

CITY OF DRIPPING SPRINGS

ORDINANCE No. 1110.16

**CREATING TAX INCREMENT REINVESTMENT ZONE NUMBER TWO,
ARROWHEAD TIRZ**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DRIPPING SPRINGS, TEXAS, DESIGNATING A GEOGRAPHIC AREA WITHIN THE CITY AS A REINVESTMENT ZONE PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE, TO BE KNOWN AS REINVESTMENT ZONE NUMBER TWO, ARROWHEAD TIRZ, CITY OF DRIPPING SPRINGS, TEXAS; DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; ESTABLISHING A TAX INCREMENT FUND FOR THE ZONE; CONTAINING FINDINGS RELATED TO THE CREATION OF THE ZONE; PROVIDING A DATE FOR THE TERMINATION OF THE ZONE; PROVIDING THAT THE ZONE TAKE EFFECT IMMEDIATELY UPON PASSAGE OF THE ORDINANCE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Dripping Springs, Texas (the “City”), pursuant to the Tax Increment Financing Act, codified at Chapter 311 of the Texas Tax Code (hereinafter referred to as the “Act”), may designate a geographic area within the City as a tax increment reinvestment zone if the governing body determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future; and

WHEREAS, the City Council desires to promote the development of a certain geographic area in the City, which is depicted in Exhibit “B” of this Ordinance, through the creation of a new reinvestment zone (hereinafter referred to as the “Zone No. 2”) as authorized by and in accordance with the Act; and

WHEREAS, pursuant to and as required by the Act, the City has prepared a Preliminary Reinvestment Zone Project Plan and Financing Plan for Reinvestment Zone Number Two, City of Dripping Springs, Texas dated November 2016, attached as Exhibit “C” (hereinafter referred to as the “Preliminary Project and Finance Plan”) for the Zone; and

WHEREAS, notice of the public hearing on the creation of the Zone was published in the

official newspaper of the City on November 22, 2016, which was not later than the seventh day before the date of the public hearing, which was held on November 29, 2016; and

WHEREAS, the Zone No. 2 meets the criteria for the creation of a reinvestment zone because it is located in the city limits and extraterritorial jurisdiction of the City and meets the criteria in Section 311.005 of the Act; and

WHEREAS, the Zone No. 2 will be able to fund a significant portion of the proposed projects as listed in the attached Preliminary Project and Financing Plan; and

WHEREAS, the Zone No. 2 meets the other requirements of the Tax Increment Financing Act including: (a) 30 percent or less of the property in the Zone No. 2, excluding property dedicated to public use, is currently used for residential purposes; (b) the total appraised value of all taxable real property in the Zone No. 2 according to the most recent appraisal rolls of the City, together with the total appraised value of taxable real property in all other existing reinvestment zones within the City, according to the most recent appraisal rolls of the City, does not exceed 50 percent of the current total appraised value of taxable real property in the City and in the industrial districts created by the City, if any; and

WHEREAS, the improvements in the Zone No. 2 will significantly enhance the value of all taxable real property in the Zone; and

WHEREAS, at the public hearing interested persons were allowed to speak for or against the creation of the Zone, the boundaries of the Zone, and 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 Zone; and the public hearing was held in full compliance with Section 311.003(c) of the Act; and

WHEREAS, evidence was received and presented at the public hearing; and

WHEREAS, after all comments and evidence, both written and oral, were received by the City Council, the public hearing was closed on November 29, 2016; and

WHEREAS, the City has taken all actions required to create the Zone No. 2 including, but not limited to, the Act, the Texas Open Meetings Act (defined herein), and all other laws applicable to the creation of the Zone.

NOW THEREFORE, BE IT ORDAINED by the City of Dripping Springs:

1. FINDINGS OF FACT

The foregoing recitals are incorporated into this Ordinance by reference as findings of fact as expressly set forth herein.

SECTION 2. ENACTMENT

Title 1, Article 1.05 and Title 1, Article 2.04 of the City of Dripping Springs Code of Ordinances is hereby added and amended so to read in accordance with Exhibit "A", which is attached hereto and incorporated into this Ordinance for all intents and purposes.

SECTION 3. REPEALER

All ordinances, or parts thereof, that are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters regulated, herein.

SECTION 4. SEVERABILITY

Should any of the clauses, sentences, paragraphs, sections or parts of this Ordinance be deemed invalid, unconstitutional, or unenforceable by a court of law or administrative agency with jurisdiction over the matter, such action shall not be construed to affect any other valid portion of this Ordinance.

SECTION 5. CODIFICATION

The City Secretary is hereby directed to record and publish the attached rules, regulations and policies in the City's Code of Ordinances as authorized by Section 52.001 of the Texas Local Government Code.

SECTION 6. EFFECTIVE DATE

This Ordinance shall be effective immediately upon passage and publication.

SECTION 7. PROPER NOTICE & MEETING

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551. Notice was also provided as required by Chapter 52 of the Texas Local Government Code.

PASSED & APPROVED this, the 29th day of November, 2016, by a vote of 5 (ayes) to 0 (nays) to 0 (abstentions) of the City Council of Dripping Springs, Texas.

