

Meeting of Board of Directors of the
City of Kingsville Tax Increment Financing District #2

Tuesday, October 15, 2024
4:00 PM

City of Kingsville City Hall
Helen Kleberg Groves. Community Room
400 W. King Ave.
Kingsville, TX 78363

AGENDA

- 1) Call to Order
- 2) Discussion and Action
 - a. Review and Recommend Approval of the Project and Financing Plan for TIRZ #2, David Pettit Economic Development LLC
- 3) Other Business
- 4) Adjournment

NOTICE

This City of Kingsville and Commission Chambers are wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at 361/595-8002 or FAX 361/595-8024 or E-Mail mvalenzuela@cityofkingsville.com for further information. Braille Is Not Available.

I, the undersigned authority do hereby certify that the Notice of Meeting was posted on the bulletin board at City Hall, City of Kingsville, 400 West King Avenue, Kingsville, Texas, a place convenient and readily accessible to the general public at all times and said Notice was posted on the following date and time:
October 7, 2024, at 10:15 A.M. and remained so posted continuously for at least 72 hours proceeding the scheduled time of said meeting.

Mary Valenzuela
Mary Valenzuela, TRMC, City Secretary
City of Kingsville, Texas

This public notice was removed from the official posting board at the Kingsville City Hall on the following date and time: _____

By: _____
City Secretary's Office
City of Kingsville, Texas

Tax Increment Reinvestment Zone #2 City of Kingsville, Texas

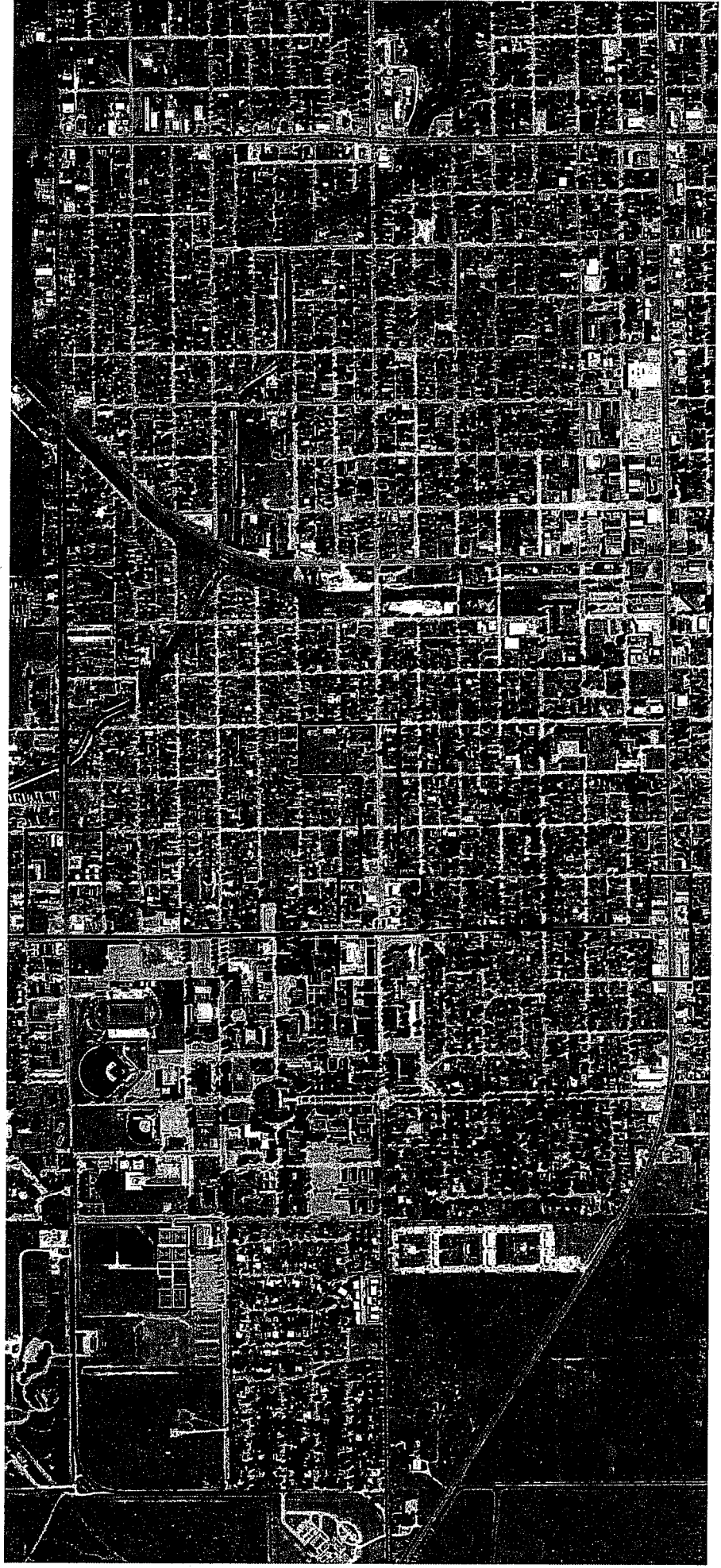


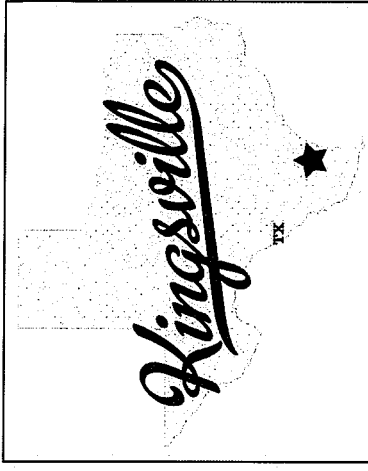
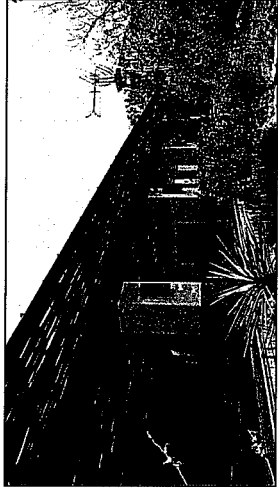
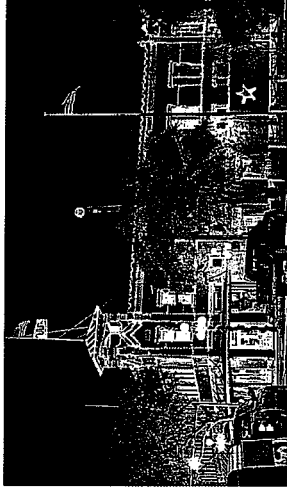
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DISCLAIMER

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.



Kingsville, TX, located in Kleberg County, is positioned between the Texas Gulf Coast on the east and the Brush Country on the west. Kingsville is home to nearly 25,000 people and is also home to a leading public research university, Texas A&M Kingsville, a Naval Air Station and several Fortune 500 industrial companies.

