



CITY OF ANGLETON
TAX INCREMENT REINVESTMENT ZONE NO. 2
120 S. CHENANGO STREET, ANGLETON, TEXAS 77515
THURSDAY, JANUARY 28, 2021 AT 3:00 PM

AGENDA

NOTICE IS HEREBY GIVEN PURSUANT TO V.T.C.A., GOVERNMENT CODE, CHAPTER 551, THAT THE TAX INCREMENT REINVESTMENT ZONE NO. 2 FOR CITY OF ANGLETON WILL CONDUCT A MEETING, OPEN TO THE PUBLIC, ON THURSDAY, JANUARY 28, 2021, AT 3:00 P.M., AT THE CITY OF ANGLETON COUNCIL CHAMBERS LOCATED AT 120 S. CHENANGO STREET ANGLETON, TEXAS 77515.

In accordance with an Order of the Office of the Governor issued March 16, 2020, this meeting scheduled is in person and open to the public at The City of Angleton Council Chambers located at 120 S. Chenango Street Angleton, Texas 77515. In order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") to slow the spread of the Coronavirus (COVID-19), seating will be limited to 50% Fire Code capacity or 24 people to allow for 6 feet of separation.

Citizens who wish to attend the Meeting in person must abide by the following requirements:

1. Do not enter the building if you are having symptoms. Go home.
2. Maintain a minimum distance of 6 feet from other citizens.
3. Families or persons traveling together may sit together but maintain social distancing from others.

The City will be using a telephone/video conferencing tool called ZOOM to make the meeting available to the public. You have several options to participate:

1. Click the link to join the webinar: <https://zoom.us/j/87349984540> Meeting ID: 873 4998 4540
2. Phone in at 888 475 4499 or 877 853 5257 and enter Meeting ID: 873 4998 4540
3. Download the ZOOM app to your phone and enter Meeting ID: 873 4998 4540

This meeting will also be live-streamed on Facebook Live at <https://www.facebook.com/cityofangleton/>.

The public will be permitted to offer public comments on each agenda item by emailing the City Secretary at citysecretary@angleton.tx.us by Wednesday at 5:00 p.m., prior to the meeting. The request must include the meeting title, speaker's name, address, and the agenda item number.

DECLARATION OF A QUORUM AND CALL TO ORDER

The Presiding Officer may establish time limits based upon the number of speaker requests, the length of the agenda, and to ensure meeting efficiency, and may include a cumulative time limit. Citizens may speak at the beginning or at the time the item comes before council in accordance with Texas Government Code Section 551.007. No Action May be Taken by the City Council During Public Comments.

REGULAR AGENDA

1. Welcome and introductions; discuss qualifications of directors.
2. Discussion and possible action to organize the Board of Directors and elect Officers.
3. Discussion and possible action on Open Meetings Act and Public Information Act training requirements.
4. Discussion on the conflict of interest disclosure required under Chapter 176 of the Texas Local Government Code, including review of disclosure forms adopted by the Texas Ethics Commission and List of Local Government Officers.
5. Discussion and possible action on the basics of tax increment financing, the role and functions of the Zone and the Board of Directors, and the creation of the Zone.
6. Discussion and possible action on the Preliminary Project Plan, Reinvestment Zone Financing Plan, and on the preparation of the Final Project Plan and Reinvestment Zone Financing Plan.
7. Discussion and possible action on future meetings of the Board of Directors.

ADJOURNMENT

CERTIFICATION

I, Frances Aguilar, City Secretary, do hereby certify that this Notice of a Meeting was posted on the City Hall bulletin board, a place convenient and readily accessible to the general public at all times and to the City's website, www.angleton.tx.us, in compliance with Chapter 551, Texas Government Code. The said Notice was posted on the following date and time: Monday, January 25, 2021 by 3:00 p.m. and remained so posted continuously for at least 72 hours proceeding the scheduled time of said meeting.

/S/ Frances Aguilar

Frances Aguilar, TRMC, CMC
City Secretary

In compliance with the Americans with Disabilities Act, the City of Angleton will provide reasonable accommodations for persons attending City meetings. The facility is wheelchair accessible and accessible parking spaces are available. Please contact the City Secretary at 979-849-4364, extension 2115 or email faguilar@angleton.tx.us.

<https://www.texasattorneygeneral.gov/open-government/open-meetings-act-training>

Open Meetings Act Training

Members of a governmental body subject to the Open Meetings Act (OMA) are required to participate in education training sessions pursuant to section 551.005 of the Texas Government Code. The training requirement applies to all elected or appointed officials who participate in meetings subject to the OMA. However, it does not apply to public officials who do not conduct business in meetings subject to the OMA. For example, law enforcement officials, auditors, or county clerks are not required to complete training under the OMA.

The law requires that members subject to the OMA complete training within 90 days of taking the oath of office or otherwise assuming the responsibilities of office. The training must include information regarding the:

1. General background of the legal requirements for open meetings;
2. Applicability of the Open Meetings Act to governmental bodies;
3. Procedures and requirements regarding quorums, notice, and recordkeeping under the OMA;
4. Procedures and requirements for holding an open meeting and for holding a closed meeting under the OMA; and
5. Penalties and other consequences for failure to comply with the OMA.

