

AMENDMENT NO. 1 TO ARCOLA REINVESTMENT ZONE DEVELOPMENT PLAN  
AGREEMENT

This AMENDMENT NO. 1 TO ARCOLA REINVESTMENT ZONE DEVELOPMENT PLAN AGREEMENT (this “Amendment”) is entered into among the CITY OF ARCOLA, TEXAS (“City”), FORT BEND COUNTY, TEXAS (“County”), REINVESTMENT ZONE NUMBER ONE, CITY OF ARCOLA, TEXAS (“Zone”) and ARCOLA MUNICIPAL MANAGEMENT DISTRICT NO. 1 (“District”) to be effective December 14, 2021 (the “Effective Date”). The City, the County, the Zone, and the District are sometimes individually referred as a “Party” and collectively as the “Parties.”

BACKGROUND

The Parties previously entered into the Arcola Reinvestment Zone Development Plan Agreement as adopted by the City pursuant to City Ordinance 2019-10-08 (the “Agreement”) regarding the development of an approximately 190.418-acre tract of land located within the Zone (the “Original Tract”) and the financing, design, construction, operation and maintenance of District Improvements and TIRZ Improvements (as defined in the Agreement) to serve the Original Tract.

Pursuant to City Ordinance No. 2021-12-14B, and at the request of the owners of the land, the City annexed an approximately 83.098-acre tract of land into the Zone (the “Annexation Tract”).

The Parties now desire to enter into this Amendment to add the Annexation Tract to the Agreement and set forth terms and conditions related to the development of the Annexation Tract and the financing, design, construction, operation and maintenance of certain public improvements to serve the Annexation Tract, as well as to provide for the City’s and County’s participation in and financing of such improvements through the payment of their respective Tax Increments (as defined in the Agreement) to the Tax Increment Fund (as defined in the Agreement) from property taxes levied and collected on taxable real property within the Annexation Tract.

The Parties intend this Amendment to be a contract entered into under the authority of Sections 311.010(b) and (f), and 311.013(f), Texas Tax Code.

## AGREEMENT

NOW THEREFORE, in consideration of the mutual obligations of the Parties set forth in this Amendment, and other consideration the receipt and adequacy of which are acknowledged, the Parties agree as follows:

1. The recitals set forth in the foregoing Background are true and correct and are incorporated herein.
2. The “DEFINITIONS” section of the Agreement is hereby amended by adding the definitions of the “Original Tract” and “Annexation Tract” and replacing the definitions of “Captured Appraised Value,” “District Land,” “Final TIRZ Plan,” “TIRZ Administrative Costs,” and “Zone Land” as follows:

“Annexation Tract” means the approximately 83.098-acre tract of land annexed into the Zone pursuant to as described in City Ordinance No. 2021-12-14B.

“Captured Appraised Value” means the total taxable value of all real property taxable by the City and the County and located in the Original Tract within the Zone for that year less the base appraisal value, being established as of January 1, 2019; plus the total taxable value of all real property taxable by the City and the County and located in the Annexation Tract within the Zone for that year less the base appraisal value, being established as of January 1, 2021.

“District Land” means the approximately 190.418-acres of land within the Original Tract as described and depicted on Exhibit C, the approximately 83.098-acres of land within the Annexation Tract as described and depicted on Exhibit C, and any additional land after the annexation of such additional land into the District, and as may be modified from time to time.

“Final TIRZ Plan” means the Final Project Plan and Reinvestment Zone Financing Plan dated December 14, 2021, approved by the TIRZ Board on December 7, 2021, and approved by the City pursuant to Ordinance No. 2021-12-14B adopted by the City Council on December 14, 2021, and as may be amended from time to time in accordance with the TIRZ Act.

“Original Tract” means the approximately 190.418-acres of land included within the Zone pursuant to and as described in City Ordinance No. 2019-08-13F.

“TIRZ Administrative Costs” means costs and expenses (authorized by the TIRZ Act) allocable to the establishment and administration of the TIRZ, provided costs and expenses allocable to the establishment and administration of the TIRZ shall not exceed \$75,000 per year.

