclusively for public gatherings, community events, and community celebrations;
- d. Safe pedestrian crossings including pavement lit crosswalks and underpasses;
- e. Under-the-road pedestrian crossings;
- f. Public parking/parking garages;
- g. Public buildings and other applicable facilities;
- h. Wayfinding and Signage;
- i. Safety and human comfort improvements including shade structures and lighting;
- j. Ambiance and space making lighting such as tree lights, free hanging strung lights;
- k. Trails connecting to Uptown to other areas within Plum Creek and adjacent developments;

- l. Improvements deemed appropriate by the TIRZ Board to promote economic development within Plum Creek; and
- m. Other improvements that is permissible under Chapter 311 of the Texas Tax Code and approved by the City Council and the Board of Directors.

“Tax Increment Base” means total appraised value of taxable real property in the Zone at the time of creation of the Zone, as calculated and certified by the Appraisal District.

“TIRZ Bonds – Series 2023” means those certain “City of Kyle, Texas Tax Increment Revenue Bonds, Series 2023” that are secured by the City TIRZ Increment. The schedule for the TIRZ Bonds – Series 2023 is detailed on **Exhibit F**.

“TIRZ Bonds – Series 2025” means those certain “City of Kyle, Texas Tax Increment Revenue Bonds, Series 2025” that are anticipated to be issued and secured by the City TIRZ Increment in the future. The proposed schedule for the TIRZ Bonds – Series 2025 is detailed on **Exhibit F**.

“TIRZ Fund” means the tax increment fund created by the City and segregated from all other funds of the City.

“Zone” means *Tax Increment Reinvestment Zone Number Two, City of Kyle, Texas*, as depicted on **Exhibit A**, and described on **Exhibit I**.

SECTION 2: INTRODUCTION

2.1 Authority and Purpose

The City has the authority under the Act to designate a contiguous or noncontiguous geographic area within the corporate limits or extraterritorial jurisdiction of the City as a tax increment reinvestment zone to promote development or redevelopment of the area because the City Council determined that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future, that the Zone is economically feasible, and that creation of the Zone is in the best interest of the City and the property in the Zone. The purpose of the Zone is to facilitate such development or redevelopment by financing the costs of public works, public improvements, programs, and other projects benefiting the Zone, plus other costs incidental to those expenditures, all of which costs are authorized by the Act.

2.2 Eligibility Requirements

An area is eligible under the Act to be designated as a tax increment reinvestment zone if the area:

- 1) substantially arrests or impairs the sound growth of the municipality designating the Zone, retard the provision of housing accommodations, or constitutes an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition; or
- 2) is predominantly open or undeveloped and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City; or
- 3) is in a federally assisted new community located in the City or in an area immediately adjacent to a federally assisted new community; or
- 4) is in an area described in a petition requesting that the area be designated as a reinvestment zone, if the petition is submitted to the governing body of the City by the owners of property constituting at least fifty percent (50%) of the appraised value of the property in the area according to the most recent certified appraisal roll for the county in which the area is located.

The City cannot, however, designate a zone if more than thirty percent (30%) of the property in the proposed zone, excluding property that is publicly owned, is used for residential purposes, or if the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones exceeds fifty percent (50%) of the total appraised value of taxable real property in the City and in industrial districts created by the City.

2.3 Zone

The Property within the Zone is currently located within the corporate limits of the City. At the time of Zone creation, the Property was predominantly open, undeveloped or underdeveloped, and substantially impaired and arrested the sound growth of the City. Due to its size, location, and physical characteristics development would not occur solely through private investment in the foreseeable future. The Property lacks public infrastructure and requires economic incentive to attract development for the purpose of providing long-term economic benefits including, but not limited to, increased real property tax base for all taxing units in the Zone. If the Public Improvements are financed as contemplated by this Amended Plan, the City envisions that the Property will be developed to take full advantage of the opportunity to bring to the City, and the County, a quality development.

2.4 Preliminary Plan and Hearing

Before the City Council adopted the Creation Ordinance, the City Council prepared a Preliminary Plan in accordance with the Act and held a public hearing on the creation of the Zone and its benefits to the City and to the Property, at which public hearing interested persons were given the opportunity to speak for and against the creation of the Zone, the boundaries of the Zone and the concept of tax increment financing, and at which hearing the owners of the Property were given a reasonable opportunity to protest the inclusion of their Property in the Zone. The requirement of the Act for a preliminary reinvestment zone project and finance plan was satisfied by the Preliminary Plan, the purpose of which was to describe, in general terms, the Public Improvements that will be undertaken and financed by the Zone. A description of how such Public Improvements and projects will be undertaken and financed shall be determined by this Amended Plan, which requires approval by the Board and City Council.

2.5 Creation of the Zone

Upon the closing of the above referenced public hearing, the City Council considered the Creation Ordinance and the made following findings:

- 1) that development or redevelopment of the Property would not occur solely through private investment in the reasonably foreseeable future,
- 2) that the Zone was feasible,
- 3) that improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City, and
- 4) that the Zone meets the eligibility requirements of the Act.

Among other provisions required by the Act, the Creation Ordinance appointed the Board.

2.6 Board Recommendations

After the creation of the Zone, the Board reviewed the Preliminary Plan and recommend its approval by the City Council pursuant to which the City shall contribute the City TIRZ Increment into the TIRZ Fund to pay a portion of the Project Costs benefiting the Zone. Pursuant to the County Participation Agreement, the County shall contribute the County TIRZ Increment into the TIRZ Fund to pay a portion of the Project Costs benefitting the Zone. Likewise, the Board has reviewed this Amended Plan and recommended its approval by the City Council in order to extend the term of the Zone, include additional projects to Amended Plan, acknowledge the City's authority to issue tax increment revenue bonds.

SECTION 3: DESCRIPTION AND MAPS

3.1 Existing Uses and Conditions

The Property is currently zoned Plum Creek Residential 2, Plum Creek Mixed Use, Plum Creek Light Industrial, Plum Creek Employment, Plum Creek Open Space, Agriculture, Plum Creek Residential 3, Multifamily R-3-3, Retail Services, and Warehouse and is intended to be developed with residential, commercial, and industrial uses. The Property is undeveloped or underdeveloped, and there is limited public infrastructure to support development. Development requires extensive public infrastructure that: (1) the City could not provide, and (2) would not be provided solely through private investment in the foreseeable future.

3.2 Proposed Uses

The proposed uses of the Property in the City include residential, commercial, and industrial, as shown on **Exhibit G**.

SECTION 4: PROPOSED CHANGES TO ORDINANCES, PLANS, CODES, RULES, AND REGULATIONS

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

SECTION 5: RELOCATION OF DISPLACED PERSONS

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

SECTION 6: ESTIMATED NON-PROJECT COSTS

Non-Project Costs are costs that will be spent to develop in the Zone but will not be financed by the Zone, and will be financed by private funds. The list of Non-Project Costs is shown on **Exhibit B** and are estimated to be approximately \$227,820,000.

SECTION 7: PROPOSED PUBLIC IMPROVEMENTS

7.1 Categories of Public Improvements

All Public Improvements shall be designed and constructed in accordance with all applicable City standards and shall otherwise be inspected, approved, and accepted by the City. At the City's option, the Public Improvements may be expanded to include any other category of improvements authorized by the Act.

7.2 Locations of Public Improvements

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

SECTION 8: ESTIMATED PROJECT COSTS

8.1 Project Costs

The total costs are estimated to be \$100,114,565, as shown below and detailed on **Exhibit C**. The costs of Public Improvements are estimated to be \$99,614,620, and the Administrative Costs are estimated to be \$499,945.

8.2 Administrative Costs

The Administrative Costs are estimated to be \$10,000 per year beginning 2023 and escalating at two percent (2%) thereafter. The Administrative Costs shall be paid each year from the TIRZ Fund before any other Project Costs are paid.

8.5 Estimated Timeline of Incurred Costs

The Administrative Costs will be incurred annually through the remaining duration of the Zone. It is estimated the costs for constructing the Public Improvements will be incurred between 2023 and 2057, as shown on **Exhibit D**.

SECTION 9: ECONOMIC FEASIBILITY

9.1 Feasibility Study

The Feasibility Study focuses on only direct financial benefits (i.e. ad valorem tax revenues from the development of Public Improvements in the Zone). Based on the Feasibility Study, during the term of the Zone, new development (which would not have occurred but for the Zone) will generate approximately \$200,229,130 in total new real property tax revenue for the taxing entities. Approximately \$100,114,565 will be deposited into the TIRZ Fund to pay for the Project Costs, over the life of the Zone. The remaining real property tax revenue over that period, estimated at \$100,114,565 shall be retained by the taxing entities.

The Feasibility Study shows the cumulative City TIRZ Increment is estimated to be \$66,673,458, which will be available to pay a portion of the Project Costs, until the term expires or is otherwise terminated. The remainder of the new City real property tax revenue generated within the Zone and retained by the City is estimated to be \$66,673,458 over the term.

The Feasibility Study shows the cumulative County TIRZ Increment is estimated to be \$33,441,107, which will be available to pay a portion of the Project Costs, until the term expires or is otherwise terminated. The remainder of the new County real property tax revenue generated within the Zone and retained by the County is estimated to be \$33,441,107 over the term.

One hundred percent (100%) of all taxing revenues generated for other taxing entities by the new development within the Zone will be retained by the respective taxing entities. Based on the foregoing, the feasibility of the Zone has been demonstrated.

SECTION 10: ESTIMATED BONDED INDEBTEDNESS

The City shall be authorized to issue Tax Increment Revenue bonds which are secured by and payable from the City TIRZ Increment. The estimated bonded indebtedness of the Zone is anticipated to be \$11,500,000, split between the TIRZ Bonds – Series 2023, and TIRZ Bonds – Series 2025, as shown on **Exhibit F**.

SECTION 11: APPRAISED VALUE

11.1 Tax Increment Base

The Tax Increment Base is \$121,367,726, as confirmed by the Appraisal District. Each year, the Appraisal District shall confirm the Captured Appraised Value of the Zone.

11.2 Estimated Captured Appraised Value

It is estimated that upon expiration of the term of the Zone, the total Captured Appraised Value of taxable real property in the Zone will be approximately \$1,015,580,601 as shown on **Exhibit E**. The actual Captured Appraised Value, as certified by the Appraisal District each year, will be used to calculate both the City TIRZ Increment and County TIRZ Increment, pursuant to this Amended Plan, and the County Participation Agreement.

SECTION 12: METHOD OF FINANCING

12.1 TIRZ Fund Contributions

This Amended Plan shall obligate the City to deposit the City TIRZ Increment into the TIRZ Fund. For example, in FY 2022, the City's ad valorem tax rate was \$0.5082 per \$100 of taxable value, therefore the City would contribute \$0.2541 per \$100 of the Captured Appraised Value of the Zone levied and collected, to the TIRZ Fund.

The County Participation Agreement obligates the County to deposit the County TIRZ Increment into the TIRZ Fund beginning in 2020. For example, in FY 2022, the County's ad valorem tax rate was \$0.2950 per \$100 of taxable value, therefore the County would contribute \$0.1475 per \$100 of the Captured Appraised Value of the Zone levied and collected, to the TIRZ Fund.

The funds deposited into the TIRZ Fund shall be prioritized and allocated on a parcel-by-parcel as follows:

- 1) For the reasonable Administrative Costs of the Zone; then
- 2) For the debt service payments of the TIRZ Bonds – Series 2023, funds available from the City Tax Increment only, as detailed on **Exhibit F**; then
- 3) Any remaining revenue in the TIRZ Fund may be used to fund any other Public Improvements, or in any other manner as authorized by the City and allowed pursuant to the Act and the County Participation Agreement.

All payments of Project Costs shall be made solely from the TIRZ Fund and from no other funds of the City or County, unless otherwise approved by the City or the County. The TIRZ Fund shall only be used to pay the Project Costs. The City may amend this Amended Plan in compliance with

the Act and the County Participation Agreement, including but not limited to what is considered a Project Cost.

SECTION 13: DURATION OF THE ZONE, TERMINATION

13.1 Duration

The stated term of the Zone commenced upon the execution of the Creation Ordinance and shall continue until December 31, 2056, with the last payment being deposited by Fiscal Year Ending September 30, 2057, unless otherwise terminated in accordance with the Creation Ordinance.

13.2 Termination

The Zone shall terminate on the earlier of (i) December 31, 2057, or (ii) at such time that the obligations of the Zone, including all Project Costs, have been paid in full. If upon expiration of the stated term of the Zone, the obligations of the Zone have not been fully funded by the TIRZ Fund, the City and the County shall have no obligation to pay the shortfall and the term shall not be extended. Nothing in this Section is intended to prevent the City from extending the term of the Zone in accordance with the Act.

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LIST OF EXHIBITS

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

Exhibit A	Map of the Zone
Exhibit B	Non-Project Costs
Exhibit C	Project Costs
Exhibit D	Estimated Timeline of Incurred Costs
Exhibit E	Feasibility Study
Exhibit F	Debt Service Schedule
Exhibit G	Proposed Uses of the Property
Exhibit H	Map of the Public Improvements
Exhibit I	Legal Description of the Zone

EXHIBIT A – MAP OF THE ZONE

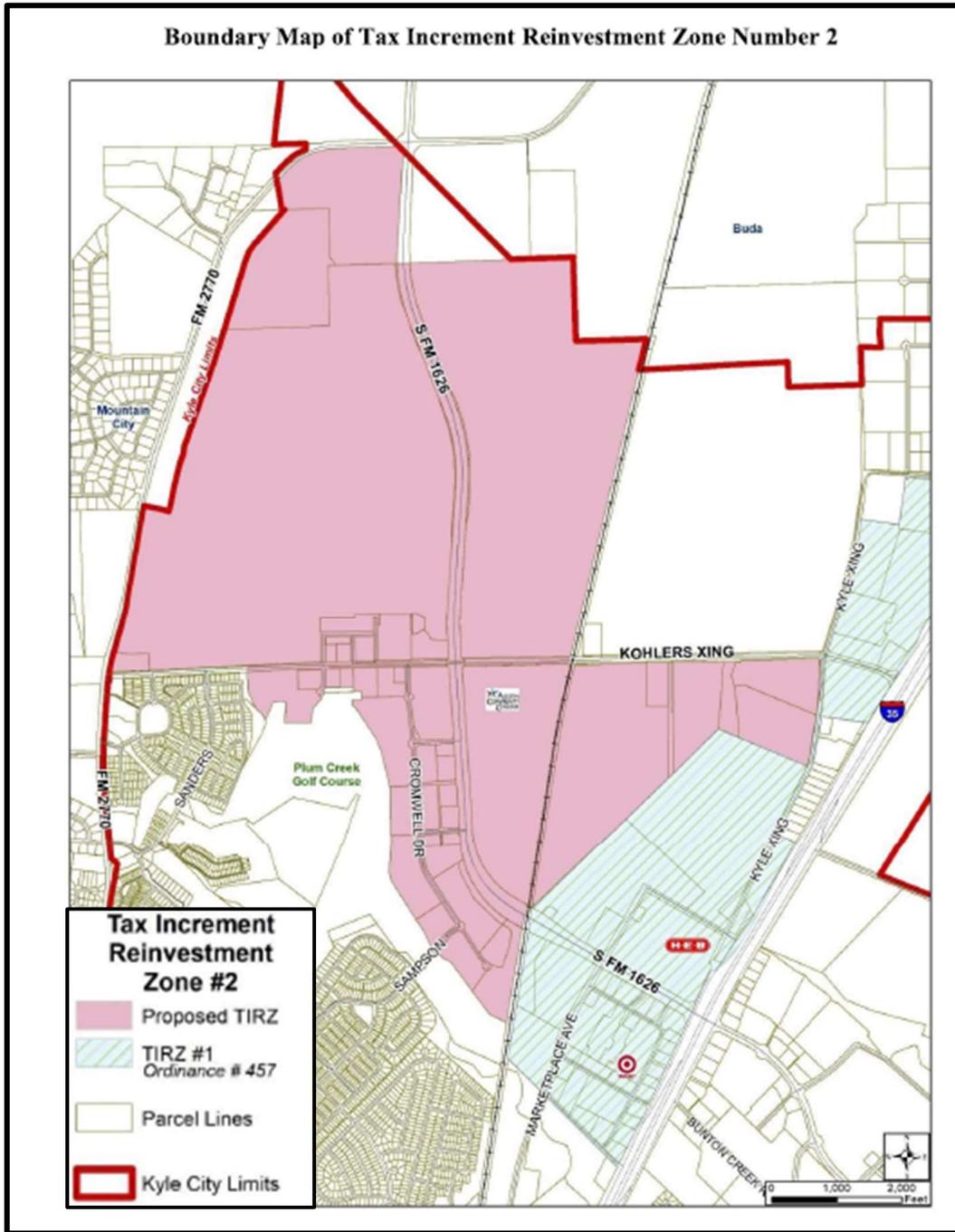


EXHIBIT B – NON-PROJECT COSTS

Tax Increment Reinvestment Zone Number Two, City of Kyle, Texas Non-Project Costs

Base Taxable Value	Estimated New Value Added	Estimated Non-Project Costs ^{1,2}
\$ 121,367,726	406,142,623	\$ 227,820,000

(1) Shown for illustrative purposes only.

(2) Non-Project Costs estimated at approximately 80% of the new value added to the Zone.

EXHIBIT C – PROJECT COSTS

Tax Increment Reinvestment Zone Number Two, City of Kyle, Texas Estimated Timeline of Incurred Costs

Project Costs	
Public Improvements	
Capital Parks Repayment to City	\$ 20,000,000
Park Maintenance (w/ Inflation)	\$ 38,937,584
Other Expenses	\$ 8,839,557
TIRZ Bonds - Series 2023 (Retail Roads)	\$ 16,409,225
TIRZ Bonds - Series 2025	\$ 7,648,700
Public Improvements ²	\$ 7,779,554
Public Improvement Costs	\$ 99,614,620
Administrative Costs	\$ 499,945
Total Project Costs	\$ 100,114,565

(1) To be determined at the discretion of the City Council and TIRZ Board.

