

**STATE OF TEXAS** §  
§  
**COUNTY OF FORT BEND** §

**AN ORDER APPROVING A PROJECT PLAN AND PLAN OF FINANCE  
FOR FORT BEND COUNTY REINVESTMENT ZONE NUMBER TWO,  
FORT BEND COUNTY, TEXAS AND AUTHORIZING OTHER  
MATTERS IN CONNECTION THEREWITH CONTAINING  
FINDINGS AND PROVISIONS RELATED.**

**WHEREAS**, the County Commissioners Court (the "Court") of Fort Bend County, Texas (the "County") approved an Order on September 12, 2023; which designated Reinvestment Zone Number Two, Fort Bend County, Texas (the "Zone") pursuant to Section 311.005(a) of the Tax Increment Finance Act, Texas Tax Code, Chapter 311, as amended (the "Act"); and

**WHEREAS**, the Zone Board has recommended the County approve the Project and Financing Plan; and

**WHEREAS**, the Court hereby finds and determines that the adoption of this Order is in the best interests of the residents of the County; and

NOW, THEREFORE, BE IT ORDAINED BY THE COMMISSIONERS COURT  
OF THE COUNTY OF FORT BEND, TEXAS:

**SECTION 2.** The officers of the County are authorized to take any and all action necessary to carry out and consummate the transactions described in or contemplated by the documents approved hereby or otherwise to give effect to the actions authorized hereby and the intent hereof including revising any necessary documents to conform to the terms hereof or State law.

**SECTION 3.** The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Order for all purposes and are adopted as a part of the judgment and findings of the County.

**SECTION 4.** All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Order are hereby repealed to the extent of such conflict, and the provisions of this Order shall be and remain controlling as to the matters resolved herein.

**SECTION 5.** This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

**SECTION 6.** If any provision of this Order or the application thereof to any circumstance shall be held to be invalid, the remainder of this Order and the application thereof to other circumstances shall nevertheless be valid, as if such invalid provision had never appeared herein, and this governing body hereby declares that this Order would have been enacted without such invalid provision.

**SECTION 9.** It is officially found, determined, and declared that the meeting at which this Order is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Order, was given, all as required by Chapter 551, as amended, Texas Government Code.

**SECTION 10.** This Order shall be in force and effect from and after its final passage and it is so ordained.

[EXECUTION PAGE FOLLOWS]

**PASSED AND ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2023.

**APPROVED** this \_\_\_\_ day of \_\_\_\_\_, 2023.

**FORT BEND COUNTY, TEXAS**

\_\_\_\_\_  
KP George, County Judge

Date: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Laura Richard, County Clerk

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Exhibit A: Project Plan and Reinvestment Zone Financing Plan

# Exhibit A:

Project Plan and  
Reinvestment Zone  
Financing Plan



# FINAL PROJECT PLAN AND FINANCE PLAN

FORT BEND COUNTY  
TAX INCREMENT REINVESTMENT ZONE NO. 2

OCTOBER 2023

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Prepared by Hawes Hill & Associates

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# TIRZ CONCEPT

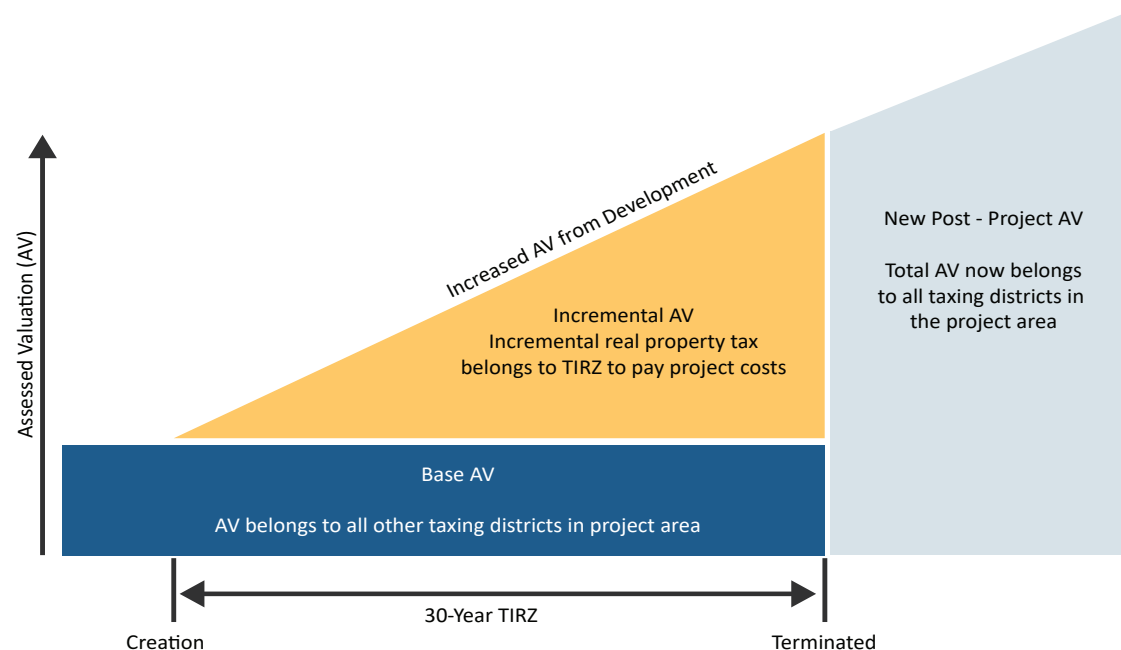
A tax increment reinvestment zone ("TIRZ" or "Zone") is a financing tool enabled by the Texas Legislature with the adoption of Chapter 311 of the Texas Tax Code. A TIRZ is a tool that can be used to pay for public improvements to encourage development and/or redevelopment of an area and attract private investment.

Cities and Counties may create a TIRZ where conditions exist that substantially impair an area's sound growth and where development or redevelopment is not likely to occur but for public infrastructure enhancements financed by a TIRZ.

Upon creation of the Zone, the total appraised value of real property located within its boundaries is established for the year in which it was created. This is known as the base value. As development occurs in the Zone due to the provision of new infrastructure, the value of real property increases.

This additional value above the base is known as the increment. It is set aside to finance infrastructure improvements within the Zone. Once all projects are completed, or after a defined period of time, the TIRZ is dissolved.

During the life of the Zone, the county and other participating taxing jurisdictions collect tax revenue on the base value of the Zone. When the Zone is dissolved, the county and other participating taxing jurisdictions receive the benefit of the full increment value created by new development.



# INTRODUCTION

## PURPOSE

This document constitutes the Final Project Plan and Reinvestment Zone Financing Plan for Tax Increment Reinvestment Zone Number Two, Fort Bend County, Texas as required by Chapter 311, Texas Tax Code. This document details the specific projects proposed to address existing conditions in the area as well as the method and means to finance them.

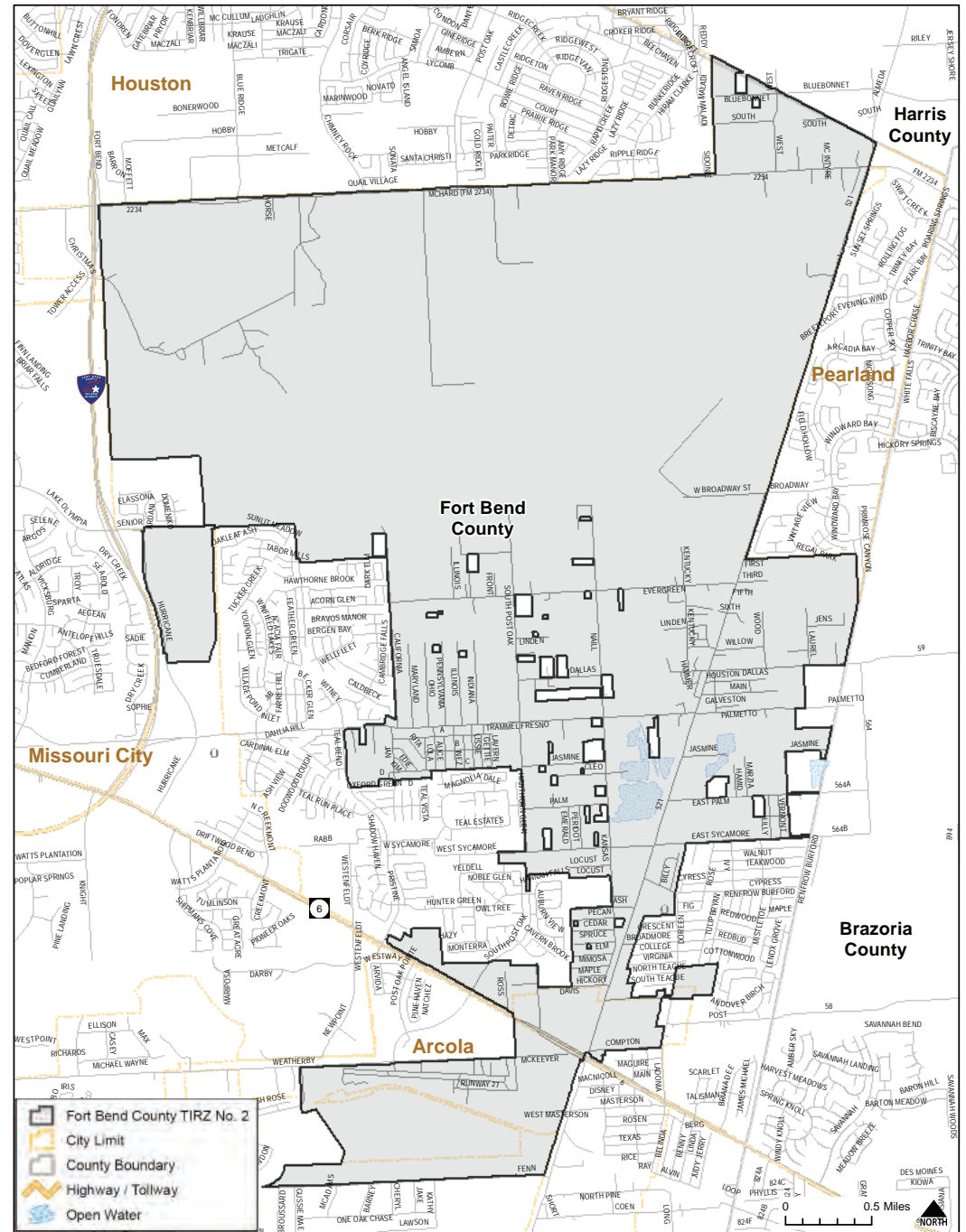
The purpose of the tax increment reinvestment zone is to finance construction of public facilities and infrastructure necessary to catalyze residential and commercial development and redevelopment, thereby increasing property values and revenues within the Zone boundaries. Expenditures associated with the design and construction of public facilities and infrastructure, as well as other specific project related costs, will be funded by tax increment revenues derived from increases in property values following new development/redevelopment. Zone activities may include, but are not limited to, public infrastructure improvements including water, sewer and drainage, stormwater detention, mobility improvements, land acquisition, creation of public spaces and facilities, streetscape/corridor improvements, trails and pedestrian amenities, and support for initiatives and projects that further the economic goals and priorities of the county.

The Zone boundary primarily includes unincorporated properties within Fort Bend County Precinct 2, in an area commonly known as Fresno. The intent of the Zone is to facilitate future residential and commercial development and redevelopment in a historically underdeveloped and underserved area.



# LOCATION

The proposed Zone is generally bounded by FM 2234 and the Fort Bend County line to the north, Fenn Rd. to the south, FM 521 to the east, and the Fort Bend Parkway along with the Cambridge Falls, Estates of Teal Run, and Andover Farms subdivisions to the west.



# GOALS

The following goals outline priorities and projects for the Zone and are based on needs identified in the Feasibility Report and other Fort Bend County plans and studies. The intent of the goals is to identify public projects that would support the county's vision for the area, catalyze desired private investment, and otherwise further economic development objectives.

## INFRASTRUCTURE AND DRAINAGE

*Provide adequate infrastructure including public water and sanitary sewer service, as well as flood risk reduction enhancements, as needed to enhance public health and spur local reinvestment.*

Many of the residential and commercial areas of the Zone were developed without the major capital improvements needed to ensure public health and safety, instead depending on water wells, septic systems, and rural ditches. Those systems have proven inadequate for the long term health of the community and insufficient to spur the quality of private investment occurring in surrounding areas of the county. Efforts are currently underway to expand water service throughout the area. The floodplain surrounding Mustang Bayou places a sizable portion of the Zone at risk, including areas currently developed. Improvements are proposed to include extension and enhancement of public water and wastewater systems to both currently developed areas as well as those that offer the potential for new investment. Localized flood risk reduction includes stormwater management improvements, including improvements to ditches and culverts as well as the addition of storm drains, underground stormwater pipes, and small scale detention amenities that lead to outfalls into conveyance channels. Riverine flood risk reduction improvements may include enhancements to Mustang Bayou and other conveyance channels as well as detention basins.



## MOBILITY AND CONNECTIVITY

*Enhance means of moving to and through the Zone in a safe and efficient manner and utilize the multiple modes of travel as a means of spurring private investment, including air and freight rail service as well as travel by truck, car, bike, or by foot.*

The Zone continues to depend largely upon a rural roadway network for movement of people and goods that stands in stark comparison to surrounding suburban development. Roads range from asphalt to gravel and are almost exclusively accompanied by ditches for stormwater conveyance. Connectivity is an issue, including a number of rural roadways that serve only the adjacent homeowners through a single point of access. Major roadways such as FM 521 and Trammel Fresno Road are shared by residential and industrial traffic, including vehicles traveling to the Republic Services Blue Ridge Landfill. Freight rail service travels through the Zone parallel to FM 521 sufficiently close to limit the redevelopment potential of the roadway corridor. Unlike the surrounding areas, corridors in the Zone do not include sidewalks, bike lanes or intersection improvements, forcing any walking or cycling traffic into the roadways. Needed improvements include increased connectivity, roadway construction and reconstruction and repair, intersection improvements, transition to an urban cross section where appropriate to accommodate stormwater drainage and sidewalks, intersection and crosswalk improvements, rail crossing enhancements, trails where possible, and other methods to make movement through the Zone safer and more appealing.

# GOALS

## HOUSING AND NEIGHBORHOODS

*Expand and diversify local housing options and enhance area neighborhoods.*

Residential development in the Zone remains limited to rural development patterns as a result of limited water and wastewater service. Surrounding suburban development such as Shadow Creek Ranch, Teal Run, and Winfield Lakes prove that the market exists for new residential development in the area but the improved living conditions come at a higher price that exceeds affordability for individuals earning a working wage. Needed improvements include enhancements to existing residential areas to increase quality of life and market conditions, as well as construction of new high quality workforce housing for those earning 120 percent of the median household income or less.



## PARKS AND PUBLIC FACILITIES

*Enhance and expand the system of parks, open spaces and public facilities in the Zone that increase local quality of life and regional economic vitality.*

Parks, open space and public facilities provide not only for recreation and cultural growth, but enhance quality of life and make the Zone inviting to residents and visitors. Public spaces and facilities, when appropriately designed and programmed also serve as a catalyst for commercial and residential development and redevelopment. The rural development pattern results in a very limited amount of parkland, most particularly located at Mustang Community Center and Park. Opportunities for improvement include the improvements to existing facilities, acquisition and development of green space for passive and active recreation, linear trails and recreational amenities, public art, and cultural and public facilities.

## ECONOMIC DEVELOPMENT

*Incentivize projects that promote redevelopment of the area of the Zone and enhance economic development opportunities consistent with the county's goals and priorities.*

In order to stimulate and accelerate redevelopment within its boundaries, the TIRZ desires to establish an economic development program that would directly incentivize private enterprise that affect the TIRZ and serve as a catalyst for other business developments. Examples of how the program would be used include funding for business development and retention, business loss mitigation, economic development grants to catalyze investments, such as Agreements under Chapter 381 of the Texas Local Government Code, and matching grants to provide leverage for other economic development funds. In cases such as those described in this section, an appropriate economic development program would be proposed by the county and/or the TIRZ and approved by both the TIRZ and Fort Bend County Commissioners Court. Payments made pursuant to this program shall be pursuant to economic development agreements entered into on behalf of the Zone and are considered Project Costs. No grant or loan shall be authorized by the Zone without prior consent of the County.

# AUTHORIZED PROJECT COSTS

The estimated project costs for the Final Project Plan and Financing Plan are detailed in Table 1. Projects include infrastructure improvements, including detention/drainage, water and sewer, mobility improvements, affordable housing, parks, recreation and public facilities, and economic development. The project categories reflect the types of projects supported by the TIRZ; however, actual projects that will be undertaken by the TIRZ will be based on factors including community development priorities, the ability to leverage funds, and available increment. The dollar amounts for each category are approximate and may be amended from time to time by the Board of Directors of the Zone with approval of the County.

Non-project costs are those infrastructure costs that will not be funded or reimbursed by the TIRZ, but will be funded by other parties, such as Fort Bend County, Fresh Water Supply District No. 1, the Texas Department of Transportation, non-profit organizations, or private sources, including developers. Funding identified in Table 1 will be leveraged with other sources to secure Non-Project funding when appropriate and available.

TABLE 1: ESTIMATED PROJECT COSTS

|                             |                     |
|-----------------------------|---------------------|
| Infrastructure & Drainage   | \$27,000,000        |
| Mobility & Connectivity     | \$27,000,000        |
| Housing & Neighborhoods     | \$5,000,000         |
| Parks and Public Facilities | \$5,000,000         |
| Economic Development        | \$500,000           |
| Administration Costs        | \$500,000           |
| <b>Total Project Costs</b>  | <b>\$65,000,000</b> |

# PROJECT PLAN

This document constitutes the Final Project Plan for Tax Increment Reinvestment Zone Number Two, Fort Bend County, as required by Chapter 311 of the Texas Tax Code. The purpose of the Zone is to finance improvements that support new development and redevelopment of properties within the Zone.



Existing and Proposed Uses of Land

.....

Texas Tax Code  
- 311.011 (B)(1)



Proposed Changes of Zoning Ordinances, Master Plan of Municipality, Building Codes, and Other Municipal Ordinances and Subdivision Rules and Regulations, if any, of the County

.....

Texas Tax Code  
- 311.011 (B)(2)



Estimated Non-Project Costs

.....

Texas Tax Code  
- 311.011 (B)(3)



Method of Relocating Persons to be Displaced, if Any, as a Result of Implementing the Plan

.....

Texas Tax Code  
- 311.011 (B)(4)

# PROJECT PLAN

## EXISTING AND PROPOSED USES OF LAND

(TEXAS TAX CODE- 311.011(B)(1))

Existing Land Use - Current land uses within the Zone consist primarily of undeveloped uses, 67%, as shown in Exhibit A - Map 3 (page A-4). Other uses include commercial, residential and industrial uses. In terms of taxable value, commercial comprises the largest value, 50%, followed by residential, 28%. Given the uses in the Zone, the taxable value in the majority of the proposed Zone boundary is relatively low. Existing conditions are further described in Exhibit C.

Surrounding Land Use - Land surrounding the Zone includes residential, commercial, industrial and public/institutional.

Proposed Uses - Proposed uses in the Zone will include enhanced residential, commercial/retail, industrial and public uses, with decreasing undeveloped land over time.