“Zone Land” means the approximately 190.418-acres of land, overlapping the District Land, as described in City Ordinance No. 2019-08-13F, the approximately 83.098-acres of land, overlapping the District Land, as described in City Ordinance No. 2021-12-14B, and as may be modified from time to time in accordance with the TIRZ Act.

3. Section 2. “INTERLOCAL PROJECT DEVELOPMENT AGREEMENT,” subsection a. “Development of District Improvements, including TIRZ Improvements,” (8) of the Agreement is hereby amended to read as follows:

“(8) The cumulative total for Gross TIRZ Improvement Costs shall not exceed \$41,202,279 without the consent of the City; however, the individual line item costs identified on Exhibit A may be increased or decreased without the consent of the City.”

4. Section 3. “BOND ISSUANCE PLAN,” subsection c. “Approval of TIRZ Bonds,” of the Agreement is hereby amended to read as follows:

“Approval of TIRZ Bonds. All TIRZ Bonds shall be issued on commercially reasonable terms determined by the District and shall be subject to the limitations set forth in this Section 3.c. Any TIRZ Bonds secured in whole or in part by ad valorem taxes imposed by the District may also be subject to additional commercially reasonable terms approved by the Board. TIRZ Bonds shall be limited to the financing of Net TIRZ Improvement Costs in the Final TIRZ Plan or as authorized by the TIRZ Act. Unless approved by the City, the aggregate amount of TIRZ Bonds issued by the District to finance Net TIRZ Improvement Costs (excluding refunding Bonds) shall not exceed an amount that will yield, after deducting costs of issuance,


capitalized interest and any other reserve amounts funded at closing, net Bond proceeds of \$38,441,179 to be deposited into one or more construction funds administered by the District.”

5. Exhibits A, B and C of the Agreement are hereby replaced with Exhibits A, B and C attached hereto and incorporated herein.
6. This Amendment takes effect as of the Effective Date set forth above. For avoidance of doubt, this Amendment becomes binding upon the City, Zone and District if approved and executed by all such parties even if this Amendment has not yet been approved and executed by the County.
7. All other terms and conditions of the Agreement remain in full force and effect.

[EXECUTION PAGES FOLLOW.]

EXECUTED on December 14, 2021, to be effective insofar and only insofar as to the undersigned as of the aforesaid date.

CITY OF ARCOLA, TEXAS

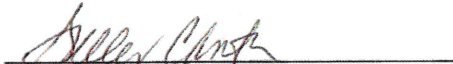


Fred A. Burton, Mayor



ATTEST:

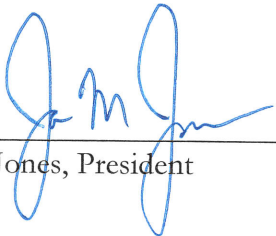
APPROVED AS TO FORM:

  
Sally Cantu, City Secretary

\_\_\_\_\_  
Brandon Morris, City Attorney

EXECUTED on December 7, 2021, to be effective insofar and only insofar as to the undersigned as of the aforesaid date. .

ARCOLA MUNICIPAL MANAGEMENT DISTRICT, NO. 1

  
\_\_\_\_\_  
Jon Jones, President

ATTEST:

APPROVED AS TO FORM:

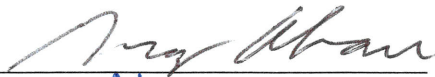
  
\_\_\_\_\_  
Carrie Bond, Secretary

  
\_\_\_\_\_  
Joel Cleveland, General Counsel


EXECUTED on \_\_\_\_\_, 2021.

EXECUTED on December 7, 2021, to be effective insofar and only insofar as to the undersigned as of the aforesaid date.

REINVESTMENT ZONE NUMBER ONE, CITY OF ARCOLA, TEXAS

  
Greg Abarr, Chairman

ATTEST:

  
Paige Cawthon, Secretary

EXECUTED on \_\_\_\_\_, 2022, to be effective insofar and  
only insofar as to the undersigned as of the aforesaid date.