Kingsville's proximity to major highways is a plus for this community that promotes itself as "A Main Street Community." The city sits just off U.S. Highway 77, which is a major corridor from Texas to Mexico. Highway 77, soon to become a part of the I-69 corridor, is a busy road. Both local and national truck carriers provide inbound and outbound service through connecting lines from San Antonio, Houston and Dallas. Shipments to and from the Ports of Corpus Christi and Houston are convenient to Kingsville by truck. The city is also served with incoming and outgoing rail service by the Union Pacific Railroad. Kingsville is located 38 miles southwest of Corpus Christi International Airport, and is served by American, Southwest and United Airlines. Kingsville is also immediately accessible when you fly into Kleberg County Airport.

Kingsville proudly offers a diverse selection of outdoor activities, restaurants, and retail establishments for visitors and locals alike. Tour one of our many historic museums, exciting planned events, or local attractions and enjoy an unforgettable excursion off the beaten path.

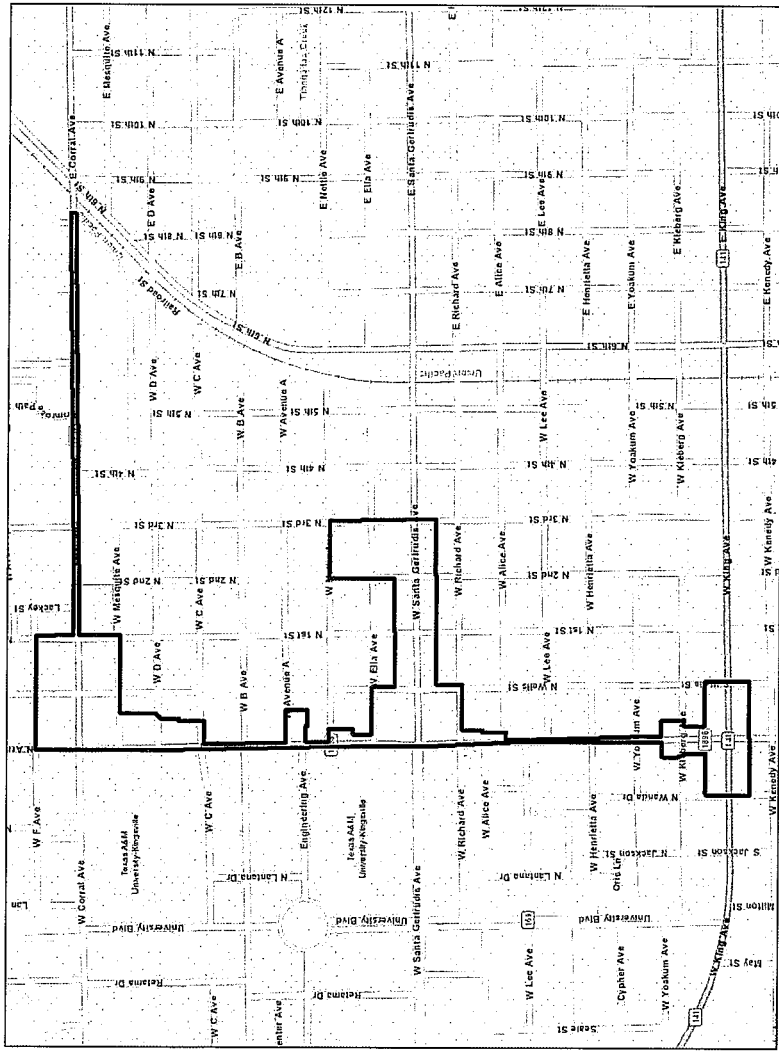
Introduction

Tax Increment Reinvestment Zone #2, City of Kingsville

Tax Increment Financing (TIF) is a tool used to promote both new development and redevelopment within a specified geographic area. A city may designate a geographic area targeted for new development and redevelopment that would not occur but for the designation of the geographic area as a Tax Increment Reinvestment Zone (TIRZ).

On June 24, 2024 the City Commission of the City of Kingsville, Texas (the "Commission"), pursuant to Chapter 311 of the Texas Tax Code, approved Ordinance No. 2024-41 designating a contiguous geographic area within the City limits as Reinvestment Zone Number Two, City of Kingsville, Texas. The goal of Tax Increment Reinvestment Zone #2 (TIRZ #2) is to fund the construction of needed public infrastructure and to encourage private development that will yield additional tax revenue to all local taxing jurisdictions.

This project and financing plan outlines the funding of \$3,459,886 in public improvements related to water, sanitary sewer, and storm water facilities, as well as street and intersection improvements, open space and park facilities, utilities and street lighting, and economic development grants. The TIRZ can fund these improvements through ad valorem participation of eligible taxing jurisdictions, including the City of Kingsville. Without the implementation of the TIRZ, the specified property would continue to impair the sound growth of the municipality.



TIRZ Boundary

Boundary Description

TIRZ #2 consists of approximately 39 acres located within the city limits of the City of Kingsville. The legal description for the zone is described in detail below.

Legal Description TIRZ #2

Beginning at the point where the western right of way boundary of N Armstrong Street meets the northern right of way boundary of W F Avenue, thence

East along the northern right of way boundary of W F Avenue to the point it meets the eastern right of way boundary of N 1st Street, thence

South along the eastern right of way boundary of N 1st Street to the point it meets the northern right of way boundary of W Corral Avenue, thence

East along the northern right of way boundary of W Corral Avenue to the point it meets the western right of way boundary of Railroad Street, thence

South across W Corral Avenue to the point the southern right of way boundary of W Corral Avenue meets the western right of way boundary of Railroad Street, thence

West along the southern right of way boundary of W Corral Avenue to the point it meets the eastern right of way boundary of N 1st Street, thence

South along the eastern right of way boundary of N 1st Street to the point it meets the southern right of way boundary of W Mesquite Avenue, thence

West along the southern right of way boundary of W Mesquite Avenue to the point it meets the northeast corner of Property ID 22344, thence

South along the eastern boundary of Property ID 22344 to the point it meets the eastern boundary of Property ID 20018, thence

South along the eastern boundary of Property ID 20018 to the point it meets the northern right of way boundary of W D Avenue, thence

South across W D Avenue to the northeast corner of Property ID 13403, thence

South along the eastern boundary of Property ID 13403 to the point it meets the northern right of way boundary of W C Avenue, thence

South across W C Avenue to northeast corner of Property ID 18037, thence

West along the southern right of way boundary of W C Avenue to the point it meets the eastern right of way boundary of N Armstrong Street, thence

South along the eastern right of way boundary of N Armstrong Street to the point it meets the northern right of way boundary of W Avenue A, thence

East along the northern right of way boundary of W Avenue A to the point it meets the southeast corner of Property ID 15255, thence