CITY OF DRIPPING SPRINGS:

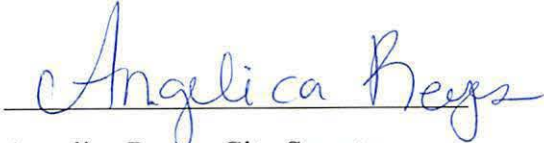
by: 

Mayor Todd Purcell

Arrowhead TIRZ

TIRZ No. 2

ATTEST:

A handwritten signature in blue ink that reads "Angelica Reyes". The signature is written in a cursive style and is positioned above a horizontal line.

Angelica Reyes, City Secretary

EXHIBIT "A"

City of Dripping Springs

CODE OF ORDINANCES

TITLE 1: GENERAL ORDINANCES

CHAPTER 1: GENERAL PROVISIONS

ARTICLE 1.05: TAX INCREMENT FINANCING

**DIVISION 2: TAX INCREMENT REINVESTMENT ZONE
BOARD, TIRZ NO. 2**

Sec. 1.05.011 Creation of Tax Increment Reinvestment Zone No. 2

- (a) A Tax Increment Reinvestment Zone No. 2 is created in the area shown in a map designated as TIRZ No. 2 Map.
- (b) One original of TIRZ No. 2 Map shall be filed in the office of the City Secretary.
- (c) A copy of TIRZ No. 2 Map shall be filed at City Hall and available electronically on the city's website.

Sec. 1.05.012 Designation and Name of the Zone

- (a) Pursuant to the authority of, and in accordance with the requirements of the Tax Increment Financing Act, Chapter 311 of the Tax Code, the area depicted in TIRZ No. 2 Map is designated as a tax increment reinvestment zone.
- (b) The name assigned to the tax increment reinvestment zone for identification is Reinvestment Zone Number Two, City of Dripping Springs, Texas, Arrowhead TIRZ (referred to herein as the "Zone No. 2").

Sec. 1.05.013 Board of Directors

A board of directors for the Zone No. 2 (hereinafter referred to as the "Board") is hereby created consisting of seven (7) members. The board of directors will be appointed pursuant to Chapter 2, Division 8 of this code.

Sec. 1.05.014 Duration of the Zone No. 2

- (a) The Zone shall take effect immediately upon the passage and approval of this Ordinance, consistent with Section 311.004(a)(3) of the Act.

(b) The Zone shall terminate on December 31, 2045, or at such time, subsequent to the issuance of tax increment bonds, certificates of obligation, notes or other obligations of the Zone No. 2 (hereinafter referred to as “Obligations”) if any, that all project costs, Obligations and the interest on the Obligations have been paid in full in accordance with Section 311.017 of the Act, whichever occurs earlier. The Zone No. 2 may also be terminated by ordinance at any time.

Sec. 1.05.015 Tax Increment Fund

(a) That a tax increment fund for the Zone No. 2 (hereinafter referred to as the “TIF Fund No. 2”) is hereby established.

(b) The TIF Fund No. 2 may be divided into additional accounts and subaccounts authorized by resolution or ordinance of the City Council. The TIF Fund No. 2 shall consist of (i) the percentage of the tax increment, as defined by Section 311.012(a) of the Act, 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 Act, plus (ii) fifty percent (50%) of the City’s portion of the tax increment, as defined by Section 311.012(a) of the Act, subject to any binding agreement executed at any time by the City that pledges a portion of such tax increment.

(c) The TIF Fund No. 2 shall be maintained in an account at the depository bank of the City and shall be secured in the manner prescribed by law for Texas cities. In addition, all revenues from the following sources shall be deposited into the TIF Fund No. 2: (i) the sale of any obligations hereafter issued by the City and secured in whole or in part from the tax increments; (ii) the sale of any property acquired as part of a tax increment financing plan adopted by the Board; (iii) other revenues dedicated to and used in the Zone No. 2.

(d) Prior to the termination of the Zone No. 2, money shall be disbursed from the Tax Increment Fund only to pay project costs, as defined by the Act, for the Zone No. 2, to satisfy the claims of holders of Obligations 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 Act.

CHAPTER 2: GENERAL PROVISIONS

ARTICLE 2.04: BOARDS, COMMISSIONS AND COMMITTEES

DIVISION 9: TAX INCREMENT REINVESTMENT ZONE BOARD, TIRZ NO. 2

Sec. 2.06.021 Organization and procedure

(a) There is hereby created within the city a tax increment reinvestment zone board that consists of seven (7) regular board members to be filled by nomination and appointment as follows:

(1) Five (5) board seats shall be appointed by city council;

(2) Two (2) board member seats shall be appointed by the county commissioners court;

(b) Board member seats appointed by the county commissioners court are contingent on the county's participation in the Tax Increment Reinvestment Zone. If the county does not participate, or ceases participation, in the Tax Increment Reinvestment Zone, the board member seats in 2.06.001(a)(2) shall be filled by city council.

Sec. 2.06.002 Qualifications

All regular board members shall be at least eighteen (18) years of age and a resident of the county. Any regular board member who ceases to possess such qualifications shall automatically be deemed to have vacated their membership on the board.

