



372 Town Place • Fairview, TX 75069 • Town Hall 972-562-0522

November 8, 2016

Bill Bilyeu

Collin County Administrator  
Collin County Administration Building  
2300 Bloomdale Rd., Suite 4192  
McKinney, TX 75071

11/14/16  
9:00 am

Dear Mr. Bilyeu:

Enclosed please find copies of the Town of Fairview application to the Court for County participation in the Town of Fairview Tax Increment Finance (TIF) District. The Town established the TIF in 2016 created on 2015 base values. The application should contain all of the required information outlined in the County application process. We would request that the process be considered by the Court, if possible, prior to the end of the year. This would allow for participation in the District beginning in the 2017 tax year based on values established in 2016. Please let me know if you need any additional information and the schedule for consideration of this request.

I appreciate your consideration of our request and look forward to hearing from you. My phone number is 972 886-4231 and my email address is [jcouch@fairviewtexas.org](mailto:jcouch@fairviewtexas.org).

Julie Couch  
Town Manager  
Town of Fairview



**Town of Fairview**  
**TIF Application for Collin County**

**Town of Fairview TIRZ Application**  
**Responses to Collin County TIRZ Policy**  
**Town of Fairview Tax Increment District**

Listed below are sections of the County's TIRZ Policy and the Town of Fairview's applicable responses as part of the application for County participation in the Town of Fairview Tax Increment District. Attached to this application packet are also the following documents.

- |  |       |
|--|-------|
| 1. Overview of Town of Fairview TIF and Proposed County Participation –  | Tab 1 |
| 2. Town Ordinance No. 2015-33 approving the TIF and the Project and Financing Plan both approved on December 1, 2015 –   | Tab 2 |
| 3. DRAFT Inter Local Agreement (ILA) between Collin County and the Town of Fairview –<br>(See Exhibit A for Collin County Project Specific Category participation) | Tab 3 |
| 5. TIF Participation Percentage Analysis   | Tab 4 |
| 6. Historical Values for Properties in TIF   | Tab 5 |
| 7. Analysis of Collin County's income with or without the TIF  | Tab 6 |
| 8. Power Point presentation to Town Council in December 2015 on Fairview Tax Increment Financing District (TIF)  | Tab 7 |

**Participation Requirements**

1. **County Audits.** The County will have the right to audit the books and records of every District (and Redevelopment Authority) in which it participates.

*Response:* Such audits will take place any time convenient to the County. Right to audit is addressed in section 5.13 of the ILA

2. **Eligible District.** In order for a TIF district to be eligible for County participation, it must:
- a. Must meet the eligibility requirements contained in Chapter 311 of the Texas Tax Code and these guidelines;

*Response:* This packet includes the authorizing ordinance that is in compliance with Chapter 311 of the Texas Tax Code. The Tax Increment District (TIF) has been approved by the Fairview Town Council. See attached Ordinance No. 2015-33 approved on December 1, 2015 creating the TIF. The Preliminary Project and Financing Plan were also approved by the Town Council on December 1, 2015.

- b. Cost/Benefit Analysis must show a net financial benefit will accrue to the County during the terms of its participation.

*Response:* The attached preliminary project and financing plans and the Collin County TIF Participation Percentage Analysis show the net financial benefit that will accrue to Collin County during the term of its participation.

3. **Eligible Project.** In order to be eligible for County participation, a project must have clear public purpose.

*Response:* This project meets the eligibility requirements for County participation. Exhibit D

*of the Project and Financing Plan outlines the public purposes and estimated project costs for the Project Specific Categories that Collin County is being asked to participate in under the Collin County TIF Policy.*

#### **4. Terms of Participation.**

- a. The County's participation percentage may not exceed the Town's participation percentage when all Town tax revenues (property & sales taxes excluding Community Development Corporation and Economic Development Corporation rebates) are calculated within the TIF.

*Response: Utilizing 2016 tax rates and the projected tax base increases included in the Project and Financing Plan, which was approved in 2015 the Participation Percentage Analysis attached under Tab 4 shows that, over the life of the TIF, the Town participation rate is 33.8% and the county participation rate is 30.8%.*

- b. All County participation must be for Project Specific Categories.

*Response: A preliminary project plan has been adopted and is included as part of Fairview's authorizing documents for the TIF. Further, Exhibit "A" of the Draft Interlocal Agreement (ILA) identifies the Project specific categories that the County will be participating in: roadway construction including Ridgeview Overpass, Fairview Parkway, Frisco Road and construction of primary roads in the TIF, including possible right of way acquisition and design costs, where those costs are not met through other means.*

- c. County participation must be capped at the total amount of its contribution to Project Specific Categories.

*Response: The Preliminary Financing Plan and the Draft ILA cap the County contribution at \$15,709,300.00.*

- d. The term of County participation will not extend beyond its payment of the Capped amount or the district's receipt of the total amount from all jurisdictions, as set out in its project plan, whichever occurs first.

*Response: The TIF is projected to last for 40 years or from 2015 through 2054. County TIF funds will only be spent on the project specific categories in which the County agrees to participate and are capped as described above in 4b.*

- e. The County must have the ability to designate those projects in which it will participate, and for which it will administer the construction. In these instances, the TIRZ will pay to the County, in advance, all funds necessary to cover the cost of completion of the project.



*Response: The Project Plan does not contemplate the County administering any construction.*

- f. No more than 10 percent of any increment contributed by the County may be utilized by the TIF 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. No portion of the increment contributed to the TIF by the County may be paid to the Town for administration fees.

*Response: The Project Plan anticipates that costs may include possible right of way acquisition and engineering design costs, where those costs are not met through other means. The County will not pay for TIF administration costs, which are estimated in the Project Plan to be \$200,000.00*

- g. There shall be no penalty or interest due from the County for delayed increment payments.

*Response: This requirement is noted in section 3.2 of the Draft ILA*

- h. County participation may not exceed 50 percent.

*Response: The Project and Financing Plan shows county participation at 50.0 percent of its M&O tax rate. The Town's participation is shown at 75.0 percent of its M&O tax rate. The other 25.0 percent of the Town's tax increment will go to the general fund to be used to fund police, fire and other Town services provided to the development. The other 50% of the County M&O rate will go to the County's general fund.*

- i. County participation must be governed by an Interlocal Agreement executed by the municipality and County formalizing the terms and condition of participation.

*Response: A Draft ILA is included as part of the Town's information packet of materials.*

### **Application & Approval Process**

1. Collin County will consider participation in a Tax Increment District on a case-by-case basis. Requests for County participation are to be made to the County Administrator (Collin County Commissioners Court, 2300 Bloomdale Rd. Suite 4192, McKinney, TX 75071). The written request must be accompanied by the information outlined below:
  - a. An explanation of why the TIF is needed;

*Response: An explanatory presentation is provided as part of this application packet and the Project and Financing Plan also addresses the reasons the TIF is needed.*

- b. The estimated lifespan of the TIF;

*Response: The lifespan of the TIF is projected to be 40 years from 2015 through 2054.*

- c. A description of the proposed private sector development, its investment level and its implementation schedule;

*Response: A list of the current development activity within the TIF, along with the estimated value, is included in Schedule C, Feasibility Analysis of the Project and Financing Plan. A major purpose for establishing the TIF is to attract development to approximately 400 acres of undeveloped land within its boundaries. As outlined in the Project and Financing Plan, the Town completed an economic analysis of the Town's commercial district in 2014 in conjunction with the update to the comprehensive plan for this area. The projections for timing and value of future development are based on the study that was done.*

- d. A financial forecast of what growth will occur in the proposed TIF if the TIF is not created or does not become operational;

**Response:** *The TIF includes a significant area that is undeveloped open space property which does not currently contain roads and supporting utility infrastructure. With Fairview's relatively small population, it does not have the general fund resources to make the improvements that would be attractive to development. It is projected that \$39 million in public improvements are needed and it is presumed that early infrastructure development costs will either need to be provided by developers and be reimbursed by the TIF or provided by the Town, in part, through the TIF. The project plan is a preliminary one and as the market changes and prices inevitably increase, the cost for public infrastructure will increase as well. Without TIF support, development will occur at a much slower pace and the development has the potential to occur in smaller increments and inhibit a comprehensive development approach.*

- e. The assessed valuations of the proposed TIF for each of the past five years;

*Response: A schedule has been attached to this application packet that contains the historical value information.*

- f. A detailed description of what Public Improvements will be undertaken, how they will be funded, and how these improvements relate to the area's growth.

*Response: A description of needed public improvements is shown in Exhibit D of the Project and Financing Plan. Exhibit "A" of the Draft ILA shows the public improvements broken down into project specific categories. The provision of the funds that will be generated by the TIF will create the opportunity for development to*

*be reimbursed for a portion of the cost for public infrastructure or allow the Town to construct certain improvements in conjunction with future development. Since a significant portion of the area encompassed by the TIF is raw land, as development occurs the TIF Board will evaluate the evolving need for Public Improvements within the area.*

- g. A description of the level and duration of the TIF District Financing Plan that is being requested for each taxing entity;

*Response: Participation is shown in the Project and Financing Plan for Collin County at 50 percent of the County's M&O increment for 39 years. Specifically, the TIF Participation Analysis shows the taxes that will be retained by both taxing entities as well as those taxes that will be used as part of the TIF. The County would retain 100 percent of the base real property taxes, 50 percent of the M&O portion of the real property tax increment and 100 percent of the I&S portion of the real property tax increment and 100% of the business and personal property tax from development in the TIF.*

- h. A detailed description of anticipated annual TIF Project revenues, costs, increments and debt service requirements;

*Projected revenues are found in the TIF Participation Analysis. Costs are outlined in question f above. Any debt issued by the TIF will be considered by the TIF Board, as proposed projects arise.*

- i. An explanation of the bases for the TIF Project's financial and economic growth assumptions;

*Response: Assumptions are noted in the Project and Financing Plan.*

- j. A detailed description of the TIF Project's impact on the local economy and the County's property tax base and if applicable, a description of the number/types of new permanent jobs to be created and the projected payroll/or the number/types of housing units to be created and the projected sales/rental prices of each type of housing or business;

*Response: The Project and Financing Plan in Exhibit C show financial projections for the Town and the County as well as projected development in the TIF and estimates that 441,753 square feet of retail development and 4,224,606 square feet of office will be added. It is estimated that over 2,300 housing units will be developed. It is also estimated that the development will add over 12,000 employment positions over the life of the TIF. It is estimated that the tax base will grow from the current base value of \$196,447,640 (2016 base year) to \$987,747,640 during the life of the TIF.*

