

**Proposed Tres Lagos Tax Increment Finance Zone
Sources & Uses**

Sources of Funds

Net TIF Revenues City of McAllen	\$ 119,780,248
Net TIF Revenues Hidalgo County	\$ 145,191,545

Total Sources of Funds

\$ 264,971,793

Uses Of Funds

	Units	Amount	Cost Per Unit	Location	Total Infrastructure Improvements
Public Improvements					
Internal Hard Project Costs					
Site Work	Acres	1550	\$ 2,500.00	Project Site	\$ 3,875,000
Mile 9 Russell Rd Pav/Drain/light	L.F.	27560	\$ 513.00	Site	\$ 14,138,280
Shary & Bryan Pav/Drain/light	L.F.	11900	\$ 479.50	Site	\$ 5,706,050
Glasscock/Stewart/Mayberry	L.F.	10400	\$ 354.50	Site	\$ 3,686,800
Int. Streets & Drainage	L.F.	154560	\$ 214.50	Project Site	\$ 53,596,698
Water Reuse System	L.F.	154,460	\$ 39.00	Project Site	\$ 14,969,651
Water	L.F.	154,560	\$ 50.00	Project Site	\$ 26,196,890
Spine Water Main	34,100 LF of 20 in. & 16 in	LS	na	Offsite and Onsite	\$ 3,400,000
Spine Sanitary Sewer Main	15 to 21 inch SS	LS	na	Onsite	\$ 2,200,000
Drain Ditch Xings	10' x 10' Box Culvert Xing	5	\$ 150,000.00	Ditch Xing with Roads	\$ 750,000
Spine Water Reuse	Lake Lining/pumps/tanks	LS	na	50 ac of lake reservoir	\$ 3,000,000
Sewer	L.F.	154,560	\$ 52.00	Project Site	\$ 25,662,259
Parks w/amenities & Landscaping	Acres	121	\$ 100,000.00	Project Site	\$ 12,100,000
Main Entrances	Each	3	\$ 350,000.00	Project Site	\$ 1,050,000
Minor Entrances	Each	21	\$ 75,000.00	Project Site	\$ 1,575,000
Roundabouts	Each	3	\$ 85,000.00		\$ 255,000
Bus Stops	Each	5	\$ 35,000.00	Project Site	\$ 175,000
Mail Box Clusters	Each	8500	\$ 100.00	Project Site	\$ 850,000
Water Impact Fees	AcFt	3125	\$ 2,500.00	Project Site	\$ 7,812,500
Sewer Impact Fees				Project Site	\$ -
Sidewalks	S.F.	755,117	\$ 4.00	Project Site	\$ 3,020,468
Purchase of Real Property	Acres	40	\$ 15,000.00	South Area	\$ 600,000
Masonry Walls	LF	52800	\$ 80.00		\$ 4,224,000
Common Hard Costs					
FTTH, Comm. Wi-Fi, Surveillance		varies	varies	Project Site	\$ 13,779,000
				Sub Total:	\$ 202,622,596
Soft Project Costs					
Engineering/Surveying/Consulting					\$ 16,209,808
Construction Management					\$ 2,532,782
Formation Costs - Consulting					\$ 900,000
Contingency (5% of Hard Costs)					\$ 10,131,130
Subtotals					\$ 232,396,315

EXPENSE:

Total Infrastructure	\$ 232,396,315
Interest Expense / Finance Costs (estimated) @ 4.5%	\$ 26,144,585
Total	\$ 258,540,901
Admin. Expenses (City & County)	\$ 400,000
Grand Total	\$ 258,940,901
REVENUE:	
Total TIF Revenue	\$ 264,971,793
Project Financing Surplus (Shortage)	\$ 6,030,892

The above allocation of costs are estimated and may be changed or adjusted by action of the Board of the TIRZ to meet project requirements, however the total maximum contributions of the participating taxing entities and term of the Zone may not be increased without approval by the County Commissioners Court.

