



# TIRZ BOARD 2 REGULAR MEETING

## CITY OF BAY CITY

Tuesday, November 09, 2021 at 6:00 PM  
COUNCIL CHAMBERS | 1901 5th Street

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*Bay City is committed to developing and enhancing the long-term prosperity, sustainability, and health of the community.*

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## AGENDA

**CALL TO ORDER & CERTIFICATION OF QUORUM**

**APPROVAL OF AGENDA**

**APPROVAL OF MINUTES SUMMARY**

- 1. Accept minutes summary from the September 9, 2021 TIRZ #2 Board Meeting.**

**CALL TO ORDER & CERTIFICATION OF QUORUM**

**REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL:**

- 2. Discuss, consider, and/or approve appointment of Vice Chair.**
- 3. Report ~ Discuss, consider and/or approve the Tax Increment Fund for TIRZ #2 Financial Report as of September 30, 2021, including current balance, disbursements, and the amount of any receivables. Scotty Jones, Director of Finance**
- 4. Briefing on Proposed TIRZ #2 Amended Boundary and Amended Project and Financing Plan (PFP). David Pettit**
- 5. Consider and/or approve the Amendments to City Council.**

**ITEMS / COMMENTS FROM BOARD MEMBERS**

**ADJOURNMENT**

### CERTIFICATION OF NOTICE

This is to certify that the above notice of a Special Called Meeting was posted on the front window of the City Hall of the City of Bay City, Texas on **Friday, November 5, 2021 before**

**6:00 p.m.** Any questions concerning the above items, please contact Mayor Robert K. Nelson at (979) 245-2137.

### **AGENDA NOTICES:**

#### Action by Council Authorized:

The City Council may vote and/or act upon any item within this Agenda. The Council reserves the right to retire into executive session concerning any of the items listed on this Agenda, pursuant to and in accordance with Texas Government Code Section 551.071, to seek the advice of its attorney about pending or contemplated litigation, settlement offer or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas conflict with the Open Meetings Act and may invoke this right where the City Attorney, the Mayor or a majority of the Governing Body deems an executive session is necessary to allow privileged consultation between the City Attorney and the governing body, if considered necessary and legally justified under the Open Meetings Act. The City Attorney may appear in person or appear in executive session by conference call in accordance with applicable state law.

#### Attendance by Other Elected or Appointed Officials:

It is anticipated that members of other city board, commissions and/or committees may attend the meeting in numbers that may constitute a quorum of the other city boards, commissions and/or committees. Notice is hereby given that the meeting, to the extent required by law, is also noticed as a meeting of the other boards, commissions and/or committees of the City, whose members may be in attendance. The members of the boards, commissions and/or committees may participate in discussions on the same items listed on the agenda, which occur at the meeting, but no action will be taken by such in attendance unless such item and action is specifically provided for on an agenda for that board, commission or committee subject to the Texas Open Meetings Act.

#### Executive Sessions Authorized:

This agenda has been reviewed and approved by the City's legal counsel and the presence of any subject in any Executive Session portion of the agenda constitutes a written interpretation of Texas Government Code Chapter 551 by legal counsel for the governmental body and constitutes an opinion by the attorney that the items discussed therein may be legally discussed in the closed portion of the meeting considering available opinions of a court of record and opinions of the Texas Attorney General known to the attorney. This provision has been added to this agenda with the intent to meet all elements necessary to satisfy Texas Government Code Chapter 551.144(c) and the meeting is conducted by all participants in reliance on this opinion. The facility is wheelchair accessible and accessible parking spaces available. Request for accommodations or interpretive services must be made 48 hours prior to the meeting. Please contact the City Secretary's Office at 979-245-5311 or email, [dholubec@cityofbaycity.org](mailto:dholubec@cityofbaycity.org) for further information.

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Lillie Norris

*City Secretary*



## CALL TO ORDER & CERTIFICATION OF QUORUM

Board meeting was called to order by the Board Chairman, William Bell Jr., at 4:05 pm

### PRESENT

William Bell Jr., Chairman  
 Bryan Prochnow  
 Craig Hlavinka  
 DC Dunham  
 Edward "Bubba" Cook

William Cornman  
 Jim Folse

### ABSENT

Kent Pollard  
 Samantha Denbow

Noted by the Board, that at the last meeting Julie Estlimbaum was nominated as Vice Chairman. Ms. Estlimbaum is no longer on the TIRZ #2 Board and was replaced by City nominee Jim Folse. City Secretary is to correct the Board Member listing and place Vice Chairman nomination on the agenda for the next meeting.

## APPROVAL OF AGENDA

Motion made by William Cornman to approve the agenda, Seconded by DC Dunham.  
 Voting Yea: Bryan Prochnow, Craig Hlavinka, DC Dunham, Bubba Cook, William Bell Jr, William Cornman, James Folse. Motion carried.

## PUBLIC COMMENTS

Mitch Thames, Chamber of Commerce and Agriculture, stated in regards of the Board asking him to speak to the other taxing entities about Bold Fox proposal, he has spoken with the Hospital Board and the others are scheduled.

## APPROVAL OF MINUTES SUMMARY

### 1. **Accept minutes summary from the August 12, 2021 TIRZ #2 Board Meeting**

Motion made by William Cornman to approve the minutes of August 12, 2021 with corrections, Seconded by Bubba Cook. Voting Yea: Bryan Prochnow, Craig Hlavinka, DC Dunham, Bubba Cook, William Bell Jr, William Cornman, Jim Folse. Motion



carried.

## REGULAR ITEMS FOR DISCUSSION, CONSIDERATION AND/OR APPROVAL:

### 2. Proposal ~ Discuss, consider, and/or take direction on the development proposal from Bold Fox Development

Alex Kamkar, Bold Fox Development, discussed their proposal on the 58 acre parcel presented at the Workshop on July 8th. Mr. Kamkar stated that they still need to do homework on financial plans and are in contact with contractors. Financial backers prepared. He stated that they have met with the City Manager and the City Finance Officer. There are 4 things that need to happen: Project plan amendment, financials, regionalized study compartmentalized to fold into with Regional Drainage Study, petition and annexation into the TIRZ territory.

Board conferenced called David Pettit, DPED, to ask what was involved in the expansion and development. Mr. Pettit replied that there will need to be an amendment to the creation ordinance and boundaries, a public hearing, and other taxing entities will need to amend participation agreements. Bill Cornman asked about how much in expenses and Mr. Pettit answered that services are under public bidding process, but one he had done was around \$25,000. Mr. Cornman also asked about how long does it take to get done and Mr. Pettit replied that the City part will take about 3 to 4 weeks and the other taxing units by the end of the year. Mr. Bell asked about if the other taxing units do not want to participate and Mr. Pettit replied then we do a boundary 2A with no increments.

Mr. Cornman stated that he would like the board to retain David Pettit. DC Dunham recapped with 1) amend land area, 2) Finance project plan by Bold Fox, 3) Reimbursement agreement.

William Cornman made a motion to request the City of Bay City to retain David Pettit, Professional Services. Second by DC Dunham. Voting Yea: Bryan Prochnow, Craig Hlavinka, Bubba Cook, DC Dunham, William Bell Jr, William Cornman, Jim Folse. Motion carried.

## ITEMS / COMMENTS FROM BOARD MEMBERS

There were no items from the Board.

## ADJOURNMENT



Minutes

TIRZ Board 2 Regular Meeting

September 09, 2021

Motion made by William Cornman to adjourn, Seconded by DC Dunham. Voting Yea: Bryan Prochnow, Craig Hlavinka, DC Dunham, Bubba Cook, William Bell Jr, William Cornman, Jim Folse. Motion carried and the Board adjourned at 5:03.

**PASSED AND APPROVED**, this \_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
WILLIAM BELL, JR.; BOARD CHAIRMAN

TIRZ BOARD #2

\_\_\_\_\_  
JEANNA THOMPSON

CITY SECRETARY

**DISCUSS, CONSIDER, AND/OR APPROVE THE TAX INCREMENT FUND FOR TIRZ #2 FINANCIAL REPORT AS OF SEPTEMBER 30, 2021, INCLUDING CURRENT BALANCE, DISBURSEMENTS, AND THE AMOUNT OF ANY RECEIVABLES.**



## **EXECUTIVE SUMMARY**

### **BACKGROUND:**

At each called meeting, an updated financial will be presented. This provides the Board opportunity to discuss the TIRZ's financial activity since last meeting.

In addition, an annual accounting is provided to each participating entity that details the funds deposited to and disbursed from the Tax Increment Fund.

**ATTACHMENTS:** TIRZ # 2 Financial as of 9-30-21

Recap of Financing Plan

Recap of Expenditures of the TIRZ by Fiscal Year

**City of Bay City**  
**Financial Statement**  
**Tax Increment Reinvestment Zone #2**  
**September 30, 2021**

**TIRZ 2**

Beginning Fund Balance 10-1-20	160,014.21
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**Revenues**

TIRZ # 2 City	82,074.61
TIRZ # 2 County	52,471.07
TIRZ # 2 Hospital	39,535.98
TIRZ # 2 Port of Bay City	6,993.82
<b>Total Revenues</b>	<b>181,075.48</b>

**Expenditures**

City Admin Fee 2.5%	4,526.89	Development Financing Agreement 9-4-17
City - Legal Fees	-	
Developer Reimbursement- BCCDC	143,834.91	Schulman Parking Lot
<b>Total Expenditures</b>	<b>148,361.80</b>	

<b>Net Revenue (Expenditures)</b>	<b>32,713.68</b>
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Ending Fund Balance	<b>192,727.89</b>
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*Modified Accrual Basis*

<b>Due Developer Reimbursement- BCCDC</b>	<b>190,000.00</b>	<i>Board approved \$2,845,190.62 on May 18, 2018 Reimbursement made as funds are available and receipts are verified</i>
<b>Balance after TIRZ revenue collected &amp; estimated disbursements paid</b>	<b>2,727.89</b>	

ACTUAL vs. BUDGET YTD- TIRZ 2

30-Sep 2021

Expiration of Zone 12/31/2046

G/L Code	Account Title	Actual	Budget (Finance Plan)	Remaining \$	Remaining %
4422	Administrative Costs	\$49,030.18	\$1,092,289.00	\$1,043,258.82	95.51%
4423	Water Facilities and Improvements	\$143,834.91	\$3,276,866.00	\$3,133,031.09	95.61%
4424	Sanitary Sewer Facilities and Improvements	\$0.00	\$4,369,155.00	\$4,369,155.00	100.00%
4425	Storm Water Facilities and Improvements	\$0.00	\$4,369,155.00	\$4,369,155.00	100.00%
4426	Street and Intersection Improvements	\$125,643.76	\$10,922,886.00	\$10,797,242.24	98.85%
4427	Open Space, Park and Recreation Facilities and Improvements	\$0.00	\$10,922,886.00	\$10,922,886.00	100.00%
4428	Economic Development Grants	\$0.00	\$8,738,309.00	\$8,738,309.00	100.00%
<b>Total</b>		<b>\$318,508.85</b>	<b>\$43,691,546.00</b>	<b>\$43,373,037.15</b>	<b>99.27%</b>

Revenue	\$511,236.74	
Expense	\$ 318,508.85	
Balance	\$ 192,727.89	As of Sept. 30, 2021



