

**CITY OF STEPHENVILLE, TEXAS**

**ORDINANCE NO. 2022-O-40**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF STEPHENVILLE, TEXAS, PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE, CREATING TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER TWO, CITY OF STEPHENVILLE, TEXAS**

**WHEREAS**, the City of Stephenville, Texas (the “City”), pursuant to Chapter 311 of the Texas Tax Code, as amended (the “Act”), may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

**WHEREAS**, the Act provides that the governing body of a municipality by ordinance may designate a contiguous geographic area that is in the corporate limits of the municipality to be a 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 contiguous geographic area in the City, which is more specifically described in *Exhibits "A" and "B"* of this Ordinance (the "Zone"), through the creation of a 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**, 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 Stephenville*, attached as *Exhibit C* (hereinafter referred to as the “Preliminary Project and Finance Plan”) for a proposed tax increment reinvestment zone containing the real property within the Zone; and

**WHEREAS**, notice of the public hearing on the creation of the proposed zone was published in a newspaper having general circulation in the City on November 5, 2022, which date is before the seventh (7th) day before the public hearing held on November 15, 2022; and

**WHEREAS**, at the public hearing on November 15, 2022, 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; the public hearing was held in full accordance with Section 311.003(c) of the Act; and

**WHEREAS**, evidence was received and presented at the public hearing on November 15, 2022, and in favor of the creation of the Zone; and

**WHEREAS**, after all comments and evidence, both written and oral, were received by the City Council, the public hearing was closed on November 15, 2022; and

**WHEREAS**, the City has taken all actions required to create the Zone including, but not limited to, all actions required by the home-rule Charter of the City, the Act, the Texas Open Meetings Act (defined herein), and all other laws applicable to the creation of the Zone; and

**WHEREAS**, the percentage of the property in the proposed zone, excluding property that is public owned, that is used for residential purposes is less than thirty percent; and

**WHEREAS**, a Preliminary Project and Finance plan has been prepared for the proposed reinvestment zone.

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

**SECTION 1. RECITALS INCORPORATED.**

The facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct.

**SECTION 2. FINDINGS.**

That the City Council, after conducting the above described hearing and having heard the evidence and testimony presented at the hearing, has made the following findings and determined based on the evidence and testimony presented to it:

- (a) That the public hearing on the expansion of the reinvestment zone has been properly called, held, and conducted and that notice of such hearing has been published as required by law; and
- (b) That the creation of the proposed reinvestment zone with boundaries as described and depicted in *Exhibits "A" and "B"* will result in benefits to the City, its residents and property owners, in general, and to the property, residents, and property owners in the reinvestment zone; and
- (c) That the proposed reinvestment zone, as defined in *Exhibits "A" and "B"*, meets the criteria for the creation of a reinvestment zone set forth in the Act in that:
  - 1. It is a geographic area located wholly within the City limits of the City; and
  - 2. 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 City or county.

- (d) That 30 percent or less of the property in the proposed reinvestment zone, excluding property dedicated to public use, is currently used for residential purposes; and
- (e) That the total appraised value of all taxable real property in the proposed reinvestment zone 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
- (f) That the improvements in the proposed reinvestment zone will significantly enhance the value of all taxable real property in the proposed reinvestment zone and will be of general benefit to the City or county; and
- (g) That the development or redevelopment of the property in the proposed reinvestment zone will not occur solely through private investment in the reasonable foreseeable future.

**SECTION 3. DESIGNATION AND NAME OF THE ZONE.**

Pursuant to the authority of, and in accordance with the requirements of the Act, the City Council hereby designates the area described and depicted in Exhibits “A” and “B” hereto as a tax increment reinvestment zone. The name assigned to the zone for identification is Reinvestment Zone Number Two, City of Stephenville, Texas (hereinafter referred to as the “Zone”).

**SECTION 4. BOARD OF DIRECTORS.**

That a board of directors for the Zone (“Board”) is hereby created. The Board shall consist of nine (9) members comprised of City Council members from Places 1 through 8 and the Mayor.

The Mayor shall serve as chairman of the Board and the Board may elect a vice chairman and such other officers as the Board sees fit. Additionally, each taxing unit that levies taxes within the Zone and chooses to contribute all or part of the tax increment produced by the unit into the tax increment fund may appoint one member of the board. The number of directors on the Board of Directors shall be increased by one for each taxing unit that appoints a director to the board; provided, that the maximum number of directors shall not exceed fifteen (15).

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 3. DURATION OF THE ZONE.**

That the Zone shall take effect immediately upon the passage and approval of this Ordinance, consistent with Section 311.004(a)(3) of the Act, and termination of the Zone shall occur upon any of the following: (i) on December 31, 2052 (with the final year’s tax increment to be collected by September 1, 2053); (ii) at an earlier time designated by subsequent ordinance; (iii) at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, notes and other obligations of the Zone, and the interest thereon, have been paid in full, in accordance with Section 311.017 of the Act.

**SECTION 4. TAX INCREMENT BASE AND TAX INCREMENT.**

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, determined as of January 1, 2022, which is the year in which the Zone was designated as a reinvestment zone and the total sales generated in the Zone, subject to City sales tax for the year 2022, as defined by Section 311.0123.

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, (ii) sixty percent (60%) 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.

**SECTION 5. TAX INCREMENT FUND.**

That there is hereby created and established a “Tax Increment Fund” for the Zone which may be divided into such subaccounts as may be authorized by subsequent ordinance, into which all tax increments of the City, as such increments are described in the final project plan and reinvestment zone financing plan and may include administration costs, less any of the amounts not required to be paid into the Tax Increment Fund pursuant to the Act, are to be deposited. The Tax Increment Fund and any subaccounts are to be maintained in an account at the affiliated depository bank of the City and shall be secured in the manner prescribed by law for funds of 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) 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), Texas Tax Code.