Sec. 2.07.003 Terms

(a) Initial board member appointments by city council and the county commissioners court after the effective date of this section shall be for a two (2) year term.

(b) All appointments for regular members made after the initial appointments shall be for a term of two (2) years, except vacancies for unexpired terms, which shall be filled for the remainder of the unexpired term.

Sec. 2.07.004 Duties

The TIRZ board shall act as an advisory board to the city council in the operation and administration of the TIRZ; all action by the board is subject to city council approval. The authority and responsibility of the board expressly includes:

(1) Make recommendations to the city council regarding the administration of this division.

(2) Make recommendations to the city council regarding agreements that are necessary or convenient to implement the project plan and reinvestment zone financing plan.

(3) Make recommendations to the city council regarding agreements with local governments or political subdivisions for management of the zone or implementing the project plan and reinvestment zone financing plan.

(4) Make recommendations to the city council regarding the expenditure of TIRZ funds related to development and redevelopment of land within the zone, in conformance with the following process.

(5) Acting as the lead entity in working with other boards and commissions regarding incentives, regulations, infrastructure and all other physical and economic development decisions related to the TIRZ district.

(8) Providing a progress report to the city council annually, or as requested by the city council.

Sec. 2.07.005 Officers

The city council shall appoint a chair, as established in section 311.009.f of the Local Government Code, for a term of one year, beginning in January. The board may appoint other officers as it may establish in its bylaws.

Sec. 2.07.006 Quorum

A simple majority of the duly appointed members of the board shall constitute a quorum. In the event that a regular or specially called meeting of the board occurs without appointment of a new member (if the vacancy is that of a member), a majority of the remaining members shall constitute a quorum.

Sec. 2.07.007 Bylaws

The board shall write its own bylaws establishing its own rules for its regulation. Said bylaws and amendments thereto shall be filed with the city secretary.

Sec. 2.07.008 Meetings

The board shall hold regular monthly meetings that shall be open to the public and at a time and place to be established in its bylaws. It may also hold such other meetings as may be necessary to accomplish the purpose of its creation and as established in its bylaws. All meetings shall be public and shall conform to law.

Sec. 2.07.009 Minutes

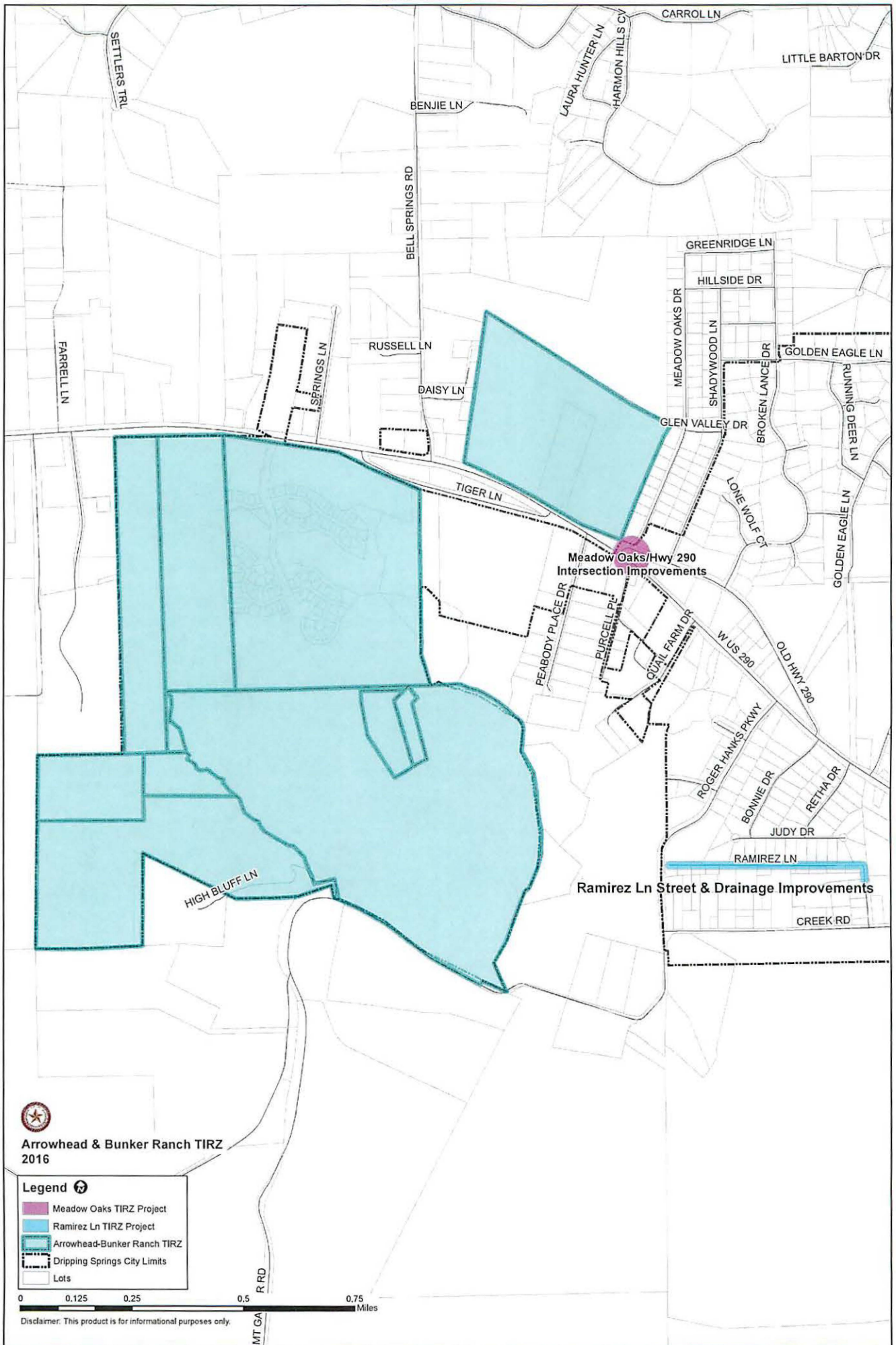
The board shall keep a record of its proceedings in a permanent book, and a signed copy of said minutes shall be given to the city secretary.