The Office of the Attorney General's training video includes information on each of these elements and satisfies the requirements imposed by section 551.005 of the OMA. A public official may obtain a course completion certificate by following the directions at the end of the training video. The certificate must be maintained by the member's governmental body and made available for public inspection upon request.

After completing the training course, you may print your certificate at the link included on the website. The certificate will be provided to the District's records manager.

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed;

or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

FORM CIQ

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

OFFICE USE ONLY

Date Received

1 Name of vendor who has a business relationship with local governmental entity.

2 **Check this box if you are filing an update to a previously filed questionnaire.** (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information is being disclosed.

 Name of Officer

4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?

Yes No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?

Yes No

5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.

6 Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).

7 _____
 Signature of vendor doing business with the governmental entity Date

LOCAL GOVERNMENT OFFICER CONFLICTS DISCLOSURE STATEMENT

Section 176.003 of the Local Government Code requires certain local government officers to file this form. A "local government officer" is defined as a member of the governing body of a local governmental entity; a director, superintendent, administrator, president, or other person designated as the executive officer of a local governmental entity; or an agent of a local governmental entity who exercises discretion in the planning, recommending, selecting, or contracting of a vendor. This form is required to be filed with the records administrator of the local governmental entity not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of this statement.

A local government officer commits an offense if the officer knowingly violates Section 176.003, Local Government Code. An offense under this section is a misdemeanor.

Refer to chapter 176 of the Local Government Code for detailed information regarding the requirement to file this form.

INSTRUCTIONS FOR COMPLETING THIS FORM

The following numbers correspond to the numbered boxes on the other side.

- 1. Name of Local Government Officer.** Enter the name of the local government officer filing this statement.
- 2. Office Held.** Enter the name of the office held by the local government officer filing this statement.
- 3. Name of vendor described by Sections 176.001(7) and 176.003(a), Local Government Code.** Enter the name of the vendor described by Section 176.001(7), Local Government Code, if the vendor: a) has an employment or other business relationship with the local government officer or a family member of the officer as described by Section 176.003(a)(2)(A), Local Government Code; b) has given to the local government officer or a family member of the officer one or more gifts as described by Section 176.003(a)(2)(B), Local Government Code; or c) has a family relationship with the local government officer as defined by Section 176.001(2-a), Local Government Code.
- 4. Description of the nature and extent of each employment or other business relationship and each family relationship with vendor named in item 3.** Describe the nature and extent of the employment or other business relationship the vendor has with the local government officer or a family member of the officer as described by Section 176.003(a)(2)(A), Local Government Code, and each family relationship the vendor has with the local government officer as defined by Section 176.001(2-a), Local Government Code.
- 5. List gifts accepted, if the aggregate value of the gifts accepted from vendor named in item 3 exceeds \$100.** List gifts accepted during the 12-month period (described by Section 176.003(a)(2)(B), Local Government Code) by the local government officer or family member of the officer from the vendor named in item 3 that in the aggregate exceed \$100 in value.
- 6. Signature.** Signature of local government officer. Complete this section after you finish the rest of this report. You have the option to either: (1) take the completed form to a notary public where you will sign above the first line that says "Signature of Local Government Officer" (an electronic signature is not acceptable) and your signature will be notarized, or (2) sign above both lines that say "Signature of Local Government Officer (Declarant)" (an electronic signature is not acceptable), and fill out the unsworn declaration section.

Local Government Code § 176.001(2-a): "Family relationship" means a relationship between a person and another person within the third degree by consanguinity or the second degree by affinity, as those terms are defined by Subchapter B, Chapter 573, Government Code.

Local Government Code § 176.003(a)(2)(A):

(a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

LOCAL GOVERNMENT OFFICER CONFLICTS DISCLOSURE STATEMENT

FORM GTS

(Instructions for completing and filing this form are provided on the next page.)

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This is the notice to the appropriate local governmental entity that the following local government officer has become aware of facts that require the officer to file this statement in accordance with Chapter 176, Local Government Code.

OFFICE USE ONLY

Date Received

1 Name of Local Government Officer

2 Office Held

3 Name of vendor described by Sections 176.001(7) and 176.003(a), Local Government Code

4 Description of the nature and extent of each employment or other business relationship and each family relationship with vendor named in item 3.

5 List gifts accepted by the local government officer and any family member, if aggregate value of the gifts accepted from vendor named in item 3 exceeds \$100 during the 12-month period described by Section 176.003(a)(2)(B).

Date Gift Accepted _____ Description of Gift _____

Date Gift Accepted _____ Description of Gift _____

Date Gift Accepted _____ Description of Gift _____

(attach additional forms as necessary)

6 SIGNATURE

I swear under penalty of perjury that the above statement is true and correct. I acknowledge that the disclosure applies to each family member (as defined by Section 176.001(2), Local Government Code) of this local government officer. I also acknowledge that this statement covers the 12-month period described by Section 176.003(a)(2)(B), Local Government Code.

