



March 6, 2017

**Attn:** Honorable Judge Self and Commissioners Chris Hill, Susan Fletcher, Duncan Webb, Sheryl Williams

**Re:** County Participation in Princeton TIF1

The City of Princeton established TIF1 in December 2015 with the anticipation of future development within the TIF boundary. The City has followed the model requirements adopted by Collin County, and developed the required documentation for your review. The established projects within this TIF were developed as an interim solution to the growing need for additional ways for the residents of Collin County and Princeton to travel west and south to US75. They are also listed on the Collin County Mobility Plan for 2014, with the exception of Corporate Dr. There has been much discussion regarding a future Limited Access Roadway through Princeton in the future, and as we all know, this will take many years to design and complete. Therefore we are in need of interim projects that will provide some relief for the traffic in Princeton while continuing to discuss and plan for a Limited Access Roadway. Our City is committed to, and looks forward to working with the County and the other entities to develop an improved Mobility Plan, and North Texas traffic model. The City of Princeton respectfully requests the County to participate with 50% of the property tax within TIF1 to enable the City to develop these interim projects for continued mobility.

Sincerely,

A handwritten signature in blue ink that reads "Derek Borg". The signature is written in a cursive, flowing style.

Derek Borg,  
City Manager

**CITY OF PRINCETON**  
**TIF Application for Collin County**

**City of Princeton TIF Application  
Responses to Collin County TIF Policy  
City of Princeton Tax Increment District**

Listed below are sections of the County's TIF Policy and the City of Princeton's applicable responses as part of the application for County participation in the City of Princeton Tax Increment District. **The City's responses are shown in red below.** Attached to this application packet are also the following documents.

1. Ordinance No. 2015-198 approving the TIF
2. Final Project and Financing Plan
3. TIF Participation Percentage Analysis
4. DRAFT Inter Local Agreement (ILA) between Collin County and the City of Princeton
5. Historical Values for Properties in TIF
6. Project Plan

**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. 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. **The authorizing ordinance in compliance with Chapter 311 of the Texas Tax Code is attached. The creation of the TIF District (TIF) was approved by the Princeton City Council on December 14, 2015 by Ordinance No. 2015-198.**
  - b. Cost/Benefit Analysis must show a net financial benefit will accrue to the County during the terms of its participation. **The attached Final Project and Financing Plan shows the net financial benefit that will accrue to Collin County.**
3. **Eligible Project.** In order to be eligible for County participation, a project must have clear public purpose. **The Final Project and Financing Plan lists the public infrastructure projects and their estimated costs. The infrastructure projects are the projects Collin County is being asked to participate in under the County TIF Policy, except Corporate Drive (EDC Park).**
4. **Terms of Participation.**
  - a. The County's participation percentage may not exceed the City's participation percentage when all City tax revenues (property & sales taxes excluding Community Development Corporation and Economic Development Corporation rebates) are calculated within the TIF. As an example, if the City projects sales and property tax revenues of \$100 million for the life of the proposed TIF and agrees to refund \$40 million to the TIF, the County's participation may not be more than 40 percent. **See the attached Participation Percentage Analysis which shows a City participation rate of 44.3% and a County participation rate of 43.4%.**
  - b. All County participation must be for Project Specific Categories. **All County participation will be for roadways and associated utilities and improvements. The projects that the City is asking the County to participate in are identified on the latest Collin County Thoroughfare Plan.**

- c. County participation must be capped at the total amount of its contribution to Project Specific Categories. **The Final Project and Financing Plan indicates a total County Contribution to the TIF Fund of \$10,568,000.**
- 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. **The TIF is projected to last for thirty (30) years or from January 1, 2015 through December 31, 2044. County TIF Funds will only be spent on public infrastructure and will be capped in accordance with 4c above.**
- 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 TIF will pay to the County, in advance, all funds necessary to cover the cost of completion of the project. **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 City for administration fees. **The Project Plan does not contemplate the County paying any administrative, legal, consulting or other professional fees except those engineering and architectural fees directly related to public infrastructure projects. The County will not pay for TIF administration costs.**
- g. There shall be no penalty or interest due from the County for delayed increment payments. **This requirement is noted in Sect. 3.2 of the Draft ILA.**
- h. County participation may not exceed 50 percent. **The Final Project and Financing Plan shows County participation of 50% of its real property tax rate. The City participation is 50% of its real property tax rate and ½ of 1% of its sales tax.**
- i. County participation must be governed by an Interlocal Agreement executed by the municipality and County formalizing the terms and condition of participation. **A draft ILA is included as part of this packet.**

### **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. **The Final Project and Financing Plan addresses the reasons the TIF is needed.**
  - b. The estimated lifespan of the TIF. **The life of the TIF is projected to be from January 1, 2015 to December 31, 2044.**
  - c. A description of the proposed private sector development, its investment level and its implementation schedule. **See Final Project and Financing Plan.**
  - d. A financial forecast of what growth will occur in the proposed TIF if the TIF is not created or does not become operational. **Without the TIF, values will continue to grow but at a much slower rate. We believe that without the TIF, values will only be 50% of the values generated with the TIF.**



- e. County obligation at the end of the TIF. At the end of the life of the TIF, any outstanding unreimbursed infrastructure costs and/or financing costs will not be owed and will cease to exist.
- f. The assessed valuations of the proposed TIF for each of the past five years. A schedule has been attached that contains the historical value information.
- g. 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. A list of the public improvements is shown in the Final Project and Financing Plan which will be funded either by advancement from developers or by readily available City Capital Project funds.
- h. A description of the level and duration of the TIF District Financing Plan that is being requested for each taxing entity. Participation is shown in the Final Project and Financing Plan at 50% of the County real property tax rate and 50% of the City real property tax rate and ½ of 1% of its sales tax. The TIF duration is 30 years.
- i. A detailed description of anticipated annual TIF Project revenues, costs, increments and debt service requirements. The Final Project and Financing Plan shows the level and duration of the City and County participation in the TIF.
- j. An explanation of the bases for the TIF Project's financial and economic growth assumptions. Assumptions are noted in Exhibit D of the Final Project and Financing Plan.
- k. 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. The Final Project and Financing Plan indicates taxable values are expected to increase from the 2015 tax base of \$9.18 million to \$434.1 million during the life of the TIF. The TIF is anticipated to create the development of over 3000 new homes on the properties within and directly surrounding the TIF boundary. The TIF is expected to create well over 4,000 new jobs within the boundary of the TIF and directly surrounding areas.
- l. 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. See the Participation Percentage Analysis.
- m. A copy of any existing marketing and feasibility study. See Project and Financing Plan.
- n. 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. Not Applicable – City is the Applicant.
- o. An explanation, if applicable, of how the TIF Projects will revitalize economically distressed areas and/or provide employment for the chronically unemployed. Not applicable.
- p. A discussion of how the TIF Projects avoid, address, and/or alleviates displacement and environmental concerns. Not applicable.
- q. The name, address, and telephone number of the contact person. Derek Borg, City Manager (972) 734-2416
- r. All projected revenue information provided to the City Council prior to their adoption of the TIF. See attached Project and Final Project and Financing Plan.
- s. Any hard deadlines proposed and/or adopted by the City Council must be included in the presentation to Commissioners Court and in the County agreement; and Not Applicable. There are no hard deadlines.

- t. 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.
2. If TIF is in an incorporated area, a TIF agreement with the City must be approved prior to adoption by the County. A copy of the City ordinance and all documentation must be submitted to the County Administrator 45 days to the first public hearing. **This application packet includes the ordinance approved by the City Council creating the TIF, the Final Project and Financing Plan, the Participation Percentage, a Draft ILA for County participation, and Historical Tax Values.**
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: **Not applicable. This was repealed by the 82<sup>nd</sup> Legislature.**

(d) If the TIF district is created on or after August 29, 1983, a taxing unit is not required to pay a tax increment into the tax increment fund of the district after three years from the date the district is created unless the following conditions exist or have been met within the three-year period:

- (1) bonds have been issued for the district under Section 311.015;
- (2) the municipality or county that created the district has acquired property in the district pursuant to the project plan; or
- (3) construction of improvements pursuant to the project plan has begun in the district.



ORDINANCE NO. 2015-198

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PRINCETON, TEXAS, DESIGNATING A GEOGRAPHIC AREA WITHIN THE CITY AS REINVESTMENT ZONE NUMBER ONE; DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; ESTABLISHING A TAX INCREMENT FUND FOR THE ZONE; CONTAINING FINDINGS RELATED TO THE CREATION OF THE ZONE; PROVIDING A TERMINATION DATE FOR THE ZONE; PROVIDING FOR IMMEDIATE EFFECTIVENESS OF THE ZONE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Princeton, Texas (the "City"), pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Act"), may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, pursuant to the Act, the City Council of the City (the "City Council") prepared a "Preliminary Project and Financing Plan for Reinvestment Zone Number One, City of Princeton, Texas", which was approved by the City Council on December 14, 2015, (the "Plan") for a proposed tax increment reinvestment zone within the City, as named in Section 3 hereof, and as described in Exhibit A attached hereto and incorporated herein for all purposes (the "Zone"); and

WHEREAS, notice of a public hearing on the creation of the Zone was published in a newspaper of general circulation in the City not later than the seventh (7th) day before the public hearing held on November 9, 2015; and

WHEREAS, a public hearing was held on November 9, 2015 on the creation of the Zone and its benefits to the City and to property in the Zone, and interested persons were allowed to speak for or against the creation of the Zone, the boundaries of the Zone, and the concept of tax increment financing, and owners of property in the Zone were given a reasonable opportunity to protest the inclusion of their property in the Zone; and

WHEREAS, the total appraised value of taxable real property in the Zone is \$9,963,684.00, based upon the certified appraisal roll provided to the City for the 2015 tax year.

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

Section 1. Terms used in this Ordinance and not defined herein shall have the meanings given to them in the Plan.

Section 2. Findings. (a) The City Council adopts the findings set out in the preamble hereof for all purposes, and such findings are hereby found and declared to be true and correct findings and are adopted as part of this Ordinance for all purposes.

(b) The City Council finds that the Projects will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City, its residents and property owners, in general, and to the property, residents and property owners in the reinvestment zone.