(2) Proposed improvements include convention center (including hotel and related facilities), regional sports complex, and cultural facilities (including libraries and museums). Improvements will be selected based upon TIRZ Board recommendation and City Council approval.

EXHIBIT D – ESTIMATED TIMELINE OF INCURRED COSTS

Tax Increment Reinvestment Zone Number Two, City of Kyle, Texas								
Estimated Timeline of Incurred Costs ²								
Zone	FYE	Capital Parks		Park		TIRZ Bonds -		Public
Year	(9/30) ¹	Administrative	Repayment to	Maintenance	Other	Series 2023 ³	Series 2025 ⁴	Improvements ^{2,5}
1 - Base	2018	Costs	City	(w/ Inflation)	Expenses			
6	2023	\$ 10,000	\$ 250,000	\$ 644,000	\$ 146,200	\$ -	\$ -	\$ 580,869
7	2024	\$ 10,200	\$ 400,000	\$ 663,320	\$ 150,586	\$ 440,000	\$ -	\$ 180,289
8	2025	\$ 10,404	\$ 450,000	\$ 683,220	\$ 155,104	\$ 475,000	\$ -	\$ 207,664
9	2026	\$ 10,612	\$ 450,000	\$ 703,716	\$ 159,757	\$ 548,075	\$ 215,000	\$ -
10	2027	\$ 10,824	\$ 450,000	\$ 724,828	\$ 164,549	\$ 577,025	\$ 264,700	\$ -
11	2028	\$ 11,041	\$ 475,000	\$ 746,573	\$ 169,486	\$ 574,050	\$ 261,400	\$ -
12	2029	\$ 11,262	\$ 500,000	\$ 768,970	\$ 174,570	\$ 575,800	\$ 253,100	\$ -
13	2030	\$ 11,487	\$ 500,000	\$ 792,039	\$ 179,808	\$ 577,000	\$ 265,100	\$ -
14	2031	\$ 11,717	\$ 525,000	\$ 815,800	\$ 185,202	\$ 572,650	\$ 261,200	\$ -
15	2032	\$ 11,951	\$ 550,000	\$ 840,274	\$ 190,758	\$ 573,025	\$ 257,300	\$ -
16	2033	\$ 12,190	\$ 550,000	\$ 865,482	\$ 196,481	\$ 572,850	\$ 253,400	\$ 9,682
17	2034	\$ 12,434	\$ 575,000	\$ 891,447	\$ 202,375	\$ 577,125	\$ 254,500	\$ -
18	2035	\$ 12,682	\$ 600,000	\$ 918,190	\$ 208,446	\$ 575,575	\$ 255,300	\$ -
19	2036	\$ 12,936	\$ 600,000	\$ 945,736	\$ 214,700	\$ 573,475	\$ 255,800	\$ 8,015
20	2037	\$ 13,195	\$ 625,000	\$ 974,108	\$ 221,141	\$ 575,825	\$ 256,000	\$ -
21	2038	\$ 13,459	\$ 625,000	\$ 1,003,331	\$ 227,775	\$ 577,350	\$ 255,900	\$ 13,318
22	2039	\$ 13,728	\$ 650,000	\$ 1,033,431	\$ 234,608	\$ 573,050	\$ 255,500	\$ 10,138
23	2040	\$ 14,002	\$ 650,000	\$ 1,064,434	\$ 241,646	\$ 573,200	\$ 254,800	\$ 27,782
24	2041	\$ 14,282	\$ 650,000	\$ 1,096,367	\$ 248,896	\$ 577,525	\$ 253,800	\$ 41,511
25	2042	\$ 14,568	\$ 675,000	\$ 1,129,258	\$ 256,363	\$ 575,750	\$ 257,500	\$ 31,590
26	2043	\$ 14,859	\$ 700,000	\$ 1,163,136	\$ 264,053	\$ 573,150	\$ 255,600	\$ 28,031
27	2044	\$ 15,157	\$ 700,000	\$ 1,198,030	\$ 271,975	\$ 574,725	\$ 253,400	\$ 45,520
28	2045	\$ 15,460	\$ 725,000	\$ 1,233,971	\$ 280,134	\$ 575,200	\$ 255,900	\$ 34,318
29	2046	\$ 15,769	\$ 750,000	\$ 1,270,990	\$ 288,538	\$ 574,575	\$ 257,800	\$ 24,710
30	2047	\$ 16,084	\$ 750,000	\$ 1,309,119	\$ 297,194	\$ 572,850	\$ 254,100	\$ 46,682
31	2048	\$ 16,406	\$ 775,000	\$ 1,348,393	\$ 306,110	\$ 575,025	\$ 255,100	\$ 34,916
32	2049	\$ 16,734	\$ 800,000	\$ 1,388,845	\$ 315,294	\$ 575,825	\$ 255,500	\$ 24,971
33	2050	\$ 17,069	\$ 800,000	\$ 1,430,510	\$ 324,752	\$ 575,250	\$ 255,300	\$ 41,832
34	2051	\$ 17,410	\$ 800,000	\$ 1,473,425	\$ 334,495	\$ 573,300	\$ 254,500	\$ 60,477
35	2052	\$ 17,758	\$ 800,000	\$ 1,517,628	\$ 344,530	\$ 574,975	\$ 258,100	\$ 70,888
36	2053	\$ 18,114	\$ 800,000	\$ 1,563,157	\$ 354,866	\$ -	\$ 255,800	\$ 663,620
37	2054	\$ 18,476	\$ 850,000	\$ 1,610,052	\$ 365,512	\$ -	\$ 252,900	\$ 631,728
38	2055	\$ 18,845	\$ -	\$ 1,658,353	\$ 376,477	\$ -	\$ 254,400	\$ 1,495,166
39	2056	\$ 19,222	\$ -	\$ 1,708,104	\$ 387,771	\$ -	\$ -	\$ 1,764,209
40	2057	\$ 19,607	\$ -	\$ 1,759,347	\$ 399,405	\$ -	\$ -	\$ 1,701,632
Total		\$ 499,945	\$ 20,000,000	\$ 38,937,584	\$ 8,839,557	\$ 16,409,225	\$ 7,648,700	\$ 7,779,554

Footnotes

(1) As provided by City's Financial Advisor in model dated 02/06/2023.

(2) As determined by the City Council and TIRZ Board.

(3) Represents the debt service on the TIRZ Bond - Series 2023, as shown on **Exhibit F**.

(4) Represents the debt service on the TIRZ Bond - Series 2025, as shown on **Exhibit F**.

(5) Represents TIRZ Revenue available for additional Public Improvements.

EXHIBIT E – FEASIBILITY STUDY

Tax Increment Reinvestment Zone Number 2, City of Kyle, Texas																
Feasibility Study																
Zone Year	FYE (9/30) ¹	Growth/Year ¹	New Taxable Value	Incremental Value ¹	City TIRZ Increment ¹			City Retained Revenue	County TIRZ Increment ^{1,2}			County Retained	Total TIRZ Contribution ¹		Total Retained Revenue	
					Rate	%	Annual	Annual	Rate	%	Annual	Annual	Annual	Annual	Cumulative	Annual
1 - Base	2018		\$ 121,367,726													
6	2023	5%	\$ 527,510,349	\$ 406,142,623	\$ 0.5082	50%	\$ 1,032,008	\$ 1,032,008	\$ 0.2950	50%	\$ 599,060	\$ 599,060	\$ 1,631,069	\$ 1,631,069	\$ 1,631,069	\$ 1,631,069
7	2024	5%	\$ 547,817,480	\$ 426,449,754	\$ 0.5700	50%	\$ 1,215,382	\$ 1,215,382	\$ 0.2950	50%	\$ 629,013	\$ 629,013	\$ 1,844,395	\$ 3,475,464	\$ 1,844,395	\$ 3,475,464
8	2025	5%	\$ 569,139,968	\$ 447,772,242	\$ 0.5900	50%	\$ 1,320,928	\$ 1,320,928	\$ 0.2950	50%	\$ 660,464	\$ 660,464	\$ 1,981,392	\$ 5,456,856	\$ 1,981,392	\$ 5,456,856
9	2026	5%	\$ 591,528,580	\$ 470,160,854	\$ 0.5900	50%	\$ 1,386,975	\$ 1,386,975	\$ 0.2950	50%	\$ 693,487	\$ 693,487	\$ 2,080,462	\$ 7,537,318	\$ 2,080,462	\$ 7,537,318
10	2027	5%	\$ 615,036,623	\$ 493,668,897	\$ 0.5900	50%	\$ 1,456,323	\$ 1,456,323	\$ 0.2950	50%	\$ 728,162	\$ 728,162	\$ 2,184,485	\$ 9,721,803	\$ 2,184,485	\$ 9,721,803
11	2028	2%	\$ 624,910,001	\$ 503,542,275	\$ 0.5900	50%	\$ 1,485,450	\$ 1,485,450	\$ 0.2950	50%	\$ 742,725	\$ 742,725	\$ 2,228,175	\$ 11,949,977	\$ 2,228,175	\$ 11,949,977
12	2029	2%	\$ 634,980,846	\$ 513,613,120	\$ 0.5900	50%	\$ 1,515,159	\$ 1,515,159	\$ 0.2950	50%	\$ 757,579	\$ 757,579	\$ 2,272,738	\$ 14,222,715	\$ 2,272,738	\$ 14,222,715
13	2030	2%	\$ 645,253,108	\$ 523,885,382	\$ 0.5900	50%	\$ 1,545,462	\$ 1,545,462	\$ 0.2950	50%	\$ 772,731	\$ 772,731	\$ 2,318,193	\$ 16,540,908	\$ 2,318,193	\$ 16,540,908
14	2031	2%	\$ 655,730,816	\$ 534,363,090	\$ 0.5900	50%	\$ 1,576,371	\$ 1,576,371	\$ 0.2950	50%	\$ 788,186	\$ 788,186	\$ 2,364,557	\$ 18,905,465	\$ 2,364,557	\$ 18,905,465
15	2032	2%	\$ 666,418,078	\$ 545,050,352	\$ 0.5900	50%	\$ 1,607,899	\$ 1,607,899	\$ 0.2950	50%	\$ 803,949	\$ 803,949	\$ 2,411,848	\$ 21,317,313	\$ 2,411,848	\$ 21,317,313
16	2033	2%	\$ 677,319,085	\$ 555,951,359	\$ 0.5900	50%	\$ 1,640,057	\$ 1,640,057	\$ 0.2950	50%	\$ 820,028	\$ 820,028	\$ 2,460,085	\$ 23,777,397	\$ 2,460,085	\$ 23,777,397
17	2034	2%	\$ 688,438,112	\$ 567,070,386	\$ 0.5900	50%	\$ 1,672,858	\$ 1,672,858	\$ 0.2950	50%	\$ 836,429	\$ 836,429	\$ 2,509,286	\$ 26,286,684	\$ 2,509,286	\$ 26,286,684
18	2035	2%	\$ 699,779,520	\$ 578,411,794	\$ 0.5900	50%	\$ 1,706,315	\$ 1,706,315	\$ 0.2950	50%	\$ 853,157	\$ 853,157	\$ 2,559,472	\$ 28,846,156	\$ 2,559,472	\$ 28,846,156
19	2036	2%	\$ 711,347,756	\$ 589,980,030	\$ 0.5900	50%	\$ 1,740,441	\$ 1,740,441	\$ 0.2950	50%	\$ 870,221	\$ 870,221	\$ 2,610,662	\$ 31,456,818	\$ 2,610,662	\$ 31,456,818
20	2037	2%	\$ 723,147,356	\$ 601,779,630	\$ 0.5900	50%	\$ 1,775,250	\$ 1,775,250	\$ 0.2950	50%	\$ 887,625	\$ 887,625	\$ 2,662,875	\$ 34,119,693	\$ 2,662,875	\$ 34,119,693
21	2038	2%	\$ 735,182,949	\$ 613,815,223	\$ 0.5900	50%	\$ 1,810,755	\$ 1,810,755	\$ 0.2950	50%	\$ 905,377	\$ 905,377	\$ 2,716,132	\$ 36,835,825	\$ 2,716,132	\$ 36,835,825
22	2039	2%	\$ 747,459,253	\$ 626,091,527	\$ 0.5900	50%	\$ 1,846,970	\$ 1,846,970	\$ 0.2950	50%	\$ 923,485	\$ 923,485	\$ 2,770,455	\$ 39,606,280	\$ 2,770,455	\$ 39,606,280
23	2040	2%	\$ 759,981,084	\$ 638,613,358	\$ 0.5900	50%	\$ 1,883,909	\$ 1,883,909	\$ 0.2950	50%	\$ 941,955	\$ 941,955	\$ 2,825,864	\$ 42,432,144	\$ 2,825,864	\$ 42,432,144
24	2041	2%	\$ 772,753,351	\$ 651,385,625	\$ 0.5900	50%	\$ 1,921,588	\$ 1,921,588	\$ 0.2950	50%	\$ 960,794	\$ 960,794	\$ 2,882,381	\$ 45,314,525	\$ 2,882,381	\$ 45,314,525
25	2042	2%	\$ 785,781,064	\$ 664,413,338	\$ 0.5900	50%	\$ 1,960,019	\$ 1,960,019	\$ 0.2950	50%	\$ 980,010	\$ 980,010	\$ 2,940,029	\$ 48,254,554	\$ 2,940,029	\$ 48,254,554
26	2043	2%	\$ 799,069,330	\$ 677,701,604	\$ 0.5900	50%	\$ 1,999,220	\$ 1,999,220	\$ 0.2950	50%	\$ 999,610	\$ 999,610	\$ 2,998,830	\$ 51,253,384	\$ 2,998,830	\$ 51,253,384
27	2044	2%	\$ 812,623,362	\$ 691,255,636	\$ 0.5900	50%	\$ 2,039,204	\$ 2,039,204	\$ 0.2950	50%	\$ 1,019,602	\$ 1,019,602	\$ 3,058,806	\$ 54,312,190	\$ 3,058,806	\$ 54,312,190
28	2045	2%	\$ 826,448,475	\$ 705,080,749	\$ 0.5900	50%	\$ 2,079,988	\$ 2,079,988	\$ 0.2950	50%	\$ 1,039,994	\$ 1,039,994	\$ 3,119,982	\$ 57,432,173	\$ 3,119,982	\$ 57,432,173
29	2046	2%	\$ 840,550,090	\$ 719,182,364	\$ 0.5900	50%	\$ 2,121,588	\$ 2,121,588	\$ 0.2950	50%	\$ 1,060,794	\$ 1,060,794	\$ 3,182,382	\$ 60,614,555	\$ 3,182,382	\$ 60,614,555
30	2047	2%	\$ 854,933,737	\$ 733,566,011	\$ 0.5900	50%	\$ 2,164,020	\$ 2,164,020	\$ 0.2950	50%	\$ 1,082,010	\$ 1,082,010	\$ 3,246,030	\$ 63,860,584	\$ 3,246,030	\$ 63,860,584
31	2048	2%	\$ 869,605,058	\$ 748,237,332	\$ 0.5900	50%	\$ 2,207,300	\$ 2,207,300	\$ 0.2950	50%	\$ 1,103,650	\$ 1,103,650	\$ 3,310,950	\$ 67,171,534	\$ 3,310,950	\$ 67,171,534
32	2049	2%	\$ 884,569,804	\$ 763,202,078	\$ 0.5900	50%	\$ 2,251,446	\$ 2,251,446	\$ 0.2950	50%	\$ 1,125,723	\$ 1,125,723	\$ 3,377,169	\$ 70,548,704	\$ 3,377,169	\$ 70,548,704
33	2050	2%	\$ 899,833,846	\$ 778,466,120	\$ 0.5900	50%	\$ 2,296,475	\$ 2,296,475	\$ 0.2950	50%	\$ 1,148,238	\$ 1,148,238	\$ 3,444,713	\$ 73,993,416	\$ 3,444,713	\$ 73,993,416
34	2051	2%	\$ 915,403,168	\$ 794,035,442	\$ 0.5900	50%	\$ 2,342,405	\$ 2,342,405	\$ 0.2950	50%	\$ 1,171,202	\$ 1,171,202	\$ 3,513,607	\$ 77,507,023	\$ 3,513,607	\$ 77,507,023
35	2052	2%	\$ 931,283,877	\$ 809,916,151	\$ 0.5900	50%	\$ 2,389,253	\$ 2,389,253	\$ 0.2950	50%	\$ 1,194,626	\$ 1,194,626	\$ 3,583,879	\$ 81,090,902	\$ 3,583,879	\$ 81,090,902
36	2053	2%	\$ 947,482,200	\$ 826,114,474	\$ 0.5900	50%	\$ 2,437,038	\$ 2,437,038	\$ 0.2950	50%	\$ 1,218,519	\$ 1,218,519	\$ 3,655,557	\$ 84,746,458	\$ 3,655,557	\$ 84,746,458
37	2054	2%	\$ 964,004,490	\$ 842,636,764	\$ 0.5900	50%	\$ 2,485,778	\$ 2,485,778	\$ 0.2950	50%	\$ 1,242,889	\$ 1,242,889	\$ 3,728,668	\$ 88,475,126	\$ 3,728,668	\$ 88,475,126
38	2055	2%	\$ 980,857,225	\$ 859,489,499	\$ 0.5900	50%	\$ 2,535,494	\$ 2,535,494	\$ 0.2950	50%	\$ 1,267,747	\$ 1,267,747	\$ 3,803,241	\$ 92,278,367	\$ 3,803,241	\$ 92,278,367
39	2056	2%	\$ 998,047,015	\$ 876,679,289	\$ 0.5900	50%	\$ 2,586,204	\$ 2,586,204	\$ 0.2950	50%	\$ 1,293,102	\$ 1,293,102	\$ 3,879,306	\$ 96,157,673	\$ 3,879,306	\$ 96,157,673
40	2057	2%	\$ 1,015,580,601	\$ 894,212,875	\$ 0.5900	50%	\$ 2,637,928	\$ 2,637,928	\$ 0.2950	50%	\$ 1,318,964	\$ 1,318,964	\$ 3,956,892	\$ 100,114,565	\$ 3,956,892	\$ 100,114,565
Total							\$ 66,673,458	\$ 66,673,458			\$ 33,441,107	\$ 33,441,107	\$ 100,114,565		\$ 100,114,565	