South across W Avenue A to the northeast corner of Property ID 13309, thence

South along the eastern boundary of Property ID 13309, continuing west along the boundary of Property ID 13309, continuing west to the southeast corner of Property ID 16706, thence

West along the southern boundary of Property ID 16706 to the point it meets the eastern right of way boundary of N Armstrong Street, thence

South along the eastern right of way boundary of N Armstrong Street to the point it meets the northern right of way boundary of W Nettie Avenue, thence

East along the northern right of way boundary of W Nettie Avenue to the point it meets the southeast corner of Property ID 22766, thence

South across W Nettie Avenue to the northeast corner of Property ID 23758, thence

South along the eastern boundary of Property ID 23758, continuing south to the northeast corner of Property ID 25284, thence

South along the eastern boundary of Property ID 25284 to the point it meets the northern right of way boundary of W Ella Avenue, thence

East along the northern right of way boundary of W Ella Avenue to the point it meets the eastern right of way boundary of N Wells Street, thence

South along the eastern right of way boundary of N Wells Street to the point it meets the northwest corner of Property ID 11998, thence

East along the northern boundary of Property ID 11998, continuing east to the point the northeast corner of Property ID 11936 meets the western right of way boundary of N 2nd Street, thence

North along the western right of way of N 2nd Street to the point it meets the northern right of way boundary of W Nettie Avenue, thence

East along the northern right of way boundary of W Nettie Avenue to the point it meets the eastern right of way boundary of N 3rd Street, thence

South along the eastern right of way boundary of N 3rd Street to the point it meets the southwest corner of Property ID 20221, thence

West across N 3rd Street to the point it meets the southeast corner of Property ID 18226, thence

West to the point the southwest corner of Property ID 20218 meets the eastern right of way boundary of N Wells Street, thence

TIRZ Boundary

Legal Description TIRZ #2 (Continued)

South along the eastern right of way boundary of N Wells Street to the point it meets the southern right of way boundary of W Richard Avenue, thence

West along the southern right of way boundary of W Richard Avenue to the point it meets the northeast corner of Property ID 18032, thence

South along the eastern boundary of Property ID 18032, continuing south to the northeast corner of Property ID 12918, thence

South along the eastern boundary of Property ID 12918 to the point it meets the northern right of way boundary of W Alice Avenue, thence

South across W Alice Avenue to the northern boundary of Property ID 24002, thence

West along the southern right of way boundary of W Alice Avenue to the point it meets the eastern right of way boundary of N Armstrong Street, thence

South along the eastern right of way boundary of N Armstrong Street to the point it meets the northwest corner of Property ID 22010, thence

East along the northern boundary of Property ID 22010, continuing south along the eastern boundary of Property ID 22010 to the point it meets the northern right of way boundary of W Kleberg Avenue, thence

South across W Kleberg Avenue to the northeast corner of Property ID 13752, thence

South along the eastern boundary of Property ID 13752 to the northern boundary of Property ID 16224, thence

East to the point the eastern right of way boundary of S Wells Street meets the northwest corner of Property ID 25165, thence

South along the eastern right of way boundary of S Wells Street to the point it meets the southwest corner of Property ID 20261, thence

West across S Wells Street to the point the western right of way boundary of S Wells Street meets the southeast corner of Property ID 16278, thence

West to the point the southeast corner of Property ID 25673 meets the western right of way boundary of S Wanda Drive, thence

North along the western right of way boundary of S Wanda Drive to the point it meets the southeast corner of Property ID 22667, thence

East to the southwest corner of Property ID 13230, thence

North along the western boundary of Property ID 13230 to the point that it meets the southern right of way boundary of W Kleberg Avenue, thence

North across W Kleberg Avenue to the southwest corner of Property ID 25903, thence

North along the western boundary of Property ID 25903, continuing east along the northern boundary to the point it meets the northwest corner of Property ID 24402, thence

East along the northern boundary of Property ID 24402 to the point it meets the western right of way boundary of N Armstrong Street, thence

North along the western right of way boundary of N Armstrong Street to the point it meets the northern right of way boundary of W F Avenue, which is the point of beginning.

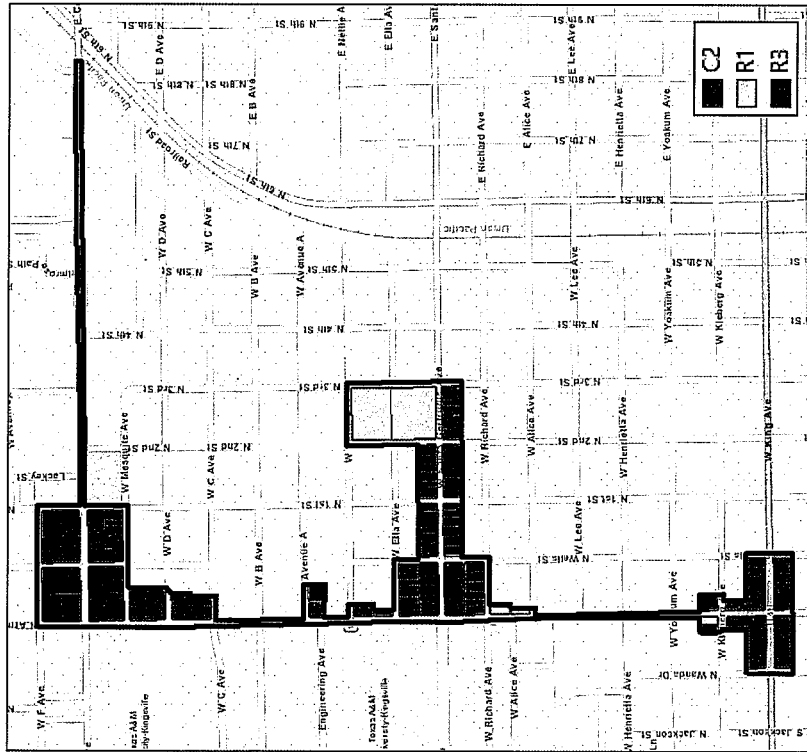
Current Conditions

Land Use

The land within the zone is primarily developed with commercial uses that are well positioned for redevelopment. There are also various surface parking lots and vacant tracts that are well positioned to be utilized for new development. Less than 30 percent of the property in the zone, excluding property that is publicly owned, is used for residential purposes.

Zoning

The land within the TIRZ is primarily zoned C2: Retail District (shaded in red), with a portion zoned R1: Single-Family District 1 (shaded in yellow). The property may need to be rezoned to accommodate any future development. It is not anticipated there will be any changes to the City of Kingsville zoning ordinance, master plan, building codes, subdivision rules and regulations or other municipal ordinances as a result of the TIRZ.



