

REINVESTMENT ZONE PROJECT & FINANCING PLAN

City of La Villa TIRZ #1

20 December 2012

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SECTION I – EXECUTIVE SUMMARY

OVERVIEW OF PLAN

The City of La Villa Tax Increment Reinvestment Zone (“TIRZ”) Number One represents an important opportunity for the City of La Villa in partnership with Hidalgo County to promote and encourage construction of mixed use industrial, commercial, office warehouse, retail, food service, lodging facilities, market rate and affordable single family and multi-family housing, in areas of the City that have significant and varied impediments to development.

Large and small tracts of land in and around the city have remained vacant or are in need of redevelopment due to inadequate city street infrastructure, unpaved and substandard streets, drainage issues, availability of sewer and water capacity and service, functional obsolescence and obsolete platting requirements. The costs associated with the remediation of development and redevelopment issues are of a magnitude that without additional sources of funds the growth of the city will be significantly impaired.

BENEFITS OF FORMING A TIRZ

The creation of the TIRZ will provide the following benefits:

1. Funding for necessary public improvements associated with needed development and redevelopment in the city.
2. Replace low value existing land uses with high value commercial, industrial, single and multi-family land uses.
3. Offer employment opportunities and reduce commuting time for La Villa and Hidalgo County residents.
4. Help to balance population growth in Hidalgo County.
5. Provide a more efficient use of existing city and county services and infrastructure.
6. Help to address structural imbalances in the La Villa economy and housing market.

The proposed TIRZ is comprised of vacant and improved land throughout the City of La Villa. Also included within the TIRZ boundaries are all existing public rights of way and the associated alley ways lying within the City of La Villa.

DEVELOPMENT GOALS & OBJECTIVES

The development goals and objectives, which are expected to meet the specific needs of the City of La Villa TIRZ District, are:

- Provide commercial and industrial opportunities for developers and companies seeking commercial building sites through the extension and expansion of the water and sewer systems.
- Provide funds for the development of additional sewage treatment and collection system.

- Provide for new commercial and residential opportunities through the completion of new connector streets.
- Begin to address the need for expanded housing opportunities for La Villa residents and La Villa workers who have to commute to work.
- Provide employment opportunities to service increasing population growth within the City of La Villa and surrounding Hidalgo County.
- Solve long-range storm drainage issues that affect the City, County and the surrounding residents.
- Enhance the quality of life within the City and Hidalgo County through Economic Development Incentives to developers.
- Provide funds for the reconstruction of City Streets that impede redevelopment or new development.
- Provide funds for the construction and reconstruction of City Parks
- Provide funds for the construction, reconstruction, renovation, and or rehabilitation of City Facilities.
- Provide funds for the expansion and extension of the sewer and water systems to promote and protect the future tax base of the City.

The City of La Villa TIRZ District Project Plan and Reinvestment Zone Financing Plan provides a long term program to increase business opportunities and population within the District, using tax increment financing to fund required public improvements. This long-term program is expected to attract additional commercial and residential development to include affordable and market rate housing.

PLANNED PRIVATE DEVELOPMENT

City of La Villa TIRZ #1

Summary Fact Sheet Years 1-5

21-Dec-12

Plan of Finance

Site Area		1,912 Acres
Base Market Value	2011	\$1,174,339 Value

Project:

Phase 1A	2011-2012	\$100,000 Commercial
Phase 1B	2011-2012	\$400,000 Residential
Phase 1C	2011-2012	\$4,500,000 Industrial
Phase 2A	2013	\$300,000 Commercial
Phase 2B	2013	\$2,070,000 Residential
Phase 2C	2013	\$5,000,000 Industrial
Phase 3A	2014	\$315,000 Commercial
Phase 3B	2014	\$2,500,000 Residential
Phase 3C	2014	\$5,000,000 Industrial
Phase 4A	2015	\$420,000 Commercial
Phase 4B	2015	\$4,625,000 Residential
Phase 4C	2015	\$750,000 Industrial
Phase 5A	2016	\$441,000 Commercial
Phase 5B	2016	\$787,500 Residential
Phase 5C	2016	\$787,500 Industrial

Totals:

5 Yr. Projected Commercial	\$1,576,000	5.6%
5 Yr. Projected Residential	\$10,382,500	37.1%
5 Yr. Projected Industrial	\$16,037,500	57.3%
Total New Units in 5 yrs.	307	
% of Demand for New Units in TIRZ	204.6%	
5 Year Est. Increase In Value	\$27,996,000	

PLANNED PUBLIC IMPROVEMENTS

The public improvements enumerated in the Project Plan, with an estimated cost of **\$34,033,650** (*Sources & Uses – Total City Infrastructure*) provide for the expansion of sewer and water distribution facilities, construction of a sewer treatment plant, new street construction, the extension of existing streets, addressing housing issues that are impeding economic development, remediation of the drainage issues that occur with all significant rainfalls, existing street reconstruction to include curbs and gutters, utility relocation, and Economic Development Incentives. Included in the plan are significant park and recreation expansions to include soccer fields. The public improvements planned for the City of the La Villa district are designed to help meet the long-term needs to secure and insure growth and investment in the City and Eastern Hidalgo County.

PLANNED PUBLIC CONSTRUCTION

City of La Villa - TIRZ Reinvestment Zone #1

Sources & Uses

21-Dec-12

Sources of Funds	
*TIRZ Revenues	\$ 22,707,028
Total TIRZ Proceed Funds Less Loss of Collections	\$ 20,436,325
Total Sources of TIRZ Funds	<u>\$ 20,436,325</u>
Uses of Funds	
Begin Construction	1/1/2012
Construction Complete	12/1/2041

			County Increment	City Increment
Street Construction & Reconstruction	\$ 3,250,000	9.5%	50.00%	50.00%
Right of Way Acquisition	\$ 750,000	2.2%	50.00%	50.00%
Municipal Facilities Acquisition/Construction	\$ 750,000	2.2%	0.00%	100.00%
Parks: Community Parks, Soccer Fields, Other (consolidated RDF's)	\$ 1,750,000	5.1%	0.00%	100.00%
Storm Water Pollution Prevention Drainage & Drainage Detention	\$ 2,500,000	7.3%	80.00%	20.00%
Wastewater Treatment Plant Expansion	\$ 2,458,650	7.2%	50.00%	50.00%
Wastewater Collection System Improvements	\$ 2,750,000	8.1%	50.00%	50.00%
Water Treatment Plant Expansion	\$ 5,000,000	14.7%	50.00%	50.00%
Water Distribution System	\$ 1,900,000	5.6%	50.00%	50.00%
Water Rights Acquisitions/CCN Acquisitions	\$ 2,500,000	7.3%	70.00%	30.00%
Utility Relocations	\$ 750,000	2.2%	100.00%	0.00%
Street Scapes & Accessibility Program	\$ 1,500,000	4.4%	50.00%	50.00%
TIRZ Creation Expenses & County Administrative Expense	\$ 175,000	0.5%	50.00%	50.00%
Total City Infrastructure	\$ 26,033,650	76.5%		
Matching Infrastructure Funds for Grants	\$ 1,000,000	2.9%	50.00%	50.00%
Total Matching Infrastructure Funds for Grants	\$ 1,000,000	2.9%		
Developer Infrastructure - (streets, water, sewer)	\$ 7,000,000	20.6%	50.00%	50.00%
Total Developer Infrastructure Repayments	\$ 7,000,000	20.6%		
Total Costs	\$ 34,033,650	100.00%		

Project Financing Surplus (*Shortage*)

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*Assumes 100% Collection Rate for City & County

CONSTRUCTION OF PUBLIC IMPROVEMENTS

Improvements are expected to be made on a 'pay as you go' system until such time as the annual income to the Zone shall equal an amount sufficient to address bonded indebtedness. The TIRZ Financing Plan provides for tax increment allowable expenses in the approximate amount of **\$22,707,028** (*Sources & Uses – Total TIF Proceed Funds*). The Reinvestment Zone Financing Plan provides for incremental financing and predicts revenues for the City of La Villa TIRZ District.