Signature of Local Government Officer

Please complete either option below:

(1) Affidavit

NOTARY STAMP / SEAL

Sworn to and subscribed before me by _____ this the _____ day of _____, 20 _____, to certify which, witness my hand and seal of office.

Signature of officer administering oath

Printed name of officer administering oath

Title of officer administering oath

OR

(2) Unsworn Declaration

My name is _____, and my date of birth is _____.

My address is _____, _____, _____, _____, _____.
(street) (city) (state) (zip code) (country)

Executed in _____ County, State of _____, on the _____ day of _____, 20_____.
(month) (year)

Signature of Local Government Officer (Declarant)



City of Angleton Tax Increment Reinvestment Zone No. 2 Riverwood Ranch

Board Member Orientation Presentation

Jan. 28, 2021

Board Orientation Briefing

- ❖ TIRZ Definition and How They Work
- ❖ TIRZ Creation Process and Actions To Date
- ❖ Governing Documents
- ❖ Role of Board of Directors

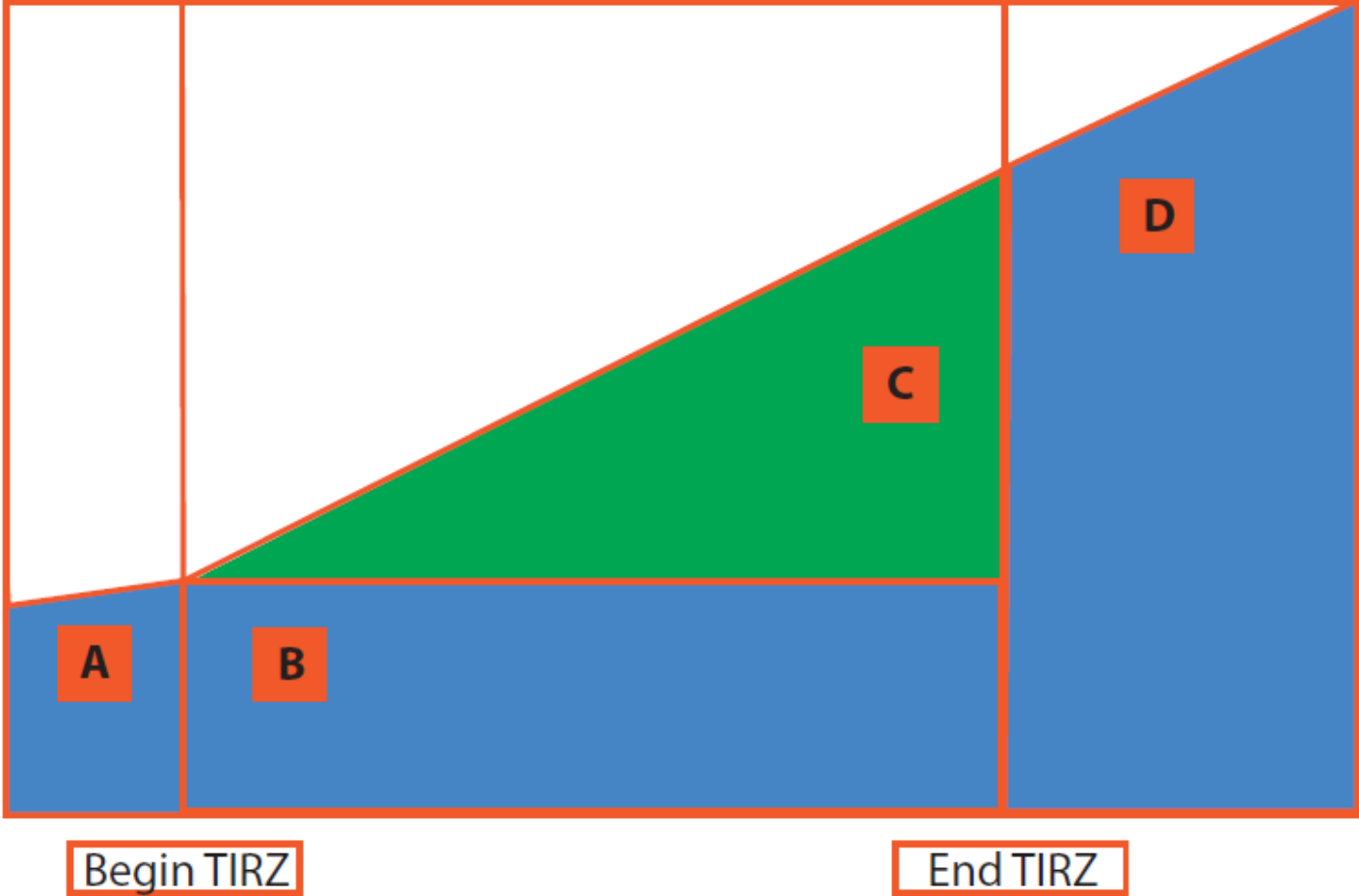
Tax Increment Financing

- A financing tool that uses future gains in taxes to pay for public improvements needed to make the gains happen, for instance:
 - The real property value of the new outlet mall is greater than the previous value of that land and the real property values adjoining the mall may also increase
 - The increase in property taxes associated with the *value increase* is called the tax increment
- Method of financing that allows new growth to pay for itself or to pay for other needed improvements
- In Texas to use TIF a “tax increment reinvestment zone”, a TIRZ, must be created.