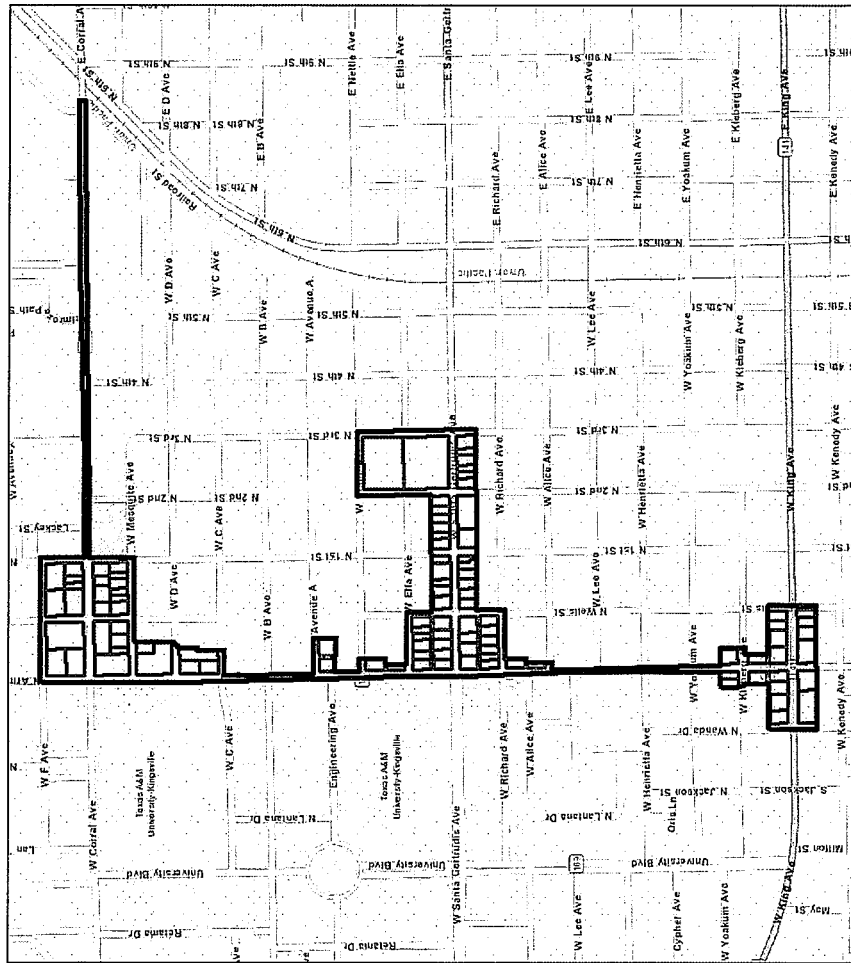
Current Conditions

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

There are currently 102 parcels within Tax Increment Reinvestment Zone #2. The estimated taxable base value of the property within the TIRZ is \$12,609,522. The 2024 base value will need to be verified by Kleberg County Appraisal District when the final 2024 taxable values are available. For further details of parcels included within the TIRZ see Appendix A.



Proposed Development

Anticipated Development

The land within the zone is well positioned for future development and redevelopment. The table below provides an overview of the scope and timing of potential development that DPED projects could occur during the life of the TIRZ, based on market trends, known planned development, and input from City staff. 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.

TIRZ #2	Projected Completion Date	Units/SF	RP Taxable Value per Unit/SF	Incremental Value	Sales/SF	Incremental Sales
Retail	2025	16,500	\$ 200	\$ 3,300,000	\$ 200	\$ 3,300,000
Multifamily	2026	60	\$ 75,000	\$ 4,500,000	\$ -	\$ -
Retail	2028	6,500	\$ 200	\$ 1,300,000	\$ 200	\$ 1,300,000
Retail	2029	3,500	\$ 200	\$ 700,000	\$ 200	\$ 700,000
Retail	2031	4,000	\$ 200	\$ 800,000	\$ 200	\$ 800,000
Retail	2032	8,000	\$ 200	\$ 1,600,000	\$ 200	\$ 1,600,000
Retail	2034	6,000	\$ 200	\$ 1,200,000	\$ 200	\$ 1,200,000
Retail	2035	10,000	\$ 200	\$ 2,000,000	\$ 200	\$ 2,000,000
Total				\$ 15,400,000		\$ 10,900,000

*\$15,400,000 represents the estimated 2024 taxable value of the Anticipated Development. The Anticipated Development is projected to generate \$3,459,886 in TIRZ Revenue to fund the Project Costs outlined on Page 7

Project Costs

Project Costs of the Zone

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

Proposed Project Costs - TIRZ #2		
Public Utilities	\$ 518,983	15%
<i>Water Facilities and Improvements, Sanitary Sewer Facilities and Improvements, Storm Water Facilities and Improvements</i>		
Parking and Transit Improvements	\$ 518,983	15%
Street and Intersection Improvements	\$ 518,983	15%
Pedestrian Enhancements	\$ 415,186	12%
<i>Streetscape, lighting, public art, and other amenities that enhance the pedestrian experience</i>		
Open Space, Park and Recreation Facilities and Improvements, Public Facilities and Improvements	\$ 345,989	10%
Economic Development Grants	\$ 1,037,966	30%
Administrative Costs	\$ 103,797	3.0%
Total	\$ 3,459,886	100%

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. The project costs listed above are estimates and may be revised. Savings from one line item may be applied to a cost increase in another line item. The \$3,459,886 project cost total amount shall be considered a cap on expenditures that shall not be exceeded without an amendment to the project and financing plan.

Economic Development Grants may include grants, loans, and services for public and private development. Chapter 380 of the Local Government Code grants municipalities in Texas the authority to offer grants and loans of public funds to stimulate economic development. Section 311.010 (h) of the Texas Tax Code details the authority of Chapter 380 within a project and financing plan and limits the aggregate amount not to exceed the amount of tax increment produced by the municipality and paid into the tax increment fund for the zone for activities that benefit the zone and stimulate business and commercial activity in the zone.

The project costs are anticipated to be incurred over the term of the TIRZ, subject to demand for development driven by market conditions. It is anticipated that the individual TIRZ project costs will be evaluated on a case-by-case basis consistent with Chapter 311, Section 311.002, 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.



Project Costs

Public Utilities includes but is not limited to:

Water Facilities and Improvements: This category includes TIRZ eligible expenditures for design, engineering and construction of water facilities and improvements that support the development and redevelopment of the TIRZ.

Sanitary Sewer Facilities and Improvements: This category includes TIRZ eligible expenditures for design, engineering and construction of structures or systems designed for the collection, transmission, treatment, or disposal of sewage, and includes trunk mains, interceptors, treatment plants and disposal systems.

Storm Water Facilities and Improvements: Many areas within the TIRZ have an aging infrastructure, making proper utility drainage an important component of the project plan. Utility drainage encompasses the physical provisions to accommodate and regulate stormwater runoff to preclude excessive erosion and sedimentation and to control and regulate the rate of flow. Facilities/systems can include natural features and conduits, channels, ditches, swales, pipes, detention devices or other devices designed or intended to carry, direct, detain or otherwise control stormwater.