# ANNUAL EXPENSE SUMMARY

Account Title		Economic Development Grants		Open Space, Park and Recreati...		Sanitary Sewer Facilities and I...		Storm Water Facilities and Im...		Street and Intersection Improv...		Water Facilities and Improvem...		
G/L Code	Account Title	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
4422	Administrative Costs	\$0.00	\$36,547.23	\$3,933.58	\$4,022.48	\$4,526.89	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$49,030.18
4423	Water Facilities and Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$143,834.91	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$143,834.91
4424	Sanitary Sewer Facilities and	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4425	Storm Water Facilities and	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4426	Street and Intersection	\$0.00	\$0.00	\$125,643.76	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$125,643.76
4427	Open Space, Park and Recreation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4428	Economic Development	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total</b>		<b>\$0.00</b>	<b>\$36,547.23</b>	<b>\$129,577.34</b>	<b>\$4,022.48</b>	<b>\$148,361.80</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$318,508.85</b>

City of Bay City  
Proposed Amended  
Tax Increment Reinvestment Zone #2

NOVEMBER 9, 2021

# PURPOSE

- TIRZ Amendment Process
- Existing and Proposed Expanded Boundaries
- Proposed Properties to be Added to TIRZ
- Current TIRZ Performance
- Conceptual Development Plan and Development Projections
- Project Costs
- Next Steps



# TIRZ Amendment Process

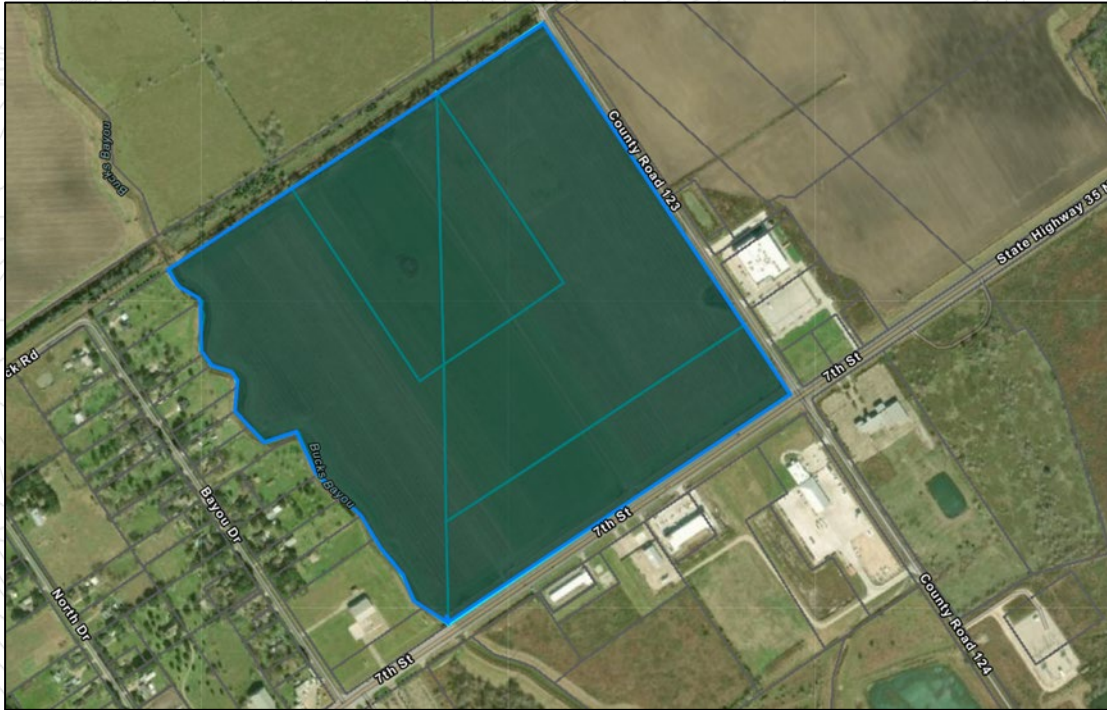
- Chapter 311 outlines the various procedures for creating and amending a TIRZ. Two main documents:
  1. Amended Creation Ordinance; and
  2. Amended TIRZ Project and Financing Plan
- Amended Creation Ordinance establishes five key elements:
  - Boundary;
  - Term;
  - City Participation Rate;
  - TIRZ Board; and
  - Preliminary Amended Project and Financing Plan
- Upon TIRZ creation the Final Project and Financing Plan is approved by the TIRZ Board and then the City Council by separate ordinance





# PROPERTIES TO BE ADDED TO TIRZ

147.27 Acres



Property ID	Ownership	Value
20118	CORBETT DUNCAN	875
20961	CORBETT DUNCAN	532
20112	MILBERGER FRANCIS WAYNE FAMILY TRUST	2570
20954	MILBERGER FRANCIS WAYNE FAMILY TRUST	1570
20964	MORTON & HUDSON	3220
		\$ 8,767

# CURRENT TIRZ PERFORMANCE



REVENUE YEAR	BASE YEAR	0	1	2	3	4	5	6	
	2015	2015	2016	2017	2018	2019	2020	2021	
<b>BASE YEAR</b>									
Bay City	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	
Matagorda County	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	
Matagorda County Hospital District	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	
Port of Bay City	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	
Cons & Recl District	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	
Coastal Plains GW District	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	
Drainage District #1	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	
Bay City/Van Vleck ISD	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	
<b>TAXABLE VALUE</b>									
Bay City		2,099,193	2,088,211	2,980,330	13,021,768	13,141,048	14,629,668	13,323,019	
Matagorda County		2,220,022	2,209,340	2,997,490	13,038,928	13,158,208	14,656,858	13,339,086	
Matagorda County Hospital District		2,220,022	2,209,340	2,997,490	13,038,928	13,158,208	14,656,858	13,339,086	
Port of Bay City		2,220,022	2,209,340	2,997,490	13,038,928	13,158,208	14,656,858	13,339,086	
Cons & Recl District		2,220,022	2,209,340	2,997,490	13,038,928	13,158,208	14,656,858	13,339,086	
Coastal Plains GW District		2,220,022	2,209,340	2,997,490	13,038,928	13,158,208	14,656,858	13,339,086	
Drainage District #1		2,220,022	2,209,340	2,997,490	13,038,928	13,158,208	14,656,858	13,339,086	
Bay City/Van Vleck ISD		2,220,022	2,209,340	2,997,490	13,038,928	13,158,208	14,656,858	13,339,086	
<b>TAXABLE VALUE INCREMENT</b>									
Bay City		0	(10,982)	881,137	10,922,575	11,041,855	12,530,475	11,223,826	
Matagorda County		0	(10,682)	777,468	10,818,906	10,938,186	12,436,836	11,119,064	
Matagorda County Hospital District		0	(10,682)	777,468	10,818,906	10,938,186	12,436,836	11,119,064	
Port of Bay City		0	(10,682)	777,468	10,818,906	10,938,186	12,436,836	11,119,064	
Cons & Recl District		0	(10,682)	777,468	10,818,906	10,938,186	12,436,836	11,119,064	
Coastal Plains GW District		0	(10,682)	777,468	10,818,906	10,938,186	12,436,836	11,119,064	
Drainage District #1		0	(10,682)	777,468	10,818,906	10,938,186	12,436,836	11,119,064	
Bay City/Van Vleck ISD		0	(10,682)	777,468	10,818,906	10,938,186	12,436,836	11,119,064	
<b>REVENUE A</b>									
<b>TAXABLE VALUE GROWTH</b>									
Bay City		0	(66)	5,771	71,543	72,324	82,075	71,271	
Matagorda County		0	(45)	3,257	45,178	47,408	52,471	46,949	
Matagorda County Hospital District		0	(33)	2,495	34,793	35,176	39,536	35,375	
Port of Bay City		0	(5)	394	5,830	5,991	6,994	6,258	
Cons & Recl District		0	0	0	0	0	0	0	
Coastal Plains GW District		0	0	0	0	0	0	0	
Drainage District #1		0	0	0	0	0	0	0	
Bay City/Van Vleck ISD		0	0	0	0	0	0	0	
	npv @ 6%								
		0	(150)	11,919	157,343	160,899	181,075	159,854	
									670,941

2,733,668	Bay City
1,715,428	Matagorda County
1,255,040	Matagorda County Hospital District
226,983	Port of Bay City
0	Cons & Recl District
0	Coastal Plains GW District
0	Drainage District #1
0	Bay City/Van Vleck ISD
<b>5,931,119</b>	

Total revenue in 2046, at 2% growth

TIRZ #2

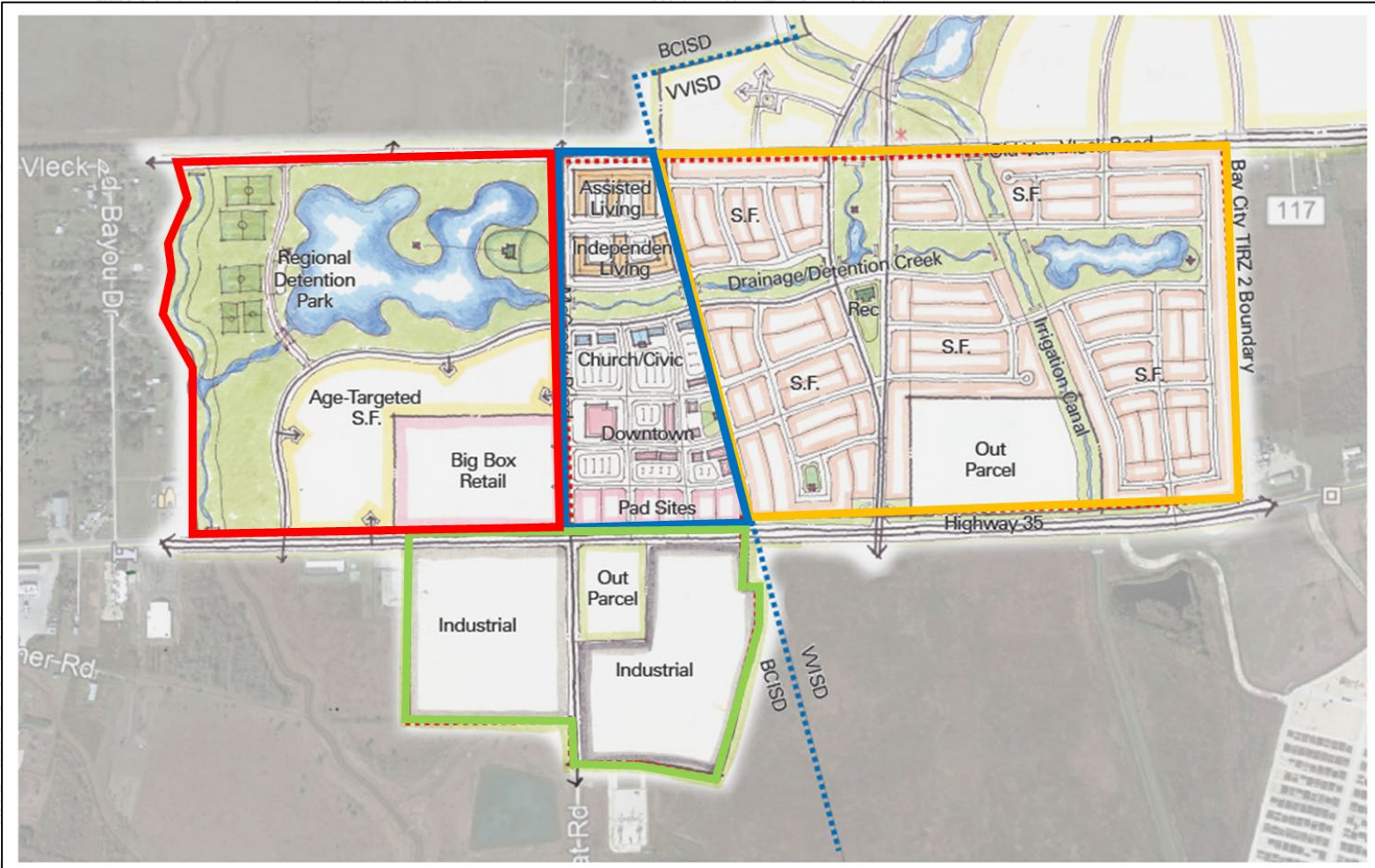


# DEVELOPMENT PROJECTIONS

ITEM #4.



