

AGENDA
CITY OF GRAPEVINE, TEXAS
TAX INCREMENT FINANCING DISTRICT
REINVESTMENT ZONE NUMBER TWO
BOARD OF DIRECTORS MEETING

TUESDAY, FEBRUARY 20, 2024
GRAPEVINE CITY HALL, COUNCIL CHAMBERS
200 SOUTH MAIN STREET
GRAPEVINE, TEXAS

CALL TO ORDER 7:15 p.m.

*(or immediately following the Tax Increment Financing District
Reinvestment Zone Number One meeting.)*

CITIZEN COMMENTS

1. Any person who is not scheduled on the agenda may address the Board under Citizen Comments or on any other agenda item by completing a Citizen Appearance Request form with the City Secretary. A member of the public may address the Board regarding an item on the agenda either before or during the Board's consideration of the item, upon being recognized by the Mayor or upon the consent of the City Council. In accordance with the Texas Open Meetings Act, the City Council is restricted in discussing or taking action during Citizen Comments.

NEW BUSINESS

2. Consider Tax Increment Financing Reinvestment Zone Number 2 Amended Project and Financing Plan, and take any necessary action.

ADJOURNMENT

In accordance with the Open Meetings Law, Texas Government Code, Chapter 551, I hereby certify that the above agenda was posted on the official bulletin boards at Grapevine City Hall, 200 South Main Street and on the City's website on February 20, 2024 by 5:00 p.m.

Tara Brooks

Tara Brooks, TRMC, CRM
City Secretary



If you plan to attend this public meeting and you have a disability that requires special arrangements at the meeting, please contact the City Secretary's Office at 817.410.3182 at least 24 hours in advance of the meeting. Reasonable accommodations will be made to assist your needs.

MEMO TO: HONORABLE MAYOR AND MEMBERS OF THE TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER TWO BOARD OF DIRECTORS

FROM: BRUNO RUMBELOW, CITY MANAGER *BK*

MEETING DATE: FEBRUARY 20, 2024

SUBJECT: AMEND THE TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER TWO PROJECT AND FINANCING PLAN

RECOMMENDATION: Consider amending the Tax Increment Financing Reinvestment Zone Number Two Project and Financing Plan.

FUNDING SOURCE: This action does not require funding.

BACKGROUND: The Tax Increment Financing Reinvestment Zone Number Two (Gaylord) was established in 1998. On January 16, 2024, the composition of the Board of Directors was amended to limit membership to contributing taxing entities.

The amendment to the TIF Number Two Project and Financing Plan would allow for a new project cost category (Operating Reinvestment Zone Project Facilities). Upon approval, expenses to operate eligible project facilities (Grapevine Middle School) would be allowable TIF expenses. The amended list of project costs is shown in Exhibit A.

Staff recommends approval.

Tax Increment Reinvestment Zone #2

City of Grapevine, Texas

Tax Increment Reinvestment Zone #2, City of Grapevine

On December 8, 1998, the City Council of the City of Grapevine, Texas, pursuant to Chapter 311 of the Texas Tax Code, approved Ordinance No. 98-140 designating a contiguous geographic area within the City as Reinvestment Zone Number Two, City of Grapevine, Texas. This update to Attachment One of the previously approved Project Plan outlines the funding of \$51,500,000 in project costs, including costs related to public improvements such as streets, water and sanitary sewer systems, public parking facilities, as well as costs associated with operating reinvestment zone project facilities, and economic development grants. The TIRZ will fund these improvements through the contribution of 100% of the City's ad valorem increment generated within the zone. The table below includes a number of improvements within Tax Increment Reinvestment Zone #2 that will be financed by in part by incremental real property tax generated within the TIRZ.

Proposed Project Costs		
Street and Intersection Improvements	\$ 6,500,000	13%
Water and Sanitary Sewer Facilities and Improvements	\$ 1,000,000	2%
Public Parking Facility	\$ 7,414,482	14%
Educational Facilities*	\$ 24,000,000	47%
Operating Reinvestment Zone Project Facilities	\$ 12,559,768	24%
Administration	\$ 25,750	0.05%
TOTAL	\$ 51,500,000	100.00%

*GCISD Middle School Debt Service Payment

The categories listed in the table above outline various public improvements, and are meant to include all projects eligible under Chapter 311, Section 311.002 of the Texas Tax Code. The costs illustrated in the table above are estimates and may be revised. Savings from one line item may be applied to a cost increase in another line item. The \$51,500,000 project cost total amount shall not be exceeded without an amendment to the project and financing plan.

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

Chapter 311 of the Texas Tax Code

Sec. 311.002.

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

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

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

(C) real property assembly costs;

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

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

(F) relocation costs;

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

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

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

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

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

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

PREVIOUSLY APPROVED PLAN

PROJECT PLAN

Grapevine, Texas Reinvestment Zone Number Two
Opryland Area Tax Increment Financing District

Approved – TIF Board – 12-14-98
Approved – City Council – 12-15-98

Project Plan
Grapevine, Texas Reinvestment Zone Number Two
Opryland Area Tax Increment Financing District

As set forth in Section 311.011 in the Tax Increment Financing Act of the Tax Code, the Project Plan for the Grapevine, Texas Reinvestment Zone Number Two must include the following elements:

1. A map showing existing uses and conditions of real property in the zone and a map showing proposed improvements to and proposed uses of the property.