How A TIRZ Works

ASSESSED
VALUE OF
PROPERTY

A,B,D-
revenue to
taxing entities
C - City
participation





TIRZ Background

Actions To Date

TIRZ Creation Actions To Date

- ❖ Early 2020 Developer, Riverway Capital Partners LLC, and City of Angleton agree to a public infrastructure financing strategy that will allow the development of a 318_± lot single-family residential subdivision on a 78-acre vacant tract of land in the City.
- ❖ Financing strategy included the creation of a TIRZ as one of the tools to finance a portion of the needed public infrastructure.
- ❖ The TIRZ was created on July 14, 2020 by Ord. 20200714-012, for a period of 30 years.
- ❖ Developer Reimbursement Agreement approved July 14, 2020
- ❖ The 5-Member Board of Directors was appointed on Oct. 13, 2020.



Governing Documents

Framework for Conducting TIRZ Operations

TIRZ Creation Enabling Statute

- ❖ Chapter 311 of the Texas Tax Code
 - ❖ Criteria and Procedure for Creation
 - ❖ Composition and Powers of the Board of Directors
 - ❖ Definition of Increment
 - ❖ Content of Creation Ordinance
 - ❖ Definition of Project Costs
 - ❖ Content of the Project and Financing Plan
 - ❖ Bond Issuance Procedures and Tax Exemption

Typical Set of Other TIRZ Documents

- Creation Ordinance (as may be amended)
- Final Project Plan and Reinvestment Zone Financing Plan
- Development Financing Agreements with Private Sector Developers (if any)
- Bond Covenants (if any)

Creation Ordinance

The creation ordinance must address the following, at a minimum:

- ❖ Set boundary of TIRZ
- ❖ Name the TIRZ, numerically ordered from 1 up
- ❖ Establish Board of Directors
- ❖ Set the duration of the TIRZ
- ❖ Establish an increment fund account

TIRZ Project Plan and Reinvestment Zone Financing Plan

❖ Project Plan sets forth reasons for the TIRZ creation

- ❖ Existing conditions
- ❖ Proposed uses
- ❖ Changes to ordinances
- ❖ Non-project costs
- ❖ Relocation

❖ Financing Plan sets forth the Eligible Projects

- ❖ Estimated costs for Eligible Projects
- ❖ Economic Feasibility / Impact
- ❖ Estimates of amount of debt to be incurred
- ❖ Estimates of increment to be generated
- ❖ Participating jurisdictions and participation rates
- ❖ Duration of TIRZ

Development Financing Agreements

- ❖ Private sector can often construct projects quicker and more cost effectively
- ❖ Using private developer partner as project manager to prioritize and fund projects shifts funding risks to private sector
- ❖ Development Financing Agreements are:
 - ❖ Approved by City Council and TIRZ Board
 - ❖ Outlines the obligations of all parties
 - ❖ Outlines procedures for approval and reimbursement

Bond Covenants

If bonds are ever issued to pay for eligible projects or reimburse developers, the bonds will be sold subject to certain agreements:

- ❖ Annual reports to bondholders on financial condition
- ❖ Priority calls on revenue
- ❖ Guarantees of certain financial controls, etc.



Powers of the Board

Implementation of the TIRZ Project and Financing Plan

Chapter 311 of the Tax Code Says...

City may authorize board to exercise any of the city's powers with respect to administration, management or operation of the zone or implementation of the project plan, except, the board may NOT:

- ❖ Issue bonds
- ❖ Impose taxes or fees
- ❖ Exercise the power of eminent domain
- ❖ Give final approval to the Project and Financing Plan

General Powers of the Board

- ❖ *Draft and use all powers necessary to implement the final Project and Financing Plan*
- ❖ Elect such officers as it deems appropriate, except City appoints the Chair
- ❖ Contract with professional consultants and/or enter into development financing agreements payable solely from the Tax Increment Fund

Snapshot of Governing Roles

Board of Directors

- ❖ Draft and implement Final Project and Financing Plan and recommend to Council
- ❖ Evaluate and approve projects in compliance with adopted Project and Financing Plan
- ❖ Recommend Development Financing Agreements and bond issuance to Council
- ❖ Recommend project phasing to City Council

City Council

- ❖ Approve the final Project and Financing Plan
- ❖ Appoint Board of Directors
- ❖ Approve Development Financing Agreements
- ❖ Approve the issuance of bonds



Q&A

Thank you for your attention!