SECTION II – PROJECT PLAN

BACKGROUND

On August 10th, 2011 the City Council of the City of La Villa approved Resolution #2011-8 declaring the intent to create a

On Est. October 14th, 2011 the City Council of the City of La Villa held a public hearing and approved Ordinance #2011-9 authorizing the creation of a Finance Plan and Ordinance #2011-10 appointing a Board of Directors for the Zone.

Meetings and statutory presentations were held with individuals and taxing entities in Hidalgo County on the following dates:

- La Villa Independent School District on November 29th, 2011
- Hidalgo County Commissioner Joel Quintanilla on November 18th, 2011
- Hidalgo County Economic Development Director on November 18th, 2011
- Hidalgo County Commissioners Court on December 12th, 2011

PROGRAM CONCEPTS

The City of La Villa TIRZ District represents an important opportunity for the City of La Villa in partnership with Hidalgo County to develop a viable long-range revitalization plan for areas of the City, which have lacked a wide range of commercial, and single and multi-family housing opportunities. New commercial/retail/food service/office warehouse/industrial and lodging construction are the key components of the revitalization plan. Increased employment opportunities for La Villa and surrounding county and community residents will be enhanced through the development and redevelopment activity within the Zone.

DEVELOPMENT GOALS & OBJECTIVES

The planned public improvements within the City of La Villa TIRZ District will insure the future of the City as a viable option as companies look to expand or relocate. The addition of lodging facilities will complement the destination tourism, hunting and fishing industries.

DESCRIPTION OF THE DISTRICT

The City of La Villa TIRZ District is located throughout the City. The assessed value of property within the Zone is **\$1,174,339** (*The Base Value of the Zone*) however; the total appraised value of the properties in the Zone is per the HIDALGO County Appraisal District. The City of La Villa TIRZ zone includes approximately **1,912** acres of public and privately held land in and around the City as shown on the Exhibit "A"

EXISTING USES & CONDITIONS

The City of La Villa has determined that the improvements in the Zone will significantly enhance the value of all of the taxable real property in the Zone and will be of general benefit to the municipality, and that the Zone area meets the requirements of Section 311.005 of the Act, being that the Zone area:

2. is predominantly open, and because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City and The City of La Villa, pursuant to the Act, further finds and declares that:

1. Less than ten percent of the property in the proposed Zone is used for residential purposes, as the term "residential" is defined in Section 311.006(d) of the Act;
2. The total appraised value of the taxable real property in the proposed Zone or in existing reinvestment zones, if any, does not exceed fifteen per cent (50%) of the total appraised value of taxable real property in the City and in industrial districts, if any, created by the City;
3. Development or redevelopment within the boundaries of the proposed Zone will not occur solely through private investment in the reasonably foreseeable future.

ZONING

There currently is not a zoning ordinance but the City of La Villa is currently undertaking this initiative.

PROPOSED PUBLIC IMPROVMENTS

STREET CONSTRUCTION & RECONSTRUCTION

Summary of Roadway Estimates:

The City of La Villa has developed a street rating system using methods derived from a publication of the Asphalt Institute based on visual criteria while incorporating criteria from other organizations such as AASHTO and TXDOT. The rating system establishes a maximum value of 100 for newly constructed streets. As a street ages and deteriorates, the condition rating decreases. Using the rating system to give a ranking to the streets in the City of La Villa, a series of reports were composed to easily navigate through the data. An additional element of this study includes the analysis of the latest construction costs to determine cost estimates to refurbish or reconstruct current streets according to their respective rating; **100-90 Excellent (Oil Rejuvenation), 89-80 Good (Overlay), 79-70 Fair (Patching and Overlay), 69-0 Poor (Reconstruction)**. Using recent project costs and the street rating system developed, a cost estimate to improve a street was derived based on the severity of the deterioration to the street using the analysis of the latest construction costs. The following values have been assigned to the each of the different categories of street depending on its rating cost per square foot: **Reconstruction \$6.00.**

Poor 69-0	\$1,750,000.00	70%
Fair 79-70	\$750,000.00	30%
Good 89-80	\$0.00	0%
Excellent 100-90	\$0.00	0%
Total	\$2,500,000.00	100%

Summary of Thoroughfare Estimates:

This section of the report sorts the streets according to the thoroughfare designation of the Hidalgo County Thoroughfare Plan. According to the thoroughfare plan outlined and adopted, streets that fall within the designated 120', 100', or 80' thoroughfare are required to maintain certain criteria. The following value has been assigned for new construction for thoroughfare listings: **\$7.00 per square foot.**

80'ROW	66'Back to back	10 Streets	\$750,000.00
Total			\$750,000.00

The summary of improvements outlined above in Street Construction and Reconstruction (*excluding Right of Way Acquisition*) is estimated to be \$3,250,000 during the life of the TIRZ

RIGHT OF WAY ACQUISITION

The City of La Villa has large tracts of undeveloped agricultural use property within the City. Streets that were built for farm use when they were constructed need to be widened for future commercial development. To upgrade existing substandard streets the City will need to purchase additional right-of-way from contiguous landowners. Throughout the City there is a lack of street connectivity. As development has occurred the streets have been installed to take care of predominantly the new developments. The consequence of this is forcing traffic onto streets that were adequately sized as collector streets but not as arterials. The City will encourage street connectivity as part of its platting process but in those areas where plats have previously been approved additional right-of-way will need to be purchased at an estimated cost of **\$750,000**.

MUNICIPAL FACILITIES ACQUISITION/CONSTRUCTION

The City of La Villa municipal facilities would continue to grow. With expanded growth in population the city would want to continue to serve its resident and business in a timely manner. To be able to keep up with customer service new facilities would have to be built to accommodate growth and response time to the areas. The facilities would include-police & fire substation, public work & utilities substation both to the north and south of La Villa. The facilities would estimate close to **\$750,000**.

PARKS: COMMUNITY PARKS, SOCCER FIELDS, OTHER, (CONSOLIDATED RDF'S)

With the City of La Villa continues growth needs to secure land and park facilities. These parks must have the amenities to continue to give quality of life service. The facilities would include but not inclusive; soccer field, baseball fields, walking and bike trails, football field, picnic areas as well as consolidated regional detention facilities for community health and safety. The approximation cost would be **\$1,750,000.**

STORM WATER POLLUTION PREVENTION DRAINAGE & DRAINAGE DETENTION

The City of La Villa and Hidalgo County have always naturally flooded and will continue to be at risk of flooding in the future. This is because the geographical area within the city limits is relatively flat, receives intense rainfall, and has relatively non-absorbent soils. Also, because of the growth of the City, there are more roofs, parking lots, streets and other impervious surfaces of an urban environment. The runoff from these surfaces is collected and is discharged through a system that is over taxed to handle the quantity of runoff. The challenge facing City of La Villa is identifying ways to minimize flood damage.

One solution is to identify watersheds that drain to existing City of La Villa drainage ditches and then increase the capacities of these ditches to become

detention ponds. Detention ponds are designed to slow and store runoff until the peak flows of the county discharge ditches has passed the watershed area. Another solution is to partner with PSJA ISD to construct detention ponds that can be used as school and city parks.

