

ORDINANCE NO. _____

AN ORDINANCE DESIGNATING A NON-CONTIGUOUS GEOGRAPHIC AREA WITHIN THE EXTRA-TERRITORIAL JURISDICTION OF THE CITY OF LEWISVILLE AS REINVESTMENT ZONE NUMBER THREE, CITY OF LEWISVILLE, TEXAS, FOR TAX INCREMENT FINANCING PURPOSES PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE; CREATING A BOARD OF DIRECTORS FOR SUCH ZONE; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE FOREGOING SUBJECT; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE; AND DECLARING AN EMERGENCY.

WHEREAS, pursuant to Chapter 311 of the Texas Tax Code, the City may designate a contiguous or non-contiguous geographic area within the City and its extra-territorial jurisdiction as a reinvestment zone if the area satisfies the requirements of certain sections of Chapter 311 of the Texas Tax Code; and

WHEREAS, the City has prepared a preliminary reinvestment zone financing plan which provides that a hundred percent (100%) of City of Lewisville ad valorem taxes from the reinvestment zone area are to be deposited into the tax increment fund, and that taxes of other taxing units may be utilized in the financing of the proposed zone; and

WHEREAS, a notice of the public hearing on the creation of the proposed zone was published on ~~xxxxxx~~ in ~~xxxxxxxxxx~~, a newspaper of general circulation in the City; and;

WHEREAS, at the public hearing on December 3, 2018, interested persons were allowed to speak for or against the creation of the proposed zone, its boundaries, or the concept of tax increment financing; and owners of property in the proposed zone were given a reasonable opportunity to protest the inclusion of their property in the proposed zone; and

WHEREAS, the City has provided information and given proper notice as required by Chapter 311, Texas Tax Code, or other law as a condition to the creation of the proposed zone; and

WHEREAS, the total appraised value of taxable real property in the proposed zone and all other tax increment reinvestment zones previously created by the City is approximately \$434,297,188; and

WHEREAS, the total area within the proposed zone is approximately 708 acres, including property that is publicly owned; and

WHEREAS, less than thirty percent (30%) of the property in the proposed zone is currently used for residential purposes, as that term is defined in Code Section 311.006(d).

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, 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 contains substantial areas that are predominantly open and underdeveloped, and lack public roadway, water distribution, and wastewater collection facilities which conditions substantially impair and arrest the sound growth of the City.

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

(e) That the total appraised value of real property in the proposed zone in combination with the total appraised value of real property in other reinvestment zones created by the City does not exceed 25 percent of the total appraised value of real property in the City.

Section 2. Designation of the Zone

That the City, acting under the provisions of Chapter 311, Texas Tax Code, including Section 311.005(a), does hereby designate as a reinvestment zone, and create and designate a reinvestment zone over the area described in Exhibit "A" attached hereto to promote the redevelopment of the area. The reinvestment zone shall hereafter be named for identification as Reinvestment Zone Number Three, City of Lewisville, Texas, (the "Zone"). The City Council

specifically declares that the Zone is designated pursuant to Section 311.005(a) (1) and (2) of the Texas Tax Code.

Section 3. Board of Directors

That there is hereby created a Board of Directors for the Zone, which shall consist of seven (7) members. Positions One through Five on the Board of Directors shall be reserved for the City. Positions Six and Seven shall be reserved for County. Failure of a taxing unit to appoint a director by January 1, 2019, shall be deemed a waiver of the right to appoint a director, and the City shall be entitled to appoint persons to the positions.

The Mayor is hereby authorized to nominate and appoint, subject to City Council approval, the directors to Positions One through Five of the Board of Directors, and any position unfilled on January 1, 2019, subject to the consent and approval of the City Council.

