

Tax Increment Reinvestment Zone Board #2



March 18, 2024
Town Hall
2121 Cross Timbers Road
Flower Mound, TX 75028

5:00 p.m.

AGENDA

A. CALL TO ORDER

B. INVOCATION

C. PLEDGE OF ALLEGIANCE TO THE AMERICAN FLAG AND TO THE TEXAS FLAG

"Honor the Texas flag; I pledge allegiance to thee, Texas, one state under God, one and indivisible."

D. PUBLIC COMMENT

The purpose of this item is to allow the public an opportunity to address the Board/Commission regarding any item on this agenda that is not a "Public Hearing." Issues regarding daily operational or administrative matters should first be dealt with by calling Town Hall at 972- 874-6000 during business hours. To speak to the Board/Commission during public comment, please fill out a comment form, which is located in the lobby of Town Hall.

In accordance with the Texas Open Meetings Act, the Board/Commission is restricted from discussing or acting on items not listed on the agenda.

- Speakers are limited to 3 minutes; a tone will sound at 30 seconds left and when time has expired, and times may be adjusted by the Chair depending on the number of speakers.
- Speakers must address their comments to the Board/Commission.
- Please state your name and address when speaking.

E. REGULAR ITEM(S)

1. TIRZ #2 Final Plan - Consider recommending approval of the Final Project and Financing Plan for Tax Increment Reinvestment Zone number 2 (TIRZ #2) pursuant to Chapter 311 of the Texas Tax Code.

F. ADJOURN

I do hereby certify that the Notice of Meeting was posted on the bulletin board at the Town Hall for the Town of Flower Mound, Texas, in a place convenient and readily accessible to the general public at all times and said Notice was also posted on the Town's website in accordance with GC Section 551.056 on the following date and time: March 15, 2024, at 2:15 p.m., at least 72 hours prior to the scheduled time of said meeting.

Theresa Scott, Town Secretary

The Flower Mound Town Hall and Jody Smith Hall are wheelchair accessible. Requests for accommodation or interpretive services must be made 48 hours prior to this meeting by contacting Town Hall at 972.874.6000. Additional time limits will be provided for members of the public that need to address the Town Council through a translator.



TAX INCREMENT REINVESTMENT ZONE BOARD #2 AGENDA E.1. REGULAR ITEM(S)

DATE: March 18, 2024

FROM: Tommy Dalton, Assistant Town Manager

ITEM: **Consider recommending approval of the Final Project and Financing Plan for Tax Increment Reinvestment Zone number 2 (TIRZ #2) pursuant to Chapter 311 of the Texas Tax Code.**

BACKGROUND: The purpose of this item is to consider recommending approval of the TIRZ #2 Final Project and Financing Plan in conformance with [Chapter 311](#) of the Texas Tax Code.

On September 19, 2022, the Town first publicly discussed the potential for a TIRZ to be utilized for infrastructure costs as the western areas of Town begin to develop. That discussion can be viewed [here](#).

Since that time, staff worked with the Town's consultant, P3 Works LLC, in creating the preliminary project and financing plan (Preliminary Plan) for TIRZ #2, which was approved by the Town Council on [November 6, 2023](#). Upon adoption of the Preliminary Plan ordinance, the TIRZ took effect immediately, and is scheduled to terminate on December 31, 2053, unless otherwise terminated in accordance with the ordinance.

Chapter 311 of the Texas Tax Code, the Tax Increment Financing Act (linked above), provides a legal and regulatory framework that governs the process in creating a TIRZ. Administratively, the first steps to creating a TIRZ is calling for a public hearing on the creation of the zone and its benefits to the municipality or county and to property in the proposed zone. The public hearing was called during the [October 2, 2023](#), Town Council meeting. The public hearing allowed for public discussion on the creation of a TIRZ, prior to the Town formally creating one.

Overall, a TIRZ is an economic development tool that can be used by municipalities and counties to finance infrastructure costs in specific geographic areas. While not related to the creation of TIRZ #2, the Town currently has one TIRZ (TIRZ #1) that was established in September 2005 to provide funds for public infrastructure within the Town's FM 2499 corridor. [TIRZ #1](#) consists of approximately 1,465 acres, is compliant with Chapter 311, and continues to accomplish the goals under which it was created.

TIRZ #2 is located in western Flower Mound, generally north and south of the intersection of FM 1171 and US 377, expanding west to property located adjacent to I-35W, and east to Whites Branch. The property contains approximately 3,962 acres which is wholly located within the corporate limits of the Town.

The final project and financing plan (Final Plan) is included as Attachment 1. The Final Plan provides the proposed public improvements, estimated project costs, economic feasibility of the TIRZ, and other details as required by Chapter 311.

Adoption of the Final Plan does not commit the Town to spend funds. Commitments to spend funds for the identified public improvements will come with a Capital Improvement Agreement. At that time, specific projects will be identified along with approved plans and actual engineering costs.

Once the Final Plan is adopted, the Town will continue its engagement with Denton County regarding their participation in the TIRZ. Generally speaking, the County wants to review the Final Plan prior to making its decision on participation.

The Town retains its right to terminate the Zone prior to the expiration of its stated term if all the project costs have been paid in full.

BOARD REVIEW/CITIZEN FEEDBACK: The TIRZ #2 Board of Directors makes a recommendation on the Final Plan to the Town Council.

ALTERNATIVES: N/A

FISCAL IMPACT: N/A

LEGAL REVIEW: N/A

ATTACHMENTS:

1. TIRZ #2 Final Plan

DRAFT MOTION: Move to approve as presented in the agenda caption.