- k. The results of present value analysis, which show in what year the additional tax revenue benefits to the County will equal or exceed the incremental revenues that the County will forego;

*Response: It is projected that in 2031 the revenue that the county receives from participating in the TIF will equal or exceed the increment that is being contributed by the County. (See under Tab 6)*

- l. A copy of any existing marketing and feasibility study;

*Response: Included as Exhibit C, the Project and Financing Plan found under Tab 2.*

- m. A description of the Applicant's background, its record at undertaking similar projects, the background of its major principals, its relocation/expansion history over the past fifteen years, its financial condition over the past five years, and its source of financing for the TIF Projects;

*Response: Not Applicable, The Town of Fairview is the applicant.*

- n. An explanation, if applicable, of how the TIF Projects will revitalize economically distressed areas and/or provide employment for the chronically unemployed;

*Response: Not applicable. As outlined in the authorizing ordinance adopted by the Town, the area to be served by the public infrastructure is predominately open, undeveloped or underdeveloped, and lacks the necessary public improvements, which impairs the growth of the area.*

- o. A discussion of how the TIF Projects avoid, address, and/or alleviates displacement and environmental concerns;

*Response: Not applicable*



- p. The name, address, and telephone number of the contact person;

*Response: Julie Couch Town Manager (972) 886-4231 and Jason Weeks, Director of Finance (972) 562-0522 ext. 4207.*

- q. All projected revenue information provided to the Town Council prior to their adoption of the TIF;

*Response: See attached Project and Financing Plan and PowerPoint presentation*

- r. Any hard deadlines proposed and/or adopted by the Town Council must be included in the presentation to Commissioners Court and in the County agreement; and
- s. Any other information that may be requested that reasonably relates to the development or re-development of an area intended to be used for a TIF Project.

*Response: The Town will provide any additional information needed.*

2. If TIF is in an incorporated area, a TIF agreement with the Town must be approved prior to adoption by the County. A copy of the Town ordinance and all documentation must be submitted to the County Administrator 45 days to the first public hearing. This application packet includes all ordinances approving the TIF, and a Draft ILA for County participation.

*Response: this application packet includes all ordinances approving the TIF and a Draft ILA for County participation.*

3. Prior to approving an order of participation in a TIF, the Commissioners Court will hold a public hearing at which interested persons shall be entitled to speak and present written materials for or against the approval of the County's participation as required in the Texas Tax Code section 311.003.
4. In order to approve participation in a TIF, the Commissioners Court must find that the of the proposed participation will meet these Guidelines and that:
- a. There will be no substantial adverse effect on the provision of the jurisdiction's service or tax base; and
  - b. Participation will not substantially adversely affect the County's ability to carry out its long-range development plans.
5. The County has the right to terminate or reconsider the County's participation of the TIF in the event the requirements of Tax Code 311.013(d) have not been met: Section 311.013(d) was repealed by the 82<sup>nd</sup> Legislature.

*Response: these provisions from the County's Policy and State Statute are addressed in the draft ILA in Section 3.2 and Section 4.1(e).*

## Fairview TIRZ (TIF)

### Background:

- Acreage – approximately 800 acres in total, approximately 400 acres under or fully undeveloped
- Northern Border – generally Frisco Road
- Eastern Border – generally either side of State Highway 5
- Southern Border – generally along Stacy Road
- Western Border – along US 75



## Frame work Plan and Zoning Map for Development within the Commercial Planned Development District, including the TIF

- Approved Zoning - The area included in the TIF is zoned for urban development including office, entertainment, commercial, retail and urban residential housing types including multifamily and single family uses.
- Primary thoroughfares include – US 75, Highway 5, Stacy Road, Fairview Parkway and Frisco Road
- Existing land uses include – large tract vacant land generally in the north of the area, underdeveloped smaller tracts along Highway 5, The Village at Fairview shopping center, Town owned facilities
- Construction underway - 2 hotels, senior restricted luxury apartments, town homes and manor homes



## Fairview TIF Base Features

- Base year for Town – 2015
- Proposed Base year for County – 2016
- Life of TIF – 40 years
- Funds are derived from a portion of the M&O tax - 75% of M&O Tax Rate for the Town, 50% of the M&O Tax Rate for the County
- No Business /Personal Property or Sales Taxes are included in the TIF, those revenues go directly into the Town and County General Funds

## TIF Revenue Generated and Town/County Revenue Retained Using 2016 Tax Rates\*

Estimated TIF Tax Revenue over the life of the TIF –	Town(75%M&O)	County(50% M&O)
Total Estimated Revenue from TIF	\$66.6 million	\$38.6 million
Total Contributed to TIF Fund	31.6 million	14.2 million
Total Retained for Town and County (based on total tax rate staying constant)	35.0 million	24.4 million
Does not include Business/Personal Property or Sales Taxes		
Town Participation from All Revenues		33.8%
Proposed County Participation from All Revenues		30.8%

\*TIF projection assumes a constant tax rate

## TIF Project Highlights

Project Plan developed by Larry Cline and Associates

### Key TIF Highlights

- Base Year Taxable Value for County - \$196,447,640 in 2016 (includes existing value for Village at Fairview Shopping Center)
- Over 300 acres in the TIF currently receiving Agricultural Exemption
- Estimated increased value due to development over the life of the TIF - \$791,000,000
- Development anticipated to be added over the life of the TIF:
  - *Over 440,000 square feet of retail development*
  - *Over 4,200,000 square feet of office*
  - *Over 2,300 housing units*
  - *Over 12,000 employment positions*

## Initial TIF Development

Within the next two years, it is expected that the following developments within the TIF located in areas that do have existing infrastructure will be completed:

• Multi family on Highway 5	\$29.6 Million
• Marriott Residence Inn	\$12.0 Million
• Home 2 by Hilton	\$12.0 Million
• Townhome Development, east of Highway 5	\$18. Million
• Sloan Creek Courts Town home development	\$9.8 Million
• Overture Fairview Luxury Senior Housing	\$35.0 Million



## Proposed Projects to be Funded and Estimated Costs

### Town and County Participation -

Road Network to include Fairview Parkway,  
Frisco Road, the primary roads in the  
North CPDD, and Ridgeview Overpass\* \$28,200,000

### Town Participation Only -

16"/12" Water Main Loops	5,300,000
16" Force Main and other Sewer Lines	6,100,000
Administration Costs	200,000

\* Estimated Town Participation in Ridgeview TxDOT project

FAIRVIEW TOWN INCREMENTAL FINANCING DISTRICT  
ROADS TO BE FUNDED



## Interlocal Agreement: Key Details

Agreement is between Collin County and Town of Fairview

- Compliant with County TIRZ Policy
- County would begin participation with 2016 tax year
- County would participate for 39 years
- County increment of 50% of M&O tax rate would flow to the TIF Fund and 50% to County General Fund
- The Maximum Reimbursement Amount for the County is capped at \$15,709,556

## Summary

- Town appreciates cooperative support from Collin County
- Clear County TIRZ Policy provides for a structured participation relationship with the Town
- County/Town Partnership supports orderly infrastructure development
- County/Town Partnership provides aligned support for Countywide employment and economic impact

TOWN OF FAIRVIEW  
ORDINANCE NO. 2015-33

**AN ORDINANCE DESIGNATING A CERTAIN AREA AS TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, TOWN OF FAIRVIEW, TEXAS, ESTABLISHING A BOARD OF DIRECTORS FOR SUCH REINVESTMENT ZONE, MAKING CERTAIN FINDINGS, AND OTHER MATTERS RELATED THERETO.**

**WHEREAS**, the Town Council of the Town of Fairview, Texas, (the "Town"), desires to promote the development of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code (the "Act"); and

**WHEREAS**, in compliance with the Act, the Town has called a public hearing to hear public comments on the creation of the proposed reinvestment zone and its benefits to the Town and the property in the proposed reinvestment zone; and

**WHEREAS**, in compliance with the Act, notice of such public hearing was published on November 19, 2015, in the Allen American, the designated paper of general circulation for Town notices, such publication date being not later than seven (7) days prior to the date of the public hearing; and

**WHEREAS**, such hearing was convened at the time and place mentioned in the published notice, to wit, on the 1<sup>st</sup> day of December, 2015 at 7:30 p.m. in the Town Hall of the Town of Fairview, Texas, which hearing was then closed; and

**WHEREAS**, the Town, at such hearing, invited any interested person, or his attorney, to appear and speak for or against the creation of the reinvestment zone, the boundaries of the proposed reinvestment zone, whether all or part of the territory which is described and attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B" should be included in such proposed reinvestment zone, the concept of tax increment financing and the appointment of a board of directors of the proposed reinvestment zone; and

**WHEREAS**, all owners of property located within the proposed reinvestment zone and all other taxing units and other interested persons were given a reasonable opportunity at such public hearing to protest the creation of the proposed reinvestment zone and/or the inclusion of their property in such reinvestment zone; and

**WHEREAS**, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone, and opponents, if any, of the reinvestment zone appeared to contest creation of the zone;

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF FAIRVIEW, TEXAS:**

**SECTION 1:** That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct and are incorporated herein by reference.

**SECTION 2:** That the Town Council, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- a) That the public hearing on adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by law.
- b) That creation of the proposed reinvestment zone with boundaries as described in Exhibits "A" and "B" will result in benefits to the Town, its residents and property owners, in general, and to the property, residents and property owners in the reinvestment zone.
- c) That the reinvestment zone, as defined in Exhibits "A" and "B", meets the criteria for the creation of a reinvestment zone set forth in the Act in that:
  - 1. It is a contiguous geographic area located wholly within the corporate limits of the Town.
  - 2. The area is predominately open, undeveloped or underdeveloped, and lack of necessary public improvements impairs growth.
- d) That 30 percent or less of the property in the proposed reinvestment zone, excluding property dedicated to public use, is used for residential purposes, which is defined in the Act as any property occupied by a house which has less than five living units.
- e) That the total appraised value of all taxable real property in the proposed reinvestment zone according to the most recent appraisal rolls of the Town, together with the total appraised value of taxable real property in all other existing reinvestment zones within the Town, according to the most recent appraisal rolls of the Town, does not exceed 50 percent of the current total appraised value of taxable real property in the Town and in the industrial districts created by the Town, if any.
- f) That the proposed reinvestment zone does not contain more than 50 percent of the total appraised value of real property taxable by a county or school district.
- g) That the improvements in the reinvestment zone will significantly enhance the value of all taxable real property in the reinvestment zone.
- h) That the development or redevelopment of the property in the proposed reinvestment zone will not occur solely through private investment in the reasonable foreseeable future.