The property contained within the reinvestment zone is undeveloped which negates the need for a map showing uses and conditions of real property. The maps showing the proposed improvements are included with this report with each map showing a different aspect of the project. The contents of the maps are as follows:

Map 1	Boundaries of the TIF District
Map 2	Preliminary water main system plan
Map 3	Preliminary sanitary sewer system plan
Map 4	Preliminary road network plan
Map 5	Preliminary parking facility plan

2. Proposed changes of zoning ordinances, the master plan of the municipality, building codes and other municipal ordinances.

The City amended Section 36 of the Zoning Ordinance to allow full development of a Hotel in the Planned Commerce Development District. Prior to this change, the use was allowed under the zoning district and the master plan, but not governed by the Hotel-Corporate Office District regulations, which are crafted specifically to hotel development. No other ordinance changes are anticipated.

3. A list of estimated nonproject costs.

Nonproject costs within the TIF zone are those development costs not paid for by the TIF. The costs are those associated with the construction of the Opryland Texas Hotel. The total nonproject costs equal \$267,070,000.

4. A statement of a method of relocating persons to be displaced as a result of implementing the plan.

There are no existing residences or businesses in the reinvestment zone.

A detailed list of the projects proposed for the reinvestment zone is not a requirement for the Project Plan, however, Attachment One details the proposed projects and their estimated costs. The statutes require a detailed list of the projects in the Financing Plan.

Attachment One

Public Infrastructure Improvements and Costs
for Opryland Texas Development

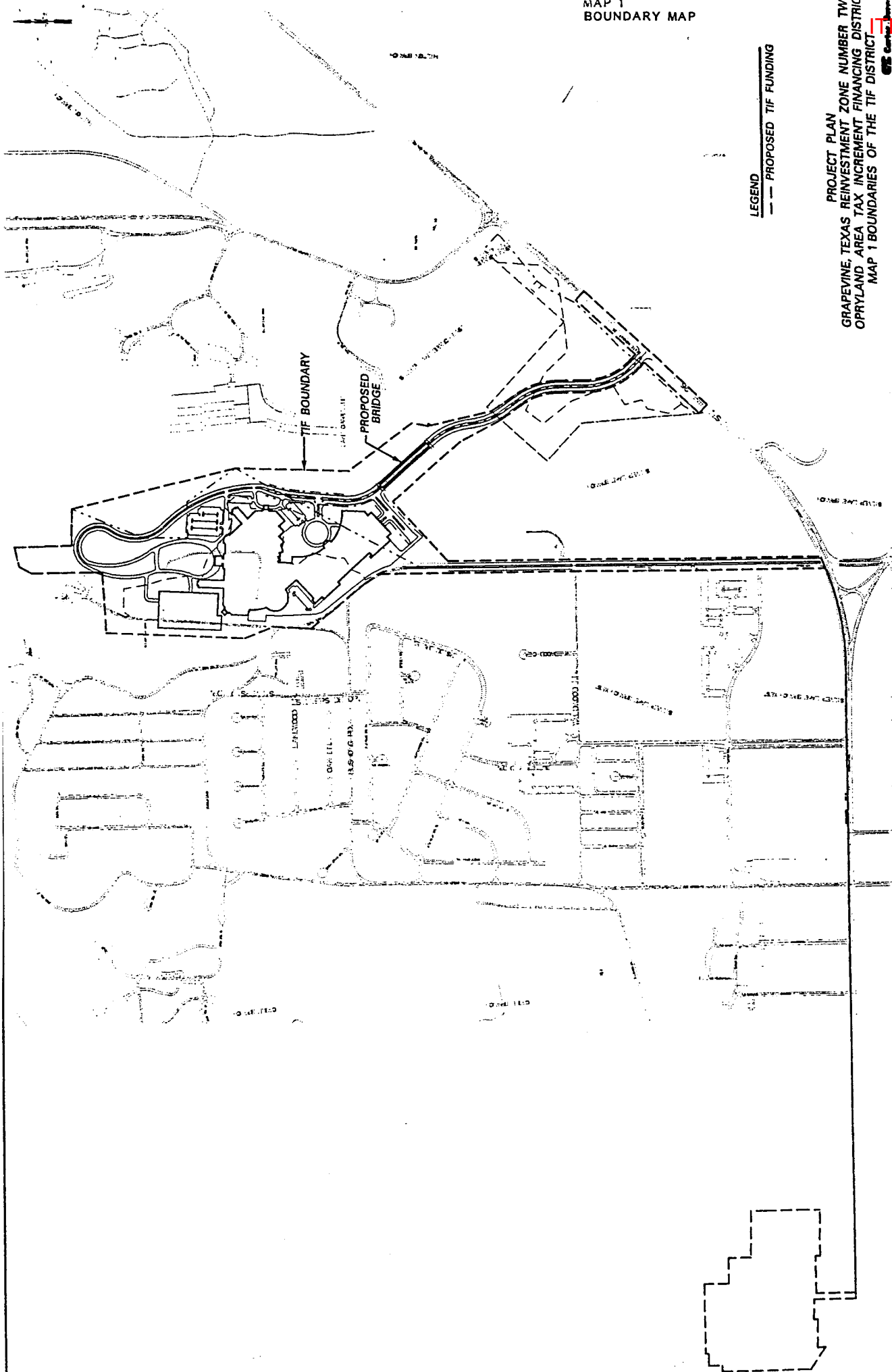
Streets	\$6,500,000
Water and Sanitary Sewer System	1,000,000
Public Parking Facility	<u>20,000,000</u>
Opryland Projects - total	\$27,500,000
Grapevine Middle School – debt service	\$24,000,000
TOTAL	\$51,500,000