Sec. 2.07.010 Severability

The terms and provisions of this division shall be deemed to be severable in that, if any portion of this division shall be declared to be invalid, the same shall not affect the validity of the other provisions of this division.

Sec. 2.07.011 Conflicts of interest

- (a) A member of the board is not a public official by virtue of this position.
- (b) No member of the city council or the planning and zoning commission shall be eligible for a grant or assistance from the board during their tenure or for six months thereafter.



Arrowhead & Bunker Ranch TIRZ
2016

Legend

- Meadow Oaks TIRZ Project
- Ramirez Ln TIRZ Project
- Arrowhead-Bunker Ranch TIRZ
- Dripping Springs City Limits
- Lots

0 0.125 0.25 0.5 0.75 Miles

Disclaimer: This product is for informational purposes only.





PRELIMINARY PROJECT PLAN AND
REINVESTMENT ZONE FINANCING
PLAN FOR PROPOSED TAX
INCREMENT REINVESTMENT ZONE
NO. 2, ARROWHEAD TIRZ, CITY
OF DRIPPING SPRINGS

NOVEMBER 8, 2016

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1. OVERVIEW

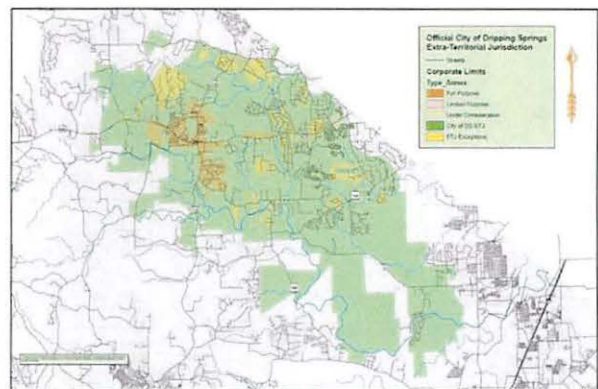
1.1 Background

The City of Dripping Springs (the "City") is a Texas general law municipality incorporated in 1981, located 25 miles west of Austin, Texas. Dripping Springs has an unusually large ETJ; with nearly 75,000 square acres the area expands from the city limits of Buda to the Travis County and west of Austin. The Dripping Spring ETJ encompasses a majority of the northwestern half of Hays County. The City limit and the City's Extra-Territorial Jurisdiction ("ETJ") are shown on the Map Figure 1.

According to the City's Comprehensive Plan (the "Comp Plan") adopted in 2010, the population within the city limits has grown relatively slowly in the previous 10 years. However, the ETJ and School District saw much more rapid growth. This pattern was expected to continue, although potential development in areas that would become part of the City may increase the population of the City of Dripping Springs faster than the projections indicate.

The Dripping Springs population, within its city limits, is about 1,788 although its extraterritorial jurisdiction (ETJ) is home to nearly 30,000 residents. The city offers an exceptional school system, affordable living, and proximity to Austin and San Antonio.