SECTION 3: That the Town hereby creates a reinvestment zone over the area described in Exhibit "A" attached hereto and depicted in the map attached hereto as Exhibit "B" and such reinvestment zone shall hereafter be identified as Tax Increment Reinvestment Zone Number One, Town of Fairview, Texas (the "Zone" or "Reinvestment Zone").

SECTION 4: That there is hereby established a board of directors for the Zone that shall consist of five members. The board of directors of the Reinvestment Zone shall be appointed as follows:

- a) At least four members shall be appointed by the Town Council of the Town of Fairview and one member may be appointed by the Collin County Commissioners Court, should Collin County at some point elect to participate in the Reinvestment Zone. The initial board of directors shall be appointed by resolution within sixty (60) days of the passage of this ordinance or within a reasonable time thereafter. All members appointed to the board shall meet the eligibility requirements set forth in the Act. The governing bodies of other taxing units that levy taxes on real property in Tax Increment Financing Reinvestment Zone Number



One have chosen not to pay any of their taxes into the Tax Increment Fund and have waived their right to appoint board members.

- b) The terms of the board members shall be two-year terms. The Town Council shall designate a member of the board to serve as chairman and other officers as it sees fit.
- c) The board of directors shall make recommendations to the Town Council concerning the administration of the Zone. It shall prepare and adopt a project plan and reinvestment zone financing plan for the Zone and must submit such plans to the Town Council for its approval. The Board of directors shall possess all powers necessary to prepare, implement and monitor such project plan and financing plan for the reinvestment zone as the Town Council considers advisable, including the submission of an annual report on the status of the Zone.

SECTION 5: That the Zone shall take effect on January 1, 2015 and that the termination of the Zone shall occur on December 31, 2054, or at an earlier time designated by subsequent ordinance of the Town Council in the event the Town determines that the Zone should be terminated due to insufficient private investment, accelerated private investment or other good cause, or at such time as all project costs and tax increment bonds, if any, and the interest thereon, have been paid in full. Any statutory or equitable right to terminate the Zone at any earlier date or to extend the term is hereby reserved.

SECTION 6: That the Tax Increment Base for the Zone, which is the total taxable value of all real property located in the Zone, is to be determined as of January 1, 2015, the year in which the Zone was designated a reinvestment zone.

SECTION 7: That there is hereby created and established a Tax Increment Fund for the Zone which may be divided into such subaccounts as may be authorized by subsequent resolution or ordinance, into which all Tax Increments, less any of the amounts not required to be paid into the Tax Increment Fund pursuant to the Act, are to be deposited. The Tax Increment Fund and any subaccounts are to be maintained in an account at the Town Treasurer's affiliated depository bank of the Town and shall be secured in the manner prescribed by law for funds of Texas cities. In addition, all revenues from the sale of any tax increment bonds and notes hereafter issued by the Town, revenues from the sale of any property acquired as part of the tax increment financing plan and other revenues to be dedicated to and used in the Zone shall be deposited into such fund or subaccount from which monies will be disbursed to pay project costs for the Zone or to satisfy the claims of holders of tax increment bonds or notes issued for the Zone. The first priority for the expenditure of Tax Increments shall be to pay for administrative costs incurred in the creation and operation of the zone, including but not limited to reimbursement to the Town and/or its development corporations for eligible expenditures.

SECTION 8: That if any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 9: This Ordinance shall take effect immediately from and after its passage and the publication of the caption, as the law and charter in such cases provide.

SECTION 10: That it is hereby officially found and determined that the meeting at which this ordinance was passed was open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given all as required by Section 551.041, Texas Government Code.

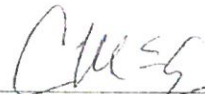
AND IT IS SO ORDERED.

  
DARION CULBERTSON, MAYOR

ATTEST:

  
Elizabeth Cappon, Town Secretary

APPROVED AS TO FORM:

  
Clark McCoy, Town Attorney

## **Exhibit A**

### **Zone Boundary Map and Existing Zoning Uses**

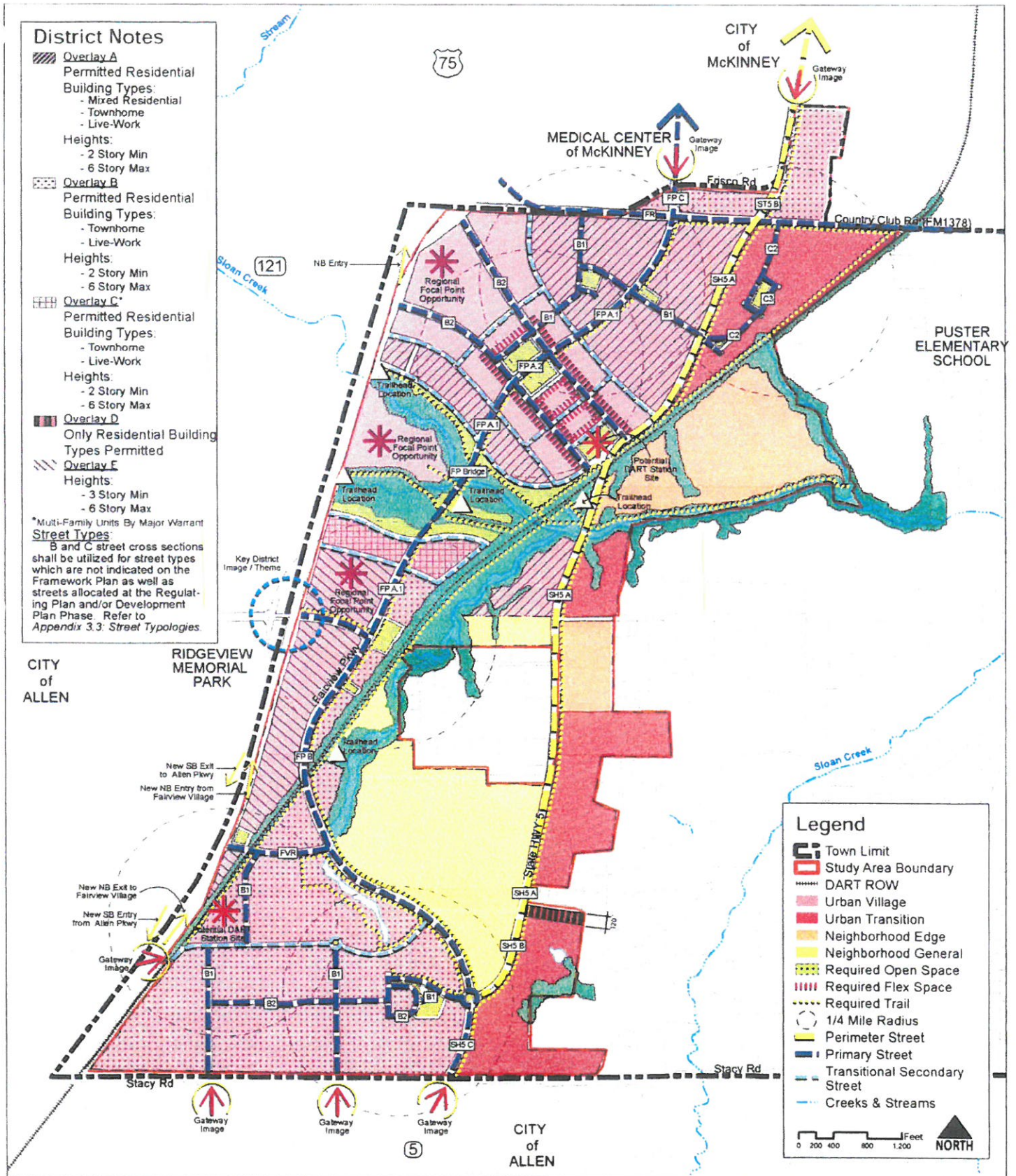


FAIRVIEW TAX INCREMENT FINANCING DISTRICT





# Framework Plan



September 2014



## FAIRVIEW | COMMERCIAL DISTRICT MASTER PLAN

**Exhibit B**  
**Boundary Description**

**LEGAL DESCRIPTION  
TAX INCREMENT REINVESTMENT ZONE BOUNDARY**

BEGINNING at the Northern Town Limits line on the East side of State Hwy 5;

BEGINNING at a point at the Northwest corner of A0068 BUTLER, JOAB, TRACT 15, ACRES 1.2920;

THENCE East along the North property line of A0068 BUTLER, JOAB, TRACT 15, ACRES 1.2920 to a point at the Northwest corner of A0068 BUTLER, JOAB, TRACT 12, ACRES 5.009;

THENCE East along the North property line of A0068 BUTLER, JOAB, TRACT 12, ACRES 5.009 to a point at the Northeast corner of A0068 BUTLER, JOAB, TRACT 12, ACRES 5.009;

THENCE South along the East property line of A0068 BUTLER, JOAB, TRACT 12, ACRES 5.009 to a point at the Southeast corner of A0068 BUTLER, JOAB, TRACT 12, ACRES 5.009;

THENCE West along the South property line of A0068 BUTLER, JOAB, TRACT 12, ACRES 5.009 to a point at the Northeast corner of A0068 BUTLER, JOAB, TRACT 21, ACRES 0.846;

THENCE South along the East property line of A0068 BUTLER, JOAB, TRACT 21, ACRES 0.846 to a point at the Southeast corner of A0068 BUTLER, JOAB, TRACT 21, ACRES 0.846;

THENCE South along the East property line of A0068 BUTLER, JOAB, TRACT 33, ACRES 1.0 to a point at the Southeast corner of A0068 BUTLER, JOAB, TRACT 33, ACRES 1.0;

THENCE South along the East property line of A0068 BUTLER, JOAB, TRACT 25, ACRES 0.25 to a point at the Southeast corner of A0068 BUTLER, JOAB, TRACT 25, ACRES 0.25;

THENCE South along the East property line of A0068 BUTLER, JOAB, TRACT 29, ACRES 2.718 to a point in the middle of F.M. 1378;

THENCE 1,286 feet East and down the middle of F.M. 1378 to the Extension of the East Right-of-way line of Stoddard Road;

THENCE South to Northeast corner of the Stoddard Road Right-of-Way;

THENCE West to the Northeast corner of Block A, Lot 1A, ACRES 2.049 of the Ward Subdivision;

THENCE West to the Northwest corner of Block A, Lot 1A, ACRES 2.049 of the Ward Subdivision;

THENCE Southwest along the East DART Right-of-way approximately 4,218 feet to the East Right-of-way line of State Hwy 5;