DAVID PETTIT  
Economic Development



Bay City TIRZ 2 Conceptual Master Plan

Bay City, Texas  
24 June 2021  
Bold Fox Development

7500 Wood Lane South  
Suite 200  
Frisco, Texas 75037  
(972) 488-0007  
david@pettit.com  
This information is provided for informational purposes only. It is not intended to constitute an offer of any financial product or service. The information is subject to change without notice.

TIRZ #2



# DEVELOPMENT PROJECTIONS

ITEM #4.



DAVID PETTIT  
Economic Development

	Square Feet	Units	Projected Completion Date	Taxable Value PSF/Unit	Incremental Value	Sales PSF	Total Sales
<b>TIRZ #2</b>							
Movie Theater/Entertainment Venue							
Bold Fox Single Family 1		200	2025	\$225,000	\$45,000,000	\$0	\$0
Restaurant Pads	16,500		2025	\$135	\$2,227,500	\$500	\$8,250,000
Single Family 1		200	2025	\$225,000	\$45,000,000	\$0	\$0
Assisted & Independent Living		300	2025	\$100,000	\$30,000,000	\$0	\$0
Bold Fox Single Family 2		200	2027	\$225,000	\$45,000,000	\$0	\$0
Light Industrial	25,000		2027	\$35	\$875,000	\$0	\$0
Multifamily		200	2027	\$100,000	\$20,000,000	\$0	\$0
Single Family 2		200	2027	\$225,000	\$45,000,000	\$0	\$0
Restaurant Pads	16,500		2027	\$135	\$2,227,500	\$500	\$8,250,000
Light Industrial	50,000		2030	\$35	\$1,750,000	\$0	\$0
Multifamily		150	2030	\$100,000	\$15,000,000	\$0	\$0
Retail Commercial	7,500		2030	\$135	\$1,012,500	\$350	\$2,625,000
					<b>\$253,092,500</b>		<b>\$19,125,000</b>
<b>TIRZ #2A</b>							
Age-Targeted 1		150	2025	\$225,000	\$33,750,000	\$0	\$0
Multifamily		250	2027	\$100,000	\$25,000,000	\$0	\$0
Age-Targeted 2		150	2028	\$225,000	\$33,750,000	\$0	\$0
Restaurant Pads	16,500		2030	\$135	\$2,227,500	\$500	\$8,250,000
Office	15,000		2032	\$150	\$2,250,000	\$0	\$0
					<b>\$96,977,500</b>		<b>\$8,250,000</b>
<b>Total</b>					<b>\$350,070,000</b>		<b>\$27,375,000</b>

TIRZ #2

# PROJECT COSTS

- There are a number of improvements within TIRZ #2 that will be financed by in part by incremental real property tax generated within the TIRZ.
- The PFP lists the following menu of eligible projects:

Proposed Project Costs		
Water Facilities and Improvements	\$ 10,253,040	7.5%
Sanitary Sewer Facilities and Improvements	\$ 13,670,720	10.0%
Storm Water Facilities and Improvements	\$ 13,670,720	10.0%
Transit/Parking Improvements	\$ 20,506,080	15.0%
Street and Intersection Improvements	\$ 27,341,440	20.0%
Open Space, Park and Recreation Facilities and Improvements	\$ 20,506,080	15.0%
Economic Development Grants	\$ 27,341,440	20.0%
Administrative Costs	\$ 3,417,680	2.5%
	<b>\$ 136,707,199</b>	<b>100.0%</b>

The costs illustrated in the table above are estimates and may be revised. Savings from one line item may be applied to a cost increase in another line item.

\* Since 2005, Chapter 311 of the Tax Code allows economic development grants in TIFs consistent with Section 380 of the Local Government Code



# NEXT STEPS

November 9<sup>th</sup>

- TIRZ Board Recommend Amended Boundary and Plan

November 16<sup>th</sup>

- City Council Public Hearing
- Ordinance Amending Creation Ordinance

December 7<sup>th</sup> and 13<sup>th</sup>

- Matagorda County Consider Amended Participation Agreement

December 14<sup>th</sup>

- Matagorda Regional Medical Center County Consider Amended Participation Agreement

December 21<sup>st</sup>

- TIRZ Board Recommend of Final Project and Financing Plan (PFP) and Development Agreement
- City Council Ordinance Approving Final PFP
- City Council Approval of Development Agreement



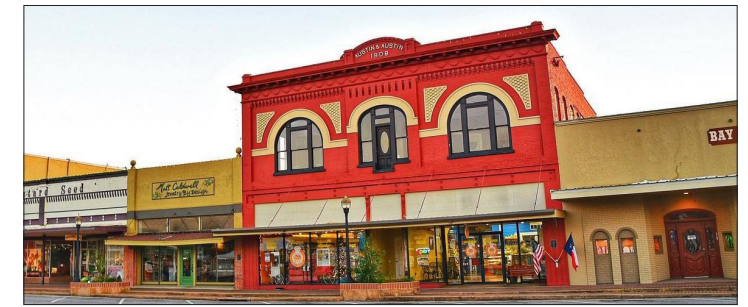
# Tax Increment Reinvestment Zone #2 Bay City, Texas





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Bay City, the county seat of Matagorda County, is an incorporated city at the junction of State Highways 35 and 60, in the north central portion of the county seventy-eight miles southwest of Houston. The community is named for its location on Bay Prairie, between the richly productive bottomlands of the Colorado River and Caney Creek. The population was 17,614 at the 2010 census. It is the county seat of Matagorda County.



The vision of the Bay City Main Street program is for downtown Bay City to be the pulse of the County: celebrating historic pride, economic vitality and the best of Texas hospitality. Bay City is only sixty minutes away from Houston, the largest city in Texas, with a myriad of world class art performances, professional sports games and medical facilities.

**DISCLAIMER**

Our conclusions and recommendations are based on current market conditions and the expected performance of the national, and/or local economy and real estate market. Given that economic conditions can change and real estate markets are cyclical, it is critical to monitor the economy and real estate market continuously, and to revisit key project assumptions periodically to ensure that they are still justified.

The future is difficult to predict, particularly given that the economy and housing markets can be cyclical, as well as subject to changing consumer and market psychology. There will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and the differences may be material.



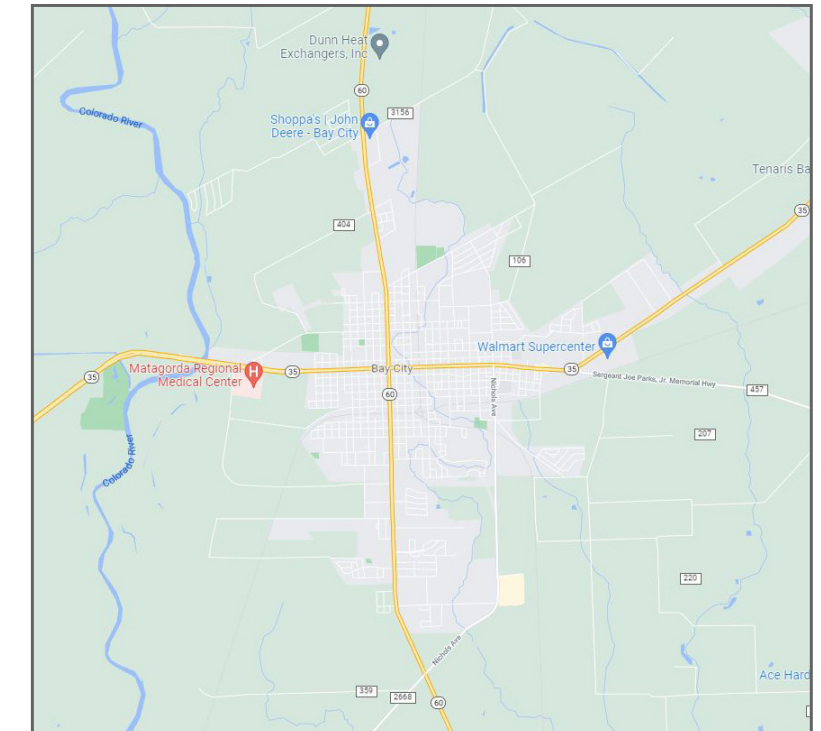
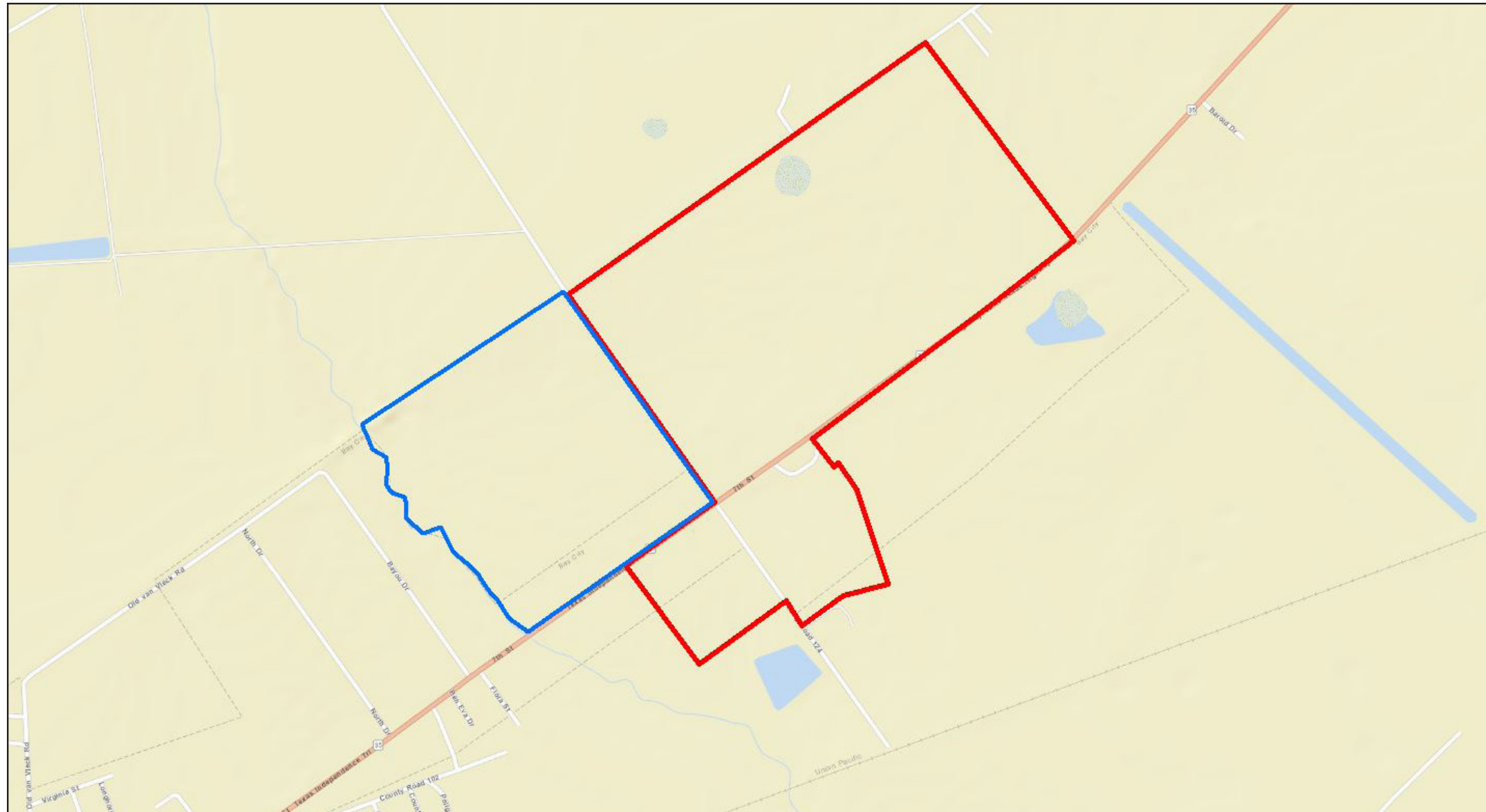




**Tax Increment Reinvestment Zone #2, Bay City**

Tax Increment Reinvestment Zone #2 (TIRZ) was created in 2015 with the goals of funding the construction of needed public infrastructure and encouraging private development that will yield additional tax revenue to all local taxing jurisdictions. TIRZ #2 was established to promote the development of new construction within the boundaries of the TIRZ. In 2021, it is proposed that the TIRZ be expanded to include the property within the boundaries of TIRZ #2A.