PRELIMINARY PROJECT PLAN AND
REINVESTMENT ZONE FINANCING PLAN

CITY OF ANGLETON TAX INCREMENT
REINVESTMENT ZONE No. TWO
RIVERWOOD RANCH TIRZ

June 23, 2020

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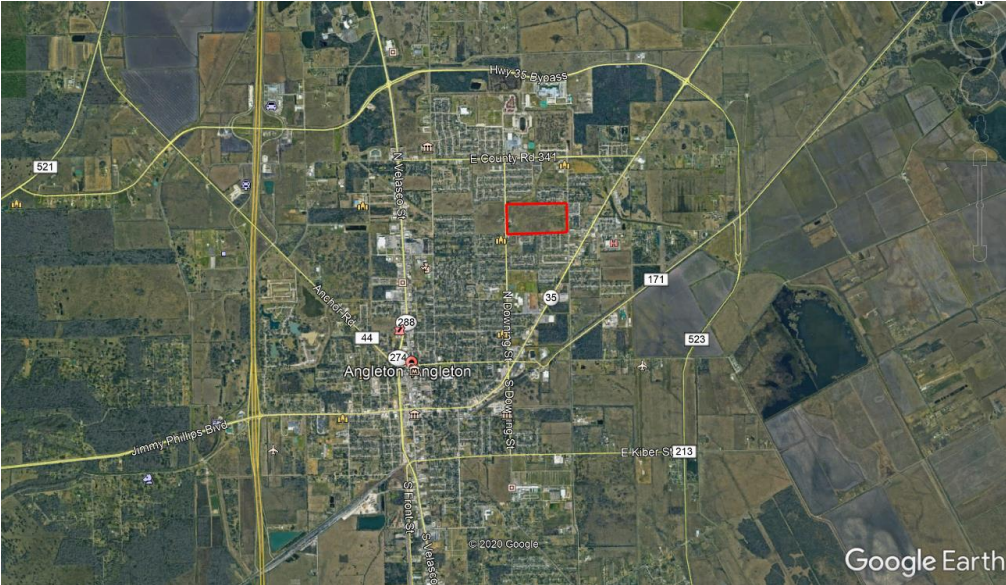
1. OVERVIEW

1.1 Background

The 4-acre and 74-acre tract, collectively 78-acres (the “Property”), on the north side of Hospital Drive between N. Downing Street and Buchta Road is vacant except for one single family residential house and minor agricultural-related structures in the southwest corner, which are located on the 4 acres within the boundaries of the Property. The tract has remained underutilized while properties surrounding the tract have been developed into productive uses.

The location of the proposed City of Angleton Tax Increment Reinvestment Zone No. Two(also referred to as the Riverwood Ranch TIRZ) within the City of Angleton is shown in Figure 1.

Figure 1 – Vicinity Map



1.2 The Challenge

While city utility and road infrastructure exist around the perimeter of the property, the costs of constructing the infrastructure within the property to serve the demands of contemporary home buyers are significant. The development of quality residential subdivisions typically requires some form of special district in order to provide the amenities that are demanded at affordable pricing. Further, the existing infrastructure surrounding the property contains excess capacity, meaning that the City has assets that are not generating their full potential return on investment for the City.

1.3 Responding to the Challenge

The owners of the land have petitioned the City to create a public improvement district (PID) on the property. Combining the resources of the PID with the resources of a tax increment

reinvestment zone (TIRZ) will provide a mechanism by which construction of a quality residential subdivision on the property becomes feasible.

2. PRELIMINARY PROJECT PLAN

This Preliminary Project Plan and Reinvestment Zone Financing Plan (“The Plan”) has been prepared in accordance with the requirements of Chapter 311.011 of the Texas Tax Code and outlines the improvements to be funded and implemented by the City of Angleton Tax Increment Reinvestment Zone No. Two.

2.1 Existing Uses and Conditions, Proposed Use (311.011(b)(1))

The property is predominantly open and fallow and contains several deteriorating, obsolete, and potentially unsafe structures. The current parcelization of the tract is faulty for the residential uses that have surrounded the tract and is inadequate for uses consistent with the City and owner’s development goals. The absence of any internal roadways, sidewalks, or utilities are inadequate for productive use of the land. The current condition of the property substantially impairs the sound growth of the City.

The proposed use of the property is a residential subdivision to be known as Riverwood Ranch, consisting of up to 318 single family residential homes of varying lot and home sizes, parks and other amenities, roadways, sidewalks, utilities, drainage, and detention improvements.

2.2 Changes to Municipal Ordinances Required (311.011(b)(2))

There are no contemplated changes to the City’s Code of Ordinances, zoning ordinances, master plan, building codes, or subdivision rules and regulations necessary to implement the Plan.

2.3 Non-Project Costs (311.011(b)(3))

Non-Project costs include demolition of structures, property maintenance, marketing, and construction of single-family homes with a total expected cost of \$80,000,000.

2.4 Method of Relocation (311.011(b)(4))

There will be no involuntary relocations required to implement the TIRZ.

3. REINVESTMENT ZONE FINANCING PLAN

The TIRZ will provide a funding mechanism for the construction of public infrastructure necessary for property to be developed for its intended purposes as designated in the Planned Development zoning plan approved by the City. The TIRZ may fund all or a portion of the eligible projects. The general intent is that the developer of the land will advance fund the costs of infrastructure and will be reimbursed as TIRZ funds are available for such purposes. TIRZ funds may be used to supplement developer reimbursements funded by the Riverwood Ranch Public Improvement District.