THENCE South along the East Right-of-way line of State Hwy 5 to the Northwest corner of A0275 JOSEPH DIXON SURVEY. TRACT 8, ACRES 5.9677;

THENCE East along the North property line of A0275 JOSEPH DIXON SURVEY, TRACT 8, ACRES 5.9677 to a point at the Northeast corner of A0275 JOSEPH DIXON SURVEY, TRACT 8, ACRES 5.9677;

THENCE South along the East property line of A0275 JOSEPH DIXON SURVEY, TRACT 8, ACRES 5.9677 to the Northeast corner of A0275 JOSEPH DIXON SURVEY, TRACT 15, ACRES 11.3969;

THENCE South along the East property line of A0275 JOSEPH DIXON SURVEY, TRACT 15, ACRES 11.3969 to a point at the South Right-of-way line of Meandering Way;

THENCE West along the South Right-of-way line of Meandering Way to the East Right-of-way line of State Hwy 5;

THENCE South along the East Right-of-way line of State Hwy 5 to the Northwest corner of COTTON, BLOCK 1, LOT 1;

THENCE East along the North property line of COTTON, BLOCK 1, LOT 1 to the Northeast corner of COTTON, BLOCK 1, LOT 1;

THENCE East along the North property line of A0909 TAYLOR, JOHN A SURVEY, TRACT 60, ACRES 10.3 to the Northeast corner of A0909 TAYLOR, JOHN A SURVEY, TRACT 60, ACRES 10.3;

THENCE South along the East property line of A0909 TAYLOR, JOHN A SURVEY, TRACT 60, ACRES 10.3 to the Southeast corner of A0909 TAYLOR, JOHN A SURVEY, TRACT 60, ACRES 10.3;

THENCE West along the South property line of A0909 TAYLOR, JOHN A SURVEY, TRACT 60, ACRES 10.3 a distance of 742 feet;

THENCE South across Lakeridge Drive to a point at the Northeast corner of A0909 TAYLOR, JOHN A, TRACT 1, ACRES 3.366;

THENCE South along the East property line of A0909 TAYLOR, JOHN A, TRACT 1, ACRES 3.366 to a point at the Southeast corner of A0909 TAYLOR, JOHN A, TRACT 1, ACRES 3.366;

THENCE East along the North property line of A0909 TAYLOR, JOHN A, TRACT 41, ACRES 3.19 to a point at the Northeast corner of A0909 TAYLOR, JOHN A, TRACT 41, ACRES 3.19;

THENCE South along the East property line of A0909 TAYLOR, JOHN A, TRACT 41, ACRES 3.19 to a point at the Southeast corner of A0909 TAYLOR, JOHN A, TRACT 41, ACRES 3.19;

THENCE South along the East property line of A0909 TAYLOR, JOHN A, TRACT 37, ACRES 6.013;

THENCE West along the South property line of A0909 TAYLOR, JOHN A, TRACT 37, ACRES 6.013 to a point at the Northwest corner of HAWKSWOOD, BLOCK A, LOT 4;

THENCE South along the West property line of HAWKSWOOD, BLOCK A, LOT 4 to a point at the Southwest corner of HAWKSWOOD, BLOCK A, LOT 4;



THENCE South along the West property line of HAWKSWOOD, BLOCK A, LOT 5 to a point at the Southwest corner of HAWKSWOOD, BLOCK A, LOT 5;

THENCE West along the South property line of A0909 TAYLOR, JOHN A, TRACT 35, ACRES 3.54 to the East Right-of-way line of State Hwy 5;

THENCE South along the Right-of-way line of State Hwy 5 to the North Road Easement line of Bluebird Ln;

THENCE East along the North Road Easement line of Bluebird Ln a distance of 670 feet;

THENCE South across Bluebird Ln to a point at the Northeast corner of A0909 TAYLOR, JOHN A, TRACT 45, ACRES 13.27;

THENCE South along the East property line of A0909 TAYLOR, JOHN A, TRACT 45, ACRES 13.27 to a point at the Southeast corner of A0909 TAYLOR, JOHN A, TRACT 45, ACRES 13.27;

THENCE West along the South property line of A0909 TAYLOR, JOHN A, TRACT 45, ACRES 13.27 to a point at the Northwest corner of A0909 TAYLOR, JOHN A, TRACT 47, ACRES 21.4816;

THENCE South along the West property line of A0909 TAYLOR, JOHN A, TRACT 47, ACRES 21.4816 to a point at the Southeast corner of A0909 TAYLOR, JOHN A, TRACT 89, ACRES 0.104;

THENCE East parallel to the centerline of FM2786 to the West property line of HAWKSWOOD, BLOCK D, LOT 5R;

THENCE South along the West property line of HAWKSWOOD, BLOCK D, LOT 5R to the Southwest corner of HAWKSWOOD, BLOCK D, LOT 5R;

THENCE South to the center of the Right-of-way of FM2786;

THENCE West down the center of the Right-of-way of FM2786 to the center of the Right-of-way of U.S. Hwy 75;

THENCE North along the center of the Right-of-way of U.S. Hwy 75 to a point located at the Northwest corner of the Town Limits of the Town of Fairview;

THENCE East along the North Town Limits of the Town of Fairview to the East side of the Right-of-way of State Hwy 5;

THENCE North along the East Right-of-way line of State Hwy 5 to the Point of Beginning.

THE TRACTS AND SUBDIVISIONS BELOW ARE HEREBY REMOVED FROM THE TIRZ AND ARE THE FOLLOWING:

SUBDIVISIONS:



RANCHETTE ESTATES SUBDIVISION, FAIRVIEW DOWNS SUBDIVISION, VILLAGE  
OF FAIRVIEW PHASES 1 AND 2, VILLAS IN THE PARK PHASES 1 AND 2

TRACTS:

A0701 GEORGE PHILLIPS SURVEY, TRACT 7, ACRES 0.3  
A0909 TAYLOR, JOHN A, TRACT 7, ACRES 2.3  
A0909 TAYLOR, JOHN A, TRACT 8, ACRES 0.3  
A0909 TAYLOR, JOHN A, TRACT 9, ACRES 1.49  
A0909 TAYLOR, JOHN A, TRACT 12, ACRES 2.6205  
A0909 TAYLOR, JOHN A, TRACT 85, ACRES 1.361  
A0909 TAYLOR, JOHN A, TRACT 69, ACRES 1.361  
A0909 TAYLOR, JOHN A, TRACT 16, ACRES 1.0  
A0909 TAYLOR, JOHN A, TRACT 13, ACRES 1.0  
A0909 TAYLOR, JOHN A, TRACT 11, ACRES 2.996  
A0909 TAYLOR, JOHN A, TRACT 13, ACRES 1.0  
A0909 TAYLOR, JOHN A, TRACT 15, ACRES 0.27  
A0909 TAYLOR, JOHN A, TRACT 17, ACRES 1.588

REINVESTMENT ZONE NUMBER 1  
TOWN OF FAIRVIEW, TEXAS  
PRELIMINARY PROJECT AND FINANCING PLAN  
(The "Preliminary Plan")

November 2015

## 1. INTRODUCTION

- 1.1 Authority and Purpose. The Town of Fairview, Texas, a Texas home-rule municipality (the Town), has the authority under Chapter 311, Texas Tax Code, as amended (the "Act") to designate a contiguous or noncontiguous geographic area within the corporate limits or extraterritorial jurisdiction ("ETJ") of the Town as a tax increment reinvestment zone to promote development or redevelopment of the area if the governing body of the Town (the "Town Council") determines that development or redevelopment would not occur solely through private investment in the reasonable foreseeable future, that the zone is 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.
- 1.2 Eligibility Requirements. An area is eligible under the Act to be designated as a tax increment reinvestment zone if it is predominately open or undeveloped because of a lack of site improvements (roadways, water, sewer, sidewalks, etc.) which impairs or arrests the sound growth of the commercial area of the Town. The Town cannot, however, designate a zone if more than 30 percent of the property in the proposed zone, excluding property that is publicly owned, is "used for residential purposes" (defined by the Act as follows: "...property is used for residential purposes if it is occupied by a house having fewer than five living units...") or if the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones exceeds 50 percent of the total appraised value of taxable real property in the Town and in industrial districts created by the Town.
- 1.3 The Proposed Zone. The Town is considering the creation of a tax increment reinvestment zone to be known as "Reinvestment Zone Number One, Town of Fairview, Texas" (the "Zone") that will include approximately 894 acres generally between the south and north Town limits and between U.S. 75 on the west and along SH 5 on the east, all within the Town's corporate limits. The property meets the eligibility requirements of the Act. The property substantially impairs or arrests the sound growth of the commercial area of the Town because of its challenges to development and redevelopment with the lack of major public infrastructure (roadways, water, sewer, etc.). There is a need for economic incentives to attract development and redevelopment in the Zone 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, increased sales and use tax, and increased job opportunities for residents of the Town. If the Zone is created and the public works, public improvements, programs and other projects are financed as contemplated by this Preliminary Plan, the Town envisions that the property will be developed and redeveloped to take full advantage of the opportunity to bring to the Town a substantially increased tax base and job opportunities for its citizens.

- 1.4 Preliminary Plan; Hearing. Before the Town may adopt an ordinance designating the Zone, the Town Council must prepare a preliminary reinvestment zone financing plan in accordance with the Act and hold a public hearing on the creation of the proposed zone and its benefits to the Town and to the Property, at which public hearing interested persons may speak for or against the creation of the proposed Zone, the boundaries of the proposed zone, or the concept of tax increment financing.
- 1.5 Creation of the Zone. Upon the closing of the above-referenced public hearing, the Town Council may adopt an ordinance in accordance with the Act creating the Zone if the Town Council finds that development or redevelopment of the Property would not occur solely through private investment in the reasonable foreseeable future, that the Zone is feasible, and that creation of the Zone is in the best interest of the Town. Among other provisions required by the Act, the ordinance creating the Zone will provide for the appointment of a Board of Directors for the Zone consisting of five members, four from the Town and one from the County (the "Board").
- 1.6 Board Recommendations. After creation of the Zone, the Board will review this Preliminary Plan and approve and recommend to the Town Council a final *Reinvestment Zone Number One, Town of Fairview, Texas, Project and Financing Plan* (the "Final Plan"), pursuant to which the Town will contribute 75 percent of its M & O ad valorem tax increment and the County will contribute 50 percent of its general fund ad valorem tax increment attributable to increased taxable value of existing and new development in the Zone into a tax increment fund created by the Town and segregated from all other funds of the Town (the "TIF Fund") to pay the costs of public works, public improvements, programs, and other projects benefiting the Zone. The Board will also make recommendations to the Town Council concerning any development and reimbursement agreement ("TIF Reimbursement Agreement").
- 1.7 Council Action. The Town Council, taking into consideration the recommendations of the Board, will consider approval of the Final Plan and any TIF Reimbursement Agreement. If a TIF Reimbursement Agreement is approved, the Town Council will authorize and direct its execution.

