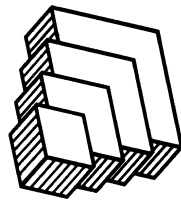


FINANCE PLAN

AUGUST 2005

Tax Increment Reinvestment Zone No. 1

Town of Flower Mound, Texas



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August 2005

The Financing Plan provides information on the projected monetary impact that the formation of the Tax Increment Financing Reinvestment Zone (TIRZ) could have on the property described in *Finance Plan Exhibit: A* and shown in *Finance Plan Exhibit: B*. It will also describe how that impact can be utilized to enhance the area and region through leveraging the resources of each entity that participates in the project.

Below is a summary of the Financing Plan items required by law.

1. The proposed public improvements in the TIRZ may include:

- Capital costs, including the actual costs of the construction of public works, public improvements, new buildings, structures, and fixtures; and the actual costs of the acquisition of land and the clearing and grading of land;
- 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;
- Any real property assembly costs;
- Professional service costs, including those incurred for architectural, planning, engineering, and legal advise and services;
- Any relocation costs;
- Organizational costs, including costs of conducting environmental impact studies or other studies, the cost of publicizing the creation of the TIRZ, and the cost of implementing the project plan for the TIRZ;
- Interest before and during construction and for one year after completion of construction, whether or not capitalized;
- The amount of any contributions made by the municipality from general revenue for the implementation of the project plan;
- Imputed administrative costs, including reasonable charges for the time spent by employees of the municipality in connection with the implementation of a project plan;
- The cost of operating the TIRZ and project facilities; and
- Payments made at the discretion of the governing body of the municipality that the municipality finds necessary or convenient to the creation of the TIRZ or to the implementation of the project plans for the TIRZ.

The specific capital improvement projects anticipated to be undertaken in the Flower Mound TIRZ No. 1, are included in *Finance Plan Exhibit: C*.

2. **Estimated Project Cost of TIRZ, including administrative expenses.**
 - Project costs are estimated at approximately \$ 48.7 million dollars. Specific cost estimates are included in *Finance Plan Exhibit: C*.
3. **Economic Feasibility Study.**
 - An economic feasibility analysis has been completed and is included as *Finance Plan Exhibit: D*.
4. **The estimated amount of bonded indebtedness to be incurred.**
 - If initial project costs are not advanced by a Developer, the Town of Flower Mound would consider issuing bonds when tax increment funds exceed the amount necessary to support debt service.
5. **The time when related costs or monetary obligations are to be incurred.**
 - Please refer to *Finance Plan Exhibit: C* for details regarding the phasing and type of improvement costs anticipated.
6. **A description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay project costs including the percentage of tax increment to be derived from the property taxes of each taxing unit on real property in the TIRZ**
 - Project costs will be financed through loans advanced by developers or by the use of tax increment funds received on a pay-as-you-go basis. No new debt is envisioned at this time, but bonds may be issued at a later date when adequate tax increment has been created to support debt service. The revenue sources will be the real property taxes captured by the TIRZ, which will account for 100% of revenues used to fund project costs or bond debt service. For the Financial Plan, it is assumed that the Town will participate at 100% of its tax rate on incremental taxable value and the County will participate at rates which vary as shown in *Finance Plan Table 2*.
7. **The current total appraised value of taxable real property in the TIRZ.**
 - The current appraised base value of the taxable real property in the TIRZ using the 2005 values provided by the Denton Central Appraisal District is \$228,290,889 for the Town of Flower Mound and \$229,382,705 for Denton County.

FINANCE PLAN – FLOWER MOUND TIRZ NO. 1

8. The estimated appraised value of the improvements in the TIRZ during each year of its existence.

- The estimated appraised value of the improvements in the TIRZ per year is listed in the following table.

