

**Town of Fairview
Ordinance 2020-09**

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF FAIRVIEW, TEXAS AMENDING THE PROJECT AND FINANCING PLAN OF REINVESTMENT ZONE NUMBER ONE, TOWN OF FAIRVIEW, TEXAS, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Town Council of the Town of Fairview, Texas (the "Town"), created Reinvestment Zone Number One, Town of Fairview, Texas (the "Zone") and established the boundaries of the Zone, and adopted a project and financing plan for the Zone, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended, (the "Act");

WHEREAS, in accordance with the Act, the Board of Directors of the Zone shall approve amendments to the Project and Financing Plan;

WHEREAS, in compliance with the Act, the Town Council has called a public hearing to hear public comments on the proposed amendments to the Project and Financing Plan of the Zone;

WHEREAS, in compliance with the Act, notice of such public hearing was published in a newspaper of general circulation in the Town, such publication date being not later than seven (7) days prior to the date of the public hearing;

WHEREAS, such hearing was convened at the time and place mentioned in the published notice, July 7, 2020 at 7:30 PM in the Council Chamber of the Town;

WHEREAS, at such hearing, the Town Council invited and allowed to speak any interested person, or his representative, to appear and contend for or against the proposed amendments to the Project and Financing Plan attached hereto as Exhibit "A"; and

WHEREAS, all owners of property located within the Zone and all other taxing units and other interested persons were given the opportunity at such public hearing to protest the proposed amendments to the Project Plan and Financing Plan.

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

Section 1. The Town Council of the Town finds that the facts and recitations contained in the preamble of this Ordinance are true and correct.

Section 2. The Town Council, after conducting such hearing and having heard such evidence and testimony, makes the following findings and determinations based on the evidence and testimony presented to it:

(a) The public hearing on proposed amendments to the Project and Financing Plan has been properly called, held and conducted and that notice of such hearing has been published as required by law.

(b) Adoption of the proposed amendments to the Project and Financing Plan, as described in Exhibit "A" will result in benefits to the Town, its residents and property owners, in general, and to the property, residents and property owners in the Zone.

(c) It is found that the improvements to the Zone as described in the attached

amendments to the Project and Financing Plan will significantly enhance the value of all taxable real property in the Zone and will be of general benefit to the Town by providing public safety for the safety and protection of residents, existing improvements, facilities and commercial and retail enterprises within the Zone.

(d) The improvements to existing facilities within the Zone as described in the attached amendments to the Project and Financing Plan will significantly enhance the value of all taxable real property in the Zone and will be of general benefit to the Town by improving the facilities consistent with their intended purpose in order to meet greater demand for the use of such facilities, and to provide funding for such improvements.

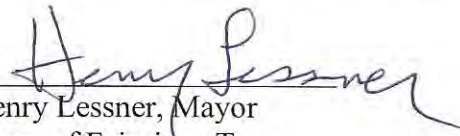
Section 3. The Town Council approves and amends the Project and Financing Plan of the Zone as described in Exhibit "A" attached hereto.

Section 4. In accordance with the Act, the Board of Directors of the Zone shall remain unchanged and the previous establishment of the tax increment fund for the Zone is hereby ratified and affirmed.


Section 5. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance.

Section 6. The amendments to the Project and Financing plan of the Zone shall take effect immediately upon the passage of this Ordinance.

DULY PASSED AND APPROVED BY THE TOWN COUNCIL OF THE TOWN OF FAIRVIEW, TEXAS on this 7th day of July, 2020.


Henry Lessner, Mayor
Town of Fairview, Texas

ATTESTED TO:


Tenitrus Bethel, Town Secretary
Town of Fairview, Texas

TOWN SEAL



EXHIBIT A

Amended Project and Financing Plan
For Reinvestment Zone Number One, Town of Fairview, Texas
(Tax Increment Reinvestment Zone)

(see attached)

Exhibit A

REINVESTMENT ZONE NUMBER 1
TOWN OF FAIRVIEW, TEXAS
PROJECT AND FINANCING PLAN

November 2015
Amended July 2020

INTRODUCTION

Authority and Purpose. The Town of Fairview, Texas, a Texas home-rule municipality (the Town), has the authority under Chapter 311, Texas Tax Code, as amended (the “Act”) to designate a contiguous or noncontiguous geographic area within the corporate limits or extraterritorial jurisdiction (“ETJ”) of the Town as a tax increment reinvestment zone to promote development or redevelopment of the area if the governing body of the Town (the “Town Council”) determines that development or redevelopment would not occur solely through private investment in the reasonable foreseeable future, that the zone is feasible, and that creation of the zone is in the best interest of the Town and the property in the zone. The purpose of the zone is to facilitate such development or redevelopment by financing the costs of public works, public improvements, programs, and other projects benefiting the zone, plus other costs incidental to those expenditures, all of which costs are authorized by the Act.

Eligibility Requirements. An area is eligible under the Act to be designated as a tax increment reinvestment zone if it is predominately open or undeveloped because of a lack of site improvements (roadways, water, sewer, sidewalks, etc.) which impairs or arrests the sound growth of the commercial area of the Town. The Town cannot, however, designate a zone if more than 30 percent of the property in the proposed zone, excluding property that is publicly owned, is “used for residential purposes” (defined by the Act as follows: “...property is used for residential purposes if it is occupied by a house having fewer than five living units...”) or if the total appraised value of taxable real property in the proposed zone and in existing reinvestment zones exceeds 50 percent of the total appraised value of taxable real property in the Town and in industrial districts created by the Town.