## PROPOSED CHANGES OF ZONING ORDINANCES, MASTER PLAN OF MUNICIPALITY, BUILDING CODES, AND OTHER MUNICIPAL ORDINANCES

(TEXAS TAX CODE - 311.011(B)(2))

All construction will be performed in conformance with Fort Bend County's existing rules and regulations. There are no proposed changes to any ordinance, master plan, or building code.

## ESTIMATED NON-PROJECT COSTS

(TEXAS TAX CODE - 311.011(B)(3))

Non-Project costs are those infrastructure costs that will not be funded or reimbursed by the TIRZ but will be funded by other parties. Funding identified in Table 1 (page 8) will be leveraged with other sources to secure non-project funding when appropriate and available.

## METHOD OF RELOCATING PERSONS TO BE DISPLACED, IF ANY, AS A RESULT OF IMPLEMENTING THE PLAN

(TEXAS TAX CODE - 311.011(B)(4))

It is not anticipated that any residents will be displaced or relocated as a result of this Plan.

# REINVESTMENT ZONE FINANCING PLAN

This document constitutes the Final Financing Plan for Tax Increment Reinvestment Zone Number Two, Fort Bend County as required by Chapter 311 of the Texas Tax Code. The purpose of the Zone is to finance public improvements to support redevelopment efforts and encourage new development in the Zone. Improvements include but are not limited to roadways, infrastructure improvements including water, sewer and drainage, pedestrian amenities, trails, streetscape enhancements, and parks and open space improvements.

Funding of projects will occur through available tax increment funds, leveraged with local, state and federal dollars and/or through reimbursement of eligible project costs advanced by private entities/developers.



Estimated Project Costs

.....

Texas Tax Code  
- 311.011 (C)(1)



Proposed Kind, Number, and Location  
of all Proposed Public Works or Public  
Improvements to Be Financed by the Zone

.....

Texas Tax Code  
- 311.011 (C)(2)



Economic Feasibility Study

.....

Texas Tax Code  
- 311.011 (C)(3)



Estimated Amount of Bond Indebtedness;  
Estimated Time When Related Costs or  
Monetary Obligations Are Incurred

.....

Texas Tax Code  
- 311.011 (C)(4),  
- 311.011 (C)(5)



Methods and Sources of Financing Project  
Costs and Percentage of Increment from  
Taxing Units Anticipated to Contribute Tax  
Increment to the Zone

.....

Texas Tax Code  
- 311.011 (C)(6)



Current Total Appraised Value of Taxable  
Real Property

.....

Texas Tax Code  
- 311.011 (C)(7)



Estimated Captured Appraised Value of  
Zone During Each Year of Existence

.....

Texas Tax Code  
- 311.011 (C)(8)



Zone Duration

.....

Texas Tax Code  
- 311.011 (C)(9)



# REINVESTMENT ZONE FINANCING PLAN

## ESTIMATED PROJECT COSTS

(TEXAS TAX CODE - 311.011(C)(1))

Table 1 (page 8) details proposed public improvements to be funded utilizing resources from the Zone. As set forth in the Plan, the dollar amounts are approximate and may be amended from time to time by the Board, with the approval by the county. Any financing costs are a function of project financing needs and will vary with market conditions. Proposed public projects would be located throughout the Zone and within public spaces and rights-of-way as shown on Map 1 (page A-2). Additionally, needed mobility projects within the Fresno area are shown on page C-29 in Exhibit C.

## PROPOSED KIND, NUMBER, AND LOCATION OF ALL PROPOSED PUBLIC WORKS OR PUBLIC IMPROVEMENTS TO BE FINANCED BY THE ZONE

(TEXAS TAX CODE - 311.011(C)(2))

These details are described throughout the Plan, and include roadway, drainage, water, sewer, streetscape, affordable housing, trails, and parks and recreation facilities improvements. The number and location of proposed improvements are contained in Table 1 (page 8) and will be located within the boundary shown on Map 1 (page A-2). Page C-29 Exhibit C identifies proposed capital projects within the Zone boundary.

## ECONOMIC FEASIBILITY STUDY

(TEXAS TAX CODE - 311.011(C)(3))

An economic feasibility study is included in Exhibit C - Existing Conditions & Feasibility.

Infrastructure improvements supported by the TIRZ as well as by other agencies including the Freshwater Supply District, County and State, along with private investment, will enhance the area within the Zone and increase property values. Values are expected to grow from \$547 million in 2023 to over \$1.6 billion by the year 2053. Increase in values and investment will also result in increased sales tax and job growth within the community.

The planned infrastructure improvements depicted in Table 1 (page 8) will contribute significantly to the area's ability to support redevelopment efforts and attract new development to the area.

Exhibit B constitutes incremental revenue estimates for this Plan. The future anticipated revenue of the Zone is exceeded by the cost of proposed improvements and therefore projects will be implemented based on available funding. Development within the proposed Zone boundaries could not be feasible within the foreseeable future without the assistance of a tool like the TIRZ. Fort Bend County determines that this Plan is Feasible.



# REINVESTMENT ZONE FINANCING PLAN

## ESTIMATED AMOUNT OF BOND INDEBTEDNESS; ESTIMATED TIME WHEN RELATED COSTS OR MONETARY OBLIGATIONS INCURRED

(TEXAS TAX CODE - 311.011(C)(4), - 311.011(C)(5)):

Issuance of notes and bonds by the Zone may occur as tax increment revenues allow. The value and timing of the issuance of notes or bonds will correlate to debt capacity as derived from the projects and revenue schedules included in Table 1 (page 8) and Exhibit B, as well as actual market conditions for the issue and sale of such notes and bonds.

The time when related costs or monetary obligations are to be incurred is a function of the availability of TIRZ revenues as shown in Exhibit B.

## METHODS AND SOURCES OF FINANCING PROJECT COSTS AND PERCENTAGE OF INCREMENT FROM TAXING UNITS ANTICIPATED TO CONTRIBUTE TAX INCREMENT TO THE ZONE

(TEXAS TAX CODE - 311.011(C)(6)):

Methods and sources of financing include the issuance of notes and bonds, as well as agreements with developers and other entities for grant funding and partnerships. Leveraging of funds with other entities and grants will be instrumental in realizing projects sooner, participating in larger cost projects, and in adding value to projects.

Projects will be implemented through the use of the following strategies:

- Developers could advance funds for qualified projects and be reimbursed through the TIRZ, as revenues are realized through additional increment generated by the development.
- Pay as you go projects are implemented on a pay as you go basis, whereby projects are only implemented once enough revenues have been generated to fund design and construction of a project.
- Leveraging of resources with other entities and/or pledging the TIRZ revenue source to another taxing entity with the intent of expediting proposed projects.

Tax increment associated with this Plan will consist of contributions from the County at 65% of its tax rate in Sub Area A and 50% of its tax rate in Sub Area B. Participation rate for each area is shown in Map 5 (page A-6).

# REINVESTMENT ZONE FINANCING PLAN

## CURRENT TOTAL APPRAISED VALUE OF TAXABLE REAL PROPERTY

(TEXAS TAX CODE - 311.011(C)(7))

The 2023 value of taxable real property in the Zone is estimated at \$547 million.

## ESTIMATED CAPTURED APPRAISED VALUE OF ZONE DURING EACH YEAR OF EXISTENCE

(TEXAS TAX CODE - 311.011(C)(8))

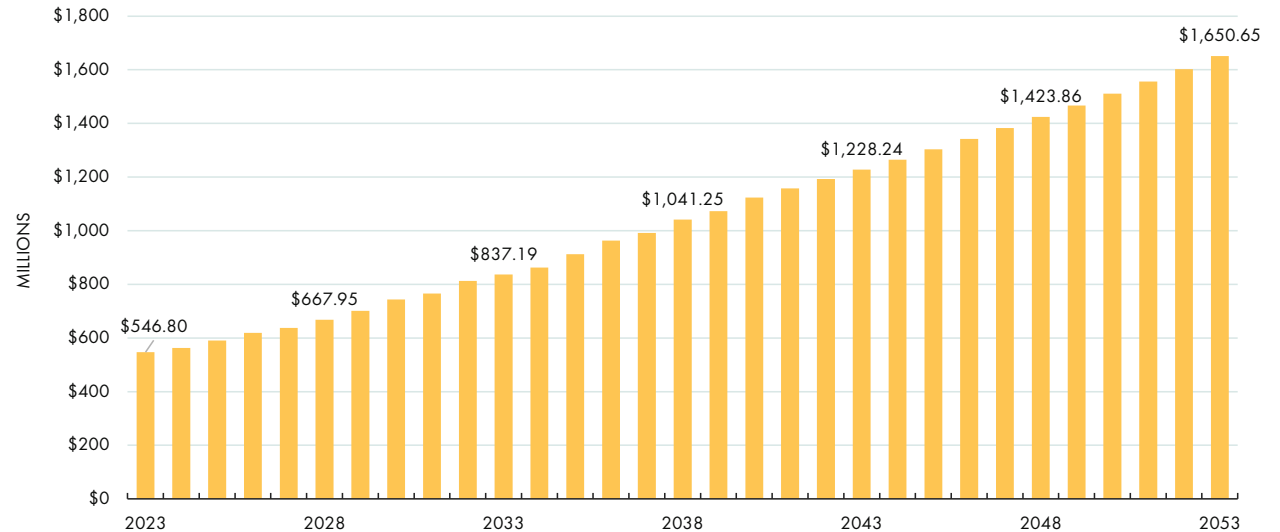
The estimated captured appraised value of the Zone during each remaining year of its existence is contained in Exhibit B. It is estimated by 2053 that the taxable value within the Zone will increase to over \$1.6 billion with a captured value of \$1.1 billion.

## ZONE DURATION

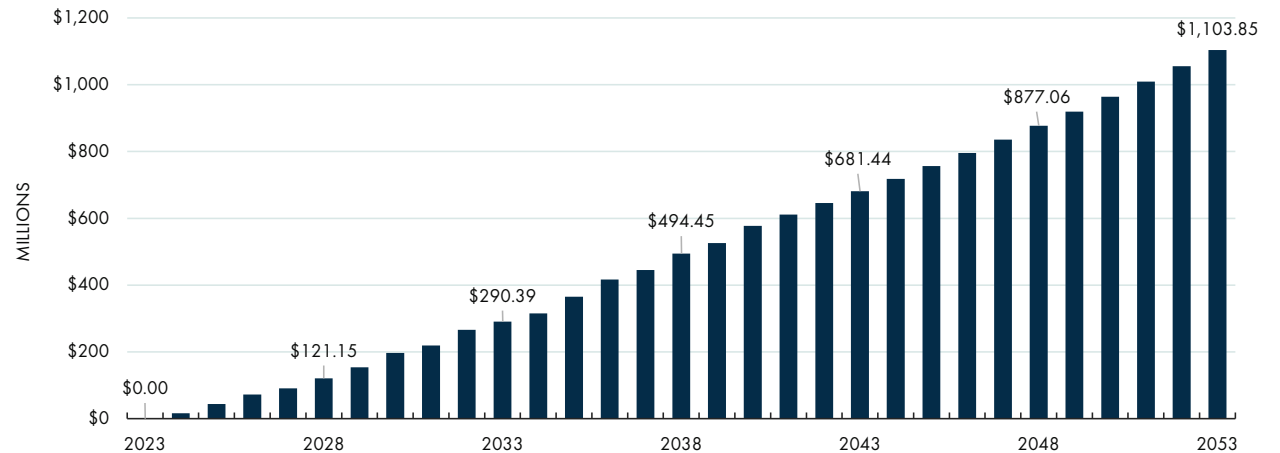
(TEXAS TAX CODE - 311.011(C)(9))

The Zone will terminate on December 31, 2053. Final TIRZ payments will be received in 2054. The Zone may terminate at an earlier time designated by subsequent ordinance, or at such time, subsequent to the issuance of proposed revenue bonds, notes or other obligations, if any, that all project costs, bonds, and interest on bonds have been paid in full.