## 2.0 DESCRIPTIONS AND MAPS.

2.1 Existing Uses and Conditions. The Property is currently located in the Town's corporate limits. Uses allowed within the Zone include Residential, Industrial, Institutional and Public and Commercial. The area includes The Village of Fairview, a high-end retail development on the southern end but the remainder of the Zone remains essentially undeveloped. A boundary map of the Zone and existing zoning uses is shown as Exhibit A.

2.2 Proposed Uses. The proposed uses will be established by existing zoning in most cases, but there may be areas where revised zoning will be requested. If so, any revisions will be made through the standard process and procedures of the Town.

2.3 Boundary Description. A boundary description of the TIF area is provided on Exhibit B.

3. PROPOSED CHANGES TO ORDINANCES, PLANS, CODES, RULES, AND REGULATIONS. Any changes in ordinances, plans, codes, rules and regulations which are required or requested will be made through the standard process and procedures of the Town.

4. RELOCATION OF DISPLACED PERSONS. Although not anticipated, in the process of development and redevelopment in the Zone, any relocation will be made through the standard process and procedures of the Town.

5. ESTIMATED NON-PROJECT COSTS. Non-project costs are private funds that will be spent to develop and redevelop in the Zone but will not be financed by the Zone. Based on the Feasibility Analysis, a copy of which is attached as Exhibit C, the total non-project costs are estimated to be approximately \$791.3 million.

6. PROPOSED PUBLIC IMPROVEMENTS.

6.1 List of Public Improvements. The list of public works and public improvements that are proposed to be financed pursuant to this Preliminary Plan are as follows:

- Fairview Parkway
- Frisco Road
- Primary Roads in North CPDD
- 16"/12" Water Main Loops
- 16" Force Main & Other Sewer Lines
- Ridgeview Overpass (1/2)

These projects and their associated costs are shown in Exhibit D.

6.2 Locations of Public Improvements. The locations of the proposed public works and public improvements all lie within the Zone and are generally located as shown in Exhibit D.

7. PROJECT COSTS. The total maximum "Project Costs," including Administrative Costs are \$39.8 million. Administrative Costs shall be paid each year from the TIF Fund before any other Project Costs are paid. Project Costs for administration of the Zone shall be the actual direct costs paid or incurred by the Town to establish and administer the Zone.

8. ESTIMATED TIME WHEN COSTS ARE TO BE INCURRED. Some Administrative Costs have been incurred and additional costs will most likely be incurred annually. It is assumed that the remainder of the Project Costs will be incurred during the life of the Zone.



9. ECONOMIC FEASIBILITY. For purposes of this Preliminary Plan, economic feasibility has been evaluated by Larry Cline Consulting, LLC, a copy of which is attached as Exhibit C. This evaluation focuses only on "direct" financial benefits (i.e., tax revenues only from new development in the Zone, no value increases from existing development nor value increases from new development after its completion) and does not take into consideration the "multiplier effect" that will result from new development that occurs outside the Zone. The new development assumptions are based on a 2014 study done by consultants retained by the Town (Kimley-Horn, Jacobs, Ricker/Cunningham and Strategic Community Solutions). This study projected potential development at buildout (in addition to The Village at Fairview) within the Zone as follows:

Scenario 1 from Ricker-Cunningham Analysis

Single-Family Attached—127 units

Rental Apartments—2,234 units

Retail—441,753 square feet

Office/Employment—4,224,606 square feet

During the term of the Zone, the increase in value of new development that occurs in the Zone (which would not have occurred but for the Zone) will generate approximately \$66.6 million for the Town (\$31.3 million to the TIF Fund and \$35.3 million to the Town) and \$41.6 million for the County (\$15.7 million to the TIF Fund and \$25.9 million to the County) in new ad valorem tax revenue. Based on the foregoing, the feasibility of the Zone has been demonstrated. In addition to the above income during the life of the TIF, the Town will receive an estimated \$28 million of sales tax income and \$13 million of BPP&I ad valorem tax and the County will receive an estimated \$8 million of BPP&I ad valorem tax.

10. ESTIMATED BONDED INDEBTEDNESS. If initial Project Costs are not advanced by a Developer or property owner, the Town of Fairview or the Fairview EDC may consider direct payment of Project Costs or issuing bonds and utilize tax increment funds for either direct repayment or to cover debt service as those funds are available.
11. TOTAL TAXABLE VALUE. The current total appraised value of taxable real property in the Zone as of January 1, 2015 is approximately \$182.6 million. It is estimated that upon expiration of the term of the Zone, the total appraised value of taxable real property in the Zone will be approximately \$973.9 million.
12. ESTIMATED CAPTURED APPRAISED VALUE TAXABLE BY THE TOWN AND COUNTY. The captured taxable value of the Zone—taxable by the Town and County for a year is the total taxable value of the Zone for that year less the tax increment base of the Zone. The tax increment base of the Zone is the total taxable value of the Zone for the year in which the Zone was designated.

13. METHOD OF FINANCING. Project Costs will be financed through loans advanced by Developers, property owners, the Town of Fairview, or the Fairview EDC and CDC or by bonds which may be issued and utilize tax increment funds for either direct reimbursement or to support bond debt service as those funds are available. The revenue sources will be the real property taxes captured by the TIF, which will account for 100 percent of revenues used to fund Project and Administrative Costs or bond debt service. For the TIF Fund, the Town of Fairview will contribute 75 percent of its M & O tax rate and Collin County will contribute 50 percent of its M & O tax rate on incremental taxable value as shown in Exhibit C.

14. DURATION OF THE ZONE. The term of the Zone shall commence January 1, 2015 and continue until the earlier to occur of: (1) December 31, 2054 or (2) the date on which all Project Costs, bonds, and other obligations have been paid in full.

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

Exhibit A	Zone Boundary Map and Existing Zoning Uses
Exhibit B	Boundary Description
Exhibit C	Feasibility Analysis
Exhibit D	Proposed Public Improvements

**Exhibit C**  
**Feasibility Analysis**

TOWN OF FAIRVIEW  
TAX INCREMENT REINVESTMENT ZONE NO. 1

EARLY TIF PROJECTS

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<u>PROJECT</u>	<u>YEAR COMPLETE</u>	<u>EST. VALUE, \$M</u>
Davis Development (267 un. MF)	2016	29.6
Grenadier Homes (68 un.TH and SF)	2017	18.0
Sloan Creek Courts (36 units TH)	2017	9.8
Overture Fairview (200 Sr. Un. MF)	2017	35.0
Marriot Residence Inn (116 rms.)	2017	12.0
Home 2 (109 rms.)	2017	12.0
<b><i>TOTAL</i></b>		<b><i>116.4</i></b>

TOWN OF FAIRVIEW  
TAX INCREMENT REINVESTMENT ZONE NO. 1

PRIVATE DEVELOPMENT ASSUMPTIONS  
COMMERCIAL DISTRICT MASTER PLAN SCENARIO I

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- **Single Family Attached – 127 units**

Assume: 3 projects, 1 @ 47 units, 2 @ 40 units each  
47 units in 2025, 40 units in 2030, 40 units in 2035  
Based on \$225,000 per unit  
47 units = \$10.6 M, 40 units = \$9.0 M

- **Multi-Family – 2,234 units**

Assume: 8 projects @ 250 units each, 1 project @ 234 units  
250 unit projects every 3 years, beginning in 2020  
234 unit project in 2044  
Based on \$75,000 per unit  
250 units = \$18.8 M, 234 units = \$17.6 M

- **Retail – 441,753 square feet**

Assume: 12 projects @ 35,000 SF each, 1 project @ 21,753 SF  
35K SF projects every 3 years, beginning in 2022  
Based on \$150 per square foot  
35K SF project = \$5.3 M

- **Office / Employment – 4,224,606 square feet**

Assume: 400K SF project every 5 years beginning in 2020  
Based on \$150 per square foot  
400K SF project = \$60.0 M



TOWN OF FAIRVIEW  
TAX INCREMENT REINVESTMENT ZONE NO. 1

PRIVATE DEVELOPMENT VALUES, \$M

<u>YEAR</u>	<u>SF</u>	<u>MF</u>	<u>RETAIL</u>	<u>OFF/EMP</u>	<u>TOTAL</u>	<u>CUM TOTAL</u>
2015	-	-	-	-	-	-
2016	-	29.6	-	-	29.6	29.6
2017	27.8	35.0	-	24.0	86.8	116.4
2018	-	-	-	-	-	116.4
2019	-	-	-	-	-	116.4
2020	-	18.8	-	60.0	78.8	195.2
2021	-	-	-	-	-	195.2
2022	-	-	5.3	-	5.3	200.5
2023	-	18.8	-	-	18.8	219.3
2024	-	-	-	-	-	219.3
2025	10.6	-	5.3	60.0	75.9	295.2
2026	-	18.8	-	-	18.8	314.0
2027	-	-	-	-	-	314.0
2028	-	-	5.3	-	5.3	319.3
2029	-	18.8	-	-	18.8	338.1
2030	9.0	-	-	60.0	69.0	407.1
2031	-	-	5.3	-	5.3	412.4
2032	-	18.8	-	-	18.8	431.2
2033	-	-	-	-	-	431.2
2034	-	-	5.3	-	5.3	436.5
2035	9.0	18.8	-	60.0	87.8	524.3
2036	-	-	-	-	-	524.3
2037	-	-	5.3	-	5.3	529.6
2038	-	18.8	-	-	18.8	548.4
2039	-	-	-	-	-	548.4
2040	-	-	5.3	60.0	65.3	613.7
2041	-	18.8	-	-	18.8	632.5
2042	-	-	-	-	-	632.5
2043	-	-	5.3	-	5.3	637.8
2044	-	17.6	-	-	17.6	655.4
2045	-	-	-	60.0	60.0	715.4
2046	-	-	5.3	-	5.3	720.7
2047	-	-	-	-	-	720.7
2048	-	-	-	-	-	720.7
2049	-	-	5.3	-	5.3	726.0
2050	-	-	-	60.0	60.0	786.0
2051	-	-	-	-	-	786.0
2052	-	-	5.3	-	5.3	791.3
2053	-	-	-	-	-	791.3
2054	-	-	-	-	-	791.3
<b>TOTAL</b>	<b>28.6</b>	<b>222.7</b>	<b>58.3</b>	<b>444.0</b>	<b>791.3</b>	<b>791.3</b>