This amended project and financing plan outlines the funding of \$136,707,199 in public improvements related to water, sanitary sewer, and storm water facilities, as well as street and intersection improvements, utilities and street lighting, and economic development grants. The TIRZ can fund these improvements through ad valorem participation of eligible taxing jurisdictions.

Without the implementation of the TIRZ, the specified property would continue to impair the sound growth of the municipality.



-  - TIRZ #2 Boundary
-  - TIRZ #2A Boundary

**Boundary Description**

TIRZ #2 is located in the eastern portion of Bay City. The expanded TIRZ #2A boundaries are immediately contiguous to the west of the original TIRZ boundaries. The original TIRZ boundary encompassed approximately 344 acres, TIRZ #2A encompasses approximately 147.27 acres, bringing the total acreage of the TIRZ to approximately 491.27 acres. Details about the individual parcels within the TIRZ are included in **Appendix A**.

**Legal Description TIRZ #2**

Beginning at the point of intersection of the eastern Right-of-Way (ROW) line of McCrosky Road and the southern ROW line of Old van Vleck Road, thence

South along the eastern ROW line of McCrosky Road to a point where said line intersects with the southern ROW line of TX-35, thence

West along the southern ROW line of TX-35 to a point where said line intersects with the western property line of AB 0339, I & G N RR CO, ACRES 1.3774, 75% UND INT, thence

Southeast along the western property line of AB 0339, I & G N RR CO, ACRES 1.3774, 75% UND INT to a point where said line intersects with the western property line of SHOWBOAT ADDITION, LOT RESERVE A (PT), LOCATED INSIDE CITY LIMITS, ACRES 2.5137, thence

Southeast along the western property line of SHOWBOAT ADDITION, LOT RESERVE A (PT), LOCATED INSIDE CITY LIMITS, ACRES 2.5137 to a point where said line intersects with the western property line of SHOWBOAT ADDITION, LOT RESERVE A (PT), LOCATED OUTSIDE THE CITY LIMITS, ACRES 16.6963, thence

Southeast along the western property line of SHOWBOAT ADDITION, LOT RESERVE A (PT), LOCATED OUTSIDE THE CITY LIMITS, ACRES 16.6963 to a point where said line intersects with the southeastern property line of SHOWBOAT ADDITION, LOT RESERVE A (PT), LOCATED OUTSIDE THE CITY LIMITS, ACRES 16.6963, thence

Northeast along the southeastern property line of SHOWBOAT ADDITION, LOT RESERVE A (PT), LOCATED OUTSIDE THE CITY LIMITS, ACRES 16.6963 to a point where the projection of said line intersects with the western ROW line of Me Crosky Road, thence

South along the western ROW line of Me Crosky Road to a point where said line intersects with the southern property line of I & G N AB 339 15.44 ACRES (15.90 AC LESS .46 = 15.44AC), thence

East along the southern property line of I & G N AB 339 15.44 ACRES (15.90 AC LESS .46 = 15.44AC) to a point where said line intersects with the southern property line of I & G N AB 339 5.66 ACRES, thence

East along the southern ROW line of I & G N AB 339 5.66 ACRES to a point where said line intersects with the eastern property line of I & G N AB 339 5.66 ACRES, thence

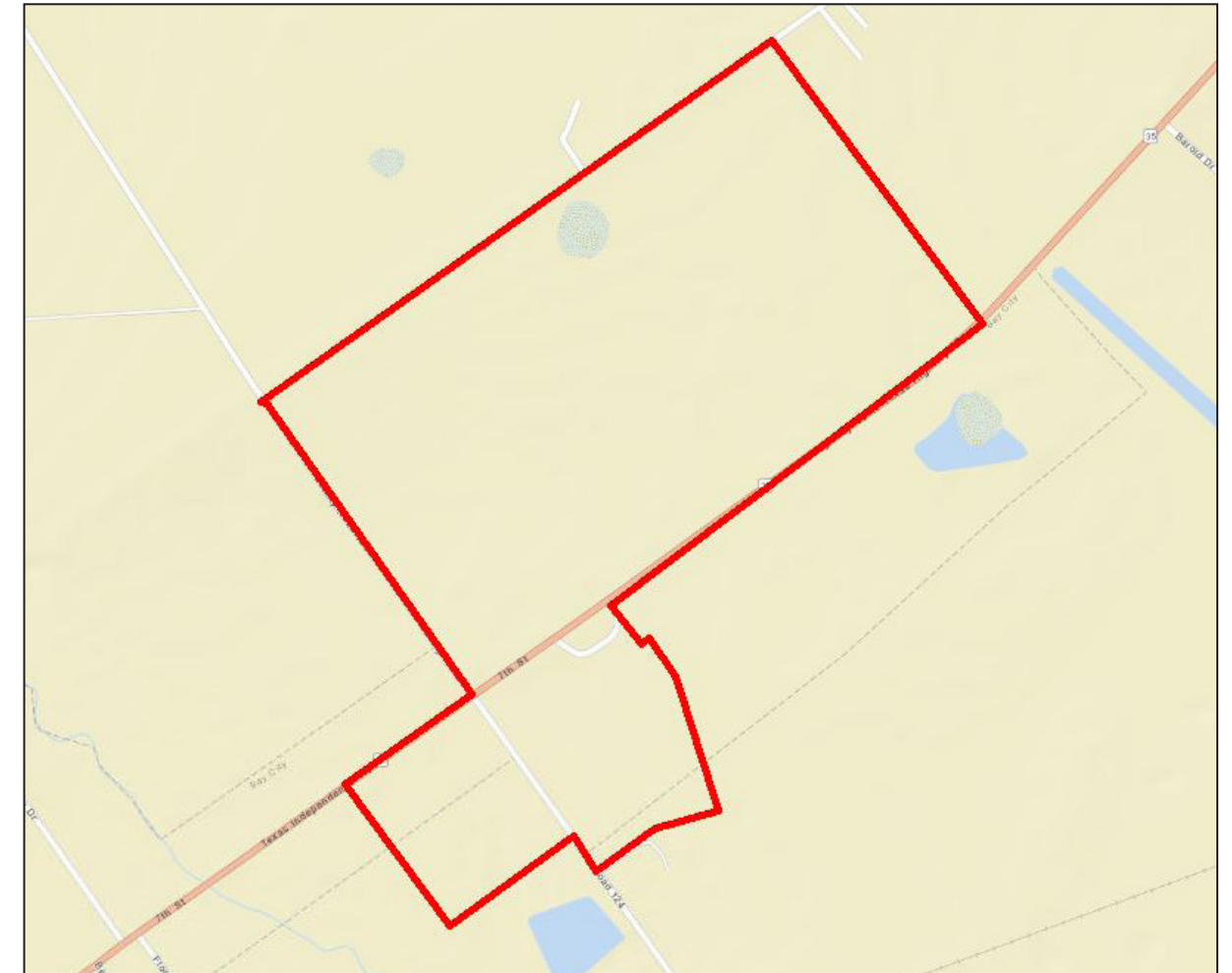
North along the eastern ROW line of I & G N AB 339 5.66 ACRES to a point where said line intersects with the southern ROW line of TX-35, thence

East along the southern ROW line of TX-35 to a point where said line intersects with the projection of the eastern property line of AB 0150, JOHN DUNCAN, ACRES 19.66, thence

North along the eastern property line of AB 0150, JOHN DUNCAN, ACRES 19.66 to a point where said line intersects with the eastern property line of AB 0150, JOHN DUNCAN, ACRES 117.893, 1/3 UND INT (OUTSIDE CITY LIMITS), thence

North along the eastern property line of AB 0150, JOHN DUNCAN, ACRES 117.893, 1/3 UND INT (OUTSIDE CITY LIMITS) to a point where said line intersects with the southern ROW line of Old van Vleck Road, thence

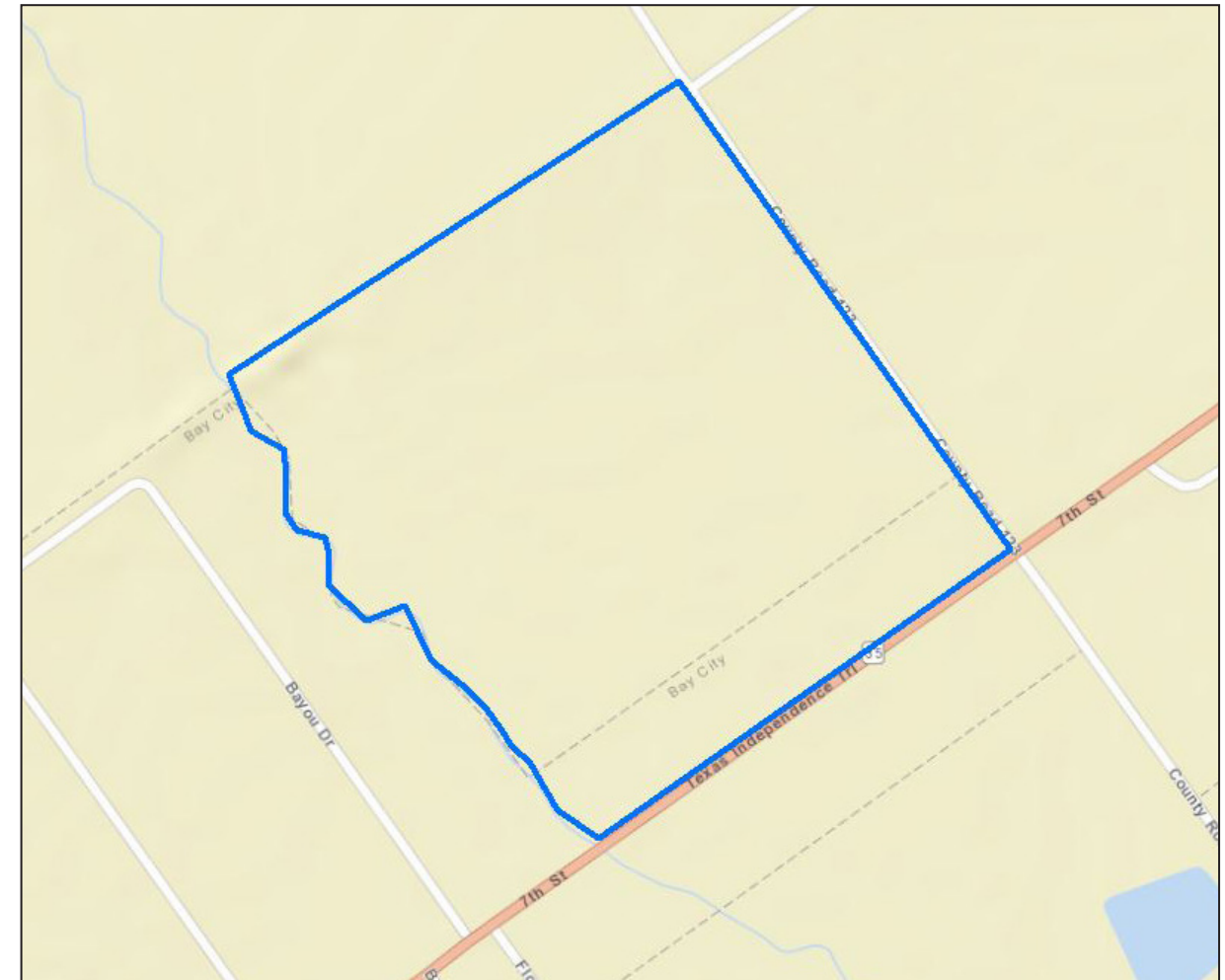
West along the southern ROW line of Old van Vleck Road to the point there said line intersects the eastern ROW line of Me Crosky Road, which is the point of beginning.



