



City of Rowlett

Official Copy

Ordinance: ORD-019-19

4000 Main Street
Rowlett, TX 75088
www.rowlett.com

AN ORDINANCE OF THE CITY OF ROWLETT, TEXAS, APPROVING AND RATIFYING THE PROJECT AND FINANCING PLAN AMENDMENT APPROVED BY THE TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, CITY OF ROWLETT, TEXAS; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND, PROVIDING AN EFFECTIVE DATE.

WHEREAS, The Tax Increment Reinvestment Zone Number Two, City of Rowlett, Texas (the "TIRZ"), at a meeting of its Board of Directors held on July 23, 2019, considered, approved and recommended for approval an amendment to the Project and Financing Plan ("Plan"); and

WHEREAS, at a special meeting held on July 23, 2019, the City Council of the City of Rowlett, Texas, considered the TIRZ Board's resolution setting forth its approval and recommendation, and formally approved the amended Plan, and by this Ordinance, confirms, approves and ratifies the approval of the amended Plan; and

WHEREAS, in compliance with the laws of the State of Texas and the ordinances of the City of Rowlett, have given the requisite notices, and have duly considered all relevant matters, and in the exercise of its legislative discretion, the City Council has concluded that the amended Plan is adopted and ratified.

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

SECTION 1. That the Project and Financing Plan Amendment of the Tax Increment Reinvestment Zone Number Two, City of Rowlett, Texas, a true and correct copy of which is attached hereto and incorporated herein, be and is hereby approved, effective and as of July 23, 2019, and the Council's approval thereof be and is hereby ratified.

SECTION 2. That all ordinances of the City of Rowlett, Texas, in conflict with the provisions of this ordinance be and the same are hereby repealed and all other ordinances of the City of Rowlett not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 3. That should any sentence, paragraph, subdivision, clause, phrase or section of this ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this ordinance as a whole, or any part or provision hereof, other than the part so decided to be invalid, illegal or unconstitutional, and shall not affect the validity of the Code of Ordinances as a whole.

SECTION 4. That this ordinance shall take effect immediately from and after its passage and the publication of the caption, as the law and Charter in such cases provide.

At a meeting of the City Council on August 1, 2019 this Ordinance be adopted. The motion carried by the following vote:

Ayes: 6 Mayor Dana-Bashian, Mayor Pro Tem Brown, Deputy Mayor Pro Tem Grubisich, Councilmember Sherrill, Councilmember Laning and Councilmember Bell

Absent: 1 Councilmember Margolis

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Approved by Tommy Dean Bastian Date August 1, 2019
Mayor

Approved to form by [Signature] Date August 1, 2019
City Attorney

Approved by [Signature] Date August 1, 2019
City Secretary



EXHIBIT A

TAX INCREMENT REINVESTMENT ZONE NUMBER TWO CITY OF ROWLETT, TEXAS

PROJECT AND FINANCING PLAN AMENDMENT

Overview

The governing body of the City of Rowlett, Texas (the "City") adopted an ordinance creating the Tax Increment Reinvestment Zone Number 2 (the "TIRZ") on April 7, 2015. The land comprising the TIRZ, consisting of roughly 317 acres, is divided by US Interstate Highway 30, which separates the land into a north side (the "North Side Property") and a south side (the "South Side Property"). A Project and Financing Plan was adopted by the Board of Directors of the TIRZ (the "Plan") which Plan is attached as Exhibit "A." By Settlement Agreement dated March 8, 2019 (the "Settlement Agreement") between the City and the Bayside Parties (as defined in the Settlement Agreement), a copy of which is attached as Exhibit "B", the City has agreed to amend the Plan. This amendment (this "Amendment") is intended to amend, not replace, the Plan and will control over any conflicting provision of the Plan. As required by the Settlement Agreement the City has entered into a TIRZ Agreement, effective July 23, 2019 (the "TIRZ Agreement"), approved by the City Council of the City on July 23, 2019 by Resolution RES-____-____. Notwithstanding any statements or provisions in the Plan, this Amendment or any future Plan amendment to the contrary, in the event of a conflict between the Settlement Agreement and the Plan, this Amendment, or the TIRZ Agreement, the provisions contained in the Settlement Agreement shall control. Terms used but not defined in this Amendment are defined in the Plan or the Settlement Agreement.

Bifurcation of Land; Segregation of Accounts

The land comprising the TIRZ is segregated into two parts, the North Side Property, consisting of the land within the TIRZ area adjacent to and north of IH-30, and the South Side Property, consisting of the land adjacent to and south of IH-30. The Tax Increment Fund, as described in the Plan, will be segregated into two separate sub-accounts, the North TIRZ Sub-Account and the South TIRZ Sub-Account. Tax Increment revenues derived from the TIRZ will be deposited into the respective sub-account based on the location of the property from which the income was derived, and each sub-account will be funded solely from the Tax Increment attributable to the North Side Property or the South Side Property, respectively.

The Tax Increment Fund, as of the effective date of this Amendment, has a total balance of \$106,132.04. This balance is divided into the respective sub-accounts as follows:

North TIRZ Sub-Account Balance: \$10,211.47

South TIRZ Sub-Account Balance: \$95,920.57

Funds deposited into the North TIRZ Sub-Account and South TIRZ Sub-Account of the Tax Increment Fund shall always first be applied to pay the proportional share (based on acreage with 54% percent attributable to the North Zone and 46% percent attributable to the South Zone) of the actual annual Administrative Costs attributable to the North Side Property and the South Side Property.

North TIRZ Sub-Account Priority of Payments; Limitations

Payments for actual (not estimated) and eligible project costs (“TIRZ Project Costs”) pursuant to the Plan will be made on a first-in-first-out basis with respect to the North TIRZ Sub-Account. Reimbursement from the North TIRZ Sub-Account shall be limited to (1) TIRZ Project Costs for improvements constructed within or for the benefit of the North Side Property up to a maximum amount of \$10,457,754, (2) actual (not estimated) amounts paid for the Designated Sewer Projects (as described and defined in the Settlement Agreement) in accordance with the Settlement Agreement (the “Designated Sewer Project Costs”) which are estimated to be no more than \$3,400,000 after the Sewer Escrow funds (as defined in the Settlement Agreement) funds the first half of such Designated Sewer Projects, and (3) interest on TIRZ Project Costs and Designated Sewer Project Costs as provided in the Settlement Agreement and the TIRZ Agreement.

South TIRZ Sub-Account Priority of Payments; Limitations

Payments for TIRZ Project Costs pursuant to the Plan will be made on a first-in-first-out basis with respect to the South TIRZ Sub-Account. Reimbursement from the South TIRZ Sub-Account shall be limited to (1) TIRZ Project Costs for improvements constructed within the South Side Property up to a maximum amount of \$40,778,421.00, and (2) interest on TIRZ Project Costs as provided in the Settlement Agreement and the TIRZ Agreement.

Termination of Certain Obligations

All obligations of the Bayside Entities (as defined in the Settlement Agreement) under the 2015 Development Agreement (as defined in the Settlement Agreement) and the Hotel Agreement (as defined in the Settlement Agreement) have been terminated and replaced with the obligations TIRZ Agreement.