Map Figure 1- City Limit and ETJ



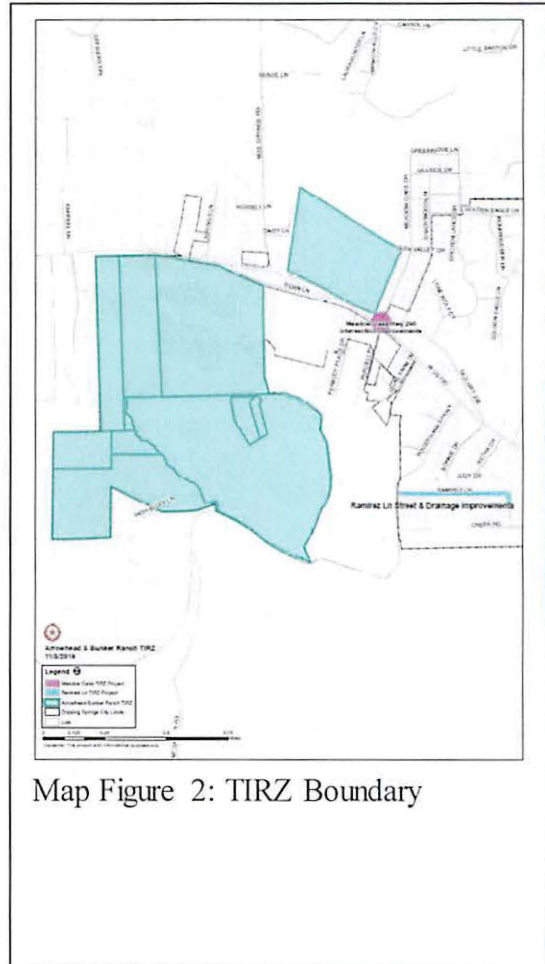
2. The Challenge

- a) Within the City limits, the City has land available for development, and some areas of substandard development, and the City needs additional means of planning and providing infrastructure to promote overall quality development in the area;
- b) The City's downtown area has some dilapidated and unoccupied buildings that inhibit the City's growth;
- c) The lack of sidewalks and the inadequacy of some streets in Dripping Springs also inhibits the growth of the City;
- d) Low quality and/or sub-standard developments will be an ongoing
- e) obstacle to annexation and City growth if allowed to continue

3. Responding to the Challenge

The City is requesting that the County and Library District participate in a Tax Increment Reinvestment Zone ("TIRZ" or "Zone") to be created over certain commercial and residential areas within the City. Map Figure 2 depicts the TIRZ Boundary and the respective areas of in-City included.

The road and drainage improvements listed, Mercer Street, Triangle, Meadow Oaks and Ramirez Lane and Mercer Street, will benefit every resident of Dripping Springs. Additionally, improvements will also benefit development in the area west of downtown by providing an area for residents of future development to participate in City activities and allow movement around the City itself and out into the greater Travis County area. These improvements are feasible and practical and will benefit the area included in the TIRZ.



The proposed TIRZ would afford the opportunity for the City to plan and prepare for the provision of public infrastructure to areas within its city, including street and drainage improvements, Mercer Streetscape improvements, Triangle/US 290/RR12 area road and drainage improvements, Public Parking downtown, and other road and drainage improvements.

The TIRZ is one layer of funding to help leverage additional funding sources for city improvements. Creating a TIRZ with identified projects is an effective method to communicate to the public and the development community the city's key areas for investment and targeted growth.

Town Center Concept Sketch Model



The City is experiencing and will continue to experience rapid growth. The City may need to update its land development code as it relates to the Town Center area in order to foster the development types that support the City's future goals. A detailed look at natural attributes, infrastructure, development trends, targeted development areas and the comprehensive plan should be evaluated to determine the new code requirements.

The City desires to maximize and preserve the taxable value of land and improvements in its City Limits. Residents understand that maintaining their property values depends in no small part on the areas inside the City and adjacent to the City developing to the highest standards.

If this opportunity is missed, the City will continue to be hampered and will remain unable to provide the full array of city services and roads to areas to promote development inside the City limits. But for the creation of the TIRZ this area is not likely to attract and maintain private investment sufficient or timely enough to provide the public improvements proposed.

2. PRELIMINARY PROJECT PLAN

This Preliminary Project Plan and Reinvestment Zone Financing Plan (“The Plan”) has been prepared in accordance with the requirements of Chapter 311.011 of the Texas Tax Code and outlines the improvements to be funded and implemented by the proposed Tax Increment Reinvestment Zone Number 2, Arrowhead TIRZ, Dripping Springs, Texas.

Benefits to local taxing jurisdictions and tax payers and furtherance of the City's goals to be accomplished by the TIRZ include the following:

City of Dripping Springs	Hays County	Library District
<ul style="list-style-type: none"> <input type="checkbox"/> Provides ability to influence quality, timing, and type of development inside the City. <input type="checkbox"/> Affords ability for planned, interconnected, efficient design and construction of roads, drainage and infrastructure <input type="checkbox"/> Enhances the City's tax base <input type="checkbox"/> Provides cost-sharing opportunities with County participation for projects in the ETJ <input type="checkbox"/> Provides tool to partner with private developers to construct improvements 		<ul style="list-style-type: none"> <input type="checkbox"/> Provides a site for a 30,000 sq feet building for a future library <input type="checkbox"/> Provides interconnected roads and parking for access to the library building

The TIRZ as proposed will allow the City, County, and Library to partner with each other for public improvements each may have planned for the area. The City believes that a TIRZ is the best mechanism by which to partner with the County and also with private sector developers to plan, fund, and construct the needed improvements over the long-range time horizon such an ambitious undertaking might require. The City, County, and Library will be able to fund a large building site for a building with city services and a new 30,000 sq foot library building.

Through the TIRZ, the City, County, and Library can both maximize the value of the ETJ to the benefit of their respective voters and citizens, as well as contribute to the community cohesion that comes with planned development. Developers seeking to partner with the TIRZ will be required to petition for annexation into the City if requested by the City. This performance driven structure will shift the cost and risk of construction to the private sector, with repayment coming out of new growth resulting from the infrastructure provided.

