

DRAFT



PROGRESS IN MOTION

**REINVESTMENT ZONE NUMBER FIVE,
CITY OF FRISCO, TEXAS
(TAX INCREMENT REINVESTMENT ZONE FIVE)**

FINANCING PLAN

**Proposed Adoption:
August 19, 2014**

FRISCO TAX INCREMENT REINVESTMENT ZONE #5

As set forth in Section 311.011 in the Tax Increment Financing Act of the Tax Code, the Financing Plan for Reinvestment Zone Number Five, City of Frisco, Texas (Tax Increment Reinvestment Zone) (FTIRZ #5) must include the following elements:

1. **A detailed list describing the estimated project costs of the FTIRZ #5, including administrative expenses; and,**
2. **A statement listing the kind, number and location of all proposed public works or public improvements in the FTIRZ #5.**

- The following is intended to address both of these requirements. -

The proposed public improvements in the FTIRZ #5 fall into four general categories; streets (including storm water drainage), water system, sanitary sewer system and parking facilities. The estimated costs of each item and a brief description of each project follows:

The items described below for FTIRZ #5 will be funded by the issuance of debt obligations of the City as described in section 6 below, the debt service on which is a project cost of the FTIRZ #5. The annual debt service payments on such debt obligations are set forth in Attachment 1 hereto.

Phase I -

This phase will begin immediately after the creation of the FTIRZ #5. Not all project costs for projects being carried out within the FTIRZ #5 will be funded by FTIRZ #5 tax revenue. The City and Blue Star, Inc. ("Blue Star") agreed to enter into an agreement on certain improvements to be made within FTIRZ #5 which are on property currently owned by the Frisco Community Development Corporation. The agreement placed a cap in the amount of \$20,000,000 on the City's contribution of costs of constructing the parking improvements; Blue Star is responsible for any costs above the cap for the parking facilities. The costs above what the City agreed would be contributed toward these projects has been included in the Project Plan under item 3, listing estimated non-project costs. Additionally, some of the public projects that occurred in conjunction with Phase I Project Plan projects, which are shown on the maps in the Project Plan, will be wholly funded by the City.

Street Improvements

Roadways

Amount and Funding Sources

\$ 4,460,400\City\FTIRZ #5

The proposed street projects are for the construction of public access roads and include the landscaping, irrigation and lighting of these roads.

Water and Sanitary Sewer Improvements

Water Lines/Sewer Lines

Amount and Funding Sources

\$ 289,250\City\FTIRZ #5

The public sanitary sewer system will service the FTIRZ #5 area, adjacent parcels and undeveloped land in the area.

Public Facilities
Parking facilities

**Amount and
Funding Sources**
\$20,000,000\FTIRZ #5

The proposed parking facilities will service the Multi-Use Event Center (located in FTIRZ #1) and development throughout FRITZ #5.

**Total Phase I FTIRZ #5
Project Construction & Acquisition Cost** \$24,759,650\FTIRZ #5

3. An economic feasibility study.

An economic feasibility analysis was completed for the project. All indicators point to acceleration in development in the region and specifically within the tax revenue generating portion of the FTIRZ #5. We believe the estimates used in Item 8 below represent a conservative approach when evaluating the debt payment requirements for the FTIRZ #5. It is found that the plan is economically feasible.

4. The estimated amount of bonded indebtedness to be incurred.

The total principal amount to be issued for Phase I of the project costs is \$20,000,000. The roads and water and sewer facilities are being paid from General Obligation bonds and Certificate of Obligations issued by the City. The bond indebtedness will be issued by the City as certificates of obligation.

5. The time when related costs or monetary obligations are to be incurred.

The City will issue in 2015 Certificates of Obligations for the parking facilities in Phase I projects in the amount described in Item 4 above. The water and sewer and toads are being paid from Certificates of Obligation and General Obligation bonds.

6. A description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay project costs, including the percentage of tax increment to be derived from property taxes of each taxing unit on real property in the FTIRZ #5.

All project construction and acquisition costs for Phases I for which the FTIRZ #5 will be responsible for funding will be financed through the issuance of Certificates of Obligation and General Obligation bonds by the City. In order to take advantage of lower borrowing costs, the Certificates of Obligation will be secured by a general ad-valorem pledge of the City, and may be additionally secured by other revenue sources of the City, including FTIRZ #5 revenues. FTIRZ #5 revenues are to be used and are dedicated and pledged to pay the Certificates of Obligation as project costs of the FTIRZ #5.

Any Phase II projects will be funded with the issuance of other debt instruments. If applicable law in effect at the time of such funding permits, the costs of such projects may be paid from the FTIRZ #5 fund.

The project costs described above, as well as any debt service on obligations issued to fund said costs, including any debt issued to refund said obligations, shall be project costs of the zone. These costs will be paid by revenues derived from FTIRZ #5.

The percentage of tax increment of taxing units anticipated to contribute tax increment to the zone are as follows:

City of Frisco: 50% of ad valorem taxes collected from properties in the zone and 50% of sales and use taxes collected within the zone.

7. The current total appraised value of the taxable real property in the FTIRZ #5.

The total appraised value of the taxable property in the FTIRZ #5 as of January 1, 2014, is estimated to be \$0.

8. The estimated captured appraised value of the FTIRZ during each year of its existence.

A conservative estimate of the projected development scenario was used when evaluating the debt capacity for the City and the FTIRZ #5.

Year	Original Estimated Appraised Value	Actual Captured Value
2014	0	
2015	15,000,000	
2016	18,480,000	
2017	118,909,000	
2018	230,021,155	
2019	273,191,345	
2020	285,665,322	
2021	288,308,059	
2022	325,372,664	
2023	351,714,405	
2024	352,958,249	
2025	352,958,249	
2026	352,958,249	
2027	352,958,249	
2028	352,958,249	
2029	352,958,249	
2030	352,958,249	
2031	352,958,249	
2032	352,958,249	
2033	352,958,249	
2034	352,958,249	
2035	352,958,249	
2036	352,958,249	
2037	352,958,249	
2038	352,958,249	
2039	352,958,249	

9. The duration of the FTIRZ #5.

The FTIRZ #5 was created on August 19, 2014. The termination of the FTIRZ is set as December 31, 2039.

EXHIBIT "A"

City of Frisco
Collin County
Texas

Tax Increment Reinvestment Zone #5 Property Description and Acreage

TRACT LABEL	DESCRIPTION OF PROPERTY	AREA (ACRES)
A	Block A, Lot 1	±31.664
B	Block B, Lot 1	±23.626
C	Block C, Lot 2	±1.154
D	Block C, Lot 3	±4.920
E	Block C, Lot 4	±1.395
C	ROW for Gaylord Parkway	±10.165
Total Acreage in TIRZ:		±72.924