

**CITY OF MANSFIELD AND TARRANT COUNTY, TEXAS
AGREEMENT TO PARTICIPATE IN REINVESTMENT ZONE NUMBER THREE,
CITY OF MANSFIELD, TEXAS**

This **AGREEMENT TO PARTICIPATE IN REINVESTMENT ZONE NUMBER THREE, CITY OF MANSFIELD** (the "Agreement") is entered into between the City of Mansfield, Texas (the "City") and Tarrant County, Texas (the "County").

The City and the County hereby agree that the following statements are true and correct and constitute the basis upon which the City and the County have entered into this Agreement:

WHEREAS, on October 24, 2022, the City Council of the City (the "City Council"), in accordance with Chapter 311 of the Texas Tax Code (the "Act"), adopted Ordinance No. OR-2276-22 (the "Creation Ordinance") designating certain real property within the corporate limits of the City and establishing *Reinvestment Zone Number Three, City of Mansfield* (the "Zone"). The Creation Ordinance, with all its accompanying exhibits, is hereby incorporated for reference for all purposes and is attached hereto as "**Exhibit 2**"; and

WHEREAS, designation of the Zone will enable development of property in and around the Zone to occur that would not occur otherwise in the foreseeable future. As a result of designation of the Zone, it is intended that public infrastructure will be funded to support the development of the area in and around the Zone and this overall development will result in increased tax revenues and other benefits for both the City and the County; and

WHEREAS, pursuant to Section 311.013(f) of the Act, the County is not required to pay any tax increment into the tax increment fund of the Zone unless it enters into an agreement with the City to do so. The County wishes to enter into such an agreement with the City.

NOW, THEREFORE, for and in consideration of the conditions set forth herein. The sufficiency of which is hereby acknowledged, the City and the County do hereby contract, covenant and agree as follows:

1. INCORPORATION OF RECITALS.

The parties hereby agree that the recitals set forth above are true and correct and form the basis upon which they have entered into this Agreement.

2. DEFINITIONS.

In addition to any terms defined in the body of this Agreement, the following terms shall have the definitions ascribed to them as follows:

"Act" means the Tax Increment Financing Act, as amended and codified as Chapter 311 of the Texas Tax Code.

"Board" means the governing board of directors of the Zone appointed in accordance with Section 311.009 of the Act and Section 3 of the Creation Ordinance. The County

shall appoint and maintain at least one (1) member on the Board, and may appoint non-voting ex-officio members or staff members who shall also be notified of all Board meetings and actions.

“Captured Appraised Value” in a given year means the total appraised value of all real property taxable by the County and located in the Zone for that year less the Tax Increment Base.

“Creation Ordinance” means Ordinance No. OR-2276-22 with all its exhibits, attached hereto as **“Exhibit 2”**.

“Project and Finance Plan” means the project and finance plan for the development and/or redevelopment of the Zone as adopted by the Board and approved by the City Council of the City on October 24, 2022, and amended from time to time.

“Tax Increment” in a given year means the amount of property taxes levied and collected by the County for that year on the Captured Appraised Value of real property taxable by the County and located in the Zone.

“Tax Increment Base” means the total appraised value as of January 1, 2022 of all real property taxable by the County and located in the Zone.

“Tax Increment Fund” means the fund created by the City pursuant to Section 311.014 of the Act and Section 7 of Creation Ordinance, which will be maintained by the City, into which all revenues of the Zone will be deposited, including: (i) deposits of Tax Increment by the City and by other participating taxing units with jurisdiction over real property in the Zone, including the County, and (ii) all accrued interest earned on the cash balance of the fund.

“Tier 1 Projects” means those projects eligible to be funded from the County Tax Increment, as identified on **“Exhibit 1”**. Such projects are only considered Tier 1 Projects to the extent that they benefit property located within Tarrant County.

“Tier 2 Projects” means those projects eligible to receive funding exclusively from the City Tax Increment, as identified on **“Exhibit 1”**.

“Zone” means the certain real properties and boundaries as described in the Creation Ordinance, attached hereto as **“Exhibit 2”**.

3. DEPOSIT OF TAX INCREMENT.

Pursuant to a Resolution duly adopted by the governing body of the County, which Resolution is attached hereto as **“Exhibit 3”** and is hereby made a part of this Agreement for all purposes, and specifically subject to Section 4 of this Agreement, the County hereby agrees to deposit each year during the remaining term of the Zone, beginning with the 2022 tax year, fifty percent (50%) of the County’s Tax Increment into the Tax Increment Fund up to a maximum cumulative contribution of Five Million, Two Hundred and Forty-Seven Thousand, One Hundred and Fifty-Seven dollars (\$5,247,157) (the “Maximum County Contribution”).