**TOWN OF FLOWER MOUND, TEXAS
ORDINANCE NO. _____**

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF FLOWER MOUND, TEXAS, APPROVING A FINAL TAX INCREMENT REINVESTMENT ZONE PROJECT AND FINANCE PLAN FOR REINVESTMENT ZONE NUMBER TWO, TOWN OF FLOWER MOUND, TEXAS; MAKING CERTAIN FINDINGS; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, on November 6, 2023, the Town Council of the Town of Flower Mound, Texas (the "Town Council"), by the adoption of Ordinance No. 47-23 created Reinvestment Zone Number Two, Town of Flower Mound, Texas; and

WHEREAS, Section 311.011(d), Texas Tax Code, provides that the Town Council must approve a project plan and reinvestment zone finance plan after its adoption by the board of the reinvestment zone; and

WHEREAS, on March 18, 2024, the Board of Reinvestment Zone Number Two, Town of Flower Mound, Texas approved the *Final Project and Finance Plan for Reinvestment Zone Number Two, Town of Flower Mound, Texas* (the "Final Project and Finance Plan"), a copy of which is attached hereto as **Exhibit A**; and

WHEREAS, pursuant to Section 311.011(d), Texas Tax Code, the Town Council finds that the Final Project and Finance Plan is feasible.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FLOWER MOUND, TEXAS, THAT:

SECTION 1.

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

SECTION 2.

The Town Council does hereby approve the Final Project and Finance Plan, a copy of which is attached hereto as **Exhibit A** and incorporated herein for all purposes.

SECTION 3.

This Ordinance shall be cumulative of all provisions of ordinances and of the Code of Ordinances, Town of Flower Mound, Texas, as amended, except where the provisions of this Ordinance are in direct conflict with the provisions of such ordinances and such Code, in which event the conflicting provisions of such ordinances and such Code are hereby repealed.

SECTION 4.

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

SECTION 5.

This Ordinance shall take effect immediately upon its passage as provided by law.

DULY PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF FLOWER MOUND, TEXAS, BY A VOTE OF ____ TO ____, ON THIS THE 18TH DAY OF MARCH, 2024.

APPROVED:

Derek France, MAYOR

ATTEST:

Theresa Scott, TOWN SECRETARY

EXHIBIT A
Reinvestment Zone Number Two, Town of Flower Mound, Texas
Final Project and Finance Plan



REINVESTMENT ZONE NUMBER TWO,
TOWN OF FLOWER MOUND, TEXAS
FINAL PROJECT AND FINANCE PLAN
MARCH 18, 2024

EXHIBIT A
Reinvestment Zone Number Two, Town of Flower Mound, Texas
Final Project and Finance Plan

TABLE OF CONTENTS

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

EXHIBIT A
Reinvestment Zone Number Two, Town of Flower Mound, Texas
Final Project and Finance Plan

SECTION 1: DEFINITIONS

Capitalized terms used in this Final Plan shall have the meanings given to them in **Section I** unless otherwise defined in this Final 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 Final Plan or an Exhibit attached to and made a part of this Final 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 Town to administer the Zone, including planning, engineering, legal services, organizational costs, publicizing costs, or implementations costs paid by or on behalf of the Town that are directly related to the administration of the Zone.

“**Appraisal District**” means the Denton 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.

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

“**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. 47-23 adopted by the Town Council on November 6, 2023, designating the creation of the Zone and the Board.

“**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**.

“**Final Plan**” means this *Reinvestment Zone Number Two, Town of Flower Mound, Texas Final Project and Finance Plan*.

EXHIBIT A
Reinvestment Zone Number Two, Town of Flower Mound, Texas
Final Project and Finance Plan

“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**.

“Preliminary Plan” means the *Reinvestment Zone Number Two, Town of Flower Mound, Texas Preliminary Project and Finance Plan*, approved by Council on November 6, 2023.

“Project Costs” means the total costs for projects in the Zone, including actual costs of the Public Improvements, and the Administrative Costs, as listed in **Exhibit C**.

“Property” means 3,962.176 acres of land as depicted on **Exhibit A** and identified on **Exhibit H**.

“Public Improvements” means the proposed public improvements to be financed by the Zone, which includes streets, water, storm sewer, sanitary sewer, professional services, public trails, required monumentation, municipal services, public facilities, economic development efforts, parks, and landscaping, as detailed on **Exhibit C**, and depicted on **Exhibit G**.

“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 No. 2 Fund” means the tax increment fund created by the Town and segregated from all other funds of the Town.

“Town” means the Town of Flower Mound, Texas.

“Town Council” means the governing body of the Town.

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

“Zone” means Reinvestment Zone Number Two, Town of Flower Mound, Texas, as depicted on **Exhibit A**, and parcels identified on **Exhibit H**.

EXHIBIT A
Reinvestment Zone Number Two, Town of Flower Mound, Texas
Final Project and Finance Plan

SECTION 2: INTRODUCTION

2.1 Authority and Purpose

The Town has the authority under the Act to designate a contiguous or noncontiguous geographic area within the corporate limits or extraterritorial jurisdiction of the Town as a tax increment reinvestment zone to promote development or redevelopment of the area because the Town 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 Town 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 Town; or
- 3) is in a federally assisted new community located in the Town 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 Town 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 Town 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 Town and in industrial districts created by the Town.

EXHIBIT A
Reinvestment Zone Number Two, Town of Flower Mound, Texas
Final Project and Finance Plan

2.3 The Zone

The Property within the Zone is currently located within the corporate limits of the Town as shown on **Exhibit A**. The Property is predominantly open, undeveloped or underdeveloped, and substantially impairs and arrests the sound growth of the Town. 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 Final Plan, the Town envisions that the Property will be developed to take full advantage of the opportunity to bring to the Town, and County, a quality development.

