



PRELIMINARY PROJECT PLAN AND
REINVESTMENT ZONE FINANCING PLAN
FOR
PROPOSED TAX INCREMENT REINVESTMENT ZONE
NO. 1, CITY OF OAK RIDGE NORTH

DECEMBER 15, 2014

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1. OVERVIEW

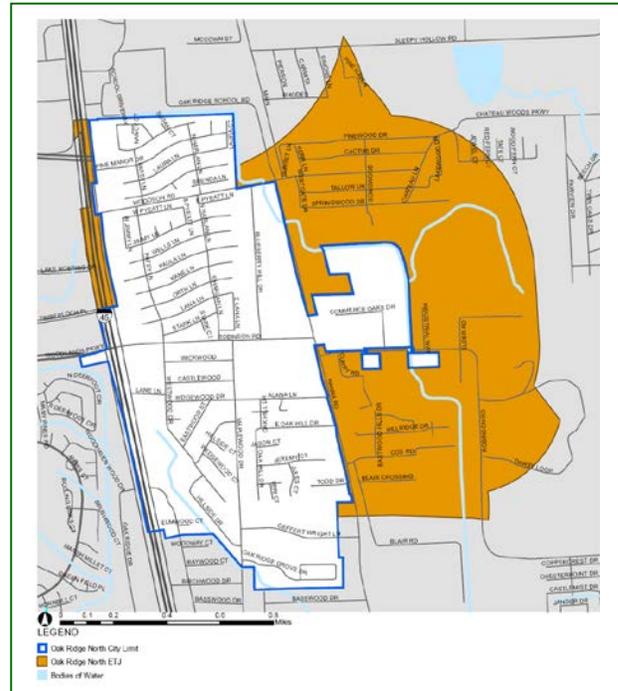
1.1 Background

The City of Oak Ridge North (the “City”) is a Texas general law municipality incorporated in 1979, located in southern Montgomery County (the “County”), Texas. The City is situated east of Interstate 45 and is bisected by Robinson Road. The City limit and the City’s Extra-Territorial Jurisdiction (“ETJ”) are shown on the Map Figure 1.

According to the City’s Comprehensive Plan (the “Comp Plan”) adopted in 2013, the incorporated area includes approximately 1.3 square miles and is substantially built out, largely in single family residential; the ETJ comprises an additional 1.2 square miles. The Comp Plan shows 2012 population estimated at 3,281. Growth trends and projections based on Texas Water Development Board analysis indicate that the City will not cross the 5,000 population requirement for obtaining home rule status until 2030.

One of the eight goals of the Comp Plan states, “Through careful and thoughtful planning, achieve home rule status within the next five to ten years (population increase from 3,200 to over 5,000).”

Map Figure 1 - City Limit and ETJ



1.2 The Challenge

- Due to its general law status the City cannot annex properties without petitions requesting annexation;
- The City’s ETJ is comprised of numerous ownerships and as the tracts petition for annexation in a piecemeal fashion, the City has no means of planning and providing infrastructure to promote overall quality development in the area;
- Low quality and/or sub-standard developments will be an ongoing obstacle to annexation if allowed to continue;
- If the City’s ETJ is left unincorporated, the burden of providing services to the area will remain with the County.

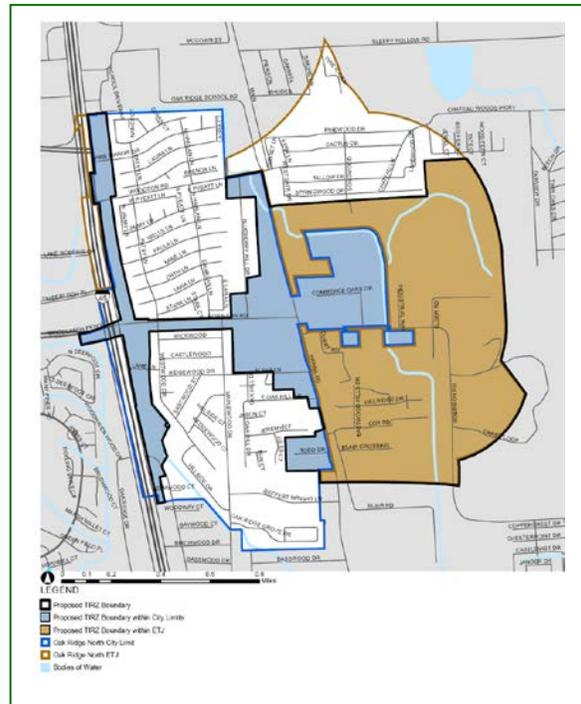
Given its built-out condition and inability to annex without petitions, the City has long recognized that reaching home rule status would be contingent on its ability to gain control of development in its ETJ in order to annex the unincorporated area.

1.3 Responding to the Challenge

The City is requesting that the County participate in a Tax Increment Reinvestment Zone (“TIRZ” or “Zone”) to be created over certain commercial areas within the City and certain areas within the ETJ. Map Figure 2 below depicts the TIRZ Boundary and the respective areas of in-City (approximately 290 acres) and ETJ (approximately 521 acres) included.

Map Figure 2 – Proposed TIRZ Boundary

The proposed TIRZ would afford the opportunity for the City to plan and prepare for the provision of public infrastructure to areas within its ETJ, including Robinson Road improvements, water, sewer, drainage, detention, and certain landscape and urban design components. In exchange for access to public utilities, the City will require property owners to petition for annexation thereby gaining control and fostering future growth that will be within the corporate limit. In doing so, the City will take over the responsibility of providing full municipal services and maintenance that would otherwise remain the responsibility of the County.