 - TIRZ #2 Boundary

**Legal Description TIRZ #2A**

Beginning at the point where the eastern right of way boundary of McCrosky Road meets the northern right of way boundary of TX-35, thence  
West along the northern right of way boundary of TX-35 to the point it meets the southwest corner of Property ID 20961, thence  
North to Property ID 20118, continuing north along the western boundary of Property ID 20118 to the point it meets an easement, thence  
North across the easement to the southwest corner of Property ID 20111, thence  
East along the southern boundary of Property ID 20111 to the point it meets the southwest corner of Property ID 20953, thence  
East along the southern boundary of Property ID 20953 to the point it meets the western right of way boundary of McCrosky Road, thence  
East across McCrosky road to the point the eastern right of way boundary of McCrosky Road meets the southwest corner of Property ID 23012, thence  
South along the eastern right of way boundary of McCrosky Road to the point it meets the northern right of way boundary of TX-35, which is the point of beginning.



 - TIRZ #2A Boundary



**Land Use**

The vast majority of the land within the original boundaries of the zone is vacant land that is well positioned for new development. Since the creation of the TIRZ, a movie theater has been built near the intersection of McCrosky Road and 7th Street. Across 7th Street from the theater there is a vacant property that is well positioned for redevelopment. The property within TIRZ #2A is vacant land that is well positioned for new development.

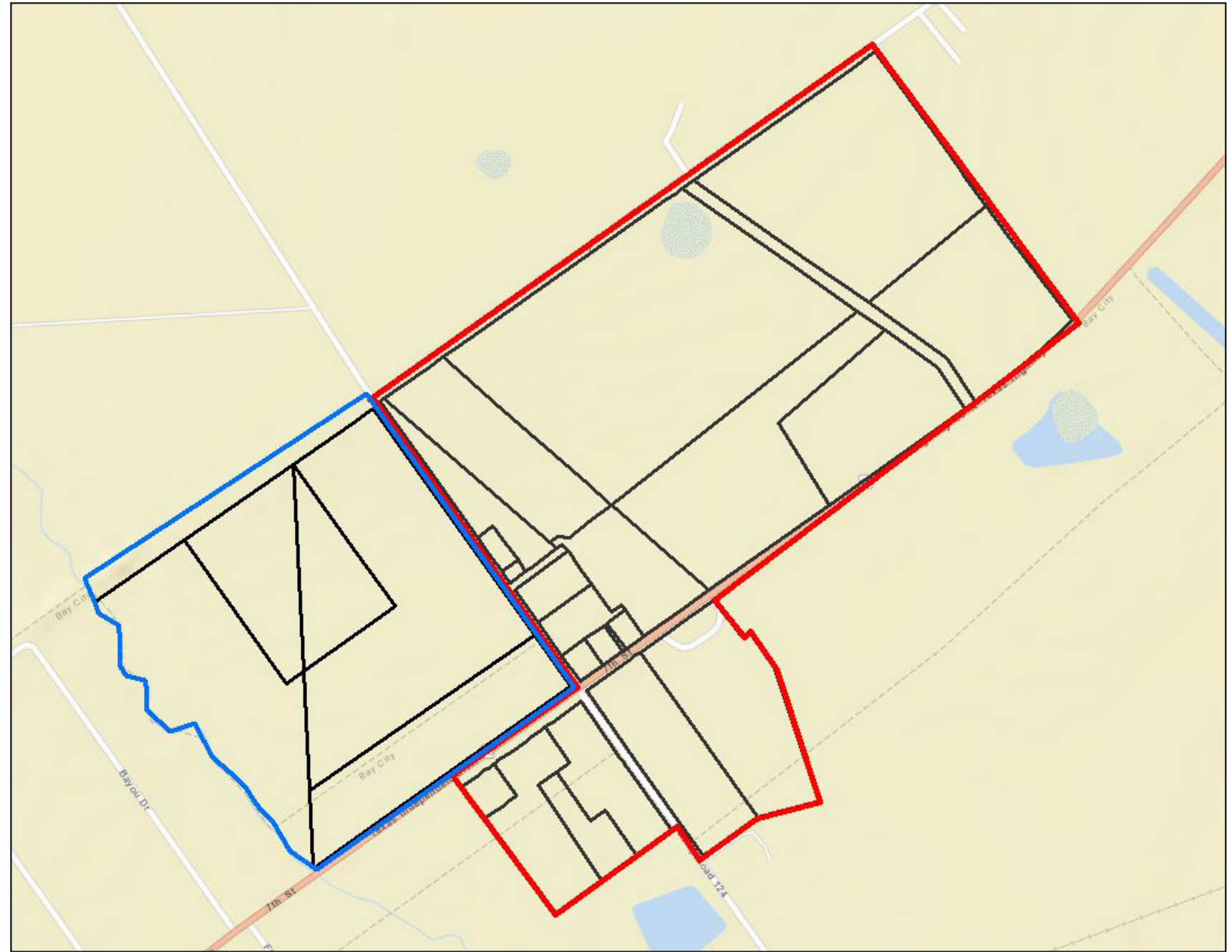
**Method of Relocating Persons to be Displaced**

It is not anticipated that any persons will be displaced or need to be relocated as result of the implementation of the TIRZ.

**Current Ownership Information**

There are currently 36 parcels within the expanded Tax Increment Reinvestment Zone #2. The estimated 2021 taxable value of the property within the TIRZ is \$13,323,551. The base year for TIRZ #2 is 2015, the year in which the TIRZ was created. The base year for TIRZ #2A will be 2021. The 2021 taxable values will need to be verified with the Matagorga County Appraisal District.

For further details of parcels included within the TIRZ, including current ownership and 2021 taxable values, see **Appendix A**.



- TIRZ #2 Boundary
- TIRZ #2A Boundary

## Anticipated Development

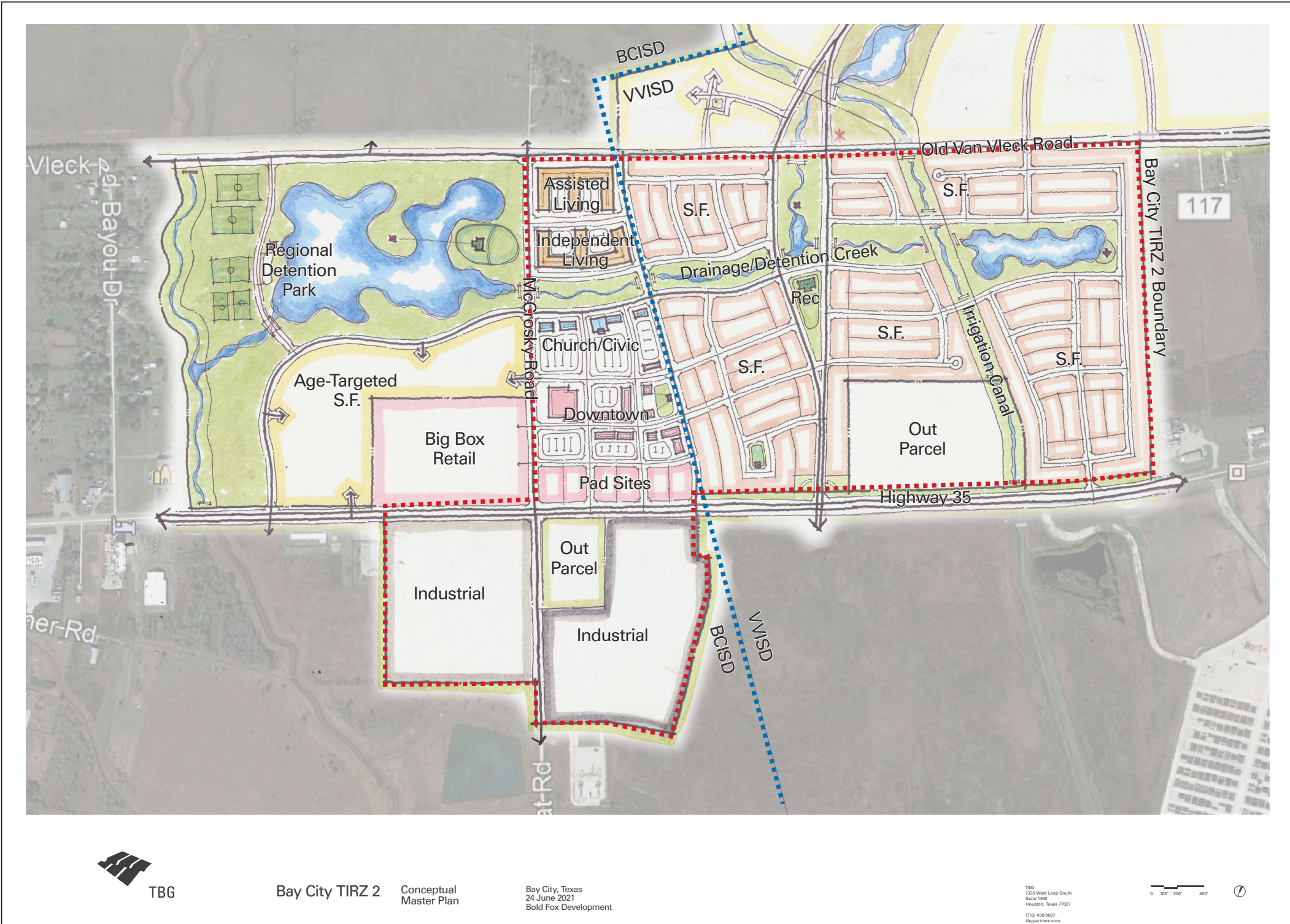
The vacant land within the TIRZ is well positioned for future development. The table below provides an overview of the potential development that could occur within the TIRZ, along with estimated dates of when the development construction would be completed. Taking into account forthcoming anticipated catalyst single family development within the TIRZ, DPED projects that light industrial, office, commercial, and restaurant uses will be built within the TIRZ.