Parking and Transit Improvements: Parking structures, whether newly constructed or existing, may be utilized to encourage denser development and support public access to commercial, residential, and retail developments at future mixed-use or transit-oriented developments. Parking includes, but is not limited to, parking garages; surface parking; parking lighting; parking signage and wayfinding; parking meters/kiosks and electrical charging stations. The goal is to create compact, walkable, pedestrian-centered developments to enhance and act as a catalyst to spur additional development and redevelopment in the district.

Street and Intersection Improvements and Pedestrian Enhancements: The TIRZ will encourage the construction of multi-functional, pedestrian-oriented, aesthetically-pleasing, safe, and inviting street for residents and visitors. Creating a pleasing public realm supports and encourages a wide variety of new development and investment. Elements of complete streets include the building to building improvements which may encompass: sidewalks, shared travel lanes (e.g. bus and bicycle), parallel and angled parking, pedestrian crosswalks, pedestrian and emergency bulb (American with Disabilities Act (ADA) accessibility), awnings, street improvements, planters, pedestrian street furniture, bike racks and pedestrian lighting. This includes public art and other amenities that enhance the pedestrian experience.

Open Space, Park and Recreation Facilities and Improvements, Public Facilities and Improvements: In accordance with Sec. 311.008(4B), TIRZ funds may be used to acquire, construct, reconstruct, or install public works, facilities, or sites or other public improvements. Costs of design, improvements, and land acquisition are TIRZ eligible expenses and can be funded from this category.

Economic Development Grants: This may include grants, loans, and services for public and private development. Eligible TIRZ project costs are not limited to public uses and may also include projects that involve: historic preservation, demolition, environmental remediation and economic development grants. Chapter 380 of the Local Government Code grants municipalities in Texas the authority to offer grants and loans of public funds to stimulate economic development. Section 311.010 (h) of the Texas Tax Code details the authority of Chapter 380 within a project and financing plan and limits the aggregate amount not to exceed the amount of tax increment produced by the municipality and paid into the tax increment fund for the zone for activities that benefit the zone and simulate business and commercial activity in the zone.

Administrative Costs: Administrative costs, including reasonable charges for the time spent by employees of the City, to assist with implementation within the TIRZ will be eligible for reimbursement as project costs, upon approval by the Board of Directors and in connection with the implementation of the Project and Financing Plan. Other related administrative expenses including legal fees and consulting fees of the City, management expenses, meeting expenditures and equipment are included in this category.

Financial Feasibility Analysis

Method of Financing

To fund the public improvements outlined on the previous page, the City of Kingsville will contribute 50% of the real property increment within the Zone.

Debt Service

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

TIRZ #1	Real Property Tax - 2023 Rates	Participation
City of Kingsville	0.76000000	50%
Kleberg County	0.77187000	0%
Kingsville ISD	1.41040000	0%
South Texas Water Authority	0.07037400	0%
	3.01264400	0.38000000

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, the anticipated sales per square foot and the anticipated taxable value per square foot can be found on the following pages.

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.

	Personal Property Tax	Participation
City of Kingsville	0.76000000	0%
Kleberg County	0.77187000	0%
Kingsville ISD	1.41040000	0%
South Texas Water Authority	0.07037400	0%
	3.01264400	0.00000000

	Sales Tax	Participation
City of Kingsville	0.01500000	0%
Kleberg County	0.00500000	0%
	0.02000000	0.00000000



Financial Feasibility Analysis - Development Input

▶ INPUT

INFLATION RATE	3.00%
DISCOUNT RATE	6.00%

REAL PROPERTY TAX	PARTICIPATION
City of Kingsville	0.38000000
Kleberg County	0.00000000
Kingsville ISD	0.00000000
South Texas Water Authority	0.00000000
	3.07284400
	0.38000000

PERSONAL PROPERTY TAX	PARTICIPATION
City of Kingsville	0.00000000
Kleberg County	0.00000000
Kingsville ISD	0.00000000
South Texas Water Authority	0.00000000
	0.07037400
	0.00000000
	3.07284400

City of Kingsville	0.01500000	0.00%	0.00000000
Kleberg County	0.00500000	0.00%	0.00000000
	0.02000000		0.00000000

Year	AREA SF/UNITS	REAL PROPERTY \$ / SF	TAX VALUE	PERSONAL PROPERTY \$ / SF	TAX VALUE	\$ / SF	SALES	TAX VALUE
2025	16,500	\$ 200.00	\$ 3,300,000	\$ -	\$ -	\$ -	\$ 200.00	\$ 3,300,000
2026	60	\$ 75,000.00	\$ 4,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
2028	6,500	\$ 200.00	\$ 1,300,000	\$ -	\$ -	\$ -	\$ 200.00	\$ 1,300,000
2029	3,500	\$ 200.00	\$ 700,000	\$ -	\$ -	\$ -	\$ 200.00	\$ 700,000
2031	4,000	\$ 200.00	\$ 800,000	\$ -	\$ -	\$ -	\$ 200.00	\$ 800,000
2032	5,000	\$ 200.00	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 200.00	\$ 1,000,000
2034	5,000	\$ 200.00	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 200.00	\$ 1,000,000
2035	10,000	\$ 200.00	\$ 2,000,000	\$ -	\$ -	\$ -	\$ 200.00	\$ 2,000,000
TOTAL			15,400,000					10,900,000

▶ OUTPUT

TOTAL TAX REVENUE	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Kingsville	\$ 11,995,379	=	\$ 5,098,700	\$ 6,896,679
Kleberg County	\$ 7,477,227	=	\$ 5,178,334	\$ 2,298,893
Kingsville ISD	\$ 9,462,114	=	\$ 9,462,114	\$ -
South Texas Water Authority	\$ 472,126	=	\$ 472,126	\$ -
	\$ 29,406,845	=	\$ 20,211,274	\$ 9,195,572
	100.0%		68.7%	31.3%

TOTAL PARTICIPATION	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Kingsville	\$ 2,549,350	=	\$ 2,549,350	\$ -
Kleberg County	\$ -	=	\$ -	\$ -
Kingsville ISD	\$ -	=	\$ -	\$ -
South Texas Water Authority	\$ 2,549,350	=	\$ 2,549,350	\$ -
	\$ 2,549,350	=	\$ 2,549,350	\$ -
	100.0%		100.0%	0.0%

NET BENEFIT	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	SALES
City of Kingsville	\$ 9,446,028	=	\$ 2,549,350	\$ 6,896,679
Kleberg County	\$ 7,477,227	=	\$ 5,178,334	\$ 2,298,893
Kingsville ISD	\$ 9,462,114	=	\$ 9,462,114	\$ -
South Texas Water Authority	\$ 472,126	=	\$ 472,126	\$ -
	\$ 26,857,495	=	\$ 17,661,924	\$ 9,195,572
	100.0%		65.8%	34.2%