In addition to reaching home rule status, the City desires to maximize and preserve the taxable value of land and improvements in its ETJ. Another goal of the Comp Plan states, “Preserve and enhance the attractiveness and value of the City’s neighborhoods”. Residents understand that maintaining their property values depends in no small part on the areas adjacent to the City developing to the highest standards. The magnitude of what is at stake is tabulated in the chart below:

2013 MCAD Certified Average Value of Developed Land in City’s ETJ	\$4.03 / SF
2013 MCAD Certified Average Value of Land in City’s Commerce Park	\$17.24 / SF
Difference in Average Value of Land Served with Utilities and Land Without	\$13.21 / SF
Cost to Provide Infrastructure to the City’s ETJ (est. \$60MM / 446 acres of ETJ)	-\$3.11 / SF
Net Increase in Value for Properties Served with Utilities	\$10.10 / SF

The need for this proposed TIRZ partnership is further compelling because neither the City nor County can address the development issues alone. The magnitude of infrastructure needed to ensure quality development is beyond the financial capability of the City to fund solely, and some

of the infrastructure needed for quality development is typically outside the purview of the County to provide.

If this opportunity is missed, the City will continue to be hampered in its ability to annex and will remain unable to provide the full array of city services and maintenance to the area. If the ETJ is allowed to develop unplanned with ad hoc infrastructure, the City will likely never be able to annex due to the prohibitive cost of retro-fitting and upgrading substandard infrastructure. *But for the creation of the TIRZ and participation by both the City and County, this area is not likely to attract private investment sufficient or timely enough to provide the public improvements proposed.*

2. PRELIMINARY PROJECT PLAN

This Preliminary Project Plan and Reinvestment Zone Financing Plan (“The Plan”) has been prepared in accordance with the requirements of Chapter 311.011 of the Texas Tax Code and outlines the improvements to be funded and implemented by the proposed Tax Increment Reinvestment Zone Number 1, Oak Ridge North, Texas.

Benefits to local taxing jurisdictions and tax payers and furtherance of the City’s goals to be accomplished by the TIRZ include the following:

Montgomery County	Oak Ridge North
<ul style="list-style-type: none"> • Provides cost-sharing opportunities for Robinson Road improvements • Offers opportunity to transition long term road maintenance to City • Offers opportunity to transfer other County costs of service to City • Ability to influence quality, timing and type of development in this unincorporated area • Affords ability for planned, interconnected, efficient design and construction of roads and infrastructure • Enhances the County’s tax base • Provides tool to partner with private developers to construct improvements 	<ul style="list-style-type: none"> • Achieves a goal of securing the areas adjacent to the City in support of City’s property values • Provides ability to influence quality, timing, and type of development in ETJ • Affords ability for planned, interconnected, efficient design and construction of roads and infrastructure • Increases annexation opportunities to reach home rule status • Enhances the City’s tax base • Provides cost-sharing opportunities with County participation • Provides tool to partner with private developers to construct improvements

The TIRZ as proposed will allow the City and County to partner with each other for public improvements each may have planned for the area. The City believes that a TIRZ is the best mechanism by which to partner not only with the County but also with private sector developers to plan, fund, and construct the needed improvements over the long-range time horizon such an ambitious undertaking might require.

Through the TIRZ, the City and County can both maximize the value of the ETJ to the benefit of their respective voters and citizens, as well as contribute to the community cohesion that comes with planned development. Developers seeking to partner with the TIRZ will be required to petition for annexation into the City. This performance driven structure will shift the cost and risk of construction to the private sector, with repayment coming out of new growth resulting from the infrastructure provided.

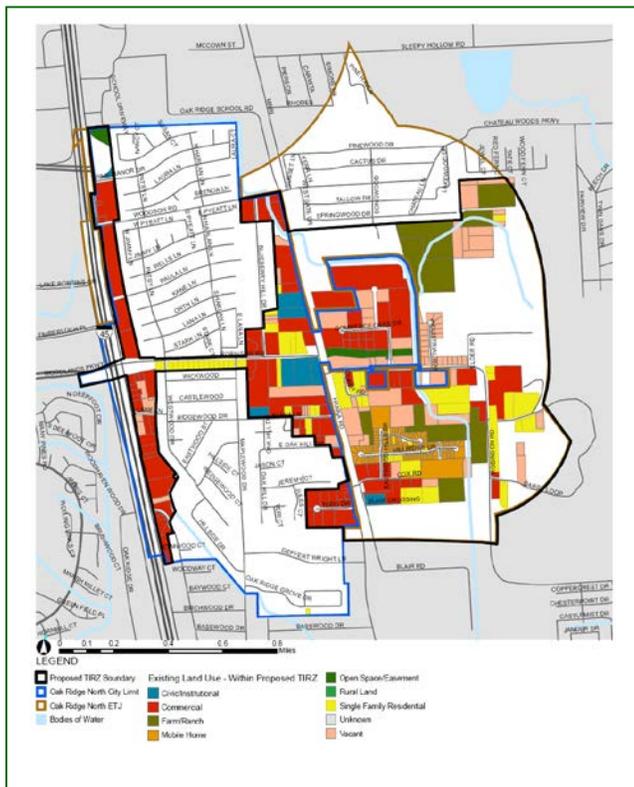
2.1 Existing Uses and Conditions, Proposed Use (311.011(b)(1))

The table below based on information from the Comp Plan, details the existing land uses and the percentages of their respective areas within the City, all of which will be in close proximity to the Zone and likely to be influenced by TIRZ development.

