



*** PUBLIC NOTICE ***

**NOTICE OF A CITY COUNCIL REGULAR SESSION IMMEDIATELY FOLLOWING
A WORKSHOP SESSION
OF THE CITY OF CORINTH
Thursday, March 18, 2021, 5:45 P.M.
CITY HALL - 3300 CORINTH PARKWAY**

Pursuant to Section 551.127, Texas Government Code, one or more Council Members or employees may attend this meeting remotely using videoconferencing technology. The videoconferencing technology can be accessed at www.cityofcorinth.com/RemoteSession. The video and audio feed of the videoconferencing equipment can be viewed and heard by the public at the address posted above as the location of the meeting. The City of Corinth is following the Center for Disease Control Guidelines for public meetings.

CALL TO ORDER:

CLOSED SESSION

The City Council will convene in such executive or (closed session) to consider any matters regarding any of the above agenda items as well as the following matters pursuant to Chapter 551 of the Texas Government Code.

Section 551.071. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; and/or (2) a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

a. Agenda Item 10.

Section 551.072. To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

a. Being approximately 13.738 acres of land, more or less, in the North Central Texas College Addition No. 2, Block A, Lot 1R. (N)

b. Being approximately 6.504 acres of land, more or less, located in the Metroplex Cabinets Addition, Block A, Lot 1, City of Corinth, Denton County, Texas. (H)

c. 0.177 acres (7,719 sq. feet), more or less, Right-of-Way located at 3404 Dobbs Rd, Corinth TX, 76208, H. Garrison Survey, Abstract No. 507, Tract 7 (as more fully described in Exhibit "A1" of the proposed resolution for this item);

d. 0.146 (6,361 sq. feet), more or less, Temporary Construction Easement at 3404 Dobbs Rd, Corinth TX,

76208, H. Garrison Survey, Abstract No. 507, Tract 7 (as more fully described in Exhibit “A2” of the proposed resolution for this item);

e. 0.021 acres (911 sq. feet), more or less, Right-of-Way located at 6801 S. I-35E Corinth TX, 76210, H. Garrison Survey, Abstract 507, Tract 8 (as more fully described in Exhibit “B1” of the proposed resolution for this item); and

f. 0.027 acres (1,181 sq. feet), more or less, permanent water line easement located at 6801 S. I-35 E Corinth T, 76210, H. Garrison Survey, Abstract No. 507, Tract 8 (as more fully described in Exhibit “B2” of the proposed resolution for this item),

Section 551.074. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

Section 551.087. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

a. Project Agora

WORKSHOP BUSINESS AGENDA

1. Discuss the after action review following the winter storm and emergency operations' response.
2. Discuss Regular Meeting Items on Regular Session Agenda, including the consideration of closed session items as set forth in the Closed Session agenda items below.

ADJOURN WORKSHOP SESSION

***NOTICE IS HEREBY GIVEN** of a Regular Session of the Corinth City Council to be held at Corinth City Hall located at 3300 Corinth Parkway, Corinth, Texas. The agenda is as follows:

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & TEXAS PLEDGE:

"Honor the Texas Flag: I pledge allegiance to thee, Texas, one state under God, one and indivisible".

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine and will be enacted in one motion. Should the Mayor, a Councilmember, or any citizen desire discussion of any Item that Item will be removed from the Consent Agenda and will be considered separately.

1. Consider and take action to Ratify ambulance Resolution 21-02-05-11 authorizing the financing of an ambulance.
2. Consider and Act on an Interlocal Cooperation Agreement for Shared Governance Communications and Dispatch Services between Denton County and the Lake Cities Fire Department for fiscal year, October 1, 2021-September 30, 2022.

3. Consider and Act on an Interlocal Cooperation Agreement for Shared Governance Communications and Dispatch Services between the Denton County Sheriff's Office and the City of Corinth Police Department for the fiscal year, October 1, 2021-September 30, 2022.

CITIZENS COMMENTS

In accordance with the Open Meetings Act, Council is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them at this time. Citizen's comments will be limited to 3 minutes. Comments about any of the Council agenda items are appreciated by the Council and may be taken into consideration at this time or during that agenda item. Please complete a Public Input form if you desire to address the City Council. All remarks and questions addressed to the Council shall be addressed to the Council as a whole and not to any individual member thereof. Section 30.041B Code of Ordinance of the City of Corinth.

PUBLIC HEARING

4. The Avilla Fairways Public Hearing posted for the rezoning application (PD ZAPD20-0004) has been cancelled at the request of the applicant, NexMetro Communities on behalf of the owner, Endeavor Energy Resources, LP. The property is approximately 24.595 acres of land within the A.H. Serren Survey, Abstract No. 1198 and the B. Merchant Survey, Abstract No. 800, City of Corinth, Denton County, Texas and generally located at the northwest corner of Lake Sharon Drive and Oakmont Drive and east of FM 2499.
5. Conduct a Public Hearing and take action on an Ordinance amending the Comprehensive Zoning Ordinance and the Zoning District Map as requested by the Applicant, Manhard Consulting on behalf of the owner, Corinth 12 Joint Venture, to amend the zoning classification from C-1 Commercial to a Planned Development, with a base zoning district of MF-3, Multi-Family Residential, on an approximately +/- 12.545 acres of land legally described as Pinnell Subdivision, Block 1, Lots 16, 17, 18, and an adjacent tract consisting of approximately 0.436 acres of abandoned right-of-way recorded in County Clerk's File Number 31846, Denton County, Texas Real Property Records. The property is situated in the H.H. Swisher Survey, Abstract 1220, Corinth, Texas and is generally located north of FM 2181, west of Garrison Road, east of Poseidon Drive, and south of Cliff Oaks Drive. (Landmark at Tower Ridge PD ZAPD20-0002)
 - Staff Presentation
 - Applicant Presentation
 - Public Hearing
 - Response by Applicant
 - Response by Staff
 - Take Action
6. Conduct a public hearing on Ordinance No. 21-03-18-06 amending the boundaries of Tax Increment Reinvestment Zone Number Two, City of Corinth, Texas ("TIRZ No. 2"), to remove approximately 318.85 acres of land, known as Areas 3 and 8, from the boundaries of TIRZ No. 2 in accordance with the provisions of Chapter 311 of the Texas Tax Code, as amended.

7. Conduct a public hearing on Ordinance No.21-03-18-07 relating to the creation and designation of non-contiguous geographic area as Tax Increment Reinvestment Zone Number Three, City of Corinth, Texas ("TIRZ No. 3"), to promote new development and investment in accordance with the provisions of Chapter 311 of the Texas Tax Code, as amended, and other matters related to the creation of TIRZ 3.

BUSINESS AGENDA

8. Hear a presentation, discuss and take appropriate action to accept the annual external audit and the Annual Comprehensive Financial Report presented by Eide Bailly, LLP.
9. Hear a presentation, discuss and take appropriate action to Accept the Single Audit for fiscal year ending September 30, 2020.
10. Consider and act on a request by the Applicant, NexMetro Communities, to remand the rezoning request back to the Planning & Zoning Commission for reconsideration. The property is approximately 24.595 acres of land within the A.H. Serren Survey, Abstract No. 1198 and the B. Merchant Survey, Abstract No. 800, City of Corinth, Denton County, Texas and generally located at the northwest corner of Lake Sharon Drive and Oakmont Drive and east of FM 2499. (Avilla Fairways PD ZAPD20-0004)
11. Consider and act on Ordinance No.21-03-18-06 amending the boundaries of Tax Increment Reinvestment Zone Number Two, City of Corinth, Texas ("TIRZ No. 2") to remove approximately 318.85 acres of land, known as Areas 3 and 8; providing for the incorporation of premises; providing for a boundary amendment; and providing an effective date.
12. Consider and act on Ordinance No. 21-03-18-07 creating Tax Increment Reinvestment Zone Number Three, City of Corinth, Texas ("TIRZ No. 3"); providing for effective and expiration dates of TIRZ 3; providing boundaries for TIRZ 3; establishing a Board of Directors for TIRZ 3; establishing a Tax Increment Fund for TIRZ 3; establishing the tax increment base and tax increment for TIRZ 3; and providing an effective date.
13. Consider and take appropriate action on previously adopted city ordinances and disaster declarations as necessary to comply with Governor Abbott Executive Order GA34 relative to COVID-19 and to continue necessary disaster operations by the City.
14. Consider and act on ordinance 21-03-18-09 of the City of Corinth approving an amendment to the fiscal year 2020-2021 budget and annual program of services to provide expenditures of funds for emergency supplies and equipment related to the February 2021 winter storm; and providing an effective date.
15. Consider and act on a resolution of the City Council of the City of Corinth, Texas, finding that a public necessity exists to acquire rights-of-way, water line easement and temporary construction easement for road and utilities purposes and other public uses, which properties are generally described as being located at 3404 Dobbs Rd, Corinth, Texas, which is more particularly described as a portion of land in the H. Garrison Survey, Abstract 507, Tract 7, and properties located at 6801 S. I-35E, Corinth, Texas, which is more particularly described as a portion of land in the H. Garrison Survey, Abstract 507, Tract 8, all located in Denton County, Texas; providing notice of an official determination to acquire real properties by eminent domain for road and utilities purposes and other public uses; authorizing the city manager or his designee to obtain the necessary appraisal reports and make bona fide offers of just compensation for the herein described properties; ratifying prior documents made and actions taken for

acquisition of the properties herein described; authorizing legal counsel to institute eminent domain proceedings on behalf of the city for the acquisition of the properties herein described if negotiations are unsuccessful; appropriating funds from a lawful source; providing a cumulative repealer clause; providing a severability clause; and providing for an effective date.

COUNCIL COMMENTS & FUTURE AGENDA ITEMS

The purpose of this section is to allow each councilmember the opportunity to provide general updates and/or comments to fellow councilmembers, the public, and/or staff on any issues or future events. Also, in accordance with Section 30.085 of the Code of Ordinances, at this time, any Councilmember may direct that an item be added as a business item to any future agenda.

After discussion of any matters in closed session, any final action or vote taken will be in public by the City Council. City Council shall have the right at any time to seek legal advice in Closed Session from its Attorney on any agenda item, whether posted for Closed Session or not.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON CLOSED SESSION ITEMS.

ADJOURN:

Posted this _____ day of _____ 2021, at _____ on the bulletin board at Corinth City Hall.

Lana Wylie, City Secretary
City of Corinth, Texas

WORKSHOP BUSINESS ITEM 1.

City Council Regular and Workshop Session

Meeting Date: 03/18/2021

Title: EOC Update

Submitted For: Bob Hart, City Manager **Submitted By:** Lana Wylie, City Secretary

City Manager Review: Approval: Bob Hart, City Manager

Strategic Goals: Citizen Engagement &
Proactive Government

AGENDA ITEM

Discuss the after action review following the winter storm and emergency operations' response.

AGENDA ITEM SUMMARY/BACKGROUND

Staff conducted a debriefing of the response activities following the winter storm event. The city manager will review the findings in a PowerPoint presentation.

RECOMMENDATION

N/A

CONSENT ITEM 1.

City Council Regular and Workshop Session

Meeting Date: 03/18/2021

Title: Ratify Ambulance Resolution

Submitted For: Bob Hart, City Manager

Submitted By: Lana Wylie, City Secretary

City Manager Review: Approval: Bob Hart, City Manager

Strategic Goals: Regional Cooperation

AGENDA ITEM

Consider and take action to Ratify ambulance Resolution 21-02-05-11 authorizing the financing of an ambulance.

AGENDA ITEM SUMMARY/BACKGROUND

Resolution No. 21-02-05-11 was created as a part of the contract for the purpose of financing an ambulance with Government Capital Corporation for the Lake Cities Fire Department.

RECOMMENDATION

Staff recommends ratification of the resolution. The ambulance was approved in the FY budget.

Attachments

Resolution No. 21-02-05-11

**CITY OF CORINTH, TEXAS
RESOLUTION NO. 21-02-05-11**

**A RESOLUTION REGARDING A CONTRACT FOR THE PURPOSE OF
FINANCING AN "AMBULANCE".**

WHEREAS, City of Corinth (the "Issuer") desires to enter into that certain Finance Contract No.9365, by and between the Issuer and Government Capita I Corporation ("GCC") for the purpose of financing an "Ambulance". The Issuer desires to designate this Finance Contract as a "qualified tax-exempt obligation" of the Issuer for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF CORINTH:

Section 1. That the Issuer will enter into a Finance Contract with GCC for the purpose of financing an "Ambulance".

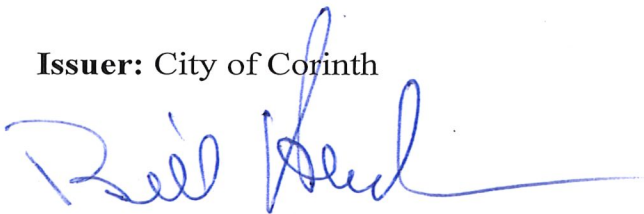
Section 2. That the Finance Contract dated as of February 10, 2021, by and between the City of Corinth and GCC is designated by the Issuer as a "qualified tax exempt obligation" for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.

Section 3. That the Issuer will designate Bob Hart, City Manager, as an authorized signer of the Finance Contract dated as of February 10, 2021, by and between the City of Corinth and GCC.

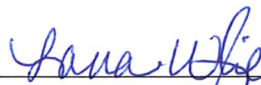
PASSED AND APPROVED by the Board of the City of Corinth in a meeting held on the 28th day of January, 2021.

Issuer: City of Corinth

Witness Signature



Bill Heidemann, Mayor



Lana Wylie, City Secretary



CONSENT ITEM 2.

City Council Regular and Workshop Session

Meeting Date: 03/18/2021
Title: LCFD & Denton County Interlocal Agreement for Communications and Dispatch Services
Submitted For: Michael Ross, Fire Chief **Submitted By:** Lana Wylie, City Secretary
Finance Review: N/A **Legal Review:** Yes
City Manager Review: Approval: Bob Hart, City Manager
Strategic Goals: Citizen Engagement & Proactive Government
Regional Cooperation

AGENDA ITEM

Consider and Act on an Interlocal Cooperation Agreement for Shared Governance Communications and Dispatch Services between Denton County and the Lake Cities Fire Department for fiscal year, October 1, 2021-September 30, 2022.

AGENDA ITEM SUMMARY/BACKGROUND

Denton County currently services the needs of the Lake Cities Fire Department as it relates to 911, dispatch, and communication services that allow the fire department to be notified of and mitigate calls for service. The County has the equipment and personnel to perform these services; the Lake Cities Fire Department and the City of Corinth do not have the ability to operate our own 911 communication center. There are numerous FTE's and millions of dollars worth of equipment required to support a communication center. The services provided by the county are shared with many fire departments throughout the county which reduces cost. The amount, \$32,304 is approximately a 1.6% increase from the previous year and is based on our workload for the entire call center.

RECOMMENDATION

Staff recommends approval of the Interlocal Cooperation Agreement with Denton County.

Fiscal Impact

Source of Funding: General Fund

FINANCIAL SUMMARY:

The Lake Cities Fire Department contracts with Denton County for Communication and Dispatch services. These services receive and process 911 calls as well as determining which units to send, dispatching, and assisting with call mitigation as well as sending additional resources as requested. The contract price, \$32,304.00, is based on the percent of the workload placed on the communication center.

Attachments

2021-22 LCFD Communications Contract w/both exhibits

STATE OF TEXAS §
 §
COUNTY OF DENTON §

**INTERLOCAL COOPERATION AGREEMENT FOR
SHARED GOVERNANCE COMMUNICATIONS & DISPATCH SERVICES SYSTEM**

This Interlocal Cooperation Agreement for Shared Governance Communications and Dispatch Services System, hereinafter referred to as "Agreement", is made by and between Denton County, a political subdivision of the State of Texas, hereinafter referred to as the "County", and

Name of Agency: City of Corinth - Lake Cities Fire Department

hereinafter referred to as "Agency".

WHEREAS, the County is a duly organized political subdivision of the State of Texas engaged in the administration of county government and related services for the benefit of the citizens of Denton County, Texas; and

WHEREAS, the Agency is duly organized and operating under the laws of the State of Texas engaged in the provision of municipal government and/or related services for the benefit of the citizens of Agency; and

WHEREAS, parties agree that the utilization of combined communications and dispatch services system will be in the best interests of both the County and the Agency,

WHEREAS, the County and the Agency mutually desire to be subject to the provisions of the Interlocal Cooperation Act of the V.T.C.A. Government Code, Chapter 791; and

NOW THEREFORE, the County and the Agency, for the mutual consideration hereinafter stated, agree and understand as follows:

1. **PURPOSE.** The Denton County Sheriff ("Sheriff") has the facilities to provide emergency telecommunications and dispatch services throughout Denton County. The Agency wishes to utilize the Sheriff's available telecommunications and dispatch services ("Services") during the term of this agreement.

2. **ADVISORY BOARD.** The Denton County Sheriff's Office will establish an Advisory Board for the Shared Governance Communication and Dispatch System "Advisory Board". The membership of the board shall be the Chief of each Agency, or designee. The Advisory Board may advise and make recommendations to the Sheriff and the Sheriff's Office on matters relating to the Communications Center, as well as the recommendations for the Annual Agency Workload and Cost Statistics, within the limitations set forth in paragraph 6.1, herein.

3. **TERM OF AGREEMENT.** The initial term of this Agreement shall be for a one-year period beginning **October 1, 2021** and ending on **September 30, 2022**.

4. **TERMINATION OF AGREEMENT.** Either party may terminate this agreement, with or without cause, after providing ninety (90) days written notice to the other party.

5. **ANNUAL SERVICE FEE.** Each Agency shall pay to the County a fee for services based on the workload generated by the Agency.

- 5.1. Agency shall pay to County the Total Amount on *Exhibit "A"*.
- 5.2. The Agency shall complete *Exhibit "A"*, Agency Payment Worksheet, to identify the payment terms preferred by Agency. Agency is responsible for sending payments to County
- 5.3. The fee for service will be based on the pro rata share of the workload generated by the Agency.
- 5.4. County agrees to provide Agency a proposed service fees for the next budget/fiscal year as agreed by the parties.
- 5.5. If this Agreement is terminated prior to the expiration of the term of the Agreement, payment shall be pro-rated by written agreement between the parties.
- 5.6. Dispatch costs for the upcoming fiscal year are calculated utilizing 50% of the approved Communications Budget for the current fiscal year and agency workload statistics from the previous fiscal year.

Agency workload percentages are calculated by:

- 5.6.1. Determining the agency's percentage of total Calls For Service (CFS)
- 5.6.2. Determining the agency's percentage of total Officer Initiated Activity (OIA)
- 5.6.3. Averaging the values from # 5.6.1 & # 5.6.2
- 5.6.4. Determining the percentage of OIA that is Mobile Data Computer (MDC) activity
- 5.6.5. Determining agency OIA that is not MDC Activity
- 5.6.6. Determining adjusted percentage of OIA that is MDC activity by dividing value of # 5.6.5 by total OIA
- 5.6.7. Determining agency CFS that are public requests by subtracting agency assists or mutual aid calls from the agency's CFS
- 5.6.8. Determining adjusted percentage of total CFS that are public requests by dividing value of # 5.6.7 by total CFS
- 5.6.9. Determining agency workload percentage by calculating average of # 5.6.6 and # 5.6.8
- 5.6.10. Determining agency final cost by workload by multiplying value of # 5.6.9 against 50% of the approved Communications budget

6. **COUNTY SERVICES AND RESPONSIBILITIES.** The County agrees to provide the following services and responsibilities:

6.1 The Sheriff shall have the sole discretion as to the method of providing the Services including, but not limited to the order of response to calls, and shall be the sole judge as to the most expeditious and effective manner of handling and responding to calls for service or the rendering thereof. The Sheriff shall have the sole discretion as to the method and final decision regarding the annual workload and cost statistics. The Sheriff will devote sufficient time to insure the performance of all duties and obligations set forth herein.

6.2 County shall furnish full-time communications services including a twenty-four (24) hours a day, seven (7) days a week public safety answering point, radio services, dispatching services, or law enforcement transmission originating from AGENCY requesting law enforcement and fire

protection services and access to local, regional, state, and national data bases and telecommunications systems.

- 6.3 The services provided by County include the following:
 - 6.3.1 twenty-four (24) hours a day, seven (7) days a week public safety answering point;
 - 6.3.2 receiving emergency and routine calls for law enforcement, fire, and medical services;
 - 6.3.3 directing a response to said calls by dispatching the appropriate law enforcement, fire, and medical services;
 - 6.3.4 providing on-going communication support to the emergency personnel in the field; and
 - 6.3.5 updating, maintaining, and managing the County owned radio communications system, computer systems, support files, and resource materials necessary to accomplish the above.

6.4 County may add new Agencies not currently served by Denton County at the discretion of Denton County and the Denton County Sheriff's Office.

7. **AGENCY RESPONSIBILITIES.** The Agency agrees to the following responsibilities:

- 7.1 Providing accurate current GIS data of the corporate limits and extraterritorial jurisdiction of the Agency.
- 7.2 Furnish County with a current list of all Officers and Reserves authorized by Agency to use the communications system.
- 7.3 Agency is responsible for the costs and upgrades associated with maintaining Agency's communication equipment.
- 7.4 Agency agrees to abide by all laws of the United States and the State of Texas and all present or hereafter approved rules, policies and procedures of TLETS, NLETS, TCIC, NCIC and any other system now or in the future associated with TLETS concerning the collection, storage, processing, retrieval, dissemination and exchange of information for criminal justice purposes
- 7.5 Adherence to all Sheriff's Office communications rules and regulations.
- 7.6 Agency agrees to provide all necessary and required TLETS paperwork. See *Exhibit "B"*.
- 7.7 Appoint representative and agree to participate in the Advisory Board.
- 7.8 Agency is responsible for sending payments to County as more fully described in *Exhibit "A"* to this Agreement.

8. **AGREEMENT.** The parties acknowledge they have read and understand and intend to be bound by the terms and conditions of this Agreement. This Agreement contains the entire understanding between the parties concerning the subject matter hereof. No prior understandings, whether verbal or written, between the parties or their agents are enforceable unless included in writing in this agreement. This Agreement may be amended only by written instrument signed by both parties.

9. **AGREEMENT LIASONS.** Each party to this agreement shall designate a Liaison to insure the performance of all duties and obligations of the parties. The Liaison for each party shall devote sufficient time and attention to the execution of said duties on behalf of the Party to ensure full compliance with the terms and conditions of this Agreement.

10. **ASSIGNMENT.** Neither party shall assign, transfer, or sub-contract any of its rights, burdens, duties, or obligations under this Agreement without the prior written permission of the other party to this Agreement.

11. **AGENCY LIABILITY.** The Agency understands and agrees that the Agency, its employees, servants, agents, and representatives shall at no time represent themselves to be employees, servants, agents, and/or representatives of the County. The Agency shall not be required to indemnify nor defend County for any liability arising out of the wrongful acts of employees or agents of County to the extent allowed by Texas law.

12. **COUNTY LIABILITY.** The County understands and agrees that the County, its employees, servants, agents, and representatives shall at no time represent themselves to be employees, servants, agents, and/or representatives of the Agency. The County shall not be required to indemnify nor defend Agency for any liability arising out of the wrongful acts of employees or agents of Agency to the extent allowed by Texas law.

13. **DISPUTES/RECOURSE.** County and Agency agree that any disputes or disagreements that may arise which are not resolved at the staff level by the parties should be referred to the Appointed Liaisons for each entity. Any further disputes arising from the failure of either Agency or County to perform and/or agree on proportionate reduction in fees shall be submitted to mediation, with the parties splitting the mediation fees equally. It is further agreed and understood that the scope of matters to be submitted to dispute mediation as referenced above is limited to disputes concerning sufficiency of performance and duty to pay or entitlement, if any, to any reduced fee or compensation. Any other disputes or conflicts involving damages or claimed remedies outside the scope of sufficiency of performance and compensation adjustment shall be referred to a court of competent jurisdiction in Denton County, Texas.

14. **EXHIBITS.** Attached hereto, and referred to elsewhere in this Agreement are the following Exhibits, which are hereby incorporated by reference.

| | |
|------------------|--|
| Exhibit A | Agency Payment Worksheet |
| Exhibit B | TEXAS LAW ENFORCEMENT TELECOMMUNICATION SYSTEM (TLETS) NON - TWENTY-FOUR HOUR TERMINAL AGENCY AGREEMENT |

15. **MULTIPLE ORIGINALS.** It is understood and agreed that this Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

16. NOTICES. All notices, demands or other writings may be delivered by either party by U.S. First Class Mail or by other reliable courier to the parties at the following addresses:

| | | |
|---------|---|--|
| County: | 1 | Denton County Judge Denton County Commissioners Court 110 West Hickory, Room #207 Denton, Texas 76201 |
| | 2 | Denton County Sheriff Denton County Sheriff's Office 127 N. Woodrow Lane Denton, Texas 76205 |
| | 3 | Assistant District Attorney Counsel to the Sheriff 127 N. Woodrow Lane Denton, Texas 76205 |

| | |
|------------------|--|
| Name of Agency: | City of Corinth – Lake Cities Fire Department |
| Contact Person | Michael Ross, Fire Chief |
| Address | 3501 FM 2181, #B |
| City, State, Zip | Corinth, TX 76210 |
| Telephone | 940-279-4590 |
| Email | michael.ross@lakecitiesfire.com |

17. SEVERABILITY. The validity of this Agreement and/or any of its terms or provisions, as well as the rights and duties of the parties hereto, shall be governed by the laws of the State of Texas. Further, this Agreement shall be performed and all compensation payable in Denton County, Texas. In the event that any portion of this Agreement shall be found to be contrary to law, it is the intent of the parties hereto that the remaining portions shall remain valid and in full force and effect to the extent possible.

18. THIRD PARTY. This Agreement is made for the express purpose of providing communications and dispatch services, which both parties recognize to be a governmental function. Except as provided in this Agreement, neither party assumes any liability beyond that provided by law. This Agreement is not intended to create any liability for the benefit of third parties.

19. VENUE. This agreement will be governed and construed according to the laws of the State of Texas. This agreement shall be performed in Denton County, Texas.

20. WAIVER. The failure of County or Agency to insist upon the performance of any term or provision of this Agreement or to exercise or enforce any right herein conferred, or the waiver of a breach of any provision of this Agreement by either party, shall not be construed as a waiver or relinquishment to any extent of either party's right to assert or rely upon any such term or right, or future breach of such provision, on any future occasion.

21. AUTHORIZED OFFICIALS. Each party has the full power and authority to enter into and perform this Agreement. The persons executing this Agreement represent they have been properly authorized to sign on behalf of their governmental entity.

22. **CURRENT FUNDS.** All payments made by Agency to County pursuant to this Agreement shall be from current revenues available to Agency.

23. **DISPATCH & COMMUNICATION RECORDS.** The parties acknowledge that the Denton County Sheriff's Office may release dispatch and communication records of Agency pursuant to the Texas Public Information Act until such a time that the parties agree to transfer such responsibility to Agency.

DENTON COUNTY, TEXAS

AGENCY

Andy Eads, County Judge
Denton County Commissioners Court
110 West Hickory, Room #207
Denton, Texas 76201
(940)349-2820

Bill Heidemann, Mayor

City of Corinth

3300 Corinth Pkwy.

Corinth, TX 76208

940-321-2141

EXECUTED duplicate originals on this

EXECUTED duplicate originals on this

Date: _____

Date: _____

Approved as to content:

Approved as to content:

Denton County Sheriff's Office

Chief Michael Ross

Approved as to form:

Approved as to form:

Assistant District Attorney
Counsel to the Sheriff

Attorney for Agency

Exhibit A

2021-22 Budget Year Denton County Sheriff's Office Communications Agreement Agency Payment Worksheet

| | |
|--------------------------------|---|
| Agency: | City of Corinth – Lake Cities Fire Department |
| Payment Contact Person: | Chief Ross and/or Terri Fairfield, Admin Asst |
| Phone Number: | 940-279-4590 |
| Email: | michael.ross@lakecitiesfire.com or LCFD@lakecitiesfire.com |
| Address: | 3501 FM 2181, Suite B |
| City, State, Zip | Corinth, TX 76210 |
| AGENCY TOTAL AMOUNT DUE | \$ 32,304.00 |

Agency Should Include this Worksheet with Each Payment Sent to Denton County.

| | |
|-------------------------|---|
| Make checks payable to: | Denton County |
| Mail payments to: | Communications Agreement Payments Denton County Auditor 401 W. Hickory, Suite 423 Denton, Texas 76201-9026 |

Payment Plan Options

Agency MUST
Select One
Payment Option

| | |
|---|---------------------------|
| 1 | One Annual Payment (100%) |
| 2 | Two Payments (50%) |
| 3 | Four Payments (25%) |
| 4 | Twelve Monthly Payments |
| 5 | Other Payment Option |

Exhibit B

TEXAS LAW ENFORCEMENT TELECOMMUNICATION SYSTEM (TLETS)
NON - TWENTY-FOUR HOUR TERMINAL AGENCY AGREEMENT 2021-2022

| | |
|--------------------------------------|--|
| Twenty-Four Hour Terminal Agency | DENTON COUNTY SHERIFF'S OFFICE |
| Non Twenty-Four Hour Terminal Agency | City of Corinth - Lake Cities Fire Department |

This document constitutes an agreement between the following parties:

The Twenty-Four Hour Terminal Agency agrees to make entries into the Texas Crime Information Center (TCIC) and the National Crime Information Center (NCIC) computers for the Non Twenty-Four Hour Terminal Agency.

All records must be entered with the Twenty-Four Hour Agency's ORI, and all case reports and original warrants must be held at the Twenty-Four Hour Agency for hit confirmation purposes.

The Non Twenty-Four Hour Agency agrees to abide by all laws of the United States and the State of Texas and all present or hereafter approved rules, policies and procedures of TLETS, NLETS, TCIC, NCIC and any other system now or in the future associated with TLETS concerning the collection, storage, processing, retrieval, dissemination and exchange of information for criminal justice purposes.

The Twenty-Four Hour Agency reserves the right to suspend service to the Non Twenty-Four Hour Agency which may include canceling of records entered for the Non Twenty-Four Hour Agency when applicable policies are violated. The Twenty-Four Hour Agency may reinstate service following such instances upon receipt of satisfactory assurances that such violations have been corrected.

In order to comply with NCIC policies established by the NCIC Advisory Policy Board, the Non Twenty-Four Hour Agency agrees to maintain accurate records of all TCIC/NCIC entries made through the Twenty-Four Hour Agency and to immediately notify the Twenty-Four Hour Agency of any changes in the status of those reports to include the need for cancellation, addition, deletion or modification of information. The Twenty-Four Hour Agency agrees to enter, update and remove all records for the Non Twenty-Four Hour Agency on a timely basis, as defined by NCIC.

In order to comply with NCIC Validation requirements, the Non Twenty-Four Hour Agency agrees to perform all validation procedures as required by NCIC on all records entered through the Twenty-Four Hour Agency.

Either the Twenty-Four Hour Agency or the Non Twenty-Four Hour Agency may, upon thirty days written notice, discontinue this agreement.

To the extent allowed by the laws of the State of Texas, the Non Twenty-Four Hour Agency agrees to indemnify and save harmless the Twenty-Four Hour Agency as well as the DPS, its Director and employees from and against all claims, demands, actions and suits, including but not limited to any liability for damages by reason of or arising out of any false arrests or imprisonment or any cause of the Non Twenty-Four Hour Agency or its employees in the exercise of the enjoyment of this Agreement.

In witness whereof, the parties hereto caused this agreement to be executed by the proper officers and officials.

DENTON COUNTY SHERIFF'S OFFICE

AGENCY

N/A

N/A

By: Tracy Murphree

By: _____

Title: Denton County Sheriff

Title: _____

Date: _____

Date: _____

CONSENT ITEM 3.

City Council Regular and Workshop Session

Meeting Date: 03/18/2021

Title: Corinth Police Dept & Denton County Interlocal Agreement for Communications and Dispatch Services

Submitted For: Jerry Garner, Police Chief

Submitted By: Lana Wylie, City Secretary

City Manager Review: Approval: Bob Hart, City Manager

Strategic Goals: Citizen Engagement & Proactive Government
Regional Cooperation

AGENDA ITEM

Consider and Act on an Interlocal Cooperation Agreement for Shared Governance Communications and Dispatch Services between the Denton County Sheriff's Office and the City of Corinth Police Department for the fiscal year, October 1, 2021-September 30, 2022.

AGENDA ITEM SUMMARY/BACKGROUND

The Police Department has partnered with the Denton County Sheriff's Office for 911 calls and dispatch services since 1994-1995. The County provides 24 hours, 7 days per week support for Corinth, utilizing their staff and equipment. The fee for this service is based on the amount of use. For this contract period, the assessed cost is \$98656.00, approximately a 9% increase from FY 2020-21.

RECOMMENDATION

Staff recommends approval of the Interlocal Cooperation Agreement with the Denton County Sheriff's Office for Shared Governance Communications and Dispatch Services.

Attachments

2021-22 PD ICA Communications/Dispatch Agreement

STATE OF TEXAS §
 §
COUNTY OF DENTON §

**INTERLOCAL COOPERATION AGREEMENT FOR
SHARED GOVERNANCE COMMUNICATIONS & DISPATCH SERVICES SYSTEM**

This Interlocal Cooperation Agreement for Shared Governance Communications and Dispatch Services System, hereinafter referred to as "Agreement", is made by and between Denton County, a political subdivision of the State of Texas, hereinafter referred to as the "County", and

Name of Agency: Corinth Police Department

hereinafter referred to as "Agency".

WHEREAS, the County is a duly organized political subdivision of the State of Texas engaged in the administration of county government and related services for the benefit of the citizens of Denton County, Texas; and

WHEREAS, the Agency is duly organized and operating under the laws of the State of Texas engaged in the provision of municipal government and/or related services for the benefit of the citizens of Agency; and

WHEREAS, parties agree that the utilization of combined communications and dispatch services system will be in the best interests of both the County and the Agency,

WHEREAS, the County and the Agency mutually desire to be subject to the provisions of the Interlocal Cooperation Act of the V.T.C.A. Government Code, Chapter 791; and

NOW THEREFORE, the County and the Agency, for the mutual consideration hereinafter stated, agree and understand as follows:

1. **PURPOSE.** The Denton County Sheriff ("Sheriff") has the facilities to provide emergency telecommunications and dispatch services throughout Denton County. The Agency wishes to utilize the Sheriff's available telecommunications and dispatch services ("Services") during the term of this agreement.

2. **ADVISORY BOARD.** The Denton County Sheriff's Office will establish an Advisory Board for the Shared Governance Communication and Dispatch System "Advisory Board". The membership of the board shall be the Chief of each Agency, or designee. The Advisory Board may advise and make recommendations to the Sheriff and the Sheriff's Office on matters relating to the Communications Center, as well as the recommendations for the Annual Agency Workload and Cost Statistics, within the limitations set forth in paragraph 6.1, herein.

3. **TERM OF AGREEMENT.** The initial term of this Agreement shall be for a one year period beginning **October 1, 2021** and ending on **September 30, 2022**.

4. **TERMINATION OF AGREEMENT.** Either party may terminate this agreement, with or without cause, after providing ninety (90) days written notice to the other party.

5. **ANNUAL SERVICE FEE.** Each Agency shall pay to the County a fee for services based on the workload generated by the Agency.

- 5.1. Agency shall pay to County the Total Amount on *Exhibit "A"*.
- 5.2. The Agency shall complete *Exhibit "A"*, Agency Payment Worksheet, to identify the payment terms preferred by Agency. Agency is responsible for sending payments to County
- 5.3. The fee for service will be based on the pro rata share of the workload generated by the Agency.
- 5.4. County agrees to provide Agency a proposed service fees for the next budget/fiscal year as agreed by the parties.
- 5.5. If this Agreement is terminated prior to the expiration of the term of the Agreement, payment shall be pro-rated by written agreement between the parties.
- 5.6. Dispatch costs for the upcoming fiscal year are calculated utilizing 50% of the approved Communications Budget for the current fiscal year and agency workload statistics from the previous fiscal year.

Agency workload percentages are calculated by:

- 5.6.1. Determining the agency's percentage of total Calls For Service (CFS)
- 5.6.2. Determining the agency's percentage of total Officer Initiated Activity (OIA)
- 5.6.3. Averaging the values from # 5.6.1 & # 5.6.2
- 5.6.4. Determining the percentage of OIA that is Mobile Data Computer (MDC) activity
- 5.6.5. Determining agency OIA that is not MDC Activity
- 5.6.6. Determining adjusted percentage of OIA that is MDC activity by dividing value of # 5.6.5 by total OIA
- 5.6.7. Determining agency CFS that are public requests by subtracting agency assists or mutual aid calls from the agency's CFS
- 5.6.8. Determining adjusted percentage of total CFS that are public requests by dividing value of # 5.6.7 by total CFS
- 5.6.9. Determining agency workload percentage by calculating average of # 5.6.6 and # 5.6.8
- 5.6.10. Determining agency final cost by workload by multiplying value of # 5.6.9 against 50% of the approved Communications budget

6. **COUNTY SERVICES AND RESPONSIBILITIES.** The County agrees to provide the following services and responsibilities:

6.1 The Sheriff shall have the sole discretion as to the method of providing the Services including, but not limited to the order of response to calls, and shall be the sole judge as to the most expeditious and effective manner of handling and responding to calls for service or the rendering thereof. The Sheriff shall have the sole discretion as to the method and final decision regarding the annual workload and cost statistics. The Sheriff will devote sufficient time to insure the performance of all duties and obligations set forth herein.

6.2 County shall furnish full-time communications services including a twenty-four (24) hours a day, seven (7) days a week public safety answering point, radio services, dispatching services, or law enforcement transmission originating from AGENCY requesting law enforcement and fire

protection services and access to local, regional, state, and national data bases and telecommunications systems.

- 6.3 The services provided by County include the following:
- 6.3.1 twenty-four (24) hours a day, seven (7) days a week public safety answering point;
 - 6.3.2. receiving emergency and routine calls for law enforcement, fire, and medical services;
 - 6.3.3 directing a response to said calls by dispatching the appropriate law enforcement, fire, and medical services;
 - 6.3.4. providing on-going communication support to the emergency personnel in the field; and
 - 6.3.5 updating, maintaining, and managing the County owned radio communications system, computer systems, support files, and resource materials necessary to accomplish the above.

6.4 County may add new Agencies not currently served by Denton County at the discretion of Denton County and the Denton County Sheriff's Office.

7. **AGENCY RESPONSIBILITIES.** The Agency agrees to the following responsibilities:

- 7.1 Providing accurate current GIS data of the corporate limits and extraterritorial jurisdiction of the Agency.
- 7.2 Furnish County with a current list of all Officers and Reserves authorized by Agency to use the communications system.
- 7.3 Agency is responsible for the costs and upgrades associated with maintaining Agency's communication equipment.
- 7.4 Agency agrees to abide by all laws of the United States and the State of Texas and all present or hereafter approved rules, policies and procedures of TLETS, NLETS, TCIC, NCIC and any other system now or in the future associated with TLETS concerning the collection, storage, processing, retrieval, dissemination and exchange of information for criminal justice purposes
- 7.5 Adherence to all Sheriff's Office communications rules and regulations.
- 7.6 Agency agrees to provide all necessary and required TLETS paperwork. See *Exhibit "B"*.
- 7.7 Appoint representative and agree to participate in the Advisory Board.
- 7.8 Agency is responsible for sending payments to County as more fully described in *Exhibit "A"* to this Agreement.

8. **AGREEMENT.** The parties acknowledge they have read and understand and intend to be bound by the terms and conditions of this Agreement. This Agreement contains the entire understanding between the parties concerning the subject matter hereof. No prior understandings, whether verbal or written, between the parties or their agents are enforceable unless included in writing in this agreement. This Agreement may be amended only by written instrument signed by both parties.

9. **AGREEMENT LIASONS.** Each party to this agreement shall designate a Liaison to insure the performance of all duties and obligations of the parties. The Liaison for each party shall devote sufficient time and attention to the execution of said duties on behalf of the Party to ensure full compliance with the terms and conditions of this Agreement.

10. **ASSIGNMENT.** Neither party shall assign, transfer, or sub-contract any of its rights, burdens, duties, or obligations under this Agreement without the prior written permission of the other party to this Agreement.

11. **AGENCY LIABILITY.** The Agency understands and agrees that the Agency, its employees, servants, agents, and representatives shall at no time represent themselves to be employees, servants, agents, and/or representatives of the County. The Agency shall not be required to indemnify nor defend County for any liability arising out of the wrongful acts of employees or agents of County to the extent allowed by Texas law.

12. **COUNTY LIABILITY.** The County understands and agrees that the County, its employees, servants, agents, and representatives shall at no time represent themselves to be employees, servants, agents, and/or representatives of the Agency. The County shall not be required to indemnify nor defend Agency for any liability arising out of the wrongful acts of employees or agents of Agency to the extent allowed by Texas law.

13. **DISPUTES/RECOURSE.** County and Agency agree that any disputes or disagreements that may arise which are not resolved at the staff level by the parties should be referred to the Appointed Liaisons for each entity. Any further disputes arising from the failure of either Agency or County to perform and/or agree on proportionate reduction in fees shall be submitted to mediation, with the parties splitting the mediation fees equally. It is further agreed and understood that the scope of matters to be submitted to dispute mediation as referenced above is limited to disputes concerning sufficiency of performance and duty to pay or entitlement, if any, to any reduced fee or compensation. Any other disputes or conflicts involving damages or claimed remedies outside the scope of sufficiency of performance and compensation adjustment shall be referred to a court of competent jurisdiction in Denton County, Texas.

14. **EXHIBITS.** Attached hereto, and referred to elsewhere in this Agreement are the following Exhibits, which are hereby incorporated by reference.

| | |
|------------------|--|
| Exhibit A | Agency Payment Worksheet |
| Exhibit B | TEXAS LAW ENFORCEMENT TELECOMMUNICATION SYSTEM (TLETS) NON - TWENTY-FOUR HOUR TERMINAL AGENCY AGREEMENT |

15. **MULTIPLE ORIGINALS.** It is understood and agreed that this Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

16. **NOTICES.** All notices, demands or other writings may be delivered by either party by U.S. First Class Mail or by other reliable courier to the parties at the following addresses:

| | | |
|---------|---|--|
| County: | 1 | Denton County Judge Denton County Commissioners Court 110 West Hickory, Room #207 Denton, Texas 76201 |
| | 2 | Denton County Sheriff Denton County Sheriff's Office 127 N. Woodrow Lane Denton, Texas 76205 |
| | 3 | Assistant District Attorney Counsel to the Sheriff 127 N. Woodrow Lane Denton, Texas 76205 |

| | |
|------------------|--------------------------------|
| Name of Agency: | Corinth Police Department |
| Contact Person | Police Chief Jerry Garner |
| Address | 3501 FM 2181, Suite A |
| City, State, Zip | Corinth, TX 76210 |
| Telephone | 940-279-1500 |
| Email | jerry.garner@cityofcorinth.com |

17. **SEVERABILITY.** The validity of this Agreement and/or any of its terms or provisions, as well as the rights and duties of the parties hereto, shall be governed by the laws of the State of Texas. Further, this Agreement shall be performed and all compensation payable in Denton County, Texas. In the event that any portion of this Agreement shall be found to be contrary to law, it is the intent of the parties hereto that the remaining portions shall remain valid and in full force and effect to the extent possible.

18. **THIRD PARTY.** This Agreement is made for the express purpose of providing communications and dispatch services, which both parties recognize to be a governmental function. Except as provided in this Agreement, neither party assumes any liability beyond that provided by law. This Agreement is not intended to create any liability for the benefit of third parties.

19. **VENUE.** This agreement will be governed and construed according to the laws of the State of Texas. This agreement shall be performed in Denton County, Texas.

20. **WAIVER.** The failure of County or Agency to insist upon the performance of any term or provision of this Agreement or to exercise or enforce any right herein conferred, or the waiver of a breach of any provision of this Agreement by either party, shall not be construed as a waiver or relinquishment to any extent of either party's right to assert or rely upon any such term or right, or future breach of such provision, on any future occasion.

21. **AUTHORIZED OFFICIALS.** Each party has the full power and authority to enter into and perform this Agreement. The persons executing this Agreement represent they have been properly authorized to sign on behalf of their governmental entity.

22. **CURRENT FUNDS.** All payments made by Agency to County pursuant to this Agreement shall be from current revenues available to Agency.

23. **DISPATCH & COMMUNICATION RECORDS.** The parties acknowledge that the Denton County Sheriff's Office may release dispatch and communication records of Agency pursuant to the Texas Public Information Act until such a time that the parties agree to transfer such responsibility to Agency.

DENTON COUNTY, TEXAS

AGENCY

Andy Eads, County Judge
Denton County Commissioners Court
110 West Hickory, Room #207
Denton, Texas 76201
(940)349-2820

Bill Heidemann, Mayor

City of Corinth

3300 Corinth Pkwy.

Corinth, TX 76208

940-321-3277

EXECUTED duplicate originals on this

EXECUTED duplicate originals on this

Date: _____

Date: _____

Approved as to content:

Approved as to content:

Denton County Sheriff's Office



Jerry Garner, Chief of Police

Approved as to form:

Approved as to form:

Assistant District Attorney
Counsel to the Sheriff

Attorney for Agency

Exhibit A

2021-22 Budget Year
Denton County Sheriff's Office
Communications Agreement
Agency Payment Worksheet

| | |
|--------------------------------|---|
| Agency: | Corinth Police Department |
| Payment Contact Person: | Captain Tyson and/or Lee Ann Bunselmeyer, Director of Finance |
| Phone Number: | 940-498-3280 |
| Email: | <u>jerry.garner@cityofcorinth.com</u> or <u>LeeAnn.Bunselmeyer@cityofcorinth.com</u> |
| Address: | 3300 Corinth Pkwy |
| City, State, Zip | Corinth, TX 76208 |
| AGENCY TOTAL AMOUNT DUE | \$98,656.00 |

Agency Should Include this Worksheet with Each Payment Sent to Denton County.

| | |
|-------------------------|---|
| Make checks payable to: | Denton County |
| Mail payments to: | Communications Agreement Payments Denton County Auditor 401 W. Hickory, Suite 423 Denton, Texas 76201-9026 |

Payment Plan Options

Agency MUST
Select One
Payment Option

- | | | |
|---|-------------------------------------|---------------------------|
| 1 | <input checked="" type="checkbox"/> | One Annual Payment (100%) |
| 2 | <input type="checkbox"/> | Two Payments (50%) |
| 3 | <input type="checkbox"/> | Four Payments (25%) |
| 4 | <input type="checkbox"/> | Twelve Monthly Payments |
| 5 | <input type="checkbox"/> | Other Payment Option |

Exhibit B

TEXAS LAW ENFORCEMENT TELECOMMUNICATION SYSTEM (TLETS) NON - TWENTY-FOUR HOUR TERMINAL AGENCY AGREEMENT 2021-2022

| | |
|--------------------------------------|---------------------------------------|
| Twenty-Four Hour Terminal Agency | DENTON COUNTY SHERIFF'S OFFICE |
| Non Twenty-Four Hour Terminal Agency | Corinth Police Department |

This document constitutes an agreement between the following parties:

The Twenty-Four Hour Terminal Agency agrees to make entries into the Texas Crime Information Center (TCIC) and the National Crime Information Center (NCIC) computers for the Non Twenty-Four Hour Terminal Agency.

All records must be entered with the Twenty-Four Hour Agency's ORI, and all case reports and original warrants must be held at the Twenty-Four Hour Agency for hit confirmation purposes.

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In order to comply with NCIC Validation requirements, the Non Twenty-Four Hour Agency agrees to perform all validation procedures as required by NCIC on all records entered through the Twenty-Four Hour Agency.

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To the extent allowed by the laws of the State of Texas, the Non Twenty-Four Hour Agency agrees to indemnify and save harmless the Twenty-Four Hour Agency as well as the DPS, its Director and employees from and against all claims, demands, actions and suits, including but not limited to any liability for damages by reason of or arising out of any false arrests or imprisonment or any cause of the Non Twenty-Four Hour Agency or its employees in the exercise of the enjoyment of this Agreement.

In witness whereof, the parties hereto caused this agreement to be executed by the proper officers and officials.

DENTON COUNTY SHERIFF'S OFFICE

AGENCY

Signature: _____

By: Tracy Murphree

Title: Denton County Sheriff

Date: _____

Signature: _____

By:  Jerry Garner

Title: Chief of Police

Date: 3-7-21

City Council Regular and Workshop Session

Meeting Date: 03/18/2021

Title: PH Cancellation for Avilla Fairways PD

Submitted For: Helen-Eve Beadle, Director

Submitted By: Helen-Eve Beadle, Director

Finance Review: N/A

Legal Review: Yes

City Manager Review: Approval: Bob Hart, City Manager

Strategic Goals:

AGENDA ITEM

The Avilla Fairways Public Hearing posted for the rezoning application (PD ZAPD20-0004) has been cancelled at the request of the applicant, NexMetro Communities on behalf of the owner, Endeavor Energy Resources, LP. The property is approximately 24.595 acres of land within the A.H. Serren Survey, Abstract No. 1198 and the B. Merchant Survey, Abstract No. 800, City of Corinth, Denton County, Texas and generally located at the northwest corner of Lake Sharon Drive and Oakmont Drive and east of FM 2499.

AGENDA ITEM SUMMARY/BACKGROUND

RECOMMENDATION

City Council Regular and Workshop Session

Meeting Date: 03/18/2021
Title: Landmark at Tower Ridge Multifamily Complex - PD, Planned Development Rezoning (#ZAPD20-0002)
Submitted For: Helen-Eve Beadle, Director
Submitted By: Michelle Mixell, Planning & Development Manager
Finance Review: N/A **Legal Review:** Yes
City Manager Review:
Strategic Goals: Land Development
Infrastructure
Development
Citizen Engagement
& Proactive
Government

AGENDA ITEM

Conduct a Public Hearing and take action on an Ordinance amending the Comprehensive Zoning Ordinance and the Zoning District Map as requested by the Applicant, Manhard Consulting on behalf of the owner, Corinth 12 Joint Venture, to amend the zoning classification from C-1 Commercial to a Planned Development, with a base zoning district of MF-3, Multi-Family Residential, on an approximately +/- 12.545 acres of land legally described as Pinnell Subdivision, Block 1, Lots 16, 17, 18, and an adjacent tract consisting of approximately 0.436 acres of abandoned right-of-way recorded in County Clerk's File Number 31846, Denton County, Texas Real Property Records. The property is situated in the H.H. Swisher Survey, Abstract 1220, Corinth, Texas and is generally located north of FM 2181, west of Garrison Road, east of Poseidon Drive, and south of Cliff Oaks Drive. (Landmark at Tower Ridge PD ZAPD20-0002)

- Staff Presentation
- Applicant Presentation
- Public Hearing
- Response by Applicant
- Response by Staff
- Take Action

AGENDA ITEM SUMMARY/BACKGROUND

Council Memorandum begins on next page after Recommendation and List of Attachments.

RECOMMENDATION

Staff recommends approval as presented.

Attachments

- Agenda Summary/Background-Staff Memo
- Landmark PD Ordinance
- PD Exhibits
- Parking Comparison Table & Count Justification
- Min Unit Size Justification
- Letters 200 FT Boundary
- 200FT Boundary Exhibit



A. BACKGROUND INFORMATION.

1. Project Overview. The Applicant is requesting approval of a PD, Planned Development rezoning for the future development of 296 multi-family units on a total of ±12.989 acres with a proposed base zoning district, MF-3, Multi-family Residential. The project site is located on the north side of FM2181 immediately west of the existing Public Safety Building, east of the existing Corinthian Oaks single-family neighborhood, and south of the single-family detached homes located in the Pinnell Subdivision.

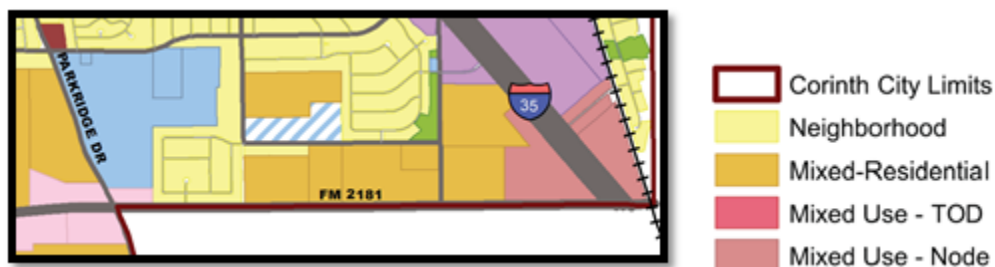
2. Existing Conditions. The site is currently undeveloped, with moderate tree cover, and includes a 20’ drainage easement along the western boundary as well as an existing lift station.

3. Current Zoning. The site is currently zoned C-1 Commercial which permits a range of uses by right including among others, retail, indoor amusement, grocery store, medical clinic, auto parts store, etc., and specifically excludes residential uses.



Source: [Corinth GIS Zoning Map](#)

4. Future Land Use. The Comprehensive Plan shows this area as Mixed Residential which provides for a variety of dwelling types ranging in an overall density from 6-10 dwelling units which may include single family, townhouse, multifamily, and neighborhood commercial uses.

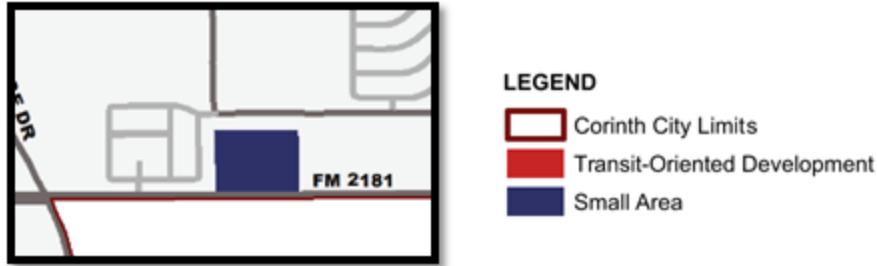


Source: *Envision Corinth 2040 Comprehensive Plan (Adopted July 2020)*

The Comprehensive Plan also identifies this site as a “Strategic Focus Area” which outlines two additional conceptual future land use options that include higher intensity uses such as retail, office, and multi-family uses to provide a possible “mix of housing types to attract and retain residents while making Corinth a life-cycle community”.

AGENDA ITEM SUMMARY/BACKGROUND

LANDMARK AT TOWER RIDGE PD, PLANNED DEVELOPMENT (ZAPD20-0002) – Staff Memo



Source: *Envision Corinth 2040 Comprehensive Plan-Strategic Focus Area (Adopted July 2020)*

The two possible land use scenarios show more intensive uses beyond Mixed Residential including retail and/or office.

The scenarios are shown below:



Source: *Envision Corinth 2040 Comprehensive Plan (Adopted July 2020)*

In terms of mobility, the Comprehensive Plan calls for the future extension of Tower Ridge Drive from its current terminus at Cliff Oaks Drive to connect with FM2181. This extension is shown along the western portion of the project site. See excerpt below:

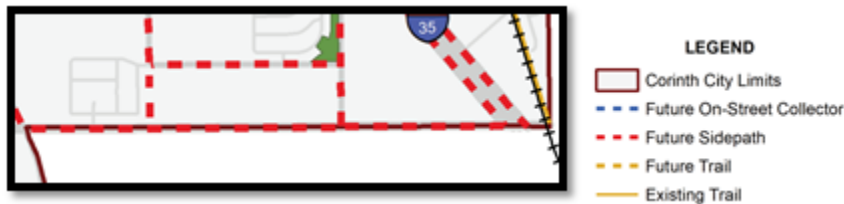


Source: *Envision Corinth 2040 Comprehensive Plan - Master Thorough Far Plan (Adopted July 2020)*

AGENDA ITEM SUMMARY/BACKGROUND

LANDMARK AT TOWER RIDGE PD, PLANNED DEVELOPMENT (ZAPD20-0002) – Staff Memo

Additionally, the Comprehensive plan identifies a six (6') – eight (8') foot “Sidepath Trail” to be constructed along the future segment of Tower Ridge Drive and connection to the future “Sidepath Trail” along FM2181. See excerpt from the Active Transportation Plan below:



Sidepath on Tower Ridge Drive extension (south) and FM2181

Source: *Envision Corinth 2040 Comprehensive Plan (Adopted July 2020)*

5. Transportation. The applicant has agreed to install Tower Ridge from FM 2181 to the northern property boundary as per the Master Thoroughfare Plan. In addition, staff has requested in lieu of a detailed Traffic Impact Analysis (TIA), that the applicant provide dedicated right turn lanes into their development. This would be more advantageous to the City than require a detailed TIA. Based on their site layout they will have 3 points of access, one on FM 2181 and two onto Tower Ridge. This should satisfy any necessary traffic for this development. They will have 599 parking spaces dispersed between the three driveways. Any further access points would not be advantageous to the City or to the developer. There is an existing cross access stub to this property at the City of Corinth Public Safety building, however it is not in the City’s best interest to have the proposed development use this connection point.

B. KEY POINTS FOR CONSIDERATION:

The following key points represent specific departures or design modifications from the regulations outlined in Unified Development Code (UDC) in order to permit the unique design as presented in *Attachment 1 - PD Concept Plan* and other associated attachments as presented in “Supporting Documentation” contained in Appendix A.

Additionally, each modification standard presented contains a “**justification**” statement for the departure.

1. Project Proposal/Density. Project Proposal/Density. The applicant is proposing the construction of a 296 multi-family unit complex containing a mix of apartments and townhouses (*see Attachment 1 - PD Concept Plan*). The proposed unit breakdown is listed below:

- a. Apartment Breakdown - 266 apartment units are proposed in 2 three-story buildings oriented to contain much of the parking internal to the site
 - 152 – one-bedroom units (700 sq. ft, 750 sq. ft., and 777 sq. ft)
 - 102 – two-bedroom units (1000 sq. ft. and 1,150 sq. ft.)
 - 12 – three-bedroom units (1,300 sq. ft.)

AGENDA ITEM SUMMARY/BACKGROUND

LANDMARK AT TOWER RIDGE PD, PLANNED DEVELOPMENT (ZAPD20-0002) – Staff Memo

- b. Townhouse Breakdown - 30 townhouse units (each with three-bedrooms), located within 4 two-story buildings (*see Attachment 1 - PD Concept Plan*). The townhouse units are proposed to be located along the rear portion of the site to serve as a transition buffer between the existing single-family detached homes located immediately adjacent to the northern property boundary in Pinnell Subdivision and the three-story apartment buildings located internal to the site.

The applicant is requesting an exception from the requirements of the MF-3 base district to increase the maximum density of 16 DU/AC to 24.5 DU/AC and to reduce the minimum floor area per dwelling unit from 850 sq. ft. to 700 sq. ft. (*See the highlighted sections in the **Table A** below*).

Justification (Density): *The updated Comprehensive Plan shows this area for a Mixed Residential as well higher intensity uses in two options for such uses as high-density residential, office, retail, grocery store, etc. Staff supports the increased residential density to permit a market-viable mixed residential community that fits within the plan’s vision for creating a “life cycle community” and providing additional housing options including townhouses which are currently not represented in the current housing market.*

Also, over the past several years, the City has approved two apartment communities through the PD process which support densities ranging from 27 (The Oxford at Lakeview) to 37 (Millennium Apartments) units per acre. It is staff’s understanding that this is the typical density needed to provide for an urban interior-corridor style development. Finally, the UDC was adopted in 2013 and since that time the multi-family regulations have not been updated to keep up with the market needs. The PD process is the best tool at this time to achieve zoning that meets current market requirements for multifamily and the implement the City’s adopted vision in the Comprehensive Plan

Note: *The revised PD Concept Plan submitted 3-8-21 illustrates an increase in the minimum floor area square footage for 1 -bedrooms units from what was presented at Planning and Zoning Commission on 2-22-21. At that time the departure request was for 625 sq. ft. That figure has been increased to 700 sq. ft.*

Justification (Floor Area): *The applicant provided documentation (see Attachment 8 – Reduction in Minimum Unit Size) indicating that the average rental unit size in the U.S. is 882 sq. ft, regardless of the year of completion with average studio apartment being 472 sq. ft., one-bedroom apartment being 714 sq. f.t., and two-bedroom apartment with an average 1,006 sq. ft. They note that the market trend in apartment size is going downward, with the average unit size decreasing five percent (-5%) overall nationally, between 2008-2019.*

2. Dimensional Regulations. UDC Section 2.08.04 shall apply, except as modified from the base zoning district of MF-3 to allow for increased density and reduction in floor area as defined in **Table A** below.

Table A – Dimensional Requirements

| Regulation: | MF-3 Base District: | Proposed Dimensional Standards/Modifications: |
|--|--|--|
| Minimum Front Yard Setback | 30' | 30' |
| Minimum Side Yard Setback: | 30' | 30' |
| Interior Lot | | |
| Corner Lot | 30' | 30' |
| Minimum Rear Yard Setback | 30' | 30' |
| Minimum Lot Area | 1 Acre | 1 Acre |
| Maximum Density | 16 DU/A (Net Area) | 22.78 DU/A (<u>Gross</u> Area) based on 12.99 acres 24.46 DU/A (<u>Net</u> Area) based on 12.1 acres (Max 296 Units) |
| Minimum Lot Width: | 150' | 150' |
| Minimum Lot Depth | 100' | 100' |
| Minimum Floor Area | 850 sq. ft. per DU | 700 sq. ft. per DU* *no more than 132 units may be less than 777 sq. ft. as shown on PD Concept Plan. |
| Maximum Height (feet/stories) | 45 ² / ₃ Stories | 45 ² / ₃ Stories |
| Maximum Building Area (all buildings) | 50% | 50% |

3. Parking Regulations. UDC Section 2.09.03. Vehicular Parking Regulations shall apply, except that the **space per unit** as applied to the apartments may be reduced to **1.8 spaces per unit**. Townhouse unit spaces shall be provided in accordance with MF-3 base zoning district. Reference **Table B**, below:

Table B – Parking Requirements

| Regulation: | MF-3 Base District | Proposed Parking Standards/Modifications |
|---|---------------------------|---|
| Parking Standard: | 1/DU+1/Bedroom | 1.8 Spaces/Unit |
| Parking Between Public Street & Front of Building | Not Permitted | UDC Section 2.04.09.C.2 (see 2.04.07.C.2.b) shall apply, except that (1) tandem spaces may be permitted to be along the building frontage of FM2181, and (2) one row of parking between Tower |

AGENDA ITEM SUMMARY/BACKGROUND

LANDMARK AT TOWER RIDGE PD, PLANNED DEVELOPMENT (ZAPD20-0002) – Staff Memo

| | | |
|-------------------------------|-----|--|
| | | Ridge Drive and western face of building - See Attachment 1- PD Concept Plan. |
| On Street Parking Tower Ridge | N/A | On-street parking along Tower Ridge Drive may be permitted as shown on PD Concept Plan and used to meet required minimum parking standards. See modification to UDC Section 3.05.13 Street Design Criteria in item J. below. |

Justification: Documentation provided by Consultant Trey Jacobson of Momentum Advisory Services, suggests that the City’s existing parking requirements are higher than surrounding communities and may not be reflective of current parking demand. See Attachment 7 - Parking Comparison Table (Source: Email from Trey Jacobson, 12/29/20).

The UDC was adopted in 2013 and since that time the multi-family regulations (including associated parking requirements) have not been updated to keep up with the market needs. The PD process is the best tool at this time to achieve zoning that meets current market requirements for multifamily and the implement the City’s adopted vision in the Comprehensive Plan.

4. Garages. UDC Section 2.04.09.C.5 requirement that “a minimum of seventy-five (75) percent of all apartments shall have a one-car enclosed garage, two hundred forty (240) square feet minimum, attached or detached, per dwelling unit”, shall not apply. Garages for townhouse units shall be provided as outlined below (see Table C).

Table C- Garages.

| | MF-3 Base District | Proposed Garage Modification |
|---------------------------|---|---|
| Apartment Garages: | Minimum of 75% of Units require Garages | No Garages Required. Carports are being proposed for portion of the parking spaces as shown on PD Concept Plan. |
| Townhouse Garages: | N/A | 2 Garage Spaces @ 10’x20’ |

Justification: The PD Concept Plan shows 60 townhouse garage spaces for 30 units. Surface parking and carports are proposed to accommodate the apartment units as shown on Attachment 1- PD Concept Plan. The proposed urban style of the apartment community screens the majority of the parking from the public view and is supported by Staff.

5. Nonresidential Architectural Standards. UDC Section 2.09.06. shall apply and be in accordance with the design concepts outlined below:

- a. Primary Building Materials shall constitute a minimum of 80% of the façade on 1st and 2nd stories and 35% of 3rd story consisting of Class 1 Masonry (Natural Stone and Brick).
- b. Secondary Building Materials shall consist of a maximum of 20% of façade on 1st and 2nd stories and a max of 65% of 3rd stories being stucco.

- c. Final Design will generally be based on the concept elevations provided in Attachment 4 and Attachment 5 and should consider the following:
 - i. A minimum of five (5) design elements should be incorporated into the overall all architectural design and include at least, architectural details such as moldings integrated into the building façade, recesses, projections, balconies, porches, landscaped, etc., as suggested in Attachment 4 - Apartment Building Elevation Sheet.
 - ii. Townhouse garage doors shall include elements such as windows, paneling, recesses, and other details to avoid the prominence of the “blank fronts” and make more inviting along the townhouse streetscape.
 - iii. The façade of the individual townhouse units should be distinguished from the adjacent unit through the incorporation of design elements, such as two (2’) foot to four (4’) foot façade offsets every other unit, articulation roof pitch, window treatments, moldings, recesses, distinctive changes in materials, etc.
 - iv. The upper stories should include elements such as bays, balconies, and modulating building mass to reduce the “canyon” effect of the garages dominating the façade.
 - v. Landscape planting areas between individual garage units should distinguish and define the space between each unit townhouse unit. Design features should include plant material groundcover ornamental tree and shade tree (where practical).

Justification: *To create visual interest, rhythm, variation, texture, and variety in massing to reduce the monotony generated by blank walls and long building facades and create a sense of place and community within the complex.*

6. Landscaping Regulations. UDC Section 2.09.01 shall apply to the site. Additionally, FM2181 being defined as an arterial street will also require a twenty (20’) foot landscape edge buffer. Similarly, Tower Ridge Road is defined as a collector street and will require a fifteen (15’) foot landscape edge buffer.

7. Private Recreational Areas. UDC Section 2.04.09.C.8 shall apply, where a minimum of 8% of the gross complex is required to be in the form of private recreation. Note that the requirements of this section, are in addition to the park dedication requirements within 3.05.10. Park and Trail Dedications for Residentially Zoned Property. To meet the Private Recreation requirements, the applicant is providing a clubhouse, swimming pool, and 13,000 sq. ft. (.29 acre) dog park area totaling approximately 6% of the gross complex. The “private recreation areas” are shown on Attachment 1 – PD Concept Plan. Because the percentage falls short of the minimum requirement, Staff will support the inclusion of the two stormwater detention basins located along FM2181 as satisfying the minimum required private recreation area provided the basins are designed as passive “park amenities” and as a gateway into the complex. To meet this requirement, the basin amenities shall include at a minimum 6’ wide walking trails, pedestrian scale lighting, benches, shade trees and enhanced landscaping, as well as either wet ponds with fountain or dry basin with flat area for active play. The design of the basins shall be as follows depending on the type of design determined at Site Plan stage:

AGENDA ITEM SUMMARY/BACKGROUND

LANDMARK AT TOWER RIDGE PD, PLANNED DEVELOPMENT (ZAPD20-0002) – Staff Memo

- a. Wet detention areas shall be amenitized to include a 6' meandering trail around the perimeter that includes defined landscaped pockets to include sitting areas with benches, pedestrian decorative lighting, shade trees (at a rate of 1 tree per 30 linear feet of trail) and ornamental trees (at a rate of 1 tree per every 2 shade trees provided) located at intervals along the trail. In alternate, shade trees at 50' on centers along trail/path AND ornamental trees at a rate of three (3) at 30' on centers along trail/path may be substituted to provide for best practices in design. In addition, the landscape pockets shall include a half circle of landscape plantings behind each bench. The pond shall include a fountain feature.

- b. Dry detention areas shall be amenitized to include a 6' meandering trail around the perimeter that includes defined landscaped pockets to include sitting areas with benches, pedestrian decorative lighting, shade trees (at a rate of 1 tree per 30 linear feet of trail) and ornamental trees (at a rate of 1 tree per every 2 shade trees provided) located at intervals along the trail. In alternate, shade trees at 50' on centers along trail/path AND ornamental trees at a rate of three (3) at 30' on centers along trail/path may be substituted to provide for best practices in design. In addition, the landscape pockets shall include a half circle of landscape plantings behind each bench. Further, a minimum of 25% of the pond perimeter shall have a 10:1 side slope with the remaining area not to exceed a maximum side slope of 4:1. The flat bottom of the basin shall be kept manicured, maintained, and in a condition that will not promote standing water, and be of a sufficient size to accommodate active play space no less than ¼ acre (10,000 sf) in area. Alternative perimeter side slopes may be considered by the City at the time of site plan based on best engineering practices and safety.

***Justification:** The alternative is necessary to ensure detention basins create both a sense of form that is pleasing to the residents in the form of passive park amenities and providing function for stormwater management.*

8. Park and Trail Land Dedication. UDC Section 3.05.10 requires that **Park and Trail dedication for Residentially Zoned Property** to be provided at a rate of 1 acre per/50 DU and/or fees-in-lieu-of (or combination). Because the PD Concept Plan identifies the construction of two “Sidepath Trails” as shown on the Active Transportation Plan in the Envision Corinth 2040: Comprehensive Plan, the area required for the “Sidepath Trail” construction may be used to “satisfy” 0.43 acres of the land area and off-set fees required by UDC Section 3.05.10 Park and Trail Dedications for Residentially Zoned Property for this project site provided the following conditions are met:

- a. The developer shall construct a ten (10') foot concrete trail along FM2181 in accordance with ADA standards. A pedestrian public access easement shall be provided should the final design of the trail may meander outside of the public right-of-way and into the required 20' landscaped buffer edge.

- b. The developer shall construct an eight (8') foot wide concrete trail along the east side of Tower Ridge Drive (extension) in accordance with ADA standards. A pedestrian public access easement shall be provided should the final design of the trail may meander outside of the public right-of-way and into the required 20' landscaped buffer edge.

Justification: *Trails are required as part implementing the Comprehensive Plan objectives.*

9. Tower Ridge Drive (extension). As set forth on the Master Thorough Fare Plan (and noted under the Background section of this document, item B, Future Land Use), the applicant is dedicating right-of-way and constructing the Tower Ridge Drive (extension) from FM2181 through the site as identified in the Comprehensive Plan. Tower Ridge Drive construction will include a sidewalk on the west side of the street and an eight (8') foot wide trail on the east side along with parallel on-street parking. The City will offset the roadway improvements with impact fees for the construction of 100% the road.

It is Staff's understanding that the City has no immediate plans to connect the existing section of Tower Ridge Drive (north) to the southern extension constructed as part of this project. However, a Capital Improvement has been identified in the 5+ year timeframe. Until that connection is made, an eight (8') masonry wall will remain in place along the northern property line and terminus of Tower Ridge Drive right-of-way as it extends north through the project site. The masonry wall will buffer the existing single family property to the north. Additionally, the City Engineer will require a type of barricade and signage noting the dead-end with future extension.

10. On-Street Parking – Tower Ridge Drive. UDC Section 3.05.13 Street Design Criteria shall apply, except that a modification to specifically permit on-street parking along a section of Tower Ridge Drive, subject to the following conditions:

- a. Provide a variable right-of-way width along Tower Ridge Drive from 60' to 70' to in the limited section with the on-street parallel parking located outside of the 36' wide travel lane (two 18' wide travel lanes)
- b. On-Street parallel parking section would be limited to the east side of Tower Ridge Drive
 - i. Parking space area: 22' length x 8' width with 0.5' for curb (22' x 8.5');
 - ii. Maximum of 5 spaces located in tandem with a bulb-out designated for shade tree (10' in length x 8' (generally) in width); and
- c. Sidewalk (east side) and trail (west side) of Parkridge Drive would be located at back of curb within the length of the section of with on-street parking.

Justification: *The on-street parking along collector roadways is an option the City has been allowing to create a more "traditional urban" streetscape segment in areas where greater density is occurring and to serve as traffic calming measure.*

11. Mechanical Equipment and Screening of Outdoor Waste Storage. UDC Sections 2.04.09, C.6 and 4.02.13 shall apply, with the additional requirements that foundation plantings in the form of continuous evergreen hedge/shrub row (a minimum of 4' in height for smaller

mechanicals and increase in height up to six feet (6') be provided to soften the view of Mechanical Equipment, and masonry walls required to screen Refuse Containers, and Waste Storage. The additional screening standards may be adjusted at time of site plan review based on best practices.

12. Lighting and Glare Regulations. UDC Section 2.09.07. shall apply, and as determined at time of Site Plan, pedestrian scale lighting fixtures shall be considered where practical.

13. Fence and Screening Regulations. UDC Section 4.02. shall apply, and include the installation of an additional, opaque living screen of evergreen-type trees (as permitted by the approved plant list) to be provided adjacent to the existing chain link fence generally along the southeast property line to screen the subject tract from the police impound parking lot.

Justification: *Staff is requesting additional landscaping to buffer and minimize the view and noise that may be generated by the Public Safety Building operations which is located along the eastern property boundary of the proposed project.*

14. Tree Preservation. UDC Section 2.09.02 Tree Preservation regulations shall apply. The site contains a moderate number of trees as shown on Attachment 6-Tree Coverage Plan. A tree survey and Tree Protection Plan will be required at or prior to Site Plan as set forth in 2.09.02.

SUPPORTING DOCUMENTS:

1. PD ORDINANCE (*WITH EXHIBITS*)
2. 'PARKING COMPARISON TABLE & PARKING COUNT JUSTIFICATION
3. MINIMUM UNIT SIZE JUSTIFICATION
4. 200 FT BOUNDARY EXHIBIT
5. LETTERS

NEIGHBORHOOD MEETING:

The applicant, Manhard Consulting, conducted two neighborhood meetings at to seek input and receive concerns from surrounding property owners. Meetings were held at the Public Safety Building which is immediately adjacent to the subject site to provide convenient access to surrounding property owners. Approximately 15 residents attended the initial January 5, 2021 meeting with 5 attending the follow up meeting on February 1, 2021.

Meeting Results: In an attempt to address resident concerns and parking design on the site, the Applicant shared a “redesigned PD Concept Plan” with residents at the second neighborhood meeting on February 1, 2021. This revised plan showed Townhouse units reoriented so that the garage doors would face the rear of the property and accessible via an alley to be constructed between the northern property line with the existing single family neighborhood (Pinnell Subdivision).

While the separation distance between the building and northern property line would have maintained thirty (30') foot building setback (including a fifteen (15') foot landscape buffer), the revised design was shared with residents at that meeting without City Staff having an opportunity to assess and/or provide comment.

The following day, Development Review Committee Staff reviewed the concept and advised the Applicant to return to the “original design layout” that maintained a thirty (30’) landscaped buffer between property owners to the north and eliminated the alley and rear loading garages as shown on the second version.

A key concern for Staff was that the plan as presented at the Neighborhood Meeting would have required vehicles to access the garages to the rear as well as require “multi-family parking lot lighting” to serve the alley which would have been directly adjacent to the single family homes and within the thirty (30’) foot “buffer.”

The current PD Concept Plan attached to this report, shows the townhouse units with front facing garages that are accessed through the interior parking lot shared with the apartment units.

COMPLIANCE WITH THE COMPREHENSIVE PLAN:

The rezoning request for the subject property, as presented, is in accordance with the “Land Use and Development Strategy” designations, Mixed-Residential and the concepts presented in the Strategic Focus Areas, as well as the concepts outlined in the Master Thorough Fare Plan and Active Transportation Plan as set forth in the "Envision Corinth 2040" Comprehensive Plan.

PUBLIC NOTICES:

Notice of the public hearing was published in the February 6, 2021 edition of the Denton Record-Chronicle. Written public notices were mailed to all property owners located within 200’ of the subject property proposed for the zoning change on February 8, 2021. Reference Notification Map (attached)

At the time of packet preparation, we have received **two (2) letters of opposition** and **one (1) letter of support** from property owners within the 200’ written notice boundary (*see attached Letters*).

PLANNING AND ZONING COMMISSION:

At the Regular Meeting on Monday, February 22, 2021, the Planning and Zoning Commission unanimously recommended the item for City Council approval (5-0) subject to the Applicant addressing any remaining Staff Comments and agreeing to construct the eight (8’) foot masonry wall along the length of the northern property line to buffer the existing residential lots prior to vertical construction on the site.

Staff Comment: The Applicant has satisfactorily addressed outstanding items as directed by the Planning and Zoning Commission.

**CITY OF CORINTH, TEXAS
ORDINANCE NO. 21-02-18-0__**

**LANDMARK AT TOWER RIDGE MULTI-FAMILY APARTMENT AND
TOWNHOUSE COMMUNITY PLANNED DEVELOPMENT DISTRICT #58**

AN ORDINANCE OF THE CITY OF CORINTH, TEXAS, AMENDING THE CITY'S COMPREHENSIVE PLAN, SPECIFICALLY THE COMPREHENSIVE ZONING ORDINANCE AND THE "OFFICIAL ZONING DISTRICT MAP OF THE CITY OF CORINTH, TEXAS," EACH BEING A PART OF THE UNIFIED DEVELOPMENT CODE OF THE CITY OF CORINTH, BY AMENDING THE ZONING CLASSIFICATION FOR THE PROPERTY DESCRIBED IN EXHIBIT A," ATTACHED HERETO AND INCORPORATED HEREIN, FROM C-1, COMMERCIAL TO PD-PLANNED DEVELOPMENT ZONING DISTRICT WITH A BASE ZONING DESIGNATION OF MF-3, MULTI-FAMILY RESIDENTIAL ON APPROXIMATELY ±12.989 ACRES (565,801 SQUARE FEET) OF LAND IN THE H.H. SWISHER SURVEY, ABSTRACT NUMBER 1220, DENTON COUNTY, TEXAS AND BEING A PORTION OF LOTS 16, 17 AND 18, BLOCK ONE, PINNELL SUBDIVISION, AN ADDITION TO THE CITY OF CORINTH ACCORDING TO THE PLAT THEREOF RECORDED IN CABINET D, PAGE 178, PLAT RECORDS, DENTON COUNTY, TEXAS AND ALL OF THAT 0.436 ACRES OF LAND DESCRIBED BY DEED TO CORINTH 12 JOINT VENTURE RECORDED IN COUNTY CLERK'S FILE NUMBER 2017-31846, DEED RECORDS, DENTON COUNTY, TEXAS; THE PROPERTY IS GENERALLY LOCATED NORTH OF FARM TO MARKET ROAD 2181, WEST OF GARRISON ROAD, EAST OF POSEIDON DRIVE, AND SOUTH OF CLIFF OAKS DRIVE AND IDENTIFIED AS LANDMARK AT TOWER RIDGE PLANNED DEVELOPMENT DISTRICT NO. 58 ("PD-58"); PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING A LEGAL PROPERTY DESCRIPTION; APPROVING A PLANNED DEVELOPMENT CONCEPT PLAN (EXHIBIT "C"); APPROVING A CONCEPTUAL LANDSCAPE PLAN (EXHIBIT "D"); APPROVING CONCEPTUAL ELEVATIONS (EXHIBIT "E"); APPROVING LAND USE REGULATIONS (EXHIBIT "E"); PROVIDING FOR A PENALTY NOT TO EXCEED \$2,000 A DAY FOR EACH VIOLATION OF THE ORDINANCE AND A SEPARATE OFFENSE SHALL OCCUR ON EACH DAY THAT A VIOLATION OCCURS ON CONTINUES; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Corinth, Texas has adopted Ordinance 13-05-02-08, which adopts a Unified Development Code of the City, which includes the Comprehensive Zoning Ordinance and which, in accordance with the City's Comprehensive Plan, establishes zoning districts and adopts a Zoning Map; and

WHEREAS, the property is comprised of multiple tracts of land, as described in **Exhibit "A"** ("Property"), and is currently zoned as C-1, Commercial, under the City's Unified Development Code and as designated on the City's Zoning Map; and,

WHEREAS, and an authorized person having a proprietary interest in the Property has requested a change in the zoning classification of said Property to PD-Planned Development zoning district with a base zoning of MF-3, Multi-Family Residential under the City's Unified Development Code ("UDC"), more specifically identified as Landmark at Tower Ridge Planned Development District No. 58 ("PD-58"); and

WHEREAS, the City Council and the Planning and Zoning Commission of the City of Corinth, having given the requisite notices by publication and otherwise, and each, held due hearings and afforded a full and fair hearing to all the property owners generally, and to the persons interested and situated in the affected area and in the vicinity thereof; and

WHEREAS, the Planning and Zoning Commission has recommended approval of the requested change in zoning to the Property, and the City Council has determined that the Property has unique characteristics and that zoning through a planned development district is the most appropriate mechanism for zoning the Property, thus an amendment to the Comprehensive Zoning Ordinance and the Zoning Map of the City's Unified Development Code, in accordance with the standards and specifications set forth herein, including without limitation the Land Use Regulations set forth in **Exhibit "F,"** should be approved; and

WHEREAS, the City Council considered the following factors in making a determination as to whether the requested change should be granted or denied: safety of the motoring public and pedestrians using the facilities in the area immediately surrounding the sites; safety from fire hazards and damages; noise producing elements and glare of the vehicular and stationary lights and effect of such lights on established character of neighborhoods; location, and types of signs and relation of signs to traffic control and adjacent property; street size and adequacy of width for traffic reasonably expected to be generated by the proposed use around the site and in the immediate neighborhood; adequacy of parking as determined by requirements of this ordinance for off-street parking facilities; location of ingress and egress points for parking and off-street loading spaces, and protection of public health by surfacing on all parking areas to control dust; effect on the promotion of health and the general welfare; effect on light and air; effect on the over-crowding of the land; effect on the concentration of population, and effect on transportation, water, sewerage, schools, parks and other public facilities; and

WHEREAS, the City Council further considered among other things the character of the proposed district and its peculiar suitability for particular use requested and the view to conserve the value of the buildings, and encourage the most appropriate use of the land throughout this City; and

WHEREAS, the City Council finds that the requested Amendment to the City's Comprehensive Zoning Ordinance and Zoning Map to effect the change in zoning for the Property promotes the health and the general welfare, provides adequate light and air, prevents the over-crowding of land, avoids undue concentration of population, and facilitates the adequate provision of transportation, water, sewerage, schools, parks and other public requirements; and the general health, safety and welfare of the community;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS:

**SECTION 1.
INCORPORATION OF PREMISES**

The above and foregoing recitals are found to be true and correct and are incorporated into the body of this Ordinance for all purposes.

**SECTION 2
LEGAL PROPERTY DESCRIPTION; AMENDMENT**

That Ordinance 13-05-02-08, adopting the Unified Development Code of the City of Corinth (“UDC”), which UDC includes the Comprehensive Zoning Ordinance that establishes zoning districts in accordance with the City’s Comprehensive Plan, and adopts the Zoning Map of the City of Corinth, is hereby amended to change the zoning classifications on approximately ±12.989 and 0.436 acres of land, described in **Exhibit “A,”** attached hereto and incorporated herein (the “Property”), from C-1, Commercial to PD-Planned Development zoning district with a base zoning of MF-3, Multi-Family Residential and identified as Landmark at Tower Ridge Planned Development District No. 58 (“PD-58”) subject to the regulations contained in this Ordinance, , and the Zoning Map of the City is also hereby amended to reflect the new zoning classification for the Property. The amended zoning map is attached as **Exhibit “B”** hereto.

**SECTION 3.
PLANNED DEVELOPMENT CONCEPT PLAN**

The Planned Development Concept Plan for the Property as set forth in **Exhibit “C,”** a copy of which is attached hereto and incorporated herein, is hereby approved.

**SECTION 4
ADDITIONAL ANCILLIARY CONCEPTUAL PLANS**

Additional ancillary conceptual plans pertaining to conceptual landscape plan, as set forth in **“Exhibit D,”** Conceptual Elevations, as set forth in **“Exhibit E,”** are attached hereto and incorporated herein, and are hereby approved as depicted (**Exhibits “D,” and “E”** are collectively herein referred to as the **“Ancillary Conceptual Plans”**).

**SECTION 5.
LAND USE REGULATIONS**

A. The Zoning and Land Use Regulations set forth in **“Exhibit F,”** attached hereto and made a part hereof for all purposes are hereby adopted and shall be adhered to in their entirety for the purposes of this PD-Planned Development zoning district with a base zoning of MF-3, Multi-Family Residential. In the event of conflict between the provisions of **“Exhibit F”** and provisions of any other City zoning regulations, including without limitation the regulations governing MF-3, Multi-Family Residential zoning district, **“Exhibit F”** shall control.

Except in the event of a conflict as provided herein or as otherwise expressly provided herein, all UDC regulations shall apply to the Property and shall be cumulative.

B. That the zoning regulations and districts herein established have been adopted in accordance with the Comprehensive Plan for the purpose of promoting the health, safety, morals and the general welfare of the community. They have been designed, with respect to both present conditions and the conditions reasonably anticipated to exist in the foreseeable future; to lessen congestion in the streets; to provide adequate light and air; to prevent over-crowding of land; to avoid undue concentration of population; and to facilitate the adequate provision of transportation, water, sewerage, drainage and surface water, parks and other commercial needs and development of the community. They have been made after a full and complete hearing with reasonable consideration among other things of the character of the district and its peculiar suitability for the particular uses and with a view of conserving the value of buildings and encouraging the most appropriate use of land throughout the community.

C. The Planned Development Concept Plan (“**Exhibit C**”), Conceptual Landscape Plan (“**Exhibit D**”) Conceptual Elevations (“**Exhibit E**”), and the Land Use Regulations (“**Exhibit F**”) shall control the use and development of the Property in accordance with the provisions of this Ordinance, and all building permits and development requests shall be in accordance with applicable City ordinances, the PD Concept Plan, Ancillary Conceptual Plans, and Land Use Regulations. The PD Concept Plan, Ancillary Conceptual Plans and Land Use Regulations shall remain in effect as set forth herein unless amended by the City Council.

If a change to the Concept Plan, and/or associated Ancillary Conceptual Plans, if any, is requested for the Property, the request shall be processed in accordance with the UDC and other development standards in effect at the time the change is requested for the proposed development and shall be subject to City Council approval.

SECTION 6. PENALTY FOR VIOLATIONS

Any person, firm, or corporation who intentionally, knowingly or recklessly violates any provision of this Ordinance or the Code of Ordinances, as amended hereby, shall be subject to a fine not to exceed the sum of five hundred dollars (\$500.00) for each offense, and each and every day any such offense shall continue shall be deemed to constitute a separate offense, provided, however, that in all cases involving violation of any provision of this Ordinance or Code of Ordinances, as amended hereby, governing the fire safety, zoning, or public health and sanitation shall be subject to a fine not to exceed the sum of two thousand dollars (\$2,000.00) for each offense.

SECTION 7. SEVERABILITY

The provisions of the Ordinance are severable. However, in the event this Ordinance or any procedure provided in this Ordinance becomes unlawful, or is declared or determined by a judicial, administrative or legislative authority exercising its jurisdiction to be excessive, unenforceable, void, illegal or otherwise inapplicable, in whole or in part, the remaining and lawful provisions shall be of full force and effect and the City shall promptly promulgate new revised provisions in compliance with the authority’s decisions or enactment.

**SECTION 8.
CUMULATIVE REPEALER**

This Ordinance shall be cumulative of all other Ordinances and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance. Ordinances, or parts thereof, in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance. Provided however, that any complaint, action, claim or lawsuit which has been initiated or has arisen under or pursuant to such other Ordinances on this date of adoption of this Ordinance shall continue to be governed by the provisions of such Ordinance and for that purpose the Ordinance shall remain in full force and effect.

**SECTION 9.
SAVINGS**

All rights and remedies of the City of Corinth, Texas, are expressly saved as to any and all violations of the provisions of any other ordinance affecting zoning for the Property which have secured at the time of the effective date of this ordinance; and, as to such accrued violations and all pending litigation, both civil and criminal, whether pending in court or not, under such ordinances same shall not be affected by this Ordinance but may be prosecuted until final disposition by the court.

**SECTION 10.
EFFECTIVE DATE**

This ordinance shall become effective after approval and publication as provided by law. The City Secretary is directed to publish the caption and penalty of this ordinance two times.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF CORINTH THIS ____
DAY OF _____, 2021.**

APPROVED:

Bill Heidemann, Mayor

ATTEST:

Lana Wylie, City Secretary

APPROVED AS TO FORM:

Patricia Adams, City Attorney

EXHIBIT "A"
LEGAL DESCRIPTION

BEING a 12.989 acre tract situated in the H.H. Swisher Survey, Abstract Number 1220, Denton County, Texas and being a portion of Lots 16, 17 and 18, Block One, Pinnell Subdivision, an addition to the City of Corinth according to the plat thereof recorded in Cabinet D, Page 178, Plat Records, Denton County, Texas and all of that called 0.436 acres of land described by deed to Corinth 12 Joint Venture recorded in County Clerk's File Number 2017-31846, Deed Records, Denton County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod found at the northwest corner of said Lot 18, said iron rod also being the southwest corner of Lot 15 of said Block One and being the northeast corner of the said called 0.436 acre tract;

THENCE North 89 degrees 58 minutes 17 seconds East, 869.87 feet along the north line of said Lots 18, 17 and 16 and the south line of Lots 2-15 of said Block One to a 5/8 inch iron rod with cap stamped "DUNAWAY" found at the northeast corner of said Lot 16, said iron rod also being the southeast corner of said Lot 2 and being in the west line of Lot 1R-2, Block One, Pinnell Subdivision, an addition to the City of Corinth according to the plat thereof recorded in County Clerk's File Number 2016-56, Plat Records, Denton County, Texas;

THENCE South 00 degrees 05 minutes 47 seconds East, 628.93 feet along the east line of said Lot 16 and the west line of Lots 1R-2 and 1R-1 of said Block 1 to a 5/8 inch iron rod found at the southwest corner of said Lot 1R-1, said iron rod also being the northeast corner of that called 0.0288 acres of land described by deed to the State of Texas recorded in County Clerk's File Number 2010-29347, Deed Records, Denton County, Texas;

THENCE South 89 degrees 24 minutes 12 seconds West, 200.34 feet along the north line of said 0.0288 acre tract to the northwest corner of said 0.0288 acre tract, said point also being the northeast corner of that called 0.0197 acres of land described by deed to the State of Texas recorded in County Clerk's File Number 2010-29346, Deed Records, Denton County, Texas;

THENCE South 89 degrees 39 minutes 11 seconds West, 330.02 feet along the north line of said 0.0197 acre tract to a 5/8 inch iron rod found at the northwest corner of said 0.0197 acre tract, said iron rod also being the northeast corner of that called 0.0012 acres of land described by deed to the State of Texas recorded in County Clerk's File Number 2010-29345, Deed Records, Denton County, Texas;

THENCE North 89 degrees 49 minutes 40 seconds West, 187.66 feet along the north line of said 0.0012 acre tract to a 5/8 inch iron rod found at the westernmost corner of said 0.0012 acre tract, said iron rod also being in the south line of said Lot 18 and being in the north right-of-way line of F.M. Highway 2181 (Swisher Road) (a 100' Right-of-Way);

THENCE North 89 degrees 41 minutes 50 seconds West, 174.02 feet along said south line of Lot 18 and the south line of said called 0.436 acre tract and said north right-of-way line of F.M. Highway 2181 to a 1/2 inch iron rod found at the southwest corner of said called 0.436 acre tract, said iron rod also being the southeast corner of Lot 10, Block 2, Corinthian Oaks, an addition to the City of Corinth according to the plat thereof recorded in Cabinet M, Page 36, Plat Records, Denton County, Texas;

THENCE North 00 degrees 48 minutes 54 seconds West, 630.73 feet along the west line of said called 0.436 acre tract and the east line of said Corinthian Oaks to the northwest corner of said called 0.436 acre tract;

THENCE North 89 degrees 10 minutes 59 seconds East, 30.07 feet along the north line of said 0.436 acre tract to the POINT OF BEGINNING and containing 565,787 square feet or 12.989 acres of land, more or less.

