

TOWN OF INDIAN LAKE
ORDINANCE No. 128
Creating a Tax Reinvestment Zone (TiRZ)

AN ORDINANCE OF THE TOWN OF INDIAN LAKE TEXAS DESIGNATING A GEOGRAPHIC AREA WITHIN THE TOWN OF INDIAN LAKE AS A REINVESTMENT ZONE FOR TAX INCREMENT FINANCING PURPOSES PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE TO BE KNOWN AS TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, TOWN OF INDIAN LAKE; DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; ESTABLISHING A TAX INCREMENT FUND FOR THE ZONE; CONTAINING FINDINGS AND PROVISIONS 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; PROVIDING FOR PUBLICATION; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the Town of Indian Lake, Texas (the "Town"), pursuant to the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, (the "Act") may designate a geographic area within the Town as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and,

WHEREAS, the Act provides that the governing body of a Town by ordinance may designate a geographic area that is in the corporate limits or extra-territorial jurisdiction of the town to be a reinvestment zone if the governing body determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future; and,

WHEREAS, the Town Council desires to promote the development of a certain geographic area in the Town, which is more specifically described as being 69.36 Acres of land more or less as depicted and described on the attached Exhibit "A" and incorporated herein, through the creation of a new reinvestment zone as authorized by and in accordance with the Act; and,

WHEREAS, pursuant to and required by the Act, the Town has prepared a *Preliminary Reinvestment Zone Project and Financing Plan for Reinvestment Zone No. One, Town of Indian Lake*, attached as Exhibit "B" (hereinafter referred to as the "Preliminary Project and Finance Plan"); and,

WHEREAS, notice of the public hearing on the creation of the zone was published on February 8, 2023, in *The LOS FRESNOS LEADER*, a newspaper of general circulation in the Town of Indian Lake, which date is before the public hearing held on February 9, 2023; and

WHEREAS, at the public hearing on February 9, 2023, interested persons were allowed to speak for or against the creation of the zone, its boundaries, or the concept of tax increment

financing, and owners of property in the zone were given a reasonable opportunity to protest the inclusion of their property in the zone; the public hearing was held in full accordance with Section 311.003(c) of the Act; and,

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

WHEREAS, after all comments and evidence, both written and oral, were received by the Town Commission, the public hearing was closed on February 9, 2023; and,

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

WHEREAS, the percentage of the property in the zone, excluding property that is publicly owned, that is currently used for residential purposes is less than thirty (30) percent; and,

WHEREAS, a Preliminary Project and Finance Plan has been prepared for the zone;

NOW THEREFORE, BE IT ORDAINED BY THE TOWN OF INDIAN LAKE, TEXAS:

Section 1. The facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct.

Section 2. The Town Council, after conducting the above described hearing and having heard the evidence and testimony presented at the hearing, has made the following findings and determined based on the evidence and testimony presented to it:

- (a) That the public hearing on creation of the zone has been properly called, held, and conducted and that notice of such hearing has been published as required by law.
- (b) That the proposed improvements in the zone will significantly enhance the value of all the taxable real property in the zone and will be of general benefit to the Town.
- (c) That the zone meets the criteria and requirements of the Act because the proposed zone contains area that substantially arrests and impairs the sound growth of the Town, retards the provision of housing accommodations, constitutes an economic and social liability, and is a menace to the public health, safety, morals, and welfare in its present condition and use because of the presence of:
 1. a substantial number of substandard, deteriorated, and deteriorating structures;
 2. the predominance of defective or inadequate sidewalk and street layout; and
 3. the deterioration of site or other improvements.
- (d) That the zone is a geographic area located wholly within the corporate limits of the Town of Indian Lake;
- (e) That less than thirty percent (30%) of the property in the zone, excluding property that is publicly owned, is used for residential purposes;

- (f) That the total appraised value of taxable real property in the zone, and in existing reinvestment zones of the Town, does not exceed twenty five percent (25%) of the total appraised value of taxable real property in the Town and in industrial districts created by the Town; and
- (g) That development or redevelopment of the property within the boundaries of the zone will not occur solely through private investment in the reasonably foreseeable future.

Section 3. That the Town, acting under the provisions of the Act, does hereby designate as a reinvestment zone, and create and designate a reinvestment zone over the area more specifically described as being 69.36 Acres of land more or less as depicted and described on the attached Exhibit "A" and incorporated herein to promote the development of the area. The reinvestment zone shall hereafter be named for identification as Town of Indian Lake Tax Increment Reinvestment Zone Number One, Town of Indian Lake, Texas ("TIRZ #1").

Section 4. That there is here by created a Board of Directors for TIRZ #1, which shall consist of five (5) members, including any members appointed by the participating taxing jurisdictions. Positions One through Four on the Board of Directors shall be reserved for the Town. Additional positions shall be reserved for other participating taxing jurisdictions levying taxes with TIRZ#1, each of whom may appoint one director. Any participating taxing jurisdiction entitled to appoint a director shall be assigned a Board position number in the order the appointment is received by the Town. Failure of any taxing unit to appoint a director as provided herein, shall not be deemed waiver of the right to appoint a director.