McAllen - Tax Increment Finance Zone #1

Projected Value of Taxable New Improvements

Construction Costs of Public Improvements (figures do not include interest, formation or other allowable project costs)

Year										Total
2014	\$250,000									\$ 250,000
2015		\$ 41,973,276								\$ 41,973,276
2016			\$ 45,817,161							\$ 45,817,161
2017				\$ 72,457,996						\$ 72,457,996
2018					\$ 79,925,635					\$ 79,925,635
2019						\$ 74,898,039				\$ 74,898,039
2020							\$ 82,244,240			\$ 82,244,240
2021								\$ 76,904,276		\$ 76,904,276
2022									\$ 84,631,468	\$ 84,631,468
2023										\$ 79,228,708
2024										\$ 87,339,371
2025										\$ 81,623,395
2026										\$ 81,623,395
2027										\$ 89,620,062
2028										\$ 84,090,462
2029										\$ 92,225,720
2030										\$ 86,882,097
2031										\$ 94,908,587
2032										\$ 89,250,552
2033										\$ 97,670,974
2034										\$ 91,948,150
2035										\$ 100,515,261
2036										\$ 94,727,282
2037										\$ 103,443,899
2038										\$ 97,590,415
2039										\$ 106,459,414
2040										\$ 100,540,085
2041										\$ 109,564,406
2042										\$ 103,578,909
2043										\$ 112,761,556
2044										\$ 106,709,581
2045										\$ 106,709,581
Total	\$ 250,000	\$ 41,973,276	\$ 45,817,161	\$ 72,457,996	\$ 79,925,635	\$ 74,898,039	\$ 82,244,240	\$ 76,904,276	\$ 84,631,468	\$ 2,010,678,886
										\$ 2,569,780,976

Tres Lagos Allocated Land Uses and Values

ALL TAXABLE VALUES ONLY

Designation	Description	Category	Square Feet	Acreage	AC by Cat.	Avg Unit Value	Type Unit	Value Per Acre	Total Value
SF-A	Single Family 2.5 du/acre	Single Family		239		\$390,000.00	House	\$975,000.00	\$233,025,000.00
SF-B	Single Family 3.5 du/acre	Single Family		513		\$290,000.00	House	\$1,015,000.00	\$520,695,000.00
SF-C	Single Family 4.5 du/acre	Single Family		697	1344	\$190,000.00	House	\$665,000.00	\$463,505,000.00
NR-E	School Site	Commercial/Other	3,475,137	80		\$0.00	Acre	\$0.00	\$0.00
NR-G	Church, Mosque, Synagogue	Commercial/Other	3,920,400	90		\$0.00	Acre	\$0.00	\$0.00
NR-D	Technology Park/Campus	Commercial/Other	4,573,800	105	379.8	\$150.00	Usable S.F.	\$1,633,500.00	\$171,517,500.00
MF-B	Multifamily 10 du/acre	Multifamily	2,090,880	48		\$100,000.00	Unit	\$1,000,000.00	\$48,000,000.00
MF-C	Multifamily 15 du/acre	Multifamily	3,049,200	70		\$79,000.00	Unit	\$1,185,000.00	\$82,950,000.00
MF-A	Townhomes 8 du/acre	Multifamily	3,267,000	75	193	\$150,000.00	Unit	\$1,200,000.00	\$90,000,000.00
NR-A	Retail & Commercial	Retail	8,381,885	192	192.4	\$125.00	Usable S.F.	\$1,361,250.00	\$261,904,500.00
Roadway	Perimeter ROW	Public Use/ROW	1,206,538	28			Acre	\$0.00	\$0.00
Roadway	Interior ROW	Public Use/ROW	5,424,061	125	152.2		Acre	\$0.00	\$0.00
OS-C	Drainage way & Park	Public Use/Amenities	246,660	6			Acre	\$0.00	\$0.00
OS-D	Parks in Street Islands	Public Use/Amenities	479,889	11			Acre	\$0.00	\$0.00
OS-B	Park with Main Trail	Public Use/Amenities	4,770,220	110	126.2		Acre	\$0.00	\$0.00
Sales Center	Sales Center	Office	174,240	4		\$250,000.00	Acre	\$250,000.00	\$1,000,000.00
NR-B	Office Use	Office	4,212,252	97	100.7	\$200.00	Usable S.F.	\$2,178,000.00	\$219,324,600.00
OS-A	Major Drainage way	Public Use/Flood Plain	3,073,394	71	70.6	\$0.00	Acre	\$0.00	\$0.00
Totals			111,463,996	2,559	2558.9				\$2,091,921,600.00