	Square Feet	Units	Projected Completion Date	Taxable Value PSF/Unit	Incremental Value	Sales PSF	Total Sales
<b>TIRZ #2</b>							
Movie Theater/Entertainment Venue							
Bold Fox Single Family 1		200	2025	\$225,000	\$45,000,000	\$0	\$0
Restaurant Pads	16,500		2025	\$135	\$2,227,500	\$500	\$8,250,000
Single Family 1		200	2025	\$225,000	\$45,000,000	\$0	\$0
Assisted & Independent Living		300	2025	\$100,000	\$30,000,000	\$0	\$0
Bold Fox Single Family 2		200	2027	\$225,000	\$45,000,000	\$0	\$0
Light Industrial	25,000		2027	\$35	\$875,000	\$0	\$0
Multifamily		200	2027	\$100,000	\$20,000,000	\$0	\$0
Single Family 2		200	2027	\$225,000	\$45,000,000	\$0	\$0
Restaurant Pads	16,500		2027	\$135	\$2,227,500	\$500	\$8,250,000
Light Industrial	50,000		2030	\$35	\$1,750,000	\$0	\$0
Multifamily		150	2030	\$100,000	\$15,000,000	\$0	\$0
Retail Commercial	7,500		2030	\$135	\$1,012,500	\$350	\$2,625,000
					<b>\$253,092,500</b>		<b>\$19,125,000</b>
<b>TIRZ #2A</b>							
Age-Targeted 1		150	2025	\$225,000	\$33,750,000	\$0	\$0
Multifamily		250	2027	\$100,000	\$25,000,000	\$0	\$0
Age-Targeted 2		150	2028	\$225,000	\$33,750,000	\$0	\$0
Restaurant Pads	16,500		2030	\$135	\$2,227,500	\$500	\$8,250,000
Office	15,000		2032	\$150	\$2,250,000	\$0	\$0
					<b>\$96,977,500</b>		<b>\$8,250,000</b>
<b>Total</b>					<b>\$350,070,000</b>		<b>\$27,375,000</b>



Anticipated Development

The conceptual plan below informed the projections on the previous page. The plan below and the projections listed above are not meant to limit potential development that could generate revenue for the TIRZ. It is anticipated that the projections will be updated in the future to reflect the then current market trends and taking into account the performance of the development within the TIRZ. It is anticipated that the development that occurs within the TIRZ could be financed in part by incremental real property tax generated within the TIRZ.





**Project Costs of the Zone**

There are a number of improvements within Tax Increment Reinvestment Zone #2 that will be financed by in part by incremental real property tax generated within the TIRZ.

Proposed Project Costs		
Water Facilities and Improvements	\$ 10,253,040	7.5%
Sanitary Sewer Facilities and Improvements	\$ 13,670,720	10.0%
Storm Water Facilities and Improvements	\$ 13,670,720	10.0%
Transit/Parking Improvements	\$ 20,506,080	15.0%
Street and Intersection Improvements	\$ 27,341,440	20.0%
Open Space, Park and Recreation Facilities and Improvements	\$ 20,506,080	15.0%
Economic Development Grants	\$ 27,341,440	20.0%
Administrative Costs	\$ 3,417,680	2.5%
	<b>\$ 136,707,199</b>	<b>100.0%</b>

The categories listed in the table above outline various public improvements, and are meant to include all projects eligible under Chapter 311, Section 311.002 of the Texas Tax Code. Economic development grants shall be used to promote state or local economic development and to stimulate business and commercial activity.

The costs illustrated in the table above are estimates and may be revised. Savings from one line item may be applied to a cost increase in another line item.

It is anticipated that the individual TIRZ project cost allocations will be evaluated on a case by case basis, consistent with the categories listed above, and brought forward to the TIRZ board and City Council for consideration.

Chapter 311 of the Texas Tax Code

Sec. 311.002.

(1) "Project costs" means the expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by the municipality or county designating a reinvestment zone that are listed in the project plan as costs of public works, public improvements, programs, or other projects benefiting the zone, plus other costs incidental to those expenditures and obligations. "Project costs" include:

(A) capital costs, including the actual costs of the acquisition and construction of public works, public improvements, new buildings, structures, and fixtures; the actual costs of the acquisition, demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and fixtures; the actual costs of the remediation of conditions that contaminate public or private land or buildings; the actual costs of the preservation of the facade of a public or private building; the actual costs of the demolition of public or private buildings; and the actual costs of the acquisition of land and equipment and the clearing and grading of land;

(B) financing costs, including all interest paid to holders of evidences of indebtedness or other obligations issued to pay for project costs and any premium paid over the principal amount of the obligations because of the redemption of the obligations before maturity;

(C) real property assembly costs;

(D) professional service costs, including those incurred for architectural, planning, engineering, and legal advice and services;

(E) imputed administrative costs, including reasonable charges for the time spent by employees of the municipality or county in connection with the implementation of a project plan;

(F) relocation costs;

(G) organizational costs, including the costs of conducting environmental impact studies or other studies, the cost of publicizing the creation of the zone, and the cost of implementing the project plan for the zone;

(H) interest before and during construction and for one year after completion of construction, whether or not capitalized;

(I) the cost of operating the reinvestment zone and project facilities;

(J) the amount of any contributions made by the municipality or county from general revenue for the implementation of the project plan;

(K) the costs of school buildings, other educational buildings, other educational facilities, or other buildings owned by or on behalf of a school district, community college district, or other political subdivision of this state; and

(L) payments made at the discretion of the governing body of the municipality or county that the governing body finds necessary or convenient to the creation of the zone or to the implementation of the project plans for the zone.

**Method of Financing**

To fund the public improvements outlined on the previous page, Bay City, Matagorda County, Matagorda County Hospital District, and Port of Bay City will contribute 100% of the real property increment within the zone generated within the TIRZ.

**Debt Service**

It is not anticipated at this time that the TIRZ will incur any bonded indebtedness.

**Economic Feasibility Study**

A taxable value analysis was developed as part of the project and financing plan to determine the economic feasibility of the project. The study examined the expected tax revenue the TIRZ would receive based on the previously outlined developments. A summary overview of the anticipated development square footages and the anticipated taxable value per square foot can be found on Page 5.

The following pages show the estimated captured appraised value of the zone during each year of its existence and the net benefits of the zone to each of the local taxing jurisdictions as well as the method of financing and debt service.

Utilizing the information outlined in this feasibility study, DPED has found that the TIRZ is economically feasible and will provide the City and other taxing jurisdictions with economic benefits that would not occur without its implementation.

Real Property Tax		Participation	
Bay City	0.63500000	100%	0.6350000
Matagorda County	0.39974000	100%	0.3997400
Matagorda County Hospital District	0.29127000	100%	0.2912700
Port of Bay City	0.05299000	100%	0.0529900
Cons & Recl District	0.00819000	0%	0.0000000
Coastal Plains GW District	0.00426000	0%	0.0000000
Drainage District #1	0.04113000	0%	0.0000000
Bay City/Van Vleck ISD	1.39124000	0%	0.0000000
	<b>2.82382000</b>		<b>1.3790000</b>

Personal Property Tax		Participation	
Bay City	0.63500000	0%	0.0000000
Matagorda County	0.39974000	0%	0.0000000
Matagorda County Hospital District	0.29127000	0%	0.0000000
Port of Bay City	0.05299000	0%	0.0000000
Cons & Recl District	0.00819000	0%	0.0000000
Coastal Plains GW District	0.00426000	0%	0.0000000
Drainage District #1	0.04113000	0%	0.0000000
Bay City/Van Vleck ISD	1.39124000	0%	0.0000000
	<b>2.82382000</b>		<b>0.0000000</b>

Sales Tax Rate	0.0200000	0.00%	0.0000000
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TAX REVENUE PROJECTIONS & COST-BENEFIT ANALYSIS

		Calendar Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
<b>TOTAL TAX REVENUE</b>			2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046		
Single Family	Taxable Value Per Unit		0	0	0	0	0	0	225,000	229,500	234,000	238,772	243,547	248,418	253,387	258,454	263,622	268,896	274,274	279,759	285,354	291,061	296,883	302,820	308,877	315,054	321,355	327,785	334,338	341,025	347,845	354,802	361,898	369,136		
	Cumulative SF		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	SF Taxable Value		-	-	-	-	-	-	225,000	454,500	683,272	911,819	1,140,266	1,368,684	1,597,071	1,825,425	2,053,747	2,282,033	2,510,282	2,738,503	2,966,694	3,194,855	3,423,006	3,651,147	3,879,278	4,107,389	4,335,480	4,563,551	4,791,602	5,019,633	5,247,644	5,475,635	5,703,606	5,931,557	6,159,488	
Retail	Taxable Value Per SF		0	0	0	0	0	0	135	138	140	143	146	149	152	155	158	161	165	168	171	175	178	182	185	189	193	197	201	205	209	213	217	221		
	Cumulative SF		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Commercial Taxable Value		-	-	-	-	-	-	135	273	411	549	687	825	963	1,101	1,239	1,377	1,515	1,653	1,791	1,929	2,067	2,205	2,343	2,481	2,619	2,757	2,895	3,033	3,171	3,309	3,447	3,585	3,723	
Restaurant	Taxable Value Per SF		0	0	0	0	0	0	135	138	140	143	146	149	152	155	158	161	165	168	171	175	178	182	185	189	193	197	201	205	209	213	217	221		
	Cumulative SF		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Commercial Taxable Value		-	-	-	-	-	-	135	273	411	549	687	825	963	1,101	1,239	1,377	1,515	1,653	1,791	1,929	2,067	2,205	2,343	2,481	2,619	2,757	2,895	3,033	3,171	3,309	3,447	3,585	3,723	
Industrial	Taxable Value Per SF		0	0	0	0	0	0	35	36	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59		
	Cumulative SF		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Industrial Taxable Value		-	-	-	-	-	-	35	71	107	143	179	215	251	287	323	359	395	431	467	503	539	575	611	647	683	719	755	791	827	863	899	935	971	
Multifamily	Taxable Value Per Unit		0	0	0	0	0	100,000	102,000	104,000	106,121	108,243	110,365	112,487	114,609	116,731	118,853	120,975	123,097	125,219	127,341	129,463	131,585	133,707	135,829	137,951	140,073	142,195	144,317	146,439	148,561	150,683	152,805	154,927	157,049	
	Cumulative SF		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	MF Taxable Value		-	-	-	-	-	100,000	202,000	304,000	406,121	508,243	610,365	712,487	814,609	916,731	1,018,853	1,120,975	1,223,097	1,325,219	1,427,341	1,529,463	1,631,585	1,733,707	1,835,829	1,937,951	2,040,073	2,142,195	2,244,317	2,346,439	2,448,561	2,550,683	2,652,805	2,754,927	2,857,049	
<b>REAL PROPERTY</b>	Taxable Value		-	-	-	-	-	-	23,877,180	66,151,488	101,211,777	175,995,255	237,840,393	275,726,602	291,855,050	303,105,248	314,688,712	320,982,486	327,402,136	333,950,179	340,629,182	347,441,766	354,390,601	361,478,413	368,707,982	376,082,141	383,603,784	391,275,860	399,101,377	407,083,405	415,225,073					
	PV		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bay City			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Matagorda County			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Matagorda County Hospital District			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Port of Bay City			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cora & Reel District			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Coastal Plains GW District			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Drainage District #1			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bay City/Van Weck ISD			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>PERSONAL PSF</b>	Per SF		-	-	-	-	-	-	15	15	16	16	16	17	17	18	18	19	19	20	20	21	21	22	22	23	23	24	24	25	25	26	26	27	27	
	Cumulative SF		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Taxable Value		-	-	-	-	-	-	15	30	45	60	75	90	105	120	135	150	165	180	195	210	225	240	255	270	285	300	315	330	345	360	375	390	405	420
Restaurant	Taxable Value		-	-	-	-	-	-	35	36	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	
	Cumulative SF		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Taxable Value		-	-	-	-	-	-	35	71	107	143	179	215	251	287	323	359	395	431	467	503	539	575	611	647	683	719	755	791	827	863	899	935	971	1,007
<b>PERSONAL PROPERTY</b>	Taxable Value		-	-	-	-	-	-	312,952	478,205	975,538	1,160,890	1,353,267	1,481,839	1,598,932	1,707,497	1,811,641	1,911,466	2,007,000	2,100,253	2,191,236	2,279,970	2,367,464	2,453,728	2,538,772	2,622,606	2,705,230	2,786,654	2,866,878	2,945,902	3,023,726	3,100,350	3,175,774	3,250,000	3,323,026	3,394,852
	PV		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bay City			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Matagorda County			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Matagorda County Hospital District			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Port of Bay City			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cora & Reel District			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Coastal Plains GW District			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Drainage District #1			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bay City/Van Weck ISD			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>SALES PSF</b>	Sales Per SF		-	-	-	-	-																													