The Zone. The Town has created a tax increment reinvestment zone known as “Reinvestment Zone Number One, Town of Fairview, Texas” (the “Zone”) includes approximately 894 acres generally between the south and north Town limits and between U.S. 75 on the west and along SH 5 on the east, all within the Town’s corporate limits. The property meets the eligibility requirements of the Act. The property substantially impairs or arrests the sound growth of the commercial area of the Town because of its challenges to development and redevelopment with the lack of major public infrastructure (roadways, water, sewer, etc.). There continues to be a need for economic incentives to attract development and redevelopment in the Zone for the purpose of providing long-term economic benefits including, but not limited to, increased real property tax base for all taxing units in the Zone, increased sales and use tax, and increased job opportunities for residents of the Town. If the Zone is created and the public works, public improvements, programs and other projects are financed as contemplated by this Plan, the Town envisions that the property will be developed and redeveloped to take full advantage of the opportunity to bring to the Town a substantially increased tax base and job opportunities for its citizens.

Contributions to the Zone. The Town will contribute 75 percent of its M&O ad valorem tax increment and Collin County (the “County”) will contribute 50 percent of its general fund ad valorem tax increment attributable to increased taxable value of existing and new development in the Zone into a tax increment fund created by the Town and segregated from all other funds of the Town (the “TIF Fund”) to pay the costs of public works, public improvements, programs, and other projects benefiting the Zone. The Board of Directors for the Zone will review and recommend to the Town Council any revisions to the approved project and financing plan and will also make recommendations to the Town Council concerning any development and reimbursement agreement (“TIF Reimbursement Agreement”).

Council Action. The Town Council, taking into consideration the recommendations of the Board, will consider approval of the Final Plan and any TIF Reimbursement Agreement. If a TIF Reimbursement Agreement is approved, the Town Council will authorize and direct its execution.

DESCRIPTIONS AND MAPS.

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

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

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

PROPOSED CHANGES TO ORDINANCES, PLANS, CODES, RULES, AND REGULATIONS. Any changes in ordinances, plans, codes, rules and regulations which are required or requested will be made through the standard process and procedures of the Town. As of July 2020, there are no known proposed changes of zoning ordinances, the master plan of the Town, building codes, other municipal ordinances, and subdivision rules and regulations.

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

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

PROPOSED PUBLIC IMPROVEMENTS.

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

- Fairview Parkway
- Frisco Road
- Primary Roads in North CPDD
- 16"/12" Water Main Loops
- Regional Lift Station & Other Sewer Lines
- Ridgeview Overpass/Connection
- Fire Station Number One to be financed with \$7,600,000 in the Town's General Obligation Bonds, Series 2020

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

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

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

ESTIMATED TIME WHEN COSTS ARE TO BE INCURRED. Some Administrative Costs have been incurred and additional costs will most likely be incurred annually. It is assumed that the remainder of the Project Costs will be incurred during the life of the Zone. Debt for Fire Station Number One will be sold in the summer of 2020 in the amount of \$7,600,000.

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

Scenario 1 from Ricker-Cunningham Analysis

Single-Family Attached—127 units

Rental Apartments—2,234 units

Retail—441,753 square feet

Office/Employment—4,224,606 square feet

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

ESTIMATED BONDED INDEBTEDNESS. If initial Project Costs are not advanced by a Developer or property owner, the Town of Fairview or the Fairview EDC may consider direct payment of Project Costs or issuing bonds and utilize tax increment funds for either direct repayment or to cover debt service as those funds are available. Debt for Fire Station Number One will be sold in the summer of 2020 in the amount of \$7,600,000.

TOTAL TAXABLE VALUE. The current total appraised value of taxable real property in the Zone as of January 1, 2020 is approximately \$302.7 million. It is estimated that upon expiration of the term of the Zone, the total appraised value of taxable real property in the Zone will be approximately \$973.9 million.

ESTIMATED CAPTURED APPRAISED VALUE TAXABLE BY THE TOWN AND COUNTY. The captured taxable value of the Zone—taxable by the Town and County for a year is the total taxable value of the Zone for that year less the tax increment base of the Zone. The tax increment base of the Zone is the total taxable value of the Zone for the year in which the Zone was designated.

METHOD OF FINANCING. Project Costs will be financed through loans advanced by Developers, property owners, the Town of Fairview, or the Fairview EDC and CDC or by bonds which may be issued and utilize tax increment funds for either direct reimbursement or to support bond debt service as those funds are available. The revenue sources will be the real property taxes captured by the TIF, which will account for 100 percent of revenues used to fund Project and Administrative Costs or bond debt service. For the TIF Fund, the Town of Fairview will contribute 75 percent of its M & O tax rate and Collin County will contribute 50 percent of its M & O tax rate on incremental taxable value as shown in **Exhibit C.** General Obligation Bonds for Fire Station Number One will be sold in the summer of 2020 in the amount of \$7,600,000.

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

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

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

TOWN OF FAIRVIEW
TAX INCREMENT REINVESTMENT ZONE NO. 1

PROJECT PLAN

PROJECT	EST. COST, \$M
Fairview Parkway	18.2
Frisco Road	2.9
Primary Roads in North CPDD	6.0
16"/12" Water Main Loops	5.3
Regional Lift Station & Other Sewer Lines	3.9
Ridgeview Overpass/Connection	1.1
Fire Station Number One	2.2
Administration	0.2
TOTAL	39.8