### TOTAL APPRAISED VALUE - PROJECTION



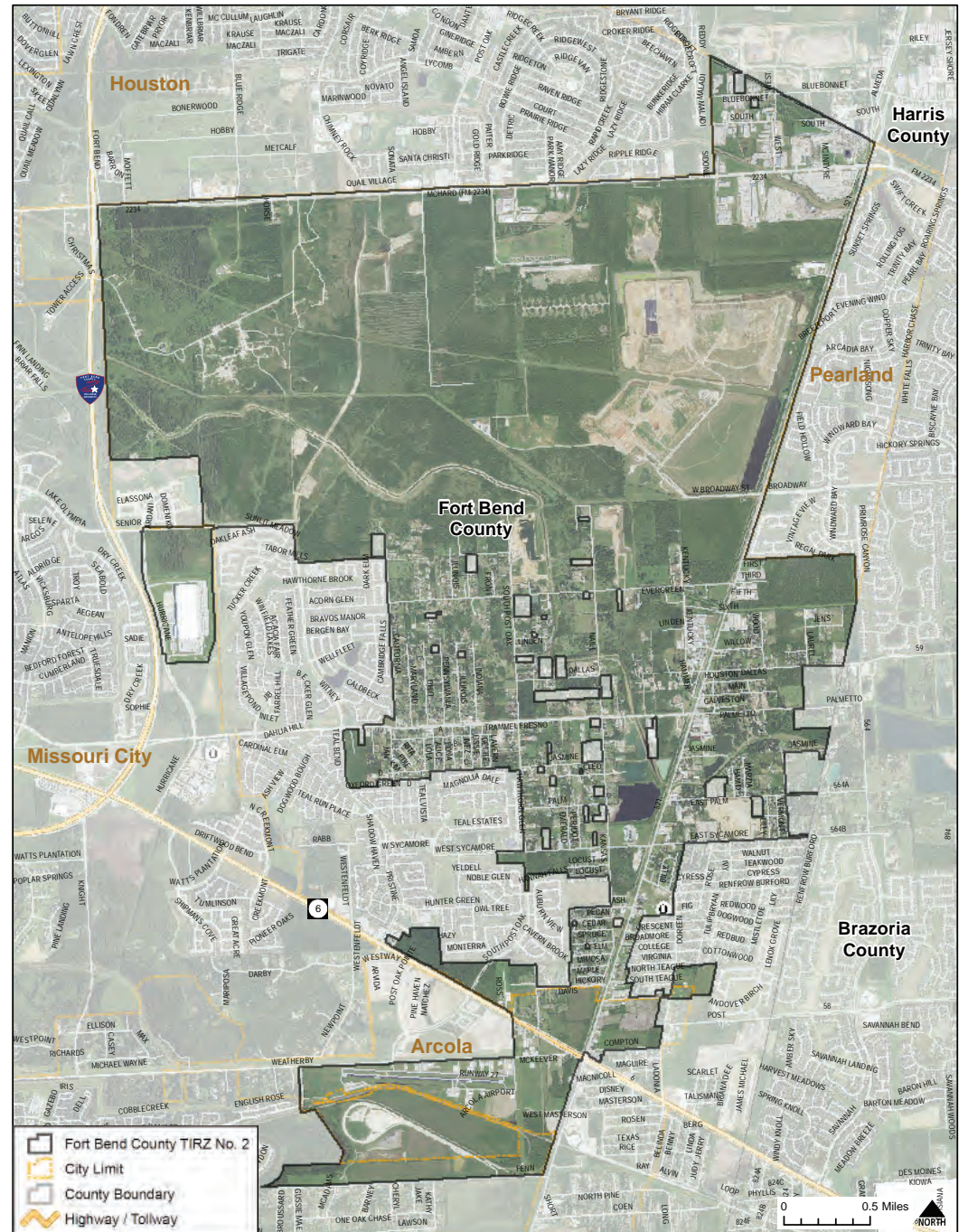
### TOTAL CAPTURED VALUE - PROJECTION



# **EXHIBIT A - MAPS**

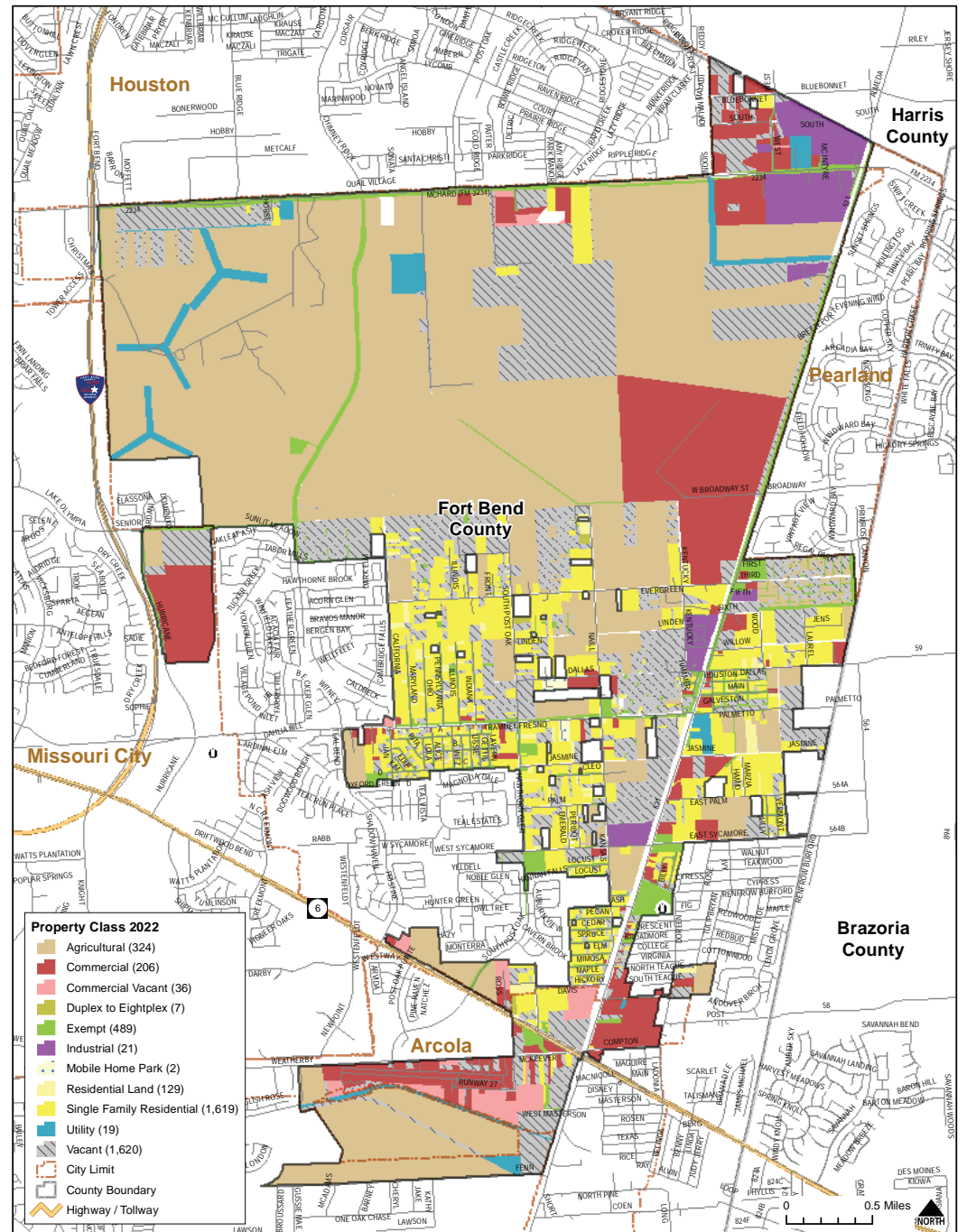


## MAP 2 - AERIAL

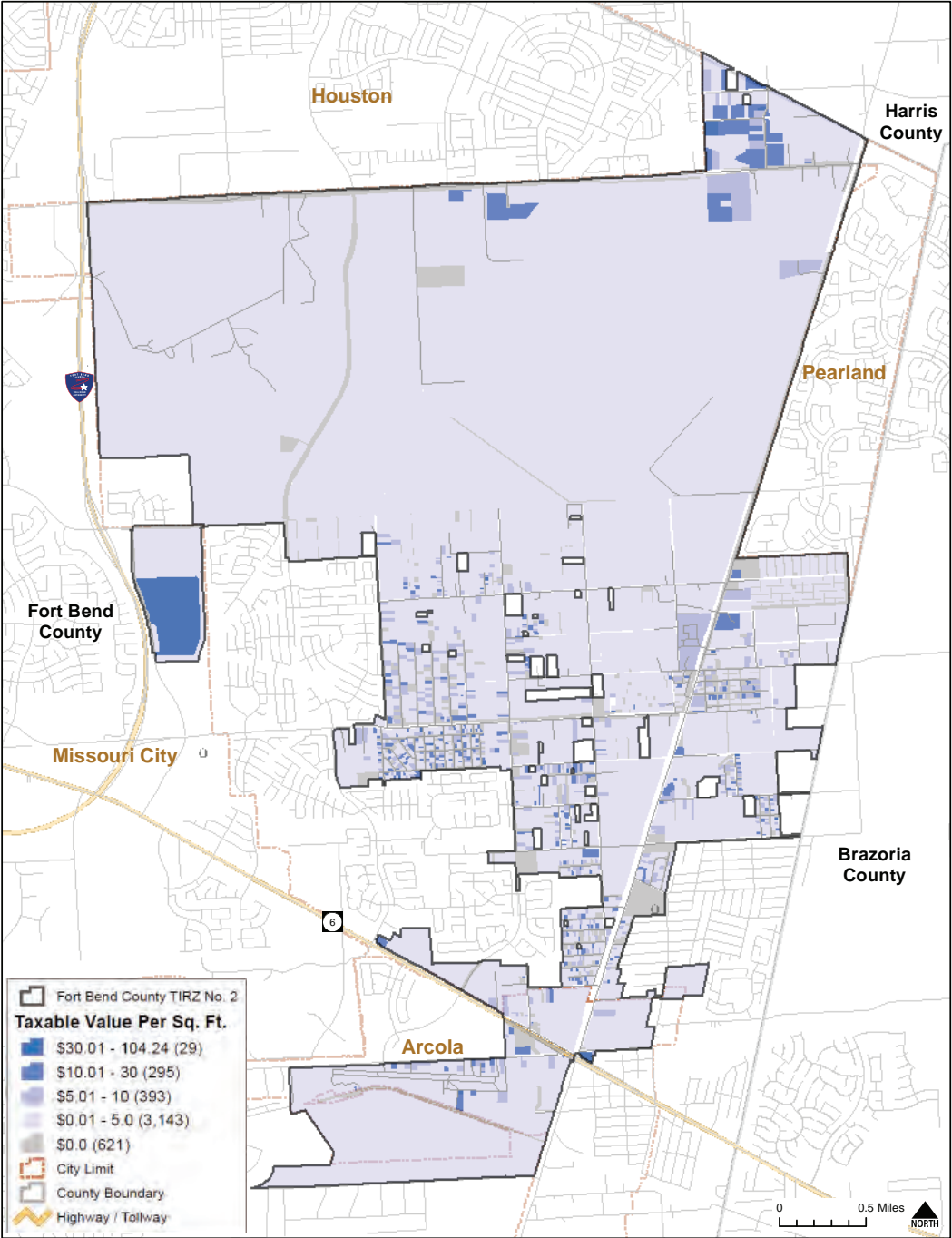




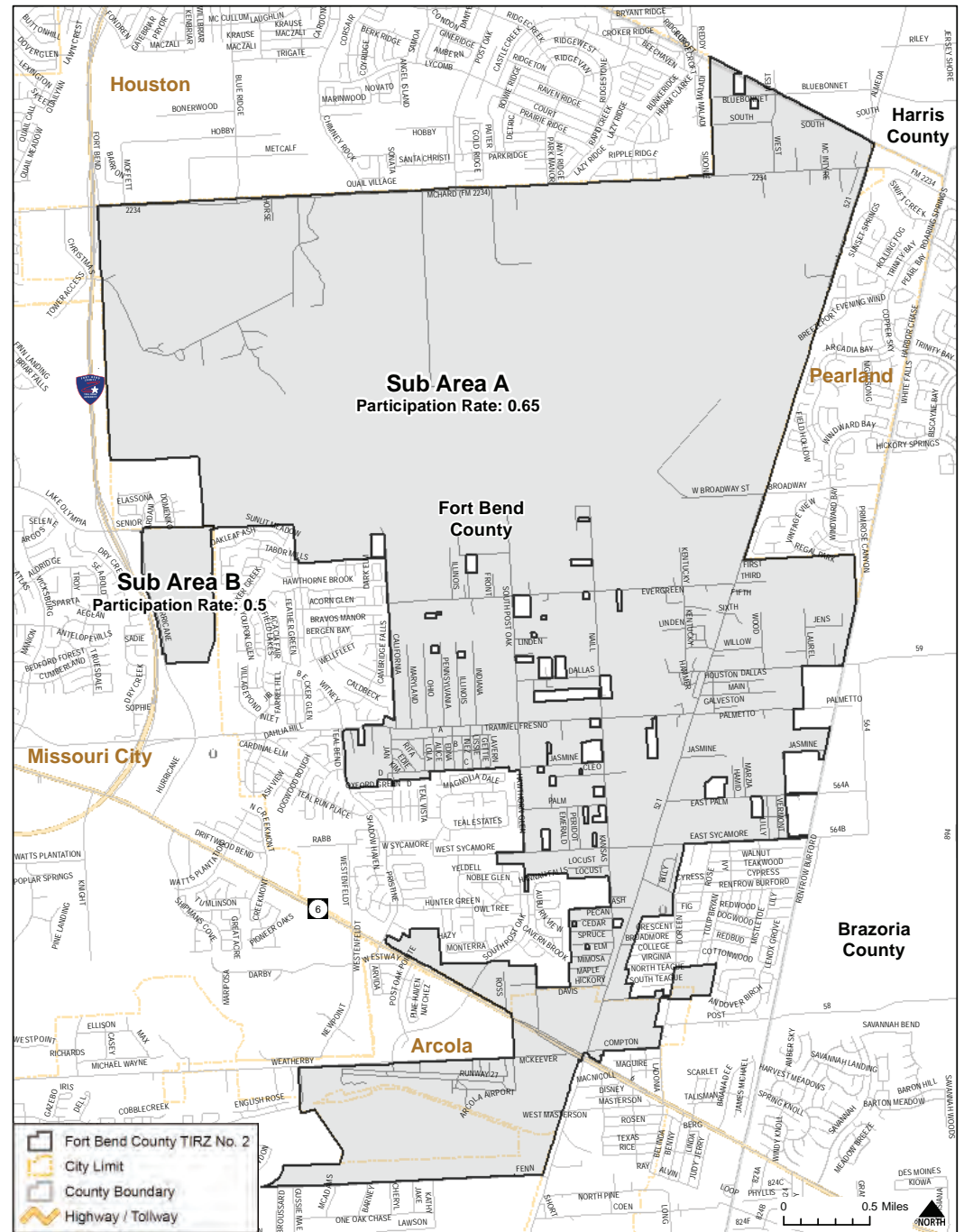
## MAP 3 - EXISTING/PROPOSED USES OF LAND



MAP 4- TAXABLE VALUE



## MAP 5 - PARTICIPATION RATE MAP





# **EXHIBIT B - REVENUE ANALYSIS**

PROJECTED VALUE & REVENUE

EXHIBIT 1 - Value & Revenue - Precinct 2 Scenario 2

| Projected Assessed Valuation |                            |                |                            |                |                      | Projected Revenue |           |                 |               |                     |                     |                |                     |
|------------------------------|----------------------------|----------------|----------------------------|----------------|----------------------|-------------------|-----------|-----------------|---------------|---------------------|---------------------|----------------|---------------------|
| Sub Area A                   |                            |                | Sub Area B                 |                |                      | Tax Year          | Coll Year | County Revenues | Cumulative    | TIRZ Revenues (65%) | TIRZ Revenues (50%) | Total Revenues | Cumulative Revenues |
| Tax Year                     | County Projected Valuation | Captured Value | County Projected Valuation | Captured Value | Total Captured Value |                   |           |                 |               | Subzone North       | Subzone South       |                |                     |
| 2023                         | \$420,757,341              | \$ -           | \$126,040,935              | \$0            | \$ -                 | 2023              | 2024      | \$ -            | \$ -          | \$ -                | \$ -                | \$ -           |                     |
| 2024                         | \$ 433,380,061             | \$ 12,622,720  | \$ 129,822,163             | \$3,781,228    | \$ 16,403,948        | 2024              | 2025      | \$ 70,461       | \$ 70,461     | \$ 35,242           | \$ 8,121            | \$ 43,363      | \$ 43,363           |
| 2025                         | \$ 457,181,463             | \$ 36,424,122  | \$ 133,716,828             | \$7,675,893    | \$ 44,100,015        | 2025              | 2026      | \$ 189,425      | \$ 259,885    | \$ 101,695          | \$ 16,485           | \$ 118,180     | \$ 161,543          |
| 2026                         | \$ 481,696,907             | \$ 60,939,566  | \$ 137,728,333             | \$11,687,398   | \$ 72,626,964        | 2026              | 2027      | \$ 311,958      | \$ 571,843    | \$ 170,142          | \$ 25,101           | \$ 195,242     | \$ 356,786          |
| 2027                         | \$ 496,147,814             | \$ 75,390,473  | \$ 141,860,183             | \$15,819,248   | \$ 91,209,721        | 2027              | 2028      | \$ 391,777      | \$ 963,619    | \$ 210,488          | \$ 33,975           | \$ 244,463     | \$ 601,248          |
| 2028                         | \$ 521,832,249             | \$ 101,074,908 | \$ 146,115,988             | \$20,075,053   | \$ 121,149,961       | 2028              | 2029      | \$ 520,380      | \$ 1,484,000  | \$ 282,198          | \$ 43,115           | \$ 325,313     | \$ 926,561          |
| 2029                         | \$ 550,537,216             | \$ 129,779,875 | \$ 150,499,468             | \$24,458,533   | \$ 154,238,408       | 2029              | 2030      | \$ 662,506      | \$ 2,146,506  | \$ 362,342          | \$ 52,529           | \$ 414,871     | \$ 1,341,431        |
| 2030                         | \$ 588,653,333             | \$ 167,895,992 | \$ 155,014,452             | \$28,973,517   | \$ 196,869,509       | 2030              | 2031      | \$ 845,621      | \$ 2,992,128  | \$ 468,761          | \$ 62,226           | \$ 530,986     | \$ 1,872,418        |
| 2031                         | \$ 606,312,933             | \$ 185,555,592 | \$ 159,664,886             | \$33,623,951   | \$ 219,179,542       | 2031              | 2032      | \$ 941,451      | \$ 3,933,578  | \$ 518,066          | \$ 72,213           | \$ 590,279     | \$ 2,462,697        |
| 2032                         | \$ 648,352,321             | \$ 227,594,980 | \$ 164,454,832             | \$38,413,897   | \$ 266,008,877       | 2032              | 2033      | \$ 1,142,599    | \$ 5,076,177  | \$ 635,439          | \$ 82,500           | \$ 717,939     | \$ 3,180,636        |
| 2033                         | \$ 667,802,890             | \$ 247,045,549 | \$ 169,388,477             | \$43,347,542   | \$ 290,393,091       | 2033              | 2034      | \$ 1,247,337    | \$ 6,323,514  | \$ 689,744          | \$ 93,096           | \$ 782,840     | \$ 3,963,476        |
| 2034                         | \$ 687,836,977             | \$ 267,079,636 | \$ 174,470,132             | \$48,429,196   | \$ 315,508,832       | 2034              | 2035      | \$ 1,355,218    | \$ 7,678,732  | \$ 745,679          | \$ 104,010          | \$ 849,689     | \$ 4,813,164        |
| 2035                         | \$ 732,322,086             | \$ 311,564,745 | \$ 179,704,236             | \$53,663,300   | \$ 365,228,046       | 2035              | 2036      | \$ 1,568,779    | \$ 9,247,510  | \$ 869,880          | \$ 115,251          | \$ 985,131     | \$ 5,798,295        |
| 2036                         | \$ 778,141,749             | \$ 357,384,408 | \$ 185,095,363             | \$59,054,427   | \$ 416,438,835       | 2036              | 2037      | \$ 1,788,746    | \$ 11,036,257 | \$ 997,807          | \$ 126,829          | \$ 1,124,636   | \$ 6,922,932        |
| 2037                         | \$ 801,486,001             | \$ 380,728,660 | \$ 190,648,223             | \$64,607,288   | \$ 445,335,949       | 2037              | 2038      | \$ 1,912,869    | \$ 12,949,126 | \$ 1,062,983        | \$ 138,755          | \$ 1,201,739   | \$ 8,124,670        |
| 2038                         | \$ 844,880,581             | \$ 424,123,240 | \$ 196,367,670             | \$70,326,735   | \$ 494,449,975       | 2038              | 2039      | \$ 2,123,831    | \$ 15,072,957 | \$ 1,184,140        | \$ 151,039          | \$ 1,335,178   | \$ 9,459,849        |
| 2039                         | \$ 870,226,999             | \$ 449,469,658 | \$ 202,258,700             | \$76,217,765   | \$ 525,687,423       | 2039              | 2040      | \$ 2,258,006    | \$ 17,330,963 | \$ 1,254,906        | \$ 163,691          | \$ 1,418,597   | \$ 10,878,445       |
| 2040                         | \$ 915,683,809             | \$ 494,926,468 | \$ 208,326,461             | \$82,285,526   | \$ 577,211,994       | 2040              | 2041      | \$ 2,479,322    | \$ 19,810,285 | \$ 1,381,820        | \$ 176,722          | \$ 1,558,543   | \$ 12,436,988       |
| 2041                         | \$ 943,154,323             | \$ 522,396,982 | \$ 214,576,255             | \$88,535,320   | \$ 610,932,302       | 2041              | 2042      | \$ 2,624,162    | \$ 22,434,447 | \$ 1,458,517        | \$ 190,145          | \$ 1,648,662   | \$ 14,085,650       |
| 2042                         | \$ 971,448,953             | \$ 550,691,612 | \$ 221,013,543             | \$94,972,608   | \$ 645,664,219       | 2042              | 2043      | \$ 2,773,347    | \$ 25,207,794 | \$ 1,537,515        | \$ 203,970          | \$ 1,741,485   | \$ 15,827,135       |
| 2043                         | \$ 1,000,592,421           | \$ 579,835,080 | \$ 227,643,949             | \$101,603,014  | \$ 681,438,094       | 2043              | 2044      | \$ 2,927,008    | \$ 28,134,802 | \$ 1,618,883        | \$ 218,210          | \$ 1,837,092   | \$ 17,664,227       |
| 2044                         | \$ 1,030,610,194           | \$ 609,852,853 | \$ 234,473,268             | \$108,432,332  | \$ 718,285,185       | 2044              | 2045      | \$ 3,085,279    | \$ 31,220,081 | \$ 1,702,691        | \$ 232,877          | \$ 1,935,568   | \$ 19,599,795       |
| 2045                         | \$ 1,061,528,500           | \$ 640,771,159 | \$ 241,507,466             | \$115,466,530  | \$ 756,237,689       | 2045              | 2046      | \$ 3,248,298    | \$ 34,468,379 | \$ 1,789,014        | \$ 247,984          | \$ 2,036,998   | \$ 21,636,794       |
| 2046                         | \$ 1,093,374,355           | \$ 672,617,014 | \$ 248,752,690             | \$122,711,754  | \$ 795,328,768       | 2046              | 2047      | \$ 3,416,207    | \$ 37,884,587 | \$ 1,877,927        | \$ 263,544          | \$ 2,141,472   | \$ 23,778,265       |
| 2047                         | \$ 1,126,175,586           | \$ 705,418,244 | \$ 256,215,270             | \$130,174,335  | \$ 835,592,579       | 2047              | 2048      | \$ 3,589,154    | \$ 41,473,741 | \$ 1,969,507        | \$ 279,572          | \$ 2,249,079   | \$ 26,027,344       |
| 2048                         | \$ 1,159,960,853           | \$ 739,203,512 | \$ 263,901,728             | \$137,860,793  | \$ 877,064,305       | 2048              | 2049      | \$ 3,767,289    | \$ 45,241,030 | \$ 2,063,835        | \$ 296,079          | \$ 2,359,914   | \$ 28,387,259       |
| 2049                         | \$ 1,194,759,679           | \$ 774,002,338 | \$ 271,818,780             | \$145,777,845  | \$ 919,780,183       | 2049              | 2050      | \$ 3,950,769    | \$ 49,191,799 | \$ 2,160,992        | \$ 313,083          | \$ 2,474,075   | \$ 30,861,333       |
| 2050                         | \$ 1,230,602,469           | \$ 809,845,128 | \$ 279,973,344             | \$153,932,408  | \$ 963,777,536       | 2050              | 2051      | \$ 4,139,752    | \$ 53,331,551 | \$ 2,261,064        | \$ 330,596          | \$ 2,591,660   | \$ 33,452,993       |
| 2051                         | \$ 1,267,520,543           | \$ 846,763,202 | \$ 288,372,544             | \$162,331,609  | \$ 1,009,094,811     | 2051              | 2052      | \$ 4,334,405    | \$ 57,665,956 | \$ 2,364,138        | \$ 348,635          | \$ 2,712,773   | \$ 36,165,766       |
| 2052                         | \$ 1,305,546,159           | \$ 884,788,818 | \$ 297,023,720             | \$170,982,785  | \$ 1,055,771,603     | 2052              | 2053      | \$ 4,534,898    | \$ 62,200,854 | \$ 2,470,305        | \$ 367,215          | \$ 2,837,519   | \$ 39,003,286       |
| 2053                         | \$ 1,344,712,544           | \$ 923,955,203 | \$ 305,934,432             | \$179,893,497  | \$ 1,103,848,700     | 2053              | 2054      | \$ 4,741,405    | \$ 66,942,260 | \$ 2,579,656        | \$ 386,352          | \$ 2,966,008   | \$ 41,969,294       |
|                              |                            |                |                            |                |                      |                   |           | \$ 66,942,260   |               | \$ 36,825,376       | \$ 5,143,917        | \$ 41,969,294  |                     |

Notes/Assumptions:  
2023 taxable is estimated based on 2022 taxable value. Actual 2023 base value will be determined once certified by the Appraisal District

# **EXHIBIT C - EXISTING CONDITIONS & FEASIBILITY**

# INTRODUCTION

Tax Increment Reinvestment Zones are governed by Chapter 311 of the Texas Tax Code and are created by cities and counties to support development and/or redevelopment of areas that would not otherwise occur in the foreseeable future. There are a number of conditions under which a reinvestment zone can be created, including conditions that impair the growth of the county, retard the provision of housing, or constitute an economic or social liability as a result of inadequate sidewalk or street layout, faulty lot layout, and deterioration of site or other improvements, or being predominately open or undeveloped land with limited infrastructure. Today, there are more than four hundred such zones throughout Texas. Expenditures associated with the design and construction of all TIRZ eligible public facilities and infrastructure, as well as other specific project related costs, are funded by tax increment revenues derived from increases in property values following the new development/redevelopment.