2.4 Preliminary Plan and Hearing

Before the Town Council adopted the Creation Ordinance, the Town Council prepared the Preliminary Plan in accordance with the Act and held a public hearing on the creation of the Zone and its benefits to the Town 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 financing 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 were determined by the Preliminary Plan, which requires approval by the Board and by the Town Council.

2.5 Creation of the Zone

Upon the closing of the above referenced public hearing, the Town Council will consider the Creation Ordinance and the 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 Town, and
- 4) that the Zone meets the eligibility requirements of the Act.

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

EXHIBIT A
Reinvestment Zone Number Two, Town of Flower Mound, Texas
Final Project and Finance Plan

2.6 Board Recommendations

After the creation of the Zone, the Board reviewed this Final Plan and recommend its approval to the Town Council pursuant to which the Town shall contribute the Town TIRZ increment into the TIRZ No. 2 Fund to pay a portion of the Project Costs benefiting the Zone. If the County participates in the Zone, then pursuant to the County Participation Agreement, the County shall contribute the County TIRZ Increment into the TIRZ No. 2 Fund to pay a portion of the Project Costs benefitting the Zone.

SECTION 3: DESCRIPTION AND MAPS

3.1 Existing Uses and Conditions

The Property is within the corporate limits of the Town, and is currently zoned water recreation, commercial, open space mixed use, interim holding, single family, and combined uses. The Property is primarily undeveloped or underdeveloped, and there is no public infrastructure to support development. Development requires extensive public infrastructure that: (1) the Town 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 Town include residential, and commercial, as shown on **Exhibit F**.

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

The Property is wholly located in the corporate limits of the Town and is subject to the Town's zoning regulations. The Town 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 at this time. Should zoning changes be desired or needed, request will follow Town subdivision ordinance.

SECTION 5: RELOCATION OF DISPLACED PERSONS

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

EXHIBIT A
Reinvestment Zone Number Two, Town of Flower Mound, Texas
Final Project and Finance Plan

SECTION 6: PROPOSED PUBLIC IMPROVEMENTS

6.1 Categories of Public Improvements

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

6.2 Location of Public Improvements

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

SECTION 7: ESTIMATED PROJECT COSTS

7.1 Project Costs¹

The total Project Costs are estimated to be \$713,767,301, as detailed on **Exhibit C**. The Administrative Costs are estimated to be \$20,000 per year beginning 2024 and escalating at two percent (2%) thereafter. The Administrative Costs shall be paid each year from the TIRZ No. 2 Fund before any other Project Costs are paid. The cost of the Public Improvements is estimated to be \$712,955,939, as shown in **Exhibit C**.

7.2 Estimated Timeline of Incurred Costs

The Administrative Costs will be incurred annually for the duration of the Zone. It is estimated the Public Improvements will be constructed between 2024 and 2053, as shown on **Exhibit C**, and funded annually over the remaining term of the Zone.

SECTION 8: ECONOMIC FEASIBILITY

8.1 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, the Property will generate approximately \$585,855,105 in total new real property tax revenue for the participation taxing entities. Approximately \$264,721,456 will be

¹ Project Costs include CIP Improvements, which can be reimbursed first through Impact Fees, then by the TIRZ No. 2 Fund.

EXHIBIT A
Reinvestment Zone Number Two, Town of Flower Mound, Texas
Final Project and Finance Plan

deposited into the TIRZ No. 2 Fund to pay for the Project Costs over the life of the Zone. The remaining real property tax revenue over that period, estimated at \$321,133,648 shall be retained by the participating taxing entities as shown in **Exhibit E**.

The Feasibility Study shows the cumulative Town TIRZ Increment is estimated to be \$187,570,727 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 Town real property tax revenue generated within the zone and retained by the Town is estimated to be \$187,570,727 over the term.

The Feasibility Study shows the cumulative County TIRZ Increment is estimated to be \$77,150,730, 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 \$133,562,922 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 9: ESTIMATED BONDED INDEBTEDNESS

No tax increment reinvestment zone bonds or public indebtedness by the Town secured by the tax increments pursuant to the Act, is contemplated at this time.

SECTION 10: APPRAISED VALUE

10.1 Tax Increment Base

The Tax Increment Base is estimated to be \$9,135,805 and shall be confirmed by the Appraisal District. Each year, the Appraisal District shall confirm the Captured Appraised Value of the Zone.

10.2 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 \$7,211,277,826, as shown on **Exhibit E**. The actual Captured Appraised Value, as certified by the Appraisal District each year, will be used to calculate the annual Town TIRZ Increment, and if applicable, the County TIRZ Increment, pursuant to the County Participation Agreement.

EXHIBIT A
Reinvestment Zone Number Two, Town of Flower Mound, Texas
Final Project and Finance Plan

SECTION 11: METHOD OF FINANCING

The Final Plan would anticipate the Town will deposit the Town TIRZ Increment into the TIRZ No. 2 Fund beginning in 2024. For example, in FY 2024, the Town’s ad valorem tax rate was \$0.38730 per \$100 of taxable value, therefore the Town would contribute \$0.19365 per \$100 of the Captured Appraised Value in the Zone levied and collected, to the TIRZ No. 2 Fund.

If applicable, the County will deposit the County TIRZ Increment into the TIRZ No. 2 Fund beginning in 2024. For example, in FY 2024, the County’s ad valorem tax rate was \$0.217543 per \$100 of taxable value, therefore the Town would contribute \$0.108772 per \$100 of the Captured Appraised Value in the Zone levied and collected, to the TIRZ No. 2 Fund.