Assumptions	Footnotes
Base Taxable Value \$ 121,367,726	(1) As provided by City's Financial Advisor in model dated 03/31/2023.
City Tax Rate \$ 0.5082000	(2) County has not yet agreed to participate from years 2039-2057, and are shown for illustrative purposes only.
County Tax Rate \$ 0.2950000	

EXHIBIT F – DEBT SERVICE SCHEDULE

City of Kyle, Texas TIRZ #2 Proforma Debt Capacity Analysis Based Upon \$527,510,349 TIRZ #2 Value April 10, 2023																	
Taxable Assessed Value Assumptions			TIRZ #2 Structural Assumptions										TIRZ #2 Expenditure Assumptions				
TY 2022/FY 2023 Certified Values: \$527,510,349 (all ARB is settled, per HCAD on 1/26/23)			City/County Participation Rates: 50%										City Capital Expenditures for Parks: \$ 20,000,000				
Less: TY 2018/ FY 2019 Base Values: \$121,367,726			Original TIRZ #2 Termination Date: 12/31/2037										Amortization (years): 30				
TY 2022/ FY 2023 Increment: \$406,142,623			Amended TIRZ #2 Termination Date: 12/31/2056										Annual Repayment to City: Varies				
Growth Rate through 2027: 5%													Annual Park Maintenance Expense: \$644,000				
Growth Rate after 2027: 2%													Other Expenses: \$146,200				
													Inflation Growth Rate: 3%				
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
FYE (9/30)	TIRZ #2 Incremental Value	City of Kyle Tax Rate	City TIRZ #2 Revenues (50%) (B x C / 100 x .5)	Hays County Tax Rate	County TIRZ #2 Revenues (50%) (B x C / 100 x .5)	Projected TIRZ #2 Revenues (D + F)	Less: Annual Capital Parks Repayment to City	Less: Annual Park Maintenance (w/ Inflation)	Less: Other Expenses (w/ Inflation)	Available For Debt Service (G - H - I - J)	\$8,000,000 Series 2023 ⁽¹⁾	\$3,500,000 Series 2025 ⁽²⁾	\$11,500,000 Total Debt Service	Maximum Annual Debt Service (Max L or N)	Additional Bonds Test Coverage (D / O) > 1.25X	Debt Service Coverage Ratio ⁽³⁾ (D / N)	Excess Capacity After City Reimbursements (K - N)
2023	\$ 406,142,623	0.5082	\$ 1,032,008	0.2950	\$ 599,060	\$ 1,631,069	\$ 250,000	\$ 644,000	\$ 146,200	\$ 590,869		\$ 590,869	\$ 577,525	N/A	N/A	\$ 590,869	
2024	426,449,754	0.5700	1,215,382	0.2950	629,013	1,844,395	400,000	663,320	150,586	630,489	\$ 440,000	\$ 440,000	577,525	1.79X	2.76X	190,489	
2025	447,772,242	0.5900	1,320,928	0.2950	660,464	1,981,392	450,000	683,220	155,104	693,069	475,000	475,000	842,100	1.44X	2.78X	218,069	
2026	470,160,854	0.5900	1,386,975	0.2950	693,487	2,080,462	450,000	703,716	159,757	766,989	548,075	215,000	763,075	842,100	1.57X	1.82X	3,914
2027	493,668,897	0.5900	1,456,323	0.2950	728,162	2,184,485	450,000	724,828	164,549	845,108	577,025	264,700	841,725	842,100	1.65X	1.73X	3,383
2028	503,542,275	0.5900	1,485,450	0.2950	742,725	2,228,175	475,000	746,573	169,486	837,116	574,050	261,400	835,450	842,100	1.73X	1.78X	1,666
2029	513,613,120	0.5900	1,515,159	0.2950	757,579	2,272,738	500,000	768,970	174,570	829,198	575,800	253,100	828,900	842,100	1.76X	1.83X	298
2030	523,885,382	0.5900	1,545,462	0.2950	772,731	2,318,193	500,000	792,039	179,808	846,346	577,000	265,100	842,100	833,850	1.82X	1.84X	4,246
2031	534,363,090	0.5900	1,576,371	0.2950	788,186	2,364,557	525,000	815,800	185,202	838,555	572,650	261,200	833,850	833,250	1.85X	1.89X	4,705
2032	545,050,352	0.5900	1,607,899	0.2950	803,949	2,411,848	550,000	840,274	190,758	830,816	573,025	257,300	830,325	833,250	1.89X	1.94X	491
2033	555,951,359	0.5900	1,640,057	0.2950	820,028	2,460,085	550,000	865,482	196,481	848,122	572,850	253,400	826,250	833,250	1.93X	1.98X	21,872
2034	567,070,386	0.5900	1,672,858	0.2950	836,429	2,509,286	575,000	891,447	202,375	840,465	577,125	254,500	831,625	833,250	1.97X	2.01X	8,840
2035	578,411,794	0.5900	1,706,315	0.2950	853,157	2,559,472	600,000	918,190	208,446	832,836	575,575	255,300	830,875	833,250	2.01X	2.05X	1,961
2036	589,980,030	0.5900	1,740,441	0.2950	870,221	2,610,662	600,000	945,736	214,700	850,226	573,475	256,800	829,275	833,250	2.05X	2.10X	20,951
2037	601,779,630	0.5900	1,775,250	0.2950	887,625	2,662,875	625,000	974,108	221,141	842,626	575,825	258,000	831,825	833,250	2.09X	2.13X	10,801
2038	613,815,223	0.5900	1,810,755	0.2950	905,377	2,716,132	625,000	1,003,331	227,775	860,027	577,350	255,900	833,250	833,250	2.13X	2.17X	26,777
2039	626,091,527	0.5900	1,846,970	0.2950	923,485	2,770,455	650,000	1,033,431	234,608	852,416	573,050	255,500	828,550	833,250	2.17X	2.23X	23,866
2040	638,613,358	0.5900	1,883,909	0.2950	941,955	2,825,864	650,000	1,064,434	241,646	869,784	573,200	254,800	828,000	833,250	2.22X	2.28X	41,784
2041	651,385,625	0.5900	1,921,588	0.2950	960,794	2,882,381	650,000	1,096,367	248,896	887,119	577,525	253,800	831,325	833,250	2.26X	2.31X	55,794
2042	664,413,338	0.5900	1,960,019	0.2950	980,010	2,940,029	675,000	1,129,258	256,363	879,409	575,750	257,500	833,250	833,075	2.31X	2.35X	46,159
2043	677,701,604	0.5900	1,999,220	0.2950	999,610	2,998,830	700,000	1,163,136	264,053	871,641	573,150	255,600	828,750	833,075	2.35X	2.41X	42,891
2044	691,255,636	0.5900	2,039,204	0.2950	1,019,602	3,058,806	700,000	1,198,030	271,975	888,801	574,725	253,400	828,125	833,075	2.40X	2.46X	60,676
2045	705,080,749	0.5900	2,079,988	0.2950	1,039,994	3,119,982	725,000	1,233,971	280,134	880,877	575,200	255,900	831,100	833,075	2.45X	2.50X	49,777
2046	719,182,364	0.5900	2,121,588	0.2950	1,060,794	3,182,382	750,000	1,270,990	288,538	872,854	574,575	257,800	832,375	833,075	2.50X	2.55X	40,479
2047	733,566,011	0.5900	2,164,020	0.2950	1,082,010	3,246,030	750,000	1,309,119	297,194	889,716	572,850	254,100	826,950	833,075	2.55X	2.62X	62,766
2048	748,237,332	0.5900	2,207,300	0.2950	1,103,650	3,310,950	775,000	1,348,393	306,110	881,447	575,025	255,100	830,125	833,075	2.60X	2.66X	51,322
2049	763,202,078	0.5900	2,251,446	0.2950	1,125,723	3,377,169	800,000	1,388,845	315,294	873,031	575,825	255,500	831,325	833,075	2.65X	2.71X	41,706
2050	778,466,120	0.5900	2,296,475	0.2950	1,148,238	3,444,713	800,000	1,430,510	324,752	889,450	575,250	255,300	830,550	833,075	2.70X	2.77X	58,900
2051	794,035,442	0.5900	2,342,405	0.2950	1,171,202	3,513,607	800,000	1,473,425	334,495	905,686	573,300	254,500	827,800	833,075	2.76X	2.83X	77,886
2052	809,916,151	0.5900	2,389,253	0.2950	1,194,626	3,583,879	800,000	1,517,628	344,530	921,721	574,975	258,100	833,075	833,075	2.80X	2.87X	88,646
2053	826,114,474	0.5900	2,437,038	0.2950	1,218,519	3,655,557	800,000	1,563,157	354,866	937,534	-	255,800	833,075	833,075	2.84X	2.91X	100,000
2054	842,636,764	0.5900	2,485,778	0.2950	1,242,889	3,728,668	850,000	1,610,052	365,512	903,104	-	252,900	833,075	833,075	2.88X	2.95X	111,356
2055	859,489,499	0.5900	2,535,494	0.2950	1,267,747	3,803,241	-	1,658,353	376,477	1,768,411	-	254,400	833,075	833,075	2.92X	3.00X	122,612
2056	876,679,289	0.5900	2,586,204	0.2950	1,293,102	3,879,306	-	1,708,104	387,771	1,783,431	-	-	833,075	833,075	2.96X	3.04X	133,868
2057	894,212,875	0.5900	2,637,928	0.2950	1,318,964	3,956,892	-	1,759,347	399,405	1,798,140	-	-	833,075	833,075	3.00X	3.08X	145,124
Total			\$ 66,673,458				\$ 20,000,000				\$ 16,409,225	\$ 7,648,700	\$ 23,294,825				

⁽¹⁾ Preliminary, subject to change. Interest calculated at 5.50% for illustrative purposes only. Represents the funding of street improvements within TIRZ #2 to be financed in summer 2023.
⁽²⁾ Preliminary, subject to change. Interest calculated at 6.00% for illustrative purposes only.
⁽³⁾ Debt service coverage is based upon the City's pledged tax increment only. Subject to change.



EXHIBIT G – PROPOSED USES OF THE PROPERTY

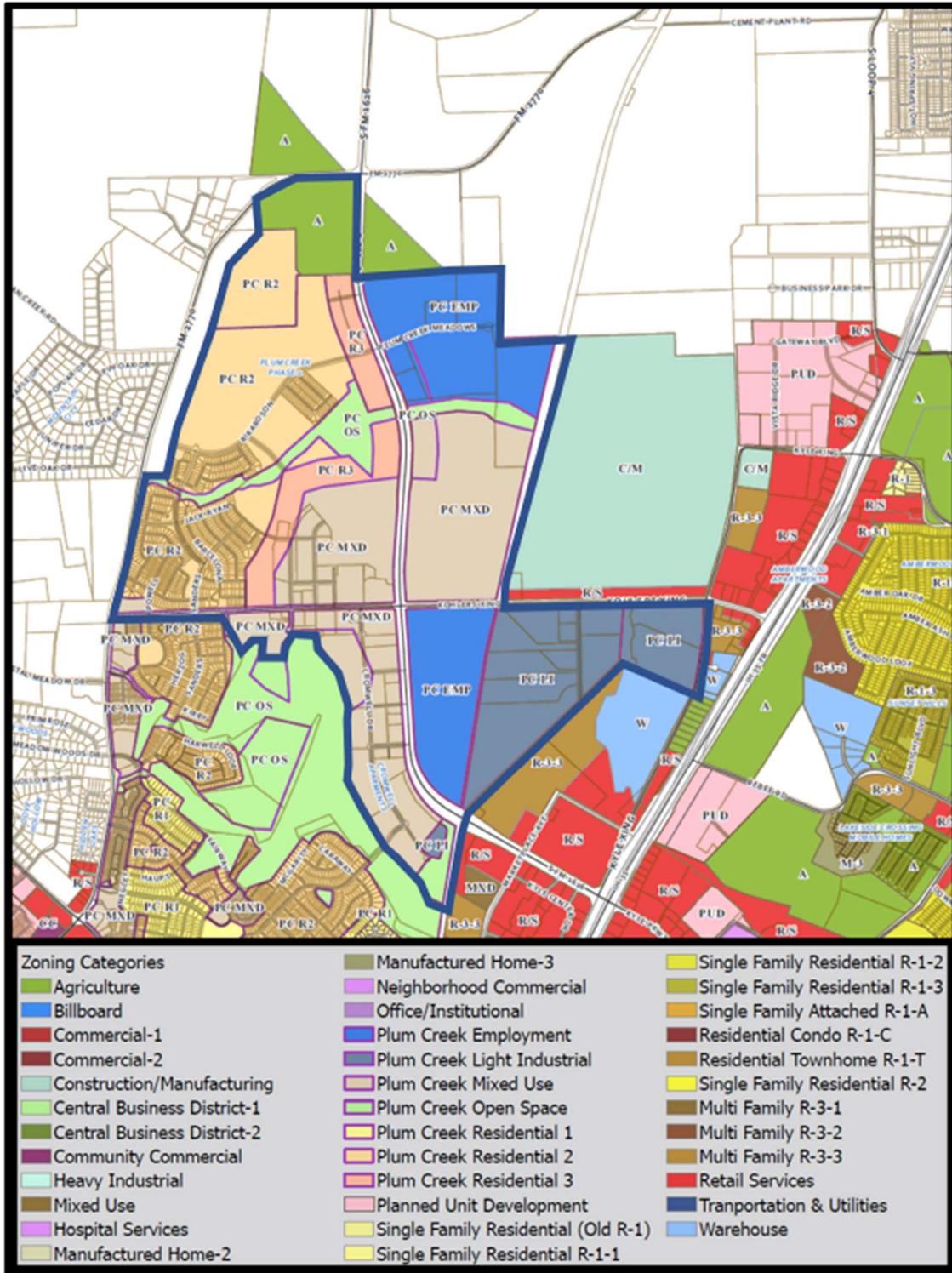


EXHIBIT H – MAP OF THE PUBLIC IMPROVEMENTS



EXHIBIT I – LEGAL DESCRIPTION OF THE ZONE

Boundary Description Tax Increment Reinvestment Zone Number 2

THIS IS A DESCRIPTION OF A TRACT OF LAND CONTAINING APPROXIMATELY 1482.9 ACRES OUT OF THE JESSE DAY SURVEYS ABSTRACTS NOS. 152 AND 159, THE JOHN KING SURVEY NO. 20, THE MORTON MCCARVER SURVEY ABSTRACT NO. 10, THE THOMAS G. ALLEN SURVEY NO. 26, THE HENRY LOLLER SURVEY NO. 19, ABSTRACT 290 AND THE JOHN COOPER SURVEY NO. 13 IN HAYS COUNTY, TEXAS, TO BE USED FOR POLITICAL MEANS. THIS WAS NOT SURVEYED ON THE GROUND AND IS A BOUNDS DESCRIPTION ONLY ASSEMBLED FROM THE BEST AVAILABLE EVIDENCE INCLUDING DEED RESEARCH AND APPRAISAL DISTRICT MAPS. REFERENCES TO ALL DOCUMENTS OF RECORD REFER TO THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS. THIS TYPE OF DESCRIPTION IS ALLOWED UNDER THE TEXAS ADMINISTRATIVE CODE, PART 29, CHAPTER 663, SUBCHAPTER B, RULE 663.21 AND IS FURTHER DESCRIBED AS FOLLOWS:

BEGINNING at the southwest corner of the intersection of FM 2770 and S FM 1626, same being the most northerly corner of the 142.38 acre parcel described in four tracts in a Special Warranty Deed to Texas Lehigh Cement Company recorded in Book 609 Page 843 of the Official Public Records of Hays County, Texas (Tax Parcel Nos. R 11247, R148425, and R148426);

THENCE, with the southerly right-of-way line of FM 2770, in a westerly direction to the Kyle city limits as it crosses tract 2 of the 142.38 acre parcel owned by Texas Lehigh Cement Company;

THENCE, with the Kyle city limit line, through the afore-mentioned Texas Lehigh Cement parcel to the intersection with a 51.48 acre tract, the same being more particularly described in Special Warranty Deed with Vendors Lien to Lennar Homes of Texas Land & Construction LTD recorded in Document Number 16029226 of the Official Public Records of Hays County, Texas (Tax Parcel No. R146069);

THENCE, continuing along the Kyle city limits with the western boundary of the Lennar Homes of Texas Land & Construction LTD tract, through a 308 acre tract and a 10.87 acre, the same being more particularly described in Special Warranty Deed with Vendors Lien to Lennar Homes of Texas Land & Construction LTD recorded in Document Number 16029226 of the Official Public Records of Hays County, Texas (Tax Parcel Nos. R146068 and R151283);

THENCE, along western right-of-way line FM 2770 and the northern right-of-way of Kohlers Crossing, also being the western and southern boundary of the 3.55 acre tract of Lot 1, Block A of Plum Creek Phase 2 Northwest Business Park;

THENCE, continuing along the north right-of-way of Kohlers Crossing, also being the southern boundary of the Lennar Homes of Texas Land & Construction LTD 308 acre and 10.87 acre tracts;

THENCE, crossing the Kohlers Crossing right-of-way at the northwestern corner of the 14.066 acre tract, being more particularly described as Lot 2 Block A of Plum Creek Phase 1 Section 6F, and continuing along the western and southern boundary of said tract;

THENCE, across the southern end of the right-of-way of Benner and the southern boundary of Lots 1 and 2, Block A of Plum Creek Phase 1 Section 12A;

THENCE, along the southwestern boundary of Lot 2, Block A of Plum Creek Phase 1 Section 12B;

THENCE, along the western boundary of Lot 1, Block A of Plum Creek Phase 1 Section 11J;

THENCE, along the western boundary of Lot 1, Block A of Plum Creek Phase 1 Section 11F;

THENCE, along the western boundary of Lot 1, Block A of Plum Creek Phase 1 Section 11E-2;