The best estimated cost to provide the storm drainage system and detention ponds are about **\$2,500,000** over term of the TIRZ period.

WASTEWATER TREATMENT PLANT & WASTEWATER COLLECTION SYSTEM

The City of La Villa has a population of approximately 70,000 according to US Bureau Census. In 2000 the City had seen a tremendous amount in growth increasing the population by 5 to 7 percent per year until 2008. With that spurt of growth the City had to expand its 5.0 MGD Wastewater Treatment Plant (WWTP) by additional 3.0 million gallons per day (MGD). According to the City of La Villa Wastewater System Master Plan developed by Naismith Engineering, CH2M Hill and JE Saenz Associates in July 2002, the growth of the City will continue and is predicted to reach 134,800 by 2050 (TWDB under Senate Bill 1).

With a prediction approximately doubling the population of the City by 2050, the expansion of the WWTP must be considered because of this growth. Accordingly the WWTP would have to be expanded by additional 8 to 12 MGD. The cost associated with this expansion would estimate at **\$2,458,650.**

Additionally the City would have to expand and upgraded its wastewater collection system, which would include sewer line from 8" to 18", sewer force main, and lift stations. The estimated cost **\$2,750,000.**

WATER TREATMENT PLANT & WATER DISTRIBUTION SYSTEM

The City of La Villa has a population of approximately 70,000 according to US Bureau Census. In 2000 the City had seen a tremendous amount in growth increasing the population by 5 to 7 percent per year until 2008. With that spurt of growth the City had to expand its 10.0 MGD Water Treatment Plant (WTP) by additional 9.0 million gallons per day (MGD). According to the City of La Villa Water System Master Plan developed by Naismith Engineering, CH2M Hill and JE Saenz Associates in July 2002, the growth of the City will continue and is predicted to reach 134,800 by 2050 (TWDB under Senate Bill 1).

With a prediction approximately doubling the population of the City by 2050, the expansion of the WTP must be considered because of this growth and demand on the system. Accordingly, the WTP would have to be expanded by additional 25 MGD. The cost associated with this expansion would estimate at **\$5,000,000.**

Additionally the City would have to expand its water distribution system and elevated water storage tanks. Several miles of additional 12" to 24" waterlines would have to be added and at least 3 more elevated water storage tanks would have to be built. The estimated cost of **\$1,900,000.**

WATER RIGHTS ACQUISITIONS/CCN ACQUISITIONS

With additional capacity to the WTP the system must have the water rights to meet the demand. The City would have to double its water rights from approximately 8500 acre/feet to 17,000 acre/ft. The cost associated with the purchase of these water rights would be estimated at **\$2,500,000.**

UTILITY RELOCATIONS

The City of La Villa waterline and sewer force mains are relocated due to improvement of streets widening or development. These relocations would be approximately **\$750,000**.

STREETSCAPES & ACCESSIBILITY IMPROVEMENT PROGRAM

The City of La Villa Streetscapes & Accessibility Improvement Program is focused on acquiring the necessary right of way and installation of sidewalks, and streetscape improvements. These projects will be one-time investments in community infrastructure throughout the City of La Villa. This project will include further unified streetscape improvements, and unified directional signage throughout La Villa. Public health and safety improvements will focus on providing safe access for children, elderly, and the disabled in and around schools, parks, and community facilities in strategic areas of La Villa where sidewalks have been neglected or absent as the city rapidly developed and lacked these essential infrastructure improvements. In some cases additional right of way acquisitions may also be necessary to achieve these improvements. It is estimated that the total expenses of this program are **\$1,500,000**.

SECTION III – PROJECT FEASIBILITY

The feasibility of any development has two aspects that must be considered; The Financial Feasibility for the TIRZ, and the Market or Economic Feasibility. Although La Villa and its citizens benefit from its low cost of governance La Villa's unprecedented growth over the past ten years has put tremendous demand on its infrastructure and the cost of rebuilding and augmenting capital improvements is great.

FINANCIAL FEASIBILITY

The purpose of the TIRZ is to address the financial aspect of the development. TIRZ incremental funds provide for a portion of the development costs incurred for public improvements, thus insuring the financial feasibility of the Project. This project is financially feasible and can be developed with the funding of public improvements from TIRZ funds, however the City acknowledges that the incremental funds to be generated from the project do not cover all of the cost of the proposed public improvements and that other funding sources will be necessary.

MARKET OR ECONOMIC FEASIBILITY

Market or economic feasibility addresses issues relating to product absorption, type of product, and demand. The existing economic base is expected to increase due to new commercial opportunities that will be generated through the business expansion that is a result of the over **10** in commercial and residential building permits issued by the City of La Villa in 2010 and **7,500,000** as of December 31st, 2011. Additionally developers and builders have approached the City with preliminary plans for which they will be pulling larger numbers of permits in 2012 and 2013. The funding of the sewer and water extensions will insure that permits will be able to be issued to these builders and developers. The new arterials planned for the northern and southern sectors will open traditionally landlocked areas of the City for development and the procurement of adequate water rights will insure future employers that water will be available to meet their needs.

ZONE FINANCING PLAN IS FEASIBLE

There is demonstrated demand for the type and size of the planned private improvements in the Zone. The public improvements schedule for the Zone will insure that these private improvements are built creating the highest and best use of future development.

RELOCATION PLAN

None, There are no residential components of the plan that would require demolition and reconstruction at this time, but the board reserves the right to declare such areas in the future.

SECTION IV – REINVESTMENT ZONE FINANCING PLAN

TAX INCREMENT FINANCING

The Tax Increment Financing Act (Chapter 311 of the Tax Code), provides for municipalities to create “reinvestment zones” within which various public works and improvements can be undertaken, using tax increment revenues, bonds or notes, to pay for those improvements. At the time an area is designated a reinvestment zone for tax increment financing (“TIF”), the existing total of appraised value of real property in the zone is identified and designated as the “tax increment base.” Taxing units levying taxes in the zone during its life are limited to revenues from this base.

Public improvements are made in the area to attract private development that would not otherwise occur. As the costs of new development are added to the tax rolls, property values will rise. This rise in new value is called the “captured appraised value.” The estimated Captured Appraised Value for TIF Zone #1 is: **\$136,192,959**. The taxes that are collected by the participating taxing jurisdictions on the increment between the base value and the new higher value, the tax increment, are then deposited into a TIF Trust Fund, which is used to pay for the public improvements. Once the public improvements are completed and paid for, the TIF is dissolved and any remaining amounts of taxes collected are kept by the taxing jurisdiction. In effect, the taxing jurisdictions are “investing” future earnings to receive the benefit of higher tax revenues from new development. Taxing jurisdictions are not restricted from raising their tax rate during the life of the zone.

FINANCING PLAN

The Reinvestment Zone Financing Plan developed by the City provides that potentially **\$22,707,028** of public improvements will be paid for with TIF funds. The Reinvestment Zone Financing Plan also projects incremental funds for financing and revenues for the City of La Villa TIRZ. It is not anticipated that tax increment funds in an amount to fully reimburse the City for all approved project costs will be generated over the projected life of the Zone. Expected captured revenues will include but are not limited to LCS Prison Expansion, assuming 100K per new home built, a hotel, restaurants, development of a large regional detention facility, wetland, small lake, and multiple subdivisions.

FINANCING METHOD

Incremental funds will be spent as they accrue and TIF Revenue Bonds may be issued for larger projects and paid for with annual TIRZ proceeds. It is not anticipated that the bonded indebtedness of the Zone will exceed **\$22,707,028**

FINANCING POLICY

The goal of the is to borrow only those funds needed as the necessity arises in order to reduce interest expense.