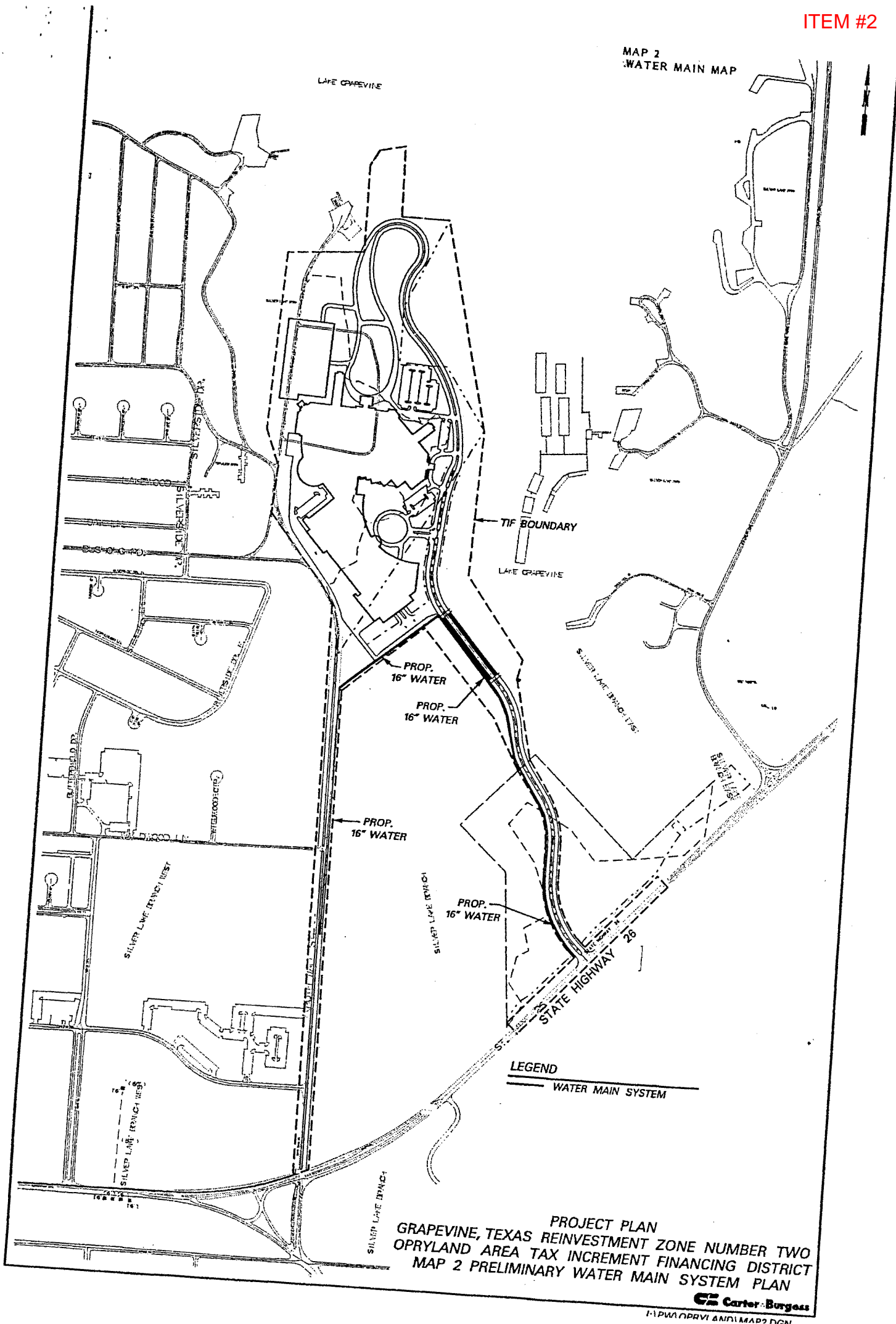
MAP 1
BOUNDARY MAP

LEGEND
--- PROPOSED TIF FUNDING

PROJECT PLAN
GRAPEVINE, TEXAS REINVESTMENT ZONE NUMBER TWO
OPRYLAND AREA TAX INCREMENT FINANCING DISTRICT
MAP 1 BOUNDARIES OF THE TIF DISTRICT

