

An Ordinance of the City of Plano, Texas, designating a certain area within the City of Plano as Tax Increment Financing Reinvestment Zone Number Five of the City of Plano, Texas; establishing the boundaries of such zone; creating a board of directors for said reinvestment zone, and other matters related thereto; providing a repealer clause; a severability clause; and an effective date.

WHEREAS, the City Council (the “City Council”) of the City of Plano, Texas (the “City”) desires to promote the development or redevelopment of a certain geographic area located within its jurisdiction, as depicted in the map attached hereto as Exhibit “A,” by designating such area a tax increment financing reinvestment zone, as authorized by the Tax Increment Financing Act, Chapter 311, of the Texas Tax Code (the “Act”); and

WHEREAS, in compliance with the Act, the City called a public hearing to receive comments on the designation of the proposed reinvestment zone and its benefits to the City and the property in the proposed reinvestment zone; and

WHEREAS, on December 7, 2023, the City published notice in *Dallas Morning News*, a newspaper having general circulation in the City, in accordance with the notice requirements contained within the Act; and

WHEREAS, the failure of a property owner to receive notice does not invalidate the proceeding; and

WHEREAS, the City Council conducted and closed the public hearing on January 8, 2024, after all owners of property located within the proposed reinvestment zone and other interested persons were given the opportunity to voice their concerns or comments on designation of the proposed reinvestment zone; and

WHEREAS, the City Council has determined that the appropriate increment for the proposed reinvestment zone is no higher than sixty-five percent and the duration of the zone shall not exceed twenty-five years, unless an extension is otherwise approved by the City Council; and

WHEREAS, the City has prepared a preliminary project plan and financing plan attached hereto as Exhibit “B”.

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

SECTION I. The facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct and are adopted as part of this ordinance for all purposes.

SECTION II. The City Council, after conducting such public hearing and having heard such evidence and testimony has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) The public hearing on adoption of the proposed reinvestment zone has been properly called, held and conducted, and notice of such hearing has been published as required by law.
- (b) Designation of the proposed reinvestment zone with boundaries as depicted in Exhibit "A" will result in benefits to the city, its residents and property owners, in general, and to the property, residents and property owners in the proposed reinvestment zone. Development or redevelopment of the proposed reinvestment zone would not occur solely through private investment in the reasonably foreseeable future.
- (c) The proposed reinvestment zone is a geographic area located wholly within the corporate limits of the City.
- (d) The proposed reinvestment zone meets the requirements of Section 311.005 of the Act because the area constitutes an economic liability and a menace to the public welfare in its present condition and use due to the presence of a substantial number of deteriorating structures and less than 10 percent of the square footage of the structures have been used for commercial, industrial, or residential purposes during the preceding 12 years.
- (e) The total appraised value of all taxable real property in the proposed reinvestment zone according to the most recent appraisal roll 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 roll of the City, does not exceed twenty-five percent (25%) of the current total taxable value of taxable real property in the City and in the industrial districts created by the City, if any.
- (f) The improvements planned for 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.
- (g) Thirty percent (30%) or less of the property in the proposed reinvestment zone, excluding property dedicated to public use, is currently used for residential purposes, as that term is defined in Section 311.006(d) of the Act.

SECTION III. The City hereby designates a tax increment financing reinvestment zone over the area as depicted on the map attached as Exhibit "A," and the area of any public street right-of-way located immediately adjacent to said depicted area, such tax increment financing reinvestment zone to hereafter be identified as Tax Increment Financing Reinvestment Zone Number Five, City of Plano, Texas (hereinafter sometimes referred to as the "Zone" or "TIRZ #5").

SECTION IV. The City will make the final determination of the tax increment and the duration of TIRZ #5 when the Council adopts the Project and Finance Plan, but the percentage of increment shall not exceed sixty-five percent and the duration of the TIRZ #5 shall not exceed twenty-five years, unless otherwise approved by the City Council.

SECTION V. There is hereby established a board of directors for TIRZ #5 (the "Board of Directors"), which shall consist of at least five (5) but not more than fifteen (15) members, unless more members are required to be appointed to satisfy the requirements of Section 311.009, Tax Code. The members of the Board of Directors of the Zone shall be appointed as follows:

- (a) The City Council shall be entitled to appoint a minimum of five (5) and a maximum of ten (10) members of the Board of Directors, except that if there are fewer than five (5) directors appointed by taxing units other than the City, the City Council may appoint more than ten (10) members as long as the total membership of the Board of Directors does not exceed fifteen (15) members. The City Council shall appoint its initial members to the Board of Directors within sixty (60) days after passage of this ordinance or within a reasonable time thereafter. Members of the Board of Directors shall meet the eligibility requirements set forth in the Act.
- (b) The City Council shall appoint additional member(s) in order to maintain a board of at least five (5) members. A vacancy on the Board of Directors shall be filled as set forth in the Act.
- (c) The terms of office for members of the Board of Directors shall be for two (2) years. Each year the City Council shall designate a member of the Board of Directors to serve as Chairperson of the Board of Directors. The Chairperson shall serve a term of office of one year that runs from January 1 through December 31 of the calendar year. The Board of Directors shall elect from its members a Vice-Chairperson and other officers, as it deems appropriate.
- (d) The Board of Directors is an advisory board and shall make recommendations to the City Council concerning the administration of the Zone as provided in Section 310.010, Tax Code. The Board of Directors shall prepare and recommend adoption of a project plan and financing plan for the Zone and must submit such plans to the City Council for its approval. The City Council delegates to the Board of Directors all powers necessary to prepare and implement the project and financing plans for the Zone, including any required annual reports on the status of the Zone, all subject to the prior approval of the City Council. The City Council hereby delegates to the City Manager the ability to approve payment for real estate, goods, or services consistent with the Act and the adopted project plan and financial plan for the Zone in amounts up to \$100,000.00.

- (e) Notwithstanding the foregoing and for the avoidance of doubt, the Board of Directors shall not be authorized to issue bonds, impose taxes or fees, exercise the power of eminent domain, or give final approval to the project plan and financing plan. The Board of Directors may not exercise any power granted to the City under Section 311.008 of the Act without additional authorization from the City Council.

SECTION VI. The Zone shall take effect on adoption of this ordinance, and the termination of the Zone shall occur on the earlier of: (i) December 31, 2050, or at an earlier time designated by subsequent ordinance of the City Council, or (ii) upon the issuance of tax increment bonds for the Zone, if any, the date on which all project costs, tax increment bonds, notes or other obligations of the Zone, and any interest thereon, have been paid in full.

SECTION VII. The tax increment base for the Zone (the "Tax Increment Base") is the total taxable value of all real property taxable by a taxing unit and located in the Zone. The Tax Increment Base is to be determined as of January 1, 2024, the year in which the Zone was designated as a tax increment financing reinvestment zone. "Tax Increment" means the total amount of real property taxes assessed by a taxing unit for the year on the Captured Appraised Value of real property taxable by a taxing unit and located in the Zone. The "Captured Appraised Value" means the total taxable value of all real property taxable by a taxing unit and located in the Zone for the year, less the Tax Increment Base of the taxing unit. For purposes of this ordinance "taxing unit" means the City and any other political subdivision or special district that taxes real property within the Zone that enters into an agreement with the City for the payment of all or part of the tax increment produced by such other taxing unit into the tax increment fund (described below) for the Zone.

SECTION VIII. There is hereby created and established a "Tax Increment Fund" for the Zone. The City will participate in the Zone by contributing tax increments to the Tax Increment Fund for the Zone from taxes levied and collected by the City, at the rates and in the amounts reflected in the adopted project plan and financing plan for the Zone. The Tax Increment Fund may be divided into such sub-accounts as may be required, into which all Tax Increments, less any of the amounts not required to be paid pursuant to the Act, are to be deposited. All Tax Increments as defined herein shall be deposited in the Tax Increment Fund. The Tax Increment Fund and any sub-accounts are to be maintained at the depository bank of the City and shall be secured in the manner prescribed by law for funds of the City. In addition, all revenues from the sale of any tax increment bonds, notes or certificates of obligation that may be hereafter issued by the City for the Zone other than refunding bonds, revenues from the sale of any property acquired as part of the Zone financing plan, and any other revenues to be dedicated to and used in the Zone shall be deposited into the Tax Increment Fund or sub-account from which money will be disbursed to pay project costs for the Zone or to satisfy the claims of holders of tax increment bonds, notes or certificates of obligations issued for the Zone.

SECTION IX. All provisions of the ordinances of the City in conflict with the provisions of this ordinance shall be, and the same are hereby, repealed, and all other provisions of the ordinances of the City not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION X. Should any sentence, paragraph, subdivision, clause, phrase or section of this ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this ordinance as a whole or a part or provision thereof other than the part thereof decided to be unconstitutional, illegal or invalid.

SECTION XI. The Mayor or City Manager is hereby authorized to execute any contracts or other agreements with any taxing units that elect to enter into an agreement with the City for payment of all or part of the tax increment produced by such other taxing unit into the Tax Increment Fund for the Zone.

SECTION XII. This ordinance shall become effective immediately upon its passage.

PASSED AND APPROVED on the 8th day of January, 2024.

John B. Muns, MAYOR

ATTEST:

Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

Paige Mims, CITY ATTORNEY