This document outlines the existing conditions of the area and assesses the feasibility of using a tool like tax increment reinvestment zone financing to meet Fort Bend County's objectives as they relate to catalyzing investment and new development within Precinct 2.

# PROCESS

Evaluating whether a Tax Increment Reinvestment Zone is a viable financing tool for Fort Bend County in spurring new development and investment will involve understanding the community's needs and looking at the opportunities for investment as a result of public improvements.



## COMMUNITY OVERVIEW

A snapshot of the current demographic, socioeconomic, and market conditions in the community.



## EXISTING CONDITIONS

An understanding of the community's existing physical conditions.



## PROPOSED TIRZ BOUNDARIES

Identification of proposed TIRZ boundaries to address all identified community needs and opportunities.



## PROJECTS

Identification of potential capital improvement projects eligible by statute within the proposed Zone.



## REVENUE SCENARIOS

Analysis of various revenue scenarios and resulting impacts on Tax Increment Reinvestment Zone revenue.



## TIRZ FEASIBILITY

Determination of feasibility of a TIRZ based on projected revenues and the ability of the Zone to fund infrastructure projects.

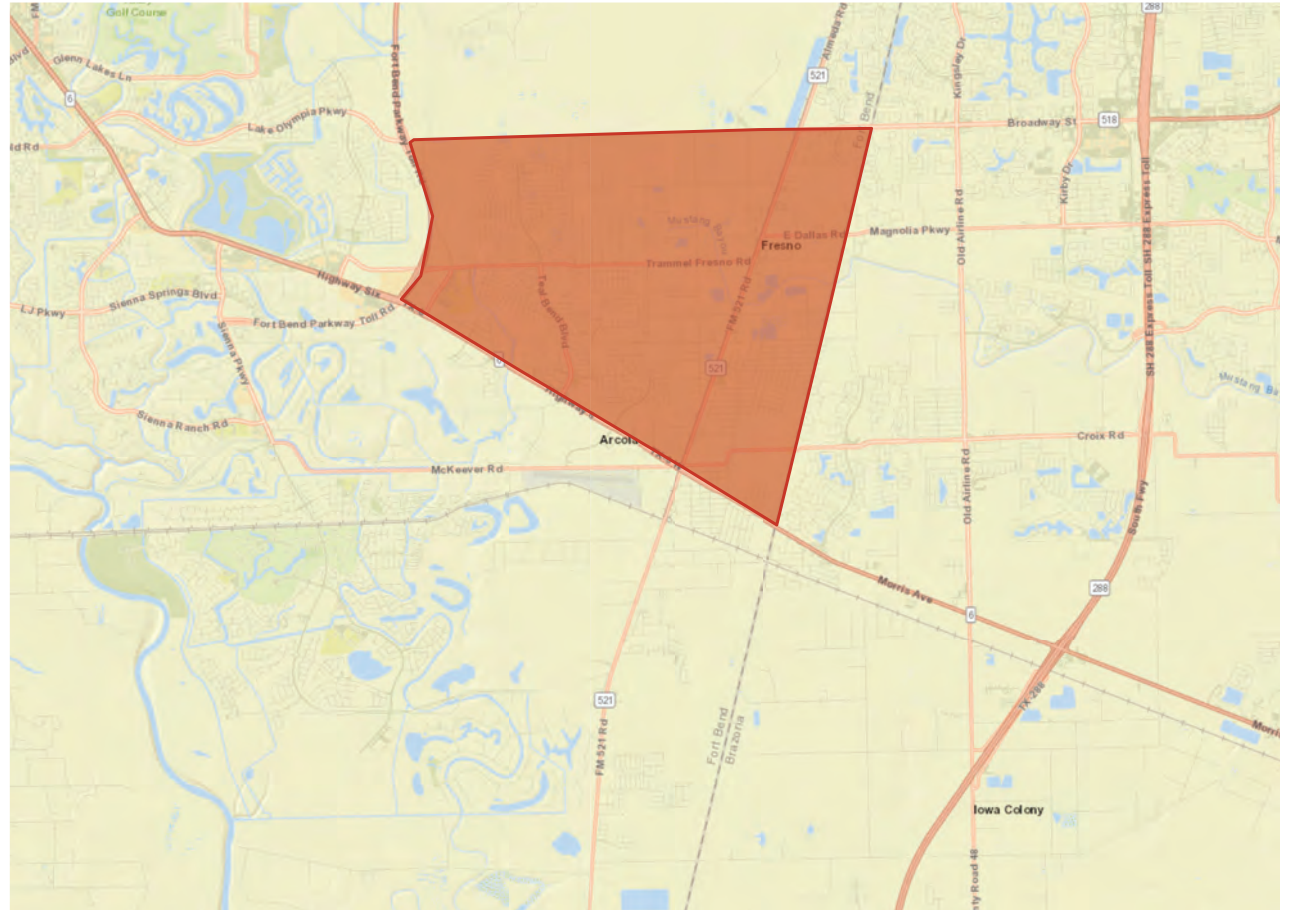
# COMMUNITY OVERVIEW

## STUDY AREA LOCATION

Hawes Hill & Associates conducted an analysis of the demographic and socioeconomic makeup of the community to fully understand its current patterns, trends, and needs. The local market analysis encompasses a Study Area that is generally bounded by Lake Olympia Pkwy. and Broadway St. to the north, State Highway 6 to the south, the Fort Bend County line to the east, and the Fort Bend Parkway to the west. For comparison, data was also pulled for Fort Bend County in its entirety.<sup>1</sup>

Note 1: All references to “county” within this document refer to Fort Bend County.

### STUDY AREA



# COMMUNITY OVERVIEW

## POPULATION & HOUSEHOLDS

The Study Area has an estimated population of 28,310 residents, up nearly 44% since 2010. The area’s Daytime Population is roughly 65% that of its overall population versus nearly 83% seen by the county, indicating a significant outflow of workers during business hours.

Average household and family size within the Study Area are 3.34 and 3.75, both marginally larger than those within the county. Its households primarily include young families with children; multi-generational households are also common.

## AREA GROWTH

The Study Area is expected to continue its growth in years to come, both in terms of residential and commercial development. Projections for average annual growth rate range from roughly 3.6%, equal to growth experienced since 2010, down to 1.9%.

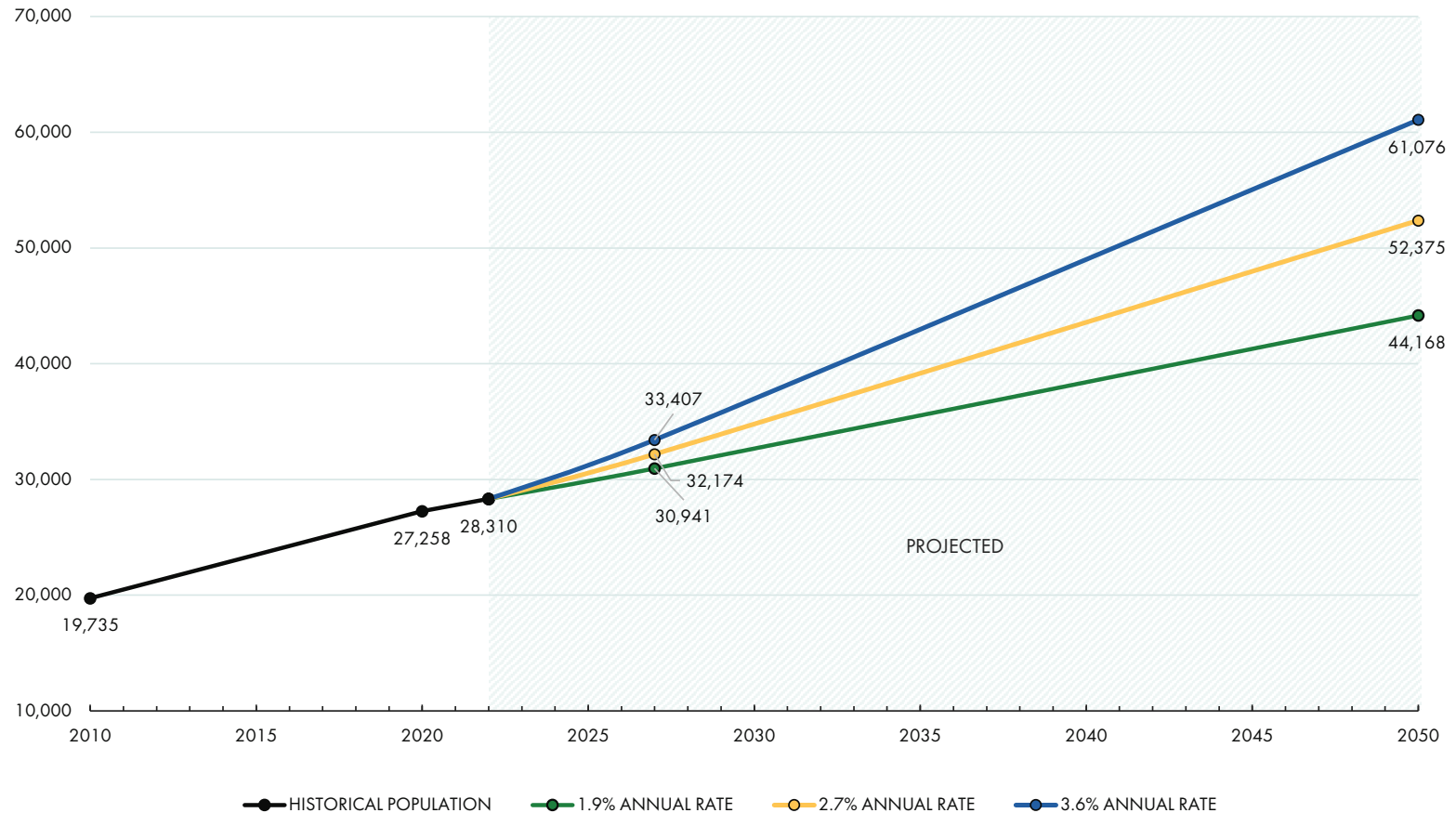
### 2022 REGIONAL POPULATION CHARACTERISTICS

|                     | Study Area | Fort Bend County |
|---------------------|------------|------------------|
| Population          | 28,310     | 889,664          |
| Daytime Population  | 18,441     | 735,653          |
| Workers             | 3,582      | 250,426          |
| Residents           | 14,859     | 485,227          |
| Households          | 8,461      | 284,505          |
| Avg. Household Size | 3.34       | 3.11             |
| Families            | 6,806      | 229,459          |
| Avg. Family Size    | 3.75       | 3.51             |

Source: Esri, 2022

# COMMUNITY OVERVIEW

STUDY AREA - POPULATION OVER TIME



Sources: Esri, 2022 ; Fort Bend County Economic Development Council, 2022

Note: 1.9% Annual Rate derived from Esri growth forecasts of Study Area through 2027. Rate has been extrapolated out through 2050. 3.6% Annual Rate derived from Fort Bend Economic Development Council's overall county projections from 2025 - 2050 and applied to Study Area. 2.7% Annual Rate represents mid-point between both source's projections.



# COMMUNITY OVERVIEW

## AGE & RACE

With a median age of 30.7 years and over 29% of residents under the age of 18, the Study Area has a younger population than Fort Bend County as a whole, which has a median age of 35.6 years and 27% of residents younger than 18. The child dependency ratio (“CDR”) within the Study Area, calculated as the ratio of the population under 18 years of age to the working age population aged 18 to 64, was 46% in 2022, just edging out the county’s CDR of 45%.

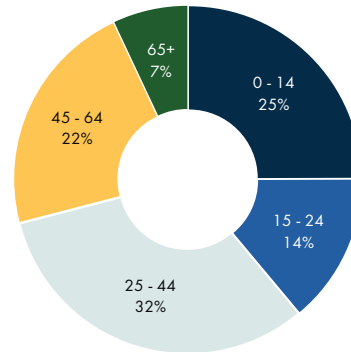
The Study Area has a majority Black population, at 54% of all residents. Persons of Hispanic origin, who may be of any race, accounted for just over 37% of the Study Area’s population, 12% more than the relative number within the county, 25%.

Esri’s Diversity Index, which measures the likelihood of two persons chosen at random from the same area belonging to different races or ethnic groups (wherein 0 indicates no diversity and 100 indicates complete diversity), measured 81.1 for the Study Area, indicating a highly diverse community. The county, at 85.5, is marginally more racially and ethnically diverse.

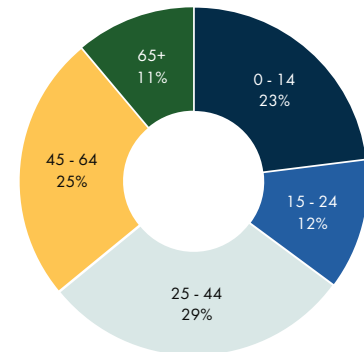
Source: Esri, 2022

Note: The “Other” race category includes American Indian or Alaskan Native, Native Hawaiian or other Pacific Islander, and any other race for persons who do not identify with one of the specified groups.

2022 POPULATION BY AGE

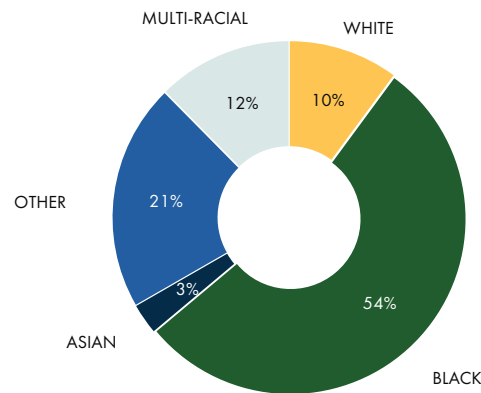


STUDY AREA

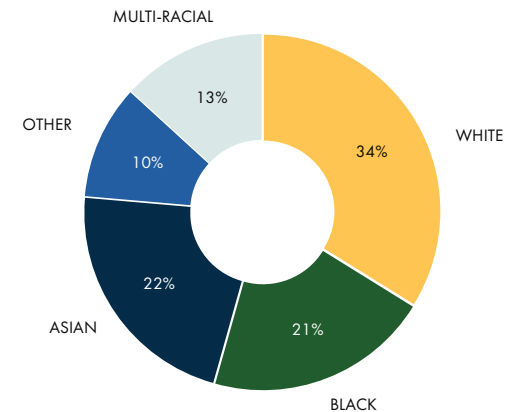


FORT BEND COUNTY

2022 POPULATION BY RACE



STUDY AREA



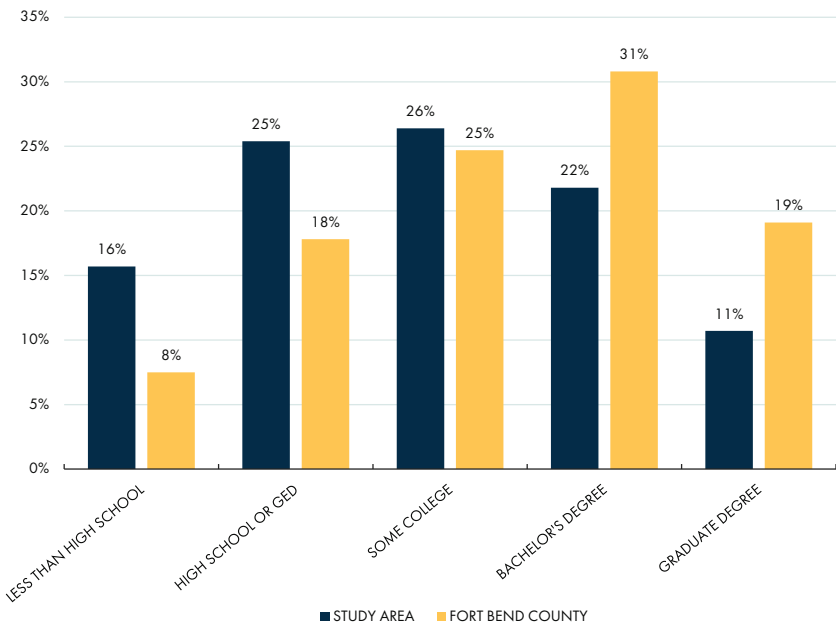
FORT BEND COUNTY

# COMMUNITY OVERVIEW

## EDUCATION

Within the Study Area, 84% of the population aged 25 years or older has a high school degree or higher, slightly less than the county’s 93% capture rate for these education segments. One third of Study Area residents hold at least a four-year college degree, versus half of residents within Fort Bend County as a whole.

2022 EDUCATIONAL ATTAINMENT AGES 25+

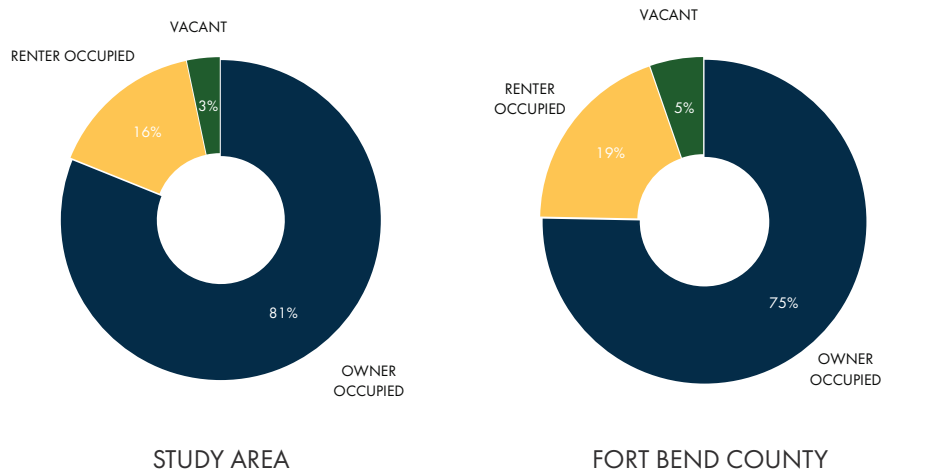


## HOUSING

Housing within the Study Area predominately consists of single family residential units interspersed with mobile homes. The existing housing stock is 81% owner-occupied, more than the 75% owner-occupancy rate experienced by Fort Bend County. Conversely, the county is experiencing higher renter-occupancy and vacancy rates.