Table 1: Assessed Real Property Value Including Anticipated New Development TIRZ No. 1, Flower Mound, Texas

Years 2005-2024

YEAR	TOTAL ASSESSED VALUE, \$M
2005	\$ 261.4
2006	296.9
2007	333.1
2008	370.1
2009	407.8
2010	459.3
2011	511.8
2012	565.4
2013	620.0
2014	675.7
2015	725.3
2016	775.9
2017	827.5
2018	880.1
2019	933.8
2020	981.0
2021	1,029.3
2022	1,078.5
2023	1,128.6
2024	1,179.8

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- The estimated annual incremental funds available from future development in the TIRZ are listed in the following table.

Year	Assessed Value, \$M	Base Assessed Value, \$M	Annual Captured Value, \$M	TIRZ Funds \$K Town *	TIRZ Funds \$K County *	TIRZ Funds, \$K
2005	261.4	228.3	33.1	-	-	-
2006	296.9	228.3	68.6	128	72	200
2007	333.1	228.3	104.8	451	249	700
2008	370.1	228.3	141.8	901	499	1400
2009	407.8	228.3	179.5	1,545	855	2,400
2010	459.3	228.3	231.0	2,381	1,319	3,700
2011	511.8	228.3	283.5	3,537	1,763	5,300
2012	565.4	228.3	337.1	4,805	2,395	7,200
2013	620.0	228.3	391.7	6,340	3,160	9,500
2014	675.7	228.3	447.4	8,076	4,024	12,100
2015	725.3	228.3	497.0	10,078	5,022	15,100
2016	775.9	228.3	547.6	12,511	5,889	18,400
2017	827.5	228.3	599.2	14,958	7,042	22,000
2018	880.1	228.3	651.8	17,678	8,322	26,000
2019	933.8	228.3	705.5	20,602	9,698	30,300
2020	981.0	228.3	752.7	23,797	11,203	35,000
2021	1,029.3	228.3	801.0	27,651	12,249	39,900
2022	1,078.5	228.3	850.2	31,255	13,845	45,100
2023	1,128.6	228.3	900.3	35,067	15,533	50,600
2024	1,179.8	228.3	951.5	39,086	17,314	56,400
2025				43,383	19,217	62,600
			TOTAL	43,383	19,217	62,600

*Based on tax rates of:	Town	\$0.4497 / \$100 Valuation
	County	\$0.2490 / \$100 Valuation Years 1—5
		\$0.2241 / \$100 Valuation Years 6—10
		\$0.2117 / \$100 Valuation Years 11—15
		\$0.1992 / \$100 Valuation Years 16—20

9. The duration of the TIRZ:

- The TIRZ was created in 2005. It is proposed that the TIRZ exist for twenty (20) years with termination of the TIRZ set as 2025 or the date when all project costs are paid and any debt is retired, whichever comes first.

Finance Plan Exhibit: A

BOUNDARY DESCRIPTION

BEGINNING at the intersection of the north ROW of FM 1171 (Cross Timbers Road) and the east ROW of Morriss Road; thence

East along the north ROW of FM 1171 (Cross Timbers Road) to a point directly opposite the east ROW of Firewheel; thence

South across FM 1171 (Cross Timbers Road) and continuing south along the east ROW of Firewheel to a point directly opposite the south ROW of Milford; thence

Westerly across Firewheel and continuing along the south ROW of Milford, extending directly across Morriss Road to the west ROW of Morriss Road; thence

Northerly along the west ROW of Morriss Road to the south ROW of FM 1171(Cross Timbers Road); thence

Westerly along the south ROW of FM 1171 (Cross Timbers Road) to the east ROW of Yucca; thence

South along the east ROW of Yucca, continuing across Sagebrush to the south ROW of Sagebrush; thence

Westerly along the south ROW of Sagebrush to the east ROW of FM 2499 (Long Prairie Road); thence

South along the east ROW of FM 2499 (Long Prairie Road) to a point directly opposite the south ROW of Chaparral; thence

Across FM 2499 (Long Prairie Road) and continuing west along the south ROW of Chaparral to a point opposite the west property line of the 15.227 acre HCA Health Services Texas, Inc. tract; thence