LONG TERM FINANCING

The developers of the commercial/industrial/retail sites and the single and multi-family homes will arrange for private long term financing for their individual projects.

Non-Project Costs – Creation expenses and County Legal Expenses

Estimated at **\$175,000** for the lifetime of the zone reimbursable directly to Hidalgo County. There shall be zero administration or non-project costs for City of La Villa – TIF reinvestment zone #1. This estimate is for expenses related to the creation of the zone, Creation of Zoning, Code of Ordinances, Building Standards Manual, Certificate of Occupancy Ordinance, Demographic & Employment Study, 10 Year Plan, Planning & Zoning, and the annual county maintenance fee.

DEVELOPMENT SCHEDULE & ASSUMPTIONS

The Development Schedule is based upon the immediate needs of the City and the Public Works are listed by priority. The City intends to remain flexible in order to leverage other funds with TIRZ funds to maximize the efficiency of the City's funds.

PROPOSED DEVELOPMENT SCHEDULE

Uses of Funds

Begin Construction		1/1/2012
Construction Complete		12/1/2041
Street Construction & Reconstruction	\$ 3,250,000	9.5%
Right of Way Acquisition	\$ 750,000	2.2%
Municipal Facilities Acquisition/Construction	\$ 750,000	2.2%
Parks: Community Parks, Soccer Fields, Other (consolidated RDF's)	\$ 1,750,000	5.1%
Storm Water Pollution Prevention Drainage & Drainage Detention	\$ 2,500,000	7.3%
Wastewater Treatment Plant Expansion	\$ 2,458,650	7.2%
Wastewater Collection System Improvements	\$ 2,750,000	8.1%
Water Treatment Plant Expansion	\$ 5,000,000	14.7%
Water Distribution System	\$ 1,900,000	5.6%
Water Rights Acquisitions/CCN Acquisitions	\$ 2,500,000	7.3%
Utility Relocations	\$ 750,000	2.2%
Street Scapes & Accessibility Program	\$ 1,500,000	4.4%
TIRZ Creation Expenses & County Administrative Expense	\$ 175,000	0.5%
Total City Infrastructure	\$ 26,033,650	76.5%
Matching Infrastructure Funds for Grants	\$ 1,000,000	2.9%
Total Matching Infrastructure Funds for Grants	\$ 1,000,000	2.9%
Developer Infrastructure - (streets, water, sewer)	\$ 7,000,000	20.6%
Total Developer Infrastructure Repayments	\$ 7,000,000	20.6%
Total Costs	\$ 34,033,650	100.00%

ADMINISTRATIVE COSTS

The Inter-local agreement by and between the City, County and Zone include administrative costs in the amount of **\$40,000** payable to the County (**\$1,000** to be deducted annually from the county contribution, as per the inter-local agreement no other administrative costs shall be incurred by the Zone).

FINANCIAL ASSUMPTIONS

No tax rate changes have been factored into the pro forma for the District. A **0.00%** per year inflation rate in the value of the private improvements has been factored into the pro-forma as well as a **5.00%** per year growth rate. All projections assume that taxable appraised value and tax rates will remain unchanged, with the exception of the noted inflation factor, over the entire **40** year life of . It has also been assumed that the taxing entities will continue to collect tax revenues at the same rate and that homestead and other exemption rates will remain unchanged. The finance plan assumes a collection rate of **90.0%** because approximately **72.10%** of the TIRZ Zoned land is classified in the form of commercial; the long-term lenders who do the permanent financing for these types of projects generally require proof that the taxes are current. Residential projects that receive incentive financing will have, as a term of the assistance, to have property taxes included in the mortgage payments. The City acknowledges that in any given year the collection rate will initially be lower with the balance of the taxes due being paid in arrears.

PROJECTED VALUE OF NEW TAX INCREMENT

City of La Villa TIRZ #1 Projected Captured Taxable Value 12/21/2012

Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
2012	5,000,000										5,000,000
2013		12,370,000									12,370,000
2014			20,185,000								20,185,000
2015				25,980,000							25,980,000
2016					27,996,000						27,996,000
2017						30,112,800					30,112,800
2018							32,335,440				32,335,440
2019								34,669,212			34,669,212
2020									37,119,673		37,119,673
2021										39,692,656	39,692,656
	5,000,000	12,370,000	20,185,000	25,980,000	27,996,000	30,112,800	32,335,440	34,669,212	37,119,673	39,692,656	