(c) The City Council finds that the Zone meets the requirements of Section 311.005(a)(2) of the Act because the Zone is predominately open and undeveloped, contains faulty lot layout in relation to size, adequacy, accessibility, or usefulness; and is located in a high-traffic location which should be made more readily accessible, and because of other development factors such as the need for essential public infrastructure to attract new business and commercial activity to the Zone for the purpose of providing long-term economic benefits including, but not limited to, increases in the real property tax base for all taxing units within the Zone, increases in sales and use tax for the City and the State of Texas, and increased job opportunities for residents of the City and the region, which substantially impairs and arrests the sound growth of the City. The improvements in the Zone will significantly enhance the value of all taxable real property in the Zone and will be of general benefit to the City, that the public improvements to be acquired and constructed within the proposed reinvestment zone will promote the development and redevelopment of the property located in the Zone thereby attracting new business and commercial activity to the Zone, increasing real property tax values for all taxing units within the Zone, increasing sales and use taxes for the City and the State of Texas, and increasing job opportunities for residents of the City and the region.

(d) The City Council finds that the proposed zone is a geographic area located wholly within the corporate limits of the City.

(e) The City Council finds that not more than thirty percent (30%) of the property in the Zone, excluding property that is publicly owned, is used for residential purposes, and the total appraised value of taxable real property in the Zone does not exceed fifty percent (50%) of the total appraised value of taxable real property in the City and in the industrial districts created by the City.

(f) The improvements in the reinvestment zone will significantly enhance the value of all taxable real property in the reinvestment zone and will be of general benefit to the City, that the public improvements to be acquired and constructed within the proposed reinvestment zone will promote the development and redevelopment of the property located in the Zone thereby attracting new business and commercial activity to the Zone, increasing real property tax values for all taxing units within the Zone, increasing sales and use taxes for the City and the State of Texas, and increasing job opportunities for residents of the City and the region.

(g) The City Council finds that the development or redevelopment of the property in the Zone will not occur solely through private investment in the reasonably foreseeable future.

Section 3. Name of Zone; Designation. (a) The City Council hereby designates the Zone as a tax increment reinvestment zone. The name assigned to the zone for identification is Reinvestment Zone Number One, City of Princeton, Texas.

(b) The Zone is designated pursuant to Section 311.005(a)(2) of the Act.

Section 4. Board of Directors of the Zone. (a) There is hereby established a board of directors for the Zone (the "Board") consisting of 5 members. All members shall be appointed by the City Council. The terms of the board members shall be for two year terms.

(b) The City Council shall meet to appoint five individuals to serve as the initial members of the Board. Each year, the City Council shall appoint a member to serve as the chairman of the Board for a one-year term that begins on January 1 of the following year. The Board is authorized to elect a vice-chairman to preside in the absence of the chairman or when there is a vacancy in the office of chairman. The Board may elect other officers as determined by the Board. A vacancy on the Board shall be filled for the unexpired term by appointment of the governing body of the City or County, as applicable, that appointed the director who served in the vacant position.

(c) To be eligible for appointment to the Board, an individual must meet the requirements specified in the Act, as it may be amended from time to time.

(d) The Board shall make recommendations to the City Council concerning the administration, management, and operation of the Zone. The Board shall prepare or cause to be prepared and adopted a project plan and a reinvestment zone financing plan for the Zone (the "Project and Finance Plan") as required by the Act, and shall submit the Project and Finance Plan to the City Council for approval. The City Council hereby delegates to the Board all powers necessary to implement the Project and Finance Plan as approved by the City Council, including the power to employ consultants and enter into agreements that the Board considers necessary or convenient to implement the Project and Finance Plan and to administer, operate, and manage the Zone including, but not limited to, the power to enter into reimbursement agreements and other obligations secured by the Tax Increment Fund established pursuant to Section 6 of this Ordinance.

(e) Pursuant to Section 311.010(h) of the Act and Article III, Section 52-a of the Texas Constitution, the City Council hereby authorizes the Board, as necessary or convenient to implement the Project & Financing Plan and achieve its purposes, to establish and provide for the administration of one or more programs for the public purposes of developing and diversifying the economy of the Zone, eliminating unemployment and underemployment in the Zone, and developing or expanding transportation, business, and commercial activity in the Zone that benefit the Zone and stimulate business and commercial activity in the Zone. In addition, the City Council hereby authorizes the Board to exercise all of the powers of the City under Chapter 380, Texas Local Government Code, as amended.

(f) Directors shall not receive any salary or other compensation for their services as director.

(g) The City Council shall designate a member of the board to serve as chairman of the board of directors, and the board shall elect from its members a vice chairman and other officers as it sees fit.

Section 5. Duration of Zone. The Zone shall take effect immediately upon the passage and approval of this Ordinance. The Zone shall terminate on the earlier of (i) the 30th anniversary of the date the City created the Zone and attributable to the Zone, or (ii) the date on which all Project Costs have been paid or funded and all Zone Securities, including interest thereon, have been paid in full.

Section 6. Tax Increment Base. (a) The Tax Increment Base for purposes of calculating the Tax Increment of the City means the total appraised value of all real property in the Zone that is taxable by the City and the County, respectively, as of January 1, 2015.

(b) The Sales Tax Base for purposes of calculating the City Sales Tax Increment means the amount generated from the City's municipal sales and use tax at the rate of one percent (1 %) attributable to the Zone as of January 1, 2015.

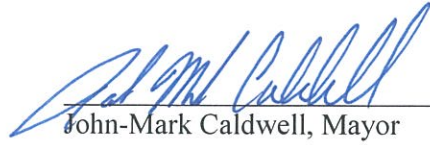
Section 7. Tax Increment Fund. (a) There is hereby created and established a Tax Increment Fund for the Zone. Within the Tax Increment Fund, there may be maintained subaccounts as necessary and convenient to carry out the purposes of the Act, including a "Tax Increment Subaccount," "City Sales Tax Increment Subaccount," a "Tax Increment Bond Proceeds Subaccount." The Tax Increment of the City shall be deposited into the Tax Increment Subaccount of the Tax Increment Fund, and the City Sales Tax Increment shall be deposited into the City Sales Tax Increment Subaccount of the Tax Increment Fund, as of the effective date of the Zone.

(b) The Tax Increment Fund and all subaccounts shall be maintained at the depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas municipalities.

(c) Prior to termination of the Zone, funds shall be disbursed from the Tax Increment Fund only to pay Project Costs, Zone Securities, to make payments pursuant to an agreement made under Section 311.010(b) of the Act dedicating revenue from the Tax Increment Fund, or to repay other obligations incurred by the Zone.

Section 8. Effectiveness. This Ordinance shall take effect immediately upon its passage as provided by law.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF PRINCETON,  
TEXAS, ON DECEMBER 14, 2015.

  
John-Mark Caldwell, Mayor

ATTEST:   
Tabatha Monk; Deputy City Secretary

[CITY SEAL]

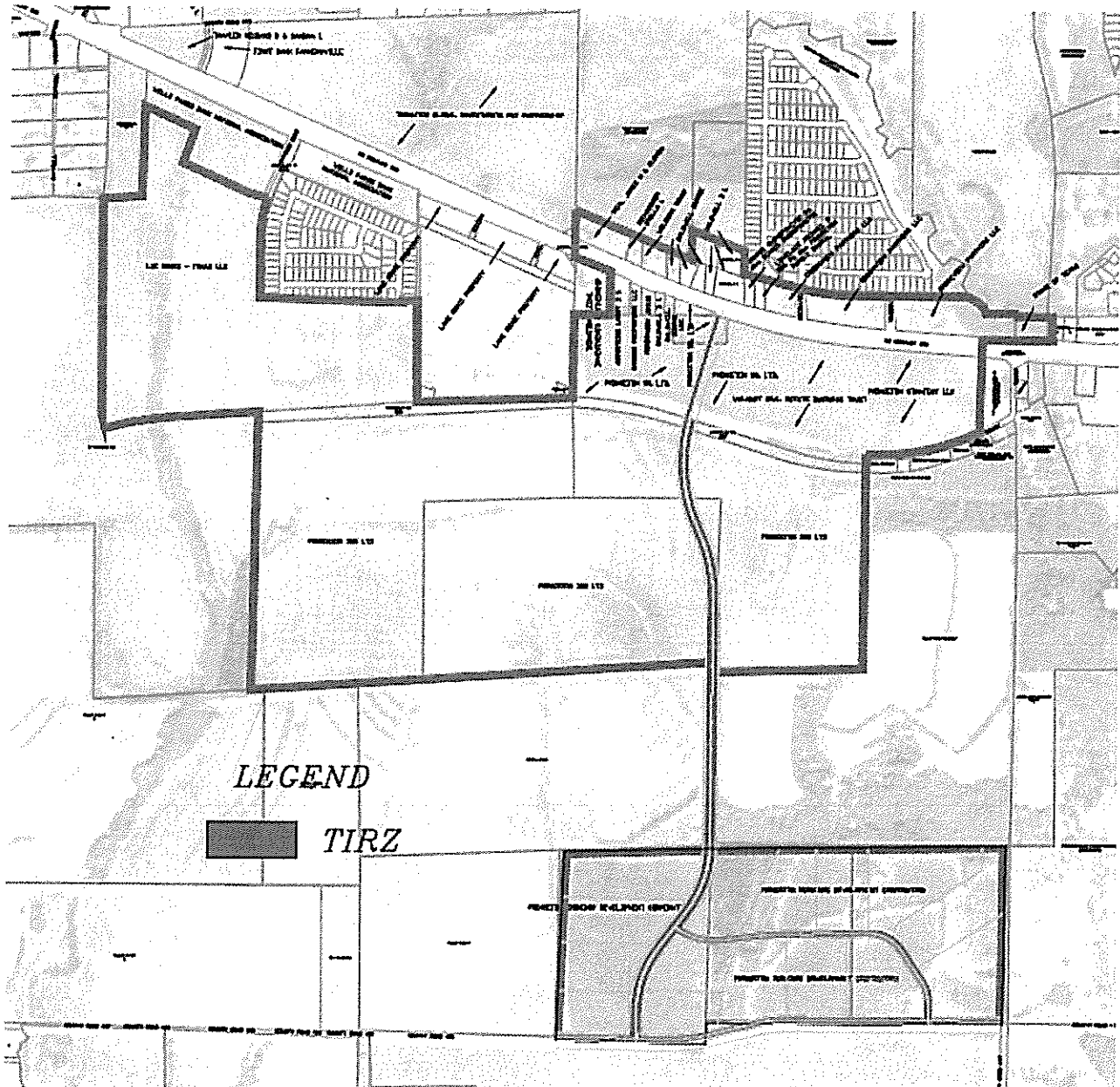




## EXHIBIT A

### LEGAL DESCRIPTION OF THE ZONE

#### Reinvestment Zone Number One, City of Princeton, Texas



A more descriptive map of the above is made by incorporation of the TIRZ Zone Map prepared by Douphrate & Associates, Inc. dated September 1, 2015 and which is available in the office of the City Secretary.