EXHIBIT "B"
AMENDED ZONING MAP

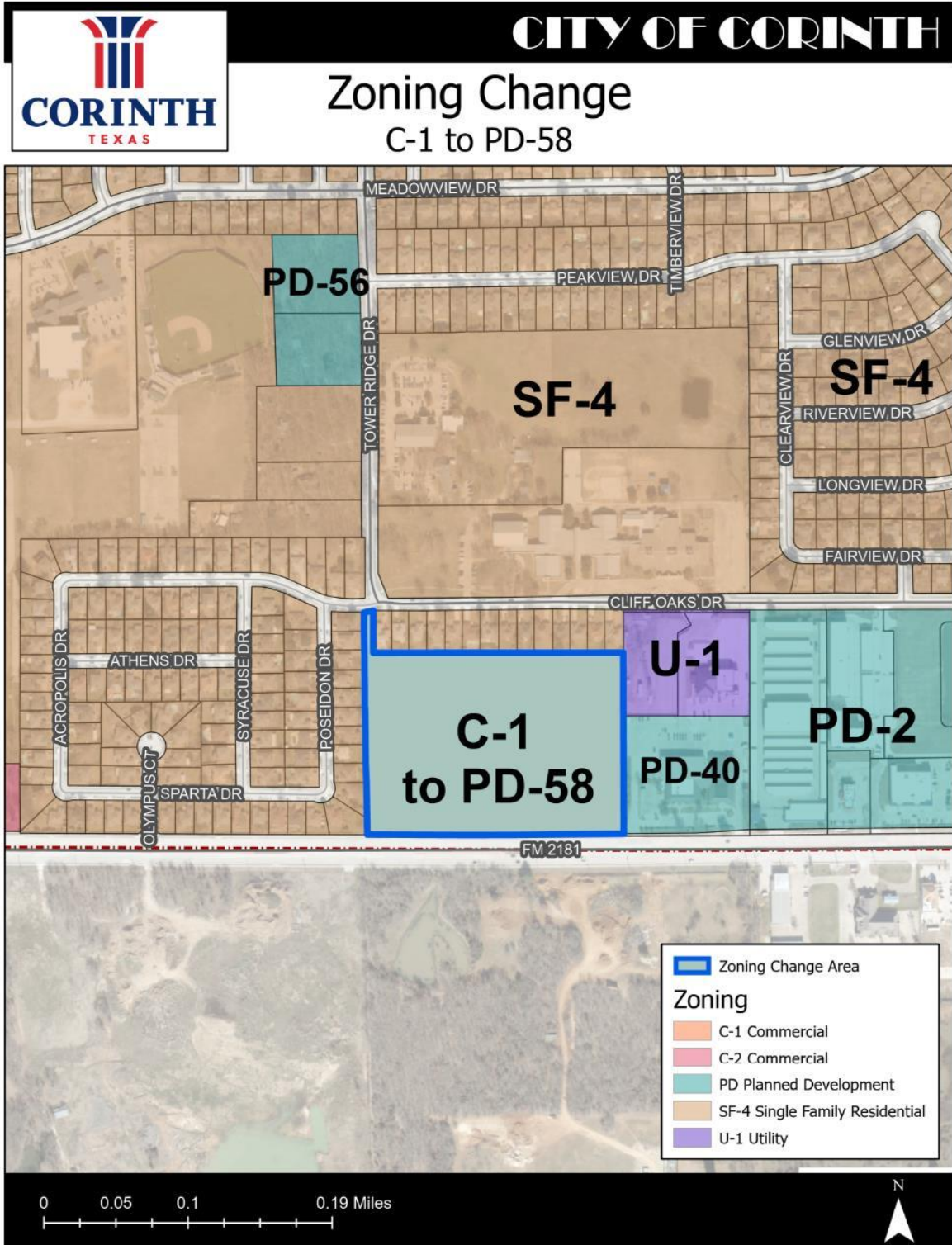


EXHIBIT "E"
(SHEET 1 OF 2)

ARCHITECTURAL ELEVATIONS

| | | |
|---|--|---------------------------|
| <p>DATE: 08-20-21 DRAWN BY: [REDACTED] CHECKED BY: [REDACTED] 246 UNIT APARTMENT COMPLEX CORINTH, TEXAS DEVELOPER - LANDMARK CO.</p> | <p>IKEMIRE ARCHITECTS LLC ARCHITECTS PLANNING + INTERIORS 1880 DALLAS PARKWAY SUITE 2000 DALLAS, TEXAS 75248 PHONE: 972.248.2488 FAX: 972.248.1887 WWW.IKEMIREARCHITECTS.COM</p> | <p>A4 JOB: 220000</p> |
| <p>APARTMENT BLDG ELEVATIONS</p> <p>ELEV SCALE: 1/8" = 1'-0"</p> <p>ELEV SCALE: 1/8" = 1'-0"</p> <p>EXHIBIT "E" - APARTMENT ELEVATIONS (SHEET 1 OF 2)</p> | | |

EXHIBIT "E"
(SHEET 2 OF 2)

ARCHITECTURAL ELEVATIONS

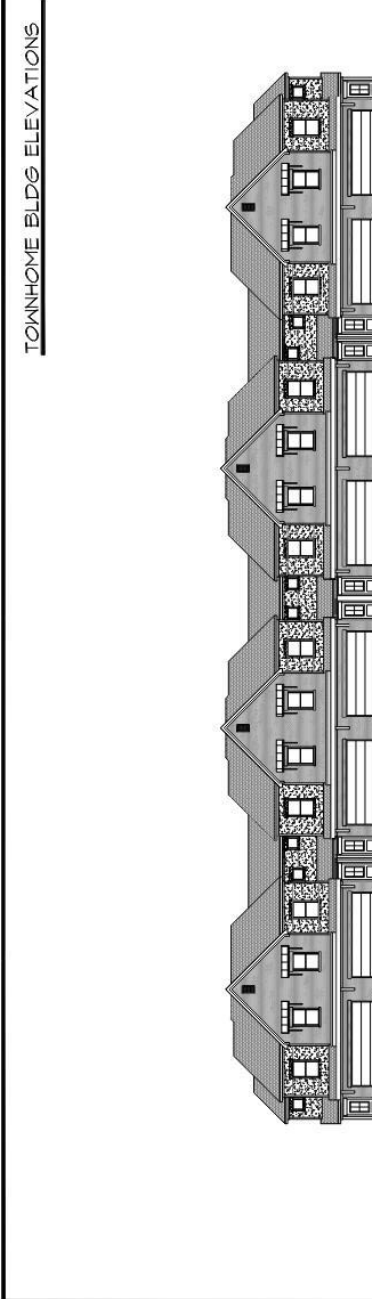
| | | |
|--|--|---|
| <p>246 UNIT APARTMENT COMPLEX TASLEY DRIVE CORINTH, TEXAS DEVELOPER - LANDMARK CO.</p> | <p>IKEMIRE ARCHITECTS LLC ARCHITECTURE • PLANNING • INTERIORS 16800 DALLAS PARKWAY SUITE 2800 DALLAS, TEXAS 75248 972.483.4488 FAX 972.483.1807 WWW.IKEMIREARCHITECTS.COM</p> | <p>A6 JOB: 220000</p> |
| <p>TOWNHOME BLDG ELEVATIONS</p> | | |
|  | <p>ELEV SCALE: 1/8" = 1'-0"</p> | <p>ELEV SCALE: 1/8" = 1'-0"</p> <p>EXHIBIT "E" - TOWNHOUSE ELEVATIONS (SHEET 2 OF 2)</p> |

EXHIBIT “F”
LAND USE REGULATIONS

SECTION 1: BASE DISTRICT

A. Purpose

The regulations set forth herein (Exhibit “F”) provide development standards for apartment and townhouse residential uses within the Landmark at Tower Ridge Planned Development District No. 58 (“PD-58). The boundaries of PD-58 are identified by metes and bounds on the Legal Description, **Exhibit “A”** to this Ordinance (“PD-58 or the “Property”), and the Property shall be developed in accordance with these regulations and the PD Concept Plan as conceptually depicted on **Exhibit “C”** and associated Ancillary Concept Plans as conceptually depicted in Exhibits “**D and E**” to this Ordinance. A use that is not expressly authorized herein is expressly prohibited in this PD-58.

B. Base District

The “MF-3” Multi-Family Residential District regulations of the Corinth Unified Development Code, Ordinance No. 13-05-02-08, as amended, shall apply to the Property except as modified herein. If a change to the Concept Plan, and/or associated Ancillary Concept Plans is requested, the request shall be processed in accordance with the UDC and development standards in effect at the time the change is requested for the proposed development per the Planned Development Amendment Process.

SECTION 2: USES AND AREA REGULATIONS

A. Purpose

PD-58 is intended to provide for a quality development of a multi-family residential community taking advantage of the location and the concepts outlined in Envision Corinth 2040 Comprehensive Plan by promoting mixed residential dwelling types (townhouse and apartment buildings), extension of Tower Ridge Drive, common open spaces, trails, and neighborhood scale detention facilities that serve as amenities with trails and street frontage (See Exhibit “C” – Concept Plan).

B. Permitted Uses and Use Regulations

In the PD-58 District, no building, or land shall be used, and no building shall be hereafter erected, reconstructed, enlarged, or converted unless otherwise provided for in the MF-3 Multi-Family Residential District regulations of the Unified Development Code or as otherwise permitted by this PD Ordinance. The Permitted Uses in the MF-3 Multi-Family District as listed in Subsection 2.07.03 of the Unified Development Code shall be permitted in the PD-58 District.

Additionally, to afford a focal point to the Landmark at Tower Ridge multifamily community, a club/pool, dog park, and detention basins uses shall be permitted for the enjoyment of the community as presented in **Exhibits “C and D,”** to this PD-58 Ordinance in accordance with Site Plan review and approval. All building codes and other applicable regulations of the City shall apply to the club/pool.

C. Dimensional Regulations

The Dimensional Regulations described in Section 2.08.04 of the Unified Development Code, Ordinance No. 13-05-02-08, for the base zoning district MF-3 Multi-Family shall apply, except as modified to increase the maximum density to 24.5 DU/AC and reduce the minimum floor area per dwelling unit to 625 sq. ft. (See the highlighted sections in the **Table A** below).

Table A – Dimensional Requirements

| Regulation: | MF-3 Base District: | Proposed Dimensional Standards/Modifications: |
|--|----------------------------|--|
| Minimum Front Yard Setback | 30' | 30' |
| Minimum Side Yard Setback: Interior Lot | 30' | 30' |
| Corner Lot | 30' | 30' |
| Minimum Rear Yard Setback | 30' | 30' |
| Minimum Lot Area | 1 Acre | 1 Acre |
| Maximum Density | 16 DU/A (Net Area) | 22.78 DU/A (Gross Area) based on 12.99 acres 24.46 DU/A (Net Area) based on 12.1 acres (Max 296 Units) |
| Minimum Lot Width: | 150' | 150' |
| Minimum Lot Depth | 100' | 100' |
| Minimum Floor Area | 850 sq. ft. per DU | 625 sq. ft. per DU* *no more than 132 units may be less than 725 sq. ft. as shown on PD Concept Plan. |
| Maximum Height (feet/stories) | 45'3 Stories | 45'3 Stories |
| Maximum Building Area (all buildings) | 50% | 50% |

D. Development Standards

The Development Standards described in Section 2.04.04 of the Unified Development Code, Ordinance No. 13-05-02-08, for the MF-3 Multi-Family District shall apply to all development within PD-58, except as otherwise stated herein.

The following sections of the City of Corinth Unified Development Code (“UDC”), as modified below, shall serve as the development standards for PD-58:

Landmark at Tower Ridge Planned Development Requirements and Modified Standards

1. UDC Section 2.04.07.C.5 **Garages** shall not apply, except that garages for townhouse units shall be provided as outlined below (*see Table B*).

Table B- Garages.

| | MF-3 Base District | Proposed Garage Modification |
|---------------------------|---|---|
| Apartment Garages: | Minimum of 75% of units require garages | No Garages Required. Carports are being proposed for portion of the parking spaces as shown on PD Concept Plan. |
| Townhouse Garages: | N/A | 2 Garage Spaces @ 10'x20' |

2. UDC Sections 2.04.07. C.6 and 4.02.13 **Mechanical Equipment and Screening of Outdoor Waste Storage** shall apply, with the additional requirements that foundation plantings in the form of continuous evergreen hedge/shrub row (a minimum of 4’ in height for smaller mechanicals and increase in height up to six feet (6’)) be provided to soften the view of Mechanical Equipment, and masonry walls required to screen Refuse Containers, and Waste Storage. The additional screening standards may be adjusted at time of site plan review based on best practices.

3. UDC Section 2.04.09.C.8 **Private Recreational Areas** shall apply, where a minimum of 8% of the gross complex is required to be in the form of private recreation. Note that the requirements of this section, are in addition to the park dedication requirements within 3.05.10. Park and Trail Dedications for Residentially Zoned Property. To meet the Private Recreation requirements, the applicant is providing a clubhouse, swimming pool, and 13,000 sq. ft. (.29 acre) dog park area totaling approximately 6% of the gross complex. The “private recreation areas” are presented on Exhibits “C” and “D”. Because the proposed percentage falls short of the minimum requirement, the inclusion of the two stormwater detention basins located along FM2181 shall be used to satisfy the minimum required private recreation area and shall be designed as passive “park amenities” and as a gateway into the complex providing at a minimum at a minimum six (6’) foot wide walking trails, pedestrian scale lighting, benches, shade trees and enhanced landscaping. The final engineered design may be designed as wet ponds with fountain or dry basins with flat areas for active play. The design of the basins shall be as follows depending on the type of design determined at the Site Plan stage:

- a. Wet detention areas shall be amenitized to include a 6’ meandering trail around the perimeter that includes defined landscaped pockets to include sitting areas with benches, pedestrian decorative lighting, shade trees (at a rate of 1 tree per 30 linear feet of trail) and ornamental trees (at a rate of 1 tree per every 2 shade trees provided) located at intervals along the trail. In alternate, shade trees at 50’ on centers along trail/path AND ornamental trees at a rate of three (3) at 30’ on centers along trail/path may be substituted to provide for best practices in design. In addition, the landscape pockets shall include a half circle of landscape plantings behind each bench. The pond shall include a fountain feature.
- b. Dry detention areas shall be amenitized to include a 6’ meandering trail around the perimeter that includes defined landscaped pockets to include sitting areas with benches, pedestrian decorative lighting, shade

trees (at a rate of 1 tree per 30 linear feet of trail) and ornamental trees (at a rate of 1 tree per every 2 shade trees provided) located at intervals along the trail. In alternate, shade trees at 50' on centers along trail/path AND ornamental trees at a rate of three (3) at 30' on centers along trail/path may be substituted to provide for best practices in design. In addition, the landscape pockets shall include a half circle of landscape plantings behind each bench. Further, a minimum of 25% of the pond perimeter shall have a 10:1 side slope with the remaining area not to exceed a maximum side slope of 4:1. The flat bottom of the basin shall be kept manicured, maintained, and in a condition that will not promote standing water, and be of a sufficient size to accommodate active play space no less than ¼ acre (10,000 sf) in area. Alternative perimeter side slopes may be considered by the City at the time of site plan based on best engineering practices and safety.

4. UDC Section 2.09.01 **Landscaping Regulations** shall apply, with the addition of foundation and accent plantings to be provided to break up the monotony of the walls and create visual interest. In addition, parking area shrub hedgerow buffers shall consist of a contiguous planting at a minimum of four (4') feet in height at time of planting to block vehicle headlights and to establish a formal edge. Additionally, tree plantings required for the FM2181 twenty (20') foot landscape buffer shall be in addition to the landscape planting requirements as set forth in in item 3 above as required for the “amenities” of the detention basins along FM2181.

5. UDC Section 2.09.02 **Tree Preservation** regulations shall apply.

6. UDC Section 2.09.03. **Vehicular Parking Regulations** shall apply, except that the **space per unit** as applied to the apartments may be reduced to **1.8 spaces per unit**. Townhouse unit spaces shall be provided in accordance with MF-3 base zoning district. Reference **Table B**, below:

Table B – Parking Requirements

| Regulation: | MF-3 Base District | Proposed Parking Standards/Modifications |
|--|-------------------------------|---|
| Parking Standard: | 1/DU+1/Bedroom | 1.8 Spaces/Unit |
| Parking Between Public Street & Front of Building | Not Permitted | UDC Section 2.04.07.C.b shall apply, except that (1) tandem spaces may be permitted to be along the building frontage of FM2181, and (2) one row of parking as shown on between Tower Ridge Drive and western face of building - See Attachment 1- PD Concept Plan. |
| On Street Parking Tower Ridge | N/A | On-street parking along Tower Ridge Drive may be permitted as shown on PD Concept Plan and used to meet required minimum parking standards. See modification to UDC Section 3.05.13 Street Design Criteria in item J. below. |

7. UDC Section 2.09.06. **Nonresidential Architectural Standards** shall apply and be in accordance with the design concepts outlined below:

- a. Primary Building Materials shall constitute a minimum of 80% of the façade on 1st and 2nd stories and 35% of 3rd story consisting of Class 1 Masonry (Natural Stone and Brick).
 - b. Secondary Building Materials shall consist of a maximum of 20% of façade on 1st and 2nd stories and a max of 65% of 3rd stories being stucco.
 - c. Final Design will generally be based on the concept elevations provided in Exhibit “D” and should consider the following:
 - d. A minimum of five (5) design elements should be incorporated into the overall all architectural design and include at least, architectural details such as moldings integrated into the building façade, recesses, projections, balconies, porches, landscaped, etc., as suggested in Exhibit “E” - Apartment Building Elevation (Sheet 1 of 2).
 - e. Townhouse garage doors shall include elements such as windows, paneling, recesses, and other details to avoid the prominence of the “blank fronts” and make more inviting along the townhouse streetscape.
 - f. The façade of the individual townhouse units should be distinguished from the adjacent unit though the incorporation of design elements, such as two (2’) foot to four (4’) foot façade offsets every other unit, articulation roof pitch, window treatments, moldings, recesses, distinctive changes in materials, etc.
 - g. The upper stories should include elements such as bays, balconies, and modulating building mass to reduce the “canyon” effect of the garages dominating the façade.
 - h. Landscape planting areas between individual garage units should distinguish and define the space between each unit townhouse unit. Design features should include plant material groundcover ornamental tree and shade tree (where practical).
8. UDC Section 2.09.07. **Lighting and Glare Regulations** shall apply, and as determined at time of Site Plan, pedestrian scale lighting fixtures shall be considered where practical.
9. UDC Section 3.05.10 requires that **Park and Trail dedication for Residentially Zoned Property** to be provided at a rate of 1 acre per/50 DU and/or fees-in-lieu-of (or combination). The PD Concept Plan and Conceptual Landscape Plan (Exhibits “C and D”) identifies the construction of two “Sidepath Trails” as shown on the Active Transportation Plan in the Envision Corinth 2040: Comprehensive Plan. Accordingly, the area required for the “Sidepath Trail” construction may be used to “**satisfy**” 0.43 acres of the land area and off-set fees required by UDC Section 3.05.10 Park and Trail Dedications for Residentially Zoned Property for this project site provided the following conditions are met:
- a. The developer shall construct a ten (10’) foot concrete trail along FM2181 in accordance with ADA standards. A pedestrian public access easement shall be provided should the final design of the trail may meander outside of the public right-of-way and into the required 20’ landscaped buffer edge.
 - b. The developer shall construct an eight (8’) wide concrete trail along the east side of Tower Ridge Drive (extension) in accordance with ADA standards. A pedestrian public access easement shall be provided should the final design of the trail may meander outside of the public right-of-way and into the required 20’ landscaped buffer edge.
10. UDC Section 3.05.13 **Street Design Criteria** shall apply, except that a modification to specifically permit **on-street parking along a section of Tower Ridge Drive**, subject to the following conditions:
- a. Provide a variable right-of-way width along Tower Ridge Drive from 60’ to 70’ to in the limited section with the on-street parallel parking located outside of the 36’ wide travel lane (two 18’ wide travel lanes)
 - b. On-Street parallel parking section would be limited to the east side of Tower Ridge Drive
 - c. Parking space area: 22’ length x 8’ width with 0.5’ for curb (22’x 8.5’)
 - d. Maximum of 5 spaces located in tandem with a bulb-out designated for shade tree (10’ in length x 8’ (generally) in width)

- e. Sidewalk (west side) and trail (east side) of Tower Ridge Drive would be located at back of curb within the length of the section of with on-street parking.

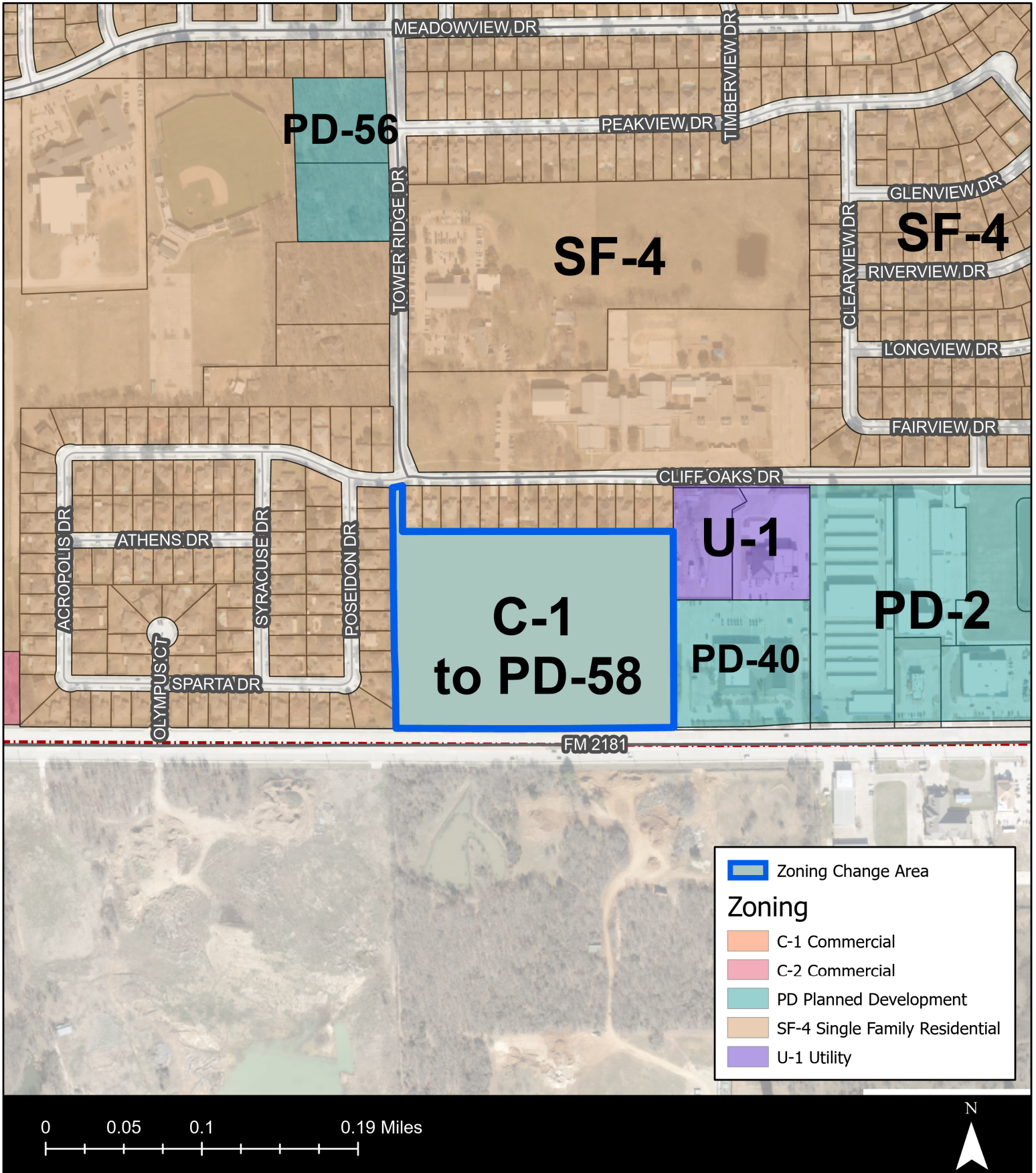
11. UDC Section 4.02. **Fence and Screening Regulations** shall apply, and include the installation of an additional, opaque living screen of evergreen-type trees (as permitted by the approved plant list) to be provided adjacent to the existing chain link fence generally along the southeast property line to screen the subject tract from the police impound parking lot as depicted in Exhibit “D”.

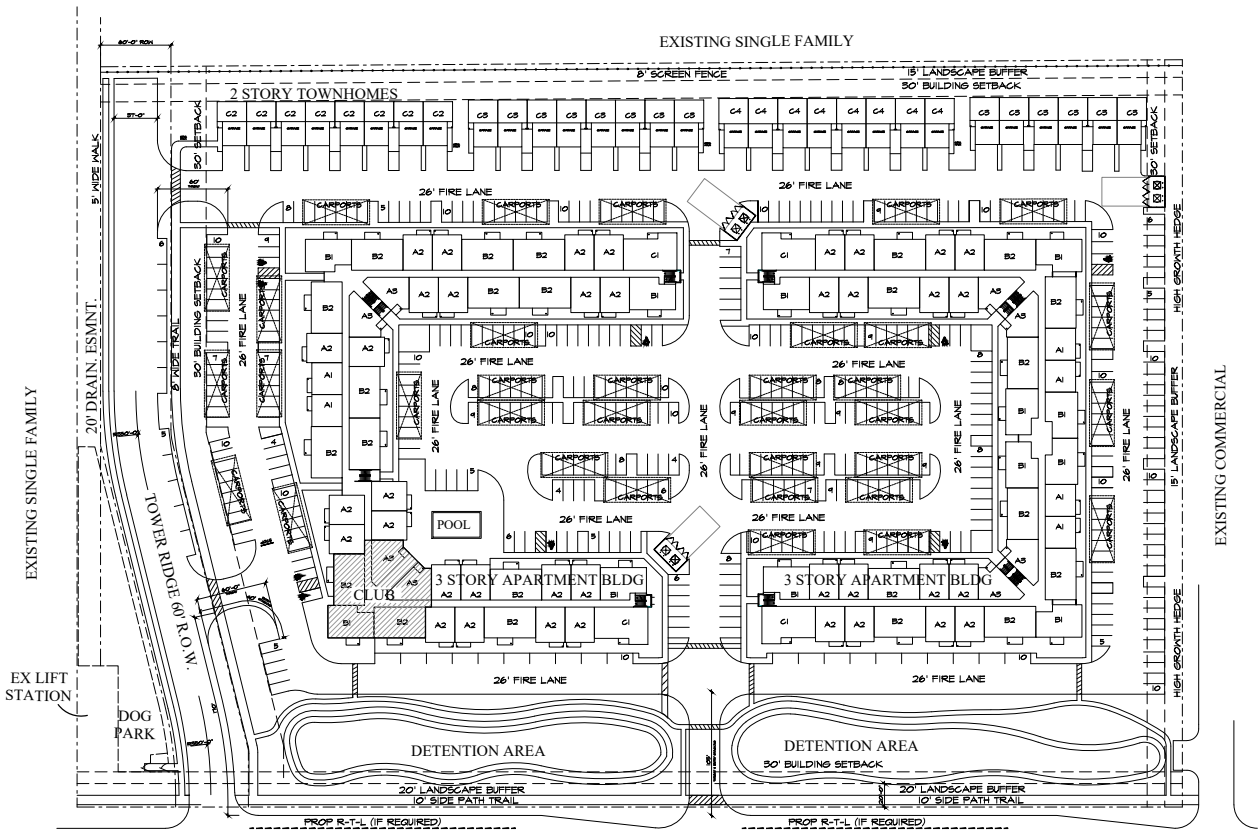
SECTION 3: OTHER

- A. **Phasing.** PD-58 will be developed in one (1) phase as depicted in Exhibit “C”
- B. **Tower Ridge Drive (extension).** The applicant is dedicating right-of-way and constructing the Tower Ridge Drive (extension) from FM2181 through the site and within ten (10’) feet of the northern property line. Tower Ridge Drive construction will include a five (5’) foot wide sidewalk on the west side of the street and an eight (8’) foot wide trail on the east side along with parallel on-street parking. The City will offset the roadway improvements with impact fees for the construction of 100% the road. Tower Ridge Drive extension is depicted on the City’s Master Thoroughfare Plan (Adopted 2020) and identified on the Capital Improvement Plan in the 5+ year timeframe. Until a future connection is made, an eight (8’) masonry wall will remain in place along the northern property line and terminus of Tower Ridge Drive right-of-way as it extends north through the project site. The masonry wall will buffer the existing single family property to the north. Additionally, the City will install a type of barricade and signage noting the dead-end with future extension.
- C. **Eight (8’) foot Masonry Brick Wall.** The developer shall install an eight (8’) foot masonry brick wall along the northern property line to screen and buffer the existing residential homes located immediately adjacent in the Pinnell Subdivision with frontage on Cliff Oaks Drive. In addition, the applicant shall provide enhanced planting materials evergreen and accent shrubs located at increments along the wall to absorb sound and create visual interest

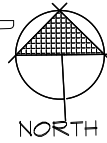


Zoning Change C-1 to PD-58





FM 2181



PD CONCEPT PLAN
 296 UNIT MULTI-FAMILY APARTMENT &
 TOWNHOUSE COMPLEX - CORINTH, TX.

SCALE IN FEET: 1"=50'-0"



| SITE PROGRAM - CORINTH APTS | | | | |
|-------------------------------------|------------------------|------------------------------------|-------------------------------|------------|
| APARTMENT UNITS | | | | |
| UNIT TYPE | UNIT DESCRIPTION | NO. OF UNITS | UNIT SQ. FT. | TOTAL S.F. |
| A1 | 1 BEDROOM / 1 BATH | 18 | 700 | 12,600 |
| A2 | 1 BEDROOM / 1 BATH | 114 | 750 | 85,500 |
| A3 | 1 BEDROOM / 1 BATH | 20 | 777 | 15,540 |
| B1 | 2 BEDROOM / 2 BATH | 55 | 1000 | 55,000 |
| B2 | 2 BEDROOM / 2 BATH | 67 | 1150 | 77,050 |
| C1 | 3 BEDROOM / 2 BATH | 12 | 1300 | 15,600 |
| TOTAL APT UNITS | | 266 | | 241,290 |
| TOWNHOME UNITS | | | | |
| UNIT TYPE | UNIT DESCRIPTION | NO. OF UNITS | UNIT SQ. FT. | TOTAL S.F. |
| C2 | 3 BEDROOM / 2 1/2 BATH | 8 | 1,212 | 9,696 |
| C3 | 3 BEDROOM / 2 1/2 BATH | 14 | 1,312 | 18,368 |
| C4 | 3 BEDROOM / 2 1/2 BATH | 8 | 1,412 | 11,296 |
| TOTAL TOWNHOME UNITS | | 50 | | 39,360 |
| TOTAL UNITS | | 246 | | 280,650 |
| AVERAGE SQ. FT. PER UNIT | | | 940 S.F. | |
| ANCILLARY BUILDINGS | | | | |
| CLUB BUILDING AND LEASING | | | | 6,000 S.F. |
| SITE DATA SUMMARY | | | | |
| | | EXISTING | PROPOSED | |
| EXISTING ZONING | | C-1 | PD-MF-3 | |
| LAND USE DESIGNATION | | COMMERCIAL | MULTI-FAMILY | |
| GROSS ACRESAGE | | 15.0 | 12.1 | |
| NET ACRESAGE | | 11.5 | 12.1 | |
| UNIT DENSITY | | | 22.0 UPA GROSS / 24.5 UPA NET | |
| # PROPOSED LOTS | | 3 | 2 | |
| PROPOSED BLDG. AREA | | | 124,540 SF | |
| % SITE COVERAGE | | | 22.8% | |
| AREA OF OPEN SPACE | | | 45,800 SF | |
| % OPEN SPACE | | | 16.4% | |
| % PRIVATE RECREATION | | | 18% | |
| DOG PARK | | | 4900 sf | |
| CLUB | | | 6000 sf | |
| POOL | | | 3400 sf | |
| TRAILS | | | 14800 SF | |
| DETENTION AREA | | | 65,400 SF | |
| AREA OF LANDSCAPE | | | 121,200 SF | |
| % LANDSCAPE | | | 21.4% | |
| AREA OF IMPERV. CVRG. | | | 222,600 SF | |
| % IMPERV. CVRG. | | | 59.5% | |
| # SINGLE STORY BLDGS. | | | 0 | |
| # TWO STORY BLDGS. | | | 4 | |
| # THREE STORY BLDGS. | | | 2 | |
| MAX BLDG. HEIGHT | | 40' MAX | 45' MAX | |
| PROPOSED FLOOR AREA | | | 344,485 S.F. | |
| START CONSTRUCTION | | | MAY, 2021 | |
| END CONSTRUCTION | | | NOV, 2022 | |
| PARKING DESCRIPTION | | | | |
| TOWNHOME PARKING: | | 60 GARAGE | 2 SF PER UNIT | 60 SPACES |
| TANDEM PARKING: | | | 2 SF PER UNIT | 60 SPACES |
| TOTAL TOWNHOME PARKING: | | | | 120 SPACES |
| APARTMENT PARKING: | | | | |
| OPEN PARKING PROVIDED: | | | | 266 SPACES |
| CAR PORT PARKING: | | | | 204 SPACES |
| TOTAL PARKING - APARTMENTS: | | | | 474 SPACES |
| TOTAL PARKING PROVIDED | | 120 SPACES PER UNIT | | 474 SPACES |
| **TOTAL H/C PARKING REQ. = 4 SPACES | | **H/C PARKING PROVIDED. = 4 SPACES | | |

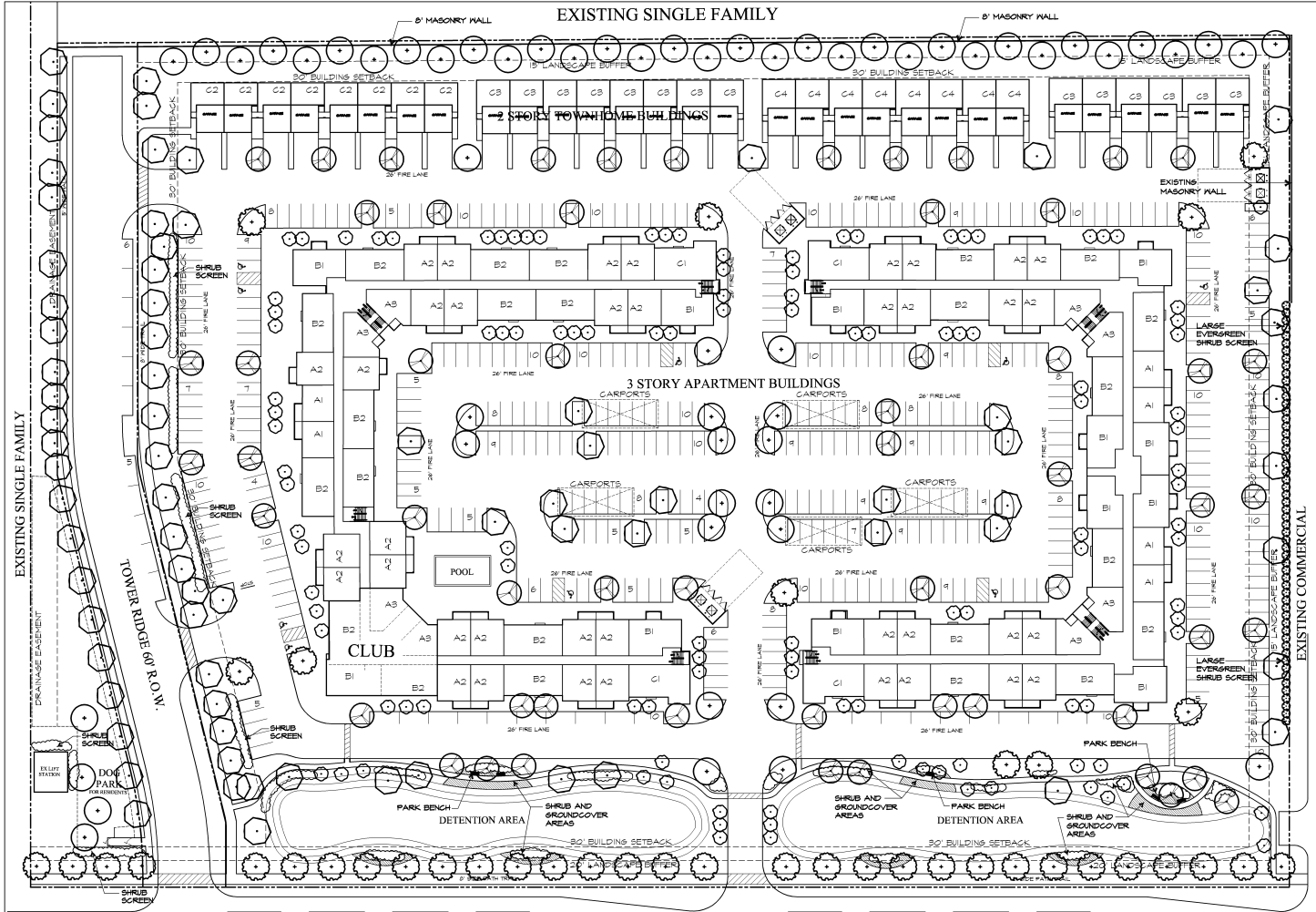
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296 UNIT MULTI-FAMILY APARTMENT
 & TOWNHOUSE COMPLEX
 FM 2181 CORINTH, TEXAS DEVELOPER - LANDMARK CO.

IKEMIRE ARCHITECTS LLC
 ARCHITECTURE PLANNING INTERIORS
 18660 DALLAS PARKWAY SUITE 2900 DALLAS, TEXAS 75248 972.248.2486
 www.ikemirearchitects.com FAX 972.248.1557

A1

JOB# 220060



FM 2181

LANDSCAPE TABULATIONS

BUFFER PLANT MATERIALS REQUIRED:
 1-3" GAL. TREE PER 50 L.F. AND CONTINUOUS ROW OF EVERGREEN SHRUBS FOR HEADLIGHT SCREEN
 F.M. 2181
 FRONTAGE L.F. 142 L.F.
 REQUIRED STREET BUFFER TREES (142/ 50 =) 314 TREES
 STREET BUFFER TREES PROVIDED 32 TREES
 TOWER RIDGE
 FRONTAGE L.F. 698 L.F.
 REQUIRED STREET BUFFER TREES (698/ 50 =) 221 TREES
 STREET BUFFER TREES PROVIDED (PER SIDE) 22 TREES
 DOUBLE SIDED FRONTAGE-TOTAL TREES PROVIDED 44 TREES
 REQUIRED ORNAMENTAL SHRUBS PROVIDED

PARKING LOT TREES REQUIRED:
 20 S.F. OF LANDSCAPE AREA SHALL BE PROVIDED FOR EACH PARKING SPACE. 1-3" GAL. SHADE TREE PER EACH 10 PARKING SPACES PROVIDED. 50% CAN BE UNDERSTORY TREES
 PARKING SPACES (SURFACE+CARPORT+TOWNHOME) 11820 S.F.
 REQUIRED LANDSCAPE AREA (394 X 30 =) 11820 S.F.
 PARKING LANDSCAPE AREA PROVIDED 12,000 S.F.
 REQUIRED PARKING TREES (344/ 10 = 344) 60 TREES
 PARKING TREES PROVIDED 10 TREES

RESIDENTIAL ADJACENCY BUFFER REQUIREMENT:
 DOUBLE ROW OF 3" GAL. TREE PER 50 L.F. (OFFSET)
 50% EVERGREEN TREES REQUIRED
 NORTH BOUNDARY
 FRONTAGE L.F. 322 L.F.
 REQUIRED RESIDENTIAL BUFFER TREES (322/ 50 =) 16.4 TREES
 RESIDENTIAL BUFFER TREES PROVIDED(EACH ROW) 17 TREES
 DOUBLE ROW RESIDENTIAL BUFFER TOTAL 34 TREES

SIGN NOTE
 ALL SIGNAGE MUST BE APPROVED BY BUILDING INSPECTION. LOCATIONS SHOWN ON THIS PLAN DO NOT INDICATE APPROVAL. ALL LANDSCAPE AREAS TO RECEIVE UNDERGROUND AUTOMATIC IRRIGATION

CANOPY TREES

| QUANTITY | SYMBOL | COMMON NAME | SCIENTIFIC NAME | SIZE & CONDITION |
|----------|----------|-------------|---------------------------|---|
| 41 | (Symbol) | RED OAK | <i>Quercus shumardii</i> | 3" caliper, 12' H, 5'-6" spread, S48, straight trunk. |
| 74 | (Symbol) | CEDAR ELM | <i>Ulmus crassifolia</i> | 3" caliper, 12' H, 5'-6" spread, S48, straight trunk. |
| 36 | (Symbol) | LIVE OAK | <i>Quercus virginiana</i> | 3" caliper, 12' H, 5'-6" spread, S48, straight trunk. |

UNDERSTORY TREES

| | | | | |
|----|----------|-----------------|--|---|
| 67 | (Symbol) | PISTACHE | <i>Platanus chinensis</i> | 3" caliper, 12' H, 5'-6" spread, S48, straight trunk. |
| 16 | (Symbol) | VARIOUS SPECIES | GAULTHRIFF MYRTLE POSSUMHAW YARROW HOLLY SAVANNAH HOLLY MEXICAN PLUM | TEXAS REDWOOD MAX MYRTLE VITEC 8" H, 2" spread min. 50 caliper, 3' true h. Full, bushy tree formed specimen. |

ORNAMENTAL SHRUBS

| | | | | |
|----|----------|-------------------------|---|---|
| 56 | (Symbol) | NELLIE R. STEVENS HOLLY | <i>Ilex cornuta 'Nellie R. Stevens'</i> | 8" H, 2" spread min. S48, Full; bushy specimen. |
|----|----------|-------------------------|---|---|

Date: _____

Revisions:

| | |
|--|--|
| | |
| | |
| | |
| | |
| | |

Issued For: **SUBMITTAL**
 Job No: **20150**
 Scale: **1" = 40'-0"**
 Drawn By: **IDS**
 Date: **03-05-2021**

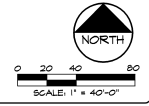
296 Unit Apartment Complex
F.M. 2181 Drive
Corinth Texas



Sheet Title:
Conceptual Landscape Plan

Sheet Number:
L1
 of L1 Sheets

EXHIBIT "D" - CONCEPTUAL LANDSCAPE PLAN



APARTMENT BLDG ELEVATIONS

DATE 12-18-20
Red Line
NAME
REVISIONS



ELEV

SCALE: 1/8" = 1'-0"



ELEV

SCALE: 1/8" = 1'-0"

296 UNIT APARTMENT COMPLEX
TEASLEY DRIVE
CORINTH, TEXAS
DEVELOPER - LANDMARK CO.


IKEMIRE ARCHITECTS LLC
ARCHITECTURE ° PLANNING ° INTERIORS
16660 DALLAS PARKWAY SUITE 2600 DALLAS, TEXAS 75248 972.248.2486
www.ikemirearchitects.com FAX 972.248.1557

TOWNHOME BLDG ELEVATIONS

DATE 12-18-20
Rev Line 0
SCALE
REVISIONS

296 UNIT APARTMENT COMPLEX
TEASLEY DRIVE
CORINTH, TEXAS
DEVELOPER - LANDMARK CO.



ELEV

SCALE: 1/8" = 1'-0"



ELEV

SCALE: 1/8" = 1'-0"

EXHIBIT "E" - TOWNHOUSE ELEVATIONS (SHEET 2 OF 2)


IKEMIRE ARCHITECTS LLC
ARCHITECTURE • PLANNING • INTERIORS
18660 DALLAS PARKWAY SUITE 2900 DALLAS, TEXAS 75248 • 972.248.2486
www.ikemirearchitects.com • FAX 972.248.1557

A6

JOB# 220060

ATTACHMENT 7

PARKING COMPARISON TABLE & PARKING COUNT

Comparison of Parking Requirements

Landmark at Tower Ridge

| Unit Type | D.U.s | Corinth | Denton | Lewisville | Southlake | PROJECT | Dallas | Plano | Fort Worth |
|------------------------|-------|------------|------------|------------|------------|------------|------------|--------------|------------|
| 1 bedroom | 152 | 304 | 190 | 304 | 480 | 273.6 | 152 | 228 | 152 |
| 2 bedroom | 102 | 306 | 255 | 204 | | 183.6 | 204 | 204 | 204 |
| 3 bedroom | 12 | 48 | 45 | 24 | | 21.6 | 36 | 24 | 36 |
| Townhomes | 30 | 60 | 120 | 60 | 60 | 54 | 60 | 67.5 | 60 |
| Guest or other | | 0 | 61 | 0 | 0 | 0 | 74 | 0 | 24 |
| REQUIRED SPACES | | 718 | 671 | 592 | 540 | 533 | 526 | 523.5 | 476 |

Code references:

Corinth (Sec. 2.09.03) one parking space per dwelling unit plus one additional parking space per bedroom.

Denton (Subchapter 7, Section 7.9.4): Townhomes (4/unit). 1.25 spaces/1-BR unit. 2-bedroom or larger (one space/bedroom. Guest parking = 10% of required.

Lewisville (Sec. 6.162 of Dev. Code): 2 spaces per multi-family unit, unless senior-restricted housing.

Southlake (Sec. 35.6) 1 parking space per 500 square-feet of total dwelling unit area.

Dallas (Sec. 51A-4.209) One space/bedroom, plus 1/4 space/unit for guests. Total is subject to reduction of 6 spaces. Townhomes = 2 spaces/each.

Plano (Section 16.700 2(B)). 1.5 spaces/1-bedroom eff. 1 space/bedroom otherwise. Townhomes (attached s-f) = 2.25 spaces/unit.

Fort Worth (Sec. 6.201 of Zoning Ordinance) 1 space/bedroom, plus 1 space/250 sf of amenity building area.

Corinth zoning case - FM 2181

Trey Jacobson <trey@gainmomentum.us>
 To: Michelle Maxwell; Helen-Eve Beadle; Miguel Inclan
 Cc: Brian Bridgewater
 Retention Policy: 7 Year Hold (7 years) Expires 12/28/2027

Trey

Trey Jacobson
 Principal Consultant
 Momentum Advisory Services, LLC
trey@gainmomentum.us
 +1-210-640-4678 (office)
 +1-210-643-1329 (mobile)
www.GainMomentum.us

Reduction in Minimum Unit Size: The proposed design standards allow for a minimum unit size of 625 sq. ft. Currently, Corinth codes require 850 sq. ft. By current apartment standards, the code requirement is excessive for either efficiency, studio or one-bedroom apartments. Overall, the average rental apartment size in the U.S. is 882 sq. ft., regardless of the year of completion. The average U.S. studio apartment has a square footage of 472 sq. ft., the size of a one-bedroom apartment is 714 sq. ft., while a two-bedroom apartment has an average living space of 1,006 sq. ft.

The trend in apartment size is downward, with the average unit size decreasing five percent (-5%) overall nationally, between 2008-2018 (source: <https://www.homestratosphere.com/average-size-apartment/>). Studio apartments shrank by 10 percent during this same period. The proposed minimum unit size for this project is far above the average studio apartment, and only 13 percent below average-sized one-bedroom. We believe this to be an appropriate minimum size and see this size being developed throughout the DFW area. Given the state of the economy and inflation in housing costs, this is the most competitive option for attracting young professionals.

Parking Count. Landmark designs its apartment projects to include 1.8 parking spaces/unit. This is based on its experience on actual parking demand. Further, it is approximate to the code requirements of most municipalities. (See attached analysis of parking requirements.) Corinth code would require an additional 185 parking space beyond expected demand. While some extra parking may be desirable, too much parking has negative effects as well, including impacts on stormwater runoff. An additional two acres of property would be required for the unnecessary parking, plus land for open space, landscaping, stormwater detention and other design features.

Location of Parking Along Tower Ridge. Corinth code requires parking areas to be situated behind building lines. This project could accommodate this requirement by placing apartment buildings adjacent to Tower Ridge Drive (to be constructed). However, we do not believe this to be in the best interest of adjacent single-family homeowners or the City of Corinth. This PD seeks an exemption from this requirement in order to achieve the following: (a) creating additional distance between single-family and the 3-story, multi-family buildings through placement of a parking areas between structures; and (b) situating apartment buildings away from the portion of Tower Ridge Drive that would facilitate future road widening by the City without conflict with buildings or required setbacks.

(Source: email dated 12/29/20 from Consultant Trey Jacobson of Momentum Advisory Services)

ATTACHMENT 8

REDUCTION IN MINIMUM UNIT SIZE

Corinth zoning case - FM 2181

Trey Jacobson <trey@gainmomentum.us>
To: Michelle Mixell; Helen-Eve Beadle; Miguel Inclan
Cc: Brian Bridgewater
Retention Policy: 7 Year Hold (7 years) Expires: 12/28/2027

Parking Requirement Analysis rev 12-20-20.pdf
109 KB

Trey

Trey Jacobson
Principal Consultant
Momentum Advisory Services, LLC
trey@gainmomentum.us
+1-210-640-4678 (office)
+1-210-643-1329 (mobile)
www.GainMomentum.us

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The trend in apartment size is *downward*, with the average unit size decreasing five percent (-5%) overall nationally, between 2008-2018 (source: <https://www.homestratosphere.com/average-size-apartment/>). Studio apartments shrank by 10 percent during this same period. The proposed minimum unit size for this project is far above the average studio apartment, and only 13 percent below average-sized one-bedroom. We believe this to be an appropriate minimum size and see this size being developed throughout the DFW area. Given the state of the economy and inflation in housing costs, this is the most competitive option for attracting young professionals.

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(Source: email dated 12/29/20 from Consultant Trey Jacobson of Momentum Advisory Services)



Planning and Zoning Commission City Hall and Video Conference Meeting

Date: MONDAY, FEBRUARY 22, 2021 AT 6:30 P.M.

City Council Regular City Hall and Video Conference Meeting

Date: THURSDAY, MARCH 18, 2021 AT 7:00 P.M.

Hearings Location: City Hall, 3300 Corinth Parkway, Corinth, TX 76208 and remotely at <https://www.cityofcorinth.com/remotesession>

Dear Property Owner:

On Monday, February 22, 2021, at 6:30 PM, the City of Corinth Planning and Zoning Commission will hold a public hearing to consider testimony and make a recommendation to the Corinth City Council on the items listed below, and on Thursday, March 18, 2021, at 7:00 PM, the Corinth City Council will hold a public hearing to consider testimony and consider the approval of an Ordinance regarding the item listed below:

A rezoning request by Manhard Consulting on behalf of the owner, Corinth 12 Joint Venture, to amend the zoning classification from C-2 Commercial to a Planned Development, with a base zoning district of MF-3, Multi-Family Residential, on an approximately 12.554 acres of land legally described as Pinnell Subdivision, Block 1, Lots 16, 17, 18, and an adjacent tract consisting of approximately 0.436 acres of abandoned right-of-way recorded in County Clerk's File Number 31846, Denton County, Texas Real Property Records. **The property is situated in the H.H. Swisher Survey, Abstract 1220, Corinth, Texas and is generally located north of FM 2181, west of Garrison Road, east of Poseidon Drive, and south of Cliff Oaks Drive. (Landmark at Tower Ridge PD ZAPD20-0002)**

As a property owner within two hundred (200) feet of this property, you are invited to attend this meeting, either in person or through video conference, and voice your opinion at the public hearing. You are not required to be present, but all interested parties wanting to be heard should participate through the time and methods stated above.

For your information, the latest version of the Planned Development Concept Plan for the subject property is enclosed with this letter. Please note that the concept plan is subject to change.

Additionally, your opinion regarding the request on the property described above may be expressed by notation on this form or by letter. You may support or oppose this request; your opposition will be considered a protest. Written comments must be received by the City of Corinth Planning and Development Department at 3300 Corinth Parkway, Corinth, Texas 76208 (**protests must be received 3 days prior to public hearings**). Comments may also be sent by email to Miguel Inclan, Planner, at miguel.inclan@cityofcorinth.com. Additionally, if you have any questions regarding the proposed item you may call 940-498-3263 for assistance.

I am writing in (Check as applicable) Support: Opposition: of the proposal.

My family will be forced to relocate. We looked at >50 other houses before we found one to meet our needs. We were 7th in line to get it & miraculously got it! A school across the street for our grandson, a pool, place to park our boats and close to a big lake. I work nights, construction ^{noise} will kill me. Put up a profitable business, not Apts. Leave original zoning as is.

Name/Address/City: (Please Print) (Required)

Jess Townsend 3500 Cliff Oaks dr. Corinth, TX 76210

In accordance with Section 418.016 of the Texas Government Code, the Corinth Planning and Zoning Commission and the City Council may participate in this meeting remotely in compliance with the Texas Open Meetings Act and under the provisions provided by the Governor of Texas in conjunction with the Declaration of Disaster enacted March 13, 2020 and as amended on March 24, 2020.

TOWNSEND, JANA & JESS E
3500 CLIFF OAKS DR
CORINTH, TX 76210



Planning and Zoning Commission **City Hall and Video Conference Meeting**

Date: **MONDAY, FEBRUARY 22, 2021 AT 6:30 P.M.**

City Council Regular **City Hall and Video Conference Meeting**

Date: **THURSDAY, MARCH 18, 2021 AT 7:00 P.M.**

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I am writing in (Check as applicable) Support: Opposition: of the proposal.
Too close to our back property line for a 2 story structure / noise & light pollution, overall safety of our neighborhood by bringing in more apts with a price higher crime rate.

Name/Address/City: (Please Print) **(Required)**
Aaron & Stacy Schick / 3604 Cliff Oaks / Corinth TX 76210

In accordance with Section 418.016 of the Texas Government Code, the Corinth Planning and Zoning Commission and the City Council may participate in this meeting remotely in compliance with the Texas Open Meetings Act and under the provisions provided by the Governor of Texas in c March 13, 2020 and as amended on March 24, 2020.

SCHICK, AARON & STACY
3604 CLIFF OAKS DR
CORINTH, TX 76210



Planning and Zoning Commission **City Hall and Video Conference Meeting**
 Date: **MONDAY, FEBRUARY 22, 2021 AT 6:30 P.M.**
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I am writing in (Check as applicable) Support: Opposition: of the proposal.

Name/Address/City: (Please Print) **(Required)**

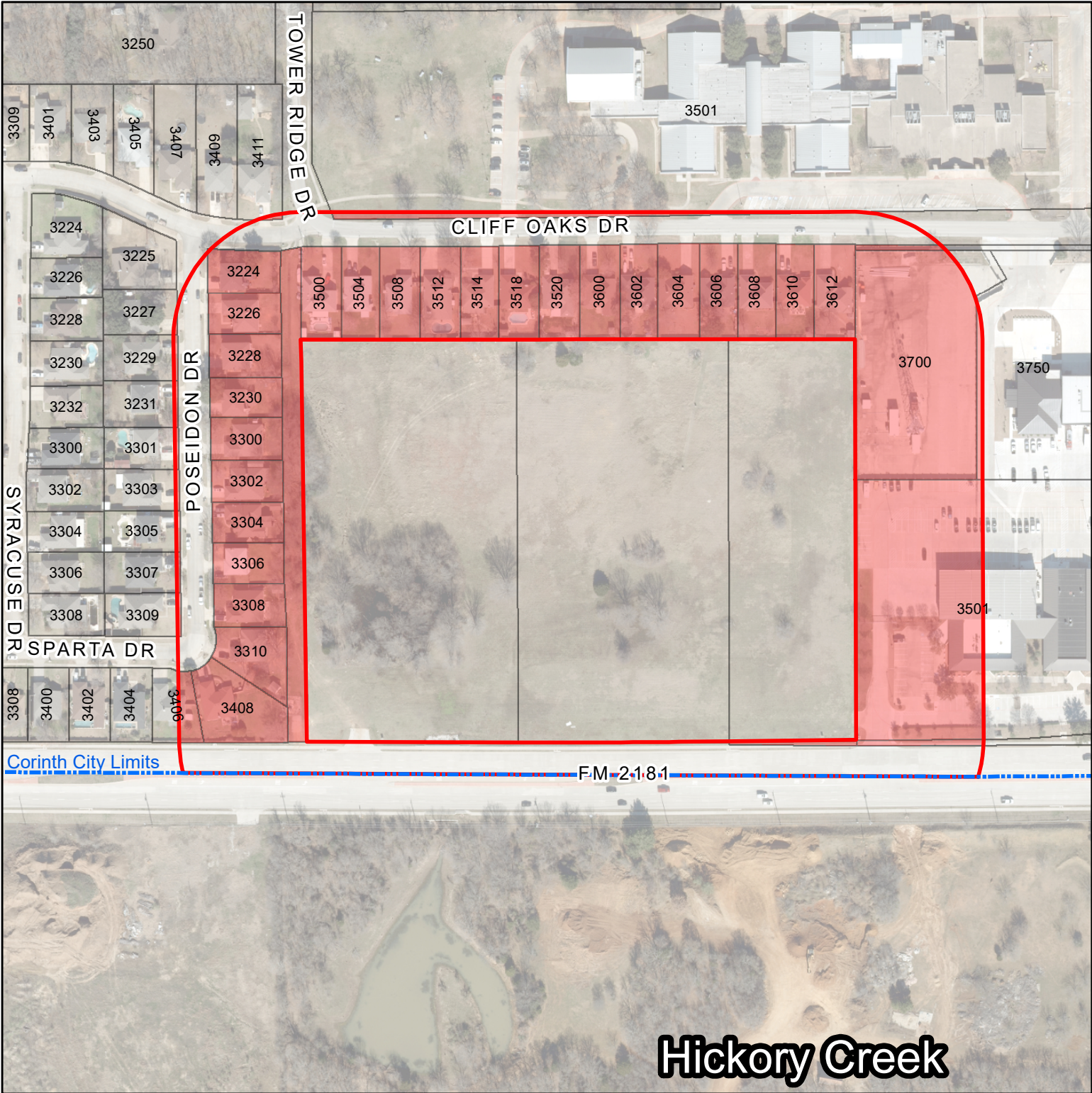
JEFF CADY 1105 Hill St. McKinney, TX 75069
FOR CORINTH 12 JV

In accordance with Section 418.016 of the Texas Government Code, the Corinth Planning and Zoning Commission and the City Council may participate in this meeting remotely in compliance with the Texas Open Meetings Act and under the provisions provided by the Governor of Texas in conjunction with the Declaration of Disaster enacted March 13, 2020 and as amended on March 24, 2020.

Parcels within 200ft. of Property to be Rezoned.

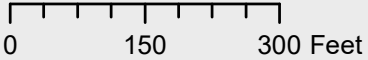
City of Corinth, TX

The property owners, duly signed and acknowledged, of twenty (20) percent or more of the lots or land area within a two hundred (200) foot radius of the exterior boundary of the area included in a proposed amendment.



Legend

- 200 ft. Buffer
- Clipped Parcel



City Council Regular and Workshop Session

Meeting Date: 03/18/2021
Title: Public Hearing to Remove Area 3 and Area 8 from Tax Increment Reinvestment Zone Number Two, City of Corinth, Texas
Submitted For: Jason Alexander, Director **Submitted By:** Jason Alexander, Director
City Manager Review: Approval: Bob Hart, City Manager
Strategic Goals: Land Development
Infrastructure Development
Economic Development
Citizen Engagement & Proactive Government
Regional Cooperation

AGENDA ITEM

Conduct a public hearing on Ordinance No. 21-03-18-06 amending the boundaries of Tax Increment Reinvestment Zone Number Two, City of Corinth, Texas ("TIRZ No. 2"), to remove approximately 318.85 acres of land, known as Areas 3 and 8, from the boundaries of TIRZ No. 2 in accordance with the provisions of Chapter 311 of the Texas Tax Code, as amended.

AGENDA ITEM SUMMARY/BACKGROUND

On September 5, 2019, the City Council approved Ordinance No. 19-09-05-02 creating "TIRZ" No. 2 pursuant to the provisions of Chapter 311 of the Texas Tax Code, as amended (the "Tax Increment Financing Act"). The purpose of creating TIRZ No. 2 is to encourage the development and redevelopment of properties primarily flanking the Interstate Highway 35E Corridor.

To increase the financial capacity of TIRZ No. 2, the City entered into an interlocal agreement with Denton County on December 5, 2020 (the "ILA"). As part of that agreement, the City is obligated to remove Area 3 and Area 8 --- approximately 318.85 acres of land --- from the boundaries of TIRZ No. 2, among other obligations. It should be noted that, Area 3 and Area 8, when removed from the boundaries of TIRZ No. 2, would be combined to create a third reinvestment zone, Tax Increment Reinvestment Zone Number Three, City of Corinth, Texas ("TIRZ No. 3") subject to a public hearing and consideration and possible action by the City Council.

The purpose of this public hearing is to hear opinion on the removal of Area 3 and Area 8 from the boundaries of TIRZ No. 2 in accordance with the provisions of the Tax Increment Financing Act and to satisfy the City's obligations under the ILA. A legal notice was published in the Denton Record Chronicle on March 10, 2021 inviting property owners and all interested persons of this public hearing.

RECOMMENDATION

Although there is no action to be taken during the public hearing, staff recommends that the City Council approve amending the boundaries of TIRZ No. 2 to remove Area 3 and Area 8 during the business agenda.

Attachments

Legal Advertisement
Tax Increment Reinvestment Zone Number Two Map (Current Boundaries)
Proposed Tax Increment Reinvestment Zone Number Three

DENTON RECORD-CHRONICLE
P.O. BOX 369
DENTON TX 76202
(940)566-6800

ORDER CONFIRMATION (CONTINUED)

Salesperson: Legals Denton

Printed at 03/04/21 09:20 by plaga-dm

Acct #: 479

Ad #: 33934

Status: New WHOLD WHOI

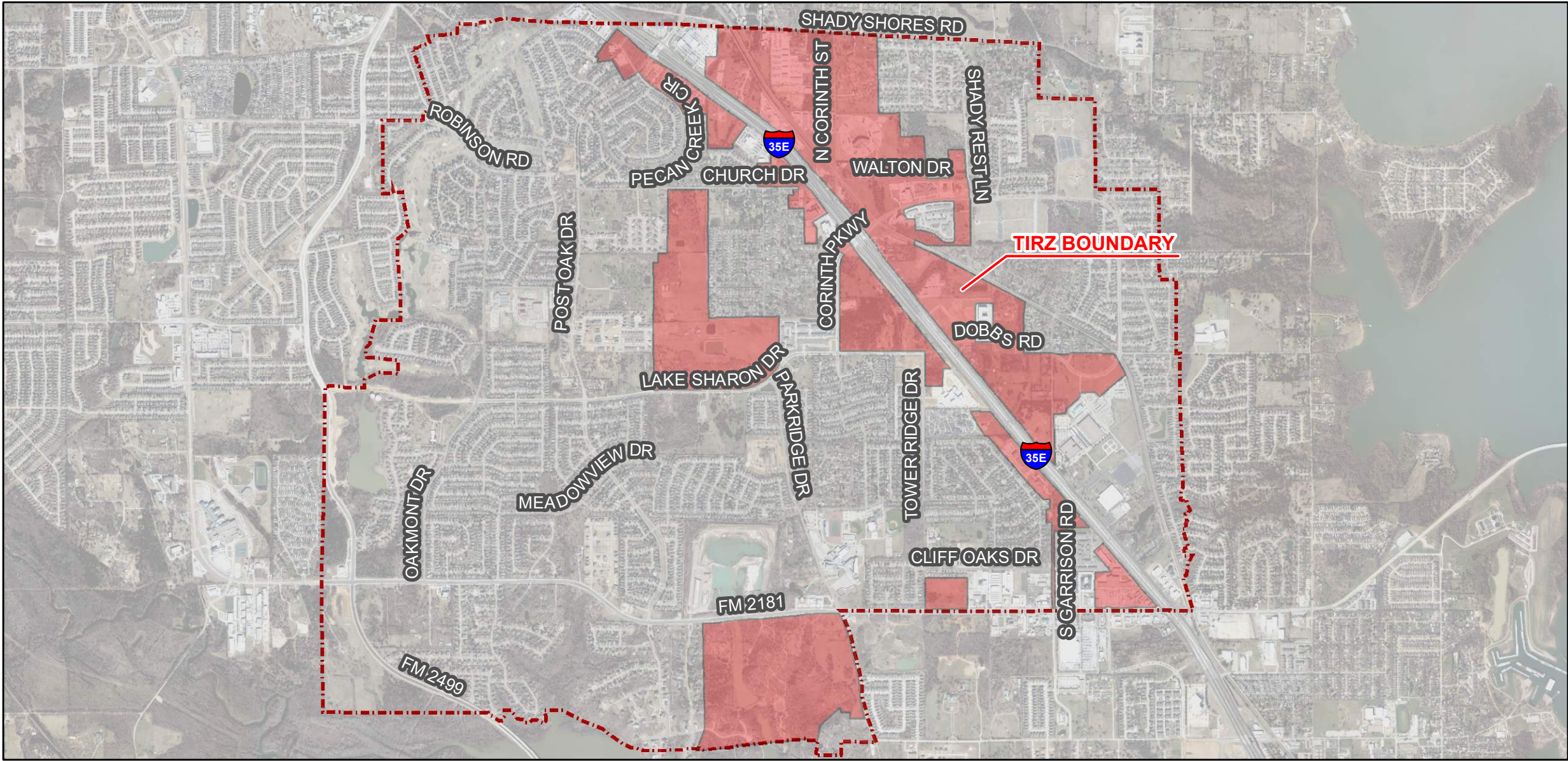
Public Hearing Notice

**NOTICE OF PUBLIC HEARING
OF THE CITY COUNCIL OF THE
CITY OF CORINTH, TEXAS TO
AMEND THE BOUNDARIES OF
REINVESTMENT ZONE
NUMBER 2, CITY OF CORINTH**

NOTICE IS HEREBY GIVEN
THAT the City Council of the City of Corinth, Texas (the "City"), pursuant to Chapter 311.011(e) Texas Tax Code, as amended, (the "Act"), will hold a public hearing during the City Council Regular Session immediately following the 5:45 P.M. Workshop Session of the City of Corinth on Thursday, March 18, 2021, at City Hall, 3300 Corinth Parkway, Corinth, TX 76208, for the purpose of considering an amendment to the boundaries of Reinvestment Zone Number 2, City of Corinth, to remove 318.85± acres of land, known as area 3 and area 8, from the boundaries of Reinvestment Zone Number 2, City of Corinth.

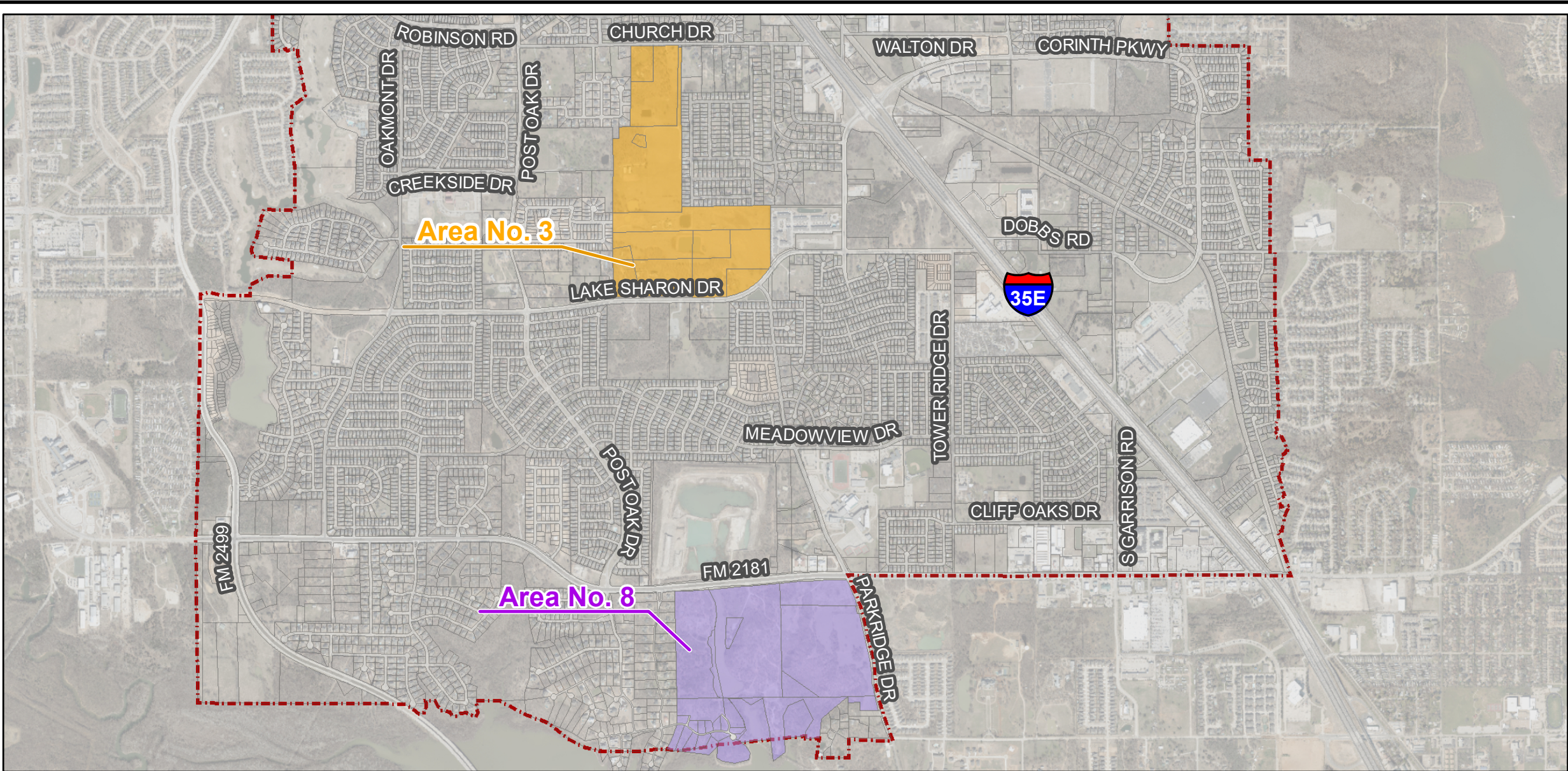
Any owner of property within the reinvestment zone and all persons are invited to attend the hearing and speak for or against the proposed amendment to the boundaries of Reinvestment Zone Number 2, City of Corinth. Written or oral statements will be considered. The legal description and boundary map of the proposed bounds of Reinvestment Zone Number 2, City of Corinth are on file and open for public inspection in the office of the City Secretary at 3300 Corinth Parkway, Corinth, TX 76208. Questions or requests for additional information may be directed to Jason Alexander at jason.alexander@cityofcorinth.com or 940.498.3295.

DR-C 03/10/2021



Tax Increment Reinvestment Zone





Tax Increment Reinvestment Zone No.3



City Council Regular and Workshop Session

Meeting Date: 03/18/2021
Title: Public Hearing Concerning Creation of Tax Increment Reinvestment Number Three, City of Corinth, Texas
Submitted For: Jason Alexander, Director **Submitted By:** Jason Alexander, Director
City Manager Review: Approval: Bob Hart, City Manager
Strategic Goals: Land Development
Infrastructure Development
Economic Development
Citizen Engagement & Proactive Government
Regional Cooperation

AGENDA ITEM

Conduct a public hearing on Ordinance No.21-03-18-07 relating to the creation and designation of non-contiguous geographic area as Tax Increment Reinvestment Zone Number Three, City of Corinth, Texas ("TIRZ No. 3"), to promote new development and investment in accordance with the provisions of Chapter 311 of the Texas Tax Code, as amended, and other matters related to the creation of TIRZ 3.

AGENDA ITEM SUMMARY/BACKGROUND

On September 5, 2019, the City Council approved Ordinance No. 19-09-05-32 creating Tax Increment Reinvestment Zone Number Two, City of Corinth, Texas (TIRZ No. 2) to make properties primarily flanking the Interstate Highway 35E more attractive to developers and businesses by financing public infrastructure and other related improvements that could not be solely financed by private investment. To increase the financial capabilities of TIRZ No. 2, the City executed an interlocal agreement with Denton County on December 5, 2020 (the "ILA"). As part of the ILA, the City agreed to remove Area 3 and Area 8 from the boundaries of TIRZ No. 2 and to designate Area 3 and Area 8 as another reinvestment zone --- TIRZ No. 3.

Area 3 and Area 8, respectively, consist of key properties prime for residential, mixed-use and commercial development. However, public financing is needed to assist with infrastructure and other improvements to attract this kind of development to the City. The purpose of this public hearing is to hear public opinion on the designation of these properties as TIRZ No. 3 pursuant to the provisions of Chapter 311 of the Texas Tax Code, as amended (the "Tax Increment Financing Act"). A legal notice was published in the Denton Record Chronicle on March 10, 2021 informing property owners and all interested persons of this public hearing.

RECOMMENDATION

Although no action is necessary in the public hearing, staff recommends that the City Council approve the creation of TIRZ No. 3. in the business section of the agenda.

Attachments

Legal Advertisement
Tax Increment Reinvestment Zone Number Three Boundaries

DENTON RECORD-CHRONICLE
P.O. BOX 369
DENTON TX 76202
(940)566-6800

ORDER CONFIRMATION (CONTINUED)

Salesperson: Legals Denton

Printed at 03/04/21 09:44 by plaga-dm

Acct #: 479

Ad #: 33939

Status: New WHOLD WHOI

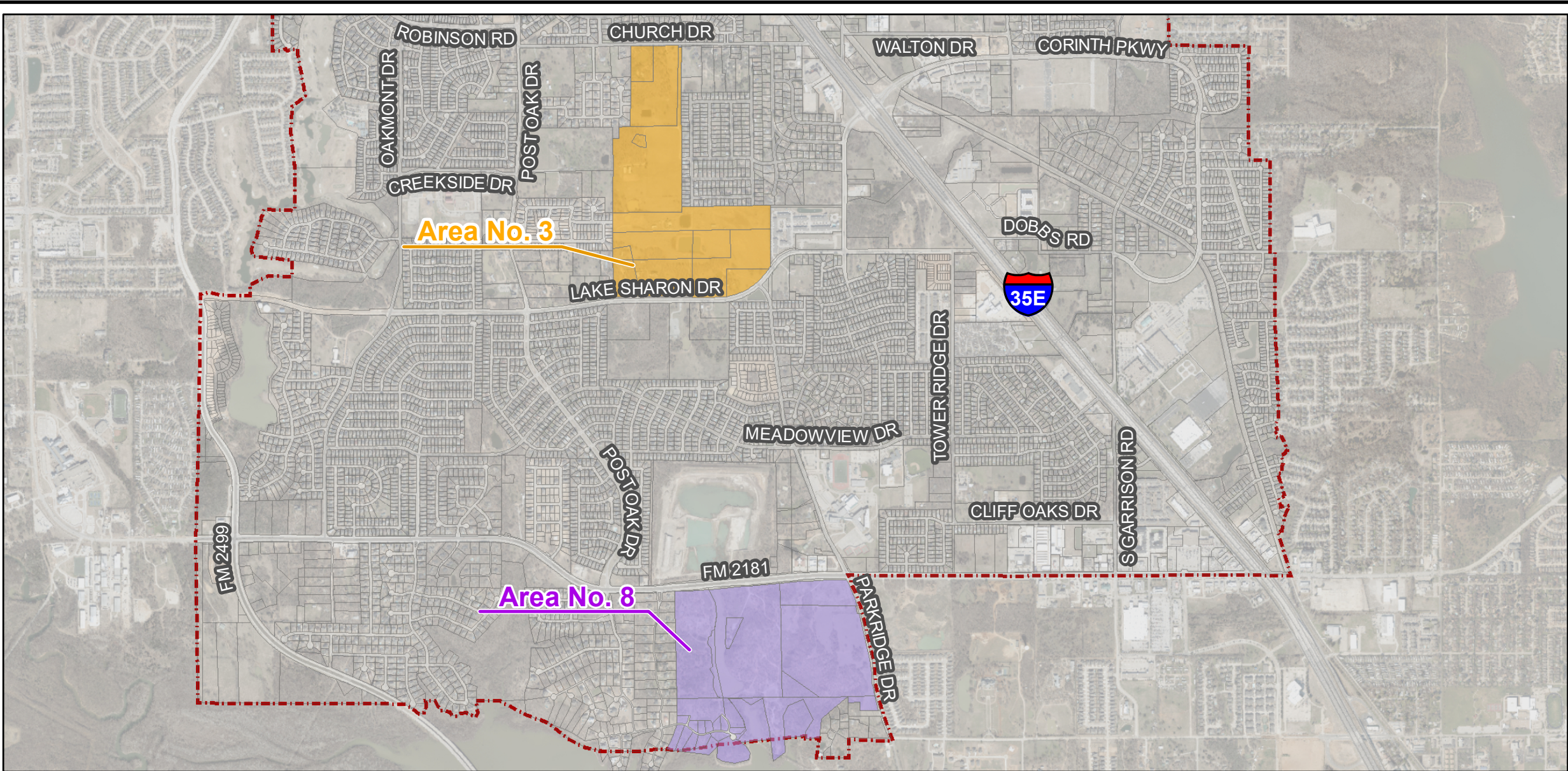
Public Hearing Notice

**NOTICE OF PUBLIC HEARING
OF THE CITY COUNCIL OF THE
CITY OF CORINTH, TEXAS TO
CONSIDER DESIGNATION OF
CERTAIN AREAS IN THE CITY
OF CORINTH AS
"REINVESTMENT ZONE
NUMBER 3, CITY OF CORINTH"
FOR TAX INCREMENT
FINANCING PURPOSES
PURSUANT TO CHAPTER 311,
TEXAS TAX CODE**

NOTICE IS HEREBY GIVEN
THAT the City Council of the City
of Corinth, Texas (the "City"),
pursuant to Chapter 311.003
Texas Tax Code, as amended,
(the "Act"), will hold a public
hearing during the City Council
Regular Session immediately
following the 5:45 P.M. Workshop
Session of the City of Corinth
Thursday, March 18, 2021, at City
Hall, 3300 Corinth Parkway,
Corinth, TX 76208, for the
purpose of considering the
benefits to the City and the
creation of Reinvestment Zone
Number 3, City of Corinth,
containing 318.85± acres of land
located within the boundaries of
the City.

Any owner of property within the
reinvestment zone and all
persons are invited to attend the
hearing and speak for or against
the creation of Reinvestment
Zone Number 3, City of Corinth,
the proposed boundaries, or the
concept of tax increment
financing. Written or oral
statements will be considered.
The legal description and
boundary map of the proposed
Reinvestment Zone Number 3,
City of Corinth are on file and
open for public inspection in the
office of the City Secretary at
3300 Corinth Parkway, Corinth,
TX 76208. Questions or requests
for additional information may be
directed to Jason Alexander at
[jason.alexander@cityofcorinth.co](mailto:jason.alexander@cityofcorinth.com)
[m](mailto:jason.alexander@cityofcorinth.com) or 940.498.3295.

DR-C 03/10/2021



Tax Increment Reinvestment Zone No.3



BUSINESS ITEM 8.

City Council Regular and Workshop Session

Meeting Date: 03/18/2021
Title: Annual Audit and Comprehensive Annual Report Discussion
Submitted For: Lee Ann Bunselmeyer, Director
Submitted By: Lee Ann Bunselmeyer, Director
Finance Review: N/A **Legal Review:** N/A
City Manager Review: Bob Hart, City Manager

AGENDA ITEM

Hear a presentation, discuss and take appropriate action to accept the annual external audit and the Annual Comprehensive Financial Report presented by Eide Bailly, LLP.

AGENDA ITEM SUMMARY/BACKGROUND

The City Charter, in compliance with Chapter 103 of the Local Government Code requires an annual independent audit. The audit of the city of Corinth's financial records for the year-ending September 30, 2020 was conducted by Eide Bailly, LLP. The audit firm issued an unqualified opinion on the financial statement, stating that the financial statements present fairly, in all material respects, the City's financial position in conformity with generally accepted accounting principles.

RECOMMENDATION

Staff recommends approval of the Annual Comprehensive Financial Report.

Attachments

2020 Auditors Report
2020 Audit Letter
Annual Comprehensive Financial Report



Independent Auditor's Report

To the Mayor and
Members of the City Council
City of Corinth, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Abilene, Texas
March 8, 2021



March 8, 2021

To the Honorable Mayor and
Members of the City Council of the
City of Corinth, Texas

We have audited the financial statements of the City of Corinth, Texas as of and for the year ended September 30, 2020, and have issued our report thereon dated March 8, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards* and our Compliance Audit under the Uniform Guidance

As communicated in our letter dated June 10, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the City of Corinth, Texas complied with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Corinth, Texas' major federal programs. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City of Corinth, Texas solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our responsibility, as prescribed by professional standards as it relates to the audit of the City of Corinth, Texas' major federal program compliance, is to express an opinion on the compliance for the City of Corinth, Texas' major federal program based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, as a part of our major program compliance audit, we considered internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the City of Corinth, Texas' internal control over compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated March 8, 2021. We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor's Report on Compliance with Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated March 8, 2021.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 3 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the allowance for accounts receivable is a sensitive accounting estimate. The amount of the allowance is based on management's evaluation of collectability of accounts receivable, including historical collections experience, economic conditions, and other relevant factors.

Management's estimate of its net pension and total OPEB liabilities is based on reports received from the Texas Municipal Retirement System (TMRS.) The net pension and total OPEB liabilities reported by TMRS are based on actuarial valuations that utilize various assumptions including the remaining amortization period, discount rate, expected rates of investment return, salary increases, payroll growth rates and mortality rates. The financial statements of the TMRS plan were audited by other auditors, whose financial statements received an unmodified opinion. We evaluated the audited financial statements, census data submitted by the City to TMRS and the City's controls over the census submission process that were used to develop the estimate of its net pension and total OPEB liabilities to determine that the estimates are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to the pension and OPEB plans.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. The adjustments in the attached schedule were prepared by us as a nonattest service, as requested by you. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated March 8, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City of Corinth, Texas' audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

However, in accordance with such standards, we will review the information inputted into the data collection form and will consider whether such information, or the manner of its presentation, is materially consistent with the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Mayor, the City Council, and management of the City of Corinth, Texas, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Abilene, Texas

City of Corinth, Texas
 Adjusting Journal Entries
 September 30, 2020

| Description | Debit | Credit |
|--|--|---------------------|
| Adjusting Journal Entries JE # 1 | | |
| To book non-attest entry to record effect of GASB 68 entries on governmental activities. | | |
| 990-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES \$ 44,685 | \$ - |
| 990-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES 173,784 | - |
| 990-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES 1,146,903 | - |
| 990-0000-117201 | NET PENSION ASSET 2,172,174 | - |
| 990-0000-117202 | DEFERRED INFLOWS OF RESOURCES 295,381 | - |
| 990-0000-117202 | DEFERRED INFLOWS OF RESOURCES 38,753 | - |
| 990-0000-117202 | DEFERRED INFLOWS OF RESOURCES 848,505 | - |
| 990-0000-117202 | DEFERRED INFLOWS OF RESOURCES 629,881 | - |
| 990-1000-50305 | TMRS GASB YE 132,999 | - |
| 990-1100-50305 | TMRS GASB YE 77,215 | - |
| 990-1400-50305 | TMRS GASB YE 86,814 | - |
| 990-1500-50305 | TMRS GASB YE 75,713 | - |
| 990-1800-50305 | TMRS GASB YE 57,367 | - |
| 990-2200-50305 | TMRS GASB YE 932,488 | - |
| 990-2200-50305 | TMRS GASB YE 12,594 | - |
| 990-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES - | 1,031,978 |
| 990-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES - | 80,348 |
| 990-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES - | 43,446 |
| 990-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES - | 844,575 |
| 990-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES - | 629,881 |
| 990-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES - | 12,594 |
| 990-0000-117202 | DEFERRED INFLOWS OF RESOURCES - | 2,498,776 |
| 990-1000-50305 | TMRS GASB YE - | 42,630 |
| 990-1000-50305 | TMRS GASB YE - | 111,946 |
| 990-1100-50305 | TMRS GASB YE - | 24,750 |
| 990-1100-50305 | TMRS GASB YE - | 64,992 |
| 990-1400-50305 | TMRS GASB YE - | 27,827 |
| 990-1400-50305 | TMRS GASB YE - | 73,072 |
| 990-1500-50305 | TMRS GASB YE - | 24,268 |
| 990-1500-50305 | TMRS GASB YE - | 63,728 |
| 990-1800-50305 | TMRS GASB YE - | 18,388 |
| 990-1800-50305 | TMRS GASB YE - | 48,286 |
| 990-2200-50305 | TMRS GASB YE - | 298,892 |
| 990-2200-50305 | TMRS GASB YE - | 784,879 |
| Total | <u>\$ 6,725,256</u> | <u>\$ 6,725,256</u> |

| Description | | Debit | Credit |
|---|--------------------------------|------------------|------------------|
| Adjusting Journal Entries JE # 2 | | | |
| To book non-attest entry to record effect of GASB 68 entries on component unit. | | | |
| 130-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | \$ 527 | \$ - |
| 130-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | 2,049 | - |
| 130-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | 13,525 | - |
| 130-0000-117202 | DEFERRED INFLOWS - PENSION | 3,483 | - |
| 130-0000-117202 | DEFERRED INFLOWS - PENSION | 457 | - |
| 130-0000-117202 | DEFERRED INFLOWS - PENSION | 10,006 | - |
| 130-0000-117202 | DEFERRED INFLOWS - PENSION | 7,428 | - |
| 130-0000-215020 | NET PENSION LIABILITY | 25,614 | - |
| 130-1700-50305 | TMRS EMPLOYER | 16,067 | - |
| 130-1700-50305 | TMRS EMPLOYER | 149 | - |
| 130-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | - | 12,169 |
| 130-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | - | 947 |
| 130-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | - | 512 |
| 130-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | - | 9,959 |
| 130-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | - | 7,428 |
| 130-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | - | 149 |
| 130-0000-117202 | DEFERRED INFLOWS - PENSION | - | 29,466 |
| 130-1700-50305 | TMRS EMPLOYER | - | 5,150 |
| 130-1700-50305 | TMRS EMPLOYER | - | 13,525 |
| Total | | <u>\$ 79,305</u> | <u>\$ 79,305</u> |

| | | | |
|---|--------------------------------|-------------------|-------------------|
| Adjusting Journal Entries JE # 3 | | | |
| To book non-attest entry to record effect of GASB 68 entries on water & sewer fund. | | | |
| 110-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | \$ 6,208 | \$ - |
| 110-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | 24,145 | - |
| 110-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | 159,350 | - |
| 110-0000-117201 | NET PENSION ASSET | 301,800 | - |
| 110-0000-117202 | DEFERRED INFLOWS OF RESOURCES | 41,040 | - |
| 110-0000-117202 | DEFERRED INFLOWS OF RESOURCES | 5,384 | - |
| 110-0000-117202 | DEFERRED INFLOWS OF RESOURCES | 117,889 | - |
| 110-0000-117202 | DEFERRED INFLOWS OF RESOURCES | 87,515 | - |
| 110-8801-50305 | TMRS EMPLOYER | 113,074 | - |
| 110-8801-50305 | TMRS EMPLOYER | 1,750 | - |
| 110-8802-50305 | TMRS EMPLOYER | 76,244 | - |
| 110-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | - | 143,382 |
| 110-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | - | 11,163 |
| 110-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | - | 6,036 |
| 110-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | - | 117,344 |
| 110-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | - | 87,515 |
| 110-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | - | 1,750 |
| 110-0000-117202 | DEFERRED INFLOWS OF RESOURCES | - | 347,177 |
| 110-8801-50305 | TMRS EMPLOYER | - | 36,244 |
| 110-8801-50305 | TMRS EMPLOYER | - | 95,175 |
| 110-8802-50305 | TMRS EMPLOYER | - | 24,438 |
| 110-8802-50305 | TMRS EMPLOYER | - | 64,175 |
| Total | | <u>\$ 934,399</u> | <u>\$ 934,399</u> |

| Description | | Debit | Credit |
|--|--------------------------------|------------------|------------------|
| Adjusting Journal Entries JE # 4 | | | |
| To book non-attest entry to record effect of GASB 68 entries on storm drainage fund. | | | |
| 120-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | \$ 556 | \$ - |
| 120-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | 2,163 | - |
| 120-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | 14,274 | - |
| 120-0000-117201 | NET PENSION ASSET | 27,034 | - |
| 120-0000-117202 | DEFERRED INFLOWS OF RESOURCES | 3,676 | - |
| 120-0000-117202 | DEFERRED INFLOWS OF RESOURCES | 483 | - |
| 120-0000-117202 | DEFERRED INFLOWS OF RESOURCES | 10,561 | - |
| 120-0000-117202 | DEFERRED INFLOWS OF RESOURCES | 7,839 | - |
| 120-9800-50305 | TMRS EMPLOYER | 16,958 | - |
| 120-9800-50305 | TMRS EMPLOYER | 157 | - |
| 120-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | - | 12,844 |
| 120-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | - | 1,000 |
| 120-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | - | 541 |
| 120-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | - | 10,511 |
| 120-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | - | 7,839 |
| 120-0000-117200 | DEFERRED OUTFLOWS OF RESOURCES | - | 157 |
| 120-0000-117202 | DEFERRED INFLOWS OF RESOURCES | - | 31,099 |
| 120-9800-50305 | TMRS EMPLOYER | - | 5,436 |
| 120-9800-50305 | TMRS EMPLOYER | - | 14,274 |
| Total | | <u>\$ 83,701</u> | <u>\$ 83,701</u> |

| Description | | Debit | Credit |
|--|--------------------------|-------------------|-------------------|
| Adjusting Journal Entries JE # 5 | | | |
| To book non-attest entry to record effect of GASB 75 entries on governmental activities. | | | |
| 990-0000-117204 | DEFERRED OUTFLOWS - OPEB | \$ 65,955 | \$ - |
| 990-0000-117204 | DEFERRED OUTFLOWS - OPEB | 9,389 | - |
| 990-0000-117205 | DEFERRED INFLOWS - OPEB | 5,849 | - |
| 990-0000-117205 | DEFERRED INFLOWS - OPEB | 3,603 | - |
| 990-1000-50305 | TMRS GASB YE | 3,707 | - |
| 990-1000-50305 | TMRS GASB YE | 669 | - |
| 990-1100-50305 | TMRS GASB YE | 2,224 | - |
| 990-1100-50305 | TMRS GASB YE | 401 | - |
| 990-1400-50305 | TMRS GASB YE | 2,224 | - |
| 990-1400-50305 | TMRS GASB YE | 401 | - |
| 990-1500-50305 | TMRS GASB YE | 2,224 | - |
| 990-1500-50305 | TMRS GASB YE | 401 | - |
| 990-1800-50305 | TMRS GASB YE | 1,112 | - |
| 990-1800-50305 | TMRS GASB YE | 201 | - |
| 990-2200-50305 | TMRS GASB YE | 25,575 | - |
| 990-2200-50305 | TMRS GASB YE | 4,615 | - |
| 990-0000-117204 | DEFERRED OUTFLOWS - OPEB | - | 3,295 |
| 990-0000-117204 | DEFERRED OUTFLOWS - OPEB | - | 14,164 |
| 990-0000-117204 | DEFERRED OUTFLOWS - OPEB | - | 6,688 |
| 990-0000-117205 | DEFERRED INFLOWS - OPEB | - | 37,019 |
| 990-0000-214025 | NET OPEB LIABILITY | - | 57,995 |
| 990-1000-50305 | TMRS GASB YE | - | 939 |
| 990-1100-50305 | TMRS GASB YE | - | 563 |
| 990-1400-50305 | TMRS GASB YE | - | 563 |
| 990-1500-50305 | TMRS GASB YE | - | 563 |
| 990-1800-50305 | TMRS GASB YE | - | 282 |
| 990-2200-50305 | TMRS GASB YE | - | 6,479 |
| Total | | <u>\$ 128,550</u> | <u>\$ 128,550</u> |

Adjusting Journal Entries JE # 6

To book non-attest entry to record effect of GASB 75 entries on component unit.

| | | | |
|-----------------|--------------------------|-----------------|-----------------|
| 130-0000-117204 | DEFERRED OUTFLOWS - OPEB | \$ 778 | \$ - |
| 130-0000-117204 | DEFERRED OUTFLOWS - OPEB | 111 | - |
| 130-0000-117205 | DEFERRED INFLOWS - OPEB | 70 | - |
| 130-0000-117205 | DEFERRED INFLOWS - OPEB | 42 | - |
| 130-1700-50305 | TMRS EMPLOYER | 436 | - |
| 130-1700-50305 | TMRS EMPLOYER | 79 | - |
| 130-0000-117204 | DEFERRED OUTFLOWS - OPEB | - | 39 |
| 130-0000-117204 | DEFERRED OUTFLOWS - OPEB | - | 167 |
| 130-0000-117204 | DEFERRED OUTFLOWS - OPEB | - | 79 |
| 130-0000-117205 | DEFERRED INFLOWS - OPEB | - | 436 |
| 130-0000-214025 | NET OPEB LIABILITY | - | 684 |
| 130-1700-50305 | TMRS EMPLOYER | - | 111 |
| Total | | <u>\$ 1,516</u> | <u>\$ 1,516</u> |

| Description | | Debit | Credit |
|---|--------------------------|------------------|------------------|
| Adjusting Journal Entries JE # 7 | | | |
| To book non-attest entry to record effect of GASB 75 entries on water & sewer fund. | | | |
| 110-0000-117204 | DEFERRED OUTFLOWS - OPEB | \$ 9,164 | \$ - |
| 110-0000-117204 | DEFERRED OUTFLOWS - OPEB | 1,305 | - |
| 110-0000-117205 | DEFERRED INFLOWS - OPEB | 812 | - |
| 110-0000-117205 | DEFERRED INFLOWS - OPEB | 501 | - |
| 110-8801-50305 | TMRS EMPLOYER | 3,091 | - |
| 110-8801-50305 | TMRS EMPLOYER | 558 | - |
| 110-8802-50305 | TMRS EMPLOYER | 2,060 | - |
| 110-8802-50305 | TMRS EMPLOYER | 371 | - |
| 110-0000-117204 | DEFERRED OUTFLOWS - OPEB | - | 458 |
| 110-0000-117204 | DEFERRED OUTFLOWS - OPEB | - | 1,968 |
| 110-0000-117204 | DEFERRED OUTFLOWS - OPEB | - | 929 |
| 110-0000-117205 | DEFERRED INFLOWS - OPEB | - | 5,144 |
| 110-0000-214025 | NET OPEB LIABILITY | - | 8,058 |
| 110-8801-50305 | TMRS EMPLOYER | - | 783 |
| 110-8802-50305 | TMRS EMPLOYER | - | 522 |
| Total | | <u>\$ 17,862</u> | <u>\$ 17,862</u> |

| | | | |
|--|--------------------------|-----------------|-----------------|
| Adjusting Journal Entries JE # 8 | | | |
| To book non-attest entry to record effect of GASB 75 entries on storm drainage fund. | | | |
| 120-0000-117204 | DEFERRED OUTFLOWS - OPEB | \$ 821 | \$ - |
| 120-0000-117204 | DEFERRED OUTFLOWS - OPEB | 117 | - |
| 120-0000-117205 | DEFERRED INFLOWS - OPEB | 72 | - |
| 120-0000-117205 | DEFERRED INFLOWS - OPEB | 45 | - |
| 120-9800-50305 | TMRS EMPLOYER | 462 | - |
| 120-9800-50305 | TMRS EMPLOYER | 83 | - |
| 120-0000-117204 | DEFERRED OUTFLOWS - OPEB | - | 41 |
| 120-0000-117204 | DEFERRED OUTFLOWS - OPEB | - | 176 |
| 120-0000-117204 | DEFERRED OUTFLOWS - OPEB | - | 83 |
| 120-0000-117205 | DEFERRED INFLOWS - OPEB | - | 461 |
| 120-0000-214025 | NET OPEB LIABILITY | - | 722 |
| 120-9800-50305 | TMRS EMPLOYER | - | 117 |
| Total | | <u>\$ 1,600</u> | <u>\$ 1,600</u> |



CORINTH
TEXAS

New Look. New Vision.

City of Corinth, Texas

**For Fiscal Year Ended September 30, 2020
Comprehensive Annual
Financial Report**

CITY OF CORINTH, TX

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended September 30, 2020



Bob Hart
City Manager

Department of
Finance & Administrative Services

Lee Ann Bunselmeyer
Director of Finance, Communication & Strategic Services

Becky Buck, CPA
Comptroller

CITY OF CORINTH, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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INTRODUCTORY SECTION





March 18, 2021

Honorable Mayor,
Members of the City Council
and Citizens
City of Corinth, Texas

The City Manager and the Finance Division of the City of Corinth are pleased to submit the Comprehensive Annual Financial Report of the City of Corinth for the fiscal year ended September 30, 2020. The purpose of this report is to provide the council, staff, the citizens of Corinth and other interested parties with detailed information reflecting the City's financial condition.

This report satisfies §103.001 of the Texas Local Government Code and was conducted in accordance with Section 9.12 of the City Charter. The Comprehensive Annual Financial Report (CAFR) consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The CAFR is organized into three sections: *Introductory*, *Financial* and *Statistical*. The *Introductory* section includes this transmittal letter, the City's organization chart, and a list of principal officials. The *Financial* section includes the auditors' report, Management's Discussion and Analysis (MD&A), basic financial statements, required supplementary information, combining and individual fund financial statements and other supplemental information. The *Statistical* section includes selected financial and demographic information, generally presented on a multi-year basis. The information is presented in table format to assist the reader with a comparative analysis.

Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Corinth's MD&A can be found immediately following the report of the independent auditors.

INDEPENDENT AUDIT

The City of Corinth's financial statements have been audited by Eide Bailly, LLP, a firm of licensed certified public accountants. The goal of the independent auditor is to provide reasonable assurance that the financial statements of the City of Corinth, for the fiscal year ended September 30, 2020, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Corinth's financial statements for the fiscal year ending September 30, 2020, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component in the financial section of this annual report.

PROFILE OF THE GOVERNMENT

The City of Corinth, which was incorporated in September 19, 1960, is located in the north central portion of Texas. This area of the state has proven to be one of the top growth areas in Texas and the United States. The City currently occupies a land area of 7.8 square miles. The City is empowered to levy a property tax on real property and certain personal property located within its boundaries. Corinth has operated under the council-manager form of government since May 6, 1999. This has become a popular form of government throughout the State of Texas. Policy-making and legislative authority are vested in the City Council consisting of the mayor and five other members. The City Council's primary responsibilities include passing ordinances, adopting the budget, appointing boards and committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the government, and for appointing the heads of the various City departments. The City Council is elected on a non-partisan, at-large basis. Council members serve two-year staggered terms, with three members elected on one of the two-year rotations, and the Mayor and two remaining members elected on the other two-year rotation.

The City of Corinth provides a full range of municipal services including general government, public safety (police, animal control, fire, and EMS), streets, parks and recreation, planning and zoning, code enforcement, and water/wastewater and drainage utilities. Water/wastewater and drainage services are provided through the public works department, which functions, in essence, as a department of the City and, therefore, has been included as an integral part of the City's financial statements.

Moving forward, the City seeks to reduce its dependence on property tax revenues and to increase the amount of sales and use tax revenues generated --- and in a prudent manner --- by encouraging lifestyle-focused development that will create meaningful employment opportunities in live-work-play settings, offer extraordinary opportunities for commerce, and result in sustainable outcomes.

The City is focused on regional delivery of services by providing fire and EMS services to the Cities of Lake Dallas, Hickory Creek, and Shady Shores; and police services to the City of Shady Shores. Corinth contracts with Lake Dallas to receive animal shelter services. Jail services and public safety dispatch services are provided by Denton County through an interlocal contract. The City also contracts with the City of Flower Mound for holding cell access related to class c misdemeanors.

LOCAL ECONOMY

Corinth's location, straddling the I35E corridor in Denton County, is ideal for both businesses and residents many of whom commute north to Denton or south to Lewisville or Dallas. Corinth maintains a small-town feel while having the advantages of nearby metro areas.

The city's estimated population for 2020 is 22,160. This estimate is based on current trends from the Corinth Economic Development Department.

The unemployment rate in Texas rose to 8.3% in September after dipping from the highest of 13.5% in April 2020 with the peak of COVID 19. The impact of the coronavirus recession varies widely across Texas. Denton

County unemployment rate was 6.4% compared to Dallas County's unemployment rate of 7.5%, and the nation's rate at 7.7%.

Corinth continues to rely heavily on property tax to support its continuing operations, with the City being approximately 85% residential. Certified property values increased 3.98% for the 2020 tax year over the 2019 certified value.

Sales Tax Revenue, the second largest revenue source for the City's General Fund, increased by \$113,278 or 6% over the prior year's receipts. For fiscal year 2020-21, due to uncertainties of the impact of COVID-19, sales tax revenue is projected to remain flat at \$1.6 million. Primarily a residential community, Corinth relies on sales tax paid on utilities. All sales tax collections are reported by the Texas Comptroller of Public Accounts. The City is continuing to work to increase its sales tax base with the Corinth Economic Development Corporation, which receives the proceeds from a ½ cent sales tax enacted in 2003. Corinth is currently focused on encouraging commercial development and providing the infrastructure required to support it. With the Interstate 35 expansion and growth in the DFW area, Corinth continues to draw interest from apartment, restaurant and commercial developers. Of the 8.25% tax, the State retains 6.25%. It distributes 1% to the City of Corinth, .25% to the Street Maintenance Sales Tax Fund, .25% to the Crime Control & Prevention District, and .50% to the Economic Development Corporation. The City secured legislation to permit a sales tax election in order to partially fund the fire department through a Fire Control, Prevention and Emergency Services District. The City held an election in November 2020 to shift 1/2 cent sales tax from the Street Maintenance Sales Tax to the fire district. The tax will become effective after one complete calendar quarter elapses from the date the Comptroller's office receives the notification of voter approval. The revenue projections in the FY2020-2021 assume an effective date of April 1, 2021.

MAJOR INITIATIVES

The City's Strategic Plan, Envision Corinth 2030, is an all-encompassing systematic approach that permits the current and future Councils ability to best allocate resources entrusted by the residents. The plan is set to guide the City in determining where to focus the efforts of the City and form the basis of the annual budgeting process. Additionally, the plan provides the ability to prioritize the actions that have to be taken in order to meet the overall goals that the City needs to fulfill in order to generate the results that the residents of Corinth expect and deserve.

Broadband is a priority for Corinth and the Lake Cities. Based on the recommendation of the Lake Cities Broadband Committee, the Cities of Corinth, Lake Dallas, Shady Shores, and Hickory Creek contracted Connected Nation to perform a Broadband study. Connected Nation is an organization that specializes in assisting communities in developing and providing the tools, resources, and methods that help create and implement solutions to their broadband and digital technology gaps.

The Connected Nation project will be completed in three phases, the first being field validation, mapping and data analysis survey. The second phase will consist of a Demand Survey of residents. The final stage of the project will focus on the development of a strategic plan that will assist the Lake Cities concerning future improvements in solving connectivity issues within the Lake Cities communities. The strategic plan component will begin in December 2020 with a goal to be completed in February 2021.

Cybersecurity continues to be a major concern and priority. The City completed a cybersecurity evaluation to ensure proper controls in 2019. During 2020, Staff implemented improvements identified in the plan. As a result the city is fully compliant with the elements set forth in HB 3834 – Cybersecurity Training and the training requirements emanating from the Texas Department of Information Resources. The City has also joined the North Texas Innovation Alliance as the foundational effort for a wide-ranging effort to implement smart cities strategies.

Economic Development. Encouraging development along the I-35E Corridor has been expressed in every future development discussion and format. The core economic development priorities for the future are for the implementation of a Tax Increment Reinvestment Zone (TIRZ). The principal focus will be to secure a DCTA rail stop. Consequently, the acquisition of land to facilitate the Transit Oriented District (TOD) will be paramount. Development of the TOD will necessitate drainage within Lynchburg Creek, and securing the

surplus TxDOT right-of-way at Corinth Parkway and I-35E. The rail stop would enable North Central Texas College (NCTC) to move students between the Denton and Lewisville campuses. Moreover, the proposed rail stop may assist Texas Health Resources (THR) as they convert their property to office space.

Tax Increment Reinvestment Zone (TIRZ). The City Council adopted an ordinance creating a Tax Increment Reinvestment Zone (TIRZ) in September 2019. The project plan is based on land use recommendations by Paris Rutherford (Catalyst Development) and a financial plan (designed by David Pettit Economic Development, LLC). The TIRZ is intended to fund the following initial infrastructure projects, within the TOD:

- DCTA rail stop study
- North Corinth Street realignment
- Construction of NCTC Way
- Main Street construction
- Pavilion and park open space
- Festival Way
- Lynchburg Drainage

Funding for the pavilion, capital and operations, will be through a short-term vehicle rental tax. This tax will need to be approved by voters in the May 2021 election.

Fire Service Agreements. Fire services are provided through a contract with the three cities in the Lake Cities area – Hickory Creek, Lake Dallas, and Shady Shores. The contract was renewed for a five-year period beginning October 2021. Key factors of the contract renewal include opening of fire house #3 in early 2020 and the expansion of the staff through the SAFER grant (nine firefighters). The SAFER grant is a three-year commitment to employ the firefighters ending on January 7, 2022 or just over three months beyond the current fire contract. This absorption of the SAFER grant positions is challenging following the legislative session and the adoption of SB 2 and its property tax revenue cap of 3.5%. The reduction of SAFER grant funding (revenues) of personnel costs from 75% the first two years to 35% the third year to 0% at the end of the grant period must be addressed by reserving fire personnel funding this year. Further, SB 2 restricts the City from reducing expenditures for Public Safety in the 2020-2021 budget from the 2019-2020 budget levels.

2040 Comprehensive Plan, adopted in July 2020, is a product of the community's vision and establishes the priorities and goals for future growth and guides zoning and land use decisions. The primary focus of the plan is the development of the Transit Oriented Development area.

Staff will pursue improvements to the City's development regulations with the guidance of the Planning and Zoning Commission and City Council. Planning & Development anticipates the creation of a Form Based Zoning District for the TOD areas. Staff will continue to build upon the Applicant/City relationship to provide quick and predictable development reviews and processing for timely market delivery.

Developers are currently targeting Corinth for development opportunities; with eight square miles, and vacant land along the critical I-35E corridor, the City must be ready. Further, staff has identified six tracts that will be a challenge to develop. Staff will work with landowners to identify land uses and strategies that will enable the land to be developed. All the sites are along or near I-35.

Asset Management Plan (AMP). Infrastructure is inextricably linked to the economic, social and environmental advancement of a community. In 2020, Corinth developed an Asset Management Plan (AMP) of the following asset classes: road system, bridges & culverts, buildings, storm water system, water system, wastewater system, machinery & equipment and vehicles. The asset classes analyzed in the plan had a valuation of over \$618 million, of which the water system comprised of 35%. Strategic asset management is critical in extracting the highest total value from public assets at the lowest lifecycle cost. The AMP created a detail plan of the state of infrastructure and provided asset management and financial strategies designed to develop an advanced asset management program and mitigate long-term funding gaps.

Infrastructure Development: The alignment of Lake Sharon Drive and Dobbs Road with access under I-35E is needed for economic development opportunities and to improve traffic flow within Corinth and the region. While the bridge is included as a TXDOT Phase II Improvements to I-35E, the City needs to align the two

connecting roads and secure the necessary right-of-way to connect to the future underpass, thereby completing the Corinth Parkway Loop. The City will also participate in a joint effort between Corinth, Shady Shores, and Lake Dallas to extend Dobbs Road from Shady Shores Road to Corinth Parkway. This extension will enable traffic to move from Shady Shores Road to FM 2499. Additionally, Quail Run Drive will be realigned in order to provide a 90-degree intersection and avoid conflict with the proposed on-ramp. Quail Run Drive will be done in conjunction with a 380 agreement with CoServ.

The Transit Oriented Development (TOD) will require transportation improvements including the realignment of North Corinth Street from Walton Street to Corinth Parkway, the construction of Main Street from Walton Street to Corinth Parkway, the construction of NCTC Way connecting the NCTC campus to I-35E, and the construction of Festival Way connecting North Corinth Street and Main Street. Funding for the TOD infrastructure and land acquisition will require the issuance of \$11 million in debt during the second quarter of the fiscal year. Staff is prepared to initiate the process with the City's financial consultant following adoption of the budget.

The Lake Sharon Drive extension has been funded and currently under construction, with completion in December 2020. This project was delayed because the contractor, MCM, Inc., filed for bankruptcy in early 2019.

As the Dobbs Road alignment is secured, the City will construct an elevated water storage tank. Land for the water tower and the accompanying water line easements has been donated by CoServ. This is contained in the 380-agreement referenced above.

The 2018 Americas Water Infrastructure Act enacted by Congress mandates water utility operators to perform and submit Risk and Resiliency, Emergency Response, and Cyber Security Plans. The City's will submit plans to TCEQ and American Water Works Association (AWWA) by June 2021.

Lynchburg Creek is a significant drainage feature in Corinth that feeds into Lake Lewisville, much of the drainage area is undeveloped. With the remapping, by FEMA, of the floodplain, 65 homes have been added to the floodplain. Jones Carter Engineering firm conducted a drainage study in 2018 and identified measures to mitigate the impact of the floodplain to remove some 70 homes from the floodplain. A grant application is pending with FEMA and staff anticipates funding approval during the fiscal year. Preliminary engineering is also underway to investigate potential solutions to drainage issues at Lake Sharon Drive near Corinth Parkway, Blake Street and Corinth Parkway, near Lake Sharon.

Organizational Achievements. Innovation is crucial to the continuing success of the organization. The City strives to be a leader in our industry and aims to improve the efficiency and effectiveness of our services. Below are several organizational achievements for the year.

The Corinth Utility Department earned special recognition from the Texas Commission on Environmental Quality by receiving three awards for outstanding and innovative operations. The department received the Outstanding Public Water System Award, which recognizes overall excellence in all aspects of operating a public water system. A water system must go above the minimum state requirements in protecting public health and ensuring a reliable operation to receive this recognition. Additionally, the City was awarded Outstanding Cross-Connection Control Recognition Award and the Proactive Water System Award to its list of accomplishments. To receive the Outstanding Cross-Connection Control Recognition Award, the utility department had to maintain an exceptional cross-connection program protecting the City's distribution system from contamination. This included successfully developing and implementing plumbing regulations, construction inspections, and backflow prevention. The Proactive Water System Award recognizes public water systems for using creative and effective ways to improve their operations, achieve compliance, and better serve their customers. The City received this award for its partnership with Upper Trinity Regional Water District in providing water conservation education and performing residential and commercial irrigation inspections. Additionally, the utility department installed smart water meters and created a water rebate incentive program to serve their customers better.

Corinth was named a 2020 Tree City USA by the Arbor Day Foundation in honor of its commitment to effective urban forest management. The Tree City USA program is sponsored by the Arbor Day Foundation in

partnership with the U.S. Forest Service and the National Association of State Foresters. The Arbor Day Foundation is a million-member nonprofit conservation and education organization with the mission to inspire people to plant, nurture, and celebrate trees.

Keep Texas Beautiful (KTB), a statewide grassroots environmental and community improvement non-profit organization named Corinth a Silver Star Affiliate, a designation granted to only 27 of KTB's nearly 300 affiliates. Silver Star recognition is the second highest status any community affiliate can achieve.

The EMSC State Partnership recognized the Lake Cities Fire Department at the GOLD Level of pediatric care readiness through the EMS Recognition Program. Gold Level is the highest level of recognition from the Baylor College of Medicine. This award places a spotlight on the delivery of high-quality emergency medical care for children, focusing on the unique needs of critically ill or injured pediatric patients and the challenges faced by EMS professionals in meeting those needs.

LONG TERM FINANCIAL PLAN

The FY 2019-2020 budget was developed in context of long-term financial plans. The plans anticipate funding needs and available revenues and forecast methods for matching future revenue and expenses. Plans have been developed for all the City's major operating funds. Each plan presents the fund over seven fiscal years: two previous years, the adopted "base year" budget and four projected years. There are several benefits to these plans. First, the plans give future Councils a valuable perspective when considering budgets within each plan's five-year horizon. Second, the plans impart a measure of discipline on staff. The General fund long-term plan assumes that for fiscal years 2020-2022 the City's property tax, sales tax, and all other revenues during the planning horizon will remain constant with conservative growth from 0% - 3%.

The City of Corinth continues its focus on maintaining or increasing reserve balances for emergencies to provide stability and flexibility for the organization. The reserve requirement was established at a level of 20% of budgeted expenditures for the General Fund and 25% of budgeted expenditures for both the Water/Wastewater and the Storm Drainage Fund. For fiscal year ended September 30, 2020 the General Fund's unassigned fund balance is \$6,278,671 or 30% of annual budgeted expenditures. The unrestricted fund balance for the Water/Wastewater Fund is \$4,949,413 or 36% of annual budgeted expenditures and the unrestricted fund balance for the Storm Drainage Fund is \$622,597 or 69% of budgeted expenditures for the fiscal year ended September 30, 2020.

As a result of the recent national economic recession, bond rating agencies have increased their scrutiny on the financial stability of local governments. In October 2020, Standard & Poor's Rating Services affirmed its "AA" rating and Moody's affirmed its "AA2" on the City's general obligation debt. The rating agency attributed their opinion to various factors surrounding the city's financial stability, growth and financial policies and practices.

BUDGETARY CONTROLS

The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by the City Manager and adopted by the City Council in accordance with policies and procedures established by State law, City Charter, and Council Ordinances. All departments of the City of Corinth are required to submit requests for appropriation to the City Manager based on a budget calendar issued annually. The City Manager uses these requests as the starting point for developing the proposed budget. The proposed budget is then presented to the City Council for review prior to approval and adoption. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, department (i.e., Public Works) and division (i.e., Parks & Recreation). Department Directors may make transfers of appropriations between divisions within a department. All transfers of appropriations between departments require the approval of the City Manager. Any changes to appropriations or transfers between funds require City Council approval. Budgetary comparison schedules are provided in this report in the required supplemental information subsection for the General Fund, and in the supplemental information subsection for other funds with legally adopted annual budgets.

CASH MANAGEMENT POLICIES AND PRACTICES

Funds of the City are invested in accordance with all applicable Texas statutes, the City's Investment Policy and any other approved, written administrative procedures. The five objectives of the City's investment activities, in order of priority, are as follows: Safety – Preservation and Safety of Principal, Liquidity, Diversification, Market Rate-of-Return (Yield) and Public Trust.

The Investment Policy is updated, reviewed and approved annually. The purpose of the Investment Policy is to set forth specific investment strategy guidelines for the City, in order to safeguard assets with a minimal amount of risk, while maintaining the necessary level of liquidity and maximizing the yield on investments. Accordingly, all the City's deposits are either insured by the Federal Deposit Insurance Corporation (FDIC) or are collateralized by governmental securities. The maturities of the investments range from 30 days to 36 months, with an average maturity of approximately 12 days. On September 30, 2020, the annualized yield on investments was 0.356%, compared to 2.116% for the same period in 2019. Funds available for investment at September 30, 2020 were \$42.4 million, which is an increase of \$0.2 million from 2019.

AWARDS AND ACKNOWLEDGEMENTS

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Corinth for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2019. This was the eleventh consecutive year that the City achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting procedures and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

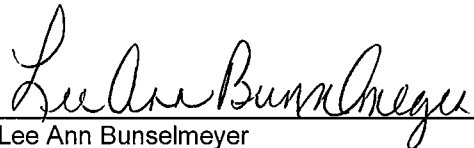
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2019. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document must be proficient in several categories; including serving as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance department. We would like to express our appreciation for the assistance provided by our auditors, Eide Bailly, LLP. Credit must also be given to the Mayor and City Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Corinth and its finances.

Respectfully Submitted,



Bob Hart
City Manager



Lee Ann Bunselmeyer
Director of Finance, Communication & Strategic
Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Corinth
Texas**

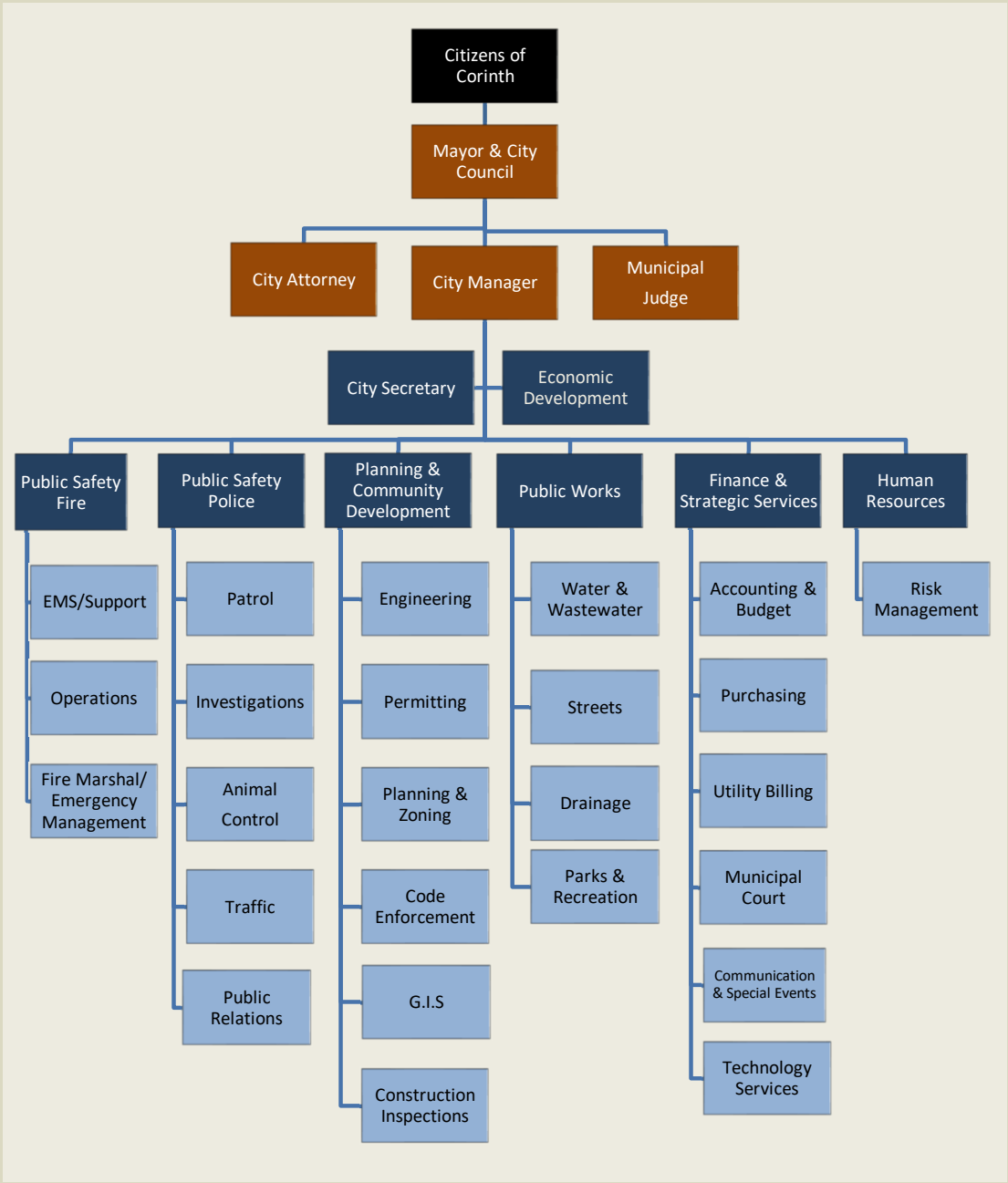
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART



**City of Corinth, Texas
Elected and Appointed Officials**

Elected Officials:

Bill Heidemann
Mayor

Sam Burke
Mayor Pro Tem, Place I

Scott Garber
Council Place II

Steve Holzwarth
Council Place III

Tina Henderson
Council Place IV

Kelly Pickens
Council Place V

Appointed Officials:

Bob Hart, City Manager

Lana Wylie, City Secretary

Jason Alexander, Director of Economic Development

Jerry Garner, Chief of Police

Lee Ann Bunselmeyer, Director of Finance, Communication and Strategic
Services

Melissa Dolan, Interim Director of Public Works, Parks and Recreation,
and Utility Operations

Helen-Eve Liebman, Director of Planning and Development Services

Michael Ross, Fire Chief

Guadalupe Ruiz, Director of Human Resources

FINANCIAL SECTION





Independent Auditor's Report

To the Mayor and
Members of the City Council
City of Corinth, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas (the City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Abilene, Texas
March 8, 2021

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

As management of the City of Corinth, (the "City") we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. The Management's Discussion and Analysis is designed to assist the reader in focusing on significant financial issues, to provide an overview of the City's financial activity, to identify changes in the City's financial position and to identify any material deviations from the financial plan. We encourage readers to consider the information presented here in conjunction with the accompanying Letter of Transmittal and the basic financial statements.

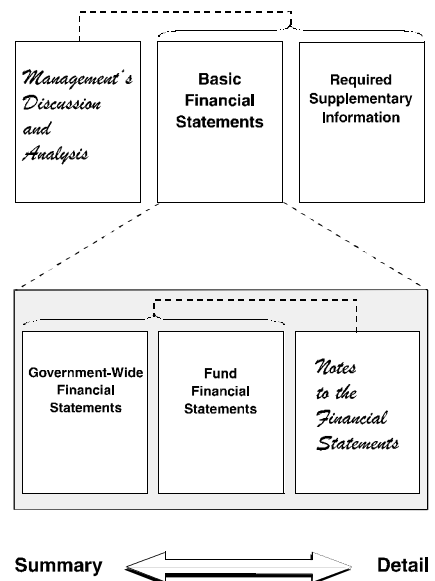
FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$72,692,131.
- Total net position increased \$1,432,957 from the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$29,288,123, an increase of \$4,176,902 in comparison with the prior year. This net increase is primarily due to the bonds transferred of \$3.6 million from Water and Sewer fund and the expenditures associated with the construction of capital projects. Of the combined ending balances, \$6,044,123 or 21% is available for spending within the City's guidelines (*unassigned fund balance*).
- The City's unassigned fund balance for the general fund was \$6,278,671 or 37% of total general fund expenditures.
- Long term liabilities decreased to \$53,938,044 during fiscal year 2020. The decrease is due to the payment of bonds.

Management's discussion and analysis is intended to serve as an introduction to the City of Corinth's basic financial statements. The City's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements. The basic financial statements include two types of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the City reporting operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general governmental* services were financed in the *short term*, as well as, what remains for future spending.
- *Proprietary fund* statements offer *short* and *long-term* financial information about the activities the government operates *like a business*.
- *Fiduciary fund* statements provide information about the financial relationships in which the City acts solely as a *trustee or agent* for the benefit of others to whom the resources in question belong.

Required Components of the City's Annual Financial Report



**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Figure 1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of Management's Discussion and Analysis explains the structure and contents of each of the statements.

Government-wide financial statements. The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies.

The *statement of net position* presents information on all of the City of Corinth's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Corinth is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include public safety, fire services, community services, planning and community development, public works, city administration, finance and administrative services and debt service. The business-type activities are the water and wastewater utility fund, which includes contracted garbage collection services, and the storm water utility fund.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate

Economic Development Corporation as a component unit for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Figure 1. Major Feature of the City's Government-wide and Fund Financial Statements

| Type of Statements | Government-wide | Fund Statements | | |
|--|--|--|--|---|
| | | Governmental | Proprietary Funds | Fiduciary Funds |
| Scope | Entire City's government (except fiduciary funds) and the City's component units | The activities of the City that are not proprietary or fiduciary | Activities the City operates similar to private businesses or self insurance funds | Instances in which the City is the trustee or agent for someone else's resources |
| Required financial statements | <ul style="list-style-type: none"> • Statement of net position • Statement of activities | <ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures & changes in fund balance | <ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenditures & changes in fund net position • Statement of cash flows | <ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital, short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included | All assets and liabilities, both financial and capital, short-term and long-term | All assets and liabilities, both financial and capital, short-term and long-term; may contain capital assets |
| Type of inflow/outflow information | All revenue and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter. | All revenue and expenses during year, regardless of when cash is received or paid | All revenue and expenses during year, regardless of when cash is received or paid |

The government-wide financial statements can be found starting on page 24 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The City of Corinth, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as, on *balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Corinth reports twenty-three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Debt Service Fund, which are considered to be major funds. Data from the non-major governmental funds are combined into a single aggregated presentation. Fund data for the non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Corinth adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 28-34 of this report.

Proprietary funds. The City of Corinth maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Corinth uses two enterprise funds to account for its water and wastewater operations and for its storm water utility.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Wastewater Fund and the Storm Water Fund, both of which are considered to be major funds of the City.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 42 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$72,692,131 at the close of the most recent fiscal year.

By far the largest portion of the City of Corinth's net position (\$58,535,054 or 80%) reflects its investment in capital assets (i.e., land, buildings, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City of Corinth uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Corinth's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position (\$4,106,819 or 6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$10,050,258 or 14%) may be used to meet the City's ongoing obligations to citizens and creditors. The City currently has \$43,702,163 available in cash and investments that may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year the City of Corinth reported positive balances in the government-wide as a whole and the business-type activities.

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

City of Corinth's Changes in Fund Balance. The City's governmental funds increased fund balance by \$4,176,902. The increase can be attributed to the transfer of bonds from Water and Sewer fund. Net position, as part of the government-wide reports, is reported on a full-accrual basis. The reconciliation between the overall increase to governmental fund balances and the \$2,316,235 net increase to governmental activities net position illustrates the differences in reporting between the modified accrual basis used in the funds and full-accrual used at the government-wide level.

The following are the most significant factors in the reconciliation:

- Capital outlays are shown as expenditures in the fund financials statements, but they are shown as increases in capital assets in government-wide statements.
- Repayment of bond principal and capital leases are an expenditure in the governmental funds but not an expense in the statement of activities.
- Bond transfers are reported as current resources in the funds but are not reported as revenue in the statement of activities.
- Depreciation of capital assets is not reported in the funds.
- Donations/developer contributions do not constitute revenue in the funds but are reported as an increase to the net position.

Exhibit A-6 on page 34 provides a detailed reconciliation between the statement of activities and the statement of revenues, expenditures and changes in fund balances of governmental funds.

Governmental Activities. Public safety, community services, public works, and planning and community development account for 80% of the expenses for the governmental activities. City administration, finance and administrative services and interest on long-term debt account for the remaining 20% of total expenses. These expenses were funded by revenues collected from a variety of sources. Property taxes produced \$12,974,859 or 49%, Charges for services accounted for \$4,604,822 or 17%, Sales tax received was \$2,635,407 or 10%, Franchise taxes provided \$1,195,130 or 5%, capital grants and contributions provided \$1,258,616 or 5% and operating grants and contributions provided \$1,528,396 or 6% for the governmental activities. The remaining 8% of revenue is made up of hotel occupancy tax, transfers, investment interest, gain on sale of capital assets, and other miscellaneous revenue and transfers. Figure 2 provides a graphic representation of the City's expenses and any directly related revenues by source.

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Figure 2: Program Revenues v. Expenses

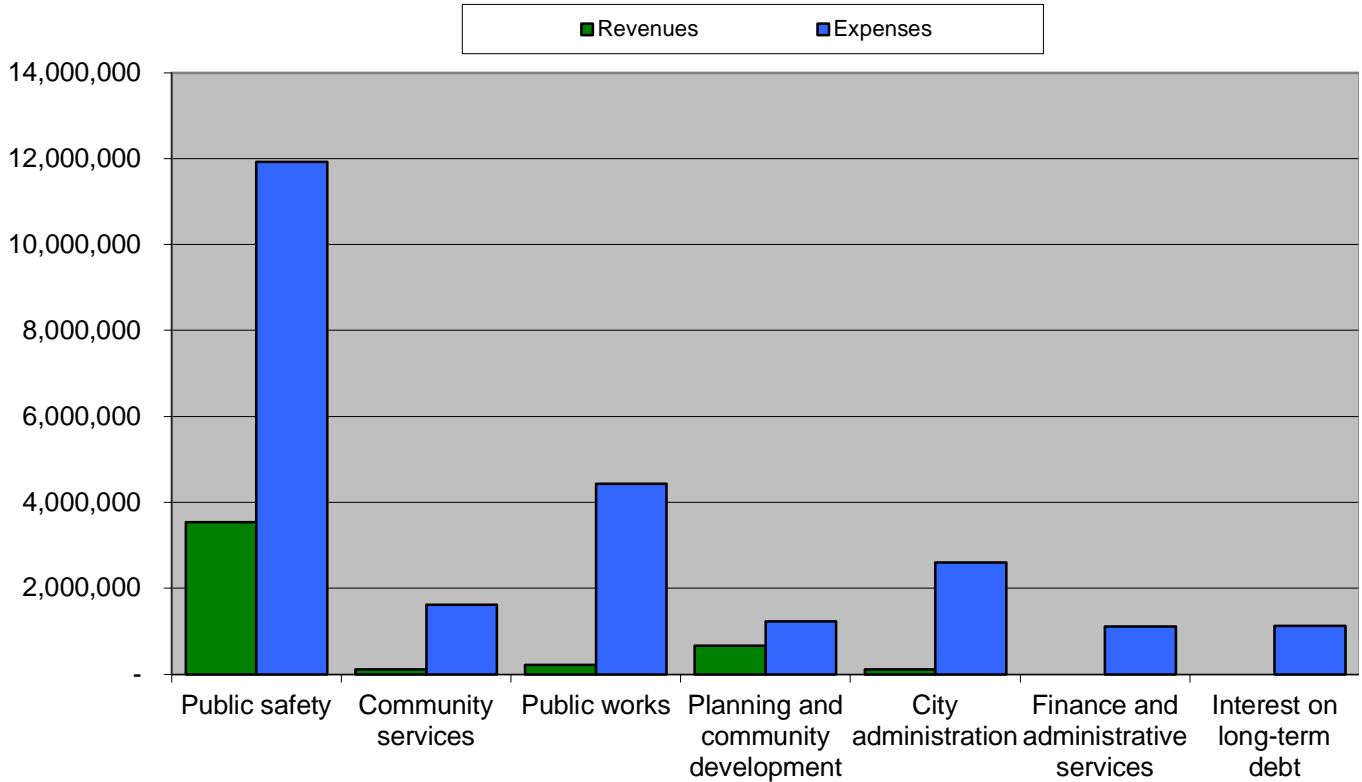


TABLE I

| | Governmental Activities | | Business-type Activities | | Total | |
|---------------------------------------|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| ASSETS | | | | | | |
| Current and Other Assets | \$ 34,433,937 | \$ 29,613,781 | \$ 15,754,259 | \$ 20,483,323 | \$ 50,188,196 | \$ 50,097,104 |
| Capital assets | 57,079,399 | 57,036,567 | 30,869,016 | 32,002,819 | 87,948,415 | 89,039,386 |
| Total assets | 91,513,336 | 86,650,348 | 46,623,275 | 52,486,142 | 138,136,611 | 139,136,490 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred loss from refunding | - | 2,628 | 48,035 | 59,791 | 48,035 | 62,419 |
| Deferred outflows - pension | 1,376,771 | 2,654,221 | 216,898 | 410,284 | 1,593,669 | 3,064,505 |
| Deferred outflows - OPEB | 94,335 | 43,138 | 13,739 | 5,987 | 108,074 | 49,125 |
| Total Deferred Outflows of Resources | 1,471,106 | 2,699,987 | 278,672 | 476,062 | 1,749,778 | 3,176,049 |
| LIABILITIES | | | | | | |
| Long-term liabilities outstanding | 42,350,829 | 42,943,603 | 13,718,369 | 18,764,530 | 56,069,198 | 61,708,133 |
| Other liabilities | 6,686,108 | 5,496,782 | 2,665,102 | 2,903,984 | 9,351,210 | 8,400,766 |
| Total liabilities | 49,036,937 | 48,440,385 | 16,383,471 | 21,668,514 | 65,420,408 | 70,108,899 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred gain on refunding | 7,497 | - | - | - | 7,497 | - |
| Deferred inflows - pension | 1,506,310 | 820,054 | 204,890 | 101,001 | 1,711,200 | 921,055 |
| Deferred inflows - OPEB | 47,877 | 20,310 | 7,276 | 3,101 | 55,153 | 23,411 |
| Total Deferred Inflows of Resources | 1,561,684 | 840,364 | 212,166 | 104,102 | 1,773,850 | 944,466 |
| NET POSITION | | | | | | |
| Net investment in capital assets | 34,592,990 | 33,452,733 | 23,942,064 | 24,556,072 | 58,535,054 | 58,008,805 |
| Restricted | 3,314,583 | 3,031,918 | 792,236 | 1,162,172 | 4,106,819 | 4,194,090 |
| Unrestricted | 4,478,248 | 3,584,935 | 5,572,010 | 5,471,344 | 10,050,258 | 9,056,279 |
| Total Net Position | \$ 42,385,821 | \$ 40,069,586 | \$ 30,306,310 | \$ 31,189,588 | \$ 72,692,131 | \$ 71,259,174 |

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Government-wide activities. As shown above, governmental activities increased net position by \$2,316,235 and business-type activities decreased net position by \$883,278. A detailed examination of all the elements affecting net position can be found in Table II.

TABLE II

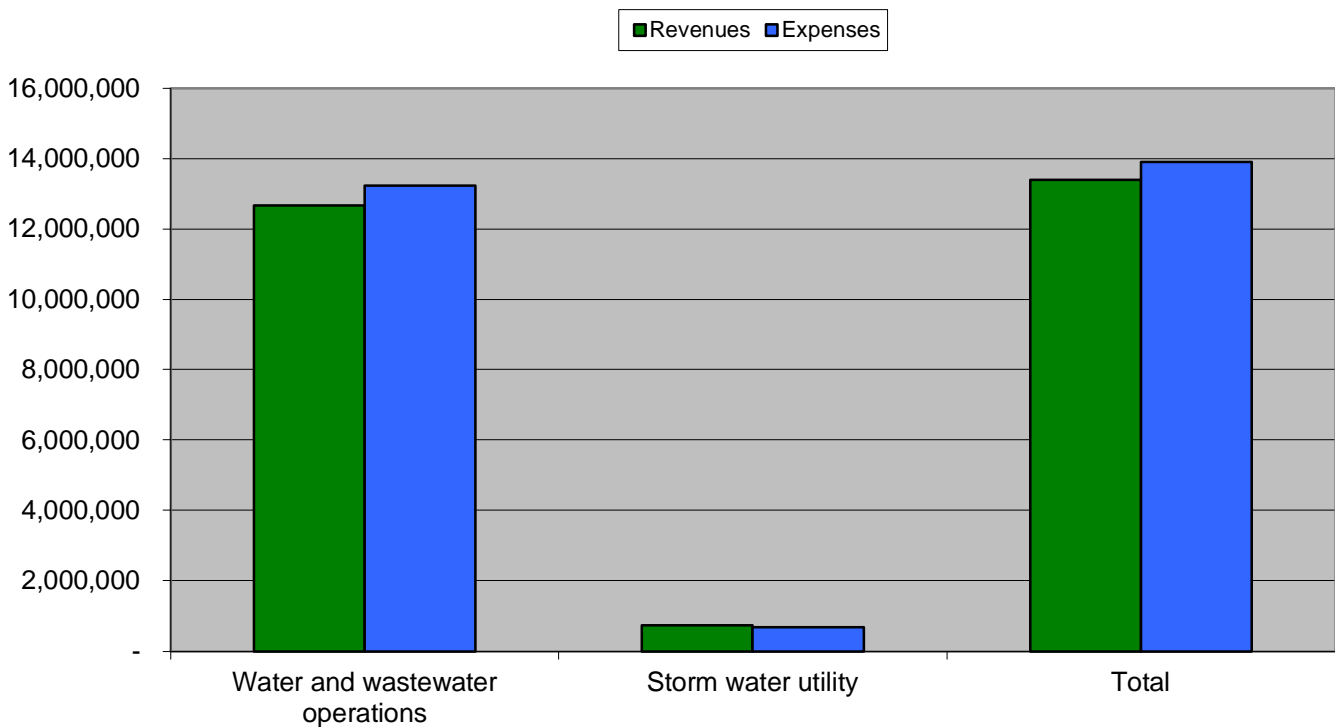
| | Governmental Activities | | Business-type Activities | | Total | |
|---|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues: | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ 4,604,822 | \$ 5,994,577 | \$ 13,400,373 | \$ 12,977,923 | \$ 18,005,195 | \$ 18,972,500 |
| Operating grants and contributions | 1,528,396 | 370,016 | - | - | 1,528,396 | 370,016 |
| Capital grants and contributions | 1,258,616 | 810,401 | 1,073,307 | 1,320,436 | 2,331,923 | 2,130,837 |
| General revenues | | | | | | |
| Property taxes | 12,974,859 | 11,514,505 | - | - | 12,974,859 | 11,514,505 |
| Sales taxes | 2,635,407 | 2,463,471 | - | - | 2,635,407 | 2,463,471 |
| Franchise taxes | 1,195,130 | 1,083,553 | - | - | 1,195,130 | 1,083,553 |
| Hotel taxes | 71,707 | 82,835 | - | - | 71,707 | 82,835 |
| Miscellaneous | 10,436 | (806) | 1,269 | 28,674 | 11,705 | 27,868 |
| Investment interest | 335,182 | 455,456 | 203,839 | 263,798 | 539,021 | 719,254 |
| Gain (loss) on sale of capital assets | 54,204 | - | 389 | 76,071 | 54,593 | 76,071 |
| Total Revenues | <u>24,668,759</u> | <u>22,774,008</u> | <u>14,679,177</u> | <u>14,666,902</u> | <u>39,347,936</u> | <u>37,440,910</u> |
| Expenses: | | | | | | |
| Public safety | 11,917,879 | 13,272,969 | - | - | 11,917,879 | 13,272,969 |
| Community services | 1,612,246 | 1,445,580 | - | - | 1,612,246 | 1,445,580 |
| Public works | 4,425,877 | 2,915,701 | - | - | 4,425,877 | 2,915,701 |
| Planning and community development | 1,229,618 | 1,169,750 | - | - | 1,229,618 | 1,169,750 |
| City administration | 2,592,272 | 2,660,731 | - | - | 2,592,272 | 2,660,731 |
| Finance and administrative services | 1,105,611 | 1,026,613 | - | - | 1,105,611 | 1,026,613 |
| Interest on long-term debt | 1,126,076 | 1,201,636 | - | - | 1,126,076 | 1,201,636 |
| Water and wastewater | - | - | 13,227,342 | 12,540,351 | 13,227,342 | 12,540,351 |
| Storm drainage | - | - | 678,058 | 664,736 | 678,058 | 664,736 |
| Total Expenses | <u>24,009,579</u> | <u>23,692,980</u> | <u>13,905,400</u> | <u>13,205,087</u> | <u>37,914,979</u> | <u>36,898,067</u> |
| Increase (decrease) in net position before transfers, contributions and special items | 659,180 | (918,972) | 773,777 | 1,461,815 | 1,432,957 | 542,843 |
| Net transfers | 1,657,055 | 80,370 | (1,657,055) | (80,370) | - | - |
| Increase (decrease) in net position | <u>2,316,235</u> | <u>(838,602)</u> | <u>(883,278)</u> | <u>1,381,445</u> | <u>1,432,957</u> | <u>542,843</u> |
| Net position - beginning | 40,069,586 | 40,908,188 | 31,189,588 | 29,808,143 | 71,259,174 | 70,716,331 |
| Net position - ending | <u>\$ 42,385,821</u> | <u>\$ 40,069,586</u> | <u>\$ 30,306,310</u> | <u>\$ 31,189,588</u> | <u>\$ 72,692,131</u> | <u>\$ 71,259,174</u> |

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Business-type Activities. Business-type activities decreased the City's net position by \$883,278. Charges for Services is a major revenue source in both the Water/Wastewater Fund and the Storm Drainage Fund, producing \$12,662,764 and \$737,609, respectively, in revenue. Charges for services account for 91% of the revenue. Contributions of assets arising from new property development within the City, totaled \$1,073,307 or 7% in revenue. Less than 2% of revenue is made up of investment interest, miscellaneous revenue and gain on sale of capital assets.

Total revenue from water and wastewater sales and services was \$13,400,373; associated operating costs of water, wastewater treatment, and operations and maintenance accounted for \$13,227,342 of the total business-type expenses of \$13,905,400. The remaining \$678,058 in expenses for business-type activities is associated with the storm water utility. Storm water utility fees brought in \$737,609 in revenue. The following chart (Figure 3) provides a graphic representation of the City's business-type expenses and any directly related revenues by source.

Figure 3: Program Revenues v. Expenses



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$29,288,123 an increase of \$4,176,902 in comparison with the prior year. The net increase in combined ending fund balance is due to the following: a net increase in the General Fund balance of \$1,336,605, a net increase in the Debt Service Fund of \$26,139, a net decrease of \$1,162,254 in other governmental funds, a net increase of \$3,976,412 in the 2019 CO Fund.

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Of the combined total governmental fund balances of \$29,288,123, \$6,044,123 reflects the General Fund and Other Governmental Funds *unassigned* fund balance which is available for spending at the government's discretion. The fund balance that is designated as *restricted* is not available for new spending due to debt service amounts, specific programs, and construction projects amounts to \$368,852, \$3,915,890 and \$15,245,220, respectively. The fund balance that is designated as *committed*, \$3,570,833 represents those amounts committed to liquidate contracts or encumbrances. The fund balance amount designated as *non-spendable* is for prepaid items, \$16,513, and inventories, \$126,692.

General Fund. The General Fund is the chief operating fund of the City of Corinth. At the end of the current fiscal year, *unassigned* fund balance of the General Fund was \$6,278,671 while total fund balance reached \$6,421,876. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures for the fiscal year. Unassigned fund balance represents 37% of total General Fund expenditures, while total fund balance represents 38% of that same amount.

This year, in the General Fund, revenues were less than expected by a total of \$767,562. Property taxes, traffic fines and forfeitures, police fee and permits, parks and recreation fees, interest income, grants and miscellaneous income were less than budget by \$56,278, \$247,829, \$2,043, \$172,268, \$48,096, \$547,950, and \$5,162, respectively. Sales tax, franchise tax, utility fees, development fees and permits, and fire services were above budget by \$86,888, \$42,365, \$54,791, \$110,908, and \$17,111, respectively. The City budgeted for no growth in fiscal year 2020. While revenues were under budget by \$767,562, expenditures were under budget by \$2,763,575. The net effect at year end was an increase of \$1,336,605 of revenues over expenditures in the General Fund.

Debt Service Fund. As part of the budgetary process, the government enacts a dedicated property tax for debt service each fiscal year. The Debt Service Fund has a total fund balance of \$368,852, all of which is restricted for the payment of debt service.

2019 CO Fund. This fund is used to track revenues and expenditures related to the 2019 CO Debt Issuance. Funds will be used for acquiring and improving Quail Run realignment, Park Ridge, Elevated Storage Tank and the Lake Sharon Road Extension.

Other Governmental Funds. The non-major governmental funds are the Crime Control and Prevention Fund, Street Maintenance Fund, Hotel-Motel Tax Fund, Keep Corinth Beautiful Fund, County Child Safety Fund, Special Revenue Funds, Municipal Court Security Fund, Municipal Court Technology Fund, Police Confiscation Fund – State, Parks Development Fund, Community Park Improvement Fund, Tree Mitigation Fund, Roadway Impact Fee Fund, Governmental Capital Projects Fund, Vehicle Replacement Fund, LCFD Vehicle & Equipment Replacement Fund, Technology Equipment Replacement Fund, Street Escrow Fund, 2016 GO Fund, 2017 CO Fund, and General Public Property (Capital), Public Property LCFD Fund and General Public Property (Special Revenue). Each of these funds is used to account for revenues and expenditures related to specific purposes.

- The Corinth Crime Control and Prevention District is a special sales tax of \$.0025 levied for crime control and prevention within the City. Sales tax collections were \$17,096 more than budgeted, interest earnings were more than budgeted by \$3,608 and expenditures were \$25,088 less than budgeted. Due to the positive variances in revenues and expenditures, actual fund balance increased \$60,084.
- The Street Maintenance Sales Tax fund accounts for the collection of a special sales tax of \$.0025. Sales tax collections were more than budgeted by \$18,750 interest earnings were more than budgeted by \$5,874 and expenditures were less than budget by \$50,574. These combined decreased actual fund balance by \$226,379.

Proprietary funds. The City of Corinth's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City maintains two enterprise funds, the Water and Wastewater fund and the Storm Water utility fund.

Water and Wastewater fund assets of \$41,343,099 and deferred outflows of resources of \$245,776 exceeded liabilities of \$15,198,851 and deferred inflows of resources of \$193,379, reporting net position of \$26,196,645. The net non-operating revenues and expenses were (\$333,147) which included investment interest, debt service interest, miscellaneous income, as well as, the sale of aging and obsolete capital assets at auction. The largest portion of the

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

non-operating expenses was \$190,617 of interest expense. Unrestricted net position for the Water and Wastewater fund decreased from \$4,176,715 in fiscal year 2019 to \$4,949,413 for fiscal year 2020.

Storm Water utility fund assets of \$5,280,176 and deferred outflows of \$32,896 exceeded liabilities of \$1,184,620 and deferred inflows of resources of \$18,787, leaving total net position of \$4,109,665. Total net position decreased \$674,984, unrestricted net position increased from \$1,294,629 to \$622,597. The storm water utility reported operating income of \$737,609 in fiscal year 2020. Net non-operating revenues and expenses were (\$19,854) which includes \$13,222 in interest income and \$33,076 in interest expense.

GENERAL FUND BUDGETARY HIGHLIGHTS

For fiscal year 2019-2020, General Fund actual expenditures (including transfers) were \$18,651,944 compared to the final budget of \$20,915,519. The \$2,763,575 expenditure variance was due to reduced costs of \$666,269 for Public Safety, \$236,039 in Planning and Community Development, \$413,916 in Community Services, \$656,845 in City Administration, \$14,574 in Finance and Administrative Services, and \$775,932 in Public Works. Actual revenue (including transfers) was \$19,988,549 compared to the final budget of \$20,075,795. Of the \$767,562 revenue variance, approximately \$247,829 was for decreased in traffic fines and forfeitures, \$547,950 decrease in grants, \$172,268 in parks and recreation fees, and \$72,975 increase in property, sales and franchise taxes and an increase in development fees and permits in the amount of \$110,908.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Corinth's investment in capital assets for its governmental and business type activities as of September 30, 2020, amounts to \$87,948,415 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities and infrastructure. The total change in the City's investment in capital assets for the current fiscal year represents purchases, retirements, construction in progress for infrastructure and transfers and adjustments.

**TABLE III
CAPITAL ASSETS AT YEAR-END**

| | Governmental Activities | | Business-Type Activities | | TOTAL | |
|-------------------------|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Land | \$ 7,539,903 | \$ 6,238,012 | \$ 534,004 | \$ 524,330 | \$ 8,073,907 | \$ 6,762,342 |
| CIP | 6,537,743 | 3,842,490 | 534,454 | 1,567,110 | 7,072,197 | 5,409,600 |
| Buildings | 13,786,899 | 14,269,168 | 1,511,078 | 84,485 | 15,297,977 | 14,353,653 |
| Machinery and equipment | 4,741,879 | 5,435,139 | 403,601 | 476,768 | 5,145,480 | 5,911,907 |
| Infrastructure | 24,472,975 | 27,251,758 | 27,885,879 | 29,350,126 | 52,358,854 | 56,601,884 |
| Total capital assets | \$ 57,079,399 | \$ 57,036,567 | \$ 30,869,016 | \$ 32,002,819 | \$ 87,948,415 | \$ 89,039,386 |

Additional information on the City's capital assets can be found in the notes to the financial statements on page 51.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$46,250,004 consisting of General Obligation Bonds and Certificates of Obligation. Debt can be reallocated among the Governmental and Business-Type Activities to reflect the amount of outstanding debt related to capital projects. All debt payments were made when due. Total debt payments equaled \$2,375,000. Total outstanding debt decreased by \$2,640,304 in fiscal year 2020 due to payment of bonds (see Note 6).

**TABLE IV
OUTSTANDING DEBT AT YEAR-END**

| | Governmental Activities | | Business-Type Activities | | TOTAL | |
|----------------------------|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| General Obligation Bonds | \$ 4,424,982 | \$ 5,458,611 | \$ 5,015,020 | \$ 5,791,392 | \$ 9,440,002 | \$ 11,250,003 |
| Certificates of Obligation | 29,294,538 | 26,134,070 | 7,515,464 | 11,240,931 | 36,810,002 | 37,375,001 |
| Capital Lease Obligation | 2,085,345 | 2,332,394 | 151,982 | 170,237 | 2,237,327 | 2,502,631 |
| Total outstanding debt | \$ 35,804,865 | \$ 33,925,075 | \$ 12,682,466 | \$ 17,202,560 | \$ 48,487,331 | \$ 51,127,635 |

**CITY OF CORINTH, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020**

Additional information on the City's long-term debt can be found in this report in the notes to the financial statements on page 55.

Moody's Investor's Service, Inc. has given the City's General Obligation Bond and the Certificates of Obligation a rating of "Aa2". Standard and Poor's Corporation has given both the City's General Obligation and Certificates of Obligation an "AA" rating. The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to certified assessed value of all taxable property is 19.56 percent.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City continues to rely heavily on property tax to support its continuing operations. Certified property values increased 3.98% for the 2020 tax year over the 2019 certified value. Sales tax, the second largest revenue source for the General Fund during FY 2019-2020 also increased by 6% over the prior year's receipts. Although the COVID-19 pandemic had an organizational impact, the financial impact was minimal on affecting Traffic Fines & Forfeitures. All other revenues remained firm. The City secured legislation to permit a sales tax election in order to partially fund the fire department through a Fire Control, Prevention and Emergency Services District. The City held an election in November 2020 to shift 1/2 cent sales tax from the Street Maintenance Sales Tax to the fire district. The tax was approved by the voters and becomes effective in April 2021. The City adopted an ordinance creating a Tax Increment Reinvestment Zone (TIRZ) in September 2019. The TIRZ is intended to fund the initial infrastructure projects, including a park and pavilion. The city will seek voter approval for a short-term vehicle rental tax in May 2021 to help fund the pavilion.

The City Council approved a tax rate of \$.54500 for fiscal year 2020. General operations and maintenance will receive \$.43211 of the total and the remaining \$.11289 will fund long-term debt of the City.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Corinth, 3300 Corinth Parkway, Corinth, Texas, 76208.

BASIC FINANCIAL STATEMENTS

| | Primary Government | | | Component Unit |
|--|-------------------------|--------------------------|--------------------|--|
| | Governmental Activities | Business-Type Activities | Total | Corinth Economic Development Corporation |
| Assets | | | | |
| Cash and cash equivalents | \$ 6,132,701 | \$ 4,843,426 | \$ 10,976,127 | \$ 249,142 |
| Investments | 23,754,060 | 8,971,976 | 32,726,036 | 1,390,160 |
| Receivables (net of allowance) | | | | |
| Accounts | 4,403,971 | 1,812,988 | 6,216,959 | 155,471 |
| Inventories | 126,692 | 125,869 | 252,561 | - |
| Prepaid items | 16,513 | - | 16,513 | - |
| Capital assets not being depreciated | | | | |
| Land | 7,539,903 | 534,004 | 8,073,907 | 2,954,666 |
| Construction in progress | 6,537,743 | 534,454 | 7,072,197 | - |
| Capital assets (net of accumulated depreciation) | | | | |
| Buildings | 13,786,899 | 1,511,078 | 15,297,977 | - |
| Machinery and equipment | 4,741,879 | 403,601 | 5,145,480 | - |
| Infrastructure | 24,472,975 | 27,885,879 | 52,358,854 | - |
| Total assets | <u>91,513,336</u> | <u>46,623,275</u> | <u>138,136,611</u> | <u>4,749,439</u> |
| Deferred Outflows of Resources | | | | |
| Deferred loss from refunding | - | 48,035 | 48,035 | - |
| Deferred outflows - pension | 1,376,771 | 216,898 | 1,593,669 | 18,675 |
| Deferred outflows - OPEB | 94,335 | 13,739 | 108,074 | 1,161 |
| Total deferred outflows of resources | <u>1,471,106</u> | <u>278,672</u> | <u>1,749,778</u> | <u>19,836</u> |
| Liabilities | | | | |
| Accounts payable | 1,051,864 | 819,280 | 1,871,144 | 61,315 |
| Accrued liabilities | 576,566 | 84,272 | 660,838 | 6,605 |
| Accrued interest payable | 207,880 | 67,818 | 275,698 | - |
| Municipal court bonds | 8,635 | - | 8,635 | - |
| Customer meter deposits | - | 648,285 | 648,285 | - |
| Other liabilities | 1,829,569 | - | 1,829,569 | - |
| Unearned revenues | 231,612 | - | 231,612 | - |
| Noncurrent liabilities | | | | |
| Due within one year | 2,779,982 | 1,045,447 | 3,825,429 | 14,648 |
| Due in more than one year | 37,105,738 | 13,006,877 | 50,112,615 | - |
| Net pension liability | 4,880,783 | 663,733 | 5,544,516 | 63,649 |
| Total OPEB liability | 364,308 | 47,759 | 412,067 | 4,566 |
| Total liabilities | <u>49,036,937</u> | <u>16,383,471</u> | <u>65,420,408</u> | <u>150,783</u> |

The accompanying notes are an integral part of these financial statements.

City of Corinth, Texas
Statement of Net Position (Exhibit A-1)
September 30, 2020

| | | | | |
|--|----------------------|----------------------|----------------------|---------------------|
| Deferred Inflows of Resources | | | | |
| Deferred gain on refunding | 7,497 | - | 7,497 | - |
| Deferred inflows - pension | 1,506,310 | 204,890 | 1,711,200 | 18,067 |
| Deferred inflows - OPEB | <u>47,877</u> | <u>7,276</u> | <u>55,153</u> | <u>592</u> |
| Total deferred inflows of resources | <u>1,561,684</u> | <u>212,166</u> | <u>1,773,850</u> | <u>18,659</u> |
| Net Position | | | | |
| Net investment in capital assets | 34,592,990 | 23,942,064 | 58,535,054 | 2,954,666 |
| Restricted for capital projects | - | 792,236 | 792,236 | - |
| Restricted for specific programs | 3,134,296 | - | 3,134,296 | - |
| Restricted for debt service | 180,287 | - | 180,287 | - |
| Restricted for economic development | - | - | - | 1,645,167 |
| Unrestricted | <u>4,478,248</u> | <u>5,572,010</u> | <u>10,050,258</u> | <u>-</u> |
| Total net position | <u>\$ 42,385,821</u> | <u>\$ 30,306,310</u> | <u>\$ 72,692,131</u> | <u>\$ 4,599,833</u> |

| | Program Revenue | | | |
|--|--------------------------|--------------------------|--|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government | | | | |
| Governmental activities | | | | |
| Public safety | \$ 11,917,879 | \$ 3,533,674 | \$ 1,425,393 | \$ - |
| Community services | 1,612,246 | 102,516 | 67,841 | - |
| Public works | 4,425,877 | 203,658 | - | 1,258,616 |
| Planning and community development | 1,229,618 | 664,502 | - | - |
| City administration | 2,592,272 | 100,472 | 35,162 | - |
| Finance and administrative services | 1,105,611 | - | - | - |
| Interest on long-term debt | 1,126,076 | - | - | - |
| Total governmental activities | <u>24,009,579</u> | <u>4,604,822</u> | <u>1,528,396</u> | <u>1,258,616</u> |
| Business-type activities | | | | |
| Water and sewer | 13,227,342 | 12,662,764 | - | 934,546 |
| Storm drainage | 678,058 | 737,609 | - | 138,761 |
| Total business-type activities | <u>13,905,400</u> | <u>13,400,373</u> | <u>-</u> | <u>1,073,307</u> |
| Total primary government | <u><u>37,914,979</u></u> | <u><u>18,005,195</u></u> | <u><u>1,528,396</u></u> | <u><u>2,331,923</u></u> |
| Component Unit | | | | |
| Corinth Economic Development Corporation | <u>\$ 575,653</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| General Revenues | | | | |
| Taxes | | | | |
| Property taxes | | | | |
| Sales taxes | | | | |
| Franchise taxes | | | | |
| Hotel occupancy tax | | | | |
| Investment income | | | | |
| Other income | | | | |
| Gain on sale of capital assets | | | | |
| Transfers | | | | |
| Total general revenues and transfers | | | | |
| Change in net position | | | | |
| Net position, beginning | | | | |
| Net position, ending | | | | |

The accompanying notes are an integral part of these financial statements.

| Net (Expense) Revenue and Changes in Net Position | | | |
|---|--------------------------|----------------------|--|
| Primary Government | | | Component Unit |
| Governmental Activities | Business-type Activities | Total | Corinth Economic Development Corporation |
| \$ (6,958,812) | \$ - | \$ (6,958,812) | |
| (1,441,889) | - | (1,441,889) | |
| (2,963,603) | - | (2,963,603) | |
| (565,116) | - | (565,116) | |
| (2,456,638) | - | (2,456,638) | |
| (1,105,611) | - | (1,105,611) | |
| <u>(1,126,076)</u> | <u>-</u> | <u>(1,126,076)</u> | |
| <u>(16,617,745)</u> | <u>-</u> | <u>(16,617,745)</u> | |
| - | 369,968 | 369,968 | |
| - | 198,312 | 198,312 | |
| <u>-</u> | <u>568,280</u> | <u>568,280</u> | |
| <u>(16,617,745)</u> | <u>568,280</u> | <u>(16,049,465)</u> | |
| | | | <u>\$ (575,653)</u> |
| 12,974,859 | - | 12,974,859 | - |
| 2,635,407 | - | 2,635,407 | 886,192 |
| 1,195,130 | - | 1,195,130 | - |
| 71,707 | - | 71,707 | - |
| 335,182 | 203,839 | 539,021 | 12,205 |
| 10,436 | 1,269 | 11,705 | - |
| 54,204 | 389 | 54,593 | - |
| 1,657,055 | (1,657,055) | - | - |
| <u>18,933,980</u> | <u>(1,451,558)</u> | <u>17,482,422</u> | <u>898,397</u> |
| 2,316,235 | (883,278) | 1,432,957 | 322,744 |
| <u>40,069,586</u> | <u>31,189,588</u> | <u>71,259,174</u> | <u>4,277,089</u> |
| <u>\$ 42,385,821</u> | <u>\$ 30,306,310</u> | <u>\$ 72,692,131</u> | <u>\$ 4,599,833</u> |

| | <u>General</u> | <u>Debt Service</u> | <u>2019 CO Street Fund</u> |
|--|---------------------|-------------------------|--------------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 74,995 | \$ 367,482 | \$ 124,269 |
| Investments | 5,358,620 | 135 | 15,845,883 |
| Receivables (net of allowance) | | | |
| Property taxes | 74,108 | 20,294 | - |
| Sales taxes | 307,304 | - | - |
| Accounts | 36,316 | 431 | - |
| Interest | 4,943 | - | 1,550 |
| Warrants | 2,118,401 | - | - |
| Ambulance | 315,040 | - | - |
| Miscellaneous | 498,983 | - | - |
| Due from other governments | 846,946 | 425 | - |
| Inventories | 126,692 | - | - |
| Prepaid items | 16,513 | - | - |
| | <u>9,778,861</u> | <u>388,767</u> | <u>15,971,702</u> |
| Total assets | \$ 9,778,861 | \$ 388,767 | \$ 15,971,702 |
| Liabilities | | | |
| Accounts payable | \$ 228,454 | \$ 600 | \$ 726,482 |
| Accrued liabilities | 567,435 | - | - |
| Municipal court bonds | 8,635 | - | - |
| Other liabilities | 1,124,208 | - | - |
| Unearned revenue | - | - | - |
| Total liabilities | 1,928,732 | 600 | 726,482 |
| Deferred Inflows of Resources | | | |
| Unavailable revenue | 1,428,253 | 19,315 | - |
| Total deferred inflows of resources | 1,428,253 | 19,315 | - |
| Fund Balances | | | |
| Nonspendable | 143,205 | - | - |
| Restricted | - | 368,852 | 15,245,220 |
| Committed | - | - | - |
| Unassigned | 6,278,671 | - | - |
| Total fund balances | 6,421,876 | 368,852 | 15,245,220 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 9,778,861 | \$ 388,767 | \$ 15,971,702 |

The accompanying notes are an integral part of these financial statements.

| Other Governmental Funds | Total Governmental Funds |
|--|---|
| \$ 5,565,955 2,549,422 - 143,993 - 596 - - 34,641 - - - | \$ 6,132,701 23,754,060 94,402 451,297 36,747 7,089 2,118,401 315,040 533,624 847,371 126,692 16,513 |
| \$ 8,294,607 | \$ 34,433,937 |
| \$ 96,328 9,131 - 705,361 231,612 1,042,432 | \$ 1,051,864 576,566 8,635 1,829,569 231,612 3,698,246 |
| - | 1,447,568 |
| - | 1,447,568 |
| - 3,915,890 3,570,833 (234,548) 7,252,175 | 143,205 19,529,962 3,570,833 6,044,123 29,288,123 |
| \$ 8,294,607 | \$ 34,433,937 |

City of Corinth, Texas
 Reconciliation to the Balance Sheet of Governmental Funds to the Statement of Net Position (Exhibit A-4)
 September 30, 2020

Total Fund Balances - Governmental Funds \$ 29,288,123

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. 57,079,399

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. As a result, these liabilities decrease net position:

| | |
|------------------------------|--------------|
| Capital leases payable | (2,085,345) |
| Bonds payable | (36,420,381) |
| Accrued compensated absences | (1,379,994) |

Deferred gain on bond refunding is not included in the governmental funds but is deferred and amortized in the government wide statements. (7,497)

Payables for bond interest which are not due in the current period are not reported in the fund financial statements but are included in the statement of net position. This results in a decrease in net position. (207,880)

Included in liabilities is the recognition of the City's net pension liability in the amount of \$4,880,783, a deferred inflow of resources of \$1,506,310 and a deferred outflow of resources of \$1,376,771. This results in a decrease in net position. (5,010,322)

Included in liabilities is the recognition of the City's total OPEB liability in the amount of \$364,308, a deferred inflow of resources of \$47,877, and a deferred outflow of resources of \$94,335. This results in a decrease in net position. (317,850)

Other adjustments are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of \$87,600, net fines, fees and court costs receivable of \$995,530, net fees for ambulance receivables of \$315,040, franchise tax receivable for \$42,265, and net receivables for other items of \$7,133 were unavailable to pay for the current period expenditures and are deferred inflows in the governmental funds but are recognized as revenue in the government wide statements. This results in an increase in net position. 1,447,568

Net Position of Governmental Activities \$ 42,385,821

The accompanying notes are an integral part of these financial statements.

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| | General | Debt Service | 2019 CO Street Fund |
|---|---------------------|-------------------|------------------------|
| Revenues | | | |
| Taxes | | | |
| Property | \$ 10,276,726 | \$ 2,680,972 | \$ - |
| Sales | 1,785,680 | - | - |
| Hotel occupancy tax | - | - | - |
| Franchise | 1,152,865 | - | - |
| Escrow and impact fees | - | - | - |
| Utility fees | 72,291 | - | - |
| Traffic fines and forfeitures | 495,146 | - | - |
| Development fees and permits | 572,742 | - | - |
| Police fees and permits | 21,407 | - | - |
| Parks and recreation fees | 52,706 | - | - |
| Fire services | 2,679,874 | - | - |
| Donations | - | - | - |
| Interest income | 104,964 | 14,424 | 105,102 |
| Grants | 569,951 | - | - |
| Miscellaneous income | 39,143 | - | - |
| Charges for services | 669,786 | - | - |
| Total revenues | 18,493,281 | 2,695,396 | 105,102 |
| Expenditures | | | |
| Current | | | |
| Public safety | 10,452,489 | - | - |
| Community services | 1,425,287 | - | - |
| Public works | 775,592 | - | - |
| Planning and community development | 955,335 | - | - |
| City administration | 2,070,073 | - | - |
| Finance and administrative services | 1,108,038 | - | - |
| Debt service | | | |
| Principal | - | 1,531,162 | - |
| Interest | - | 1,386,781 | - |
| Bond fees | - | 1,314 | - |
| Capital outlay | - | - | 761,451 |
| Total expenditures | 16,786,814 | 2,919,257 | 761,451 |
| Excess (Deficiency) of Revenues over (under) Expenditures | 1,706,467 | (223,861) | (656,349) |
| Other Financing Sources (Uses) | | | |
| Issuance of capital leases | - | - | - |
| Proceeds from sale of capital assets | - | - | - |
| Transfers out | (1,865,130) | - | (600,000) |
| Transfers in | 1,495,268 | 250,000 | 5,232,761 |
| Total other financing sources (uses) | (369,862) | 250,000 | 4,632,761 |
| Net Change in Fund Balance | 1,336,605 | 26,139 | 3,976,412 |
| Fund Balance - | | | |
| October 1 (Beginning) | 5,085,271 | 342,713 | 11,268,808 |
| Fund Balance - | | | |
| September 30 (Ending) | <u>\$ 6,421,876</u> | <u>\$ 368,852</u> | <u>\$ 15,245,220</u> |

The accompanying notes are an integral part of these financial statements.

City of Corinth, Texas

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit A-5)

Year Ended September 30, 2020

| Other Governmental Funds | Total Governmental Funds |
|--------------------------------|--------------------------------|
| \$ - | \$ 12,957,698 |
| 849,727 | 2,635,407 |
| 71,707 | 71,707 |
| - | 1,152,865 |
| 203,658 | 203,658 |
| - | 72,291 |
| 29,585 | 524,731 |
| - | 572,742 |
| 28,160 | 49,567 |
| 6,046 | 58,752 |
| - | 2,679,874 |
| 1,095,664 | 1,095,664 |
| 110,692 | 335,182 |
| 852,917 | 1,422,868 |
| 17,837 | 56,980 |
| - | 669,786 |
| 3,265,993 | 24,559,772 |
| 215,889 | 10,668,378 |
| 31,718 | 1,457,005 |
| 580,468 | 1,356,060 |
| 250,456 | 1,205,791 |
| 321,446 | 2,391,519 |
| - | 1,108,038 |
| 512,984 | 2,044,146 |
| 88,133 | 1,474,914 |
| - | 1,314 |
| 3,633,204 | 4,394,655 |
| 5,634,298 | 26,101,820 |
| (2,368,305) | (1,542,048) |
| 267,714 | 267,714 |
| 54,204 | 54,204 |
| (1,300,571) | (3,765,701) |
| 2,184,704 | 9,162,733 |
| 1,206,051 | 5,718,950 |
| (1,162,254) | 4,176,902 |
| 8,414,429 | 25,111,221 |
| \$ 7,252,175 | \$ 29,288,123 |

City of Corinth, Texas
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental
 Funds to the Statement of Activities (Exhibit A-6)
 Year Ended September 30, 2020

| | | |
|--|-----------------|----------------------------|
| Net Change in Fund Balances - Total Governmental Funds | | \$ 4,176,902 |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. | | 4,490,596 |
| Developer contributions increase capital assets in the government-wide financial statements. | | 269,407 |
| Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. | | (4,717,171) |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. | | |
| Bonds payable transferred in from Water and Sewer Fund | (3,658,000) | |
| Bond premium transferred in from Water and Sewer Fund | (81,977) | |
| Issuance of capital lease | (267,714) | |
| Bond principal repayments | 1,531,161 | |
| Capital lease principal repayment | 514,763 | |
| Amortization of bond premium | 229,282 | |
| Amortization of deferred gain on bond refunding | 1,249 | |
| Amortization of deferred loss on bond refunding | <u>(11,374)</u> | |
| | | (1,742,610) |
| Changes in long-term liabilities for compensated absences are not reported in the governmental funds but are included in the statement of activities. | | (249,585) |
| Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due. The current year change in the interest accrual is an increase in net position. | | 129,217 |
| Certain pension expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of \$1,146,903. The City's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the City's pension expense must be recognized. These cause the change in net position to decrease in the amount of \$938,435. | | 208,468 |
| Certain OPEB expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of \$9,389. The City's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the City's OPEB expense must be recognized. These cause the change in net position to decrease in the amount of \$43,754. | | (34,365) |
| Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred inflows of resources as revenue, adjusting current year revenue to include the revenue earned from current year's tax levy, and eliminating interfund transactions. These adjustments result in a decrease in net position. | | <u>(214,624)</u> |
| Change in Net Position of Governmental Activities | | <u><u>\$ 2,316,235</u></u> |

The accompanying notes are an integral part of these financial statements.

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| | Enterprise Funds | | |
|---|----------------------------|---------------------------|------------------------------|
| | Water and Sewer Fund | Storm Drainage Fund | Total Enterprise Funds |
| Assets | | | |
| Current assets | | | |
| Cash | \$ 4,458,071 | \$ 385,355 | \$ 4,843,426 |
| Investments | 8,637,355 | 334,621 | 8,971,976 |
| Receivables (net of allowance) | | | |
| Accounts | 1,724,938 | 83,153 | 1,808,091 |
| Interest | 4,128 | - | 4,128 |
| Miscellaneous | 769 | - | 769 |
| Inventories | 117,261 | 8,608 | 125,869 |
| Total current assets | <u>14,942,522</u> | <u>811,737</u> | <u>15,754,259</u> |
| Non-current assets | | | |
| Capital assets | | | |
| Land | 522,004 | 12,000 | 534,004 |
| Construction in progress | 279,097 | 255,357 | 534,454 |
| Buildings | 1,760,933 | - | 1,760,933 |
| Machinery and equipment | 1,369,287 | 296,034 | 1,665,321 |
| Infrastructure | 45,437,115 | 6,713,867 | 52,150,982 |
| Less accumulated depreciation | <u>(22,967,859)</u> | <u>(2,808,819)</u> | <u>(25,776,678)</u> |
| Total capital assets (net of accumulated depreciation) | <u>26,400,577</u> | <u>4,468,439</u> | <u>30,869,016</u> |
| Total assets | <u>41,343,099</u> | <u>5,280,176</u> | <u>46,623,275</u> |
| Deferred Outflows of Resources | | | |
| Deferred charge on refunding | 41,537 | 6,498 | 48,035 |
| Deferred outflows - pension | 191,621 | 25,277 | 216,898 |
| Deferred outflows - OPEB liability | 12,618 | 1,121 | 13,739 |
| Total deferred outflows of resources | <u>245,776</u> | <u>32,896</u> | <u>278,672</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable | 809,439 | 9,841 | 819,280 |
| Accrued liabilities | 77,177 | 7,095 | 84,272 |
| Accrued interest payable | 62,020 | 5,798 | 67,818 |
| Customer deposits | 648,285 | - | 648,285 |
| Current portion of capital leases | 33,997 | 8,593 | 42,590 |
| Current portion of compensated absences | 65,141 | 4,704 | 69,845 |
| Current portion of bonds | 788,203 | 144,809 | 933,012 |
| Total current liabilities | <u>2,484,262</u> | <u>180,840</u> | <u>2,665,102</u> |

The accompanying notes are an integral part of these financial statements.

City of Corinth, Texas
Statement of Net Position – Proprietary Funds (Exhibit A-7)
September 30, 2020

| | | | |
|-------------------------------------|----------------------|---------------------|----------------------|
| Non-current liabilities | | | |
| Capital leases | 83,448 | 25,944 | 109,392 |
| Compensated absences | 82,512 | 281 | 82,793 |
| Net pension liability | 592,666 | 71,067 | 663,733 |
| Total OPEB liability | 44,175 | 3,584 | 47,759 |
| General obligation bonds | 11,911,788 | 902,904 | 12,814,692 |
| Total noncurrent liabilities | <u>12,714,589</u> | <u>1,003,780</u> | <u>13,718,369</u> |
| Total liabilities | <u>15,198,851</u> | <u>1,184,620</u> | <u>16,383,471</u> |
| Deferred Inflows of Resources | | | |
| Deferred inflows - pension | 186,720 | 18,170 | 204,890 |
| Deferred inflows - OPEB | 6,659 | 617 | 7,276 |
| Total deferred inflows of resources | <u>193,379</u> | <u>18,787</u> | <u>212,166</u> |
| Net Position | | | |
| Net investment in capital assets | 20,549,377 | 3,392,687 | 23,942,064 |
| Restricted for capital projects | 697,855 | 94,381 | 792,236 |
| Unrestricted | 4,949,413 | 622,597 | 5,572,010 |
| Total net position | <u>\$ 26,196,645</u> | <u>\$ 4,109,665</u> | <u>\$ 30,306,310</u> |

City of Corinth, Texas
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds (Exhibit A-8)
Year Ended September 30, 2020

| | Enterprise Funds | | |
|---|----------------------------|---------------------------|------------------------------|
| | Water and Sewer Fund | Storm Drainage Fund | Total Enterprise Funds |
| Operating Revenues | | | |
| Charges for sales and services: | | | |
| Water sales | \$ 7,890,046 | \$ - | \$ 7,890,046 |
| Sewer disposal | 3,399,213 | - | 3,399,213 |
| Storm drainage fees | - | 725,679 | 725,679 |
| Garbage | 961,614 | - | 961,614 |
| Penalties and reconnect fees | 102,910 | - | 102,910 |
| Tap fees | 168,953 | - | 168,953 |
| Service fees | 101,758 | - | 101,758 |
| Inspections | 38,270 | 11,930 | 50,200 |
| Total Operating Revenues | <u>12,662,764</u> | <u>737,609</u> | <u>13,400,373</u> |
| Operating Expenses | | | |
| Wages and benefits | 1,926,988 | 194,272 | 2,121,260 |
| Professional services and contracts | 1,088,174 | 79,924 | 1,168,098 |
| Upper Trinity contract fees | 6,876,639 | - | 6,876,639 |
| Maintenance and operations | 423,155 | 6,776 | 429,931 |
| Supplies | 43,668 | 3,807 | 47,475 |
| Utilities and communication | 176,938 | 2,965 | 179,903 |
| Vehicles/equipment and fuel | 58,341 | 11,580 | 69,921 |
| Travel and training | 13,793 | 55 | 13,848 |
| Depreciation | 2,094,224 | 345,603 | 2,439,827 |
| Total Operating Expenses | <u>12,701,920</u> | <u>644,982</u> | <u>13,346,902</u> |
| Operating (Loss) Income | <u>(39,156)</u> | <u>92,627</u> | <u>53,471</u> |
| Nonoperating Revenues (Expenses) | | | |
| Interest income | 190,617 | 13,222 | 203,839 |
| Miscellaneous income (expense) | 1,269 | - | 1,269 |
| Gain on sale of capital assets | 389 | - | 389 |
| Interest expense | (525,422) | (33,076) | (558,498) |
| Total Nonoperating (Expenses) Revenues | <u>(333,147)</u> | <u>(19,854)</u> | <u>(353,001)</u> |
| (Loss) Income Before Contributions and Transfers | <u>(372,303)</u> | <u>72,773</u> | <u>(299,530)</u> |
| Contributions and Transfers | | | |
| Special assessment - water and sewer impact fees | 314,922 | - | 314,922 |
| Capital contributions | 619,624 | 138,761 | 758,385 |
| Transfers in | 5,762,046 | 439,467 | 6,201,513 |
| Transfers out | (6,532,583) | (1,325,985) | (7,858,568) |
| Total Contributions and Transfers | <u>164,009</u> | <u>(747,757)</u> | <u>(583,748)</u> |
| Change in Net Position | (208,294) | (674,984) | (883,278) |
| Net Position, Beginning | <u>26,404,939</u> | <u>4,784,649</u> | <u>31,189,588</u> |
| Net Position, Ending | <u>\$ 26,196,645</u> | <u>\$ 4,109,665</u> | <u>\$ 30,306,310</u> |

The accompanying notes are an integral part of these financial statements.

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| | Enterprise Funds | | |
|--|----------------------------|---------------------------|------------------------------|
| | Water and Sewer Fund | Storm Drainage Fund | Total Enterprise Funds |
| Cash Flows from Operating Activities | | | |
| Receipts from customers | \$ 13,136,966 | \$ 747,235 | \$ 13,884,201 |
| Payments to or on behalf of employees | (1,916,721) | (191,752) | (2,108,473) |
| Payments to Upper Trinity for contract fees | (6,876,639) | - | (6,876,639) |
| Payments to suppliers | (1,974,798) | (99,252) | (2,074,050) |
| Net Cash Provided by Operating Activities | 2,368,808 | 456,231 | 2,825,039 |
| Cash Flows from Noncapital Financing Activities | | | |
| Transfers out | (6,532,583) | (1,325,985) | (7,858,568) |
| Transfers in | 5,762,046 | 439,467 | 6,201,513 |
| Payments to/from other funds | (227,767) | 227,767 | - |
| Net Cash Used by Noncapital Financing Activities | (998,304) | (658,751) | (1,657,055) |
| Cash Flows from Capital and Related Financing Activities | | | |
| Acquisition of capital assets | (443,836) | (58,582) | (502,418) |
| Principal paid on bonds | (642,458) | (119,404) | (761,862) |
| Principal paid on capital leases | (57,492) | (5,984) | (63,476) |
| Interest paid on bonds | (846,321) | (52,738) | (899,059) |
| Proceeds from sale of assets | 389 | - | 389 |
| Special assessments- impact fees | 314,922 | - | 314,922 |
| Net Cash Used by Capital and Related Financing Activities | (1,674,796) | (236,708) | (1,911,504) |
| Cash Flows from Investing Activities | | | |
| Decrease (increase) in short-term investments | 1,749,260 | (2,841) | 1,746,419 |
| Interest received | 230,292 | 13,222 | 243,514 |
| Net Cash Provided by Investing Activities | 1,979,552 | 10,381 | 1,989,933 |
| Net Change in Cash and Cash Equivalents | 1,675,260 | (428,847) | 1,246,413 |
| Cash and Cash Equivalents, Beginning | 2,782,811 | 814,202 | 3,597,013 |
| Cash and Cash Equivalents, Ending | \$ 4,458,071 | \$ 385,355 | \$ 4,843,426 |

The accompanying notes are an integral part of these financial statements.

City of Corinth, Texas
Statement of Cash Flows – Proprietary Funds (Exhibit A-9)
Year Ended September 30, 2020

| | Water and Sewer Fund | Storm Drainage Fund | Total Enterprise Funds |
|---|-----------------------------|-----------------------------|------------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities | | | |
| Operating (loss) income | \$ (39,156) | \$ 92,627 | \$ 53,471 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities | | | |
| Depreciation and amortization | 2,094,224 | 345,603 | 2,439,827 |
| (Increase) decrease in accounts receivable | 463,902 | 9,626 | 473,528 |
| (Increase) decrease in inventories | (23,175) | 322 | (22,853) |
| Increase (decrease) in accounts payable | (147,554) | 5,533 | (142,021) |
| Increase (decrease) in customer deposits | 10,300 | - | 10,300 |
| Increase (decrease) in accrued liabilities | 10,267 | 2,520 | 12,787 |
| | <u> </u> | <u> </u> | <u> </u> |
| Net Cash Provided by Operating Activities | <u>\$ 2,368,808</u> | <u>\$ 456,231</u> | <u>\$ 2,825,039</u> |
| Noncash Investing and Financing Activities | | | |
| Infrastructure contributed by developers | \$ 619,624 | \$ 138,761 | \$ 758,385 |
| Vehicles acquired through capital leases | 20,714 | 24,507 | 45,221 |
| Bond payable transferred to governmental activities | 3,739,977 | - | 3,739,977 |

Note 1 - Reporting Entity

The City of Corinth, Texas (the City) is a municipal corporation governed by an elected mayor and five-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The financial statements of the City have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The City's basic financial statements include the accounts of all its operations. The City evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the City's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended, include whether:

- the organization is legally separate (can sue and be sued in their own name),
- the City holds the corporate powers of the organization,
- the City appoints a voting majority of the organization's board,
- the City is able to impose its will on the organization,
- the organization has the potential to impose a financial benefit/burden on the City,
- there is fiscal dependency by the organization on the City.

The City also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the City to determine if its omission from the reporting entity would result in the financial statements which are misleading or incomplete. GASB Statement No. 39 requires inclusion of such an organization as a component unit when: 1) the economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the City, its component units or its constituents; and 2) the City or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) such economic resources are significant to the City.

Based on the criteria above, the City has the following component units:

Blended component unit. The Corinth Crime Control and Prevention District (CCD) was organized under state law and serves all the citizens of the City and is financed by a one-quarter of one percent (.0025) sales and use tax for the support of crime reduction programs authorized by the City. The CCD is governed by a board of directors, the members of which are appointed and serve at the discretion of the City Council. Because the CCD board is made up of the City Council, the CCD meets the standard that the board is substantially the same as the City Council. The CCD provides services entirely to the City. Therefore, the CCD is reported as a blended component unit. The CCD is reported as a special revenue fund and does not issue separate financial statements.

Discretely presented component unit. The Corinth Economic Development Corporation (CEDC) was organized under state law for the purpose of promoting economic development. State statutes define projects that the corporation may fund. The CEDC is governed by a board of directors that are appointed by and serve at the discretion of the City Council. The CEDC is reported as a governmental fund and its accounts are maintained on the modified accrual basis of accounting. CEDC does not issue separate financial statements.

Note 2 - Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as general revenue.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the fund financial statements.

Note 3 - Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes, certain charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- The **General Fund** is the general operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.
- The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
- The **2019 CO Street Fund** is used to account for the resources obtained from the issuance of the 2019 \$19,205,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation.

The City reports the following major proprietary fund types:

- **Water and Sewer Fund** – The Water and Sewer Fund provides water and wastewater services to the residents and businesses of Corinth. The activities supporting the delivery of services are accounted for in this fund, including operations and maintenance, administration, billing, financing and debt service. The Water and Sewer Fund is financed and operated in a manner similar to private business enterprises, where the determination of net income is necessary or useful to sound financial administration.
- **Storm Drainage Fund** – The Storm Drainage Utility Fund is used to protect the public health and safety from damage caused by surface water overflows, and surface water stagnation and pollution within the city.

Additionally, the City reports the following fund types:

- Nonmajor special revenue funds account for specific revenue sources that are legally restricted to expenditures for specialized purposes.
- Nonmajor capital projects funds are used to account for acquisition and construction of major capital facilities (other than those accounted for within the City's proprietary funds) and vehicle replacement funds. Capital projects are funded primarily through certificates of obligation.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses include cost of sales and services, administrative expenses and depreciation expense on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 4 - Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

For purposes of the statement of cash flows for the proprietary fund types, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments for the City and CEDC are reported at fair value (generally based on quoted market prices), except for the positions in TexPool and TexSTAR. In accordance with state law, TexPool and TexSTAR operate in conformity with the requirements of the Securities and Exchange Commission's (SEC) Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, TexPool and TexSTAR qualify as 2a-7 like pools and are reported at amortized cost. The Pools are subject to regulatory oversight by the State Comptroller, although they are not registered with the SEC.

Fair Value Measurements

Fair value accounting requires characterization of the inputs used to measure fair value into three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.
- Level 2 inputs are observable inputs other than quoted prices included within Level 1 that are for similar assets or liabilities. U.S. government-backed securities are valued using Level 2 inputs that are based on market data obtained from independent sources.
- Level 3 inputs are unobservable inputs for an asset or liability either directly or indirectly.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance totaled \$1,674,568 for General Fund, \$8,091 for Debt Service Fund, \$80,632 for Water and Sewer Fund and \$179 for Storm Drainage Fund.

Inventory

Inventory is valued at cost using the first-in, first-out (FIFO) method. Inventories consist of expendable supplies held for consumption or the construction of plant and equipment. Inventories are recorded as expenditures when consumed rather than when purchased.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS’s fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB

The fiduciary net position of the TMRS Supplemental Death Benefits Plan (SDBP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities and additions to/deductions from SDBP’s fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. The City has a deferred charge on bond refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City has deferred outflows of resources related to pensions as described in Note 7. The City also has deferred outflows of resources related to its Supplemental Death Benefits Plan as described in Note 8.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines, ambulance services and other items. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows of resources related to pensions as described in Note 7 and related to its Supplemental Death Benefits Plan as described in Note 8.

Capital Assets

Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements as well as the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. Other property, plant, equipment, and infrastructure of the City, as well as the component unit, are depreciated using the straight-line method over the following useful lives:

| | |
|--|-------------|
| Buildings | 40 years |
| Land improvements | 10-20 years |
| Machinery and equipment | 5-20 years |
| Office and computer equipment | 3-10 years |
| Water and Wastewater system infrastructure | 20-40 years |
| Storm drainage system infrastructure | 20-40 years |
| Streets | 20-30 years |
| Park equipment | 10-20 years |

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Compensated Absences

Accumulated earned but unused vacation, holiday, compensatory time and sick leave are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time and sick pay benefits. Eligible employees are reimbursed upon separation from service for accumulated vacation, holiday, sick pay; non-exempt employees are reimbursed for vacation, holiday, compensatory time and sick leave.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from these estimates.

Property Taxes

Property is appraised and a lien on such property becomes enforceable as of January 1st of each year. Taxes are levied on and payable the following October 1. Taxes become delinquent February 1 of the following year and are subject to interest and penalty charges. The City is permitted by the State of Texas to levy taxes up to \$2.50 per \$100 of assessed valuation for general government services and for the payment of principal and interest on general long-term debt. The combined current tax rate to finance general government services, including debt service for the fiscal year ended September 30, 2020, was \$.54500 per \$100 of assessed valuation.

Fund Balance

The City classifies governmental fund balance in accordance with Government Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

- *Nonspendable* fund balance includes fund balance that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The City had \$126,692 and \$16,513 in nonspendable fund balance for inventory and prepaid items, respectively, in the General Fund at September 30, 2020.
- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Debt service fund balance restricted for the retirement of funded indebtedness totaled \$368,852 as of September 30, 2020. Fund balance restricted for future capital projects included the 2019 CO Street Fund and totaled \$15,245,220. Special revenue fund balance restricted for specific programs included Crime Control and Prevention, Street Maintenance, Hotel Motel Tax, Keep Corinth Beautiful, County Child Safety, Municipal Court Security, Municipal Court Technology, Police Confiscation – State, Parks Development, Community Park Improvement, Tree Mitigation, and Roadway Impact Fee and totaled \$592,573, \$1,124,526, \$216,340, \$29,185, \$36,098, \$97,614, \$34,921, \$3,605, \$285,978, \$20,923, \$300,804 and \$391,729, respectively, as of September 30, 2020. Capital project fund balance restricted for future capital projects included 2016 CO Fund and totaled \$781,594 as of September 30, 2020.
- *Committed* fund balance is established and modified by a resolution from City Council, the City's highest level of decision-making authority, and can be used only for the specified purposes determined by the Council's resolution. Special revenue fund balance committed for specific programs consisted of fund balance committed to special revenue totaling \$361,562 as of September 30, 2020. Capital project fund balances committed for future projects included the Governmental Capital Projects, Vehicle Replacement, LCFD Vehicle and Equipment Replacement, Tech Equipment Replacement, Street Escrow and LCFD Public Property and totaled \$2,199,492, \$132,250, \$434,747, \$278,253, \$158,220 and \$6,309, respectively, as of September 30, 2020.

- *Assigned* fund balance includes the portion of net resources for which an intended use has been established by the City Council or the City Official authorized to do so by the City Council. Assignments of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds, other than the General Fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund but does not meet the criteria to be classified as restricted or committed. The Council has authorized the City Manager to assign fund balance.
- *Unassigned* fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications, as well as negative unassigned fund balance in other governmental funds.

Minimum fund balance policy

The City Council has adopted a financial policy to maintain an unassigned fund balance in the general fund equal to 20% of expenditures and in the water and sewer fund and storm drainage fund equal to 25% of expenses. The City considers a balance of less than 15% to be cause for concern, barring unusual or deliberate circumstances. In the event that the unassigned fund balance is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in subsequent fiscal years to restore the balance.

Flow Assumptions

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned, then unassigned fund balance.

Note 5 - Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund; Crime Control and Prevention, Street Maintenance, Hotel/Motel Tax, Keep Corinth Beautiful, County Child Safety, Municipal Court Security, Municipal Court Technology, Police Confiscation - State, Parks Development, Community Park Improvement, Tree Mitigation, and Roadway Impact Fee special revenue funds; and the Debt Service fund. The capital projects funds are appropriated on a project-length basis. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (i.e. grant awards and city council resolutions) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, functional department and division. Transfers of appropriations between divisions within a department may be initiated by staff and approved by the Director. Transfers between functional departments require the approval of the Director, Budget Manager, and Finance Director. Transfers between funds may require Council approval. All transfers of appropriations require the approval of the City Manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The City Council is required to approve all budget amendments that alter department or operating appropriations.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

Note 6 - Detailed Notes on All Funds

Cash and Investments

Custodial Credit Risk. Cash deposits of the City and CEDC at September 30, 2020, were entirely secured by FDIC insurance and pledged collateral held by the City's agent bank.

State statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) Texas local government investment pools; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or (b) secured by obligations that are described by (1) – (4); (6) and reverse repurchase agreements not to exceed 90 days to stated maturity.

Following are the City's investments at September 30, 2020, including classification by level, within the fair value hierarchy:

Primary Government

| <u>Investment Pools</u> | <u>Reported Value</u> | <u>Level</u> | <u>S&P Rating</u> | <u>Weighted Average Maturity</u> | <u>Withdrawal or Liquidity Restrictions</u> | |
|-----------------------------------|-----------------------|--------------|-----------------------|-------------------------------------|---|--------------------------|
| TexSTAR | \$ 24,753,845 | N/A | AAAm | < 60 days | None | |
| | | | | <u>Investment Maturity in Years</u> | | |
| <u>Other Investments</u> | | | | <u>Less than 1 Year</u> | <u>1 - 5</u> | <u>More than 5 Years</u> |
| U.S. Government Backed Securities | 7,972,056 | Level 2 | AA+ | \$ 1,722,056 | \$ 6,250,000 | \$ - |
| Money market | 135 | Level 1 | N/A | 135 | - | - |
| Total | <u>7,972,191</u> | | | <u>\$ 1,722,191</u> | <u>\$ 6,250,000</u> | <u>\$ -</u> |
| Total Investments | <u>\$ 32,726,036</u> | | | | | |

CEDC

| <u>Investment Pools</u> | <u>Reported Value</u> | <u>Level</u> | <u>S&P Rating</u> | <u>Weighted Average Maturity</u> | <u>Withdrawal or Liquidity Restrictions</u> | |
|-----------------------------------|-----------------------|--------------|-----------------------|-------------------------------------|---|--------------------------|
| TexPool | \$ 590,160 | N/A | AAAm | < 60 days | None | |
| | | | | <u>Investment Maturity in Years</u> | | |
| <u>Other Investments</u> | | | | <u>Less than 1 Year</u> | <u>1 - 5</u> | <u>More than 5 Years</u> |
| U.S. Government Backed Securities | 500,000 | Level 2 | AA+ | \$ - | \$ 500,000 | \$ - |
| Money market | 300,000 | Level 1 | N/A | 300,000 | - | - |
| Total | <u>800,000</u> | | | | | |
| Total Investments | <u>\$ 1,390,160</u> | | | <u>\$ 300,000</u> | <u>\$ 500,000</u> | <u>\$ -</u> |

Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. Audited financial statements of the Pool are available at First Public, 12008 Research Blvd., Austin, Texas 78759. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

The Texas Short Term Asset Reserve Program (TexSTAR) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools (including TexSTAR) and authorize eligible governmental entities to invest their public funds through the investment pools.

TexSTAR is administered by JP Morgan Investment Management, Inc. and First Southwest and is rated AAAM by Standard and Poor's.

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to decline in fair value of securities by limiting the City to securities with maturities not to exceed 36 months from date of purchase. The City also manages the weighted average days to maturity for the operating funds portfolio to less than 270 days, and the reserve, special project and capital project funds to less than 365 days. The CEDC limits weighted average days to maturity for the operating funds portfolio to less than 270 days.