30 YEAR - TIRZ #2A : INPUT & OUTPUT

► INPUT

INFLATION RATE	2.00%
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DISCOUNT RATE	6.00%
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REAL PROPERTY TAX		PARTICIPATION	
Bay City	0.63500000	100%	0.63500000
Matagorda County	0.39974000	100%	0.39974000
Matagorda County Hospital District	0.29127000	100%	0.29127000
Port of Bay City	0.05299000	100%	0.05299000
Cons & Recl District	0.00819000	0%	0.00000000
Coastal Plains GW District	0.00426000	0%	0.00000000
Drainage District #1	0.04113000	0%	0.00000000
Bay City/Van Vleck ISD	1.39124000	0%	0.00000000
	2.82382000		1.37900000

PERSONAL PROPERTY TAX		PARTICIPATION	
Bay City	0.63500000	0%	0.00000000
Matagorda County	0.39974000	0%	0.00000000
Matagorda County Hospital District	0.29127000	0%	0.00000000
Port of Bay City	0.05299000	0%	0.00000000
Cons & Recl District	0.00819000	0%	0.00000000
Coastal Plains GW District	0.00426000	0%	0.00000000
Drainage District #1	0.04113000	0%	0.00000000
Bay City/Van Vleck ISD	1.39124000	0%	0.00000000
	2.82382000		0.00000000

Sales Tax Rate	0.0200000	0.00%	0.00000000
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TIRZ #2A		Year	AREA SF/UNITS	REAL PROPERTY \$/ SF	TAX VALUE	PERSONAL PROPERTY \$/ SF	TAX VALUE	SALES \$/ SF	TAX VALUE
SF	Age-Targeted 1	2025	150	\$ 225,000.00	\$ 33,750,000				
	Multifamily	2027	250	\$ 100,000.00	\$ 25,000,000	\$ -	\$ -	\$ -	\$ -
SF	Age-Targeted 2	2028	150	\$ 225,000.00	\$ 33,750,000	\$ -	\$ -	\$ 500.00	\$ 8,250,000
	Restaurant Pads	2030	16,500	\$ 135.00	\$ 2,227,500	\$ 35.00	\$ 577,500	\$ -	\$ -
	Office	2032	15,000	\$ 150.00	\$ 2,250,000	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>					<b>96,977,500</b>		<b>577,500</b>		<b>8,250,000</b>

► OUTPUT

TOTAL TAX REVENUE		TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
Bay City	26.3%	\$ 20,173,010	= \$ 16,291,308	+ \$ 84,395	+ \$ 3,797,307
Matagorda County	13.5%	\$ 10,308,698	= \$ 10,255,571	+ \$ 53,128	+ \$ -
Matagorda County Hospital District	9.8%	\$ 7,511,419	= \$ 7,472,707	+ \$ 38,711	+ \$ -
Port of Bay City	1.8%	\$ 1,366,533	= \$ 1,359,490	+ \$ 7,043	+ \$ -
Cons & Recl District	0.3%	\$ 211,208	= \$ 210,119	+ \$ 1,088	+ \$ -
Coastal Plains GW District	0.1%	\$ 109,859	= \$ 109,293	+ \$ 566	+ \$ -
Drainage District #1	1.4%	\$ 1,060,681	= \$ 1,055,215	+ \$ 5,466	+ \$ -
Bay City/Van Vleck ISD	46.8%	\$ 35,878,004	= \$ 35,693,101	+ \$ 184,904	+ \$ -
	100.0%	\$ 76,619,413	\$ 72,446,804	\$ 375,302	\$ 3,797,307
		100.0%	94.6%	0.5%	5.0%

TOTAL PARTICIPATION		TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
Bay City	100.0%	\$ 16,291,308	= \$ 16,291,308	+ \$ -	+ \$ -
Matagorda County	100.0%	\$ 10,255,571	= \$ 10,255,571	+ \$ -	+ \$ -
Matagorda County Hospital District	100.0%	\$ 7,472,707	= \$ 7,472,707	+ \$ -	+ \$ -
Port of Bay City	100.0%	\$ 1,359,490	= \$ 1,359,490	+ \$ -	+ \$ -
Cons & Recl District	100.0%	\$ -	= \$ -	+ \$ -	+ \$ -
Coastal Plains GW District	100.0%	\$ -	= \$ -	+ \$ -	+ \$ -
Drainage District #1	100.0%	\$ -	= \$ -	+ \$ -	+ \$ -
Bay City/Van Vleck ISD	100.0%	\$ -	= \$ -	+ \$ -	+ \$ -
	100.0%	\$ 35,379,076	\$ 35,379,076	\$ -	\$ -
		100.0%	100.0%	0.0%	0.0%

NET BENEFIT		TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
Bay City	9.4%	\$ 3,881,702	= \$ -	+ \$ 84,395	+ \$ 3,797,307
Matagorda County	0.1%	\$ 53,128	= \$ -	+ \$ 53,128	+ \$ -
Matagorda County Hospital District	0.1%	\$ 38,711	= \$ -	+ \$ 38,711	+ \$ -
Port of Bay City	0.0%	\$ 7,043	= \$ -	+ \$ 7,043	+ \$ -
Cons & Recl District	0.5%	\$ 211,208	= \$ 210,119	+ \$ 1,088	+ \$ -
Coastal Plains GW District	0.3%	\$ 109,859	= \$ 109,293	+ \$ 566	+ \$ -
Drainage District #1	2.6%	\$ 1,060,681	= \$ 1,055,215	+ \$ 5,466	+ \$ -
Bay City/Van Vleck ISD	87.0%	\$ 35,878,004	= \$ 35,693,101	+ \$ 184,904	+ \$ -
	100.0%	\$ 41,240,337	\$ 37,067,728	\$ 375,302	\$ 3,797,307
		100.0%	89.9%	0.9%	9.2%









ESTIMATE OF GENERAL IMPACT OF PROPOSED ZONE PROPERTY VALUES AND TAX REVENUES

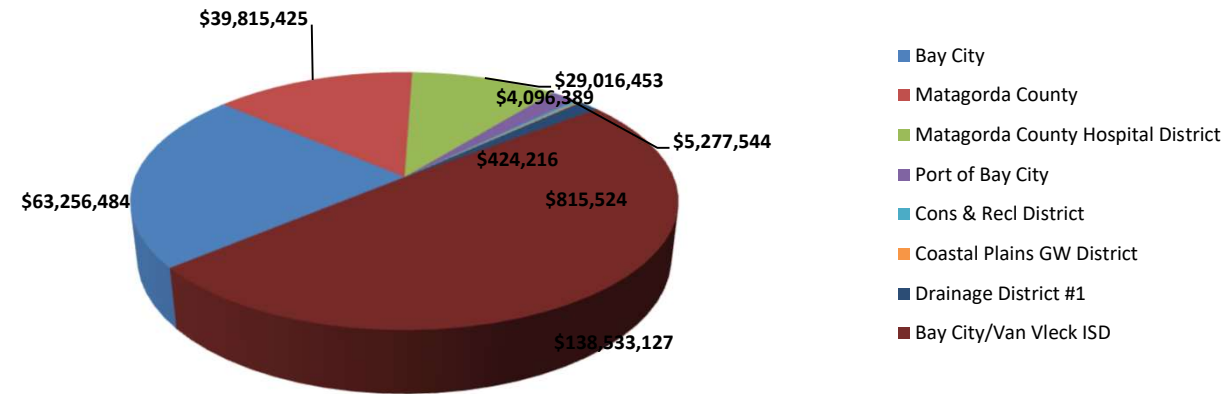
TAXABLE BASE YEAR GROWTH DISCOUNT RATE		2.00% 6.00%																																			
REAL PROPERTY TAX		BUSINESS PERSONAL PROPERTY TAX			SALES TAX																																
Bay City	0.635000	100%	0.635000	100%	0.020000	100.00%	0.020000																														
Matagorda County	0.3997400	100%	0.3997400	100%	0.020000	100.00%	0.020000																														
Matagorda County Hospital District	0.2912700	100%	0.2912700	100%	0.020000	100.00%	0.020000																														
Port of Bay City	0.0529900	100%	0.0529900	100%	0.020000	100.00%	0.020000																														
Cons & Recl District	0.0081900	100%	0.0081900	100%	0.020000	100.00%	0.020000																														
Coastal Plains GW District	0.0042600	100%	0.0042600	100%	0.020000	100.00%	0.020000																														
Drainage District #1	0.0411300	100%	0.0411300	100%	0.020000	100.00%	0.020000																														
Bay City/Van Vleck ISD	1.3912400	100%	1.3912400	100%	0.020000	100.00%	0.020000																														
	2.8238200		2.8238200		2.8238200		2.8238200																														
REVENUE YEAR	BASE YEAR 2015	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	TOTALS			
<b>BASE YEAR</b>																																					
Bay City	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193	2,099,193			
Matagorda County	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022			
Matagorda County Hospital District	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022			
Port of Bay City	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022			
Cons & Recl District	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022			
Coastal Plains GW District	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022			
Drainage District #1	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022			
Bay City/Van Vleck ISD	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022	2,220,022			
<b>TAXABLE VALUE</b>																																					
Bay City	2,099,193	2,088,211	2,980,330	13,021,768	13,141,048	14,629,668	13,323,019	13,589,479	13,861,269	14,138,494	14,421,264	14,709,690	15,003,883	15,303,961	15,610,040	15,922,241	16,240,686	16,565,500	16,896,810	17,234,746	17,579,441	17,931,029	18,289,650	18,655,443	19,028,552	19,409,123	19,797,305	20,193,251	20,597,117	21,009,059	21,429,240	21,857,825	21,884,184				
Matagorda County	2,220,022	2,209,340	2,997,490	13,038,928	13,158,208	14,656,858	13,339,086	13,605,868	13,877,985	14,155,545	14,438,656	14,727,429	15,021,977	15,322,417	15,628,865	15,941,443	16,260,271	16,585,477	16,917,186	17,255,530	17,600,641	17,952,654	18,311,707	18,677,941	19,051,500	19,432,530	19,821,180	20,217,604	20,621,956	21,034,395	21,455,083	21,884,184	21,884,184				
Matagorda County Hospital District	2,220,022	2,209,340	2,997,490	13,038,928	13,158,208	14,656,858	13,339,086	13,605,868	13,877,985	14,155,545	14,438,656	14,727,429	15,021,977	15,322,417	15,628,865	15,941,443	16,260,271	16,585,477	16,917,186	17,255,530	17,600,641	17,952,654	18,311,707	18,677,941	19,051,500	19,432,530	19,821,180	20,217,604	20,621,956	21,034,395	21,455,083	21,884,184	21,884,184				
Port of Bay City	2,220,022	2,209,340	2,997,490	13,038,928	13,158,208	14,656,858	13,339,086	13,605,868	13,877,985	14,155,545	14,438,656	14,727,429	15,021,977	15,322,417	15,628,865	15,941,443	16,260,271	16,585,477	16,917,186	17,255,530	17,600,641	17,952,654	18,311,707	18,677,941	19,051,500	19,432,530	19,821,180	20,217,604	20,621,956	21,034,395	21,455,083	21,884,184	21,884,184				
Cons & Recl District	2,220,022	2,209,340	2,997,490	13,038,928	13,158,208	14,656,858	13,339,086	13,605,868	13,877,985	14,155,545	14,438,656	14,727,429	15,021,977	15,322,417	15,628,865	15,941,443	16,260,271	16,585,477	16,917,186	17,255,530	17,600,641	17,952,654	18,311,707	18,677,941	19,051,500	19,432,530	19,821,180	20,217,604	20,621,956	21,034,395	21,455,083	21,884,184	21,884,184				
Coastal Plains GW District	2,220,022	2,209,340	2,997,490	13,038,928	13,158,208	14,656,858	13,339,086	13,605,868	13,877,985	14,155,545	14,438,656	14,727,429	15,021,977	15,322,417	15,628,865	15,941,443	16,260,271	16,585,477	16,917,186	17,255,530	17,600,641	17,952,654	18,311,707	18,677,941	19,051,500	19,432,530	19,821,180	20,217,604	20,621,956	21,034,395	21,455,083	21,884,184	21,884,184				
Drainage District #1	2,220,022	2,209,340	2,997,490	13,038,928	13,158,208	14,656,858	13,339,086	13,605,868	13,877,985	14,155,545	14,438,656	14,727,429	15,021,977	15,322,417	15,628,865	15,941,443	16,260,271	16,585,477	16,917,186	17,255,530	17,600,641	17,952,654	18,311,707	18,677,941	19,051,500	19,432,530	19,821,180	20,217,604	20,621,956	21,034,395	21,455,083	21,884,184	21,884,184				
Bay City/Van Vleck ISD	2,220,022	2,209,340	2,997,490	13,038,928	13,158,208	14,656,858	13,339,086	13,605,868	13,877,985	14,155,545	14,438,656	14,727,429	15,021,977	15,322,417	15,628,865	15,941,443	16,260,271	16,585,477	16,917,186	17,255,530	17,600,641	17,952,654	18,311,707	18,677,941	19,051,500	19,432,530	19,821,180	20,217,604	20,621,956	21,034,395	21,455,083	21,884,184	21,884,184				
<b>TAXABLE VALUE INCREMENT</b>																																					
Bay City	0	(10,982)	881,137	10,922,575	11,041,855	12,530,475	11,223,826	11,490,286	11,762,076	12,039,301	12,322,071	12,610,497	12,904,690	13,204,768	13,510,847	13,823,048	14,141,493	14,466,307	14,797,617	15,135,553	15,480,248	15,831,836	16,190,457	16,556,250	16,929,359	17,309,930	17,698,112	18,094,058	18,497,924	18,909,866	19,330,047	19,758,632	19,758,632				
Matagorda County	0	(10,682)	777,468	10,818,906	10,938,186	12,436,836	11,119,064	11,385,846	11,657,963	11,935,523	12,218,634	12,507,407	12,801,955	13,102,395	13,408,843	13,721,421	14,040,249	14,365,455	14,697,164	15,035,508	15,380,619	15,732,632	16,091,685	16,457,919	16,831,478	17,212,508	17,601,158	17,997,582	18,401,934	18,814,373	19,235,061	19,664,162	19,664,162				
Matagorda County Hospital District	0	(10,682)	777,468	10,818,906	10,938,186	12,436,836	11,119,064	11,385,846	11,657,963	11,935,523	12,218,634	12,507,407	12,801,955	13,102,395	13,408,843	13,721,421	14,040,249	14,365,455	14,697,164	15,035,508	15,380,619	15,732,632	16,091,685	16,457,919	16,831,478	17,212,508	17,601,158	17,997,582	18,401,934	18,814,373	19,235,061	19,664,162	19,664				



