

**CITY OF LAVON, TEXAS**

**ORDINANCE NO. 2020-08-01**

Terminating TIRZ No. 1

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS TERMINATING TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, CITY OF LAVON, TEXAS; AUTHORIZING THE DISTRIBUTION OF TAX INCREMENT FUNDS OF THE ZONE TO TAXING UNITS PARTICIPATING IN THE ZONE; ORDAINING OTHER MATTERS RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, on December 12, 2006 the City Council of the City of Lavon, Texas (the "City Council") adopted Ordinance No. 2006-12-01 designating Tax Increment Reinvestment Zone Number One, City of Lavon, Texas, (the "Zone") pursuant to Chapter 311, Tax Increment Financing Act, Texas Tax Code, (the "Act") and established the Tax Increment Fund to pay project and administrative costs of the Zone; and

**WHEREAS**, on May 5, 2020, the Zone Board, by Resolution No. 2020-05-01-TIF, and the City Council, by Resolution No. 2020-05-02, approved a final Project and Financing Plan for the Zone (the "Project and Financing Plan"); and

**WHEREAS**, the City entered into an Amended and Restated Master Development Agreement, related to infrastructure in the Grand Heritage development and executed February 20, 2007 (the "Master Development Agreement"), between the City and the developer of Grand Heritage, World Land Partners, LP (the "Developer"), pursuant to which the City was to make payments to the Developer from the Tax Increment Fund for certain qualified project costs; and

**WHEREAS**, the City and the Developer entered into a Mutual Termination of Master Development Agreement (the "Letter Agreement") pursuant to which the Developer and City agreed and acknowledged that all rights and obligations of the City and the Developer created under the Master Development Agreement will be fulfilled by City reimbursing Developer \$1,388,980.59 (the "Final Payout") from the Tax Increment Fund, and further acknowledging that upon payment of the Final Payout and payment of administrative costs related to the Zone, all obligations of the Zone to the Developer will have been paid and the Zone would be terminated; and

**WHEREAS**, the City and Collin County (the "County") entered into an Agreement to Participate in the Reinvestment Zone Number One, City of Lavon, Texas, effective as of December 12, 2006 (the "Participation Agreement"), wherein the County agreed to contribute tax increments to the Tax Increment Fund established for the Zone in consideration for the funding and construction of certain road improvements described in the Participation Agreement; and

**WHEREAS**, the City and the County entered into an Agreement to Terminate Reinvestment Zone No. One, City of Lavon, Texas, dated May 29, 2020, pursuant to which the County agreed that the obligations under the Participation Agreement to fund and construct the Public Improvements had been fulfilled or waived and that upon payment of the Final Payout and payment of the City's administrative costs related to the Zone, the Zone would be terminated; and

**WHEREAS**, by Resolution No. 2020-05-02-TIF, adopted May 19, 2020, the Board of Directors of the Zone recommended payment of Zone obligations and termination of the Zone; and

**WHEREAS**, payment of the Final Payout was made on June 19, 2020 and payment of the City's administrative costs related to the Zone, in the amount of \$19,966.11 ("City Administrative Costs") was completed on July 15, 2020; and

**WHEREAS**, pursuant to Ordinance No. 2006-12-01, the Project and Financing Plan and the Act, termination of the Zone would occur on December 31, 2037, or at an earlier time designated by subsequent ordinance, or at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, notes and other obligations of the Zone, and the interest thereon, have been paid in full; and

**WHEREAS**, the City Council finds that termination of the Zone is in the best interest of the City and its residents; and

**WHEREAS**, in accordance with Ordinance No. 2006-12-01, the Project and Financing Plan and the Act, the City Council has determined to terminate the Zone.

**NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS, THAT:**

**SECTION 1: FINDINGS.** That after reviewing all information before it regarding the Zone, the City Council hereby makes the following findings of fact:

- 1.1. The statements and facts set forth in the recitals of this Ordinance are true and correct.
- 1.2. Payment of the Final Payout and City Administrative Costs have been made and are hereby ratified and approved; there are no outstanding project costs, tax increment bonds, notes or other obligations of the Zone or any interest thereon; and therefore all obligations of the Zone have been paid.
- 1.3. The City and the County are the only taxing units participating in the Zone.

**SECTION 2: TERMINATION OF THE ZONE.** That the City Council hereby terminates Tax Increment Reinvestment Zone Number One, City of Lavon, Texas, effective as of the date of the effective date of this ordinance.

SECTION 3: DISTRIBUTION OF FUNDS. That the City Council hereby directs the City Administrator to distribute all monies in the Tax Increment Fund to the taxing units participating in the Zone, including the City, as set forth in the Participation Agreement and the Act.

SECTION 4: EFFECTIVE DATE. That this Ordinance shall take effect and be in full force and effect immediately upon its adoption.

**PASSED, APPROVED AND ADOPTED on the 4<sup>th</sup> day of August 2020.**

APPROVED:



Vicki Sanson

Mayor

ATTEST:



Kim Dobbs

City Administrator / City Secretary