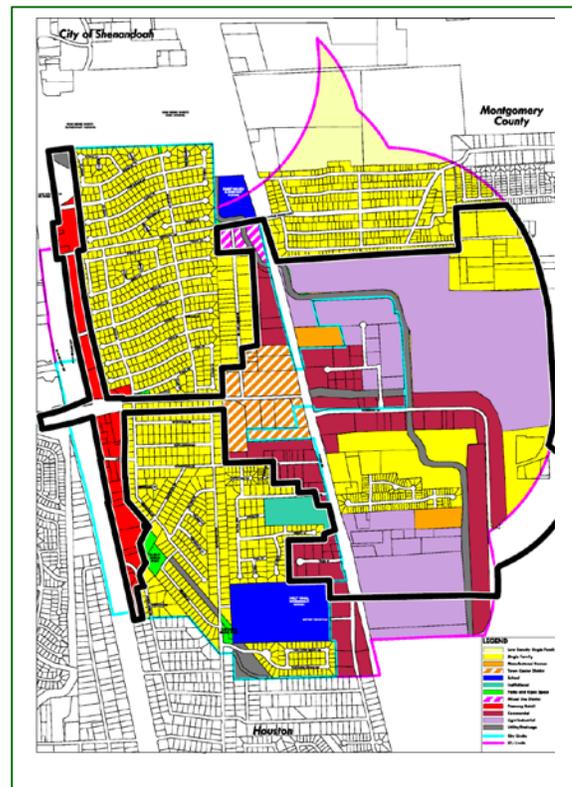
Land Use Type	City Limit	ETJ
Low Density Residential	4.0%	19.9%
Single Family Residential	56.9%	20.7%
High Density Residential		
Manufactured Housing		1.9%
Institutional (Schools & Civic)	6.6%	1.9%
Churches	1.7%	
Freeway Retail	7.4%	
Commercial	10.8%	
Light Industrial	3.8%	17.9%
Drainage and Utility	1.6%	3.1%
Parks and Open Space	1.0%	0.5%
Vacant	6.1%	32.5%

Map Figure 3 – Existing Land Use shows the physical location of the various uses. Map Figure 3 also shows the vacant acreage within the ETJ which will be the subject of some proposed TIRZ improvements. Map Figure 4 – Future Land Use depicts the proposed uses that will be supported by public infrastructure as proposed for TIRZ funding.

Map Figure 3 – Existing Land Use



Map Figure 4 - Future Land Use



2.2 Changes to Municipal Ordinances Required (311.011(b)(2))

Other than ordinance changes that will be required by the annexation and zoning of properties currently in the ETJ, there are no other contemplated changes to the City's Code of Ordinances or Master Plan.

2.3 Non-Project Costs (311.011(b)(3))

Non-Project Costs will consist of unreimbursed costs of public rights-of way, utility upgrades, street relocation cost, technology investment, public open space improvements and other private investment. The projects which are expected to result from the TIRZ major infrastructure improvements consist of private investment in various development projects which will include internal infrastructure such as internal roads, water, sewer, and drainage facilities, along with the private development. The total value of such projects can reasonably be projected to total more than \$55 million at TIRZ end.

2.4 Method of Relocation (311.011(b)(4))

Certain TIRZ eligible projects such as Robinson Road improvements may result in the relocation of existing uses depending upon its final alignment. If relocation becomes necessary and in instances where appropriate, costs associated with such relocation may, on a case-by-case basis, be considered as eligible project costs, as determined by the Board of Directors of the TIRZ. In addition, the TIRZ Board and City will consider and utilize such other methods as are available, cost effective, and efficient to aid in the relocation with due weight being given to the availability of tax increments to pay related costs.

3. PRELIMINARY REINVESTMENT ZONE FINANCING PLAN

The TIRZ is intended to provide a funding and/or reimbursement mechanism for major public infrastructure to provide roadways and public utilities to un-served properties within the Zone, along with various landscape, beautification and urban design components. The comprehensive and long-term nature of the project will promote stability, and sustainable commercial, retail and light industrial opportunities in an area that is currently underutilized and undervalued. The TIRZ may fund all or a portion of the eligible projects.

3.1 Estimated Project Cost Description (311.011(c)(1))

The project costs below comply with the categories established in Section 311.02 of the Texas Tax Code. The dollar amounts are approximate estimates based on assumptions of how the land may develop and are expressed in year 2013 dollars. Project Costs may be adjusted to actual development plans, bid costs and/or for inflation. Projects will be undertaken and paid for as funds are available from increment or other sources. The intent is to complete as many of the projects as can be funded from tax increment revenues notwithstanding whether the costs or tax increments exceed the estimates herein, and costs may be moved among line items.

Project Description	Project Cost Estimate
Capital Projects	
Water Infrastructure	\$5,843,000
Roads	\$15,215,000
Sanitary Sewer	\$9,750,000
Drainage	\$17,153,000
Civic Facilities	
Public Plazas and Landscaping	\$3,500,000
Signage and Placemaking	\$1,000,000
Professional Services	
Architects, Engineers, Surveying, Legal, etc.	\$8,152,000
Creation Costs and Zone Administration	\$1,500,000
Total Estimated Project Costs	\$62,113,000

In addition to the projects described above, the following categories established in Section 311.002 (1) of the Texas Tax Code as eligible project costs will be considered eligible project costs. The TIRZ will fund project costs at the discretion and approval of the Board of Directors of the TIRZ. And, when appropriate and practicable, the TIRZ will consider as eligible for financing projects, such as:

- *Capital Projects* related to demolition, environmental abatement, and remediation including site work and fill, necessary to prepare sites and existing structures for new use.
- *Land Costs* associated with property formally conveyed to the public in conjunction with the implementation of projects otherwise eligible for reimbursement may also be eligible for reimbursement.