The initial directors to the Board of Directors of TIRZ #1 shall be appointed by resolution or ordinance of the Town or participating taxing jurisdiction(s) within ninety (90) days of the passage of this Ordinance or the date they became a participating taxing jurisdiction, whichever is sooner. An increase in the number of Board of Directors shall be accomplished by resolution or Ordinance of the Town, but shall not exceed a total of five (5) members. All members of the Board of Directors shall meet eligibility requirement as set forth in Chapter 311 of the Act.

The directors appointed to odd-numbered positions shall be appointed for a two-year term, beginning on the effective date of this Ordinance, while the directors appointed to even-numbered positions shall be appointed to a one-year term, beginning on the effective date of this Ordinance. All subsequent appointments shall be for two-year terms. A vacancy on the Board of Directors is filled for the unexpired term by appointment of the governing body of the taxing unit that appointed the director who served in the vacant position.

The Council shall appoint the chairman for a one (1) year term that begins on upon appointment, serving until the end of the calendar year. The Board of Directors shall elect from its members a vice chairman to preside in the absence of the chairman or when there is a vacancy in the office of the chairman. The Board of Directors may elect other officers as it considers appropriate.

The Board at Directors shall make recommendations to the Town Council concerning the administration, management and operation of TIRZ #1. The Board of Directors shall prepare or cause to be prepared and adopt a project plan and a reinvestment zone financing plan

for TIRZ #1, and shall submit such plans to the Town Council for its approval. The Town hereby authorizes the Board of Directors to exercise all of the powers necessary to administer, manage or operate TIRZ #1 and to prepare the project plan and reinvestment zone financing plan, including the power to employ consultants, legal counsel and financial advisors, or enter into any reimbursement agreements with consultants, legal counsel and financial advisors payable solely from the Tax Increment Fund established pursuant to Section 7 of this Ordinance that may be reasonably necessary or convenient to assist the Board of Directors in the administration, management or operation of TIRZ #1 and the preparation of the project plan and reinvestment zone financing plan. Notwithstanding the foregoing, the Board of Directors shall not be authorized to issue bonds, impose taxes or fees, exercise the power of eminent domain. The Board of Directors of TIRZ #1 may not exercise any other power granted to the Town by Section 311.008 of the Act without additional authorization from the Town.

Section 5. That TIRZ #1 shall take effect immediately upon the passage and approval of this Ordinance, and termination of the operation of TIRZ #1 shall occur on December 31, 2052, or at an earlier time designated by subsequent ordinance, or at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, and the interest on the bonds, have been paid in full.

Section 6. That the Tax Increment Base of the Town or any other taxing unit participating in TIRZ #1 is the total appraised value of all real property taxable by the Town or other taxing unit participating in TIRZ #1 and located in TIRZ #1, determined as of January 1, 2023, the year in which TIRZ #1 is designated as a reinvestment TIRZ #1 (the "Tax Increment Base"). Taxable value as certified by the Cameron County Appraisal District for tax year 2023 totals \$141,749, based on a per acre value of \$2,043.60.

Section 7. That there is hereby created and established a Tax Increment Fund for TIRZ #1 which may be divided into sub-accounts as authorized by subsequent ordinances. All Tax Increments, as defined below, shall be deposited in the Tax Increment Fund. The Tax Increment Fund and any sub-account shall be maintained at the depository bank of the Town and shall be secured in the manner prescribed by law for funds of Texas cities. The annual Tax Increment shall equal the amount of tax generated by each participating jurisdiction, based on the following formula: annual the certified value in the zone/ \$100, x the current adopted tax rate, x the approved percent participation of the current jurisdiction's adopted tax rate, as set forth in Chapter 311 of the Texas Tax Code. The Town of Indian Lake will contribute no less than 50% if all taxes generated in the zone, using the formula above. All revenues from the sale of any tax increment bonds, notes, or other obligations hereafter issued by the Town for the benefit of TIRZ #1, if any; revenues from the sale of property acquired as part of the project plan and reinvestment TIRZ #1 financing plan, if any; and other revenues to be used in TIRZ #1 shall be deposited into the Tax Increment Fund. Prior to termination of TIRZ #1, money shall be disbursed from the Tax Increment Fund only to pay project costs, as defined by the Act, for TIRZ #1, to satisfy the claims of holders of tax increments bonds or notes issued for TIRZ #1, or to pay obligations incurred pursuant to agreements entered into to implement the project plan and reinvestment TIRZ #1 financing plan and achieve their purposes pursuant to Section 311.010(b) of the Act. If a Local Government Corporation is created for use in facilitating development in the zone, and for issuance of tax exempt debt,

the Town may, by agreement, forward the tax increments collected annually to the Local Government Corporation to finance projects costs, included debt service payments.