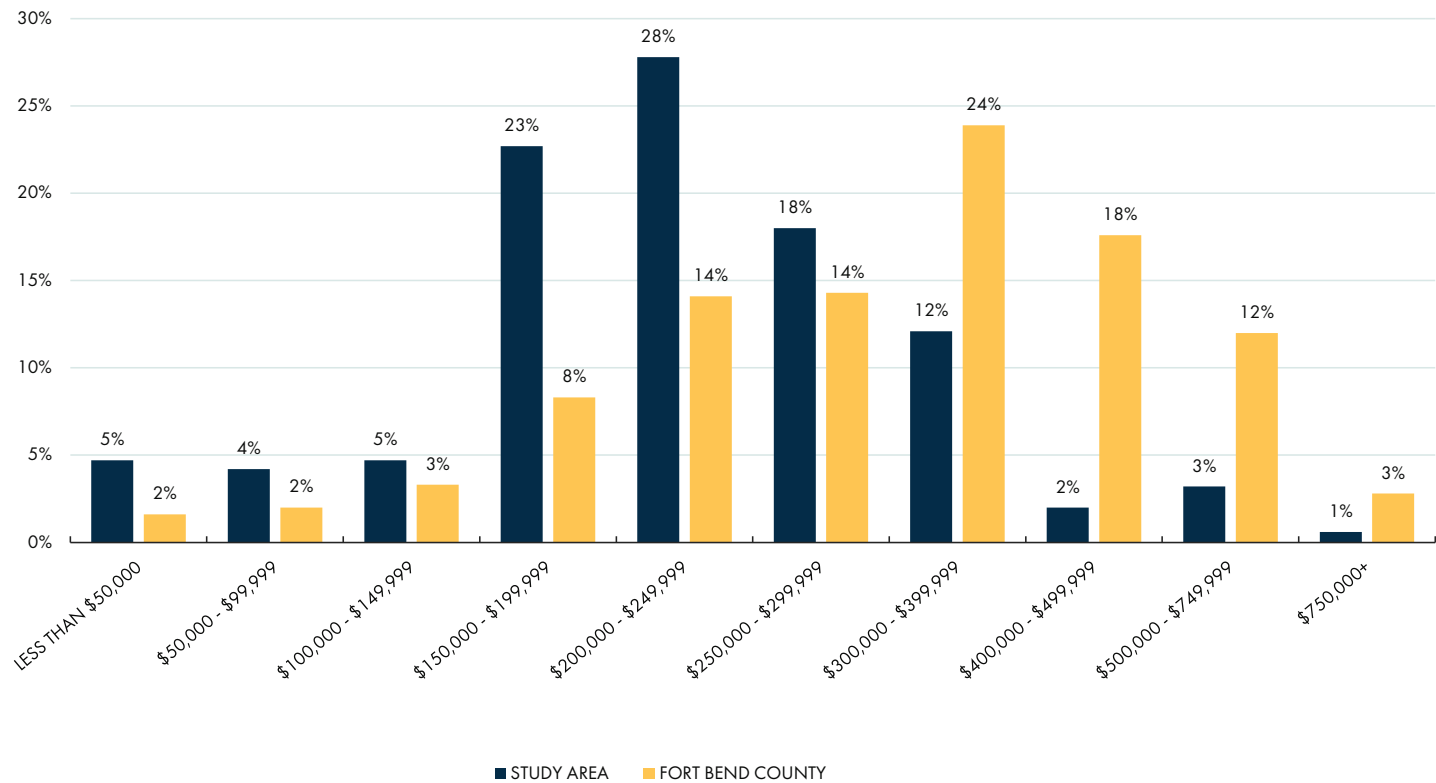
The median home value within the Study Area is \$224,747, approximately 31% less than that of the Fort Bend County, at \$326,447. Despite residents within the Study Area earning less than those within the county as a whole, the significantly lower homes prices make the Study Area more affordable to the local population. Households spend roughly 14.5% of their income on mortgage payments versus 16% within the overall county. Esri’s Housing Affordability Index ranks the Study Area at 135, indicating that median household income is 35% higher than what is necessary to afford a home at the median value. The county has a slightly lower index of 124.

2022 HOUSING OCCUPANCY STATUS



# COMMUNITY OVERVIEW

2022 OWNER-OCCUPIED HOUSING BY VALUE



|                                | Study Area | Fort Bend County |
|--------------------------------|------------|------------------|
| Avg. Owner-Occupied Home Value | \$239,882  | \$363,955        |

Source: Esri, 2022

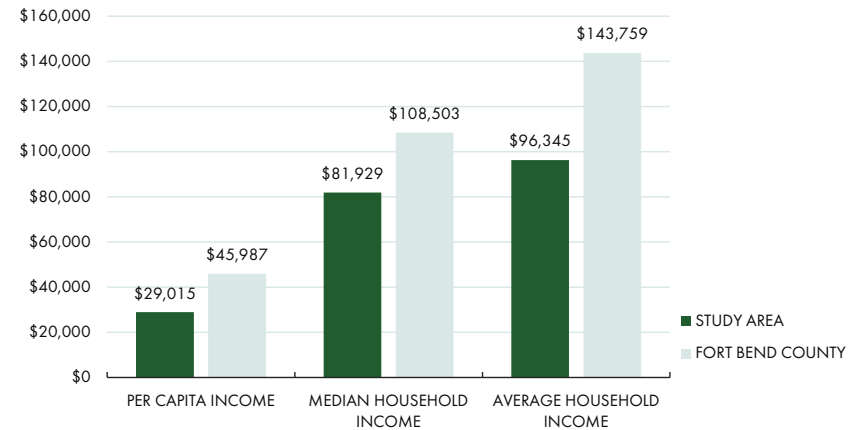
# COMMUNITY OVERVIEW

## INCOME

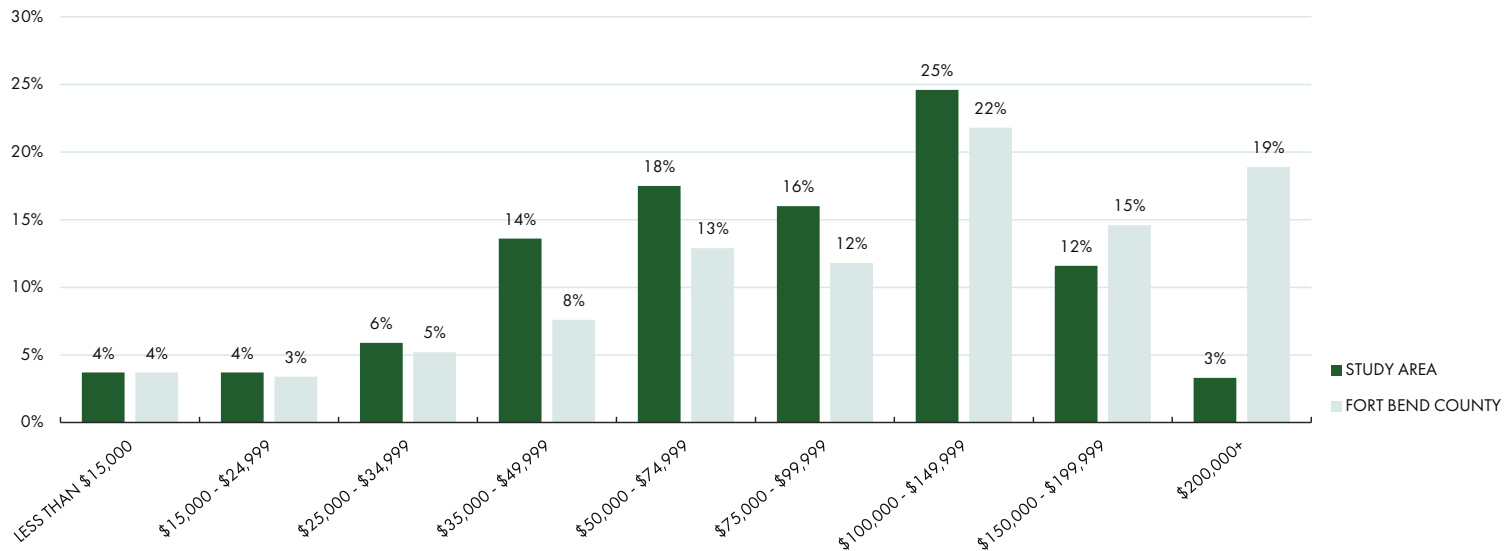
The Study Area's per capita income is \$29,015, 37% less than that of Fort Bend County, while its median household income, \$81,929, is only 25% less than the county's. The relatively higher household income can be attributed to more wage earners within Study Area households.

Esri's Wealth Index measures the wealth of an area relative to the national level, where values exceeding 100 represent above-average wealth. The Study Area has a Wealth Index of 71, or wealth 29% below the national average, while the county rates considerably higher at 148.

### 2022 INCOME



### 2022 HOUSEHOLD INCOME BRACKETS



Source: Esri, 2022

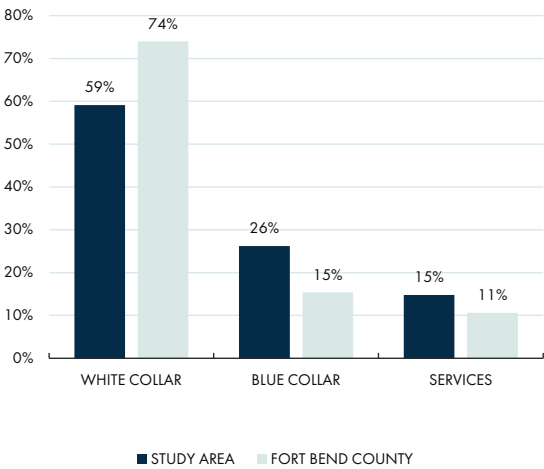
# COMMUNITY OVERVIEW

## EMPLOYMENT

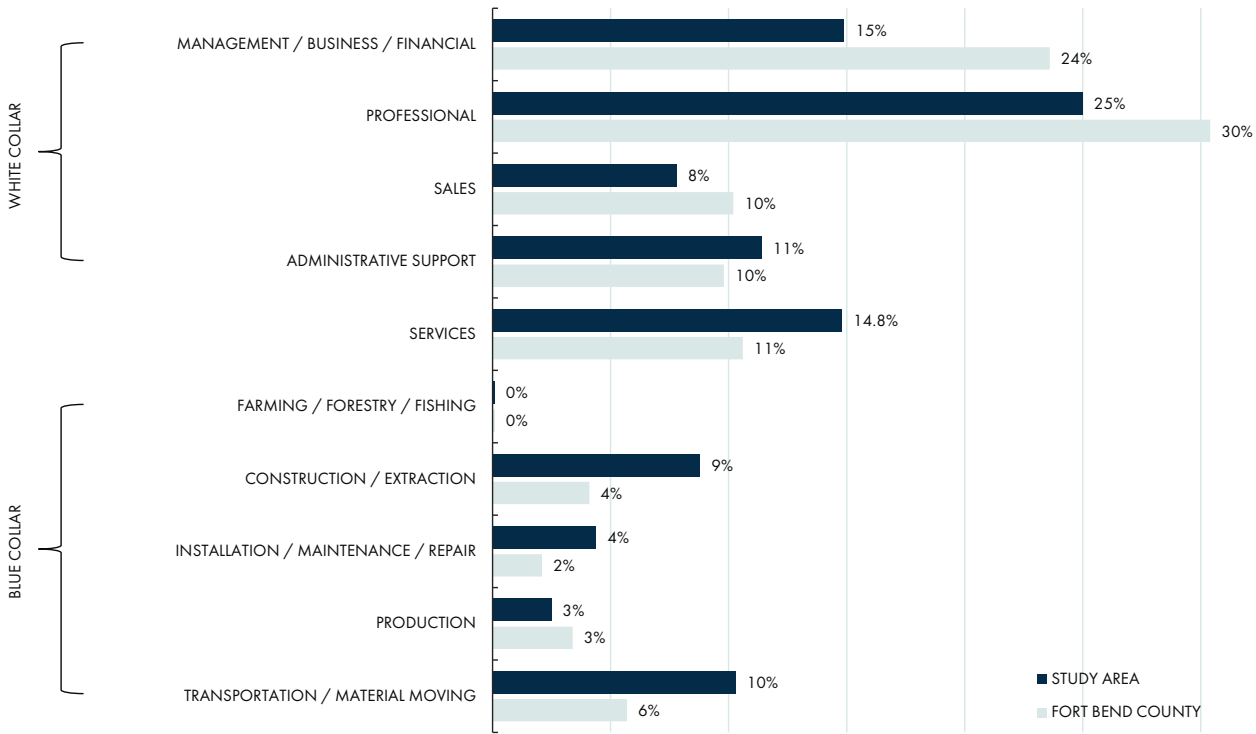
The Study Area currently has 14,288 residents aged 16+ engaged in the labor force, or 95.6% of the total population actively seeking employment. It falls just short of the Fort Bend County, which is experiencing a 95.9% employment rate.

The workforce within the Study Area is relatively skilled, with more than 59% of its residents employed as White Collar workers. Fort Bend County's employment profile consists of more White Collar workers, at 74% of the workforce.

2022 EMPLOYED POPULATION 16+ BY CATEGORY



2022 EMPLOYED POPULATION 16+ BY CATEGORY - DETAILED



Source: Esri, 2022

Note: The Services employment category includes healthcare support, protective services, food preparation & serving, building & grounds cleaning & maintenance, and personal care & service occupations.

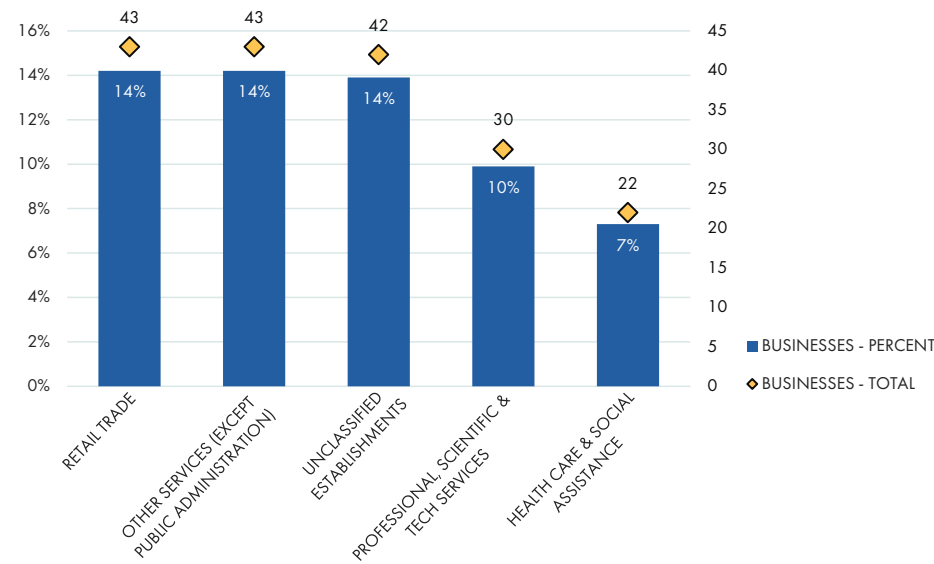
# COMMUNITY OVERVIEW

## INDUSTRY

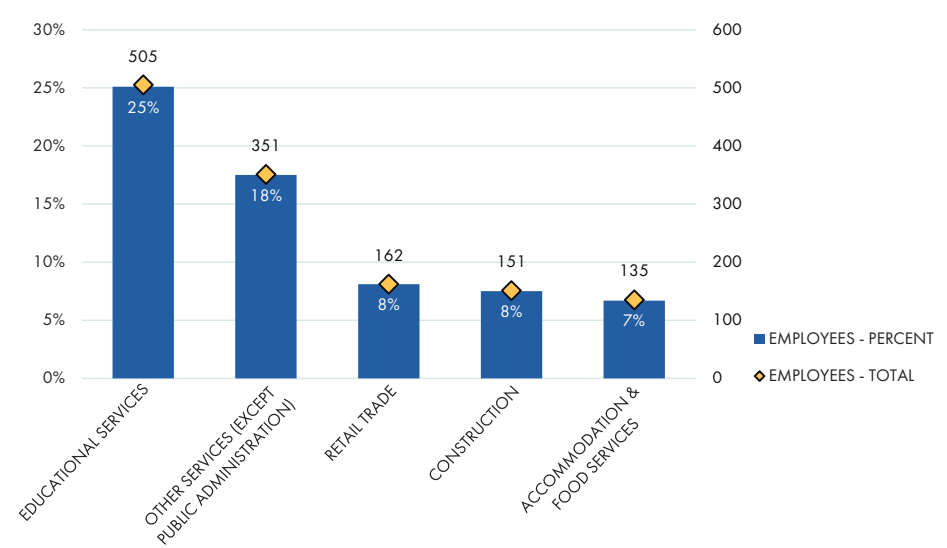
There are approximately 306 businesses in the Study Area employing roughly 2,008 individuals. When looking at the overall number of businesses, Retail Trade, Other Services (except Public Administration), Unclassified Establishments, Professional, Scientific & Tech. Services, and Health Care & Social Assistance make up the top 5 industry sectors; together, they account for nearly 60% of all Study Area businesses.

Nearly 65% of Study Area employees, or roughly 1,304 individuals, work for establishments within the Educational Services, Other Services (except Public Administration), Retail Trade, Construction, and Accommodation & Food Services sectors.

2022 STUDY AREA BUSINESSES BY INDUSTRY SECTOR - TOP 5



2022 STUDY AREA EMPLOYEES BY INDUSTRY SECTOR - TOP 5

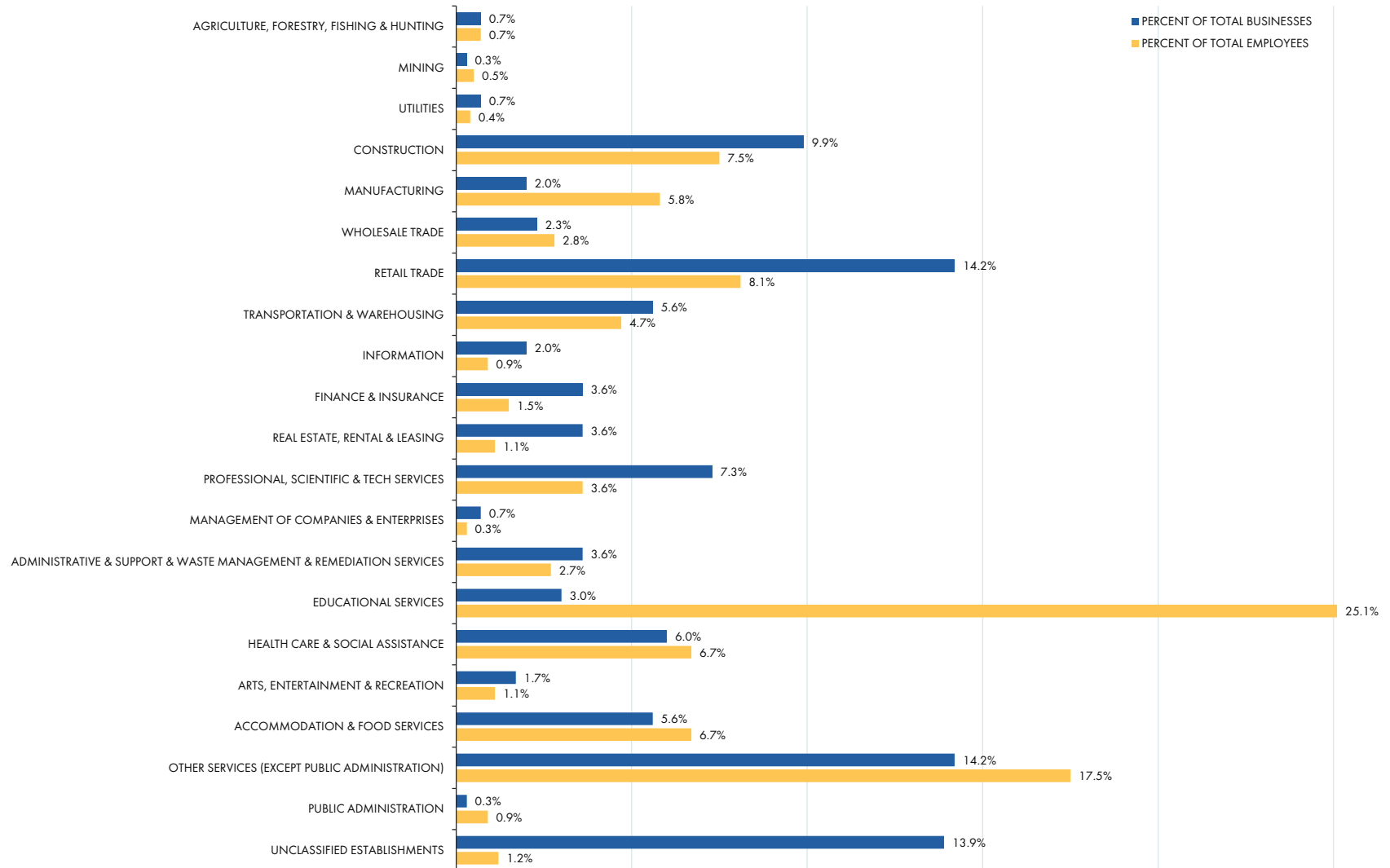


Source: Esri, 2022

Note: The U.S. Census Bureau’s North American Industry Classification System (“NAICS”) is the standard used by Federal statistical agencies in classifying business establishments. It is comprised of 20 broad industry sectors. Unclassified Establishments include those businesses that did not report a NAICS code. These are mostly newer establishments and is a temporary assignment until such time as a specific type of business can be determined.