ITEM #2





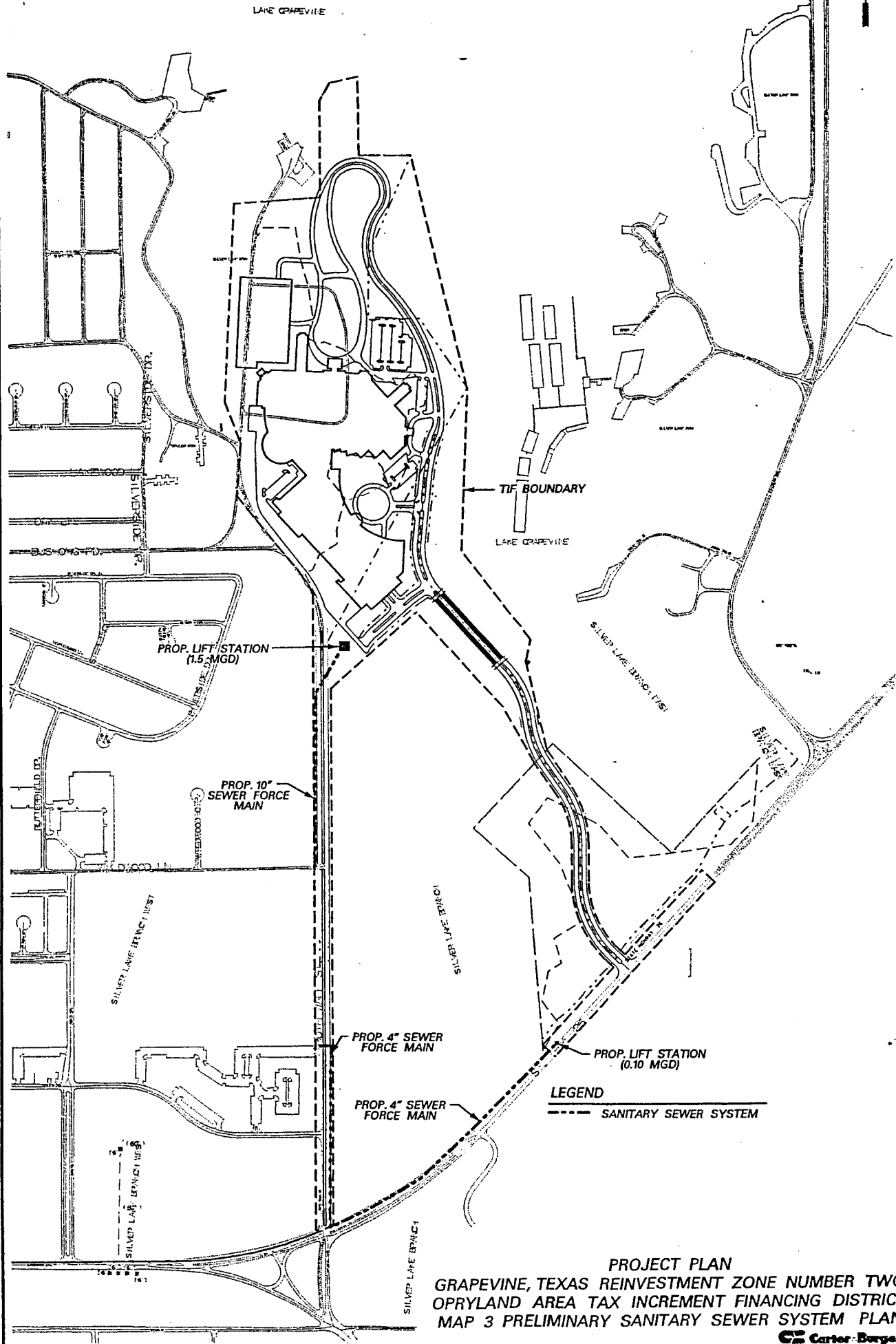
MAP 2
WATER MAIN MAP

LEGEND
— WATER MAIN SYSTEM

PROJECT PLAN
GRAPEVINE, TEXAS REINVESTMENT ZONE NUMBER TWO
OPRYLAND AREA TAX INCREMENT FINANCING DISTRICT
MAP 2 PRELIMINARY WATER MAIN SYSTEM PLAN

Carter Burgess

1-1 PWA OPRV AND MAP 2 DCR



PROJECT PLAN
GRAPEVINE, TEXAS REINVESTMENT ZONE NUMBER TWO
OPRYLAND AREA TAX INCREMENT FINANCING DISTRICT
MAP 3 PRELIMINARY SANITARY SEWER SYSTEM PLAN

 ROAD NETWORK

C Carter-Burgess

LEGEND

☐ PARKING FACILITY

PROJECT PLAN
GRAPEVINE, TEXAS REINVESTMENT ZONE NUMBER TWO
OPRYLAND AREA TAX INCREMENT FINANCING DISTRICT
MAP 5 PRELIMINARY PARKING FACILITY PLAN

CZ Carter-Burgess

1.1 DIA/ODDVI ARIN/RADE RCB

FINANCING PLAN

Grapevine, Texas Reinvestment Zone Number Two
Opryland Area Tax Increment Financing District

Approved – TIF Board – 12-14-98
Approved – City Council – 12-15-98

**Financing Plan
Grapevine, Texas Reinvestment Zone Number Two
Opryland Area Tax Increment Financing District**

As set forth in Section 311.011 in the Tax Increment Financing Act of the Tax Code, the Financing Plan for the Grapevine, Texas Reinvestment Zone Number Two must include the following elements:

1. A detailed list describing the estimated project costs of the zone, including administrative expenses; and,
2. A statement listing the kind, number and location of all proposed public works or public improvements in the zone.

The proposed public improvements in the zone fall into three general categories; streets, water and sanitary sewer systems and a public parking facility. In addition to the projects related to the Opryland development the TIF will reimburse the School District for its debt service for the new Grapevine Middle School, which is included in the TIF District's boundaries. The costs of each item and a brief description of the project components follows:

Streets **\$6,500,000**

Elements included in this category:

Construction of Opryland Blvd and Bridge
Reconstruction of Ruth-Wall Road
Related landscaping and irrigation
Signage
Signalization

The proposed street projects are for the construction of public access roads and include the landscaping, irrigation and lighting of these roads. The signage and signalization projects will facilitate the flow of traffic throughout northeast Grapevine.

Water and Sanitary Sewer Systems **\$1,000,000**

The water system plays an integral part in the area's public water system network and will provide water service within the zone through

a looped system. The multiple interconnection of the on site looped system and the surrounding transmission network provides an element of safety through redundancy by allowing segments of the transmission lines to be valved off in cases of emergencies while continuing to provide adequate service for fire protection and potable uses through the cross connected network on site. The public sanitary sewer system will serve the hotel, adjacent parcels and undeveloped land in the area.

Public Parking Facility **\$20,000,000**

The public parking facility will provide parking for the development and could provide the TIF with an optional revenue source by maintaining the right to charge parking fees.

