# ORDINANCE NO. 1892

**AN ORDINANCE DESIGNATING A CERTAIN CONTIGUOUS GEOGRAPHIC AREA IN THE CITY OF EULESS AS "TAX INCREMENT REINVESTMENT ZONE NUMBER THREE, CITY OF EULESS, TEXAS - GLADE PARKS"; CREATING A BOARD OF DIRECTORS FOR THE ZONE; PROVIDING THE EFFECTIVE AND TERMINATION DATES FOR THE ZONE; ESTABLISHING A TAX INCREMENT FUND FOR THE ZONE; AND CONTAINING OTHER MATTERS RELATED TO THE ZONE.**

**WHEREAS,** the City Council desires to promote the development of a certain contiguous geographic area in the City, which is more specifically described in **Exhibit "A"** of this Ordinance (the "Zone"), through the creation of a new reinvestment Zone as authorized by and in accordance with the Tax Increment Financing Act, codified at Chapter 311 of the Texas Tax Code; and

**WHEREAS,** on or about September 1, 2010, the City provided written notice to the governing body of each taxing unit that levies real property taxes in the Zone of (i) the City's intent to establish the Zone; (ii) a description of the boundaries of the Zone; (iii) the City's tentative plans for development of the Zone; and (iv) an estimate of the general impact of the Zone on property values and tax revenues; and

**WHEREAS,** the City has prepared a preliminary financing plan for the Zone and provided a copy of that plan to the governing body of each taxing unit that levies taxes on real property in the Zone, as required by Section 311.003(b) of the Texas Tax Code; and

**WHEREAS,** in accordance with Section 311.003(f) of the Texas Tax Code, prior to passage of this Ordinance, the City made a presentation to the governing body of each county that levies real property taxes in the Zone and received a waiver of such presentation from the school district that levies real property taxes in the Zone, as agreed to by such governing bodies, which presentation, among other things, included (i) a description of the proposed boundaries of the Zone; (ii) the City's tentative plans for development of the Zone; and (iii) an estimate of the general impact of the Zone on property values and tax revenues; and

**WHEREAS,** on November 9, 2010, the City Council held a public hearing regarding the creation of the Zone and its benefits to the City and to property in the Zone and afforded a reasonable opportunity for (i) all interested persons to speak for or against the creation of the Zone, its boundaries or the concept of tax increment financing and (ii) owners of real property in the Zone to protest inclusion of their property in the Zone, as required by Sections 311.003(c) and (d) of the Texas Tax Code; and

**WHEREAS,** no owner of real property in the proposed Zone protested the inclusion of their property in the proposed Zone; and

**WHEREAS,** notice of the public hearing was published in a newspaper of general circulation in the City on October 29, 2010, which satisfies the requirement of Section 311.003(c) of the Texas Tax Code that publication of the notice occur not later than the seventh day before the date of the public hearing; and

**WHEREAS,** the City has provided all information and made all presentations, given all notices and done all other actions required by Chapter 311, Texas Tax Code, or other law as a condition to the creation of the proposed Zone;

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

**Section 1. Findings.**

(a) That the facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are adopted as part of this Ordinance for all purposes.

(b) That the City Council further finds and declares that the proposed improvements in the Zone will significantly enhance the value of all the taxable real property in the proposed Zone and will be of general benefit to the City.

(c) That the City Council further finds and declares that the proposed Zone meets the criteria and requirements of Section 311.005 of the Texas Tax Code because the proposed Zone is predominantly open and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of the municipality and surrounding areas;

(d) That the City Council, pursuant to the requirements of Chapter 311, Texas Tax Code, further finds and declares:

(1) That the proposed Zone is a contiguous geographic area located wholly within the corporate limits of the City of Euless;

(2) That the total appraised value of taxable real property in the proposed Zone does not exceed fifteen percent of the total appraised value of taxable real property in the City;

(3) That ten percent or less of the property in the Zone, excluding property that is publicly owned, is used for residential purposes (defined as any property occupied by a house having fewer than five living units); and

(4) That the development or redevelopment of the property in the proposed Zone will not occur solely through private investment in the reasonably foreseeable future.