The directors appointed to odd-numbered positions shall be appointed for two-year terms, beginning on the effective date of this ordinance, while the directors appointed to even-numbered positions shall be appointed to a one-year term, beginning on the effective date of this ordinance. All subsequent appointments shall be for two-year terms. The member of the Board of Directors appointed to Position One is hereby designated to serve as the chair of the Board of Directors for a one-year term beginning on the effective date of this ordinance. Thereafter, 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 on the anniversary of the effective date of this ordinance. The City Council authorizes the Board of Directors to elect from its members a vice-chairman and such other officers as the Board of Directors sees fit.

The Board of Directors shall make recommendations to City Council concerning the administration of the Zone. The Board of Directors shall prepare or cause to be prepared and adopt a project plan and a reinvestment zone financing plan for the Zone as described in Section 311.011, Texas Tax Code, and shall submit such plans to City Council for its approval. The City hereby delegates to the Board of Directors all powers necessary to prepare and implement the project plan and reinvestment zone financing plan, subject to approval by City Council, including the power to employ any consultants or enter into any reimbursement agreements payable solely

from the Tax Increment Fund established pursuant to Section 6 of this ordinance that may be reasonably necessary or convenient to assist the Board of Directors in the preparation of the project plan and reinvestment zone financing plan and in the issuance of tax increment obligations.

Section 4. Duration of the Zone

That the Zone shall take effect immediately upon the passage and approval of this Ordinance, and termination of the operation of the Zone shall occur on December 31, 2048, or at an earlier time as provided in Sec. 311.017, Texas Tax Code.

Section 5. Tax Increment Base

That the Tax Increment Base of the City or any other taxing unit participating in the Zone is the total appraised value of all real property taxable by the City or other taxing unit participating in the Zone and located in the Zone, determined as of January 1, 2018, the year in which the Zone was designated as a reinvestment zone (the "Tax Increment Base").

Section 6. Tax Increment Fund

There is hereby created and established a Tax Increment Fund for the Zone which may be divided into subaccounts as authorized by subsequent ordinances. All Tax Increments, as defined below, shall be deposited in the Tax Increment Fund. The Tax Increment Fund and any subaccount shall be maintained at the depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. The annual Tax Increment shall equal the property taxes levied by the City and any other taxing unit participating in the Zone at its participation rate for that year on the captured appraised value, as defined by Chapter 311 of the Texas Tax Code, of real property located in Zone that is taxable by the City or any other taxing unit participating in the Zone, less any amounts that are to be allocated from the Tax Increment pursuant to Chapter 311 of the Texas Tax Code. All revenues from the sale of any tax increment bonds, notes or other obligations hereafter issued for the benefit of the Zone by the City, if any; revenues from the sale of property acquired as part of the project plan and reinvestment zone financing plan, if any; and other revenues to be used in the Zone shall be deposited into the Tax Increment 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. Severability

If any provision, section, subsection, sentence, clause or phrase of this ordinance, or the application of same to any person or set of circumstances, is for any reason held to be unconstitutional, void or invalid, the validity of the remaining provisions of this ordinance or their application to other persons or set of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this ordinance that no portion hereof or regulations connected herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any portion hereof, and all provisions of this ordinance are declared severable for that purpose.

Section 8. 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 City Hall for the time required by law preceding its meeting, as required by the Open Meetings Law, Texas Government Code, ch. 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 9. Notices

The contents of the notice of the public hearing, which hearing was held before the City Council on December 3, 2018, and the publication of said notice, are hereby ratified, and confirmed.

Section 10. Effective Date

This ordinance shall take effect and be in full force and effect from and after the date of its passage and publication as required by law.

Section 11. Emergency

It being for the public welfare that this ordinance be passed creates an emergency and public necessity and the rule requiring this ordinance be read on three separate occasions be, and the same is hereby, waived and this ordinance shall be in full force and effect from and after its passage and approval and publication, as the law in such cases provides.

**DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LEWISVILLE, TEXAS,
BY A VOTE OF ____ TO ____, ON THIS THE ____ DAY OF _____, 2018.**

Rudy Durham, Mayor

ATTEST:

Julie Worster, City Secretary

APPROVED AS TO FORM:

Lizbeth Plaster, City Attorney

EXHIBIT "A"