**CITY OF PRINCETON  
TIRZ PROPERTY VALUATION  
11-2-15**

TIRZ PROPERTIES SOUTH OF SH 380

<u>MAP ID</u>	<u>380S</u>	<u>OWNER</u>	<u>PROPERTY ID</u>	<u>ASSESSED VALUE</u>
	1	LGI Homes – Texas LLC 75.556 Acres	2563343	\$1,913,900.00
833	2	Larry D. Armstrong 1.0 Acre	1193292	229,716.00
821	3	Sanner Properties, LLC .4703 Acres	2677455	122,493.00
815	4	Mondragon Jesus .4635 Acres	1193247	120,131.00
807	5	DL Caldwell .27 Acres	1193256	229,716.00
803	6	Durrie Lee Caldwell .2064 Acres	1193229	45,205.00
725	7	Princeton 55, LTD. .3839 Acres	1193210	174,672.00
	8	Princeton 55, LTD 1.3897 Acres	2714576	423,747.00
	9	Walmart Real Estate Business Trust .9876 Acres	2714580	86,040.00
	10	Walmart Real Estate Business Trust 19.31 Acres	2714579	1,682,549.00
<u>MAP ID</u>	<u>380S</u>	<u>OWNER</u>	<u>PROPERTY ID</u>	<u>ASSESSED VALUE</u>

11	Princeton 55, LTD. 16.346 Acres	2664244	\$ 5524.00
12	Princeton Strategy, LLC. 15.403 Acres	2719539	Ag Exempt
13	Princeton Economic Development 38.239 Acres	1192943	573,585.00
14	Princeton Economic Development 35.2 Acres	119289	528,000.00
15	Princeton Economic Development 35.19 Acres	1192970	527,850.00
16	Princeton 380 LTD 70.62 Acres	1192916	12,288.00
17	Princeton 380 LTD 78.96 Acres	1192925	13,739.00
18	Princeton 380 LTD 57.20 Acres	1193041	9953.00

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**SUBTOTAL TIRZ ASSESSED VALUE SOUTH OF SH 380      \$ 6,700,148.00**

TIRZ PROPERTIES NORTH OF SH 380

<u>MAP ID</u>	<u>380N</u>	<u>OWNER</u>	<u>PROPERTY ID</u>	<u>ASSESSED VALUE</u>
914	1	James H & Glenda Veal 1.753 Acres	1193345	\$ 248,172.00
820	2	Stella L-Le Richardson .4843 Acres	1193318	55,156.00

818	3	Tommy Welborn .9665 Acres	1193327	175,562.00
802	4	Durrie L Caldwell .5 Acres	1193238	91,713.00
810	5	Durrie L Caldwell .482 Acres	1193363	79,652.00
722	6	Durrie L Caldwell .4504 Acres	1193283	81,591.00
714	7	D L Caldwell .4415 Acres	1193309	111,596.00
	8	D L Caldwell 1.0 Acre	1193336	20,000.00
	9	D L Caldwell .9246 Acres	1193354	20,000.00
	10	Schmid Chiropractic PA , dba Schmid Chiropractic .459 Acres	2665862	374,360.00
	11	Michael R Lovelace DDS .4591 Acres	2665864	549,788.00
	12	Creekview AT 380 LLC 1.464 Acres	2690800	245,522.00
	13	Creekview AT 380 LLC 3.733 Acres	2690801	626,046.00

<u>MAP ID</u>	<u>380N</u>	<u>OWNER</u>	<u>PROPERTY ID</u>	<u>ASSESSED VALUE</u>
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14	Creekview AT 380 LLC 5.969 Acres	2690799	\$ 576,328.00
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15	State of Texas	1193069	8050.00
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<b>SUBTOTAL TIRZ ASSESSED VALUE NORTH OF SH 380</b>	<b>\$3,263,536.00</b>
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<b>TOTAL TIRZ ASSESSED VALUE</b>	<b>\$9,963,684.00</b>
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**REINVESTMENT ZONE NUMBER ONE  
CITY OF PRINCETON, TEXAS**

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**FINAL PROJECT & FINANCING PLAN**

**Council Approval:** \_\_\_\_\_

## **REINVESTMENT ZONE NUMBER ONE, CITY OF PRINCETON**

### ***Overview of Reinvestment Zone Number One, City of Princeton***

Tax increment financing is an economic development tool available for an area designated by a city as a reinvestment zone to pay for (i) public works within such zone; (ii) public improvements within such zone; (iii) programs to foster economic development within the zone, including programs created pursuant to Chapter 380, Texas Local Government Code and (iv) costs and expenses related to the foregoing. Project Costs are eligible to be paid from (i) increased ad valorem taxes collected by the taxing units participating in the zone and (ii) increased local sales and use taxes collected by the participating taxing units within the zone and attributable to new development in the zone.

The City is creating the reinvestment zone designated as "Reinvestment Zone Number One, City of Princeton" (the "Zone") to promote economic development that, but for the creation of the Zone, would not otherwise occur through private development. The Zone encompasses approximately 687.7 acres located within the City boundaries as shown in EXHIBIT A and described in EXHIBIT B. The plan for the Zone is to capture the incremental tax revenue generated from the development of land within the Zone which has development potential but has remained undeveloped, vacant and under used. The incremental tax revenue can then be applied to targeted projects that will enhance the development of the Zone and benefit the City of Princeton (the "City"). The Zone is expected to be developed over time with commercial, residential and retail establishments (collectively, the "Project") and will be constructed in multiple phases as development progresses.

The City has determined that development of the Zone will not occur solely through private investment in the foreseeable future. Additionally, the City has determined that the Zone substantially impairs the growth of the City because the Zone is predominately open and undeveloped; contains faulty lot layout in relation to size, adequacy, accessibility, or usefulness; and is located in a high-traffic location which should be made more readily accessible, and because of other development factors such as the need for essential public infrastructure to attract new business and commercial activity to the Zone for the purpose of providing long-term economic benefits including, but not limited to, increases in the real property tax base for all taxing units within the Zone, increases in sales and use tax for the City and the State of Texas, and increased job opportunities for residents of the City.

It is expected that the combination of the location of the Project and improved infrastructure will attract retail and commercial development and draw both residents of the City and other visitors to the development and stimulate the economic development and redevelopment of the Zone.

The Zone is created pursuant to Chapter 311, Texas Tax Code for a term of thirty years (unless terminated earlier as described herein), with boundaries conforming to the legal description in EXHIBIT B hereto. For the term of the Zone, 50% of City real property tax on the Tax Increment of real property will flow to the TIF Fund, 50% of the City 1% municipal sales and use tax above the Sales Tax Base will flow to the TIF Fund, and 50% of County Real Property Tax on the tax increment of real property will flow to the TIF Fund. Real property tax on the Tax Increment Base

and sales and use tax on the Sales Tax Base never flows to the TIF Fund. Real property tax and sales and use tax revenues dedicated to the TIF Fund are used to facilitate development of the Zone, whether by reimbursing expenses for public improvements or paying debt service on bonds for land acquisition and public improvements.

### ***Definitions***

"*Captured Appraised Value*" means the total taxable value of all real property taxable by the City located in the Zone for each year less the Tax Increment Base.

"*Project Costs*" means the expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by the City necessary for public works, public improvements, programs, or other projects benefiting the Zone, plus other costs incidental to those expenditures and obligations, all as described in the Act. "Project Costs" include: (a) capital costs, including the actual costs of the acquisition and construction of public works, public improvements, new buildings, structures, and fixtures; the actual costs of the acquisition, demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and fixtures; the actual costs of the remediation of conditions that contaminate public or private land or buildings; the actual costs of the preservation of the facade of a public or private building; the actual costs of the demolition of public or private buildings; and the actual costs of the acquisition of land and equipment and the clearing and grading of land; (b) financing costs, including all interest paid to holders of evidences of indebtedness or other obligations issued to pay for project costs and any premium paid over the principal amount of the obligations because of the redemption of the obligations before maturity; (c) real property assembly costs; (d) professional service costs, including those incurred for architectural, planning, engineering, and legal advice and services; (e) imputed administrative costs, including reasonable charges for the time spent by employees of the City in connection with the implementation of a project plan; (f) relocation costs; (g) organizational costs, including the costs of conducting environmental impact studies or other studies, the cost of publicizing the creation of the Zone, and the cost of implementing the project plan for the Zone; (h) interest before and during construction and for one year after completion of construction, whether or not capitalized; (i) the cost of operating the Zone and project facilities; (j) the amount of any contributions made by the City from general revenue for the implementation of the project plan; (k) the costs of school buildings, other educational buildings, other educational facilities, or other buildings owned by or on behalf of a school district, community college district, or other political subdivision of the State of Texas; and (l) payments made at the discretion of the governing body of the City that the governing body finds necessary or convenient to the creation of the Zone or to the implementation of the project plans for the Zone. The term includes Project Costs permitted by the Act, if the Act is amended in the future.

"*Sales Tax Base*" means the amount of municipal sales and use taxes attributable to the Zone for tax year 2015.

"*Sales Tax Increment*" means 50% of the portion or amount of tax increment generated from the collection of the City's 1% municipal sales and use taxes attributable to the Zone, above the Sales Tax Base, to be deposited into the Tax Increment Fund.

"*Property Tax Increment*" for a taxing unit participating in the Zone means (i) the amount of property taxes levied and assessed by the unit for that year on the captured appraised value of real property taxable by the unit and located in the Zone or (ii) the amount of property taxes levied and collected by the unit for that year on the captured appraised value of real property taxable by the unit and located in the Zone.

"*Tax Increment Base*" for a taxing unit participating in the Zone means the total taxable value of all real property taxable by the unit and located in the Zone for the tax year 2015.

"*Zone Securities*" means bonds, notes, certificates of obligation, or any other evidence of indebtedness authorized to be issued by the City, whether or not secured by revenues in the Tax Increment Fund, issued to fund Project Costs.

### ***Development of the Zone***

The Zone will be developed over time with public infrastructure (e.g., roads, water, sewer, parking, drainage, landscaping, parks and similar infrastructure) (the "Public Infrastructure") and will contain retail, commercial and residential establishments. The construction of Public Infrastructure in the Zone will be funded by the City by the issuance of general obligations as described below and by developers of parcels within the Zone. The construction of retail, commercial and residential establishments will be financed by private development.

Development of the Project will require the construction of the Public Infrastructure generally described below.