FORT BEND COUNTY

\_\_\_\_\_  
K.P. George, County Judge

ATTEST:

\_\_\_\_\_  
Laura Richard, County Clerk



**Exhibit A**  
**TIRZ Improvements**

<b>Projects</b>	<b>Amount</b>	<b>Maintenance</b>	<b>Ownership</b>
<b>Residential, Water, Sewer, Drainage, Roadways</b>		City	City
Single-Family Dwellings, Section 1	2,386,057	City	City
Single-Family Dwellings, Section 2	1,337,976	City	City
Single-Family Dwellings, Section 3	2,651,010	City	City
Single-Family Dwellings, Section 4	3,489,887	City	City
Single-Family Dwellings, Section 5	686,782	City	City
Single-Family Dwellings, Section 6	1,470,374	City	City
Single-Family Dwellings, Section 7	1,849,455	City	City
Single-Family Dwellings, Section 8	1,389,963	City	City
Single-Family Dwellings, Section 9	1,883,917	City	City
Clearing, Grubbing and Stripping, Phase I	126,060	N/A	N/A
Clearing, Grubbing and Stripping, Phase II	34,183	N/A	N/A
Clearing, Grubbing and Stripping, Phase III	377,718	N/A	N/A
Minor Collector Road (Post Oak Pointe Drive)	3,438,783	City	City
Minor Collector Road (Fenn Road)	1,661,440	City	City
Fenn Road Improvements	1,752,300	City	City
<b>Water and Wastewater Supply</b>			
Offsite Waterline	149,813	City	City
Onsite Lift Station	791,155	City	City
Offsite Lift Station I	906,098	City	City
Offsite Lift Station II	743,754	City	City
Water Plant	3,917,100	City	City
Water Plant Improvements (Additional Storage Tanks)	442,500	City	City
Wastewater Treatment Plant	2,055,162	City	City
Onsite Sanitary Force Main (Fenn Road)	649,000	City	City
Offsite Waterline on Fenn Road	210,276	City	City
Offsite Sanitary Force Main on Fenn Road	233,640	City	City
<b>Detention</b>			
West Pond Detention	1,518,538	District	District
East Pond Detention	634,238	District	District
Fenn Road Detention	1,382,370	District	District
<b>Environmental Fees</b>			
Permits and Studies, Phase I	92,330	District	District
Permits and Studies, Phase II	11,400	District	District
Permits and Studies, Phase III	45,000	District	District
<b>Parks &amp; Recreational Facilities</b>	\$850,000	District	District
<b>City Hall Renovations</b>	2,034,000	City	City
<b>GROSS TIRZ IMPROVEMENTS</b>	<b>\$41,202,279</b>		
<b>FEDERAL FUNDS</b>	<b>\$2,761,100</b>		
<b>NET TIRZ IMPROVEMENT COSTS</b>	<b>\$38,441,179</b>		

## Exhibit B

### District Improvements

Projects	Amount	Maintenance	Ownership
<b>Residential, Water, Sewer, Drainage, Roadways</b>		City	City
Single-Family Dwellings, Section 1	2,386,057	City	City
Single-Family Dwellings, Section 2	1,337,976	City	City
Single-Family Dwellings, Section 3	2,651,010	City	City
Single-Family Dwellings, Section 4	3,489,887	City	City
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Single-Family Dwellings, Section 8	1,389,963	City	City
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Fenn Road Improvements	1,752,300	City	City
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<b>Detention</b>			
West Pond Detention	1,518,538	District	District
East Pond Detention	634,238	District	District
Fenn Road Detention	1,382,370	District	District
<b>Environmental Fees</b>			
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Permits and Studies, Phase III	45,000	District	District
<b>Parks &amp; Recreational Facilities</b>	\$850,000	District	District
<b>City Hall Renovations</b>	2,034,000	City	City
<b>GROSS TIRZ IMPROVEMENTS</b>	<b>\$41,202,279</b>		
<b>FEDERAL FUNDS</b>	<b>\$2,761,100</b>		
<b>NET TIRZ IMPROVEMENT COSTS</b>	<b>\$38,441,179</b>		

**Exhibit C**  
**Zone Map**





Schematic Plan Study for  
**ARCOLA MMD**

Arcola, Texas  
Project #: 2565-12001

Prepared For:  
**COMPASS LAND  
DEVELOPMENT**

Reference Date: 07.22.2021



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713.953.5200

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