Debt Reimbursement (Principal) **\$24,000,000**

As a part of the TIF District, the School District will be reimbursed for its debt service, principal and interest, for the new Grapevine Middle School. The site is wholly within the boundaries of the TIF District and will benefit the community by replacing an existing structure that is in need of extensive repairs and relocation due to its location under the flight path of the proposed west runway at DFW.

Total **\$51,500,000**

3. An economic feasibility study.

An economic feasibility study has been completed and is included as an attachment to this document.

4. The estimated amount of bonded indebtedness to be incurred.

The total principal amount to be issued for project costs is \$27,500,000 with an additional estimated \$3,510,000 in issuance costs and capitalized interest. The total indebtedness is estimated at \$31,010,000.

5. The time when related costs or monetary obligations are to be incurred.

It is anticipated that there will be a debt issuance as early as the summer of 1999 to fund a portion of the public works improvements

(Streets and Water and Sanitary Sewer Systems). A second issuance is anticipated as early as the summer of 2000 to pay the costs of completing the remaining public improvements (Public Parking Facility).

6. A description of the methods of financing all estimated project costs and the expected sources of revenue to finance or pay project costs, including the percentage of tax increment to be derived from the property taxes of each taxing unit on real property in the zone.

All estimated project costs associated with Opryland will be financed through the issuance of debt instruments. The expected revenue source for the payment of the debt will be the real property taxes captured by the TIF District. The debt instruments may also be secured by a back-up pledge of a general ad valorem tax levied by the City of Grapevine. The City of Grapevine is participating at the 100% level for both its debt and maintenance and operations property taxes. The Grapevine/Colleyville Independent School District is participating in the TIF with 100% of its M&O rate. Tarrant County, Tarrant County Junior College District and Tarrant County Hospital District are all participating at with 25% of their M&O rates in the TIF district. The participation of the Grapevine/Colleyville Independent School District (the "School District") will be reduced by the amount necessary to offset any negative impact on the School District, as a result of its participation in the TIF District, relating to State funds that would otherwise be received by the School District under school finance legislation or relating to amounts that must be paid or contributed by the School District under school finance law.

The City may also utilize the provisions of Chapter 380, Texas Local Government Code.

7. The current total appraised value of taxable real property in the zone.

The current total appraised value of the taxable real property in the zone is \$2,713,957.

8. The estimated captured appraised value of the zone during each year of its existence.

The estimated appraised value of the improvements in the zone per year is listed below. The estimated value of the zone assumes an annual growth in the appraised value of .5% after 2002.

<u>Year</u>	<u>Appraised Value</u>
1999	0
2000	99,500,000
2001	190,000,000
2002	267,070,000
2003	268,405,350
2004	269,747,377
2005	271,096,114
2006	272,451,594
2007	273,813,852
2008	275,182,921
2009	276,558,836
2010	277,941,630
2011	279,331,338
2012	280,727,995
2013	282,131,635
2014	283,542,293
2015	284,960,005
2016	286,384,805
2017	287,816,729
2018	289,255,812
2019	290,702,091
2020	292,155,602
2021	293,616,380
2022	295,084,462
2023	296,559,884
2024	298,042,684
2025	299,532,897
2026	301,030,561
2027	302,535,714
2028	304,048,393
2029	305,568,635
2030	307,096,478

9. The duration of the zone.

The zone was created on December 8, 1998. The termination of the zone is set as either December 31, 2030 or the date when all project costs are paid and all debt is retired, whichever comes first.

**City of Grapevine
And
Grapevine-Colleyville Independent School District**

**Agreement to Participate
In the
Reinvestment Zone Number Two, City of Grapevine**

THIS AGREEMENT is made and entered into by and between the City of Grapevine ("City"), a municipal corporation, and the Grapevine-Colleyville Independent School District, ("School District") of Tarrant County, Texas

WITNESSETH:

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, V.T.C.A., Tax Code, Chapter 311 (the "Act"), and after due notice to the School District and other taxing units levying real property taxes in the area, the City Council of the City anticipates that it will adopt an Ordinance (the "Ordinance") on December 8, 1998, in the form attached hereto as Exhibit A and incorporated herein by reference, creating, establishing and designating "Reinvestment Zone Number Two, City of Grapevine" (hereinafter called the "Reinvestment Zone") under the Act; and

WHEREAS, the City also anticipates that it will adopt an Ordinance approving the Project Plan and Financing Plan (collectively the "Plan") for the Reinvestment Zone in substantially the form of the Plan attached hereto as Exhibit B and incorporated herein by reference; and

WHEREAS, the Act provides that each taxing unit levying taxes on real property in a reinvestment zone is not required to pay into the tax increment fund any of its tax increment produced from property located in the reinvestment zone unless such taxing unit enters into an agreement to do so with the governing body of the municipality that created the reinvestment zone; and

WHEREAS, a tax increment agreement under the Act may be entered into any time before or after the reinvestment zone is created, and such agreement may include any conditions for payment of the tax increment into the fund and must specify the portion of the tax increment to be paid into the tax increment fund and the years for which that tax increment is to be paid into the tax increment fund.

NOW, THEREFORE, the City and the School District, in consideration of the terms, conditions, and covenants contained herein, hereby agree as follows:

Section 1. The School District hereby agrees to pay into the tax increment fund established by the City for the Reinvestment Zone (the "Tax Increment Fund") one hundred percent (100%) of the School District maintenance and operations ("M&O") ad valorem tax collections on the captured appraised value of real property in the Reinvestment Zone subject to the following terms and conditions.