- *Matching Funds* may be contributed in support of local, state, federal or other capital improvements programs that benefit the project and the region.
- *Streetscape, Gateways, Parks, and Community Facilities* that enhance or serve the existing and future development. These may include, but are not limited to, lighting, walks, landscaping and related street furniture, greenbelts and paths, trails, parks, outdoor pavilions, non-profit community and arts space, and recreational/sports facilities.
- *Professional Services* incurred for architectural, planning, engineering, legal, landscape architecture, financial, marketing, public relations, management, leasing, bookkeeping, tax role verification, environmental, archaeological, and other services and advice necessary to a project.
- *Financing Costs* related to developer's interest, city interest, and financing interest, legal fees, underwriter's fees, brokerage charges, transfer or placement charges, premium and fees paid for loans, credit enhancement fees, notes, bonds or other instruments of credit issued to pay for project costs.
- *Operational Expenses* as may be necessary to provide for the proper administration of the Zone, operation of Zone facilities and services provided therein, over the life of the TIRZ.

3.2 Kind, Number and Location of Proposed Public Improvements (311.011(c)(2))

The public improvements proposed include water, sewer, drainage, roadways (including Robinson Road), and various urban design components. The majority of the public utility facilities, including plants and line extensions, will be located in the ETJ to serve that area. Robinson Road improvements will be located both within the City limit and in the ETJ. Urban design components may also be within the City limit and ETJ. Map Figure 5 – Proposed Utility Extension, below, indicates the probable location of the first phase of improvements; however, final alignments will be determined at the time of design. Public infrastructure improvements and civic facilities will be considered eligible projects anywhere within the Zone.

Map Figure 5 – Location of Proposed Utility
Extension



Source: Jones and Carter Report on “Utility and Economic Feasibility - Robinson Road East of Hanna Road”, dated September, 2013.

3.3 Economic Feasibility (311.011(c)(3))

CDS Market Research (“CDS”) performed a TIRZ feasibility analysis based on research into the potential capture of market share Oak Ridge North could achieve with the appropriate infrastructure to support such land uses. Such report reflects that the TIRZ as proposed is economically feasible. A copy of the CDS report is included in the appendix of this document. The report supports the findings that without TIRZ creation and participation by both the City and County, the likelihood of Oak Ridge North being able to maximize its market share for quality development will be unlikely.

3.4 Estimate of Bonded Indebtedness To Be Incurred (311.011(c)(4))

Bonds, notes or other obligations may be issued to yield net proceeds sufficient to pay all or a portion of the eligible project costs and related professional fees that are currently estimated at, but are not limited to, \$62,113,000. The City, at its sole discretion, may issue or cause to be issued bonds, notes, or other obligations secured by tax increment revenues, the proceeds of which could be used to pay for or reimburse Project Costs, including public improvements, capitalized interest, professional fees, developer interest and costs of issuance of the bonds.

The City may create a local government corporation to aid and assist the Zone in implementing the Project and Financing Plan, issuance of bonds, and its administrative activities. The corporation will be chartered by the City to act on behalf of the City with the specific authority to issue bonds, notes, or other obligations on behalf of the City for the Zone, in lieu of City-issued

tax increment bonds or notes. Additionally, the Zone may elect to pay for Project Costs directly from tax increment proceeds as they become available, without the sale of bonds or notes.

3.5 Estimated Time When Monetary Obligations Are To Be Incurred (311.011(c)(5))

The TIRZ will initially incur monetary obligations only after the completion, inspection and acceptance by the City of the eligible public improvements or as detailed in Developer Reimbursement Agreements to be executed between the TIRZ and developers. Since the build-out horizon for TIRZ improvements will be market driven, it is anticipated that the completion of the infrastructure will take a minimum of ten years. Bond issuance will occur at appropriate times as determined by the City and the City’s Financial Advisor. Project Costs, administrative costs, and costs related to the creation and organization of the TIRZ may be paid from the issuance of bonds or directly from tax increment revenue.

3.6 Methods and Sources of Financing (311.011(c)(6))

The primary sources of revenue will be the ad valorem property taxes generated on the annual increment value above the base year value. The table below shows the expected participation rates of the City and County.

Jurisdiction	2014 Tax Rate	% Participation	Duration
City of Oak Ridge North	\$0.4822/\$100	100%	30 Years
Montgomery County	\$0.4008/\$100	90% of M&O Rate Only	20 Years

To ensure timely construction of public improvements, both pay-as-you-go and various methods of financing may be utilized. These include:

- *Tax Increment Bonds or Notes.* As allowed by annual incremental increases in Zone assessed value, tax-exempt tax increment bonds or notes may be issued to fund improvements.
- *Direct Reimbursements.* Projects that are closely related to particular private development projects or public infrastructure programs of public agencies, municipalities, and authorities may be financed through reimbursement agreements with a developer, public agency, municipality, or authority using a direct payment annually from the TIRZ increment fund.
- *Other private financing.* Some projects may be financed on a short-term basis through private financial institutions.
- *Grants/Other Public Funds.* To the extent permitted by law, efforts will be made to leverage TIRZ funds with other public funds and economic development tools.

3.7 Current Appraised Value of Taxable Real Property (311.011(c)(7))

Based upon the 2014 Montgomery County Appraisal District certified tax roll, the base year value of the proposed TIRZ will be \$111,013,652.

3.8 Estimated Captured Appraised Value By Year (311.011(c)(8))

The table on the following page shows the Captured Appraised Value and the resulting revenue from the City and County for the duration of the Zone.

3.9 Duration of Zone (311.011(c)(9))

The Zone is being proposed for a thirty (30) year period, with the final payment of increment being made on values and at rates for 2044, which revenue may be paid in 2045. Therefore, the Zone will terminate for purposes of collection on December 31, 2045.