1. Changes to Municipal Ordinances Required 311.011(b)(2))

Some changes to the development code for the Town Center area could be needed to fully

complete the needed projects. Other than these changes and the ordinance changes that will be required by the annexation and zoning of properties currently in the ETJ, there are no other contemplated changes to the City's Code of Ordinances or Master Plan.

2. Non-Project Costs (311.011(b)(3))

Non-Project Costs will consist of unreimbursed costs of public rights-of way, utility upgrades, street relocation cost, technology investment, public open space improvements, and other private investment. The projects which are expected to result from the TIRZ major infrastructure improvements consist of private investment in various development projects which will include internal infrastructure such as internal roads, water, sewer, and drainage facilities, along with the private development. The total value of such projects can reasonably be projected to total more than ten million dollars (\$10,000,000) at TIRZ end based on the current development plans.

3. PRELIMINARY REINVESTMENT ZONE FINANCING PLAN

The TIRZ is intended to provide a funding and/or reimbursement mechanism for major public infrastructure to provide roadways and public utilities to un-served properties within the Zone, along with various landscape, beautification and urban design components. The comprehensive and long-term nature of the project will promote stability, and sustainable commercial, residential, retail and light industrial opportunities in an area that is currently underutilized and undervalued. The TIRZ may fund all or a portion of the eligible projects.

3.1 Estimated Project Cost Description (311.011(c)(1))

The project costs below comply with the categories established in Section 311.02 of the Texas Tax Code. The dollar amounts are approximate estimates based on assumptions of how the land may develop and are expressed in year 2016 dollars. Project Costs may be adjusted to actual development plans, bid costs and/or for inflation. Projects will be undertaken and paid for as funds are available from increment or other sources. The intent is to complete as many of the projects as can be funded from tax increment revenues notwithstanding whether the costs or tax increments exceed the estimates herein, and costs may be moved among line items.

Project Description	Project Cost Estimate ¹	Projected Proportionate Cost
Capital Projects Roads and Drainage	\$6,700,000	\$2,115,000
Civic Facilities City Hall	\$2,500,000	\$625,000
Public Parking Downtown	\$150,000	\$37,500
Professional Fees for Creation of Zone	\$65,000	\$65,000
Total Estimated Project Costs	\$9,415,000	\$2,842,500

¹ TIRZ # 1 will partially fund the projects listed above that also benefit that area.

In addition to the projects described above, the following categories established in Section 311.2(1) of the Texas Tax Code as eligible project costs will be considered eligible project costs. The TIRZ will fund project costs at the discretion and approval of the Board of Directors of the TIRZ. And, when appropriate and practicable, the TIRZ will consider which categories are eligible for financing projects, such as:

- *Capital Projects* related to demolition, environmental abatement, and remediation including site work and fill, necessary to prepare sites and existing structures for new use.
- *Land Costs* associated with property formally conveyed to the public in conjunction with the implementation of projects otherwise eligible for reimbursement may also be eligible for reimbursement.
- *Matching Funds* may be contributed in support of local, state, federal or other capital improvements programs that benefit the project and the region.
- *Streetscape, Gateways, Parks, and Community Facilities* that enhance or serve the existing and future development. These may include, but are not limited to, lighting, walks, landscaping and related street furniture, greenbelts and paths, trails, parks, outdoor pavilions, non-profit community and arts space, and recreational/sports facilities.
- *Professional Services* incurred for architectural, planning, engineering, legal, landscape architecture, financial, marketing, public relations, management, leasing, bookkeeping, tax role verification, environmental, archaeological, and other services and advice necessary to a project.
- *Financing Costs* related to developer's interest, city interest, and financing interest, legal fees, underwriter's fees, brokerage charges, transfer or placement charges, premium and fees paid for loans, credit enhancement fees, notes, bonds or other instruments of credit issued to pay for project costs.
- *Operational Expenses* as may be necessary to provide for the proper administration of the Zone, operation of Zone facilities and services provided therein, over the life of the TIRZ.

3.2 Kind, Number and Location of Proposed Public Improvements

(311.011(c)(2)) Proposed public improvements include drainage, roadways, and various facilities. The majority of the roadways and public facilities, including roadways, city hall, and parking, will be located in the City. Urban design components may also be within the City limits. The map below indicates the probable location of the listed improvements; however, final alignments will be determined at the time of design. Public infrastructure improvements

20 years	\$2,468,219	\$2,042,991	\$1,050,792
25 years	\$2,986,508	\$2,474,092	\$1,278,452
30 years	\$3,387,467	\$2,806,735	\$1,451,695

To ensure timely construction of public improvements, pay-as-you-go and other various methods off financing may be utilized. These include:

- *Tax Increment Bonds or Notes.* As allowed by annual incremental increases in Zone assessed value, tax-exempt tax increment bonds or notes may be issued to fund improvements.
- *Direct Reimbursements.* Projects that are closely related to particular private development projects or public infrastructure programs of public agencies, municipalities, and authorities may be financed through reimbursement agreements with a developer, public agency, municipality, or authority using a direct payment annually from the TIRZ increment fund .
- *Other private financing.* Some projects may be financed on a short-term basis through private financial institutions.
- *Grants/Other Public Funds.* To the extent permitted by law, efforts will be made to leverage TIRZ funds with other public funds and economic development tools.