The City and its component unit invest in the public funds investment pools listed above, which have specified maximum weighted average maturities for their investment portfolios. The maximum weighted average maturity (WAM) of TexPool investment portfolios cannot exceed 60 days. TexSTAR also maintains a portfolio maximum WAM of 60 days.

Credit Risk. State law and City policy limit investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2020, the City's investments in TexPool and TexSTAR were both rated AAAM by Standard & Poor's.

Concentration of Credit Risk. The City's investment policy limits the investment portfolio by the following:

| Investment | Maximum % of Portfolio |
|---|---------------------------|
| U.S. Treasury Obligations | 100% |
| U.S. Government Agency Securities and Instrumentalities | 100% |
| Authorized Local Government Investment Pool | 50% |
| Local Government Obligations | 10% |
| Fully Collateralized Certificates of Deposit | 50% |
| Fully Collateralized Repurchase Agreements | 25% |
| SEC-Regulated No-Load Money Market Mutual Fund | 50% |
| U.S. Treasury and Agency Callables | 30% |

Capital Assets

A summary of changes in capital assets follows:

| | Beginning Balance | Additions | Transfers | Deletions | Ending Balance |
|---|----------------------|--------------------|-------------|----------------|----------------------|
| Governmental activities | | | | | |
| Capital assets, not being depreciated | | | | | |
| Land | \$ 6,238,012 | \$ 1,301,891 | \$ - | \$ - | \$ 7,539,903 |
| Construction in progress | 3,842,490 | 2,695,253 | - | - | 6,537,743 |
| Total assets not being depreciated | <u>10,080,502</u> | <u>3,997,144</u> | <u>-</u> | <u>-</u> | <u>14,077,646</u> |
| Capital assets, being depreciated: | | | | | |
| Buildings | 17,475,834 | 23,764 | - | - | 17,499,598 |
| Machinery and equipment | 11,917,546 | 469,688 | - | 227,539 | 12,159,695 |
| Infrastructure | 97,796,689 | 269,407 | - | - | 98,066,096 |
| Total capital assets being depreciated | <u>127,190,069</u> | <u>762,859</u> | <u>-</u> | <u>227,539</u> | <u>127,725,389</u> |
| Less accumulated depreciation | | | | | |
| Buildings | 3,206,666 | 506,033 | - | - | 3,712,699 |
| Machinery and equipment | 6,482,407 | 1,162,948 | - | 227,539 | 7,417,816 |
| Infrastructure | 70,544,931 | 3,048,190 | - | - | 73,593,121 |
| Total accumulated depreciation | <u>80,234,004</u> | <u>4,717,171</u> | <u>-</u> | <u>227,539</u> | <u>84,723,636</u> |
| Total capital assets being depreciated, net | <u>46,956,065</u> | <u>(3,954,312)</u> | <u>-</u> | <u>-</u> | <u>43,001,753</u> |
| Governmental activities capital assets, net | <u>\$ 57,036,567</u> | <u>\$ 42,832</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 57,079,399</u> |

| | Beginning Balance | Additions | Transfers | Deletions | Ending Balance |
|---|----------------------|-----------------------|--------------------|--------------|----------------------|
| Business-type activities | | | | | |
| Capital assets, not being depreciated | | | | | |
| Land | \$ 524,330 | \$ 9,674 | \$ - | \$ - | \$ 534,004 |
| Construction in progress | 1,567,110 | 475,932 | (1,508,588) | - | 534,454 |
| Total assets not being depreciated | <u>2,091,440</u> | <u>485,606</u> | <u>(1,508,588)</u> | <u>-</u> | <u>1,068,458</u> |
| Capital assets, being depreciated: | | | | | |
| Buildings | 252,345 | - | 1,508,588 | - | 1,760,933 |
| Machinery and equipment | 1,603,288 | 62,033 | - | - | 1,665,321 |
| Infrastructure | 51,401,114 | 758,385 | - | 8,517 | 52,159,982 |
| Total capital assets being depreciated | <u>53,256,747</u> | <u>820,418</u> | <u>1,508,588</u> | <u>8,517</u> | <u>55,577,236</u> |
| Less accumulated depreciation | | | | | |
| Buildings | 167,860 | 81,995 | - | - | 249,855 |
| Machinery and equipment | 1,126,520 | 135,200 | - | - | 1,261,720 |
| Infrastructure | 22,050,988 | 2,222,632 | - | 8,517 | 24,265,103 |
| Total accumulated depreciation | <u>23,345,368</u> | <u>2,439,827</u> | <u>-</u> | <u>8,517</u> | <u>25,776,678</u> |
| Total capital assets being depreciated, net | <u>29,911,379</u> | <u>(1,619,409)</u> | <u>1,508,588</u> | <u>-</u> | <u>29,800,558</u> |
| Business activities capital assets, net | <u>\$ 32,002,819</u> | <u>\$ (1,133,803)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 30,869,016</u> |
| | | | | | |
| | Beginning Balance | Additions | Transfers | Deletions | Ending Balance |
| CEDC | | | | | |
| Capital assets, not being depreciated | | | | | |
| Land | \$ 2,954,666 | \$ - | \$ - | \$ - | \$ 2,954,666 |
| Total assets not being depreciated | <u>2,954,666</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,954,666</u> |
| CEDC capital assets, net | <u>\$ 2,954,666</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,954,666</u> |

Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|---|--------------|
| Governmental activities | |
| Public safety | \$ 1,207,506 |
| Community services | 162,150 |
| Public works | 3,070,605 |
| Planning and community development | 18,379 |
| City administration | 257,981 |
| Finance and administrative services | 550 |
| Total depreciation expense - Governmental activities | \$ 4,717,171 |
| Business-type activities | |
| Water and sewer | \$ 2,094,224 |
| Storm drainage | 345,603 |
| Total depreciation expense - Business-type activities | \$ 2,439,827 |

Interfund Transfers

The composition of interfund transfers in/out as of September 30, 2020, is as follows:

| Fund | Transfers In | Transfers Out | Purpose |
|--------------------|---------------|---------------|---|
| General | \$ 1,495,268 | \$ 1,865,130 | Administrative Transfer, Contributions to Vehicle and Equipment Replacement |
| Debt Service | 250,000 | - | Administrative Transfer |
| 2019 CO Street | 5,232,761 | 600,000 | Capital Projects Reallocation |
| Other Governmental | 2,184,704 | 1,300,571 | Contributions to Capital Projects/Budgetary Transfers |
| Water and Sewer | 5,762,046 | 6,532,583 | Administrative Transfer, Capital Improvements, Contributions to Vehicle and Equipment Replacement |
| Storm Drainage | 439,467 | 1,325,985 | Administrative Transfer, Capital Improvements, Contributions to Vehicle and Equipment Replacement |
| | 15,364,246 | 11,624,269 | |
| | - | 3,739,977 | Transfer of bonds payable and premium from Water and Sewer to governmental activities |
| | \$ 15,364,246 | \$ 15,364,246 | |

Long-term Obligations

Long-term obligations of the City's governmental activities consist of general obligation bonds and certificates of obligation. Sources of retirement of general obligation bond and certificates of obligation are provided from ad valorem tax. Governmental activities long-term obligations are paid by the debt service fund.

Long-term obligations of the City's business-type activities consist of general obligation bonds and certificates of obligation. Business-type activities long-term obligations are serviced by revenue from the Water and Sewer and Storm Drainage systems.

Compensated absences, net pension liability and total OPEB liability are paid from the fund out of which an employee is regularly paid, primarily the General Fund, Water and Sewer Fund, Storm Drainage Fund and CEDC.

Governmental activity capital lease payments are currently being made from the LCFD Vehicle and Equipment Replacement Fund, Vehicle Replacement Fund and Crime Control and Prevention Fund.

The following is a summary of changes in long-term obligations for the year ended September 30, 2020:

| | Beginning Balance | Transfers/ Additions | Retirements | Ending Balance | Due Within One Year |
|---------------------------------|----------------------|-------------------------|-----------------------|----------------------|------------------------|
| Governmental activities | | | | | |
| Certificates of obligation | \$ 26,134,070 | \$ 3,658,000 | \$ (497,532) | \$ 29,294,538 | \$ 647,878 |
| General obligation bonds | 5,458,611 | - | (1,033,629) | 4,424,982 | 595,310 |
| Bond premiums/discounts (net) | 2,848,166 | 81,977 | (229,282) | 2,700,861 | 224,084 |
| Compensated absences | 1,130,409 | 1,478,558 | (1,228,973) | 1,379,994 | 830,244 |
| Capital lease obligation | 2,332,394 | 267,714 | (514,763) | 2,085,345 | 482,466 |
| Total governmental activities | <u>\$ 37,903,650</u> | <u>\$ 5,486,249</u> | <u>\$ (3,504,179)</u> | <u>\$ 39,885,720</u> | <u>\$ 2,779,982</u> |
| Business-type activities | | | | | |
| Certificates of obligation | \$ 11,240,931 | \$ (3,658,000) | \$ (67,467) | \$ 7,515,464 | \$ 117,122 |
| General obligation bonds | 5,791,392 | - | (776,372) | 5,015,020 | 674,689 |
| Bond premiums/discounts (net) | 1,441,862 | (81,977) | (142,665) | 1,217,220 | 141,201 |
| Compensated absences | 133,236 | 123,796 | (104,394) | 152,638 | 69,845 |
| Capital lease obligation | 170,237 | 45,221 | (63,476) | 151,982 | 42,590 |
| Total business type activities | <u>18,777,658</u> | <u>(3,570,960)</u> | <u>(1,154,374)</u> | <u>14,052,324</u> | <u>1,045,447</u> |
| Primary government | <u>\$ 56,681,308</u> | <u>\$ 1,915,289</u> | <u>\$ (4,658,553)</u> | <u>\$ 53,938,044</u> | <u>\$ 3,825,429</u> |
| CEDC | | | | | |
| Compensated absences | \$ 9,601 | \$ 5,047 | \$ - | \$ 14,648 | \$ 14,648 |
| | <u>\$ 9,601</u> | <u>\$ 5,047</u> | <u>\$ -</u> | <u>\$ 14,648</u> | <u>\$ 14,648</u> |

The following is a schedule of the General Obligation and Certificates of Obligation bonds:

| | Date of Issue | Amount of Original Issue | Interest Rate | Maturity Date | Governmental Amount Outstanding 9/30/2020 | Business Type Amount Outstanding 9/30/2020 |
|----------------------------|------------------|--------------------------------|------------------|------------------|--|---|
| Certificates of Obligation | 4/21/2016 | \$ 13,275,000 | 2.00%-5.00% | 2/15/2036 | \$ 11,609,662 | \$ 1,260,338 |
| General Obligation | 7/6/2017 | 14,240,000 | 2.00%-5.00% | 2/15/2027 | 4,424,982 | 5,015,020 |
| Certificates of Obligation | 7/6/2017 | 4,855,000 | 2.00%-5.00% | 2/15/2037 | 3,272,076 | 1,462,926 |
| Certificates of Obligation | 3/7/2019 | 19,205,000 | 2.75%-5.00% | 2/15/2039 | 14,412,800 | 4,792,200 |
| | | | | | <u>\$ 33,719,520</u> | <u>\$ 12,530,484</u> |

The annual requirements to retire general long-term debt, including interest, as of September 30, 2020 are as follows:

| Fiscal Year | Principal | Interest | Total Requirements |
|----------------|----------------------|----------------------|-----------------------|
| 2021 | \$ 1,243,188 | \$ 1,321,508 | \$ 2,564,696 |
| 2022 | 1,807,095 | 1,269,720 | 3,076,815 |
| 2023 | 1,892,004 | 1,181,582 | 3,073,586 |
| 2024 | 1,973,040 | 1,096,328 | 3,069,368 |
| 2025 | 2,058,587 | 1,017,177 | 3,075,764 |
| 2026-2030 | 9,410,508 | 3,731,085 | 13,141,593 |
| 2031-2035 | 9,831,170 | 1,831,031 | 11,662,201 |
| 2036-2039 | 5,503,928 | 307,276 | 5,811,204 |
| Total | <u>\$ 33,719,520</u> | <u>\$ 11,755,707</u> | <u>\$ 45,475,227</u> |

The annual requirements to retire enterprise activity debt, including interest, as of September 30, 2020 are as follows:

| Fiscal Year | Principal | Interest | Total Requirements |
|----------------|----------------------|---------------------|-----------------------|
| 2021 | \$ 791,811 | \$ 523,885 | \$ 1,315,696 |
| 2022 | 947,905 | 470,273 | 1,418,178 |
| 2023 | 992,996 | 423,362 | 1,416,358 |
| 2024 | 1,041,960 | 375,797 | 1,417,757 |
| 2025 | 1,091,413 | 328,517 | 1,419,930 |
| 2026-2030 | 3,579,492 | 995,965 | 4,575,457 |
| 2031-2035 | 2,418,830 | 483,544 | 2,902,374 |
| 2036-2039 | 1,666,077 | 99,658 | 1,765,735 |
| Total | <u>\$ 12,530,484</u> | <u>\$ 3,701,001</u> | <u>\$ 16,231,485</u> |

Capital Leases Payable

The City leases various equipment under capital lease. Related amortization expense is included in depreciation expense. The following is an analysis of the leased assets included in capital assets at September 30, 2020:

| | |
|-------------------------------|----------------------------|
| Equipment | \$ 4,046,258 |
| Less accumulated depreciation | <u>(1,384,385)</u> |
| Net value | <u><u>\$ 2,661,873</u></u> |

The following is a schedule of future minimum payments required under the leases with its present value as of September 30, 2020:

| <u>Year Ending</u> | |
|---|----------------------------|
| 2021 | \$ 612,678 |
| 2022 | 612,677 |
| 2023 | 548,955 |
| 2024 | 286,701 |
| 2025 | 182,374 |
| 2026-2028 | <u>273,147</u> |
| Total minimum lease payments | 2,516,532 |
| Less amount representing interest | <u>(279,205)</u> |
| Present value of minimum lease payments | <u><u>\$ 2,237,327</u></u> |

Note 7 - Defined Benefit Pension Plan

Plan Description

The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of each city, within the options available in the state statutes governing TMRS. The City has elected that members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. Members may work for more than one TMRS city during their career. If a member is vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefits | 86 |
| Inactive employees entitled to but not yet receiving benefits | 139 |
| Active employees | 163 |
| Total | 388 |

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.3% and 15.34% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2020, were \$1,842,075, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---------------------------|---|
| Inflation | 2.50% per year |
| Overall payroll growth | 2.65% per year |
| Investment rate of return | 6.75% net of pension plan investment expense, including inflation |

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return (Arithmetic)</u> |
|-----------------------|--------------------------|--|
| Global Equity | 30.00% | 5.30% |
| Core Fixed Income | 10.00% | 1.25% |
| Non-Core Fixed Income | 20.00% | 4.14% |
| Real Return | 10.00% | 3.85% |
| Real Estate | 10.00% | 4.00% |
| Absolute Return | 10.00% | 3.48% |
| Private Equity | 10.00% | 7.75% |
| Total | <u>100.00%</u> | |

Discount Rate: The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

| | Increase (Decrease) | | |
|--|-----------------------------------|--|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability/ (Asset) (a) - (b) |
| Entity-Wide | | | |
| Balance at 12/31/2018 | \$ 41,421,778 | \$ 33,286,991 | \$ 8,134,787 |
| Changes for the year: | | | |
| Service cost | 1,974,459 | - | 1,974,459 |
| Interest | 2,830,658 | - | 2,830,658 |
| Change in benefit terms | - | - | - |
| Difference between expected and actual experience | 51,976 | - | 51,976 |
| Change in assumptions | 202,141 | - | 202,141 |
| Contributions - employer | - | 1,708,397 | (1,708,397) |
| Contributions - employee | - | 754,021 | (754,021) |
| Net investment income | - | 5,153,390 | (5,153,390) |
| Benefit payments, including refunds of contributions | (946,673) | (946,673) | - |
| Administrative expense | - | (29,078) | 29,078 |
| Other changes | - | (874) | 874 |
| Net changes | 4,112,561 | 6,639,183 | (2,526,622) |
| Balance at 12/31/2019 | \$ 45,534,339 | \$ 39,926,174 | \$ 5,608,165 |

| | Increase (Decrease) | | |
|--|---------------------|----------------------------------|------------------------------------|
| | Total Pension | Plan | Net Pension |
| | Liability (a) | Fiduciary Net Position (b) | Liability/ (Asset) (a) - (b) |
| Primary Government | | | |
| Balance at 12/31/2018 | \$ 40,977,287 | \$ 32,931,763 | \$ 8,045,524 |
| Changes for the year: | | | |
| Service cost | 1,952,050 | - | 1,952,050 |
| Interest | 2,798,532 | - | 2,798,532 |
| Change in benefit terms | - | - | - |
| Difference between expected and actual experience | 51,386 | - | 51,386 |
| Change in assumptions | 199,847 | - | 199,847 |
| Contributions - employer | - | 1,689,008 | (1,689,008) |
| Contributions - employee | - | 745,463 | (745,463) |
| Net investment income | - | 5,096,566 | (5,096,566) |
| Benefit payments, including refunds of contributions | (935,929) | (935,929) | - |
| Administrative expense | - | (28,748) | 28,748 |
| Other changes | - | 534 | (534) |
| Net changes | 4,065,886 | 6,566,894 | (2,501,008) |
| Balance at 12/31/2019 | \$ 45,043,173 | \$ 39,498,657 | \$ 5,544,516 |

| | Increase (Decrease) | | |
|--|---------------------|----------------------------------|------------------------------------|
| | Total Pension | Plan | Net Pension |
| | Liability (a) | Fiduciary Net Position (b) | Liability/ (Asset) (a) - (b) |
| CEDC | | | |
| Balance at 12/31/2018 | \$ 444,491 | \$ 355,228 | \$ 89,263 |
| Changes for the year: | | | |
| Service cost | 22,409 | - | 22,409 |
| Interest | 32,126 | - | 32,126 |
| Change in benefit terms | - | - | - |
| Difference between expected and actual experience | 590 | - | 590 |
| Change in assumptions | 2,294 | - | 2,294 |
| Contributions - employer | - | 19,389 | (19,389) |
| Contributions - employee | - | 8,558 | (8,558) |
| Net investment income | - | 56,824 | (56,824) |
| Benefit payments, including refunds of contributions | (10,744) | (10,744) | - |
| Administrative expense | - | (330) | 330 |
| Other changes | - | (1,408) | 1,408 |
| Net changes | 46,675 | 72,289 | (25,614) |
| Balance at 12/31/2019 | \$ 491,166 | \$ 427,517 | \$ 63,649 |

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

| | 1% Decrease in Discount Rate (5.75%) | Discount Rate (6.75%) | 1% Increase in Discount Rate (7.75%) |
|--------------------------------------|--|--------------------------|--|
| City's net pension liability (asset) | \$ 13,632,771 | \$ 5,608,165 | \$ (820,737) |
| Reported by Governmental Activities | 11,864,593 | 4,880,783 | (714,287) |
| Reported by Business-Type Activities | 1,613,455 | 663,733 | (97,135) |
| Reported by Component Unit, CEDC | 154,723 | 63,649 | (9,315) |
| | <u>\$ 13,632,771</u> | <u>\$ 5,608,165</u> | <u>\$ (820,737)</u> |

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2020, the City recognized pension expense of \$1,584,939.

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Entity-Wide | | Primary Government | | CEDC | |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual economic experience | \$ 126,686 | \$ 515,329 | \$ 124,252 | \$ 509,480 | \$ 2,434 | \$ 5,849 |
| Changes in actuarial assumptions | 151,606 | 27,044 | 148,890 | 26,737 | 2,716 | 307 |
| Difference between projected and actual investment earnings | - | 1,186,894 | - | 1,174,983 | - | 11,911 |
| Contributions subsequent to the measurement date | 1,334,052 | - | 1,320,527 | - | 13,525 | - |
| Total | <u>\$ 1,612,344</u> | <u>\$ 1,729,267</u> | <u>\$ 1,593,669</u> | <u>\$ 1,711,200</u> | <u>\$ 18,675</u> | <u>\$ 18,067</u> |

\$1,334,052 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended September 30: | Entity-Wide | Primary Govt | CEDC |
|-----------------------------|-----------------------|-----------------------|--------------------|
| 2021 | \$ (497,952) | \$ (493,519) | \$ (4,433) |
| 2022 | (466,474) | (462,321) | (4,153) |
| 2023 | 94,753 | 93,909 | 844 |
| 2024 | (581,302) | (576,127) | (5,175) |
| | <u>\$ (1,450,975)</u> | <u>\$ (1,438,058)</u> | <u>\$ (12,917)</u> |

Note 8 - Other Post Employment Benefits

Plan Description

The City also participates in a single employer, defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage (Supplemental Death Benefits) for their active members, including or not including retirees.

Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree employees, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan. Texas Local Government Code Section 177.001 assigns the authority to establish and amend benefit provisions to the City Council. At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

| | |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 56 |
| Inactive employees entitled to but not yet receiving benefits | 26 |
| Active employees | 163 |
| Total | <u>245</u> |

Contributions

The City contributes to the SDBF program at a contractually required rate. An annual actuarial valuation is performed, and the contractual rate is equal to the cost of providing one-year term life insurance. The premium rate is expressed as a percentage of the covered payroll of members employed by the participating employer. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect.

The SDBF program is voluntary and employers can cease participation by adopting an ordinance before November 1 of any year to be effective the following January 1. Therefore, the funding policy of the program is to ensure that adequate resources are available to meet all insurance benefit payments for the upcoming year. It is not the intent of the funding policy to pre-fund retiree term life insurance during employees' entire careers. The City's contribution, which equaled the required contribution, was as follows for the year ended September 30:

| | |
|------------------------|-----------|
| | 2020 |
| Employer rate | 0.13% |
| Employer contributions | \$ 15,284 |

Actuarial Assumptions

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

| | |
|------------------|--------------------------------------|
| Inflation | 2.5% |
| Salary increases | 3.50% to 11.50%, including inflation |
| Discount rate | 2.75% |

Mortality rates for service retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Mortality rates for disabled retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Actuarial assumptions used in the December 31, 2019 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2014 through December 31, 2018.

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. A discount rate of 2.75% was based on the 20-Year Municipal GO AA Index as of December 31, 2019.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At September 30, 2020, the City reported a total OPEB liability of \$416,633 measured at December 31, 2019. For the year ended September 30, 2020, the City recognized OPEB expense of \$45,269.

As of December 31, 2019, the discount rate used in the development of the total OPEB liability was 2.75% compared to 3.71% as of December 31, 2018.

Changes in the total OPEB liability for the measurement year ended December 31, 2019 are as follows:

| Changes in Total OPEB Liability | Total OPEB Liability | | |
|---|----------------------|-----------------------|-----------------|
| | Entity-Wide | Primary Government | CEDC |
| Balance at December 31, 2018 | \$ 349,174 | \$ 345,292 | \$ 3,882 |
| Changes for the year: | | | |
| Service cost | 22,621 | 22,373 | 248 |
| Interest on total OPEB liability | 13,334 | 13,188 | 146 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | (43,060) | (42,588) | (472) |
| Effect of assumption changes or inputs | 76,718 | 75,932 | 786 |
| Benefit payments* | (2,154) | (2,130) | (24) |
| Balance as of December 31, 2019 | <u>\$ 416,633</u> | <u>\$ 412,067</u> | <u>\$ 4,566</u> |

*Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Discount Rate Sensitivity Analysis

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) than the current rate.

| | 1% Decrease in Discount Rate (1.75%) | Discount Rate (2.75%) | 1% Increase in Discount Rate (3.75%) |
|--------------------------------------|--|--------------------------|--|
| City's total OPEB liability | \$ 520,570 | \$ 416,633 | \$ 337,913 |
| Reported by Governmental Activities | 455,192 | 364,308 | 295,474 |
| Reported by Business-Type Activities | 59,673 | 47,759 | 38,735 |
| Reported by Component Unit, CEDC | 5,705 | 4,566 | 3,704 |
| | <u>\$ 520,570</u> | <u>\$ 416,633</u> | <u>\$ 337,913</u> |

At December 31, 2019, the City reported its deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Entity-Wide | | Primary Government | | CEDC | |
|---|--------------------------------|-------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual economic experience | \$ 17,821 | \$ 36,257 | \$ 17,626 | \$ 35,860 | \$ 195 | \$ 397 |
| Changes in actuarial assumptions | 80,492 | 19,488 | 79,637 | 19,293 | 855 | 195 |
| Contributions subsequent to the measurement date | 10,922 | - | 10,811 | - | 111 | - |
| Total | <u>\$ 109,235</u> | <u>\$ 55,745</u> | <u>\$ 108,074</u> | <u>\$ 55,153</u> | <u>\$ 1,161</u> | <u>\$ 592</u> |

Deferred outflows of resources related to OPEB resulting from contribution subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ended September 30, 2021 in the amount of \$10,922. The other net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB, excluding contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

| Year Ended September 30: | Entity-Wide | Primary Govt | CEDC |
|--------------------------|------------------|------------------|---------------|
| 2021 | \$ 9,314 | \$ 9,266 | \$ 48 |
| 2022 | 9,314 | 9,266 | 48 |
| 2023 | 9,314 | 9,266 | 48 |
| 2024 | 7,788 | 7,740 | 48 |
| 2023 | 5,082 | 5,034 | 48 |
| Thereafter | 1,756 | 1,724 | 32 |
| | <u>\$ 42,568</u> | <u>\$ 42,296</u> | <u>\$ 272</u> |

Note 9 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's risk management program encompasses obtaining workers compensation and property and liability insurance through Texas Municipal League (TML) Intergovernmental Risk Pool, a public entity risk pool for the benefit of governmental units located within the state. TML Intergovernmental Risk Pool ("Pool") is considered a self-sustaining risk pool that provides coverage for its members. The City's contributions to the Pool are limited to the amount of premiums as calculated at the beginning of each fund year. Premiums reflect the claims experience to date of the City. The Pool's liability is limited to the coverage that the City elects as stated in the Pool's Declarations of Coverage for that fund year. The City has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years.

Note 10 - Commitments and Contingencies

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

Estimated costs to complete significant construction projects in progress at year-end totaled approximately \$11,392,961.

The world-wide coronavirus pandemic has resulted in certain risk and uncertainties to the public in general and the City. The City is closely monitoring their operations, liquidity, and resources, and is actively working to minimize the current and future impact of this unprecedented situation.

Upper Trinity Regional Water District (UTRWD)

On November 13, 1990, the City entered into a 30-year contract with Upper Trinity Regional Water District (UTRWD) and other participating political members to develop a regional water system for providing retail utility service to the Denton County area.

The contract included, among other things, a commitment by the City to 2.0 million gallons of water per day demand. On February 4, 1999 the City amended the contract with Upper Trinity to increase the demand from 2.0 million gallons per day to 5.5 million gallons per day. On September 2, 1999, due to continued growth, the City entered into the third contract amendment with Upper Trinity increasing the demand to 7.5 million gallons per day. The City also currently maintains a contract with the Upper Trinity Regional Water District for treatment of wastewater flows up to 1.608 million gallons per day.

The current demand capacity of 7.5 million gallons per day provides the City with three (3) weighted votes as a member of the Upper Trinity Board. The City has one appointed member to the Upper Trinity Board of Directors and one appointed member to the Upper Trinity Customer Advisory Committee. Under agreements with the UTRWD, all participating and contract entities share in the cost of administering the District and in the cost of planning for future programs and services of the District.

REQUIRED SUPPLEMENTARY INFORMATION

City of Corinth, Texas
 Budgetary Comparison Schedule – General Fund (Exhibit B-1)
 Year Ended September 30, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|----------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | | | | |
| Property | \$ 10,333,004 | \$ 10,333,004 | \$ 10,276,726 | \$ (56,278) |
| Sales | 1,698,792 | 1,698,792 | 1,785,680 | 86,888 |
| Franchise | 1,110,500 | 1,110,500 | 1,152,865 | 42,365 |
| Utility fees | 17,500 | 17,500 | 72,291 | 54,791 |
| Traffic fines and forfeitures | 742,975 | 742,975 | 495,146 | (247,829) |
| Development fees and permits | 461,834 | 461,834 | 572,742 | 110,908 |
| Police fees and permits | 23,450 | 23,450 | 21,407 | (2,043) |
| Parks and recreation fees | 224,974 | 224,974 | 52,706 | (172,268) |
| Fire services | 2,662,763 | 2,662,763 | 2,679,874 | 17,111 |
| Interest income | 153,060 | 153,060 | 104,964 | (48,096) |
| Grants | 1,117,901 | 1,117,901 | 569,951 | (547,950) |
| Miscellaneous income | 44,305 | 44,305 | 39,143 | (5,162) |
| Charges for services | 669,785 | 669,785 | 669,786 | 1 |
| Total revenues | <u>19,260,843</u> | <u>19,260,843</u> | <u>18,493,281</u> | <u>(767,562)</u> |
| Expenditures | | | | |
| Current | | | | |
| Public safety | 11,118,758 | 11,118,758 | 10,452,489 | 666,269 |
| Community services | 1,848,203 | 1,839,203 | 1,425,287 | 413,916 |
| Public works | 1,574,024 | 1,551,524 | 775,592 | 775,932 |
| Planning and community development | 1,211,108 | 1,191,374 | 955,335 | 236,039 |
| City administration | 2,819,283 | 2,726,918 | 2,070,073 | 656,845 |
| Finance and administrative services | 1,110,513 | 1,122,612 | 1,108,038 | 14,574 |
| Total expenditures | <u>19,681,889</u> | <u>19,550,389</u> | <u>16,786,814</u> | <u>2,763,575</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>(421,046)</u> | <u>(289,546)</u> | <u>1,706,467</u> | <u>1,996,013</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers out | (1,183,630) | (1,365,130) | (1,865,130) | (500,000) |
| Transfers in | 814,952 | 814,952 | 1,495,268 | 680,316 |
| Total Financing Sources (Uses) | <u>(368,678)</u> | <u>(550,178)</u> | <u>(369,862)</u> | <u>180,316</u> |
| Net Change in Fund Balance | (789,724) | (839,724) | 1,336,605 | 2,176,329 |
| Fund Balance - October 1 (Beginning) | <u>5,085,271</u> | <u>5,085,271</u> | <u>5,085,271</u> | <u>-</u> |
| Fund Balance - September 30 (Ending) | <u>\$ 4,295,547</u> | <u>\$ 4,245,547</u> | <u>\$ 6,421,876</u> | <u>\$ 2,176,329</u> |

City of Corinth, Texas
Schedule of Changes in Net Pension Liability and Related Ratios –
Texas Municipal Retirement System (Exhibit B-2)
Year Ended September 30, 2020

| | Year Ended December 31, 2019 | Year Ended December 31, 2018 | Year Ended December 31, 2017 | Year Ended December 31, 2016 | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Total Pension Liability | | | | | | |
| Service cost | \$ 1,974,459 | \$ 1,740,727 | \$ 1,674,666 | \$ 1,636,649 | \$ 1,614,486 | \$ 1,444,400 |
| Interest on total pension liability | 2,830,658 | 2,631,469 | 2,468,757 | 2,244,189 | 2,163,512 | 1,994,674 |
| Changes of benefit terms | - | - | - | - | - | - |
| Differences between expected and actual experience | 51,976 | (461,003) | (628,235) | 409,560 | (356,486) | (293,384) |
| Change of assumptions | 202,141 | - | - | - | (252,429) | - |
| Benefit payments/refunds of contributions | (946,673) | (1,207,565) | (1,067,764) | (897,171) | (783,303) | (854,227) |
| Net change in total pension liability | 4,112,561 | 2,703,628 | 2,447,424 | 3,393,227 | 2,385,780 | 2,291,463 |
| Total pension liability, beginning | 41,421,778 | 38,718,150 | 36,270,726 | 32,877,499 | 30,491,719 | 28,200,256 |
| Total pension liability, ending (a) | <u>\$ 45,534,339</u> | <u>\$ 41,421,778</u> | <u>\$ 38,718,150</u> | <u>\$ 36,270,726</u> | <u>\$ 32,877,499</u> | <u>\$ 30,491,719</u> |
| Fiduciary Net Position | | | | | | |
| Contributions - Employer | \$ 1,708,397 | \$ 1,521,211 | \$ 1,412,999 | \$ 1,372,064 | \$ 1,415,503 | \$ 1,209,444 |
| Contributions - Employee | 754,021 | 673,954 | 642,690 | 650,021 | 648,976 | 604,376 |
| Net investment income | 5,153,390 | (999,066) | 3,942,063 | 1,730,262 | 35,841 | 1,263,034 |
| Benefit payments/refunds of contributions | (946,673) | (1,207,565) | (1,067,764) | (897,171) | (783,303) | (854,227) |
| Administrative expenses | (29,078) | (19,289) | (20,406) | (19,521) | (21,823) | (13,183) |
| Other | (874) | (1,008) | (1,034) | (1,052) | (1,078) | (1,084) |
| Net change in fiduciary net position | 6,639,183 | (31,763) | 4,908,548 | 2,834,603 | 1,294,116 | 2,208,360 |
| Fiduciary net position, beginning | 33,286,991 | 33,318,754 | 28,410,206 | 25,575,603 | 24,281,487 | 22,073,127 |
| Fiduciary net position, ending (b) | <u>\$ 39,926,174</u> | <u>\$ 33,286,991</u> | <u>\$ 33,318,754</u> | <u>\$ 28,410,206</u> | <u>\$ 25,575,603</u> | <u>\$ 24,281,487</u> |
| Net pension liability (asset), ending = (a) - (b) | <u>5,608,165</u> | <u>8,134,787</u> | <u>5,399,396</u> | <u>7,860,520</u> | <u>7,301,896</u> | <u>6,210,232</u> |
| Fiduciary net position as a percentage of total pension liability | 87.68% | 80.36% | 86.05% | 78.33% | 77.79% | 79.63% |
| Pensionable covered payroll | \$ 10,771,734 | \$ 9,627,913 | \$ 9,181,285 | \$ 8,967,939 | \$ 9,252,068 | \$ 8,633,945 |
| Net pension liability as a percentage of covered payroll | 52.06% | 84.49% | 58.81% | 87.65% | 78.92% | 71.93% |

Note: The information from this schedule corresponds with the period covered as of the Plan's measurement dates of December 31. Plan information was unavailable prior to 2014. Ten years will ultimately be displayed.

City of Corinth, Texas
 Schedule of Employer Contributions – Texas Municipal Retirement System (Exhibit B-3)
 Year Ended September 30, 2020

| Year Ending September 30, | Actuarially Determined Contribution | Actual Employer Contribution | Contribution Deficiency (Excess) | Pensionable Covered Payroll | Actual Contribution as a Percentage of Covered Payroll |
|------------------------------|---|------------------------------------|--|-----------------------------------|--|
| 2014 | \$ 1,188,806 | \$ 1,188,806 | \$ - | \$ 8,633,945 | 13.77% |
| 2015 | 1,326,450 | 1,326,450 | - | 8,806,738 | 15.06% |
| 2016 | 1,380,260 | 1,380,260 | - | 9,118,563 | 15.14% |
| 2017 | 1,400,433 | 1,400,433 | - | 8,994,707 | 15.57% |
| 2018 | 1,489,711 | 1,489,711 | - | 9,428,968 | 15.80% |
| 2019 | 1,661,825 | 1,661,825 | - | 10,402,206 | 15.98% |
| 2020 | 1,842,075 | 1,842,075 | - | 11,512,971 | 16.00% |

Note: The information from this schedule corresponds with the City's fiscal years ended September 30. Plan information was unavailable prior to 2014. Ten years will ultimately be displayed.

City of Corinth, Texas
Schedule of Changes in Total OPEB Liability and Related Ratios –
Supplemental Death Benefits Plan (Exhibit B-4)
Year Ended September 30, 2020

| | Year Ended December 31, 2019 | Year Ended December 31, 2018 | Year Ended December 31, 2017 |
|---|------------------------------------|------------------------------------|------------------------------------|
| Total OPEB Liability | | | |
| Service cost | \$ 22,621 | \$ 22,144 | \$ 18,363 |
| Interest on total OPEB liability | 13,334 | 10,940 | 10,314 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | (43,060) | 25,487 | - |
| Change of assumptions | 76,718 | (27,870) | 28,959 |
| Benefit payments | (2,154) | (1,926) | (1,836) |
| Net change in total OPEB liability | <u>67,459</u> | <u>28,775</u> | <u>55,800</u> |
| Total OPEB liability, beginning | <u>349,174</u> | <u>320,399</u> | <u>264,599</u> |
| Total OPEB liability, ending | <u>\$ 416,633</u> | <u>\$ 349,174</u> | <u>\$ 320,399</u> |
| Covered payroll | \$ 10,771,734 | \$ 9,627,913 | \$ 9,181,285 |
| Total OPEB liability as a percentage of covered payroll | 3.87% | 3.63% | 3.49% |

Note: The information from this schedule corresponds with the period covered as of the Plan's measurement dates of December 31. Plan information was unavailable prior to 2017. Ten years will ultimately be displayed.

No assets are accumulated in a trust as defined by GASB 75. Benefits are on a pay as you go basis.

Note A: Net Pension Liability – Texas Municipal Retirement System

Assumptions

The following methods and assumptions were used to determine contribution rates:

| | |
|--------------------------------------|--|
| Valuation date | Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later. |
| Actuarial cost method | Entry age normal |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | 25 years |
| Asset valuation method | 10-year smoothed market; 12% soft corridor |
| Inflation | 2.50% |
| Salary increases | 3.50% to 11.50%, including inflation |
| Investment rate of return | 6.75% |
| Retirement age | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018. |
| Mortality | <p>Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.</p> <p>Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.</p> |

Notes:

There were no benefit changes during the year.

Note B: Total OPEB Liability – Texas Municipal Retirement System

Summary of actuarial assumptions:

| | |
|---|--|
| Actuarial cost method | Entry age normal |
| Inflation | 2.50% |
| Discount rate | 2.75% |
| Salary increases | 3.50% to 11.50%, including inflation |
| Retirees' share- benefit-related costs | \$0 |
| Administrative expenses | All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68. |
| Mortality rate- service retirees | 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. |
| Mortality rate- disabled retirees | 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor. |

The actuarial assumptions used in the December 31 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Note C: Budgetary Process

The official budget was prepared for adoption for the General Fund. The following procedures are followed in establishing the budgetary data reflected in the required supplementary information:

- a. Prior to the beginning of the fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must have been given.
- c. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the City Council.
- d. Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council.
- e. As required by law, such amendments are made before the fact, are reflected in the official minutes of the City Council and are not made after fiscal year end.
- f. No significant budget amendments occurred during the year ended September 30, 2020.
- g. All budget appropriations lapse at year end.

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COMBINING AND INDIVIDUAL FINANCIAL STATEMENTS

Nonmajor Governmental Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for a particular purpose.

- The Crime Control and Prevention District Fund is the blended component unit described previously. All revenues and expenditures related to the \$.0025 sales tax are recorded in this fund.
- The Street Maintenance Fund accounts for the receipt of a \$.0025 special purpose sales tax and related expenditures.
- Hotel-Motel Tax Fund accounts for hotel-motel tax collected and used to enhance and promote tourism.
- The Keep Corinth Beautiful Fund was created to account for the donations, contributions and payments associated with beautification programs within the city.
- County Child Safety Fund was created by State Statute to account for the funds used for school crossing guard services and programs designed to enhance child safety, health or nutrition.
- Municipal Court Security Fund is used to account for funds restricted to provide security enhancements for the Municipal Court.
- Municipal Court Technology Fund is used to accounts for funds restricted to provide technological enhancements for the Municipal Court.
- Police Confiscation (State) Fund was created by State Statute and funds are restricted for law enforcement programs.
- The Parks Development Fund was established to account for donations, contributions and payments associated with various park programs.
- The Community Park Improvement Fund accounts for funds collected from the City's Co-Sponsorship Athletic Leagues and funds are restricted for improvements to the Community Park.
- Tree Mitigation Fund was created by City Ordinance to account for payment by City Developers in lieu of adhering to the City's tree mitigation program.
- The Roadway Impact Fee Fund is used to account for the receipt and expenditure of roadway impact fees as required by the State of Texas Local Government Code Section 395.
- The Special Revenue accounts for Risk/Insurance Claims, Police Leose, Police Donations, Fire Donations, and Community Relations.

Capital projects funds account for the acquisition and construction of the City's major capital facilities, (other than those financed by proprietary funds) and vehicle replacement funds.

- The Government Capital Projects Fund is used to account for funds and expenditures related to capital projects.
- The Vehicle Replacement Fund is used to account for funds and expenditures related to future vehicle replacements.
- The LCFD Vehicle and Equipment Replacement Fund is used to account for funds and expenditures for replacement of vehicles and equipment for the Lake Cities Fire Department.
- Technology Equipment Replacement Fund is used to account for funds and expenditures for replacement of information technology equipment.
- The Street Escrow Fund is used to account for funds and expenditures for all capital projects not specifically identified and not in the proprietary or trust funds.
- 2016 GO Fund is used to account for the projects and funding associated with the Series 2016 General Obligation debt issue, a portion of which is dedicated to streets, infrastructure construction and improvements.
- 2017 CO Fund is used to account for the projects and funding associated with the Series 2017 Certificates of Obligation debt issue, a portion of which is dedicated to streets, infrastructure construction and improvements as well as acquiring, improving and equipping a new Public Safety Facility for the Police and Fire Departments. It also accounts for the renovation of a Public Works facility and the Lake Sharon Road Extension.
- General Public Property (Capital) is used to account for Lease Proceeds for capital project funds.
- Public Property LCFD is used to account for Lease Proceeds related to the fire department
- General Public Property (Special Revenue) is used to account for Lease Proceeds for special revenue funds.

City of Corinth, Texas
Combining Balance Sheet – Nonmajor Governmental Funds (Exhibit C-1)
September 30, 2020

| | Special Revenue Funds | Capital Projects Funds | Total Nonmajor Governmental Funds |
|-------------------------------------|-----------------------------|------------------------------|--|
| | <u> </u> | <u> </u> | <u> </u> |
| Assets | | | |
| Cash and cash equivalents | \$ 2,760,816 | \$ 2,805,139 | \$ 5,565,955 |
| Investments | 1,545,008 | 1,004,414 | 2,549,422 |
| Receivables (net of allowance) | | | |
| Sales taxes | 143,993 | - | 143,993 |
| Interest | 596 | - | 596 |
| Miscellaneous | 34,641 | - | 34,641 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total assets | <u>\$ 4,485,054</u> | <u>\$ 3,809,553</u> | <u>\$ 8,294,607</u> |
| Liabilities | | | |
| Accounts payable | \$ 43,092 | \$ 53,236 | \$ 96,328 |
| Accrued liabilities | 9,131 | - | 9,131 |
| Other liabilities | 705,361 | - | 705,361 |
| Unearned revenue | 231,612 | - | 231,612 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities | <u>989,196</u> | <u>53,236</u> | <u>1,042,432</u> |
| Fund Balances | | | |
| Restricted | 3,134,296 | 781,594 | 3,915,890 |
| Committed | 361,562 | 3,209,271 | 3,570,833 |
| Unassigned | - | (234,548) | (234,548) |
| | <u> </u> | <u> </u> | <u> </u> |
| Total fund balances | <u>3,495,858</u> | <u>3,756,317</u> | <u>7,252,175</u> |
| | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities and fund balances | <u>\$ 4,485,054</u> | <u>\$ 3,809,553</u> | <u>\$ 8,294,607</u> |

City of Corinth, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds (Exhibit C-2)
Year Ended September 30, 2020

| | Special Revenue Funds | Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|-----------------------------|------------------------------|--|
| Revenues | | | |
| Taxes | | | |
| Sales | \$ 849,727 | \$ - | \$ 849,727 |
| Hotel occupancy tax | 71,707 | - | 71,707 |
| Escrow and impact fees | 203,658 | - | 203,658 |
| Traffic fines and forfeitures | 29,585 | - | 29,585 |
| Police fees and permits | 28,160 | - | 28,160 |
| Parks and recreation fees | 6,046 | - | 6,046 |
| Donations | 75,377 | 1,020,287 | 1,095,664 |
| Interest income | 46,572 | 64,120 | 110,692 |
| Grants | 852,917 | - | 852,917 |
| Miscellaneous income | 17,837 | - | 17,837 |
| Total revenues | <u>2,181,586</u> | <u>1,084,407</u> | <u>3,265,993</u> |
| Expenditures | | | |
| Current | | | |
| Public safety | 179,243 | 36,646 | 215,889 |
| Community services | 31,718 | - | 31,718 |
| Public works | 580,468 | - | 580,468 |
| Planning and community development | - | 250,456 | 250,456 |
| City administration | 235,048 | 86,398 | 321,446 |
| Debt service | | | |
| Principal | 135,377 | 377,607 | 512,984 |
| Interest | 27,884 | 60,249 | 88,133 |
| Capital outlay | 69,423 | 3,563,781 | 3,633,204 |
| Total expenditures | <u>1,259,161</u> | <u>4,375,137</u> | <u>5,634,298</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | 922,425 | (3,290,730) | (2,368,305) |
| Other Financing Sources (Uses) | | | |
| Issuance of capital leases | - | 267,714 | 267,714 |
| Proceeds from sale of capital assets | - | 54,204 | 54,204 |
| Transfers out | (757,279) | (543,292) | (1,300,571) |
| Transfers in | - | 2,184,704 | 2,184,704 |
| Total Other Financing Sources (Uses) | <u>(757,279)</u> | <u>1,963,330</u> | <u>1,206,051</u> |
| Net Change in Fund Balance | 165,146 | (1,327,400) | (1,162,254) |
| Fund Balance - October 1 (Beginning) | <u>3,330,712</u> | <u>5,083,717</u> | <u>8,414,429</u> |
| Fund Balance - September 30 (Ending) | <u>\$ 3,495,858</u> | <u>\$ 3,756,317</u> | <u>\$ 7,252,175</u> |

| | Crime Control & Prevention | Street Maintenance | Hotel Motel Tax |
|-------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 533,997 | \$ 2,691 | \$ 209,974 |
| Investments | - | 1,045,008 | - |
| Receivables (net of allowance) | | | |
| Sales taxes | 67,166 | 76,827 | - |
| Accounts | - | - | - |
| Interest | - | - | - |
| Miscellaneous | - | - | 6,370 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total assets | <u>\$ 601,163</u> | <u>\$ 1,124,526</u> | <u>\$ 216,344</u> |
| Liabilities | | | |
| Accounts payable | \$ - | \$ - | \$ - |
| Accrued liabilities | 8,590 | - | 4 |
| Other liabilities | - | - | - |
| Unearned revenue | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities | <u>8,590</u> | <u>-</u> | <u>4</u> |
| Fund Balances | | | |
| Restricted | 592,573 | 1,124,526 | 216,340 |
| Committed | - | - | - |
| Unassigned | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total fund balances | <u>592,573</u> | <u>1,124,526</u> | <u>216,340</u> |
| | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities and fund balances | <u>\$ 601,163</u> | <u>\$ 1,124,526</u> | <u>\$ 216,344</u> |

City of Corinth, Texas
Combining Balance Sheet – Nonmajor Special Revenue Funds (Exhibit C-3)
September 30, 2020

| <u>Keep Corinth Beautiful</u> | <u>County Child Safety</u> | <u>Special Revenue</u> | <u>Municipal Court Security</u> | <u>Municipal Court Technology</u> |
|---------------------------------------|--------------------------------|----------------------------|---|---|
| \$ 29,185 | \$ 21,916 | \$ 622,714 | \$ 97,614 | \$ 34,921 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | 26,686 | 1,585 | - | - |
| <u>\$ 29,185</u> | <u>\$ 48,602</u> | <u>\$ 624,299</u> | <u>\$ 97,614</u> | <u>\$ 34,921</u> |
| \$ - | \$ 11,967 | 31,125 | \$ - | \$ - |
| - | 537 | - | - | - |
| - | - | - | - | - |
| - | - | 231,612 | - | - |
| - | 12,504 | 262,737 | - | - |
| 29,185 | 36,098 | - | 97,614 | 34,921 |
| - | - | 361,562 | - | - |
| - | - | - | - | - |
| <u>29,185</u> | <u>36,098</u> | <u>361,562</u> | <u>97,614</u> | <u>34,921</u> |
| <u>\$ 29,185</u> | <u>\$ 48,602</u> | <u>\$ 624,299</u> | <u>\$ 97,614</u> | <u>\$ 34,921</u> |

(continued on the following page)

| | Police Confiscation- State | Parks Development | Community Park Improvement |
|-------------------------------------|----------------------------------|-----------------------------|----------------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Assets | | | |
| Cash and cash equivalents | \$ 17,807 | \$ 285,978 | \$ 20,923 |
| Investments | - | - | - |
| Receivables (net of allowance) | | | |
| Sales taxes | - | - | - |
| Accounts | - | - | - |
| Interest | - | - | - |
| Miscellaneous | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total assets | <u>\$ 17,807</u> | <u>\$ 285,978</u> | <u>\$ 20,923</u> |
| Liabilities | | | |
| Accounts payable | \$ - | \$ - | \$ - |
| Accrued liabilities | - | - | - |
| Other liabilities | 14,202 | - | - |
| Unearned revenue | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities | <u>14,202</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | |
| Restricted | 3,605 | 285,978 | 20,923 |
| Committed | - | - | - |
| Unassigned | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| Total fund balances | <u>3,605</u> | <u>285,978</u> | <u>20,923</u> |
| | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities and fund balances | <u>\$ 17,807</u> | <u>\$ 285,978</u> | <u>\$ 20,923</u> |

City of Corinth, Texas
Combining Balance Sheet – Nonmajor Special Revenue Funds (Exhibit C-3)
September 30, 2020

| <u>Tree Mitigation</u> | <u>Roadway Impact Fee</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|----------------------------|-----------------------------------|---|
| \$ 300,804 | \$ 582,292 | \$ 2,760,816 |
| - | 500,000 | 1,545,008 |
| - | - | 143,993 |
| - | - | - |
| - | 596 | 596 |
| - | - | 34,641 |
| <u>\$ 300,804</u> | <u>\$ 1,082,888</u> | <u>\$ 4,485,054</u> |
| \$ - | \$ - | \$ 43,092 |
| - | - | 9,131 |
| - | 691,159 | 705,361 |
| - | - | 231,612 |
| <u>-</u> | <u>691,159</u> | <u>989,196</u> |
| 300,804 | 391,729 | 3,134,296 |
| - | - | 361,562 |
| - | - | - |
| <u>300,804</u> | <u>391,729</u> | <u>3,495,858</u> |
| <u>\$ 300,804</u> | <u>\$ 1,082,888</u> | <u>\$ 4,485,054</u> |

(concluded)

| | <u>Crime Control & Prevention</u> | <u>Street Maintenance</u> | <u>Hotel Motel Tax</u> |
|--|---|-------------------------------|--------------------------------|
| Revenues | | | |
| Taxes | | | |
| Sales | \$ 406,616 | \$ 443,111 | \$ - |
| Hotel occupancy tax | - | - | 71,707 |
| Escrow and impact fees | - | - | - |
| Traffic fines & forfeitures | - | - | - |
| Police fees & permits | - | - | - |
| Parks & recreation fees | - | - | - |
| Donations | - | - | - |
| Interest income | 5,608 | 13,014 | 2,180 |
| Grants | - | - | - |
| Miscellaneous income | - | - | - |
| Total revenues | <u>412,224</u> | <u>456,125</u> | <u>73,887</u> |
| Expenditures | | | |
| Current | | | |
| Public safety | 151,492 | - | - |
| Community services | - | - | - |
| Public works | - | 580,468 | - |
| City administration | - | - | 58,070 |
| Capital outlay | 37,387 | 32,036 | - |
| Debt service | | | |
| Principal | 135,377 | - | - |
| Interest | 27,884 | - | - |
| Total expenditures | <u>352,140</u> | <u>612,504</u> | <u>58,070</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | 60,084 | (156,379) | 15,817 |
| Other Financing Sources (Uses) | | | |
| Transfers out | - | (70,000) | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(70,000)</u> | <u>-</u> |
| Net Change in Fund Balance | 60,084 | (226,379) | 15,817 |
| Fund Balance - October 1 (Beginning) | <u>532,489</u> | <u>1,350,905</u> | <u>200,523</u> |
| Fund Balance - September 30 (Ending) | <u>\$ 592,573</u> | <u>\$ 1,124,526</u> | <u>\$ 216,340</u> |

City of Corinth, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Exhibit C-4)
Year Ended September 30, 2020

| <u>Keep Corinth Beautiful</u> | <u>County Child Safety</u> | <u>Special Revenue</u> | <u>Municipal Court Security</u> | <u>Municipal Court Technology</u> |
|---------------------------------------|--------------------------------|----------------------------|---|---|
| \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | 2,519 | 11,535 | 15,531 |
| - | 28,160 | - | - | - |
| 264 | - | - | - | - |
| 5,000 | - | 20,377 | - | - |
| 299 | 259 | 4,657 | 986 | 309 |
| - | - | 852,917 | - | - |
| - | - | 17,837 | - | - |
| <u>5,563</u> | <u>28,419</u> | <u>898,307</u> | <u>12,521</u> | <u>15,840</u> |
| - | 21,412 | 6,339 | - | - |
| - | - | - | 4,864 | 3,457 |
| - | - | - | - | - |
| 6,636 | - | 170,342 | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>6,636</u> | <u>21,412</u> | <u>176,681</u> | <u>4,864</u> | <u>3,457</u> |
| (1,073) | 7,007 | 721,626 | 7,657 | 12,383 |
| <u>-</u> | <u>-</u> | <u>(680,316)</u> | <u>-</u> | <u>(6,963)</u> |
| <u>-</u> | <u>-</u> | <u>(680,316)</u> | <u>-</u> | <u>(6,963)</u> |
| (1,073) | 7,007 | 41,310 | 7,657 | 5,420 |
| <u>30,258</u> | <u>29,091</u> | <u>320,252</u> | <u>89,957</u> | <u>29,501</u> |
| <u>\$ 29,185</u> | <u>\$ 36,098</u> | <u>\$ 361,562</u> | <u>\$ 97,614</u> | <u>\$ 34,921</u> |

(continued on the following page)

| | Police Confiscation- State | Parks Development | Community Park Improvement |
|--|----------------------------------|----------------------|----------------------------------|
| Revenues | | | |
| Taxes | | | |
| Sales | \$ - | \$ - | \$ - |
| Hotel occupancy tax | - | - | - |
| Escrow and impact fees | - | - | - |
| Traffic fines & forfeitures | - | - | - |
| Police fees & permits | - | - | - |
| Parks & recreation fees | - | - | 5,782 |
| Donations | - | 50,000 | - |
| Interest income | 125 | 3,197 | 224 |
| Grants | - | - | - |
| Miscellaneous income | - | - | - |
| Total revenues | <u>125</u> | <u>53,197</u> | <u>6,006</u> |
| Expenditures | | | |
| Current | | | |
| Public safety | - | - | - |
| Community services | - | 15,000 | 995 |
| Public works | - | - | - |
| City administration | - | - | - |
| Capital outlay | - | - | - |
| Debt service | | | |
| Principal | - | - | - |
| Interest | - | - | - |
| Total expenditures | <u>-</u> | <u>15,000</u> | <u>995</u> |
| Excess (Deficiency) of Revenues over Expenditures | 125 | 38,197 | 5,011 |
| Other Financing Sources (Uses) | | | |
| Transfers out | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | 125 | 38,197 | 5,011 |
| Fund Balance - October 1 (Beginning) | <u>3,480</u> | <u>247,781</u> | <u>15,912</u> |
| Fund Balance - September 30 (Ending) | <u>\$ 3,605</u> | <u>\$ 285,978</u> | <u>\$ 20,923</u> |

City of Corinth, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Exhibit C-4)
Year Ended September 30, 2020

| <u>Tree Mitigation</u> | <u>Roadway Impact Fee</u> | <u>Total Nonmajor Special Revenue Funds</u> |
|----------------------------|-----------------------------------|---|
| \$ - | \$ - | \$ 849,727 |
| - | - | 71,707 |
| - | 203,658 | 203,658 |
| - | - | 29,585 |
| - | - | 28,160 |
| - | - | 6,046 |
| - | - | 75,377 |
| 3,260 | 12,454 | 46,572 |
| - | - | 852,917 |
| - | - | 17,837 |
| <u>3,260</u> | <u>216,112</u> | <u>2,181,586</u> |
| - | - | 179,243 |
| 7,402 | - | 31,718 |
| - | - | 580,468 |
| - | - | 235,048 |
| - | - | 69,423 |
| - | - | 135,377 |
| - | - | 27,884 |
| <u>7,402</u> | <u>-</u> | <u>1,259,161</u> |
| (4,142) | 216,112 | 922,425 |
| <u>-</u> | <u>-</u> | <u>(757,279)</u> |
| <u>-</u> | <u>-</u> | <u>(757,279)</u> |
| (4,142) | 216,112 | 165,146 |
| <u>304,946</u> | <u>175,617</u> | <u>3,330,712</u> |
| <u>\$ 300,804</u> | <u>\$ 391,729</u> | <u>\$ 3,495,858</u> |

(concluded)

City of Corinth, Texas
 Crime Control and Prevention Fund Budgetary Comparison Schedule (Exhibit C-5)
 Year Ended September 30, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|----------------------------|-------------------|-------------------|-------------------|----------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | | | | |
| Sales | \$ 389,520 | \$ 389,520 | \$ 406,616 | \$ 17,096 |
| Interest income | 2,000 | 2,000 | 5,608 | 3,608 |
| Total revenues | <u>391,520</u> | <u>391,520</u> | <u>412,224</u> | <u>20,704</u> |
| Expenditures | | | | |
| Current | | | | |
| Public safety | 173,242 | 176,575 | 151,492 | 25,083 |
| Capital outlay | - | 37,387 | 37,387 | - |
| Debt service | | | | |
| Principal | 203,986 | 163,266 | 135,377 | 27,889 |
| Interest | - | - | 27,884 | (27,884) |
| Total expenditures | <u>377,228</u> | <u>377,228</u> | <u>352,140</u> | <u>25,088</u> |
| Net Change in Fund Balance | 14,292 | 14,292 | 60,084 | 45,792 |
| Fund Balance - | | | | |
| October 1 (Beginning) | <u>532,489</u> | <u>532,489</u> | <u>532,489</u> | <u>-</u> |
| Fund Balance - | | | | |
| September 30 (Ending) | <u>\$ 546,781</u> | <u>\$ 546,781</u> | <u>\$ 592,573</u> | <u>\$ 45,792</u> |

City of Corinth, Texas
Street Maintenance Fund Budgetary Comparison Schedule (Exhibit C-6)
Year Ended September 30, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|----------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | | | | |
| Sales | \$ 424,361 | \$ 424,361 | \$ 443,111 | \$ 18,750 |
| Interest income | 7,140 | 7,140 | 13,014 | 5,874 |
| Total revenues | <u>431,501</u> | <u>431,501</u> | <u>456,125</u> | <u>24,624</u> |
| Expenditures | | | | |
| Current | | | | |
| Public works | 649,078 | 630,842 | 580,468 | 50,374 |
| Capital outlay | 84,000 | 32,236 | 32,036 | 200 |
| Total expenditures | <u>733,078</u> | <u>663,078</u> | <u>612,504</u> | <u>50,574</u> |
| Excess (Deficiency) of Revenues over Expenditures | (301,577) | (231,577) | (156,379) | 75,198 |
| Other Financing Sources (Uses) | | | | |
| Transfers out | - | (70,000) | (70,000) | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(70,000)</u> | <u>(70,000)</u> | <u>-</u> |
| Net Change in Fund Balance | (301,577) | (301,577) | (226,379) | 75,198 |
| Fund Balance - | | | | |
| October 1 (Beginning) | <u>1,350,905</u> | <u>1,350,905</u> | <u>1,350,905</u> | <u>-</u> |
| Fund Balance - | | | | |
| September 30 (Ending) | <u>\$ 1,049,328</u> | <u>\$ 1,049,328</u> | <u>\$ 1,124,526</u> | <u>\$ 75,198</u> |

City of Corinth, Texas
Hotel Motel Tax Fund Budgetary Comparison Schedule (Exhibit C-7)
Year Ended September 30, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|----------------------------|-------------------|-------------------|-------------------|----------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | | | | |
| Hotel occupancy tax | \$ 75,000 | \$ 75,000 | \$ 71,707 | \$ (3,293) |
| Interest income | 1,500 | 1,500 | 2,180 | 680 |
| Total revenues | <u>76,500</u> | <u>76,500</u> | <u>73,887</u> | <u>(2,613)</u> |
| Expenditures | | | | |
| Current | | | | |
| City administration | <u>71,549</u> | <u>71,549</u> | <u>58,070</u> | <u>13,479</u> |
| Total expenditures | <u>71,549</u> | <u>71,549</u> | <u>58,070</u> | <u>13,479</u> |
| Net Change in Fund Balance | 4,951 | 4,951 | 15,817 | 10,866 |
| Fund Balance - | | | | |
| October 1 (Beginning) | <u>200,523</u> | <u>200,523</u> | <u>200,523</u> | <u>-</u> |
| Fund Balance - | | | | |
| September 30 (Ending) | <u>\$ 205,474</u> | <u>\$ 205,474</u> | <u>\$ 216,340</u> | <u>\$ 10,866</u> |

City of Corinth, Texas
 Keep Corinth Beautiful Budgetary Comparison Schedule (Exhibit C-8)
 Year Ended September 30, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|----------------------------|------------------|------------------|------------------|----------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Parks & recreation fees | \$ - | \$ - | \$ 264 | \$ 264 |
| Donations | 5,000 | 5,000 | 5,000 | - |
| Interest income | - | - | 299 | 299 |
| Total revenues | <u>5,000</u> | <u>5,000</u> | <u>5,563</u> | <u>563</u> |
| Expenditures | | | | |
| Current | | | | |
| City administration | <u>10,800</u> | <u>10,800</u> | <u>6,636</u> | <u>4,164</u> |
| Total expenditures | <u>10,800</u> | <u>10,800</u> | <u>6,636</u> | <u>4,164</u> |
| Net Change in Fund Balance | (5,800) | (5,800) | (1,073) | 4,727 |
| Fund Balance - | | | | |
| October 1 (Beginning) | <u>30,258</u> | <u>30,258</u> | <u>30,258</u> | <u>-</u> |
| Fund Balance - | | | | |
| September 30 (Ending) | <u>\$ 24,458</u> | <u>\$ 24,458</u> | <u>\$ 29,185</u> | <u>\$ 4,727</u> |

City of Corinth, Texas
 County Child Safety Fund Comparison Schedule (Exhibit C-9)
 Year Ended September 30, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|----------------------------|------------------|------------------|------------------|----------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Police fees and permits | \$ 27,000 | \$ 27,000 | \$ 28,160 | \$ 1,160 |
| Interest income | - | - | 259 | 259 |
| Total revenues | <u>27,000</u> | <u>27,000</u> | <u>28,419</u> | <u>1,419</u> |
| Expenditures | | | | |
| Current | | | | |
| Public safety | <u>27,000</u> | <u>27,000</u> | <u>21,412</u> | <u>5,588</u> |
| Total expenditures | <u>27,000</u> | <u>27,000</u> | <u>21,412</u> | <u>5,588</u> |
| Net Change in Fund Balance | - | - | 7,007 | 7,007 |
| Fund Balance - | | | | |
| October 1 (Beginning) | <u>29,091</u> | <u>29,091</u> | <u>29,091</u> | <u>-</u> |
| Fund Balance - | | | | |
| September 30 (Ending) | <u>\$ 29,091</u> | <u>\$ 29,091</u> | <u>\$ 36,098</u> | <u>\$ 7,007</u> |

City of Corinth, Texas
Municipal Court Security Fund Budgetary Comparison Schedule (Exhibit C-10)
Year Ended September 30, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|-------------------------------|-------------------------|-------------------------|-------------------------|----------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Traffic fines and forfeitures | \$ 12,800 | \$ 12,800 | \$ 11,535 | \$ (1,265) |
| Interest income | - | - | 986 | 986 |
| Total revenues | <u>12,800</u> | <u>12,800</u> | <u>12,521</u> | <u>(279)</u> |
| Expenditures | | | | |
| Current | | | | |
| Community services | <u>29,700</u> | <u>29,700</u> | <u>4,864</u> | <u>24,836</u> |
| Total expenditures | <u>29,700</u> | <u>29,700</u> | <u>4,864</u> | <u>24,836</u> |
| Net Change in Fund Balance | (16,900) | (16,900) | 7,657 | 24,557 |
| Fund Balance - | | | | |
| October 1 (Beginning) | <u>89,957</u> | <u>89,957</u> | <u>89,957</u> | <u>-</u> |
| Fund Balance - | | | | |
| September 30 (Ending) | <u><u>\$ 73,057</u></u> | <u><u>\$ 73,057</u></u> | <u><u>\$ 97,614</u></u> | <u><u>\$ 24,557</u></u> |

City of Corinth, Texas
Municipal Court Technology Fund Comparison Schedule (Exhibit C-11)
Year Ended September 30, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|------------------|------------------|----------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Traffic fines and forfeitures | \$ 17,000 | \$ 17,000 | \$ 15,531 | \$ (1,469) |
| Interest income | - | - | 309 | 309 |
| Total revenues | <u>17,000</u> | <u>17,000</u> | <u>15,840</u> | <u>(1,160)</u> |
| Expenditures | | | | |
| Current | | | | |
| Community services | <u>7,530</u> | <u>7,530</u> | <u>3,457</u> | <u>4,073</u> |
| Total expenditures | <u>7,530</u> | <u>7,530</u> | <u>3,457</u> | <u>4,073</u> |
| Excess (Deficiency) of Revenues over Expenditures | 9,470 | 9,470 | 12,383 | 2,913 |
| Other Financing Sources (Uses) | | | | |
| Transfers out | <u>(6,963)</u> | <u>(6,963)</u> | <u>(6,963)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(6,963)</u> | <u>(6,963)</u> | <u>(6,963)</u> | <u>-</u> |
| Net Change in Fund Balance | 2,507 | 2,507 | 5,420 | 2,913 |
| Fund Balance - October 1 (Beginning) | <u>29,501</u> | <u>29,501</u> | <u>29,501</u> | <u>-</u> |
| Fund Balance - September 30 (Ending) | <u>\$ 32,008</u> | <u>\$ 32,008</u> | <u>\$ 34,921</u> | <u>\$ 2,913</u> |

City of Corinth, Texas
 Police Confiscation Fund – State – Budgetary Comparison Schedule (Exhibit C-12)
 Year Ended September 30, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|----------------------------|------------------|-----------------|-----------------|----------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Interest income | \$ - | \$ - | \$ 125 | \$ 125 |
| Miscellaneous income | 25,750 | 25,750 | - | (25,750) |
| Total revenues | <u>25,750</u> | <u>25,750</u> | <u>125</u> | <u>(25,625)</u> |
| Expenditures | | | | |
| Current | | | | |
| Public safety | 25,750 | 25,750 | - | 25,750 |
| Total expenditures | <u>25,750</u> | <u>25,750</u> | <u>-</u> | <u>25,750</u> |
| Net Change in Fund Balance | - | - | 125 | 125 |
| Fund Balance - | | | | |
| October 1 (Beginning) | <u>3,480</u> | <u>3,480</u> | <u>3,480</u> | <u>-</u> |
| Fund Balance - | | | | |
| September 30 (Ending) | <u>\$ 3,480</u> | <u>\$ 3,480</u> | <u>\$ 3,605</u> | <u>\$ 125</u> |

City of Corinth, Texas
Parks Development Fund Budgetary Comparison Schedule (Exhibit C-13)
Year Ended September 30, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------|-------------------|-------------------|----------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Donations | \$ - | \$ - | \$ 50,000 | \$ 50,000 |
| Interest income | - | - | 3,197 | 3,197 |
| Total revenues | <u>-</u> | <u>-</u> | <u>53,197</u> | <u>53,197</u> |
| Expenditures | | | | |
| Current | | | | |
| Community services | <u>15,000</u> | <u>15,000</u> | <u>15,000</u> | <u>-</u> |
| Total expenditures | <u>15,000</u> | <u>15,000</u> | <u>15,000</u> | <u>-</u> |
| Excess (Deficiency) of Revenues over Expenditures | (15,000) | (15,000) | 38,197 | 53,197 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | <u>50,000</u> | <u>50,000</u> | <u>-</u> | <u>(50,000)</u> |
| Total Other Financing Sources (Uses) | <u>50,000</u> | <u>50,000</u> | <u>-</u> | <u>(50,000)</u> |
| Net Change in Fund Balance | 35,000 | 35,000 | 38,197 | 3,197 |
| Fund Balance - October 1 (Beginning) | <u>247,781</u> | <u>247,781</u> | <u>247,781</u> | <u>-</u> |
| Fund Balance - September 30 (Ending) | <u>\$ 282,781</u> | <u>\$ 282,781</u> | <u>\$ 285,978</u> | <u>\$ 3,197</u> |

City of Corinth, Texas
Community Park Improvement Fund Budgetary Comparison Schedule (Exhibit C-14)
Year Ended September 30, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|----------------------------|------------------|------------------|------------------|----------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Parks and recreation fees | \$ 10,970 | \$ 10,970 | \$ 5,782 | \$ (5,188) |
| Interest income | - | - | 224 | 224 |
| Total revenues | <u>10,970</u> | <u>10,970</u> | <u>6,006</u> | <u>(4,964)</u> |
| Expenditures | | | | |
| Current | | | | |
| Community services | <u>10,000</u> | <u>10,000</u> | <u>995</u> | <u>9,005</u> |
| Total expenditures | <u>10,000</u> | <u>10,000</u> | <u>995</u> | <u>9,005</u> |
| Net Change in Fund Balance | 970 | 970 | 5,011 | 4,041 |
| Fund Balance - | | | | |
| October 1 (Beginning) | <u>15,912</u> | <u>15,912</u> | <u>15,912</u> | <u>-</u> |
| Fund Balance - | | | | |
| September 30 (Ending) | <u>\$ 16,882</u> | <u>\$ 16,882</u> | <u>\$ 20,923</u> | <u>\$ 4,041</u> |

City of Corinth, Texas
Tree Mitigation Fund Budgetary Comparison Schedule (Exhibit C-15)
Year Ended September 30, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|----------------------------|-------------------|-------------------|-------------------|----------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Interest income | \$ - | \$ - | \$ 3,260 | \$ 3,260 |
| Total revenues | <u>-</u> | <u>-</u> | <u>3,260</u> | <u>3,260</u> |
| Expenditures | | | | |
| Current | | | | |
| Community services | 50,000 | 50,000 | 7,402 | 42,598 |
| Total expenditures | <u>50,000</u> | <u>50,000</u> | <u>7,402</u> | <u>42,598</u> |
| Net Change in Fund Balance | (50,000) | (50,000) | (4,142) | 45,858 |
| Fund Balance - | | | | |
| October 1 (Beginning) | <u>304,946</u> | <u>304,946</u> | <u>304,946</u> | <u>-</u> |
| Fund Balance - | | | | |
| September 30 (Ending) | <u>\$ 254,946</u> | <u>\$ 254,946</u> | <u>\$ 300,804</u> | <u>\$ 45,858</u> |

City of Corinth, Texas
Roadway Impact Fee Fund Budgetary Comparison Schedule (Exhibit C-16)
Year Ended September 30, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|----------------------------|-------------------|-------------------|-------------------|----------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Escrow and impact fees | \$ - | \$ - | \$ 203,658 | \$ 203,658 |
| Interest income | - | - | 12,454 | 12,454 |
| Total revenues | <u>-</u> | <u>-</u> | <u>216,112</u> | <u>216,112</u> |
| Expenditures | | | | |
| Capital outlay | <u>25,000</u> | <u>25,000</u> | <u>-</u> | <u>25,000</u> |
| Total expenditures | <u>25,000</u> | <u>25,000</u> | <u>-</u> | <u>25,000</u> |
| Net Change in Fund Balance | (25,000) | (25,000) | 216,112 | 241,112 |
| Fund Balance - | | | | |
| October 1 (Beginning) | <u>175,617</u> | <u>175,617</u> | <u>175,617</u> | <u>-</u> |
| Fund Balance - | | | | |
| September 30 (Ending) | <u>\$ 150,617</u> | <u>\$ 150,617</u> | <u>\$ 391,729</u> | <u>\$ 241,112</u> |

City of Corinth, Texas
Debt Service Fund Budgetary Comparison Schedule (Exhibit C-17)
Year Ended September 30, 2020

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|------------------|------------------|-------------------|----------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | | | | |
| Property | \$ 2,682,781 | \$ 2,682,781 | \$ 2,680,972 | \$ (1,809) |
| Interest Income | - | - | 14,424 | 14,424 |
| Total revenues | <u>2,682,781</u> | <u>2,682,781</u> | <u>2,695,396</u> | <u>12,615</u> |
| Expenditures | | | | |
| Debt Service: | | | | |
| Principal | 1,531,162 | 1,531,162 | 1,531,162 | - |
| Interest | 1,390,519 | 1,390,519 | 1,386,781 | 3,738 |
| Bond fees | 10,000 | 10,000 | 1,314 | 8,686 |
| Total expenditures | <u>2,931,681</u> | <u>2,931,681</u> | <u>2,919,257</u> | <u>12,424</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(248,900)</u> | <u>(248,900)</u> | <u>(223,861)</u> | <u>25,039</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | - | 250,000 | 250,000 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>250,000</u> | <u>250,000</u> |
| Net Change in Fund Balance | (248,900) | (248,900) | 26,139 | 275,039 |
| Fund Balance - October 1 (Beginning) | <u>342,713</u> | <u>342,713</u> | <u>342,713</u> | <u>-</u> |
| Fund Balance - September 30 (Ending) | <u>\$ 93,813</u> | <u>\$ 93,813</u> | <u>\$ 368,852</u> | <u>\$ 275,039</u> |

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| | <u>Governmental Capital Projects</u> | <u>Vehicle Replacement</u> | <u>LCFD Vehicle and Equipment Replacement</u> | <u>Tech Equipment Replacement</u> |
|--|--|--------------------------------|---|---|
| Assets | | | | |
| Cash and cash equivalents | \$ 1,204,402 | \$ 149,596 | \$ 434,747 | \$ 278,253 |
| Investments | 1,004,414 | - | - | - |
| Receivables (net of allowance) | | | | |
| Interest | - | - | - | - |
| Miscellaneous | - | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total assets | <u>\$ 2,208,816</u> | <u>\$ 149,596</u> | <u>\$ 434,747</u> | <u>\$ 278,253</u> |
| Liabilities | | | | |
| Accounts payable | \$ 9,324 | \$ 17,346 | \$ - | \$ - |
| Total liabilities | <u>9,324</u> | <u>17,346</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | | |
| Restricted | - | - | - | - |
| Committed | 2,199,492 | 132,250 | 434,747 | 278,253 |
| Unassigned | - | - | - | - |
| Total fund balances | <u>2,199,492</u> | <u>132,250</u> | <u>434,747</u> | <u>278,253</u> |
| Total Liabilities and Fund Balances | <u>\$ 2,208,816</u> | <u>\$ 149,596</u> | <u>\$ 434,747</u> | <u>\$ 278,253</u> |

City of Corinth, Texas
 Combining Balance Sheet – Nonmajor Capital Projects Funds (Exhibit C-18)
 September 30, 2020

| <u>Street Escrow</u> | <u>2016 CO Fund</u> | <u>2017 CO Fund</u> | <u>General Public Property for Capital Projects</u> | <u>LCFD Public Property</u> |
|----------------------|-------------------------|-------------------------|---|-------------------------------------|
| \$ 158,220 | \$ 781,622 | \$ (208,010) | \$ - | \$ 6,309 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>\$ 158,220</u> | <u>\$ 781,622</u> | <u>\$ (208,010)</u> | <u>\$ -</u> | <u>\$ 6,309</u> |
| <u>\$ -</u> | <u>\$ 28</u> | <u>\$ 26,538</u> | <u>\$ -</u> | <u>\$ -</u> |
| - | 28 | 26,538 | - | - |
| - | - | - | - | - |
| - | 781,594 | - | - | - |
| 158,220 | - | - | - | 6,309 |
| - | - | (234,548) | - | - |
| <u>158,220</u> | <u>781,594</u> | <u>(234,548)</u> | <u>-</u> | <u>6,309</u> |
| <u>\$ 158,220</u> | <u>\$ 781,622</u> | <u>\$ (208,010)</u> | <u>\$ -</u> | <u>\$ 6,309</u> |

(continued on the following page)

| | <u>General Public Property for Special Revenue</u> | <u>Total Nonmajor Capital Projects Funds</u> |
|--|--|--|
| Assets | | |
| Cash and cash equivalents | \$ - | \$ 2,805,139 |
| Investments | - | 1,004,414 |
| Receivables (net of allowance) | | |
| Interest | - | - |
| Miscellaneous | - | - |
| | <u>-</u> | <u>-</u> |
| Total assets | <u>\$ -</u> | <u>\$ 3,809,553</u> |
| Liabilities | | |
| Accounts payable | \$ - | \$ 53,236 |
| Total liabilities | <u>-</u> | <u>53,236</u> |
| Fund Balances | | |
| Restricted | - | 781,594 |
| Committed | - | 3,209,271 |
| Unassigned | - | (234,548) |
| Total fund balances | <u>-</u> | <u>3,756,317</u> |
| Total Liabilities and Fund Balances | <u>\$ -</u> | <u>\$ 3,809,553</u> |

(concluded)

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| | Governmental Capital Projects | Vehicle Replacement | LCFD Vehicle and Equipment Replacement | Tech Equipment Replacement |
|--|-------------------------------------|------------------------|--|----------------------------------|
| Revenues | | | | |
| Donations | \$ 180,000 | \$ - | \$ - | \$ 1,077 |
| Interest income | 33,273 | 2,152 | 4,971 | 3,128 |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>213,273</u> | <u>2,152</u> | <u>4,971</u> | <u>4,205</u> |
| Expenditures | | | | |
| Current | | | | |
| Public safety | - | 10,900 | - | - |
| Community services | - | - | - | - |
| Public works | - | - | - | - |
| Planning and community development | 250,456 | - | - | - |
| City administration | - | - | - | 86,398 |
| Debt service | | | | |
| Principal | - | 100,617 | 276,990 | - |
| Interest | - | 10,962 | 49,287 | - |
| Capital outlay | 1,046,652 | 48,579 | 7,276 | - |
| Total expenditures | <u>1,297,108</u> | <u>171,058</u> | <u>333,553</u> | <u>86,398</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>(1,083,835)</u> | <u>(168,906)</u> | <u>(328,582)</u> | <u>(82,193)</u> |
| Other Financing Sources (Uses) | | | | |
| Issuance of capital leases | - | - | - | - |
| Proceeds from sale of capital assets | - | 48,029 | 3,443 | 2,732 |
| Transfers out | (533,618) | - | - | - |
| Transfers in | 1,612,000 | 97,210 | 300,000 | 175,494 |
| Total Other Financing Sources (Uses) | <u>1,078,382</u> | <u>145,239</u> | <u>303,443</u> | <u>178,226</u> |
| Net Change in Fund Balance | (5,453) | (23,667) | (25,139) | 96,033 |
| Fund Balance - October 1 (Beginning) | <u>2,204,945</u> | <u>155,917</u> | <u>459,886</u> | <u>182,220</u> |
| Fund Balance - September 30 (Ending) | <u>\$ 2,199,492</u> | <u>\$ 132,250</u> | <u>\$ 434,747</u> | <u>\$ 278,253</u> |

City of Corinth, Texas
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance Capital Projects (Exhibit C-19)
 Year Ended September 30, 2020

| Street Escrow | 2016 CO Fund | 2017 CO Fund | General Public Property for Capital Projects | LCFD Public Property |
|-------------------|-------------------|---------------------|--|----------------------------|
| \$ - | \$ - | \$ 839,210 | \$ - | \$ - |
| 1,684 | 12,202 | 6,643 | - | 67 |
| - | - | - | - | - |
| <u>1,684</u> | <u>12,202</u> | <u>845,853</u> | <u>-</u> | <u>67</u> |
| - | 6,816 | 18,930 | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | 293,512 | 1,900,048 | 145,551 | - |
| <u>-</u> | <u>300,328</u> | <u>1,918,978</u> | <u>145,551</u> | <u>-</u> |
| <u>1,684</u> | <u>(288,126)</u> | <u>(1,073,125)</u> | <u>(145,551)</u> | <u>67</u> |
| - | - | - | 145,551 | - |
| - | - | - | - | - |
| - | (9,674) | - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>-</u> | <u>(9,674)</u> | <u>-</u> | <u>145,551</u> | <u>-</u> |
| 1,684 | (297,800) | (1,073,125) | - | 67 |
| <u>156,536</u> | <u>1,079,394</u> | <u>838,577</u> | <u>-</u> | <u>6,242</u> |
| <u>\$ 158,220</u> | <u>\$ 781,594</u> | <u>\$ (234,548)</u> | <u>\$ -</u> | <u>\$ 6,309</u> |

(continued on the following page)

City of Corinth, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balance Capital Projects (Exhibit C-19)
Year Ended September 30, 2020

| | <u>General Public Property for Special Revenue</u> | <u>Total Nonmajor Capital Projects Funds</u> |
|--|--|--|
| Revenues | | |
| Donations | \$ - | \$ 1,020,287 |
| Interest income | - | 64,120 |
| Miscellaneous | - | - |
| Total revenues | <u>-</u> | <u>1,084,407</u> |
| Expenditures | | |
| Current | | |
| Public safety | - | 36,646 |
| Community services | - | - |
| Public works | - | - |
| Planning and community development | - | 250,456 |
| City administration | - | 86,398 |
| Debt service | | |
| Principal | - | 377,607 |
| Interest | - | 60,249 |
| Capital outlay | 122,163 | 3,563,781 |
| Total expenditures | <u>122,163</u> | <u>4,375,137</u> |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>(122,163)</u> | <u>(3,290,730)</u> |
| Other Financing Sources (Uses) | | |
| Capital lease proceeds | 122,163 | 267,714 |
| Proceeds from sale of capital assets | - | 54,204 |
| Transfers out | - | (543,292) |
| Transfers in | - | 2,184,704 |
| Total Other Financing Sources (Uses) | <u>122,163</u> | <u>1,963,330</u> |
| Net Change in Fund Balance | - | (1,327,400) |
| Fund Balance - October 1 (Beginning) | <u>-</u> | <u>5,083,717</u> |
| Fund Balance - September 30 (Ending) | <u>\$ -</u> | <u>\$ 3,756,317</u> |

(concluded)

City of Corinth, Texas
 Balance Sheet – Corinth Economic Development Corporation (Exhibit C-20)
 September 30, 2020

| | <u>Corinth Economic Development Corporation</u> |
|-------------------------------------|---|
| Assets | |
| Cash and cash equivalents | \$ 249,142 |
| Investments | 1,390,160 |
| Receivables (net of allowance) | |
| Sales taxes | 153,649 |
| Interest | <u>1,822</u> |
| Total assets | <u><u>\$ 1,794,773</u></u> |
| Liabilities | |
| Accounts payable | 61,315 |
| Accrued liabilities | <u>21,253</u> |
| Total liabilities | <u><u>82,568</u></u> |
| Fund Balances | |
| Restricted for economic development | <u>1,712,205</u> |
| Total fund balances | <u><u>1,712,205</u></u> |
| Total liabilities and fund balances | <u><u>\$ 1,794,773</u></u> |

City of Corinth, Texas
 Reconciliation of the Balance Sheet of Corinth Economic Development Corporation to the Statement of Net
 Position (Exhibit C-21)
 September 30, 2020

| | |
|--|---------------------|
| Total Fund Balances - CEDC | \$ 1,712,205 |
| Amounts reported for CEDC in the statement of net position are different because: | |
| Capital assets used in CEDC are not current financial resources and therefore are not reported in the balance sheet. | 2,954,666 |
| Included in liabilities is the recognition of the Corporation's net pension liability in the amount of \$63,649, a deferred inflow of resources of \$18,067 and a deferred outflow of resources of \$18,675. This results in a decrease in net position. | (63,041) |
| Included in liabilities is the recognition of the Corporation's total OPEB liability in the amount of \$4,566, a deferred inflow of resources of \$592, and a deferred outflow of resources of \$1,161. This results in a decrease in net position. | <u>(3,997)</u> |
| Net Position of CEDC | <u>\$ 4,599,833</u> |

City of Corinth, Texas
Statement of Revenues, Expenditures and Changes in Fund Balance - Corinth Economic Development Corporation (Exhibit C-22)
Year Ended September 30, 2020

| | <u>Corinth Economic Development Corporation</u> |
|--|---|
| Revenues | |
| Taxes | |
| Sales | \$ 886,192 |
| Interest income | <u>12,205</u> |
| Total revenues | <u>898,397</u> |
| Expenditures | |
| Current | |
| Planning and community development | <u>577,708</u> |
| Total expenditures | <u>577,708</u> |
| Net Change in Fund Balance | 320,689 |
| Fund Balance - October 1 (Beginning) | <u>1,391,516</u> |
| Fund Balance - September 30 (Ending) | <u><u>\$ 1,712,205</u></u> |

City of Corinth, Texas
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Corinth Economic
 Development Corporation to the Statement of Activities (Exhibit C-23)
 Year Ended September 30, 2020

| | |
|--|------------|
| Net Change in Fund Balances - CEDC | \$ 320,689 |
| Amounts reported for CEDC in the statement of activities are different because: | |
| <p>Certain pension expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of revenues. Contributions made after the measurement date caused the change in net position to increase in the amount of \$13,525. CEDC's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and CEDC's pension expense must be recognized. These cause the change in net position to increase in the amount of \$11,066.</p> | 2,459 |
| <p>Certain OPEB expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of revenues. Contributions made after the measurement date caused the change in net position to increase in the amount of \$111. CEDC's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and CEDC's OPEB expense must be recognized. These cause the change in net position to decrease in the amount of \$515.</p> | (404) |
| Change in Net Position of CEDC | \$ 322,744 |

STATISTICAL SECTION





STATISTICAL SECTION

This part of the City of Corinth, Texas's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. (Tables D-1 – D-5)

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes. (Tables D-6 – D-12)

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. (Tables D-13 – D-16)

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand how the City's financial activities take place and to help make comparisons over time and with other governments. (Tables D-17 – D-19)

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. (Tables D-20 – D-21)

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF CORINTH, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

| Governmental Activities | 2011 | 2012 | 2013 | 2014 |
|--|----------------------|----------------------|----------------------|----------------------|
| Net Investment in Capital Assets | \$ 41,537,428 | \$ 38,965,723 | \$ 37,401,599 | \$ 36,991,003 |
| Restricted | 2,400,976 | 2,614,336 | 3,776,495 | 4,078,719 |
| Unrestricted | 6,854,904 | 6,708,569 | 5,660,613 | 4,522,015 |
| Total Governmental Activities Net Position | \$ 50,793,308 | \$ 48,288,628 | \$ 46,838,707 | \$ 45,591,737 |
| | | | | |
| Business-type Activities | | | | |
| Net Investment in Capital Assets | \$ 19,490,897 | \$ 21,783,319 | \$ 21,661,416 | \$ 21,552,151 |
| Restricted | - | - | - | - |
| Unrestricted | 5,858,618 | 6,216,578 | 6,897,008 | 6,250,406 |
| Total Business-Type Activities Net Position | \$ 25,349,515 | \$ 27,999,897 | \$ 28,558,424 | \$ 27,802,557 |
| | | | | |
| Primary Government | | | | |
| Net Investment in Capital Assets | \$ 61,028,325 | \$ 60,749,042 | \$ 59,063,015 | \$ 58,543,154 |
| Restricted | 2,400,976 | 2,614,336 | 3,776,495 | 4,078,719 |
| Unrestricted | 12,713,522 | 12,925,147 | 12,557,621 | 10,772,421 |
| Total Primary Government Net Position | \$ 76,142,823 | \$ 76,288,525 | \$ 75,397,131 | \$ 73,394,294 |

Note:
Governmental Activities:
2012 restated for implementation of GASB 63 and GASB 65.
2015 restated for implementation of GASB 68.

Business-type Activities:
2012 restated for implementation of GASB 63 and GASB 65.
2015 restated for implementation of GASB 68.

TABLE D-1

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 37,162,807 | \$ 35,967,465 | \$ 35,025,019 | \$ 35,039,143 | \$ 33,452,733 | \$ 34,592,990 |
| 1,066,371 | 1,759,359 | 2,600,794 | 2,830,975 | 3,031,918 | 3,314,583 |
| 1,767,508 | 1,817,109 | 3,328,479 | 3,038,070 | 3,584,935 | 4,478,248 |
| \$ 39,996,686 | \$ 39,543,933 | \$ 40,954,292 | \$ 40,908,188 | \$ 40,069,586 | \$ 42,385,821 |
| | | | | | |
| \$ 21,568,651 | \$ 21,537,921 | \$ 21,633,740 | \$ 23,453,132 | \$ 24,556,072 | \$ 23,942,064 |
| 645,963 | 647,502 | 1,127,099 | 1,295,181 | 1,162,172 | 792,236 |
| 4,856,975 | 4,285,029 | 5,523,850 | 5,059,830 | 5,471,344 | 5,572,010 |
| \$ 27,071,589 | \$ 26,470,452 | \$ 28,284,689 | \$ 29,808,143 | \$ 31,189,588 | \$ 30,306,310 |
| | | | | | |
| \$ 58,731,458 | \$ 57,505,386 | \$ 56,658,759 | \$ 58,492,275 | \$ 58,008,805 | \$ 58,535,054 |
| 1,712,334 | 2,406,861 | 3,727,893 | 4,126,156 | 4,194,090 | 4,106,819 |
| 6,624,483 | 6,102,138 | 8,852,329 | 8,097,900 | 9,056,279 | 10,050,258 |
| \$ 67,068,275 | \$ 66,014,385 | \$ 69,238,981 | \$ 70,716,331 | \$ 71,259,174 | \$ 72,692,131 |

CITY OF CORINTH, TEXAS

EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

| Expenses | 2011 | 2012 | 2013 | 2014 |
|--|-----------------------|------------------------|------------------------|------------------------|
| Governmental Activities: | | | | |
| Public Safety | \$ 7,454,086 | \$ 7,769,391 | \$ 8,188,441 | \$ 8,558,062 |
| Community Services | 1,713,873 | 1,729,610 | 1,740,402 | 1,735,618 |
| Public Works | 4,268,961 | 4,829,902 | 4,726,964 | 4,655,417 |
| Planning & Development | 709,683 | 730,829 | 731,234 | 715,554 |
| City Administration | 1,663,492 | 1,607,926 | 1,631,852 | 1,854,669 |
| Financial Services | 634,749 | 655,335 | 662,238 | 665,351 |
| Interest on Long-Term Debt | 809,445 | 821,597 | 743,848 | 702,883 |
| Total Governmental Activities Expenses | 17,254,289 | 18,144,590 | 18,424,979 | 18,887,554 |
| Business-Type Activities: | | | | |
| Water & Wastewater | 9,981,826 | 10,198,636 | 10,429,711 | 10,645,670 |
| Storm Water Utility | 449,894 | 520,098 | 515,487 | 571,624 |
| Total Business-Type Activities Expenses | 10,431,720 | 10,718,734 | 10,945,198 | 11,217,294 |
| Total Primary Government Expenses | \$ 27,686,009 | \$ 28,863,324 | \$ 29,370,177 | \$ 30,104,848 |
| Program Revenues | | | | |
| Governmental Activities: | | | | |
| Charges for Services: | | | | |
| Public Safety | \$ 3,218,248 | \$ 3,036,630 | \$ 3,316,940 | \$ 3,595,280 |
| Community Services | 305,958 | 318,297 | 312,490 | 377,982 |
| Public Works | 340,413 | 72,087 | 25,895 | 111,242 |
| Planning & Development | 564,447 | 364,980 | 342,817 | 488,706 |
| City Administration | - | - | - | 94,979 |
| Finance Services | 177,273 | 88,599 | - | - |
| Operating Grants & Contributions | 152,477 | 101,458 | 144,879 | 284,954 |
| Capital Grants & Contributions | 858,404 | 944,835 | 551,016 | - |
| Total Governmental Activities Program | 5,617,220 | 4,926,886 | 4,694,037 | 4,953,143 |
| Business-Type Activities: | | | | |
| Charges for Services: | | | | |
| Water & Wastewater | 12,221,335 | 11,715,891 | 11,582,827 | 10,648,512 |
| Storm Water Utility | 552,916 | 655,400 | 667,215 | 680,128 |
| Operating Grants & Contributions | - | - | - | - |
| Capital Grants & Contributions | 1,303,744 | 581,490 | 192,927 | 176,068 |
| Total Business-Type Activities Program | 14,077,995 | 12,952,781 | 12,442,969 | 11,504,708 |
| Total Primary Government Program | \$ 19,695,215 | \$ 17,879,667 | \$ 17,137,006 | \$ 16,457,851 |
| Net (Expense)/Revenue | | | | |
| Governmental Activities | \$ (11,637,069) | \$ (13,217,704) | \$ (13,730,942) | \$ (13,934,411) |
| Business-Type Activities | 3,646,275 | 2,234,047 | 1,497,771 | 287,414 |
| Total Primary Government Net Expense | \$ (7,990,794) | \$ (10,983,657) | \$ (12,233,171) | \$ (13,646,997) |

Note:

2012 restated for implementation of GASB 63 and GASB 65.

2015 restated for implementation of GASB 68.