**Section 2. <u>Designation of Zone</u>.**

That the City Council hereby designates the Zone described in the boundary description and depicted in the map, both attached hereto as **Exhibit "A"** and made a part of this Ordinance for all purposes, as a reinvestment Zone pursuant to and in accordance with Chapter 311 of the Texas Tax Code. This reinvestment Zone shall be known as "Tax Increment Reinvestment Zone Number Three, City of Euless, Texas - Glade Parks."

**Section 3. <u>Zone Board of Directors</u>.**

That a board of directors for the Zone (**"Board"**) is hereby created. The Board shall consist of seven (7) members who shall serve for terms of two (2) years each. Of these seven (7) members, each taxing unit other than the City that levies taxes on real property in the Zone may, but is not required to, appoint one (1) member to the Board. After each taxing unit other than the City designates to the City either the name of the member that the taxing unit wishes to appoint or the fact that the taxing unit wishes to waive its right to appoint a member, the City Council shall appoint whatever number of members are necessary to fill the remaining positions on the Board. The Mayor shall annually nominate and appoint, subject to City Council approval, a member to serve as chair for a term of one year beginning January 1 of the following year per Section 311.009(f) of the Texas Tax Code. The City Council authorizes the Board of Directors to elect from its members a vice chair and such other officers as the Board of Directors sees fit.

The Board shall make recommendations to the City Council concerning the administration, management and operation of the Zone. The Board shall prepare and adopt a project plan and a reinvestment Zone financing plan for the Zone and submit such plans to the City Council for its approval. The Board shall perform all duties imposed upon it by Chapter 311 of the Texas Tax Code and all other applicable laws. Notwithstanding anything to the contrary herein, the Board shall not be authorized to (i) issues bonds; (ii) impose taxes or fees; (iii) exercise the power of eminent domain, or (iv) give final approval to the Zone's project plan and financing plan.

**Section 4. <u>Term of Zone</u>.**

That the Zone shall take effect upon the adoption of this Ordinance and terminate on the earlier of (i) December 31, 2035 or an earlier termination date designated by an Ordinance adopted after the effective date of this Ordinance or (ii) the date on which all project costs, tax increment bonds and interest on those bonds and other obligations have been paid in full.

**Section 5. Determination of Tax Increment Base.**

That the tax increment base for the Zone, as defined by Section 311.012(c) of the Texas Tax Code, shall be the total appraised value of all real property in the Zone taxable by a taxing unit for the year 2010, which is the year in which the Zone was designated as a reinvestment Zone.

**Section 6. Tax Increment Fund.**

That a tax increment fund for the Zone (the **"TIF Fund"**) is hereby established. The TIF Fund may be divided into additional accounts and sub-accounts authorized by resolution or Ordinance of the City Council. The TIF Fund shall consist of (i) the percentage of the tax increment, as defined by Section 311.012(a) of the Texas Tax Code, that each taxing unit which levies real property taxes in the Zone, other than the City, has elected to dedicate to the TIF Fund under an agreement with the City authorized by Section 311.013(f) of the Texas Tax Code, plus (ii) seventy-five percent (75%) of the City's tax increment, as defined by section 311.012(a) of the Texas Tax Code, subject to any binding agreement executed at any time by the City that pledges a portion of such tax increment or an amount of other legally available funds whose calculation is based on receipt of any portion of such tax increment and (iii) 30% of the City's 1% general sales tax rate, as defined by Section 311.0123(b) for years one through fifteen and 20% of the City's 1% general sales tax rate, as defined by section 311.0123(b) for years sixteen through twenty five generated from taxable sales within the Zone above the sale tax base. The TIF Fund shall be maintained in an account at a depository bank of the City and shall be secured in the manner prescribed by law for Texas cities. In addition, all revenues from (i) the sale of any obligations hereafter issued by the City and secured in whole or in part from the tax increments; (ii) revenues from the sale of any property acquired as part of a tax increment financing plan adopted by the Board; and (iii) other revenues dedicated to and used in the Zone shall be deposited into the TIF Fund. Prior to the termination of the Zone, money shall be disbursed from the Tax Increment Fund only to pay project costs, as defined by the Texas Tax Code, for the Zone, to satisfy the claims of holders of tax increments bonds or notes issued for the Zone, or to pay obligations incurred pursuant to agreements entered into to implement the project plan and reinvestment Zone financing plan and achieve their purpose pursuant to Section 311.010(b) of the Texas Tax Code.