THENCE, along the southwestern boundary of Lot 1, Block A of Plum Creek Phase 1 Section 11E-1;

THENCE, crossing the Sampson Rd right-of-way and continuing along the southwestern boundary of Lot 1, Block A of Plum Creek Phase 1 Section 11D;

THENCE, along the southwestern boundary of Lot 2, Block A of Plum Creek Phase 1 Section 11C, turning north along the eastern boundary of said lot also being the western right-of-way of the Union Pacific Railroad;

THENCE, crossing the FM 1626 right-of-way and the Railroad right-of-way to the southern corner and southeastern boundary of the 0.04 acre parcel being more particularly described as Tract 19 in the Deed Without Warranty to Mountain Plum LTD in Book 2047 Page 133 of the Official Public Records of Hays County, Texas (Tax Parcel No. R134955);

THENCE, continuing along the southeastern border of the 105.188 acre tract being a portion of that 1062.87 acre tract more particularly described in Book 2047, Page 133 of the Official Public Records of Hays County, Texas (Tax Parcel Nos. R13837, R134155, and R134161);

THENCE, along the southeastern boundary of the Marketplace Ave right-of-way as described in the subdivision plat Plum Creek Phase 1 Lot 1 Block A Business Park;

THENCE, along the southeastern boundary of the 69.725 acre tract being more particularly described in the Deed Without Warranty to Mountain Plum LTD in Book 2047 Page 133 of the Official Public Records of Hays County, Texas (Tax Parcel Nos. R12691, R13408, R13851, R134156, and R134159);

THENCE, continuing along the southern and eastern borders of the lots described in Majestic Industrial Park with the east boundary also being the western right-of-way line of Kyle Crossing, and continuing along the northern boundary of lots 1 and 3 of Majestic Industrial Park, being the same as the southern boundary of Kohlers Crossing right-of-way;

THENCE, continuing along the southern right-of-way of Kohlers Crossing also being the northern boundaries of the afore-mentioned 69.725 acre parcel, Plum Creek Phase 1 Lot 1 Block A Business Park, and the afore-mentioned 105.188 acre parcel, crossing the Union Pacific railroad right-of-way to the northeast corner of Lot 1 Block A of Plum Creek Phase 1 Section 8;

THENCE, north along the western boundary of the Union Pacific Railroad right-of-way to the Kyle city limit line;

THENCE, leaving the railroad right-of-way, following the eastern and northern boundaries of the Kyle city limit line to the point where it intersects the 75 acre parcel being more particularly described in the Deed Without Warranty to Texas-Lehigh Cement Company in Book 609 Page 843 of the Official Public Records of Hays County, Texas (Tax Parcel Nos. R11237 and R127405);

THENCE, following the southern boundary of said 75 acre parcel westward to its intersection with the S FM 1626 right-of-way;

THENCE, crossing the FM 1626 right-of-way and following the western line of said right-of-way in a northerly direction to the BEGINNING for a total of 1482.9 acres, more or less.

~~THENCE, north along the western boundary of the Union Pacific Railroad right-of-way to the Kyle city limit line in the northeastern corner of the 146.736 acre tract being more particularly described in (need a deed reference, owner Mountain Plum LTD) (Tax Parcel No R109017 and R11227);~~

~~THENCE, leaving the railroad right-of-way, following the eastern and northern boundaries of the 146.736 acre parcel, crossing the FM 1626 right-of-way and following the western line of said right-of-way in a northerly direction to the BEGINNING for a total of 1482.9 acres, more or less.~~

The following is a list of Hays Central Appraisal District parcel ID numbers included in the TIRZ:

R102948, R102949, R111489, R11209, R11227, R124075, R124076, R124475, R12691, R127266, R127663, R130335, R130336, R130419, R130421, R130423, R130425, R132398, R132399, R132402, R132408, R13408, R134152, R134153, R134155, R134156, R134159, R134161, R135553, R137936, R138187, R138188, R138189, R138268, R138269, R138270, R138271, R138272, R138273, R138274, R138275, R13837, R13851, R140150, R143792, R144234, R144235, R144236, R144843, R144849, R146068, R146069, R147859, R147860, R147908, R148425, R148426, R151122, R151279, R151283, R151597, R151601, R151602, R151603, R152394, R152412, R155405, R155406, R156298, R156516, R88923, R109017, R11227, R124024, R124066, R124067, R124068, R124069, R124070, R124071, R127267, R130339, R130340, R156457, R156458, R156516, R88919, R88923, R134740. In the event of a conflict between this Exhibit and Exhibit B, Exhibit B shall control.

EXHIBIT B

Interlocal Agreement

See Tab No. __

**Amended and Restated Interlocal Agreement
Regarding the City of Kyle Tax Increment Reinvestment Zone Number Two**

THIS AMENDED AND RESTATED INTERLOCAL AGREEMENT regarding the City of Kyle Tax Increment Reinvestment Zone Number Two (this "Agreement") is made and entered into by and between the City of Kyle, Texas, a home rule municipality (the "City"), and Hays County, a political subdivision of the State of Texas (the "County") under the authority of Texas Government Code Chapter 791 and Chapter 311 of the Texas Tax Code for the participation of the City and the County in **Tax Increment Reinvestment Zone Number Two**, City of Kyle, Texas, ("TIRZ NUMBER 2"), TIRZ NUMBER 2 created by the City pursuant to Chapter 311 of the Texas Tax Code. This Agreement amends and restates in its entirety the original Interlocal Agreement between the City and the County entered into effective as of May 30, 2019.

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, Chapter 311, Texas Tax Code, as amended (the "Act"), the City Council of the City, pursuant to Ordinance No. 1022 (the "Zone No. 2 Ordinance") adopted on December 18, 2018, created, established, and designated TIRZ NUMBER 2 under the Act, attached hereto as Exhibit "A"; and

WHEREAS, in the Ordinance, the City found that the designation of TIRZ NUMBER 2 would encourage the development of property in and around TIRZ NUMBER 2; and

WHEREAS, in the Ordinance, the City contributed fifty percent (50%) of its Tax Revenue for TIRZ NUMBER 2; and

WHEREAS, in consideration of the County's contribution of a fifty percent (50%) portion of its Tax Revenue for the TIRZ, the County shall have the authority to appoint two members to the TIRZ NUMBER 2 board; and

WHEREAS, the TIRZ project plan includes transportation and other projects that benefit the County and its residents; and

WHEREAS, in consideration of special benefit to the County created by the TIRZ NUMBER 2 projects, including transportation and capital improvements for public use, the County is authorized to appropriate funding under this Agreement; and

WHEREAS, pursuant to the Hays County Zones Policy, the County's contribution of a TIRZ Payment equal to fifty percent (50%) of its own increment in TIRZ NUMBER 2 would greatly enhance the implementation of the TIRZ NUMBER 2 projects by the City; and

WHEREAS, both the City and the County will benefit from the development and improvements paid with the Tax Increment Funds in accordance with the documents creating TIRZ NUMBER 2; and

WHEREAS, pursuant to Chapter 791 of the Texas Government Code, the City and the County are entering into this Agreement to set forth the conditions governing the contribution of the Tax Increment by the City and current, annually-appropriated funds by the County, and the City finds that this Agreement is necessary for the implementation of the Project Plans for TIRZ NUMBER 2; and

NOW THEREFORE, the City and the County, in consideration of the terms, conditions, and covenants contained herein, hereby agree as follows:

SECTION 1. Incorporation of Recitals. The Parties hereby agree that the recitals set forth above form the basis upon which they have entered into this Agreement.

SECTION 2. Definitions. In addition to any terms defined in the body of this Agreement, the following terms shall have the definitions ascribed to them as follows:

(a) **Act** means the Tax Increment Financing Act, as amended and as codified as Chapter 311 of the Texas Tax Code.

(b) **Captured Appraised Value** in a given year means the total appraised value, less any applicable exemptions, of all TIRZ real property taxable by the City or the County for that Tax Year less the Tax Increment Base defined in Section (G) below.

(c) **Project Plan** means the project plans for TIRZ NUMBER 2 attached to this Agreement and included in Exhibit "A" as adopted by the TIRZ Board and the City of Kyle, along with amendments to this plan that are adopted by the Board of Directors of TIRZ NUMBER 2, and approved by the City Council of the City of Kyle, from time to time. The Project Plan includes maps of all property in the TIRZ, including all non-taxable property.

(d) **Tax Increment** means the amount of property taxes levied and collected by the City or County for that year on the captured appraised value of real property taxable by the City or County and located in TIRZ NUMBER 2.

(e) **City Tax Increment** will be that amount paid by the City into the Tax Increment Funds.

(f) **County TIRZ Payment** will be that amount of current, annually-appropriated funds paid by the County into the Tax Increment Funds.

(g) **Tax Increment Base** means the total appraised value as of January 1, 2018, of all real property taxable by the City or the County, as applicable, and located in the TIRZ. Each Party to this Agreement shall be responsible for establishing its own Tax Increment Base.

(h) **Tax Increment Fund (TIF)** means that fund created by the City pursuant to Section 311.014 of the Act and the Ordinance, which will be maintained by the City, and into which all revenues of the TIRZ will be deposited, including deposits of Tax Increment by the City and by such other taxing units with jurisdiction over real property in the TIRZ that may enter into agreements for such contributions, including the County's TIRZ Payment.

(i) **TIRZ Boards** mean the governing board of directors of the TIRZ appointed in accordance with Section 311.009 of the Act, the Ordinance, and this Agreement.

(j) **TIRZ** means the Tax Increment Reinvestment Zone Number Two, approved by City of Kyle Ordinance No. 1022.

(k) Terms other than those defined above shall: (1) have their meanings as given in Chapter 311, Texas Tax Code; or (2) if not so defined, their usual and ordinary meanings.

(l) References to state statutes shall include amendments to those statutes that are duly enacted from time to time.

SECTION 3. **Obligations of the County.**

(a) **County TIRZ Payment.** The County agrees to pay current, annually appropriated funds to the City for deposit into the Tax Increment funds created by the City for TIRZ NUMBER 2 (the "Tax Increment Funds") fifty percent (50%) of the tax increment attributed to the captured appraised value of the County in the TIRZ. The County's obligation to make these payments accrues only after taxes on the captured appraised value are collected by the County. Payments shall be due on May 1 of each year during the term of the Agreement. No interest or penalty will be charged to the County for any payments made by the County based on collections that occur after this due date. The County may offset against future payments to the Tax Increment any portion of payments to the City under this Agreement that the County subsequently refunds to taxpayers pursuant to the provision of the Texas Tax Code.

(b) **Limitations on Payments.** The County is not obligated to make payments under this Agreement: (1) unless and until taxes on the captured appraised value are actually collected by the County; or (2) in any amount greater than taxes actually collected on the County's captured appraised value. Likewise, if funds are not appropriated by the Hays County Commissioners Court during any annual budgetary cycle, then the County's obligations to make a County TIRZ Payment under this Agreement shall be waived for that Fiscal Year. Any funds already contributed to the Tax Increment Funds under this Agreement shall remain available for TIRZ expenditures, subject to the other terms and limitations of this Agreement.

(c) **The Project.** The obligation of the County to participate in the TIRZ is limited to the boundaries of the TIRZ as described in City of Kyle Ordinance No. 1022. In accordance with the provisions of Section 311.007 of the Texas Tax Code, the City may change the boundaries of the TIRZ. The County's participation does not extend to the tax increment on any additional property added to the TIRZ unless the Hays County Commissioners Court specifically agrees to participate in the additional area. The projects of the TIRZ are and shall be those described in City of Kyle Ordinance No. 1022, as adopted upon recommendation of the Board of Directors of the TIRZ (the "Board") and approved by the City Council of the City and in accordance with the *Tax Increment Reinvestment Zone Number Two*, ("Project Plans") and attached as Exhibit "A". In accordance with the provisions of Section 311.011(e) of the Texas Tax Code, the Board may amend the Project Plans; provided, however, no project expenditures of County monies provided under this Agreement shall be authorized without an affirmative vote of

the Board, with the County representatives present for the vote and with the County representatives unanimously agreeing with a proposed expenditure. In the event that the County representatives do not unanimously agree with a proposed expenditure, County monies provided under this Agreement may not be utilized for that expenditure unless and until a subsequent vote of the Hays County Commissioners Court approves of that expenditure.

(d) **Development in the Zone.** Property within the boundaries of the TIRZ shall be developed as closely as possible in conformity with the Final Plan. As stated above, County funds will only be used for projects that have been approved by the County members of the TIRZ Board or by the County Commissioners Court.

(e) **County Appointment to the Board of Directors of TIRZ Number Two.** The TIRZ Board shall consist of nine (9) voting members. The Commissioners Court of the County shall each have the unequivocal right to appoint two (2) qualified voting members during the period that the TIF created under this Agreement contains funds. The City Council shall have the right to appoint seven (7) qualified voting members during the length of the TIRZ as established by Ordinance 1022. Members of the TIRZ Board shall meet the qualifications set forth in Section 311.009 of the Texas Tax Code. Failure of the Commissioners Court to appoint a person to the TIRZ Board shall not be deemed a waiver of the County's right to make an appointment at a later date. The Commissioners Court will make best faith efforts to appoint a qualified person to serve on the Board of Directors, and to fill vacancies in the positions as needed.

SECTION 4. **Obligations of the City.**

(a) **Use of County Payments.** The City agrees to use payments made by the County under this Agreement solely to fund Project Costs as defined in Chapter 311 of the Texas Tax Code and as allowed by the Hays County TIRZ Policy.

(b) **Notice to County of Amendments to Project Plan.** The City agrees to provide the County with written notice of any proposed amendments to the Project Plan at least fourteen (14) days prior to their submission to the City Council for approval. The City agrees to work with the TIRZ Board to implement the Project Plan.

(c) **Disposition of Tax Increments.** Upon termination of the TIRZ, and after all obligations of the TIRZ have been paid, the City agrees to pay to the County, within sixty (60) days of the termination, all monies remaining in the Tax Increment Funds that represent the County's pro rata amount of participation authorized under this Agreement.

(d) **Annual Reports/ Right to Audit.** The City agrees to provide to the County an annual report regarding the TIRZ as required under Texas Tax Code Section 311.016. Additionally, the County shall have the right to audit the books and records of the TIRZ upon providing at least 10 days' written notice to the City. Such an audit shall occur between 9 a.m. and 5 p.m. on business days.

SECTION 5. **Term and Termination.**

The term of this Agreement, unless extended by mutual agreement of the County and the City, shall commence upon execution by the last party and shall last for: (1) until December 1, 2057; or (2) the date all Project Costs have been paid or reimbursed unless earlier terminated by the parties hereto. Nothing in this Agreement limits the authority of the County or City to extend the term of this Agreement. Upon termination of this Agreement, the obligation of the County to make payments to the City shall end; however, the County's TIRZ Board appointment powers shall survive the termination.

The City may terminate the TIRZ pursuant to the provisions of Section 311.017 of the Texas Tax Code.

SECTION 6. Miscellaneous.

(a) **Administration.** This Agreement and the Tax Increment Funds shall be administered by the City Manager or his/her designees or consultants. The City shall maintain a separate account for the Tax Increment Funds at a depository selected by the City, which Tax Increment Fund shall be secured in the manner prescribed by law for funds of Texas cities. The City shall not charge an administration fee against County TIRZ Payments for oversight of the Tax Increment Fund. The Tax Increment Fund shall be an account into which the City shall deposit the County TIRZ Payment, the City Increment (as defined in the TIRZ Ordinance and Project Plan), and all accrued interest earned on the fund. The County shall participate in the oversight of the Tax Increment Fund through its representation on the Board of Directors on which they will appoint two (2) out of nine (9) members. Pursuant to the Hays County TIRZ Policy adopted on February 7, 2017, no more than ten percent of the County Increment will be used for the payment of administrative, legal, consulting, or other professional expenses, except engineering and architectural fees directly related to the specific projects in which the County will participate.

(b) **Notice.** Whenever this Agreement requires or permits any consent, approval, notice, request, proposal, or demand from one party to another, the consent, approval, notice, request, proposal, or demand must be in writing to be effective and shall be delivered to the party intended to receive it at the addresses shown below (or to such other addresses as the parties may request, in writing, from time to time).

If intended for the City, to:
City Manager
City of Kyle, Texas
100 W. Center Street
Kyle, Texas 78640

If intended for the County, to:
Hays County Judge
Hays County Courthouse
111 E. San Antonio Street, Suite 300
San Marcos, Texas 78666

With copy to:
General Counsel
Hays County Courthouse
111 E. San Antonio Street, Suite 202
San Marcos, Texas 78666

(c) **Non-Assignability.** Neither the City, the County, nor the TIRZ shall assign any interest in this Agreement without the prior written consent of the other parties.

(d) **Non Discrimination.** No person shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination in any of the operations or funding of the TIRZ on the grounds of race, color, national origin, age, sex, religion, or other protected status.

(e) **Binding on the Parties and Non-Waiver.** This Agreement shall not be considered fully executed or binding on the City and/or the County until this Agreement has been approved and accepted by the City Council and the Hays County Commissioners Court at a properly called and noticed meeting of each respective body. After such approval and acceptance, the City and the County shall deliver to each other a certified copy of a Resolution as evidence of the authority to execute and bind the City and the County to the covenants, terms and provisions of this Agreement. The failure of either Party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that Party's right to insist upon appropriate performance or to assert any such right on any future occasion.

(f) **Third Parties.** The provisions and conditions of this Agreement are solely for the benefit for the City and the County, and are not intended to create any rights, contractual or otherwise, to any other person or entity. The relationship of the City and the County under this Agreement shall not be construed or interpreted to be a joint enterprise or joint venture. The Parties agree that each Party is an independent contractor.

(g) **Controlling Law.** Venue and Jurisdiction shall be exclusively in Hays County, Texas and under the laws of the State of Texas.

(h) **Entirety of Agreement.** This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the City and the County as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement.

(i) **Amendments.** Notwithstanding anything to the contrary herein, this Agreement shall not be amended unless executed in writing by both parties and approved by the City Council and the Commissioners Court in open meetings held in accordance with Chapter 551 of the Texas Government Code.