1. **Roads:** Site improvements include construction of new streets and roads, or improvements to existing streets and roads, including rights-of-way, paving and related lighting, signage, signals, grading, drainage, landscaping, screening walls and similar aesthetic elements.
2. **Site Improvements.** Site improvements include demolition of existing structures, site preparation, earth moving, and mass grading to create buildable pad sites.
3. **Water.** The water system will include new water mains or improvements to existing water mains, connections to existing water mains, provision of domestic water service, and construction of standard fire hydrants.
4. **Sanitary Sewer.** Sanitary sewer service will be provided by new lines or improvements to existing sanitary sewer lines.
5. **Drainage.** Underground drainage combined with overland flow will comprise the proposed drainage improvements for the Zone.
6. Signs directing pedestrians and traffic to public parking and venues will be installed throughout the site.
7. **Parking.** Site improvements are anticipated to include public access surface parking as well as internal, public access roads to provide traffic flow. Streetscape, landscaping, and lighting improvements are included.



***Public Roadways within the Zone (as shown in EXHIBIT C and described below)***

The Zone is expected to be developed with major roadways which are planned to provide access for future development. The estimated cost for each roadway described below includes right-of-way, paving, storm sewer, water, sanitary sewer, landscaping, street lights, signals, design and construction financing costs.

**Beauchamp Boulevard:** This project is a 5,807-foot 4-lane divided roadway extending from State Highway 380 to the proposed County Road 400.

**Estimated Cost--\$8,864,000**

**Cypress Bend:** This project is a 5,385-foot 4-lane undivided roadway extending from the south property line of the LGI Homes tract to the proposed County Road 400.

**Estimated Cost--\$5,983,000**

**County Road 400:** This project is a 12,873-foot 6-lane divided roadway extending from County Road 546 to Farm-to-Market 982.

**Estimated Cost--\$20,235,000**

**Corporate Drive (EDC Park):** This project is a 2,360-foot 2-lane roadway extending through the EDC Park from Beauchamp Blvd. to the proposed County Road 400.

**Estimated Cost--\$4,088,000**

**TIF PROJECT PLAN COST SUMMARY**

<u>PROJECT</u>	<u>EST. COST, \$K</u>
Beauchamp Blvd.	8,864
Cypress Bend	5,983
CR 400	20,235
Corporate Drive	<u>4,088</u>
TOTAL	39,170

***Proposed Changes to Ordinances, Plans, Building Codes, Ordinance, Rules, and Regulations***

Development of the Project will necessitate a newly created Planned Development that will conform to the plan approved by the City Council. There are no proposed changes of zoning ordinances, master plan, building codes, other municipal ordinances, and subdivision rules and regulations but if any are required, they will be handled in accordance with existing City policies and procedures.

### ***Relocation of Displaced Persons***

No persons will be displaced or relocated due to the creation of the Zone or as a consequence of implementing the Project.

### ***Economic Feasibility***

Creation of the Zone and construction of the Project will benefit the Zone and stimulate further business, commercial and residential activity in the Zone that would not occur through private investment in the foreseeable future. Such further business, commercial and residential activity is anticipated to occur in phases which, depending on market conditions, may overlap. Because the Zone is predominately undeveloped or underdeveloped, development of the Zone is feasible in that it will realize an increase in both the Sales Tax Increment and the Tax Increment. An Economic Feasibility Analysis is shown in EXHIBIT D which demonstrates that this Project & Financing Plan is feasible.

### ***Participation by Other Taxing Units***

The City and County are the only taxing units participating in the Zone.

### ***Estimated Bonded Indebtedness to be Incurred***

If initial project costs are not advanced by a Developer, the City of Princeton may consider issuing bonds and utilize tax increment funds to cover debt service as those funds are available.

### ***Estimated Time When Project Costs Will Be Incurred***

It is estimated that Project Costs will be incurred in the earlier years of the TIF. However, construction progress and general economic conditions could cause the schedule of costs to vary significantly. Expenditures of Project Costs may be accelerated or delayed without amending this Project & Financing Plan. All amounts described herein, including amounts of expenditures relating to Project Costs and amounts relating to participation by taxing units, are considered estimates and do not act as a limitation on the described items, but the amounts actually expended may not vary materially from the estimates herein.

***Method of Financing.*** If project costs are not advanced by a Developer, it is contemplated that the City, the City's Economic Development Corporation and the City's Community Development Corporation will issue, from time to time, one or more series of bonds or notes or enter into other

obligations (such bonds, notes, or other obligations are collectively referred to as "Zone Obligations") secured in whole or in part by the Tax Increment Fund. The proceeds of such Zone Obligations will pay the Project Costs. It is contemplated that the sources of revenue to pay the Public Infrastructure will include the City Tax Increment and the City Sales Tax increment, and any other funds legally available to pay such costs.

The City has entered into a separate agreement to promote development within the Zone on properties designated by Appraisal District Property ID's 1192916, 1192925 and 1193041. The agreement dedicates revenue from the Tax Increment Fund to pay project costs that benefit the Zone, and in the amounts and for the number of years, as described in the agreement. The incremental revenues attributable to these tracts shall be used only to pay project costs that benefit those tracts in the amounts and for the term of years as described in the agreement.

### ***Current Total Appraised Value of Taxable Property in the Zone***

The 2015 total appraised value of taxable real property in the Zone, and therefore, the Tax Increment Base, is \$9,179,393.

### ***Captured Appraised Value of the Zone***

The estimated captured appraised value of the Zone during each year of its existence is shown below.

<i>Year</i>	<i>Captured Appraised Value, \$K</i>	<i>Year</i>	<i>Captured Appraised Value, \$K</i>
2016	---	2031	2,082
2017	---	2032	2,131
2018	303	2033	2,173
2019	475	2034	2,221
2020	771	2035	2,263
2021	961	2036	2,311
2022	1,163	2037	2,341
2023	1,366	2038	2,386
2024	1,580	2039	2,399
2025	1,792	2040	2,402
2026	1,859	2041	2,410
2027	1,902	2042	2,410
2028	1,949	2043	2,410
2029	1,992	2044	2,410
2030	2,039	2045	2,410

### ***Duration of the Zone***

The Zone was created on December 14, 2015. The termination of the Zone is set as either 30 years from anniversary of creation or the date when all project costs are paid and all debt is retired, whichever occurs first, it being understood that the City Council may extend the duration of the

Zone. The City Council must declare when all project costs have been paid as it is anticipated that project costs will be incurred throughout the 30 year duration of the Zone as the Zone continues to develop.

**CITY OF PRINCETON  
TIF PROPERTY BASE VALUATION  
12-14-15**

TIF PROPERTIES SOUTH OF SH 380

<u>MAP ID</u>	<u>380S</u>	<u>OWNER</u>	<u>PROPERTY ID</u>	<u>ASSESSED VALUE</u>
	1	LGI Homes – Texas LLC 75.556 Acres	2563343	\$1,913,900.00
833	2	Larry D. Armstrong 1.0 Acre	1193292	229,716.00
821	3	Sanner Properties, LLC .4703 Acres	2677455	122,493.00
815	4	Mondragon Jesus .4635 Acres	1193247	120,131.00
807	5	DL Caldwell .27 Acres	1193256	58,805.00
803	6	Durrie Lee Caldwell .2064 Acres	1193229	45,205.00
725	7	Princeton 55, LTD. .3839 Acres	1193210	174,672.00
	8	Princeton 55, LTD 1.3897 Acres	2714576	423,747.00
	9	Walmart Real Estate Business Trust .9876 Acres	2714580	86,040.00
	10	Walmart Real Estate Business Trust 19.31 Acres	2714579	1,682,549.00

<u>MAP ID</u>	<u>380S</u>	<u>OWNER</u>	<u>PROPERTY ID</u>	<u>ASSESSED VALUE</u>
11		Princeton 55, LTD. 16.346 Acres	2664244	\$ 1,009,276.00
12		Princeton Strategy, LLC. 15.403 Acres	2719539	Ag Exempt
13		Princeton Economic Development 38.239 Acres	1192943	0.00
14		Princeton Economic Development 35.2 Acres	1192989	0.00
15		Princeton Economic Development 35.19 Acres	1192970	0.00
16		Princeton 380 LTD 70.62 Acres	1192916	12,288.00
17		Princeton 380 LTD 78.96 Acres	1192925	13,739.00
18		Princeton 380 LTD 57.20 Acres	1193041	9953.00
19		James W. Griffin 1.28 Acres	1192863	222.00
20		Mrs. J. D. Griffin 20.70 Acres	1192872	3,602.00
21		Mrs. J. D. Griffin 90.78 Acres	1192881	15,796.00
22		James W. Griffin 50.68 Acres	1192934	8,818.00

23	James W. Griffin 7.75 Acres	1194807	1,349.00
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**SUBTOTAL TIF ASSESSED VALUE SOUTH OF SH 380     \$ 5,933,341.00**

TIF PROPERTIES NORTH OF SH 380

<u>MAP ID</u>	<u>380N</u>	<u>OWNER</u>	<u>PROPERTY ID</u>	<u>ASSESSED VALUE</u>
914	1	James H & Glenda Veal 1.753 Acres	1193345	\$ 248,172.00
820	2	Stella L-Le Richardson .4843 Acres	1193318	55,156.00
818	3	Tommy Welborn .9665 Acres	1193327	175,562.00
802	4	Durrie L Caldwell .5 Acres	1193238	91,713.00
810	5	Durrie L Caldwell .482 Acres	1193363	79,652.00
722	6	Durrie L Caldwell .4504 Acres	1193283	81,591.00
714	7	D L Caldwell .4415 Acres	1193309	111,596.00
	8	D L Caldwell 1.0 Acre	1193336	20,000.00
	9	D L Caldwell .9246 Acres	1193354	10,566.00