Proposed Tres Lagos Tax Increment Finance Zone

Finance Plan - Overall Summary with Escalators (30 year)

Tax Value added by year with escalator

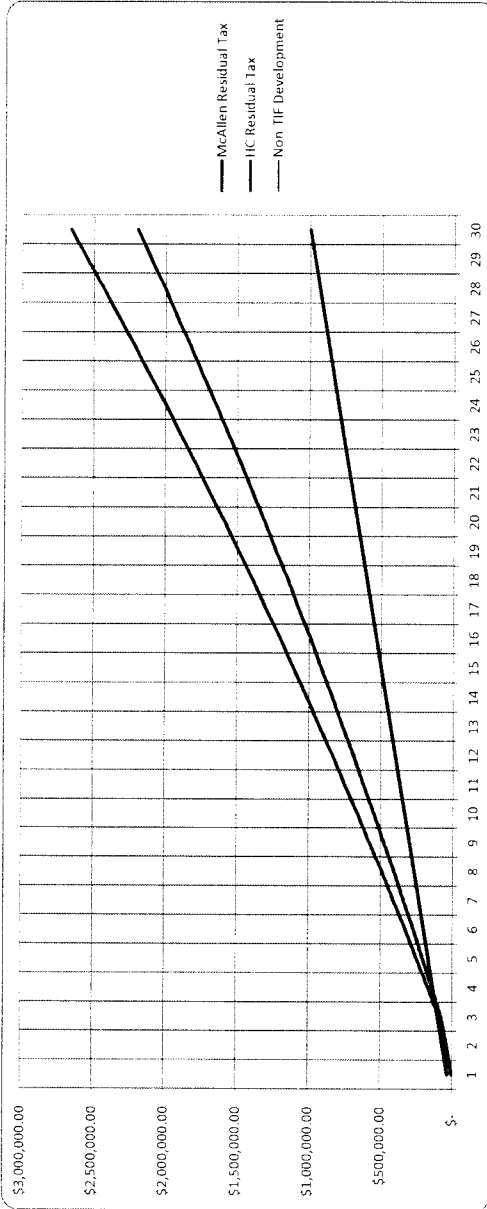
Development Type/ by acre	Development Year								
	2014	2015	2016	2017	2018	2019	2020	2021	
	Total Current Value	1	2	3	4	5	6	7	8
Single Family 2.5 du/acre	233,025,000	-	8,035,345	8,155,875	8,278,213	8,402,386	8,528,422	8,656,348	8,786,194
Single Family 3.5 du/acre	520,695,000	-	17,955,000	18,224,325	18,497,690	18,775,155	19,056,783	19,342,634	19,632,774
Single Family 4.5 du/acre	463,505,000	-	15,982,931	16,222,675	16,466,015	16,713,005	16,963,700	17,218,156	17,476,428
School Site	-	-	-	-	-	-	-	-	-
Church, Mosque, Synagogue	-	-	-	-	-	-	-	-	-
Technology Park/Campus	171,517,500	-	-	-	6,352,500	6,447,788	6,544,504	6,642,672	6,742,312
Multifamily 10 du/acre	48,000,000	-	-	-	1,777,778	1,804,444	1,831,511	1,858,984	1,886,869
Multifamily 15 du/acre	82,950,000	-	-	-	-	6,380,769	-	6,476,481	-
Townhomes 8 du/acre	90,000,000	-	-	3,214,286	3,262,500	3,311,438	3,361,109	3,411,526	3,462,699
Retail & Commercial	261,904,500	-	-	-	9,700,167	9,845,669	9,993,354	10,143,255	10,295,403
Perimeter ROW	-	-	-	-	-	-	-	-	-
Interior ROW	-	-	-	-	-	-	-	-	-
Drainage way & Park	-	-	-	-	-	-	-	-	-
Parks in Street Islands	-	-	-	-	-	-	-	-	-
Park with Main Trail	-	-	-	-	-	-	-	-	-
Sales Center	1,000,000	250,000	-	-	-	-	250,000	-	-
Office Use	219,324,600	-	-	-	8,123,133	8,244,980	8,368,655	8,494,185	8,621,598
Major Drainage way	-	-	-	-	-	-	-	-	-
Added Value	2,091,921,600	250,000	41,973,276	45,817,161	72,457,996	79,925,635	74,898,039	82,244,240	76,904,276
Projected Construction Costs	232,396,315	22,609	3,795,823	4,143,442	6,552,687	7,228,018	6,773,351	7,437,699	6,954,784
Proposed Tax Revenue - Hidalgo County		1,035	174,829	364,538	664,556	995,494	1,305,615	1,646,154	1,964,582