All payments of Project Costs shall be made solely from the TIRZ No. 2 Fund and from no other funds of the Town, or the County unless otherwise approved by their respective governing bodies. The TIRZ No. 2 Fund shall only be used to pay the Project Costs. The Town may amend this Final Plan in compliance with the County Participation Agreement, if applicable, including but not limited to what is considered a Project Cost.

SECTION 12: DURATION OF THE ZONE, TERMINATION

12.1 Duration

The stated term of the Zone shall commence on the creation of the Zone, and shall continue for thirty (30) years, with the last payment being due by January 31, 2054, unless otherwise terminated in accordance with the Creation Ordinance.

12.2 Termination

The Zone will terminate prior to the expiration of its stated term if the Project Costs have been fully funded. If upon expiration of the stated term of the Zone, the Project Costs have not been collected into the TIRZ No. 2 Fund, the Town and, if applicable, 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 Town from extending the term of the Zone in accordance with the Act.

EXHIBIT A
Reinvestment Zone Number Two, Town of Flower Mound, Texas
Final Project and Finance Plan

LIST OF EXHIBITS

Unless otherwise stated, all references to "Exhibits" contained in this Final Plan shall mean and refer to the following exhibits, all of which are attached to and made a part of this Final 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	Proposed Uses of the Property
Exhibit G	Map of the Public Improvements
Exhibit H	Parcel Identification

EXHIBIT A
Reinvestment Zone Number Two, Town of Flower Mound, Texas
Final Project and Finance Plan

EXHIBIT A – MAP OF THE ZONE

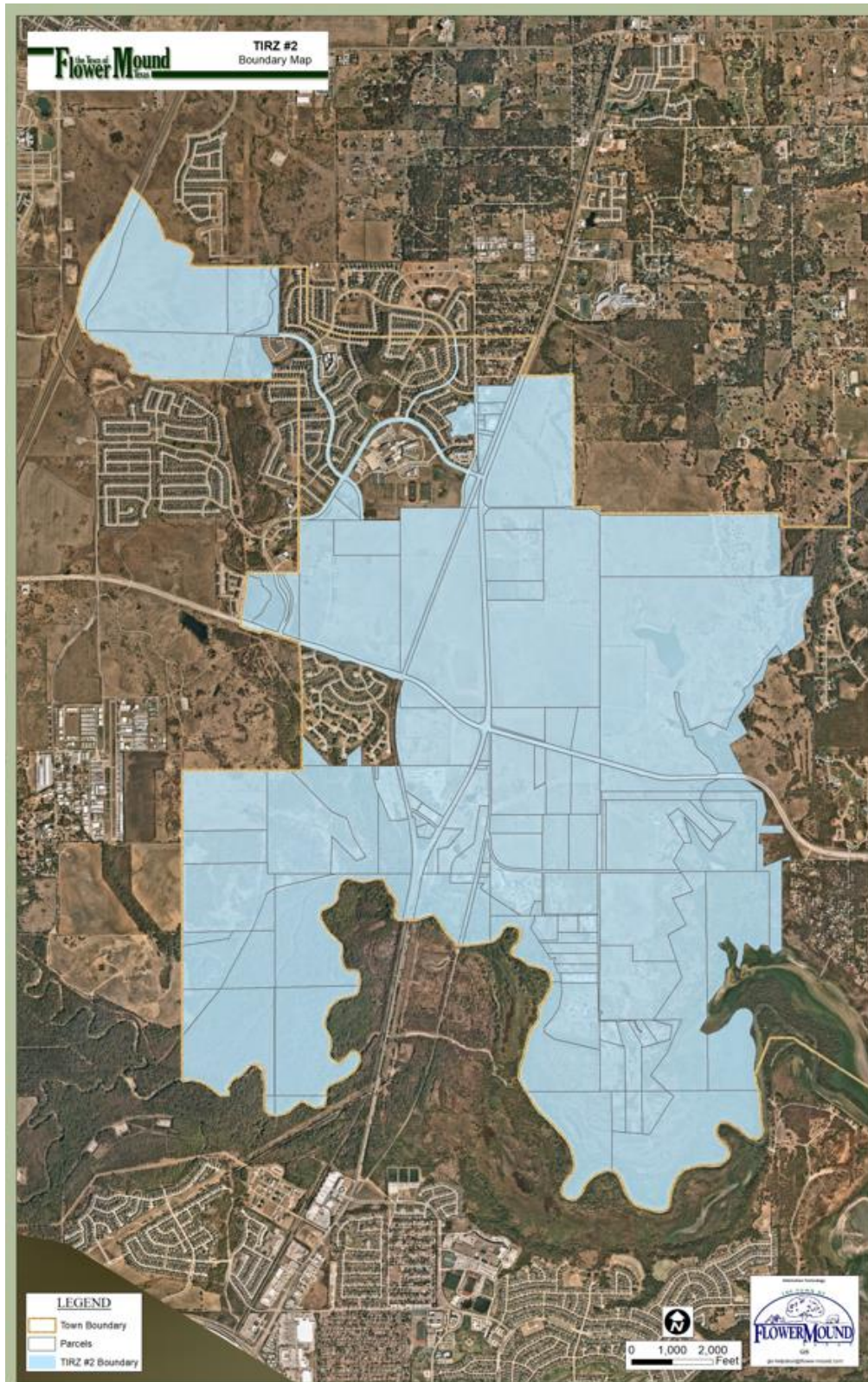


EXHIBIT A
Reinvestment Zone Number Two, Town of Flower Mound, Texas
Final Project and Finance Plan