- a. Hold Harmless. The City shall indemnify and hold the School District harmless from any negative financial impact on the School District as a result of its participation in the public infrastructure projects described in the Plan caused by or relating to a "change in applicable law" (as herein defined). Each fiscal year, the School District shall calculate the amount of the negative financial impact and shall be reimbursed such amount by the City. Each such calculation shall take into account any adjustments to the amount calculated for the previous fiscal year that should be made in order to reflect the actual impact on the School District for such previous fiscal year. Without limiting the generality of the foregoing, it is understood and agreed that this "hold harmless" provision shall apply in the event that a change in applicable law occurs which would free or increase the amount of "Robin Hood" funds received by or available to the School District but for the School District's participation in the Reinvestment Zone. Notwithstanding the foregoing, the School District shall, throughout the term of this Agreement, pay into the Tax Increment Fund one hundred percent (100%) of the School District M&O ad valorem tax collections on the captured appraised value of real property in the Reinvestment Zone.
- b. Change in Applicable Law. A "change in applicable law," as used herein, means any change in law applicable to the School District, to tax increment financing or to reinvestment zones subsequent to the date of this Agreement, including, without limitation, any change in any statutory law applicable to the School District, to tax increment financing or to reinvestment zones or any interpretation, ruling, order, decree or court decision interpreting existing law or any law enacted during the term of this Agreement which is applicable to the School District, to tax increment financing or to reinvestment zones, provided such interpretation, ruling, order, decree or court decision is made administratively by the Comptroller of Public Accounts of the State of Texas, the Texas Attorney General, or any other State agency, or by a court of competent jurisdiction.
- c. Boundary. The boundaries of the Reinvestment Zone are and shall be those boundaries described in the Ordinance, or an amendment thereto revising the boundaries duly approved by the Reinvestment Zone Board of Directors and the City Council of the City; provided, however, that the City agrees that the boundaries of the Reinvestment Zone shall not be changed to exclude any schools of the School District which are located within the boundaries of the Reinvestment Zone, unless

the Board of Trustees of the School District has first approved such boundary change; provided, however, that the City Council of the City and the Board of Directors of the Reinvestment Zone may include additional schools of the School District within the boundaries of the Reinvestment Zone.

- d. Purpose and Program. Within the boundaries of the Reinvestment Zone, public infrastructure improvements, school district improvements and retail, restaurant and office space are to be constructed as nearly as possible in conformity with the Plan. Any additions, changes, revisions or modifications to the Plan made after the date of this Agreement may only be made by the Board of Directors of the Reinvestment Zone and the City Council of the City; provided, however, that the City agrees that it will not approve any additions, changes, revisions or modifications to the Plan relating to any of the school improvement projects described in the form of the Plan attached hereto as Exhibit B unless the Board of Trustees of the School District has first approved such addition, change, revision or modification.
- e. Appraised Value. The real property within the boundaries of the Reinvestment Zone is to be appraised in 1998 for ad valorem tax purposes and for establishing the tax increment base referenced in Section 311.012 of the Act.
- f. Bond Limit. The total principal amount of bonds or notes to be issued to pay project costs for the Reinvestment Zone pursuant to Section 311.015 of the Act shall not exceed twenty-seven million, five hundred thousand dollars (\$27,500,000) in 1998 present value funds. Total capitalized interest, debt service, and operating reserves costs will be approximately thirty-one million, five hundred thousand dollars (\$31,500,000) including nine hundred fifteen thousand dollars (\$915,000) for issuance costs.
- g. Use of TIF Funds. All amounts paid into the Tax Increment Fund shall be used solely to repay cash expenditures of project costs or the principal of and interest on any tax increment bonds or notes issued to finance project costs under the Act, and to pay direct costs properly chargeable under the Act and under generally accepted accounting principles to the administration of the Reinvestment Zone, all in accordance with the Plan. It is specifically understood and agreed that even though additional or other projects may be included in the Plan, the funds contributed by the School District to the Tax Increment Fund shall and may be used only for the projects described in the Plan attached hereto as Exhibit B. The City specifically agrees that amounts in the Tax Increment Fund will be used to reimburse the School District, on an annual basis, for its debt service (including principal and interest) on bonds issued by the School District for the new Grapevine Middle School. Subject to the foregoing, the Tax Increment Fund shall be applied first to the school improvements and public infrastructure projects described in the Plan. All funds, if

any, in excess of annual obligations for such projects shall be paid into a dedicated Escrow Account from which funds cannot be removed without the School District's consent. All funds, if any, remaining in the Escrow Account after all project costs have been paid and/or any payment of reimbursement to the School District contemplated in Section 1.a. shall be returned to the School District in the same proportion that the funds originally contributed by the School District to the Tax Increment Fund for public infrastructure projects bears to the total amount contributed by taxing units to the Tax Increment Fund for public infrastructure projects. In addition, it is specifically understood and agreed that the School District shall be reimbursed for its actual costs associated with the creation of the Reinvestment Zone, including its reasonable attorneys' fees, consultants' fees and other professional fees.

- h. Limits of Obligation of the School District. Except for payment to the Tax Increment Fund of one hundred percent (100%) of the School District M&O ad valorem tax collections on the captured appraised value of real property in the "Reinvestment Zone" subject to the terms and conditions set forth herein, the School District shall have no obligation for any costs or expenses associated with the operation of the Reinvestment Zone, including, without limitation, any obligation to pay or repay any debt issued by the City, the Reinvestment Zone, or the Board of Directors of the Reinvestment Zone relating to the Reinvestment Zone or any costs associated with the operation of Reinvestment Zone or any projects relating thereto.
- i. Limit of School District's Obligation - City Participation. The School District shall have no obligation to make contributions to the Tax Increment Fund in the event the City, for any reason during the term of this Agreement, does not contribute to the Tax Increment Fund 100% of the taxes collected by the City on the captured appraised value of the real property in the Reinvestment Zone.
- j. School District Representation. The School District shall have the right to appoint and maintain one (1) voting member on the Board of Directors of the Reinvestment Zone at all times. Failure of the School District to appoint and maintain a representative on the Board of Directors of the Reinvestment Zone at any time shall not be deemed a waiver of the School District's right to make such appointment at any other time.