	2031	2032	2033	2034	2035	2036	2037	2038	2039
Development Type/ by acre	18	19	20	21	22	23	24	25	26
Single Family 2.5 du/acre	10,196,736	10,349,688	10,504,933	10,662,507	10,822,444	10,984,781	11,149,553	11,316,796	11,486,548
Single Family 3.5 du/acre	22,784,636	23,126,405	23,473,301	23,825,401	24,182,782	24,545,523	24,913,706	25,287,412	25,666,723
Single Family 4.5 du/acre	20,282,108	20,586,340	20,895,135	21,208,562	21,526,691	21,849,591	22,177,335	22,509,995	22,847,645
School Site	-	-	-	-	-	-	-	-	-
Church, Mosque, Synagogue	-	-	-	-	-	-	-	-	-
Technology Park/Campus	7,824,728	7,942,099	8,061,231	8,182,149	8,304,881	8,429,455	8,555,896	8,684,235	8,814,498
Multifamily 10 du/acre	2,189,788	2,222,635	2,255,974	2,289,814	2,324,161	2,359,024	2,394,409	2,430,325	2,466,780
Multifamily 15 du/acre	-	7,081,664	-	7,187,889	-	7,295,708	-	7,405,143	-
Townhomes 8 du/acre	4,018,603	4,078,882	4,140,065	4,202,166	4,265,199	4,329,177	4,394,114	4,460,026	4,526,927
Retail & Commercial	11,948,236	12,127,459	12,309,371	12,494,012	12,681,422	12,871,643	13,064,718	13,260,689	13,459,599
Perimeter ROW	-	-	-	-	-	-	-	-	-
Interior ROW	-	-	-	-	-	-	-	-	-
Drainage way & Park	-	-	-	-	-	-	-	-	-
Parks in Street Islands	-	-	-	-	-	-	-	-	-
Park with Main Trail	-	-	-	-	-	-	-	-	-
Sales Center	-	-	-	-	-	-	-	-	-
Office Use	10,005,716	10,155,802	10,308,139	10,462,761	10,619,702	10,778,998	10,940,683	11,104,793	11,271,365
Major Drainage way	-	-	-	-	-	-	-	-	-
Added Value	89,250,552	97,670,974	91,948,150	100,515,261	94,727,282	103,443,899	97,590,415	106,459,414	100,540,085
Projected Construction Costs	8,071,310	8,832,805	8,315,266	9,090,026	8,566,594	9,354,875	8,825,520	9,627,581	9,092,271
Proposed Tax Revenue - City of Houston	4,591,859	4,925,324	5,236,606	5,592,959	5,966,538	6,299,894	6,599,796	6,956,904	7,308,388
Proposed Tax Revenue - Hidalgo County	5,566,056	5,970,471	6,351,189	6,767,380	7,159,605	7,587,923	7,992,003	8,432,807	8,849,100