EXHIBIT B – NON-PROJECT COSTS

Reinvestment Zone Number Two, Town of Flower Mound, Texas Non-Project Costs	
Category	Total ^[a]
STREETS / STORM SEWER	\$ 359,578,249
WATER	\$ 99,457,428
WASTEWATER	\$ 54,459,916
PUBLIC TRAIL LINKAGES AND EXTENSIONS	\$ 3,946,645
IMPROVEMENTS AND LANDSCAPING IN PUBLIC OPEN SPACE (EXCLUDING TRAILS)	\$ 50,268,699
IMPROVEMENTS AND LANDSCAPING IN CONSERVATION OPEN SPACE (EXCLUDING TRAILS)	\$ 54,803,881
PUBLIC PARKWAY IMPROVEMENTS (EXCLUDING TRAILS)	\$ 27,680,790
SOFT COSTS	\$ 381,381,382
CONTINGENCY	\$ 97,529,341
Total	\$ 1,129,106,331

Footnotes:

[a] Costs shown for illustrative purposes only, subject to change.

EXHIBIT A
Reinvestment Zone Number Two, Town of Flower Mound, Texas
Final Project and Finance Plan

EXHIBIT C – PROJECT COSTS

Reinvestment Zone Number Two, Town of Flower Mound, Texas Project Costs	
Category	Costs ^[a]
Public Improvements	
Tier One	
STREETS / STORM SEWER	\$ 116,517,700
WATER	\$ 42,198,000
WATER REUSE	\$ 36,517,000
WASTEWATER	\$ 30,972,500
PARKS	\$ 103,100,000
SOFT COSTS	\$ 49,220,843
CONTINGENCY	\$ 19,941,053
Tier Two	
MASTER PLAN TRAILS	\$ 14,471,179
PUBLIC OPEN SPACE IMPROVEMENTS (EXCLUDING TRAILS)	\$ 21,000,000
REQUIRED MONUMENTATION	\$ 1,450,000
SOFT COSTS	\$ 7,896,276
CONTINGENCY	\$ 4,879,071
MUNICIPAL SERVICES	\$ 107,872,317
PUBLIC FACILITIES	\$ 156,920,000
Public Improvements Subtotal	\$ 712,955,939
Administrative Costs	\$ 811,362
Total Project Costs	\$ 713,767,301

Footnotes:

[a] Costs shown for illustrative purposes only, subject to change.

EXHIBIT A
Reinvestment Zone Number Two, Town of Flower Mound, Texas
Final Project and Finance Plan

EXHIBIT D – ESTIMATED TIMELINE OF INCURRED PROJECT COSTS

Reinvestment Zone Number Two, Town of Flower Mound, Texas Estimated Timeline of Incurred Project Costs								
Zone	Calendar	Administrative		Major		Public		Total Cost ^[b]
Year	Year	Costs ^[a]	CIP Projects	Improvements	Facilities	Parks	DPS Costs	
Base	2023							
1	2024	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000
2	2025	\$ 20,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,400
3	2026	\$ 20,808	\$ 7,137,128	\$ 1,078,624	\$ 3,736,168	\$ 2,454,747	\$ -	\$ 14,427,475
4	2027	\$ 21,224	\$ 7,351,241	\$ 1,110,983	\$ 3,848,253	\$ 2,528,390	\$ -	\$ 14,860,092
5	2028	\$ 21,649	\$ 7,571,779	\$ 1,144,312	\$ 3,963,701	\$ 2,604,241	\$ -	\$ 15,305,682
6	2029	\$ 22,082	\$ 7,798,932	\$ 1,178,642	\$ 4,082,612	\$ 2,682,369	\$ -	\$ 15,764,636
7	2030	\$ 22,523	\$ 8,032,900	\$ 1,214,001	\$ 4,205,090	\$ 2,762,840	\$ -	\$ 16,237,354
8	2031	\$ 22,974	\$ 8,273,887	\$ 1,250,421	\$ 4,331,243	\$ 2,845,725	\$ -	\$ 16,724,250
9	2032	\$ 23,433	\$ 8,273,887	\$ 1,250,421	\$ 4,331,243	\$ 2,845,725	\$ -	\$ 16,724,709
10	2033	\$ 23,902	\$ 8,273,887	\$ 1,250,421	\$ 4,331,243	\$ 2,845,725	\$ -	\$ 16,725,178
11	2034	\$ 24,380	\$ 8,522,104	\$ 1,287,934	\$ 4,461,180	\$ 2,931,097	\$ 2,913,421	\$ 20,140,115
12	2035	\$ 24,867	\$ 8,777,767	\$ 1,326,572	\$ 4,595,016	\$ 3,019,030	\$ 3,237,134	\$ 20,980,385
13	2036	\$ 25,365	\$ 12,771,223	\$ 1,930,097	\$ 6,685,524	\$ 4,392,541	\$ 3,498,231	\$ 29,302,982
14	2037	\$ 25,872	\$ 8,830,472	\$ 1,334,537	\$ 4,622,606	\$ 3,037,157	\$ 3,759,328	\$ 21,609,973
15	2038	\$ 26,390	\$ 9,095,386	\$ 1,374,573	\$ 4,761,284	\$ 3,128,272	\$ 4,020,425	\$ 22,406,330
16	2039	\$ 26,917	\$ 9,368,248	\$ 1,415,810	\$ 4,904,123	\$ 3,222,120	\$ 4,281,523	\$ 23,218,741
17	2040	\$ 27,456	\$ 9,649,295	\$ 1,458,285	\$ 5,051,247	\$ 3,318,784	\$ 4,542,620	\$ 24,047,685
18	2041	\$ 28,005	\$ 9,938,774	\$ 1,502,033	\$ 5,202,784	\$ 3,418,347	\$ 4,803,717	\$ 24,893,660
19	2042	\$ 28,565	\$ 9,938,774	\$ 1,502,033	\$ 5,202,784	\$ 3,418,347	\$ 5,064,814	\$ 25,155,317
20	2043	\$ 29,136	\$ 9,938,774	\$ 1,502,033	\$ 5,202,784	\$ 3,418,347	\$ 5,325,911	\$ 25,416,985
21	2044	\$ 29,719	\$ 10,236,937	\$ 1,547,094	\$ 5,358,867	\$ 3,520,897	\$ 5,587,008	\$ 26,280,523
22	2045	\$ 30,313	\$ 10,544,045	\$ 1,593,507	\$ 5,519,633	\$ 3,626,524	\$ 5,848,105	\$ 27,162,129
23	2046	\$ 30,920	\$ 13,592,383	\$ 2,054,198	\$ 7,115,388	\$ 4,674,971	\$ 6,076,029	\$ 33,543,888
24	2047	\$ 31,538	\$ 14,000,154	\$ 2,115,824	\$ 7,328,849	\$ 4,815,220	\$ 6,303,952	\$ 34,595,538
25	2048	\$ 32,169	\$ 14,420,159	\$ 2,179,299	\$ 7,548,715	\$ 4,959,677	\$ 6,531,875	\$ 35,671,893
26	2049	\$ 32,812	\$ 14,852,764	\$ 2,244,678	\$ 7,775,176	\$ 5,108,467	\$ 6,759,798	\$ 36,773,695
27	2050	\$ 33,468	\$ 15,298,347	\$ 2,312,018	\$ 8,008,432	\$ 5,261,721	\$ 6,987,722	\$ 37,901,707
28	2051	\$ 34,138	\$ 15,757,297	\$ 2,381,378	\$ 8,248,684	\$ 5,419,573	\$ 7,215,645	\$ 39,056,715
29	2052	\$ 34,820	\$ 15,757,297	\$ 2,381,378	\$ 8,248,684	\$ 5,419,573	\$ 7,443,568	\$ 39,285,321
30	2053	\$ 35,517	\$ 15,757,297	\$ 2,381,378	\$ 8,248,684	\$ 5,419,573	\$ 7,671,491	\$ 39,513,941
Total		\$ 811,362	\$ 299,761,136	\$ 45,302,486	\$ 156,920,000	\$ 103,100,000	\$ 107,872,317	\$ 713,767,301