TOWN OF FAIRVIEW  
TAX INCREMENT REINVESTMENT ZONE NO. 1

TIF FUND

<u>YEAR</u>	<u>CUM TOTAL,\$M</u>	<u>TIF FUND CONTRIBUTION, \$K</u>		<u>CUM. TIF FUND CONTRIBUTION, \$K</u>	
		<u>TOWN*</u>	<u>COUNTY**</u>	<u>TOWN</u>	<u>COUNTY</u>
2015	-	-	-	-	-
2016	29.6	-	-	-	-
2017	116.4	50.1	25.1	50.1	25.1
2018	116.4	197.2	98.8	247.3	123.9
2019	116.4	197.2	98.8	444.5	222.7
2020	195.2	197.2	98.8	641.7	321.5
2021	195.2	330.7	165.7	972.4	487.2
2022	200.5	330.7	165.7	1,303.1	652.9
2023	219.3	339.6	170.2	1,642.7	823.1
2024	219.3	371.5	186.2	2,014.2	1,009.3
2025	295.2	371.5	186.2	2,385.7	1,195.5
2026	314.0	500.0	250.6	2,885.7	1,446.1
2027	314.0	531.9	266.6	3,417.6	1,712.7
2028	319.3	531.9	266.6	3,949.5	1,979.3
2029	338.1	540.9	271.1	4,490.4	2,250.4
2030	407.1	572.7	287.0	5,063.1	2,537.4
2031	412.4	689.6	345.6	5,752.7	2,883.0
2032	431.2	698.6	350.1	6,451.3	3,233.1
2033	431.2	730.4	366.1	7,181.7	3,599.2
2034	436.5	730.4	366.1	7,912.1	3,965.3
2035	524.3	739.4	370.6	8,651.5	4,335.9
2036	524.3	888.1	445.1	9,539.6	4,781.0
2037	529.6	888.1	445.1	10,427.7	5,226.1
2038	548.4	897.1	449.6	11,324.8	5,675.7
2039	548.4	929.0	465.6	12,253.8	6,141.3
2040	613.7	929.0	465.6	13,182.8	6,606.9
2041	632.5	1,039.6	521.0	14,222.4	7,127.9
2042	632.5	1,071.4	537.0	15,293.8	7,664.9
2043	637.8	1,071.4	537.0	16,365.2	8,201.9
2044	655.4	1,080.4	541.5	17,445.6	8,743.4
2045	715.4	1,102.2	556.4	18,555.8	9,299.8
2046	720.7	1,211.8	607.4	19,767.6	9,907.2
2047	720.7	1,220.8	611.9	20,988.4	10,519.1
2048	720.7	1,220.8	611.9	22,209.2	11,131.0
2049	726.0	1,220.8	611.9	23,430.0	11,742.9
2050	786.0	1,229.8	616.4	24,659.8	12,359.3
2051	786.0	1,331.4	667.3	25,991.2	13,026.6
2052	791.3	1,331.4	667.3	27,322.6	13,693.9
2053	791.3	1,340.4	671.8	28,663.0	14,365.7
2054	791.3	1,340.4	671.8	30,003.4	15,031.5
2055	-	1,340.4	671.8	31,343.8	15,709.3
<b>TOTAL</b>	<b>791.3</b>	<b>31,343.8</b>	<b>15,709.3</b>	<b>31,343.8</b>	<b>15,709.3</b>

TOWN OF FAIRVIEW  
TAX INCREMENT REINVESTMENT ZONE NO. 1

\* Based on 75 percent of Town 2015 M&O tax rate, \*\*50 percent of County 2015 M & O tax rate

**Exhibit D**  
**Proposed Public Improvements**



TOWN OF FAIRVIEW  
TAX INCREMENT REINVESTMENT ZONE NO. 1

PROJECT PLAN

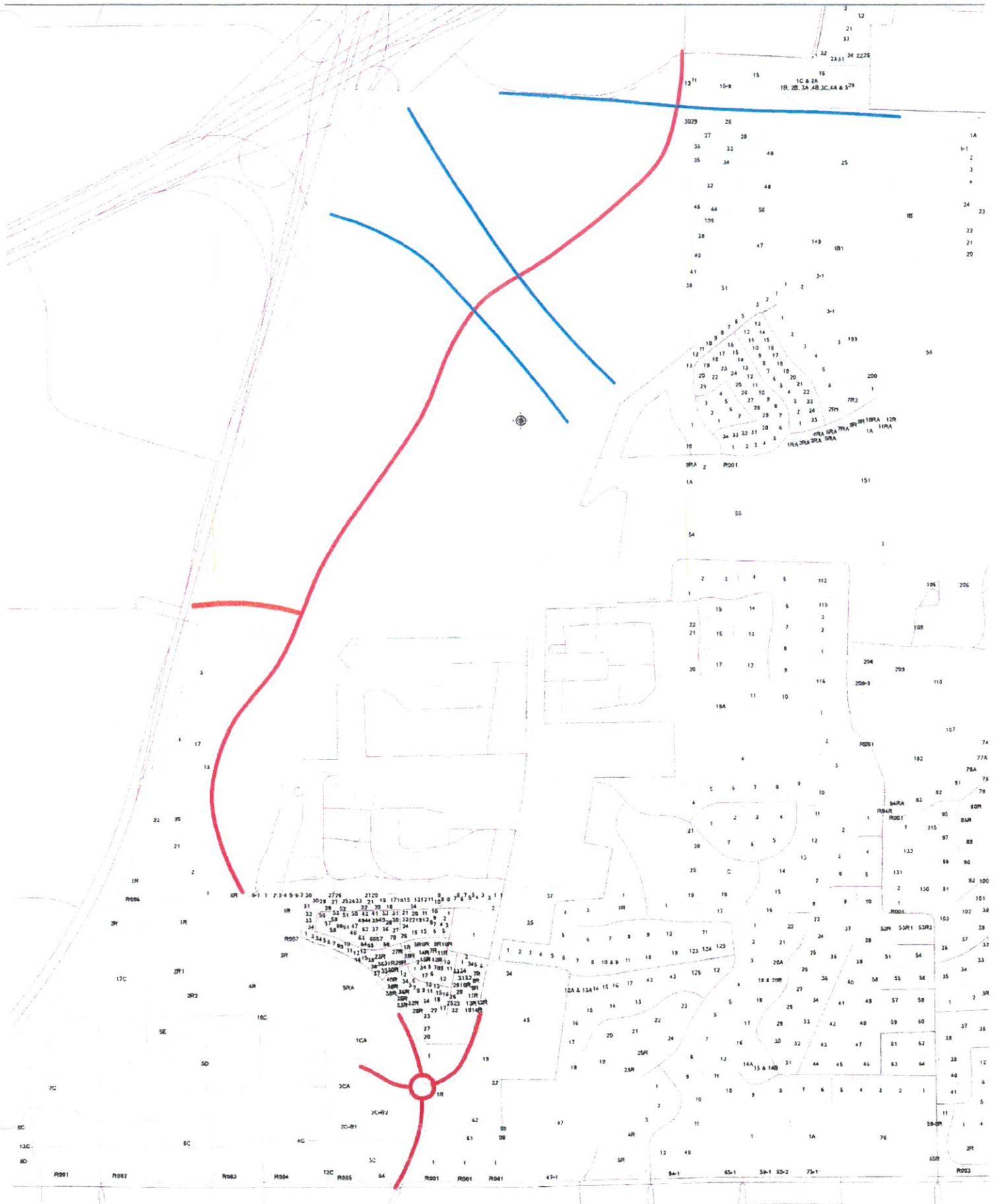
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<u>PROJECT</u>	<u>EST. COST, \$M</u>
Fairview Parkway	18.2
Frisco Road	2.9
Primary Roads in North CPDD	6.0
16"/12" Water Main Loops	5.3
16" Force Main & Other Sewer Lines	6.1
Ridgeview Overpass (1/2)	1.1*
Administration	0.2
<b><i>TOTAL</i></b>	<b><i>39.8</i></b>

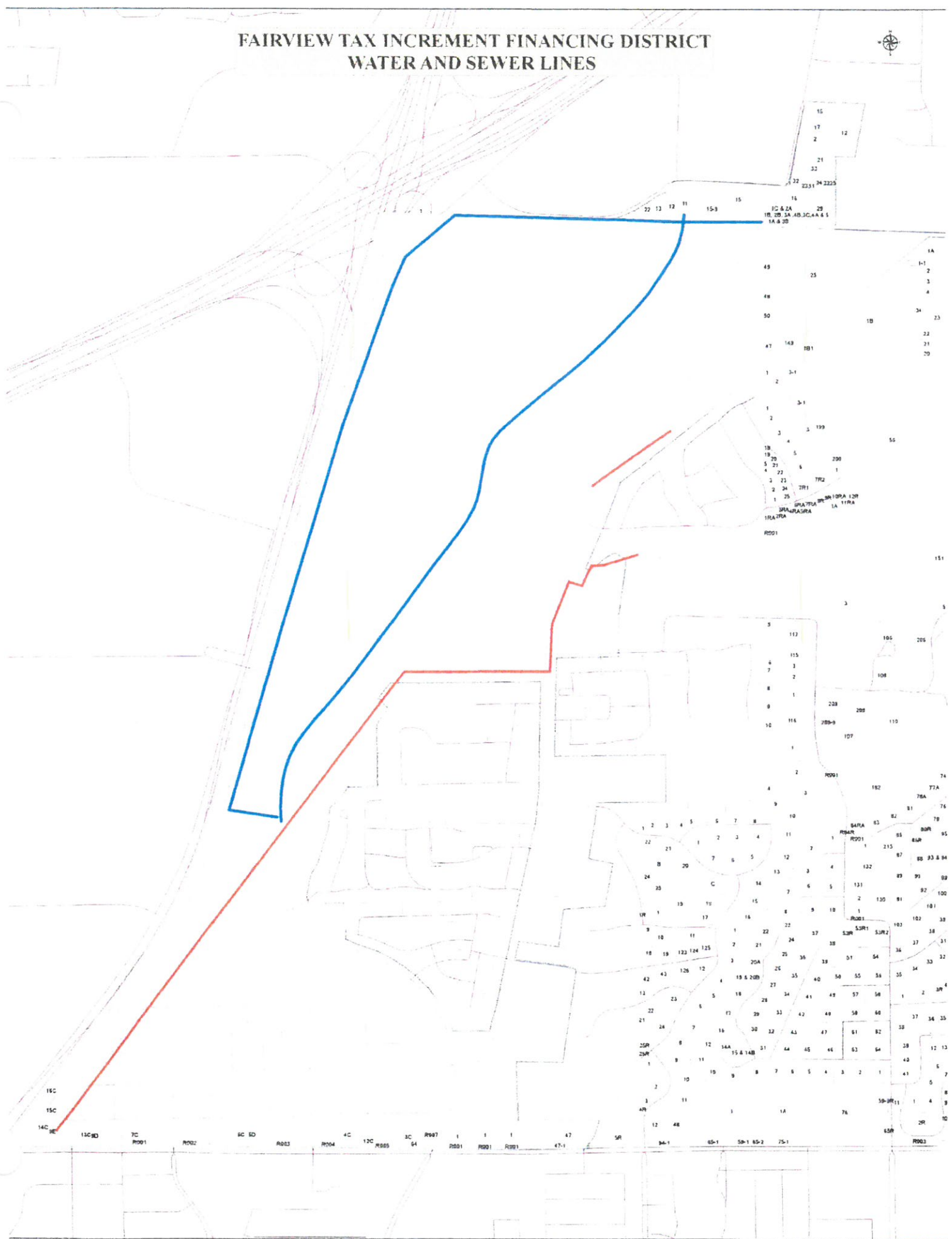
\*Local share of a future TxDOT project, probably 10 percent of a \$22 million bridge, half in Fairview.