Across Chaparral and continuing along the west, northwest and north property lines of the 15.227 acre HCA Health Services Texas, Inc. tract to the southwest corner of the 3.936 acre Feti Staraveci tract; thence

North along the west property line of the 3.936 acre Feti Staraveci tract, across Bob White Lane and continuing along the west property lines of the 1.277 acre and 0.724 acre Tolleson Family Trust tracts, the 1.647 acre, 1.514 acre and 1.321 acre Harvey Earles tracts, the 1.322 and 1.323 acre Vasavada tracts, the 1.86 acre Lancaster tract, the 0.315 acre and 1.905 acre Coker tracts, and the 4.802 acre Johnson tract, continuing across Sagebrush to the north ROW of Sagebrush; thence

FINANCE PLAN – FLOWER MOUND TIRZ NO. 1

East along the north ROW of Sagebrush to the southwest corner of the 2.676 acre M & L Sagebrush West, Ltd. tract; thence

North along the west property line of the 2.676 acre M & L Sagebrush West, Ltd. tract, the 0.915 and 1.743 acre Flower Mound Square LP tracts, the 0.990 acre FM Investments tract and the 1.36 acre FM Link Properties, Ltd. tract to the south ROW of Churchill; thence

West and northwesterly along the south ROW of Churchill to the north ROW of Broadmoor; thence

Southwesterly along the north ROW of Broadmoor to the southeast corner of the 1.871 acre Gaylnn Sonius tract; thence

West along the south property line of the 1.871 acre Gaylnn Sonius tract and continuing directly across Old Settlers to the west ROW; thence

North along the west ROW of Old Settlers across FM 1171 (Cross Timbers Road) to the north ROW of FM 1171 (Cross Timbers Road); thence

Southeasterly and easterly along the north ROW of FM 1171 (Cross Timbers Road) to its intersection with the northwest point of the 2.894 acre Flower Mound Towne Crossing, Ltd. tract; thence

East along the north property line of the 2.894 acre Flower Mound Towne Crossing, Ltd. tract to the southwest corner of the 3.589 acre YYV Estates Joint Venture tract; thence

North along the west property lines of the 3.589 acre YYV Estates Joint Venture tract, the 3.002 acre Cross tract, the 4.965 acre James tract, the 4.988 acre Crawford tract, the 2.990 acre Zeller tract, the 2.990 acre Johnson tract, the 2.964 acre Fell tract, the 2.971 acre McGiboney tract, the 3.000 acre Simmons tract, the 2.434 acre Crawford tract, the 2.398 acre Sutton tract, across Windsor, continuing along the west property lines of the 6.917 acre Guzik tract, the 2.253 acre Bradburry tract, and the 5.922 acre Nowell Family tract to the south property line of the 16.436 acre Shu tract; thence

West and north along the south and west property lines of the 16.436 acre Shu tract to its northwest corner; thence

North along the east ROW of Mulberry to the south ROW of Pecan; thence

West across Mulberry and along the south ROW of Pecan to the west ROW of Spruce; thence

North along the west ROW of Spruce across Willow (as platted) to the north ROW of Willow (as platted); thence

Easterly along the north ROW of Willow (as platted) to the west ROW of FM 2499 (Long Prairie Road); thence

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Northwesterly along the west ROW of FM 2499 (Long Prairie Road) to the south ROW of Rippy Road; thence

Northwesterly and north along the south and west ROW of Rippy Road to its intersection with the southeast corner of the 17.902 acre Bradford tract; thence

West and north along the south and west property lines of the 17.902 acre Bradford tract, continuing along the west property line of the 5.146 acre Cain tract to its intersection with the southeast corner of the 19.165 acre Parks tract; thence

West and north along the south and west property lines of the 19.165 acre Parks tract to its intersection with the south ROW of Waketon; thence

West along the south ROW of Waketon to the town limits boundary; thence

North along the town limits boundary to the centerline of FM 407 (Justin Road); thence

West along the centerline of FM 407 (Justin Road) to the town limits boundary; thence