[The remainder of this page intentionally left blank.]

EXECUTED and **EFFECTIVE** on the last date signed by the duly authorized officials, below.

CITY OF KYLE

HAYS COUNTY

Mayor

County Judge

Date

Date

ATTEST

City Secretary

County Clerk

Date

Date

Exhibit A

ZONE NO. 2 ORDINANCE

ORDINANCE NO. 1022

AN ORDINANCE DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN CITY OF KYLE, TEXAS AS REINVESTMENT ZONE NUMBER TWO, CITY OF KYLE, TEXAS, FOR TAX INCREMENT FINANCING PURPOSES PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE; CREATING A BOARD OF DIRECTORS FOR SUCH ZONE; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND PROVIDING A SEVERABILITY CLAUSE

WHEREAS, pursuant to Chapter 311 of the Texas Tax Code, as amended (“Act”) a City may designate a contiguous geographic area within such City as a reinvestment zone if the area satisfies the requirements of certain sections of the Act;

WHEREAS, the City of Kyle, Texas (the “City”) has prepared a preliminary reinvestment zone financing plan, which is attached hereto as Exhibit C, which provides that City ad valorem taxes are to be deposited into the tax increment fund, and that ad valorem taxes of other taxing units may be utilized in the financing of the proposed reinvestment zone;

WHEREAS, a notice of the public hearing by the City Council on the creation of the proposed reinvestment zone was published on November 7, 2018, in the Hays Free Press a newspaper of general circulation in the City of Kyle and the City’s newspaper of record;

WHEREAS, at the public hearing held on November 20, 2018, interested persons were invited to speak for or against the creation of the proposed reinvestment zone, its boundaries, the concept of tax increment financing; and owners of property in the proposed reinvestment zone were given a reasonable opportunity to protest the inclusion of their property in the proposed reinvestment zone;

WHEREAS, evidence was received and presented at the meeting at which the public hearing was held in favor of the creation of the proposed reinvestment zone under the provisions of the Act;

WHEREAS, the City of Kyle has provided all information, presented all necessary information and facts regarding the proposed reinvestment zone, given all notices and completed all other things required by Chapter 311, Texas Tax Code, as condition to the creation of the proposed reinvestment zone;

WHEREAS, the total area within the proposed zone is approximately 1,480 acres, excluding property that is publicly owned;

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

SECTION 1. FINDINGS

- (a)** That the facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are adopted as part of this Ordinance for all purposes.
- (b)** That the City Council finds and declares that the creation of the Tax Increment Reinvestment Zone Number Two, City of Kyle (also referred to herein as the “Tax Increment Reinvestment Zone” and the “Tax Increment Reinvestment Zone Number Two”) will significantly enhance the value of all the taxable real property in the reinvestment zone and will be of general benefit to the City and its taxpayers.
- (c)** That the City Council finds and declares that the creation of the Tax Increment Reinvestment Zone will stimulate economic growth and significantly accelerate economic development activities within the reinvestment zone resulting in the creation of businesses, employment, housing, and enhanced tax revenues for the City.
- (d)** That the City Council further finds and declares that the Tax Increment Reinvestment Zone meets the criteria and requirements of Section 311.005(a)(2) of the Act because the reinvestment zone currently contains: (1) substantial areas that are predominantly open and underdeveloped; and (2) lack of essential public infrastructure to promote development of property as an urban, town center and to attract new businesses and commercial activity to the proposed zone for the purpose of increasing real property tax base for all taxing units within the zone and increasing job opportunities for residents of the City and the region; each of which cause conditions that substantially impair and arrest the sound growth of the City.
- (e)** That the City Council, pursuant to the requirements of the Act, further finds and declares that:
 - (1)** The proposed Tax Increment Reinvestment Zone Number Two is a contiguous geographic area located wholly within the corporate limits of the City of Kyle;
 - (2)** Less than thirty (30) percent of all properties in the proposed Tax Increment Reinvestment Zone Number Two, excluding property that is publicly owned, is used for residential purposes.
 - (3)** The appraised value of taxable real property in the proposed Tax Increment Reinvestment Zone Number Two and existing reinvestment zone currently does not exceed fifty percent (50.0%) of the total appraised value of taxable real property in the City and in the industrial districts created by the City.

- (4) Accelerated development and or redevelopment in the proposed Tax Increment Reinvestment Zone would not occur through private investment in the foreseeable future.

SECTION 2. DESIGNATION OF REINVESTMENT ZONE

That the City, acting under the provisions of Chapter 311, Texas Tax Code, including Section 311.005 (a), does hereby designate as a Tax Increment Reinvestment Zone Number Two, City of Kyle, and create and designate said reinvestment zone over the area described in Exhibit “A” and depicted in the map attached hereto as Exhibit “B” to stimulate economic development and the development of the designated area.

The reinvestment zone shall hereafter be named for identification and reporting purposes as Tax Increment Reinvestment Zone Number 2, City of Kyle, Texas, (may also be referred to as TIRZ Number 2). The City Council specifically declares that the Tax Increment Reinvestment Zone Number 2 is designated pursuant to Section 311.005(a)(2) of the Texas Tax Code as declared in the Findings section of this Ordinance.

SECTION 3. BOARD OF DIRECTORS

The Tax Increment Reinvestment Zone Number 2 shall be governed by a nine (9) person Board of Directors (the “Board”). The City Council shall appoint seven (7) members of the Board to be appointed to Places 1, 2, 3, 4, 5, 6, and 7. Two (2) members of the Board may be appointed by the Hays County Commissioners Court to Places 8 and 9 or the County may waive the appointment of the Board members. If the County waives the appointment of Board members, the Places 8 and 9 go away. The City Council may choose to appoint currently serving members of the Kyle City Council to the Board of Directors.

- (a) Qualifications. Each member of the Board shall be a qualified voter of the City, or a person at least eighteen (18) years of age who must be a resident of Hays County or county adjacent to Hays County or own real property in the reinvestment zone.
- (b) Terms of Office.
 - (1) If the City Council chooses to appoint currently serving members of the Kyle City Council to the Board of Directors, then the Council members shall serve the same term as their elected term on the City Council. The two Hays County Commissioners shall serve a two-year term on the Board of Directors.
 - (2) If the City Council chooses to appoint other than currently serving members of the Kyle City Council to the Board of Directors, then the term of each initial Director shall be as set forth in this subsection. Places 2, 4, and 6 of the initial Directors shall serve an initial term of one (1) year, and Places 1, 3, 5, and 7 of the initial Directors shall serve an initial term of (2) years. The term of each subsequent director shall be for two (2) years. If the County appoints members other than members of the County

Commissioners Court, Place 8 shall serve an initial term of one (1) year and Place 9 will serve an initial term of two (2) years. The term of each subsequent director shall be for 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.

- (3) Officers. The City Council shall annually appoint a member of the Board to serve as chairman of the Board for a one-year term beginning January 1st and ending December 31st. The Board may elect a Vice Chairman to serve in the absence of the Chairman, and other officers as it deems appropriate.
- (4) Meeting of Directors. The Board shall hold its meetings at the Kyle City Hall currently located at 100 West Center Street, Kyle, Texas 78640, or at such other place designated from time to time by the Board. The Board shall conduct all its meetings in accordance with the requirements of the Act and the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended. Meetings of the Board shall be held at such times as shall be designated, from time to time, by the Board, or whenever called by the Chairman, the Vice Chairman in the absence of the Chairman, or upon advice of or request by the Mayor. Notice of 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. A majority of the Board of 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.
- (5) Authority. The Board shall have the authority specifically given to the Board in Chapter 311, Texas Tax Code. Any powers and duties that may be delegated to the Board are not delegated at this time. The Board shall have such other authority, as may be lawfully delegated by the City Council, as is delegated by the City Council acting by a formal, written Resolution or Ordinance. Action by the Board that is expressly or impliedly provided in Chapter 311, or by other state law, to be subject to approval by the City Council, shall not be effective until approved in writing by the City Council.
- (6) Duties. The Board shall perform each duty and obligation required to be performed by the Board, by Chapter 311, any project or plan approved by the City Council, and each such duty and obligation lawfully imposed on the Board by the City Council consistent with Chapter 311.
- (7) Plan. The Board of Directors shall make recommendations to the City Council concerning the administration, management, and operation of the Zone. The Board of Directors shall prepare or cause to be prepared and adopt a project plan and a reinvestment zone financing plan for the reinvestment zone as described in Section 311.011 of the Act and shall submit such plans to the City Council for its approval. The City hereby delegates to the Board of Directors all powers necessary to prepare the

project plan and reinvestment zone financing plan, subject to approval by the City Council.

SECTION 4. DURATION OF REINVESTMENT ZONE

The duration of the reinvestment zone is not to exceed a period of twenty (20) calendar years. The Zone shall take effect immediately upon passage of this ordinance. Termination of the operation of the reinvestment zone shall occur on December 31, 2037 (with the final year's tax to be collected by September 30, 2038), or at an earlier time as designated by City Council. The City shall have the right, through a subsequent City Ordinance, to terminate the Zone prior to the expiration date if all of the project costs have been paid in full. If upon expiration of the term of the Zone, project costs have not been paid, neither the City nor the County shall have any obligation to pay the shortfall.

SECTION 5. TAX INCREMENT BASE

That the Tax Increment Base of the City or any other taxing unit participating in the Tax Increment Reinvestment Zone Number 2 for the reinvestment zone is the total appraised value of all real property taxable by the City or other taxing unit participating in the reinvestment zone and located in the reinvestment zone, determined as of January 1, 2018 (property tax year 2018), the tax year in which the reinvestment zone was made effective as a reinvestment zone (the "Tax Increment Base").

SECTION 6. TAX INCREMENT FUND

A Tax Increment Reinvestment Zone Fund is hereby created and established for the Tax Increment Reinvestment Zone Number 2 which may be divided into subaccounts as authorized by subsequent Ordinances. All tax increment revenues, as defined below, shall be deposited in the Tax Increment Fund. The Tax Increment Fund and any subaccounts shall be maintained at the depository bank of the City of Kyle and shall be secured in the manner prescribed by law for funds of Texas cities.

The annual tax increment shall equal the property taxes assessed, levied, and collected by the City and any other taxing unit participating in the reinvestment zone for that year on the captured appraised value in compliance with the requirements of Sections 5, 6 and Exhibit C of this Ordinance and as defined by the Act, of real property located in reinvestment zone that is taxable by the City or any other taxing unit participating in the reinvestment zone, less any amounts that are to be allocated from the tax increment pursuant to the Act.

All revenues from the sale of any tax increment bonds, notes or other obligations hereafter issued for the benefit of the reinvestment zone by the City, if any; revenues from the sale of property acquired as part of the project plan and reinvestment zone financing plan, if any; and other revenues to be used in the reinvestment zone shall be deposited into the Tax Increment Fund.

Prior to the termination of the reinvestment zone, money shall be disbursed from the Tax Increment Fund only to pay for project costs, as defined by the Texas Tax Code, for the reinvestment zone, to

satisfy the claims of holders of tax increment bonds or notes issued for the reinvestment zone, to pay obligations incurred pursuant to agreements entered into to implement the project plan and reinvestment zone financing plan and achieve their purpose pursuant to Section 311.010 (b) of the Texas Tax Code, or to pay the incremental costs of providing municipal services incurred as a result of the creation of the zone or the development or redevelopment of land in the zone, regardless of whether the costs of those services are identified in the project plan or the financing plan.

SECTION 7. EXHIBITS

The following exhibits are referred to in this Ordinance and are attached herewith:

- Exhibit A: Boundary Description
- Exhibit B: Boundary Map
- Exhibit C: Preliminary Project Plan and Financing Plan
- Exhibit D: Captured Assessed Taxable Value Assumptions
- Exhibit E: 2018 Base Assessed Taxable Valuations
- Exhibit F: Notice of Public Hearing
- Exhibit G: Term Sheet Approved by City Council for Development of the Uptown Area of Plum Creek

SECTION 8. SEVERABILITY

If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person to set circumstances, is for any reason held to be unconstitutional, void or invalid, the validity of the remaining provisions of this Ordinance or their application to other persons or set of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or regulations connected herein shall become inoperative or fail by reason of any unconstitutionality or invalidity of any portion hereof, and all provisions of this Ordinance are declared severable for that purpose.

Section 9. EFFECTIVE DATE

This Ordinance shall take effect immediately from and after its passage.

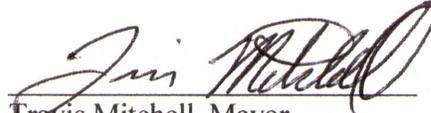
Section 10. OPEN MEETINGS

It is hereby officially found and determined that the meeting at which this Ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act.

PASSED AND APPROVED on 1st reading this 4th day of December, 2018.

PASSED AND FINALLY APPROVED on 2nd reading this 18th day of December, 2018.

CITY OF KYLE, TEXAS


Travis Mitchell, Mayor

ATTEST:


Jennifer Vetrano, City Secretary

EXHIBIT A

**Boundary Description
Tax Increment Reinvestment Zone Number 2**

THIS IS A DESCRIPTION OF A TRACT OF LAND CONTAINING APPROXIMATELY 1482.9 ACRES OUT OF THE JESSE DAY SURVEYS ABSTRACTS NOS. 152 AND 159, THE JOHN KING SURVEY NO. 20, THE MORTON MCCARVER SURVEY ABSTRACT NO. 10, THE THOMAS G. ALLEN SURVEY NO. 26, THE HENRY LOLLER SURVEY NO. 19, ABSTRACT 290 AND THE JOHN COOPER SURVEY NO. 13 IN HAYS COUNTY, TEXAS, TO BE USED FOR POLITICAL MEANS. THIS WAS NOT SURVEYED ON THE GROUND AND IS A BOUNDS DESCRIPTION ONLY ASSEMBLED FROM THE BEST AVAILABLE EVIDENCE INCLUDING DEED RESEARCH AND APPRAISAL DISTRICT MAPS. REFERENCES TO ALL DOCUMENTS OF RECORD REFER TO THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS. THIS TYPE OF DESCRIPTION IS ALLOWED UNDER THE TEXAS ADMINISTRATIVE CODE, PART 29, CHAPTER 663, SUBCHAPTER B, RULE 663.21 AND IS FURTHER DESCRIBED AS FOLLOWS:

BEGINNING at the southwest corner of the intersection of FM 2770 and S FM 1626, same being the most northerly corner of the 142.38 acre parcel described in four tracts in a Special Warranty Deed to Texas Lehigh Cement Company recorded in Book 609 Page 843 of the Official Public Records of Hays County, Texas (Tax Parcel Nos. R 11247, R148425, and R148426);

THENCE, with the southerly right-of-way line of FM 2770, in a westerly direction to the Kyle city limits as it crosses tract 2 of the 142.38 acre parcel owned by Texas Lehigh Cement Company;

THENCE, with the Kyle city limit line, through the afore-mentioned Texas Lehigh Cement parcel to the intersection with a 51.48 acre tract, the same being more particularly described in Special Warranty Deed with Vendors Lien to Lennar Homes of Texas Land & Construction LTD recorded in Document Number 16029226 of the Official Public Records of Hays County, Texas (Tax Parcel No. R146069);

THENCE, continuing along the Kyle city limits with the western boundary of the Lennar Homes of Texas Land & Construction LTD tract, through a 308 acre tract and a 10.87 acre, the same being more particularly described in Special Warranty Deed with Vendors Lien to Lennar Homes of Texas Land & Construction LTD recorded in Document Number 16029226 of the Official Public Records of Hays County, Texas (Tax Parcel Nos. R146068 and R151283);

THENCE, along western right-of-way line FM 2770 and the northern right-of-way of Kohlers Crossing, also being the western and southern boundary of the 3.55 acre tract of Lot 1, Block A of Plum Creek Phase 2 Northwest Business Park;

THENCE, continuing along the north right-of-way of Kohlers Crossing, also being the southern boundary of the Lennar Homes of Texas Land & Construction LTD 308 acre and 10.87 acre tracts;

THENCE, crossing the Kohlers Crossing right-of-way at the northwestern corner of the 14.066 acre tract, being more particularly described as Lot 2 Block A of Plum Creek Phase 1 Section 6F, and continuing along the western and southern boundary of said tract;

THENCE, across the southern end of the right-of-way of Benner and the southern boundary of Lots 1 and 2, Block A of Plum Creek Phase 1 Section 12A;

THENCE, along the southwestern boundary of Lot 2, Block A of Plum Creek Phase 1 Section 12B;

THENCE, along the western boundary of Lot 1, Block A of Plum Creek Phase 1 Section 11J;

THENCE, along the western boundary of Lot 1, Block A of Plum Creek Phase 1 Section 11F;

THENCE, along the western boundary of Lot 1, Block A of Plum Creek Phase 1 Section 11E-2;

THENCE, along the southwestern boundary of Lot 1, Block A of Plum Creek Phase 1 Section 11E-1;

THENCE, crossing the Sampson Rd right-of-way and continuing along the southwestern boundary of Lot 1, Block A of Plum Creek Phase 1 Section 11D;

THENCE, along the southwestern boundary of Lot 2, Block A of Plum Creek Phase 1 Section 11C, turning north along the eastern boundary of said lot also being the western right-of-way of the Union Pacific Railroad;

THENCE, crossing the FM 1626 right-of-way and the Railroad right-of-way to the southern corner and southeastern boundary of the 0.04 acre parcel being more particularly described as Tract 19 in the Deed Without Warranty to Mountain Plum LTD in Book 2047 Page 133 of the Official Public Records of Hays County, Texas (Tax Parcel No. R134955);

THENCE, continuing along the southeastern border of the 105.188 acre tract being a portion of that 1062.87 acre tract more particularly described in Book 2047, Page 133 of the Official Public Records of Hays County, Texas (Tax Parcel Nos. R13837, R134155, and R134161);

THENCE, along the southeastern boundary of the Marketplace Ave right-of-way as described in the subdivision plat Plum Creek Phase 1 Lot 1 Block A Business Park;

THENCE, along the southeastern boundary of the 69.725 acre tract being more particularly described in the Deed Without Warranty to Mountain Plum LTD in Book 2047 Page 133 of the Official Public Records of Hays County, Texas (Tax Parcel Nos. R12691, R13408, R13851, R134156, and R134159);

THENCE, continuing along the southern and eastern borders of the lots described in Majestic Industrial Park with the east boundary also being the western right-of-way line of Kyle Crossing, and continuing along the northern boundary of lots 1 and 3 of Majestic Industrial Park, being the same as the southern boundary of Kohlers Crossing right-of-way;

THENCE, continuing along the southern right-of-way of Kohlers Crossing also being the northern boundaries of the afore-mentioned 69.725 acre parcel, Plum Creek Phase 1 Lot 1 Block A Business Park, and the afore-mentioned 105.188 acre parcel, crossing the Union Pacific railroad right-of-way to the northeast corner of Lot 1 Block A of Plum Creek Phase 1 Section 8;

THENCE, north along the western boundary of the Union Pacific Railroad right-of-way to the Kyle city limit line;

THENCE, leaving the railroad right-of-way, following the eastern and northern boundaries of the Kyle city limit line to the point where it intersects the 75 acre parcel being more particularly described in the Deed Without Warranty to Texas-Lehigh Cement Company in Book 609 Page 843 of the Official Public Records of Hays County, Texas (Tax Parcel Nos. R11237 and R127405);

THENCE, following the southern boundary of said 75 acre parcel westward to its intersection with the S FM 1626 right-of-way;

THENCE, crossing the FM 1626 right-of-way and following the western line of said right-of-way in a northerly direction to the BEGINNING for a total of 1482.9 acres, more or less.