3.1 Estimated Project Cost Description (311.011(c)(1))

The project costs in Table 1 below comply with the categories established in Section 311.02 of the Texas Tax Code. The project cost estimates are approximate based on preliminary engineer’s estimates of probable costs and are expressed in year 2020 dollars. Project Costs may be adjusted to actual development plans, bid costs and/or for inflation. Costs may be moved among line items.

Table 1
Riverwood Ranch Public Improvements

| Public Improvements | Estimated Cost |
|----------------------------------|----------------------|
| Roadway System | \$ 3,324,100 |
| Storm Drainage System | \$ 1,978,900 |
| Sanitary Sewer Collection System | \$ 1,895,600 |
| Water Distribution System | \$ 751,900 |
| Dry Utilities | \$ 1,405,500 |
| Landscape & Hardscape | \$ 1,468,500 |
| Fees | \$ 1,385,500 |
| Total | \$ 12,210,000 |

In conjunction with the projects described above, the following categories established in Section 311.002 (1) of the Texas Tax Code as eligible project costs will be considered eligible project costs. The TIRZ will fund project costs consistent with this Plan at the earliest feasible and practicable date(s), upon approval of the Board of Directors of the TIRZ.

- *Capital Projects* related to construction of water, sanitary, sewer, storm drainage and detention, paving, landscaping, amenities, and other improvements.
- *Land Costs* associated with property formally conveyed to the public in conjunction with the implementation of projects otherwise eligible for reimbursement may also be eligible for reimbursement.
- *Matching Funds* may be contributed in support of local, state, federal or other capital improvements programs that benefit the project and the region.
- *Professional Services* incurred for architectural, planning, engineering, legal, landscape architecture, financial, marketing, public relations, management, leasing, bookkeeping,

tax role verification, environmental, archaeological, and other services and advice necessary to a project.

- *Financing Costs* related to developer interest, and financing interest, legal fees, underwriter’s fees, brokerage charges, transfer or placement charges, premium and fees paid for loans, credit enhancement fees, notes, bonds or other instruments of credit issued to pay for project costs.
- *Operational Expenses* as may be necessary to provide for the proper administration of the Zone, operation of Zone facilities and services provided therein, over the life of the TIRZ.

3.2 Kind, Number and Location of Proposed Public Improvements (311.011(c)(2))

The proposed public improvements include approximately 11,500 linear feet of roadways, 7,500 linear feet of water main, 9,750 linear feet of sanitary sewer, 7,500 linear feet of storm sewer, 82,000 cubic yards of storm water detention excavation, parks, reserves, open space, and other related infrastructure necessary to support the land uses within the Zone. **See Approved Master Plan Appendix D.** The improvements may be completed in phases commensurate with market demand and other factors.

3.3 Economic Feasibility (311.011(c)(3))

The Southern Brazoria County Housing Study, completed by CDS Community Development Strategies in November 2019, encompassing the TIRZ project area, is attached as Appendix C.

3.4 Estimate of Bonded Indebtedness To Be Incurred (311.011(c)(4))

The City, under the terms of an agreement with the developer of Riverwood Ranch, may issue or cause to be issued bonds, notes, or other obligations secured by tax increment revenues up to the maximum amount that may be financed by available increment. The use of the proceeds of such bonds would be limited to the eligible project costs defined in this Plan.

3.5 Estimated Time When Monetary Obligations Are To Be Incurred (311.011(c)(5))

Obligations will be incurred as expenditures for eligible costs are made by the developer. Such expenditures may be made in phases over the life of the Zone.

3.6 Methods and Sources of Financing (311.011(c)(6))

The source of revenue will be the ad valorem property taxes generated on the annual increment value above the base year value. Table 2 below shows the proposed participation rate of the City.

Table 2

| Jurisdiction | 2020 Tax Rate | % Participation | Duration |
|------------------|------------------|-----------------|----------|
| City of Angleton | \$0.697580/\$100 | 27% | 30 Years |

To ensure timely construction of public improvements, both pay-as-you-go and various methods of financing may be utilized. These include:

- *Tax Increment Bonds or Notes.* As allowed by annual incremental increases in Zone assessed value, tax-exempt tax increment bonds or notes may be issued to fund improvements.
- *Other private financing.* Some projects may be financed on a short-term basis through private financial institutions.
- *Grants/Other Public Funds.* To the extent permitted by law, efforts will be made to leverage TIRZ funds with other public funds and economic development tools.

3.7 Current Appraised Value of Taxable Real Property (311.011(c)(7))

Based upon the 2019 Brazoria Central Appraisal District certified tax roll, the current total taxable value of all real property in the proposed TIRZ is \$2,710. The actual base year of the Zone will be 2020 with the value established based on the certified tax roll for that year.

3.8 Estimated Captured Appraised Value By Year (311.011(c)(8))

Table 3 shows the estimated Captured Appraised Value, with no inflation or appreciation, and the resulting revenue from the City for the duration of the Zone.