7. Current Appraised Value of Taxable Real Property (311.011(c)(7))

Based upon the 2016 Hays County Appraisal District certified tax roll, the base year value of the proposed TIRZ will be \$14,625,030.00.

8. Estimated Captured Appraised Value By Year (311.011(c)(8))

The table on the following page shows the Captured Appraised Value and the resulting revenue from the City and County for the duration of the Zone.

9. Duration of Zone (311.011(c)(9))

The Zone is being proposed for a twenty-five (25) year period, with the final payment of increment being made on values and at rates for 2039, which revenue may be paid in 2041. Therefore, the Zone will terminate for purposes of collection on December 31, 2041.

Captured Appraised Value- City

TIRZ #2 Increment	Tax Year	TIRZ #2 Base	Projected Incremental Tax Base Subject to Capture	TOTAL Projected Assessed Valuation
Base	2016	\$ 14,625,030	\$ -	\$ 14,625,030
1	2017	14,625,030	5,186,104	19,811,134
2	2018	14,625,030	22,386,888	37,011,918
3	2019	14,625,030	57,712,693	72,337,663
4	2020	14,625,030	101,223,166	115,848,196
5	2021	14,625,030	146,451,035	161,076,065
6	2022	14,625,030	199,447,530	208,072,560
7	2023	14,625,030	242,265,304	256,890,334
8	2024	14,625,030	276,077,187	290,702,217
9	2025	14,625,030	303,599,466	318,224,496
10	2026	14,625,030	332,158,298	346,783,328
11	2027	14,625,030	352,301,389	366,926,419
12	2028	14,625,030	363,491,031	378,116,061
13	2029	14,625,030	363,491,031	378,116,061
14	2030	14,625,030	363,491,031	378,116,061
15	2031	14,625,030	363,491,031	378,116,061
16	2032	14,625,030	363,491,031	378,116,061
17	2033	14,625,030	363,491,031	378,116,061
18	2034	14,625,030	363,491,031	378,116,061
19	2035	14,625,030	363,491,031	378,116,061
20	2036	14,625,030	363,491,031	378,116,061
21	2037	14,625,030	363,491,031	378,116,061
22	2038	14,625,030	363,491,031	378,116,061
23	2039	14,625,030	363,491,031	378,116,061
24	2040	14,625,030	363,491,031	378,116,061
25	2041	14,625,030	363,491,031	378,116,061
26	2042	14,625,030	363,491,031	378,116,061
27	2043	14,625,030	363,491,031	378,116,061
28	2044	14,625,030	363,491,031	378,116,061
29	2045	14,625,030	363,491,031	378,116,061
30	2046	14,625,030	363,491,031	378,116,061

COST ESTIMATES FOR POTENTIAL TIRZ PROJECTS IN DOWNTOWN TIRZ

(Note: These estimates are not based on plans and specifications nor a detailed scope of work; they represent rough orders of magnitude; Potential Proportionate Cost based on current and future development is also projected)

1. Mercer Streetscape Improvements - Street, drainage, street trees, way finding signage, street lighting and sidewalk improvements.

Estimated Cost = \$5,400,000 Proportionate Cost: \$1,350,000

2. Triangle/US 290/RR12 area road and drainage improvements to enhance development

Estimated Cost = \$500,000 Proportionate Cost: \$125,000

3. City Hall site acquisition and building

Estimated Cost = \$2,500,000 Proportionate Cost: \$625,000

4. Public Parking in downtown area to enhance economic development

Estimated Cost = \$150,000 Proportionate Cost: \$37,500

5. Ramirez Lane Street and Drainage Improvements to enhance property values

Estimated Cost = \$350,000 Proportionate Cost: \$280,000

6. Meadow Oaks/US 290 intersection relocation and improvement to enhance traffic safety

Estimated Cost = \$450,000 Proportionate Cost: \$360,000

Total Estimated \$ 9,350,000 Total Estimated Proportionate Cost: \$2,777,500

ATTACHMENT "A"