~~THENCE, north along the western boundary of the Union Pacific Railroad right-of-way to the Kyle city limit line in the northeastern corner of the 146.736 acre tract being more particularly described in (need a deed reference, owner Mountain Plum LTD) (Tax Parcel No R109017 and R11227);~~

~~THENCE, leaving the railroad right-of-way, following the eastern and northern boundaries of the 146.736 acre parcel, crossing the FM 1626 right-of-way and following the western line of said right-of-way in a northerly direction to the BEGINNING for a total of 1482.9 acres, more or less.~~

The following is a list of Hays Central Appraisal District parcel ID numbers included in the TIRZ:

R102948, R102949, R111489, R11209, R11227, R124075, R124076, R124475, R12691, R127266, R127663, R130335, R130336, R130419, R130421, R130423, R130425, R132398, R132399, R132402, R132408, R13408, R134152, R134153, R134155, R134156, R134159, R134161, R135553, R137936, R138187, R138188, R138189, R138268, R138269, R138270, R138271, R138272, R138273, R138274, R138275, R13837, R13851, R140150, R143792, R144234, R144235, R144236, R144843, R144849, R146068, R146069, R147859, R147860, R147908, R148425, R148426, R151122, R151279, R151283, R151597, R151601, R151602, R151603, R152394, R152412, R155405, R155406, R156298, R156516, R88923, R109017, R11227, R124024, R124066, R124067, R124068, R124069, R124070, R124071, R127267, R130339, R130340, R156457, R156458, R156516, R88919, R88923, R134740. In the event of a conflict between this Exhibit and Exhibit B, Exhibit B shall control.

EXHIBIT B

Boundary Map of Tax Increment Reinvestment Zone Number 2

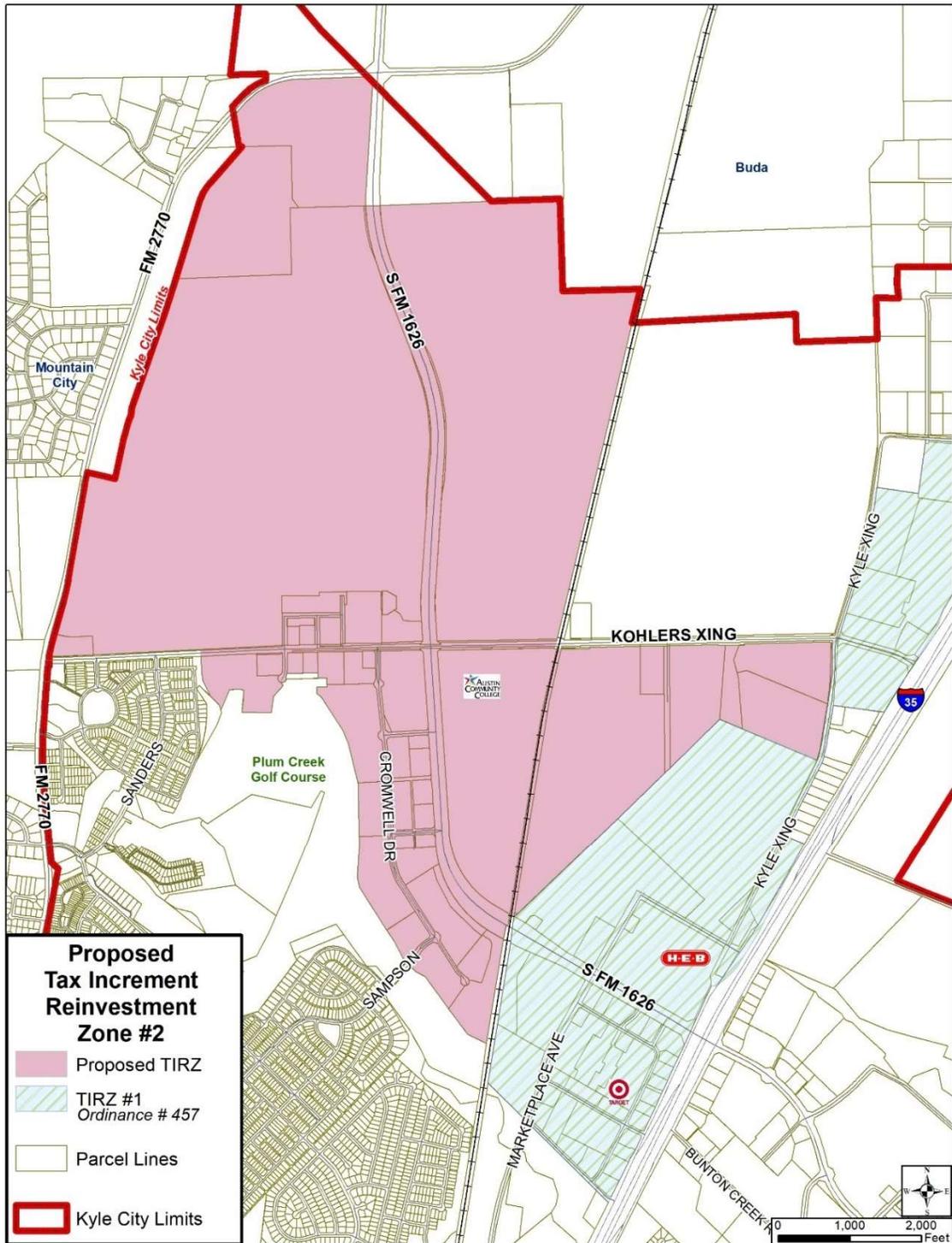


EXHIBIT C

Preliminary Project Plan and Financing Plan Tax Increment Reinvestment Zone Number 2

Introduction

The City Council intends to exercise any authority allowed and necessary to carry out its responsibilities under Chapter 311 including the authority to:

- (1) Cause project plans to be prepared, approve and implement the plans, and achieve the purpose of the plan;
- (2) Acquire real property to implement project plans;
- (3) Enter into agreements, including agreements with bondholders, determined by City Council to be necessary to implement project plans and to achieve their purposes; and
- (4) Acquire, construct, reconstruct, or install public works, facilities or sites or other public improvements, including utilities, streets, street lights, water and sewer facilities, pedestrian malls and walkways, parks, flood and drainage facilities, or parking facilities.

No tax increment revenues shall be used to pay for and or expended for private property improvements. The tax increment revenues shall only be expended for public improvements owned by the Tax Increment Reinvestment Zone Number 2 or by the City of Kyle. As such, all facilities and infrastructure improvements eligible for funding from accumulated tax increment revenue in the Tax Increment Fund shall be located on land owned by the City of Kyle, public rights-of-way and/or public easements.

This plan is economically feasible based on the analysis of estimated captured value in Exhibit D and D-1.

The duration of the Zone is twenty (20) years, subject to early termination as provided in this City Ordinance, creating the Zone.

Public Improvements:

If it is authorized by the City Council and approved by the Board of Directors, the types of public facilities and infrastructure improvements that are eligible for funding from accumulated tax increment revenue in the Tax Increment Fund may include the following:

- a. Streetscapes, landscaping, roadway, transportation, roundabouts, underground waste receptacles and other applicable associated improvements;
- b. Public art including water features
- c. Parks, plazas and other public realm spaces dedicated exclusively for public gatherings, community events, and community celebrations;

- d. Safe pedestrian crossings including pavement lit crosswalks and underpasses;
- e. Under-the-road pedestrian crossings;
- f. Public parking/parking garages;
- g. Public buildings and other applicable facilities;
- h. Wayfinding and Signage;
- i. Safety and human comfort improvements including shade structures and lighting;
- j. Ambiance and space making lighting such as tree lights, free hanging strung lights;
- k. Trails connecting to Uptown to other areas within Plum Creek and adjacent developments;
- l. Improvements deemed appropriate by the TIRZ Board to promote economic development within Plum Creek; and
- m. Other improvements that is permissible under Chapter 311 of the Texas Tax Code and approved by the City Council and the Board of Directors.

It is important to note that the Tax Increment Reinvestment Zone Number 2 is not required or obligated to pay for any of the projects listed above. All eligible public facilities and infrastructure improvements must be authorized by the City Council and approved by the Board of Directors to be eligible for cost reimbursement from the Tax Increments Fund.

Tax Rate for Calculation of Tax Increment Revenue

The annual tax increment revenue from property taxes levied by the City and any other taxing unit participating in the reinvestment zone for that year on the captured appraised value shall be based on and calculated using the total ad valorem tax rate for each participating taxing entity; to include both the operations and maintenance (M&O) tax rate component and the interest and sinking fund (I&S) tax rate component.

Tax Increment Revenue Contribution Rate

The annual tax increment revenue from property taxes levied by the City of Kyle in the Tax Increment Reinvestment Zone Number 2 and by all other participating taxing units shall be based and calculated using only fifty percent (50.0%) of the captured appraised value for that year.

Method of Financing Projects

It is the City Council's intent and expressed requirement that this Tax Increment Reinvestment Zone Number 2 created under this City Ordinance shall administer and manage the use of all accumulated tax increment revenues only on a cost reimbursement basis. Accordingly, only actual tax increment revenues received and accumulated in the Tax Increment Fund shall be used to reimburse the developer for eligible and authorized facilities and infrastructure as authorized by the City Council and the Board of Directors.

Furthermore, it is the City Council's intent and expressed requirement that only actual increment tax revenues generated based on the amount of actual captured taxable values within the Tax Increment Reinvestment Zone Number 2 as calculated pursuant to this Plan shall be the source for funding eligible facilities and infrastructure as identified and described in the Project Plan and Financing Plan attached.

This Plan includes provisions for funding eligible public facilities and infrastructure as identified and described herein based on the following funding options:

1. Application of only actual tax increment revenues received as contributions to the reinvestment zone from the City of Kyle and all other participating taxing units and only if such revenues are available free and clear of any encumbrances or obligations in the Tax Increment Fund as established for the Tax Increment Reinvestment Zone Number 2.
2. Application of debt proceeds, only if (i) the debt issuance is authorized by City Council and an exception is approved by the City Council in the form of an amendment to this Ordinance and (ii) only if the actual captured taxable appraised values within the reinvestment zone (total tax base less the tax increment base determined in Section 5 of this Ordinance) as certified by the Hays County Appraisal District can generate sufficient actual annual tax increment revenues pursuant to this Plan to cover one-hundred percent (100.0%) of the total amount of annual debt service payments, fees, and other administrative charges that will be due each year on the outstanding debt obligations.

Restrictions on the Issuance of Debt Obligations

Under this Plan, the issuance of debt to finance eligible facilities and infrastructure is strictly prohibited. The City Council, at its sole discretion, may amend this Ordinance in the future to allow for the issuance of debt to finance eligible facilities and infrastructure.

If such an amendment is passed by City Council to allow for the issuance of debt, the amended Ordinance shall mandate that the Board of Directors must obtain City Council's prior authorization for the issuance of any type of debt obligations by the Tax Increment Reinvestment Zone Number 2. The amended Ordinance must further mandate that the City Council restricts the issuance of any debt by the Board of the Tax Increment Reinvestment Zone Number 2 until such time as the amount of actual captured taxable values within the reinvestment zone (total tax base less the tax increment base determined in Section 5 of this Ordinance) as certified by the Hays County Appraisal District can generate adequate and sufficient annual increment tax revenues pursuant to this Plan to cover one-hundred percent (100.0%) of the total amount of annual debt service payments, fees, and other administrative charges that will be due each year on the outstanding debt obligations.

Prior to the City Council authorizing the issuance of debt obligations by the Tax Increment Reinvestment Zone Number 2, the City's Financial Advisor shall be required to prepare and present to City Council an independent analysis and assessment which shall include, at a minimum, (i)

actual captured taxable values within the reinvestment zone per certified valuations from Hays Appraisal District, (ii) annual increment tax revenue generated pursuant to this Plan, (iii) determine maximum amount of debt obligations that can be supported based on the actual captured taxable values as adjusted for the City's tax levy participation rate in this Plan, (iv) determine the annual debt service requirements including fees and other administrative charges, (v) determine if the amount of actual captured taxable values within the reinvestment zone can generate adequate and sufficient annual increment tax revenues pursuant to this Plan to cover one-hundred percent (100.0%) of the total amount of annual debt service payments, fees, and other administrative charges that will be due each year on the outstanding debt obligations, and (vi) based on the analysis, provide a recommendation to City Council whether it is financially viable and prudent to issue any amount of debt obligations and if viable, to recommend the maximum amount of the debt issuance.

All debt obligations, if authorized by the City Council under an amended Plan, shall only be secured by the actual captured taxable appraised values in the reinvestment zone and payable from actual increment tax revenues available free and clear of any encumbrances or obligations in the Tax Increment Fund as established for the Tax Increment Reinvestment Zone Number 2.

Current Total Appraised Value of Taxable Real Property in the Zone and Estimated Captured Appraised Value of the Zone during each year of existence is provided in Exhibits D, D-1, E, E-1, and E-2.

EXHIBIT D

Captured Assessed Taxable Value Assumptions Tax Increment Reinvestment Zone Number 2

Year	Site/Tract Description	Primary Use	Value Added to Tax Roll on Jan 1st/Year	Estimated Incremental Taxable Value Added	Estimated Cumulative Taxable Value Added
	Base Year - 12/31/2018				
1	Estimates Provided by Momark 10-3-2018	All Tracts Within Proposed TIRZ Boundary	2019	\$ -	
2	Excludes Adjustments for Inflation	Industrial, office, retail, SF, MF, & Other	2020	\$ 116,525,000	\$ 116,525,000
3			2021	\$ 161,050,000	\$ 277,575,000
4			2022	\$ 71,400,000	\$ 348,975,000
5			2023	\$ 99,050,000	\$ 448,025,000
6			2024	\$ 76,050,000	\$ 524,075,000
7			2025	\$ 112,750,000	\$ 636,825,000
8			2026	\$ 72,750,000	\$ 709,575,000
9			2027	\$ 92,750,000	\$ 802,325,000
10			2028	\$ 72,750,000	\$ 875,075,000
11			2029	\$ 89,375,000	\$ 964,450,000
12			2030	\$ 41,000,000	\$ 1,005,450,000
13			2031	\$ 41,000,000	\$ 1,046,450,000
14			2032	\$ 41,000,000	\$ 1,087,450,000
15			2033	\$ 41,000,000	\$ 1,128,450,000
16			2034	\$ 41,000,000	\$ 1,169,450,000
17			2035	\$ -	\$ 1,169,450,000
18			2036	\$ -	\$ 1,169,450,000
19			2037	\$ -	\$ 1,169,450,000
20			2038	\$ -	\$ 1,169,450,000
21			2039	\$ -	\$ 1,169,450,000
22			2040	\$ -	\$ 1,169,450,000
23			2041	\$ -	\$ 1,169,450,000
24			2042	\$ -	\$ 1,169,450,000
25			2043	\$ -	\$ 1,169,450,000
26			2044	\$ -	\$ 1,169,450,000
27			2045	\$ -	\$ 1,169,450,000
28			2046	\$ -	\$ 1,169,450,000
29			2047	\$ -	\$ 1,169,450,000
30			2048	\$ -	\$ 1,169,450,000
				<u>\$ 1,169,450,000</u>	