Table 3

| TIRZ Year | Year | New Homes Built | Cumulative Homes | Incremental Value Projection | | TIRZ Increment Revenue Projection | |
|-----------|------|-----------------|------------------|------------------------------|------------------------------|-----------------------------------|--------------------------------|
| | | | | New Incremental Value | Cumulative Incremental Value | Annual Incremental Revenue | Cumulative Incremental Revenue |
| 1 | 2021 | 65 | 65 | \$ 15,717,000 | \$ 15,717,000 | | |
| 2 | 2022 | 65 | 130 | \$ 15,717,000 | \$ 31,434,000 | \$ 29,602 | \$ 29,602 |
| 3 | 2023 | 65 | 195 | \$ 15,717,000 | \$ 47,151,000 | \$ 59,205 | \$ 88,807 |
| 4 | 2024 | 65 | 260 | \$ 15,717,000 | \$ 62,868,000 | \$ 88,807 | \$ 177,615 |
| 5 | 2025 | 58 | 318 | \$ 14,024,400 | \$ 76,892,400 | \$ 118,410 | \$ 296,024 |
| 6 | 2026 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 440,849 |
| 7 | 2027 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 585,673 |
| 8 | 2028 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 730,497 |
| 9 | 2029 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 875,321 |
| 10 | 2030 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 1,020,145 |
| 11 | 2031 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 1,164,970 |
| 12 | 2032 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 1,309,794 |
| 13 | 2033 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 1,454,618 |
| 14 | 2034 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 1,599,442 |
| 15 | 2035 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 1,744,267 |
| 16 | 2036 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 1,889,091 |
| 17 | 2037 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 2,033,915 |
| 18 | 2038 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 2,178,739 |
| 19 | 2039 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 2,323,563 |
| 20 | 2040 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 2,468,388 |
| 21 | 2041 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 2,613,212 |
| 22 | 2042 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 2,758,036 |
| 23 | 2043 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 2,902,860 |
| 24 | 2044 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 3,047,685 |
| 25 | 2045 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 3,192,509 |
| 26 | 2046 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 3,337,333 |
| 27 | 2047 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 3,482,157 |
| 28 | 2048 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 3,626,981 |
| 29 | 2049 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 3,771,806 |
| 30 | 2050 | | 318 | \$ - | \$ 76,892,400 | \$ 144,824 | \$ 3,916,630 |
| | 2051 | | | | | \$ 144,824 | \$ 4,061,454 |

The year in which incremental revenues are shown is based on the year of receipt, which lags by one year the year in which new value is recorded on the tax roll.

3.9 Duration of Zone (311.011(c)(9))

The Zone will be created for a 30-year period, with the final payment of increment being made on values and at rates for 2050, which revenue may be paid in 2051. Therefore, the Zone will terminate for purposes of collection on December 31, 2051.

APPENDIX A
TIRZ Boundary Legal Description

County: Brazoria
Project: 78 Acres Downing Rd
Job No.: 12939

FIELD NOTES FOR 78.10 ACRE

Being a tract of land containing 78.10 acre (3,401,974 square feet), located within T. S. Lee Survey, Abstract Number (No.) 318, in Brazoria County, Texas; said 78.10 acre being all of Lots 2, 3, 14 and 15 of the subdivision of the T. S. Lee Survey, Abstract 318 recorded in Volume (Vol.) 42, Page (Pg.) 164 of the Brazoria County Deed Records (B.C.D.R.); said 78.10 acres being more particularly described by metes and bounds as follows (bearings are based on the Texas Coordinate System of 1983, (NAD83) South Central Zone, per GPS observations):

BEGINNING at a 5/8-inch iron rod found on the east right-of-way (R.O.W.) line of North Downing Street (variable width), at the southwest corner of Brookhollow S/D Section II, a subdivision of record in Vol. 16, Pg. 21 of the Brazoria County Plat Records (B.C.P.R.), for the northwest corner of said Lot 15 and the herein described tract;

Thence, with the south lines of said Brookhollow S/D Section II and Colony Square S/D, a subdivision of record in Vol. 16, pg. 321 of the B.C.P.R., with the north lines of said Lots 15 and 14, North 87 degrees 07 minutes 30 seconds East, a distance of 2,675.39 feet to a found 1/2-inch iron rod with cap stamped "Piquette" on the west R.O.W. line of Buchta Road (variable width) at the southeast corner of said Colony Square S/D, for the southeast corner of said Lot 14 and the herein described tract;

Thence, with the west R.O.W. line of Buchta Road and the east lines of said lots 14 and 3, South 02 degrees 52 minutes 30 seconds East, a distance of 1,290.00 feet to a 5/8-inch iron rod with cap stamped "BAKER & LAWSON" set at the northwest corner of the intersection of said Buchta Road and Hospital Drive (sixty feet wide per Vol. 781, Pg. 204 B.C.D.R.), for the southeast corner of herein described tract;

Thence, with the north R.O.W. line of said Hospital Drive and the south lines of said Lots 3 and 2, South 87 degrees 07 minutes 30 seconds West, a distance of 2,638.99 feet to a 5/8-inch iron rod with cap stamped "BAKER & LAWSON" set for the northeast corner of the intersection of said Downing Road and said Hospital Drive, for the southwest corner of the herein described tract;

THENCE, with the east R.O.W. line of said Downing Road and the west line of said Lots 2 and 15, North 02 degrees 42 minutes 55 seconds West, a distance of 1,290.01 feet to the **POINT OF BEGINNING** and containing 78.10 acres of land.