TABLE D-2

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ | 8,937,222 | \$ 9,331,392 | \$ 10,464,824 | \$ 12,945,976 | \$ 13,272,969 | \$ 11,917,879 |
| | 1,855,018 | 1,734,299 | 1,533,030 | 1,511,542 | 1,445,580 | 1,612,246 |
| | 4,661,909 | 4,471,115 | 4,534,197 | 1,595,297 | 2,915,701 | 4,425,877 |
| | 860,549 | 1,013,413 | 857,360 | 1,034,510 | 1,169,750 | 1,229,618 |
| | 1,873,459 | 2,032,778 | 1,940,255 | 2,128,443 | 2,660,731 | 2,592,272 |
| | 746,482 | 878,384 | 888,324 | 886,880 | 1,026,613 | 1,105,611 |
| | 613,346 | 747,838 | 844,665 | 828,591 | 1,201,636 | 1,126,076 |
| | 19,547,985 | 20,209,219 | 21,062,655 | 20,931,239 | 23,692,980 | 24,009,579 |
| | 11,107,570 | 12,157,058 | 12,098,839 | 12,342,091 | 12,540,351 | 13,227,342 |
| | 540,217 | 525,740 | 517,412 | 560,241 | 664,736 | 678,058 |
| | 11,647,787 | 12,682,798 | 12,616,251 | 12,902,332 | 13,205,087 | 13,905,400 |
| \$ | 31,195,772 | \$ 32,892,017 | \$ 33,678,906 | \$ 33,833,571 | \$ 36,898,067 | \$ 37,914,979 |
| \$ | 3,516,328 | \$ 3,960,494 | \$ 3,934,109 | \$ 3,351,543 | \$ 4,557,446 | \$ 3,533,674 |
| | 230,940 | 206,560 | 210,498 | 234,622 | 353,124 | 102,516 |
| | 209,723 | 59,205 | 156,559 | 207,711 | 554,556 | 203,658 |
| | 647,336 | 540,906 | 1,200,712 | 749,678 | 475,134 | 664,502 |
| | 92,142 | 105,401 | 93,302 | 83,042 | 54,317 | 100,472 |
| | - | - | - | - | - | - |
| | 299,613 | 189,114 | 97,506 | 277,286 | 370,016 | 1,528,396 |
| | 380,748 | 332,872 | 1,630,239 | 1,266,428 | 810,401 | 1,258,616 |
| | 5,376,830 | 5,394,552 | 7,322,925 | 6,170,310 | 7,174,994 | 7,391,834 |
| | 10,991,068 | 11,047,722 | 11,332,588 | 13,152,059 | 12,250,426 | 12,662,764 |
| | 692,943 | 703,783 | 727,197 | 719,458 | 727,497 | 737,609 |
| | - | - | - | - | - | - |
| | 607,013 | 1,448,393 | 2,997,195 | 937,813 | 1,320,436 | 1,073,307 |
| | 12,291,024 | 13,199,898 | 15,056,980 | 14,809,330 | 14,298,359 | 14,473,680 |
| \$ | 17,667,854 | \$ 18,594,450 | \$ 22,379,905 | \$ 20,979,640 | \$ 21,473,353 | \$ 21,865,514 |
| \$ | (14,171,155) | \$ (14,814,667) | \$ (13,739,730) | \$ (14,760,929) | \$ (16,517,986) | \$ (16,617,745) |
| | 643,237 | 517,100 | 2,440,729 | 1,906,998 | 1,093,272 | 568,280 |
| \$ | (13,527,918) | \$ (14,297,567) | \$ (11,299,001) | \$ (12,853,931) | \$ (15,424,714) | \$ (16,049,465) |

CITY OF CORINTH, TEXAS

GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

| Net (Expense)/Revenue | 2011 | 2012 | 2013 | 2014 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Governmental Activities | \$ (11,637,069) | \$ (13,217,704) | \$ (13,730,942) | \$ (13,934,411) |
| Business-Type Activities | 3,646,275 | 2,234,047 | 1,497,771 | 287,414 |
| Total Primary Government Net Expense | (7,990,794) | (10,983,657) | (12,233,171) | (13,646,997) |

General Revenues and Other Changes in Net Position

Governmental Activities:

Taxes

| | | | | |
|-----------------------|-----------|-----------|-----------|-----------|
| Property Taxes | 8,236,635 | 8,292,788 | 8,501,824 | 8,674,195 |
| Sales Taxes | 1,591,901 | 1,689,889 | 1,728,567 | 1,822,924 |
| Franchise Taxes | 1,083,786 | 1,065,097 | 967,846 | 1,039,646 |
| Hotel Occupancy Taxes | - | - | - | - |

| | | | | |
|---------------------|--------|---------|--------|--------|
| Miscellaneous | 34,555 | 143,809 | 38,121 | 13,925 |
| Investment Earnings | 98,471 | 63,010 | 49,427 | 53,968 |

Gain (Loss) on sale of Capital Assets - - - -

Special Item Outflow (700,000) (134,385) 8,556 -

Transfers 2,734,363 (269,093) 986,679 1,082,783

Total Governmental Activities 13,079,711 10,851,115 12,281,020 12,687,441

Business-Type Activities:

Miscellaneous 31,858 11,738 5,145 10,216

Investment Earnings 75,308 59,488 42,290 29,280

Gain (Loss) on sale of Capital Assets - - - -

Special Item Outflow 700,000 134,385 - -

Transfers (2,734,363) 269,093 (986,679) (1,082,783)

Total Business-Type Activities (1,927,197) 474,704 (939,244) (1,043,287)

Total Primary Government \$ 11,152,514 \$ 11,325,819 \$ 11,341,776 \$ 11,644,154

Change in Net Position

Governmental Activities 1,442,642 (2,366,589) (1,449,922) (1,246,970)

Business-Type Activities 1,719,078 2,708,751 558,527 (755,873)

Total Primary Government \$ 3,161,720 \$ 342,162 \$ (891,395) \$ (2,002,843)

Note:

2012 is restated for implementation of GASB 63 and GASB 65.

Hotel Occupancy Tax was previously reported in the Sales Tax category.

Note: This information is presented using the accrual basis of accounting.

TABLE D-3

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ | (14,171,155) | \$ (14,814,667) | \$ (13,739,730) | \$ (14,760,929) | \$ (16,517,986) | \$ (16,617,745) |
| | 643,237 | 517,100 | 2,440,729 | 1,906,998 | 1,093,272 | 568,280 |
| | (13,527,918) | (14,297,567) | (11,299,001) | (12,853,931) | (15,424,714) | (16,049,465) |
| | 9,291,409 | 9,663,535 | 10,629,143 | 10,587,532 | 11,514,505 | 12,974,859 |
| | 1,889,020 | 2,023,059 | 2,253,805 | 2,370,316 | 2,463,471 | 2,635,407 |
| | 1,074,217 | 1,068,910 | 1,073,789 | 1,120,653 | 1,083,553 | 1,195,130 |
| | 67,833 | 79,007 | 77,673 | 61,181 | 82,835 | 71,707 |
| | 45,685 | 237,674 | 204,231 | 251,014 | (806) | 10,436 |
| | 55,043 | 87,433 | 228,971 | 57,042 | 455,456 | 335,182 |
| | 14,712 | 43,222 | 3,497 | 94,205 | - | 54,204 |
| | - | - | - | - | - | - |
| | 778,956 | 1,159,074 | 678,980 | 498,018 | 80,370 | 1,657,055 |
| | 13,216,875 | 14,361,914 | 15,150,089 | 15,039,961 | 15,679,384 | 18,933,980 |
| | (391) | 4,741 | 7,600 | 94,664 | 28,674 | 1,269 |
| | 18,423 | 26,328 | 43,692 | 6,748 | 263,798 | 203,839 |
| | 5,333 | 9,768 | 1,196 | 42,141 | 76,071 | 389 |
| | - | - | - | - | - | - |
| | (778,956) | (1,159,074) | (678,980) | (498,018) | (80,370) | (1,657,055) |
| | (755,591) | (1,118,237) | (626,492) | (354,465) | 288,173 | (1,451,558) |
| \$ | 12,461,284 | \$ 13,243,677 | \$ 14,523,597 | \$ 14,685,496 | \$ 15,967,557 | \$ 17,482,422 |
| | (954,280) | (452,753) | 1,410,359 | 279,032 | (838,602) | 2,316,235 |
| | (112,354) | (601,137) | 1,814,237 | 1,552,533 | 1,381,445 | (883,278) |
| \$ | (1,066,634) | \$ (1,053,890) | \$ 3,224,596 | \$ 1,831,565 | \$ 542,843 | \$ 1,432,957 |

CITY OF CORINTH, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

| General Fund | 2011 | 2012 | 2013 | 2014 |
|---------------------------|---------------------|---------------------|---------------------|---------------------|
| Reserved | \$ - | \$ - | \$ - | - |
| Non-Spendable | 216,714 | 207,875 | 211,465 | 222,652 |
| Unreserved | - | - | - | - |
| Unassigned | 4,552,509 | 5,246,829 | 3,950,657 | 3,587,445 |
| Total General Fund | \$ 4,769,223 | \$ 5,454,704 | \$ 4,162,122 | \$ 3,810,097 |

All Other Governmental Funds

| | | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| Reserved | \$ - | \$ - | \$ - | - |
| Restricted | 4,427,759 | 2,304,546 | 2,199,692 | 1,143,608 |
| Committed | 1,170,771 | 1,885,185 | 3,286,748 | 4,067,270 |
| Unreserved, Reported In: | | | | |
| Special Revenue Funds | - | - | - | - |
| Capital Projects Funds | - | - | - | - |
| Unassigned | (268,858) | (351,404) | (441,149) | (579,436) |
| Total all other Governmental Funds | \$ 5,329,672 | \$ 3,838,327 | \$ 5,045,291 | \$ 4,631,442 |

Note:

GASB 54 was implemented in 2011.

TABLE D-4

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$ | - | - | - | - | - | - |
| | 244,486 | 439,146 | 195,750 | 251,776 | 155,611 | 143,205 |
| | - | - | - | - | - | - |
| | 3,482,449 | 3,295,962 | 5,243,056 | 5,184,229 | 4,929,660 | 6,278,671 |
| \$ | 3,726,935 | \$ 3,735,108 | \$ 5,438,806 | \$ 5,436,005 | \$ 5,085,271 | \$ 6,421,876 |

| | | | | | | |
|-----------|------------------|----------------------|----------------------|---------------------|----------------------|----------------------|
| \$ | - | - | - | - | - | - |
| | 1,155,506 | 13,370,197 | 14,479,349 | 5,873,511 | 16,539,952 | 19,529,962 |
| | 2,946,280 | 2,623,387 | 2,703,352 | 3,156,896 | 3,485,998 | 3,570,833 |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | (480,444) | (442,236) | (298,848) | (389,299) | - | (234,548) |
| \$ | 3,621,342 | \$ 15,551,348 | \$ 16,883,853 | \$ 8,641,108 | \$ 20,025,950 | \$ 22,866,247 |

CITY OF CORINTH, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

| Revenues | 2011 | 2012 | 2013 | 2014 |
|--|-----------------------|---------------------|--------------------|---------------------|
| Taxes | \$ 10,911,621 | \$ 11,048,433 | \$ 11,210,497 | \$ 11,538,485 |
| Licenses, Fees and Permits | 1,091,761 | 661,689 | 285,165 | 903,407 |
| Fines & Penalties | 634,141 | 577,101 | 974,231 | 723,174 |
| Charges for Services | 2,547,590 | 2,531,739 | 2,534,668 | 2,826,329 |
| Investment Earnings | 98,470 | 63,010 | 49,427 | 53,967 |
| Donations | 1,012,607 | 947,567 | 571,827 | 89,514 |
| Special Assessments | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Other Revenues | 160,522 | 205,271 | 190,849 | 82,083 |
| Total Revenues | 16,456,712 | 16,034,810 | 15,816,664 | 16,216,959 |
| Expenditures | | | | |
| Public Safety | 8,073,621 | 7,520,802 | 8,393,476 | 9,422,471 |
| Community Services | 1,752,265 | 1,794,276 | 2,113,911 | 2,405,814 |
| Public Works | 1,640,574 | 1,222,644 | 878,847 | 1,483,829 |
| Planning & Development | 699,586 | 751,109 | 727,249 | 718,253 |
| City Administration | 1,454,431 | 1,444,883 | 1,591,760 | 1,636,334 |
| Finance Services | 614,157 | 641,484 | 655,646 | 652,321 |
| General Government | - | - | - | - |
| Capital Outlay | 5,122,041 | 890,602 | 27,648 | - |
| Debt Service | | | | |
| Principal | 1,456,375 | 1,534,125 | 1,743,686 | 1,892,482 |
| Interest | 847,405 | 813,965 | 756,738 | 694,004 |
| Bond Issuance Costs | - | - | - | - |
| Total Expenditures | 21,660,455 | 16,613,890 | 16,888,961 | 18,905,508 |
| Other Financing Sources (Uses) | | | | |
| Bonds Issued | - | - | - | - |
| Payments to Escrow Agent | - | - | - | - |
| Bond Premium/Discount | - | - | - | - |
| Capital Lease | - | - | - | - |
| Sale of Capital Assets | - | 42,309 | - | 839,890 |
| Transfers In/Out | 2,734,363 | (269,093) | 986,679 | 1,082,783 |
| Total Other Financing Sources (Uses) | 2,734,363 | (226,784) | 986,679 | 1,922,673 |
| Net Change in Fund Balances | \$ (2,469,380) | \$ (805,864) | \$ (85,618) | \$ (765,876) |
| Debt service as a percentage of noncapital expenditures | 15.51% | 15.68% | 18.23% | 16.04% |

The Debt Service ratio to noncapital expenditures is calculated by dividing debt service expenditures (principal, interest, and bond issuance cost) by noncapital expenditures (Exhibit A-6).

TABLE D-5

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----|--------------------|----------------------|---------------------|-----------------------|----------------------|---------------------|
| \$ | 12,329,258 | \$ 12,807,008 | \$ 14,034,768 | \$ 14,100,926 | \$ 15,198,411 | \$ 16,817,677 |
| | 1,050,172 | 797,332 | 1,557,520 | 1,170,581 | 1,366,719 | 957,010 |
| | 682,284 | 712,852 | 619,747 | 758,997 | 1,240,152 | 1,194,517 |
| | 3,132,880 | 3,159,963 | 3,063,911 | 3,325,163 | 2,709,304 | 2,679,874 |
| | 55,043 | 87,433 | 204,231 | 251,014 | 455,456 | 335,182 |
| | 96,633 | 186,220 | 94,185 | 1,542,462 | 556,586 | 1,095,664 |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | 123,070 | 292,949 | 324,855 | 352,973 | 410,223 | 1,479,848 |
| | 17,469,340 | 18,043,757 | 19,899,217 | 21,502,116 | 21,936,851 | 24,559,772 |
| | 9,167,774 | 9,702,983 | 9,234,496 | 10,620,034 | 10,441,255 | 10,668,378 |
| | 1,765,661 | 1,507,526 | 1,353,153 | 1,428,385 | 1,447,632 | 1,457,005 |
| | 2,600,403 | 1,721,981 | 1,086,857 | 886,891 | 1,151,389 | 1,356,060 |
| | 871,281 | 981,151 | 874,835 | 1,040,104 | 1,129,699 | 1,205,791 |
| | 1,766,937 | 2,173,809 | 1,777,956 | 2,114,840 | 2,526,410 | 2,391,519 |
| | 732,037 | 862,114 | 862,354 | 893,640 | 1,014,807 | 1,108,038 |
| | - | - | - | - | - | - |
| | - | 3,727,303 | 4,958,837 | 7,965,300 | 2,649,662 | 4,394,655 |
| | - | - | - | - | - | - |
| | 1,836,489 | 1,806,587 | 1,542,615 | 1,375,785 | 1,769,461 | 2,044,146 |
| | 627,358 | 784,585 | 1,109,103 | 1,064,269 | 981,456 | 1,474,914 |
| | - | - | 232,870 | 10,440 | 164,276 | 1,314 |
| | 19,367,940 | 23,268,039 | 23,033,076 | 27,399,688 | 23,276,047 | 26,101,820 |
| | - | 17,116,713 | 13,017,245 | - | 10,754,800 | - |
| | - | (1,179,213) | (7,542,236) | - | - | - |
| | - | - | - | - | 608,543 | - |
| | - | - | - | - | 800,928 | 267,714 |
| | 26,382 | 65,887 | 16,073 | 182,498 | 128,663 | 54,204 |
| | 778,956 | 1,159,074 | 678,980 | (2,373,559) | 80,370 | 5,397,032 |
| | 805,338 | 17,162,461 | 6,170,062 | (2,191,061) | 12,373,304 | 5,718,950 |
| \$ | (1,093,262) | \$ 11,938,179 | \$ 3,036,203 | \$ (8,088,633) | \$ 11,034,108 | \$ 4,176,902 |
| | 15.03% | 15.45% | 17.73% | 13.27% | 14.41% | 16.29% |

CITY OF CORINTH, TEXAS

TABLE D-6

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

| Fiscal Year | Property Tax | Sales & Hotel Tax | Franchise Tax | Total |
|-----------------------------|---------------------|------------------------------|----------------------|--------------|
| 2011 | 8,235,934 | 1,591,901 | 1,083,786 | 10,911,621 |
| 2012 | 8,293,447 | 1,689,889 | 1,065,097 | 11,048,433 |
| 2013 | 8,514,084 | 1,728,567 | 967,846 | 11,210,497 |
| 2014 | 8,675,915 | 1,822,924 | 1,039,646 | 11,538,485 |
| 2015 | 9,298,188 | 1,956,853 | 1,074,217 | 12,329,258 |
| 2016 | 9,636,032 | 2,102,066 | 1,068,910 | 12,807,008 |
| 2017 | 10,629,501 | 2,331,478 | 1,073,789 | 14,034,768 |
| 2018 | 10,548,776 | 2,431,497 | 1,120,653 | 14,100,926 |
| 2019 | 11,568,552 | 2,546,306 | 1,083,553 | 15,198,411 |
| 2020 | 12,957,698 | 2,707,114 | 1,152,865 | 16,817,677 |
| Percent Change 2011-2020 | 57.33% | 70.06% | 6.37% | 54.13% |

CITY OF CORINTH, TEXAS

TABLE D-7

*ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS*

| Fiscal Year | Residential Property | Commercial Property | Less: Tax-Exempt Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Value | Taxable Assessed Value as a Percent of Actual Taxable Value |
|--------------------|-----------------------------|----------------------------|----------------------------------|-------------------------------------|------------------------------|-------------------------------|--|
| 2011 | 1,252,309,929 | 234,688,468 | 96,489,458 | 1,390,508,939 | 0.59292 | 1,390,508,939 | 100.00% |
| 2012 | 1,211,861,253 | 268,045,937 | 88,120,582 | 1,391,786,608 | 0.59135 | 1,391,786,608 | 100.00% |
| 2013 | 1,201,904,159 | 283,761,674 | 88,447,340 | 1,397,218,493 | 0.60489 | 1,397,218,493 | 100.00% |
| 2014 | 1,221,191,136 | 295,352,467 | 85,760,821 | 1,430,782,782 | 0.60489 | 1,430,782,782 | 100.00% |
| 2015 | 1,267,097,852 | 326,129,542 | 59,168,386 | 1,534,059,008 | 0.59489 | 1,652,395,780 | 92.84% |
| 2016 | 1,348,410,542 | 385,457,523 | 95,347,173 | 1,638,520,892 | 0.58489 | 1,770,835,524 | 92.53% |
| 2017 | 1,479,545,576 | 425,594,137 | 105,756,559 | 1,799,383,154 | 0.58193 | 1,969,484,281 | 91.36% |
| 2018 | 1,610,439,701 | 484,323,152 | 142,108,059 | 1,952,654,794 | 0.53686 | 2,143,695,625 | 91.09% |
| 2019 | 1,771,534,525 | 537,621,735 | 149,874,977 | 2,159,281,283 | 0.53000 | 2,348,254,444 | 91.95% |
| 2020 | 1,899,769,993 | 605,143,541 | 158,782,796 | 2,346,130,738 | 0.54500 | 2,592,331,676 | 90.50% |

Source: Denton Central Appraisal District.

CITY OF CORINTH, TEXAS

TABLE D-8

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

| Fiscal Year | City Property Tax Rate | | | Overlapping Rates | | | |
|-------------|------------------------|---------------------------------|----------------|-------------------|-----------------|------------------------------------|---------------|
| | O & M Tax Rate | General Obligation Debt Service | Total Tax Rate | Denton ISD | Lake Dallas ISD | Corinth Municipal Utility District | Denton County |
| 2011 | 0.44946 | 0.14346 | 0.59292 | 1.53000 | 1.67000 | 0.15000 | 0.27740 |
| 2012 | 0.44789 | 0.14346 | 0.59135 | 1.53000 | 1.67000 | - | 0.27740 |
| 2013 | 0.46143 | 0.14346 | 0.60489 | 1.53000 | 1.67000 | - | 0.28290 |
| 2014 | 0.46143 | 0.14346 | 0.60489 | 1.53000 | 1.67000 | - | 0.28490 |
| 2015 | 0.45143 | 0.14346 | 0.59489 | 1.54000 | 1.67000 | - | 0.27220 |
| 2016 | 0.44143 | 0.14346 | 0.58489 | 1.54000 | 1.67000 | - | 0.26200 |
| 2017 | 0.44298 | 0.13895 | 0.58193 | 1.54000 | 1.67000 | - | 0.24841 |
| 2018 | 0.42791 | 0.10895 | 0.53686 | 1.54000 | 1.67000 | - | 0.23780 |
| 2019 | 0.42711 | 0.10289 | 0.53000 | 1.54000 | 1.67000 | - | 0.22560 |
| 2020 | 0.43211 | 0.11289 | 0.54500 | 1.47000 | 1.56830 | - | 0.22528 |

Source: Denton County Appraisal District

CITY OF CORINTH, TEXAS

TABLE D-9

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

| Taxpayer | 2020 | | | 2011 | | |
|-----------------------------------|-------------------------------|-------------|---|-------------------------------|-------------|---|
| | Taxable Assessed Value | Rank | Percent of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percent of Total City Taxable Assessed Value |
| Oxford 2181 Inc | 36,000,000 | 1 | 1.53% | | | |
| Boulevard 2010 LLC | 28,369,309 | 2 | 1.21% | | | |
| Millennium Place LP | 25,003,859 | 3 | 1.07% | | | |
| Denton County Electric Coop | 25,275,228 | 4 | 1.08% | 15,086,139 | 2 | 1.08% |
| Pinnell Square LP | 10,056,586 | 5 | 0.43% | | | |
| Oncor Electric Delivery Co | 16,325,810 | 6 | 0.70% | 11,715,900 | 3 | 0.84% |
| Atmos Energy/Mid-Tex Distribution | 9,215,220 | 7 | 0.39% | | | |
| Destiney Dallas LP P/S | 8,751,577 | 8 | 0.37% | | | |
| Tower Ridge Corinth I, LTD | 11,363,745 | 9 | 0.48% | 6,299,659 | 5 | 0.45% |
| Utter Properties, LLC | 8,415,323 | 10 | 0.36% | 7,083,457 | 4 | 0.51% |
| Kensington Square LP PS | | | | 4,850,000 | 9 | 0.35% |
| Med Partners Management LLS | | | | 16,450,000 | 1 | 1.18% |
| North Texas Nissan Realty, Inc | | | | 4,968,688 | 8 | 0.36% |
| HD Supply Utilities LTD #3430 | | | | 5,685,721 | 6 | 0.41% |
| Utter, Bill | | | | 5,139,593 | 7 | 0.37% |
| Dallas GSGS Properties LLC | | | | 4,523,428 | 10 | 0.33% |
| Total | \$ 178,776,657 | | 7.62% | \$ 81,802,585 | | 5.88% |

Source: Denton Central Appraisal District

CITY OF CORINTH, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

TABLE D-10

| Fiscal Year Ended September 30 | Taxes Levied for the Fiscal Year | Collected Within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---|---|---|----------------------------|--|----------------------------------|----------------------------|
| | | Amount | Percent of Levy | | Amount | Percent of Levy |
| 2011 | 8,222,763 | 8,121,978 | 98.77% | 98,294 | 8,220,272 | 99.97% |
| 2012 | 8,300,538 | 8,207,634 | 98.88% | 90,365 | 8,297,999 | 99.97% |
| 2013 | 8,453,267 | 8,425,528 | 99.67% | 25,168 | 8,450,696 | 99.97% |
| 2014 | 8,663,332 | 8,630,897 | 99.63% | 29,985 | 8,660,882 | 99.97% |
| 2015 | 9,187,621 | 9,160,871 | 99.71% | 22,920 | 9,183,791 | 99.96% |
| 2016 | 9,594,646 | 9,568,054 | 99.72% | 21,353 | 9,589,407 | 99.95% |
| 2017 | 10,467,690 | 10,432,195 | 99.66% | 30,074 | 10,462,269 | 99.95% |
| 2018 | 10,503,022 | 10,472,993 | 99.71% | 22,828 | 10,495,821 | 99.93% |
| 2019 | 11,487,858 | 11,458,626 | 99.75% | 16,090 | 11,474,716 | 99.89% |
| 2020 | 12,930,801 | 12,883,707 | 99.64% | - | 12,883,707 | 99.64% |

Note:

Current year original tax levy net of supplements and adjustments in current tax year.
 Collections in subsequent years are net of supplements and adjustments in subsequent years.

Source: Denton County Tax Office

CITY OF CORINTH, TEXAS
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

TABLE D-11

| Fiscal Year | Corinth Direct Sales Tax Rate | Corinth Street Maintenance Sales Tax | Economic Development Sec. 4(B) Sales Tax | Corinth Crime Control & Prevention Sales Tax |
|--------------------|--------------------------------------|---|---|---|
| 2011 | 1.00% | 0.25% | 0.50% | 0.25% |
| 2012 | 1.00% | 0.25% | 0.50% | 0.25% |
| 2013 | 1.00% | 0.25% | 0.50% | 0.25% |
| 2014 | 1.00% | 0.25% | 0.50% | 0.25% |
| 2015 | 1.00% | 0.25% | 0.50% | 0.25% |
| 2016 | 1.00% | 0.25% | 0.50% | 0.25% |
| 2017 | 1.00% | 0.25% | 0.50% | 0.25% |
| 2018 | 1.00% | 0.25% | 0.50% | 0.25% |
| 2019 | 1.00% | 0.25% | 0.50% | 0.25% |
| 2020 | 1.00% | 0.25% | 0.50% | 0.25% |

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS

| | 2011 | 2012 | 2013 | 2014 |
|-----------------------|--------------------|--------------------|--------------------|--------------------|
| Construction | 942,329 | 2,146,600 | 2,781,669 | 2,318,987 |
| Manufacturing | 738,294 | 484,720 | 442,231 | 626,667 |
| Utilities | 90,939,863 | 82,316,673 | 92,911,304 | 109,928,880 |
| Wholesale Trade | 4,319,250 | 2,532,277 | 3,100,915 | 3,088,654 |
| Retail Trade | 22,852,835 | 26,103,441 | 26,504,414 | 27,888,328 |
| Services | 5,710,772 | 6,865,632 | 6,730,599 | 7,243,623 |
| Other | 21,602,742 | 23,290,303 | 24,190,424 | 24,648,881 |
| Total | 147,106,085 | 143,739,646 | 156,661,556 | 175,744,020 |
| | | | | |
| Direct Sales Tax Rate | 1.00% | 1.00% | 1.00% | 1.00% |

Note:

Sales tax for 2020 reports first two quarters only due to reporting lag by State Comptroller's Office.

Source: Texas State Comptroller

TABLE D-12

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| 4,309,632 | 4,700,702 | 3,994,986 | 2,328,556 | 3,216,574 | 1,771,296 |
| 481,999 | 753,527 | 614,605 | 1,253,393 | 2,049,745 | 343,519 |
| 110,581,672 | 104,636,898 | 115,420,823 | 125,970,925 | 129,198,459 | 56,397,438 |
| 7,617,017 | 7,302,049 | 10,649,928 | 8,692,469 | 7,471,542 | 1,814,747 |
| 29,287,734 | 30,504,049 | 33,210,828 | 34,016,051 | 35,051,549 | 15,914,999 |
| 7,228,816 | 7,686,622 | 7,466,146 | 8,497,374 | 8,194,907 | 3,416,711 |
| 25,034,737 | 25,575,315 | 27,498,369 | 34,467,334 | 35,920,833 | 17,794,874 |
| 184,541,607 | 181,159,162 | 198,855,685 | 215,226,102 | 221,103,609 | 97,453,584 |
| 1.00% | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |

CITY OF CORINTH, TEXAS

TABLE D-13

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

| Fiscal Year | General Bonded Debt | | | Percent of Actual Taxable Value of Property | Per Capita General Bonded Debt | Other Governmental Activities Debt | |
|-------------|--------------------------|--------------------------------------|--------------------------|---|--------------------------------|------------------------------------|--|
| | General Obligation Bonds | Certificates of Obligation/Tax Notes | Total Tax Supported Debt | | | Capital Leases | |
| 2011 | 9,082,075 | 10,860,931 | 19,943,006 | 1.43% | 988 | - | |
| 2012 | 8,004,950 | 9,309,385 | 17,314,335 | 1.24% | 848 | - | |
| 2013 | 6,887,875 | 8,682,775 | 15,570,650 | 1.11% | 756 | - | |
| 2014 | 5,738,000 | 8,021,998 | 13,759,998 | 0.96% | 661 | 758,058 | |
| 2015 | 4,611,500 | 7,388,904 | 12,000,404 | 0.78% | 573 | 683,391 | |
| 2016 | 3,458,925 | 20,102,388 | 23,561,313 | 1.44% | 1,118 | 1,298,191 | |
| 2017 | 7,809,874 | 18,335,001 | 26,144,875 | 1.45% | 1,229 | 1,381,618 | |
| 2018 | 6,663,408 | 15,470,001 | 22,133,409 | 1.13% | 1,038 | 1,217,298 | |
| 2019 | 5,458,611 | 26,134,070 | 31,592,681 | 1.46% | 1,448 | 2,332,394 | |
| 2020 | 4,424,982 | 31,995,399 | 36,420,381 | 1.55% | 1,644 | 2,085,345 | |

| Fiscal Year | Business-Type Activities | | | | Capital Leases | Total Primary Government | Per Capita Primary Government | Percent of Personal Income |
|-------------|--------------------------|----------------------------|------------|---------|----------------|--------------------------|-------------------------------|----------------------------|
| | General Obligation Bonds | Certificates of Obligation | Total | | | | | |
| 2011 | 1,777,925 | 10,509,069 | 12,286,994 | - | - | 32,230,000 | 1,597 | 4.30% |
| 2012 | 1,625,050 | 11,060,615 | 12,685,665 | - | - | 30,000,000 | 1,469 | 4.15% |
| 2013 | 1,467,125 | 10,492,224 | 11,959,349 | - | - | 27,529,999 | 1,337 | 3.67% |
| 2014 | 1,307,000 | 9,898,002 | 11,205,002 | - | - | 25,723,058 | 1,235 | 3.30% |
| 2015 | 1,063,500 | 9,341,096 | 10,404,596 | - | - | 23,088,391 | 1,102 | 2.87% |
| 2016 | 816,075 | 8,752,609 | 9,568,684 | - | - | 34,428,188 | 1,633 | 4.15% |
| 2017 | 7,885,126 | 2,628,570 | 10,513,696 | - | - | 38,040,189 | 1,789 | 4.46% |
| 2018 | 6,801,595 | 2,800,000 | 9,601,595 | - | - | 32,952,302 | 1,546 | 3.80% |
| 2019 | 5,791,392 | 11,240,931 | 17,032,323 | 170,237 | - | 51,127,635 | 2,343 | 5.63% |
| 2020 | 5,015,020 | 8,732,684 | 13,747,704 | 151,982 | - | 52,405,412 | 2,365 | 5.95% |

Note: General Obligation and Certificates of Obligation balances are presented net of original issuance discounts and premiums.

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

TABLE D-14

| Fiscal Year | General Obligation Bonds | Certificate Obligation Bonds | Total General Bonded Debt | Percent of Actual Taxable Value of Property | Per Capita |
|--------------------|---------------------------------|-------------------------------------|----------------------------------|--|-------------------|
| 2011 | 10,860,000 | 21,370,000 | 32,230,000 | 2.32% | 1,597 |
| 2012 | 9,630,000 | 20,370,000 | 30,000,000 | 2.16% | 1,469 |
| 2013 | 8,355,000 | 19,174,999 | 27,529,999 | 1.97% | 1,337 |
| 2014 | 7,045,000 | 17,920,000 | 24,965,000 | 1.74% | 1,199 |
| 2015 | 5,675,000 | 16,730,000 | 22,405,000 | 1.36% | 1,069 |
| 2016 | 4,275,000 | 28,854,997 | 33,129,997 | 1.87% | 1,572 |
| 2017 | 15,695,000 | 20,963,571 | 36,658,571 | 1.86% | 1,724 |
| 2018 | 13,465,003 | 18,270,001 | 31,735,004 | 1.48% | 1,489 |
| 2019 | 11,250,003 | 37,375,001 | 48,625,004 | 2.07% | 2,229 |
| 2020 | 9,440,002 | 40,728,083 | 50,168,085 | 1.94% | 2,264 |

Note: General Obligation and Certificates of Obligation balances are presented net of original issuance discounts and premiums.

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

| | 2011 | 2012 | 2013 | 2014 |
|--|----------------|----------------|----------------|----------------|
| Debt Limit | \$ 139,050,693 | \$ 139,178,661 | \$ 139,721,850 | \$ 143,078,278 |
| Total Net Debt Applicable to Limit | 28,552,904 | 28,999,184 | 26,529,182 | 24,636,963 |
| Legal Debt Margin | \$ 110,497,789 | \$ 110,179,477 | \$ 113,192,668 | \$ 118,441,315 |
| Total Net Debt Applicable to the Limit | | | | |
| As a Percentage of Debt Limit | 20.53% | 20.84% | 18.99% | 17.22% |

Source: City of Corinth Finance department

TABLE D-15

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 165,239,578 | \$ 163,852,059 | \$ 179,938,315 | \$ 195,265,479 | \$ 215,928,128 | \$ 234,613,074 |
| 22,180,581 | 32,782,746 | 33,639,319 | 31,435,810 | 48,282,291 | 45,881,152 |
| \$ 143,058,997 | \$ 131,069,313 | \$ 146,298,996 | \$ 163,829,669 | \$ 167,645,837 | \$ 188,731,922 |
| 13.42% | 20.01% | 18.69% | 16.10% | 22.36% | 19.56% |

| | |
|------------------------------------|------------------------------|
| Assessed Value | \$ 2,346,130,738 |
| Debt Limit (10% of Assessed Value) | 234,613,074 |
| Debt Applicable to Limit: | |
| Total Debt Outstanding | 46,250,004 |
| Less: Amount Set Aside for | <u>368,852</u> |
| Total Net Debt applicable to Limit | <u>45,881,152</u> |
| Legal Debt Margin | <u><u>\$ 188,731,922</u></u> |

CITY OF CORINTH, TEXAS
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT

TABLE D-16

| Governmental Unit | Debt Outstanding | Estimated Percent Applicable (1) | Estimated Share of Direct & Overlapping Debt |
|--|-------------------------|---|---|
| Debt Repaid With Property Taxes | | | |
| Denton Co. | \$ 611,835,000 | 2.12% | \$ 12,970,902 |
| Denton ISD | 1,368,646,088 | 6.11% | \$ 83,624,276 |
| Lake Dallas ISD | 149,857,192 | 45.81% | \$ 68,649,580 |
| Subtotal, Overlapping Debt | | | 165,244,758 |
| City Direct Debt (2) | | | 38,505,726 |
| Total Direct and Overlapping Debt | | | <u>\$ 203,750,484</u> |
| Total Direct and Overlapping Debt % of AV | | | 8.68% |
| Total Direct and Overlapping Debt per Capita | | | \$ 9,195 |

Source: Compiled by Hilltop Securities Inc. using data from the Municipal Advisory Council of Texas.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the City of Corinth. This process recognizes that, when considering the City of Corinth's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable value that is within the City of Corinth's boundaries and dividing it by the overlapping government's total taxable assessed value.

(2) Does not include self-supporting debt.

CITY OF CORINTH, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

TABLE D-17

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Population [1] | 20,177 | 20,424 | 20,597 | 20,824 | 20,957 | 21,078 | 21,269 | 21,320 | 21,819 | 22,160 |
| Median Household Income [2] | 99,127 | 101,176 | 104,211 | 106,877 | 109,543 | 112,169 | 114,412 | 117,180 | 120,142 | 113,483 |
| Per Capita Personal Income | 37,135 | 35,388 | 36,450 | 37,411 | 38,372 | 39,357 | 40,144 | 40,683 | 41,616 | 39,723 |
| Median Age | 33 | 36 | 36 | 36 | 36 | 36 | 36 | 36 | 37 | 37.5 |
| Education Level [3] | | | | | | | | | | |
| School Enrollment | 3,338 | 3,533 | 3,398 | 3,490 | 3,582 | 3,408 | 3,514 | 3,547 | 3,506 | 3,541 |
| High school graduate or higher | 96% | 96% | 97% | 97% | 97% | 97% | 96% | 96% | 93% | 92.9% |
| Bachelor's degree or higher | 42% | 43% | 40% | 42% | 42% | 40% | 40% | 40% | 39% | 41.7% |
| Unemployment [4] | 6.60% | 5.70% | 5.30% | 4.40% | 4.40% | 3.80% | 3.10% | 2.90% | 3.00% | 6.60% |

[1] The figure for 2019 are an estimate based on current trends.

[2] These figures are based on Catalyst Commercial and current trends.

[3] The school enrollment (Denton / Lake Dallas ISD) figures are based on numbers provided by the Texas Education Agency (TEA).

[4] The unemployment figures shown above are for Denton County, as calculated by the Labor Market and Career Information (LMCI) Department of the Texas Workforce Commission.

Source: City of Corinth Economic Development

TABLE D-18

CITY OF CORINTH, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

| | 2020 | | | 2011 | | |
|-----------------------------------|--------------|------|----------------------------------|--------------|------|----------------------------------|
| | Employees | Rank | Percent of Total City Employment | Employees | Rank | Percent of Total City Employment |
| CoServ | 710 | 1 | 10.97% | 350 | 3 | 8.07% |
| North Central Texas College | 671 | 2 | 10.36% | 382 | 2 | 8.81% |
| Lake Dallas ISD | 209 | 3 | 3.23% | | | |
| Denton ISD | 190 | 4 | 2.93% | | | |
| City of Corinth | 173 | 5 | 2.67% | 154 | 4 | 3.55% |
| Bill Utter Ford | 131 | 6 | 2.02% | 114 | 7 | 2.63% |
| Albertsons | 120 | 7 | 1.85% | 115 | 6 | 2.65% |
| Denton Area Teachers Credit Union | 116 | 8 | 1.79% | | | |
| Huffines Kia and Subaru | 105 | 9 | 1.62% | | | |
| Oakmont Country Club | 90 | 10 | 1.39% | | | |
| Gunn Nissan | | | | | | |
| Labinal | | | | 720 | 1 | 16.60% |
| Atrium Hospital | | | | 220 | 5 | 5.07% |
| Ashton Gardens | | | | 40 | 8 | 0.92% |
| Harley Davidson | | | | 37 | 9 | 0.85% |
| Total | 2,515 | | 38.84% | 2,132 | | 49.15% |

Source: City of Corinth Economic Development

CITY OF CORINTH, TEXAS

TABLE D-19

*FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS*

| Function/Program | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Government | | | | | | | | | | |
| City Administration | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Legal | 1.00 | 1.00 | - | - | - | - | - | - | - | - |
| Police | 28.00 | 28.00 | 31.00 | 32.00 | 33.00 | 34.00 | 35.00 | 35.00 | 37.00 | 39.00 |
| Animal Control | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 2.00 | 2.00 | - | - |
| Lake Cities Fire Department | 41.00 | 40.00 | 40.00 | 41.00 | 41.00 | 41.00 | 44.00 | 53.00 | 53.00 | 53.00 |
| Streets | 7.00 | 7.00 | 7.00 | 7.00 | 6.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |
| Fleet Maintenance | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | - | - | - | - |
| Community Development | 5.00 | 5.00 | 4.00 | 4.00 | 4.00 | 4.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Planning | 4.00 | 3.00 | 4.00 | 5.00 | 5.00 | 5.00 | 5.00 | 6.00 | 6.00 | 6.00 |
| Municipal Court | 4.00 | 4.00 | 5.00 | 5.00 | 5.00 | 4.00 | 4.00 | 4.00 | 4.00 | 5.00 |
| Parks & Recreation | 17.80 | 17.50 | 17.50 | 16.00 | 16.00 | 14.00 | 9.00 | 11.00 | 11.00 | 11.00 |
| Finance | 6.50 | 6.50 | 6.50 | 7.50 | 7.50 | 7.50 | 7.50 | 6.50 | 6.50 | 7.00 |
| Human Resources | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 4.00 | 4.00 | 4.00 |
| Information Services | 2.50 | 3.00 | 3.00 | 4.00 | 4.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Water/Wastewater Fund | | | | | | | | | | |
| Water/Wastewater | 21.00 | 21.00 | 21.00 | 21.00 | 22.00 | 22.00 | 19.00 | 19.00 | 19.00 | 19.00 |
| Engineering | - | - | - | - | - | - | 4.00 | 4.00 | 4.00 | 4.00 |
| Utility Billing | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Storm Drainage Fund | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Corinth Economic Development Corp. | 2.00 | 2.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Crime Control District Fund | 3.00 | 3.00 | 3.00 | 3.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Child Safety Program Fund | 0.34 | 0.34 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Court Security Fund | - | - | - | - | 0.50 | 0.50 | - | - | - | 0.50 |
| Total | 158.64 | 156.84 | 159.00 | 162.50 | 163.00 | 163.00 | 162.00 | 174.00 | 174.00 | 178.00 |

Source: City of Corinth Adopted Budget.

CITY OF CORINTH, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

TABLE D-20

| Function/Program | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government | | | | | | | | | | |
| New Single Family Home Building Permits | 32 | 18 | 18 | 23 | 47 | 53 | 63 | 75 | 39 | 49 |
| New Commercial Building Permits | 2 | 2 | - | 4 | 5 | 7 | 13 | 4 | 9 | 2 |
| Police | | | | | | | | | | |
| Physical Arrests | 410 | 349 | 316 | 304 | 329 | 426 | 513 | 458 | 290 | 427 |
| Parking Violations | 38 | 14 | 3 | 7 | 22 | - | - | - | - | - |
| Traffic Violations | 5,544 | 5,787 | 7,021 | 7,436 | 7,196 | 6,013 | 6,573 | 7,158 | 5,848 | 4,526 |
| Fire | | | | | | | | | | |
| Emergency Responses | 2,600 | 2,655 | 2,889 | 3,164 | 3,372 | 3,475 | 3,237 | 3,246 | 3,546 | 3,467 |
| Structure Fires Extinguished | 66 | 49 | 36 | 21 | 18 | 37 | 26 | 34 | 43 | 46 |
| Inspections | 395 | 180 | 621 | 434 | 204 | 403 | 403 | 490 | 641 | 655 |
| Other Public Works | | | | | | | | | | |
| Street Resurfacing (miles) | 2.7 | 1.5 | <1 | <1 | <1 | <1 | <1 | <1 | <1 | <1 |
| Potholes Repaired | 1,160 | 2,948 | 120 | 77 | 244 | 126 | 96 | 226 | 200 | 96 |
| Parks and Recreation | | | | | | | | | | |
| Classes offered (hours) | 454 | 273 | 286 | 437 | 310 | 72 | 68 | 60 | 72 | 32 |
| Participants | 4,105 | 1,936 | 2,225 | 3,822 | 6,609 | 320 | 224 | 208 | 315 | 120 |
| Special events (hours) | 4,484 | 1,054 | 2,381 | 3,432 | 2,699 | 3,530 | 3,378 | 3,773 | 3,197 | 107 |
| Class Participants | 39,567 | 8,312 | 4,714 | 5,185 | 2,394 | 3,375 | 3,209 | 3,315 | 3,040 | 122 |
| Association Participants | 126,940 | 25,236 | 20,327 | 18,806 | 29,792 | 26,766 | 21,012 | - | - | - |
| Athletic League Participants | - | 67,056 | 32,022 | 22,944 | 7,936 | - | - | - | - | - |
| Recreation center Participants | 4,243 | 7,610 | 8,088 | 4,862 | 2,510 | - | - | - | - | - |
| Water | | | | | | | | | | |
| New Connections | 50 | 18 | 19 | 26 | 56 | 44 | 105 | 125 | 65 | 67 |
| Water Main Breaks | 8 | 3 | 13 | 9 | 8 | 6 | 5 | 7 | 5 | 6 |
| Average Daily Consumption (millions of gallons billed) | 3.77 | 4.24 | 3.66 | 3.16 | 3.54 | 2.56 | 2.51 | 2.69 | 2.23 | 2.61 |
| Peak Demand (millions of gallons pumped) | 7.99 | 7.32 | 6.08 | 6.01 | 6.71 | 6.84 | 5.79 | 7.81 | 5.99 | 6.76 |
| Wastewater | | | | | | | | | | |
| New Connections | 43 | 18 | 19 | 23 | 51 | 35 | 92 | 116 | 57 | 59 |
| Average Daily Sewage Treatment (MGD) | | | | | | | | | | |
| Upper Trinity Regional Water District | 1.02 | 1.10 | 1.08 | 1.06 | 1.19 | 1.40 | 1.24 | 1.27 | 1.35 | 1.45 |
| City of Denton (estimate) | 0.30 | 1.78 | 0.25 | 0.29 | 0.20 | 0.25 | 0.78 | 0.26 | 0.25 | 0.33 |

Note:

In prior years class participants included volunteers and hours, in FY2012 the methodology was revised to only count the actual participants.

In FY2012 the City started managing the baseball programs so athletic participation was added to be able to track City program participation.

In 2014-15 the City turned over the baseball program to the Softball Association.

The City of Denton bills the City of Corinth based on one sewage flow meter and two areas based on connection count; flows are based on estimates.

Source: Various City of Corinth departments.

CITY OF CORINTH, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

TABLE D-21

| Function/Program | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol Units | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 16 |
| Fire Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 |
| Other Public Works | | | | | | | | | | |
| Streets (miles) [1] | 110.50 | 88.99 | 88.99 | 88.99 | 88.99 | 88.99 | 92.37 | 92.43 | 92.66 | 93.20 |
| Highways (miles) [2] | 3.10 | 6.29 | 6.29 | 6.29 | 6.29 | 6.29 | 6.29 | 6.29 | 6.29 | 6.29 |
| Traffic Signals | 6 | 7 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Parks and Recreation | | | | | | | | | | |
| Acreage | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 |
| Playgrounds | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Baseball/Softball Fields | 8 | 8 | 8 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Soccer/Football Fields | 6 | 6 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 9 |
| Recreation Centers [4] | 2 | 2 | 2 | 2 | 2 | 1 | 1 | - | - | - |
| Trails (miles) | 12.74 | 12.74 | 12.74 | 12.74 | 12.74 | 12.74 | 12.74 | 12.74 | 12.74 | 12.74 |
| Water | | | | | | | | | | |
| Connections | 6,780 | 6,809 | 6,810 | 6,831 | 6,977 | 7,016 | 7,113 | 7,203 | 7,279 | 7,337 |
| Water Mains (miles) | 108.06 | 110.40 | 110.63 | 111.77 | 112.70 | 113.48 | 115.17 | 117.70 | 120.20 | 120.64 |
| Fire Hydrants | 787 | 810 | 822 | 826 | 836 | 855 | 883 | 896 | 927 | 939 |
| Storage Capacity (millions of gallons) | 6.00 | 6.00 | 6.00 | 6.00 | 7.50 | 7.50 | 7.50 | 7.50 | 7.50 | 7.50 |
| Subscribed Capacity, UTRWD (MGD) | 7.50 | 7.50 | 7.50 | 7.50 | 7.50 | 7.50 | 7.50 | 7.50 | 7.50 | 7.50 |
| Wastewater | | | | | | | | | | |
| Connections | 6,512 | 6,537 | 6,536 | 6,573 | 6,705 | 6,736 | 6,818 | 6,903 | 6,979 | 7,098 |
| Sanitary Sewers (miles) | 97.64 | 97.88 | 98.33 | 98.09 | 98.30 | 98.99 | 102.19 | 102.34 | 103.17 | 103.77 |
| Storm Sewers (miles) | 36.85 | 38.37 | 38.73 | 38.71 | 39.80 | 40.59 | 41.49 | 41.66 | 42.70 | 43.30 |
| Treatment Capacity, UTRWD (MGD) [3] | 4.82 | 4.82 | 4.82 | 4.82 | 4.82 | 4.82 | 4.82 | 4.82 | 4.82 | 4.82 |

Note:

[1] The reduction in streets is due to the elimination of unpaved streets from the databases

[2] The increase in highways is due to the addition of the northbound and southbound roadways.

[3] The City of Denton bills the City of Corinth based on one sewage flow meter and two areas based on connection count; UTRWD uses a take-or-pay system of billing in which the member city (Corinth) purchases peak capacity. UTRWD data is corrected per original contracts.

[4] The decrease is due to no longer using the Crownover Middle School Building for recreation activities.

Source: Various City of Corinth departments.



City Council Regular and Workshop Session

Meeting Date: 03/18/2021
Title: Single Audit
Submitted For: Lee Ann Bunselmeyer, Director
Submitted By: Lee Ann Bunselmeyer, Director
Finance Review: N/A **Legal Review:** N/A
City Manager Review: Bob Hart, City Manager

AGENDA ITEM

Hear a presentation, discuss and take appropriate action to Accept the Single Audit for fiscal year ending September 30, 2020.

AGENDA ITEM SUMMARY/BACKGROUND

The Single Audit is an organization-wide financial statement and **federal awards' audit** of a non-**federal** entity that expends **\$750,000** or more in **federal** funds in one year. The Single Audit of the City of Corinth's financial records for the year-ending September 30, 2020 was conducted by Eide Bailly, LLP. The City received federal grant funding for the Coronavirus Relief Fund and the Adequate Fire and Emergency Response Grant (SAFER).

RECOMMENDATION

Staff recommends approval of the Single Audit Report.

Attachments

Single Audit



Federal Awards Reports in Accordance
with the Uniform Guidance
September 30, 2020
City of Corinth, Texas

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 1

Independent Auditor’s Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance 3

Schedule of Expenditures of Federal Awards 6

Notes to the Schedule of Expenditures of Federal Awards 7

Schedule of Findings and Questioned Costs 8



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Mayor and
Members of the City Council
City of Corinth, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated March 8, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Abilene, Texas

March 8, 2021



Independent Auditor’s Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Mayor and
Members of the City Council
City of Corinth, Texas

Report on Compliance for the Major Federal Program

We have audited City of Corinth, Texas’ (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City’s major federal program for the year ended September 30, 2020. The City’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for the City’s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City’s compliance.

Opinion on the Major Federal Program

In our opinion, the City of Corinth, Texas, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 8, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Eide Bailly LLP

Abilene, Texas

March 8, 2021

City of Corinth, Texas
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2020

| Federal Grantor/Pass-Through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|---|---------------------------|--|-------------------------|
| Department of Treasury | | | |
| Passed through Denton County, Texas | | | |
| COVID-19 - Coronavirus Relief Fund | 21.019 | 074863127 | \$ 848,653 |
| Total Department of Treasury | | | <u>848,653</u> |
| Department of Homeland Security | | | |
| Direct Program | | | |
| Staffing for Adequate Fire and Emergency Response (SAFER) | 97.083 | | <u>569,951</u> |
| Total Department of Homeland Security | | | <u>569,951</u> |
| Total Federal Awards | | | <u>\$ 1,418,604</u> |

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Corinth, Texas, under programs of the federal government for the year ended September 30, 2020. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note B – Summary of Significant Accounting Principles

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All federal expenditures were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Fund type. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant. No federal awards have been provided to a subrecipient.

Note C – Indirect Cost Rate

The City is not eligible to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance because the City has previously received a negotiated indirect cost rate for its federal awards.

Note D – Donated Personal Protective Equipment (PPE) (unaudited)

Nonmonetary assistance of PPE received during the emergency period of the COVID-19 pandemic was \$3,000 and is based on the estimated fair market value of the PPE received. The donated PPE was generally provided by donors without information about compliance or reporting requirements associated with federal financial assisting listings or CFDA numbers. The donated PPE is not included in the schedule of expenditure of federal awards.

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

| | |
|--|---------------|
| Type of auditor's report issued | Unmodified |
| Internal control over financial reporting: | |
| Material weaknesses identified | No |
| Significant deficiencies identified not considered to be material weaknesses | None Reported |
| Noncompliance material to financial statements noted? | No |

FEDERAL AWARDS

| | |
|--|---------------|
| Internal control over major programs: | |
| Material weaknesses identified | No |
| Significant deficiencies identified not considered to be material weaknesses | None Reported |
| Type of auditor's report issued on compliance for major programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516: | No |

Identification of major programs:

| <u>Name of Federal Program</u> | <u>CFDA Number</u> |
|---|--------------------|
| COVID-19 - Coronavirus Relief Fund | 21.019 |
| Dollar threshold used to distinguish between Type A and Type B programs | \$750,000 |
| Auditee qualified as low-risk auditee? | No |

Section II – Financial Statement Findings

The audit disclosed no findings required to be reported.

Section III – Federal Award Findings and Questioned Costs

The audit disclosed no findings and questioned costs required to be reported.

City Council Regular and Workshop Session

Meeting Date: 03/18/2021
Title: Avilla Fairways PD, Planned Development Request
Submitted For: Helen-Eve Beadle, Director
Submitted By: Michelle Mixell, Planning & Development Manager
Finance Review: N/A **Legal Review:** Yes
City Manager Review:
Strategic Goals: Land Development
Infrastructure Development
Citizen Engagement & Proactive
Government

AGENDA ITEM

Consider and act on a request by the Applicant, NexMetro Communities, to remand the rezoning request back to the Planning & Zoning Commission for reconsideration. The property is approximately 24.595 acres of land within the A.H. Serren Survey, Abstract No. 1198 and the B. Merchant Survey, Abstract No. 800, City of Corinth, Denton County, Texas and generally located at the northwest corner of Lake Sharon Drive and Oakmont Drive and east of FM 2499. (Avilla Fairways PD ZAPD20-0004)

AGENDA ITEM SUMMARY/BACKGROUND

On Monday, February 22, 2021 the Planning & Zoning Commission held a public hearing for the Avilla Fairways (NexMetro) rezoning application and the Commission’s recommendation was for denial. Rezoning applications are forwarded to City Council to act on the item.

The applicant has requested the rezoning application be remanded to the Planning & Zoning Commission for reconsideration with revisions in response to the speakers’ concerns during the public hearing and written comments. Among the concerns/comments, but not to be considered a complete accounting, the following were expressed:

- Increased traffic, roadway access points/connections, and safety
- Utility availability
- Drainage and floodplain
- School attendance
- Tree removal
- NexMetro’s long-term involvement

RECOMMENDATION

STAFF RECOMMENDATION:

Staff recommends the rezoning application be remanded to the Planning & Zoning Commission for reconsideration with the following conditions:

- The applicant will improve the plans, regulations, and provide supporting documentation to address resident’s concerns;
 - Staff recommends re-notification of the public hearings; and
 - Staff recommends the applicant work/meet with the surrounding homeowner associations and property owners within 200 feet of the notification area prior to the Planning & Zoning Commission public hearing.
-

Helen-Eve Beadle

From: Josh Eadie <josh.eadie@nexmetro.com>
Sent: Sunday, March 7, 2021 9:12 AM
To: Helen-Eve Beadle; Michelle Mixell; Miguel Inclan
Cc: Jason Flory; Joshua Lincoln; Eric Seeley; Ryan Griffis
Subject: NexMetro PD Avilla Fairways

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Helen-Eve,

NexMetro would like to formally request to revise and amend our pending application, ZAPD20-0004 Avilla Fairways. We plan to address resident concerns and would like for City Council to send the application back for additional consideration.

Thank you.

Josh Eadie

Development Manager – Dallas Region

NexMetro Communities

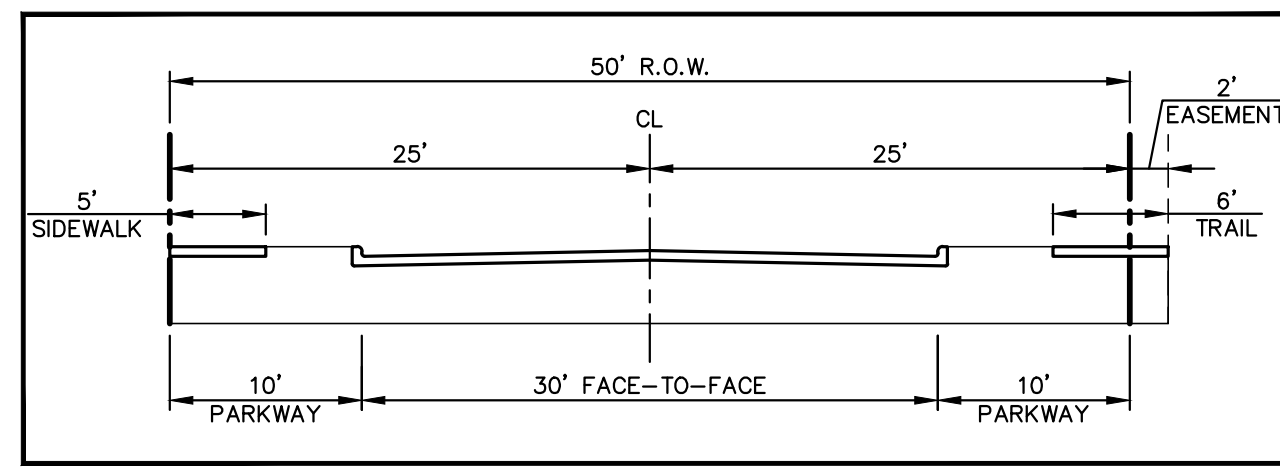
2221 Lakeside Blvd | Suite 1210

Richardson, TX 75082

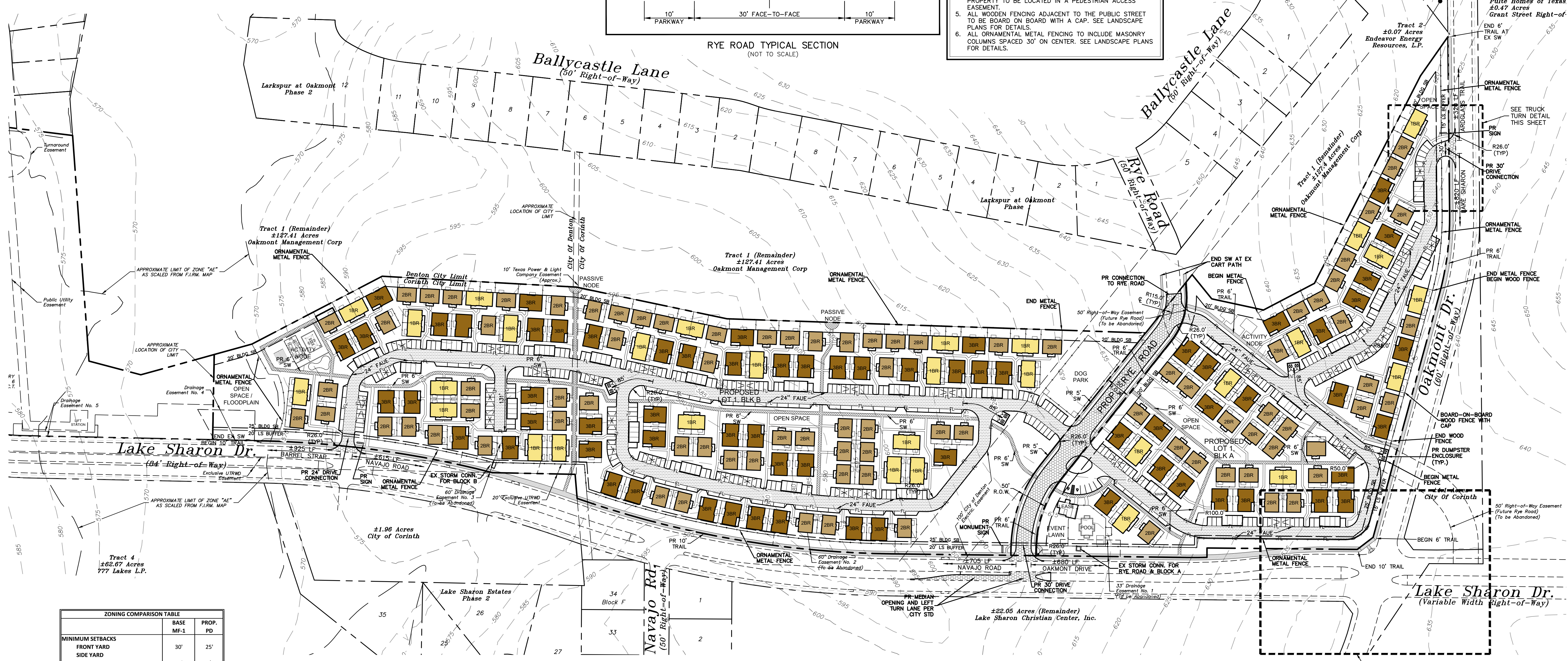
C | 434.851.7374

nexmetro.com | avillahomes.com

2-17-21 (REV) PD CONCEPT PLAN to show increased 25' setbacks instead of 20'
Also see 2-10-21 PD CONCEPT PLAN with Staff Comments



- CONCEPT PLAN NOTES**
1. ALL DIMENSIONS ARE TO FACE OF CURB UNLESS OTHERWISE NOTED.
 2. ALL FINAL ROAD ALIGNMENTS, EASEMENTS, BUILDING LOCATIONS, AMENITIES TO BE DETERMINED AT THE SITE PLAN PROCESS.
 3. ALL STANDARD PARKING SPACES TO BE 9'X18' AND ALL PARALLEL PARKING SPACES TO BE 8'X22'.
 4. ALL PUBLIC TRAIL/SIDEWALKS LOCATED ON PRIVATE PROPERTY TO BE LOCATED IN A PEDESTRIAN ACCESS EASEMENT.
 5. ALL WOODEN FENCING ADJACENT TO THE PUBLIC STREET TO BE BOARD ON BOARD WITH A CAP. SEE LANDSCAPE PLANS FOR DETAILS.
 6. ALL ORNAMENTAL METAL FENCING TO INCLUDE MASONRY COLUMNS SPACED 30' ON CENTER. SEE LANDSCAPE PLANS FOR DETAILS.



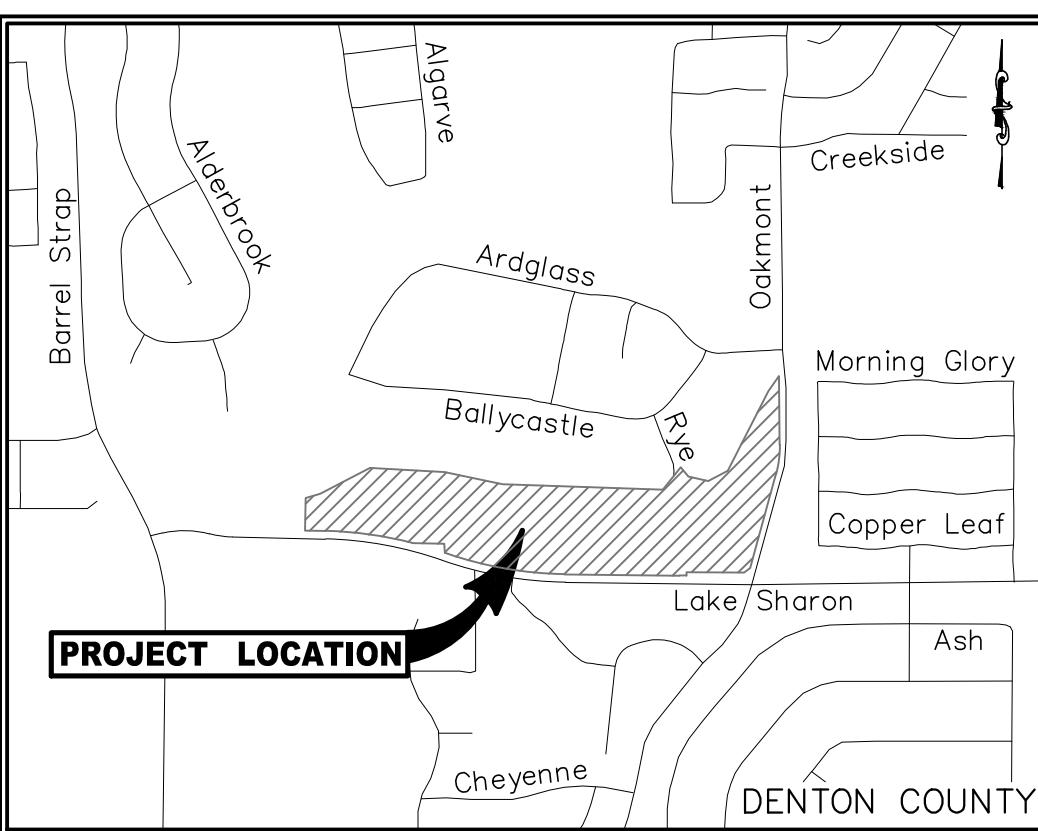
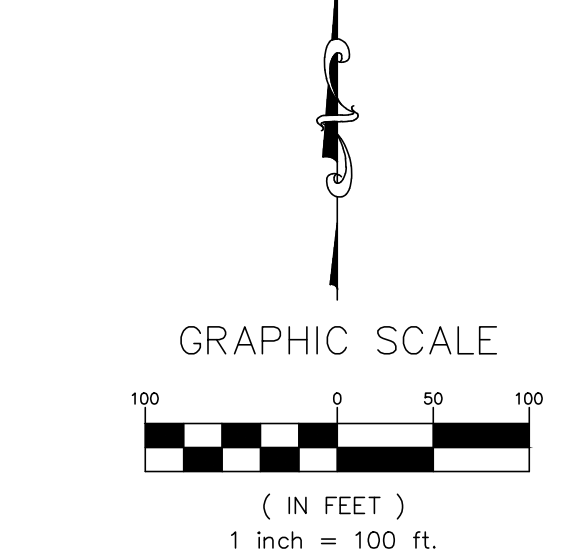
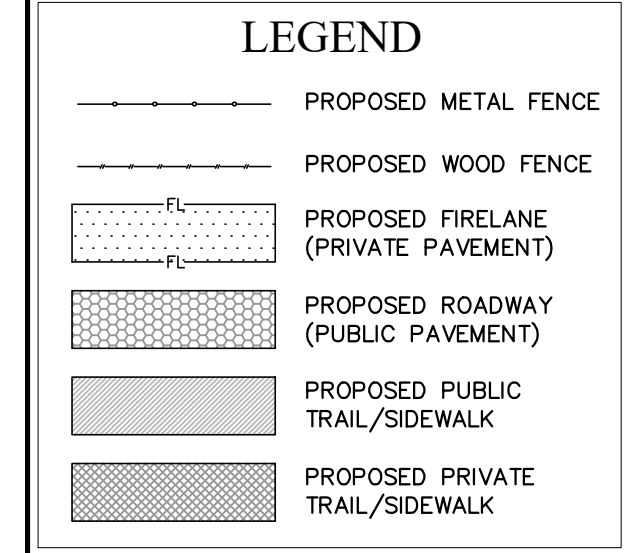
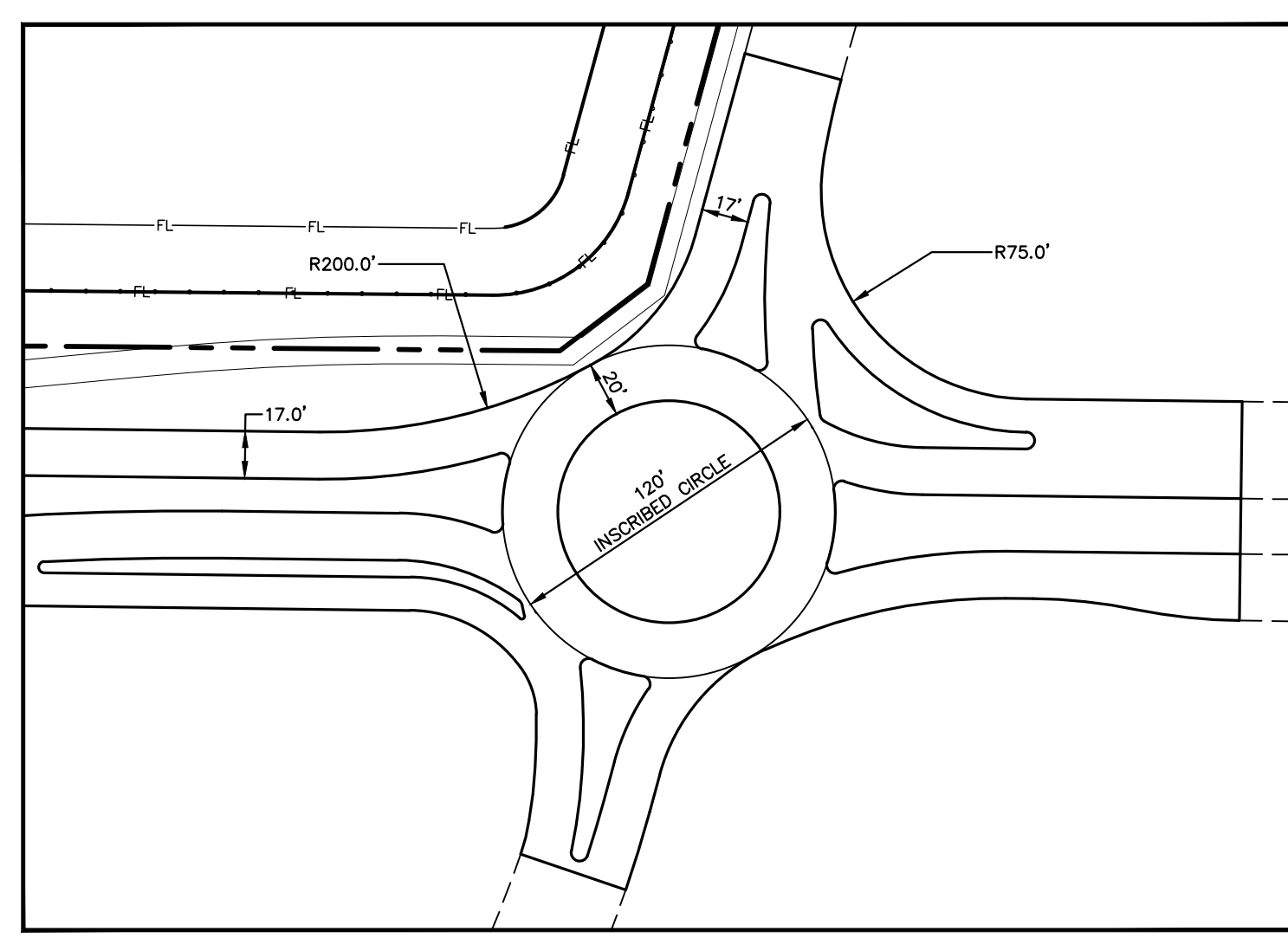
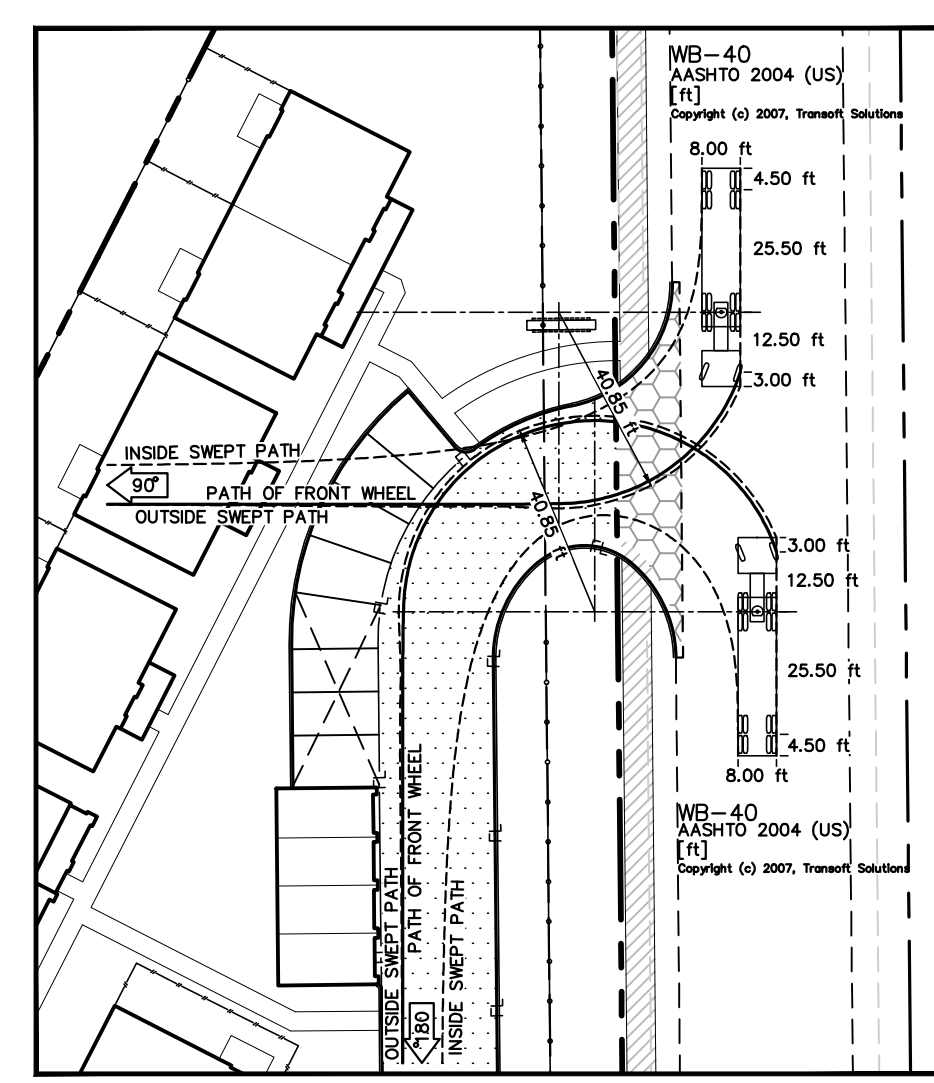
ZONING COMPARISON TABLE

| | BASE MF-1 | PROP. PD |
|--------------------------------|-----------|----------|
| MINIMUM SETBACKS | | |
| FRONT YARD | 30' | 25' |
| SIDE YARD | | |
| INTERIOR LOT | 30' | N/A |
| CORNER LOT | 30' | N/A |
| REAR YARD | N/A | 20' |
| GARAGE | N/A | N/A |
| MINIMUM LOT DIMENSIONS | | |
| LOT AREA (SF) | 40,000 | 40,000 |
| LOT WIDTH | 200' | 200' |
| LOT DEPTH | 200' | 200' |
| DENSITY (MAX, DU/A) | 12 | 9 |
| MINIMUM FLOOR AREA (SF PER DU) | 1,050 | 680 |
| MAX. BUILDING HT. (FT/STORIES) | 35' / 2 | 30' / 1 |
| MAX. BUILDING AREA (TOTAL) | 40% | 23% |

SITE DATA SUMMARY TABLE

| EXISTING ZONING/USE: | PD-6, PD-24 / VACANT | PD W/MF-1 BASE ZONING | | |
|--|----------------------------|-----------------------------|-----------|--------|
| PROPOSED ZONING: <td>RESIDENTIAL</td> <td>COTTAGE COMMUNITY</td> | RESIDENTIAL | COTTAGE COMMUNITY | | |
| NUMBER OF LOTS: <td>2 (EXISTING); 2 (PROPOSED)</td> <td></td> | 2 (EXISTING); 2 (PROPOSED) | | | |
| LOT COVERAGE: <td>22.8%</td> <td></td> | 22.8% | | | |
| LOT AREA: <td>AC. 24.595</td> <td>SQ. FT. 1,071,370</td> | AC. 24.595 | SQ. FT. 1,071,370 | | |
| GROSS AREA | 0.698 | 30,389 | | |
| ROW DEDICATION | 23,898 | 1,040,981 | | |
| NET AREA | 9.00 | UNITS / ACRE (w/n ROW Ded.) | | |
| DENSITY: <td></td> <td></td> | | | | |
| PROPOSED BUILDINGS (1 STORY): <td>AREA</td> <td>NO. BLDGS</td> <td>NO. UNITS</td> <td>TOTAL</td> | AREA | NO. BLDGS | NO. UNITS | TOTAL |
| 1-BEDROOM (DUPLX) | 1,342 | 30 | 60 | 40,260 |
| 2-BEDROOM | 1,022 | 87 | 87 | 88,914 |
| 3-BEDROOM | 1,307 | 68 | 68 | 88,876 |
| STANDARD GARAGE, DETACHED* | 831 | 20 | - | 16,620 |
| STANDARD GARAGE W/HANDICAP, DETACHED | 682 | 3 | - | 2,046 |
| LEASING CENTER | 1,131 | 1 | - | 1,131 |
| TOTALS: | 209 | 215 | 237,847 | |
| PARKING REQUIRED: <td>UNITS</td> <td>REQUIRED</td> <td>PROPOSED</td> <td></td> | UNITS | REQUIRED | PROPOSED | |
| 1 BEDROOM (2 SPACES REQ'D; 2 SPACES PROP.) | 60 | 120 | 120 | |
| 2 BEDROOM (3 SPACES REQ'D; 2 SPACES PROP.) | 87 | 261 | 174 | |
| 3 BEDROOM (4 SPACES REQ'D; 2 SPACES PROP.) | 68 | 272 | 136 | |
| TOTALS: | 215 | 653 | 430 | |
| PARKING PROVIDED: <td>PROVIDED</td> <td></td> <td></td> <td></td> | PROVIDED | | | |
| STANDARD SPACES | 234 | | | |
| CARPOR SPACES | 144 | | | |
| HANDICAP SPACES | 3 | | | |
| STANDARD GARAGE SPACES | 87 | | | |
| HANDICAP GARAGE SPACES | 3 | | | |
| TOTALS: | 471 | | | |
| GARAGE SPACES PER UNIT: <td>41.9%</td> <td></td> <td></td> <td></td> | 41.9% | | | |
| OPEN SPACE AREA: <td>180,905</td> <td>17.4%</td> <td>(SF. %)</td> <td></td> | 180,905 | 17.4% | (SF. %) | |
| LANDSCAPE AREA: <td>500,032</td> <td>48.0%</td> <td>(SF. %)</td> <td></td> | 500,032 | 48.0% | (SF. %) | |
| IMPERVIOUS AREA: <td>540,949</td> <td>52.0%</td> <td>(SF. %)</td> <td></td> | 540,949 | 52.0% | (SF. %) | |
| LOADING SPACE: <td>NOT REQUIRED</td> <td></td> <td></td> <td></td> | NOT REQUIRED | | | |
| OUTSIDE STORAGE: <td>NONE PROPOSED</td> <td></td> <td></td> <td></td> | NONE PROPOSED | | | |
| CONSTRUCTION DATES: <td>Q1 2021 - Q3 2021</td> <td></td> <td></td> <td></td> | Q1 2021 - Q3 2021 | | | |

* ONE STANDARD GARAGE WILL USE TWO OF FOUR BAYS FOR ON-SITE MAINTENANCE PURPOSES



OWNER/DEVELOPER:
NexMetro Communities
 6888 N. Central Expressway, Suite 275
 Dallas, Texas 75206
 Tel. No. (602) 559-9388
 Contact: Jason Flory, P.E.

ENGINEER:
Lincoln Consulting & Engineering, Inc.
 P.O. Box 1176
 Wylie, Texas 75298
 Tel. No. (214) 215-5066
 Contact: Joshua A. Lincoln, P.E.

PD CONCEPT PLAN
AVILLA FAIRWAYS
LAKE SHARON @ OAKMONT
24.595 ACRE TRACT OF LAND
 BERRY MERCHANT SURVEY, ABSTRACT NO. 800
 A.H. SERREN SURVEY, ABSTRACT NO. 1198
CITY OF CORINTH, TEXAS
FEBRUARY 10, 2021

| REV. | DATE | REMARKS |
|------|------|---------|
| | | |

LINCOLN CONSULTING & ENGINEERING
 phone (214) 215-5066
 Josh@lincolnce.com
 Copyright © 2020 Firm No. F-21223
 P.O. Box 1176
 Wylie, Texas 75298
 Engineer: JOSHUA A. LINCOLN, P.E.
 P.E. No. 114389 Date: 2/17/2021

PRELIMINARY
 FOR REVIEW ONLY
 NOT FOR CONSTRUCTION
 LINCOLN CONSULTING & ENGINEERING
 Firm No. 7125
 Engineer: JOSHUA A. LINCOLN, P.E.
 P.E. No. 114389 Date: 2/17/2021

AVILLA FAIRWAYS
LAKE SHARON @ OAKMONT
24.595 ACRE TRACT OF LAND
 City of Corinth, Denton County, Texas

PD CONCEPT PLAN

Scale: 1" = 100'
 Designed by: JAL
 Drawn by: JAL
 Checked by: JAL
 Date: February 17, 2021
 Project No. 1015-003

CP

City Council Regular and Workshop Session

Meeting Date: 03/18/2021
Title: Ordinance Amending the Boundaries of Tax Increment Reinvestment Zone Number Two
Submitted For: Jason Alexander, Director **Submitted By:** Jason Alexander, Director
City Manager Review: Approval: Bob Hart, City Manager
Strategic Goals: Land Development
Infrastructure Development
Economic Development
Citizen Engagement & Proactive
Government
Regional Cooperation

AGENDA ITEM

Consider and act on Ordinance No.21-03-18-06 amending the boundaries of Tax Increment Reinvestment Zone Number Two, City of Corinth, Texas ("TIRZ No. 2") to remove approximately 318.85 acres of land, known as Areas 3 and 8; providing for the incorporation of premises; providing for a boundary amendment; and providing an effective date.

AGENDA ITEM SUMMARY/BACKGROUND

The City Council approved Ordinance No. 19-09-05-32 creating TIRZ No. 2 on September 5, 2019. This Ordinance will amend Ordinance No. 19-09-05-32 by amending the boundaries of TIRZ No. 2 and removing Area 3 and Area 8. This is consistent with, and will satisfy, the City's obligation as set forth in the interlocal agreement between the City and Denton County executed on December 15, 2020 (the "ILA"). Further, it should be noted, that this Ordinance, as presented, only amends the boundaries of TIRZ No. 2 and the other provisions of Ordinance No. 19-09-05-32 remain in effect.

RECOMMENDATION

Staff recommends that the City Council approve the Ordinance as presented.

Attachments

Ordinance Amending Boundaries of Tax Increment Reinvestment Zone Number Two

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS, AMENDING THE BOUNDARIES OF THE AREA COMPRISING TAX INCREMENT REINVESTMENT ZONE NUMBER 2, CITY OF CORINTH, TEXAS; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING FOR A BOUNDARY AMENDMENT; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on the September 5, 2019, pursuant to the provisions of Chapter 311 of the Texas Tax Code, the City Council adopted Ordinance No. 19-09-05-32, designating certain areas of the City as Tax Increment Reinvestment Zone Number 2, City of Corinth, Texas ("TIRZ 2") to further economic development within the area; and

WHEREAS, on December 15, 2020 the City entered into an Interlocal Agreement with Denton County for County participation in TIRZ 2; and

WHEREAS, pursuant to the terms of that Agreement, the City has until June 30, 2021 to amend the boundaries of TIRZ 2 to exclude areas 3 and 8 described and depicted in **Exhibits "A"** and **"B"** attached hereto and incorporated as if set forth fully herein; and

WHEREAS, the Board of Directors of TIRZ 2 wishes to amend the boundaries pursuant to the Interlocal Agreement; and

WHEREAS, the City Council desires to use areas 3 and 8 described and depicted in **Exhibits "A"** and **"B"** to create Tax Increment Reinvestment Zone Number 3, City of Corinth, Texas.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS:

SECTION 1
INCORPORATION OF PREMISES

The above and foregoing recitals are found to be true and correct and are incorporated into the body of this Ordinance for all purposes.

SECTION 2
AMENDMENT

The areas described and depicted in **Exhibits "A"** and **"B"** as area 3 and area 8 are hereby removed from the boundaries of TIRZ 2. The remaining areas 1, 2, 4, 5, 6, 7, and 9 as described and depicted in **Exhibit "C"** will constitute the boundaries of TIRZ 2.

SECTION 3

CUMULATIVE REPEALER

This Ordinance shall be cumulative of all other Ordinances of the City of Corinth and shall not repeal any of the provisions of such Ordinances except for those instances where there are direct conflicts with the provisions of this Ordinance or where expressly repealed hereby. Ordinances or parts thereof in force at the time this Ordinance shall take effect and that are inconsistent with this Ordinance are hereby repealed to the extent that they are inconsistent with this Ordinance.

SECTION 4
SEVERABILITY

If any section, subsection, clause, phrase, or provision of this Ordinance, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void, or unconstitutional, the remaining sections, subsections, clauses, phrases, and provisions of this Ordinance, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

SECTION 5
SAVINGS/CONFLICT

In the event of a conflict between the provisions of this Ordinance and any other regulation or rule prescribed by charter, another ordinance, resolution or other authorization of the City, the provisions of this ordinance shall control. Notwithstanding the foregoing, all rights and remedies of the City are expressly saved as to any and all complaints, actions, claims, or lawsuits, which have been initiated or have arisen under or pursuant to such conflicting Ordinance, or portion thereof, on the date of adoption of this Ordinance shall continue to be governed by the provisions of that Ordinance and for that purpose the conflicting Ordinance shall remain in full force and effect.

SECTION 6
EFFECTIVE DATE

This Ordinance shall take effect upon its passage and approval.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS on this the _____ day of _____ 2021.

APPROVED:

Bill Heidemann, Mayor
City of Corinth, Texas

ATTEST:

Lana Wylie, City Secretary
City of Corinth, Texas

APPROVED AS TO FORM AND LEGALITY:

Patricia A. Adams, City Attorney

Exhibit A (Area 3)



Exhibit B (Area 8)

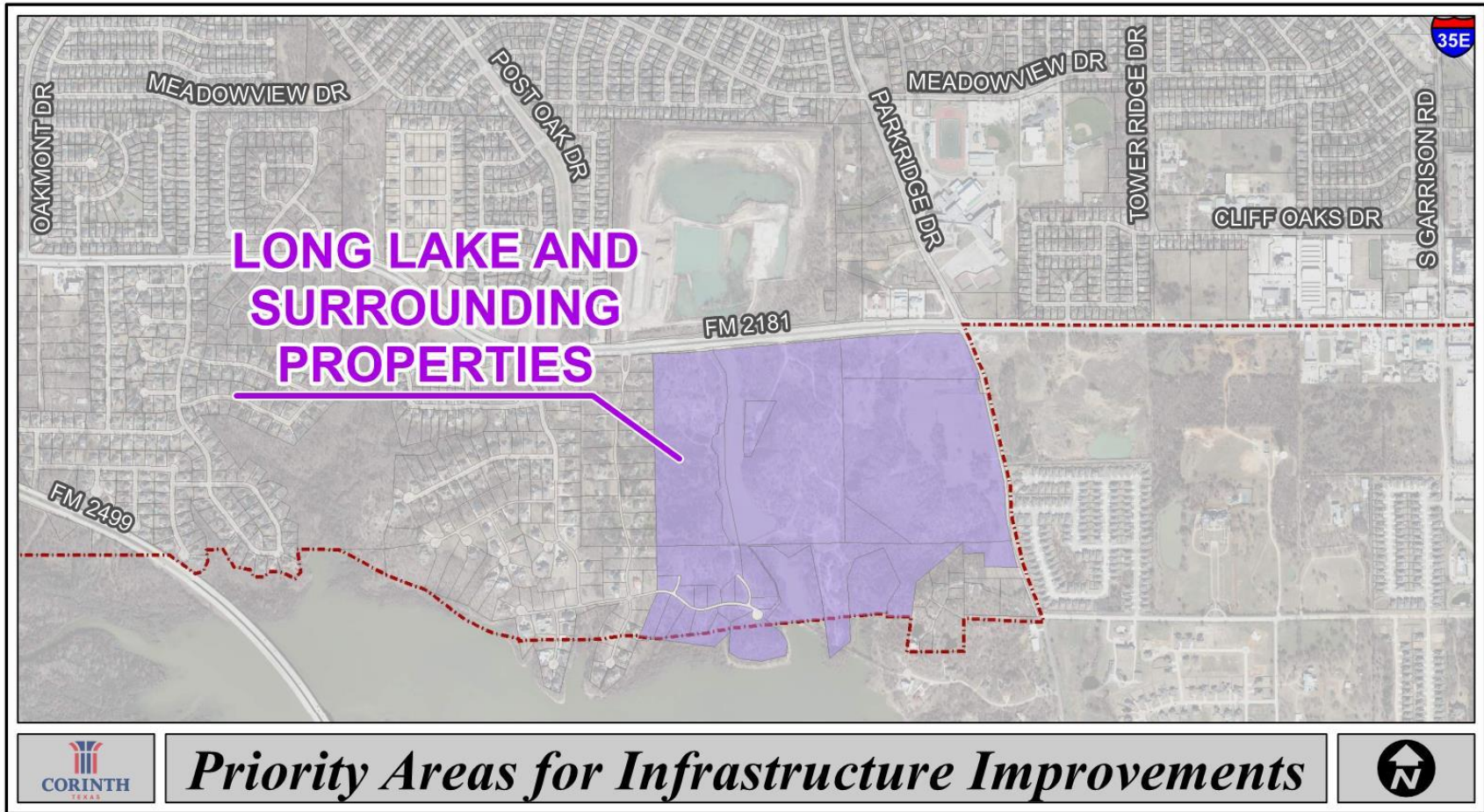
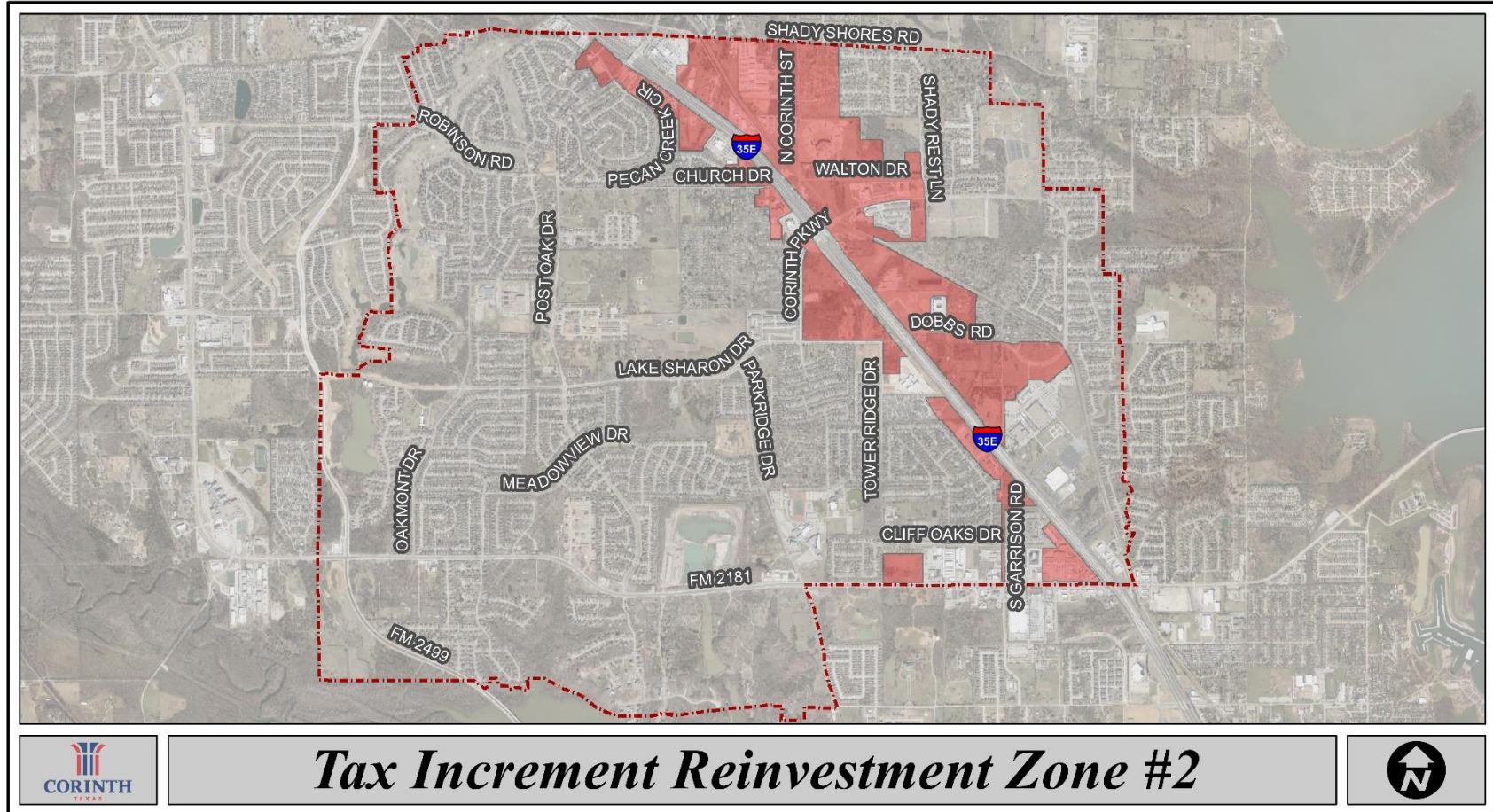


Exhibit C (Areas 1, 2, 4, 5, 6, 7 and 9)



BUSINESS ITEM 12.

City Council Regular and Workshop Session

Meeting Date: 03/18/2021

Title: Ordinance Creating Tax Increment Reinvestment Zone Number Three, City of Corinth, Texas

Submitted For: Jason Alexander, Director

Submitted By: Jason Alexander, Director

City Manager Review: Approval: Bob Hart, City Manager

Strategic Goals: Land Development
Infrastructure Development
Economic Development
Citizen Engagement & Proactive Government
Regional Cooperation

AGENDA ITEM

Consider and act on Ordinance No. 21-03-18-07 creating Tax Increment Reinvestment Zone Number Three, City of Corinth, Texas ("TIRZ No. 3"); providing for effective and expiration dates of TIRZ 3; providing boundaries for TIRZ 3; establishing a Board of Directors for TIRZ 3; establishing a Tax Increment Fund for TIRZ 3; establishing the tax increment base and tax increment for TIRZ 3; and providing an effective date.

AGENDA ITEM SUMMARY/BACKGROUND

The Ordinance creating TIRZ No. 3 was prepared in accordance with the provisions of Chapter 311 of the Texas Tax Code, as amended (the "Tax Increment Financing Act"). The creation of TIRZ No. 3 will not only generate necessary revenues to finance public infrastructure and other improvements to attract quality residential, mixed-use and commercial development to Corinth, but it will also satisfy one of the City's obligations under the interlocal agreement executed with Denton County on December 15, 2020 (the "ILA") to create a separate tax increment reinvestment zone for Area 3 and Area 8.

The Ordinance includes the preliminary project and financing plans --- and among other things --- provides for all the following:

1. Boundaries that will include properties formerly identified as Areas 3 and 8 in TIRZ No. 2.
2. Board of Directors that will consist of the Mayor and the City Council, with the Mayor serving as chairperson.
3. An expiration date for the zone --- December 31, 2055 --- which is the same expiration date for TIRZ No. 2.
4. Establishing a tax increment base for the zone --- January 1, 2020.
5. Establishing a Tax Increment Fund for collecting and expending tax increment revenues on eligible projects.
The revenues to be collected are solely limited to the City's portion of tax increment, which is fifty (50) percent of the real property taxes generated within the reinvestment zone.

It is anticipated that the project and financing plans for TIRZ No. 3 will be presented to the Board of Directors in the immediate future for approval. After their consideration and possible action, the project and financing plans will be presented to the City Council for consideration and possible action at a regularly scheduled meeting.

RECOMMENDATION

Staff recommends that the City Council approve the Ordinance creating TIRZ No. 3 as presented.