Footnotes

[a] Values increased at 2% annually.

[b] Costs shown for illustrative purposes only, subject to change.

EXHIBIT A
Reinvestment Zone Number Two, Town of Flower Mound, Texas
Final Project and Finance Plan

EXHIBIT E – FEASIBILITY STUDY

Reinvestment Zone Number Two, Town of Flower Mound, Texas Feasibility Study													
Zone Year	Calendar Year	Value Growth/Year ^[a]	Total Added Development Value ²	Total New Taxable Value	Total Incremental Value	Town TIRZ Increment			County TIRZ Increment ^[b]			Total TIRZ No. 2 Fund Contribution	
						%	Annual	Cumulative	%	Annual	Cumulative	Annual	Cumulative
Base	2023			\$ 9,135,805									
1	2024	3%	\$ -	\$ 9,409,879	\$ 274,074	50%	\$ -	\$ -	50%	\$ -	\$ -	\$ -	\$ -
2	2025	3%	\$ -	\$ 9,692,176	\$ 556,371	50%	\$ 531	\$ 531	50%	\$ 298	\$ 298	\$ 829	\$ 829
3	2026	3%	\$ 100,267,925	\$ 110,250,866	\$ 101,115,061	50%	\$ 1,077	\$ 1,608	50%	\$ 605	\$ 903	\$ 1,683	\$ 2,511
4	2027	3%	\$ 103,275,963	\$ 216,834,355	\$ 207,698,550	50%	\$ 195,809	\$ 197,417	50%	\$ 109,984	\$ 110,888	\$ 305,794	\$ 308,305
5	2028	3%	\$ 106,374,242	\$ 329,713,627	\$ 320,577,822	50%	\$ 402,208	\$ 599,626	50%	\$ 225,917	\$ 336,804	\$ 628,125	\$ 936,430
6	2029	3%	\$ 109,565,469	\$ 449,170,504	\$ 440,034,699	50%	\$ 620,799	\$ 1,220,425	50%	\$ 348,697	\$ 685,502	\$ 969,496	\$ 1,905,926
7	2030	3%	\$ 112,852,433	\$ 575,498,053	\$ 566,362,248	50%	\$ 852,127	\$ 2,072,552	50%	\$ 478,632	\$ 1,164,134	\$ 1,330,760	\$ 3,236,686
8	2031	3%	\$ 116,238,006	\$ 709,001,000	\$ 699,865,195	50%	\$ 1,096,760	\$ 3,169,312	50%	\$ 616,041	\$ 1,780,175	\$ 1,712,801	\$ 4,949,487
9	2032	0.00%	\$ 116,238,006	\$ 825,239,006	\$ 816,103,201	50%	\$ 1,355,289	\$ 4,524,601	50%	\$ 761,254	\$ 2,541,429	\$ 2,116,543	\$ 7,066,030
10	2033	0.00%	\$ 1,116,238,006	\$ 1,941,477,012	\$ 1,932,341,207	50%	\$ 1,580,384	\$ 6,104,985	50%	\$ 887,688	\$ 3,429,116	\$ 2,468,072	\$ 9,534,102
11	2034	3%	\$ 119,725,146	\$ 2,119,446,468	\$ 2,110,310,663	50%	\$ 3,741,979	\$ 9,846,964	50%	\$ 2,101,837	\$ 5,530,953	\$ 5,843,815	\$ 15,377,917
12	2035	3%	\$ 123,316,900	\$ 2,306,346,763	\$ 2,297,210,958	50%	\$ 4,086,617	\$ 13,933,580	50%	\$ 2,295,417	\$ 7,826,369	\$ 6,382,033	\$ 21,759,950
13	2036	3%	\$ 179,420,089	\$ 2,554,957,255	\$ 2,545,821,450	50%	\$ 4,448,549	\$ 18,382,130	50%	\$ 2,498,711	\$ 10,325,080	\$ 6,947,260	\$ 28,707,210
14	2037	3%	\$ 124,057,345	\$ 2,755,663,317	\$ 2,746,527,512	50%	\$ 4,929,983	\$ 23,312,113	50%	\$ 2,769,128	\$ 13,094,208	\$ 7,699,111	\$ 36,406,321
15	2038	3%	\$ 127,779,065	\$ 2,966,112,282	\$ 2,956,976,477	50%	\$ 5,318,651	\$ 28,630,763	50%	\$ 2,987,439	\$ 16,081,648	\$ 8,306,090	\$ 44,712,411