Captured Appraised Value – City and County

Tax Year	Base Value (1)	Est. Annual Incremental Value (2)	Est. Total Incremental Value	Est. Annual Incremental Revenue (3)	Est. Total Incremental Revenue
2014	111,013,652				
2015		11,885,478	11,885,478	95,176	95,176
2016		7,501,470	19,386,947	155,246	250,421
2017		9,064,021	28,450,968	227,828	478,249
2018		18,663,139	47,114,107	377,278	855,527
2019		20,691,048	67,805,155	542,966	1,398,493
2020		22,789,935	90,595,090	725,462	2,123,955
2021		24,962,283	115,557,373	925,353	3,049,308
2022		25,835,963	141,393,336	1,132,241	4,181,549
2023		26,740,221	168,133,557	1,346,370	5,527,919
2024		27,676,129	195,809,686	1,567,993	7,095,912
2025		28,644,794	224,454,480	1,797,373	8,893,285
2026		29,647,361	254,101,841	2,034,781	10,928,067
2027		30,685,019	284,786,860	2,280,499	13,208,566
2028		13,853,018	298,639,878	2,391,430	15,599,996
2029		14,337,874	312,977,752	2,506,244	18,106,241
2030		14,839,699	327,817,451	2,625,077	20,731,318
2031		15,359,089	343,176,540	2,748,069	23,479,386
2032		15,896,657	359,073,196	2,875,365	26,354,751
2033		16,453,040	375,526,236	3,007,116	29,361,868
2034		17,028,896	392,555,132	3,143,479	32,505,347
2035		17,624,907	410,180,039	1,878,994	34,384,341
2036		18,241,779	428,421,819	1,962,558	36,346,898
2037		18,880,241	447,302,060	2,049,046	38,395,944
2038		19,541,050	466,843,110	2,138,562	40,534,506
2039		20,224,987	487,068,097	2,231,210	42,765,716
2040		20,932,861	508,000,958	2,327,102	45,092,818
2041		21,665,511	529,666,469	2,426,349	47,519,167
2042		22,423,804	552,090,274	2,529,070	50,048,237
2043		23,208,637	575,298,911	2,635,387	52,683,624
2044		24,020,940	599,319,851	2,745,424	55,429,048
		599,319,851		55,429,048	

Note:

- ✓ (1) Base Value is per MCAD, and represents the total value of properties within the Zone as of 1.1.2014 including areas of the Zone within the ETJ.
- ✓ (2) Annual Growth projections are based on an assumed appreciation rate of 3.5%, and the completion of a series of projects anticipated by the City / EDC, and facilitated by the Zone. Projections also assume that as projects within the ETJ are initiated, those projects will be annexed into the City.
- ✓ (3) Revenue assumes 95% collections, 100% participation by the City for 30 years, and 90% participation by the County (M&O tax rate only) for 20 years.

Captured Appraised Value - City

Tax Year	Base Value (1)	Est. Annual Incremental Value (2)	Est. Total Incremental Value	Est. Annual Incremental Revenue (3)	Est. Total Incremental Revenue
2014	100,217,910				
2015		11,885,478	11,885,478	54,446	54,446
2016		7,501,470	19,386,947	88,810	143,256
2017		9,064,021	28,450,968	130,331	273,587
2018		18,663,139	47,114,107	215,825	489,412
2019		20,691,048	67,805,155	310,609	800,021
2020		22,789,935	90,595,090	415,007	1,215,028
2021		24,962,283	115,557,373	529,357	1,744,384
2022		25,835,963	141,393,336	647,709	2,392,093
2023		26,740,221	168,133,557	770,203	3,162,296
2024		27,676,129	195,809,686	896,985	4,059,281
2025		28,644,794	224,454,480	1,028,204	5,087,484
2026		29,647,361	254,101,841	1,164,015	6,251,499
2027		30,685,019	284,786,860	1,304,580	7,556,079
2028		13,853,018	298,639,878	1,368,039	8,924,119
2029		14,337,874	312,977,752	1,433,720	10,357,839
2030		14,839,699	327,817,451	1,501,699	11,859,538
2031		15,359,089	343,176,540	1,572,057	13,431,595
2032		15,896,657	359,073,196	1,644,878	15,076,473
2033		16,453,040	375,526,236	1,720,248	16,796,722
2034		17,028,896	392,555,132	1,798,256	18,594,977
2035		17,624,907	410,180,039	1,878,994	20,473,971
2036		18,241,779	428,421,819	1,962,558	22,436,529
2037		18,880,241	447,302,060	2,049,046	24,485,575
2038		19,541,050	466,843,110	2,138,562	26,624,136
2039		20,224,987	487,068,097	2,231,210	28,855,346
2040		20,932,861	508,000,958	2,327,102	31,182,448
2041		21,665,511	529,666,469	2,426,349	33,608,797
2042		22,423,804	552,090,274	2,529,070	36,137,868
2043		23,208,637	575,298,911	2,635,387	38,773,254
2044		24,020,940	599,319,851	2,745,424	41,518,679
		599,319,851		41,518,679	

Note:

- ▀ (1) Base Value is per MCAD, and represents the total value of properties within the Zone and within the City of Oak Ridge North as of 1.1.2014. City base value excludes areas of the Zone within the ETJ.
- ▀ (2) Annual Growth projections are based on an assumed appreciation rate of 3.5%, and the completion of a series of projects anticipated by the City / EDC, and facilitated by the Zone. Projections also assume that as projects within the ETJ are initiated, those projects will be annexed into the City.
- ▀ (3) Revenue assumes 95% collections, and 100% participation for 30 years.