2040 2041 2042 2043

Development Type/ by acre	27	28	29	30	TOTALS
Single Family 2.5 du/acre	11,658,846	11,833,729	12,011,235	12,191,403	289,261,975
Single Family 3.5 du/acre	26,051,724	26,442,500	26,839,137	27,241,724	646,356,674
Single Family 4.5 du/acre	23,190,360	23,538,215	23,891,288	24,249,657	575,364,753
School Site	-	-	-	-	-
Church, Mosque, Synagogue	-	-	-	-	-
Technology Park/Campus	8,946,716	9,080,917	9,217,130	9,355,387	209,547,875
Multifamily 10 du/acre	2,503,782	2,541,338	2,579,458	2,618,150	58,642,984
Multifamily 15 du/acre	7,516,220	-	7,628,964	-	90,841,924
Townhomes 8 du/acre	4,594,830	4,663,753	4,733,709	4,804,715	110,833,324
Retail & Commercial	13,661,493	13,866,416	14,074,412	14,285,528	319,976,279
Perimeter ROW	-	-	-	-	-
Interior ROW	-	-	-	-	-
Drainage way & Park	-	-	-	-	-
Parks in Street Islands	-	-	-	-	-
Park with Main Trail	-	-	-	-	-
Sales Center	-	-	-	-	1,000,000
Office Use	11,440,435	11,612,042	11,786,223	11,963,016	267,955,188
Major Drainage way	-	-	-	-	-
Added Value	109,564,406	103,578,909	112,761,556	106,709,581	2,569,780,976
Projected Construction Costs	9,908,379	9,367,085	10,197,511	9,650,205	232,396,315
Proposed Tax Revenue - Hidalgo County	7,671,599	8,028,434	8,413,596	8,778,165	119,769,248
	9,302,760	9,731,637	10,198,534	10,640,373	145,191,545

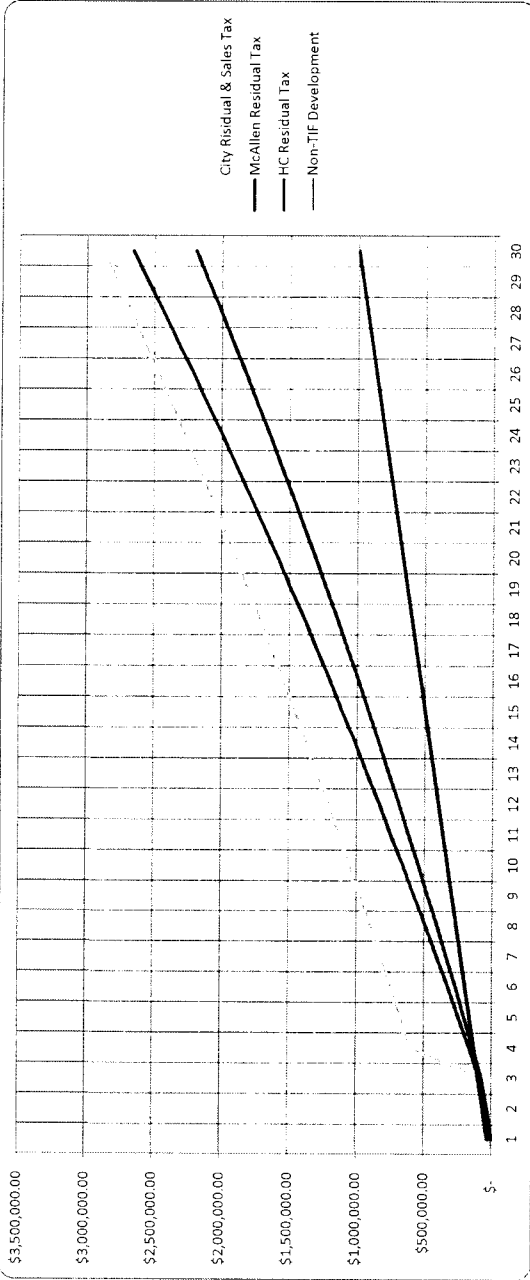
TIRZ vs. NON-TIRZ DEVELOPMENT REVENUE PROJECTIONS