Attachments

Ordinance Creating TIRZ 3
Preliminary Project and Financing Plan

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS, CREATING TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER THREE OF THE CITY OF CORINTH, TEXAS PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE, AS AMENDED; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING FOR EFFECTIVE AND EXPIRATION DATES OF TIRZ 3; PROVIDING BOUNDARIES FOR TIRZ 3; ESTABLISHING A BOARD OF DIRECTORS FOR TIRZ 3; ESTABLISHING A TAX INCREMENT FUND FOR TIRZ 3; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, (the "Act"), the City of Corinth, Texas ("City") may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and

WHEREAS, the Act provides that the governing body of a municipality by ordinance may designate a non-contiguous geographic area that is in the corporate limits of the municipality to be a reinvestment zone if the governing body determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future; and

WHEREAS, the City Council desires to promote the development of a certain noncontiguous geographic area in the City, which is more specifically described in **Exhibit "A"**, "Boundary Description" and **Exhibit "B"**, "Boundary Map" of this Ordinance (the "Zone") through the creation of a reinvestment zone as authorized by and in accordance with the Act; and

WHEREAS, the areas described in **Exhibits "A"** and **"B"** were originally included in the area designated as Tax Increment Financing Reinvestment Zone Number 2, City of Corinth, Texas ("TIRZ 2"); and

WHEREAS, the boundaries of TIRZ 2 were amended on March 18, 2021, to exclude the areas described in **Exhibits "A"** and **"B"**; and

WHEREAS, pursuant to and as required by the Act, the City has prepared a Preliminary Reinvestment Zone Project Plan and Financing Plan for the Zone, which is attached hereto as **Exhibit "C"** (hereinafter referred to as the "Preliminary Project and Finance Plan") for a proposed tax increment reinvestment zone containing the real property within the Zone; and

WHEREAS, notice of the public hearing on the creation of the proposed Zone was published in a newspaper having general circulation in the City on March 8, 2021, which

date is before the seventh (7th) day before the public hearing held on March 18, 2021; and

WHEREAS, at the public hearing on March 18, 2021, interested persons were allowed to speak for or against the creation of the Zone, the boundaries of the Zone, and the concept of tax increment financing, and owners of property in the proposed Zone were given a reasonable opportunity to protest the inclusion of their property in the Zone; the public hearing was held in full accordance with Section 311.003(c) of the Act; and

WHEREAS, evidence was received and presented at the public hearing on March 18, 2021, and in favor of the creation of the Zone; and

WHEREAS, after all comments and evidence, both written and oral, were received by the City Council, the public hearing was closed on March 18, 2021; and

WHEREAS, the City has taken all actions required to create the Zone including, but not limited to, all actions required by the home-rule Charter of the City, the Act, the Texas Open Meetings Act (defined herein), and all other laws applicable to the creation of the Zone; and

WHEREAS, the percentage of the property in the proposed zone, excluding property that is publicly owned, that is used for residential purposes is less than thirty (30) percent; and

WHEREAS, a Preliminary Project and Finance Plan has been prepared for the proposed Zone.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS:

SECTION 1
INCORPORATION OF PREMISES

The above and foregoing recitals are found to be true and correct and are incorporated into the body of this Ordinance for all purposes.

SECTION 2
FINDINGS

The City Council, after conducting the above-described hearing and having heard the evidence and testimony presented at the hearing, has made the following findings and determined based on the evidence and testimony presented to it:

- (a) That the public hearing on the creation of the proposed Zone has been properly called, held, and conducted and that notice of such hearing has been published as required by law; and

(b) That the creation of the proposed Zone with boundaries as described and depicted in **Exhibits "A"** and **"B"** will significantly enhance the value of the real property within the Zone and result in benefits to the City, its residents and property owners, in general, and to the property, residents, and property owners in the Zone; and

(c) That the areas depicted in **Exhibits "A"** and **"B"** were included in the boundaries of TIRZ 2, but such boundaries have since been amended to exclude those areas; and

(d) That the areas depicted in **Exhibits "A"** and **"B"** are hereby accepted from TIRZ 2 to create the proposed Zone; and

(e) That the proposed Zone, as defined in **Exhibits "A"** and **"B"**, meets the criteria for the creation of a reinvestment zone set forth in the Act in that:

(1) It is a geographic area located wholly within the city limits of the City; and

(2) The City Council further finds and declares that the proposed Zone meets the criteria and requirements of Section 311.005(2) of the Act because the proposed Zone is predominantly open, and because obsolete platting, deterioration of structures or site improvements, or other factors substantially impair or arrest the sound growth of the City or County.

(f) Thirty (30) percent or less of the property in the proposed Zone, excluding property dedicated to public use, is currently used for residential purposes; and

(g) The total appraised value of all taxable real property in the proposed Zone, according to the most recent appraisal rolls of the City, together with the total appraised value of taxable real property in all other existing reinvestment zones within the City, does not exceed fifty (50) percent of the current total appraised value of taxable real property in the City and in the industrial districts created by the City, if any; and

(h) The improvements in the proposed Zone will significantly enhance the value of all taxable real property in the proposed Zone and will be of general benefit to the City or county; and

(i) That the development or redevelopment of the property in the proposed Zone will not occur solely through private investment in the reasonably foreseeable future.

SECTION 3
DESIGNATION AND NAME OF THE ZONE

Pursuant to the authority of, and in accordance with the requirements of the Act, the City Council hereby designates the area described and depicted in **Exhibits "A" and "B"** hereto as a tax increment reinvestment zone. The name assigned to the zone for identification purposes is Reinvestment Zone Number Three, City of Corinth, Texas (herein referred to as the "Zone").

SECTION 4
BOARD OF DIRECTORS

A board of directors for the Zone ("Board") is hereby created. The Board shall consist of six (6) members comprised of the City Council members from Places 1 through 5 and the Mayor. Board members' terms shall be concurrent with such Board members' Council term, and each shall meet the qualifications specified by Section 311.009 of the Act, as amended. The Mayor shall serve as chairman of the Board, and the Board may elect a vice chairman and such other officers as the Board sees fit.

The Board shall make recommendations to the City Council concerning the administration, management, and operation of the Zone. The Board shall prepare and adopt a project plan and a reinvestment zone financing plan for the Zone and submit such plans to the City Council for its approval. The Board shall perform all duties imposed upon it by Chapter 311 of the Act and all other applicable laws. Notwithstanding anything to the contrary herein, the Board shall not be authorized to (i) issue bonds; (ii) impose taxes or fees; (iii) exercise the power of eminent domain; or (iv) give final approval to the Zone's project plan and financing plan.

SECTION 5
DURATION OF THE ZONE

The Zone shall take effect immediately upon the passage and approval of this Ordinance, consistent with Section 311.004(a)(3) of the Act, and termination of the Zone shall occur upon any of the following: (i) on December 31, 2055; (ii) at an earlier time designated by subsequent ordinance; (iii) 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, in accordance with Section 311.017 of the Act.

SECTION 6
TAX INCREMENT BASE AND TAX INCREMENT

The tax increment base for the Zone, as defined by Section 311.012(c) of the Act, shall be the total appraised value of all real property in the Zone taxable by a taxing unit,

determined as of January 1, 2021, which is the year in which the Zone was designated as a reinvestment zone.

The TIF Fund (as defined in Section 7 of this Ordinance) shall consist of: (i) the percentage of the tax increment, as defined by Section 311.012(a) of the Act, that each taxing unit which levies real property taxes in the Zone, other than the City, has elected to dedicate to the TIF Fund under an agreement with the City authorized by Section 311.013(f) of the Act; and (ii) fifty (50) percent of the City's tax increment, as defined by section 311.012(a) of the Act, subject to any binding agreement executed at any time by the City that pledges a portion of such tax increment or an amount of other legally available funds whose calculation is based on receipt of any portion of such tax increment.

SECTION 7 **TAX INCREMENT FUND**

There is hereby created and established a "Tax Increment Fund" (the "TIF Fund") for the Zone which may be divided into such subaccounts as may be authorized by subsequent ordinance, into which all tax increments of the City, as such increments are described in the final project plan and reinvestment zone financing plan and may include administration costs, less any of the amounts not required to be paid into the TIF Fund pursuant to the Act, are to be deposited. The TIF Fund and any subaccounts are to be maintained in an account at the affiliated depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. In addition, all revenues from (i) the sale of any obligations hereafter issued by the City and secured in whole or in part from the tax increments; (ii) the sale of any property acquired as part of a tax increment financing plan adopted by the Board; and (iii) other revenues dedicated to and used in the Zone shall be deposited into the TIF Fund.

Prior to the termination of the Zone, money shall be disbursed from the TIF Fund only to pay project costs for the Zone, as defined by the Texas Tax Code, to satisfy the claims of holders of tax increments bonds or notes issued for the Zone, or to pay obligations incurred pursuant to agreements entered into to implement the project plan and reinvestment zone financing plan and achieve their purpose pursuant to Section 311.010(b) of the Act.

SECTION 8 **SEVERABILITY CLAUSE**

Should any section, subsection, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this Ordinance shall remain in full force and effect. The City hereby declares that it would have passed this Ordinance, and each section, subsection, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases be declared unconstitutional or invalid.

SECTION 9
OPEN MEETINGS

It is hereby found, determined, and declared that sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding its meeting, as required by Chapter 551 of the Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered and formally acted upon.

The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

SECTION 10
EFFECTIVE DATE

This Ordinance shall take effect immediately upon its adoption and publication in accordance with and as provided by law and the City Charter.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS on this the _____ day of _____ 2021.

APPROVED:

Bill Heidemann, Mayor
City of Corinth, Texas

ATTEST:

Lana Wylie, City Secretary
City of Corinth, Texas

APPROVED AS TO FORM AND LEGALITY:

Patricia A. Adams, City Attorney

EXHIBIT "A"
BOUNDARY DESCRIPTION
Reinvestment Zone Number Three, City of Corinth, Texas ("TIRZ 3")

Area #3

Beginning at the northwest corner of Property ID 199291 at the point it meets the southern right of way boundary of Church Drive, thence

East along the southern right of way boundary of Church Drive to the point it meets the boundary of Property ID 331065, thence

East along the northern boundary of Property ID 331065 to the point it meets Property ID 331074, thence

South along the eastern boundary of Property ID 331065 to the point it meets Property ID 313491, thence

South along the eastern boundary of Property ID 313491 to the point it meets the boundary of Property ID 175683, thence

East along the boundary of Property ID 175683, then continuing south along the boundary of Property ID 175683 to the point it meets Property ID 112056, thence

South along the eastern boundary of Property ID 112056 to the point it meets the northern right-of-way boundary of Lake Shannon Drive, thence

West along the northern right of way boundary of Lake Shannon Drive to the point it meets the southwest corner of Property ID 464280, thence

North along the western boundary of Property ID 464280 to the point it meets the southwest corner of Property ID 62503, thence

North along the western boundary of Property ID 62503 to the point it meets the southwest corner of Property ID 696612, thence

North along the western boundary of Property ID 696612 to the point it meets Property ID 696611, thence

North along the western boundary of Property ID 696611 to the point it meets the southwest corner of Property ID 175683, thence

North along the western boundary of Property ID 175683 to the point it meets the southwest corner of Property ID 313491, thence

North along the western boundary of Property ID 313491 to the point it meets the southwest corner of Property ID 37818, thence

North along the western boundary of Property ID 37818 to the point it meets the southwest corner of Property ID 199291, thence

North along the western boundary of Property ID 199291 to the point it meets the southern right-of-way boundary of Church Drive, which is the point of beginning.

Area #8

Beginning at the west corner of Property ID 338963 at the point it meets the southern right-of-way boundary of Teasley Drive, thence

East along the southern right of way boundary of Teasley Drive to the point it meets the western right-of-way boundary of Parkridge Drive, thence

South along the western right of way boundary of Parkridge Drive to the point it meets the southeast corner of Property ID 145853, thence

West along the boundary of the Property ID 145853, continuing along the boundary until the point the northwest corner of Property ID 145853 meets Property ID 62478, thence

Southwest along the southern boundary of Property ID 62478 to the point it meets the City of Corinth southern boundary, thence

Continuing west along the City of Corinth southern boundary to the point it meets the southeast corner of Property ID 683464, thence

West along the southern boundary of Property ID 683464 to the point it meets the southeast corner of Property ID 683465, thence

West along the southern boundary of Property ID 683465 to the point it meets the southeast corner of Property ID 683466, thence

West along the southern boundary of Property ID 683466 to the point it meets the southeast corner of Property ID 683467, thence

West along the southern boundary of Property ID 683467 then continuing north along the western boundary of Property ID 683467 to the point it meets Oak Bluff Drive, thence

North across Oak Bluff Drive to the southwest corner of Property ID 683476, thence

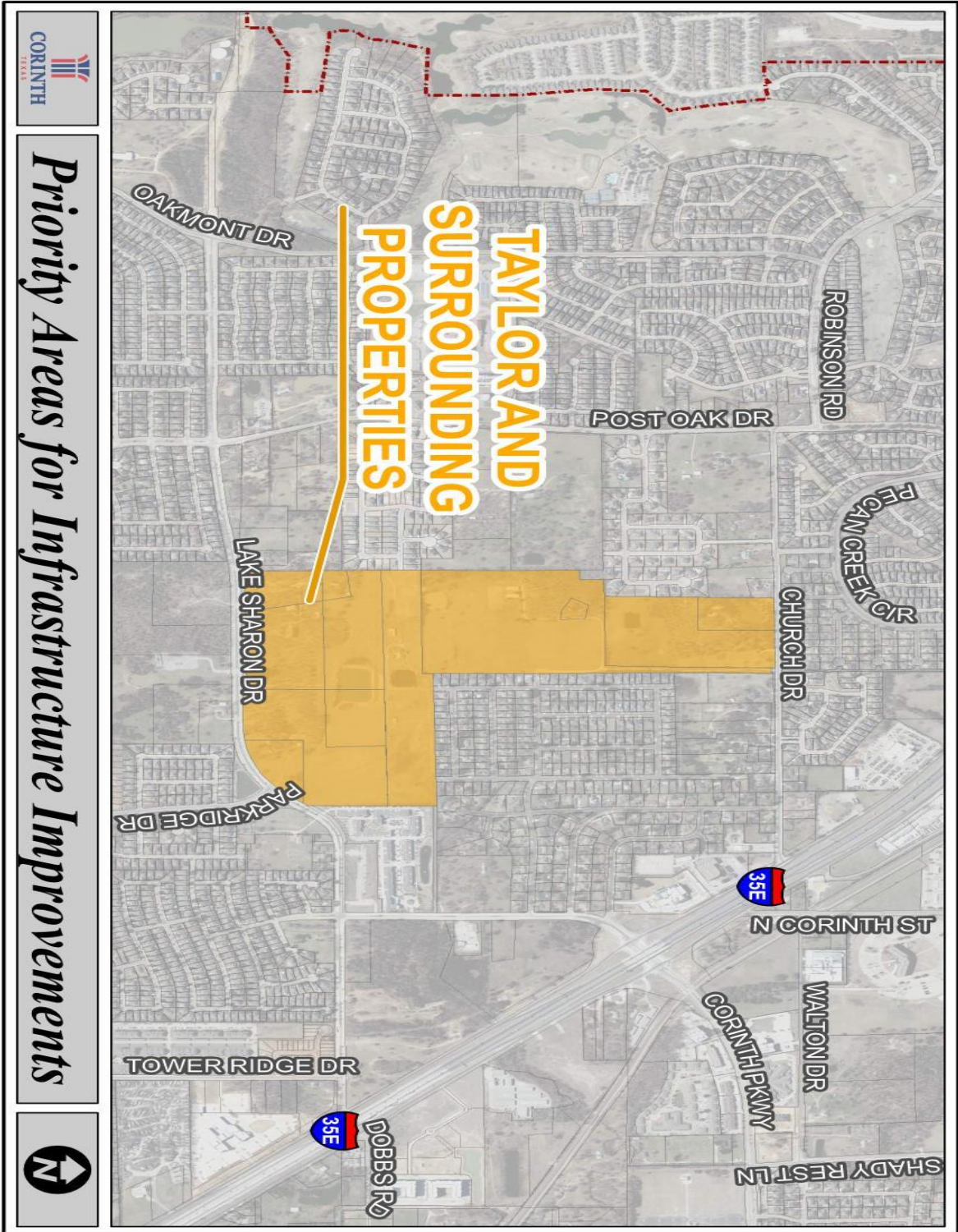
North along the western boundary of Property ID 673476 to the point it meets Property ID 62446, thence

North along the western boundary of Property ID 62446 to the point it meets Property ID 164436, thence

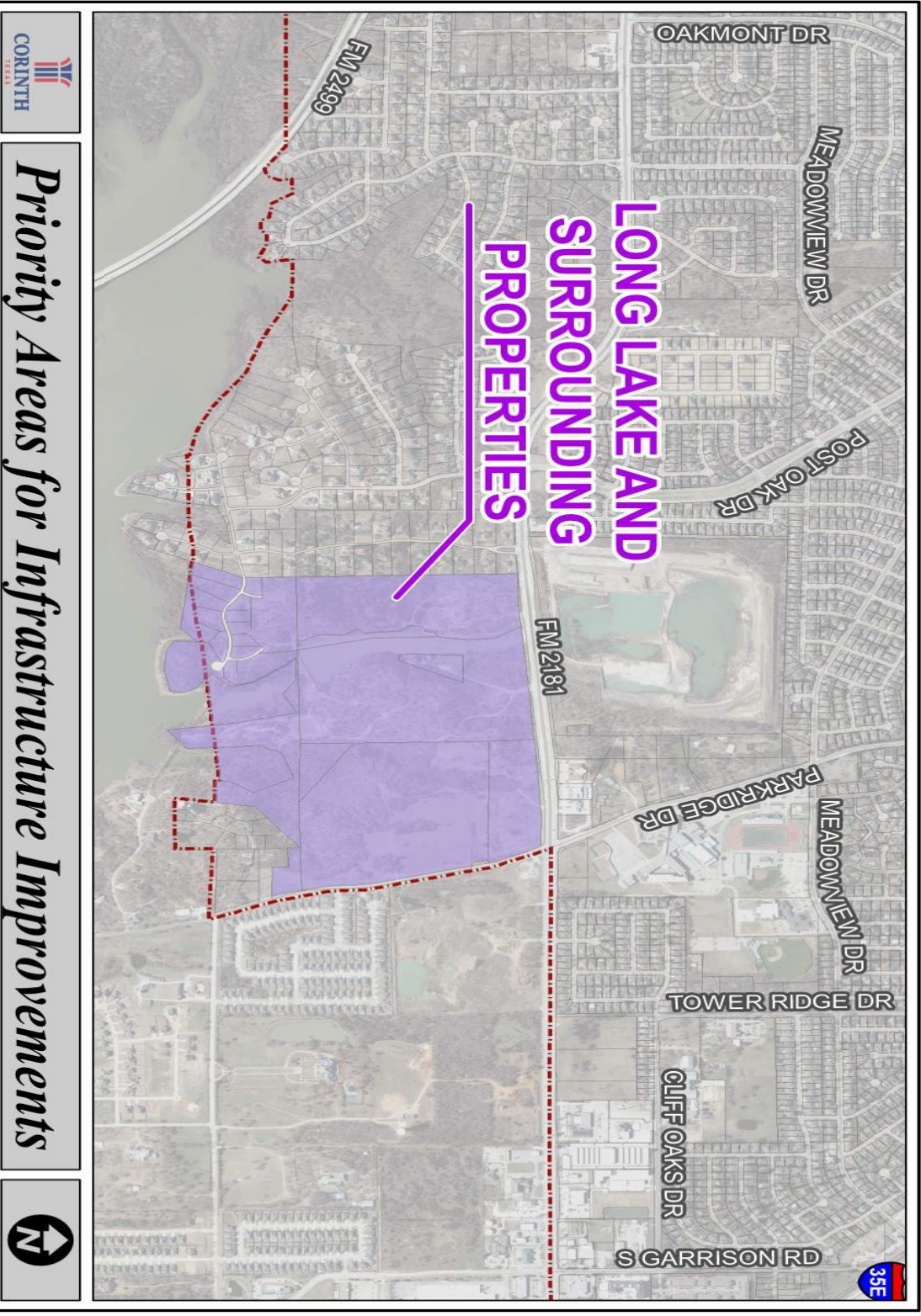
North along the western boundary of Property ID 164436 to the point it meets the west corner of Property ID 338963 at the point it meets the southern right of way boundary of Teasley Drive, which is the point of beginning.

EXHIBIT "B"
BOUNDARY MAPS

AREA #3



AREA #8



Priority Areas for Infrastructure Improvements



EXHIBIT "C"
PRELIMINARY PROJECT AND FINANCE PLAN

Tax Increment Reinvestment Zone #3

City of Corinth, Texas

PRELIMINARY PROJECT AND FINANCING PLAN
MARCH 2021



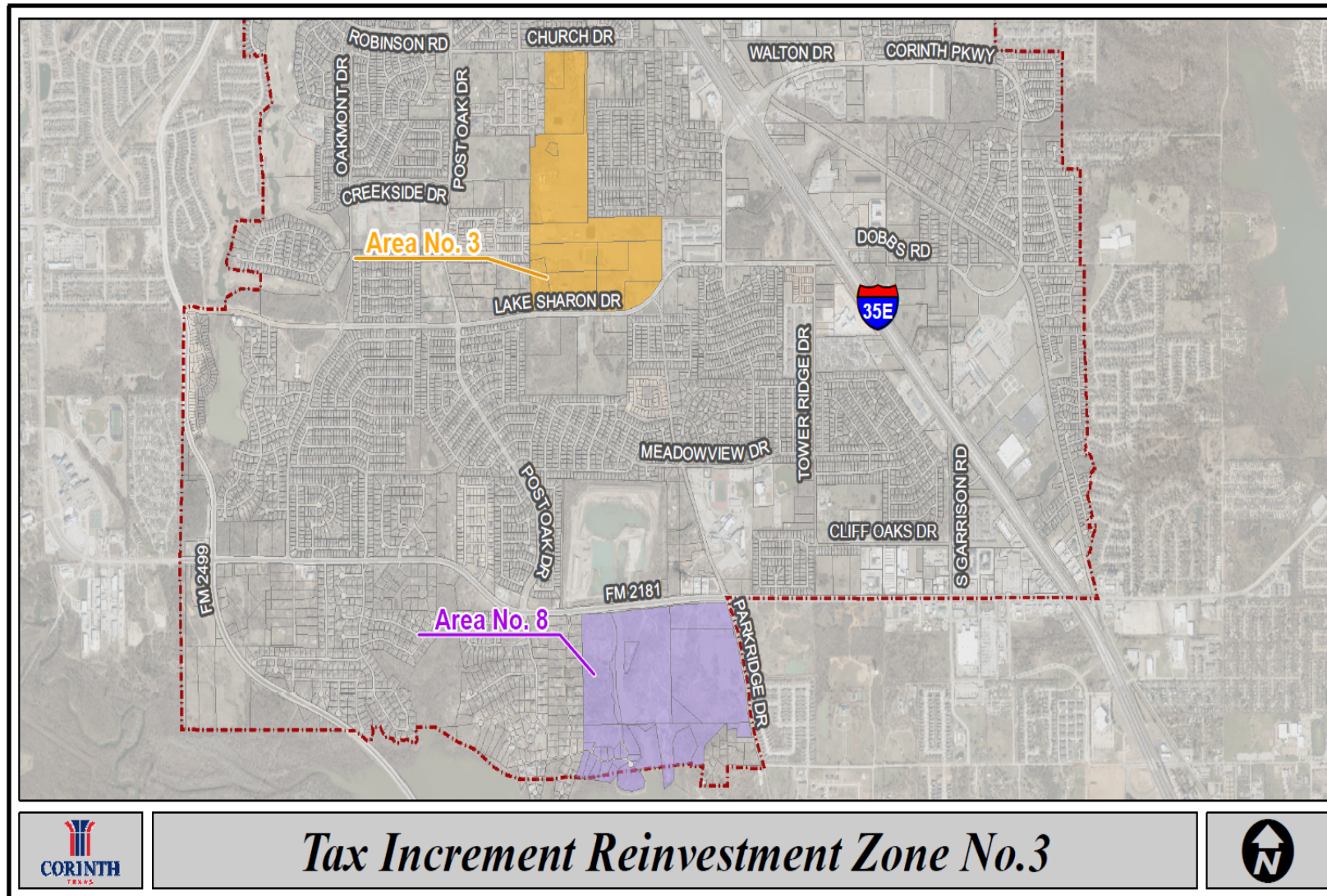
Corinth is a city in Denton County, Texas. It is a suburb of Dallas and a part of the Dallas-Fort Worth Metroplex. The City currently occupies a land area of 8 square miles and serves a growing population of approximately 20,000 with over 150,000 people within a 5 mile radius.

With a highly favorable location in North Texas, Corinth is at most an approximately 4-hour flight from other major markets in the United States. Both Dallas-Fort Worth International Airport, which is one of the busiest airports in the world, and Love Field provide flights to major markets across the United States and globally. Corinth has excellent highway access and is located on I-35E with FM 2181 (Swisher Road) providing east-west access. The Denton County Transportation Authority (DCTA) commuter rail system passes through Corinth and can be accessed at 2 convenient locations for commuter rail transportation to Denton and downtown Dallas.

Corinth is home to North Central Texas College (Corinth Campus) and is ten minutes from the University of North Texas and Texas Woman's University in neighboring Denton.

CoServ Electric, the second largest electric cooperative in Texas, is the largest employer in Corinth with 500 employees. Other top employers include North Central Texas College, Lake Dallas Independent School District, Denton Independent School District, and Bill Utter Ford.

The City of Corinth offers a wide variety of community events for its residents. Pumpkin Palooza is the City of Corinth's largest annual event. Serving nearly 20,000 people yearly, this event includes musical entertainers, multiple amusement park rides, vendors on site, and food options.

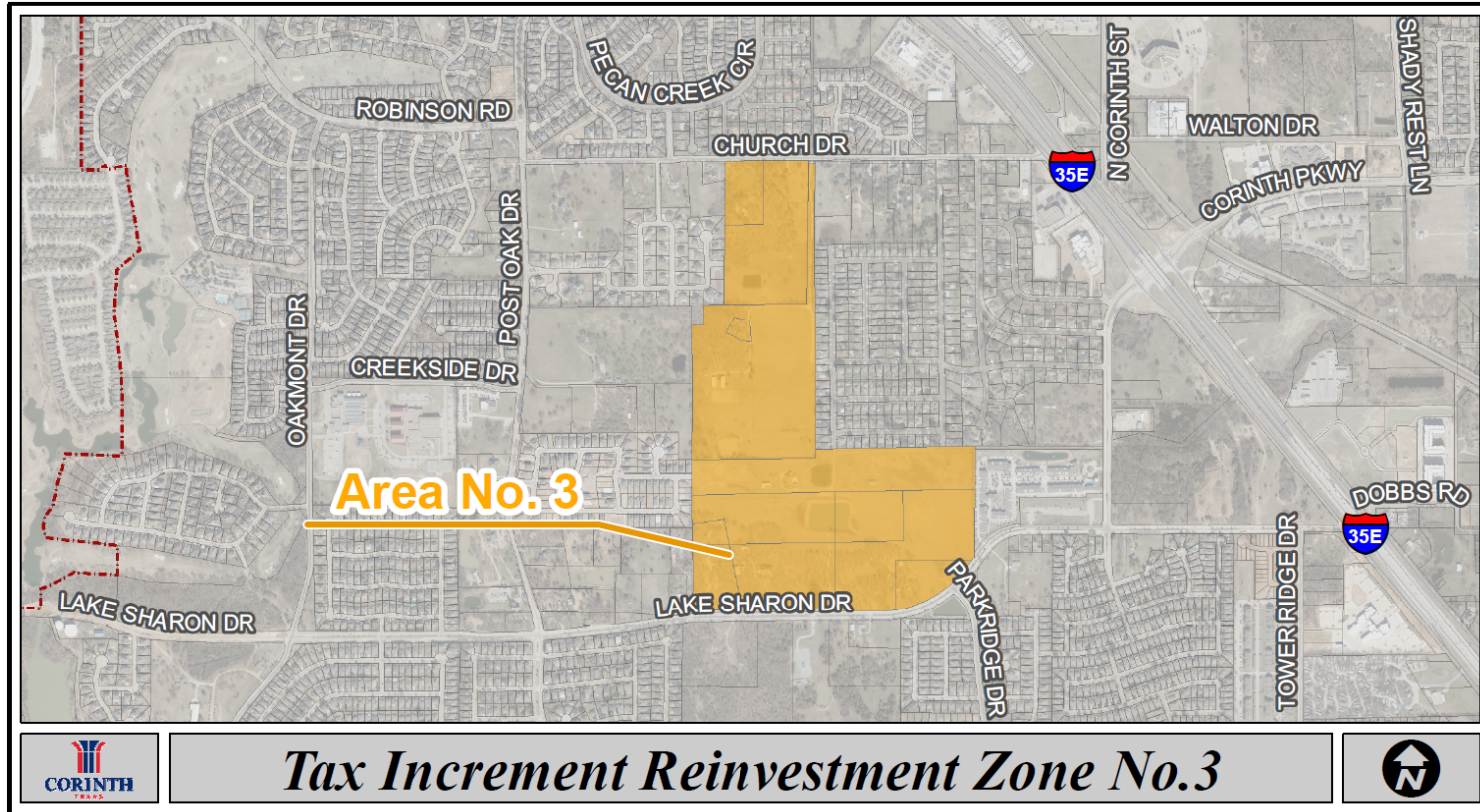


Tax Increment Reinvestment Zone #3 City of Corinth

The goal of Tax Increment Reinvestment Zone #3 (TIRZ) is to continue funding the construction of needed public infrastructure and to encourage private development that will yield additional tax revenue to all local taxing jurisdictions. TIRZ #3 will promote the creation of a high quality, master-planned, residential community (the Development).

The project and financing plan includes the funding of \$15,947,398.70 in needed public infrastructure improvements. The TIRZ will fund support these developments through the contribution of 50% of the City's real property increment generated within the zone.

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



Area 3

Current Parcel Information

There are currently 32 tax parcels within Tax Increment Reinvestment Zone #3. The TIRZ has an estimated 2020 taxable base value of \$13,707,188.

For more details on the parcels included in the TIRZ, please see Appendix A.

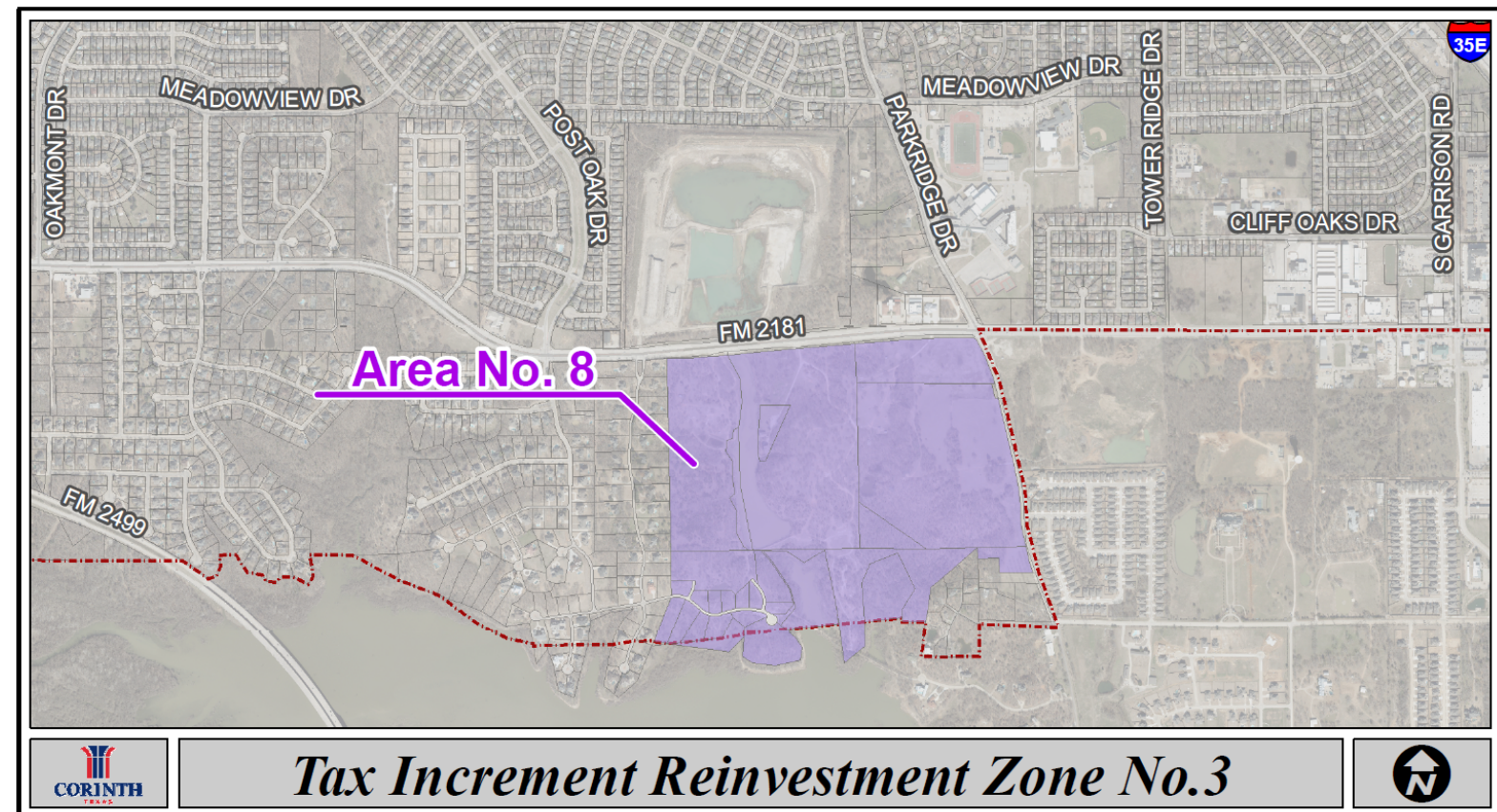
Method of Relocating Persons to be Displaced

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

Boundary Description

TIRZ #3 is located wholly within the City of Corinth. The TIRZ boundary encompasses approximately 318.85 acres, with a large portion of the TIRZ located near Interstate 35. A more detailed description of the boundary can be found on the following pages.

Area 8



Legal Description - TIRZ #3

The TIRZ consists of two noncontiguous areas, areas 3 and 8.

Area #3

Beginning at the northwest corner of Property ID 199291 at the point it meets the southern right of way boundary of Church Drive, thence East along the southern right of way boundary of Church Drive to the point it meets the boundary of Property ID 331065, thence East along the northern boundary of Property ID 331065 to the point it meets Property ID 331074, thence South along the eastern boundary of Property ID 331065 to the point it meets Property ID 313491, thence South along the eastern boundary of Property ID 313491 to the point it meets the boundary of Property ID 175683, thence East along the boundary of Property ID 175683, then continuing south along the boundary of Property ID 175683 to the point it meets Property ID 112056, thence South along the eastern boundary of Property ID 112056 to the point it meets the northern right of way boundary of Lake Shannon Drive, thence West along the northern right of way boundary of Lake Shannon Drive to the point it meets the southwest corner of Property ID 464280, thence North along the western boundary of Property ID 464280 to the point it meets the southwest corner of Property ID 62503, thence North along the western boundary of Property ID 62503 to the point it meets the southwest corner of Property ID 696612, thence North along the western boundary of Property ID 696612 to the point it meets Property ID 696611, thence North along the western boundary of Property ID 696611 to the point it meets the southwest corner of Property ID 175683, thence North along the western boundary of Property ID 175683 to the point it meets the southwest corner of Property ID 313491, thence North along the western boundary of Property ID 313491 to the point it meets the southwest corner of Property ID 37818, thence North along the western boundary of Property ID 37818 to the point it meets the southwest corner of Property ID 199291, thence North along the western boundary of Property ID 199291 to the point it meets the southern right of way boundary of Church Drive, which is the point of beginning.

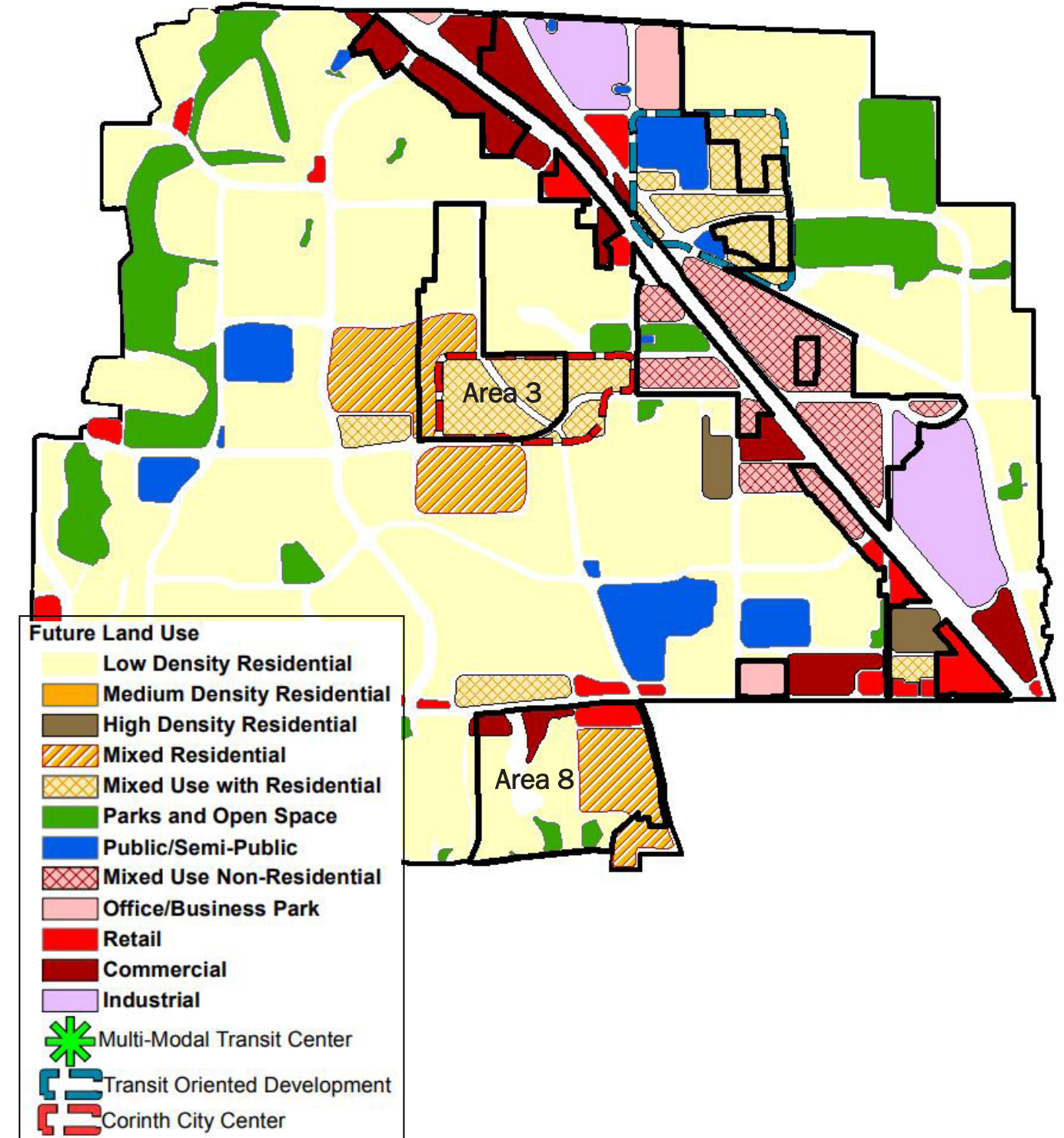
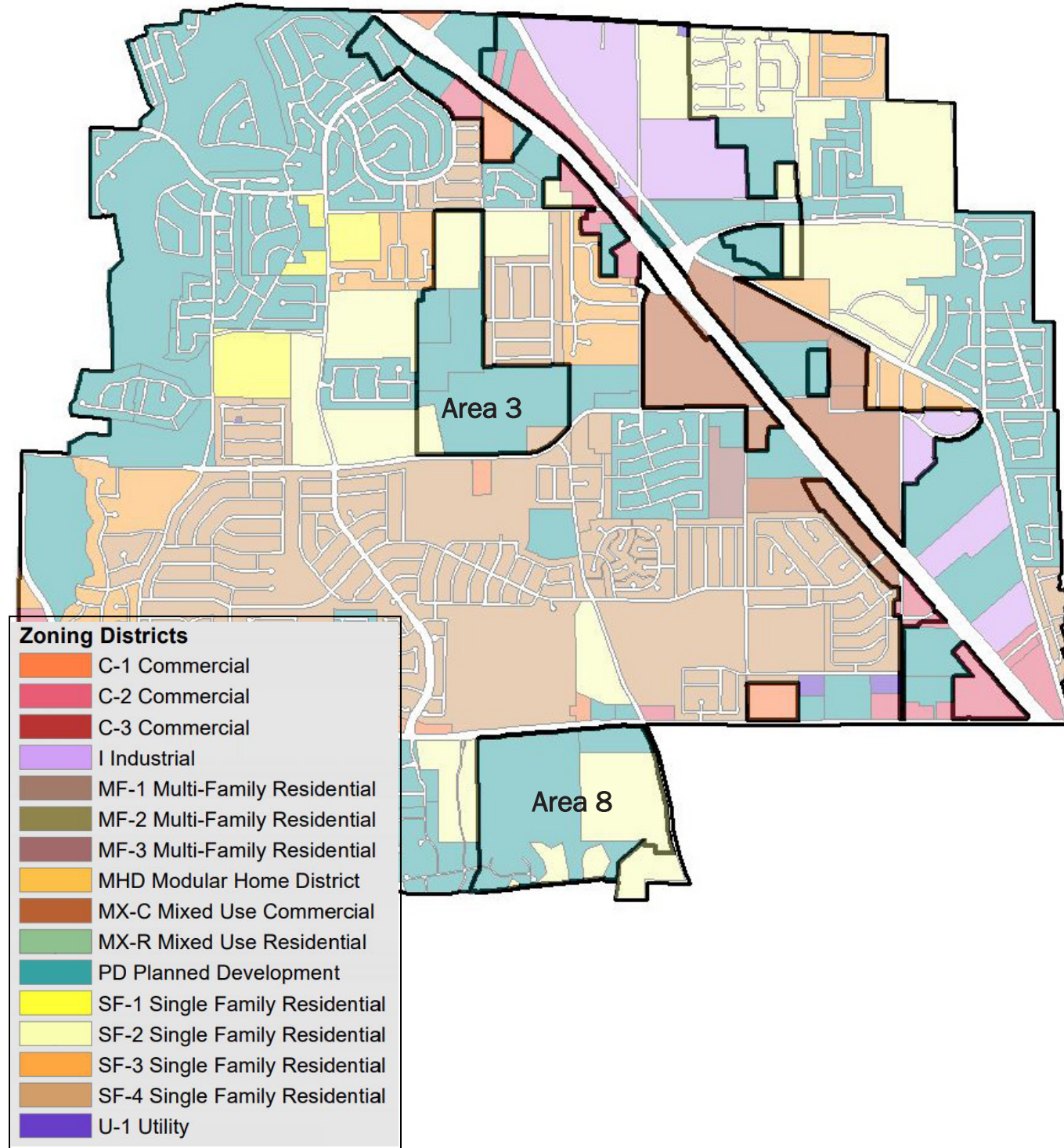
Area #8

Beginning at the west corner of Property ID 338963 at the point it meets the southern right of way boundary of Teasley Drive, thence East along the southern right of way boundary of Teasley Drive to the point it meets the western right of way boundary of Parkridge Drive, thence South along the western right of way boundary of Parkridge Drive to the point it meets the southeast corner of Property ID 145853, thence West along the boundary of the Property ID 145853, continuing along the boundary until the point the northwest corner of Property ID 145853 meets Property ID 62478, thence Southwest along the southern boundary of Property ID 62478 to the point it meets the City of Corinth southern boundary, thence Continuing west along the City of Corinth southern boundary to the point it meets the southeast corner of Property ID 683464, thence West along the southern boundary of Property ID 683464 to the point it meets the southeast corner of Property ID 683465, thence West along the southern boundary of Property ID 683465 to the point it meets the southeast corner of Property ID 683466, thence West along the southern boundary of Property ID 683466 to the point it meets the southeast corner of Property ID 683467, thence West along the southern boundary of Property ID 683467 then continuing north along the western boundary of Property ID 683467 to the point it meets Oak Bluff Drive, thence North across Oak Bluff Drive to the southwest corner of Property ID 683476, thence North along the western boundary of Property ID 673476 to the point it meets Property ID 62446, thence North along the western boundary of Property ID 62446 to the point it meets Property ID 164436, thence North along the western boundary of Property ID 164436 to the point it meets the west corner of Property ID 338963 at the point it meets the southern right of way boundary of Teasley Drive, which is the point of beginning.

Current Conditions

Land Use

The property within the TIRZ is largely undeveloped, or under developed. The Zoning and Future Land Use maps shows that the land within the TIRZ (areas 3 and 8 marked below) can be developed with a variety of uses, including residential, public space, office/business park, commercial, industrial, and retail. A significant portion of the property within the TIRZ is currently zoned PD (shaded in green), and it is likely that rezoning will occur within the TIRZ as development occurs.



Master Plan

The City of Corinth hired Catalyst Urban Development to prepare a Master Plan vision for the property located within the TIRZ and TIRZ 2. Based on the vision, the anticipated development could include a Village Square area with a performance pavilion. The plan's five key elements are highlighted on the following page.



View of Corinth Village



View of Corinth Main Street

1. NCTC Expansion Area

- Expands southward along central green with architectural student services building in the center
- Campus expansion makes direct connection into the mixed-use Village Square
- Potential joint venture office (light purple) face the I-35
- Flex office and small retail along I-35 frontage and N. Corinth Street

2. Village Square Area

- Drainage property reclaimed to become central square with performance pavilion and restaurant pavilion
- Village square defined by mixed-use buildings on north and east side designed to transition from residential to commercial space on ground floor as market grows
- New rail station north of Corinth Parkway feeds the Village Square, with shared parking to its west
- Restaurant grouping with outdoor patios defines rail station to direct west, and allows for food truck parking



3. Village Community Area

- Blend of single family, townhomes and loft apartments
- Defined by street grid and pocket park system with wide sidewalks, street trees, benches, bike racks, trash containers and pleasant planting
- All garages and project parking within internal parking courts and alleys

4. Health Science Area

- New roadway provides access from Corinth Parkway to Walton Street
- Parking and open area west of new roadway converted into new development site
- Shared parking garage as public/private partnership between developer and City provides H/S parking at base
- New parking on Corinth Pkwy

5. Mixed-Use I-35 Frontage

- Hotel, office and restaurant area on both sides of I-35, having strong highway presence and connected by pedestrian promenade to rail platform and Village Square

Anticipated Development

Assumptions

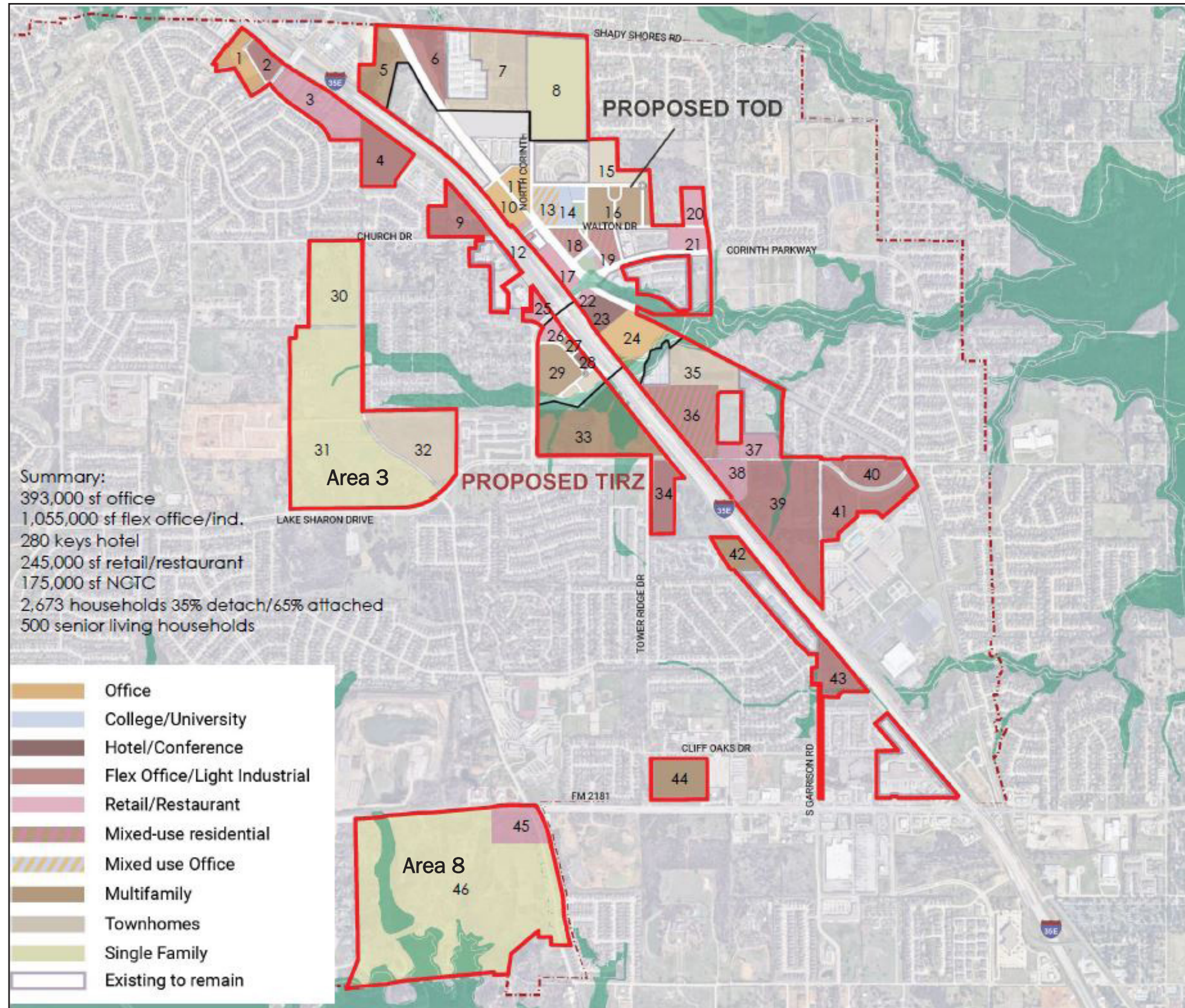
Over the 34 year term of the TIRZ, based on the master plan described earlier, anticipated development includes a mix of uses including retail, office, industrial, multifamily, hotel, and single family residential.

A review of comparable properties within Denton County was conducted to establish conservative assumptions of future taxable value for each property type in the proposed zone. For a list of the comparable properties reviewed, please see Appendix B. In addition, market reports consulted in developing projections for future land uses and timing of proposed developments can be found in Appendix D.

Based upon review of historical taxable values and current market reports, the development projections with reasonable timing expectations can be seen to the right.

**These assumptions were created in September 2019 when areas 3 and 8 were included in the bounds of TIRZ 2, City of Corinth, for TIRZ 2's final project and financing plan. Areas 3 and 8 were subsequently excluded from TIRZ 2 due to the December 15, 2020 ILA between the City and Denton County, and areas 3 and 8 now comprise TIRZ 3. The data on the following pages was created for TIRZ 2, and the data pertaining to areas 3 and 8 apply here for TIRZ 3. Updated assumptions showing data for only areas 3 and 8 will be created upon presentation of a final project and finance plan to the City Council for TIRZ 3.*

| Map # | | Square Feet/Units | Projected Completion Date | Stabilization Year | Taxable Value PSF/Unit | Incremental Value | Sales PSF | Total Sales |
|-------|-------------------------|-------------------|---------------------------|--------------------|------------------------|-----------------------|-----------|----------------------|
| 27,29 | Multifamily | 250 | 2022 | 2024 | \$ 140,000 | \$ 35,000,000 | | |
| 28 | Hotel | 110 | 2022 | 2024 | \$ 95,000 | \$ 10,450,000 | | |
| 26 | Restaurant | 20,000 | 2022 | 2024 | \$ 225 | \$ 4,500,000 | \$ 300 | \$ 6,000,000 |
| 1 | Small Office | 7,000 | 2022 | 2024 | \$ 125 | \$ 875,000 | | |
| 16 | Multifamily | 300 | 2024 | 2026 | \$ 140,000 | \$ 42,000,000 | | |
| 15 | Attached SF | 90 | 2024 | 2028 | \$ 250,000 | \$ 22,500,000 | | |
| 20 | Office | 40,000 | 2024 | 2026 | \$ 125 | \$ 5,000,000 | | |
| 2 | Gas, Pad, Svc Retail | 35,000 | 2024 | 2026 | \$ 150 | \$ 5,250,000 | \$ 175 | \$ 6,125,000 |
| 4 | Warehouse/Retail/Office | 80,000 | 2024 | 2026 | \$ 75 | \$ 6,000,000 | | |
| 33 | Senior Housing/TH | 500 | 2026 | 2028 | \$ 100,000 | \$ 50,000,000 | | |
| 36 | Hotel | 90 | 2026 | 2028 | \$ 95,000 | \$ 8,550,000 | | |
| 25 | Restaurant | 22,000 | 2026 | 2028 | \$ 225 | \$ 4,950,000 | \$ 350 | \$ 7,700,000 |
| 44 | Attached SF | 100 | 2026 | 2030 | \$ 250,000 | \$ 25,000,000 | | |
| 38 | Gas, Pad, Svc Retail | 65,000 | 2026 | 2028 | \$ 150 | \$ 9,750,000 | \$ 175 | \$ 11,375,000 |
| 6 | Flex Office / Lt. Ind | 40,000 | 2026 | 2028 | \$ 75 | \$ 3,000,000 | | |
| 19 | Multifamily | 360 | 2028 | 2030 | \$ 140,000 | \$ 50,400,000 | | |
| 13 | Office | 80,000 | 2028 | 2030 | \$ 125 | \$ 10,000,000 | | |
| 42 | Attached SF | 26 | 2028 | 2032 | \$ 250,000 | \$ 6,500,000 | | |
| 17 | Restaurant | 14,000 | 2028 | 2030 | \$ 225 | \$ 3,150,000 | \$ 350 | \$ 4,900,000 |
| 12 | Restaurant/Retail | 2,500 | 2028 | 2030 | \$ 225 | \$ 562,500 | \$ 350 | \$ 875,000 |
| 30 | Detached Medium SF | 90 | 2030 | 3034 | \$ 250,000 | \$ 22,500,000 | | |
| 43 | Flex Office / Lt. Ind | 36,000 | 2030 | 2032 | \$ 75 | \$ 2,700,000 | | |
| 46 | Mixed-Density SF | 485 | 2030 | 2034 | \$ 250,000 | \$ 121,250,000 | | |
| 11 | Office | 25,000 | 2030 | 2034 | \$ 125 | \$ 3,125,000 | | |
| 18 | Multifamily | 150 | 2030 | 2032 | \$ 140,000 | \$ 21,000,000 | | |
| 3 | Warehouse/Retail/Office | 100,000 | 2030 | 2032 | \$ 75 | \$ 7,500,000 | | |
| 37 | Service Retail | 60,000 | 2030 | 2032 | \$ 150 | \$ 9,000,000 | \$ 350 | \$ 21,000,000 |
| 22 | Restaurant | 8,000 | 2030 | 2032 | \$ 225 | \$ 1,800,000 | \$ 350 | \$ 2,800,000 |
| 35 | Attached SF | 92 | 2030 | 2034 | \$ 250,000 | \$ 23,000,000 | | |
| 36 | Hotel | 120 | 2030 | 2032 | \$ 95,000 | \$ 11,400,000 | | |
| 31 | Detached Medium SF | 300 | 2030 | 2034 | \$ 250,000 | \$ 75,000,000 | | |
| 10 | Office | 36,000 | 2030 | 2032 | \$ 125 | \$ 4,500,000 | | |
| 41 | Flex Office / Lt. Ind | 210,000 | 2032 | 2034 | \$ 75 | \$ 15,750,000 | | |
| 45 | Restaurant/Retail | 40,000 | 2032 | 2034 | \$ 225 | \$ 9,000,000 | \$ 350 | \$ 14,000,000 |
| 8 | Mixed-Density SF | 90 | 2032 | 2036 | \$ 250,000 | \$ 22,500,000 | | |
| 5 | Warehouse/Retail/Office | 90,000 | 2032 | 2034 | \$ 75 | \$ 6,750,000 | | |
| 21 | Office | 38,000 | 2034 | 2036 | \$ 125 | \$ 4,750,000 | | |
| 7 | Higher Density SF | 180 | 2034 | 2038 | \$ 250,000 | \$ 45,000,000 | | |
| 40 | Flex Office / Lt. Ind | 70,000 | 2034 | 2036 | \$ 75 | \$ 5,250,000 | | |
| 13 | Mixed-Use Office | 80,000 | 2036 | 2038 | \$ 125 | \$ 10,000,000 | | |
| 39 | Flex Office / Lt. Ind | 325,000 | 2036 | 2038 | \$ 125 | \$ 40,625,000 | | |
| 34 | Commercial | 67,000 | 2036 | 2038 | \$ 125 | \$ 8,375,000 | | |
| | Total | | | | | \$ 774,212,500 | | \$ 74,775,000 |



Project Costs

There are a number of improvements within the TIRZ that will be financed in part by incremental real property tax generated within the zone. Administrative costs are built into the project costs below.

| Proposed Project Costs | | |
|---|-------------------------|---------------|
| Street and Intersection Improvements | \$ 11,924,313.00 | 83.0% |
| Water Facilities and Improvements | \$ 1,692,073.30 | 7.2.0% |
| Storm Water Facilities and Improvements | \$ 368,928.22 | 1.5% |
| Economic Development Grants | \$ 1,541,398.84 | 6.6% |
| Administrative Costs | \$ 420,682.34 | 1.7% |
| Total | \$ 15,947,398.70 | 100.0% |

The categories listed in the table above outline public improvements related to water, storm water facilities, parking improvements, street and intersection improvements, and public facilities, and are meant to include all projects eligible under Chapter 311, Section 311.002 of the Texas Tax Code, including sanitary sewer facilities.

For a detailed list of the Proposed Project Costs, please see Appendix C. The costs illustrated in the table above and in Appendix C 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.

Nonproject costs are estimated to be approximately \$165,250,000.00 in private investment throughout the term of the TIRZ. This includes the investment expected to be made by private entities that are exclusive of the expenditures that are listed in this plan as the proposed project costs.

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.

Financial Feasibility Analysis

Method of Financing

To fund the public improvements outlined on the previous pages, it is anticipated that the City of Corinth will contribute 50% of its real property increment.

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 for TIRZ 2, City of Corinth, to determine the economic feasibility of the project. At that time, areas 3 and 8, now TIRZ 3, were included within that project and financing plan. Areas 3 and 8 have since been excluded from the boundaries of TIRZ 2 and now comprise TIRZ 3. The project and financing plan for TIRZ 2 was updated to include projects and financing particular to TIRZ 3, though data on the following pages will be updated upon presentation of a final project and finance plan to City Council for TIRZ 3 to only include the data relevant to areas 3 and 8.

The previous study examined the expected tax revenue that TIRZ 2 would receive based on the previously outlined developments. The following pages show the estimated captured appraised value of the zoning 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. For purposes of this preliminary finance plan for TIRZ 3, only the data concerning areas 3 and 8 in the following pages are relevant.

Based on the data, 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 | |
|-------------------|-------------------|---------------|-------------------|
| City of Corinth | 0.53000000 | 50% | 0.26500000 |
| Denton County | 0.22557400 | 0% | 0.00000000 |
| Denton ISD | 1.54000000 | 0% | 0.00000000 |
| | 2.29557400 | | 0.26500000 |

| Personal Property Tax | | Participation | |
|-----------------------|-------------------|---------------|-------------------|
| City of Corinth | 0.53000000 | 0% | 0.00000000 |
| Denton County | 0.22557400 | 0% | 0.00000000 |
| Denton ISD | 1.54000000 | 0% | 0.00000000 |
| | 2.29557400 | | 0.00000000 |

Financial Feasibility Analysis - Residential

RESIDENTIAL : INPUT & OUTPUT

► INPUT

| | |
|----------------|-------|
| INFLATION RATE | 2.00% |
|----------------|-------|

| | |
|---------------|-------|
| DISCOUNT RATE | 6.00% |
|---------------|-------|

| REAL PROPERTY TAX | | PARTICIPATION | |
|-------------------|------------|---------------|-----------|
| City of Corinth | 0.53000000 | 50% | 0.2650000 |
| Denton County | 0.22557400 | 100% | 0.2255740 |
| Denton ISD | 1.54000000 | 0% | 0.0000000 |
| | 2.29557400 | | 0.4905740 |

| PERSONAL PROPERTY TAX | | PARTICIPATION | |
|-----------------------|------------|---------------|-----------|
| City of Corinth | 0.53000000 | 0% | 0.0000000 |
| Denton County | 0.22557400 | 0% | 0.0000000 |
| Denton ISD | 1.54000000 | 0% | 0.0000000 |
| | 2.29557400 | | 0.0000000 |

| | | | |
|----------------|-----------|-------|-----------|
| Sales Tax Rate | 0.0200000 | 0.00% | 0.0000000 |
|----------------|-----------|-------|-----------|

| RESIDENTIAL | | Year | AREA SF | REAL PROPERTY | | PERSONAL PROPERTY | | SALES | |
|--------------|--------------------|------|--------------|---------------|--------------------|-------------------|-----------|---------|-----------|
| | | | | \$ / SF | TAX VALUE | \$ / SF | TAX VALUE | \$ / SF | TAX VALUE |
| 1 | Multifamily | 2022 | 250 | \$ 140,000.00 | \$ 35,000,000 | \$ - | \$ - | \$ - | \$ - |
| 2 | Multifamily | 2024 | 300 | \$ 140,000.00 | \$ 42,000,000 | \$ - | \$ - | \$ - | \$ - |
| 3 | Attached SF | 2024 | 90 | \$ 250,000.00 | \$ 22,500,000 | \$ - | \$ - | \$ - | \$ - |
| 4 | Senior Housing/TH | 2026 | 500 | \$ 100,000.00 | \$ 50,000,000 | \$ - | \$ - | \$ - | \$ - |
| 5 | Attached SF | 2026 | 100 | \$ 250,000.00 | \$ 25,000,000 | \$ - | \$ - | \$ - | \$ - |
| 6 | Multifamily | 2028 | 360 | \$ 140,000.00 | \$ 50,400,000 | \$ - | \$ - | \$ - | \$ - |
| 7 | Attached SF | 2028 | 26 | \$ 250,000.00 | \$ 6,500,000 | \$ - | \$ - | \$ - | \$ - |
| 8 | Detached Medium SF | 2030 | 90 | \$ 250,000.00 | \$ 22,500,000 | \$ - | \$ - | \$ - | \$ - |
| 9 | Mixed-Density SF | 2030 | 485 | \$ 250,000.00 | \$ 121,250,000 | \$ - | \$ - | \$ - | \$ - |
| 10 | Multifamily | 2030 | 150 | \$ 140,000.00 | \$ 21,000,000 | \$ - | \$ - | \$ - | \$ - |
| 11 | Attached SF | 2030 | 92 | \$ 250,000.00 | \$ 23,000,000 | \$ - | \$ - | \$ - | \$ - |
| 12 | Detached Medium SF | 2030 | 300 | \$ 250,000.00 | \$ 75,000,000 | \$ - | \$ - | \$ - | \$ - |
| 13 | Mixed-Density SF | 2032 | 90 | \$ 250,000.00 | \$ 22,500,000 | \$ - | \$ - | \$ - | \$ - |
| 14 | Higher Density SF | 2034 | 180 | \$ 250,000.00 | \$ 45,000,000 | \$ - | \$ - | \$ - | \$ - |
| TOTAL | | | 3,013 | | 561,650,000 | | - | | - |

► OUTPUT

| TOTAL TAX REVENUE | | TOTAL | REAL PROPERTY | PERSONAL PROPERTY | SALES |
|-------------------|--------|----------------|------------------|-------------------|--------|
| City of Corinth | 23.1% | \$ 84,572,431 | = \$ 84,572,431 | + \$ - | + \$ - |
| Denton County | 9.8% | \$ 35,994,984 | = \$ 35,994,984 | + \$ - | + \$ - |
| Denton ISD | 67.1% | \$ 245,738,761 | = \$ 245,738,761 | + \$ - | + \$ - |
| | 100.0% | \$ 366,306,175 | = \$ 366,306,175 | \$ - | \$ - |
| | | 100.0% | | 100.0% | 0.0% |

| TOTAL PARTICIPATION | | TOTAL | REAL PROPERTY | PERSONAL PROPERTY | SALES |
|---------------------|--------|---------------|-----------------|-------------------|--------|
| City of Corinth | 54.0% | \$ 42,286,215 | = \$ 42,286,215 | + \$ - | + \$ - |
| Denton County | 46.0% | \$ 35,994,984 | = \$ 35,994,984 | + \$ - | + \$ - |
| Denton ISD | 0.0% | \$ - | = \$ - | + \$ - | + \$ - |
| | 100.0% | \$ 78,281,199 | = \$ 78,281,199 | \$ - | \$ - |
| | | 100.0% | 100.0% | 0.0% | 0.0% |

| NET BENEFIT | | TOTAL | REAL PROPERTY | PERSONAL PROPERTY | SALES |
|-----------------|--------|----------------|------------------|-------------------|--------|
| City of Corinth | 14.7% | \$ 42,286,215 | = \$ 42,286,215 | + \$ - | + \$ - |
| Denton County | 0.0% | \$ - | = \$ - | + \$ - | + \$ - |
| Denton ISD | 85.3% | \$ 245,738,761 | = \$ 245,738,761 | + \$ - | + \$ - |
| | 100.0% | \$ 288,024,976 | = \$ 288,024,976 | \$ - | \$ - |
| | | 100.0% | 100.0% | 0.0% | 0.0% |

Financial Feasibility Analysis - Residential 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

TOTAL TAX REVENUE

| | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 |
|--------------------------|--------------------------|-------------------|------|------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| REAL PROPERTY | % OCCUPIED Taxable Value | 0% | 0% | 0% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | | - | - | - | 17,500,000 | 26,250,000 | 60,500,000 | 75,500,000 | 117,000,000 | 135,400,000 | 192,900,000 | 208,100,000 | 269,550,000 | 324,450,000 | 383,850,000 | 436,700,000 | 498,550,000 | 512,050,000 | 525,550,000 |
| | PV | | | | | | | | | | | | | | | | | | |
| City of Corinth | | 2,206,066 | - | - | 92,750 | 139,125 | 320,650 | 400,150 | 620,100 | 717,620 | 1,022,370 | 1,102,930 | 1,428,615 | 1,719,585 | 2,034,405 | 2,314,510 | 2,642,315 | 2,713,865 | 2,785,415 |
| Denton County | | 938,927 | - | - | 39,475 | 59,213 | 136,472 | 170,308 | 263,922 | 305,427 | 435,132 | 469,419 | 608,035 | 731,875 | 865,866 | 985,082 | 1,124,599 | 1,155,052 | 1,185,504 |
| Denton ISD | | 6,410,079 | - | - | 269,500 | 404,250 | 931,700 | 1,162,700 | 1,801,800 | 2,085,160 | 2,970,660 | 3,204,740 | 4,151,070 | 4,996,530 | 5,911,290 | 6,725,180 | 7,677,670 | 7,885,570 | 8,093,470 |
| Total | | 9,555,072 | - | - | 401,725 | 602,588 | 1,388,822 | 1,733,158 | 2,685,822 | 3,108,207 | 4,428,162 | 4,777,089 | 6,187,720 | 7,447,990 | 8,811,561 | 10,024,772 | 11,444,584 | 11,754,487 | 12,064,389 |
| PERSONAL PROPERTY | % OCCUPIED Taxable Value | 0% | 100% | 0% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | PV | | | | | | | | | | | | | | | | | | |
| City of Corinth | | 184,841 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Denton County | | 78,670 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Denton ISD | | 537,085 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | 800,596 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| SALES TAX | % OCCUPIED Taxable Value | 0% | 0% | 0% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | PV | | | | | | | | | | | | | | | | | | |
| Total | | 12,562,584 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| SUMMARY | | | | | | | | | | | | | | | | | | | |
| | PV | | | | | | | | | | | | | | | | | | |
| City of Corinth | | 14,953,491 | - | - | 92,750 | 139,125 | 320,650 | 400,150 | 620,100 | 717,620 | 1,022,370 | 1,102,930 | 1,428,615 | 1,719,585 | 2,034,405 | 2,314,510 | 2,642,315 | 2,713,865 | 2,785,415 |
| Denton County | | 1,017,597 | - | - | 39,475 | 59,213 | 136,472 | 170,308 | 263,922 | 305,427 | 435,132 | 469,419 | 608,035 | 731,875 | 865,866 | 985,082 | 1,124,599 | 1,155,052 | 1,185,504 |
| Denton ISD | | 6,947,164 | - | - | 269,500 | 404,250 | 931,700 | 1,162,700 | 1,801,800 | 2,085,160 | 2,970,660 | 3,204,740 | 4,151,070 | 4,996,530 | 5,911,290 | 6,725,180 | 7,677,670 | 7,885,570 | 8,093,470 |
| Total | | 22,918,251 | - | - | 401,725 | 602,588 | 1,388,822 | 1,733,158 | 2,685,822 | 3,108,207 | 4,428,162 | 4,777,089 | 6,187,720 | 7,447,990 | 8,811,561 | 10,024,772 | 11,444,584 | 11,754,487 | 12,064,389 |

PARTICIPATION

| | | | | | | | | | | | | | | | | | | | |
|--------------------------|---------------|------------------|---|---|---------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| REAL PROPERTY | Taxable Value | - | - | - | 17,500,000 | 26,250,000 | 60,500,000 | 75,500,000 | 117,000,000 | 135,400,000 | 192,900,000 | 208,100,000 | 269,550,000 | 324,450,000 | 383,850,000 | 436,700,000 | 498,550,000 | 512,050,000 | 525,550,000 |
| | PV | | | | | | | | | | | | | | | | | | |
| City of Corinth | | 1,103,033 | - | - | 46,375 | 69,563 | 160,325 | 200,075 | 310,050 | 358,810 | 511,185 | 551,465 | 714,308 | 859,793 | 1,017,203 | 1,157,255 | 1,321,158 | 1,356,933 | 1,392,708 |
| Denton County | | 938,927 | - | - | 39,475 | 59,213 | 136,472 | 170,308 | 263,922 | 305,427 | 435,132 | 469,419 | 608,035 | 731,875 | 865,866 | 985,082 | 1,124,599 | 1,155,052 | 1,185,504 |
| Denton ISD | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | 2,041,960 | - | - | 85,850 | 128,776 | 296,797 | 370,383 | 573,972 | 664,237 | 946,317 | 1,020,884 | 1,322,342 | 1,591,667 | 1,883,068 | 2,142,337 | 2,445,757 | 2,511,984 | 2,578,212 |
| PERSONAL PROPERTY | Taxable Value | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | PV | | | | | | | | | | | | | | | | | | |
| City of Corinth | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Denton County | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Denton ISD | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| SALES TAX | Taxable Value | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | PV | | | | | | | | | | | | | | | | | | |
| Total | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| SUMMARY | | | | | | | | | | | | | | | | | | | |
| | PV | | | | | | | | | | | | | | | | | | |
| City of Corinth | | 1,103,033 | - | - | 46,375 | 69,563 | 160,325 | 200,075 | 310,050 | 358,810 | 511,185 | 551,465 | 714,308 | 859,793 | 1,017,203 | 1,157,255 | 1,321,158 | 1,356,933 | 1,392,708 |
| Denton County | | 938,927 | - | - | 39,475 | 59,213 | 136,472 | 170,308 | 263,922 | 305,427 | 435,132 | 469,419 | 608,035 | 731,875 | 865,866 | 985,082 | 1,124,599 | 1,155,052 | 1,185,504 |
| Denton ISD | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | 2,041,960 | - | - | 85,850 | 128,776 | 296,797 | 370,383 | 573,972 | 664,237 | 946,317 | 1,020,884 | 1,322,342 | 1,591,667 | 1,883,068 | 2,142,337 | 2,445,757 | 2,511,984 | 2,578,212 |

TOTAL TAX REVENUE - PARTICIPATION = NET BENEFIT

| | | | | | | | | | | | | | | | | | | | |
|-----------------|----|-------------------|---|---|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| SUMMARY | | | | | | | | | | | | | | | | | | | |
| | PV | | | | | | | | | | | | | | | | | | |
| City of Corinth | | 13,850,458 | - | - | 46,375 | 69,563 | 160,325 | 200,075 | 310,050 | 358,810 | 511,185 | 551,465 | 714,308 | 859,793 | 1,017,203 | 1,157,255 | 1,321,158 | 1,356,933 | 1,392,708 |
| Denton County | | 78,670 | - | - | 39,475 | 59,213 | 136,472 | 170,308 | 263,922 | 305,427 | 435,132 | 469,419 | 608,035 | 731,875 | 865,866 | 985,082 | 1,124,599 | 1,155,052 | 1,185,504 |
| Denton ISD | | 6,947,164 | - | - | 269,500 | 404,250 | 931,700 | 1,162,700 | 1,801,800 | 2,085,160 | 2,970,660 | 3,204,740 | 4,151,070 | 4,996,530 | 5,911,290 | 6,725,180 | 7,677,670 | 7,885,570 | 8,093,470 |
| Total | | 20,876,292 | - | - | 315,875 | 473,813 | 1,092,025 | 1,362,775 | 2,111,850 | 2,443,970 | 3,481,845 | 3,756,205 | 4,865,378 | 5,856,323 | 6,928,493 | 7,882,435 | 8,998,828 | 9,242,503 | 9,486,178 |

RETAIL : INPUT & OUTPUT

► INPUT

| | |
|----------------|-------|
| INFLATION RATE | 2.00% |
|----------------|-------|

| | |
|---------------|-------|
| DISCOUNT RATE | 6.00% |
|---------------|-------|

| REAL PROPERTY TAX | | PARTICIPATION | |
|-------------------|------------|---------------|------------|
| City of Corinth | 0.53000000 | 50% | 0.26500000 |
| Denton County | 0.22557400 | 100% | 0.22557400 |
| Denton ISD | 1.54000000 | 0% | 0.00000000 |
| | 2.29557400 | | 0.49057400 |

| PERSONAL PROPERTY TAX | | PARTICIPATION | |
|-----------------------|------------|---------------|------------|
| City of Corinth | 0.53000000 | 0% | 0.00000000 |
| Denton County | 0.22557400 | 0% | 0.00000000 |
| Denton ISD | 1.54000000 | 0% | 0.00000000 |
| | 2.29557400 | | 0.00000000 |

| | | | |
|----------------|-----------|-------|-----------|
| Sales Tax Rate | 0.0200000 | 0.00% | 0.0000000 |
|----------------|-----------|-------|-----------|

| RETAIL | | | | | | | | | |
|--------|----------------------|---------|---------------|-----------|-------------------|-----------|------------|-----------|---------------|
| | Year | AREA SF | REAL PROPERTY | | PERSONAL PROPERTY | | SALES | | |
| | | | \$ / SF | TAX VALUE | \$ / SF | TAX VALUE | \$ / SF | TAX VALUE | |
| 1 | Restaurant | 2022 | 20,000 | \$ 225.00 | \$ 4,500,000 | \$ 15.00 | \$ 300,000 | \$ 300.00 | \$ 6,000,000 |
| 2 | Gas, Pad, Svc Retail | 2024 | 35,000 | \$ 150.00 | \$ 5,250,000 | \$ 15.00 | \$ 525,000 | \$ 175.00 | \$ 6,125,000 |
| 3 | Restaurant | 2026 | 22,000 | \$ 225.00 | \$ 4,950,000 | \$ 15.00 | \$ 330,000 | \$ 350.00 | \$ 7,700,000 |
| 4 | Gas, Pad, Svc Retail | 2026 | 65,000 | \$ 150.00 | \$ 9,750,000 | \$ 15.00 | \$ 975,000 | \$ 175.00 | \$ 11,375,000 |
| 5 | Restaurant | 2028 | 14,000 | \$ 225.00 | \$ 3,150,000 | \$ 15.00 | \$ 210,000 | \$ 350.00 | \$ 4,900,000 |
| 6 | Restaurant/Retail | 2028 | 2,500 | \$ 225.00 | \$ 562,500 | \$ 15.00 | \$ 37,500 | \$ 350.00 | \$ 875,000 |
| 7 | Service Retail | 2030 | 60,000 | \$ 150.00 | \$ 9,000,000 | \$ 15.00 | \$ 900,000 | \$ 350.00 | \$ 21,000,000 |
| 8 | Restaurant | 2030 | 8,000 | \$ 225.00 | \$ 1,800,000 | \$ 15.00 | \$ 120,000 | \$ 350.00 | \$ 2,800,000 |
| 9 | Restaurant/Retail | 2032 | 40,000 | \$ 225.00 | \$ 9,000,000 | \$ 15.00 | \$ 600,000 | \$ 350.00 | \$ 14,000,000 |
| TOTAL | | | 266,500 | | 47,962,500 | | 3,997,500 | | 74,775,000 |

► OUTPUT

| TOTAL TAX REVENUE | TOTAL | REAL PROPERTY | PERSONAL PROPERTY | SALES | | | | |
|-------------------|--------|---------------|-------------------|---------------|---|--------------|---|---------------|
| City of Corinth | 65.6% | \$ 57,657,515 | = | \$ 8,378,932 | + | \$ 700,578 | + | \$ 48,578,005 |
| Denton County | 4.4% | \$ 3,864,342 | = | \$ 3,566,168 | + | \$ 298,174 | + | \$ - |
| Denton ISD | 30.0% | \$ 26,381,974 | = | \$ 24,346,332 | + | \$ 2,035,642 | + | \$ - |
| | 100.0% | \$ 87,903,832 | | \$ 36,291,432 | | \$ 3,034,394 | | \$ 48,578,005 |
| | | 100.0% | | 41.3% | | 3.5% | | 55.3% |

| TOTAL PARTICIPATION | TOTAL | REAL PROPERTY | PERSONAL PROPERTY | SALES | | | | |
|---------------------|--------|---------------|-------------------|--------------|---|------|---|------|
| City of Corinth | 54.0% | \$ 4,189,466 | = | \$ 4,189,466 | + | \$ - | + | \$ - |
| Denton County | 46.0% | \$ 3,566,168 | = | \$ 3,566,168 | + | \$ - | + | \$ - |
| Denton ISD | 0.0% | \$ - | = | \$ - | + | \$ - | + | \$ - |
| | 100.0% | \$ 7,755,635 | | \$ 7,755,635 | | \$ - | | \$ - |
| | | 100.0% | | 100.0% | | 0.0% | | 0.0% |

| NET BENEFIT | TOTAL | REAL PROPERTY | PERSONAL PROPERTY | SALES | | | | |
|-----------------|--------|---------------|-------------------|---------------|---|--------------|---|---------------|
| City of Corinth | 66.7% | \$ 53,468,049 | = | \$ 4,189,466 | + | \$ 700,578 | + | \$ 48,578,005 |
| Denton County | 0.4% | \$ 298,174 | = | \$ - | + | \$ 298,174 | + | \$ - |
| Denton ISD | 32.9% | \$ 26,381,974 | = | \$ 24,346,332 | + | \$ 2,035,642 | + | \$ - |
| | 100.0% | \$ 80,148,197 | | \$ 28,535,798 | | \$ 3,034,394 | | \$ 48,578,005 |
| | | 100.0% | | 35.6% | | 3.8% | | 60.6% |

Financial Feasibility Analysis - Retail 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

TOTAL TAX REVENUE

| | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 |
|--------------------------|-------------------|-------------------|------|--------|---------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| REAL PROPERTY | % OCCUPIED | 0% | 0% | 0% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | Taxable Value | - | - | - | 2,250,000 | 3,375,000 | 7,125,000 | 8,437,500 | 17,100,000 | 20,775,000 | 26,306,250 | 27,234,375 | 33,562,500 | 36,262,500 | 43,462,500 | 45,712,500 | 47,962,500 | 48,921,750 | 49,900,185 |
| | PV | | | | | | | | | | | | | | | | | | |
| | City of Corinth | 2,250,679 | - | - | 11,925 | 17,888 | 37,763 | 44,719 | 90,630 | 110,108 | 139,423 | 144,342 | 177,881 | 192,191 | 230,351 | 242,276 | 254,201 | 259,285 | 264,471 |
| | Denton County | 957,915 | - | - | 5,075 | 7,613 | 16,072 | 19,033 | 38,573 | 46,863 | 59,340 | 61,434 | 75,708 | 81,799 | 98,040 | 103,116 | 108,191 | 110,355 | 112,562 |
| Denton ISD | 6,539,710 | - | - | 34,650 | 51,975 | 109,725 | 129,938 | 263,340 | 319,935 | 405,116 | 419,409 | 516,863 | 558,443 | 669,323 | 703,973 | 738,623 | 753,395 | 768,463 | |
| Total | 9,748,304 | - | - | - | 51,650 | 77,476 | 163,560 | 193,689 | 392,543 | 476,905 | 603,879 | 625,185 | 770,452 | 832,433 | 997,714 | 1,049,364 | 1,101,015 | 1,123,035 | 1,145,496 |
| PERSONAL PROPERTY | % OCCUPIED | 0% | 100% | 0% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | Taxable Value | - | - | - | 150,000 | 225,000 | 562,500 | 693,750 | 1,477,500 | 1,803,750 | 2,253,750 | 2,315,625 | 2,887,500 | 3,142,500 | 3,697,500 | 3,847,500 | 3,997,500 | 4,077,450 | 4,158,999 |
| | PV | | | | | | | | | | | | | | | | | | |
| | City of Corinth | 188,559 | - | - | 795 | 1,193 | 2,981 | 3,677 | 7,831 | 9,560 | 11,945 | 12,273 | 15,304 | 16,655 | 19,597 | 20,392 | 21,187 | 21,610 | 22,043 |
| | Denton County | 80,253 | - | - | 338 | 508 | 1,269 | 1,565 | 3,333 | 4,069 | 5,084 | 5,223 | 6,513 | 7,089 | 8,341 | 8,679 | 9,017 | 9,198 | 9,382 |
| Denton ISD | 547,889 | - | - | 2,310 | 3,465 | 8,663 | 10,684 | 22,754 | 27,778 | 34,708 | 35,661 | 44,468 | 48,395 | 56,942 | 59,252 | 61,562 | 62,793 | 64,049 | |
| Total | 816,701 | - | - | - | 3,443 | 5,165 | 12,913 | 15,926 | 33,917 | 41,406 | 51,736 | 53,157 | 66,285 | 72,138 | 84,879 | 88,322 | 91,766 | 93,601 | 95,473 |
| SALES TAX | % OCCUPIED | 0% | 0% | 0% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | Taxable Value | - | - | - | 3,000,000 | 4,500,000 | 9,062,500 | 10,593,750 | 21,662,500 | 26,431,250 | 34,087,500 | 35,531,250 | 48,875,000 | 54,825,000 | 67,775,000 | 71,275,000 | 74,775,000 | 76,270,500 | 77,795,910 |
| Total | 12,825,050 | - | - | - | 60,000 | 90,000 | 181,250 | 211,875 | 433,250 | 528,625 | 681,750 | 710,625 | 977,500 | 1,096,500 | 1,355,500 | 1,425,500 | 1,495,500 | 1,525,410 | 1,555,918 |
| SUMMARY | PV | | | | | | | | | | | | | | | | | | |
| | City of Corinth | 15,264,288 | - | - | 72,720 | 109,080 | 221,994 | 260,271 | 531,711 | 648,292 | 833,118 | 867,240 | 1,170,685 | 1,305,347 | 1,605,448 | 1,688,168 | 1,770,888 | 1,806,306 | 1,842,432 |
| | Denton County | 1,038,168 | - | - | 5,414 | 8,121 | 17,341 | 20,598 | 41,906 | 50,932 | 64,424 | 66,657 | 82,222 | 88,887 | 106,381 | 111,794 | 117,208 | 119,552 | 121,943 |
| | Denton ISD | 7,087,599 | - | - | 36,960 | 55,440 | 118,388 | 140,621 | 286,094 | 347,713 | 439,824 | 455,070 | 561,330 | 606,837 | 726,264 | 763,224 | 800,184 | 816,188 | 832,511 |
| | Total | 23,390,055 | - | - | - | 115,094 | 172,641 | 357,722 | 421,490 | 859,710 | 1,046,937 | 1,337,366 | 1,388,967 | 1,814,237 | 2,001,071 | 2,438,093 | 2,563,186 | 2,688,280 | 2,742,046 |

PARTICIPATION

| | | | | | | | | | | | | | | | | | | | |
|--------------------------|------------------|------------------|----------|----------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| REAL PROPERTY | Taxable Value | - | - | - | 2,250,000 | 3,375,000 | 7,125,000 | 8,437,500 | 17,100,000 | 20,775,000 | 26,306,250 | 27,234,375 | 33,562,500 | 36,262,500 | 43,462,500 | 45,712,500 | 47,962,500 | 48,921,750 | 49,900,185 |
| | PV | | | | | | | | | | | | | | | | | | |
| | City of Corinth | 1,125,340 | - | - | 5,963 | 8,944 | 18,881 | 22,359 | 45,315 | 55,054 | 69,712 | 72,171 | 88,941 | 96,096 | 115,176 | 121,138 | 127,101 | 129,643 | 132,235 |
| | Denton County | 957,915 | - | - | 5,075 | 7,613 | 16,072 | 19,033 | 38,573 | 46,863 | 59,340 | 61,434 | 75,708 | 81,799 | 98,040 | 103,116 | 108,191 | 110,355 | 112,562 |
| Denton ISD | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total | 2,083,254 | - | - | - | 11,038 | 16,557 | 34,953 | 41,392 | 83,888 | 101,917 | 129,052 | 133,605 | 164,649 | 177,894 | 213,216 | 224,254 | 235,292 | 239,997 | 244,797 |
| PERSONAL PROPERTY | Taxable Value | - | - | - | 150,000 | 225,000 | 562,500 | 693,750 | 1,477,500 | 1,803,750 | 2,253,750 | 2,315,625 | 2,887,500 | 3,142,500 | 3,697,500 | 3,847,500 | 3,997,500 | 4,077,450 | 4,158,999 |
| | PV | | | | | | | | | | | | | | | | | | |
| | City of Corinth | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Denton County | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Denton ISD | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| SALES TAX | Taxable Value | - | - | - | 3,000,000 | 4,500,000 | 9,062,500 | 10,593,750 | 21,662,500 | 26,431,250 | 34,087,500 | 35,531,250 | 48,875,000 | 54,825,000 | 67,775,000 | 71,275,000 | 74,775,000 | 76,270,500 | 77,795,910 |
| | PV | | | | | | | | | | | | | | | | | | |
| Total | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| SUMMARY | PV | | | | | | | | | | | | | | | | | | |
| | City of Corinth | 1,125,340 | - | - | 5,963 | 8,944 | 18,881 | 22,359 | 45,315 | 55,054 | 69,712 | 72,171 | 88,941 | 96,096 | 115,176 | 121,138 | 127,101 | 129,643 | 132,235 |
| | Denton County | 957,915 | - | - | 5,075 | 7,613 | 16,072 | 19,033 | 38,573 | 46,863 | 59,340 | 61,434 | 75,708 | 81,799 | 98,040 | 103,116 | 108,191 | 110,355 | 112,562 |
| | Denton ISD | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | 2,083,254 | - | - | - | 11,038 | 16,557 | 34,953 | 41,392 | 83,888 | 101,917 | 129,052 | 133,605 | 164,649 | 177,894 | 213,216 | 224,254 | 235,292 | 239,997 |

TOTAL TAX REVENUE - PARTICIPATION = NET BENEFIT

| | | | | | | | | | | | | | | | | | | | |
|----------------|-----------------|-------------------|---|---|--------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| SUMMARY | PV | | | | | | | | | | | | | | | | | | |
| | City of Corinth | 14,138,949 | - | - | 66,758 | 100,136 | 203,113 | 237,911 | 486,396 | 593,239 | 763,406 | 795,069 | 1,081,744 | 1,209,251 | 1,490,272 | 1,567,030 | 1,643,787 | 1,676,663 | 1,710,196 |
| | Denton County | 80,253 | - | - | 338 | 508 | 1,269 | 1,565 | 3,333 | 4,069 | 5,084 | 5,223 | 6,513 | 7,089 | 8,341 | 8,679 | 9,017 | 9,198 | 9,382 |
| | Denton ISD | 7,087,599 | - | - | 36,960 | 55,440 | 118,388 | 140,621 | 286,094 | 347,713 | 439,824 | 455,070 | 561,330 | 606,837 | 726,264 | 763,224 | 800,184 | 816,188 | 832,511 |
| | Total | 20,376,292 | - | - | - | 104,056 | 156,084 | 322,769 | 380,097 | 775,822 | 945,020 | 1,208,314 | 1,255,362 | 1,649,588 | 1,823,177 | 2,224,877 | 2,338,933 | 2,452,989 | 2,502,048 |

Financial Feasibility Analysis - Retail Tax Revenue Projections & Cost Benefit Analysis

| | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------|
| | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 | 2053 | 2054 | 2055 | |
| | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | |
| | 50,898,189 | 51,916,152 | 52,954,476 | 54,013,565 | 55,093,836 | 56,195,713 | 57,319,627 | 58,466,020 | 59,635,340 | 60,828,047 | 62,044,608 | 63,285,500 | 64,551,210 | 65,842,234 | 67,159,079 | 68,502,261 | 69,872,306 | 71,269,752 | 72,695,147 | |
| | 269,760 | 275,156 | 280,659 | 286,272 | 291,997 | 297,837 | 303,794 | 309,870 | 316,067 | 322,389 | 328,836 | 335,413 | 342,121 | 348,964 | 355,943 | 363,062 | 370,323 | 377,730 | 385,284 | GROSS 8,378,932 |
| | 114,813 | 117,109 | 119,452 | 121,841 | 124,277 | 126,763 | 129,298 | 131,884 | 134,522 | 137,212 | 139,957 | 142,756 | 145,611 | 148,523 | 151,493 | 154,523 | 157,614 | 160,766 | 163,981 | 3,566,168 |
| | 783,832 | 799,509 | 815,499 | 831,809 | 848,445 | 865,414 | 882,722 | 900,377 | 918,384 | 936,752 | 955,487 | 974,597 | 994,089 | 1,013,970 | 1,034,250 | 1,054,935 | 1,076,034 | 1,097,554 | 1,119,505 | 24,346,332 |
| | 1,168,406 | 1,191,774 | 1,215,609 | 1,239,921 | 1,264,720 | 1,290,014 | 1,315,814 | 1,342,131 | 1,368,973 | 1,396,353 | 1,424,280 | 1,452,765 | 1,481,821 | 1,511,457 | 1,541,686 | 1,572,520 | 1,603,970 | 1,636,050 | 1,668,771 | 36,291,432 |
| | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | |
| | 4,242,179 | 4,327,023 | 4,413,563 | 4,501,834 | 4,591,871 | 4,683,708 | 4,777,383 | 4,872,930 | 4,970,389 | 5,069,797 | 5,171,193 | 5,274,616 | 5,380,109 | 5,487,711 | 5,597,465 | 5,709,414 | 5,823,603 | 5,940,075 | 6,058,876 | |
| | 22,484 | 22,933 | 23,392 | 23,860 | 24,337 | 24,824 | 25,320 | 25,827 | 26,343 | 26,870 | 27,407 | 27,955 | 28,515 | 29,085 | 29,667 | 30,260 | 30,865 | 31,482 | 32,112 | GROSS 700,578 |
| | 9,569 | 9,761 | 9,956 | 10,155 | 10,358 | 10,565 | 10,777 | 10,992 | 11,212 | 11,436 | 11,665 | 11,898 | 12,136 | 12,379 | 12,626 | 12,879 | 13,137 | 13,399 | 13,667 | 298,174 |
| | 65,330 | 66,636 | 67,969 | 69,328 | 70,715 | 72,129 | 73,572 | 75,043 | 76,544 | 78,075 | 79,636 | 81,229 | 82,854 | 84,511 | 86,201 | 87,925 | 89,683 | 91,477 | 93,307 | 2,035,642 |
| | 97,382 | 99,330 | 101,317 | 103,343 | 105,410 | 107,518 | 109,668 | 111,862 | 114,099 | 116,381 | 118,709 | 121,083 | 123,504 | 125,974 | 128,494 | 131,064 | 133,685 | 136,359 | 139,086 | 3,034,394 |
| | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | |
| | 79,351,828 | 80,938,865 | 82,557,642 | 84,208,795 | 85,892,971 | 87,610,830 | 89,363,047 | 91,150,308 | 92,973,314 | 94,832,780 | 96,729,436 | 98,664,025 | 100,637,305 | 102,650,051 | 104,703,052 | 106,797,113 | 108,933,055 | 111,111,717 | 113,333,951 | |
| | 1,587,037 | 1,618,777 | 1,651,153 | 1,684,176 | 1,717,859 | 1,752,217 | 1,787,261 | 1,823,006 | 1,859,466 | 1,896,656 | 1,934,589 | 1,973,280 | 2,012,746 | 2,053,001 | 2,094,061 | 2,135,942 | 2,178,661 | 2,222,234 | 2,266,679 | GROSS 48,578,005 |
| | 1,879,281 | 1,916,866 | 1,955,203 | 1,994,308 | 2,034,194 | 2,074,878 | 2,116,375 | 2,158,703 | 2,201,877 | 2,245,914 | 2,290,832 | 2,336,649 | 2,383,382 | 2,431,050 | 2,479,671 | 2,529,264 | 2,579,849 | 2,631,446 | 2,684,075 | GROSS 57,657,515 |
| | 124,382 | 126,870 | 129,407 | 131,996 | 134,635 | 137,328 | 140,075 | 142,876 | 145,734 | 148,648 | 151,621 | 154,654 | 157,747 | 160,902 | 164,120 | 167,402 | 170,750 | 174,165 | 177,649 | 3,864,342 |
| | 849,162 | 866,145 | 883,468 | 901,137 | 919,160 | 937,543 | 956,294 | 975,420 | 994,928 | 1,014,827 | 1,035,123 | 1,055,826 | 1,076,942 | 1,098,481 | 1,120,451 | 1,142,860 | 1,165,717 | 1,189,031 | 1,212,812 | 26,381,974 |
| | 2,852,825 | 2,909,881 | 2,968,079 | 3,027,440 | 3,087,989 | 3,149,749 | 3,212,744 | 3,276,999 | 3,342,539 | 3,409,389 | 3,477,577 | 3,547,129 | 3,618,071 | 3,690,433 | 3,764,241 | 3,839,526 | 3,916,317 | 3,994,643 | 4,074,536 | 87,903,832 |
| | 50,898,189 | 51,916,152 | 52,954,476 | 54,013,565 | 55,093,836 | 56,195,713 | 57,319,627 | 58,466,020 | 59,635,340 | 60,828,047 | 62,044,608 | 63,285,500 | 64,551,210 | 65,842,234 | 67,159,079 | 68,502,261 | 69,872,306 | 71,269,752 | 72,695,147 | |
| | 134,880 | 137,578 | 140,329 | 143,136 | 145,999 | 148,919 | 151,897 | 154,935 | 158,034 | 161,194 | 164,418 | 167,707 | 171,061 | 174,482 | 177,972 | 181,531 | 185,162 | 188,865 | 192,642 | GROSS 4,189,466 |
| | 114,813 | 117,109 | 119,452 | 121,841 | 124,277 | 126,763 | 129,298 | 131,884 | 134,522 | 137,212 | 139,957 | 142,756 | 145,611 | 148,523 | 151,493 | 154,523 | 157,614 | 160,766 | 163,981 | 3,566,168 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 249,693 | 254,687 | 259,781 | 264,977 | 270,276 | 275,682 | 281,195 | 286,819 | 292,555 | 298,407 | 304,375 | 310,462 | 316,671 | 323,005 | 329,465 | 336,054 | 342,775 | 349,631 | 356,623 | 7,755,635 |
| | 4,242,179 | 4,327,023 | 4,413,563 | 4,501,834 | 4,591,871 | 4,683,708 | 4,777,383 | 4,872,930 | 4,970,389 | 5,069,797 | 5,171,193 | 5,274,616 | 5,380,109 | 5,487,711 | 5,597,465 | 5,709,414 | 5,823,603 | 5,940,075 | 6,058,876 | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | GROSS - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 79,351,828 | 80,938,865 | 82,557,642 | 84,208,795 | 85,892,971 | 87,610,830 | 89,363,047 | 91,150,308 | 92,973,314 | 94,832,780 | 96,729,436 | 98,664,025 | 100,637,305 | 102,650,051 | 104,703,052 | 106,797,113 | 108,933,055 | 111,111,717 | 113,333,951 | |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | GROSS - |
| | 134,880 | 137,578 | 140,329 | 143,136 | 145,999 | 148,919 | 151,897 | 154,935 | 158,034 | 161,194 | 164,418 | 167,707 | 171,061 | 174,482 | 177,972 | 181,531 | 185,162 | 188,865 | 192,642 | GROSS 4,189,466 |
| | 114,813 | 117,109 | 119,452 | 121,841 | 124,277 | 126,763 | 129,298 | 131,884 | 134,522 | 137,212 | 139,957 | 142,756 | 145,611 | 148,523 | 151,493 | 154,523 | 157,614 | 160,766 | 163,981 | 3,566,168 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 249,693 | 254,687 | 259,781 | 264,977 | 270,276 | 275,682 | 281,195 | 286,819 | 292,555 | 298,407 | 304,375 | 310,462 | 316,671 | 323,005 | 329,465 | 336,054 | 342,775 | 349,631 | 356,623 | 7,755,635 |
| | 1,744,400 | 1,779,288 | 1,814,874 | 1,851,172 | 1,888,195 | 1,925,959 | 1,964,478 | 2,003,768 | 2,043,843 | 2,084,720 | 2,126,414 | 2,168,943 | 2,212,321 | 2,256,568 | 2,301,699 | 2,347,733 | 2,394,688 | 2,442,582 | 2,491,433 | GROSS 53,468,049 |
| | 9,569 | 9,761 | 9,956 | 10,155 | 10,358 | 10,565 | 10,777 | 10,992 | 11,212 | 11,436 | 11,665 | 11,898 | 12,136 | 12,379 | 12,626 | 12,879 | 13,137 | 13,399 | 13,667 | 298,174 |
| | 849,162 | 866,145 | 883,468 | 901,137 | 919,160 | 937,543 | 956,294 | 975,420 | 994,928 | 1,014,827 | 1,035,123 | 1,055,826 | 1,076,942 | 1,098,481 | 1,120,451 | 1,142,860 | 1,165,717 | 1,189,031 | 1,212,812 | 26,381,974 |
| | 2,603,131 | 2,655,194 | 2,708,298 | 2,762,464 | 2,817,713 | 2,874,067 | 2,931,549 | 2,990,180 | 3,049,983 | 3,110,983 | 3,173,202 | 3,236,666 | 3,301,400 | 3,367,428 | 3,434,776 | 3,503,472 | 3,573,541 | 3,645,012 | 3,717,912 | 80,148,197 |