Section 2. In accordance with Section 311.013 of the Act, the School District shall not be required to make any contribution to the Tax Increment Fund after three (3) years from the date the Reinvestment Zone has been created unless the following conditions exist or have been met within such three year period

- a. bonds have been issued for the Reinvestment Zone under Section 311.015 of the Act to finance projects described in the Plan;
- b. the City has acquired property in the Reinvestment Zone pursuant to the Plan; or
- c. construction of improvements pursuant to the Plan has begun in the Reinvestment Zone.

Section 3. As inducement to the School District to enter into this Agreement, the City agrees that City bonds or tax increment bonds of the Reinvestment Zone will be issued to finance projects contemplated in the Plan until (a) a final Plan has been prepared and adopted by the Board of Directors of the Reinvestment Zone and approved by the City Council of the City, and (b) the City has furnished documentation, evidence and assurances satisfactory to the Board of Directors of the Reinvestment Zone to the effect that funds necessary to support cash expenditures and/or the retirement of tax increment bonds will be available either from revenues of the Tax Increment Fund or from other funds provided by the City.

Section 4. This Agreement shall become effective as of the date of the final signature hereto and shall remain in effect until the earlier of: (i) December 31, 2030, or (ii) the date on which the Plan has been fully implemented and all project costs, tax increment bonds, interest on such tax increment bonds and all other obligations, contractual or otherwise, payable from the Tax Increment Fund have been paid in full; provided, however, that, at the option of the School District, this Agreement shall be null and void and of no further force and effect if the City fails to adopt the Ordinance and the Plan, in the forms attached hereto as Exhibit A and Exhibit B, respectively, by December 31, 1998.

Section 5. To the extent of their respective liabilities, the City and the School District shall each be responsible for the sole negligent acts of their officers, agents, employees or separate contractors. In the event of joint and concurrent negligence of both City and School District, responsibility, if any, shall be apportioned comparatively in accordance with the laws of the State of Texas, without however, waiving any governmental immunity available to the City and School District under Texas law and without waiving any defenses of the parties under Texas law.

Section 6. This Agreement shall be administered by the City Manager or his designees.

Section 7. Whenever this Agreement requires or permits any consent, approval, notice, request, proposal, or demand from one party to another, the consent, approval, notice, request, proposal, or demand must be in writing to be effective and shall be delivered to the party intended to receive it at the addresses shown below:

If intended for City, to:

City Manager
City of Grapevine
P.O. Box 95104
Grapevine, Texas 76099

If intended for School District to:

Superintendent of Schools
Grapevine-Grapevine Independent School District
3051 Ira E. Woods Avenue
Grapevine, Texas 76051-3897

or to such other addresses as the parties may request, in writing from time to time.

Section 8. This Agreement is made subject to the provisions of the charter and ordinances of the City, as amended; the policies of the School District's Board of Trustees; the Texas Constitution, codes, and statutes; and all other applicable state and federal laws, regulations and requirements, as amended. Venue shall be exclusively in Tarrant County, Texas.

Section 9. This Agreement embodies the complete understanding of City and School District with respect to the subject matter hereof superceding all oral or written previous and contemporary agreements between the parties relating to matters herein. The Agreement may be amended, modified, or supplemented only by an instrument in writing executed by City and School District.


Section 10. The provisions of this Agreement are severable and the invalidity or unenforceability of any provision hereof shall not affect the validity or enforceability of any other provision. It is the intention of the parties that each provision hereof be construed in a manner designed to effectuate the purposes of such provision to the maximum extent enforceable under applicable law.

Section 11. Failure of either party hereto to insist on the strict performance of any of the covenants or agreements herein contained or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on, and to enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.

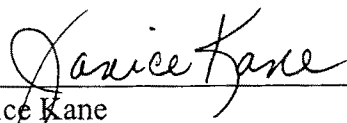
Section 12. No party hereto waives or relinquishes any immunity or defense on behalf of itself, its trustees, officers, employees or agents as a result of its execution of this Agreement and performance of the covenants contained herein.

EXECUTED this the 16th day of December, 1998, by the City, signing by and through its City Manager, duly authorized by Resolution No. _____ approved on 12-15-, 1998, and by School District through its duly authorized officials by approval at a duly called and noticed Board meeting on December 7, 1998.


CITY OF GRAPEVINE


 Roger Nelson
 City Manager

GRAPEVINE-COLLEYVILLE
INDEPENDENT SCHOOL DISTRICT


 Janice Kane
 President, Board of Trustees

ATTEST:


 Carol Wollin
 Secretary, Board of Trustees

Exhibits

Exhibit A – City of Grapevine Ordinance 98-140
Exhibit B – Project Plan and Financing Plan for the Reinvestment Zone



EXHIBIT "A" TO GRAPEVINE-
COLLEYVILLE ISD PARTICIPATION
AGREEMENT

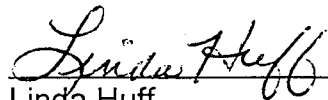
CITY OF GRAPEVINE, TEXAS

CERTIFICATE OF CITY SECRETARY'S OFFICE

STATE OF TEXAS
COUNTY OF TARRANT
CITY OF GRAPEVINE

I, the undersigned, Linda Huff, City Secretary of the City of Grapevine, Texas, a municipal corporation, in the performance of the functions of my office, hereby certify that the attached ordinance is a full, true, and correct copy of Ordinance No.98-140 as the same appears of record in the City Secretary's office, having been passed and approved by the City Council of the City of Grapevine, Texas, on the 8th day of December, 1998, and that I am the lawful possessor and have legal custody of said record.