ECONOMIC FEASIBILITY

City of Dripping Springs, Texas														DRAFT FOR DISCUSSION PURPOSES ONLY	
Tax Increment Reinvestment Zone No. 2 (Arrowhead/Bunker Ranch Area)															
Incremental Revenue Analysis - City Only															
TRZ #2 Increment	Year	Tax Year	TRZ #2 Base	Projected Incremental Tax Base Subject to Capture	TOTAL Projected Assessed Valuation	TOTAL Tax Levy at 2016 Tax Rate	Tax Collection Delinquencies Allowance	Total Net Tax Collections	Tax Collections on Base Value	Tax Collections on Increments	City TRZ #2 Participation at 50.11%	TRZ Admin Expense	Projected Net TRZ #2 Revenue	TRZ #2 Revenue Discounted at 5%	City Recovered Taxes (General Fund)
Base	2016	2016		\$	14,625,030	\$ 24,863	\$ 497	\$ 24,365	\$ 24,365	\$	\$	\$	\$	\$	\$
1	2017	2017	14,625,030	5,106,104	19,811,134	33,679	674	33,005	24,365	8,640	5,082	25,000	(19,918)	(18,969)	3,558
2	2018	2018	14,625,030	22,386,888	37,011,918	62,920	1,258	61,662	24,365	37,297	21,939	25,500	(3,561)	(3,230)	15,357
3	2019	2019	14,625,030	57,712,633	72,337,663	122,974	2,459	120,515	24,365	96,149	56,554	26,010	30,548	26,389	39,591
4	2020	2020	14,625,030	101,223,166	115,848,196	196,942	3,939	193,003	24,365	168,638	99,199	26,530	72,649	59,785	69,439
5	2021	2021	14,625,030	146,451,035	161,076,065	273,829	5,477	268,353	24,365	243,987	143,522	27,061	116,461	91,250	100,465
6	2022	2022	14,625,030	193,447,530	208,072,560	353,723	7,074	346,649	24,365	322,284	189,579	27,602	161,977	120,869	132,703
7	2023	2023	14,625,030	242,265,304	256,890,334	436,714	8,734	427,979	24,365	403,614	237,420	28,254	209,266	148,721	166,194
8	2024	2024	14,625,030	276,077,187	290,702,217	494,194	9,884	484,310	24,365	459,945	270,556	29,717	241,839	163,686	189,389
9	2025	2025	14,625,030	303,599,466	318,224,496	540,882	10,810	530,072	24,365	505,707	297,527	29,991	268,236	172,907	202,269
10	2026	2026	14,625,030	332,158,298	346,783,328	589,532	11,791	577,741	24,365	553,376	325,515	29,677	295,638	181,496	227,861
11	2027	2027	14,625,030	352,301,389	366,926,419	623,775	12,475	611,299	24,365	586,934	345,255	30,475	314,781	184,046	241,679
12	2028	2028	14,625,030	363,491,031	378,116,061	642,797	12,856	629,941	24,365	605,576	356,221	31,084	325,137	181,048	249,355
13	2029	2029	14,625,030	363,491,031	378,116,061	642,797	12,856	629,941	24,365	605,576	356,221	31,706	324,515	172,097	249,355
14	2030	2030	14,625,030	363,491,031	378,116,061	642,797	12,856	629,941	24,365	605,576	356,221	32,340	323,881	163,582	249,355
15	2031	2031	14,625,030	363,491,031	378,116,061	642,797	12,856	629,941	24,365	605,576	356,221	32,987	323,234	155,481	249,355
16	2032	2032	14,625,030	363,491,031	378,116,061	642,797	12,856	629,941	24,365	605,576	356,221	33,647	322,575	147,775	249,355
17	2033	2033	14,625,030	363,491,031	378,116,061	642,797	12,856	629,941	24,365	605,576	356,221	34,320	321,902	140,445	249,355
18	2034	2034	14,625,030	363,491,031	378,116,061	642,797	12,856	629,941	24,365	605,576	356,221	35,006	321,215	133,472	249,355
19	2035	2035	14,625,030	363,491,031	378,116,061	642,797	12,856	629,941	24,365	605,576	356,221	35,706	320,515	126,839	249,355
20	2036	2036	14,625,030	363,491,031	378,116,061	642,797	12,856	629,941	24,365	605,576	356,221	36,420	319,801	120,530	249,355
21	2037	2037	14,625,030	363,491,031	378,116,061	642,797	12,856	629,941	24,365	605,576	356,221	37,149	319,073	114,529	249,355
22	2038	2038	14,625,030	363,491,031	378,116,061	642,797	12,856	629,941	24,365	605,576	356,221	37,892	318,330	108,821	249,355
23	2039	2039	14,625,030	363,491,031	378,116,061	642,797	12,856	629,941	24,365	605,576	356,221	38,649	317,572	103,392	249,355
24	2040	2040	14,625,030	363,491,031	378,116,061	642,797	12,856	629,941	24,365	605,576	356,221	39,422	316,799	98,229	249,355
25	2041	2041	14,625,030	363,491,031	378,116,061	642,797	12,856	629,941	24,365	605,576	356,221	40,211	316,010	93,319	249,355
26	2042	2042	14,625,030	363,491,031	378,116,061	642,797	12,856	629,941	24,365	605,576	356,221	41,015	315,206	88,649	249,355
27	2043	2043	14,625,030	363,491,031	378,116,061	642,797	12,856	629,941	24,365	605,576	356,221	41,835	314,386	84,208	249,355
28	2044	2044	14,625,030	363,491,031	378,116,061	642,797	12,856	629,941	24,365	605,576	356,221	42,671	313,549	79,984	249,355
29	2045	2045	14,625,030	363,491,031	378,116,061	642,797	12,856	629,941	24,365	605,576	356,221	43,526	312,696	75,968	249,355
30	2046	2046	14,625,030	363,491,031	378,116,061	642,797	12,856	629,941	24,365	605,576	356,221	44,396	311,825	72,169	249,355
						\$ 15,967,275	\$ 119,345	\$ 15,847,929	\$ 755,324	\$ 14,092,605	\$ 8,760,354	\$ 1,014,202	\$ 7,746,154	\$ 3,387,467	\$ 6,132,249