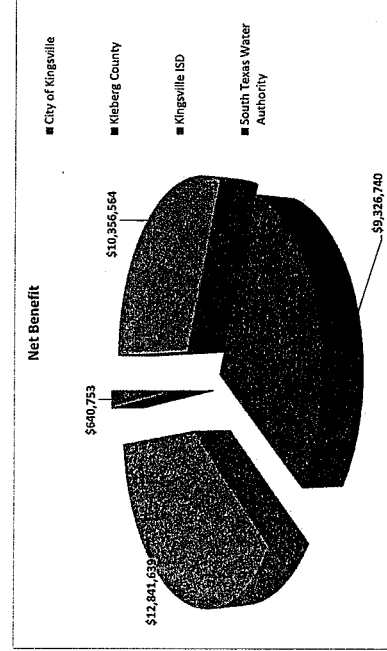
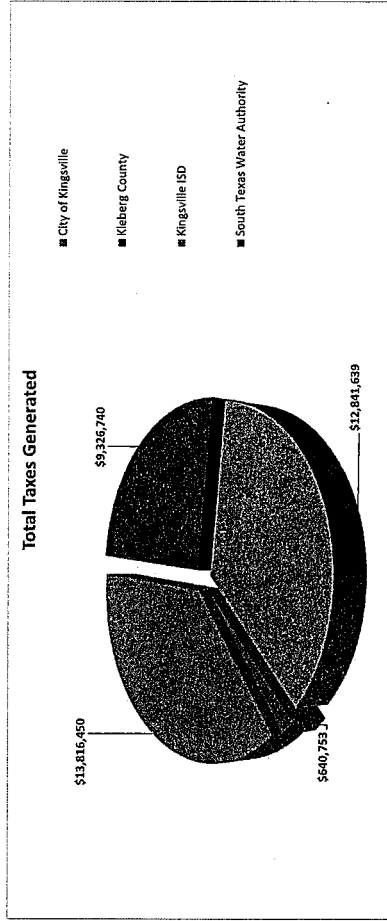


Financial Feasibility Analysis - Summary

Revenue Summary

Taxing Jurisdictions	Total Taxes Generated	TIRZ Participation	Net Benefit
City of Kingsville	\$13,816,450	\$3,459,886	\$10,356,564
Kleberg County	\$9,326,740	\$0	\$9,326,740
Kingsville ISD	\$12,841,639	\$0	\$12,841,639
South Texas Water Authority	\$640,753	\$0	\$640,753
Total	\$36,625,583	\$3,459,886	\$33,165,697

Taxing Jurisdictions	Total Taxes Generated	Participation
City of Kingsville	\$13,816,450	\$3,459,886
Real Property Sales	\$3,459,886	\$0



Terms and Conditions



Length of TIRZ #2 in Years:

The TIRZ has a 30 year term and is scheduled to end on December 31, 2054 (with the final year's tax increment to be collected by September 1, 2055).

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.



APPENDIX A - CURRENT PROPERTY OWNERSHIP

Property ID	Owner Name	Legal Description	Address	Acres
12918	723 WEST ALICE LLC	HENRIETTA HGTS, BLOCK 4, LOT 31, 32	732 W ALICE	0.1607
22141	ADAMS VANESSA RENAE	COLLEGE VIEW, BLOCK 2, LOT 20, 21	610 W MESQUITE AVE	0.155632212
13303	AGZ LLC	HENRIETTA HGTS, BLOCK 2, LOT 4-6, (YOUNG'S PIZZA)	625 W SANTA GERTRUDIS	0.238374591
22816	AGZ LLC	CHAMB PL, BLOCK 10, LOT 24, 25, ACRES .0	620 W SANTA GERTRUDIS AVE	0.160696477
13620	AGZ LLC	CHAMB PL, BLOCK 10, LOT 21-23	600 W SANTA GERTRUDIS BLK	0.241043972
19082	ALI SANA LLC	BROOKS, BLOCK 8, LOT 11-16, (EZ SERVE)	809 W KING	0.482107783
12901	ALVARADO VICTOR	COLLEGE VIEW, BLOCK 2, LOT 17-19	602 W MESQUITE	0.2332923
15262	ALWAYS A WAY LLC	HENRIETTA HGTS, BLOCK 1, LOT 26, 27, E/2 28	724 W RICHARD	0.200870149
23232	BALBOA ABEL JR (LIFE EST)	CHAMB PL, BLOCK 11, LOT 8-10, E/2 11	721 W ELLA	0.281222165
25515	BAPTIST CHURCH	CHAMB PL, BLOCK 11, LOT 14-16, (EX E M P T)	720 N ARMSTRONG	0.241048215
18878	BENCZE WANDA GAIL	CHAMB PL, BLOCK 7, LOT E15' 27, 28, 29	514 W SANTA GERTRUDIS AVE	0.208905096
21714	BERNSEN PAT L	CHAMB PL, BLOCK 11, LOT 4, 5	709 W ELLA	0.160698818
22479	BERNSEN PAT L	CHAMB PL, BLOCK 11, LOT 6, 7	711 W ELLA	0.160698158
16219	BOARD OF REGENTS OF THE	COLLEGE VIEW, BLOCK 1, LOT 1-6, 27-32, (EX E M P T)	729 W CORRAL	0.958674811
23758	BOARD OF REGENTS OF THE	CHAMB PL, BLOCK 12, LOT 13-16, (EX E M P T)	806 N ARMSTRONG	0.3214
13403	CAIRNES REVOCABLE TRUST	FLATO, BLOCK 7, LOT E75' W175' S/2, AND E100' OF W200' OF N/2, (JALISCO APTS - AVE C)	728 W AVE C	0.6027
22010	CANTU SANTIAGO	COOPER, BLOCK Z-4, LOT 28-32, (CRYSTAL ROSE APT #2)	724 W KLEBERG	0.4017
18110	CARRALES JAMES EDWARD	CHAMB PL, BLOCK 7, LOT 25, 26, W10' 27	518 W SANTA GERTRUDIS AVE	0.192835994
22524	CERNOSEK CHRIS	HENRIETTA HGTS, BLOCK 2, LOT 7-9, (APTS)	615 W SANTA GERTRUDIS	0.239532352
15726	CERNOSEK CHRIS	HENRIETTA HGTS, BLOCK 2, LOT 10-12	611 W SANTA GERTRUDIS	0.24066826
16796	CHALLOO RAJAB	HENRIETTA HGTS, BLOCK 1, LOT W/2 30, 31, 32	732 W RICHARD	0.200871244
22905	CHAVEZ NYDIA A	COLLEGE VIEW, BLOCK 2, LOT 22-24	614 W MESQUITE AVE	0.233299069
18032	CHRISTOPHER DAVID	HENRIETTA HGTS, BLOCK 4, LOT 1-3, (APTS)	729 W RICHARD	0.241
20018	COLLEGE VIEW BAPTIST CHURCH	COLLEGE VIEW, BLOCK 4, LOT 1-6, 23-32, (EX E M P T)	1324 N ARMSTRONG	1.2397
24818	CORONADO RAMIRO O	HENRIETTA HGTS, BLOCK 2, LOT 13, 14, W7' S53' OF 15	607 W SANTA GERTRUDIS	0.205096969
13553	CORPUS EAGLE FOOD MART INC	COLLEGE AC, BLOCK 12, LOT SW/4, (FOOD MART)	730 W CORRAL AVE	0.658861349
15006	CRUZ DANIEL	COLLEGE AC, BLOCK 11, LOT NE/4	603 W AVE F	0.688699534
42236	D & B ENVIRONMENTAL SERVICES INC	BROOKS ADDN, BLOCK 7, LOT 20A, (CADILLAC COWGIRLS)	810 W KING	0.321392573
15063	DE LA GARZA REBECCA	CHAMB PL, BLOCK 7, LOT 17-19	530 W SANTA GERTRUDIS AVE	0.241044239
24157	DE LA GARZA REBECCA MICHEL	CHAMB PL, BLOCK 7, LOT 20, 21	524 W SANTA GERTRUDIS AVE	0.160695927
23895	DE LA PAZ RAMON	COLLEGE VIEW, BLOCK 1, LOT 21-24	712 W MESQUITE	0.311057493
21435	DE LEON BELEN I	COLLEGE AC, BLOCK 11, LOT E/2 W/2 SE/4	610 W CORRAL AVE	0.160699336
19776	DHALLA JARNAIL	HENRIETTA HGTS, BLOCK 1, LOT 17-19, 50% UNDIVIDED INTEREST	704 W RICHARD	0.241045777
20284	DROWN CHERYL ANN NIX	CHAMB PL, BLOCK 11, LOT 20-22	722 W SANTA GERTRUDIS	0.241043866
11810	EVERGREEN 786 LLC	FLATO, BLOCK 7, LOT 100X140' SW COR, (JAVALINA MART)	1202 N ARMSTRONG	0.3214