**Section 7. Tax Increment Agreements.**

That, pursuant to Sections 311.008 and 311.013 of the Texas Tax Code, the City Manager and City Attorney are hereby authorized to execute and deliver, for and on behalf of the City, tax increment agreements with taxing units that levy real property taxes in the Zone.

**Section 8. Severability.**

That if any portion, section or part of a section of this Ordinance is subsequently declared invalid, inoperative or void for any reason by a court of competent jurisdiction, the remaining portions, sections or parts of sections of this Ordinance shall be and remain in full force and effect and shall not in any way be impaired or affected by such decision, opinion or judgment.

**Section 9. Open Meetings.**

It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the Time required by law preceding its meeting, as required by the Open Meetings Law, Texas Government Code, Chapter 551, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

**Section 10. Notices.**

The contents of the notice of the public hearing, which hearing was held before the City Council on November 9, 2010, and the publication of said notice, are hereby ratified, approved and confirmed.

**Section 11. Effective Date.**

This ordinance shall be in full force and effect from and after its passage, as provided by the Euless City Charter and the laws of the State of Texas.

**PRESENTED AND PASSED ON FIRST AND FINAL READING** at a regular meeting of the Euless City Council on November 9, 2010, by a vote of _6_ ayes, _0_ nays and _0_ abstentions.

ATTEST:

Mary Lib Saleh, Mayor

Susan Crim, City Secretary

APPROVED AS TO FORM:

William M. McKamie, Interim City Attorney

## Exhibit "A"
## Boundary Description

Beginning at the point of intersection of the west right-of-way (ROW) line of State Highway 121 and the north ROW line of Cheek Sparger Road, thence

Westward to a point where said line intersects with the western property line of Bbb & C RY Survey Abstract 204 Tracts 5 & 5e, thence

Northward along the west property of line Bbb & C RY Survey Abstract 204 Tracts 5 & 5e to a point where said line intersects with the western property line of Doss, Jesse Survey abstract 441 Tract 6B, thence

Northward along the west property line of Doss, Jesse Survey abstract 441 Tract 6B to a point where said line intersects with the western property line of Doss, Jesse Survey abstract 441 Tract 6B1, thence

Northward along the western property line of Doss, Jesse Survey abstract 441 Tract 6B1 to a point where said line intersects with the southern property line of the Doss, Jesse Survey Abstract 441 tract 3c, thence

West along the southern property line of the Doss, Jesse Survey Abstract 441 tract 3c to a point where said line intersects with the western property line of the Doss, Jesse Survey Abstract 441 tract 3c, thence

North along the western property line of the Doss, Jesse Survey Abstract 441 tract 3c to a point where said line intersects with the southern property line of Doss, Jesse Survey Abstract 441 Tract 5, thence

West along the southern property line of Doss, Jesse Survey Abstract 441 Tract 5 to a point where said property line intersects with the eastern ROW line of Heritage Avenue, thence

Northward along the eastern ROW line of Heritage Avenue to a point where said line intersects with the northern property line of Havins, John H Survey, Abstract 685 Tract 2A, thence

Eastward along the northern property line of Havins, John H Survey, Abstract 685 Tract 2A to a point where said line intersects with the western ROW line of State Highway 121, thence

Northward along the western ROW line of State Highway 121 to a point where said line intersects with the southern ROW line of Glade Road, thence

Eastward along the southern ROW line of Glade Road to a point where said line intersects with the eastern ROW line of State Highway 121, thence

Southward along the eastern ROW line of State Highway 121 to a point where said line intersects with the northern ROW line of Cheek Sparger Road, thence