# COMMUNITY OVERVIEW




## 2022 STUDY AREA INDUSTRY SECTORS - BY BUSINESSES & EMPLOYEES



# COMMUNITY OVERVIEW

## TAPESTRY SEGMENTATION

Esri's Tapestry Segmentation provides a detailed description of America's neighborhoods – U.S. residential areas are divided in 67 distinctive segments based on their socioeconomic and demographic composition. This information provides a snapshot of the different households that dominate a neighborhood or community and allows for a better understanding of a household's behavioral traits and characteristics including information on lifestyle, habits, interests, spending patterns, and skill sets. The following table details the 3 segments that comprise Study Area households:

|   | Overview  | Neighborhood Traits  | Socioeconomic Traits   |
|---|---|--|--|
| <b>Up &amp; Coming Families</b><br><br><b>7A</b><br><b>76.2%</b> | <p>One of the fastest-growing market segments in the country, these residents are in transition. They are younger and more mobile than the previous generation, as well as ambitious. They work hard to get ahead and are willing to take risks to achieve their goals. The recession has impacted their financial well-being, but they remain optimistic.</p> <p>Median Age: 31.4   Diversity Index: 73.9</p>                                    | <ul style="list-style-type: none"> <li>Many families live in new housing subdivisions constructed during the housing boom of the 2000s or later.</li> <li>Single-family homes have a median value of \$194,000 and a low vacancy rate.</li> <li>The price of affordable housing is longer commute times.</li> </ul> <p>Median HH Income: \$72,000   Average HH Size: 3.12</p>  | <ul style="list-style-type: none"> <li>Just over two thirds of residents have some college education or degree(s).</li> <li>Labor force participation is high at 71%, and 61% of households have two or more workers.</li> <li>These consumers seek the latest and best in technology, but they are careful shoppers, willing to shop around for the best deals and open to influence by others' opinions.</li> </ul>  |
| <b>Forging Opportunity</b><br><br><b>7D</b><br><b>16.6%</b>     | <p>Family is central to these communities, which is dominated by younger families with children or single-parent households with multiple generations living under the same roof. Most residents live in older single-family homes and a small minority reside in mobile homes. Most of these residents are Hispanic and White.</p> <p>Median Age: 28.9   Diversity Index: 80.6</p>   | <ul style="list-style-type: none"> <li>Homes are owner-occupied, with slightly higher monthly costs but fewer mortgages.</li> <li>Most are older homes, nearly 60% build from 1950 to 1989.</li> <li>Most households have one or two vehicles; many commuters carpool or walk to work.</li> </ul> <p>Median HH Income: \$38,000   Average HH Size: 3.62</p>  | <ul style="list-style-type: none"> <li>While a majority have finished high school, over 40% have not.</li> <li>Labor force participation is slightly lower, at 61%.</li> <li>More than one in four households is below the poverty level; residents balance their budgets careful by spending only on necessities and limiting activities like dining out.</li> <li>Many have no financial investments or retirement savings, but they do have their homes.</li> </ul> |
| <b>Workday Drive</b><br><br><b>4A</b><br><b>7.1%</b>           | <p>This is an affluent, family-oriented market partial to new housing within the suburban periphery of metropolitan areas, away from the hustle and bustle but close enough to commute to professional job centers. Households often consist of two working parents with growing children; time-saving services such as housekeeping are highly valued to allow for family-oriented pursuits.</p> <p>Median Age: 37.0   Diversity Index: 50.8</p> | <ul style="list-style-type: none"> <li>Owner-occupied homes have a high rate of mortgages, at 68%, and low rate of vacancy, at 4%.</li> <li>These are predominately single-family homes in newer neighborhoods. 34% were built in the 1990s and 31% built since 2000.</li> <li>Most households own 2 or 3 vehicles; long commute times are the norm with a large number of workers commuting to different counties.</li> </ul> <p>Median HH Income: \$90,500   Average HH Size: 2.97</p> | <ul style="list-style-type: none"> <li>72% of this segment has some college education, with 40.5% holding a degree.</li> <li>Labor force participation is 71%; two out of three households include two plus workers.</li> <li>Residents are connected with a host of wireless devices - anything that enables convenience.</li> <li>This market is well insured and invested in a range of funds, though they carry a higher level of debt.</li> </ul>                 |

Source: Esri, 2022

Note: These segments make up 26% of Fort Bend County households.



# EXISTING CONDITIONS

Hawes Hill & Associates conducted a review of existing conditions in the area through windshield surveys, review of previous plans and studies, and data analysis to identify specific conditions that would benefit from a TIRZ. Results of the existing conditions review show that there are conditions present within the proposed Zone that impede the sound growth of the area, as well as its ability to reach its full economic potential and support new development and redevelopment. These conditions include the following:

## WATER & WASTEWATER

Much of the Zone lies within Fort Bend County Freshwater Supply District No. 1. Currently, water facilities are available in various parts of the district; however, it has virtually no active wastewater facilities within the Zone, which is largely served by individual septic systems. Wastewater system expansions are projected to connect The Gateway Acres neighborhood in 2024 and the Fresno Ranchos neighborhood in 2025.

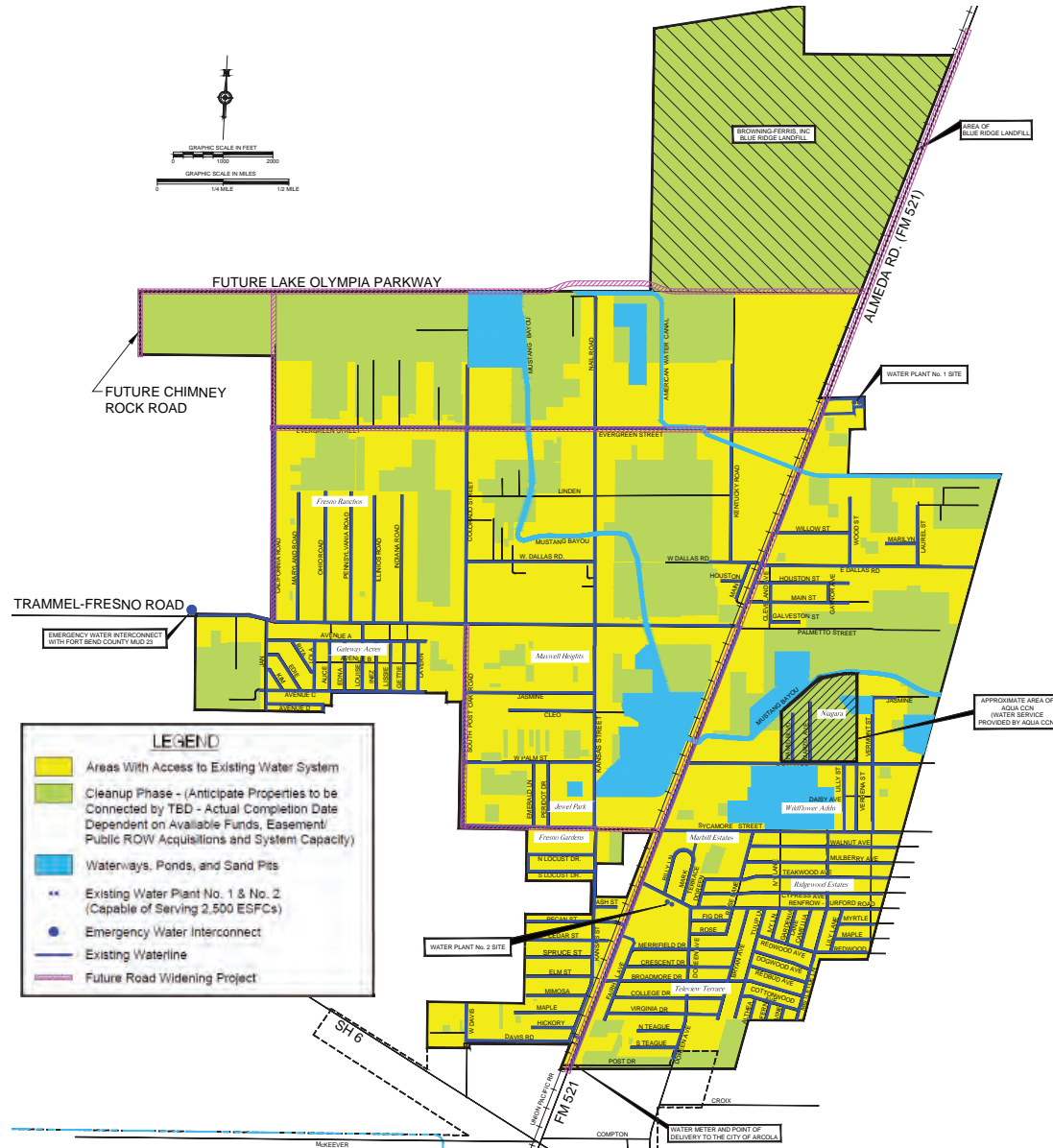
Aside from Fort Bend County Freshwater Supply District No. 1, smaller portions of the Zone are overlaid with various MUDs or CCNs:

- Fort Bend County MUD No. 24 and Fort Bend County MUD 168
- Fort Bend County MUD No. 45 (serves Amazon facility)
- Water CCN 12195 - Turner Water Service
- Water CCN 13203 / Sewer CCN 21065 - Aqua Texas Inc
- Water CCN 12903 - Houston Southwest Airport (serves airport only)

Given that roughly two thirds of the acreage within the Zone is currently undeveloped and much of the existing residential and commercial land is rural and underdeveloped, major water and wastewater infrastructure will be needed even in areas of the Zone within existing utility districts or service areas.

# EXISTING CONDITIONS

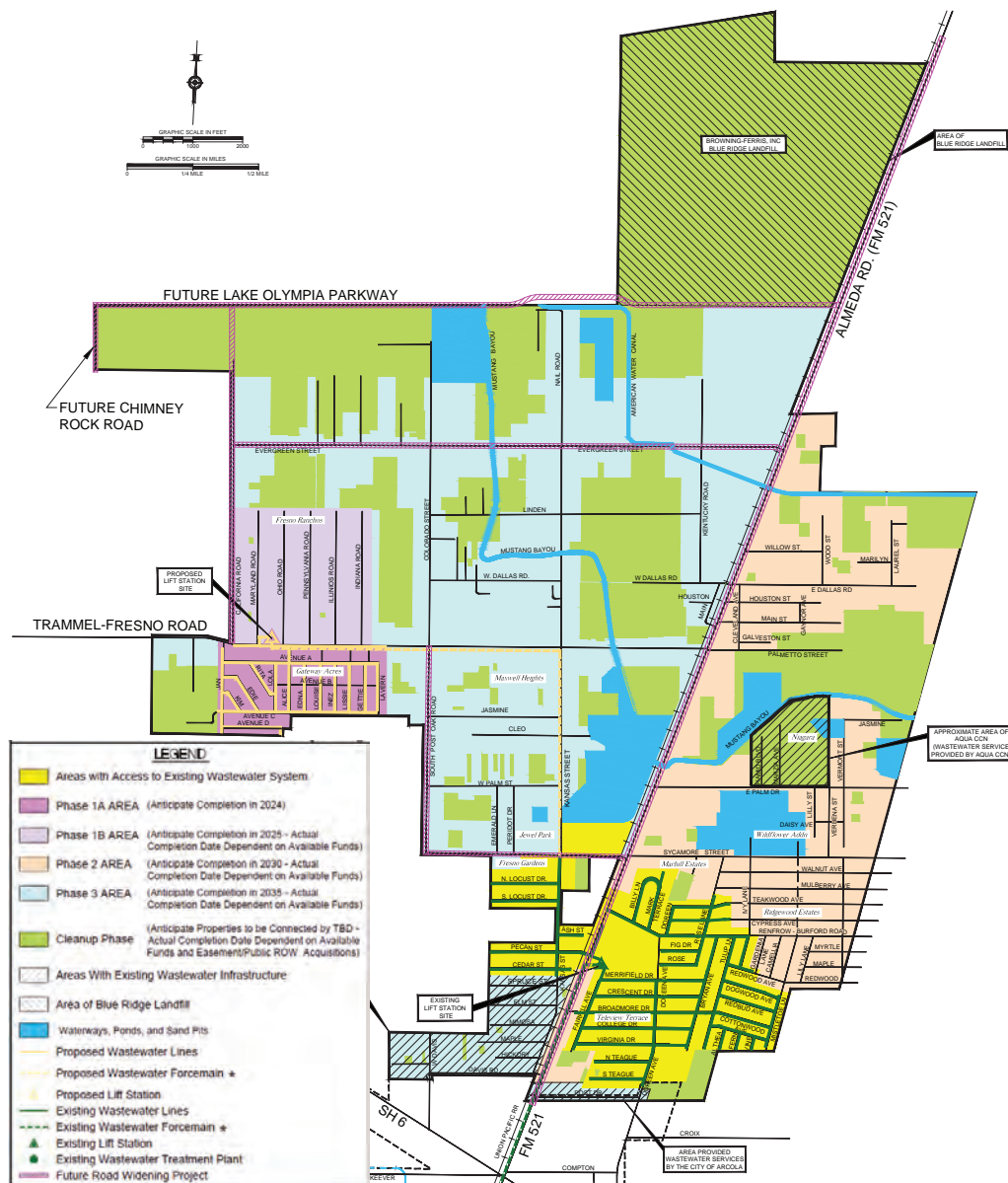
## FORT BEND COUNTY FRESHWATER SUPPLY DISTRICT NO. 1 - WATER SYSTEM



Source: Fort Bend County, Precinct 2

# EXISTING CONDITIONS

FORT BEND COUNTY FRESHWATER SUPPLY DISTRICT NO. 1 - WASTEWATER SYSTEM



Source: Fort Bend County, Precinct 2

# EXISTING CONDITIONS

## MOBILITY & CONNECTIVITY

Several major roadways connect to and/or bisect the Zone. These include the following north-south roads: the Fort Bend Parkway, a controlled access toll road with adjacency to the west, and FM 521, a major thoroughfare on the Zone's eastern boundary. Existing east-west arteries include: FM 2234 on the Zone's northern boundary and Trammel Fresno Rd., both major thoroughfares, as well State Highway 6, a principal thoroughfare to the south.

Apart from these area arteries, the Zone contains a local street grid comprised largely of either asphalt or gravel open-ditch country lanes of insufficient quantity and design to support future development / redevelopment patterns and multiple modes of travel.





# EXISTING CONDITIONS

## DRAINAGE & FLOODING

Regulatory Floodway and 100 Year Floodplain are relatively limited within the proposed Zone as a whole, with most of these flood hazard areas focused in and around Mustang Bayou, an improved channel transecting east-west across the boundaries. Current runoff in existing rural subdivisions is largely handled by roadside ditches and natural drainage features such as creeks and swales.



# EXISTING CONDITIONS

## UNDERUTILIZED & VACANT LAND

Much of the existing residential is comprised of either aging single-family residential units or mobile homes, which both offer opportunity for redevelopment and additional value creation - either with newer homes or conversion to more intense land uses. Additionally, two thirds of the Zone, primarily located in its northern half, is currently classified as agricultural or vacant land. Certain physical barriers, such as the landfill and the rail road tracks along FM 521 will impact the type of investment and land use in adjacent areas. The lack of consistent lot layout, ownership, and access also presents a barrier to potential redevelopment and/or development. Development will be dependent upon on public infrastructure improvements including water, wastewater, and drainage improvements, as well as additional mobility improvements.



## PUBLIC FACILITIES, PARKS & GREEN SPACE

As expected in an area with limited development, the Zone currently lacks many of the facilities and amenities that add value and fuel investment including places for recreation, natural areas, play areas, trails, activity centers, cultural facilities, and essential services such as law enforcement, fire protection and education. These amenities play a critical role in the ability to attract and expand investment.



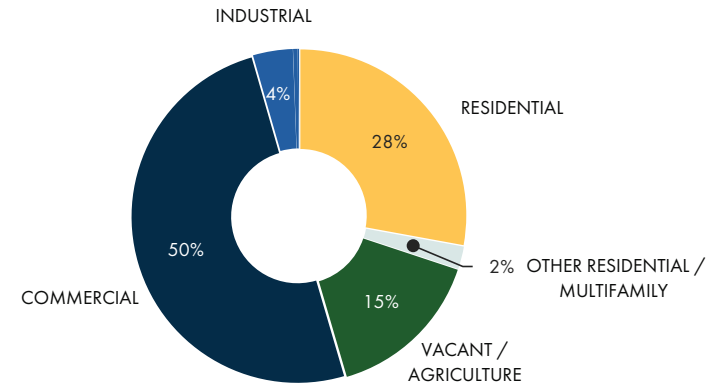
# PROPOSED TIRZ BOUNDARIES

The proposed Zone is generally bounded by FM 2234 and the Fort Bend County line to the north, Fenn Rd. to the south, FM 521 to the east, and the Fort Bend Parkway along with the Cambridge Falls, Estates of Teal Run, and Andover Farms subdivisions to the west. While the majority of the Zone is situated in unincorporated Fort Bend County, portions to the south and west fall within Arcola and Missouri City corporate limits, respectively.