Across FM 407 (Justin Road) and following the town limits boundary north, east and south back to the centerline of FM 407 (Justin Road); thence

Easterly along the centerline of FM 407 (Justin Road) to a point directly opposite the east property line of the 2.002 acre Austin Realty tract; thence

Across FM 407 (Justin Road) and along the east property lines of the 2.002 acre Austin Realty tract, the 5.882 acre Warren tract, the 24.000 acre Weaver Properties tract, across Dixon Lane, and continuing along the east property line of the 87.134 acre Whyburn tract across Waketon to the south ROW of Waketon; thence

West along the south ROW of Waketon to the northeast corner of the 15.667 acre Phoenix Meadows tract; thence

South along the east property line of the 15.667 acre Phoenix Meadows tract to the north ROW of College Parkway; thence

East, southeast and east along the north, northeast and north ROW of College Parkway to a point directly opposite the east property line of the 11.0 acre Town of Flower Mound tract; thence

South along the east property line of the 11.0 acre Town of Flower Mound tract to the north property line of the 6.8502 acre Minassain Properties tract; thence

East along the north property lines of the 6.8502 acre Minassain Properties tract and the 6.2 acre Reeder Partnership, Ltd. tract to its northeast corner; thence

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South along the east property lines of the 6.2 acre Reeder Partnership, Ltd. and 2.6 acre Tobias tracts to the north property line of the 13.95 acre Town of Flower Mound tract; thence

Generally southeast along the north property line of the 13.95 acre Town of Flower Mound tract to the west ROW of Morriss; thence

Perpendicularly across Morriss to the east ROW; thence

South along the east ROW of Morriss to the northwest corner of the 3.498 acre Bank United property; thence

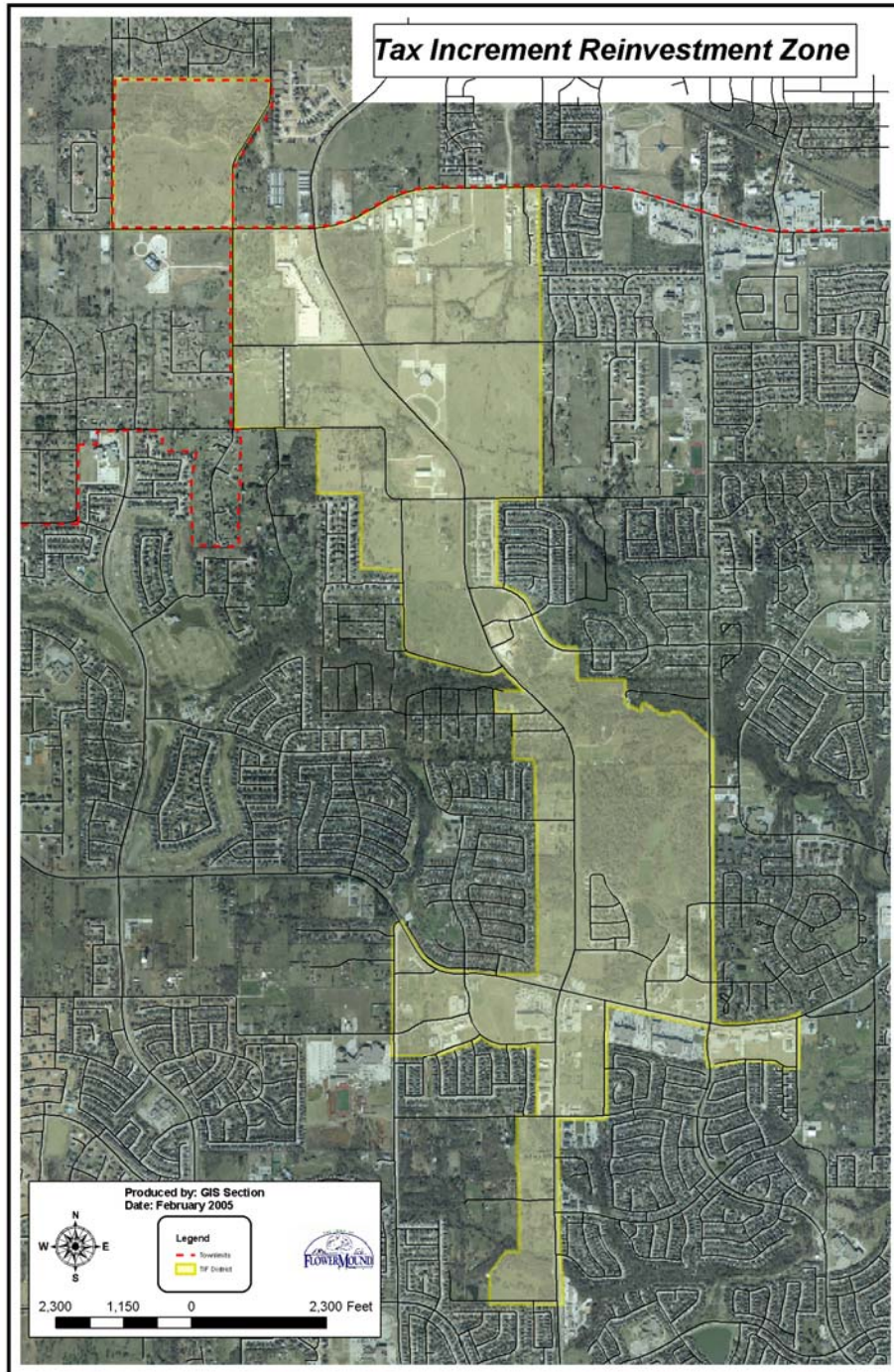
East along the north property lines of the 3.498 acre Bank United property and the 0.74 acre Bank One Corporation property to the west ROW of Timber Creek; thence