Captured Appraised Value – County

Tax Year	Base Value (1)	Est. Annual Incremental Value (2)	Est. Total Incremental Value	Est. Annual Incremental Revenue (3)	Est. Total Incremental Revenue
2014	111,013,652				
2015		11,885,478	11,885,478	40,730	40,730
2016		7,501,470	19,386,947	66,436	107,166
2017		9,064,021	28,450,968	97,497	204,663
2018		18,663,139	47,114,107	161,453	366,115
2019		20,691,048	67,805,155	232,357	598,472
2020		22,789,935	90,595,090	310,455	908,927
2021		24,962,283	115,557,373	395,997	1,304,924
2022		25,835,963	141,393,336	484,532	1,789,456
2023		26,740,221	168,133,557	576,167	2,365,623
2024		27,676,129	195,809,686	671,008	3,036,632
2025		28,644,794	224,454,480	769,170	3,805,801
2026		29,647,361	254,101,841	870,766	4,676,567
2027		30,685,019	284,786,860	975,919	5,652,486
2028		13,853,018	298,639,878	1,023,391	6,675,878
2029		14,337,874	312,977,752	1,072,525	7,748,402
2030		14,839,699	327,817,451	1,123,378	8,871,780
2031		15,359,089	343,176,540	1,176,011	10,047,791
2032		15,896,657	359,073,196	1,230,486	11,278,278
2033		16,453,040	375,526,236	1,286,868	12,565,146
2034		17,028,896	392,555,132	1,345,224	13,910,370
2035		17,624,907	410,180,039		
2036		18,241,779	428,421,819		
2037		18,880,241	447,302,060		
2038		19,541,050	466,843,110		
2039		20,224,987	487,068,097		
2040		20,932,861	508,000,958		
2041		21,665,511	529,666,469		
2042		22,423,804	552,090,274		
2043		23,208,637	575,298,911		
2044		24,020,940	599,319,851		
		599,319,851		13,910,370	

Note:

- (1) Base Value is per MCAD, and represents the total value of properties within the Zone and within Montgomery County as of 1.1.2014.
- (2) Annual Growth projections are based on an assumed appreciation rate of 3.5%, and the completion of a series of projects anticipated by the City / EDC, and facilitated by the Zone.
- (3) Revenue assumes 95% collections, and 90% participation (M&O tax rate only) for 20 years.

APPENDICES

- A. TIRZ Boundary Legal Description
- B. Economic Feasibility Report

APPENDIX A

City of Oak Ridge North TIRZ No. 1 Boundary
795.63 Acres

STATE OF TEXAS §

COUNTY OF MONTGOMERY §

A **METES AND BOUNDS** description of a 795.63 acre tract of land situated in Montgomery County, Texas; said 795.63 acres being more particularly described as follows with all bearings being based on the City of Oak Ridge North City Limit map dated May 8, 2014 and signed by Heather Neeley, City Secretary of City of Oak Ridge North (the "City Limits Map") and land parcel information made available by the Montgomery County Appraisal District as of December 1, 2014:

COMMENCING at a point in the north right-of-way line of Woodson Road, for the southeast corner of Oak Ridge North, Section 10 as shown on a plat filed for record in Cabinet A, Sheet 51-B of the Montgomery County Map Records;

THENCE, South 00°20'13" East, 61.18 feet to a point in the south right-of-way line of said Woodson Road for the **POINT OF BEGINNING** of the herein described tract;

THENCE, North 79°27'31" East, 601.23 feet along the south right-of-way line of Woodson Road to a point;

THENCE, North 80°47'41" East, 178.60 feet continuing along the south right-of-way line of Woodson Road to a point, said point being the southwest corner of the intersection of Woodson Road and Hanna Road.

THENCE, South 12°31'07" East, 521.96 feet following the City Limits to a point in the east right-of way of Hanna Road;

THENCE, South 12°13'42" East, 308.23 feet following the City Limits to a point in the east right-of-way of Hanna Road;

THENCE, North 77°46'18" East, 410.44 feet along the south line of Lot 8 of Lake Chateau Woods Section 1, Block 8, to a point, said point being the southeast corner of said Lot 8;

THENCE, North 88°27'33" East, 2,934.94 feet along the south line of residential lots fronting the south right-of-way of Springwood Drive, to a point, said point being the southeast corner of Lot 5-C of Lake Chateau Woods Section 5, Block 4;

THENCE, North 02°20'39" West, 927.92 feet to a point, said point being the southwest corner of Lot 11 of Chateau Woods, Block 1;

THENCE, North 87°02'38" East, 892.51 feet along the south line of residential lots of Chateau Woods, Block 1 to a point, being approximately the southeast corner of Lot 26 of Chateau Woods, Block 1, beginning a non-tangent curve to the right and representing the intersection of the proposed TIRZ boundary with the City's ETJ limits as shown on the City Limits Map;

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THENCE, in a Southeast direction, with the arc of said non-tangent curve to the right, following the limits of the City's ETJ as shown on the City Limits Map, having a radius of 3,792.07 feet, a central angle of 34°33'54", an arc length of 2,287.64 feet, and a chord bearing South 20°42'22" East, 2,253.11 feet to a point, being approximately 475 feet due west of the northwest corner of Lot 24-C of Lake Chateau Woods Section 6, Block 2;

THENCE, South 03°23'04" East, 1378.51 feet following the limits of the City's ETJ as shown on the City Limits Map, to a point, beginning a curve to the right, being approximately 1,600 feet due east of the southeast corner of Lot 1 of Robinson Trade Center, Block 1;

THENCE, in a Southwest direction, with the arc of said curve to the right, following the limits of the City's ETJ as shown on the City Limits Map, having a radius of 2,567.89 feet, a central angle of 20°28'30", an arc length of 917.66 feet, and a chord bearing South 06°51'32" West, 912.78 feet to a point approximately on the north right-of-way line of Darby Loop, being approximately 220 feet northeast of the intersection of right-of-way of Darby Loop and Fussell Road.