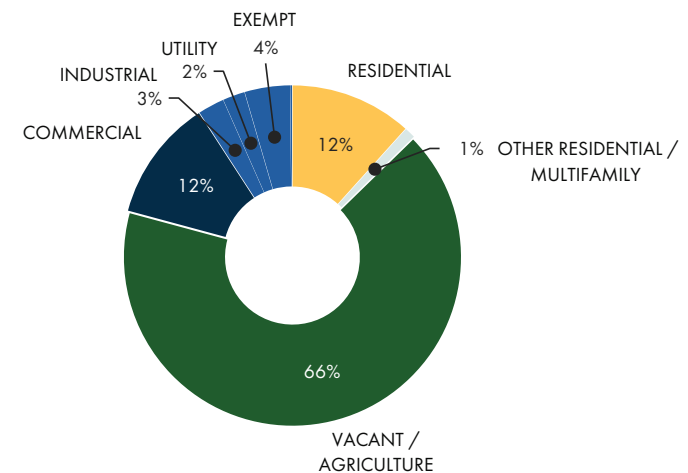
In identifying areas appropriate for tax increment financing and drafting the Zone boundary, the following were considered:

- Nearby corporate boundaries, as well as any special districts and service areas.
- 30% residential limit allowed by State Statute. No more than 30% of the taxable value of the proposed Zone may be classified as residential use at the time of creation.
- Areas that would generate significant increment through public improvements, such as underdeveloped and vacant areas needing infrastructure & mobility improvements, existing properties with low value per acre that could be converted to a higher use, and aging building / structures offering opportunities for redevelopment.
- Public facilities and spaces where improvements would enhance the economic viability of the area.

EXISTING PROPERTY CLASSIFICATION BY 2022 TAXABLE VALUE

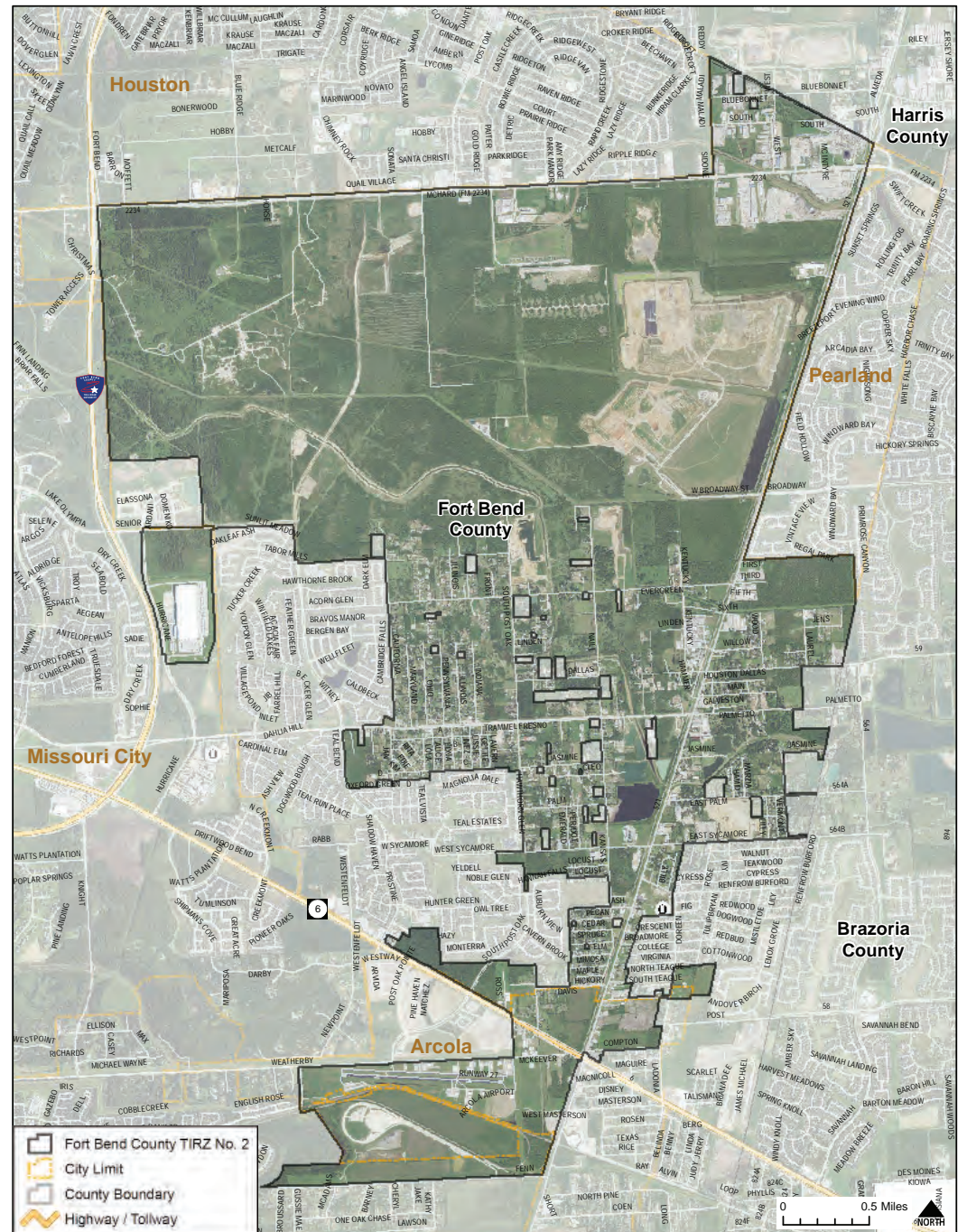


EXISTING PROPERTY CLASSIFICATION BY 2022 ACREAGE





## PROPOSED ZONE BOUNDARY



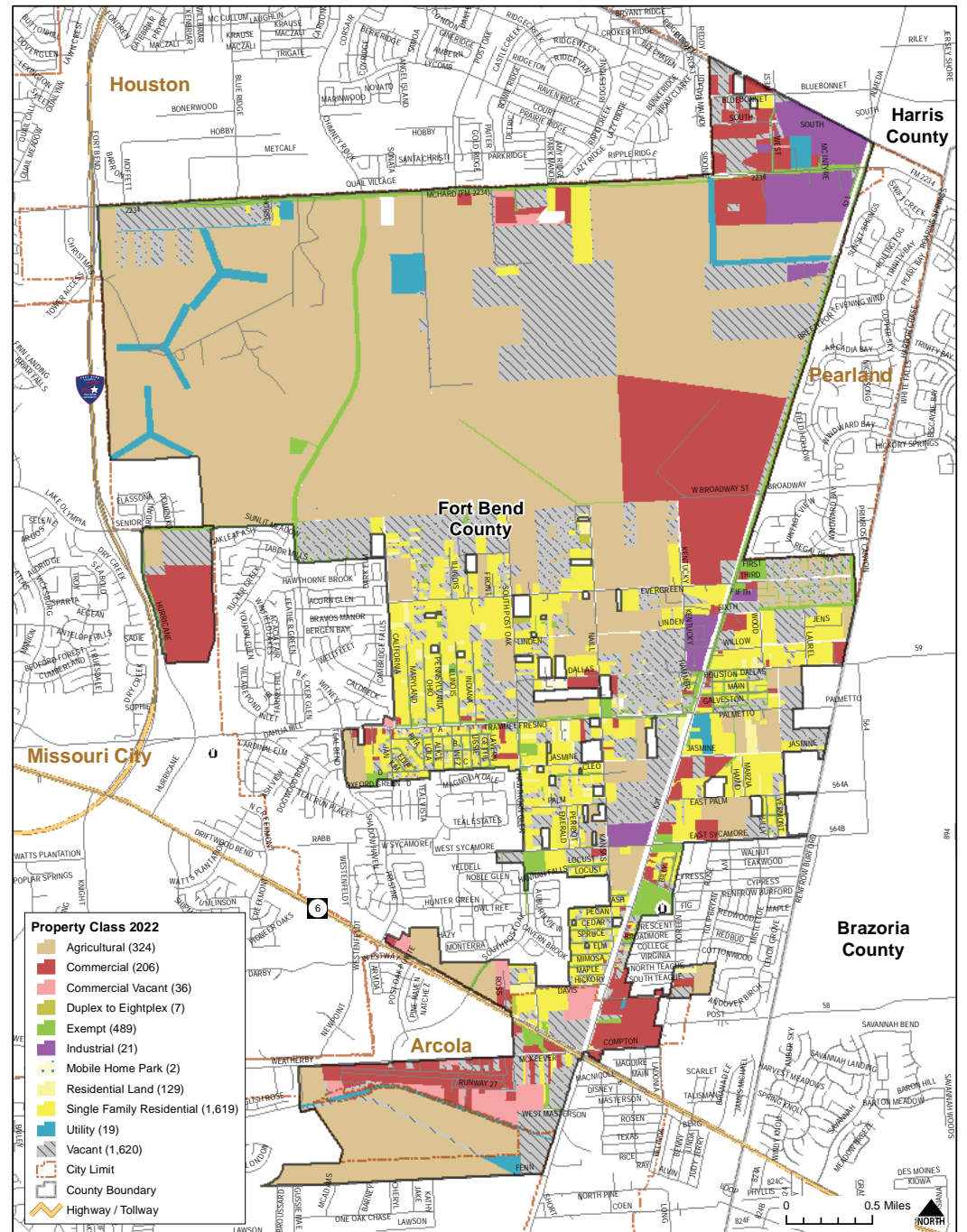


## PROPERTY CLASSIFICATION

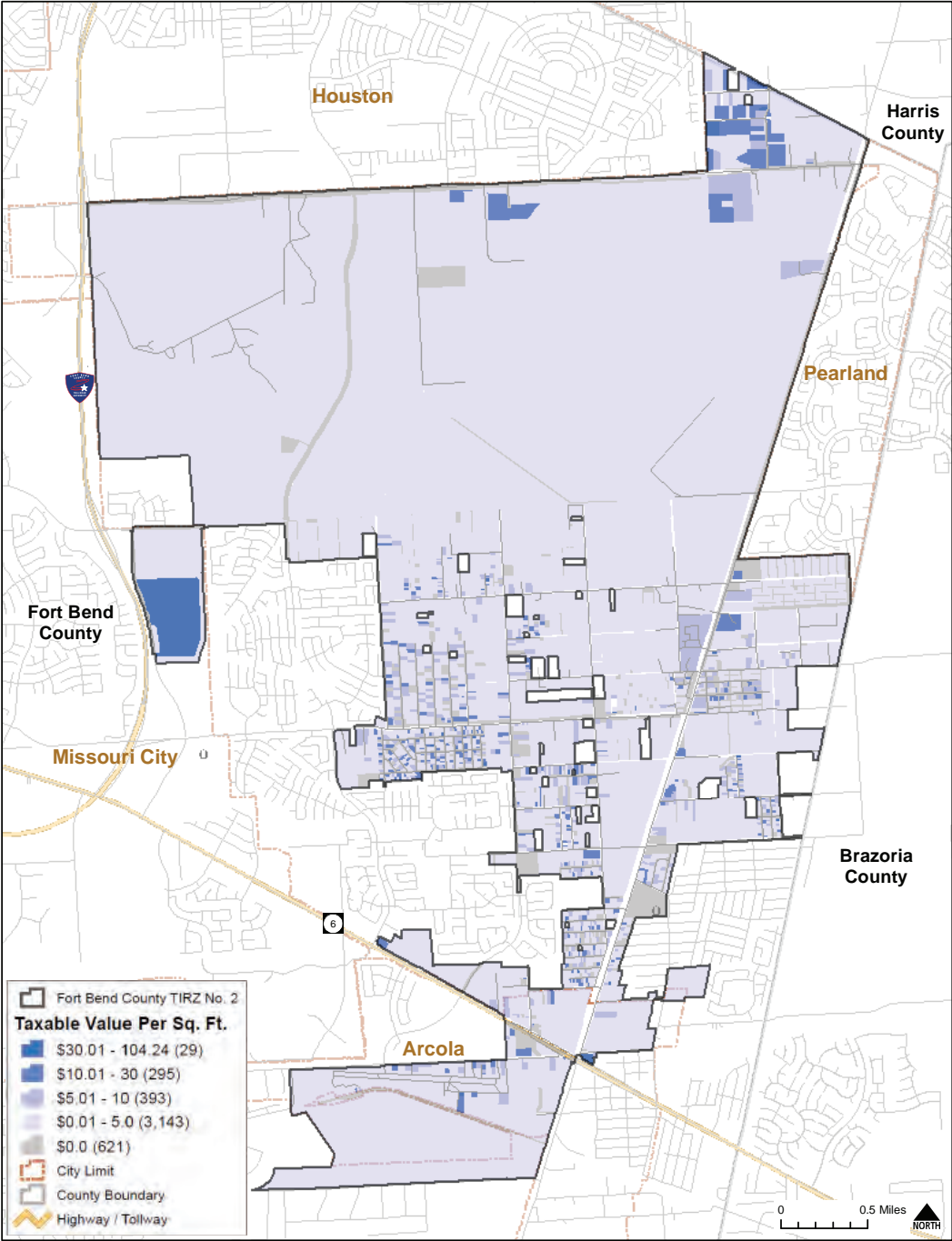
| Property Classification         | Acreage        |               | 2022 Taxable Value   |               |
|---------------------------------|----------------|---------------|----------------------|---------------|
|                                 | Total          | Percent       | Total                | Percent       |
| Residential                     | 1,050.0        | 11.7%         | \$147,983,782        | 27.9%         |
| Other Residential / Multifamily | 93.0           | 1.0%          | \$11,755,299         | 2.2%          |
| Vacant / Agriculture            | 5,983.9        | 66.5%         | \$81,635,300         | 15.4%         |
| Commercial                      | 1,047.7        | 11.6%         | \$265,818,841        | 50.1%         |
| HOA, Special Valuation          | 0.0            | 0.0%          | \$10                 | 0.0%          |
| Industrial                      | 228.0          | 2.5%          | \$20,613,216         | 3.9%          |
| Utility                         | 190.6          | 2.1%          | \$2,334,945          | 0.4%          |
| Exempt                          | 390.6          | 4.3%          | \$55,750             | 0.0%          |
| Unknown                         | 14.9           | 0.2%          | \$674,970            | 0.1%          |
|                                 | <b>8,998.9</b> | <b>100.0%</b> | <b>\$530,872,113</b> | <b>100.0%</b> |

Source: Fort Bend Central Appraisal District, 2022

Note: Right-of-way acreage excluded from table.