SCHEDULE OF PROJECTED INCOME FROM NEW VALUE TIF

City of La Villa TIRZ #1

Projected Tax Entity Contributions

12/21/2012

Tax Increment Zone				City of La Villa			Hidalgo County			TIRZ REVENUES		Worksheet Summary					
Tax Year	Annual Value of New Development	12/31/2011 Assessed Value	Projected Captured Value	Captured Taxable Value	Tax Increment	*Less City Collections	Captured Taxable Value	Tax Increment	Less County Collections	Combined TIRZ Collections	Cumulative TIRZ Revenues	City of La Villa					
1/1/2011	5,000,000	6,174,339		-	0	-	-	0	0	-	-	City TIRZ Contributions	\$11,771,660				
1/1/2012	7,370,000	13,544,339	5,000,000	5,000,000	39,180	31,736	5,000,000	29,500	23,360	55,095	55,095	City Participation Level	90.00%				
1/1/2013	7,815,000	21,359,339	12,370,000	12,370,000	96,931	78,514	12,370,000	72,983	57,791	136,306	191,401	City TIRZ % Withheld	10.00%				
1/1/2014	5,795,000	27,154,339	20,185,000	20,185,000	158,170	128,117	20,185,000	119,092	94,302	222,420	413,821	Hidalgo County					
1/1/2015	2,016,000	29,170,339	25,980,000	25,980,000	203,579	164,899	25,980,000	153,282	121,376	286,275	700,096	County TIRZ Contributions	\$8,664,665				
1/1/2016	2,116,800	31,287,139	27,996,000	27,996,000	219,377	177,695	27,996,000	165,176	130,795	308,490	1,008,586	County Participation Level	87.98%				
1/1/2017	2,222,640	33,509,779	30,112,800	30,112,800	235,964	191,131	30,112,800	177,666	140,684	331,815	1,340,400	County TIRZ % Withheld	12.02%				
1/1/2018	2,333,772	35,843,551	32,335,440	32,335,440	253,381	205,238	32,335,440	190,779	151,068	356,306	1,696,706	Combined Assumptions					
1/1/2019	2,450,461	38,294,012	34,669,212	34,669,212	271,668	220,051	34,669,212	204,548	161,971	382,022	2,078,729	Percentage of Value in TIRZ	100.00%				
1/1/2020	2,572,984	40,866,995	37,119,673	37,119,673	290,870	235,605	37,119,673	219,006	173,419	409,024	2,487,753	Base Value of TIRZ	\$1,174,339				
1/1/2021	2,701,633	43,568,628	39,692,656	39,692,656	311,032	251,936	39,692,656	234,187	185,440	437,376	2,925,128	Lifetime Value of TIRZ	\$137,367,298				
1/1/2022	2,836,714	46,405,343	42,394,289	42,394,289	332,202	269,083	42,394,289	250,126	198,062	467,145	3,392,273	Lifetime TIRZ Contributions	\$20,436,325				
1/1/2023	2,978,550	49,383,893	45,231,003	45,231,003	354,430	287,088	45,231,003	266,863	211,315	498,403	3,890,677	Percent City Contribution	57.6%				
1/1/2024	3,127,478	52,511,371	48,209,554	48,209,554	377,770	305,994	48,209,554	284,436	225,230	531,224	4,421,901	Percent County Contribution	42.4%				
1/1/2025	3,283,852	55,795,222	51,337,031	51,337,031	402,277	325,844	51,337,031	302,888	239,841	565,686	4,987,586	TIRZ Percent Growth Forecast	11697.4%				
1/1/2026	3,448,044	59,243,266	54,620,883	54,620,883	428,009	346,687	54,620,883	322,263	255,183	601,871	5,589,457	TIRZ Revenues YR 1	\$55,095				
1/1/2027	3,620,446	62,863,713	58,068,927	58,068,927	455,028	368,573	58,068,927	342,607	271,292	639,865	6,229,322	TIRZ Revenues YR 40	\$1,421,731				
1/1/2028	3,801,469	66,665,181	61,689,373	61,689,373	483,398	391,552	61,689,373	363,967	288,207	679,759	6,909,081						
1/1/2029	3,991,542	70,656,723	65,490,842	65,490,842	513,186	415,681	65,490,842	386,396	305,967	721,648	7,630,729						
1/1/2030	4,191,119	74,847,843	69,482,384	69,482,384	544,464	441,016	69,482,384	409,946	324,615	765,631	8,396,359						
1/1/2031	4,400,675	79,248,518	73,673,503	73,673,503	577,306	467,618	73,673,503	434,674	344,195	811,813	9,208,172						
1/1/2032	4,620,709	83,869,227	78,074,179	78,074,179	611,789	495,549	78,074,179	460,638	364,755	860,304	10,068,476						
1/1/2033	4,851,744	88,720,971	82,694,888	82,694,888	647,997	524,878	82,694,888	487,900	386,342	911,220	10,979,696						
1/1/2034	5,094,332	93,815,303	87,546,632	87,546,632	686,015	555,672	87,546,632	516,525	409,009	964,682	11,944,378						
1/1/2035	5,349,048	99,164,351	92,640,963	92,640,963	725,935	588,007	92,640,963	546,582	432,809	1,020,816	12,965,194						
1/1/2036	5,616,501	104,780,851	97,990,012	97,990,012	767,850	621,958	97,990,012	578,141	457,800	1,079,758	14,044,952						
1/1/2037	5,897,326	110,678,177	103,606,512	103,606,512	811,861	657,607	103,606,512	611,278	484,039	1,141,646	15,186,598						
1/1/2038	6,192,192	116,870,369	109,503,838	109,503,838	858,072	695,038	109,503,838	646,073	511,591	1,206,629	16,393,227						
1/1/2039	6,501,801	123,372,170	115,696,030	115,696,030	906,594	734,341	115,696,030	682,607	540,520	1,274,861	17,668,089						
1/1/2040	6,826,892	130,199,062	122,197,831	122,197,831	957,542	775,609	122,197,831	720,967	570,896	1,346,505	19,014,594						
1/1/2041	7,168,236	137,367,298	129,024,723	129,024,723	1,011,038	818,941	129,024,723	761,246	602,791	1,421,731	20,436,325						
\$136,192,959				\$137,367,298			\$136,192,959			\$14,532,913		\$11,771,660		\$10,942,342		\$8,664,665	
Average Growth (2011-2015)			\$5,599,200	City Participation Level		90.00%	County Participation Level		87.98%								
Thereafter			5.00%	City Tax Rate Average		0.5925	County Tax Rate Average		0.4461								
Comp Ann Growth Rate (CAGR)			12.64%	*Tax Rate Collection Factor		90.00%	*Tax Rate Collection Factor		90.00%								

SUMMARY OF DEVELOPMENT CALCULATIONS

Summary Fact Sheet Years 1-5

21-Dec-12

Plan of Finance

Site Area		1,912 Acres
Base Market Value	2011	\$1,174,339 Value

Project:

Phase 1A	2011-2012	\$100,000 Commercial
Phase 1B	2011-2012	\$400,000 Residential
Phase 1C	2011-2012	\$4,500,000 Industrial
Phase 2A	2013	\$300,000 Commercial
Phase 2B	2013	\$2,070,000 Residential
Phase 2C	2013	\$5,000,000 Industrial
Phase 3A	2014	\$315,000 Commercial
Phase 3B	2014	\$2,500,000 Residential
Phase 3C	2014	\$5,000,000 Industrial
Phase 4A	2015	\$420,000 Commercial
Phase 4B	2015	\$4,625,000 Residential
Phase 4C	2015	\$750,000 Industrial
Phase 5A	2016	\$441,000 Commercial
Phase 5B	2016	\$787,500 Residential
Phase 5C	2016	\$787,500 Industrial

Totals:

5 Yr. Projected Commercial	\$1,576,000	5.6%
5 Yr. Projected Residential	\$10,382,500	37.1%
5 Yr. Projected Industrial	\$16,037,500	57.3%
Total New Units in 5 yrs.	307	
% of Demand for New Units in TIRZ	204.6%	
5 Year Est. Increase In Value	\$27,996,000	

CONCLUSION

Based upon a set of conservative assumptions and analysis of the City of La Villa Tax Increment Reinvestment Zone District Project Plan and Reinvestment Zone Financing Plan, The City of La Villa TIRZ has concluded that the City of La Villa TIRZ District Project Plan and Reinvestment Zone Financing Plan is feasible.

The success of the City of La Villa TIRZ District project plan will encourage other mixed-use commercial/industrial/retail/lodging and market rate residential and affordable housing. The new residential population base; will support an expanding retail base, will supplement the existing job market, will attract additional private development into the City of La Villa and Eastern Hidalgo County and will serve to stabilize and enhance future property values.

SECTION V – EXHIBITS

EXHIBIT ‘A’