16	2039	3%	\$ 131,612,437	\$ 3,186,708,088	\$ 3,177,572,283	50%	\$ 5,726,185	\$ 34,356,948	50%	\$ 3,216,348	\$ 19,297,995	\$ 8,942,533	\$ 53,654,944
17	2040	3%	\$ 135,560,810	\$ 3,417,870,141	\$ 3,408,734,336	50%	\$ 6,153,369	\$ 40,510,317	50%	\$ 3,456,293	\$ 22,754,288	\$ 9,609,662	\$ 63,264,605
18	2041	3%	\$ 139,627,635	\$ 3,660,033,880	\$ 3,650,898,075	50%	\$ 6,601,014	\$ 47,111,331	50%	\$ 3,707,731	\$ 26,462,020	\$ 10,308,746	\$ 73,573,351
19	2042	0.00%	\$ 139,627,635	\$ 3,799,661,515	\$ 3,790,525,710	50%	\$ 7,069,964	\$ 54,181,295	50%	\$ 3,971,137	\$ 30,433,156	\$ 11,041,101	\$ 84,614,452
20	2043	0.00%	\$ 1,139,627,635	\$ 4,939,289,150	\$ 4,930,153,345	50%	\$ 7,340,353	\$ 61,521,648	50%	\$ 4,123,012	\$ 34,556,168	\$ 11,463,365	\$ 96,077,816
21	2044	3%	\$ 143,816,464	\$ 5,231,284,288	\$ 5,222,148,483	50%	\$ 9,547,242	\$ 71,068,890	50%	\$ 2,894,502	\$ 37,450,670	\$ 12,441,744	\$ 108,519,560
22	2045	3%	\$ 148,130,958	\$ 5,536,353,774	\$ 5,527,217,969	50%	\$ 10,112,691	\$ 81,181,581	50%	\$ 3,137,943	\$ 40,588,613	\$ 13,250,633	\$ 121,770,193
23	2046	3%	\$ 190,956,375	\$ 5,893,400,763	\$ 5,884,264,958	50%	\$ 10,703,458	\$ 91,885,038	50%	\$ 3,393,379	\$ 43,981,992	\$ 14,096,837	\$ 135,867,030
24	2047	3%	\$ 196,685,067	\$ 6,266,887,853	\$ 6,257,752,048	50%	\$ 11,394,879	\$ 103,279,917	50%	\$ 3,703,061	\$ 47,685,053	\$ 15,097,940	\$ 150,964,970
25	2048	3%	\$ 202,585,619	\$ 6,657,480,107	\$ 6,648,344,302	50%	\$ 12,118,137	\$ 115,398,054	50%	\$ 4,028,264	\$ 51,713,317	\$ 16,146,401	\$ 167,111,371
26	2049	3%	\$ 208,663,187	\$ 7,065,867,697	\$ 7,056,731,892	50%	\$ 12,874,519	\$ 128,272,573	50%	\$ 4,369,641	\$ 56,082,958	\$ 17,244,160	\$ 184,355,531
27	2050	3%	\$ 214,923,083	\$ 7,492,766,811	\$ 7,483,631,006	50%	\$ 13,665,361	\$ 141,937,934	50%	\$ 4,727,871	\$ 60,810,829	\$ 18,393,232	\$ 202,748,763
28	2051	3%	\$ 221,370,775	\$ 7,938,920,591	\$ 7,929,784,786	50%	\$ 14,492,051	\$ 156,429,986	50%	\$ 5,103,656	\$ 65,914,485	\$ 19,595,708	\$ 222,344,471
29	2052	0.00%	\$ 221,370,775	\$ 8,160,291,366	\$ 8,151,155,561	50%	\$ 15,356,028	\$ 171,786,014	50%	\$ 5,497,728	\$ 71,412,213	\$ 20,853,756	\$ 243,198,227
30	2053	0.00%	\$ 1,221,370,775	\$ 9,381,662,142	\$ 9,372,526,337	50%	\$ 15,784,713	\$ 187,570,727	50%	\$ 5,738,517	\$ 77,150,730	\$ 21,523,229	\$ 264,721,456
Total			\$ 7,211,277,826				\$ 187,570,727			\$ 77,150,730		\$ 264,721,456	

Assumptions	
Tax Increment Base ^[c]	\$ 9,135,805
Town AV Rate	\$ 0.387300
County AV Rate ^[b]	\$ 0.217543

Footnotes	
[a]	Values increased at 3% annually with two years of no growth each decade to simulate an economic downturn.
[b]	County has not yet agreed to participate and is shown for illustrative purposes only.
[c]	Tax Increment Base is subject to confirmation by Appraisal District.