EXHIBIT D-1

**Captured Assessed Value & Tax Increment Assumptions
Tax Increment Reinvestment Zone Number 2**

Year	Tax Year	Projected Captured Taxable Value	City's 2018 Tax Rate	County's 2018 Tax Rate	Projected Tax Increment Revenue		
					City's Share 50%	County's Share 50%	Projected Total
1	2019						
2	2020	\$ 116,525,000	\$ 0.5416	\$ 0.3899	\$ 315,550	\$ 227,165	\$ 542,715
3	2021	\$ 277,575,000	\$ 0.5416	\$ 0.3899	\$ 751,673	\$ 541,132	\$ 1,292,806
4	2022	\$ 348,975,000	\$ 0.5416	\$ 0.3899	\$ 945,024	\$ 680,327	\$ 1,625,351
5	2023	\$ 448,025,000	\$ 0.5416	\$ 0.3899	\$ 1,213,252	\$ 873,425	\$ 2,086,676
6	2024	\$ 524,075,000	\$ 0.5416	\$ 0.3899	\$ 1,419,195	\$ 1,021,684	\$ 2,440,879
7	2025	\$ 636,825,000	\$ 0.5416	\$ 0.3899	\$ 1,724,522	\$ 1,241,490	\$ 2,966,012
8	2026	\$ 709,575,000	\$ 0.5416	\$ 0.3899	\$ 1,921,529	\$ 1,383,316	\$ 3,304,846
9	2027	\$ 802,325,000	\$ 0.5416	\$ 0.3899	\$ 2,172,696	\$ 1,564,133	\$ 3,736,829
10	2028	\$ 875,075,000	\$ 0.5416	\$ 0.3899	\$ 2,369,703	\$ 1,705,959	\$ 4,075,662
11	2029	\$ 964,450,000	\$ 0.5416	\$ 0.3899	\$ 2,611,731	\$ 1,880,195	\$ 4,491,926
12	2030	\$ 1,005,450,000	\$ 0.5416	\$ 0.3899	\$ 2,722,759	\$ 1,960,125	\$ 4,682,883
13	2031	\$ 1,046,450,000	\$ 0.5416	\$ 0.3899	\$ 2,833,787	\$ 2,040,054	\$ 4,873,841
14	2032	\$ 1,087,450,000	\$ 0.5416	\$ 0.3899	\$ 2,944,815	\$ 2,119,984	\$ 5,064,798
15	2033	\$ 1,128,450,000	\$ 0.5416	\$ 0.3899	\$ 3,055,843	\$ 2,199,913	\$ 5,255,756
16	2034	\$ 1,169,450,000	\$ 0.5416	\$ 0.3899	\$ 3,166,871	\$ 2,279,843	\$ 5,446,713
17	2035	\$ 1,169,450,000	\$ 0.5416	\$ 0.3899	\$ 3,166,871	\$ 2,279,843	\$ 5,446,713
18	2036	\$ 1,169,450,000	\$ 0.5416	\$ 0.3899	\$ 3,166,871	\$ 2,279,843	\$ 5,446,713
19	2037	\$ 1,169,450,000	\$ 0.5416	\$ 0.3899	\$ 3,166,871	\$ 2,279,843	\$ 5,446,713
20	2038	\$ 1,169,450,000	\$ 0.5416	\$ 0.3899	\$ 3,166,871	\$ 2,279,843	\$ 5,446,713
21	2039	\$ 1,169,450,000	\$ 0.5416	\$ 0.3899	\$ 3,166,871	\$ 2,279,843	\$ 5,446,713
22	2040	\$ 1,169,450,000	\$ 0.5416	\$ 0.3899	\$ 3,166,871	\$ 2,279,843	\$ 5,446,713
23	2041	\$ 1,169,450,000	\$ 0.5416	\$ 0.3899	\$ 3,166,871	\$ 2,279,843	\$ 5,446,713
24	2042	\$ 1,169,450,000	\$ 0.5416	\$ 0.3899	\$ 3,166,871	\$ 2,279,843	\$ 5,446,713
25	2043	\$ 1,169,450,000	\$ 0.5416	\$ 0.3899	\$ 3,166,871	\$ 2,279,843	\$ 5,446,713
26	2044	\$ 1,169,450,000	\$ 0.5416	\$ 0.3899	\$ 3,166,871	\$ 2,279,843	\$ 5,446,713
27	2045	\$ 1,169,450,000	\$ 0.5416	\$ 0.3899	\$ 3,166,871	\$ 2,279,843	\$ 5,446,713
28	2046	\$ 1,169,450,000	\$ 0.5416	\$ 0.3899	\$ 3,166,871	\$ 2,279,843	\$ 5,446,713
29	2047	\$ 1,169,450,000	\$ 0.5416	\$ 0.3899	\$ 3,166,871	\$ 2,279,843	\$ 5,446,713
30	2048	\$ 1,169,450,000	\$ 0.5416	\$ 0.3899	\$ 3,166,871	\$ 2,279,843	\$ 5,446,713

EXHIBIT E

**2018 Base Assessed Taxable Valuations
Tax Increment Reinvestment Zone Number 2**

<u>Item #</u>	<u>Date AV Verified</u>	<u>Parcel Tax ID#</u>	<u>2018 Base Taxable AV</u>	<u>2018 Base Cumulative AV</u>
1	10/23/2018	R102948	\$ -	\$ -
2	10/23/2018	R102949	\$ -	\$ -
3	10/23/2018	R111489	\$ 290.00	\$ 290.00
4	10/23/2018	R11209	\$ 15,200.00	\$ 15,490.00
5	10/23/2018	R124075	\$ 50.00	\$ 15,540.00
6	10/23/2018	R124076	\$ -	\$ 15,540.00
7	10/23/2018	R124475	\$ 99,770.00	\$ 115,310.00
8	10/23/2018	R12691	\$ 2,150.00	\$ 117,460.00
9	10/23/2018	R127266	\$ 3,539,550.00	\$ 3,657,010.00
10	10/23/2018	R127663	\$ 4,860.00	\$ 3,661,870.00
11	10/23/2018	R130335	\$ 170,710.00	\$ 3,832,580.00
12	10/23/2018	R130336	\$ 280,850.00	\$ 4,113,430.00
13	10/23/2018	R130419	\$ 1,831,314.00	\$ 5,944,744.00
14	10/23/2018	R130421	\$ 2,114,628.00	\$ 8,059,372.00
15	10/23/2018	R130423	\$ 937,993.00	\$ 8,997,365.00
16	10/23/2018	R130425	\$ 1,244,440.00	\$ 10,241,805.00
17	10/23/2018	R132398	\$ 848,240.00	\$ 11,090,045.00
18	10/23/2018	R132399	\$ 1,498,720.00	\$ 12,588,765.00
19	10/23/2018	R132402	\$ 2,710.00	\$ 12,591,475.00
20	10/23/2018	R132408	\$ 24,700,000.00	\$ 37,291,475.00
21	10/23/2018	R13408	\$ 1,620.00	\$ 37,293,095.00
22	10/23/2018	R134152	\$ 1,590.00	\$ 37,294,685.00
23	10/23/2018	R134153	\$ 710.00	\$ 37,295,395.00
24	10/23/2018	R134155	\$ 920.00	\$ 37,296,315.00
25	10/23/2018	R134156	\$ 1,050.00	\$ 37,297,365.00
26	10/23/2018	R134159	\$ 1,710.00	\$ 37,299,075.00
27	10/23/2018	R134161	\$ 7,460.00	\$ 37,306,535.00
28	10/23/2018	R135553	\$ -	\$ 37,306,535.00
29	10/23/2018	R137936	\$ 4,863,000.00	\$ 42,169,535.00
30	10/23/2018	R138187	\$ 2,280,960.00	\$ 44,450,495.00
31	10/23/2018	R138188	\$ 9,340.00	\$ 44,459,835.00
32	10/23/2018	R138189	\$ 1,710.00	\$ 44,461,545.00

EXHIBIT E-1

**2018 Base Assessed Taxable Valuations
Tax Increment Reinvestment Zone Number 2**

<u>Item #</u>	<u>Date AV Verified</u>	<u>Parcel Tax ID#</u>	<u>2018 Base Taxable AV</u>	<u>2018 Base Cumulative AV</u>
33	10/23/2018	R138268	\$ 339,562.00	\$ 44,801,107.00
34	10/23/2018	R138269	\$ 339,562.00	\$ 45,140,669.00
35	10/23/2018	R138270	\$ 339,562.00	\$ 45,480,231.00
36	10/23/2018	R138271	\$ 339,562.00	\$ 45,819,793.00
37	10/23/2018	R138272	\$ 339,562.00	\$ 46,159,355.00
38	10/23/2018	R138273	\$ 339,562.00	\$ 46,498,917.00
39	10/23/2018	R138274	\$ 339,562.00	\$ 46,838,479.00
40	10/23/2018	R138275	\$ 339,562.00	\$ 47,178,041.00
41	10/23/2018	R13837	\$ 4,780.00	\$ 47,182,821.00
42	10/23/2018	R13851	\$ 550.00	\$ 47,183,371.00
43	10/23/2018	R140150	\$ 24,250,000.00	\$ 71,433,371.00
44	10/23/2018	R143792	\$ 18,369,830.00	\$ 89,803,201.00
45	10/23/2018	R144234	\$ 500.00	\$ 89,803,701.00
46	10/23/2018	R144235	\$ 500.00	\$ 89,804,201.00
47	10/24/2018	R144236	\$ 3,278,616.00	\$ 93,082,817.00
48	10/24/2018	R144843	\$ 94,870.00	\$ 93,177,687.00
49	10/24/2018	R144849	\$ 40.00	\$ 93,177,727.00
50	10/24/2018	R146068	\$ 35,230.00	\$ 93,212,957.00
51	10/24/2018	R146069	\$ 5,220.00	\$ 93,218,177.00
52	10/24/2018	R147859	\$ 690.00	\$ 93,218,867.00
53	10/24/2018	R147860	\$ 2,587,684.00	\$ 95,806,551.00
54	10/24/2018	R147908	\$ 1,890.00	\$ 95,808,441.00
55	10/24/2018	R148425	\$ 1,900.00	\$ 95,810,341.00
56	10/24/2018	R148426	\$ 390.00	\$ 95,810,731.00
57	10/24/2018	R151122	\$ 530.00	\$ 95,811,261.00
58	10/24/2018	R151279	\$ 260.00	\$ 95,811,521.00
59	10/24/2018	R151283	\$ 1,100.00	\$ 95,812,621.00
60	10/24/2018	R151597	\$ -	\$ 95,812,621.00
61	10/24/2018	R151601	\$ 24,931,760.00	\$ 120,744,381.00
62	10/24/2018	R151602	\$ 1,059,220.00	\$ 121,803,601.00
63	10/24/2018	R151603	\$ 130.00	\$ 121,803,731.00
64	10/24/2018	R152394	\$ 6,169,860.00	\$ 127,973,591.00

EXHIBIT E-2

**2018 Base Assessed Taxable Valuations
Tax Increment Reinvestment Zone Number 2**

<u>Item #</u>	<u>Date AV Verified</u>	<u>Parcel Tax ID#</u>	<u>2018 Base Taxable AV</u>	<u>2018 Base Cumulative AV</u>
65	10/24/2018	R152412	\$ 8,558,750.00	\$ 136,532,341.00
66	10/24/2018	R155405	\$ 850,920.00	\$ 137,383,261.00
67	10/24/2018	R155406	\$ 360.00	\$ 137,383,621.00
68	10/24/2018	R156298	\$ 156,820.00	\$ 137,540,441.00
69	10/24/2018	R156516	\$ 149,940.00	\$ 137,690,381.00
70	10/24/2018	R88923	\$ 1,262,130.00	\$ 138,952,511.00
71	2018 Total Base Assessed Valuation:		<u>\$138,952,511.00</u>	

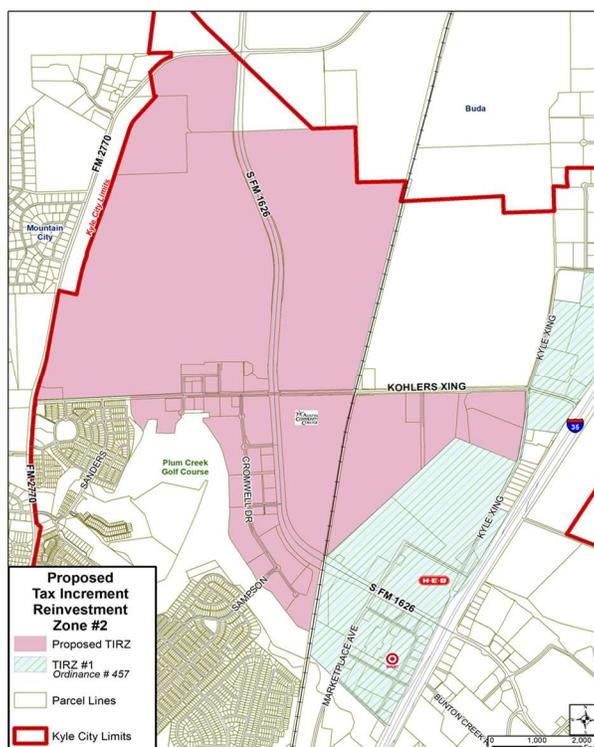
EXHIBIT F

CITY OF KYLE, TEXAS NOTICE OF PUBLIC HEARING ON THE CREATION OF TAX INCREMENT REINVESTMENT ZONE NUMBER TWO

NOTICE IS HEREBY GIVEN that the City Council of the City of Kyle, Texas will hold a Public Hearing on Tuesday, November 20, 2018, at 7:00 p.m. at the Kyle City Hall, located at 100 W. Center Street, Kyle, Texas 78640, for the purpose of receiving comments on the proposed creation of Tax Increment Reinvestment Zone Number Two under the provisions of Chapter 311 of the Texas Tax Code.

The general benefit to the City and its taxpayers of the Tax Increment Reinvestment Zone Number Two will be to increase the value of taxable properties through the development of new public and private improvements within the reinvestment zone.

The proposed Tax Increment Reinvestment Zone Number Two is comprised of approximately 1,480 acres located west of IH-35 and east of FM 2770 within Kyle city limits as depicted in the proposed boundary map below:



The legal description, boundary map, draft project and finance plan, and the draft creation Ordinance are available for public inspection in the City Secretary's office at 100 W. Center Street, Kyle, Texas 78640.

All Kyle residents and interested persons are invited to attend the public hearing to provide their comments to City Council on the proposed creation of Tax Increment Reinvestment Zone Number Two.

EXHIBIT G

TERM SHEET AS APPROVED BY CITY COUNCIL FOR DEVELOPMENT OF THE UPTOWN AREA OF PLUM CREEK

The Term Sheet, as attached hereto, outlines the conditions under which the City Council of the City of Kyle considered and created the Tax Increment Reinvestment Zone Number 2 in Kyle, Texas.

The purpose of this Term Sheet is to provide the City Manager with specific principles and parameters to negotiate a Development Agreement and/or Reimbursement Agreement between the City and the developer containing the terms and conditions outlined in the approved Term Sheet and other acceptable terms that would serve as the guiding document for all items related to the use, look, and feel of the development of the Uptown Area of Plum Creek, including all public improvements.

This Term Sheet was discussed and considered by City Council, at a public meeting held on November 20, 2018.

OUTLINE OF PROPOSED TERMS OF PLUM CREEK TIRZ

As an overall goal, the purpose of these Proposed Terms is to obtain approval of the creation of a Tax Increment Reinvestment Zone (“TIRZ”) covering the undeveloped land in Plum Creek for the purposes outlined below. By creating the TIRZ now, the contemplated \$100 million in expected improvements in 2019 will be captured in the TIRZ to further the goals stated below.

Plum Creek and the City contemplate that these terms set forth below will be incorporated into a TIRZ Development Agreement between the owners of the Uptown area of Plum Creek and the City of Kyle (“City”), in addition to other such terms and conditions as are appropriate and acceptable.

DRAFT VISION STATEMENT

The Uptown TIRZ aims to serve the City and its residents with a first-class town center that improves the quality of life, connects people, and becomes a destination for Kyle residents and the region.

Our Draft Mutual Goals

- 1. Build a quality town center and the remainder of Plum Creek as a desirable destination for employment, housing, recreation, and entertainment.*
- 2. Assist Kyle by establishing a substantial tax base that will benefit all residents of Kyle.*
- 3. Establish the town center as a mechanism to attract quality employment and residential development.*
- 4. Create capital improvements that promotes walkability and recreation.*
- 5. Develop higher quality aesthetics, safety, human comfort, accessibility, and amenities within the public realm.*

Plum Creek understands that the City is considering the creation of a Tax Increment Reinvestment Zone (TIRZ) with all powers allowed to it by state law and its associated governing body (the “TIRZ Board”) within Plum Creek for the purpose of enhancing public improvements to achieve the above-stated Mutual Goals. The funding of these improvements would likely be through Tax Increment Financing (TIF) based reimbursable tax revenues. If done correctly, the development of Plum Creek will likely be quicker and more robust than without the TIRZ, which will help to achieve the above goals.

This term sheet outlines the conditions under which the City will consider creating a TIRZ within Plum Creek. After a public hearing to receive input from Kyle residents regarding the TIRZ, assuming these terms and others as deemed appropriate, the City Council may vote to create a TIRZ. After approval of that ordinance, the Plum Creek developers and the City would negotiate a Development Agreement containing these terms, and other acceptable terms that would serve as the guiding document for all items related to use, look, feel, and public environment.

The TIRZ would be established with a Sunset Clause of twenty (20) years from its creation.