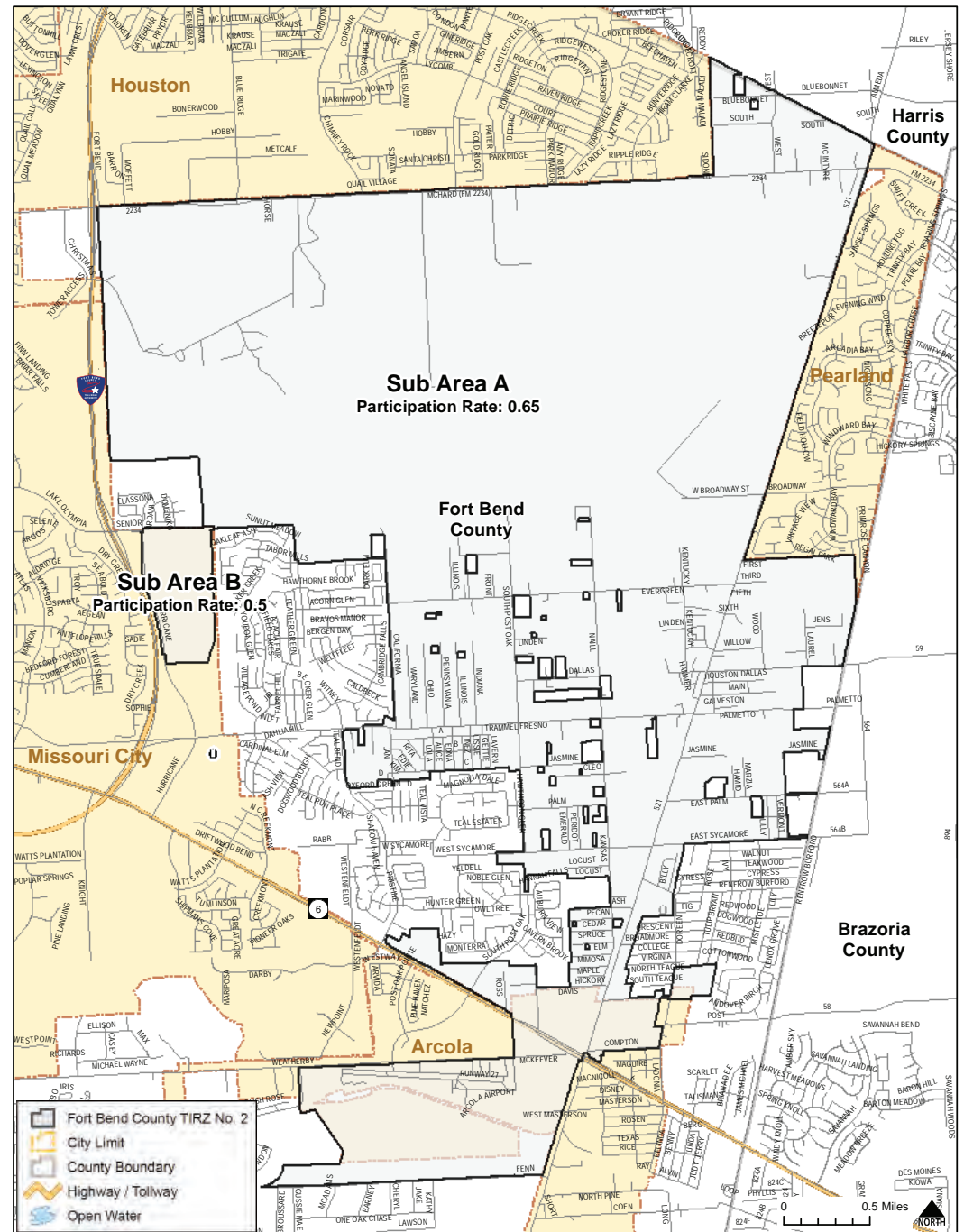
TAXABLE VALUE



Source: Fort Bend Central Appraisal District, 2022

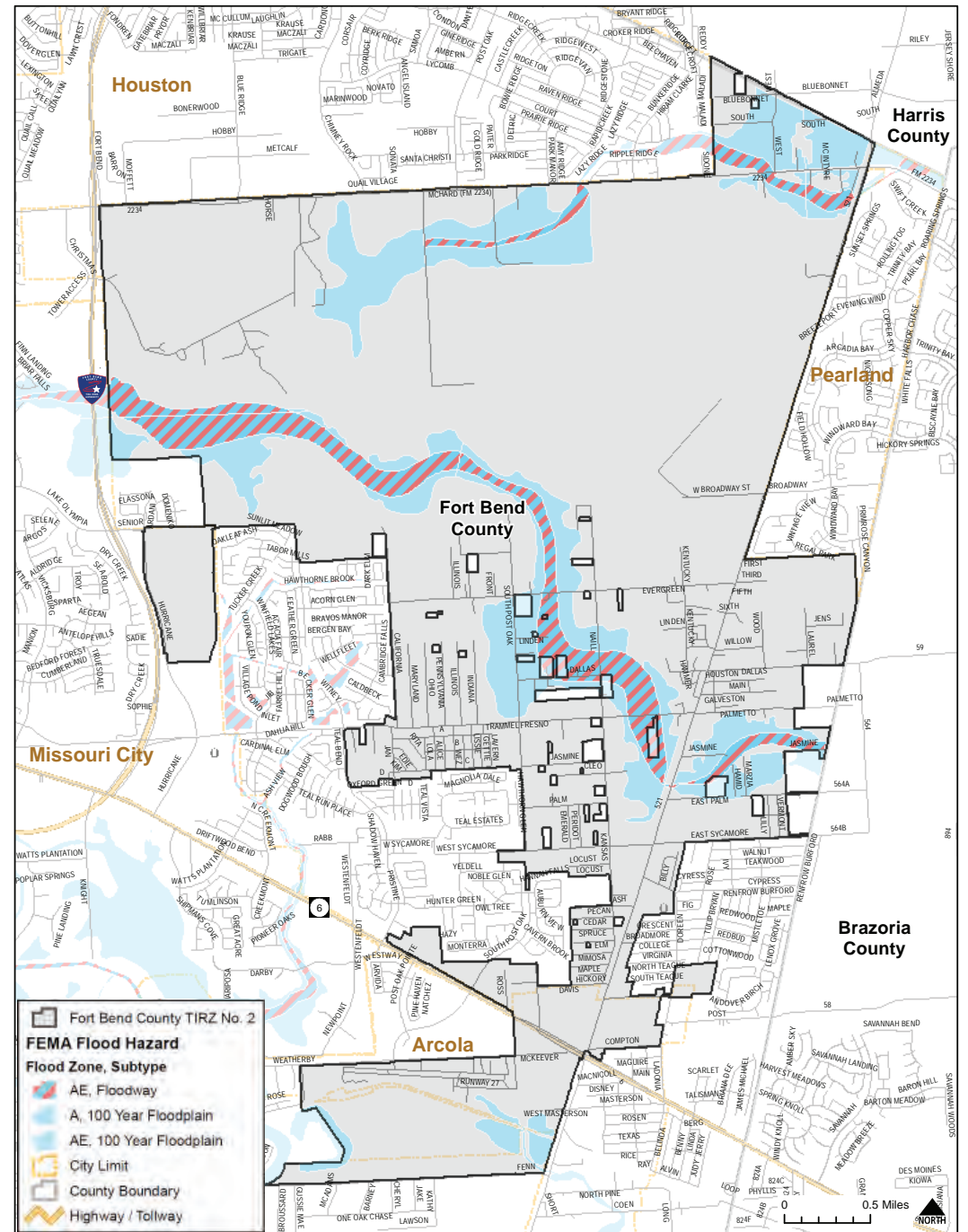
## CORPORATE LIMITS

| Corporate Limits                | Acreage        |               |
|---------------------------------|----------------|---------------|
|                                 | Total          | Percent       |
| Unincorporated Fort Bend County | 8,472.4        | 90.7%         |
| Arcola                          | 689.3          | 7.4%          |
| Missouri City                   | 178.9          | 1.9%          |
|                                 | <b>9,340.5</b> | <b>100.0%</b> |



Source: Fort Bend Central Appraisal District, 2022

## FLOOD HAZARD AREAS

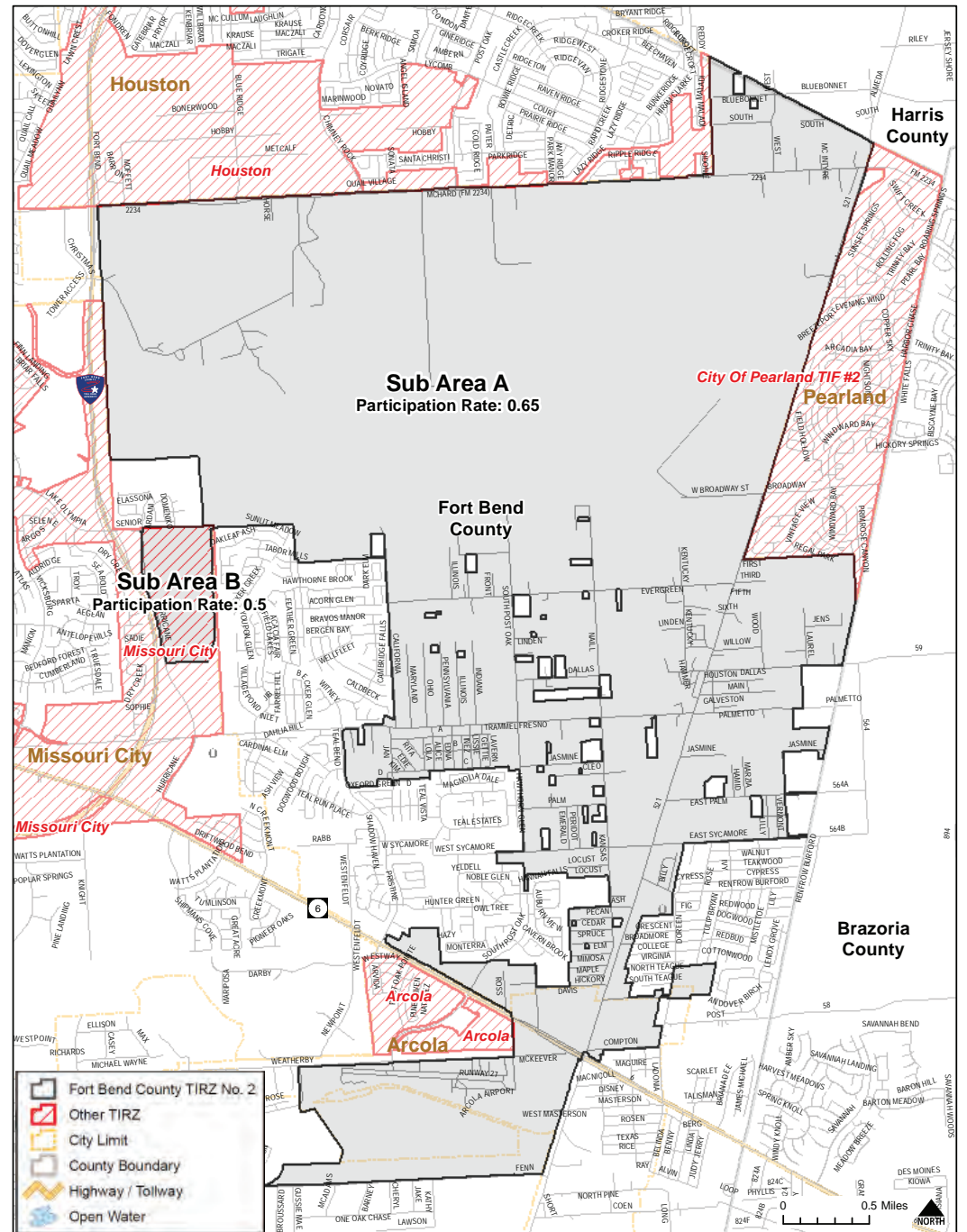


Source: Fort Bend County, FEMA



## SUB ZONES & PARTICIPATION

| Sub Zones  | 2022 Taxable Value   |               |
|------------|----------------------|---------------|
|            | Total                | Percent       |
| Sub Zone A | \$408,502,273        | 76.9%         |
| Sub Zone B | \$122,369,840        | 23.1%         |
|            | <b>\$530,872,113</b> | <b>100.0%</b> |



Source: Fort Bend Central Appraisal District, 2022

# PROJECTS

Projects that could be potentially funded by a TIRZ:

- Water and wastewater service improvements and expansions
- Stormwater management including regional detention and drainage projects
- Mobility improvements and roadway extensions, including bridges
- Streetscape improvements and enhancements including sidewalks, intersection improvements, lighting, signage, gateways / monuments
- Bike lanes/paths
- Land acquisition
- Parks, trails, open space, recreational / community facilities
- Plazas, gathering spaces, public art
- Public facilities, including those for emergency services
- Underground and overhead utilities
- Pedestrian accessibility and improvements

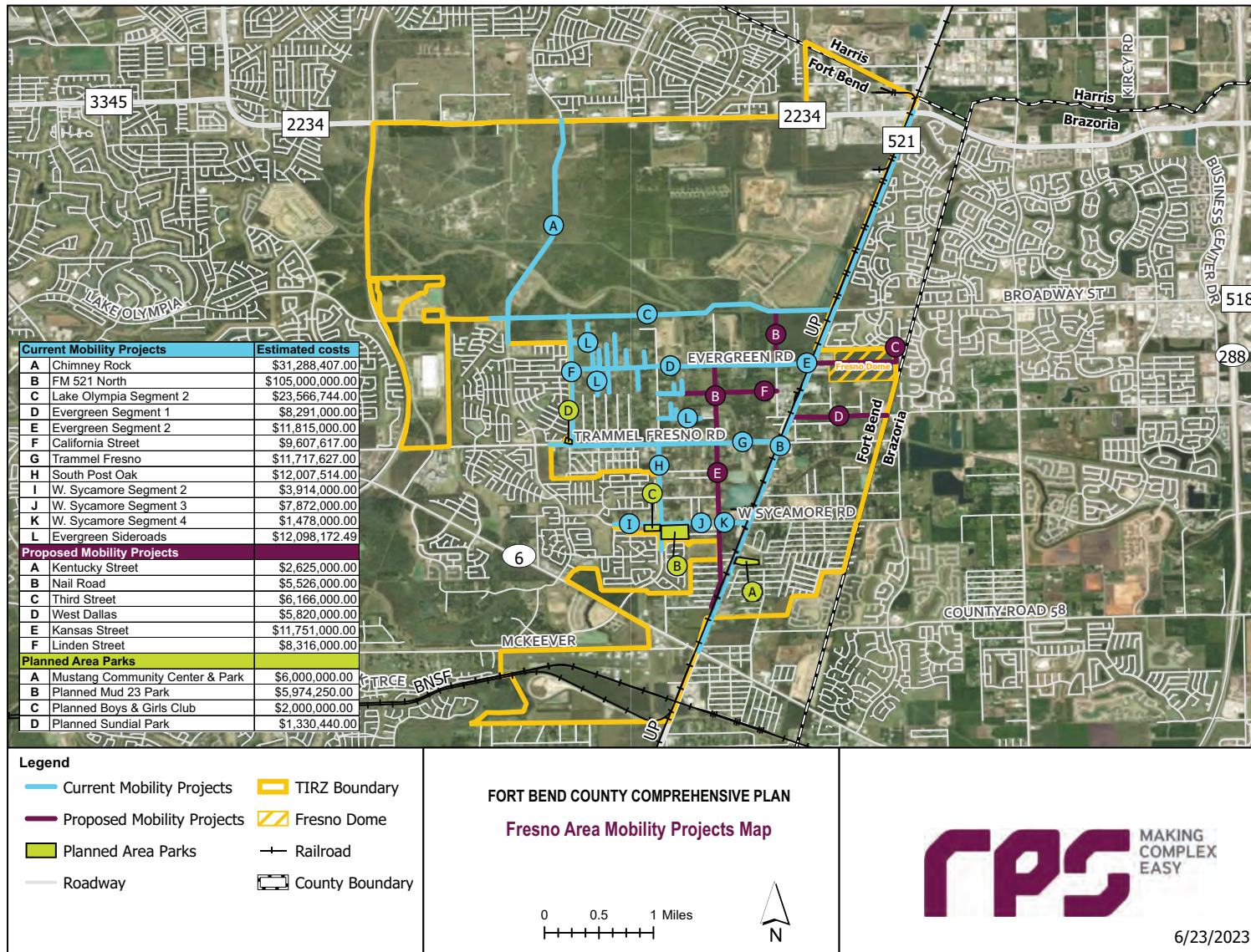
Projects identified in current Fort Bend County Comprehensive Plan:

- Improvements and extensions to major thoroughfares: FM 521, Trammel Fresno Rd., Chimney Rock Rd., and S. Post Oak Rd.
- Improvements and extensions to select local roadways
- Planned area parks: Mustang Community Center & Park, MUD 23 Park, Boys & Girls Club, and Sundial Park

Note: See following page a full list of county-identified projects.

# PROJECTS

## FORT BEND COUNTY COMPREHENSIVE PLAN - MOBILITY PROJECTS



Source: Fort Bend County, Precinct 2

Note: TIRZ boundary needs to be updated.

# REVENUE SCENARIOS

As part of the feasibility analysis, revenue scenarios were developed that reflect different assumptions related to infrastructure improvements, growth rates, and development impacts. The purpose of the scenarios is to illustrate how infrastructure improvements influence the timing, type, and value of development, as well as to demonstrate the financial feasibility of the proposed tax increment reinvestment zone.

## LAND USE ASSUMPTIONS

Scenario 1 (low):

- Assumes \$90 million in added taxable value over 30 years
- Assumes annual value appreciation of 2.0% and a tax collection rate of 98%
- Assumes Sub Zone A participation at 65% and Sub Zone B participation at 50%

Scenario 2 (high):

- Assumes \$177.3 million in added taxable value over 30 years
- Assumes annual value appreciation of 3.0% and a tax collection rate of 98%
- Assumes Sub Zone A participation at 65% and Sub Zone B participation at 50%

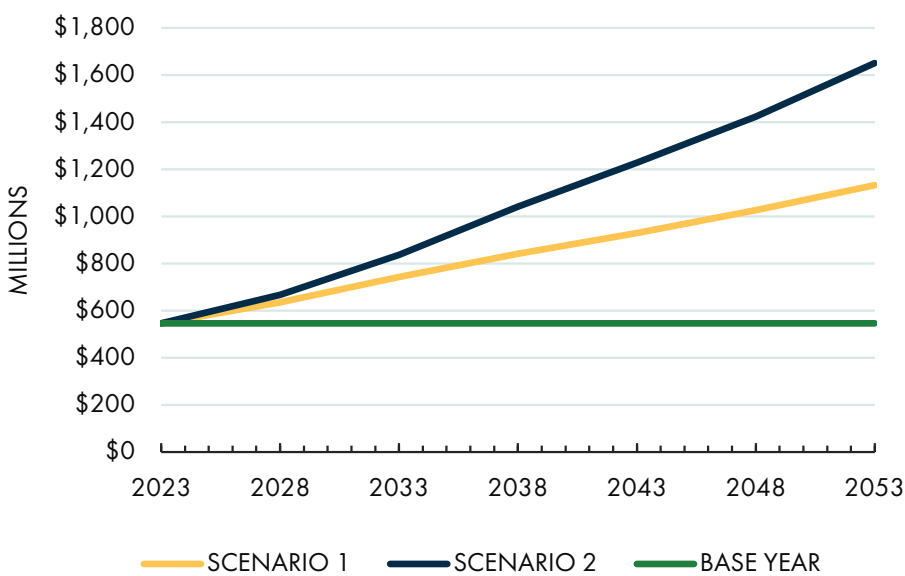
## TIRZ REVENUE SUMMARY - 5 YEAR INTERVALS

| Tax Year                            | Scenario 1      |                     | Scenario 2          |                     |
|-------------------------------------|-----------------|---------------------|---------------------|---------------------|
|                                     | Taxable Value   | Annual TIRZ Revenue | Taxable Value       | Annual TIRZ Revenue |
| 2023                                | \$546,798,276   | \$-                 | \$546,798,276       | \$-                 |
| 2028                                | \$635,578,502   | \$239,420           | \$667,948,237       | \$325,313           |
| 2033                                | \$743,569,426   | \$531,595           | \$837,191,368       | \$782,840           |
| 2038                                | \$841,574,695   | \$794,920           | \$1,041,248,252     | \$1,335,178         |
| 2043                                | \$929,166,465   | \$1,028,098         | \$1,228,236,371     | \$1,837,092         |
| 2048                                | \$1,025,874,857 | \$1,285,545         | \$3,767,289         | \$2,359,914         |
| 2053                                | \$1,132,648,736 | \$1,569,788         | \$4,741,405         | \$2,966,008         |
| <b>Total Revenues (2023 - 2053)</b> |                 | <b>\$24,100,820</b> | <b>\$41,969,294</b> |                     |

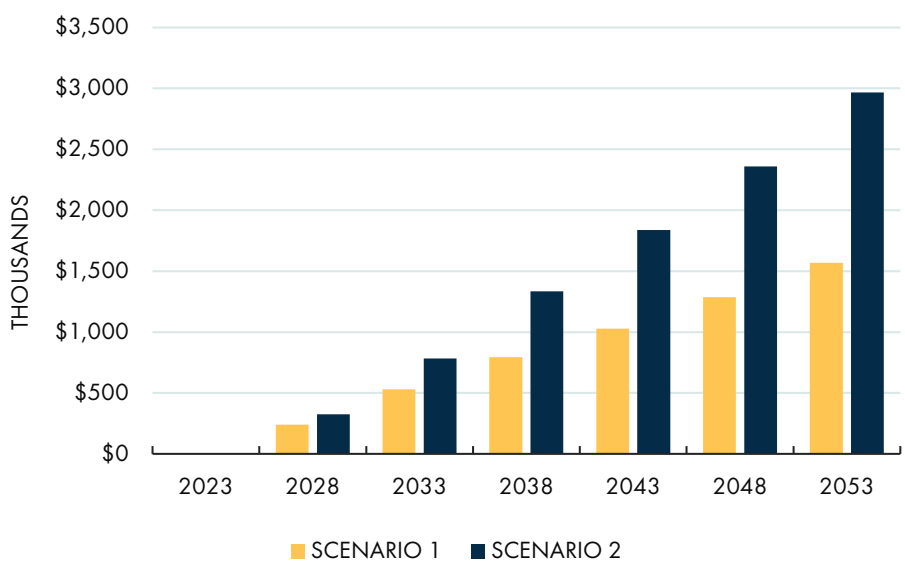


# REVENUE SCENARIOS

TAXABLE VALUE - 5 YEAR INTERVALS



ANNUAL TIRZ REVENUE - 5 YEAR INTERVALS



# TIRZ FEASIBILITY

## KEY FINDINGS

- Increased growth pressures are expected to persist in the area as a result of overall market conditions in the Houston MSA, resulting in redevelopment/development opportunities.
- Surrounding suburban development such as Shadow Creek Ranch, Teal Run, and Winfield Lakes prove that the market exists for new residential development in the area.
- Currently there are a number of constraints to development within the proposed Zone including faulty lot layout, current uses, lack of basic infrastructure, including water, sewer and drainage improvements and mobility constraints.
- Public improvements funded/implemented by the county and other partners would help stimulate development within the Zone. Provision of water and wastewater infrastructure, as well as internal mobility improvements would support the viability and quality of new development and redevelopment.
- Timing and availability of infrastructure will influence the density and quality of development.
- A TIRZ would allow for the implementation of capital improvements in advance of Fort Bend County being able to solely fund them on its own through the use of developer reimbursement agreements and the ability to leverage resources with other taxing entities.
- Based on values and revenue projections for the scenarios as outlined in this report, revenues generated as a result of capital improvements made by the TIRZ would fund certain public infrastructure improvements

within the proposed reinvestment Zone.

## CONCLUSION

The extent and quality of development in the proposed Zone is dependent on the timing and implementation of public infrastructure and other projects including water, wastewater, drainage, and roadway improvements. A tool like tax increment reinvestment zone financing can facilitate and expedite new development and investment in the targeted areas within Precinct 2. Development to its fullest economic potential would not occur solely through private investment in the reasonably foreseeable future without the use of a tool like tax increment financing.