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Property ID	Owner Name	Legal Description	Address	Acres
22336	FDH REAL ESTATE LLC	COOPER, BLOCK AA-4, LOT 8, 9, 10, 11, (APTS)	711 W KING	0.321396603
23088	FDH REAL ESTATE LLC	COOPER, BLOCK AA-4, LOT 12-14	707 W KING	0.2410483
16278	FDH REAL ESTATE LLC	COOPER, BLOCK AA-4, LOT 15, 16	703 W KING	0.160700437
19891	FOSTER MASON	COLLEGE AC, BLOCK 11, LOT E100' SE/4, (YOUR CAR WASH)	600 W CORRAL AVE	0.321396293
22807	GARCIA ALVARO JR	COLLEGE VIEW, BLOCK 2, LOT 1-4	631 W CORRAL	0.288108794
24335	GARCIA MARIA ESTELA PENIA	COLLEGE VIEW, BLOCK 2, LOT 5-9, (MARIACHI HOUSE OF BURGERS)	621 W CORRAL AVE	0.360136236
24939	GARZA EDUARDO	CHAMB PL, BLOCK 7, LOT 22-24, ACRES .0	522 W SANTA GERTRUDIS AVE	0.241044464
19451	GILBERTO & OLGA URESTI	BROOKS, BLOCK 7, LOT 29-32	830 W KING	0.321395127
13572	GOFF FRANK JR	ORIG TOWN, BLOCK 2, LOT 1-3	431 W SANTA GERTRUDIS	0.241045069
23565	GONZALEZ ROEL	CHAMB PL, BLOCK 10, LOT 26-30	608 W SANTA GERTRUDIS AVE	0.401740333
10526	GUJARDO RENE	COLLEGE VIEW, BLOCK 2, LOT 10, 11, 12	611 W CORRAL	0.216081464
11936	HAKI JONATHON	CHAMB PL, BLOCK 7, LOT 30-32	504 W SANTA GERTRUDIS AVE	0.241046238
22087	HUNTER WALTER TOM JR	HENRIETTA HGTS, BLOCK 1, LOT 23-25	716 W RICHARD	0.241042535
15177	INTERNATIONAL BANK OF COMMERCE	HENRIETTA HGTS, BLOCK 1, LOT 5-8	715 W SANTA GERTRUDIS	0.321396539
32781	INTERNATIONAL BANK OF COMMERCE	HENRIETTA HGTS, BLOCK 1, LOT 9-11, (IBC PARKING)	713 W SANTA GERTRUDIS	0.241048595
20633	IRBY KAY NIX	CHAMB PL, BLOCK 11, LOT 17-19		0.241043921
13230	JONES GENE M	BROOKS, BLOCK 7, LOT 13-16	111 S ARMSTRONG	0.3214
13282	KINGSVILLE MULTIFAMILY INVESTMENTS LLC	COLLEGE AC, BLOCK 12, LOT E/2, (SEVILLE APTS), ACRES 1.15	704 W CORRAL	1.364776565
13047	KRESTA INVESTMENTS LLC	COOPER, BLOCK AA-1, LOT 20-22	710 W KING	0.241043188
23341	KRUEGER MICHAEL J	CHAMB PL, BLOCK 11, LOT 29-32, (NANA'S LAUNDROMAT)	702, 704, 706 W SANTA GERTRUDIS	0.321393834
14195	KRUEGER MICHAEL J	CHAMB PL, BLOCK 11, LOT 26-28	714 W SANTA GERTRUDIS	0.241042915
21048	KRUEGER MICHAEL JAMES	CHAMB PL, BLOCK 11, LOT 23-25	716 W SANTA GERTRUDIS	0.241043405
12851	LEAL ARNOLD P	HENRIETTA HGTS, BLOCK 1, LOT 20-22	706 W RICHARD	0.24104397
24402	LIGHT RODNEY	COOPER 2, BLOCK 3, LOT 17, 18, (THE CROSS), (EX E M P T)	109 N ARMSTRONG	0.1607
18226	LOK INVESTMENTS LLC	ORIG TOWN, BLOCK 2, LOT 13-16, (UNIVERSITY OAKS)	403 W SANTA GERTRUDIS	0.321395345
17462	LONEY PAUL JR	ORIG TOWN, BLOCK 2, LOT 11, 12	409 W SANTA GERTRUDIS AVE	0.160697706
15273	MARIN'S COMMERCIAL RENTAL MANAGEMENT LLC	BROOKS, BLOCK 8, LOT 1-10, (LYDIA'S RESTAURANT, ETC)	800 W KING BLK	0.803504739
14838	MARQUEZ LUIS HUMBERTO	BROOKS, BLOCK 7, LOT 17-19, (EL CHATO)	121 S ARMSTRONG	0.241044902
17508	MARTINEZ HECTOR	CHAMB PL, BLOCK 10, LOT 31, 32	602 W SANTA GERTRUDIS	0.160698415
17605	MARTORELLO FABRIZIO	COLLEGE VIEW, BLOCK 2, LOT 29-32, (APTS)	626 W MESQUITE	0.311064576
16851	MARTORELLO FABRIZIO	COLLEGE VIEW, BLOCK 2, LOT 27, 28	600 W MESQUITE BLK	0.1555325
20218	MARTORELLO FABRIZIO M	HENRIETTA HGTS, BLOCK 2, LOT 1-3, (APTS)	627 W SANTA GERTRUDIS	0.237211744
13752	NIELSEN RANDAL E	COOPER, BLOCK AA-1, LOT 1-3	729 W KLEBERG	0.241
24760	OBREGON ROBERTO	CHAMB PL, BLOCK 11, LOT W/2 11, 12, 13	725 W ELLA AVE	0.200872846
12460	OBREGON ROBERTO	CHAMB PL, BLOCK 11, LOT 1-3	703 W ELLA AVE	0.241049439