THENCE, South 37°57'41" East, 861.65 feet following the limits of the City's ETJ as shown on the City Limits Map, to a point, beginning a non-tangent curve to the right, being approximately 500 feet due west of the northeast corner of the property located at 11077 Darby Loop;

THENCE, in a Southwest direction, with the arc of said non-tangent curve to the right, following the limits of the City's ETJ as shown on the City Limits Map, having a radius of 2,639.13 feet, a central angle of 45°35'45", an arc length of 2,100.22 feet, and a chord bearing South 46°25'29" West, 2,045.23 feet to a point, beginning a compound curve to the right;

THENCE, in a Southwest direction, along said compound curve to the right following the limits of the City's ETJ as shown on the City Limits Map, having a radius of 2,734.37 feet, a central angle of 11°34'42", an arc length of 552.56 feet, and a chord bearing South 01°09'34" West, 551.62 feet to a point, beginning a reverse curve to the left;

THENCE, in a Northwest direction, with the arc of said reverse curve to the left following the limits of the City's ETJ as shown on the City Limits Map, having a radius of 24,733.38 feet, a central angle of 06°45'07", an arc length of 2,914.70 feet, and a chord bearing North 88°41'50" West, 2,913.01 feet to a point, said point being the most southeastern intersection of the City's ETJ with the City Limits as shown on the City Limits Map, and being approximately 265 feet due south of the south line of the Oakhill Business Park;

THENCE, North 01°49'20" West, 276.35 feet to a point in the south line of the Oakhill Business Park and following the line of the City Limits as shown on the City Limits Map;

THENCE, South 87°59'21" West, 723.03 feet to a point, being the southeast corner of Lot 10 of Oakhill Village East, Block 1;

THENCE, North 02°38'07" West, 759.26 feet to a point, being the northeast corner of Lot 17 of Oakhill Village East, Block 1;

THENCE, North 87°21'53" East, 639.20 feet to a point, being the southeast corner of Lot 26 of Oakhill Village East, Block 1;

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THENCE, North 02°53'20" West, 100.31 feet to a point, being the northwest corner of Tract 3-A out of the Montgomery County School Land Survey, Abstract 350;

THENCE, North 77°37'17" East, 230.73 feet along the north line of said Tract 3-A to a point in the west right-of-way of Hanna Road;

THENCE, North 12°22'43" West, 488.32 feet along the west right-of-way of Hanna Road to a point, being the southeast corner of Tract 22 out of the Montgomery County School Land Survey, Abstract 350;

THENCE, South 87°46'11" West, 237.44 feet along the south line of said tract to a point, being the southwest corner of Tract 22 out of the Montgomery County School Land Survey, Abstract 350;

THENCE, North 12°22'43" West, 205.66 feet along the west line of said tract to a point in the north right-of-way of East Oakhill Drive;

THENCE, South 87°31'31" West, 215.99 feet along the north line of said right-of-way to a point, being the southwest corner of Lot 47 of Oak Hill Village;

THENCE, North 03°06'47" West, 192.04 feet along the west line of said lot to a point, being the northwest corner of Lot 47 of Oak Hill Village;

THENCE, South 87°46'11" West, 419.27 feet along the north line of residential lots fronting East Oakhill Drive in Oak Hill Village to a point, being the southeast corner of Lots 12-14 of Little Oak, Block 1;

THENCE, North 02°10'16" West, 387.69 feet along the east line of said tracts to a point in the north right-of-way of Alana Lane;

THENCE, South 87°59'48" West, 900.78 feet along the north line of said right-of-way to a point, being the southeast corner of Lot 507 of Oak Ridge North Section 4;

THENCE, North 02°30'41" West, 938.35 feet along the east line of said lot to a point, being the southeast corner of Lot 499 of Oak Ridge North Section 4;

THENCE, South 88°00'18" West, 1771.46 feet along the south line of said lot and following the rear lot line of residential lots fronting the south right-of-way of Robinson Road to a point, being the southwest corner of Lot 412 of Oak Ridge North Section 4;

THENCE, South 00°30'25" East, 873.56 feet along the rear lot line of residential lots fronting the west right-of-way of Westwood Drive to a point in the south right-of-way of Lane Lane, and being the northwest corner of Lot 521 of Oak Ridge North Section 4;

THENCE, South 03°07'39" East, 695.26 feet along the rear lot line of residential lots fronting the west right-of-way of Westwood Drive to a point, being the center point of the rear lot line of Lot 527 of Oak Ridge North Section 4;

THENCE, South 38°10'22" East, 536.17 feet along the rear lot line of residential lots fronting the west right-of-way of Westwood Drive to a point, being the southwest corner of Lot 531 of Oak Ridge North Section 5, and beginning a non-tangent curve to the left;

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THENCE, in a Southeast direction, with the arc of said non-tangent curve to the left, following the right-of-way of the cul-de-sac of Eastwood Court, having a radius of 47.50 feet, a central angle of 114°25'32", an arc length of 94.86 feet, and a chord bearing South 05°01'05" East, 79.87 feet to a point, being the northernmost corner of Merilyn Edgar Park in Oak Ridge North Section 6, Block 5;

THENCE, South 22°13'30" West, 366.29 feet along the west line of said Park to a point, beginning a non-tangent curve to the left;

THENCE, in a Southeast direction, with the arc of said non-tangent curve to the left along the west and southwest lines of said Park, having a radius of 365.64 feet, a central angle of 41°41'03", an arc length of 266.01 feet, and a chord bearing South 23°25'26" East, 260.18 feet to a point, being the southernmost corner of Merilyn Edgar Park;

THENCE, South 44°36'32" East, 54.13 feet to a point, being the northernmost corner of Lots 377 – 388 of Oak Ridge North Section 3;

THENCE, South 45°23'28" West, 226.58 feet along the west line of said tracts to a point in the west right-of-way of Spring Pines Drive;

THENCE, in a Southeast direction, with the arc of said non-tangent curve to the left, having a radius of 573.87 feet, a central angle of 26°24'51", an arc length of 264.56 feet, and a chord bearing South 25°39'54" East, 262.22 feet to a point, being the northeast corner of Lot 381 of Oak Ridge North Section 3;