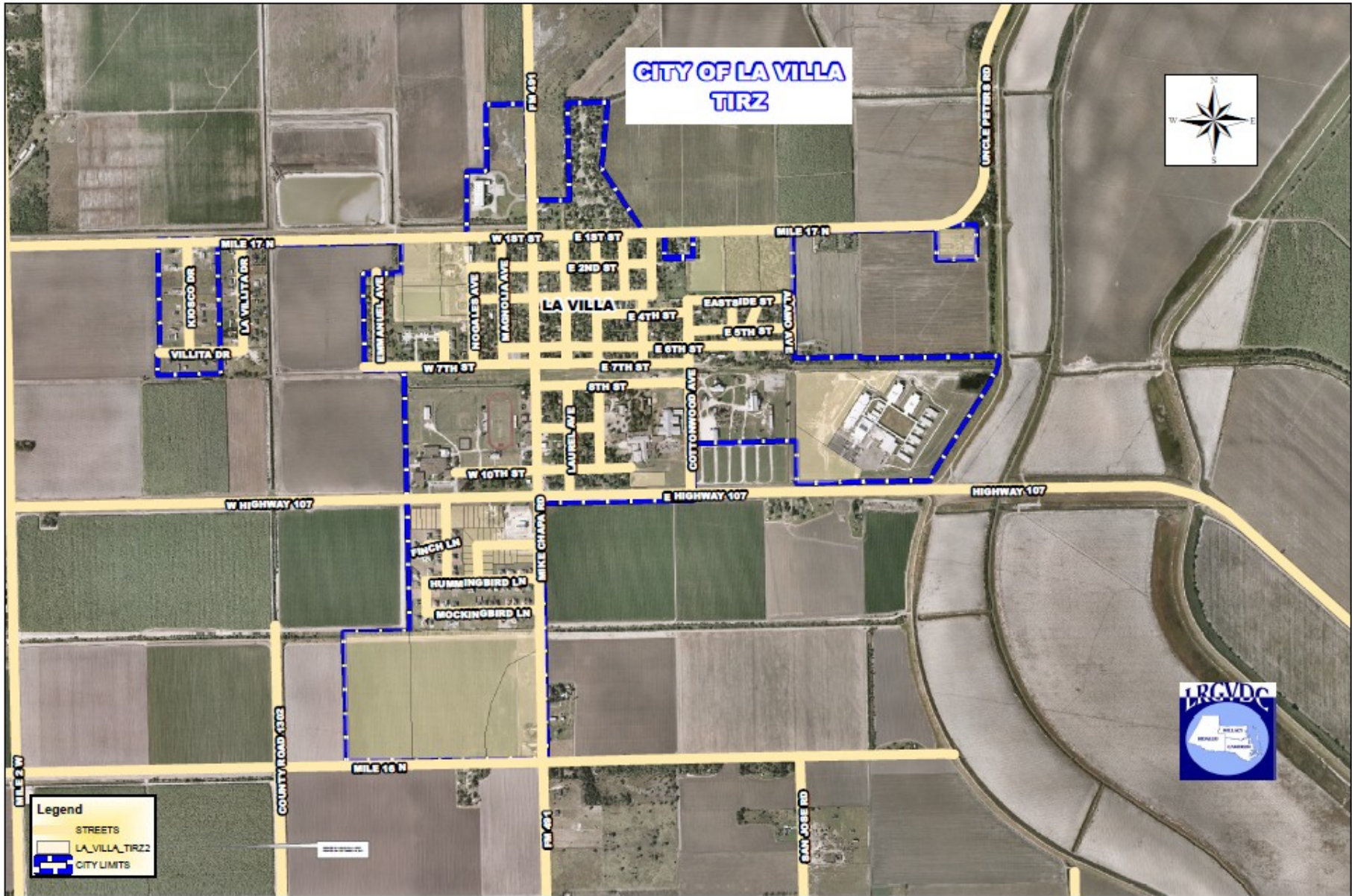
INITIAL BOARD MEMBERS

Tax Increment Reinvestment Zone Number One, City of La Villa

- | | | |
|-----------|------------------------------------|------------------------------------|
| 1. | Chairman | Mayor Hector Elizondo |
| 2. | Member (Drainage Dist Dir.) | James Godfrey Garza |
| 3. | Member (Comm Pct 1) | Comm Pct 1 Joel Quintinilla |
| 4. | Member (City Appointee) | Noel Bernal |
| 5. | Member (Judge Appointee) | Erika Reyna |

EXHIBIT 'B'
MAP, LEGEND, LIST OF STREET NAMES, & HIDALGO COUNTY
APPRAISAL DISTRICT GIS LIST OF INCLUDED PROPERTIES

MAP & LEGEND



CITY OF LA VILLA-LIST OF STREET NAMES

1ST ST
2ND ST
3RD ST
4TH ST
5TH ST
6TH ST
7TH ST
8TH ST
9TH ST
10TH ST

Alamo Ave
Almendra Ave
Blue Jay Lane
Brazil Ave
Cardinal Ave
Cardinal Lane
Cottonwood Ave
Dove Lane
Emmanuel Ave
Encino Ave
Finch Lane
Fresno Ave
Gumwood Ave
Hummingbird Lane/ MSG Mario A. Solis Lane
Laurel Ave
Magnolia Ave
Mike Chapa Ave
Mockingbird Lane
Natalia Ave
Nogales Ave
Palm Ave
San Juanita Ave
Sauz Ave

HIDALGO COUNTY APPRAISAL DISTRICT

GIS LIST OF INCLUDED PROPERTIES

B1750-00-113-0014-02	L2088-00-000-0053-00	N3400-00-000-2181-01
B1750-00-113-0014-10	L2088-00-000-0054-00	N3400-00-000-2181-05
B1750-00-113-0015-00	L2088-00-000-0057-00	N3400-00-000-2189-03
B1750-00-113-0015-10	L2088-00-000-0060-00	N3400-00-000-2189-08
B1750-00-120-0001-00	L2088-00-000-0067-00	N3400-00-000-2189-09
B1750-00-120-0001-05	L2088-00-000-0073-00	N3400-00-000-2217-00
B1750-00-120-0002-00	L2088-00-000-0076-00	N3400-00-000-2225-00
B1750-00-120-0003-00	L2088-00-000-0079-00	N3400-00-000-2226-00
B1750-00-120-0006-00	L2088-00-000-0080-00	N3400-00-000-2227-00
B1750-00-120-0007-00	L2088-00-000-0081-00	N3400-00-000-2227-10
B1750-00-120-0008-00	L2088-00-000-0082-00	N3400-00-000-2228-00
B1750-00-120-0008-05	L2088-00-000-0083-00	N3400-00-000-2230-00
J1200-00-001-0000-00	L2088-00-000-0084-00	N3400-00-000-2233-00
J1200-00-001-0000-04	L2088-00-000-0085-00	N3400-00-000-2234-00
J1200-00-001-0000-05	L2088-00-000-0086-00	N3400-00-000-2235-00
J1200-00-001-0000-06	L2088-00-000-0087-00	N3400-00-000-2237-00
J1200-00-001-0000-07	L2088-00-000-0088-00	N3400-00-000-2241-00
J1200-00-001-0000-08	L2088-00-000-0089-00	N3400-00-000-2242-00
J1200-01-01B-0000-10	L2088-00-000-0092-00	N3400-00-000-2243-02
J1200-01-029-0000-00	L2088-00-000-0093-00	N3400-00-000-2243-05
J6900-00-000-0018-00	L2088-00-000-0094-00	N3400-00-000-2245-00
J6900-00-000-0018-20	L2088-00-000-0095-00	N3400-00-000-2248-00
J6900-00-000-0019-00	L2088-00-000-0096-00	N3400-00-000-2464-00
L2050-00-001-0001-00	L2088-00-000-0097-00	O2100-00-001-0000-00
L2088-00-000-0001-00	L2088-00-000-0098-00	O2100-00-001-0000-11
L2088-00-000-0002-00	L2088-00-000-0099-00	S0710-00-000-0000-00
L2088-00-000-0003-00	L2088-00-000-0100-00	234286
L2088-00-000-0004-00	L2088-00-000-0122-00	234287
L2088-00-000-0005-00	L2088-00-000-0128-00	198585
L2088-00-000-0006-00	L2088-00-000-0130-00	234283
L2088-00-000-0007-00	L2088-00-000-0135-00	234284
L2088-00-000-0009-00	N3400-00-000-2169-00	234288
L2088-00-000-0010-00	N3400-00-000-2171-00	233431
L2088-00-000-0011-00	N3400-00-000-2171-00	233438
L2088-00-000-0012-00	N3400-00-000-2171-05	233440
L2088-00-000-0013-00	N3400-00-000-2173-00	232981
L2088-00-000-0014-00	N3400-00-000-2174-00	232324
L2088-00-000-0015-00	N3400-00-000-2174-05	232325
L2088-00-000-0016-00	N3400-00-000-2176-00	232333
L2088-00-000-0026-00	N3400-00-000-2176-01	232413
L2088-00-000-0027-00	N3400-00-000-2177-00	231799
L2088-00-000-0037-00	N3400-00-000-2178-01	231800
L2088-00-000-0039-00	N3400-00-000-2181-00	231832

231913

231914

231560

230216

229852

221964

208224

180011

1732

81456

229812

**Some HCAD parcels are unidentified and listed with Object ID in the place.*

EXHIBIT 'C'