# FAIRVIEW TAX INCREMENT FINANCING DISTRICT

## ROADS INCLUDED



# FAIRVIEW TAX INCREMENT FINANCING DISTRICT WATER AND SEWER LINES



**Inter-Local Cooperation Agreement for Participation in  
Fairview TIF District**

STATE OF TEXAS       §  
                                  §  
                                  §

COUNTY OF COLLIN     §

This Inter-Local Cooperation Agreement for Participation in Town of Fairview TIF District ("Agreement") is made by and between the Town of Fairview, Texas (the "Town") and Collin County, Texas (the "County"), acting by and through their respective authorized officers.

**WITNESSETH:**

**WHEREAS**, on the 1st day of December, 2015, the Fairview Town Council approved Ordinance No. 2015-33 establishing Town of Fairview Tax Increment Financing (TIF) District in accordance with the Tax Increment Financing Act, as V.T.C.A., Tax Code, Chapter 311, (the "Act"), to promote development and redevelopment through the use of tax increment financing and designating the TIF District pursuant to the Act; and

**WHEREAS**, the Town Council of TIF District approved the final Project and Financing Plan on December 1, 2015; and

**WHEREAS**, the Town, by Ordinance No. 2015-33, contributes seventy five and 00/100 percent (75.00%) of the M&O Tax Increment for a period of forty (40) years to the Tax Increment Fund (hereinafter defined) for design, installation, and construction of Infrastructure (hereinafter defined) and other authorized projects for or within the TIF District; and

**WHEREAS**, the County intends to contribute fifty percent (50%) of the M&O Tax Increment for a period of forty (39) years to the Tax Increment Fund for Project Specific Categories (hereinafter defined); and

**WHEREAS**, the County has conducted a public hearing at which interested persons were entitled to speak and present written materials for or against the approval of the County's participation as required in the Texas Tax Code Section 311.003; and

**WHEREAS**, the Collin County Commissioners Court finds that the terms of the proposed participation as set forth in this Agreement will meet the Collin County Policy for participation in Tax Increment Financing Districts and that: (i) there will be no substantial adverse effect on the provision of the jurisdiction's service or tax base; and (ii) participation will not substantially adversely affect the County's ability to carry out its long range development plans; and

**WHEREAS**, the Act authorizes the expenditure of funds derived within a tax increment financing reinvestment zone for the payment of expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by the municipality establishing a

district listed in the project plan of the district, which expenditures and monetary obligations constitute project costs as defined by the Act.

**NOW THEREFORE**, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, the parties agree as follows:

### **Article I** **Definitions**

Wherever used in this Agreement, the following terms shall have the meanings ascribed to them:

"Act" shall mean the Tax Increment Financing Act, Chapter 311, Tax Code, as amended.

"Board" shall mean the Board of Directors of the TIF District.

"Captured Appraised Value" shall mean the total taxable value of all real property taxable by a Taxing Unit and located in TIF District for the year less the Tax Increment Base of the Taxing Unit.

"Town" shall mean the Town of Fairview, Collin County, Texas.

"County" shall mean Collin County, Texas.

"Effective Date" shall mean the last date of execution hereof.

"Expiration Date" shall mean the date of termination of TIF District.

"Infrastructure" shall mean public infrastructure consisting of public streets and roads, water, sewer and electric utilities, gas utilities, drainage, trails, open space and related improvements, within TIF District, including: (1) the design, engineering and construction of public streets, roads, streetscape, traffic signals, bridges, parking facilities and other transportation projects; (2) the design, engineering, construction and installation of water, electric and gas and other utilities; (3) the design, engineering, construction and installation of drainage and related improvements, storm sewers, detention ponds, retention ponds, drainage pipes, culverts, over-sizing of facilities, trails, open space, and urban design elements within TIF District as identified in the Project Plan.

"Maximum Reimbursement Amount" shall mean an amount of no more than Fifteen Million Seven Hundred Nine Thousand Three Hundred Dollars (\$15,709,300.00) of the County's Tax Increment which shall be deposited in the Tax Increment Fund during the term of TIF District and used for Project Specific Categories and financing costs eligible for County participation as shown in the Project Plan and as more specifically described in **Exhibit "A"**.



"Project Plan" shall mean the preliminary project plan and financing plan for TIF District approved by the Town Council for the Town on December 1, 2015, as amended.

"Project Specific Categories" shall mean Infrastructure elements identified in the Project Plan and as further described in Exhibit "A", towards which the County agrees to contribute its Tax Increment.

"Tax Increment" shall mean the total amount of property taxes by a Taxing Unit for the year on the Captured Appraised Value of real property taxable by a Taxing Unit and located in TIF District.

"Tax Increment Base" shall mean the total taxable value of all real property taxable by a Taxing Unit and located in the TIF District for the year in which TIF District was designated (2016).

"Tax Increment Fund" shall mean the funds deposited by the Town and any Taxing Unit in the tax increment fund for TIF District.

"Taxing Unit" shall mean the Town of Fairview, Collin County, Texas and any Taxing Unit that taxes real property within TIF District that enters into an agreement with the Town to contribute to the Tax Increment Fund.

"TIF District" shall mean the Town of Fairview Tax Increment Financing District One.

## **Article II**

### **Term**

The term of this Agreement shall begin on the Effective Date and shall continue until the Expiration Date, unless sooner terminated as provided herein.

## **Article III**

### **TIF Projects**

3.1 In consideration of the mutual benefits to be derived from the funding of the TIF District Improvements and in consideration of the increased future tax base generated from this development, County shall contribute an amount equal to fifty percent (50%) of its Tax Increment to the Tax Increment Fund pursuant to the Act and as authorized by the Collin County Commissioners' Court Order No. \_\_\_\_\_ dated \_\_\_\_\_, 2016 not to exceed the Maximum Reimbursement Amount. The County shall annually pay its Tax Increment to the Tax Increment Fund beginning with tax year 2017 and continue during the term of TIF District until the Expiration Date, unless sooner terminated as provided herein.

3.2 The County is not obligated to pay the County Tax Increment from any source other than taxes collected on the Captured Appraised Value. Furthermore, the County has no

duty or obligation to pay the County Tax Increment from any other County taxes or revenues or until the County Tax Increment in the TIF District is actually collected. The obligation to pay the County Tax Increment accrues as taxes representing the County Tax Increment are collected by the County, and payment shall be due on May 1 of each year the County participates in the TIF District. No interest or penalty will be charged to the County for any late payment received from the County; provided, however, the penalty and interest received by the County on any delinquent taxes from the County Tax Increment shall be paid to the Tax Increment Fund. Any portion of the taxes representing the County Tax Increment that are paid to the County and subsequently refunded pursuant to a provision of the Texas Tax Code, as amended, shall be offset against future payments to the Tax Increment Fund.

3.3 The obligation of the County to participate in the TIF District is limited to the area described in the Project Plan. The County's participation does not extend to the tax increment on any additional property added to the TIF District unless the County specifically agrees to participate in the additional area.

3.4 Notwithstanding anything to the contrary in Town's Ordinance creating the TIF District, pursuant to the provisions of Section 311.009(a) of the Texas Tax Code, as amended, the County shall have the right to appoint and thereafter at all times maintain one (1) member on the Board of Directors of the TIF District. Failure of the County to appoint a person to the Board of Directors of the TIF District shall not be deemed a waiver of the County's right to make an appointment at a later date. The County will make good faith efforts to appoint and maintain a person to serve on the Board.

3.5 The Town agrees to provide the County with any proposed amendments to the Project Plan at least fourteen (14) days prior to their submission to the Town Council for approval.

3.6 Upon termination of the TIF District, and after all obligations of the TIF District have been paid, the Town and the Board shall pay to the County, within sixty (60) days of said termination, all monies remaining in the Tax Increment Fund that are attributable to the County Tax Increment paid by the County into the Tax Increment Fund.

3.7 The County's Tax Increment contributed to the Tax Increment Fund shall be applied in the following order of priority: (i) maintenance of a minimum balance of \$50,000 in the Tax Increment Fund; and (ii) for Infrastructure and financing costs as approved by the Board and the Town Council for the Town. The Tax Increment Fund may not be used for projects not included in the Project Plan or an Amended Project Plan, approved by the TIF Board.

3.8 No portion of the Tax Increment contributed to the TIF District by the County may be paid to the Town for administrative fees.

#### **Article IV Termination**

- 4.1 This Agreement shall terminate upon any one of the following:
- (a) by written agreement of the parties;
  - (b) upon the Expiration Date;
  - (c) by either party, if any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable;
  - (d) upon County contribution of the Maximum Reimbursement Amount to the Tax Increment Fund

#### **Article V Miscellaneous**

5.1 Binding Agreement. The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. This Agreement may not be assigned without the consent of either party.

5.2 Authorization. Each party represents that it has full authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

5.3 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the party at the address set forth below or on the day actually received when sent by courier or otherwise hand delivered.