HOTEL : INPUT & OUTPUT

► **INPUT**

| | |
|----------------|-------|
| INFLATION RATE | 2.00% |
|----------------|-------|

| | |
|---------------|-------|
| DISCOUNT RATE | 6.00% |
|---------------|-------|

| REAL PROPERTY TAX | | PARTICIPATION | |
|-------------------|------------|---------------|------------|
| City of Corinth | 0.53000000 | 50.00% | 0.26500000 |
| Denton County | 0.22557400 | 100% | 0.22557400 |
| Denton ISD | 1.54000000 | 0% | 0.00000000 |
| | 2.29557400 | | 0.49057400 |

| PERSONAL PROPERTY TAX | | PARTICIPATION | |
|-----------------------|------------|---------------|------------|
| City of Corinth | 0.53000000 | 0% | 0.00000000 |
| Denton County | 0.22557400 | 0% | 0.00000000 |
| Denton ISD | 1.54000000 | 0% | 0.00000000 |
| | 2.29557400 | | 0.00000000 |

| | | | |
|----------------|------------|-------|------------|
| Sales Tax Rate | 0.02000000 | 0.00% | 0.00000000 |
|----------------|------------|-------|------------|

| Hotel | Year | AREA SF | REAL PROPERTY | | PERSONAL PROPERTY | | SALES | |
|--------------|------|------------|---------------|-------------------|-------------------|-----------|---------|-----------|
| | | | \$ / SF | TAX VALUE | \$ / SF | TAX VALUE | \$ / SF | TAX VALUE |
| Hotel | 2022 | 110 | \$ 95,000.00 | \$ 10,450,000 | \$ - | \$ - | \$ - | \$ - |
| Hotel | 2026 | 90 | \$ 95,000.00 | \$ 8,550,000 | | | | |
| Hotel | 2030 | 120 | \$ 95,000.00 | \$ 11,400,000 | | | | |
| TOTAL | | 320 | | 30,400,000 | | - | | - |

► **OUTPUT**

| TOTAL TAX REVENUE | | TOTAL | REAL PROPERTY | PERSONAL PROPERTY | SALES |
|-------------------|--------|---------------|-----------------|-------------------|--------|
| City of Corinth | 23.1% | \$ 5,727,310 | = \$ 5,727,310 | + \$ - | + \$ - |
| Denton County | 9.8% | \$ 2,437,608 | = \$ 2,437,608 | + \$ - | + \$ - |
| Denton ISD | 67.1% | \$ 16,641,619 | = \$ 16,641,619 | + \$ - | + \$ - |
| | 100.0% | \$ 24,806,538 | = \$ 24,806,538 | \$ - | \$ - |
| | | 100.0% | 100.0% | 0.0% | 0.0% |

| TOTAL PARTICIPATION | | TOTAL | REAL PROPERTY | PERSONAL PROPERTY | SALES |
|---------------------|--------|--------------|----------------|-------------------|--------|
| City of Corinth | 54.0% | \$ 2,863,655 | = \$ 2,863,655 | + \$ - | + \$ - |
| Denton County | 46.0% | \$ 2,437,608 | = \$ 2,437,608 | + \$ - | + \$ - |
| Denton ISD | 0.0% | \$ - | = \$ - | + \$ - | + \$ - |
| | 100.0% | \$ 5,301,263 | = \$ 5,301,263 | \$ - | \$ - |
| | | 100.0% | 100.0% | 0.0% | 0.0% |

| NET BENEFIT | | TOTAL | REAL PROPERTY | PERSONAL PROPERTY | SALES |
|-----------------|--------|---------------|-----------------|-------------------|--------|
| City of Corinth | 14.7% | \$ 2,863,655 | = \$ 2,863,655 | + \$ - | + \$ - |
| Denton County | 0.0% | \$ - | = \$ - | + \$ - | + \$ - |
| Denton ISD | 85.3% | \$ 16,641,619 | = \$ 16,641,619 | + \$ - | + \$ - |
| | 100.0% | \$ 19,505,274 | = \$ 19,505,274 | \$ - | \$ - |
| | | 100.0% | 100.0% | 0.0% | 0.0% |

Financial Feasibility Analysis - Hotel 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

TOTAL TAX REVENUE

| | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 |
|--------------------------|---------------|------|------|------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| REAL PROPERTY | % OCCUPIED | 0% | 0% | 0% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | Taxable Value | - | - | - | 5,225,000 | 7,837,500 | 10,450,000 | 10,450,000 | 14,725,000 | 16,862,500 | 19,000,000 | 19,000,000 | 24,700,000 | 27,550,000 | 30,400,000 | 31,008,000 | 31,628,160 | 32,260,723 | 32,905,938 |
| | PV | - | - | - | 27,693 | 41,539 | 55,385 | 55,385 | 78,043 | 89,371 | 100,700 | 100,700 | 130,910 | 146,015 | 161,120 | 164,342 | 167,629 | 170,982 | 174,401 |
| | | - | - | - | 11,786 | 17,679 | 23,572 | 23,572 | 33,216 | 38,037 | 42,859 | 42,859 | 55,717 | 62,146 | 68,574 | 69,946 | 71,345 | 72,772 | 74,227 |
| City of Corinth | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Denton County | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Denton ISD | | - | - | - | 80,465 | 120,698 | 160,930 | 160,930 | 226,765 | 259,683 | 292,600 | 292,600 | 380,380 | 424,270 | 468,160 | 477,523 | 487,074 | 496,815 | 506,751 |
| Total | | - | - | - | 119,944 | 179,916 | 239,887 | 239,887 | 338,023 | 387,091 | 436,159 | 436,159 | 567,007 | 632,431 | 697,854 | 711,812 | 726,048 | 740,569 | 755,380 |
| PERSONAL PROPERTY | % OCCUPIED | 0% | 0% | 0% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | Taxable Value | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | PV | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| City of Corinth | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Denton County | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Denton ISD | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| SALES TAX | % OCCUPIED | 0% | 0% | 0% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | Taxable Value | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | PV | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| City of Corinth | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Denton County | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Denton ISD | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| SUMMARY | PV | - | - | - | 27,693 | 41,539 | 55,385 | 55,385 | 78,043 | 89,371 | 100,700 | 100,700 | 130,910 | 146,015 | 161,120 | 164,342 | 167,629 | 170,982 | 174,401 |
| | | - | - | - | 11,786 | 17,679 | 23,572 | 23,572 | 33,216 | 38,037 | 42,859 | 42,859 | 55,717 | 62,146 | 68,574 | 69,946 | 71,345 | 72,772 | 74,227 |
| | | - | - | - | 80,465 | 120,698 | 160,930 | 160,930 | 226,765 | 259,683 | 292,600 | 292,600 | 380,380 | 424,270 | 468,160 | 477,523 | 487,074 | 496,815 | 506,751 |
| | Total | - | - | - | 119,944 | 179,916 | 239,887 | 239,887 | 338,023 | 387,091 | 436,159 | 436,159 | 567,007 | 632,431 | 697,854 | 711,812 | 726,048 | 740,569 | 755,380 |

PARTICIPATION

| | | | | | | | | | | | | | | | | | | | |
|--------------------------|---------------|---|---|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| REAL PROPERTY | Taxable Value | - | - | - | 5,225,000 | 7,837,500 | 10,450,000 | 10,450,000 | 14,725,000 | 16,862,500 | 19,000,000 | 19,000,000 | 24,700,000 | 27,550,000 | 30,400,000 | 31,008,000 | 31,628,160 | 32,260,723 | 32,905,938 |
| | PV | - | - | - | 13,846 | 20,769 | 27,693 | 27,693 | 39,021 | 44,686 | 50,350 | 50,350 | 65,455 | 73,008 | 80,560 | 82,171 | 83,815 | 85,491 | 87,201 |
| | | - | - | - | 11,786 | 17,679 | 23,572 | 23,572 | 33,216 | 38,037 | 42,859 | 42,859 | 55,717 | 62,146 | 68,574 | 69,946 | 71,345 | 72,772 | 74,227 |
| | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | - | - | - | 25,632 | 38,449 | 51,265 | 51,265 | 72,237 | 82,723 | 93,209 | 93,209 | 121,172 | 135,153 | 149,134 | 152,117 | 155,160 | 158,263 | 161,428 |
| PERSONAL PROPERTY | Taxable Value | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | PV | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| City of Corinth | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Denton County | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Denton ISD | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| SALES TAX | Taxable Value | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | PV | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| City of Corinth | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Denton County | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Denton ISD | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| SUMMARY | PV | - | - | - | 13,846 | 20,769 | 27,693 | 27,693 | 39,021 | 44,686 | 50,350 | 50,350 | 65,455 | 73,008 | 80,560 | 82,171 | 83,815 | 85,491 | 87,201 |
| | | - | - | - | 11,786 | 17,679 | 23,572 | 23,572 | 33,216 | 38,037 | 42,859 | 42,859 | 55,717 | 62,146 | 68,574 | 69,946 | 71,345 | 72,772 | 74,227 |
| | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | - | - | - | 25,632 | 38,449 | 51,265 | 51,265 | 72,237 | 82,723 | 93,209 | 93,209 | 121,172 | 135,153 | 149,134 | 152,117 | 155,160 | 158,263 | 161,428 |

TOTAL TAX REVENUE - PARTICIPATION = NET BENEFIT

| | | | | | | | | | | | | | | | | | | | |
|----------------|--------------|---|---|---|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| SUMMARY | PV | - | - | - | 13,846 | 20,769 | 27,693 | 27,693 | 39,021 | 44,686 | 50,350 | 50,350 | 65,455 | 73,008 | 80,560 | 82,171 | 83,815 | 85,491 | 87,201 |
| | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | - | - | - | 80,465 | 120,698 | 160,930 | 160,930 | 226,765 | 259,683 | 292,600 | 292,600 | 380,380 | 424,270 | 468,160 | 477,523 | 487,074 | 496,815 | 506,751 |
| | Total | - | - | - | 94,311 | 141,467 | 188,623 | 188,623 | 265,786 | 304,368 | 342,950 | 342,950 | 445,835 | 497,278 | 548,720 | 559,694 | 570,888 | 582,306 | 593,952 |

Financial Feasibility Analysis - Hotel Tax Revenue Projections & Cost Benefit Analysis

| | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|
| | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 | 2053 | 2054 | 2055 |
| | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | 33,564,056 | 34,235,338 | 34,920,044 | 35,618,445 | 36,330,814 | 37,057,430 | 37,798,579 | 38,554,551 | 39,325,642 | 40,112,154 | 40,914,397 | 41,732,685 | 42,567,339 | 43,418,686 | 44,287,060 | 45,172,801 | 46,076,257 | 46,997,782 | 47,937,738 |
| | 177,889 | 181,447 | 185,076 | 188,778 | 192,553 | 196,404 | 200,332 | 204,339 | 208,426 | 212,594 | 216,846 | 221,183 | 225,607 | 230,119 | 234,721 | 239,416 | 244,204 | 249,088 | 254,070 |
| | 75,712 | 77,226 | 78,771 | 80,346 | 81,953 | 83,592 | 85,264 | 86,969 | 88,708 | 90,483 | 92,292 | 94,138 | 96,021 | 97,941 | 99,900 | 101,898 | 103,936 | 106,015 | 108,135 |
| | 516,886 | 527,224 | 537,769 | 548,524 | 559,495 | 570,684 | 582,098 | 593,740 | 605,615 | 617,727 | 630,082 | 642,683 | 655,537 | 668,648 | 682,021 | 695,661 | 709,574 | 723,766 | 738,241 |
| | 770,488 | 785,898 | 801,615 | 817,648 | 834,001 | 850,681 | 867,694 | 885,048 | 902,749 | 920,804 | 939,220 | 958,005 | 977,165 | 996,708 | 1,016,642 | 1,036,975 | 1,057,715 | 1,078,869 | 1,100,446 |
| | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 177,889 | 181,447 | 185,076 | 188,778 | 192,553 | 196,404 | 200,332 | 204,339 | 208,426 | 212,594 | 216,846 | 221,183 | 225,607 | 230,119 | 234,721 | 239,416 | 244,204 | 249,088 | 254,070 |
| | 75,712 | 77,226 | 78,771 | 80,346 | 81,953 | 83,592 | 85,264 | 86,969 | 88,708 | 90,483 | 92,292 | 94,138 | 96,021 | 97,941 | 99,900 | 101,898 | 103,936 | 106,015 | 108,135 |
| | 516,886 | 527,224 | 537,769 | 548,524 | 559,495 | 570,684 | 582,098 | 593,740 | 605,615 | 617,727 | 630,082 | 642,683 | 655,537 | 668,648 | 682,021 | 695,661 | 709,574 | 723,766 | 738,241 |
| | 770,488 | 785,898 | 801,615 | 817,648 | 834,001 | 850,681 | 867,694 | 885,048 | 902,749 | 920,804 | 939,220 | 958,005 | 977,165 | 996,708 | 1,016,642 | 1,036,975 | 1,057,715 | 1,078,869 | 1,100,446 |
| | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 177,889 | 181,447 | 185,076 | 188,778 | 192,553 | 196,404 | 200,332 | 204,339 | 208,426 | 212,594 | 216,846 | 221,183 | 225,607 | 230,119 | 234,721 | 239,416 | 244,204 | 249,088 | 254,070 |
| | 75,712 | 77,226 | 78,771 | 80,346 | 81,953 | 83,592 | 85,264 | 86,969 | 88,708 | 90,483 | 92,292 | 94,138 | 96,021 | 97,941 | 99,900 | 101,898 | 103,936 | 106,015 | 108,135 |
| | 516,886 | 527,224 | 537,769 | 548,524 | 559,495 | 570,684 | 582,098 | 593,740 | 605,615 | 617,727 | 630,082 | 642,683 | 655,537 | 668,648 | 682,021 | 695,661 | 709,574 | 723,766 | 738,241 |
| | 770,488 | 785,898 | 801,615 | 817,648 | 834,001 | 850,681 | 867,694 | 885,048 | 902,749 | 920,804 | 939,220 | 958,005 | 977,165 | 996,708 | 1,016,642 | 1,036,975 | 1,057,715 | 1,078,869 | 1,100,446 |
| | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 88,945 | 90,724 | 92,538 | 94,389 | 96,277 | 98,202 | 100,166 | 102,170 | 104,213 | 106,297 | 108,423 | 110,592 | 112,803 | 115,060 | 117,361 | 119,708 | 122,102 | 124,544 | 127,035 |
| | 75,712 | 77,226 | 78,771 | 80,346 | 81,953 | 83,592 | 85,264 | 86,969 | 88,708 | 90,483 | 92,292 | 94,138 | 96,021 | 97,941 | 99,900 | 101,898 | 103,936 | 106,015 | 108,135 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 164,657 | 167,950 | 171,309 | 174,735 | 178,230 | 181,794 | 185,430 | 189,139 | 192,921 | 196,780 | 200,715 | 204,730 | 208,824 | 213,001 | 217,261 | 221,606 | 226,038 | 230,559 | 235,170 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 88,945 | 90,724 | 92,538 | 94,389 | 96,277 | 98,202 | 100,166 | 102,170 | 104,213 | 106,297 | 108,423 | 110,592 | 112,803 | 115,060 | 117,361 | 119,708 | 122,102 | 124,544 | 127,035 |
| | 75,712 | 77,226 | 78,771 | 80,346 | 81,953 | 83,592 | 85,264 | 86,969 | 88,708 | 90,483 | 92,292 | 94,138 | 96,021 | 97,941 | 99,900 | 101,898 | 103,936 | 106,015 | 108,135 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 164,657 | 167,950 | 171,309 | 174,735 | 178,230 | 181,794 | 185,430 | 189,139 | 192,921 | 196,780 | 200,715 | 204,730 | 208,824 | 213,001 | 217,261 | 221,606 | 226,038 | 230,559 | 235,170 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 88,945 | 90,724 | 92,538 | 94,389 | 96,277 | 98,202 | 100,166 | 102,170 | 104,213 | 106,297 | 108,423 | 110,592 | 112,803 | 115,060 | 117,361 | 119,708 | 122,102 | 124,544 | 127,035 |
| | 75,712 | 77,226 | 78,771 | 80,346 | 81,953 | 83,592 | 85,264 | 86,969 | 88,708 | 90,483 | 92,292 | 94,138 | 96,021 | 97,941 | 99,900 | 101,898 | 103,936 | 106,015 | 108,135 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 164,657 | 167,950 | 171,309 | 174,735 | 178,230 | 181,794 | 185,430 | 189,139 | 192,921 | 196,780 | 200,715 | 204,730 | 208,824 | 213,001 | 217,261 | 221,606 | 226,038 | 230,559 | 235,170 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 88,945 | 90,724 | 92,538 | 94,389 | 96,277 | 98,202 | 100,166 | 102,170 | 104,213 | 106,297 | 108,423 | 110,592 | 112,803 | 115,060 | 117,361 | 119,708 | 122,102 | 124,544 | 127,035 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 516,886 | 527,224 | 537,769 | 548,524 | 559,495 | 570,684 | 582,098 | 593,740 | 605,615 | 617,727 | 630,082 | 642,683 | 655,537 | 668,648 | 682,021 | 695,661 | 709,574 | 723,766 | 738,241 |
| | 605,831 | 617,948 | 630,307 | 642,913 | 655,771 | 668,887 | 682,264 | 695,910 | 709,828 | 724,024 | 738,505 | 753,275 | 768,340 | 783,707 | 799,381 | 815,369 | 831,676 | 848,310 | 865,276 |

FLEX : INPUT & OUTPUT

► INPUT

| | |
|----------------|-------|
| INFLATION RATE | 2.00% |
|----------------|-------|

| | |
|---------------|-------|
| DISCOUNT RATE | 6.00% |
|---------------|-------|

| REAL PROPERTY TAX | | PARTICIPATION | |
|-------------------|------------|---------------|------------|
| City of Corinth | 0.53000000 | 50.00% | 0.26500000 |
| Denton County | 0.22557400 | 100% | 0.22557400 |
| Denton ISD | 1.54000000 | 0% | 0.00000000 |
| | 2.29557400 | | 0.49057400 |

| PERSONAL PROPERTY TAX | | PARTICIPATION | |
|-----------------------|------------|---------------|------------|
| City of Corinth | 0.53000000 | 0% | 0.00000000 |
| Denton County | 0.22557400 | 0% | 0.00000000 |
| Denton ISD | 1.54000000 | 0% | 0.00000000 |
| | 2.29557400 | | 0.00000000 |

| | | | |
|----------------|-----------|-------|------------|
| Sales Tax Rate | 0.0200000 | 0.00% | 0.00000000 |
|----------------|-----------|-------|------------|

| Flex | | Year | AREA SF | REAL PROPERTY \$ / SF | TAX VALUE | PERSONAL PROPERTY \$ / SF | TAX VALUE | SALES \$ / SF | TAX VALUE |
|--------------|-------------------------|------|------------------|-----------------------|--------------------|---------------------------|---------------|---------------|-----------|
| 1 | Small Office | 2022 | 7,000 | \$ 125.00 | \$ 875,000 | \$ 5.00 | \$ 35,000 | | |
| 2 | Office | 2024 | 40,000 | \$ 125.00 | \$ 5,000,000 | \$ 5.00 | \$ 200,000 | | |
| 3 | Warehouse/Retail/Office | 2024 | 80,000 | \$ 75.00 | \$ 6,000,000 | \$ 5.00 | \$ 400,000 | | |
| 4 | Flex Office / Lt. Ind | 2026 | 40,000 | \$ 75.00 | \$ 3,000,000 | \$ 5.00 | \$ 200,000 | | |
| 5 | Office | 2028 | 80,000 | \$ 125.00 | \$ 10,000,000 | \$ 5.00 | \$ 400,000 | | |
| 6 | Flex Office / Lt. Ind | 2030 | 36,000 | \$ 75.00 | \$ 2,700,000 | \$ 5.00 | \$ 180,000 | | |
| 7 | Office | 2030 | 25,000 | \$ 125.00 | \$ 3,125,000 | \$ 5.00 | \$ 125,000 | | |
| 8 | Warehouse/Retail/Office | 2030 | 100,000 | \$ 75.00 | \$ 7,500,000 | \$ 5.00 | \$ 500,000 | | |
| 9 | Office | 2030 | 36,000 | \$ 125.00 | \$ 4,500,000 | \$ 5.00 | \$ 180,000 | | |
| 10 | Flex Office / Lt. Ind | 2032 | 210,000 | \$ 75.00 | \$ 15,750,000 | \$ 5.00 | \$ 1,050,000 | | |
| 11 | Warehouse/Retail/Office | 2032 | 90,000 | \$ 75.00 | \$ 6,750,000 | \$ 5.00 | \$ 450,000 | | |
| 12 | Office | 2034 | 38,000 | \$ 125.00 | \$ 4,750,000 | \$ 5.00 | \$ 190,000 | | |
| 13 | Flex Office / Lt. Ind | 2034 | 70,000 | \$ 75.00 | \$ 5,250,000 | \$ 5.00 | \$ 350,000 | | |
| 14 | Mixed-Use Office | 2036 | 80,000 | \$ 125.00 | \$ 10,000,000 | \$ 5.00 | \$ 400,000 | | |
| 15 | Flex Office / Lt. Ind | 2036 | 325,000 | \$ 125.00 | \$ 40,625,000 | \$ 5.00 | \$ 1,625,000 | | |
| 16 | Commercial | 2036 | 67,000 | \$ 125.00 | \$ 8,375,000 | \$ 5.00 | \$ 335,000 | | |
| TOTAL | | | 1,324,000 | | 134,200,000 | | 35,000 | | - |

► OUTPUT

| TOTAL TAX REVENUE | | TOTAL | REAL PROPERTY | PERSONAL PROPERTY | SALES |
|-------------------|--------|---------------|-----------------|-------------------|--------|
| City of Corinth | 23.1% | \$ 20,023,170 | = \$ 19,090,876 | + \$ 932,294 | + \$ - |
| Denton County | 9.8% | \$ 8,522,088 | = \$ 8,125,293 | + \$ 396,795 | + \$ - |
| Denton ISD | 67.1% | \$ 58,180,531 | = \$ 55,471,602 | + \$ 2,708,929 | + \$ - |
| | 100.0% | \$ 86,725,788 | \$ 82,687,770 | \$ 4,038,018 | \$ - |
| | | 100.0% | 95.3% | 4.7% | 0.0% |

| TOTAL PARTICIPATION | | TOTAL | REAL PROPERTY | PERSONAL PROPERTY | SALES |
|---------------------|--------|---------------|----------------|-------------------|--------|
| City of Corinth | 54.0% | \$ 9,545,438 | = \$ 9,545,438 | + \$ - | + \$ - |
| Denton County | 46.0% | \$ 8,125,293 | = \$ 8,125,293 | + \$ - | + \$ - |
| Denton ISD | 0.0% | \$ - | = \$ - | + \$ - | + \$ - |
| | 100.0% | \$ 17,670,731 | \$ 17,670,731 | \$ - | \$ - |
| | | 100.0% | 100.0% | 0.0% | 0.0% |

| NET BENEFIT | | TOTAL | REAL PROPERTY | PERSONAL PROPERTY | SALES |
|-----------------|--------|---------------|-----------------|-------------------|--------|
| City of Corinth | 15.2% | \$ 10,477,732 | = \$ 9,545,438 | + \$ 932,294 | + \$ - |
| Denton County | 0.6% | \$ 396,795 | = \$ - | + \$ 396,795 | + \$ - |
| Denton ISD | 84.3% | \$ 58,180,531 | = \$ 55,471,602 | + \$ 2,708,929 | + \$ - |
| | 100.0% | \$ 69,055,058 | \$ 65,017,039 | \$ 4,038,018 | \$ - |
| | | 100.0% | 94.2% | 5.8% | 0.0% |

Financial Feasibility Analysis - Flex 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

TOTAL TAX REVENUE

| | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | |
|--------------------------|-------------------|------------|------|------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|-----------|
| REAL PROPERTY | % OCCUPIED | 0% | 0% | 0% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | |
| | Taxable Value | - | - | - | 437,500 | 656,250 | 6,375,000 | 9,125,000 | 13,375,000 | 14,125,000 | 19,875,000 | 22,375,000 | 35,350,000 | 40,587,500 | 57,075,000 | 62,700,000 | 73,325,000 | 75,825,000 | 107,825,000 | |
| | PV | - | - | - | 2,319 | 3,478 | 33,788 | 48,363 | 70,888 | 74,863 | 105,338 | 118,588 | 187,355 | 215,114 | 302,498 | 332,310 | 388,623 | 401,873 | 571,473 | |
| | City of Corinth | 4,726,255 | - | - | - | 2,319 | 3,478 | 33,788 | 48,363 | 70,888 | 74,863 | 105,338 | 118,588 | 187,355 | 215,114 | 302,498 | 332,310 | 388,623 | 401,873 | 571,473 |
| Denton County | 2,011,548 | - | - | - | 987 | 1,480 | 14,380 | 20,584 | 30,171 | 31,862 | 44,833 | 50,472 | 79,740 | 91,555 | 128,746 | 141,435 | 165,402 | 171,041 | 243,225 | |
| Denton ISD | 13,732,893 | - | - | - | 6,738 | 10,106 | 98,175 | 140,525 | 205,975 | 217,525 | 306,075 | 344,575 | 544,390 | 625,048 | 878,955 | 965,580 | 1,129,205 | 1,167,705 | 1,660,505 | |
| Total | 20,470,696 | - | - | - | 10,043 | 15,065 | 146,343 | 209,471 | 307,033 | 324,250 | 456,245 | 513,635 | 811,485 | 931,716 | 1,310,199 | 1,439,325 | 1,683,230 | 1,740,619 | 2,475,203 | |
| PERSONAL PROPERTY | % OCCUPIED | 0% | 0% | 0% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | |
| | Taxable Value | - | - | - | 17,500 | 26,250 | 335,000 | 485,000 | 735,000 | 785,000 | 1,035,000 | 1,135,000 | 1,727,500 | 1,973,750 | 2,970,000 | 3,345,000 | 3,990,000 | 4,125,000 | 5,440,000 | |
| | PV | - | - | - | 93 | 139 | 1,776 | 2,571 | 3,896 | 4,161 | 5,486 | 6,016 | 9,156 | 10,461 | 15,741 | 17,729 | 21,147 | 21,863 | 28,832 | |
| | City of Corinth | 233,247 | - | - | - | 93 | 139 | 1,776 | 2,571 | 3,896 | 4,161 | 5,486 | 6,016 | 9,156 | 10,461 | 15,741 | 17,729 | 21,147 | 21,863 | 28,832 |
| Denton County | 99,273 | - | - | - | 39 | 59 | 756 | 1,094 | 1,658 | 1,771 | 2,335 | 2,560 | 3,897 | 4,452 | 6,700 | 7,545 | 9,000 | 9,305 | 12,271 | |
| Denton ISD | 677,737 | - | - | - | 270 | 404 | 5,159 | 7,469 | 11,319 | 12,089 | 15,939 | 17,479 | 26,604 | 30,396 | 45,738 | 51,513 | 61,446 | 63,525 | 83,776 | |
| Total | 1,010,256 | - | - | - | 402 | 603 | 7,690 | 11,134 | 16,872 | 18,020 | 23,759 | 26,055 | 39,656 | 45,309 | 68,179 | 76,787 | 91,593 | 94,692 | 124,879 | |
| SALES TAX | % OCCUPIED | 0% | 0% | 0% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | |
| | Taxable Value | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total | PV | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| SUMMARY | PV | - | - | - | 2,412 | 3,617 | 35,563 | 50,933 | 74,783 | 79,023 | 110,823 | 124,603 | 196,511 | 225,575 | 318,239 | 350,039 | 409,770 | 423,735 | 600,305 | |
| | City of Corinth | 4,959,502 | - | - | - | 2,412 | 3,617 | 35,563 | 50,933 | 74,783 | 79,023 | 110,823 | 124,603 | 196,511 | 225,575 | 318,239 | 350,039 | 409,770 | 423,735 | 600,305 |
| | Denton County | 2,110,820 | - | - | - | 1,026 | 1,540 | 15,136 | 21,678 | 31,828 | 33,633 | 47,168 | 53,032 | 83,637 | 96,007 | 135,446 | 148,980 | 174,403 | 180,346 | 255,496 |
| | Denton ISD | 14,410,630 | - | - | - | 7,007 | 10,511 | 103,334 | 147,994 | 217,294 | 229,614 | 322,014 | 362,054 | 570,994 | 655,443 | 924,693 | 1,017,093 | 1,190,651 | 1,231,230 | 1,744,281 |
| Total | 21,480,952 | - | - | - | 10,445 | 15,667 | 154,033 | 220,605 | 323,905 | 342,270 | 480,005 | 539,689 | 851,141 | 977,025 | 1,378,377 | 1,516,112 | 1,774,823 | 1,835,311 | 2,600,082 | |

PARTICIPATION

| | | | | | | | | | | | | | | | | | | | | |
|--------------------------|------------------|-----------|---|---|--------------|--------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------|
| REAL PROPERTY | Taxable Value | - | - | - | 437,500 | 656,250 | 6,375,000 | 9,125,000 | 13,375,000 | 14,125,000 | 19,875,000 | 22,375,000 | 35,350,000 | 40,587,500 | 57,075,000 | 62,700,000 | 73,325,000 | 75,825,000 | 107,825,000 | |
| | PV | - | - | - | 1,159 | 1,739 | 16,894 | 24,181 | 35,444 | 37,431 | 52,669 | 59,294 | 93,678 | 107,557 | 151,249 | 166,155 | 194,311 | 200,936 | 285,736 | |
| | City of Corinth | 2,363,128 | - | - | - | 1,159 | 1,739 | 16,894 | 24,181 | 35,444 | 37,431 | 52,669 | 59,294 | 93,678 | 107,557 | 151,249 | 166,155 | 194,311 | 200,936 | 285,736 |
| | Denton County | 2,011,548 | - | - | - | 987 | 1,480 | 14,380 | 20,584 | 30,171 | 31,862 | 44,833 | 50,472 | 79,740 | 91,555 | 128,746 | 141,435 | 165,402 | 171,041 | 243,225 |
| Denton ISD | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total | 4,374,675 | - | - | - | 2,146 | 3,219 | 31,274 | 44,765 | 65,614 | 69,294 | 97,502 | 109,766 | 173,418 | 199,112 | 279,995 | 307,590 | 359,713 | 371,978 | 528,961 | |
| PERSONAL PROPERTY | Taxable Value | - | - | - | 17,500 | 26,250 | 335,000 | 485,000 | 735,000 | 785,000 | 1,035,000 | 1,135,000 | 1,727,500 | 1,973,750 | 2,970,000 | 3,345,000 | 3,990,000 | 4,125,000 | 5,440,000 | |
| | PV | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | City of Corinth | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Denton County | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Denton ISD | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Total | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| SALES TAX | Taxable Value | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | PV | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| SUMMARY | PV | - | - | - | 1,159 | 1,739 | 16,894 | 24,181 | 35,444 | 37,431 | 52,669 | 59,294 | 93,678 | 107,557 | 151,249 | 166,155 | 194,311 | 200,936 | 285,736 | |
| | City of Corinth | 2,363,128 | - | - | - | 1,159 | 1,739 | 16,894 | 24,181 | 35,444 | 37,431 | 52,669 | 59,294 | 93,678 | 107,557 | 151,249 | 166,155 | 194,311 | 200,936 | 285,736 |
| | Denton County | 2,011,548 | - | - | - | 987 | 1,480 | 14,380 | 20,584 | 30,171 | 31,862 | 44,833 | 50,472 | 79,740 | 91,555 | 128,746 | 141,435 | 165,402 | 171,041 | 243,225 |
| | Denton ISD | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total | 4,374,675 | - | - | - | 2,146 | 3,219 | 31,274 | 44,765 | 65,614 | 69,294 | 97,502 | 109,766 | 173,418 | 199,112 | 279,995 | 307,590 | 359,713 | 371,978 | 528,961 | |

TOTAL TAX REVENUE - PARTICIPATION = NET BENEFIT

| | | | | | | | | | | | | | | | | | | | | |
|----------------|-------------------|------------|---|---|--------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|-----------|
| SUMMARY | PV | - | - | - | 1,252 | 1,878 | 18,669 | 26,752 | 39,339 | 41,592 | 58,154 | 65,309 | 102,833 | 118,018 | 166,990 | 183,884 | 215,458 | 222,799 | 314,568 | |
| | City of Corinth | 2,596,375 | - | - | - | 1,252 | 1,878 | 18,669 | 26,752 | 39,339 | 41,592 | 58,154 | 65,309 | 102,833 | 118,018 | 166,990 | 183,884 | 215,458 | 222,799 | 314,568 |
| | Denton County | 99,273 | - | - | - | 39 | 59 | 756 | 1,094 | 1,658 | 1,771 | 2,335 | 2,560 | 3,897 | 4,452 | 6,700 | 7,545 | 9,000 | 9,305 | 12,271 |
| | Denton ISD | 14,410,630 | - | - | - | 7,007 | 10,511 | 103,334 | 147,994 | 217,294 | 229,614 | 322,014 | 362,054 | 570,994 | 655,443 | 924,693 | 1,017,093 | 1,190,651 | 1,231,230 | 1,744,281 |
| Total | 17,106,277 | - | - | - | 8,299 | 12,448 | 122,759 | 175,840 | 258,291 | 272,977 | 382,503 | 429,924 | 677,724 | 777,913 | 1,098,382 | 1,208,522 | 1,415,110 | 1,463,334 | 2,071,120 | |

Financial Feasibility Analysis - Flex Tax Revenue Projections & Cost Benefit Analysis

| | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 | 2053 | 2054 | 2055 |
| | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | 122,575,000 | 137,325,000 | 140,071,500 | 142,872,930 | 145,730,389 | 148,644,996 | 151,617,896 | 154,650,254 | 157,743,259 | 160,898,124 | 164,116,087 | 167,398,409 | 170,746,377 | 174,161,304 | 177,644,531 | 181,197,421 | 184,821,370 | 188,517,797 | 192,288,153 |
| | 649,648 | 727,823 | 742,379 | 757,227 | 772,371 | 787,818 | 803,575 | 819,646 | 836,039 | 852,760 | 869,815 | 887,212 | 904,956 | 923,055 | 941,516 | 960,346 | 979,553 | 999,144 | 1,019,127 |
| | 276,497 | 309,769 | 315,965 | 322,284 | 328,730 | 335,304 | 342,011 | 348,851 | 355,828 | 362,944 | 370,203 | 377,607 | 385,159 | 392,863 | 400,720 | 408,734 | 416,909 | 425,247 | 433,752 |
| | 1,887,655 | 2,114,805 | 2,157,101 | 2,200,243 | 2,244,248 | 2,289,133 | 2,334,916 | 2,381,614 | 2,429,246 | 2,477,831 | 2,527,388 | 2,577,935 | 2,629,494 | 2,682,084 | 2,735,726 | 2,790,440 | 2,846,249 | 2,903,174 | 2,961,238 |
| | 2,813,800 | 3,152,397 | 3,215,445 | 3,279,754 | 3,345,349 | 3,412,256 | 3,480,501 | 3,550,111 | 3,621,113 | 3,693,536 | 3,767,406 | 3,842,754 | 3,919,609 | 3,998,002 | 4,077,962 | 4,159,521 | 4,242,711 | 4,327,566 | 4,414,117 |
| | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | 6,030,000 | 6,620,000 | 6,752,400 | 6,887,448 | 7,025,197 | 7,165,701 | 7,309,015 | 7,455,195 | 7,604,299 | 7,756,385 | 7,911,513 | 8,069,743 | 8,231,138 | 8,395,761 | 8,563,676 | 8,734,949 | 8,909,648 | 9,087,841 | 9,269,598 |
| | 31,959 | 35,086 | 35,788 | 36,503 | 37,234 | 37,978 | 38,738 | 39,513 | 40,303 | 41,109 | 41,931 | 42,770 | 43,625 | 44,498 | 45,387 | 46,295 | 47,221 | 48,166 | 49,129 |
| | 13,602 | 14,933 | 15,232 | 15,536 | 15,847 | 16,164 | 16,487 | 16,817 | 17,153 | 17,496 | 17,846 | 18,203 | 18,567 | 18,939 | 19,317 | 19,704 | 20,098 | 20,500 | 20,910 |
| | 92,862 | 101,948 | 103,987 | 106,067 | 108,188 | 110,352 | 112,559 | 114,810 | 117,106 | 119,448 | 121,837 | 124,274 | 126,760 | 129,295 | 131,881 | 134,518 | 137,209 | 139,953 | 142,752 |
| | 138,423 | 151,967 | 155,006 | 158,106 | 161,269 | 164,494 | 167,784 | 171,140 | 174,562 | 178,054 | 181,615 | 185,247 | 188,952 | 192,731 | 196,586 | 200,517 | 204,528 | 208,618 | 212,790 |
| | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 681,607 | 762,909 | 778,167 | 793,730 | 809,605 | 825,797 | 842,313 | 859,159 | 876,342 | 893,869 | 911,746 | 929,981 | 948,581 | 967,552 | 986,903 | 1,006,642 | 1,026,774 | 1,047,310 | 1,068,256 |
| | 290,099 | 324,702 | 331,197 | 337,820 | 344,577 | 351,468 | 358,498 | 365,668 | 372,981 | 380,441 | 388,050 | 395,811 | 403,727 | 411,801 | 420,037 | 428,438 | 437,007 | 445,747 | 454,662 |
| | 1,980,517 | 2,216,753 | 2,261,088 | 2,306,310 | 2,352,436 | 2,399,485 | 2,447,474 | 2,496,424 | 2,546,352 | 2,597,279 | 2,649,225 | 2,702,210 | 2,756,254 | 2,811,379 | 2,867,606 | 2,924,959 | 2,983,458 | 3,043,127 | 3,103,989 |
| | 2,952,223 | 3,304,364 | 3,370,451 | 3,437,860 | 3,506,618 | 3,576,750 | 3,648,285 | 3,721,251 | 3,795,676 | 3,871,589 | 3,949,021 | 4,028,001 | 4,108,561 | 4,190,733 | 4,274,547 | 4,360,038 | 4,447,239 | 4,536,184 | 4,626,907 |
| | 122,575,000 | 137,325,000 | 140,071,500 | 142,872,930 | 145,730,389 | 148,644,996 | 151,617,896 | 154,650,254 | 157,743,259 | 160,898,124 | 164,116,087 | 167,398,409 | 170,746,377 | 174,161,304 | 177,644,531 | 181,197,421 | 184,821,370 | 188,517,797 | 192,288,153 |
| | 324,824 | 363,911 | 371,189 | 378,613 | 386,186 | 393,909 | 401,787 | 409,823 | 418,020 | 426,380 | 434,908 | 443,606 | 452,478 | 461,527 | 470,758 | 480,173 | 489,777 | 499,572 | 509,564 |
| | 276,497 | 309,769 | 315,965 | 322,284 | 328,730 | 335,304 | 342,011 | 348,851 | 355,828 | 362,944 | 370,203 | 377,607 | 385,159 | 392,863 | 400,720 | 408,734 | 416,909 | 425,247 | 433,752 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 601,321 | 673,681 | 687,154 | 700,897 | 714,915 | 729,214 | 743,798 | 758,674 | 773,847 | 789,324 | 805,111 | 821,213 | 837,637 | 854,390 | 871,478 | 888,907 | 906,686 | 924,819 | 943,316 |
| | 6,030,000 | 6,620,000 | 6,752,400 | 6,887,448 | 7,025,197 | 7,165,701 | 7,309,015 | 7,455,195 | 7,604,299 | 7,756,385 | 7,911,513 | 8,069,743 | 8,231,138 | 8,395,761 | 8,563,676 | 8,734,949 | 8,909,648 | 9,087,841 | 9,269,598 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 324,824 | 363,911 | 371,189 | 378,613 | 386,186 | 393,909 | 401,787 | 409,823 | 418,020 | 426,380 | 434,908 | 443,606 | 452,478 | 461,527 | 470,758 | 480,173 | 489,777 | 499,572 | 509,564 |
| | 276,497 | 309,769 | 315,965 | 322,284 | 328,730 | 335,304 | 342,011 | 348,851 | 355,828 | 362,944 | 370,203 | 377,607 | 385,159 | 392,863 | 400,720 | 408,734 | 416,909 | 425,247 | 433,752 |
| | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 601,321 | 673,681 | 687,154 | 700,897 | 714,915 | 729,214 | 743,798 | 758,674 | 773,847 | 789,324 | 805,111 | 821,213 | 837,637 | 854,390 | 871,478 | 888,907 | 906,686 | 924,819 | 943,316 |
| | 356,783 | 398,997 | 406,977 | 415,117 | 423,419 | 431,887 | 440,525 | 449,336 | 458,322 | 467,489 | 476,839 | 486,375 | 496,103 | 506,025 | 516,145 | 526,468 | 536,998 | 547,738 | 558,692 |
| | 13,602 | 14,933 | 15,232 | 15,536 | 15,847 | 16,164 | 16,487 | 16,817 | 17,153 | 17,496 | 17,846 | 18,203 | 18,567 | 18,939 | 19,317 | 19,704 | 20,098 | 20,500 | 20,910 |
| | 1,980,517 | 2,216,753 | 2,261,088 | 2,306,310 | 2,352,436 | 2,399,485 | 2,447,474 | 2,496,424 | 2,546,352 | 2,597,279 | 2,649,225 | 2,702,210 | 2,756,254 | 2,811,379 | 2,867,606 | 2,924,959 | 2,983,458 | 3,043,127 | 3,103,989 |
| | 2,350,902 | 2,630,683 | 2,683,297 | 2,736,963 | 2,791,702 | 2,847,536 | 2,904,487 | 2,962,577 | 3,021,828 | 3,082,265 | 3,143,910 | 3,206,788 | 3,270,924 | 3,336,342 | 3,403,069 | 3,471,131 | 3,540,553 | 3,611,364 | 3,683,592 |

Financial Feasibility Analysis - Revenue Projections - Proposed Participation

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

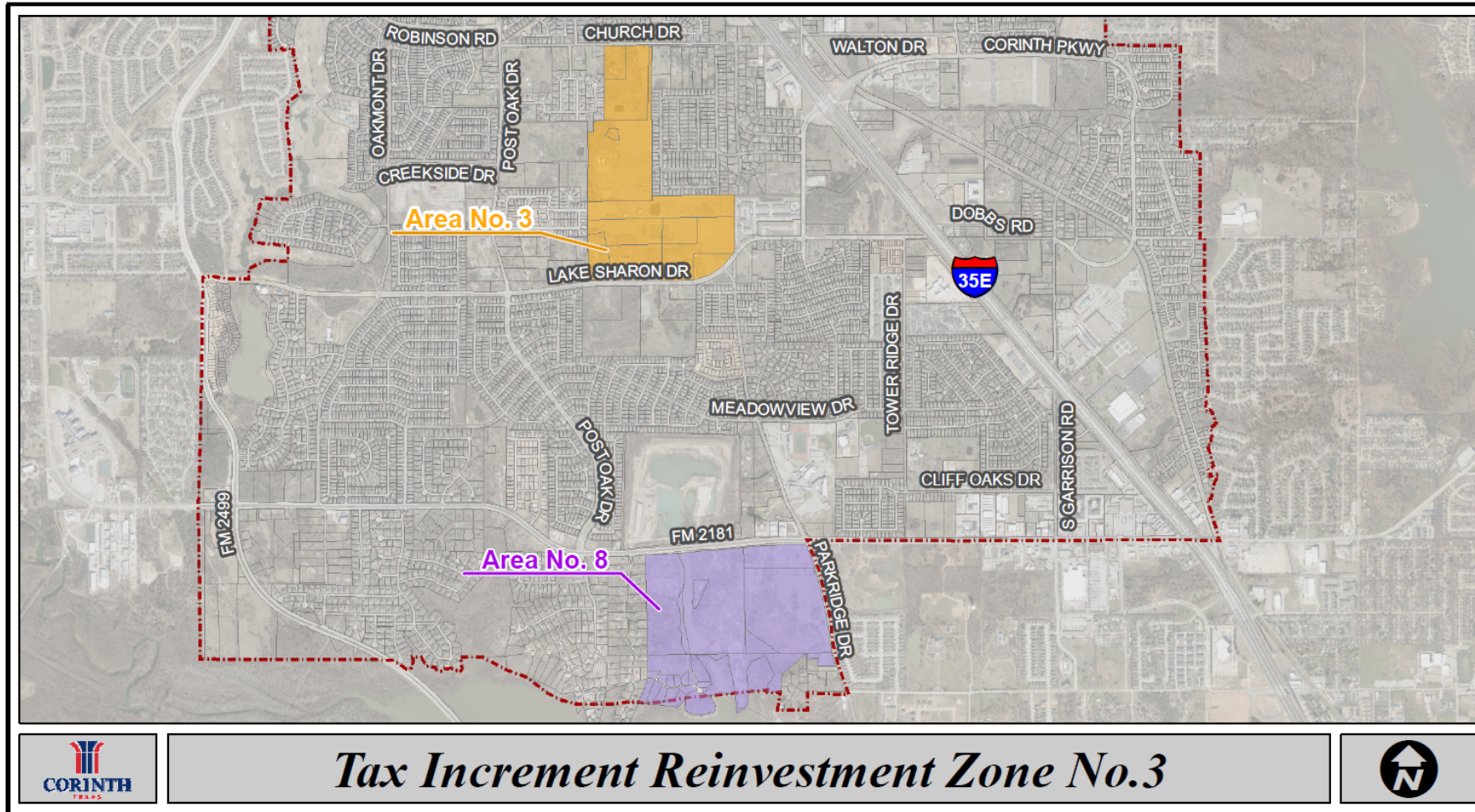
TAXABLE BASE YEAR GROWTH 2.00%
DISCOUNT RATE 6.00%

| TIRZ 1 | | | REAL PROPERTY TAX | | | | | | | | | | | BUSINESS PERSONAL PROPERTY TAX | | | | | | | | | | | SALES TAX | | | HOT | | | | | | | | | | | |
|---------------------------------|----------------------------|-------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------|-------------|-------------|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | | City of Corinth | | | | | | | | | | | Denton County | | | | | | | | | | | City Sales Tax Rate | | | State Sales Tax Rate | | | City HOT | | | | | | | | |
| | | | 0.5300000 | | | | | | | | | | | 0.5300000 | | | | | | | | | | | 0.0200000 | | | 0.0625000 | | | 0.0700000 | | | | | | | | |
| | | | 50.00% | | | | | | | | | | | 0% | | | | | | | | | | | 0.00% | | | 0.00% | | | 0% | | | | | | | | |
| | | | 0.2255740 | | | | | | | | | | | 0.2255740 | | | | | | | | | | | 0.0000000 | | | 0.0000000 | | | 0.0000000 | | | | | | | | |
| | | | 1.5400000 | | | | | | | | | | | 1.5400000 | | | | | | | | | | | 0.0000000 | | | 0.0000000 | | | 0.0000000 | | | | | | | | |
| | | | 2.2955740 | | | | | | | | | | | 2.2955740 | | | | | | | | | | | 0.0000000 | | | 0.0000000 | | | 0.0000000 | | | | | | | | |
| | | | 0.4905740 | | | | | | | | | | | 0.4905740 | | | | | | | | | | | 0.0000000 | | | 0.0000000 | | | 0.0000000 | | | | | | | | |
| REVENUE YEAR | BASE YEAR | 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 | 32 | 33 | 34 | 35 | 36 | TOTALS | |
| | 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 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 | 2053 | 2054 | 2055 | | |
| BASE YEAR TIRZ #1 | City of Corinth | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 |
| | Denton County | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 |
| | Denton ISD | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 |
| TAXABLE VALUE | City of Corinth | 187,807,187 | 191,563,331 | 195,394,597 | 199,302,489 | 203,288,539 | 207,354,310 | 211,501,396 | 215,731,424 | 220,046,052 | 224,446,973 | 228,935,913 | 233,514,631 | 238,184,924 | 242,948,622 | 247,807,595 | 252,763,747 | 257,819,021 | 262,975,402 | 268,234,910 | 273,599,608 | 279,071,600 | 284,653,032 | 290,346,093 | 296,153,015 | 302,076,075 | 308,117,597 | 314,279,948 | 320,565,547 | 326,976,858 | 333,516,396 | 340,186,723 | 346,990,458 | 353,930,267 | 361,008,872 | 368,229,050 | 375,593,631 | 383,111,177 | |
| | Denton County | 187,807,187 | 191,563,331 | 195,394,597 | 199,302,489 | 203,288,539 | 207,354,310 | 211,501,396 | 215,731,424 | 220,046,052 | 224,446,973 | 228,935,913 | 233,514,631 | 238,184,924 | 242,948,622 | 247,807,595 | 252,763,747 | 257,819,021 | 262,975,402 | 268,234,910 | 273,599,608 | 279,071,600 | 284,653,032 | 290,346,093 | 296,153,015 | 302,076,075 | 308,117,597 | 314,279,948 | 320,565,547 | 326,976,858 | 333,516,396 | 340,186,723 | 346,990,458 | 353,930,267 | 361,008,872 | 368,229,050 | 375,593,631 | 383,111,177 | |
| | Denton ISD | 187,807,187 | 191,563,331 | 195,394,597 | 199,302,489 | 203,288,539 | 207,354,310 | 211,501,396 | 215,731,424 | 220,046,052 | 224,446,973 | 228,935,913 | 233,514,631 | 238,184,924 | 242,948,622 | 247,807,595 | 252,763,747 | 257,819,021 | 262,975,402 | 268,234,910 | 273,599,608 | 279,071,600 | 284,653,032 | 290,346,093 | 296,153,015 | 302,076,075 | 308,117,597 | 314,279,948 | 320,565,547 | 326,976,858 | 333,516,396 | 340,186,723 | 346,990,458 | 353,930,267 | 361,008,872 | 368,229,050 | 375,593,631 | 383,111,177 | |
| TAXABLE VALUE INCREMENT | City of Corinth | 3,682,494 | 7,438,638 | 11,269,904 | 15,177,796 | 19,163,846 | 23,229,617 | 27,376,703 | 31,606,731 | 35,921,359 | 40,322,280 | 44,811,220 | 49,389,938 | 54,060,231 | 58,823,929 | 63,682,902 | 68,639,054 | 73,694,328 | 78,850,709 | 84,110,217 | 89,474,915 | 94,946,907 | 100,528,339 | 106,221,400 | 112,028,322 | 117,951,382 | 123,992,904 | 130,155,255 | 136,440,854 | 142,852,165 | 149,391,703 | 156,062,030 | 162,865,705 | 169,805,574 | 176,884,179 | 184,104,357 | 191,468,938 | 198,278,416 | |
| | Denton County | 3,682,494 | 7,438,638 | 11,269,904 | 15,177,796 | 19,163,846 | 23,229,617 | 27,376,703 | 31,606,731 | 35,921,359 | 40,322,280 | 44,811,220 | 49,389,938 | 54,060,231 | 58,823,929 | 63,682,902 | 68,639,054 | 73,694,328 | 78,850,709 | 84,110,217 | 89,474,915 | 94,946,907 | 100,528,339 | 106,221,400 | 112,028,322 | 117,951,382 | 123,992,904 | 130,155,255 | 136,440,854 | 142,852,165 | 149,391,703 | 156,062,030 | 162,865,705 | 169,805,574 | 176,884,179 | 184,104,357 | 191,468,938 | 198,278,416 | |
| | Denton ISD | 3,682,494 | 7,438,638 | 11,269,904 | 15,177,796 | 19,163,846 | 23,229,617 | 27,376,703 | 31,606,731 | 35,921,359 | 40,322,280 | 44,811,220 | 49,389,938 | 54,060,231 | 58,823,929 | 63,682,902 | 68,639,054 | 73,694,328 | 78,850,709 | 84,110,217 | 89,474,915 | 94,946,907 | 100,528,339 | 106,221,400 | 112,028,322 | 117,951,382 | 123,992,904 | 130,155,255 | 136,440,854 | 142,852,165 | 149,391,703 | 156,062,030 | 162,865,705 | 169,805,574 | 176,884,179 | 184,104,357 | 191,468,938 | 198,278,416 | |
| REVENUE A | City of Corinth | 9,759 | 19,712 | 29,865 | 40,221 | 50,784 | 61,558 | 72,548 | 83,758 | 95,192 | 106,854 | 118,750 | 130,883 | 143,260 | 155,883 | 168,760 | 181,893 | 195,290 | 208,954 | 222,892 | 237,109 | 251,609 | 266,400 | 281,487 | 296,875 | 312,571 | 328,581 | 344,911 | 361,568 | 378,558 | 395,888 | 413,564 | 431,594 | 449,985 | 468,743 | 487,877 | 507,393 | 5,311,531 | |
| | Denton County | 8,307 | 16,780 | 25,422 | 34,237 | 43,229 | 52,400 | 61,755 | 71,297 | 81,029 | 90,957 | 101,062 | 111,411 | 121,946 | 132,691 | 143,652 | 154,832 | 166,235 | 177,867 | 189,731 | 201,832 | 214,176 | 226,766 | 239,608 | 252,707 | 266,068 | 279,696 | 293,596 | 307,775 | 322,237 | 336,989 | 352,035 | 367,383 | 383,037 | 399,005 | 415,292 | 431,904 | 8,704,964 | |
| | Denton ISD | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | npv @ 6% | 4,059,639 | 18,065 | 36,492 | 55,287 | 74,458 | 94,013 | 113,958 | 134,303 | 155,054 | 176,221 | 197,811 | 219,832 | 242,294 | 265,205 | 288,575 | 312,412 | 336,725 | 361,525 | 386,821 | 412,623 | 438,941 | 465,785 | 493,166 | 521,095 | 549,582 | 578,639 | 608,277 | 638,508 | 669,343 | 700,796 | 732,877 | 765,600 | 799,177 | 833,622 | 867,748 | 903,168 | 939,297 | 15,386,495 |
| REVENUE #1 - RESIDENTIAL | REAL PROPERTY TAX | 0 | 0 | 17,500,000 | 26,250,000 | 60,500,000 | 75,500,000 | 117,000,000 | 135,400,000 | 192,900,000 | 208,100,000 | 269,550,000 | 324,450,000 | 383,850,000 | 436,700,000 | 498,550,000 | 512,050,000 | 525,550,000 | 534,550,000 | 543,550,000 | 554,421,000 | 565,509,400 | 576,819,608 | 588,356,001 | 600,123,121 | 612,125,583 | 624,368,095 | 636,855,457 | 649,592,566 | 662,584,417 | 675,836,105 | 689,352,827 | 703,139,884 | 717,202,862 | 731,546,735 | 746,177,670 | 761,101,223 | 4,286,215 | |
| | BUSINESS PERSONAL PROPERTY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | City of Corinth | 0 | 0 | 46,375 | 69,563 | 160,325 | 200,075 | 310,050 | 358,810 | 511,185 | 551,465 | 714,308 | 859,793 | 1,017,203 | 1,157,255 | 1,321,158 | 1,396,933 | 1,392,708 | 1,416,558 | 1,440,408 | 1,469,216 | 1,498,600 | 1,528,572 | 1,559,143 | 1,590,326 | 1,622,133 | 1,654,575 | 1,687,667 | 1,721,420 | 1,755,849 | 1,790,966 | 1,826,785 | 1,863,321 | 1,900,587 | 1,938,599 | 1,977,371 | 2,016,918 | 42,286,215 | |
| | Denton County | 0 | 0 | 39,475 | 59,213 | 136,472 | 170,308 | 263,922 | 305,427 | 435,132 | 469,419 | 608,035 | 731,875 | 865,866 | 985,982 | 1,124,599 | 1,155,052 | 1,185,504 | 1,205,806 | 1,226,107 | 1,250,630 | 1,275,842 | 1,301,155 | 1,327,178 | 1,353,122 | 1,380,796 | 1,408,412 | 1,436,580 | 1,465,312 | 1,494,618 | 1,524,511 | 1,555,001 | 1,586,101 | 1,617,823 | 1,650,179 | 1,683,183 | 1,716,846 | 35,994,984 | |
| | Denton ISD | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | npv @ 6% | 21,457,845 | 0 | 85,850 | 128,776 | 296,797 | 370,383 | 573,972 | 664,237 | 946,317 | 1,020,884 | 1,322,342 | 1,591,667 | 1,883,068 | 2,142,337 | 2,445,757 | 2,511,984 | 2,578,212 | 2,622,363 | 2,666,515 | 2,719,845 | 2,774,242 | 2,829,727 | 2,886,322 | 2,944,048 | 3,002,929 | 3,062,988 | 3,124,247 | 3,186,732 | 3,250,467 | 3,315,476 | 3,381,786 | 3,449,421 | 3,518,410 | 3,588,778 | 3,660,554 | 3,733,765 | 78,281,199 | |
| REVENUE #2 - RETAIL | REAL PROPERTY TAX | 0 | 0 | 2,290,000 | 3,375,000 | 7,125,000 | 8,437,500 | 17,100,000 | 20,775,000 | 26,306,250 | 27,2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Financial Feasibility Analysis - Revenue Projections - 100% of Revenue

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

| TAXABLE BASE YEAR GROWTH 2.00% DISCOUNT RATE 6.00% | | TIRZ 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|----------------------------|--------------------------------|-----------------|---------------|-------------|---------------------|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| REAL PROPERTY TAX | | BUSINESS PERSONAL PROPERTY TAX | | | | | | | | | | | SALES TAX | | | HOT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| City of Corinth | Denton County | Denton ISD | City of Corinth | Denton County | Denton ISD | City Sales Tax Rate | State Sales Tax Rate | City HOT | State HOT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0.5300000 | 100.00% | 0.5300000 | 0.5300000 | 100% | 0.5300000 | 0.0200000 | 100.00% | 0.0200000 | 0.0700000 | 100% | 7% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 0.2255740 | 100.00% | 0.2255740 | 1.5400000 | 100.00% | 1.5400000 | 0.0625000 | 100.00% | 0.0625000 | 0.0600000 | 100% | 6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.2955740 | | 2.2955740 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| REVENUE YEAR | BASE YEAR 2019 | 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 | 32 | 33 | 34 | 35 | 36 | TOTALS | | | | | | | | | | | | | | | | |
| BASE YEAR TIRZ #1 | City of Corinth | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | 184,124,693 | | | | | | | | | | | | | | | | | |
| TAXABLE VALUE | City of Corinth | 187,807,187 | 191,563,331 | 195,394,597 | 199,302,489 | 203,288,539 | 207,354,310 | 211,501,396 | 215,731,424 | 220,046,052 | 224,446,973 | 228,935,913 | 233,514,631 | 238,184,924 | 242,948,622 | 247,807,595 | 252,763,747 | 257,819,021 | 262,975,402 | 268,234,910 | 273,599,608 | 279,071,600 | 284,653,032 | 290,346,093 | 296,153,015 | 302,076,075 | 308,117,597 | 314,279,948 | 320,565,547 | 326,976,858 | 333,516,396 | 340,186,723 | 346,990,458 | 353,930,267 | 361,008,872 | 368,228,050 | 375,593,631 | | | | | | | | | | | | | | | | | |
| TAXABLE VALUE INCREMENT | City of Corinth | 3,682,494 | 7,438,638 | 11,269,904 | 15,177,796 | 19,163,846 | 23,229,617 | 27,376,703 | 31,606,731 | 35,921,359 | 40,322,280 | 44,811,220 | 49,389,938 | 54,060,231 | 58,823,929 | 63,682,902 | 68,639,054 | 73,694,328 | 78,850,709 | 84,110,217 | 89,474,915 | 94,946,907 | 100,528,339 | 106,221,400 | 112,028,322 | 117,951,382 | 123,992,904 | 130,155,255 | 136,440,854 | 142,852,165 | 149,391,703 | 156,062,030 | 162,865,705 | 169,805,574 | 176,884,179 | 184,104,357 | 191,468,938 | | | | | | | | | | | | | | | | | |
| REVENUE A | TAXABLE VALUE GROWTH | City of Corinth | 19,517 | 39,425 | 59,730 | 80,442 | 101,568 | 123,117 | 145,097 | 167,516 | 190,383 | 213,708 | 237,499 | 261,767 | 286,519 | 311,767 | 337,519 | 363,787 | 390,580 | 417,909 | 445,784 | 474,217 | 503,219 | 532,800 | 562,973 | 593,750 | 625,142 | 657,162 | 689,823 | 723,137 | 757,116 | 791,776 | 827,129 | 863,189 | 899,970 | 937,486 | 975,753 | 1,014,785 | | | | | | | | | | | | | | | | |
| REVENUE #1 - RESIDENTIAL | REAL PROPERTY TAX | 0 | 0 | 17,500,000 | 26,250,000 | 60,500,000 | 75,500,000 | 117,000,000 | 135,400,000 | 192,900,000 | 208,100,000 | 269,550,000 | 324,450,000 | 383,850,000 | 436,700,000 | 498,550,000 | 512,050,000 | 525,550,000 | 534,550,000 | 543,550,000 | 554,421,000 | 565,509,420 | 576,819,608 | 588,356,001 | 600,123,121 | 612,125,583 | 624,368,095 | 636,855,467 | 649,592,566 | 662,584,417 | 675,838,105 | 689,352,827 | 703,139,884 | 717,202,682 | 731,546,735 | 746,177,870 | 761,101,223 | | | | | | | | | | | | | | | | | |
| REVENUE #1 - RESIDENTIAL | BUSINESS PERSONAL PROPERTY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | |
| REVENUE #1 - RESIDENTIAL | NPV @ 6% | 18,996,524 | 84,534 | 170,759 | 258,709 | 348,418 | 439,920 | 533,253 | 628,452 | 725,556 | 824,601 | 925,628 | 1,028,675 | 1,133,783 | 1,240,993 | 1,350,347 | 1,461,886 | 1,575,660 | 1,691,708 | 1,810,076 | 1,930,812 | 2,053,963 | 2,179,577 | 2,307,702 | 2,438,391 | 2,571,693 | 2,707,661 | 2,846,349 | 2,987,810 | 3,132,101 | 3,279,277 | 3,429,397 | 3,582,519 | 3,738,704 | 3,898,013 | 4,060,507 | 4,226,252 | 4,395,311 | 71,999,000 | | | | | | | | | | | | | | | |
| REVENUE #2 - RETAIL | REAL PROPERTY TAX | 0 | 0 | 2,250,000 | 3,375,000 | 7,125,000 | 8,437,500 | 17,100,000 | 20,775,000 | 26,300,250 | 27,234,375 | 33,562,500 | 36,262,500 | 43,462,500 | 45,712,500 | 47,962,500 | 48,921,750 | 49,900,185 | 50,898,189 | 51,916,152 | 52,964,476 | 54,013,595 | 55,093,836 | 56,195,713 | 57,319,627 | 58,466,020 | 59,634,340 | 60,828,407 | 62,044,608 | 63,285,500 | 64,551,210 | 65,842,234 | 67,159,079 | 68,502,261 | 69,872,308 | 71,269,752 | 72,695,147 | | | | | | | | | | | | | | | | | |
| REVENUE #2 - RETAIL | BUSINESS PERSONAL PROPERTY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | |
| REVENUE #2 - RETAIL | NPV @ 6% | 11,123,786 | 0 | 39,725 | 80,919 | 168,725 | 206,602 | 408,469 | 510,823 | 645,286 | 676,922 | 823,609 | 898,717 | 1,069,852 | 1,134,243 | 1,189,337 | 1,214,801 | 1,239,097 | 1,263,878 | 1,289,156 | 1,314,939 | 1,341,238 | 1,368,063 | 1,395,424 | 1,423,332 | 1,451,799 | 1,480,835 | 1,510,452 | 1,540,661 | 1,571,474 | 1,602,904 | 1,634,962 | 1,667,661 | 1,701,014 | 1,735,034 | 1,769,735 | 1,805,130 | 39,174,816 | | | | | | | | | | | | | | | | |
| REVENUE #3 - OFFICE | REAL PROPERTY TAX | 0 | 0 | 437,500 | 656,250 | 6,375,000 | 9,125,000 | 13,375,000 | 14,125,000 | 19,875,000 | 22,375,000 | 35,350,000 | 40,587,500 | 57,075,000 | 62,700,000 | 73,325,000 | 75,825,000 | 107,825,000 | 122,575,000 | 137,325,000 | 140,071,500 | 142,872,930 | 145,730,389 | 148,644,996 | 151,617,896 | 154,650,254 | 157,743,259 | 160,898,124 | 164,116,087 | 167,398,409 | 170,746,377 | 174,161,304 | 177,644,531 | 181,197,421 | 184,821,370 | 188,517,797 | 192,288,153 | | | | | | | | | | | | | | | | | |
| REVENUE #3 - OFFICE | BUSINESS PERSONAL PROPERTY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | |
| REVENUE #3 - OFFICE | NPV @ 6% | 21,397,181 | 0 | 7,724 | 15,466 | 146,945 | 217,161 | 318,167 | 341,122 | 474,266 | 537,394 | 837,540 | 971,372 | 1,355,908 | 1,507,903 | 1,760,017 | 1,832,212 | 2,869,895 | 2,938,679 | 3,290,820 | 3,367,412 | 3,434,760 | 3,503,455 | 3,573,524 | 3,644,995 | 3,717,895 | 3,792,253 | 3,868,098 | 3,945,460 | 4,024,369 | 4,104,856 | 4,186,953 | 4,270,693 | 4,356,106 | 4,443,229 | 4,532,093 | 4,622,735 | 86,510,679 | | | | | | | | | | | | | | | | |
| REVENUE #4 - HOTEL | REAL PROPERTY TAX | 0 | 0 | 5,225,000 | 7,837,500 | 10,450,000 | 10,450,000 | 14,725,000 | 16,862,500 | 19,000,000 | 19,000,000 | 24,700,000 | 27,550,000 | 30,400,000 | 31,008,000 | 31,628,160 | 32,260,723 | 32,905,938 | 33,564,056 | 34,235,338 | 34,920,044 | 35,618,445 | 36,330,614 | 37,057,430 | 37,798,579 | 38,554,551 | 39,325,642 | 40,112,154 | 40,914,397 | 41,732,685 | 42,567,339 | 43,418,686 | 44,287,060 | 45,172,801 | 46,076,257 | 46,997,782 | 47,937,738 | | | | | | | | | | | | | | | | | |
| REVENUE #4 - HOTEL | BUSINESS PERSONAL PROPERTY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | | | | | | | | |
| REVENUE #4 - HOTEL | NPV @ 6% | 7,376,739 | 0 | 92,251 | 179,916 | 239,887 | 239,887 | 338,023 | 387,091 | 436,159 | 436,159 | 567,007 | 632,431 | 697,854 | 711,812 | 726,048 | 740,569 | 755,380 | 770,488 | 785,898 | 801,615 | 817,648 | 834,001 | 850,681 | 867,694 | 885,048 | 902,749 | 920,804 | 939,220 | 958,005 | 977,165 | 996,708 | 1,016,642 | 1,036,975 | 1,057,715 | 1,078,869 | 1,100,446 | 24,778,845 | | | | | | | | | | | | | | | | |
| REVENUE #5 - SALES TAX | SALES | 0 | 0 | 3,000,000 | 4,500,000 | 9,062,500 | 10,593,750 | 21,662,500 | 26,431,250 | 34,087,500 | 35,531,250 | 48,875,000 | 54,825,000 | 67,775,000 | 71,275,000 | 74,775,000 | 78,275,000 | 77,795,010 | 79,351,828 | 80,938,865 | 82,557,642 | 84,208,795 | 85,892,971 | 87,610,830 | 89,363,047 | 91,150,308 | 92,973,314 | 94,832,780 | 96,729,436 | 98,664,025 | 100,637,305 | 102,650,051 | 104,703,052 | 106,797,113 | 108,933,055 | 111,111,717 | 113,333,951 | | | | | | | | | | | | | | | | | |
| REVENUE #5 - SALES TAX | NPV @ 6% | 42,462,977 | 0 | 187,500 | 281,250 | 566,406 | 662,109 | 1,353,906 | 1,651,953 | 2,130,469 | 2,220,703 | 3,054,688 | 3,426,563 | 4,235,938 | 4,454,688 | 4,673,438 | 4,766,906 | 4,862,244 | 4,959,469 | 5,058,679 | 5,159,853 | 5,263,050 | 5,368,311 | 5,475,677 | 5,585,190 | 5,696,894 | 5,810,832 | 5,927,049 | 6,045,590 | 6,166,502 | 6,289,832 | 6,415,628 | 6,543,941 | 6,674,820 | 6,808,316 | 6,944,482 | 7,083,372 | | | | | | | | | | | | | | | | | |
| REVENUE #5 - SALES TAX | NPV @ 6% | 56,077,530 | 0 | 60,000 | 90,000 | 181,250 | 211,875 | 433,250 | 528,625 | 681,750 | 710,625 | 977,500 | 1,096,500 | 1,355,500 | 1,425,500 | 1,495,500 | 1,525,410 | 1,555,180 | 1,584,710 | 1,614,010 | 1,644,080 | 1,673,920 | 1,704,130 | 1,734,710 | 1,764,660 | 1,794,980 | 1,825,680 | 1,856,760 | 1,888,220 | 1,919,960 | 1,952,080 | 1,984,580 | 2,017,460 | 2,050,720 | 2,084,360 | 2,118,380 | 2,152,700 | | | | | | | | | | | | | | | | | |
| REVENUE #6 - HOT | HOT | 0 | 0 | 3,655,055 | 3,728,156 | 3,802,719 | 3,878,774 | 7,193,362 | 7,377,230 | 7,483,974 | 7,633,654 | 12,458,123 | 12,707,285 | 12,961,431 | 13,220,960 | 13,485,073 | 13,754,774 | 14,029,870 | 14,310,467 | 14,596,677 | 14,888,610 | 15,186,382 | 15,490,110 | 15,799,812 | 16,115,910 | 16,438,229 | 16,766,993 | 17,102,333 | 17,444,380 | 17,793,267 | 18,149,133 | 18,512,115 | 18,882,358 | 19,260,005 | 19,645,205 | 20,038,109 | 20,438,871 | | | | | | | | | | | | | | | | | |
| REVENUE #6 - HOT | NPV @ 6% | 2,553,338 | 0 | 219,303 | 223,089 | 228,163 | 232,726 | 443,602 | 440,234 | 449,038 | 458,019 | 747,487 | 762,437 | 777,866 | 793,240 | 809,104 | 825,286 | 841,792 | 858,628 | 875,801 | 893,317 | 911,183 | 929,407 | 947,995 | 966,955 | 986,294 | 1,006,020 | 1,026,140 | 1,046,663 | 1,067,596 | 1,088,948 | 1,110,727 | 1,132,941 | 1,155,600 | 1,178,712 | 1,202,287 | 1,226,332 | | | | | | | | | | | | | | | | | |
| REVENUE #6 - HOT | NPV @ 6% | 9,773,405 | 0 | 255,854 | 260,971 | 266,190 | 271,514 | 503,535 | 513,606 | 523,878 | 534,356 | 827,069 | 839,510 | 852,000 | 864,646 | 877,446 | 890,396 | 903,496 | 916,646 | 929,846 | 943,096 | 956,396 | 969,746 | 983,146 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



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 #3 in Years:

The TIRZ has a 34-year term and is scheduled to end on December 31, 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.

Area 3

| Prop ID | Address | 2019 Taxable | 2020 Taxable | Area (SF) |
|---------|-----------------------|------------------------|------------------------|-----------|
| 37818 | Church Dr | \$ 1,001,154.00 | \$ 1,001,154.00 | 797,559 |
| 62498 | 2310 Parkridge Dr | \$ 136.00 | \$ 76,734.00 | 207,035 |
| 62503 | 2302 Lake Sharon Dr | \$ 156,939.00 | \$ 306,077.00 | 233,756 |
| 112056 | 2305 Lake Sharon Dr | \$ 919.00 | \$ 520,660.00 | 781,080 |
| 168300 | 2307 Lake Sharon Dr | \$ 499,370.00 | - | 549,169 |
| 175683 | 2250 Lake Sharon Dr | \$ 556,372.00 | \$ 1,147,623.00 | 920,226 |
| 313491 | 2455 Silver Meadow Ln | \$ 78,839.00 | \$ 1,535,000.00 | 1,618,268 |
| 696612 | 2303 Lake Sharon Dr | \$ 2,655.00 | \$ 48,360.00 | 64,256 |
| | | \$ 2,296,384.00 | \$ 4,635,608.00 | |

Area 8

| Prop ID | Address | 2019 Taxable | 2020 Taxable | Area (SF) |
|---------|--------------------------|------------------------|------------------------|-----------|
| 62446 | Not available | \$ 247,161.00 | \$ 253,467.00 | 253,682 |
| 62478 | Not available | \$ 635,247.00 | \$ 651,455.00 | 634,623 |
| 62479 | FM 2181 & Sycamore Bend | \$ 538.00 | \$ 923,192.00 | 476,032 |
| 62487 | 3790 Parkridge Dr | \$ 80,212.00 | \$ 2,664,042.00 | 1,967,039 |
| 97879 | Sycamore Bend Rd | \$ 150.00 | \$ 173,232.00 | 128,184 |
| 122458 | Not available | \$ 1,851,713.00 | \$ 1,898,959.00 | 1,850,078 |
| 122459 | Not available | \$ 58,846.00 | \$ 60,347.00 | 92,719 |
| 166780 | 2950 FM 2181 | \$ 89,793.00 | \$ 91,668.00 | 88,410 |
| 683463 | 2750 Oak Bluff Dr | \$ 652,423.00 | \$ 652,424.00 | 171,311 |
| 683464 | 2606 Oak Bluff Dr | \$ 228,888.00 | \$ 228,889.00 | 41,195 |
| 683465 | 2604 Oak Bluff Dr | \$ 228,398.00 | \$ 228,399.00 | 41,013 |
| 683466 | 2602 Oak Bluff Dr | \$ 254,372.00 | \$ 254,372.00 | 52,586 |
| 683467 | 2600 Oak Bluff Dr | \$ 256,332.00 | \$ 256,332.00 | 54,167 |
| 683468 | Not available | - | - | 31,561 |
| 683469 | Not available | - | - | 10,471 |
| 683470 | 3908 West Long Lake Blvd | \$ 122,403.00 | \$ 122,403.00 | 23,229 |
| 683471 | 2611 Oak Bluff Dr | \$ 123,197.00 | \$ 123,996.00 | 24,448 |
| 683472 | 2609 Oak Bluff Dr | \$ 120,874.00 | \$ 120,874.00 | 22,235 |
| 683473 | 2607 Oak Bluff Dr | \$ 121,065.00 | \$ 121,066.00 | 22,367 |
| 683474 | 2605 Oak Bluff Dr | \$ 124,634.00 | \$ 124,633.00 | 24,834 |
| 683475 | 2603 Oak Bluff Dr | \$ 121,830.00 | \$ 121,830.00 | 22,926 |
| | | \$ 5,318,076.00 | \$ 9,071,580.00 | |

APPENDIX B - TAX COMPARABLES

| Property Type | Name | Description | Address | City | Building Size (SF) | Year Built | Land Value | Improvement Value | Total Value | Improvement Value/SF |
|---------------|--|---------------|-------------------------|------------------|--------------------|------------|--------------|-------------------|---------------|----------------------|
| Retail | Corinth Commons | Strip Center | 7650 I35E | Corinth | 24,710 | 2000 | \$ 1,357,248 | \$ 2,091,152 | \$ 3,448,400 | \$ 85 |
| Retail | Kohl's | Retail | 2620 W UNIVERSITY DR TX | Denton | 55,776 | 2012 | \$ 1,771,585 | \$ 4,822,003 | \$ 6,593,588 | \$ 86 |
| Retail | Hillside Fine Dining | Restaurant | 3140 FM 407 | Highland Village | 6,051 | 2010 | \$ 1,721,304 | \$ 611,613 | \$ 2,332,917 | \$ 101 |
| Retail | 7-Eleven | Gas Station | 8100 I35E | Corinth | 5,752 | 2000 | \$ 1,301,410 | \$ 648,590 | \$ 1,950,000 | \$ 113 |
| Retail | Chuy's | Restaurant | 3300 WIND RIVER LN | Denton | 7,736 | 2011 | \$ 1,399,583 | \$ 1,100,417 | \$ 2,500,000 | \$ 142 |
| Retail | Corinth Market | Strip Center | 3400 Corinth Pky | Corinth | 13,904 | 2008 | \$ 607,056 | \$ 1,993,600 | \$ 2,600,656 | \$ 143 |
| Retail | QuikTrip | Gas Station | 3701 S I35E | Denton | 5,206 | 2010 | \$ 1,435,180 | \$ 885,820 | \$ 2,321,000 | \$ 170 |
| Retail | The Highlands of Flowermound - Smashburger & | Retail | 3120 FM 407 | Highland Village | 7,974 | 2006 | \$ 1,251,200 | \$ 1,448,800 | \$ 2,700,000 | \$ 182 |
| Retail | Hanabi Ramen | Restaurant | 501 W HICKORY ST | Denton | 5,684 | 2010 | \$ 163,350 | \$ 594,904 | \$ 758,254 | \$ 105 |
| Retail | ALAMO DRAFT | Entertainment | 2655 W UNIVERSITY Dr TX | Denton | 48,141 | 2018 | \$ 6,204,826 | \$ 6,701,000 | \$ 12,905,826 | \$ 139 |
| Retail | Genti's Ristorante | Restaurant | 3700 FM2181 | Hickory Creek | 4,682 | 2014 | \$ 572,378 | \$ 652,622 | \$ 1,225,000 | \$ 139 |
| Retail | Andy B's Bowl Social | Entertainment | 2600 PANHANDLE DR TX | Denton | 41,238 | 2018 | \$ 2,198,394 | \$ 7,629,911 | \$ 9,828,305 | \$ 185 |
| Retail | Corinth Gateway | Strip Center | 8171 I 35E | Corinth | 6,468 | 2017 | \$ 1,108,602 | \$ 1,209,881 | \$ 2,318,483 | \$ 187 |
| Retail | Mi Cocina | Restaurant | 6220 LONG PRAIRIE | Flower Mound | 5,998 | 2010 | \$ 1,306,176 | \$ 1,299,294 | \$ 2,605,470 | \$ 217 |
| Retail | CHEDDARS | Restaurant | 3240 N I35 TX | Denton | 8,040 | 2018 | \$ 1,692,306 | \$ 1,747,500 | \$ 3,439,806 | \$ 217 |
| Retail | QuikTrip | Gas Station | 302 SWISHER RD | Lake Dallas | 4,940 | 2010 | \$ 1,617,383 | \$ 1,093,617 | \$ 2,711,000 | \$ 221 |
| Retail | The Highlands of Flowermound - Smashburger & | Retail | 3651 JUSTIN RD | Flower Mound | 11,387 | 2013 | \$ 1,299,830 | \$ 3,186,522 | \$ 4,486,352 | \$ 280 |

APPENDIX B - TAX COMPARABLES

| Property Type | Notes | Address | City | Building Size | Year Built | Land Value | Improvement Value | Total Value | Improvement Value/SF |
|---------------|---------------------------|------------------------|------------|---------------|------------|------------|-------------------|--------------|----------------------|
| Industrial | Flex Building | 845 N MILL ST TX | Lewisville | 23,838 | 1998 | \$ 275,824 | \$ 1,207,329 | \$ 1,483,153 | \$ 51 |
| Industrial | Warehouse with Office | 1408 N Corinth St | Corinth | 9,624 | 2008 | \$ 291,199 | \$ 538,297 | \$ 829,496 | \$ 56 |
| Industrial | Light Industrial Building | 875 N Mill St | Lewisville | 13,189 | 2002 | \$ 169,892 | \$ 930,108 | \$ 1,100,000 | \$ 71 |
| Industrial | Argyle Auto Care | 125 W FRENCHTOWN RD | Argyle | 4,800 | 2012 | \$ 220,588 | \$ 377,612 | \$ 598,200 | \$ 79 |
| Industrial | Warehouse with Office | 620 HENRIETTA CREEK RD | Roanoke | 9,176 | 2006 | \$ 179,200 | \$ 1,111,800 | \$ 1,291,000 | \$ 121 |

| Property Type | Name | Address | City | Number of Units | Year Built | Land Value | Improvement Value | Total Value | Improvement Value/Unit |
|----------------|--|-------------------|---------|-----------------|------------|--------------|-------------------|---------------|------------------------|
| Senior Housing | Autumn Oaks of Corinth | 3440 Corinth Pkwy | Corinth | 128 | 2003 | \$ 1,259,778 | \$ 8,537,435 | \$ 9,797,213 | \$ 66,699 |
| Senior Housing | Willow Bend Assisted Living | 2125 Brinker Rd | Denton | 86 | 2010 | \$ 1,855,743 | \$ 5,812,847 | \$ 7,668,590 | \$ 67,591 |
| Senior Housing | The Village Assisted Living & Memory Care | 1919 Brinker Road | Denton | 114 | 2015 | \$ 2,143,413 | \$ 8,801,244 | \$ 10,944,657 | \$ 77,204 |
| Senior Housing | Mayberry Gardens Assisted Living and Memory Care Homes | 3636 Teasley Ln | Denton | 75 | 2014 | \$ 1,217,938 | \$ 5,867,578 | \$ 7,085,516 | \$ 78,234 |

| Property Type | Name | Address | City | Number of Rooms | Year Built | Land Value | Improvement Value | Total Value | Improvement Value/Room |
|---------------|--|------------------------|--------|-----------------|------------|--------------|-------------------|---------------|------------------------|
| Hotel | Courtyard by Marriott | 2800 Colorado Blvd | Denton | 92 | 2007 | \$ 1,071,324 | \$ 5,611,914 | \$ 6,683,238 | \$ 60,999 |
| Hotel | Best Western Premier Crown Chase Inn & | 2450 Brinker Road | Denton | 74 | 2008 | \$ 1,334,496 | \$ 4,771,779 | \$ 6,106,275 | \$ 64,484 |
| Hotel | Residence Inn by | 3761 S, I-35E | Denton | 94 | 2014 | \$ 625,696 | \$ 6,440,481 | \$ 7,066,177 | \$ 68,516 |
| Hotel | Embassy Suites by Hilton Denton | 3100 Town Center Trail | Denton | 318 | 2016 | \$ 6,247,027 | \$ 23,752,973 | \$ 30,000,000 | \$ 74,695 |
| Hotel | Homewood Suites by | 2907 Shoreline Dr | Denton | 107 | 2008 | \$ 1,018,520 | \$ 8,098,187 | \$ 9,116,707 | \$ 75,684 |
| Hotel | Hilton Garden Inn | 3110 Colorado Blvd | Denton | 101 | 2008 | \$ 1,303,315 | \$ 8,397,896 | \$ 9,701,211 | \$ 83,147 |

APPENDIX B - TAX COMPARABLES

| Property Type | Name | Address | City | Building Size | Year Built | Land Value | Improvement Value | Total Value | Improvement Value/SF |
|---------------|----------------------------------|-----------------------|------------------|---------------|------------|--------------|-------------------|---------------|----------------------|
| Office | Medical Office | 3502 Corinth Parkway | Corinth | 9,624 | 2014 | \$ 257,048 | \$ 1,119,184 | \$ 1,376,232 | \$ 116 |
| Office | Office | 3630 FM 2181 | Hickory Creek | 6,652 | 2007 | \$ 234,876 | \$ 800,495 | \$ 1,035,371 | \$ 120 |
| Office | Gardenia Village Office Park | 26919 E UNIVERSITY DR | Little Elm | 22,836 | 2017 | \$ 1,930,928 | \$ 2,891,969 | \$ 4,822,897 | \$ 127 |
| Office | Medical Office | 3600 FM 2181 | Hickory Creek | 14,611 | 2006 | \$ 817,338 | \$ 1,952,443 | \$ 2,769,781 | \$ 134 |
| Office | Medical Office | 3901 FM 2181 | Hickory Creek | 3,286 | 1998 | \$ 193,040 | \$ 466,878 | \$ 659,918 | \$ 142 |
| Office | The District of Highland Village | 2570 FM 407 | Highland Village | 37,024 | 2009 | \$ 842,015 | \$ 5,683,685 | \$ 6,525,700 | \$ 154 |
| Office | The MAC Building | 2800 SHORELINE DR | Denton | 45,042 | 2009 | \$ 1,176,120 | \$ 7,785,351 | \$ 8,961,471 | \$ 173 |
| Office | River Walk Medical Park III | 4370 MEDICAL ARTS DR | Flower Mound | 85,917 | 2012 | \$ 534,743 | \$ 25,294,524 | \$ 25,829,267 | \$ 294 |
| Office | Dental Offices | 3003 FM 2181 TX | Corinth | 6,952 | 2017 | \$ 261,360 | \$ 2,190,743 | \$ 2,452,103 | \$ 315 |
| Office | DATCU | 3005 FM 2181 | Corinth | 3,969 | 2016 | \$ 256,133 | \$ 1,590,984 | \$ 1,847,117 | \$ 401 |

| Property Type | Name | Address | City | Number of Units | Year Built | Land Value | Improvement Value | Total Value | Improvement Value/Unit |
|---------------|--------------------------------|---------------------|---------|-----------------|------------|--------------|-------------------|---------------|------------------------|
| Multifamily | Kensington Park | 3150 Garrison Rd | Corinth | 294 | 1999 | \$ 4,872,534 | \$ 22,304,252 | \$ 27,176,786 | \$ 75,865 |
| Multifamily | Millennium Place | 6651 I35E | Corinth | 228 | 2018 | \$ 2,138,273 | \$ 24,443,224 | \$ 26,581,497 | \$ 107,207 |
| Multifamily | Oxford At Lake View | 3300 S Garrison Rd | Corinth | 240 | 2017 | \$ 3,844,606 | \$ 28,361,394 | \$ 32,206,000 | \$ 118,172 |
| Multifamily | Oxford at the Boulevard | 2010 S Corinth St | Corinth | 189 | 2011 | \$ 3,937,650 | \$ 23,562,350 | \$ 27,500,000 | \$ 124,669 |
| Multifamily | Hickory Creek Ranch Apartments | 2700 Cedar Creek Ln | Denton | 212 | 2017 | \$ 2,243,253 | \$ 27,303,026 | \$ 29,546,279 | \$ 128,788 |

| TIRZ 3 Projects | PFP | Amount |
|---|---|------------------------|
| Parkridge from Church to Lake Sharon Drive | Street and intersection improvements | \$9,724,313.00 |
| Sewer for Long Lake Development/Culbertson Property/Future Acme Brick Development | Street and intersection improvements | \$2,200,000.00 |
| Economic Development Grants | Economic Development Grants | \$1,541,398.84 |
| Administrative Costs | Administrative Costs | \$420,682.34 |
| Stormwater facilities for Long Lake Development | Stormwater Facilities and Improvements | \$368,928.22 |
| | | |
| | Total Cost for Projects within the TIRZ: | \$15,947,398.70 |

Market Reports:

Mason Joseph Company Inc. - *Multifamily Finance: 3, 5, and 10 Mile Radius*

CBRE Marketview: *Dallas/Fort Worth Office, Q2 2019*

****This analysis was created in September 2019 when areas 3 and 8 were included in the bounds of TIRZ 2, City of Corinth, for TIRZ 2's final project and financing plan. Areas 3 and 8 were subsequently excluded from TIRZ 2 due to the December 15, 2020 ILA between the City and Denton County, and areas 3 and 8 now comprise TIRZ 3. The data on the following pages was created for TIRZ 2, but the data pertaining to areas 3 and 8 apply here for TIRZ 3.***

Village Square at Corinth - Market Analysis

3 Mile Radius from Subject
8/15/2019

| PMA Characteristics | | | | |
|---|------------|------------|-----------------|--|
| | 2018 | 2023 | Annual % Change | |
| Population | 56,787 | 64,340 | 2.53% | |
| Households | 19,357 | 21,959 | 2.55% | |
| Median Household Income | \$ 87,626 | \$ 96,891 | 2.03% | |
| Median Home Price | \$ 227,962 | \$ 253,675 | 2.16% | |
| % Income Qualified (\$38,710 - \$200,000) | 76% | | | |
| Rental Tendency | 23% | | | |

| Demand Calculations | | | |
|-----------------------|------------------|-------------|------------------|
| | Population | Gross | Income Qualified |
| Annual Change | | 1,511 | 1,511 |
| Persons/Household | | 2.9 | 2.9 |
| % Rental Tendency | | 23% | 23% |
| % Income Qualified | | 100% | 76% |
| | | 122 | 92 |
| | Household Growth | Gross | Income Qualified |
| Annual Change | | 520 | 520 |
| % Rental Tendency | | 23% | 23% |
| % Income Qualified | | 100% | 76% |
| | | 122 | 92 |
| | Employment | Gross | Income Qualified |
| Annual Change | | 525 | 525 |
| Jobs/Household | | 0.75 | 0.75 |
| % Rental Tendency | | 23% | 23% |
| % Income Qualified | | 100% | 76% |
| | | 164 | 124 |
| Historic Absorption | | Comparables | |
| Annual (1-YR Average) | | 187 | |

| Employment | |
|------------------------------------|--------|
| City Population >25,000 | No |
| Employment in PMA | 14,581 |
| Jobs per Resident | 0.26 |
| Jobs per Household | 0.75 |
| County Employment 5-YR Growth Rate | 4.16% |
| MSA Employment 5-YR Growth Rate | 3.05% |
| Average Growth Rate | 3.60% |
| Projected Annual Job Growth | 525 |

| Demand Metric Weights | |
|-----------------------|-----|
| Population | 0% |
| Household Growth | 40% |
| Employment | 25% |
| Absorption | 35% |

Proposed Delivery Schedule for 3 Mile Radius

| Project | Units | Status | (4 Months) | | | | (8 Months) | | City |
|--|------------|----------------|-------------|-------------|------------|------------|------------|--|----------------|
| | | | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| Millennium Place | 228 | Lease-Up | 75 | 87 | | | | | Corinth |
| Oxford at Lake View | 240 | Lease-Up | 75 | 30 | | | | | Corinth |
| | | | | | | | | | |
| | | | | | | | | | |
| SUBJECT | 300 | Planned | | | | 165 | 135 | | Corinth |
| New Supply at Stabilized 93% Occupancy | | | 140 | 109 | 0 | 153 | 126 | | |
| Annual New Demand | | | 48 | 143 | 143 | 143 | 96 | | |
| Cumulative Excess Demand / (Supply) | | | (92) | (57) | 86 | 76 | 46 | | |

Comparable Properties (City of Corinth Only)

| Property Name | # Units | Avg Sqft | Built | Avg Rent | \$/Sqft | Occupancy |
|---------------------------------------|------------|------------|-------|----------------|---------------|------------|
| Kensington Park | 294 | 943 | 2000 | \$1,318 | \$1.40 | 94% |
| Millennium Place | 228 | 890 | 2018 | \$1,224 | \$1.37 | 29% |
| Oxford at Lake View | 240 | 863 | 2018 | \$1,223 | \$1.42 | 56% |
| Oxford at the Boulevard | 193 | 900 | 2011 | \$1,377 | \$1.53 | 93% |
| | | | | | | |
| Totals and Averages | 955 | 899 | | \$1,286 | \$1.43 | 68% |
| <i>Stabilized Totals and Averages</i> | <i>487</i> | <i>922</i> | | <i>\$1,348</i> | <i>\$1.47</i> | <i>94%</i> |

| | | |
|---------------------|-----------------------------|----|
| ESRI Data year | 2018 | |
| Project Name | Village Square at Corinth | |
| Address | | |
| State | Texas | TX |
| MSA | Dallas-Fort Worth-Arlington | |
| County | Denton County | |
| Radius from Subject | 3 Mile | |

Annual Demand Based Upon Population Growth

| | 3 Mile Radius |
|---|---------------|
| 2018 Population | 56,787 |
| 2023 Forecasted Population | 64,340 |
| Forecasted 5-year Population Growth | 7,553 |
| Average Household Size | 2.9 |
| Indicated Necessary Housing Units Annually | 521 |
| 2018 Total Housing Units | 19,669 |
| 2018 Renter Occupied Housing Units | 4,616 |
| % Renter-Occupied Housing Units | 23.5% |
| Indicated Gross Annual Demand Based Upon Population Growth | 122 |

Source: U.S. Census Bureau; Esri, Inc.