NOTE: Based on the projected development schedules, tax base, and land use assumptions, the City of McAllen will receive +/- \$13,355,127.00 more in tax revenue from the residual 15% from a TIRZ/TIF Development than if the Property were developed without a TIRZ/TIF and the City received 100%

	City of McAllen Residual Tax	Hidalgo County Residual Tax	1/2 acre Rural Lot Development City of McAllen Rate	Tax Base	Tax Increment
1	\$ 213.49	\$ 258.79	\$ -	\$ -	\$ -
2	\$ 36,057.58	\$ 43,707.17	\$ -	\$ -	\$ -
3	\$ 75,184.24	\$ 91,134.53	\$ -	\$ -	\$ -
4	\$ 137,061.49	\$ 166,138.99	\$ -	\$ -	\$ -
5	\$ 205,315.90	\$ 248,873.53	\$ 0.43	\$ 7,000,000.00	\$ 29,889.09
6	\$ 269,276.88	\$ 326,403.79	\$ 0.48	\$ 14,000,000.00	\$ 66,708.18
7	\$ 339,511.32	\$ 411,538.42	\$ 0.48	\$ 21,000,000.00	\$ 100,062.27
8	\$ 405,185.58	\$ 491,145.42	\$ 0.48	\$ 28,000,000.00	\$ 133,416.36
9	\$ 477,458.65	\$ 578,751.17	\$ 0.48	\$ 35,000,000.00	\$ 166,770.45
10	\$ 545,117.90	\$ 660,764.30	\$ 0.48	\$ 42,000,000.00	\$ 200,124.54
11	\$ 619,703.46	\$ 751,173.12	\$ 0.48	\$ 49,000,000.00	\$ 233,478.63
12	\$ 689,407.71	\$ 835,665.09	\$ 0.48	\$ 56,000,000.00	\$ 266,832.72
13	\$ 765,940.92	\$ 928,434.76	\$ 0.48	\$ 63,000,000.00	\$ 300,186.81
14	\$ 837,751.99	\$ 1,015,480.50	\$ 0.48	\$ 70,000,000.00	\$ 333,540.90
15	\$ 916,510.35	\$ 1,110,947.40	\$ 0.48	\$ 77,000,000.00	\$ 366,894.99
16	\$ 990,705.40	\$ 1,200,882.88	\$ 0.48	\$ 84,000,000.00	\$ 400,249.08
17	\$ 1,071,754.87	\$ 1,289,126.93	\$ 0.48	\$ 91,000,000.00	\$ 433,603.17
18	\$ 1,147,972.52	\$ 1,391,514.10	\$ 0.48	\$ 98,000,000.00	\$ 466,957.26
19	\$ 1,231,380.99	\$ 1,492,617.63	\$ 0.48	\$ 105,000,000.00	\$ 500,311.35
20	\$ 1,309,902.32	\$ 1,587,797.20	\$ 0.48	\$ 112,000,000.00	\$ 533,665.44
21	\$ 1,395,739.74	\$ 1,691,844.97	\$ 0.48	\$ 119,000,000.00	\$ 567,019.53
22	\$ 1,476,634.38	\$ 1,789,901.35	\$ 0.48	\$ 126,000,000.00	\$ 600,373.62
23	\$ 1,564,972.78	\$ 1,896,980.68	\$ 0.48	\$ 133,000,000.00	\$ 633,727.71
24	\$ 1,648,312.45	\$ 1,998,000.81	\$ 0.48	\$ 140,000,000.00	\$ 667,081.80
25	\$ 1,739,226.03	\$ 2,108,201.64	\$ 0.48	\$ 147,000,000.00	\$ 700,435.89
26	\$ 1,825,084.64	\$ 2,212,275.10	\$ 0.48	\$ 154,000,000.00	\$ 733,789.98
27	\$ 1,918,649.80	\$ 2,325,690.04	\$ 0.48	\$ 161,000,000.00	\$ 767,144.07
28	\$ 2,007,103.49	\$ 2,432,909.13	\$ 0.48	\$ 168,000,000.00	\$ 800,498.16
29	\$ 2,103,398.93	\$ 2,549,633.58	\$ 0.48	\$ 175,000,000.00	\$ 833,852.25
30	\$ 2,194,526.14	\$ 2,660,093.36	\$ 0.48	\$ 182,000,000.00	\$ 867,206.34
TOTAL	\$ 29,945,061.96	\$ 36,297,886.37		\$ 2,457,000,000.00	\$ 11,703,820.59