Section 8. That should any section, clause or provision of this ordinance be declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of this ordinance or any other ordinance of the Town as a whole or any part thereof, other than the part so declared invalid.

Section 9. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the Town Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at Town Hall for the time required by law preceding this meeting, as required by the Open Meetings Law, Texas Government Code, Chapter 551, 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 have been discussed, considered and formally acted upon. The Town Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 10. That this Ordinance shall take effect immediately upon its adoption and publication in accordance with and as provided by Section 311.004(a)(3) of the Act and the Town's Charter.

INTRODUCED at a public hearing on February 9, 2023. Passed at First Reading on February 9, 2023, and is hereby ADOPTED, APPROVED and ENACTED on February 09, 2023.

BY: _____
Mayor

ATTEST: _____
Secretary

EXHIBIT "A" Map of Indian Lake TIRZ #1

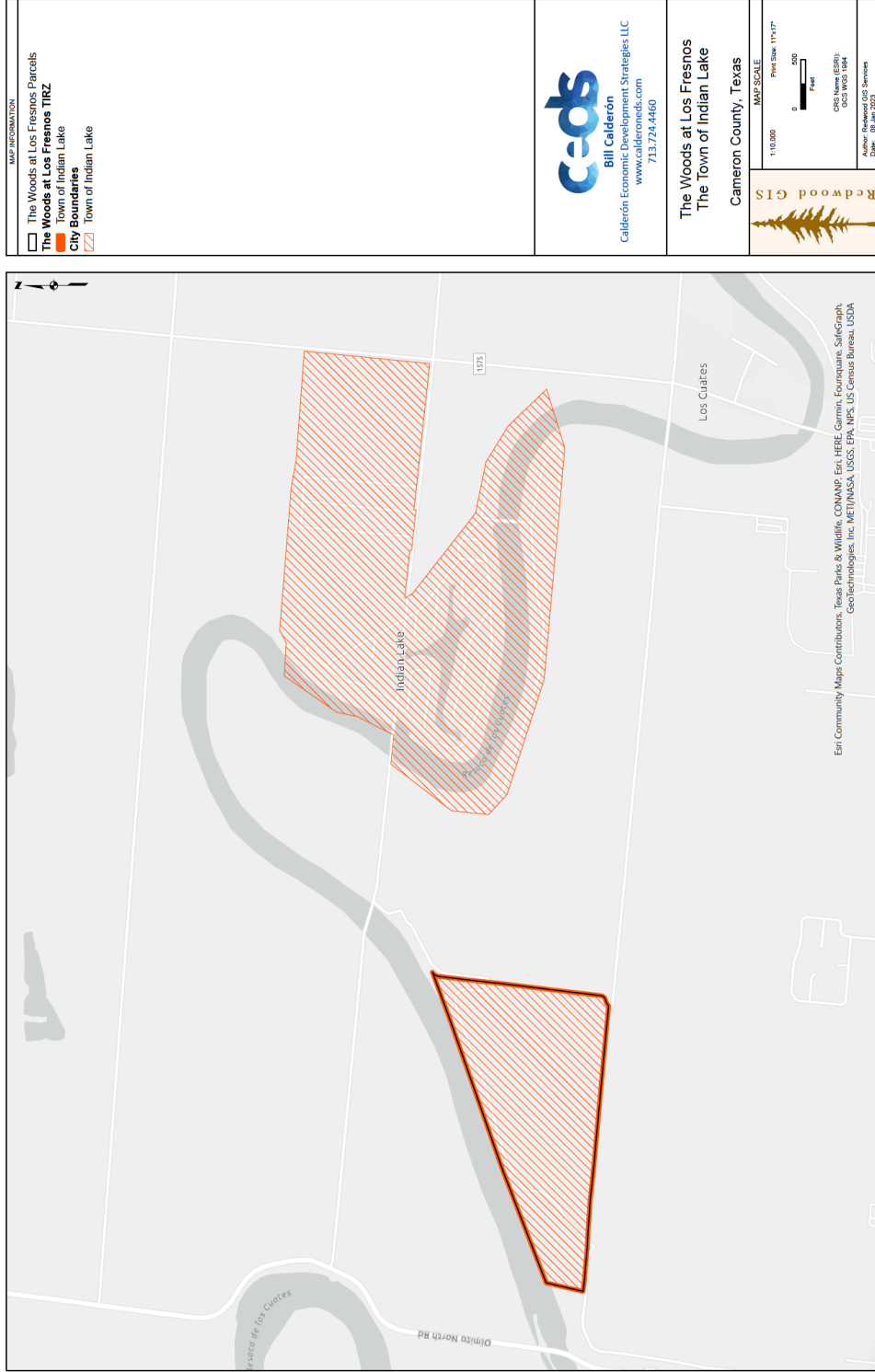


EXHIBIT “B”
Preliminary Project Plan and Reinvestment Zone
Financing Plan