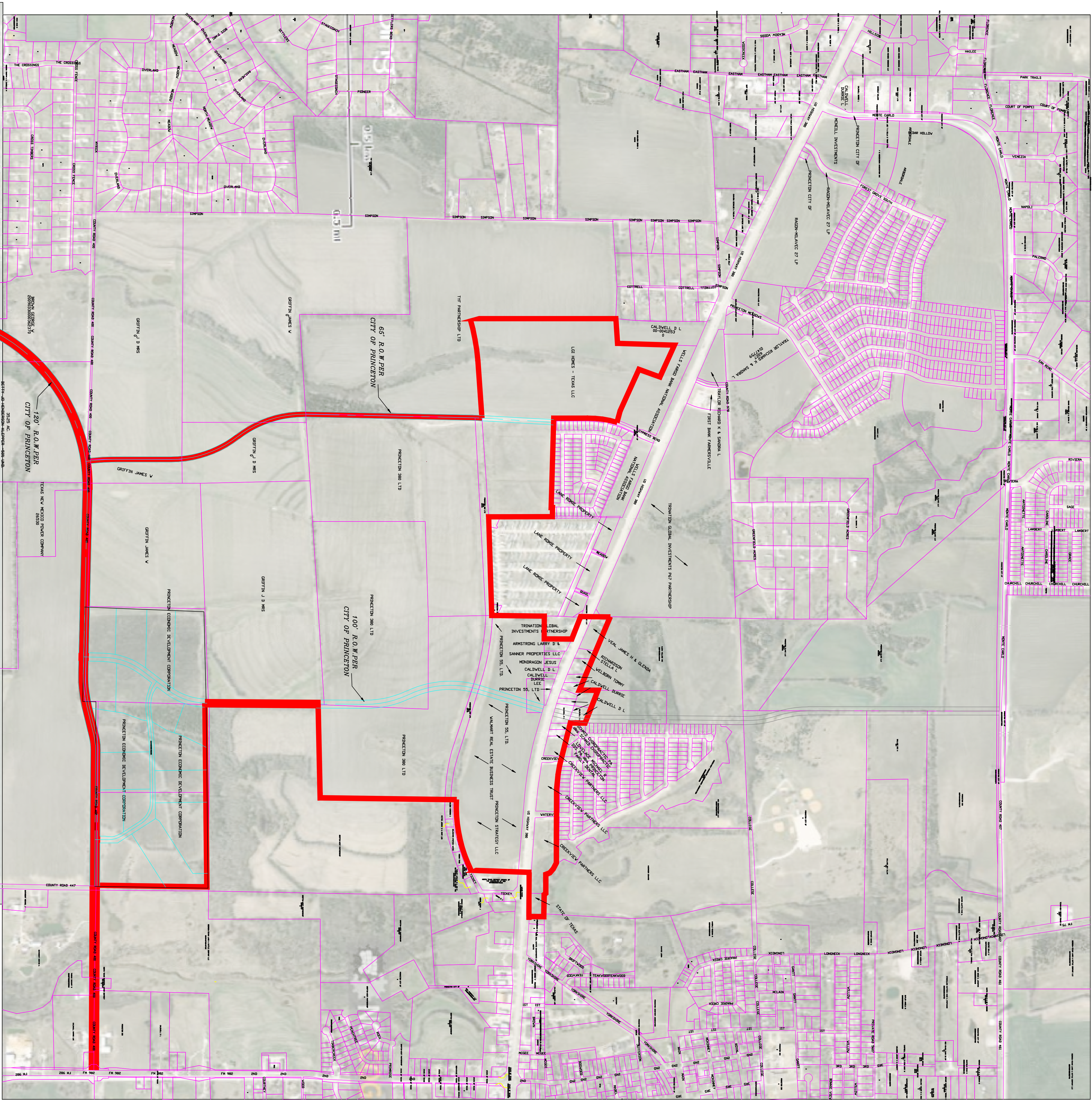
10	Schmid Chiropractic PA , dba Schmid Chiropractic .459 Acres	2665862	374,360.00
11	Michael R Lovelace DDS .4591 Acres	2665864	549,788.00
12	Creekview AT 380 LLC 1.464 Acres	2690800	245,522.00
13	Creekview AT 380 LLC 3.733 Acres	2690801	626,046.00
14	Creekview AT 380 LLC 5.969 Acres	2690799	\$ 576,328.00
15	State of Texas	1193069	0.00
			<hr/>
<b>SUBTOTAL TIF ASSESSED VALUE NORTH OF SH 380</b>			<b>\$3,246,052.00</b>
<b>TOTAL TIF ASSESSED VALUE</b>			<b>\$9,179,393.00</b>



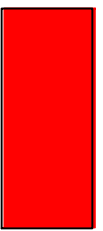


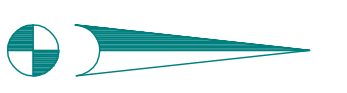


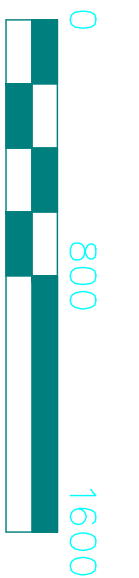
EXHIBIT A



**LEGEND**

 **TIRZ**  
**BOUNDARY**






**SCALE IN FEET**

REVISION	WLD.	CHECKED	GCW.	DRAWN	SCALE	DATE	PROJECT
					1" = 800'H	JUNE 27, 2016	15020

15020 OVERALL EXHIBIT 7

**TIRZ ZONE BOUNDARY MAP**  
CITY OF PRINCETON  
COLLIN COUNTY, TEXAS

**DOUPHRADE & ASSOCIATES, INC.**  
ENGINEERING - PROJECT MANAGEMENT - SURVEYING  
2235 RIDGE RD., # 200 ROCKWALL, TEXAS 75087  
PHONE: (972)771-9004 FAX: (972)771-9005



THE E.C. APPROPRIATE OWNERS  
DOCUMENT WAS AUTHORIZED  
BY W.L. DOUPHRADE II, TEXAS  
P.E. NO. 60102, F-886, ON  
MAY 23, 2016.



**Exhibit B**  
**City of Princeton**  
**TIF Zone General Boundary Description**  
**6/11/16**

Beginning at the north corner of the LGI Homes – Texas tract, said point also being the most westerly southwest corner of the Wells Fargo Bank National Association and on the east line of the D.L. Caldwell tract;

THENCE: Along the common line of the Well Fargo Bank tract and the LGI Homes tract as follows:

Southeast a distance of 425 feet, more or less;

Southwest a distance of 272 feet, more or less;

Southeast a distance of 554 feet, more or less, to an angle point and

Continuing southeastward a distance of a distance of 145 feet, more or less, to the west line of Cypress Bend #1 Addition;

THENCE: Southerly along a curve to the left having a radius of 1,209 feet, more or less, a distance of 363 feet, more or less, to the southwest corner of Cypress Bend Addition;

THENCE: Along the south lines of said Addition as follows:

East a distance of 1,088 feet, more or less;

North a distance of 17 feet more or less, and

East a distance of 111 feet, more or less, to the west line of Princeton Village Addition;

THENCE: South a distance of 775 feet, more or less, to the southwest corner of said Addition;

THENCE: East a distance of 1,200 feet, more or less, to the southeast corner of said Addition and the southwest corner of Princeton 55, LTD. tract;

THENCE: North a distance of 640 feet, more or less, to the northwest corner of the Princeton 55, LTD. Tract:

THENCE: East a distance of 276 feet, more or less, to the southeast corner of the Trination Global Investments Partnership tract;

THENCE: North a distance of 356 feet, more or less, to the southwest line of State Hwy. 380;

THENCE: Northwest a distance of 294 feet, more or less, along said southwest line;

THENCE: North a distance of 359 feet, more or less, crossing State Hwy.38

To the north corner of the Kim Yongshik tract and the southwest corner of the Aloha Village Tract;

THENCE: Southeast a distance of 969 feet, more or less, along the south line of the Aloha Village tract to the south corner of said tract and the southwest corner of the D.L. Caldwell tract;

THENCE: North a distance of 226 feet, more or less, along the west line of the Caldwell tract to the north corner of same:

THENCE: Southeast a distance of 429 feet, more or less, along the north line of said Caldwell tract and continuing to the west line of Creekview Addition;

THENCE: South a distance of 152 feet, more or less, to the southwest corner of the Creekview Addition and the northwest corner of Lovelace-Schmit Medical Center;

THENCE: Along the south lines of said Creekview Addition as follows:

Southeast a distance of 162 feet, more or less;

City of Princeton  
TIF Zone General Boundary Description  
Continued

Southeast a distance of 316 feet, more or less to a curve point;  
Along a curve to the left having a radius of 1,527 feet, more or less, a distance of 318 feet, more or less, and  
East a distance of 920 feet, more or less, to the southeast corner of said Creekview Addition and on the east line of the Creekview at 380 LLC tract and the westerly line of the Edward Wuermser tract;  
THENCE: Southeast a distance of 207 feet, more or less;  
THENCE: East 240 feet, more or less;  
THENCE: South 21 feet, more or less to the northwest corner of a State of Texas tract;  
THENCE: East a distance of 283 feet, more or less, to the northeast corner of the State of Texas tract;  
THENCE: South a distance of 180 feet, more or less, to the north line of State Highway 380;  
THENCE: Westerly a distance of 535 feet more or less along the north line of State Highway 380;  
THENCE: South a distance of 733 feet, more or less, crossing Highway 380 to the north line of Tickey Road;  
THENCE: Along said north line and a curve to the right having a radius of 1,756 feet, more or less, a distance of 886 feet, more or less;  
THENCE: South a distance of 600 feet, more or less, crossing Tickey Road and along the east line of the Princeton 380, LTD tract and the most northerly west line of the Griffin-West Partnership tract;  
THENCE: South a distance of 1,060 feet, more or less, continuing along said Princeton 380 tract and the Griffin-West tract line to an ell corner;  
THENCE: West a distance of 1,091 feet, more or less, along said common line to the east line of Beauchamp Blvd., a proposed 100' right-of-way;  
THENCE: South a distance of 1,362 feet, more or less, 50 feet east of and parallel with the west line of said Griffin-West Partnership tract to the north line of the Princeton Economic Development tract;  
THENCE: East a distance of 2,200 feet, more or less, along said north line to the northeast corner of the Princeton Economic Development tract;  
THENCE: South a distance of 1,320 feet, more or less, to a point 60 feet from the center of County Road 400 and on the proposed north line of the County Road 400 widening and relocation (proposed 120 feet wide right-of-way);  
THENCE: East a distance of 2,239 feet along said proposed north line and parallel with the center of County Road 400 to the west line of F.M. 982;  
THENCE: South a distance of 120 feet to the south line of the proposed 120 foot wide right-of-way;  
THENCE: West a distance of 2,236 feet along said south line and parallel with County Road 400 to the vicinity of County Road 447;  
THENCE: West a distance of 1,661 feet continuing along the proposed south line to a curve point;  
THENCE: Along a curve to the left having a radius of 640 feet, more or less, a distance of 157 feet, more or less;

City of Princeton  
TIF Zone General Boundary Description  
Continued

THENCE: Southwest a distance of 384 feet, more or less, to a curve point;