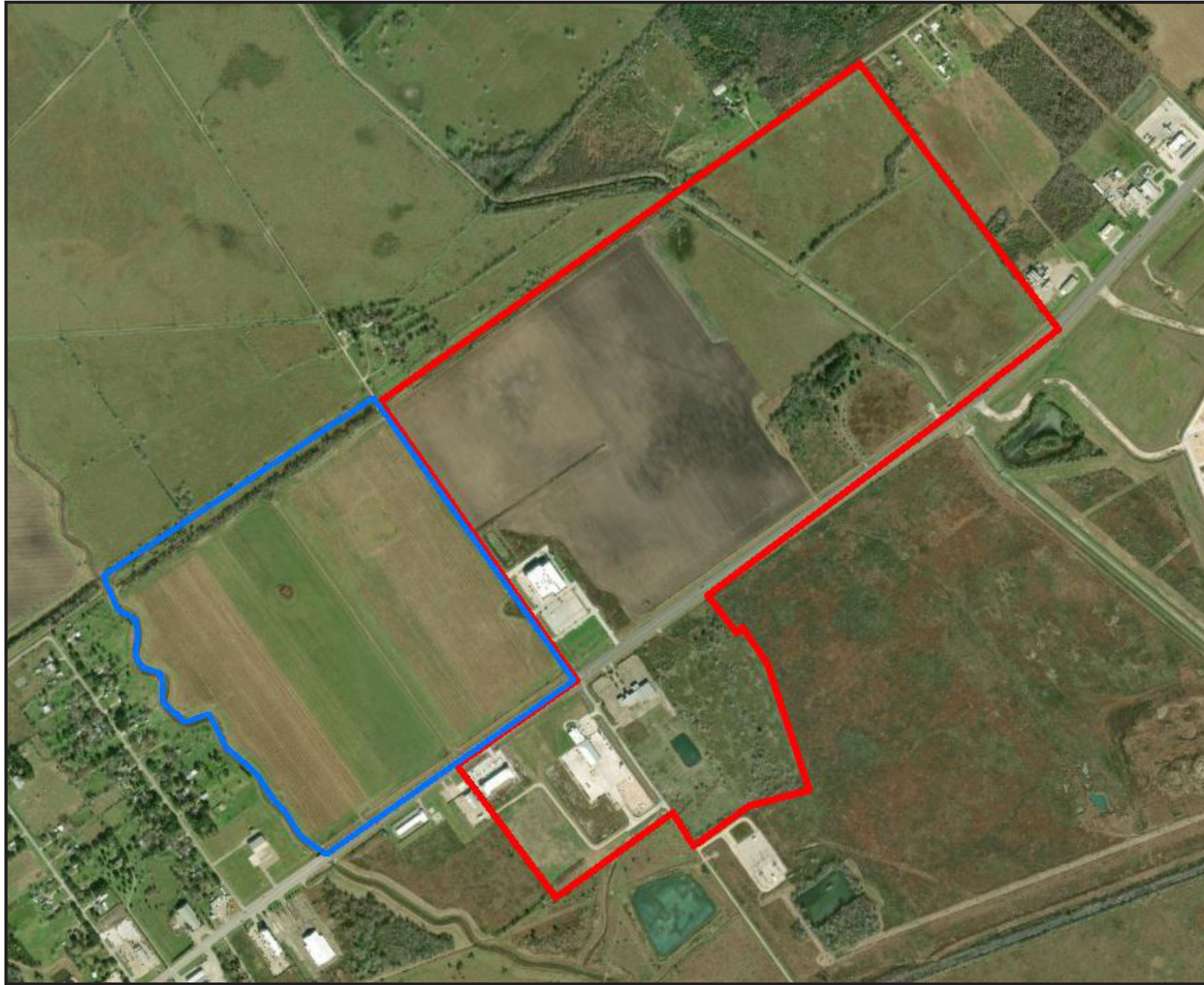
**Revenue Summary**

<b>Taxing Jurisdictions</b>	<b>Total Taxes Generated</b>	<b>Participation</b>	<b>Net Benefit</b>
Bay City	\$63,256,484	\$62,953,291	\$303,193
Matagorda County	\$39,815,425	\$39,624,416	\$191,009
Matagorda County Hospital Distr	\$29,016,453	\$28,877,274	\$139,179
Port of Bay City	\$5,277,544	\$5,252,218	\$25,325
Cons & Recl District	\$815,524	\$0	\$815,524
Coastal Plains GW District	\$424,216	\$0	\$424,216
Drainage District #1	\$4,096,389	\$0	\$4,096,389
Bay City/Van Vleck ISD	\$138,533,127	\$0	\$138,533,127
<b>Total</b>	<b>\$281,235,162</b>	<b>\$136,707,199</b>	<b>\$144,527,963</b>

**Gross Economic Impact**







**Projects Cost Estimates:**

All project costs listed in the project plan shall be considered estimates and shall not be considered a cap on expenditures.

**Length of TIRZ #2 in Years:**

The TIRZ has a 31-year term and is scheduled to end on December 31, 2046.

**Powers and Duties of Board of Directors:**

The Board shall have all powers granted to it by Chapter 311 of the Texas Tax Code, including powers of a municipality under Chapter 380, Local Government Code. The Board shall not be authorized to:

- issue bonds;
- impose taxes or fees;
- exercise the power of eminent domain; or
- give final approval to the Zone's project and financing plan.

TIRZ	Property ID	Taxpayer	City of Bay City 2021 Taxable Value	Exemptions
2	18109	TRAN TUAN & NGUYET K	\$ 42,080	
2	18110	MILBERGER FRANCIS WAYNE TRUST 2-1-1994	\$ -	
2	18135	LOWER COLORADO RIVER AUTHORITY	\$ -	EX-XV
2	20968	MILBERGER FRANCIS WAYNE TRUST 2-1-1994	\$ -	
2	20969	LIBERMAN BROADCASTING OF HOUSTON	\$ 96,810	
2	20970	BAY CITY PARTNERS LLC	\$ 1,231,000	
2	20973	DESERT GOLD INC	\$ 1,873,900	
2	23013	MILBERGER FRANCIS WAYNE TRUST 2-1-1994	\$ -	
2	88863	JACKSON ELECTRIC COOPERATIVE	\$ 323,310	
2	88865	JACKSON ELECTRIC COOPERATIVE	\$ 151,180	
2	88869	JACKSON ELECTRIC COOPERATIVE	\$ 427,430	
2	94292	MILBERGER BRYAN M TRUST 2-1-1994	\$ -	
2	94293	MILBERGER ARTHUR J TRUST	\$ -	
2	94295	MILBERGER BRYAN M TRUST 2-1-1994	\$ -	
2	94296	MILBERGER ARTHUR J TRUST	\$ -	
2	94298	MILBERGER BRYAN M TRUST 2-1-1994	\$ -	
2	94299	MILBERGER ARTHUR J TRUST	\$ -	
2	118918	SMBG BAY CITY LLC	\$ 98,760	
2	118919	BAY CITY COMMUNITY DEVELOPMENT CORP	\$ -	EX-XV
2	118920	BAY CITY COMMUNITY DEVELOPMENT CORP	\$ 6,512,970	
2	118921	MILBERGER FRANCIS WAYNE TRUST 2-1-1994	\$ 170	
2	118922	MILBERGER BRYAN M TRUST 2-1-1994	\$ 170	
2	118923	MILBERGER ARTHUR J TRUST	\$ 170	
2	118924	MILBERGER FRANCIS WAYNE TRUST 2-1-1994	\$ 1,203	
2	118925	MILBERGER BRYAN M TRUST 2-1-1994	\$ 1,203	
2	118926	MILBERGER ARTHUR J TRUST	\$ 1,203	
2	121791	SMBG BAY CITY LLC	\$ -	
2	121793	SMBG BAY CITY LLC	\$ 91,960	
2	121794	SMBG BAY CITY LLC	\$ 87,350	
2	121795	SMBG BAY CITY LLC	\$ 2,310	
2	125702	JACKSON ELECTRIC COOP INC	\$ 2,379,840	
		<b>TOTAL TIRZ #2</b>	<b>\$ 13,323,019</b>	
2A	20961	CORBETT DUNCAN	\$ 532	
2A	20954	MILBERGER FRANCIS WAYNE FAMILY TRUST	\$ -	
2A	20118	CORBETT DUNCAN	\$ -	
2A	20112	MILBERGER FRANCIS WAYNE FAMILY TRUST	\$ -	
2A	20964	MORTON & HUDSON	\$ -	
		<b>TOTAL #2A</b>	<b>\$ 532</b>	