If intended for Town, to:

Attn: Julie Couch  
Town Manager  
Town of Fairview  
372 Town Place  
Fairview, Texas  
75069

With copy to:

Clark McCoy  
Wolfe, Tidwell and  
McCoy  
2591 Dallas Parkway  
Suite 300  
Frisco, Texas 75034

If intended for County, to:

Judge Keith Self  
Collin County Administration Building  
Suite 4192  
2300 Bloomdale Road  
McKinney, Texas 75071

5.4 Entire Agreement. This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written Agreement between the parties that in any manner relates to the subject matter of this Agreement, except as provided in any exhibits attached hereto.

5.5 Governing Law. The Agreement shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be in the State District Court of Collin County, Texas. The parties agree to submit to the personal and subject matter jurisdiction of said Court.

5.6 Amendment. This Agreement may be amended by the mutual written agreement of the parties.

5.7 Legal Construction. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

5.8 Recitals. The recitals to this Agreement are incorporated herein.

5.9 Counterpoise. This Agreement may be executed in counterpoise. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

5.10 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

5.11 Approval of Parties. Whenever this Agreement requires or permits the approval or consent to be given by a party, the parties agree that such approval or consent shall not be unreasonably withheld, conditioned or delayed.

5.12 Further Assurances. Each party hereby agrees that it will take all actions and execute all documents necessary to fully carry out the purposes and intent of this Agreement.

5.13 Audits. The County may, at its costs, upon ten (10) days prior written notice to the Town, examine and audit the Town records pertaining to the collection and expenditure of County Tax Increment contributed to the Tax Increment Fund.

**Signature Page To  
Follow**



Exhibit "A"

Town of Fairview and Collin County

Project Specific Categories for TIF #1

**Project Specific Categories**

**Cost**

**Town Participation**

Road Network to include Fairview Parkway, Frisco Road, the primary roads in the North CPDD, and Ridgeview Overpass*	\$12,490,700
16"/12" Water Main Loops	5,300,000
16" Force Main and other Sewer Lines	6,100,000
Administration	<u>200,000</u>
Subtotal	\$24,090,700

**Collin County Participation**

Road Network to include Fairview Parkway, Frisco Road, the primary roads in the North CPDD, and Ridgeview Overpass*	\$15,709,300**
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\* Ridgeview overpass costs represent an estimate of town cost in the TxDOT project

\*\* This represents the maximum participation of Collin County

Collin County  
TIF/TIRZ Participation Percentage Analysis  
2016 Tax Rates

**Town TIF Related Revenues**

Town Projected Real Property Taxes Retained (1)	\$34,991,603	52.53%
Town Projected Real Property Taxes to TIF	\$31,621,172	47.47%
Sub Total Property Taxes	\$66,612,775	100.00%
Town Projected Sales Taxes (2)	\$14,000,000	
Town Projected BPI Taxes	\$13,000,000	
Total Revenue Generated	\$93,612,775	

**Town Participation Percentage Calculation**

Town Revenues to TIF	\$31,621,172	
Total Revenue Generated by TIF	\$93,612,775	
		<b>33.78%</b>

**County Participation**

County Projected Real Property Taxes Retained (1)	\$24,387,282	63.24%
County Projected Real Property Taxes to TIF	\$14,173,295	36.76%
Sub Total Property Taxes	\$38,560,577	100.00%
County Projected BPI Taxes	\$7,525,414	
Total Revenue Generated	\$46,085,992	

**County Participation Percentage Calculation**

County Revenues to TIF	\$14,173,295	
Total Revenue Generated by TIF	\$46,085,992	
		<b>30.75%</b>

Collin County \*  
Historical Tax Values for Fairview TIF#1

COUNTY	Market Value	Exemption Value	Freeze Value	Taxable Value	County Tax Rate	Est. Taxes
2016	\$265,942,187	\$18,975,392	\$1,304,104	\$196,447,640	0.208395	\$409,387
2015	\$187,000,530	\$13,986,260	\$1,042,870	\$171,971,400	0.225000	\$386,936
2014	\$176,912,251	\$12,346,818	\$1,174,644	\$163,390,789	0.235000	\$383,968
2013	\$186,768,994	\$12,904,586	\$1,096,774	\$172,767,634	0.237500	\$410,323
2012	\$166,401,008	\$8,290,127	\$910,953	\$157,199,928	0.240000	\$377,280

\*Source - Collin County Appraisal District

# TOWN OF FAIRVIEW

## Tax Increment Reinvestment Zone No. 1

### Income to County

YEAR	<u>WITHOUT TIF*</u>			<u>WITH TIF</u>		
	<u>DEV.</u> <u>VALUE, \$M</u>	<u>CO., \$K</u>	<u>CUM.</u> <u>CO., \$K</u>	<u>DEV.</u> <u>VALUE, \$M</u>	<u>CO \$K</u>	<u>CUM.</u> <u>CO., \$K</u>
2015	---	---	---	---	---	---
2016	29.6	---	---	29.6	---	---
2017	116.4	66.6	66.6	116.4	41.4	41.4
2018	116.4	261.9	328.5	116.4	163.0	204.4
2019	116.4	261.9	590.4	116.4	163.0	367.4
2020	136.1	261.9	852.3	195.2	163.0	530.4
2021	136.1	306.2	1,158.5	195.2	273.4	803.8
2022	137.4	306.2	1,464.7	200.5	273.4	1,077.2
2023	142.1	309.2	1,773.9	219.3	280.9	1,358.1
2024	142.1	319.7	2,093.6	219.3	307.3	1,665.4
2025	161.1	319.7	2,413.3	295.2	307.3	1,972.7
2026	165.8	362.5	2,775.8	314.0	413.5	2,386.2
2027	165.8	373.1	3,148.9	314.0	439.9	2,826.1
2028	167.1	373.1	3,522.0	319.3	439.9	3,266.0
2029	171.8	376.0	3,898.0	338.1	447.4	3,713.4
2030	189.1	386.6	4,284.6	407.1	473.6	4,187.0
2031	190.4	425.5	4,710.1	412.4	570.3	4,757.3
2032	195.1	428.4	5,138.5	431.2	577.7	5,335.0

\* Assumes early projects in 2016 and 2017 are the same both without and with the TIF. After 2017, development without the TIF is assumed to be 25% of development with the TIF. With this assumption, by 2031, the County begins receiving more income with the TIF than without as shown in red.

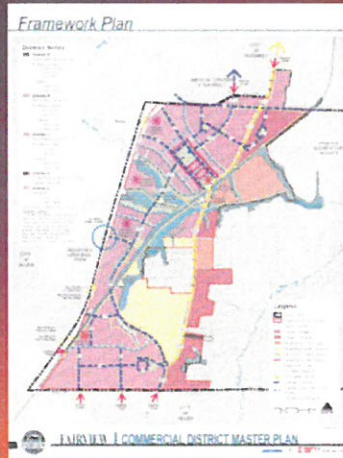
# Fairview TIRZ (TIF)

## TIRZ Map





## Frame work Plan and Zoning Map



## What is a TIRZ (TIF)?

A Tax Increment Reinvestment Zone (known as a TIRZ or TIF) allows municipalities to invest tax revenue from new development within the District into infrastructure and public improvements needed in order to encourage future development.

The life of the TIRZ is 40 years. It can be collapsed earlier if all projects have been funded.



## FAQs

- Will creating a TIRZ raise our tax rate?

No, creating the TIRZ will not increase the tax rate. The creation freezes the current base value in the created zone. All of the ad valorem tax being collected prior to the creation of the TIRZ, will continue to go to the general fund. As property values increase and as new properties are built, the ad valorem tax on the increased value only, will go into the TIRZ fund.

Will I have to pay my taxes to different entities?

- No, the way that you are taxed, does not change. The process is seamless from a taxpayer's standpoint. You will continue to pay your taxes to Collin County and they will disperse the funds to the various entities.

## FAQ (cont'd)

- Does all of the property tax generated by the increase in value go to the TIRZ?
  - No, only the increase in the maintenance and operating portion of the property tax goes into the fund. All of the debt service portion of the increase goes into the general fund. Additionally, it is being proposed that only 75% of the tax from the increase in value go to the TIRZ, the other 25% would go to the general fund.
  - Additionally, the County will be asked to participate as well and their policy allows them to contribute up to 50% of the M/O portion of their property tax to be contributed in addition to the Town's.



## Additional Benefits

- All of the sales tax generated in the TIRZ (with the exception of the allocation to the 380 agreement for The Village at Fairview) will go to the general fund, the economic and community development corporations, as prescribed by state law.

## Why Create a TIRZ Now

- By creating the TIRZ before the end of 2015, Fairview will be able to begin realizing TIRZ revenue from developments that are expected to begin phased in completion beginning in 2016.
- Within the next three years, it is expected that the following developments will be completed:

• Davis Development multi family on Highway 5	\$29.6 Million
• Marriott Residence Inn	\$12.0 Million
• Home 2 by Hilton	\$12.0 Million
• Grenadier Development, east of Highway 5	\$18. Million
• Sloan Creek Courts	\$9.8 Million



## Short Term TIRZ Yield

- Overture Fairview \$35.0 Million
- Total in the next three years \$116.4 Million
- Yield for the TIRZ in 3 years 75% M/O \$139,224.00

## TIRZ Projects

- The current proposed public projects in the TIRZ are:

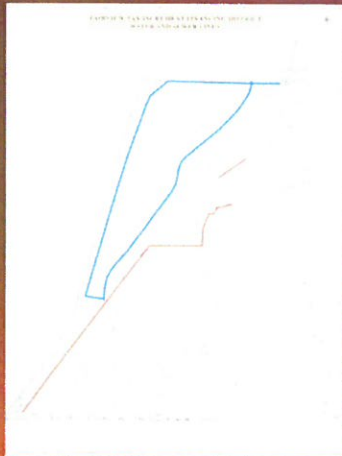
Fairview Parkway	18.1
Frisco Road	2.9
Primary Roads in North CPDD	6.0
16"/12" Water Main Loops	5.3
16" Force Main & Other Sewer Lines	6.1
Ridgeview Overpass (1/2)	1.1*
Administration	0.2
TOTAL	39.8



## Projected Roads



## Projected Water and Sewer





## Proposed Revenue

- The proposed revenue to the TIRZ is \$51 Million
- Estimated project costs \$39.8 Million
- Addition yield to the
- Fairview General Fund \$62.3 Million
- (The additional to the Town is from: 25% of M/O for 40 yrs., 100% of Debt Service \$14.0 Million in sales tax and \$13.0 Million in business and personal property tax.