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11285	OCHOA PEDRO III	COLLEGE VIEW, BLOCK 2, LOT 13-16	600 W CORRAL BLK	0.288102349
13567	PATEL MAHENDRA	HENRIETTA HGTS, BLOCK 1, LOT 1-4, (SHRIM 6/ESP IFIX/THE CENTER)	620 N ARMSTRONG	0.321397064
25418	PENA RUBEN	COLLEGE VIEW, BLOCK 1, LOT 25, 26	716 W MESQUITE	0.155530212
23515	RAMIREZ JESSE ROEL SR	ORIG TOWN, BLOCK 2, LOT 6, 7, ACRES .0	419 W SANTA GERTRUDIS	0.160696052
22759	RAMIREZ JESSE ROEL SR	ORIG TOWN, BLOCK 2, LOT 4, 5	423 W SANTA GERTRUDIS	0.160695262
13681	RAMIREZ SUSANA P	COLLEGE AC, BLOCK 11, LOT NW/4, (UNIVERSITY WELLS APTS)	625 WAVE F	0.68869933
22978	RAMIREZ SUSANA P	COLLEGE AC, BLOCK 11, LOT SW/4	630 W CORRAL AVE	0.642792286
22211	RAMIREZ SUSANA P	COLLEGE AC, BLOCK 11, LOT W50' SE/4	616 W CORRAL AVE	0.160698336
19953	REYNA TADEO	COOPER, BLOCK AA-1, LOT 17-19	117 N WELLS	0.241046935
16041	ROLDAN OCTAVIO HERNANDEZ	HENRIETTA HGTS, BLOCK 1, LOT W/2, 28, 29, E/2 30	726 W RICHARD	0.160694553
22269	RUIZ RUBEN	COOPER, BLOCK AA-1, LOT 23-27	720 W KING BLK	0.401739453
25485	SABALA PROPERTIES LLC	BROOKS, BLOCK 7, LOT 24-28, (PIZZA PARLOR)	816 W KING AVE	0.401742683
18073	SAMADI LEILA	FLATO, BLOCK 7, LOT NW/COR 100X160, (RENAE'S LAUNDRY & FAMILY PLANNING CLINIC)	1216 N ARMSTRONG	0.3673
42589	SAMADI LEILA M	HENRIETTA HEIGHTS ADDN, BLOCK 1, LOT 12A, (UNIVERSITY CTR, ETC)	709 W SANTA GERTRUDIS, SUITE A, B & C	0.401748633
25903	SC CONSTRUCTION LLC	COOPER 2, BLOCK 3, LOT 19-21	800 W KLEBERG	0.241
16097	SERNA CARLOS ROLANDO	COLLEGE VIEW, BLOCK 2, LOT 25, 26	618 W MESQUITE	0.155533011
24288	SHOLTIS JENNIFER	ORIG TOWN, BLOCK 2, LOT 8-10	415 W SANTA GERTRUDIS	0.241046122
18513	SOUTH TEXAS DISTRICT COUNCIL-ASSEMBLIES OF GOD, INC	COLLEGE VIEW, BLOCK 1, LOT 7-16, (EX E M P T)	717 W CORRAL AVE	0.720289678
22384	TAZ TEXAS HOLDEM LLC	COLLEGE VIEW, BLOCK 1, LOT 17-20, (APTS)	700 W MESQUITE	0.311056518
13309	TEXAS A & M UNIVERSITY SYSTEM	WOODLAWN PL, BLOCK 2, LOT 1-3, (EX E M P T)	721 WAVE A	0.45
16706	TEXAS A & M UNIVERSITY SYSTEM	WOODLAWN PL, BLOCK 1, LOT LOT N/2 4, 5, 6, (EX E M P T)	725 WAVE A	0.287
25284	TEXAS A & M UNIVERSITY SYSTEM	CHAMB PL, BLOCK 12, LOT 17, 18, (EX E M P T)	728 W ELLA	0.1607
16224	TXE2P LLC	COOPER, BLOCK AA-1, LOT 28-32, (EZ PAWN)	730 W KING	0.40173865
22344	UNIVERSITY BAPTIST CHURCH	COLLEGE VIEW, BLOCK 4, LOT 7-10, (EX E M P T), ACRES.0	725 W MESQUITE	0.3099
22990	VELIZ VELMA	ORIG TOWN, BLOCK 1, LOT 1-9	500 W SANTA GERTRUDIS BLK	0.482101806
4005495	VELIZ VELMA	ORIG TOWN, BLOCK 1, LOT 10-16	500 W SANTA GERTRUDIS BLK	0.803499105
10723	WATSON LUCRESS & DICK	COOPER, BLOCK AA-4, LOT 1-7, (FIESTA CAR WASH)	729 W KING AVE	0.562443879
25572	YAKLIN DENNIS L	HENRIETTA HGTS, BLOCK 2, LOT E18' N87' OF 15, 16, (APTS)	619 N 1ST ST	0.116301977
20336	YMG INVESTMENTS LLC	COLLEGE AC, BLOCK 12, LOT NW/4	1510 N ARMSTRONG	0.705915235
11998	ZARAGOZA ALEJANDRO	CHAMB PL, BLOCK 10, LOT 17-20, (EL TAPATIO)	630 W SANTA GERTRUDIS	0.321385721
11514	ZARAGOZA ALEJANDRO	CHAMB PL, BLOCK 5, LOT 1-32 & 1/2 OF W ELLA ST	400 W NETTIE BLK	2.884865143
18241	ZARAGOZA ALEJANDRO	CHAMB PL, BLOCK 6, LOT 1-32, (FLATO SCHOOL)	W SANTA GERTRUDIS	3.175747304