EXHIBIT A
Reinvestment Zone Number Two, Town of Flower Mound, Texas
Final Project and Finance Plan

EXHIBIT G – MAP OF THE PUBLIC IMPROVEMENTS

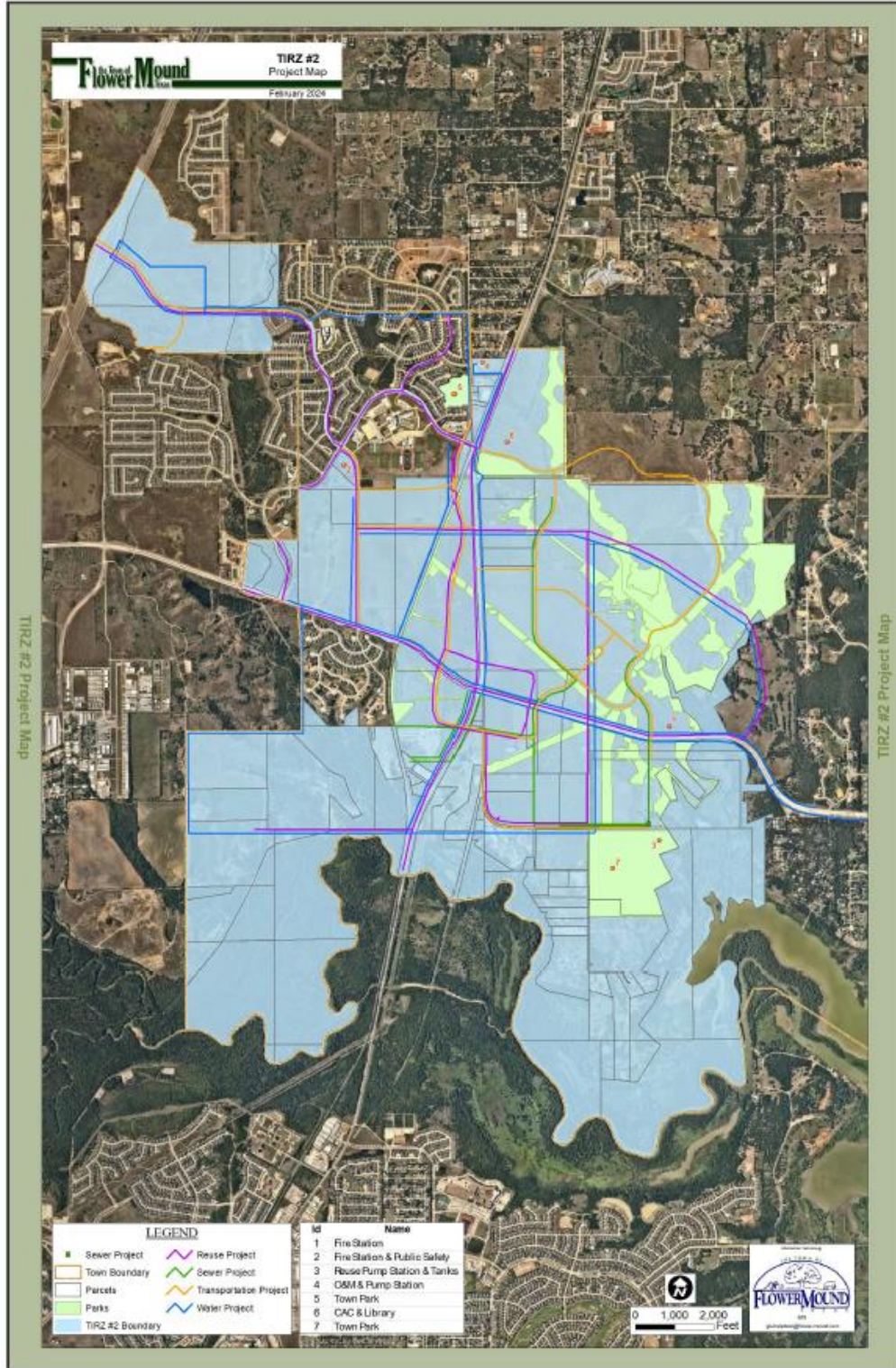


EXHIBIT A
Reinvestment Zone Number Two, Town of Flower Mound, Texas
Final Project and Finance Plan

EXHIBIT H – PARCEL IDENTIFICATION

Property IDs					
757322	68296	64905	464314	165014	1024797
757321	68015	64902	331390	165013	1024796
757320	67692	64791	331389	165012	1024795
752733	67691	64776	303674	165011	1024793
752732	67690	64776	296969	165010	1024792
731177	67689	64622	268308	165009	1024791
731175	67688	64620	258635	162981	1024790
72913	67274	64618	247046	156651	1024789
72908	658831	64596	239350	154820	1024788
715469	657617	64590	219487	151184	1024787
70718	64956	64588	219483	149229	1024786
70663	64955	64588	219477	123004	1024785
70662	64955	64587	219475	122452	1024784
692510	64954	64587	208365	122037	1024783
68684	64953	64583	208108	111156	1024782
68682	64951	64581	208051	111155	1024781
68680	64949	64540	208047	1024803	1024780
68678	64948	64535	208045	1024802	1024779
68669	64945	64530	208044	1024801	1024778
68387	64943	64530	208044	1024800	1024777
68309	64939	537189	178736	1024799	1024776
68307	64937	468689	178735	1024798	