A land title survey of the herein described tract has been prepared by Baker & Lawson Inc. and accompanies this metes and bounds description.


Devin R. Royal
Registered Professional Land Surveyor
Texas Registration No. 6607

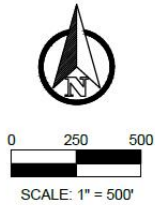
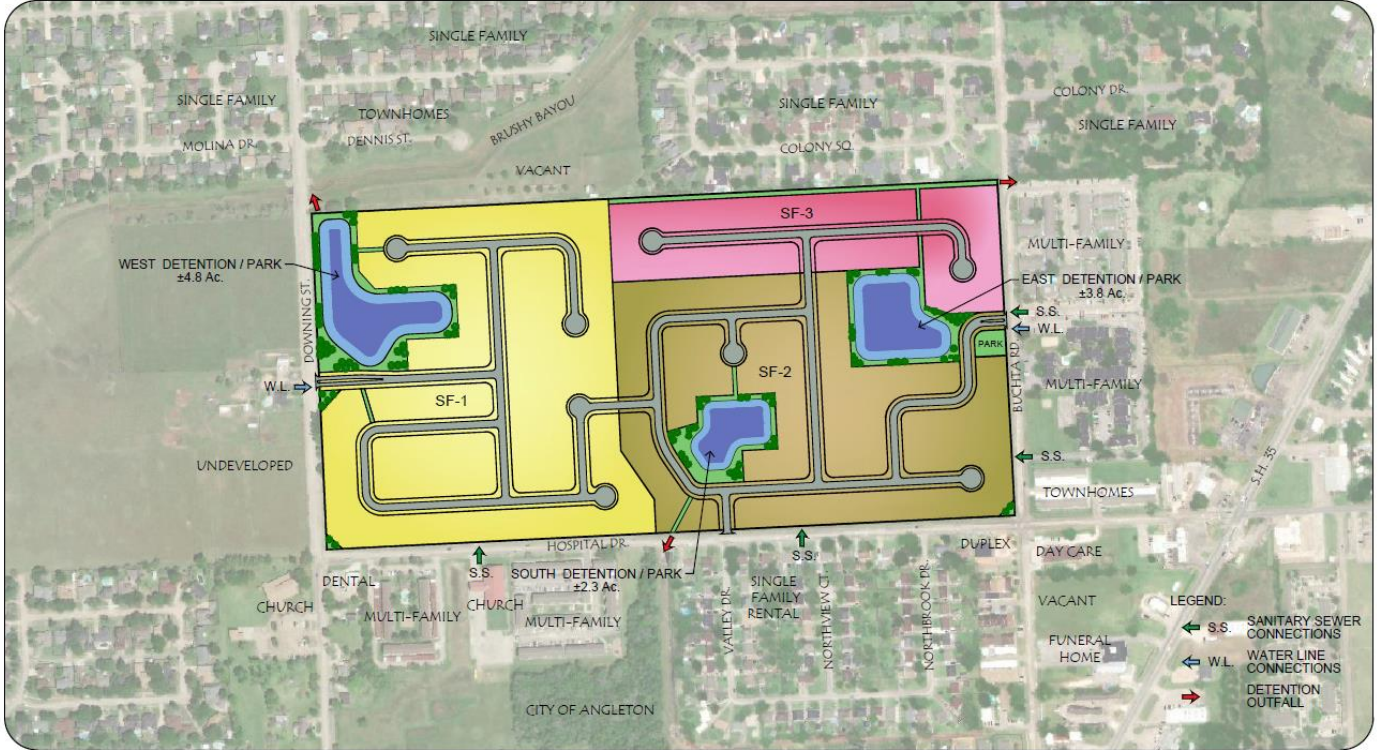


Baker & Lawson Inc.
Texas Firm Registration No. 14052300
P.O. Box 649-6681
January 4, 2019
Revised: June 6, 2019

APPENDIX C
Economic Feasibility Study

Southern Brazoria County Housing Study
CDS Community Development Strategies
November 2019

APPENDIX D
Approved Master Plan



| LEGEND | | | | | |
|-------------|--------|---------|-----------------|---------|-----------------------|
| RESIDENTIAL | | | NON-RESIDENTIAL | | PAVING |
| USE | LOTS | ACREAGE | PARKS/DETENTION | ACREAGE | CURB LENGTH± |
| SF-1 | 45X120 | 131 | WEST | ±4.8 | 22,950 L.F. |
| SF-2 | 50X120 | 139 | EAST | ±3.8 | AREA= 333,576 SQ. FT. |
| SF-3 | 60X120 | 48 | SOUTH | ±2.3 | |
| TOTAL | 318 | 67.0 | TOTAL | ±10.9 | |



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Phone 979-849-6681 Fax 979-849-4689

Texas Registered Engineering Firm F-825
Texas Board of Professional Land Surveying No. 10052500
B&L JOB NO. 13032