**SECTION 6. SEVERABILITY CLAUSE.**

Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

**SECTION 7. OPEN MEETINGS.**

It is hereby found, determined, and declared that 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 Chapter 551 of the Texas Government Code, 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 8. EFFECTIVE DATE.**

This Ordinance shall take effect immediately upon its adoption and publication in accordance with and as provided by law and the City Charter.

PASSED AND APPROVED ON this 15<sup>th</sup> day of November 2022.

**CITY OF STEPHENVILLE**

\_\_\_\_\_  
Doug Svien, Mayor

**ATTEST:**

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Sarah Lockenour  
City Secretary

**APPROVED AS TO FORM:**

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Randy Thomas  
City Attorney

**APPROVED AS TO CONTENT:**

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Jason King  
City Manager

***EXHIBIT A***  
**BOUNDARY DESCRIPTION**

**TIRZ #2**

Beginning at the northeast corner of Property ID R000063036 where it meets the southern boundary of Property ID R000029920, thence

East along the southern boundary of Property ID R000029920, continuing north along the eastern boundary of Property ID R000029920 to the point it meets the northwest corner of Property ID R000029908, thence

East along the northern boundary of Property ID R000029908 to the point it meets the western right of way of Clark Lane, thence

South along the western right of way of Clark Lane to the point it meets the northern right of way of E Washington Street, thence

South across E Washington Street to the southern right of way boundary, thence

East along the southern right of way boundary of E Washington Street to the point it meets S Lennox Avenue, thence

East across S Lennox Avenue to the eastern right of way boundary, thence

South along the eastern right of way boundary of S Lennox Avenue to the point it meets the southern right of way boundary of E Hook Street, thence

West along the southern right of way boundary of E Hook Street to the point it meets the northeast corner of Property ID R000028708, thence

South along the eastern boundary of Property ID R000028708, continuing south along the eastern boundary of Property ID R000028717, continuing south along the eastern boundary of Property ID R000028727, continuing south to the northern boundary of Property ID R000029842, thence

East along the northern boundary of Property ID R000029842 to the point it meets the western right of way boundary of S Lennox Avenue, thence

South along the western right of way boundary of S Lennox Avenue to the point it meets the southeast corner of Property ID R000029843, thence

West along the southern boundary of Property ID R000029843 to the point it meets the eastern boundary of Property ID R000029421, thence

Continuing south to the northeast corner of Property ID R000072022, thence

South along the eastern boundary of Property ID R000072022 to the point it meets Property ID R000030709, thence

South along the eastern boundary of Property ID R000030709 to the point it meets R000030683, thence

South along the eastern boundary of Property ID R000030683, continuing west along the southern boundary of Property ID R000030683, to the point it meets Property ID R000030684, continuing west to the southwest corner of Property ID R000030688, thence

North along the western boundary of Property ID R000030688 to the point it meets the southern boundary of Property ID R000030709, thence

West along the boundary of Property ID R000030709 to the point it meets Property ID R000072022, thence

West along the southern boundary of Property ID R000072022 to the point it meets Property ID R000030699, thence

South along the eastern boundary of Property ID R000030699 to the point it meets the northern right of way boundary of Riverside Drive, thence

West along the northern right of way boundary of Riverside Drive to the point it meets the eastern right of way boundary of S Graham Avenue, thence

North along the eastern right of way boundary of S Graham Avenue to the point it meets the southeast corner of Property ID R000029550, thence

West along the southern boundary of Property ID R000029550, continuing west to the eastern right of way boundary of S Belknap Avenue, thence

North along the eastern right of way boundary of S Belknap Avenue to the northwest corner of Property ID R000029546, thence

West across S Belknap Avenue and north along the western right of way boundary of S Belknap Avenue to the point it meets the southeast corner of Property ID R000029558, thence

West along the southern boundary of Property ID R000029558, then north along the eastern boundary of Property ID R000029558, continuing north to the southern right of way boundary of W Long Street, thence

West along the southern right of way boundary of W Long Street to the point it meets the eastern right of way boundary of S Orr Avenue, thence

North along the eastern right of way boundary of S Orr Avenue to the point it meets the southern right of way boundary of W College Street, thence

East along the southern right of way boundary of W College Street to the point it meets the eastern right of way boundary of S Erath Avenue, thence

North along S Erath Avenue to the point it meets the northern right of way boundary of W Tarleton Street, thence



East along the northern right of way boundary of W Tarleton Street to the point it meets the eastern right of way boundary of N Race Avenue, thence

North along the eastern right of way boundary of N Race Avenue to the point it meets the northern right of way boundary of W Sloan Street, thence

West along the northern right of way boundary of W Sloan Street to the point it meets the southwest corner of Property ID R000029670, thence

North then east along the boundary of Property ID R000029670 to the point it meets N Belknap Avenue, thence

East across N Belknap Avenue to the eastern right of way boundary of N Belknap Avenue, thence

North along the eastern right of way boundary of N Belknap Avenue to the point it meets the southern right of way boundary of W Collins Street, thence

East along the southern right of way boundary of W Collins Street to the point it meets the northeast corner of Property ID R000063036 where it meets the southern boundary of Property ID R000029920, which is the point of beginning.



***EXHIBIT C***  
**PRELIMINARY PROJECT PLAN AND FINANCE PLAN**