THENCE: Along a curve to the right having a radius of 408 feet, more or less, a distance of 1,560 feet, more or less;

THENCE: West a distance of 2,241 feet, more or less, 60 feet south of and parallel with the center of County Road 400 to a curve point;

THENCE: Along a curve to the left having a radius of 2,182 feet, more or less, a distance of 2,208 feet, leaving County Road 400, crossing the Kayasa Family Ltd. Tract, then crossing the George W. Brown tracts to the point of reverse curvature;

THENCE: Along a reverse curve to the right having a radius of 2,182 feet, more or less, a distance 2,596 feet, more or less, continuing crossing the George W. Brown tracts, then crossing the Shultz-Branch Ltd tract to the end of said curve;

THENCE: West a distance of 595 feet, more or less, continuing across the Shultz-Branch Ltd tract, then crossing the Roy L. McGill & Nina R -Life Estate tract to a curve point;

THENCE: Along a curve to the right having a radius of 860 feet, more or less, a distance of 161 feet more or less, crossing the Roy L. McGill & Nina R –Life Estate tract to the southwest corner of the previously mentioned County Road 440 proposed widening and relocation to County Road 546;

THENCE: Northeasterly a distance of 120 feet, more or less, to the northwest corner of the County Road 440 proposed widening and relocation and a curve point;

THENCE: Along a curve to the left having a radius of 740 feet, more or less, a distance of 139 feet, more or less, crossing the Regatta Development Corporation tract to the end of said curve;

THENCE: East 597 feet, more or less, continuing to cross the Regatta Development Corporation tract to a curve point;

THENCE: Along a curve to the left having a radius of 2,062 feet, more or less, a distance of 2,454 feet, more or less, crossing the previously mentioned Shultz-Branch Ltd tract, then the George W. Brown tracts to a point of reverse curvature;

THENCE: Along a curve to the right having a radius of 2,062 feet, more or less, a distance of 2,454 feet, more or less, continuing to cross the George W. Brown tracts to the west line of the proposed southern extension of Cypress Bend, a proposed 65 foot wide right-of-way;

THENCE: Northerly along a curve to the right having a radius of 2,567 feet, more or less, a distance of 304 feet, more or less, with said west line crossing the Mrs. J.D. Griffin tracts to the end of said curve;

THENCE: North a distance of 682 feet, more or less, continuing with said west line to a curve point;

THENCE: Along a curve to the left having a radius of 1,285 feet, more or less, a distance of 846 feet, more or less, continuing with said west line and continuing to cross the Mrs. J.D. Griffin tracts to the point of reverse curvature;

THENCE: Along a curve to the right having a radius of 1,350 feet, more or less, a distance of 889 feet, more or less, continuing with said west line and continuing to cross the Mrs. J.D. Griffin tracts and then the James W. Griffin tract;

City of Princeton  
TIF Zone General Boundary Description  
Continued

THENCE: North a distance of 2,063 feet, more or less, continuing with said west line and continuing across the James W. Griffin tract and then the TYF Partnership LTD tract to a curve point;

THENCE: Along a curve having a radius of 1,233 feet, more or less, a distance of 45 feet, more or less, continuing with said west line and continuing to cross the TYF Partnership LTD tract to a curve point;

THENCE: Northerly a distance of 57 feet, more or less, continuing with said west line to the north line of the TYF Partnership and the south line of the LGI Homes – Texas tract;

THENCE: Southwesterly a distance of 600 feet, more or less, with the common TYF Partnership LTD and LGI Homes – Texas line to a curve point;

THENCE: along a curve to the left having a radius of 2,855 feet, more or less, a distance of along the common TYF Partnership LTD and LGI Homes – Texas line to an ell corner of the TYF Partnership LTD and the southwest corner of the LGI Homes – Texas tract;

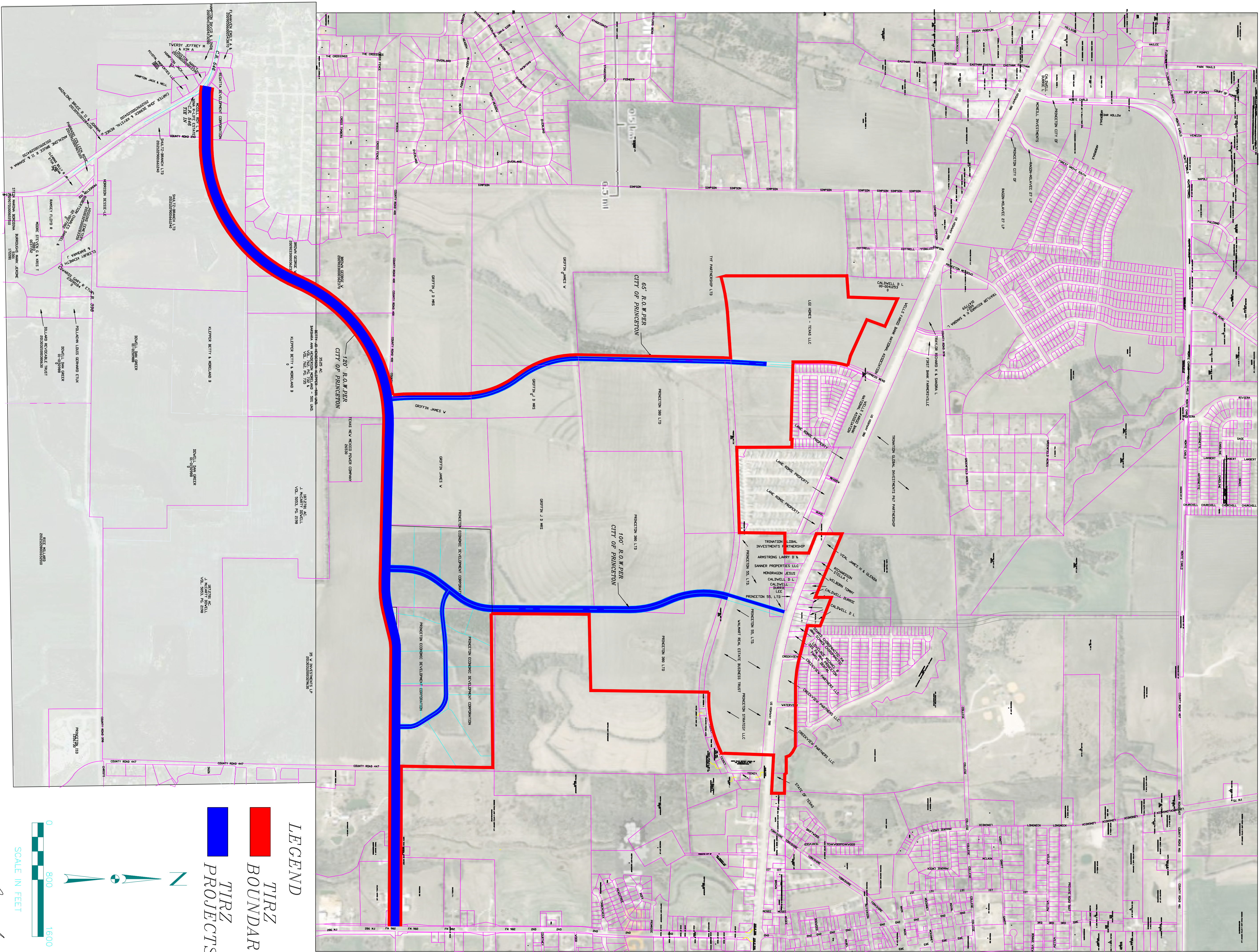
THENCE: North a distance of 1,773 feet, more or less, continuing along said common line to the northeast corner of the TYF Partnership LTD tract and the southwest corner of the D.L. Caldwell tract;

THENCE: East a distance of 301 feet, more or less, along the common D.L. Caldwell and the LGI Homes – Texas line to the southeast corner of the D.L. Caldwell tract and an ell corner of the TYF Partnership LTD tract;

THENCE: North a distance of 692 feet, more or less, to the Point of Beginning and containing 687.7 acres of land, more or less.



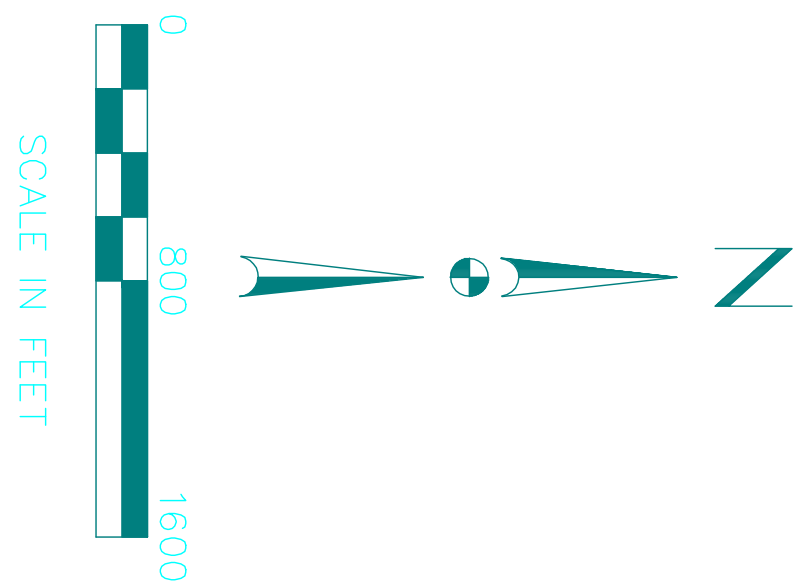
EXHIBIT C



**LEGEND**

■ TIRZ BOUNDARY

■ TIRZ PROJECTS



REVISION	WLD.	CHECKED	GCW.	DRAWN	SCALE	DATE	PROJECT
					1" = 800'H	MAY 25, 2016	15020

15020 OVERALL EXHIBIT 7

**DOUPHRADE & ASSOCIATES, INC.**  
ENGINEERING - PROJECT MANAGEMENT - SURVEYING  
22335 RIDGE RD., # 200 ROCKWALL, TEXAS 75087  
PHONE: (972)771-9004 FAX: (972)771-9005

THE CITY OF PRINCETON, TEXAS  
BY: W.L. DOUPHRADE II, TEXAS  
REGISTERED PROFESSIONAL ENGINEER  
NO. 60102, F-886, ON  
MAY 23, 2016.