THENCE, South 78°14'31" West, 132.92 feet along the north line of said lot to a point, being the northwest corner of Lot 381 of Oak Ridge North Section 3;

THENCE, South 11°32'51" East, 587.78 feet along the west line of said Lot to a point, being the southwest corner of Lot 385 of Oak ridge North Section 3 and the southeast corner of Lots 404 – 406 of Oak Ridge North Section 3;

THENCE, South 78°14'08" West, 162.30 feet along the south line of said Lots, and following the line of the City Limits as shown on the City Limits Map to a point, being the southwest corner of Lots 404 – 406 of Oak Ridge North Section 3;

THENCE, Along the east right-of-way of the IH-45 Feeder Road according to the following calls:

THENCE, North 11°35'30" West, 180.98 feet to a point;

THENCE, North 11°34'00" West, 2,100.08 feet to a point;

THENCE, North 10°01'55" West, 1,410.62 feet to a point in the east right-of-way of the northbound IH-45 Feeder Road, and being the northwest corner of Tract 2, Service Station 3632 as recorded in File No. 2006-151092 in the records of the City of Oak Ridge North, said tract being generally described as the southeast corner of the intersection of the northbound IH-45 Feeder Road and the eastbound Robinson Road interchange ramp;

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THENCE, South 75°50'32" West, 434.12 feet to a point, said point being located in the west right-of-way of the southbound IH-45 Feeder Road, approximately 85 feet south of the intersection of the southbound IH-45 Feeder Road and the eastbound Robinson Road interchange ramp;

THENCE, following the lines of the City Limits as shown on the City Limits Map according to the following calls:

THENCE, South 78°37'33" West, 528.67 feet to a point;

THENCE, North 11°25'32" West, 239.96 feet to a point;

THENCE, North 78°34'21" East, 119.94 feet to a point;

THENCE, North 72°29'47" East, 443.59 feet to a point;

THENCE, North 74°07'32" East, 408.90 feet to a point, being the southwest corner of Reserve C, Parcel 1 of Oak Ridge North Section 7, said tract being generally described as the northeast corner of the intersection of the northbound IH-45 Feeder Road and the westbound Robinson Road interchange ramp;

THENCE, North 13°48'11" West, 756.24 feet along the west line of said Reserve C and the east right-of-way of the northbound IH-45 Feeder Road to a point, being approximately 220 feet north of the northwest corner of said Reserve C and being a corner of the City Limits as shown on the City Limits Map;

THENCE, following the lines of the City Limits as shown on the City Limits Map according to the following calls:

THENCE, North 13°47'52" West, 289.41 feet to a point;

THENCE, North 11°46'52" West, 400.00 feet to a point;

THENCE, South 78°13'09" West, 10.00 feet to a point;

THENCE, North 11°46'52" West, 180.00 feet to a point;

THENCE, North 09°11'52" West, 390.00 feet to a point;

THENCE, North 06°48'52" West, 299.70 feet to a point;

THENCE, North 07°44'07" West, 271.92 feet to a point;

THENCE, South 79°28'39" West, 74.87 feet to a point;

THENCE, North 06°42'32" West, 649.37 feet to a point;

THENCE, North 88°20'28" East, 75.00 feet to a point;

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THENCE, North 05°31'12" West, 173.78 feet to a point;

THENCE, North 88°27'44" East, 81.37 feet to a point;

THENCE, North 02°19'41" West, 1,110.32 feet to a point, being the northwest corner of the City Limits as shown on the City Limits Map;

THENCE, North 88°00'08" East, 196.30 feet following the north line of the City Limits as shown on the City Limits Map to a point, said point being the northwest corner of Lot 11 of Oak Ridge North Section 10, Block 2;

THENCE, South 05°04'15" East, 1030.34 feet along the west line of said Lot 11 to a point in the south right-of-way of Pine Manor Drive, said point being the northwest corner of Reserve J of Oak Ridge North Section 10, Block 1;

THENCE, South 10°42'56" East, 779.92 feet along the west line of said Reserve J to a point in the north right-of-way of Woodson Road, said point being the southwest corner of Lot 5 of Oak Ridge North Section 10, Block 1;

THENCE, South 79°27'31" West, 109.81 feet along the north right-of-way of Woodson Road to a point;

THENCE, South 09°03'15" East, 1,413.76 feet along the west line of residential lots fronting West Jimmy Lane to a point, said point being the southwest corner of Lot 1 of Oak Ridge North Section 7, Block 15;

THENCE, South 15°16'51" East, 1,283.64 feet to a point, said point being the southwest corner of Reserve B of Oak Ridge North Section 7;

THENCE, North 88°12'25" East, 2,032.46 feet along the north right-of-way of Robinson Road to a point, said point being the southeast corner of Lot 4 of Oak Ridge North Section 7, Block 8;

THENCE, North 02°23'52" West, 526.01 feet along the east line of said Lot 4 to a point, said point being the northwest corner of Lot 26 of Blueberry Hill Estates, Block 1;

THENCE, North 86°44'32" East, 650.38 feet along the north line of said Lot 26 to a point, said point being the northeast corner of Lot 26 of Blueberry Hill Estates, Block 2;

THENCE, North 03°15'36" West, 2,041.83 feet along the east line of residential lots fronting the east right-of-way of Blueberry Hill to a point, said point being the northeast corner of Lot 1 of Blueberry Hill Estates, Block 2;

THENCE, South 86°47'01" West, 619.64 feet along the north line of said Lot 1 to a point, said point being the northwest corner of Lot 1 of Blueberry Hill Estates, Block 1;

THENCE, North 02°23'49" West, 402.89 feet to the **POINT OF BEGINNING**, located in the south right-of-way of Woodson Road, **CONTAINING** approximately 795.63 acres of land in Montgomery County, Texas.

APPENDIX B

(following pages)