TIRZ vs. NON-TIRZ DEVELOPMENT REVENUE PROJECTIONS



NOTE: Based on the projected development schedules, tax base, and land use assumptions, the City of McAllen will receive +\$13,355,127.00 more in tax revenue from the residual 20% from a TIRZ/TIF Development than if the Property were developed without a TIRZ/TIF and the City received 100%

	City of McAllen Residual Tax	City of McAllen Sales Tax	City of McAllen Combined Tax
1	\$ 213.49		\$ 213.49
2	\$ 36,057.58		\$ 36,057.58
3	\$ 75,184.24		\$ 75,184.24
4	\$ 137,061.49	\$ 465,608.00	\$ 602,669.49
5	\$ 205,315.90	\$ 472,592.12	\$ 677,908.02
6	\$ 269,276.88	\$ 479,681.00	\$ 748,957.88
7	\$ 339,511.32	\$ 486,876.22	\$ 826,387.54
8	\$ 405,185.58	\$ 494,179.36	\$ 899,364.94
9	\$ 477,458.65	\$ 501,592.05	\$ 979,050.70
10	\$ 545,117.90	\$ 509,115.93	\$ 1,054,233.84
11	\$ 619,703.46	\$ 516,752.67	\$ 1,136,456.13
12	\$ 689,407.71	\$ 524,503.96	\$ 1,213,911.67
13	\$ 765,940.92	\$ 532,371.52	\$ 1,298,312.44
14	\$ 837,751.99	\$ 540,357.09	\$ 1,378,109.08
15	\$ 916,510.35	\$ 548,462.45	\$ 1,464,972.80
16	\$ 990,705.40	\$ 556,689.39	\$ 1,547,394.79
17	\$ 1,071,754.87	\$ 565,039.73	\$ 1,636,794.60
18	\$ 1,147,972.52	\$ 573,515.32	\$ 1,721,487.84
19	\$ 1,231,380.99	\$ 582,118.05	\$ 1,813,499.04
20	\$ 1,309,902.32	\$ 590,849.82	\$ 1,900,752.14
21	\$ 1,395,739.74	\$ 599,712.57	\$ 1,995,452.31
22	\$ 1,476,634.38	\$ 608,706.26	\$ 2,085,342.64
23	\$ 1,564,972.78	\$ 617,838.88	\$ 2,182,811.66
24	\$ 1,648,312.45	\$ 627,106.47	\$ 2,275,418.92
25	\$ 1,739,226.03	\$ 636,513.06	\$ 2,375,739.09
26	\$ 1,825,084.64	\$ 646,060.76	\$ 2,471,145.40
27	\$ 1,918,649.80	\$ 655,751.67	\$ 2,574,401.47
28	\$ 2,007,103.49	\$ 665,587.95	\$ 2,672,691.44
29	\$ 2,103,388.93	\$ 675,571.76	\$ 2,778,970.70
30	\$ 2,194,526.14	\$ 685,705.34	\$ 2,880,231.48
TOTAL	\$ 29,945,061.96	\$ 15,358,861.40	\$ 45,303,923.36