The calculation to determine the dollar amount of the County's Tax Increment to be deposited shall be made in accordance with the County's Tax Increment Financing Policy and such deposits shall be made in accordance with the City's standard administrative procedures, but only following receipt of a bill from the City that outlines the City's calculation of the amount of the deposit that is required for that year. The County is not obligated to pay the County Tax Increment from any source other than taxes collected on the Captured Appraised Value. Furthermore, the County has no duty or obligation to pay the County Tax Increment from any other County taxes or revenues, or until the County Tax Increment in the Zone is actually collected. Any portion of the taxes representing the County Tax Increment that are paid to the County and subsequently refunded pursuant to the provision of the Texas Tax Code shall be offset against future payments to the Tax Increment Fund.

4. LIMITATIONS ON TAX INCREMENT DEPOSITS AND USE OF FUNDS.

This Agreement is based on the following conditions, and the City agrees and acknowledges the County's right to enforce the conditions contained herein by in junction or any other lawful means in the event one or more of such conditions are not satisfied.

4.1 Amendment to Creation Ordinance.

The Creation Ordinance designates the boundaries, the eligible real properties for the calculation of Tax Increment for the Zone, and the specific participation level by the City. All amendments to the Creation Ordinance shall be approved by the Board prior to approval by the City Council. If the City Council approves an amendment to the Creation Ordinance different from the amendment approved by the Board, the County may suspend payment into the Tax Increment Fund as described in Section 3 until the amendment is approved by the County governing body.

4.2 Certain Project Costs Excluded.

The Tax Increment deposited into the Tax Increment Fund by the County shall be used to pay for Tier 1 Projects, as identified on **Exhibit 1**, and described in the Project and Finance, for purposes as set forth and identified in the Project and Finance. All Tax Increment Fund allocations, including but not limited to any management and administrative costs, must be approved by the Board in accordance with the Project and Finance. If the Project and Finance, as included herein, is amended to substantially change the scope and nature of the projects included in the Project and Finance or to include additional projects and associated costs that will increase the total costs of the Project and Finance, the County may suspend payment into the Tax Increment Fund as described in Section 3 until the amended Project and Finance is approved by the governing body of the County as an amendment to this Agreement.

4.3 Zone Expansion.

As defined, the Zone shall include real properties located within the boundaries as depicted in the Creation Ordinance. If the Zone is expanded, the County is not required to deposit into the Tax Increment Fund any Tax Increment generated from properties in the

expanded area unless participation in the expanded boundary area is approved by the County governing body as an amendment to this Agreement. Additionally, the Tax Increment deposited into the Tax Increment Fund by the County may not be used for any permissible project costs in any portion of the expanded area of the Zone unless approved by the County governing body as an amendment to this Agreement.

5. TERM.

This Agreement shall take effect on the date as of which both parties have executed it and shall expire upon the earlier of: (i) December 31, 2052 (with final year's tax due by January 31, 2053), or (ii) the date on which all Project Costs of the Zone have been paid in full, or (iii) the date on which the Maximum County Contribution is reached.

Nothing in this agreement limits the authority of the Tarrant County Commissioner's Court to extend the term of the Agreement. Upon termination of the Agreement, the obligation of the County to contribute to the Tax Increment Fund for the Zone shall end; however, any refund obligations of the City or the Zone shall survive such termination.

6. TAX INCREMENT FUND AND FINAL ACCOUNTING OF FUNDS.

No later than July 1 of each year following execution of this Agreement, the City shall provide the County with an annual accounting of the funds deposited to and disbursed from the Tax Increment Fund, including accrued interest. After all Project Costs of the Zone have been paid or at the time of the expiration of this Agreement, any funds remaining in the Tax Increment Fund following the final annual accounting by the City shall be paid to each taxing unit participating in the Zone in proportion to each taxing unit's share of the total amount of the Tax Increment deposited into the Tax Increment Fund.

Furthermore, if the projects to be undertaken pursuant to the Project and Finance are not undertaken, are discontinued, or are terminated, all monies remaining in the Tax Increment Fund after satisfaction of lawful claims, shall be paid to the participating taxing entities in proportion to their respective share of the total amount of Tax Increment deposited into the Tax Increment Fund derived from taxable real property in the Zone that were deposited in the Tax Increment.

