

AMENDMENT NO. 2 TO ARCOLA REINVESTMENT ZONE DEVELOPMENT PLAN
AGREEMENT

This AMENDMENT NO. 2 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 17, 2024 (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, as amended by Amendment No. 1 to Arcola Reinvestment Zone Development Plan Agreement adopted by the City pursuant to City Resolution No. 12-14-2021 (together, the “Agreement”), regarding the development of approximately 273.516 acres of land (consisting of the original 190.418- acre tract and the 83.098-acre tract added by Amendment No. 1) located within the Zone (the “Tract”) and the financing, design, construction, operation and maintenance of District Improvements and TIRZ Improvements (as defined in the Agreement) to serve the Tract.

Pursuant to City Ordinance No. _____, and at the request of the owners of the land, the City annexed two additional tracts of land into the Zone consisting of 39.834-acres and 7.760-acres, respectively (together, the “Second Annexation Tract”).

The Parties now desire to enter into this Amendment to add the Second Annexation Tract to the Agreement and set forth terms and conditions related to the development of the Second Annexation Tract and the financing, design, construction, operation and maintenance of certain public improvements to serve the Second 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 Second 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 definition of the “Annexation Tract No. 2” and replacing the definitions of “Captured Appraised Value,” “District Land,” “Final TIRZ Plan,” and “Zone Land” as follows:

“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; plus the total taxable value of all real property taxable by the City and the County and located in the Second Annexation Tract within the Zone for that year less the base appraisal value, being established as of January 1, 2024.

“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 the approximately 39.834-acre and 7.760-acre tracts of land within the Second 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 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, as amended by Amendment No. 1 to the Final Project Plan and Reinvestment Zone Financing Plan approved by the TIRZ Board on December 9, 2024, and approved by the City pursuant to Ordinance No. _____ adopted by the City Council on December 10, 2024, and as may be further amended from time to time in accordance with the TIRZ Act.

“Second Annexation Tract” means the approximately 39.834-acre and 7.760-acre tracts of land annexed into the Zone pursuant to and as described in City Ordinance No. _____.

“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 the approximately 39.834-acre and 7.760-acre tracts of land, overlapping the District Land, as described in City Ordinance No. _____; 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 \$60,273,892 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 Bonds. The City consents to sale of the District’s Bonds in accordance with

Section 375.207, Texas Local Government Code, for District Improvement Costs and Net TIRZ Improvement Costs. 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 \$57,512,792 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 _____, 2024, to be effective insofar and only insofar as to the undersigned as of the aforesaid date.

CITY OF ARCOLA, TEXAS

Veeda Williams, Mayor

ATTEST:

APPROVED AS TO FORM:

Ingrid Flornoy, City Secretary

Justin Pruitt, City Attorney

EXECUTED on _____, 2024, 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 _____, 2024.

EXECUTED on _____, 2024, 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:

_____, Secretary

EXECUTED on _____, 2024, to be effective insofar and
only insofar as to the undersigned as of the aforesaid date.

FORT BEND COUNTY

KP George, County Judge

ATTEST:

Laura Richard, County Clerk

Exhibit A
TIRZ Improvements

EXHIBIT A

TIRZ Improvements

Projects	Amount	Maintenance	Ownership
Residential, Water, Sewer, Drainage, Roadways			
Single-Family Dwellings, Section 1	3,151,951	City	City
Single-Family Dwellings, Section 2	2,463,498	City	City
Single-Family Dwellings, Section 3	2,651,010	City	City
Single-Family Dwellings, Section 4	3,927,948	City	City
Single-Family Dwellings, Section 5	655,934	City	City
Single-Family Dwellings, Section 6	5,634,108	City	City
Single-Family Dwellings, Section 7	2,344,572	City	City
Single-Family Dwellings, Section 8	2,298,372	City	City
Single-Family Dwellings, Section 9	2,118,391	City	City
Clearing, Grubbing and Stripping, Phase I	126,060	N/A	N/A
Clearing, Grubbing and Stripping, Phase II	69,092	N/A	N/A
Clearing, Grubbing and Stripping, Phase III	396,604	N/A	N/A
Minor Collector Road (Post Oak Pointe Drive)	3,438,783	City	City
Minor Collector Road Phase 1 (Reverie Ranch)	1,744,512	City	City
Fenn Road Improvements	1,839,915	City	City
Water and Wastewater Supply			
Offsite Waterline	149,813	City	City
Onsite Lift Station	933,563	City	City
Offsite Lift Station I (City Hall Lift Station Project)	1,615,583	City	City
Offsite Lift Station II (Offsite Force Main Project)	1,341,169	City	City
Water Plant	4,433,200	City	City
Water Plant Improvements (Additional Storage Tanks)	978,478	City	City
Wastewater Treatment Plant Expansion Phase 1	2,168,064	City	City
Wastewater Treatment Plant Expansion Phase 2	2,178,000	City	City
Onsite Lift Station (Reverie Ranch)	1,257,446	City	City
Offsite Waterline on Fenn Road	220,790	City	City
Offsite Sanitary Force Main on Fenn Road	245,322	City	City
Detention			
West Pond Detention	1,518,538	District	District
East Pond Detention	846,225	District	District
Reverie Ranch Detention Phase 1	3,038,409	District	District
Reverie Ranch Detention Phase 2	2,037,813	District	District
Environmental Fees			
Permits and Studies, Phase I	92,330	District	District
Permits and Studies, Phase II	63,000	District	District
Permits and Studies, Phase III	11,400	District	District
Parks & Recreational Facilities (Post Oak Pointe)			
Parks & Recreational Facilities (Reverie Ranch)	\$850,000	District	District
City Hall Renovations	\$1,000,000	District	District
City Wellness Park	2,034,000	City	City
City Wellness Park	400,000	City	City
GROSS TIRZ IMPROVEMENTS			
	\$60,273,892		
FEDERAL FUNDS			
	\$2,761,100		
NET TIRZ IMPROVEMENT COSTS			
	\$57,512,792		

Exhibit B

District Improvements

EXHIBIT B

District Improvements

Projects	Amount	Maintenance	Ownership
Residential, Water, Sewer, Drainage, Roadways			
Single-Family Dwellings, Section 1	3,151,951	City	City
Single-Family Dwellings, Section 2	2,463,498	City	City
Single-Family Dwellings, Section 3	2,651,010	City	City
Single-Family Dwellings, Section 4	3,927,948	City	City
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GROSS TIRZ IMPROVEMENTS			
	\$60,273,892		
FEDERAL FUNDS			
	\$2,761,100		
NET TIRZ IMPROVEMENT COSTS			
	\$57,512,792		

Exhibit C
Zone Map

Exhibit C
Zone Map