PROJECT PLAN

1. INITIAL BOARD OF DIRECTORS EXHIBIT 'A'	Page 23
2. LIST OF PROPOSED IMPROVEMENTS & LAND USES	Page 6
3. DESCRIPTION OF ZONE EXHIBIT 'B'	Page 24
4. PROJECT FEASIBILITY	Page 15
5. PROPOSED ZONING CHANGES	Page 9
6. ESTIMATED NON-PROJECT COSTS	Page 17
7. RELOCATION PLAN FOR CURRENT RESIDENTS	Page 15
8. ADMINISTRATIVE COSTS	Page 17

EXHIBIT 'D'

FINANCING PLAN

1. DETAILED ESTIMATE OF PROJECT COSTS	Page 6
2. PROPOSED PUBLIC IMPROVEMENTS	Page 6
3. PROJECT TIMELINE	Page 18
4. ESTIMATED AMOUNT OF BONDED INDEBTEDNESS	Page 16
5. TIME WHEN COST/OBLIGATIONS WILL BE INCURRED	Page 7
6. METHODS OF FINANCING, SOURCES OF REVENUE	Page 16
7. CURRENT TOTAL APPRAISED VALUE	Page 8
8. ESTIMATED CAPTURED APPRAISED VALUE	Page 16
9. DURATION OF ZONE	Page 18

EXHIBIT 'E'

SECTION 311 TIRZ REQUIREMENTS

*(Quoted from Biennial Reports Susan Combs Texas Comptroller)
(Recent changes to TIRZ laws are not completely reflected below)*

2009 HB 1770F & 2011 HB 2853F are to be referenced in the next Biennial Report

Section 311 of the State Tax Code (Tax Increment Financing Act) specifies that TIRZ (TIF) project and financing plans meet certain requirements. These requirements are listed below, along with a reference indicating where these elements can be located in the plan.

Tax increment financing is a tool that local governments can use to publicly finance needed structural improvements and enhanced infrastructure within a defined area. These improvements usually are undertaken to promote the viability of existing businesses and to attract new commercial enterprises to the area. Tax Code Chapter 311 governs tax increment financing.

The cost of improvements to the area is repaid by the contribution of future tax revenues by each taxing unit that levies taxes against the property. Specifically, each taxing unit can choose to dedicate all, a portion of, or none of the tax revenue that is attributable to the increase in property values due to the improvements within the reinvestment zone. The additional tax revenue that is received from the affected properties is referred to as the tax increment. Each taxing unit determines what percentage of its tax increment, if any, it will commit to repayment of the cost of financing the public improvements.

Tax increment financing may be initiated only by a city or county 1 if a property is located outside of the city limits (within the city's extraterritorial jurisdiction or beyond), it is not eligible for city tax increment financing unless annexed into the city. Once a city has begun the process of establishing a tax increment financing reinvestment zone, other taxing units are allowed to consider participating in the tax increment financing agreement. These zones are commonly referred to as either a tax increment financing zone (TIF) or a tax increment financing reinvestment zone (TIRZ).

Cities and counties are permitted to exercise any action that is necessary to carry out tax increment financing. They may acquire real property through purchase or condemnation, enter into necessary agreements, and construct or enhance public works facilities and other public improvements. The power to acquire property prevails over any law or municipal charter to the contrary. The use of tax increment financing for improvements to certain educational facilities is prohibited unless those facilities are located in a reinvestment zone created on or before September 1, 1999.

An area may be considered for tax increment financing only if it meets at least one of the following criteria:

- The area's present condition must substantially impair the city or county's growth, retard the provision of housing, or constitute an economic or social liability to the public health, safety, morals or welfare. Further, this condition must exist because of the presence of one or more of the following conditions:
 - a substantial number of substandard or deteriorating structures,
 - inadequate sidewalks or street layout,
 - faulty lot layouts,

- unsanitary or unsafe conditions,
- deterioration of site or other improvements,
- a tax or special assessment delinquency that exceeds the fair market value of the land,
- defective or unusual conditions of title,
- conditions that endanger life or property by fire or other cause, or,
- if the city has a population of 100,000 or more, structures (which are not single-family residences) in which less than 10 percent of the square footage has been used for commercial, industrial, or residential purposes during the preceding 12 years;
- The area is predominantly open and, because of obsolete platting, deteriorating structures or other factors, it substantially impairs the growth of the local government;
- The area is in or adjacent to a “Federally assisted new community” as defined under Tax Code Section 311.005(b); or

1 Although counties are statutorily able to implement tax increment financing, the Texas Constitution only allows the legislature to authorize incorporated cities or towns to implement tax increment financing. Thus county-initiated tax increment financing may potentially be subject to constitutional challenge until such time as the constitution is amended (see TEX. CONST. art VIII § 1-g (b)).¹⁶

- The area is described in a petition requesting the area be designated as a reinvestment zone. The petition must be submitted by the owners of property constituting at least fifty (50) percent of the appraised property value within the proposed zone.

Within a city or county’s developed areas, the criterion usually cited to justify a reinvestment zone is that the area’s present condition substantially impairs the local government’s growth because of a substantial number of substandard or deteriorating structures. If the area is not developed, the city or county often cites the criterion that the area is predominately open, and that it substantially impairs the growth of the city because of obsolete platting, deteriorating structures or other factors.

A reinvestment zone for tax increment financing may not be created if:

- More than 10 percent of the property within the reinvestment zone (excluding publicly owned property) may be used for residential purposes. This requirement, however, does not apply if the district is created pursuant to a petition of the landowners; or
- A reinvestment zone contains property that cumulatively would exceed either:
 - 15 percent of the total appraised value of taxable real property within the city and its industrial districts, or
 - 20 percent of the total appraised value of taxable real property within the city and its industrial districts if the city is the county seat of a county that is adjacent to Harris County and is a planned community of 20,000 or more acres of land originally established under the Urban Growth and New Community Development Act and is subject to specified restrictive covenants; or
- The reinvestment zone would contain more than 15 percent of the total appraised value of real property taxable by a county or school district.

The boundaries of an existing reinvestment zone for tax increment financing may be reduced or enlarged by ordinance or resolution of the governing body that created the zone. There are limitations if a city makes any changes to an existing reinvestment zone’s boundaries. A city may

not change the boundaries if it includes more than 10 percent of property used for residential purposes, excluding property dedicated to public use, or if it includes more than 15 percent of the total appraised value of taxable real property within the city and the industrial districts. Also, a city may not change the boundaries if the proposed boundaries contain more than 15 percent of the total appraised value of real property by a county or school district.