7. RESPONSIBILITY FOR ACTS.

The City and the County shall each be responsible for the sole negligent acts of their officers, agents, or employees or separate contractors. In the event of joint and concurrent negligence of both the City and the County, responsibility, if any, shall be apportioned comparatively with the laws of the State of Texas, with the understanding that neither party waives any governmental powers or immunities or any other defenses available to each individually.

8. ADMINISTRATION OF AGREEMENT.

This Agreement shall be administered on behalf of the City by the City Manager's Office of the City, or his designee.

9. NOTICES.

All written notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party may subsequently designate in writing, by certified mail, postage prepaid, or by hand delivery:

CITY:

City of Mansfield
Attn: City Manager
Joe Smolinski
1200 E. Broad St.
Mansfield, TX 76063

COUNTY

Tarrant County
Attn: County Administrator
100 E Weatherford St.
Suite 404
Fort Worth, TX 76196

With copies to:

Drew Larkin
City Attorney
1200 E. Broad St.
Mansfield, TX 76063

or to such other address as either party may request, in writing, from time to time.

10. NO WAIVER.

The failure of either party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that party's right to insist upon appropriate performance or to assert any such right on any future occasion.

11. VENUE AND JURISDICTION.

If any action, whether real or asserted, at law or in equity, arises on the basis of any provision of this Agreement, venue for such action shall lie in state courts located in Tarrant County, Texas or the United States District Court for the Northern District of Texas – Fort Worth Division. This Agreement shall be construed in accordance with the laws of the State of Texas.

12. NO THIRD PARTY RIGHTS.

The provisions and conditions of this Agreement are solely for the benefit of the City and the County and are not intended to create any rights, contractual or otherwise, to any person or entity.

13. FORCE MAJEURE.

The parties shall exercise every reasonable effort to meet their respective obligations as set forth in this Agreement, but shall not be held liable for any delay in or omission of performance

due to force majeure or other causes beyond their reasonable control, including but not limited to, compliance with any government law, ordinance or regulation, acts of God, acts of omission, acts of terrorism, fires, strikes, lockouts, national disasters, wars, riots, material or labor restrictions, transportation problems and/or any other cause beyond reasonable control of either party.

14. INTERPRETATIONS.

In the event of any dispute over the meaning or application of any provision of this Agreement, this Agreement shall be interpreted fairly and reasonably, and neither more strongly for or against any party, regardless of the actual drafter of this Agreement.

15. CAPTIONS

Captions and headings used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

16. ENTIRETY OF AGREEMENT/AMENDMENTS

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the City and the County as to matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement. Notwithstanding anything to the contrary herein, this Agreement shall not be amended, modified, or supplemented unless executed in writing by both parties and approved by the County and the City Council of the City in an open meeting held in accordance with Chapter 551 of the Texas Government Code, as amended.

17. COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

[Remainder of this page intentionally left blank.]

EXECUTED as of the later date below:

CITY OF MANSFIELD, TEXAS

By: _____

Joe Smolinski, City Manager

Date: _____

APPROVED AS TO FORM/LEGALITY:

By: _____

Drew Larkin, City Attorney

ATTEST:

By: _____

Susana Marin, City Secretary

TARRANT COUNTY, TEXAS

By: _____

B. Glen Whitley, County Judge

Date: _____

APPROVED AS TO FORM*

By: _____

Asst. Criminal District Attorney

ATTEST:

By: _____

Deputy County Clerk

COURT ORDER # _____

**By law, the Criminal District Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our view of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval and should seek review and approval by their own respective attorney(s).*

EXHIBIT 1
PROJECT COSTS

Reinvestment Zone Number Three, City of Mansfield Project Costs		
Public Improvements		
Tier 1 Projects		
Roads	\$	7,458,378
Water	\$	1,979,650
Sanitary Sewer	\$	2,882,145
Storm Drainage	\$	3,107,576
Landscaping	\$	3,715,366
Soft Costs	\$	5,172,265
Tier 2 Projects		
City Reimbursement	\$	4,084,464
Grocery Store Economic Development Grant	\$	600,000
Public Improvement Costs		\$ 28,999,844
Administrative Costs		\$ 540,343
Total Project Costs		\$ 29,540,187

EXHIBIT 2

ORDINANCE NO. OR-2276-22 OF THE CITY OF MANSFIELD
ESTABLISHING REINVESTMENT ZONE NUMBER THREE, CITY OF MANSFIELD, AND
ALL ASSOCIATED EXHIBITS

[Remainder of this page intentionally left blank.]