South along the west ROW of Timber Creek to the north ROW of Eaton; thence

West along the north ROW of Eaton to the east ROW of Morriss; thence

South along the east ROW of Morriss to the north ROW of FM 1171 (Cross Timbers Road) and the POINT OF BEGINNING, containing a total of approximately 1,465 acres.

Finance Plan Exhibit: B



PROPERTY BOUNDARY MAP

Finance Plan Exhibit: C

PUBLIC INFRASTRUCTURE PROJECTS

Project	Estimated Cost
STREETS	
Dixon Lane (Chinn Chapel to Crestside)	\$3,500,000
Chinn Chapel (FM 407 to Dixon)	425,000
Chinn Chapel (Dixon to Waketon)	750,000
Waketon Road (Rippy to Chinn Chapel)	400,000
College Parkway (FM 2499 to Rippy)	800,000
Rippy Road (FM 2499 to Waketon)	2,115,000
Churchill (East end to Yucca)	560,000
Local Commercial ring road (FM 407 to Dixon)	<u>1,620,000</u>
Subtotal	\$10,170,000
SIGNALS	
College Parkway at FM 2499	\$150,000
Windsor at FM 2499	150,000
Local Commercial ring road at FM 407	<u>85,000</u>
Subtotal	\$385,000
WATER	
FM 2499 west side from FM 1171 to Dixon	\$1,175,000
FM 407 from FM 2499 to Country Meadows Addition	465,000
FM 2499 east side from Waketon to Valley Creek Church	<u>145,000</u>
Subtotal	\$1,785,000
WASTEWATER	
FM 2499 east side from Valley Creek Church to Dixon	\$305,000
FM 407 from FM 2499 to County Meadows Addition	<u>455,000</u>
Subtotal	\$760,000
FACILITIES	
Town Hall	\$12,000,000
Senior Citizen Activity Center	8,000,000
Performing Arts Auditorium	<u>10,000,000</u>
Subtotal	\$30,000,000
PARKS	
Timber Trails Park	\$200,000
Hike and Bike Trails	<u>400,000</u>
Subtotal	\$600,000
Improvements in Forum area	\$5,000,000
<u>TOTAL</u>	<u>\$48,700,000</u>