EXHIBIT 'F'

ASSUMPTIONS

City of La Villa TIRZ #1

Assumptions

Assumptions from linked worksheets

TIRZ Life of Program in Years	40
TIRZ Base Year Date (BYR)	1/1/2011
TIRZ Conclusion Year	1/1/2041
Estimated Lifetime Available TIRZ Revenues	\$20,436,325
City Total Assessed Value for Base Year	\$44,647,171
Total Appraised Value of Zone for Base Year	\$1,174,339
City Maximum TIRZ Zone	\$22,323,586
City of La Villa Size in Acres	520
TIRZ #1 Acreage	1,912
TIRZ Total Assessed Value (BYR)	\$1,174,339
TIRZ Commercial (BYR)	\$846,659
TIRZ Residential (BYR)	\$0
TIRZ Industrial (BYR)	\$0
TIRZ Agricultural (BYR)	\$327,680
TIRZ Institutional (Government, Churches, & Schools) (BYR)	\$0
TIRZ Total Assessed Increase Year 1 (BYR - First Year Increase In TIRZ Value)	\$5,000,000
TIRZ Total Single Family Population Housed over life of TIRZ	712
TIRZ Total Multi-Family Population Housed over life of TIRZ	222
TIRZ % of future population housed from new construction in TIRZ	12%
TIRZ # of future population housed from new construction in TIRZ	934

Tax Rates & Participation Percentages

City Tax Rate	0.007836
City Participation 90% Less M & O	90.00%
City Adjusted Participation Tax Rate	0.7052%
County Tax Rate	0.005900
County Participation 100% Less M&O	87.98%
County Adjusted Participation Tax Rate	0.005191

General Assumptions

2006-2011 Total Increase in Appraised Value (*City of La Villa City Administrator)	\$15,000,000
City Predicted New Home Construction Average Value	\$125,000
City Predicted Multi Family Construction Price Per Unit	\$65,000
City Predicted Tax Collection Rate (5 yr. Historical average is 86%)	90.0%
City Predicted Annual Growth Rate	5.00%
City Predicted Annual Appreciation Rate (Historical 10 yr. average is -4.65%)	0.00%
City Predicted Population 2051	6,000
City Predicted Population Growth by 2051	4,675
City Predicted Total Assessed Value 2051	\$194,922,634
City Predicted Increase Value for Commercial by 2050	\$95,310,374
City Predicted Increase Value for Single Family dwelling units by 2050	\$32,360,577
City Predicted Increase Value for Commercial for Family dwelling units by 2050	\$5,255,833
City Predicted New Single Family Residents by 2050	1,010
City Predicted New Multi-Family Residents by 2050	315
City Predicted Demand for new dwelling units by 2050 (Based on 3.6 residents per unit)	1,199
City Predicted Demand for Single Family dwelling units by 2050	913
City Predicted Demand for Average New Units/Yr.	30
City Predicted Growth Rate for Commercial by 2050	20%
City Predicted Growth Rate for Residential by 2050	50%
City Predicted Growth Rate for Industrial by 2050	30%

Quoted Statistics From "Sperling's Best Places to Live"

Median Asking Price Single Family	\$33,860
Base Year Population	1,325
Population who Own Single Family	76.2%
Residents per Unit	3.9
Previous 10 Yr. Average Appraised Annual Appreciation Rate	-4.65%

EXHIBIT 'G'
NON-PARTICIPATING TAX ENTITY REVENUE FORECASTS
City of La Villa TIRZ #1
Other Taxing Entities
12/21/2012

Years of TIRZ B/Y	Drainage District		STC Tax Rates		South Texas Schools		La Villa ISD			
	Tax Rate	Collection Rate	Tax Rate	Collection Rate	Tax Rate	Collection Rate	Tax Rate	Collection Rate	% Zoned Included	Collection Rate
	0.0725	\$0	0.1497	\$0	0.0492	\$0	1.3592	\$0	100.00%	\$0
1/1/2012	0.0725	\$3,263	0.1497	\$6,737	0.0492	\$2,214	1.3592	\$61,164	100%	\$61,164
1/1/2013	0.0725	\$8,071	0.1497	\$16,666	0.0492	\$5,477	1.3592	\$151,320	100%	\$151,320
1/1/2014	0.0725	\$13,171	0.1497	\$27,195	0.0492	\$8,938	1.3592	\$246,919	100%	\$246,919
1/1/2015	0.0725	\$16,952	0.1497	\$35,003	0.0492	\$11,504	1.3592	\$317,808	100%	\$317,808
1/1/2016	0.0725	\$18,267	0.1497	\$37,719	0.0492	\$12,397	1.3592	\$342,469	100%	\$342,469
1/1/2017	0.0725	\$19,649	0.1497	\$40,571	0.0492	\$13,334	1.3592	\$368,364	100%	\$368,364
1/1/2018	0.0725	\$21,099	0.1497	\$43,566	0.0492	\$14,318	1.3592	\$395,553	100%	\$395,553
1/1/2019	0.0725	\$22,622	0.1497	\$46,710	0.0492	\$15,352	1.3592	\$424,102	100%	\$424,102
1/1/2020	0.0725	\$24,221	0.1497	\$50,011	0.0492	\$16,437	1.3592	\$454,078	100%	\$454,078
1/1/2021	0.0725	\$25,899	0.1497	\$53,478	0.0492	\$17,576	1.3592	\$485,552	100%	\$485,552
1/1/2022	0.0725	\$27,662	0.1497	\$57,118	0.0492	\$18,772	1.3592	\$518,601	100%	\$518,601
1/1/2023	0.0725	\$29,513	0.1497	\$60,940	0.0492	\$20,028	1.3592	\$553,302	100%	\$553,302
1/1/2024	0.0725	\$31,457	0.1497	\$64,953	0.0492	\$21,347	1.3592	\$589,738	100%	\$589,738
1/1/2025	0.0725	\$33,497	0.1497	\$69,166	0.0492	\$22,732	1.3592	\$627,996	100%	\$627,996
1/1/2026	0.0725	\$35,640	0.1497	\$73,591	0.0492	\$24,186	1.3592	\$668,166	100%	\$668,166
1/1/2027	0.0725	\$37,890	0.1497	\$78,236	0.0492	\$25,713	1.3592	\$710,346	100%	\$710,346
1/1/2028	0.0725	\$40,252	0.1497	\$83,114	0.0492	\$27,316	1.3592	\$754,634	100%	\$754,634
1/1/2029	0.0725	\$42,733	0.1497	\$88,236	0.0492	\$28,999	1.3592	\$801,136	100%	\$801,136
1/1/2030	0.0725	\$45,337	0.1497	\$93,614	0.0492	\$30,767	1.3592	\$849,964	100%	\$849,964
1/1/2031	0.0725	\$48,072	0.1497	\$99,260	0.0492	\$32,623	1.3592	\$901,233	100%	\$901,233
1/1/2032	0.0725	\$50,943	0.1497	\$105,189	0.0492	\$34,571	1.3592	\$955,066	100%	\$955,066
1/1/2033	0.0725	\$53,958	0.1497	\$111,415	0.0492	\$36,617	1.3592	\$1,011,590	100%	\$1,011,590
1/1/2034	0.0725	\$57,124	0.1497	\$117,952	0.0492	\$38,766	1.3592	\$1,070,940	100%	\$1,070,940
1/1/2035	0.0725	\$60,448	0.1497	\$124,815	0.0492	\$41,021	1.3592	\$1,133,258	100%	\$1,133,258
1/1/2036	0.0725	\$63,938	0.1497	\$132,022	0.0492	\$43,390	1.3592	\$1,198,692	100%	\$1,198,692
1/1/2037	0.0725	\$67,603	0.1497	\$139,589	0.0492	\$45,877	1.3592	\$1,267,398	100%	\$1,267,398
1/1/2038	0.0725	\$71,451	0.1497	\$147,535	0.0492	\$48,488	1.3592	\$1,339,539	100%	\$1,339,539
1/1/2039	0.0725	\$75,492	0.1497	\$155,877	0.0492	\$51,230	1.3592	\$1,415,286	100%	\$1,415,286
1/1/2040	0.0725	\$79,734	0.1497	\$164,637	0.0492	\$54,109	1.3592	\$1,494,822	100%	\$1,494,822
1/1/2041	0.0725	\$84,189	0.1497	\$173,835	0.0492	\$57,132	1.3592	\$1,578,334	100%	\$1,578,334
Estimated Revenue		\$1,210,149		\$2,498,749		\$821,232				\$22,687,369
Estimated Collection		\$1,089,134		\$2,248,874		\$739,109				\$20,418,632