ORDINANCE NO. OR-2276-22

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MANSFIELD, TEXAS, DESIGNATING A GEOGRAPHIC AREA WITHIN THE CITY AS A TAX INCREMENT REINVESTMENT ZONE PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE, TO BE KNOWN AS REINVESTMENT ZONE NUMBER THREE, CITY OF MANSFIELD, TEXAS; DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE AND APPOINTING MEMBERS OF THE BOARD; ESTABLISHING A TAX INCREMENT FUND FOR THE ZONE; CONTAINING FINDINGS RELATED TO THE CREATION OF THE ZONE; PROVIDING A DATE FOR THE TERMINATION OF THE ZONE; PROVIDING THAT THE ZONE TAKE EFFECT IMMEDIATELY UPON PASSAGE OF THE ORDINANCE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Mansfield, Texas (the "City"), pursuant to Chapter 311 of the Texas Tax Code, as amended (the "Act"), may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and,

WHEREAS, pursuant to and as required by the Act, the City Council prepared a *Reinvestment Zone Number Three, City of Mansfield, Texas, Preliminary Project and Finance Plan* (the "Preliminary Project and Finance Plan") for a proposed tax increment reinvestment zone containing the approximately 121.459 acres described and depicted on **Exhibit A** attached hereto and incorporated herein for all purposes (the "Property"); and,

WHEREAS, notice of the public hearing on the creation of the proposed zone was published in the Fort Worth Star Telegram, a newspaper of general circulation within the City, on October 16, 2022, which date is not later than the seventh (7th) day before the public hearing held on October 24, 2022; and,

WHEREAS, at the public hearing on October 24, 2022 interested persons were allowed to speak for or against the creation of the zone, the boundaries of the zone, and the concept of tax increment financing, and owners of property in the proposed zone were given a reasonable opportunity to protest the inclusion of their property in the zone; and,

WHEREAS, evidence was received and presented at the public hearing in favor of the creation of the zone; and,

WHEREAS, the City has taken all actions required to create the zone including, but not limited to, all actions required by the Act, the Texas Open Meetings Act, and all other laws applicable to the creation of the zone; and,

WHEREAS, the City desires to appoint initial members to the board of directors of the zone; and,

WHEREAS, terms used in this Ordinance that have their initial letters capitalized shall

(h) The City Council finds that the implementation of the Project and Finance Plan (as defined below) will alleviate the conditions described in Section 1(c) above and will serve a public purpose.

SECTION 2.

Pursuant to the authority of, and in accordance with the requirements of the Act, the City Council hereby designates the Property as a tax increment reinvestment zone. The name assigned to the zone for identification is Reinvestment Zone Number Three, City of Mansfield, Texas (the "Zone"). The Zone is designated pursuant to Section 311.005(a)(2) of the Act.

SECTION 3.

3.1 The City Council hereby creates a board of directors for the Zone (the "Board") consisting of nine members. Seven members shall be appointed by the City Council to Places 1,2,3,4, 5,6 and 7, and additional one member per County shall be appointed by the Commissioners Court of Tarrant County and/or Johnson County, Texas (the "County" or "Counties"), if the County participates in the Zone. If the County does not participate in the Zone, the Commissioners Court shall be deemed to have waived its right to appoint such members and the Place(s) goes away.

3.2 The City Council hereby appoints the following individuals to serve as the initial members of the Board for the terms indicated:

Place 1	Mayor	(term expires December 31, 2024)
Place 2	Council Place 1	(term expires December 31, 2023)
Place 3	Council Place 2	(term expires December 31, 2024)
Place 4	Council Place 3	(term expires December 31, 2023)
Place 5	Council Place 4	(term expires December 31, 2024)
Place 6	Council Place 5	(term expires December 31, 2023)
Place 7	Council Place 6	(term expires December 31, 2024)

Place 8 and 9 shall be appointed by the County for a term that expires December 31, 2023.

Upon expiration of the indicated terms or upon City Council action to reconstitute the initial Board by appointing replacement members, subsequent appointments to fill vacancies shall be for terms of two years. The member appointed to Place 1 shall serve as the chairman of the Board. The Board is authorized to elect a vice-chairman and other officers as determined by the Board.

