

**Owner Reimbursement Agreement
Term Sheet – Revised Agreement
Between the City of Forney, Texas
Reinvestment Zone Number One, City of Forney
and Meadow Ridge Farm, L.P.**

I. Parties

- a. City of Forney
- b. Reinvestment Zone Number One, City of Forney
- c. Meadow Ridge Farm, L.P.

II. General Information

- a. In 2010 the Developer, entered into a Reimbursement agreement with the City to promote the creation of a Regional Commerce Center. The developer advanced money to the City so that the City could install required public infrastructure and facilities, including a bridge over US Highway 80 and certain spine roads.
- b. The developer's costs to date on public infrastructure for the Gateway Bridge and spine roads are shown in Exhibit 1.
- c. The City and Reinvestment Zone Number One, now wish to renegotiate the terms of the Reimbursement agreement.

III. The Project Site

- a. The project site is the limits of Tax Increment Reinvestment No. 1
- b. Additional area will be annexed into the Zone as shown in Exhibit 2.

IV. Project Plan and Finance Plan

- a. The Project Plan and Finance Plan will be amended to allow for the following:
 - i. City will participate in the TIRZ at a rate of 85%
 - ii. The duration of the TIRZ will be extended by 10 years
 - iii. The remainder of the Gateway development that is currently not in the TIRZ will be added to the TIRZ.
 - iv. Work with the County in participating in the annexed areas and extended duration of the TIRZ.

V. Developer Agreement

- a. TIRZ Improvements and project costs are shown in Exhibit 1 (**NEED TO LIST ADDITIONAL IMPROVEMENTS TO BE ADDED AS PART OF THIS RENEGOTIATION – Reeder rd.?**)
- b. The "Annual Reimbursement" will be the tax increment derived from the Project received by the City each year. Calculation is based on the current value above the base value;
- c. Bonds may be used by the City to accelerate reimbursement to the Developer.
- d. The City's advance of \$3,000,000 towards the cost of the interchange shall be deferred for five years. The amount owed to TxDOT of \$1,024,246 shall be reimbursed first (\$1,024,246 = amount owed to TxDOT – amount in escrow).
- e. The Developer will be eligible to receive interest at prime + 1 at time of disbursement, calculated from the time the money was spent.

- f. Effective date is date that the City and Reinvestment Zone Number One approves the agreement.
- g. Reimbursement date is date that each phase of the Public Improvement is conveyed and accepted by the City.
- h. Agreement Termination is date all eligible costs have been reimbursed to the Developer or at the end of the life of the TIRZ, whichever is sooner.
- i. The base value as of January 1, 2009 for the original area and January 1, 2018 for the annexed areas and real property values in subsequent years will be established and certified by Kaufman County Appraisal District
- j. The estimated Public Improvement Costs are \$54 million.

Exhibit 1 – Project Costs

Project	Project Plan Costs	Costs to Date (AUP)*
Forney Parkway Bridge	\$18,000,000	\$12,272,881
North Spine Bridge	\$7,000,000	\$6,677,163
South Spine Road	\$7,000,000	\$6,730,333
Engineering and Design for Bridge	\$4,000,000	
Water and Sewer Infrastructure	\$14,000,000	\$2,404,140
Lighting, hardscape, and other infrastructure costs	\$4,000,000	
Total	\$54,000,000	\$28,084,517

*Costs do not include interest