Westward along the northern ROW line of Cheek Sparger Road to a point where said line intersects with the west ROW line of State Highway 121, which is the point of beginning.
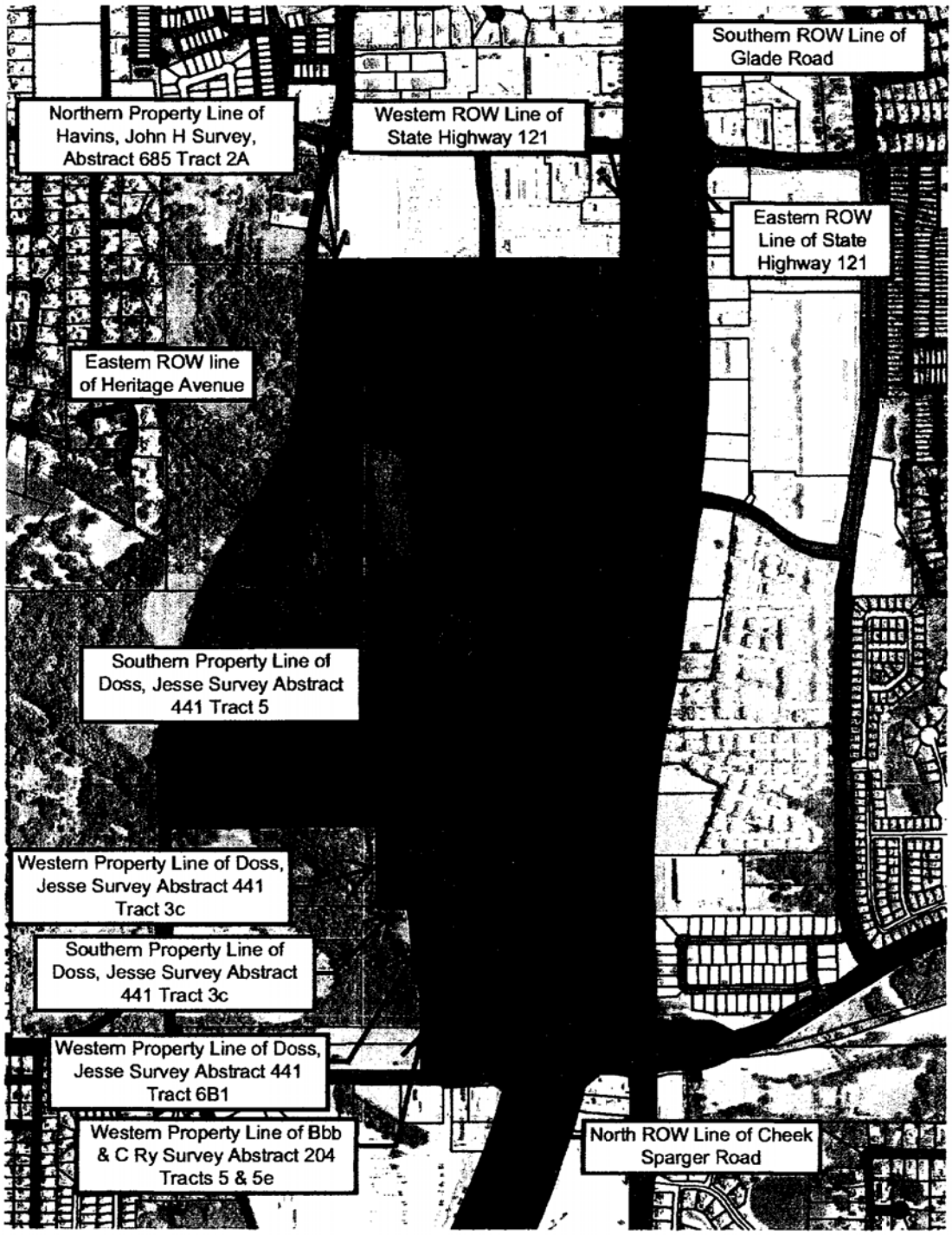
**Exhibit "A"**
**Map**