3.3 The Board shall make recommendations to the City Council concerning the administration, management, and operation of the Zone. The Board shall prepare or cause to be prepared and adopted a project plan and a reinvestment zone financing plan for the Zone (the "Project and Finance Plan") as required by the Act, and shall submit the Project and Finance Plan to the City Council for approval. The City Council hereby delegates to the Board all powers necessary to implement any Project and Finance Plan approved by the City Council, including the power to employ consultants and enter into agreements that the Board considers necessary or convenient to implement the Project and Finance Plan and to administer, operate, and manage the

purposes of the Act. The **CITY TAX INCREMENT** and **COUNTY TAX INCREMENT** shall be deposited into the **TIRZ FUND** as of the effective date of the Zone. The **TIRZ FUND** and all subaccounts shall be maintained at the depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. Prior to termination of the Zone, funds shall be disbursed from the **TIRZ FUND** only to pay **PROJECT COSTS**.

SECTION 8.

If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances, is for any reason held to be invalid, the validity of the remaining provisions of this Ordinance or their application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no provision of this Ordinance shall become inoperative because of the invalidity of another provision; and, therefore, all provisions of this Ordinance are declared severable for that purpose.

SECTION 9.

It is hereby found, determined, and declared that sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding its meeting, as required by the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

SECTION 10.

This ordinance shall be in full force and effect from and after its passage and publication as required by law and it is so ordained.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF MANSFIELD, TEXAS, THIS THE 24TH DAY OF OCTOBER, 2022.

ATTEST:

Susana Marin

Susana Marin, City Secretary



Michael Evans
Michael Evans, Mayor

EXHIBIT 3

RESOLUTION OF TARRANT COUNTY APPROVING PARTICIPATION IN
REINVESTMENT ZONE NUMBER THREE, CITY OF MANSFIELD, TEXAS

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RESOLUTION

TARRANT COUNTY PARTICIPATION IN CITY OF MANSFIELD TAX INCREMENT FINANCING REINVESTMENT ZONE THREE

WHEREAS, the general laws of the State of Texas authorize governmental taxing entities to join other taxing jurisdictions in the establishment of a reinvestment zone under the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code (the "Act"), to provide incentive for the development and redevelopment of properties that might not be undertaken without such incentive; and

WHEREAS, the Mansfield City Council approved Ordinance No. 2021-24, dated November 2, 2021, establishing Tax Increment Reinvestment Zone Number OE-2276-22, City of Mansfield, Texas, in accordance with the Tax Increment Financing Act, to facilitate the development and redevelopment of multi-use retail, commercial and residential development and the provision of infrastructure improvements generally located north of Hanks Street, east of Audrey Lane, south of West Broad Street, and west of South Sixth Avenue.

WHEREAS, in accordance with the requirements of the Act, the Mansfield City Council has given all applicable notices to the Tarrant County Commissioners Court as to the City Council's establishment of the tax increment reinvestment zone and, through its appointed representatives, has made a formal presentation to the Tarrant County Commissioners Court regarding the reinvestment zone; and

WHEREAS, Tarrant County has one (1) representative to the Mansfield Tax Increment Reinvestment Zone Number Three Board of Directors as established by statute, and said representative will participate in the development of the Project Plan and Financing Plan for the zone; and

WHEREAS, the City of Mansfield City Council has adopted the Project Plan and Financing Plan as submitted by the Reinvestment Zone Board of Directors; and

WHEREAS, the Tarrant County Commissioners Court recognizes that the participation of Tarrant County in funding of the tax increment reinvestment zone will have the desired effect of developing the area to the benefit of all taxing units which levy taxes in the proposed reinvestment zone.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Tarrant County Commissioners Court hereby approves participation in the City of Mansfield Tax Increment Reinvestment Zone Number Three and, beginning with the 2022 tax year, the payment into the tax increment fund of fifty percent (50%) of its collected incremental tax revenue for the term of the Zone, said incremental tax revenue produced by applying the County's tax rate to the incremental increase in the value of property located in the reinvestment zone through December 31, 2052, or until \$5,364,281.00 in cumulative County increment deposits have been made, or until all project costs have been paid, whichever occurs first, in accordance with the terms of the attached Agreement; and

2. That the Tarrant County Agreement be and is hereby approved; that the County and its Commissioners Court hereby agree to enter into the Agreement as a party thereto; and the County Judge of the County or his designee be and is hereby authorized and directed to execute said Agreement on behalf of the County and its Commissioners Court, substantially in the form attached hereto and carry out the terms thereof at the appropriate time(s).

PASSED AND APPROVED, IN OPEN COURT, this 13th day of December, 2022.

COURT ORDER NO. _____

B. Glen Whitley, County Judge

Roy C. Brooks
Commissioner, Precinct 1

Devan Allen
Commissioner, Precinct 2

Gary Fickes
Commissioner, Precinct 3

J.D. Johnson
Commissioner, Precinct 4