**W.L. DOUPHRADE II**  
REGISTERED PROFESSIONAL ENGINEER  
NO. 60102, F-886, ON  
MAY 23, 2016.



# EXIHIBIT D

CITY OF PRINCETON  
TIF ZONE

ECONOMIC FEASIBILITY ANALYSIS



**PRINCETON TIF  
DEVELOPMENT ANALYSIS  
COMMERCIAL PROPERTIES**

**Properties North of SH380**

Properties developed to remain as-is

<u>Property ID</u>	<u>Acres</u>
2665862	0.4591
2665864	<u>0.4591</u>
TOTAL	0.9182

Remaining properties to be developed

<u>Property ID</u>	<u>Acres</u>
1193345	1.7530
1193318	0.4843
1193327	0.9665
1193328	0.5000
1193363	0.4820
1193283	0.4504
1193309	0.4415
1193336	1.0000
1193354	0.9246
2690800	1.4640
2690801	3.7330
2690799	<u>5.9690</u>
TOTAL	18.1683 = 791,411 SF

Assume lot coverage of 20%

Building SF = 158,282 SF

Assume building cost of \$100/SF

Building value = \$15.8 million

Assume development is 2/3 retail and 1/3 office/small business

Retail value = \$10.5 million

Office/small business value = \$5.3 million

Assume retail sales/SF = \$200  
Retail SF = 105,521 SF  
Retail sales = \$21.1 million/year  
Sales tax at 1% = \$211,042/year

### **Properties South of SH380**

Wal Mart

Building size = 220,182 SF  
Building value = \$18.7 million  
Assume taxable retail sales/SF = \$150  
Retail sales = \$33.0 million/year  
Sales tax at 1% = \$330,000/year

Commercial Properties along SH380

<u>Property ID</u>	<u>Acres</u>
1193292	1.0000
2677455	0.4703
1193247	0.4635
1193256	0.2700
1193229	0.2064
1193210	0.3839
2714576	1.3897
2664244	13.3855
2719539	<u>15.4030</u>
TOTAL	32.9723 = 1,436,273 SF

Assume lot coverage of 20%  
Building SF = 287,255 SF

Assume building cost of \$100/SF  
Building value = \$28.7 million

Assume development is 2/3 retail and 1/3 office/small business  
Retail value = \$19.1 million  
Office/small business value = \$9.6 million

Assume retail sales/SF = \$200  
Retail SF = 191,503 SF  
Retail sales = \$38.3 million/year  
Sales tax at 1% = \$383,007/year

EDC Business Park Property

<u>Property ID</u>	<u>Acres</u>
1192943	38.2390
1192989	35.2000
1192970	<u>35.1900</u>
TOTAL	108.6290

Assume 90 developable acres  
Assume fully developed with 1.5 million SF  
Assume building cost = \$60/SF  
Building value = \$90 million

**PRINCETON TIF  
DEVELOPMENT SCHEDULE  
COMMERCIAL PROPERTIES**

**Properties North of SH380**

Retail SF = 105,521

Assume 9KSF every 2 years beginning in 2018

11 projects @ 9KSF, 1 project @ 6,521 SF

11 projects @ \$900K/year, 1 project @ \$352.1K

Office/Small Business SF = 52,761

Assume 6KSF every 2 years beginning in 2019

8 projects @ 6KSF, 1 project @ 4,761 SF

8 projects @ \$600K/year, 1 project @ 476.1K

**Properties South of SH380**

Wal Mart SF = 220,182

Assume on the tax roll beginning in 2017

1 project @ \$18.7 million in 2017

Retail SF = 191,503

Assume 20KSF every 2 years beginning in 2018

9 projects @ 20KSF, 1 project @ 11,503 SF

9 projects @ \$2,000K/year, 1 project @ \$1,150K

Office/Small Business SF = 95,752

Assume 9KSF every 3 years beginning in 2019

10 projects @ 9KSF, 1 project @ 5,752 SF

10 projects @ \$900K/year, 1 project @ 575.2K

EDC Business Park SF = 1,500,000

Assume 150KSF every 2 years beginning in 2019

10 projects @ 150KSF

10 projects @ \$9,000K/year

**PRINCETON TIF  
RESIDENTIAL SOUTH OF 380  
PRINCETON CROSSING  
DEVELOPMENT SCHEDULE**

			<u>HOMES</u>					
	<u>Ph I</u>	<u>PhII</u>	<u>PhIII</u>	<u>PhIV</u>	<u>PhV</u>	<u>PhVI</u>	<u>TOTAL</u>	<u>VALUE, \$K*</u>
3Q17	27	-	-	-	-	-	27	5,400
4Q17	24	-	-	-	-	-	24	4,800
1Q18	37	-	-	-	-	-	37	7,400
2Q18	37	-	-	-	-	-	37	7,400
3Q18	37	-	-	-	-	-	37	7,400
4Q18	17	20	-	-	-	-	37	7,600
1Q19	-	31	6	-	-	-	37	7,800
2Q19	-	-	37	-	-	-	37	8,140
3Q19	-	-	37	-	-	-	37	8,140
4Q19	-	-	37	-	-	-	37	8,140
1Q20	-	-	37	-	-	-	37	8,140
2Q20	-	-	4	33	-	-	37	8,470
3Q20	-	-	-	37	-	-	37	8,510
4Q20	-	-	-	37	-	-	37	8,510
1Q21	-	-	-	37	-	-	37	8,510
2Q21	-	-	-	5	32	-	37	8,830
3Q21	-	-	-	-	37	-	37	8,880
4Q21	-	-	-	-	37	-	37	8,880
1Q22	-	-	-	-	37	-	37	8,880
2Q22	-	-	-	-	37	-	37	8,880
3Q22	-	-	-	-	26	11	37	8,990
4Q22	-	-	-	-	-	37	37	9,250
1Q23	-	-	-	-	-	37	37	9,250
2Q23	-	-	-	-	-	37	37	9,250
3Q23	-	-	-	-	-	37	37	9,250
4Q23	-	-	-	-	-	37	37	9,250
1Q24	-	-	-	-	-	17	17	<u>4,250</u>
TOT.	179	51	158	149	206	213	956	218,230

\*Assume Ph I home price = \$200K  
Increase at \$10K per phase

**PRINCETON TIF  
RESIDENTIAL SOUTH OF 380  
LGI HOMES  
DEVELOPMENT SCHEDULE**

	<u>HOMES</u>	<u>VALUE, \$K*</u>
2Q16	20	3,000
3Q16	25	3,750
4Q16	30	4,500
1Q17	30	4,500
2Q17	30	4,500
3Q17	30	4,500
4Q17	30	4,500
1Q18	35	5,950
2Q18	35	5,950
3Q18	35	5,950
4Q18	<u>39</u>	<u>6,630</u>
TOTAL	339	53,730

\*Assume home price 2Q16 – 4Q17 = \$150K  
Assume home price in 2018 = \$170

**PRINCETON TIF  
COMMERCIAL REAL PROPERTY VALUES, \$K**

<b>YEAR</b>	<b><u>NORTH OF 380</u></b>		<b><u>SOUTH OF 380</u></b>				<b><u>TOTAL</u></b>
	<b><u>RETAIL</u></b>	<b><u>OFFICE/BUS</u></b>	<b><u>RETAIL</u></b>	<b><u>OFFICE/BUS</u></b>	<b><u>WAL MART</u></b>	<b><u>BUS PARK</u></b>	
2015	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-
2017	-	-	-	-	18,700	-	18,700
2018	900	-	2,000	-	-	-	2,900
2019	-	600	-	900	-	9,000	10,500
2020	900	-	2,000	-	-	-	2,900
2021	-	600	-	900	-	9,000	10,500
2022	900	-	2,000	-	-	-	2,900
2023	-	600	-	900	-	9,000	10,500
2024	900	-	2,000	-	-	-	2,900
2025	-	600	-	900	-	9,000	10,500
2026	900	-	2,000	-	-	-	2,900
2027	-	600	-	900	-	9,000	10,500
2028	900	-	2,000	-	-	-	2,900
2029	-	600	-	900	-	9,000	10,500
2030	900	-	2,000	-	-	-	2,900
2031	-	600	-	900	-	9,000	10,500
2032	900	-	2,000	-	-	-	2,900
2033	-	600	-	900	-	9,000	10,500
2034	900	-	2,000	-	-	-	2,900
2035	-	476	-	900	-	9,000	10,376
2036	900	-	1,150	-	-	-	2,050
2037	-	-	-	900	-	9,000	9,900
2038	900	-	-	-	-	-	900
2039	-	-	-	575	-	-	575
2040	352	-	-	-	-	-	352
2041	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>10,252</b>	<b>5,276</b>	<b>19,150</b>	<b>9,575</b>	<b>18,700</b>	<b>90,000</b>	<b>152,953</b>

**PRINCETON TIF  
RESIDENTIAL REAL PROPERTY VALUES, \$K**

	<b><u>SOUTH OF 380</u></b>		
<b><u>YEAR</u></b>	<b><u>LGI HOMES</u></b>	<b><u>PRINCETON CROSSING</u></b>	<b><u>TOTAL</u></b>
2015	-	-	-
2016	-	-	-
2017	11,250	-	11,250
2018	18,000	10,200	28,200
2019	24,480	29,800	54,280
2020	-	32,250	32,250
2021	-	33,630	33,630
2022	-	35,100	35,100
2023	-	36,000	36,000
2024	-	37,000	37,000
2025	-	4,250	4,250
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-
2032	-	-	-
2033	-	-	-
2034	-	-	-
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
<b>TOTAL</b>	<b>53,730</b>	<b>218,230</b>	<b>271,960</b>



**PRINCETON TIF  
REAL PROPERTY VALUES & TIF FUND, \$K  
CITY OF PRINCETON**

<b><u>YEAR</u></b>	<b><u>COMMERCIAL</u></b>	<b><u>RESIDENTIAL</u></b>	<b><u>TOTAL</u></b>	<b><u>CUM TOTAL</u></b>	<b><u>TIF FUND*</u></b>
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	18,700	11,250	29,950	29,950	-
2018	2,900	28,200	31,100	61,050	104
2019	10,500	54,280	64,780	125,830	212
2020	2,900	32,250	35,150	160,980	435
2021	10,500	33,630	44,130	205,110	557
2022	2,900	35,100	38,000	243,110	709
2023	10,500	36,000	46,500	289,610	841
2024	2,900	37,000	39,900	329,510	1,002
2025	10,500	4,250	14,750	344,260	1,140
2026	2,900	-	2,900	347,160	1,191
2027	10,500	-	10,500	357,660	1,201
2028	2,900	-	2,900	360,560	1,237
2029	10,500	-	10,500	371,060	1,247
2030	2,900	-	2,900	373,960	1,283
2031	10,500	-	10,500	384,460	1,293
2032	2,900	-	2,900	387,360	1,330
2033	10,500	-	10,500	397,860	1,340
2034	2,900	-	2,900	400,760	1,376
2035	10,376	-	10,376	411,136	1,386
2036	2,050	-	2,050	413,186	1,422
2037	9,900	-	9,900	423,086	1,429
2038	900	-	900	423,986	1,463
2039	575	-	575	424,561	1,466
2040	352	-	352	424,913	1,468
2041	-	-	-	424,913	1,470
2042	-	-	-	424,913	1,470
2043	-	-	-	424,913	1,470
2044	-	-	-	424,913	1,470
2045	-	-	-	-	1,470
<b>TOTAL</b>	<b>152,953</b>	<b>271,960</b>	<b>424,913</b>	<b>424,913</b>	<b>32,482</b>

