

CITY OF WILLOW PARK, TEXAS

ORDINANCE NO. 916-25

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WILLOW PARK, TEXAS, DESIGNATING A GEOGRAPHIC AREA WITHIN THE EXTRATERRITORIAL LIMITS OF THE CITY AS A REINVESTMENT ZONE PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE, TO BE KNOWN AS TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, CITY OF WILLOW PARK, 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 Willow Park, Texas (the “City”), pursuant to Chapter 311 of the Texas Tax Code as amended (the “Act”), may designate a geographic area within the extraterritorial limits of 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 geographic area that is in the extraterritorial 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 Willow Park City Council (the “City Council”) desires to promote the development of a certain geographic area in the extraterritorial limits of 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 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 Project and Financing Plan for Tax Increment Reinvestment Zone No. 2, City of Willow Park, Texas* as 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 January 17, 2025, which date is before the seventh (7th) day before the public hearing held on January 28, 2025; and

WHEREAS, at the public hearing on January 28, 2025, 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;

WHEREAS, after all comments and evidence, both written and oral, were received by the City Council, the public hearing was closed on January 28, 2025; and

WHEREAS, the City has taken all actions required to create the Zone, 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; 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 OWNED BY THE CITY COUNCIL OF THE CITY OF WILLOW PARK, 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 creation 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 identified in *Exhibits "A" and "B"* meets the criteria for the creation of a reinvestment zone set forth in the Act in that:

1. That it is a geographic area located wholly within the extraterritorial jurisdiction of the City; and
2. The City Council further finds and declares that the proposed zone meets the criteria and requirements of Sections 311.005 of the Texas Tax Code because the proposed zone is predominantly open or undeveloped and, because of the obsolete plating, deterioration of structures or site improvements, or other facts, substantially impairs or arrests 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; and

(h) That the City Council has prepared the Preliminary Project and Finance Plan prior to the execution of this Ordinance; and

(i) That the City Council finds that the Preliminary Project and Finance Plan is feasible.

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 Willow Park, 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 six (6) members comprised of City Council members from Places 1 through 5 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 (1) or two (2) members of the board. The number of directors on the Board of Directors shall be increased by (1) or two (2), as applicable, for each taxing unit that appoints a director(s) 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 have all powers and perform all duties imposed on it by Chapter 311 of the Texas Tax Code and all other applicable laws, including without limitation, pursuant to 311.010(h) of the Act, the powers of a municipality under Chapter 380, Local Government Code. Notwithstanding anything to the contrary herein, the Board shall not be authorized to (i) issue bonds; (ii) impose taxes or fees; (iii) exercise the power of eminent domain, or (iv) give final approval to the Zone’s project and financing plan.

SECTION 5. 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) thirty (30) years after the issuance of the final series of PID Bonds pursuant to the Development Agreement entered into by and between the City and Beall-Dean Ranch, Ltd., on November 12, 2024 (the, “Development Agreement”), (ii) on December 31, 2063 (with the final years tax increment to be collected by September 30, 2064); or (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 and/or the Development Agreement.

SECTION 6. 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, 2025, which is the year was designated as a reinvestment zone, as defined by Section 311.012(c).

The amount of tax increment placed into the TIF Fund (as defined in Section 7) each year 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 the Development Agreement authorized by Section 311.013(f) of the Texas Tax Code, (ii) sixty-five percent (65%) of the City's maintenance and operation tax increment generated by the ad valorem taxes of the City's tax rate, and (iii) fifty percent (50%) of the City's interest and sinking fund tax increment generated by the ad valorem taxes of the City's tax rate, as defined by section 311.012(a) of the Texas Tax Code, less collection and administrative expenses, and 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 fund whose calculation is based on receipt of any portion of such tax increment.

SECTION 7. TAX INCREMENT FUND. That there is hereby created and established a fund (the "TIF 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 and other participating taxing entities, 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 TIF Fund pursuant to the Act, are to be deposited. The TIF Fund and any subaccount 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 TIF Fund only to pay project costs, as defined by the Act, 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 8. 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 9. OPEN MEETING. 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 is 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 10. EFFECTIVE DATE. This Ordinance shall take effect immediately upon its adoption and publication in accordance with and as provided by law.

PASSED AND APPROVE ON this 28th day of January 2025.

APPROVED:

DOYLE MOSS, Mayor

ATTEST:

TONI FISHER, City Secretary

APPROVED AS TO FORM:

WILLIAM CHESSER, City Attorney

EXHIBIT A
Legal Description

EXHIBIT B
Map

EXHIBIT C
Preliminary Project and Finance Plan