Annual Demand Based Upon Household Growth

| | 3 Mile Radius |
|--|---------------|
| 2018 Households | 19,357 |
| 2023 Forecasted Households | 21,959 |
| Forecasted 5-year Household Growth | 2602 |
| Indicated Annual Household Growth | 520 |
| % Renter-Occupied Housing Units | 23.5% |
| Indicated Gross Annual Demand Based Upon Household Growth | 122 |

Source: U.S. Census Bureau; Esri, Inc.

Jobs per Rental Unit

| Area | # of Jobs | Households | Jobs per Household |
|----------------------------|-----------|------------|--------------------|
| 3 Mile Radius from Subject | 14,581 | 19,357 | 0.8 |

Source: ESRI

"City Name"

| | |
|--------------------------|----|
| City Population > 25,000 | No |
|--------------------------|----|

Dallas-Fort Worth-Arlington

| Employment | Jobs | Growth | Growth % |
|----------------|-----------|---------|--------------|
| 2015 | 3,439,797 | - | - |
| 2016 | 3,560,010 | 120,213 | 3.49% |
| 2017 | 3,669,701 | 109,691 | 3.08% |
| 2018 | 3,763,972 | 94,271 | 2.57% |
| Average | | | 3.05% |

Source: Real Estate Center at Texas A&M

Annual Demand Based on Job Growth

| | 3 Mile Radius |
|--|---------------|
| 2018 Jobs within 3 Miles | 14,581 |
| Average Growth Rate | 3.60% |
| 2018 Jobs (Based on Growth Rate) | 15,106 |
| Indicated Job Growth | 525 |
| / Jobs per Household | 0.8 |
| % Renter-Occupied Housing Units | 23% |
| Indicated Gross Annual Demand Based Upon Job Growth | 164 |

Source: U.S. Census Bureau; Esri, Inc.

Denton County

| Employment | Jobs | Growth | Growth % |
|----------------|---------|--------|--------------|
| 2015 | 413,638 | - | - |
| 2016 | 436,692 | 23,054 | 5.57% |
| 2017 | 455,924 | 19,232 | 4.40% |
| 2018 | 467,289 | 11,365 | 2.49% |
| Average | | | 4.16% |

Source: Real Estate Center at Texas A&M

| | |
|----------------------------------|-----------|
| Minimum Project Rent | \$1,000 |
| Minimum Annual Income to Qualify | \$38,710 |
| Maximum Income Band | \$200,000 |

| Min | Max | Label | 2018 Total Households | % | 2023 Total Households | % | 2018 Income Qualified | % | Income Qualified | % |
|--------------|-----------|-----------------------|--------------------------|-------------|--------------------------|-------------|--------------------------|------------|---------------------|------------|
| \$0 | \$14,999 | <= \$14,999 | 1,005 | 5% | 948 | 4% | 0 | 0% | 0 | 0% |
| \$15,000 | \$24,999 | \$15,000 - \$24,999 | 598 | 3% | 548 | 2% | 0 | 0% | 0 | 0% |
| \$25,000 | \$34,999 | \$25,000 - \$34,999 | 1,131 | 6% | 1,063 | 5% | 0 | 0% | 0 | 0% |
| \$35,000 | \$49,999 | \$35,000 - \$49,999 | 1,788 | 9% | 1,748 | 8% | 1,346 | 7% | 1,316 | 7% |
| \$50,000 | \$74,999 | \$50,000 - \$74,999 | 3,162 | 16% | 3,275 | 15% | 3,162 | 16% | 3,275 | 17% |
| \$75,000 | \$99,999 | \$75,000 - \$99,999 | 3,417 | 18% | 3,756 | 17% | 3,417 | 18% | 3,756 | 19% |
| \$100,000 | \$149,999 | \$100,000 - \$149,999 | 4,744 | 25% | 5,939 | 27% | 4,744 | 25% | 5,939 | 31% |
| \$150,000 | \$199,999 | \$150,000 - \$199,999 | 1,961 | 10% | 2,678 | 12% | 1,961 | 10% | 2,678 | 14% |
| \$200,000 | \$999,999 | > \$200,000 | 1,550 | 8% | 2,003 | 9% | 0 | 0% | 0 | 0% |
| Total | | | 19,356 | 100% | 21,958 | 100% | 14,630 | 76% | 16,964 | 88% |

Income Qualified Demand is 76% of households.

Village Square at Corinth - Market Analysis

5 Mile Radius from Subject
8/15/2019

| PMA Characteristics | | | | |
|---|------------|------------|-----------------|--|
| | 2018 | 2023 | Annual % Change | |
| Population | 114,168 | 129,319 | 2.52% | |
| Households | 40,130 | 45,348 | 2.47% | |
| Median Household Income | \$ 85,747 | \$ 93,876 | 1.83% | |
| Median Home Price | \$ 227,962 | \$ 253,675 | 2.16% | |
| % Income Qualified (\$38,710 - \$200,000) | 70% | 0% | -100.00% | |
| Rental Tendency | 28% | | | |

| Demand Calculations | | | |
|---------------------|-----------------------|-------|------------------|
| | Population | Gross | Income Qualified |
| Annual Change | | 3,030 | 3,030 |
| Persons/Household | | 2.83 | 2.83 |
| % Rental Tendency | | 28% | 28% |
| % Income Qualified | | 100% | 70% |
| | | 304 | 214 |
| | Household Growth | Gross | Income Qualified |
| Annual Change | | 1044 | 1044 |
| % Rental Tendency | | 28% | 28% |
| % Income Qualified | | 100% | 70% |
| | | 297 | 208 |
| | Employment | Gross | Income Qualified |
| Annual Change | | - | - |
| Jobs/Household | | 0.89 | 0.89 |
| % Rental Tendency | | 28% | 28% |
| % Income Qualified | | 100% | 70% |
| | | 0 | 0 |
| | Historic Absorption | | Comparables |
| | Annual (1-YR Average) | | 329 |

| Employment | |
|------------------------------------|--------|
| City Population >25,000 | No |
| Employment in PMA | 35,788 |
| Jobs per Resident | 0.31 |
| Jobs per Households | 0.89 |
| County Employment 5-YR Growth Rate | 4.16% |
| MSA Employment 5-YR Growth Rate | 3.05% |
| Average Growth Rate | 0.00% |
| Projected Annual Job Growth | - |

| Demand Metric Weights | |
|-----------------------|-----|
| Population | 20% |
| Household Growth | 20% |
| Employment | 35% |
| Absorption | 25% |

Proposed Delivery Schedule for 5 Mile Radius

| Project | Units | Status | (4 Months) | | | | (8 Months) | | City |
|--|------------|----------------------|--------------|--------------|--------------|--------------|--------------|--|----------------|
| | | | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| Millennium Place | 228 | Lease-Up | 75 | 39 | | | | | Corinth |
| Oxford at Lake View | 240 | Lease-Up | 60 | | | | | | Corinth |
| Majestic Parc | 217 | Construction/Lease-U | 75 | 125 | | | | | Denton |
| Enclave at Brinker (Workforce) | 270 | In Research | | 90 | 180 | | | | Denton |
| Tower Bay Lofts | 308 | Under Construction | 30 | 180 | 98 | | | | Lewisville |
| SUBJECT | 300 | Planned | | | | 165 | 135 | | Corinth |
| New Supply at Stabilized 93% Occupancy | | | 223 | 404 | 259 | 153 | 126 | | 0 |
| Annual New Demand | | | 62 | 185 | 185 | 185 | 123 | | |
| Cumulative Excess Demand / (Supply) | | | (162) | (381) | (454) | (423) | (425) | | |

Comparable Properties (Built from 2000-2019)

| Property Name | # Units | Avg Sqft | Built | Avg Rent | \$/Sqft | Occupancy | City |
|--|-------------|------------|-----------------------|----------------|---------------|------------|---------------|
| Coventry | 240 | 876 | 2002 | \$1,036 | \$1.18 | 90% | Denton |
| Epic | 227 | 776 | 2017 | \$1,170 | \$1.51 | 96% | Denton |
| Hickory Creek Ranch | 212 | 893 | 2018 | \$1,329 | \$1.49 | 98% | Denton |
| Kensington Park | 294 | 943 | 2000 | \$1,232 | \$1.31 | 94% | Corinth |
| Lodge at Pecan Creek | 192 | 953 | 2011 | \$1,247 | \$1.31 | 92% | Denton |
| Longhorn Cove | 66 | 1340 | 2010 | \$1,500 | \$1.12 | 98% | Denton |
| Majestic Parc | 217 | 770 | 2019 | \$1,111 | \$1.44 | 10% | Denton |
| Mansions at Hickory Creek | 190 | 1117 | 2013 | \$1,515 | \$1.36 | 99% | Hickory Creek |
| Millennium Place | 228 | 890 | 2018 | \$1,224 | \$1.37 | 29% | Corinth |
| Oxford at Lake View | 240 | 863 | 2018 | \$1,223 | \$1.42 | 56% | Corinth |
| Oxford at the Boulevard | 193 | 900 | 2011 | \$1,377 | \$1.53 | 93% | Corinth |
| Preserve at Pecan Creek | 192 | 929 | 2008 | \$1,239 | \$1.33 | 95% | Denton |
| Timberlinks | 481 | 851 | 2004 (remodeled 2015) | \$1,320 | \$1.55 | 95% | Denton |
| Urban Square at Unicorn Lake | 205 | 982 | 2014/2015 | \$1,295 | \$1.32 | 97% | Denton |
| Totals and Averages: | 3177 | 912 | | \$1,288 | \$1.42 | 72% | |
| <i>Stabalized Totals and Averages:</i> | <i>2492</i> | <i>960</i> | | <i>\$1,296</i> | <i>\$1.36</i> | <i>95%</i> | |

| | | |
|---------------------|-----------------------------|----|
| ESRI Data year | 2018 | |
| Project Name | Village Square at Corinth | |
| Address | | |
| State | Texas | TX |
| MSA | Dallas-Fort Worth-Arlington | |
| County | Denton County | |
| Radius from Subject | 5 Mile | |

Annual Demand Based Upon Population Growth

| | 5 Mile Radius |
|---|---------------|
| 2018 Population | 114,168 |
| 2023 Forecasted Population | 129,319 |
| Forecasted 5-year Population Growth | 15,151 |
| Average Household Size | 2.83 |
| Indicated Necessary Housing Units Annually | 1,071 |
| 2018 Total Housing Units | 41,469 |
| 2018 Renter Occupied Housing Units | 11,784 |
| % Renter-Occupied Housing Units | 28.4% |
| Indicated Gross Annual Demand Based Upon Population Growth | 304 |

Source: U.S. Census Bureau; Esri, Inc.

Annual Demand Based Upon Household Growth

| | 5 Mile Radius |
|--|---------------|
| 2018 Households | 40,130 |
| 2023 Forecasted Households | 45,348 |
| Forecasted 5-year Household Growth | 5,218 |
| Indicated Annual Household Growth | 1,044 |
| % Renter-Occupied Housing Units | 28.4% |
| Indicated Gross Annual Demand Based Upon Household Growth | 297 |

Source: U.S. Census Bureau; Esri, Inc.

Jobs per Rental Unit

| Area | # of Jobs | Households | Jobs per Household |
|----------------------------|-----------|------------|--------------------|
| 5 Mile Radius from Subject | 35,788 | 40,130 | 0.9 |

Source: ESRI

"City Name"

| | |
|--------------------------|----|
| City Population > 25,000 | No |
|--------------------------|----|

Dallas-Fort Worth-Arlington

| Employment | Jobs | Growth | Growth % |
|----------------|-----------|---------|--------------|
| 2015 | 3,439,797 | - | - |
| 2016 | 3,560,010 | 120,213 | 3.49% |
| 2017 | 3,669,701 | 109,691 | 3.08% |
| 2018 | 3,763,972 | 94,271 | 2.57% |
| Average | | | 3.05% |

Source: Real Estate Center at Texas A&M

Annual Demand Based on Job Growth

| | 5 Mile Radius |
|--|---------------|
| 2018 Jobs within 5 Miles | 35,788 |
| Average Growth Rate | 0.00% |
| 2018 Jobs (Based on Growth Rate) | 35,788 |
| Indicated Job Growth | 0 |
| / Jobs per Household | 0.9 |
| % Renter-Occupied Housing Units | 28% |
| Indicated Gross Annual Demand Based Upon Job Growth | 0 |

Source: U.S. Census Bureau; Esri, Inc.

Denton County

| Employment | Jobs | Growth | Growth % |
|----------------|---------|--------|--------------|
| 2004 | 287,278 | - | - |
| 2005 | 299,695 | 12,417 | 4.32% |
| 2006 | 313,184 | 13,489 | 4.50% |
| 2007 | 324,605 | 11,421 | 3.65% |
| Average | | | 4.16% |

Source: Real Estate Center at Texas A&M

| | |
|----------------------------------|-----------|
| Minimum Project Rent | \$1,000 |
| Minimum Annual Income to Qualify | \$38,710 |
| Maximum Income Band | \$200,000 |

| Min | Max | Label | 2018 Total Households | % | 2023 Total Households | % | 2018 Income Qualified | % |
|--------------|-----------|-----------------------|-----------------------|-------------|-----------------------|-------------|-----------------------|------------|
| \$0 | \$14,999 | <= \$14,999 | 2,290 | 6% | 2,102 | 5% | 0 | 0% |
| \$15,000 | \$24,999 | \$15,000 - \$24,999 | 1,694 | 4% | 1,582 | 3% | 0 | 0% |
| \$25,000 | \$34,999 | \$25,000 - \$34,999 | 2,560 | 6% | 2,495 | 6% | 0 | 0% |
| \$35,000 | \$49,999 | \$35,000 - \$49,999 | 4,181 | 10% | 4,241 | 9% | 3,147 | 8% |
| \$50,000 | \$74,999 | \$50,000 - \$74,999 | 6,143 | 15% | 6,597 | 15% | 6,143 | 15% |
| \$75,000 | \$99,999 | \$75,000 - \$99,999 | 6,331 | 16% | 7,035 | 16% | 6,331 | 16% |
| \$100,000 | \$149,999 | \$100,000 - \$149,999 | 8,699 | 22% | 10,783 | 24% | 8,699 | 22% |
| \$150,000 | \$199,999 | \$150,000 - \$199,999 | 3,847 | 10% | 5,116 | 11% | 3,847 | 10% |
| \$200,000 | \$999,999 | > \$200,000 | 4,386 | 11% | 5,397 | 12% | 0 | 0% |
| Total | | | 40,131 | 100% | 45,348 | 100% | 28,167 | 70% |

Income Qualified Demand is 70% of households.

Village Square at Corinth - Market Analysis

10 Mile Radius from Subject
8/15/2019

| PMA Characteristics | | | |
|---|------------|------------|-----------------|
| | 2018 | 2023 | Annual % Change |
| Population | 474,861 | 544,477 | 2.77% |
| Households | 164,854 | 188,674 | 2.74% |
| Median Household Income | \$ 84,026 | \$ 93,328 | 2.12% |
| Median Home Price | \$ 227,962 | \$ 253,675 | 2.16% |
| % Income Qualified (\$38,710 - \$200,000) | 69% | | |
| Rental Tendency | 30% | | |

| Demand Calculations | | |
|-----------------------|--------|------------------|
| | Gross | Income Qualified |
| Population | | |
| Annual Change | 13,923 | 13,923 |
| Persons/Household | 2.81 | 2.81 |
| % Rental Tendency | 30% | 30% |
| % Income Qualified | 100% | 69% |
| | 1481 | 1028 |
| Household Growth | | |
| Annual Change | 4764 | 4764 |
| % Rental Tendency | 30% | 30% |
| % Income Qualified | 100% | 69% |
| | 1424 | 988 |
| Employment | | |
| Annual Change | 4,838 | 4,838 |
| Jobs/Household | 0.81 | 0.81 |
| % Rental Tendency | 30% | 30% |
| % Income Qualified | 100% | 69% |
| | 1775 | 1232 |
| Historic Absorption | | Comparables |
| Annual (1-YR Average) | | 1183 |

| Employment | |
|------------------------------------|---------|
| City Population >25,000 | No |
| Employment in PMA | 134,296 |
| Jobs per Resident | 0.28 |
| Jobs per Household | 0.81 |
| County Employment 5-YR Growth Rate | 4.16% |
| MSA Employment 5-YR Growth Rate | 3.05% |
| Average Growth Rate | 3.60% |
| Projected Annual Job Growth | 4,838 |

| Demand Metric Weights | |
|-----------------------|-----|
| Population | 20% |
| Household Growth | 20% |
| Employment | 35% |
| Absorption | 25% |

Proposed Delivery Schedule for 10 Mile Radius

| Project | Units | Status | (4 Months) | | | | (8 Months) | | City |
|--|------------|-----------------------|------------|--------------|--------------|--------------|--------------|----------------|------|
| | | | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| Point | 585 | Planned | | | 160 | 240 | 185 | Flower Mound | |
| New Haven | 48 | In Research | 24 | 24 | | | | Denton | |
| Discovery Park | 283 | Construction/Lease-Up | 83 | 200 | | | | Denton | |
| Village at Rayzor Ranch | 300 | Construction/Lease-Up | 60 | 240 | | | | Denton | |
| Woodlands Denton II | 146 | Planned | | 45 | 101 | | | Denton | |
| 800 South Welch | 8 | Construction/Lease-Up | 8 | | | | | Denton | |
| Millennium Place | 228 | Lease-Up | 75 | 87 | | | | Corinth | |
| Oxford at Lake View | 240 | Lease-Up | 75 | 30 | | | | Corinth | |
| Majestic Parc | 217 | Construction/Lease-Up | 75 | 125 | | | | Denton | |
| Enclave at Brinker | 270 | In Research | | 90 | 180 | | | Denton | |
| Tower Bay Lofts | 308 | Under Construction | 30 | 180 | 98 | | | Lewisville | |
| SUBJECT | 300 | Planned | | | | 165 | 135 | Corinth | |
| New Supply at Stabilized 93% Occupancy | | | 400 | 950 | 501 | 377 | 298 | | |
| Annual New Demand | | | 470 | 1,411 | 1,411 | 1,411 | 941 | | |
| Cumulative Excess Demand / (Supply) | | | 70 | 532 | 1,442 | 2,476 | 3,119 | | |

Comparable Properties (Built from 2010-2019) Data taken from ALN

| Property Name | # Units | Avg Sqft | Built | Avg Rent | \$/Sqft | Occupancy | City |
|--|-------------|------------|-----------|----------------|---------------|------------|------------------|
| 800 South Welch | 8 | 648 | 2019 | \$1,285 | \$1.98 | 0% | Denton |
| Bell Frisco at Main | 360 | 883 | 2012 | \$1,281 | \$1.45 | 94% | Frisco |
| Bexley River Walk | 358 | 865 | 2016 | \$1,416 | \$1.64 | 97% | Flower Mound |
| Century 380 | 416 | 1010 | 2016 | \$1,307 | \$1.29 | 89% | Aubrey |
| Cortland Phillips Creek Ranch | 520 | 988 | 2017/2018 | \$1,400 | \$1.42 | 95% | Frisco |
| District of Highland Village | 161 | 1113 | 2015/2016 | \$1,533 | \$1.38 | N/A | Highland Village |
| East End Lofts at the Railyard | 112 | 830 | 2016 | \$1,138 | \$1.37 | N/A | Denton |
| Epic | 227 | 776 | 2017 | \$1,170 | \$1.51 | 96% | Denton |
| Estates 3Eighty | 420 | 880 | 2016 | \$1,106 | \$1.26 | 94% | Aubrey |
| Four Corners | 390 | 1042 | 2016 | \$1,276 | \$1.22 | 33% | Frisco |
| Gardens of Denton | 384 | 854 | 2012/2014 | \$1,187 | \$1.39 | 96% | Denton |
| Hickory Creek Ranch | 212 | 893 | 2018 | \$1,329 | \$1.49 | 98% | Denton |
| Hillstone River Walk | 225 | 967 | 2018 | \$1,569 | \$1.62 | 90% | Flower Mound |
| Locust 210 | 52 | 764 | 2013 | \$1,117 | \$1.46 | 99% | Denton |
| Lodge at Pecan Creek | 192 | 953 | 2011 | \$1,247 | \$1.31 | 92% | Denton |
| Longhorn Cove | 66 | 1340 | 2010 | \$1,500 | \$1.12 | 98% | Denton |
| Majestic Parc | 217 | 770 | 2019 | \$1,111 | \$1.44 | 10% | Denton |
| Mansions 3Eighty | 431 | 1041 | 2016 | \$1,330 | \$1.28 | N/A | Aubrey |
| Mansions at Hickory Creek | 190 | 1117 | 2013 | \$1,515 | \$1.36 | 99% | Hickory Creek |
| Millennium Place | 228 | 890 | 2018 | \$1,224 | \$1.37 | 29% | Corinth |
| Orion McCord Park | 416 | 1120 | 2012 | \$1,491 | \$1.33 | 94% | Little Elm |
| Overlook by the Park | 384 | 959 | 2014 | \$1,347 | \$1.40 | 93% | Frisco |
| Oxford at Lake View | 240 | 863 | 2018 | \$1,223 | \$1.42 | 56% | Corinth |
| Oxford at the Boulevard | 193 | 900 | 2011 | \$1,377 | \$1.53 | 93% | Corinth |
| Park Central at Flower Mound | 307 | 920 | 2012 | \$1,487 | \$1.62 | 92% | Flower Mound |
| Sorrel Phillips Creek Ranch | 352 | 1023 | 2015 | \$1,363 | \$1.33 | 90% | Frisco |
| Urban Square at Unicorn Lake | 205 | 982 | 2014/2015 | \$1,295 | \$1.32 | 97% | Denton |
| Victoria Station | 80 | 778 | 2011 | \$1,090 | \$1.40 | 94% | Denton |
| Victoria Village | 35 | 684 | 2011 | \$1,013 | \$1.48 | 99% | Denton |
| Village at Lakefront | 242 | 706 | 2017 | \$988 | \$1.40 | 93% | Little Elm |
| Village at Rayzor Ranch | 300 | 852 | 2019 | \$1,473 | \$1.73 | 8% | Denton |
| Woodlands Denton I | 148 | 827 | 2015 | \$1,134 | \$1.37 | 99% | Denton |
| Totals and Averages: | 8071 | 914 | | \$1,291 | \$1.43 | 80% | |
| <i>Stabilized Totals and Averages:</i> | <i>7306</i> | <i>932</i> | | <i>\$1,294</i> | <i>\$1.40</i> | <i>90%</i> | |

| | | |
|---------------------|-----------------------------|----|
| ESRI Data year | 2018 | |
| Project Name | Village Square at Corinth | |
| Address | | |
| State | Texas | TX |
| MSA | Dallas-Fort Worth-Arlington | |
| County | Denton County | |
| Radius from Subject | 10 Mile | |

Annual Demand Based Upon Population Growth

| | 10 Mile Radius |
|---|----------------|
| 2018 Population | 474,861 |
| 2023 Forecasted Population | 544,477 |
| Forecasted 5-year Population Growth | 69,616 |
| Average Household Size | 2.81 |
| Indicated Necessary Housing Units Annually | 4,955 |
| 2018 Total Housing Units | 170,655 |
| 2018 Renter Occupied Housing Units | 51,018 |
| % Renter-Occupied Housing Units | 29.9% |
| Indicated Gross Annual Demand Based Upon Population Growth | 1481 |

Source: U.S. Census Bureau; Esri, Inc.

Annual Demand Based Upon Household Growth

| | 10 Mile Radius |
|--|----------------|
| 2018 Households | 164,854 |
| 2023 Forecasted Households | 188,674 |
| Forecasted 5-year Household Growth | 23820 |
| Indicated Annual Household Growth | 4,764 |
| % Renter-Occupied Housing Units | 29.9% |
| Indicated Gross Annual Demand Based Upon Household Growth | 1424 |

Source: U.S. Census Bureau; Esri, Inc.

Jobs per Rental Unit

| Area | # of Jobs | Households | Jobs per Household |
|-----------------------------|-----------|------------|--------------------|
| 10 Mile Radius from Subject | 134,296 | 164,854 | 0.8 |

Source: ESRI

"City Name"

| | |
|--------------------------|----|
| City Population > 25,000 | No |
|--------------------------|----|

Dallas-Fort Worth-Arlington

| Employment | Jobs | Growth | Growth % |
|----------------|-----------|---------|--------------|
| 2015 | 3,439,797 | - | - |
| 2016 | 3,560,010 | 120,213 | 3.49% |
| 2017 | 3,669,701 | 109,691 | 3.08% |
| 2018 | 3,763,972 | 94,271 | 2.57% |
| Average | | | 3.05% |

Source: Real Estate Center at Texas A&M

Annual Demand Based on Job Growth

| | 10 Mile Radius |
|--|----------------|
| 2018 Jobs within 10 Miles | 134,296 |
| Average Growth Rate | 3.60% |
| 2018 Jobs (Based on Growth Rate) | 139,134 |
| Indicated Job Growth | 4,838 |
| / Jobs per Household | 0.8 |
| % Renter-Occupied Housing Units | 30% |
| Indicated Gross Annual Demand Based Upon Job Growth | 1,775 |

Source: U.S. Census Bureau; Esri, Inc.

Denton County

| Employment | Jobs | Growth | Growth % |
|----------------|---------|--------|--------------|
| 2015 | 413,638 | - | - |
| 2016 | 436,692 | 23,054 | 5.57% |
| 2017 | 455,924 | 19,232 | 4.40% |
| 2018 | 467,289 | 11,365 | 2.49% |
| Average | | | 4.16% |

Source: Real Estate Center at Texas A&M

| | |
|----------------------------------|-----------|
| Minimum Project Rent | \$1,000 |
| Minimum Annual Income to Qualify | \$38,710 |
| Maximum Income Band | \$200,000 |

| Min | Max | Label | 2018 Total Households | % | 2023 Total Households | % | 2018 Income Qualified | % | Income Qualified | % |
|--------------|-----------|-----------------------|--------------------------|-------------|--------------------------|-------------|--------------------------|------------|---------------------|------------|
| \$0 | \$14,999 | <= \$14,999 | 10,780 | 7% | 9,921 | 5% | 0 | 0% | 0 | 0% |
| \$15,000 | \$24,999 | \$15,000 - \$24,999 | 8,399 | 5% | 7,986 | 4% | 0 | 0% | 0 | 0% |
| \$25,000 | \$34,999 | \$25,000 - \$34,999 | 10,086 | 6% | 9,924 | 5% | 0 | 0% | 0 | 0% |
| \$35,000 | \$49,999 | \$35,000 - \$49,999 | 16,941 | 10% | 17,404 | 9% | 12,751 | 8% | 13,099 | 8% |
| \$50,000 | \$74,999 | \$50,000 - \$74,999 | 25,820 | 16% | 28,056 | 15% | 25,820 | 16% | 28,056 | 17% |
| \$75,000 | \$99,999 | \$75,000 - \$99,999 | 24,116 | 15% | 26,859 | 14% | 24,116 | 15% | 26,859 | 16% |
| \$100,000 | \$149,999 | \$100,000 - \$149,999 | 34,103 | 21% | 42,087 | 22% | 34,103 | 21% | 42,087 | 26% |
| \$150,000 | \$199,999 | \$150,000 - \$199,999 | 17,597 | 11% | 24,282 | 13% | 17,597 | 11% | 24,282 | 15% |
| \$200,000 | \$999,999 | > \$200,000 | 17,011 | 10% | 22,154 | 12% | 0 | 0% | 0 | 0% |
| Total | | | 164,853 | 100% | 188,673 | 100% | 114,387 | 69% | 134,383 | 82% |

Income Qualified Demand is 69% of households.

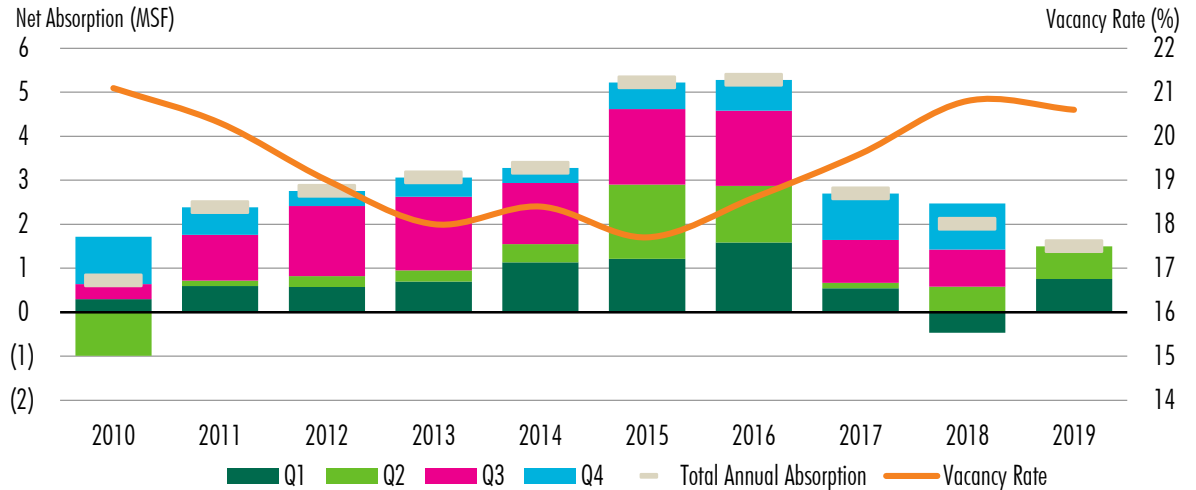
Dallas/Fort Worth Office, Q2 2019

DFW absorption positive due to Class A demand

▼ Vacancy Rate 20.6%
▲ Avg. Asking Rate \$25.26 PSF (FSG)
▼ Net Absorption 744,109 SF
▲ Deliveries 711,220 SF
▲ Under Construction 4.3 MSF

Figure 1: Historical Absorption and Vacancy Rate

*Arrows indicate change from previous quarter.



Source: CBRE Research, Q2 2019.

DFW SEES RECORD-BREAKING SALE

Lincoln Property Company's 1900 Pearl development sold in April to the State Teachers Retirement System of Ohio at a record-breaking \$700 per sq. ft., which is the highest price paid per square foot of any Dallas office property sale to date. The sale briefly held the top spot in the state of Texas before being overtaken by Austin's Third + Shoal building, which sold earlier in June. The trend of high dollar building sales in Texas has been carrying over since last year, including DFW's Infomart and One AT&T Plaza. In this quarter, Dallas-based TIER REIT merged with Cousins Properties resulting in a \$7.8 billion market capitalization for Cousins. DFW has continued to see investment interest from all areas of the country and its capital markets remain strong going into the next quarter.

CONSTRUCTION OUTLOOK FIRM

Construction in Q2 2019 saw a slight uptick from earlier in the year with a total of 20 buildings currently being built in DFW. Totaling 4,363,294 sq. ft. of new office space underway, this is the highest the pipeline has been since Q2 of 2018. Development activity is expected to remain stable in the short term due to proposed projects set to break ground later in the year, such as Kaizen Partner's The Link in Uptown. This quarter also boasted three new deliveries, including The Epic, providing the first premier office product to the Deep Ellum area.

CLASS A CARRIES ABSORPTION

Positive absorption continued in Dallas/Fort Worth for the fifth consecutive quarter with 744,109 sq. ft. of newly occupied space in the second quarter of 2019. Absorption was reinforced entirely by Class A product, with Class B and C buildings having a significant negative showing in Q2 2019. Class A product has accounted for 1,495,682 sq. ft. of positive absorption halfway through 2019 in large part due to new deliveries and large leases signed to high quality buildings in the Metroplex. The most significant move of the quarter was Lockheed Martin taking occupancy in their new building at 5401 N Beach Street in Fort Worth.

LABOR MARKET REMAINS POSITIVE

According to the Bureau of Labor Statistics, 119,000 new nonfarm jobs have been added to the DFW market since April 2018 and outlines a 3.3% growth rate year over year. The unemployment rate in Dallas/Fort Worth is lower than the national average by which DFW sits at 2.8%. Office-using sectors, such as professional and business services, information, and financial activities, have continued expanding at a combined job growth rate percentage of 4.2% since last April.

Figure 2: Dallas/Fort Worth Office Market Statistics

| Submarket | Net Rentable Area | Total Vacancy (%) | Total Availability (%) | Average Asking Rate FSG (\$/SF/YR) | Under Construction (SF) | Deliveries (SF) | Q2 2019 Net Absorption | 2019 YTD Net Absorption |
|---------------------|-------------------|-------------------|------------------------|------------------------------------|-------------------------|-----------------|------------------------|-------------------------|
| Central Expressway | 10,623,543 | 13.8 | 21.5 | 30.78 | - | - | 59,814 | 132,774 |
| Class A | 7,103,533 | 13.9 | 20.5 | 32.97 | - | - | 50,431 | 73,878 |
| Class B | 3,520,010 | 13.6 | 23.7 | 28.18 | - | - | 9,383 | 58,896 |
| Dallas CBD | 27,192,649 | 26.2 | 30.7 | 26.81 | 60,230 | - | (35,435) | 7,496 |
| Class A | 22,021,095 | 26.6 | 31.3 | 29.57 | 60,230 | - | 33,656 | 25,989 |
| Class B | 4,958,197 | 25.7 | 29.1 | 21.15 | - | - | (69,091) | (18,493) |
| East Dallas | 2,502,557 | 20.2 | 25.7 | 18.03 | - | 294,820 | 76,082 | 75,991 |
| Class A | 404,820 | 63.1 | 55.8 | 49.80 | - | 294,820 | 45,991 | 45,991 |
| Class B | 1,745,732 | 13.3 | 21.0 | 16.97 | - | - | 20,097 | 20,006 |
| Far North Dallas | 44,739,182 | 21.5 | 26.8 | 27.05 | 1,080,966 | - | 6,514 | 481,797 |
| Class A | 29,068,684 | 21.6 | 27.1 | 32.86 | 1,080,966 | - | 290,160 | 756,920 |
| Class B | 15,568,402 | 21.5 | 26.5 | 21.87 | - | - | (283,646) | (275,123) |
| Las Colinas | 31,648,388 | 18.6 | 26.1 | 25.88 | 2,128,000 | 216,400 | 32,835 | 188,448 |
| Class A | 18,007,596 | 15.8 | 25.6 | 29.66 | 2,025,000 | 216,400 | 432,246 | 466,362 |
| Class B | 12,999,324 | 22.7 | 27.3 | 22.60 | 103,000 | - | (364,704) | (246,914) |
| LBJ Freeway | 19,368,099 | 25.2 | 27.8 | 20.95 | - | - | (153,590) | (385,786) |
| Class A | 10,463,813 | 23.0 | 25.6 | 25.31 | - | - | 72,358 | (91,712) |
| Class B | 8,734,724 | 28.0 | 30.6 | 18.89 | - | - | (221,068) | (290,179) |
| Lewisville / Denton | 3,502,149 | 8.7 | 14.5 | 22.91 | 40,000 | - | (3,479) | 23,372 |
| Class A | 189,124 | 0.0 | 14.5 | 21.75 | - | - | 40,624 | 40,624 |
| Class B | 3,247,273 | 9.4 | 14.8 | 22.51 | 40,000 | - | (44,103) | (17,252) |
| Preston Center | 4,125,597 | 11.5 | 15.8 | 39.08 | 118,000 | - | (15,927) | (47,015) |
| Class A | 3,332,751 | 11.2 | 16.1 | 43.03 | 118,000 | - | (33,049) | (43,586) |
| Class B | 725,168 | 13.0 | 14.7 | 33.84 | - | - | 17,122 | 4,935 |
| Richardson / Plano | 23,587,231 | 22.5 | 25.5 | 21.94 | 300,000 | - | 116,335 | (106,714) |
| Class A | 12,455,848 | 26.1 | 29.2 | 26.50 | 300,000 | - | 104,331 | (30,225) |
| Class B | 10,813,678 | 18.6 | 21.6 | 18.93 | - | - | 43,985 | (46,805) |
| SW Dallas | 1,521,211 | 8.2 | 9.0 | 20.77 | 315,000 | - | (542) | 51,363 |
| Class A | 280,592 | 8.3 | 10.1 | 20.50 | - | - | 0 | 19,482 |
| Class B | 1,054,965 | 7.8 | 9.4 | 16.59 | 315,000 | - | 6,386 | 38,809 |
| Stemmons Freeway | 9,082,026 | 27.1 | 30.0 | 16.47 | - | - | 41,902 | 103,300 |
| Class A | 4,230,561 | 19.2 | 23.4 | 19.38 | - | - | 20,241 | (5,276) |
| Class B | 4,407,786 | 35.4 | 36.5 | 15.42 | - | - | 22,867 | 111,084 |
| Uptown/Turtle Creek | 12,340,438 | 15.2 | 20.6 | 45.72 | 321,098 | - | 117,515 | 243,028 |
| Class A | 10,145,143 | 15.1 | 20.1 | 48.63 | 321,098 | - | 89,568 | 197,392 |
| Class B | 2,057,411 | 16.3 | 24.1 | 36.28 | - | - | 27,947 | 45,636 |

Figure 2: Dallas/Fort Worth Office Market Statistics (continued)

| Submarket | Net Rentable Area | Total Vacancy (%) | Total Availability (%) | Average Asking Rate FSG (\$/SF/YR) | Under Construction (SF) | Deliveries (SF) | Q2 2019 Net Absorption | 2019 YTD Net Absorption |
|-------------------------|--------------------|-------------------|------------------------|------------------------------------|-------------------------|-----------------|------------------------|-------------------------|
| Fort Worth CBD | 9,189,535 | 15.1 | 16.5 | 26.91 | - | - | 57,606 | (11,550) |
| Class A | 6,765,387 | 14.5 | 16.0 | 30.92 | - | - | 22,285 | 25,231 |
| Class B | 2,321,773 | 17.4 | 18.5 | 19.89 | - | - | 35,321 | (36,691) |
| Mid Cities | 13,146,293 | 21.1 | 26.3 | 19.14 | - | - | (39,460) | 95,349 |
| Class A | 4,704,429 | 29.7 | 33.9 | 23.69 | - | - | 24,733 | 125,234 |
| Class B | 7,702,598 | 16.7 | 23.0 | 17.67 | - | - | (80,289) | (44,452) |
| North Fort Worth | 1,639,338 | 26.8 | 28.4 | 21.28 | - | 200,000 | (26,651) | (63,900) |
| Class A | 1,245,246 | 32.7 | 31.2 | 20.13 | - | 200,000 | (24,951) | (82,306) |
| Class B | 344,068 | 8.8 | 19.2 | 21.55 | - | - | (1,700) | 17,809 |
| NE Fort Worth | 2,797,461 | 20.1 | 21.1 | 17.74 | - | - | 483,801 | 749,789 |
| Class A | 415,921 | 56.9 | 58.8 | 21.47 | - | - | 51,564 | 60,980 |
| Class B | 2,229,006 | 13.4 | 14.3 | 17.12 | - | - | 431,874 | 689,150 |
| South Fort Worth | 6,157,591 | 11.1 | 15.8 | 22.37 | - | - | 26,789 | (42,060) |
| Class A | 2,259,956 | 6.8 | 15.0 | 27.34 | - | - | 27,993 | 28,601 |
| Class B | 3,519,310 | 13.8 | 16.9 | 22.51 | - | - | (9,898) | (53,720) |
| Dallas Total | 190,233,070 | 21.0 | 26.0 | 26.08 | 4,363,294 | 511,220 | 242,024 | 768,054 |
| Class A | 117,703,560 | 20.9 | 26.3 | 32.04 | 3,905,294 | 511,220 | 1,146,557 | 1,455,839 |
| Class B | 69,832,670 | 21.6 | 20.0 | 21.24 | 458,000 | - | (834,825) | (615,400) |
| Fort Worth Total | 32,390,443 | 18.1 | 21.6 | 20.97 | - | 200,000 | 502,085 | 727,628 |
| Class A | 14,851,164 | 21.4 | 24.6 | 26.07 | - | 200,000 | 101,624 | 157,740 |
| Class B | 16,116,755 | 15.6 | 19.8 | 19.04 | - | - | 375,308 | 572,006 |
| DFW Total | 222,623,513 | 20.6 | 25.4 | 25.26 | 4,363,294 | 711,220 | 744,109 | 1,495,682 |
| Class A | 132,554,724 | 21.0 | 26.1 | 31.37 | 3,905,294 | 711,220 | 1,248,181 | 1,613,579 |
| Class B | 85,949,425 | 20.5 | 24.8 | 20.75 | 458,000 | - | (459,517) | (43,394) |

Source: CBRE Research, Q2 2019.

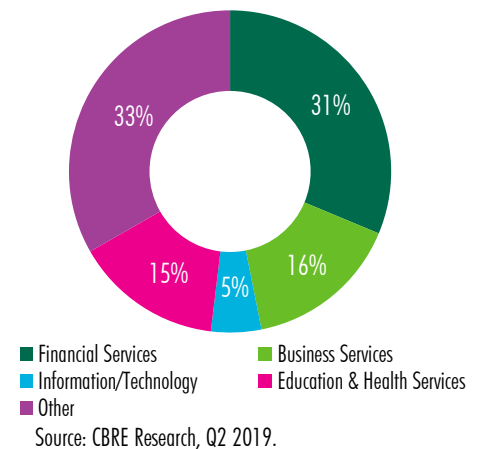
*Although Class C is not shown, totals are inclusive of all classes of data.

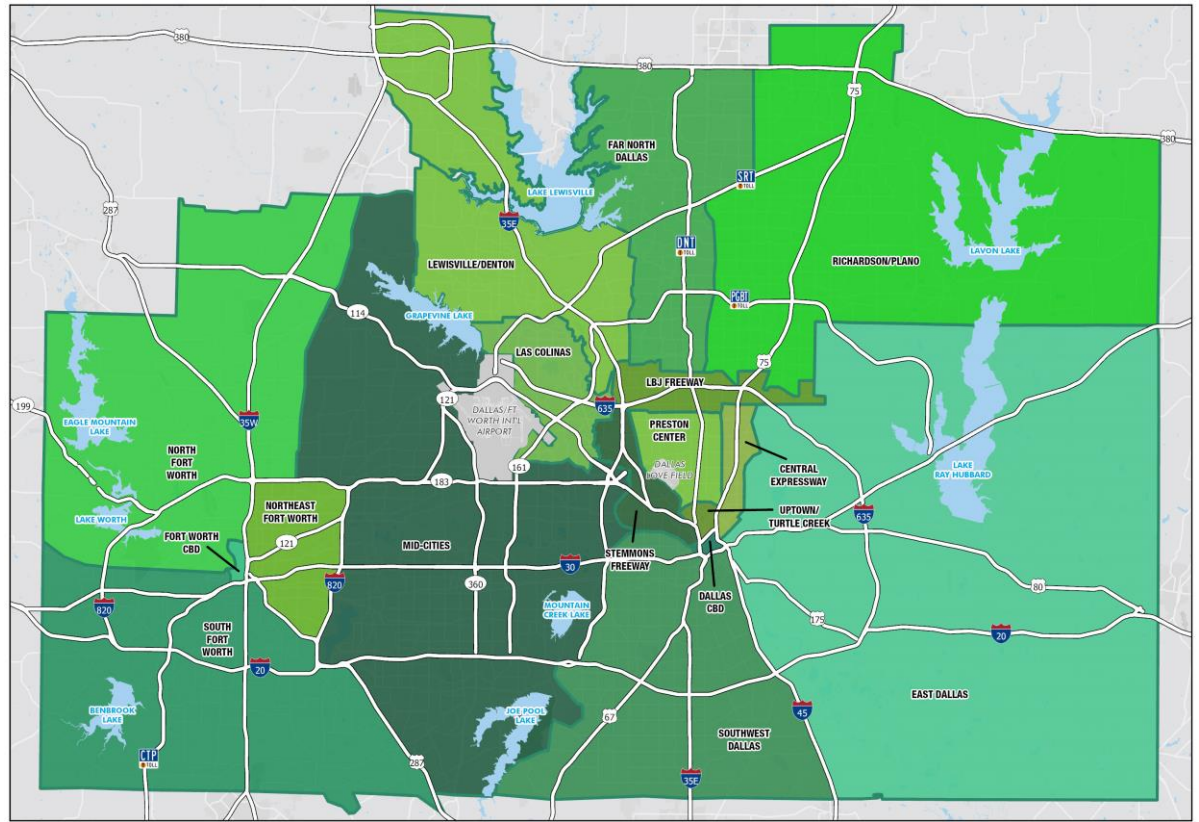
Figure 3: Significant Leases / Sales of the Quarter

| Lease (Tenant) | Building Name | Address | Total SF |
|--|---|-------------------|------------|
| Lockheed Martin | 5401 N Beach St | 5401 N Beach St | 431,579 |
| Tenet Health Care | International Plaza - Building I | 14201 Dallas Pkwy | 376,558 |
| Large Financial Institution | Pinnacle The Plaza at Solana - Building 1 | 1301 Solana Blvd | 88,520 |
| Sale (Buyer) | Building Name | Address | Total SF |
| Cousins Properties | Multi-Property Portfolio Sale | - | 1,540,182* |
| State Teachers Retirement System of Ohio | 1900 Pearl | 1900 N Pearl St | 261,400 |

Source: CBRE Research, Q2 2019. *DFW buildings only

Figure 4: 2019 Signed Leases by Industry





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DEFINITIONS

Average Asking Rate Direct Annual Lease Rates, NNN, Modified Gross and/or Full Service Gross, dependent upon Submarket. *Availability* All existing space being marketed for lease. *Total Vacancy Rate* Direct Vacancy + Sublease Vacancy. *CBD* Central Business District; consists of Dallas' Central Business District only.

SURVEY CRITERIA

CBRE's market report analyzes existing single- and multi-tenant office buildings that total 30,000+ sq. ft. in Dallas / Fort Worth, excluding owner-occupied buildings. CBRE assembles all information through telephone canvassing, third-party vendors, and listings received from owners, tenants and members of the commercial real estate brokerage community.

BUSINESS ITEM 13.

City Council Regular and Workshop Session

Meeting Date: 03/18/2021

Title: Repeal Disaster Ordinance

Submitted For: Bob Hart, City Manager

Submitted By: Lana Wylie, City Secretary

City Manager Review: Approval: Bob Hart, City Manager

Strategic Goals: Infrastructure Development
Citizen Engagement & Proactive
Government
Organizational Development

AGENDA ITEM

Consider and take appropriate action on previously adopted city ordinances and disaster declarations as necessary to comply with Governor Abbott Executive Order GA34 relative to COVID-19 and to continue necessary disaster operations by the City.

AGENDA ITEM SUMMARY/BACKGROUND

Governor Abbott issued executive order 34 relating to the opening of Texas in response to the COVID-19 disaster. The order repeals the requirement to wear a mask and prohibits cities from requiring the wearing of masks. Consequently, it is necessary to repeal the ordinance adopted in July 2020. The ordinance repeals the requirement to wear a mask but specifically retains the references to disaster declarations in order to receive and expend federal funds related to COVID-19 mitigation measures.

RECOMMENDATION

Staff recommends the adoption of the ordinance with a specific comment to retain the authority to receive and expend federal funds for COVID-19 relief.

Attachments

Ordinance

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS REPEALING PROVISIONS OF THE CITY'S ORDINANCES AND COUNCIL DECLARATIONS OF LOCAL DISASTER RELATED TO COVID-19 IN CONFLICT WITH THE GOVERNOR ABBOTT'S RECENT EXECUTIVE ORDER (GA-34); ENCOURAGING CONTINUED DISASTER MITIGATION EFFORTS RELATED TO COVID-19; PROVIDING FOR THE INCORPORATION OF PREMISES; PROVIDING SEVERABILITY; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, beginning in December 2019, Coronavirus Disease (COVID-19), has spread throughout the world and has now been declared a global pandemic by the World Health Organization; and

WHEREAS, on March 13, 2020, Texas Governor Greg Abbott declared a statewide public health disaster due to COVID-19; and

WHEREAS, pursuant to Section 37.08, "Organization", of Chapter 37, "Emergency Management", of Title III, "Administration", of the City of Corinth's Code of Ordinances, the Mayor serves as the Emergency Management Director of the City's Office of Emergency Management; and

WHEREAS, the Mayor determined it necessary to declare a local state of disaster due to public health emergency, and rather than exercising his authority to issue a declaration of local disaster for a seven-day period and seek extension or continuation by City Council, the Mayor presented Ordinance No. 20-04-02-08 to the City Council to take effect at 10:59 p.m. on April 2, 2020 and to remain in effect until the Mayor declares the emergency terminated; and

WHEREAS, the known cases of COVID-19 diagnosed in the State of Texas are currently increasing daily and the disease is easily transmitted through person to person contact, especially in group settings, thus, it is essential that the spread of the virus be slowed to protect members of the public, to protect the ability of public and private health care providers to handle the influx of new patients and to safeguard public health and safety; and

WHEREAS, on June 2, 2020, the Denton County Commissioner's Court issued an executive order extending Denton County's state of public disaster due to COVID-19; and

WHEREAS, on June 26, 2020, in response to the current rise in COVID-19 cases in Texas, Governor Abbott issued Executive Order GA-28 relating to Phase III of the Governor's plan to re-open Texas; and

WHEREAS, on March 2, 2021, Governor Greg Abbott issued Executive Order GA-34, which rescinded his previous orders related to mandates on face coverings and restrictions on gathering, but continued to permit business owners and other establishments to require employees and customers to wear face coverings; and

WHEREAS, the City of Corinth has the authority to issue an order that is not inconsistent with the Governor’s order; and

WHEREAS, in order to be consistent with other state and local directives issued by Governor Abbott and Denton County, the Council has determined it necessary to adopt this Ordinance to repeal any provisions of previous Council ordinances or declarations inconsistent with GA-34, to require City employees to wear face coverings in certain instances, and to encourage continued mitigation efforts; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS:

SECTION 1. INCORPORATION OF PREMISES.

- 1.01. Recitals. The premises set forth above are the stated findings of the City Council of the City of Corinth, serve as the basis for and are incorporated into this Ordinance as if written word for word.
- 1.02. Executive Orders of Governor Abbott. All declarations and orders issued by Governor Abbott and the Denton County Judge relative to the COVID-19 disaster are incorporated herein to the extent applicable for receipt of federal and state funds to mitigate the costs of COVID-19 incurred by the City of Corinth, including expenditures of such funds to facilitate the delivery of City services remotely.
- 1.03. Council Declarations Repealed. Council disaster declarations related to COVID-19 issued via Ordinances Nos. _____ and 20-05-07-___, are hereby repealed to the extent the regulations provided within are in conflict with GA-34, specifically all conflicting regulations related to face coverings and restrictions on gathering.

SECTION 2. CITY FACILITIES/MITIGATION EFFORTS.

- 2.01 **Public.** Within City owned facilities, it is encouraged, but not required, that all persons of the public 10 years or older wear a face covering, according to the CDC guidelines, over their nose and mouth when in a building or other space open to the public.
- 2.02 **City Employees.** All City of Corinth employees are encouraged to wear face coverings in City facilities and are required to abide by applicable personnel policies.
- 2.03 **Mitigation Efforts.** Face coverings are a secondary strategy to other mitigation efforts. Face coverings are not a replacement for social distancing, frequent handwashing, quarantining, and self-isolation when sick. People are encouraged to maintain the following habits while in public: washing hands before you leave home and when you return, staying at least six feet away from others, avoiding touching nose or face, not using disposable masks more than three times, and washing reusable cloth masks regularly to prevent the spread of the COVID-19.

SECTION 3. PUBLICATION. This Ordinance shall be given prompt and general publicity and shall be filed promptly with the City Secretary.

SECTION 4. SEVERABILITY. If any subsection, sentence, clause, phrase, or word of this Ordinance or application of it to any person, structure, gathering, or circumstance is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, then such decision will not affect the validity of the remaining portions of applications of this Ordinance.

SECTION 5. EXECUTIVE ORDERS. To the greatest extent possible, this Ordinance shall be interpreted as consistent with and supplemental to any executive order issued by the Governor of Texas. All provisions of the executive orders of the Governor of Texas either existing or subsequently issued, and which are made applicable to all jurisdictions by law, shall be automatically incorporated into and constitute terms of this Order, and shall be enforceable as if set forth herein without the necessity for the issuance of any further orders.

SECTION 6. CONTINUATION AND EFFECTIVE DATE. This Ordinance shall become effective immediately at 12:01 a.m. on March 19, 2021.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF CORINTH THIS 18th DAY OF MARCH 2020.

APPROVED:

Bill Heidemann, Mayor

ATTEST:

Lana Wylie, City Secretary

APPROVED AS TO FORM:

Patricia A. Adams, City Attorney

BUSINESS ITEM 14.

City Council Regular and Workshop Session

Meeting Date: 03/18/2021
Title: Budget Amendment
Submitted For: Bob Hart, City Manager
Submitted By: Lee Ann Bunselmeyer, Director
Finance Review: Yes
Legal Review: N/A
City Manager Review: Approval: Bob Hart, City Manager
Strategic Goals: Land Development
Infrastructure Development
Economic Development

AGENDA ITEM

Consider and act on ordinance 21-03-18-09 of the City of Corinth approving an amendment to the fiscal year 2020-2021 budget and annual program of services to provide expenditures of funds for emergency supplies and equipment related to the February 2021 winter storm; and providing an effective date.

AGENDA ITEM SUMMARY/BACKGROUND

The current FY 2020-2021 City of Corinth Annual Program of Services adopted September 2020, does not include sufficient funding for the emergency expenditures for the Utility Fund. The amendment for council consideration is to allow the appropriation of funds from the utility fund balance for emergency supplies and equipment related to the February 2021 winter storm.

The total amount of funding added to the Utility Fund General Services division is \$85,000.

RECOMMENDATION

Staff recommends approval of the ordinance approving the budget amendment for the Utility Fund.

Attachments

Budget Amendment

ORDINANCE NO. 21-03-18-___

AN ORDINANCE OF THE CITY OF CORINTH, TEXAS APPROVING AN AMENDMENT TO ORDINANCE NO. 20-09-24-31 REGARDING THE FISCAL YEAR 2020-2021 CITY OF CORINTH BUDGET AND ANNUAL PROGRAM OF SERVICES TO PROVIDE FOR EXPENDITURES OF FUNDS TO PAY FOR EMERGENCY SUPPLIES AND EQUIPMENT DUE TO THE FEBRUARY WINTER STORM; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Corinth is a home-rule municipality acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the local Government Code; and

WHEREAS, the City Council adopted a budget and appropriated resources for the budget year beginning October 1, 2020, and ending September 30, 2021 by Ordinance No. 20-09-24-31; and

WHEREAS, the current adopted budget for fiscal year 2020-2021 does not have adequate funding to pay \$85,000 for emergency supplies and equipment due to the February winter storm; and

WHEREAS, the City Council deems it appropriate and necessary to amend the budget to reflect expenditures to pay an additional \$85,000 for emergency supplies and equipment due to the February winter storm;

WHEREAS, the Council finds that this budget amendment is consistent with § 9.05 of the City Charter and the proposed change in the budget is for a municipal purpose;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CORINTH HEREBY ORDAINS:

SECTION I

The findings set forth in the above preamble to this Ordinance are true and correct.

SECTION II

Ordinance No. 20-09-24-31, the budget for the fiscal year beginning October 1, 2020, and ending September 30, 2021, shall be amended as follows:

Eighty-five thousand dollars (\$85,000) shall be appropriated into the Expenditures Line Items for the Utility Fund, General Services division.

Ordinance No. 21-03-18-___

The City of Corinth Budget and Annual Program of Services is hereby amended to increase both the Utility General Services Expenditures by **\$85,000** in the Utility Fund for emergency supplies due to the February winter storm. Further, the City Council affirms its approval of the expenditure of funds for the aforementioned purposes.

SECTION IV

The City Secretary is hereby directed to attach a copy of this Ordinance to Ordinance No. 20-09-24-31.

SECTION V

Pursuant to Section 102.009(d) of the Texas Local Government Code, the municipal budget officer is directed to file a true copy of this amendment with the Denton County Clerk. If the mayor objects to this ordinance, it shall be adopted by a majority of the entire City Council.

SECTION VI

This Ordinance shall be in full force and effect after its passage, and it is so ordained.

PASSED AND APPROVED ON THIS THE 18th DAY OF MARCH 2021.

SEAL

Bill Heidemann, Mayor

ATTEST:

Lana Wylie, City Secretary

APPROVED AS TO FORM AND LEGALITY:

Patricia Adams, City Attorney

City Council Regular and Workshop Session

Meeting Date: 03/18/2021

Title: Resolution of Condemnation for Furtick Tracts

Submitted For: Helen-Eve Beadle, Director

Submitted By: Lee Ann Bunselmeyer,
Director

Finance Review: Yes

Legal Review: Yes

City Manager Review: Approval: Bob Hart, City Manager

Strategic Goals: Land Development
Infrastructure Development
Economic Development

AGENDA ITEM

Consider and act on a resolution of the City Council of the City of Corinth, Texas, finding that a public necessity exists to acquire rights-of-way, water line easement and temporary construction easement for road and utilities purposes and other public uses, which properties are generally described as being located at 3404 Dobbs Rd, Corinth, Texas, which is more particularly described as a portion of land in the H. Garrison Survey, Abstract 507, Tract 7, and properties located at 6801 S. I-35E, Corinth, Texas, which is more particularly described as a portion of land in the H. Garrison Survey, Abstract 507, Tract 8, all located in Denton County, Texas; providing notice of an official determination to acquire real properties by eminent domain for road and utilities purposes and other public uses; authorizing the city manager or his designee to obtain the necessary appraisal reports and make bona fide offers of just compensation for the herein described properties; ratifying prior documents made and actions taken for acquisition of the properties herein described; authorizing legal counsel to institute eminent domain proceedings on behalf of the city for the acquisition of the properties herein described if negotiations are unsuccessful; appropriating funds from a lawful source; providing a cumulative repealer clause; providing a severability clause; and providing for an effective date.

AGENDA ITEM SUMMARY/BACKGROUND

City Staff has been working to obtain the necessary right of way and easements for the Lake Sharon Dr. and Dobbs Rd. realignment project for just over two years. This project will widen the roadway to a four-lane divided section that will run from I-35E Frontage Road to the Dobbs Rd./Quail Run/Corinth Parkway intersection, provide for a roundabout at the intersection, improve roadway safety, improve drainage, and connect to the future TxDOT proposed underpass at I-35E.

At this point, the City has acquired all the necessary right of way and easements except for three landowners. Two of which we are finalizing the details and the other is the property referenced in this resolution. Staff prefers to work with landowners over utilizing the eminent domain route, but in this instance, it is necessary to move this project along. The easement and fee simple property purchases along the Yasi Land Holdings LP tracts are an integral part of this capital project and will improve access to Interstate 35E. Additionally, a new 20" transmission waterline for the City of Corinth's new water tower along Quail Run Drive will be incorporated into this project. The construction of the infrastructure involved with this project is fundamental to the future growth and development of the City of Corinth.

RECOMMENDATION

The Planning & Development Department recommends approving this resolution. A recommended motion to follow necessary state law is provided as follows:

"I move that the City of Corinth authorize the use of the power of eminent domain to acquire tracts of land containing:

0.177 acres (7,719 sq. feet), more or less, Right-of-Way located at 3404 Dobbs Rd, Corinth TX, 76208, H. Garrison Survey, Abstract No. 507, Tract 7 (as more fully described in Exhibit "A1" of the proposed resolution for this item);

0.146 (6,361 sq. feet), more or less, Temporary Construction Easement at 3404 Dobbs Rd, Corinth TX, 76208, H. Garrison Survey, Abstract No. 507, Tract 7 (as more fully described in Exhibit "A2" of the proposed resolution for this item);

0.021 acres (911 sq. feet), more or less, Right-of-Way located at 6801 S. I-35E Corinth TX, 76210, H. Garrison Survey, Abstract 507, Tract 8 (as more fully described in Exhibit "B1" of the proposed resolution for this item); and

0.027 acres (1,181 sq. feet), more or less, permanent water line easement located at 6801 S. I-35 E Corinth T, 76210, H. Garrison Survey, Abstract No. 507, Tract 8 (as more fully described in Exhibit "B2" of the proposed resolution for this item),

for the municipal functions of road and utilities purposes and other public uses and adopt Resolution No. 21-03-18-12."

A Roll Call Vote is required for this item.

Fiscal Impact

Source of Funding: Street Capital Fund

FINANCIAL SUMMARY:

The appraised value and final offer for the easements and fee simple property associated with this resolution is \$237,900.00. The funds for this purchase will be out of the Lake Sharon/Dobbs Realignment Street Capital Improvement Project accounts.

Attachments

Resolution

RESOLUTION NO. 21-03-18-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS, FINDING THAT A PUBLIC NECESSITY EXISTS TO ACQUIRE RIGHT-OF-WAY, WATER LINE EASEMENT AND TEMPORARY CONSTRUCTION EASEMENT FOR ROAD AND UTILITIES PURPOSES AND OTHER PUBLIC USES, WHICH PROPERTIES ARE GENERALLY DESCRIBED AS BEING LOCATED AT 3404 DOBBS RD, CORINTH, TEXAS, WHICH IS MORE PARTICULARLY DESCRIBED AS A PORTION OF LAND IN THE H. GARRISON SURVEY, ABSTRACT 507, TRACT 7, AND PROPERTIES LOCATED AT 6801 S. I-35E, CORINTH, TEXAS, WHICH IS MORE PARTICULARLY DESCRIBED AS A PORTION OF LAND IN THE H. GARRISON SURVEY, ABSTRACT 507, TRACT 8, ALL LOCATED IN DENTON COUNTY, TEXAS; PROVIDING NOTICE OF AN OFFICIAL DETERMINATION TO ACQUIRE REAL PROPERTIES FOR ROAD AND UTILITIES PURPOSES AND OTHER PUBLIC USES; AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO OBTAIN THE NECESSARY APPRAISAL REPORTS AND MAKE BONA FIDE OFFERS OF JUST COMPENSATION FOR THE HEREIN DESCRIBED PROPERTIES; RATIFYING PRIOR DOCUMENTS MADE AND ACTIONS TAKEN FOR ACQUISITION OF THE PROPERTIES HEREIN DESCRIBED; AUTHORIZING LEGAL COUNSEL TO INSTITUTE EMINENT DOMAIN PROCEEDINGS ON BEHALF OF THE CITY FOR THE ACQUISITION OF THE PROPERTIES HEREIN DESCRIBED IF NEGOTIATIONS ARE UNSUCCESSFUL; APPROPRIATING FUNDS FROM A LAWFUL SOURCE; PROVIDING A CUMULATIVE REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Corinth, Texas (“City”), by authority of Chapter 251 of the Texas Local Government Code, Chapter 21 of the Texas Property Code and by virtue of **Section 2.03** of the City Charter as a home-rule municipality, is authorized to initiate eminent domain proceedings to acquire real properties for a public purpose in order to install and maintain public utilities, including but not limited to roadways and water lines, and other public purposes for the Lake Sharon Dobbs Road Realignment ST18-01 Project; and

WHEREAS, the City Council of the City of Corinth (“City Council”) has investigated and determined that there is a public necessity for the acquisition, by eminent domain, of properties for road and utilities purposes, among other municipal purposes, on tracts of land (the “Properties”) located as follows and as more specifically described in and depicted on Exhibits “A1”, “A2”, “B1”, and “B2”, attached hereto and incorporated herein for all purposes:

- 0.177 acres (7,719 sq. feet), more or less, Right-of-Way located at 3404 Dobbs Rd, Corinth TX, 76208, H. Garrison Survey, Abstract No. 507, Tract 7 (Exhibit “A1”);
- 0.146 (6,361 sq. feet), more or less, Temporary Construction Easement at 3404 Dobbs Rd, Corinth TX, 76208, H. Garrison Survey, Abstract No. 507, Tract 7 (Exhibit “A2”);

- 0.021 acres (911 sq. feet), more or less, Right-of-Way located at 6801 S. I-35E Corinth TX, 76210, H. Garrison Survey, Abstract 507, Tract 8 (Exhibit “B1”); and
- 0.027 acres (1,181 sq. feet), more or less, permanent water line easement located at 6801 S. I-35 E Corinth T, 76210, H. Garrison Survey, Abstract No. 507, Tract 8 (Exhibit “B2”)

WHEREAS, the City Council has investigated and determined that the taking of said real property is necessary for public use; and

WHEREAS, it is necessary to establish procedures for determining the establishment and approval of just compensation for the Properties to be acquired by eminent domain as required by law; and

WHEREAS, the City Manager, or his designee, is required to make a bona fide offer, as defined by and in compliance with Chapter 21 of Texas Property Code, to acquire the Properties for public use voluntarily from the owner(s) prior to moving forward with acquisition by eminent domain; and

WHEREAS, the City Manager, or his designee, will seek, if not already obtained, third-party appraisals and will make bona fide initial and final offers based on the appraisals to the owner(s) of the Properties, which may or may not be accepted by the Properties’ owner(s); and

WHEREAS, the owner(s) of the Properties may not agree upon the just compensation to be paid them for the Properties herein described, and the City therefore hereby authorizes and directs the law firm of Messer, Fort and McDonald (“Legal Counsel”) to institute proceedings in eminent domain to acquire the herein described Properties for road and utilities purposes and other public uses.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS THAT:

SECTION 1: The findings set forth above are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2: The City Council hereby officially determines that there is a public use and necessity for acquiring the Properties and the public welfare and convenience will be served by the acquisition, by eminent domain, of the Properties, and it is the City’s intent to acquire the Properties for road and utilities purposes and other public uses, on the Properties as more specifically described in and depicted on Exhibits “A1”, “A2”, “B1” and “B2”, attached hereto, specifically for the municipal functions of road and utilities purposes and other public uses.

SECTION 3: The City Council hereby authorizes the City Manager or his designee to obtain, review and accept a third party’s appraisal report and updated report, if not acquired already, and if already obtained those actions are so ratified. The City Manager or his designee is authorized to make bona fide initial and final offers based on the appraisals to the owner(s) of the Properties, which may or may not be accepted by the Property’s owner(s), and if such actions have already been completed those actions are so ratified. In the

event of failed attempts to negotiate with any owner(s) of the Properties after making a bona fide initial offer and, following receipt of the third party's appraisal and/or updated report, and making a bona fide final offer, the City Council hereby authorizes the City Manager or designee to authorize and direct, on behalf of the City, Legal Counsel to commence and conduct all parts of the condemnation proceedings under the Texas Property Code, and other applicable law, for the acquisition of the Properties for road and utilities purposes and other public uses on the Properties by eminent domain.

SECTION 4: The City Manager, or his designee, is hereby authorized to execute all documents necessary to acquire the Properties for road and utilities purposes and other public uses on the Properties, on behalf of the City, whether by purchase or eminent domain. The City Council hereby ratifies any documents executed, prior to the effective date of this Resolution, by the City Manager, or his designee, which were necessary for the acquisition of the Properties for these said purposes.

SECTION 5: It is the intent of the City Council that this Resolution authorizes the condemnation of all Properties for the purposes herein stated. If it is determined that there are any errors in the descriptions contained herein or if later surveys contain more accurate revised descriptions, the Legal Counsel or their designee is authorized to have such errors corrected or revisions made without the necessity of obtaining a new City Council resolution authorizing condemnation of the corrected or revised property.

SECTION 6: The amount to be paid, if any, for acquiring the Properties, will be appropriated from any lawful source.

SECTION 7. In the event that Special Commissioners appointed by the Court during condemnation proceedings return an award for just compensation to be paid by the City, Legal Counsel is hereby authorized to settle the lawsuit for that amount and the City's Finance Director is hereby authorized to issue a check from the appropriate fund in the amount of the Special Commissioners' Award made payable to the owner(s) or to be deposited into the registry of the Court, to enable the City to take possession of the Properties without further action of the City Council. If the City Manager believes such award should be appealed, the award may still be paid to take possession, but the City Manager shall put the question of whether to appeal on the next available city council agenda for consideration. If there is no such city council meeting before the deadline to appeal, the City Manager may direct Legal Counsel to file the appeal and then place the matter on the next available city council agenda to either pursue or withdraw the appeal.

SECTION 8: Cumulative Repealer Clause. This Resolution shall be cumulative of all provisions of Resolutions of the City of Corinth, Texas, except where the provisions of this Resolution are in direct conflict with the provisions of such Resolutions, in which event the conflicting provisions of such Resolutions are hereby repealed.

SECTION 9: Severability. If any section, article, paragraph, sentence, clause, phrase or word in this Resolution or application thereof to any person or circumstance is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this

Resolution, and the City Council hereby declares it would have passed such remaining portions of this Resolution despite such invalidity, which remaining portions shall remain in full force and effect.

SECTION 10: This Resolution shall take effect immediately upon its passage and execution in accordance with the provisions of the Charter of the City of Corinth.

PASSED AND APPROVED this the ___ day of March, 2021 at a regular meeting of the City Council of the City of Corinth in which a quorum was present.

CITY OF CORINTH

Bill Heidemann, Mayor

ATTEST:

Lana Wylie, City Secretary

APPROVED AS TO FORM:

Patricia Adams, City Attorney

Exhibit "A1"

Right-of-Way located at 3404 Dobbs Rd, Corinth, Texas

Denton County Appraisal District Property ID: 99065

A0507A H. Garrison Survey Abstract 507, Tract 7, Old DCAD Tract 6C, Legal Acres: .177

EXHIBIT "A"

**FIELD NOTE DESCRIPTION
LAKE SHARON DRIVE RIGHT-OF-WAY ACQUISITION
CITY OF CORINTH, TEXAS**

Being a parcel of land, for right-of-way acquisition in the H. Garrison Survey, Abstract No. 507, City of Corinth, Denton County, Texas, and being part of a called 0.785 acre tract of land conveyed to Yasi Land Holdings LP by deed recorded in Instrument Number 2018-16030 of the Deed Records of Denton County, Texas (D.R.D.C.T.), said right-of-way acquisition being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with BH&C cap set for corner, said 1/2-inch iron rod with BH&C cap set being on the east property line of a called 0.7 acre tract of land conveyed to the Yasi Land Holdings LP by deed recorded in Instrument Number 2018-16030 of the D.R.D.C.T., said 1/2-inch iron rod with BH&C cap set also being on the west property line of said 0.785 acre Yasi Land Holdings LP tract, said 1/2-inch iron rod with BH&C cap set also being on the proposed north right-of-way line of Lake Sharon Drive (by separate instrument), said 1/2-inch iron rod with BH&C cap set bears S 62°27'29" E, a distance of 336.36 feet from an iron rod with 2-inch cap stamped R.O.W. found on the southwest property corner of called 24.197 acre tract conveyed to I-35E Millennium, LP by deed recorded in Instrument Number 2016-106515 of the D.R.D.C.T., said 1/2-inch iron rod with BH&C cap set also bears S 86°47'24" E, a distance of 178.56 feet from a 3-inch TxDOT brass monument found on the west property line of said 0.70 acre Yasi Land Holdings LP tract and on the east right-of-way line for Interstate Highway 35E, said 1/2-inch iron rod with BH&C cap set also being at the beginning of a curve to the right having a central angle 5°04'51", a radius of 514.92 feet, and a chord that bears S 79°28'12" E, with a chord distance of 45.65 feet;

THENCE departing the west property line of said 0.785 Yasi Land Holdings LP tract, and being along said proposed north right-of-way line for Lake Sharon Drive and said curve to the right an arc distance of 45.66 feet, to a 1/2-inch iron rod with BH&C cap set for corner of the point of reverse curvature for a curve to the left having a central angle 13°17'26", a radius of 292.00 feet, a chord bearing of S 83°34'30" E, and a chord distance of 67.58 feet;

THENCE continuing along said proposed north right-of-way line for Lake Sharon Drive, along said curve to the left, an arc distance of 67.73 feet to a 1/2-inch iron rod with BH&C cap set for corner;

THENCE N 89°46'48" E, continuing along the said proposed north right-of-way line of Lake Sharon Drive, a distance of 71.50 feet to a 1/2-inch iron rod with BH&C cap set for corner;

THENCE N 44°50'47" E, continuing along the said proposed north right-of-way line of Lake Sharon Drive, a distance of 14.16 feet to a 1/2-inch iron rod with BH&C cap set for corner, said 1/2-inch iron rod with BH&C cap set being on the east property line of said 0.785 acre Yasi Land Holdings LP tract, and the west property line of a called 17.26 acre tract of land conveyed to Stacey Martin by deed recorded in Instrument Number 2005-24264, of the D.R.D.C.T.;

THENCE S 00°05'13" E, departing the said proposed north right-of-way line for Lake Sharon Drive and being along the east property line of said 0.785 acre Yasi Land Holdings LP tract and the west property line of said 17.26 acre Stacey Martin tract, a distance of 46.72 feet to a point for corner, said point being at the southeast property corner of said 0.785 acre Yasi Land Holdings LP tract, and at the inside northwest property corner of said 17.26 acre Stacey Martin tract;

THENCE S 89°58'38" W, along the south property line of said 0.785 acre said Yasi Land Holdings LP tract and the north property line of said 17.26 acre Stacey Martin tract, a distance of 189.56 feet, to a point at to the southwest property corner of said 0.785 acre Yasi Land Holdings LP tract and at the southeast property corner of said 0.70 acre Yasi Land Holdings LP tract;

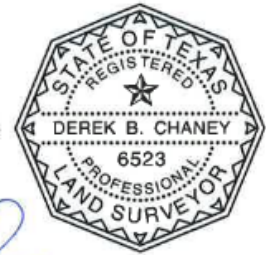
EXHIBIT "A"

THENCE N 04°23'44" W, departing the north property line of said 17.26 acre Stacey Martin tract, and being along the west property line of said 0.785 acre Yasi Land Holdings LP tract, and along the east property line of said 0.70 acre Yasi Land Holdings LP tract, a distance of 52.54 feet to POINT OF BEGINNING, said parcel of land for right-of-way acquisition containing 0.177 acres (7,719 square feet) of land, more or less

Notes:

1. Bearings and distances cited in this field note description are based on the Texas State Plane Coordinate System, NAD-83, Texas North Central Zone 4202.
2. Field survey concluded on 08/14/2019.
3. An Easement Plat of even date herewith accompanies this Field Note Description.

Derek B. Chaney, P.E., R.P.L.S.
Texas Registration No. 6523
Birkhoff, Hendricks & Carter, L.L.P.
TBPLS Firm No. 100318-00
11910 Greenville Ave., Suite 600
Dallas, Texas 75243
Phone: 214-361-7900



[Handwritten signature]
08/14/2019

Exhibit "A2"

Temporary Construction Easement at 3404 Dobbs Rd, Corinth, Texas

Denton County Appraisal District Property ID: 99065

A0507A H. Garrison Survey Abstract 507, Tract 7, Old DCAD Tract 6C, Legal Acres: .146

**FIELD NOTE DESCRIPTION FOR
TEMPORARY CONSTRUCTION EASEMENT**

**YASI LAND HOLDINGS LP
INST. NO. 2018-16030**

Being a parcel of land, for a variable width temporary construction easement in the H. Garrison Survey, Abstract No. 507, City of Corinth, Denton County, Texas, and being over, under and across a called 0.785 acre tract of land conveyed to Yasi Land Holdings LP by deed recorded in Instrument Number 2018-16030 of the Deed Records of Denton County, Texas (D.R.D.C.T.), said temporary construction easement being more particularly described as follows:

BEGINNING at a point for corner, said point being on the future north property line of Lake Sharon Drive (84-foot property proposed by separate instrument), and also being on the west property line of said 0.785 acre Yasi Land Holdings LP tract, said point also being on the east property line of a called 0.70 acre tract of land conveyed to Yasi Land Holdings LP, by deed recorded in Instrument Number 2018-16030, of the D.R.D.C.T., said point bears S 62°27'29" E, a distance of 336.36 feet from a 5/8-inch iron rod with 2-inch plastic property cap found on the southwest property corner of a called 24.197 acre tract of land conveyed to I-35E Millennium LP, by deed recorded in Instrument Number 2016-106515, D.R.D.C.T., said iron rod found also being on the east property line of Interstate Highway 35E, said point also bears S 86°47'24"E, a distance of 178.56 feet from a 3-inch brass TxDOT monument found on the west property line of said 0.70 acre Yasi Land Holdings LP tract, said brass monument found also being on the east property line of Interstate Highway 35E;

THENCE, N 04°23'44" W, along the west property line of said 0.785 acre Yasi Land Holdings LP tract, and also being along the west property line of said 0.70 acre Yasi Land Holdings LP tract, a distance of 18.72 feet to a point for corner;

THENCE, N 69°02'48" E, departing the west property line of said 0.785 acre Yasi Land Holdings LP tract, a distance of 17.40 feet to a point for corner;

THENCE, S 81°18'39" E, a distance of 98.18 feet to a point for corner;

THENCE, N 83°31'59" E, a distance of 21.42 feet to a point for corner;

THENCE, S 88°31'59" E, a distance of 46.42 feet to a point for corner;

THENCE, N 00°21'30" E, a distance of 31.23 feet to a point for corner;

THENCE, N 06°46'10" E, a distance of 65.91 feet to a point for corner;

THENCE, S 88°05'04" E, a distance of 5.82 feet to a point for corner, said point being on the east property line of said 0.785 acre Yasi Land Holdings LP tract, and also being on a the west property line of a called 17.26 acre tract of land conveyed to Stacey Martin by deed recorded in Instrument Number 2005-24264, D.R.D.C.T.;

THENCE, S 00°05'13" E, along the east property line of said 0.785 acre Yasi Land Holdings LP, and also being along the west property line of said 17.26 acre Stacey Martin tract, a distance of 113.36 feet to a point for corner, said point being on the future north property line of said proposed Lake Sharon Drive;

THENCE, S 44°50'47" W, departing the east property line of said 0.785 acre Yasi Land Holdings LP tract, and being along the future north property line of said proposed Lake Sharon Drive, a distance of 14.16 feet to a point for corner;

THENCE, S 89°46'48" W, continuing along the future north property line of said proposed Lake Sharon Drive, a distance of 71.50 feet to a point for corner, said point also being the beginning of a curve to the right having a central angle of 13°17'26", a radius of 292.00 feet, and a chord that bears N 83°34'30" W, with a chord distance of 67.58 feet;

THENCE continuing along the future north property line of said proposed Lake Sharon Drive, along said curve to the right, an arc distance of 67.73 feet to a point of reverse curvature of a curve to the left having a central angle of 05°04'51", a radius of 514.92 feet, and a chord that bears N 79°28'12" W, with a chord distance of 45.65 feet;

THENCE continuing along the future north property line of said proposed Lake Sharon Drive, along said curve to the left, an arc distance of 45.66 feet to the POINT OF BEGINNING, and containing 0.146 acre (6,361 square feet) of land, more or less.

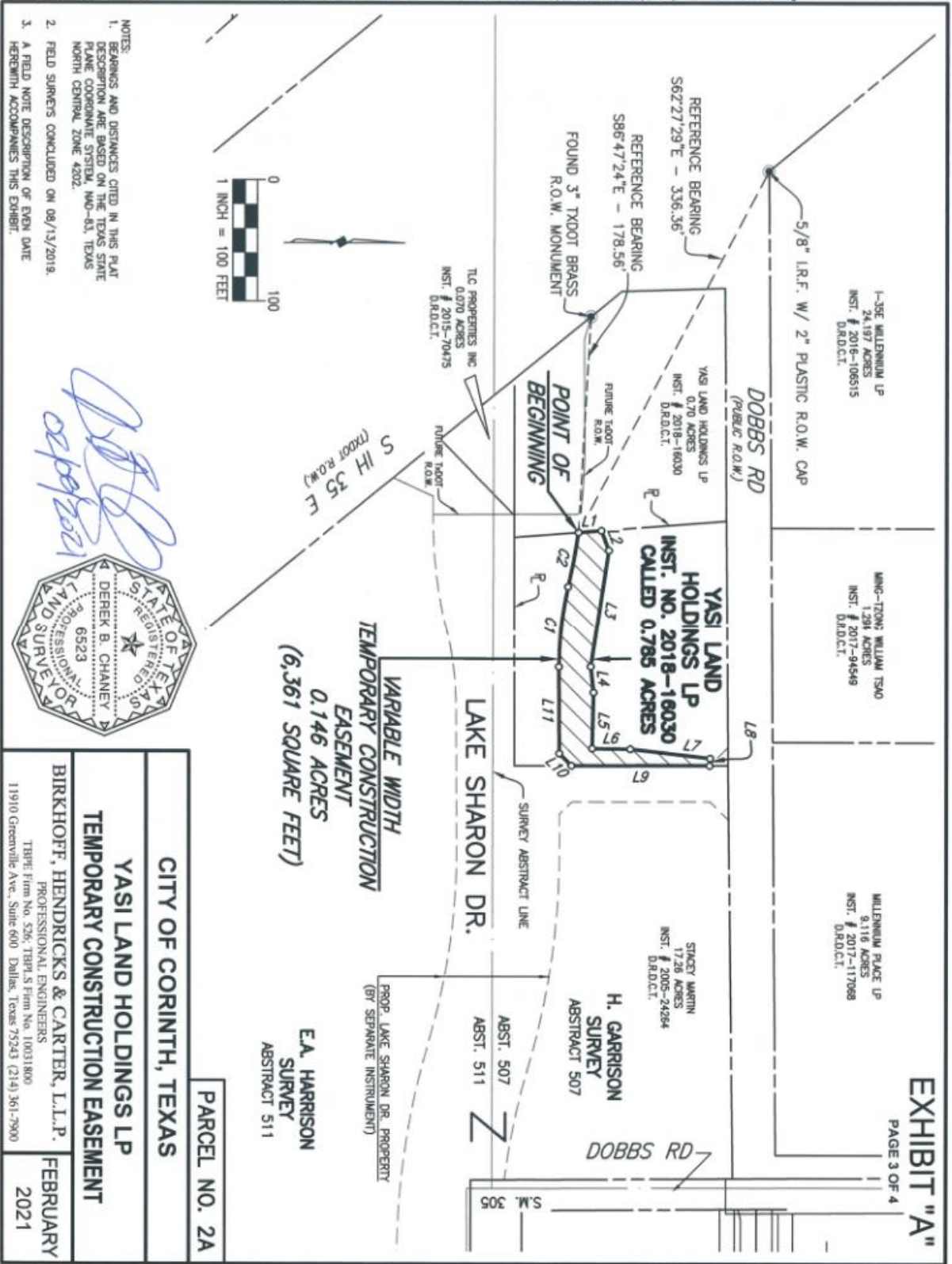
Notes:

1. Bearings and distances cited in this field note description are based on the Texas State Plane Coordinate System, NAD-83, Texas North Central Zone 4202.
2. Field survey concluded on 08/13/2019.
3. A Plat of even date herewith accompanies this Field Note Description.

Derek B. Chaney, P.E., R.P.L.S.
Texas Registration No. 6523
Birkhoff, Hendricks & Carter, L.L.P.
TBPLS Firm No. 100318-00
11910 Greenville Ave., Suite 600
Dallas, Texas 75243
Phone: 214-361-7900



Derek B. Chaney
02/08/2021



- NOTES:
1. BEARINGS AND DISTANCES CITED IN THIS PLAT DESCRIPTION ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, NAD-83, TEXAS NORTH CENTRAL ZONE 4202.
 2. FIELD SURVEYS CONCLUDED ON 08/13/2019.
 3. A FIELD NOTE DESCRIPTION OF EVEN DATE HEREMITH ACCOMPANIES THIS EXHIBIT.

[Signature]

DEREK B. CHANEY
 STATE OF TEXAS
 REGISTERED
 LAND SURVEYOR
 6523

CITY OF CORINTH, TEXAS

YASI LAND HOLDINGS LP

TEMPORARY CONSTRUCTION EASEMENT

PARCEL NO. 2A

BIRKHOFF, HENDRICKS & CARTER, L.L.P.
 PROFESSIONAL ENGINEERS
 TRBE Firm No. 526; TBPLS Firm No. 10031800
 11910 Greenville Ave., Suite 600 Dallas, Texas 75243 (214) 361-7900

FEBRUARY 2021

EXHIBIT "A"

PAGE 3 OF 4

| LINE TABLE | | |
|------------|-------------|---------|
| LINE # | DIRECTION | LENGTH |
| L1 | N04°23'44"W | 18.72' |
| L2 | N69°02'48"E | 17.40' |
| L3 | S81°18'39"E | 98.18' |
| L4 | N83°31'59"E | 21.42' |
| L5 | S88°31'59"E | 46.42' |
| L6 | N00°21'30"E | 31.23' |
| L7 | N06°46'10"E | 65.91' |
| L8 | S88°05'04"E | 5.82' |
| L9 | S00°05'13"E | 113.36' |
| L10 | S44°50'47"W | 14.16' |
| L11 | S89°46'48"W | 71.50' |

| CURVE DATA TABLE | | | | | |
|------------------|---------|-------------------|------------|---------------|----------------|
| CURVE # | RADIUS | CENTRAL ANGLE (Δ) | ARC LENGTH | CHORD BEARING | CHORD DISTANCE |
| C1 | 292.00' | 131°17'26" | 67.73' | N83°34'30"W | 67.58' |
| C2 | 514.92' | 50°4'51" | 45.66' | N79°28'12"W | 45.65' |

- NOTES:
1. BEARINGS AND DISTANCES CITED IN THIS PLAT DESCRIPTION ARE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, NAD-83, TEXAS NORTH CENTRAL ZONE 4302.
 2. FIELD SURVEY CONCLUDED ON 08/13/2019.
 3. A FIELD NOTE DESCRIPTION OF EVEN DATE HEREWITH ACCOMPANIES THIS EXHIBIT.




| | |
|---|------|
| PARCEL NO. 2A | |
| CITY OF CORINTH, TEXAS | |
| YASI LAND HOLDINGS LP | |
| TEMPORARY CONSTRUCTION EASEMENT | |
| BIRKHOFF, HENDRICKS & CARTER, L.L.P. | |
| PROFESSIONAL ENGINEERS | |
| TRIPLE FIRM NO. 536, TRIPLE FIRM NO. 10031800 | |
| 11910 Greenville Ave., Suite 600 Dallas, Texas 75243 (214) 361-7900 | |
| FEBRUARY | 2021 |

Exhibit "B1"

Right-of-Way located at 6801 S. I-35E, Corinth, Texas

Denton County Appraisal District Property ID: 61984

A0507A H. Garrison Survey Abstract 507, Tract 8, Old DCAD Tract 6 & 6A, Legal Acres: .021

EXHIBIT "A"
FIELD NOTE DESCRIPTION
LAKE SHARON DRIVE RIGHT-OF-WAY ACQUISITION
CITY OF CORINTH, TEXAS

Being a parcel of land, for right-of-way acquisition in the H. Garrison Survey, Abstract No. 507, City of Corinth, Denton County, Texas, and being part of a called 0.70 acre tract of land conveyed to Yasi Land Holdings LP by deed recorded in Instrument Number 2018-16030 of the Deed Records of Denton County, Texas (D.R.D.C.T.), said right-of-way acquisition being more particularly described as follows:

BEGINNING at a 1/2-inch iron rod with BH&C cap set for corner, said 1/2-inch iron rod with BH&C cap being on the east property line of said 0.70 acre Yasi Land Holdings LP tract, said 1/2-inch iron rod with BH&C cap also being on the proposed north right-of-way line of Lake Sharon Drive (84' right-of-way by separate instrument), and also being on the west property line of a called 0.785 acre tract of land conveyed to Yasi Land Holdings LP by deed recorded in Instrument Number 2018-16030, of the D.R.D.C.T., said 1/2-inch iron rod with BH&C cap bears S 62°28'25" E, a distance of 336.53 feet from a 1/2-inch iron rod found with a 2-inch plastic cap on the southwest property corner of a called 24.197 acre tract of land conveyed to I-35E Millennium LP by deed recorded in Instrument Number 2016-106515, of the D.R.D.C.T., said 1/2-inch iron rod also being on the east right-of-way line for Interstate Highway 35E, said 1/2-inch iron rod with BH&C cap also bears S 86°47'24" E, a distance of 178.56 feet from a 3-inch brass TxDOT monument found on the west property line of said 0.70 acre Yasi Land Holdings LP tract, said 3-inch monument also being on the east right-of-way line for Interstate Highway 35E;

THENCE S 04°23'44" E, departing the proposed north right-of-way line of said Lake Sharon Drive, and being along the east property line of said 0.70 acre Yasi Land Holdings LP tract, and also being along the west property line of said 0.785 acre Yasi Land Holdings LP tract, a distance of 52.54 feet to a point for corner, said point being on the southeast property corner of said 0.70 acre Yasi Land Holdings LP tract, said point also being on the southwest property corner of said 0.785 acre Yasi Land Holdings LP tract, and also being on the north property line of a called 17.26 acre tract of land conveyed to Stacey Martin by deed recorded in Instrument Number 2005-24264, of the D.R.D.C.T.;

THENCE S 89°58'38" W, along the south property line of said 0.70 acre Yasi Land Holdings LP tract and the north property line of said 17.26 acre Stacey Martin tract, a distance of 18.99 feet to a point for corner, said point being on the northeast property corner of a called 0.070 acre tract of land conveyed to TLC Properties Inc., by deed recorded in Instrument Number 2015-70475, of the D.R.D.C.T., said point also being the second most westerly northeast property corner of said 17.26 acre Stacey Martin tract;

THENCE N 00°17'20" W, departing the south property line of said 0.70 acre Yasi Land Holdings LP tract, a distance of 54.30 feet to a 1/2-inch iron rod with BH&C cap set for corner, said 1/2-inch iron rod with BH&C cap being on the proposed north right-of-way line of said Lake Sharon Drive, said 1/2-inch iron rod with BH&C cap also being at the beginning of a curve to the right having a central angle of 1°42'30", a radius of 514.92 feet, and a chord that bears S 82°51'53" E, with a chord distance of 15.35 feet;

EXHIBIT "A"

THENCE along said proposed north right-of-way line of said Lake Sharon Drive and curve to the right, an arc distance of 15.35 feet to the POINT OF BEGINNING, said parcel of land for right-of-way acquisition containing 0.021 acres (911 square feet) of land, more or less.

Notes:

1. Bearings and distances cited in this field note description are based on the Texas State Plane Coordinate System, NAD-83, Texas North Central Zone 4202.
2. Field survey concluded on 08/15/2019.
3. A Map Exhibit of even date herewith accompanies this Field Note Description.

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D.B.C.
08/19/2019

Exhibit "B2"

Permanent Water Line Easement at 6801 S. I-35E, Corinth, Texas

Denton County Appraisal District Property ID: 61984

A0507A H. Garrison Survey Abstract 507, Tract 8, Old DCAD Tract 6 & 6A, Legal Acres: .027

EXHIBIT "A"

**FIELD NOTE DESCRIPTION
PERMANENT WATER LINE EASEMENT
YASI LAND COMPANY**

Being a tract of land for Permanent Water Line Easement of variable width, and being over, under and across a called 0.70 acre tract of land in the H. Garrison Hill Survey, Abstract No. 507, Denton County, Texas, conveyed to Yasi Land Company by deed recorded in Instrument Number 2003-115215, of the Deed Records of Denton County, Texas (D.R.D.C.T.), said Permanent Water Line Easement being more particularly described as follows:

BEGINNING at a point for a corner, said point being at the most northerly southwest property corner of said Yasi Land Company 0.70 acre tract, said point also being in the east right-of-way line of Interstate Highway 35E, (a variable width TxDOT right-of-way) said point bearing S 39°33'01" E, a distance of 155.19 feet from a found 5/8-inch iron rod with a 2-inch plastic cap at the northwest right-of-way corner of said Dobbs Road and Interstate Highway 35E, said iron rod also being at the southwest property corner of a called 24.197 acre tract of land, conveyed to I-35E Millennium, LP by deed recorded in Deed Instrument Number 2016-106512, of D.R.D.C.T.;

THENCE, N 01°53'16" W, along the east right-of-way line of said Interstate Highway 35E and being along the west property line of said Yasi Land Company 0.70 acre tract, a distance of 32.76 feet to point for a corner;

THENCE, S 39°30'38" E, departing the west property line of said Yasi Land Company 0.70 acre tract and the east right-of-way line of said Interstate Highway 35E, a distance of 82.21 feet to a point for corner, said point being in the north line of a variable width right-of-way of proposed Interstate Highway 35E connector for proposed Lake Sharon Drive, said point also being on the south property line of said Yasi land Company 0.70 acre tract;

THENCE, S 89°42'40" W, along the north right-of-way line of said proposed Interstate Highway 35E connector and the south property line of said Yasi Land Company 0.70 acre tract, a distance of 11.22 feet to a point for a corner;

THENCE N 74°01'08" W, continuing along the north right-of-way line of said proposed Interstate Highway 35E connector and the south property line of said Yasi Land Company 0.70 acre tract, a distance of 19.96 feet to a 3 inch TxDOT brass monument found for a corner, said monument being in the west property line of said Yasi Land Company 0.70 acre tract and in the east right-of-way line of said Interstate Highway 35E;

EXHIBIT "A"

THENCE, N 39°30'38" W, along the west property line of said Yasi Land Company 0.70 acre tract, and along the east right-of-way line of said Interstate Highway 35E, a distance of 32.72 feet to the POINT OF BEGINNING, said variable width Permanent Water Line Easement containing 0.027 acres (1,181 square feet) of land, more or less.

Notes:

1. Bearings and distances cited in this field note description are based on the Texas State Plane Coordinate System, NAD-83, Texas North Central Zone 4202.
2. Field survey concluded on 07/18/2018.
3. An Easement Plat of even date herewith accompanies this Field Note Description.

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