Here is a Summary of the Proposed TIRZ terms:

1. Attached as Exhibit A is a conceptual map of Uptown (approximately 38 acres) for the purposes of conversation. The area shaded in red, approximately 38 acres in size, is the “Mixed Use Area”. The area shaded in blue is the “Secondary Retail Area”. The remaining area of Uptown is the “Urban Residential Area”. This plan has not been approved or endorsed by the City at this time, but generally includes the items of note contained within the terms. As with any plan, the market will dictate which phases of Uptown get built in what order and how fast. A “Strategic Plan” will be generated as part of the Development Agreement terms, that will outline the intended development for the upcoming five years. The Strategic Plan will be updated every two years.
2. No TIRZ money will be spent for private property improvements. Any TIRZ funds will only be expended for public improvements owned by the TIRZ or by the City of Kyle or a non-profit affiliate. The developer is already required to build certain base infrastructure as a part of the development process, therefore the amount that is eligible to be paid for by the TIRZ is the incremental difference from the base to that of the upgrades, as determined by utilizing ‘add-alternate’ bidding procedures. In the event there is not an alternate bid available the TIRZ board will use its best judgement in authorizing reimbursement values. It is understood that certain items such as art would be wholly reimbursable as city code does not currently require its installation. All TIRZ improvements will be located on land owned by the City of Kyle, public rights-of-way and/or public easements. If TIRZ funds are used, the Developer must commit to certain level of adjacent development in full accordance with sections 5 through 9 below. The public improvements may include (but only as approved by the TIRZ Board appointed by the City Council):
 - a. Streetscapes, landscaping, roadway, transportation, roundabouts, underground waste receptacles and other applicable associated improvements;

- b. Public art, water features; 1% of TIRZ funds dedicated to art. The Uptown developer will promote public art in the Mixed Use Area, and other appropriate areas within Uptown.
 - c. Parks, plazas and other public realm spaces could include a variety of uses as well as gatherings, events, and celebration;
 - d. Trails connecting to Uptown to other areas within Plum Creek and adjacent developments;
 - e. Safe pedestrian crossings such as pavement-lit crosswalks and underpasses;
 - f. Under-the-road pedestrian crossings;
 - g. Public parking/parking garages;
 - h. Public buildings and other applicable facilities;
 - i. Wayfinding and signage;
 - j. Safety and human comfort improvements including shade structures and lighting;
 - k. Ambiance and space making lighting such as tree lights, free hanging strung lights;
 - l. Improvements deemed appropriate by the TIRZ Board to promote economic development within Plum Creek;
 - m. And, any other improvement that is permissible by applicable TIRZ law and approved by the TIRZ Board.
3. All TIRZ improvements shall be approved by TIRZ Board appointed by the Kyle City Council. TIRZ funded improvements will commit the Developer to areas adjacent to the improvement being developed in accordance with the terms of this agreement.
 4. All of Uptown shall be designed as an urban village, with a variety of housing and other uses to create a desirable urban environment – a destination for Kyle and surrounding area residents that appropriately balances office, retail, dining, entertainment and housing.
 5. Parking garages shall be encouraged (and built wherever financially feasible) and must accommodate mixed-use parking as well as employees, but not allow for inventory storage. The City and Plum Creek acknowledge that current market conditions do not

allow for parking garages, however, the parties seek to have structured parking when and where financially feasible. Parking garages, if constructed, shall be wrapped urban product with mixed use if in the Mixed Use Area, or as much as practicable in the Secondary Retail Area or with multifamily if in the Urban Residential Area. Street level parking may be used where appropriate. In the beginning phases, parking lots will be allowed so long as at the time of site review of a ground level parking lot, there is a plan in place for when and how the space will transition to structured parking, if that becomes financially feasible.

6. Plum Creek and the City want true mixed-use in the Mixed Use Area of Uptown. To accomplish this Plum Creek and the City shall negotiate and execute a restrictive covenant covering the Mixed Use Area to accommodate the uses and design controls necessary for the TIRZ funding. No TIRZ funding shall occur without compliance with this restrictive covenant. Within that Mixed Use Area, the City and Plum Creek desire:
 - a. Architecture that shall be timeless, and the primary facade material shall be brick, stone, metal and glass. Other accent elements of the façade from other quality materials shall be permitted, consistent with good design. Design criteria and guidelines shall be approved by City and will include the use of city approved materials, colors, and enhance the overall Kyle branding.
 - b. Vertical mixed use shall be required in the Mixed Use Area, however, on a case by case basis, City may approve the use single-story buildings when appropriate such as:
 - i. Free standing restaurants around the pond at the northwest corner of Kohlers Crossing and Kyle Parkway (1626).
 - ii. In certain cases, beyond the primary east-west retail avenue of the Mixed Use Area, a single-story lifestyle retail district may be appropriate. The Domain Northside (Austin’s most successful lifestyle urban center) has a showcase retail district full of shops and restaurants – the Rock Rose District. That district contains some single-story structures and is the center of the majority of retail and entertainment activity in the Domain Northside. Here are some images:





Any single-story retail – if any is approved by the City as part of the approval of the Strategic Plan implementing the TIRZ – would only be approved by consent of the City, as part of the overall mixed-use plan for the Mixed Use Area, and then only if it makes good design sense to enhance the overall mixed-use experience.

- c. The Mixed Use Area shall seek true mixed-use retail that generates pedestrian activity and circulation, with uses that provide for walkable pedestrian activities, and are clustered to primary mixed use corridors to prevent fragmentation.
 - i. Bottom, or street level floors shall be reserved for restaurants, retail shops, entertainment and active uses – other service retail such as cell phone stores and the like shall be limited to the second floor or higher.
 - ii. Acceptable ground floor uses include:
 - 1. Retail
 - 2. Retail service establishments that generate significant foot traffic
 - 3. Restaurants, dining options and bars that serve food
 - 4. Food or entertainment incubator space
 - 5. Entertainment

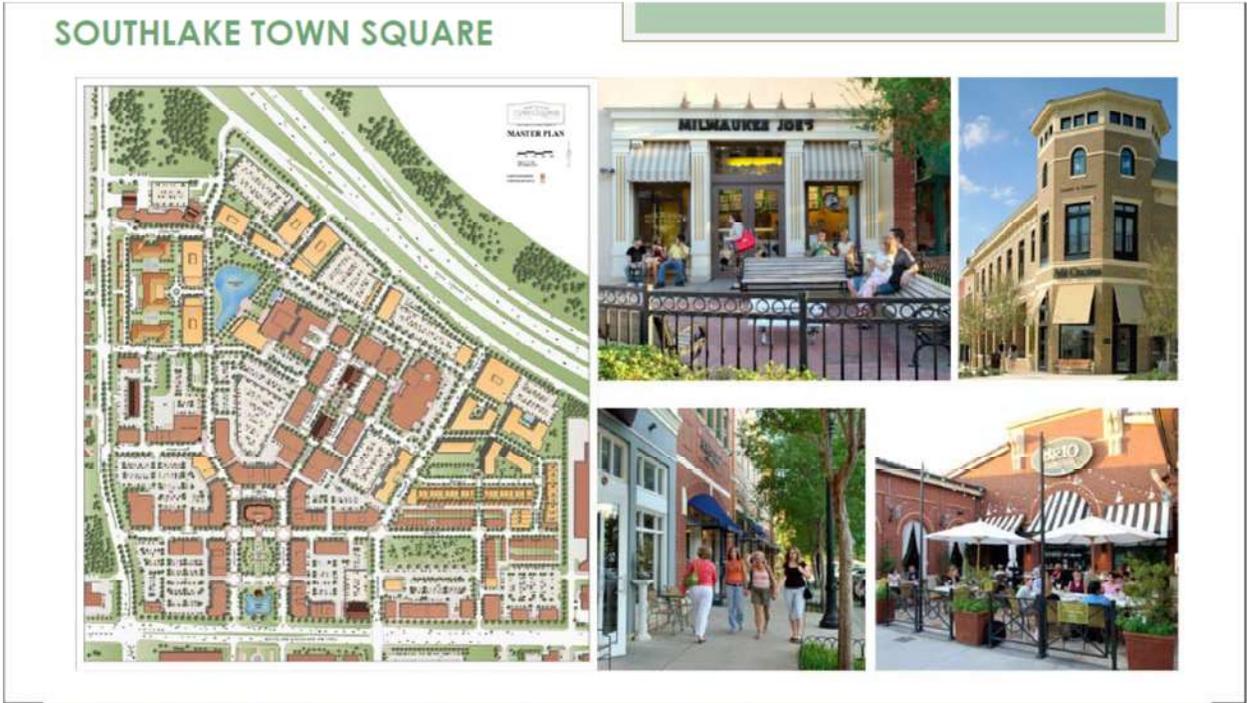
6. Not more than two, small bank lobbies (ie lobby access on the ground floor and basic teller atm access with remaining offices and services located above the first floor) may occupy ground floor retail, but not at an intersection of two streets (i.e., mid-block only).
- iii. Acceptable second floor or higher uses could include:
 1. All uses above, plus:
 2. Bars where more than 50% of revenues are alcohol sales
 3. Retail or Service that do not generate significant foot traffic
 4. Professional Services
 5. Office space
 6. Office incubator space
 7. Activated roof/green roof space
 8. Residential
 - iv. All restaurants along the primary retail street in the Mixed Use Area will incorporate shade – either in the form of a shaded front patio seating and/or a shaded activated roof seating area and/or other approved shade design.
 - v. First floor uses will commit to standardized operating hours as a minimum to support the lifestyle retail strategy of staying open as long as practicable, with a goal of 9:00 p.m.
 - vi. The vision statement seeks to prohibit uses that do not promote pedestrian activity or would detract from the Urban Uptown environment. Such uses are listed in Exhibit B, but will likely expand upon more careful consideration and negotiation with Plum Creek and the City. Exhibit B will serve as a model for the use restriction table for new PUD zoning for the Uptown Urban district.
- d. The Secondary Retail Area, is an area that would have likely been residential, but has been identified by the City and Developer as a possible location to expand the footprint of the Mixed Use Area beyond what would normally be justified by the size of the development. The Developer is open to this desire and will commit to developing the area identified in Exhibit A as the ‘Secondary Retail Area’ last, giving the market time to see if the Mixed Use Area could stretch up North Cromwell. If the Developer desires to use TIRZ funds for improvements up North Cromwell in the Secondary Retail Area, then the Developer will commit to having this area as an expanded Mixed Use Area. Corner retail only would not suffice for the use of TIRZ funds, but this area may make sense to incorporate some of the single story lifestyle users such as referenced in Section 6.B.ii above. The Developer feels that if either or both of the following items were to occur, it would dramatically increase the likelihood of this conversion from residential to an expanded Mixed Use Area:

- i. Develop the soccer fields on the northern terminus of Cromwell into a right sized regional soccer complex that is programmed and able to attract users from the region and beyond year-round, thereby creating synergy on North Cromwell. This may require partnering between the Plum Creek Residential Owner and the Developer to reallocate the detention area into a regional detention structure east of Kyle Parkway. Should this happen, funds should not be double-dipped from both the TIRZ and any future Residential PID. This should not be interpreted as a prohibition for both the TIRZ and any future Residential PID to participate in the improvements, just that the same improvements can't be counted twice, once for each district.
 - ii. The placement of a convention center with hotel in the Secondary Retail Area.
- e. Developer shall include public art, sculptures, water features, fountains and landscaped and structured shade.
- f. The Urban Uptown district shall be in a commercial property owners' association. The owner(s) of the Uptown development shall be responsible for, among other things (either directly through a management company or through the property owners' association) and such obligation formalized through a License and Use agreement with the City and other methods to ensure that the association levies sufficient assessments to pay for the maintenance obligations:
 - i. common area and open space maintenance, irrigation, upkeep and beautification
 - ii. maintenance of public art
 - iii. upkeep of fountains, shade structures
 - iv. replacement of all landscaping that dies or underperforms and hardscapes with like materials in a timely fashion unless the same species or material cannot be used.
 - v. pedestrian canopy trees and sidewalks
 - vi. pedestrian scaled lighting, ambiance lighting, holiday lighting, tree lighting and all decorative poles and signs
 - vii. cleaning of sidewalks
 - viii. street litter and organic pickup
- g. All streets with funding by the TIRZ in Uptown will have city approved designs, including right-of-way widths, cross sections showing the pedestrian and bicycle improvements, hardscapes and landscaping.
 - i. Design shall include the main thoroughfares terminating in a vista or view shed highlighting a city facility, park, public art or prominent element such as an architectural piece or water feature, as approved.

- ii. All streets within Uptown will be pedestrian-oriented, promoting walkability and, where applicable, bicycle use. Some streets will be limited to pedestrian use only (i.e. pedestrian boulevards, plazas) and will be cobblestone, brick, paving or other City-approved landscape material.
 - iii. In addition, within the Mixed Use Area, the street designs will show public landscaping improvements and public art in accordance with City-approved landscaping and public art criteria.
 - iv. Pedestrian design shall enhance access from beyond the Uptown district, including pulling from other corners of Kyle Parkway and Kohlers, including specific consideration for pedestrian tie ins with ACC and Area 9/10.
 - v. All roads and pedestrian ways will have planted and irrigated canopy trees. The Uptown Urban district will only include trees from an approved tree species list.
 - vi. Main thoroughfares will have street trees wired for lights, and all street trees will be lit/wrapped with string lights during the applicable holidays.
 - vii. Modern roundabouts that accommodate pedestrian traffic will be favored over four-way intersections for main thoroughfares in the Uptown district, where applicable, and as approved.
7. TIRZ money may be expended only if the tax value supporting the TIRZ expenditure exists – no future tax value shall be used to support any TIRZ expenditures. As determined by the TIRZ board, expenditures may be expended in several ways:
- a. The developer may expend the funds needed to create the approved TIRZ improvements and be reimbursed by the TIRZ according to applicable law.
 - b. The TIRZ may elect at its discretion to fund appropriate planning, design, and engineering work;
 - c. The TIRZ may elect at its discretion to fund directly approved TIRZ improvements that have been properly bid according to applicable law.
8. Pursuant to an existing agreement between the City and Plum Creek, 17 acres shall be dedicated within Plum Creek for public use which may include: convention center (convertible space to sports/theatre/concert) with attached hotel, municipal facilities, children’s library, incubator space (food, tech, arts), sports venue, entertainment venues, central town square park, river concept, parking structures, museums, performing art

centers, entrepreneur centers, municipal facilities, stadiums, zoos, carousel/Ferris wheel, music venues and enhanced public activated streetscapes.

9. The following graphical examples are found to be mostly in adherence to these terms and should serve as examples of the type of look and feel both parties plan to accomplish:



SOUTHLAKE TOWN SQUARE



FIREWHEEL TOWN CENTER



WEST VILLAGE













Exhibit A

CONCEPTUAL PLAN

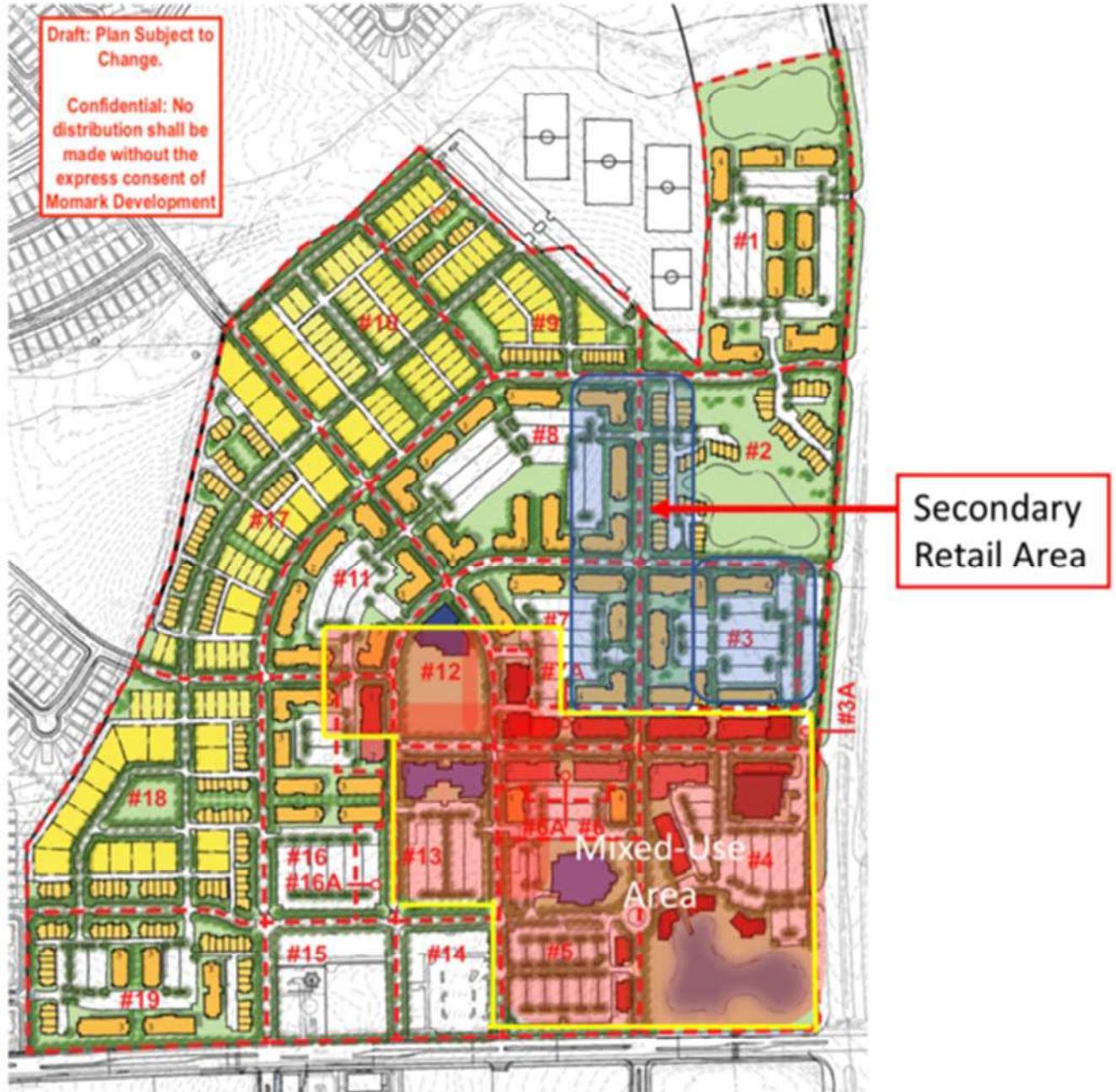


EXHIBIT B PROHIBITED USES

Prohibited uses: Adult entertainment; Auto body repair shops; Automotive car wash; Automotive parts stores; Automotive service centers; Bank lobbies/bank branches (except as permitted above; Boat sales establishments; Building, electrical, or plumbing contractors; Building material sales with outdoor storage; Equipment rental, sales, or service (including heavy equipment, farm equipment, bulldozers, backhoes forklifts, cranes, etc.); Emissions inspection stations;; Funeral homes or mausoleums; Heavy equipment and farm equipment sales and service, and truck rental; Lawnmower repair shops; Liquor stores (except as may be permitted in the Development Agreement); Log-splitting and storage lots; Manufactured homes; Mattress stores, Mobile home or mobile building leasing or sales lots; Machine or welding shops; Mini-warehouse facilities; New and used automobile sales and/or rental with outside storage of inventory; Pawn shops; Pest control businesses that store toxic chemicals on site; Payday Loans; Recovered materials processing; Motels that provide outside entries to individual units; Outdoor sales except via vendor permits; Outdoor storage of inventory; Self-service laundries that are principal uses; Self-storage; Tattoo parlors; Taxidermists; Yard trimmings composting; Veterinarians or animal services with overnight boarding.