\* Based on 50% of 2015 tax rate of \$0.691886 / \$100

**PRINCETON TIF  
RETAIL SALES / YEAR, \$M**

<u>YEAR</u>	<u>NORTH OF 380</u>	<u>SOUTH OF 380</u>	<u>WAL MART</u>	<u>TOTAL</u>	<u>TIF SALES TAX, \$K*</u>
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	33.0	33.0	-
2018	1.8	4.0	33.0	38.8	165
2019	1.8	4.0	33.0	38.8	194
2020	3.6	8.0	33.0	44.6	194
2021	3.6	8.0	33.0	44.6	223
2022	5.4	12.0	33.0	50.4	223
2023	5.4	12.0	33.0	50.4	252
2024	7.2	16.0	33.0	56.2	252
2025	7.2	16.0	33.0	56.2	281
2026	9.0	20.0	33.0	62.0	281
2027	9.0	20.0	33.0	62.0	310
2028	10.8	24.0	33.0	67.8	310
2029	10.8	24.0	33.0	67.8	339
2030	12.6	28.0	33.0	73.6	339
2031	12.6	28.0	33.0	73.6	368
2032	14.4	32.0	33.0	79.4	368
2033	14.4	32.0	33.0	79.4	397
2034	16.2	36.0	33.0	85.2	397
2035	16.2	36.0	33.0	85.2	426
2036	18.0	38.3	33.0	89.3	426
2037	18.0	38.3	33.0	89.3	447
2038	19.8	38.3	33.0	91.1	447
2039	19.8	38.3	33.0	91.1	456
2040	21.1	38.3	33.0	92.4	456
2041	21.1	38.3	33.0	92.4	462
2042	21.1	38.3	33.0	92.4	462
2043	21.1	38.3	33.0	92.4	462
2044	21.1	38.3	33.0	92.4	462
2045	-	-	-	-	462
<b>TOTAL</b>	<b>21.1</b>	<b>38.3</b>	<b>33.0</b>	<b>92.4</b>	<b>9,855</b>

\* Based on ½ of 1% sales tax.

**PRINCETON TIF  
SUMMARY OF TIF INCOME, \$K**

	<b><u>CITY</u></b>		
<b><u>YEAR</u></b>	<b><u>REAL PROPERTY</u></b>	<b><u>SALES TAX</u></b>	<b><u>TOTAL</u></b>
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	104	165	269
2019	212	194	406
2020	435	194	629
2021	557	223	780
2022	709	223	932
2023	841	252	1,093
2024	1,002	252	1,254
2025	1,140	281	1,421
2026	1,191	281	1,472
2027	1,201	310	1,511
2028	1,237	310	1,547
2029	1,247	339	1,586
2030	1,283	339	1,622
2031	1,293	368	1,661
2032	1,330	368	1,698
2033	1,340	397	1,737
2034	1,376	397	1,773
2035	1,386	426	1,812
2036	1,422	426	1,848
2037	1,429	447	1,876
2038	1,463	447	1,910
2039	1,466	456	1,922
2040	1,468	456	1,924
2041	1,470	462	1,932
2042	1,470	462	1,932
2043	1,470	462	1,932
2044	1,470	462	1,932
2045	1,470	462	1,932
TOTAL	32,482	9,855	42,337

**PRINCETON TIF  
SUMMARY OF TIF INCOME, \$K**

	<b><u>CITY</u></b>		<b><u>COUNTY</u></b>	
<b><u>YEAR</u></b>	<b><u>REAL PROPERTY</u></b>	<b><u>SALES TAX</u></b>	<b><u>REAL PROPERTY</u></b>	<b><u>TOTAL</u></b>
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	104	165	34	303
2019	212	194	69	475
2020	435	194	142	771
2021	557	223	181	961
2022	709	223	231	1,163
2023	841	252	273	1,366
2024	1,002	252	326	1,580
2025	1,140	281	371	1,792
2026	1,191	281	387	1,859
2027	1,201	310	391	1,902
2028	1,237	310	402	1,949
2029	1,247	339	406	1,992
2030	1,283	339	417	2,039
2031	1,293	368	421	2,082
2032	1,330	368	433	2,131
2033	1,340	397	436	2,173
2034	1,376	397	448	2,221
2035	1,386	426	451	2,263
2036	1,422	426	463	2,311
2037	1,429	447	465	2,341
2038	1,463	447	476	2,386
2039	1,466	456	477	2,399
2040	1,468	456	478	2,402
2041	1,470	462	478	2,410
2042	1,470	462	478	2,410
2043	1,470	462	478	2,410
2044	1,470	462	478	2,410
2045	1,470	462	478	2,410
TOTAL	32,482	9,855	10,568	52,905

# PRINCETON TIF

## SUMMARY OF INCOME, \$K

	<u>TIF</u>	<u>CITY</u>	<u>COUNTY</u>
Real Property	43,050	32,482	10,568
Sales Tax	9,855	9,855*	-
BPP&I	-	9,800	3,200
<b>TOTAL</b>	<b>52,905</b>	<b>52,137</b>	<b>13,768</b>

\*Excluding 4A&4B

**CITY OF PRINCETON**  
**COUNTY PARTICIPATION PERCENTAGE ANALYSIS**

	<u>CITY, \$M</u>	<u>COUNTY,\$M**</u>
Real Property Taxes to TIF	32.5	10.6
Real Property Taxes Retained	32.5	10.6
Sales Taxes to TIF	9.9	_____
Sales Taxes Retained (Excl. 4A&4B)	9.9	_____
BPP&I Taxes*	9.8	3.2
 Total Revenues Generated	 94.6	 24.4
Percent of Total Revenues to TIF	44.8	43.4

\* Based on 30% of real property values

\*\* Based on 50% of County tax rate of \$0.225/\$100 valuation

**CITY OF PRINCETON**  
**TAX INCREMENT REINVESTMENT NO. 1**  
**HISTORICAL TAX VALUES, \$K**

<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
3,856	3,350	2,692	1,987	1,579

**Inter-Local Cooperation Agreement for Participation in Princeton TIF District  
COUNTY OF COLLIN:**

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

**WITNESSETH:**

**WHEREAS**, on the 14<sup>th</sup> day of December, 2015, the Princeton City Council approved Ordinance No. 2015-198 establishing City of Princeton Tax Increment Financing (TIF) District No. 1 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 City Council approved the Final Project and Financing Plan on \_\_\_\_\_ 2017; and

**WHEREAS**:, the City, by Ordinance No. 2015-198 contributes forty-four and 80/100 percent (44.80%) of its revenues to the TIF Fund for a period of thirty (30) years for design, installation, construction and financing of Infrastructure (hereinafter defined) and other authorized projects for or within the TIF District; and

**WHEREAS**:, the County intends to contribute forty-three and 40/100 (43.40%) of its revenue to the TIF 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 Definition**

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 the TIF District for the year less the Tax Increment Base of the Taxing Unit.

“Captured Sales Tax” shall mean the total sales tax collected (less 4A & 4B) by the City within the TIF District for the year less the Sales Tax Base of the City.

“City” shall mean the City of Princeton, 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 the TIF District.

“Infrastructure” shall mean public infrastructure consisting of roads, water, sanitary sewer drainage, trails, open space and related improvements including design, engineering and construction within the TIF District as identified in the Project Plan.

“Maximum Reimbursement Amount” for the County shall mean an amount of no more than Ten Million Five Hundred Sixty-eight Thousand Dollars (\$10,568,000) of the County’s Tax Increment which shall be deposited in the Tax Increment Fund during the term of the 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 project plan and financing plan for the TIF District approved by the City Council for the City on \_\_\_\_\_, 2017.

“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 the 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 the TIF District was designated (2015).

“Tax Increment Fund” shall mean the funds deposited by the City and County in the tax increment fund for the TIF District.

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

“TIF District” shall mean the City of Princeton Tax Increment Financing District No. 1.

## **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 \_\_\_\_\_, 2017 not to exceed the Maximum Reimbursement Amount. The County shall annually pay its Tax Increment to the Tax Increment Fund beginning with tax year 2015 and continue during the term of the 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 the City'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 City agrees to provide the County with any proposed amendments to the Project Plan at least fourteen (14) days prior to their submission to the City Council for approval.

3.6 Upon termination of the TIF District, and after all obligations of the TIF District have been paid, the City 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 City Council for the City. The Tax Increment Fund may not be used for projects not included in the Project Plan. The County's tax increment may only be used for Infrastructure costs shown in the Project Plan as shown in **Exhibit "A"**.

3.8 No portion of the Tax Increment contributed to the TIF District by the County may be paid to the City 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 written consent of either party.

5.2 Authorization. Each party represents that it has full capability and 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 City to:  
Derek Borg  
City Manager  
City of Princeton  
123 W. Princeton Drive  
Princeton, Texas 75407

With copy to:

If intended for County to:  
Judge Keith Self  
Collin County Administration  
Building  
Suite 4192  
2300 Bloomdale Road  
McKinney, Texas 75071

With copy to:

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, 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 Counterparts. This Agreement may be executed in counterparts. 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 permit's 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 City, examine and audit the City records pertaining to the collection and expenditure of County Tax Increment contributed to the Tax Increment Fund.

**EXHIBIT A  
CITY OF PRINCETON TIF #1  
PROJECT PLAN**

<b><u>PROJECT</u></b>	<b><u>EST. COST, \$K*</u></b>
Beuchamp Blvd.	8,864
Cypress Bend	5,983
CR 400	<u>20, 235</u>
<b>TOTAL</b>	<b>35,082</b>

\*Estimated cost for each roadway described above includes right-of-way, paving, storm sewer, water, sanitary sewer, landscaping, street lights, signals, design and construction financing costs