WITNESS MY HAND AND SEAL OF OFFICE at my office in Grapevine, Texas, this
the 16th day of December, A. D., 1998.



Linda Huff
City Secretary
City of Grapevine, Texas

(CITY SEAL)



ORDINANCE NO. 98-140

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GRAPEVINE, TEXAS DESIGNATING A CERTAIN AREA AS TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER TWO, CITY OF GRAPEVINE, TEXAS, ESTABLISHING A BOARD OF DIRECTORS FOR SUCH REINVESTMENT ZONE AND OTHER MATTERS RELATING THERETO; PROVIDING A CLAUSE RELATING TO SEVERABILITY; DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council of the City of Grapevine, Texas (the "City"), desires to promote the development of a certain contiguous geographic area (the Opryland Hotel/Grapevine Middle School area) within its jurisdiction by the creation of a reinvestment zone, as authorized by the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, Vernon's Texas Codes Annotated (the "Act"); and

WHEREAS, in compliance with the Act, the City has called a public hearing to hear public comments on the creation of the proposed reinvestment zone and its benefits to the City and the property in the proposed reinvestment zone; and

WHEREAS, in compliance with the Act, notice of such public hearing was published in the *Fort Worth Star Telegram*, a daily paper of general circulation in the City, such publication date being not later than seven (7) days prior to the date of the public hearing; and

WHEREAS, such hearing was convened at the time and place mentioned in the published notice, to wit, on the 8th day of December, 1998 at 7:30 p.m., in the Council Chamber of the City of Grapevine, Texas, which hearing was then closed; and

WHEREAS, the City, at such hearing, invited any interested person, or his attorney, to appear and contend for or against the creation of the reinvestment zone, the boundaries of the proposed reinvestment zone, whether all or part of the territory which is described by the metes and bounds description attached hereto as "Exhibit "A" and depicted in the map attached hereto as Exhibit "B" should be included in such proposed reinvestment zone, the concept of tax increment financing and the appointment of a board of directors for the proposed reinvestment zone; and

WHEREAS, all owners of property located within the proposed reinvestment zone and all other taxing units and other interested persons were given the opportunity at such public hearing to protest the creation of the proposed reinvestment zone and/or the inclusion of their property in such reinvestment zone; and

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone, and opponents, if any, of the reinvestment zone appeared to contest creation of the reinvestment zone.

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

Section 1. That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct.

Section 2. That the City Council, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on adoption of the reinvestment zone has been properly called, held and conducted and that notice of such hearing has been published as required by law and delivered to all taxing units overlapping the territory inside the proposed reinvestment zone.
- (b) That creation of the proposed reinvestment zone with boundaries as described in Exhibits "A" and "B" will result in benefits to the City, its residents and property owners, in general, and to the property, residents and property owners in the reinvestment zone.
- (c) That the reinvestment 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 contiguous geographic area located wholly within the corporate limits of the City.
 - (2) The area impairs the sound growth of the City in its present condition and because the area is predominately open and because of obsolete platting or deterioration of structures or site improvements and other factors.
- (d) That 10 percent or less of the property in the proposed reinvestment zone, excluding property dedicated to public use, is used for residential purposes, which is defined in the act as any property occupied by a house which has less than five living units.
- (e) That the total appraised value of all taxable real property in the proposed reinvestment 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, according to the most recent appraisal rolls of the City, does not exceed 15 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.

- (f) That the proposed reinvestment zone does not contain more than 15 percent of the total appraised value of real property taxable by a county or school district.
- (g) That the improvements in the reinvestment zone will significantly enhance the value of all taxable real property in the reinvestment zone and will be of general benefit to the City.
- (h) That the development or redevelopment of the property in the proposed reinvestment zone will not occur solely through private investment in the reasonably foreseeable future.

Section 3. That the City hereby creates a reinvestment zone over the area described by the metes and bounds in Exhibit "A" attached hereto and depicted in the map attached hereto as Exhibit "B" and such reinvestment zone shall hereafter be identified as Tax Increment Financing Reinvestment Zone Number Two, City of Grapevine, Texas (the "Zone" or "Reinvestment Zone").

Section 4. That there is hereby established a board of directors for the Zone which shall consist of nine (9) members. The board of directors of Tax Increment Financing Reinvestment Zone Number One shall be appointed as follows:

- (a) Five members shall be appointed by the City Council, and each of the governing bodies of the following taxing units which levies taxes on real property in the Zone (Tarrant County, Tarrant County Hospital District, Grapevine-Colleyville Independent School District and Tarrant County Community College District) may each appoint one (1) member to the board; provided, however, that if a taxing unit waives its right to appoint a member of the board, the City may appoint such member instead. The initial board of directors shall be appointed by resolution of the governing bodies of the City and the taxing units as provided herein within sixty (60) days of the passage of this ordinance or within a reasonable time thereafter. All members appointed to the board shall meet eligibility requirements as set forth in the Act.
- (b) The terms of the board members shall be for two year terms. The City Council shall designate a member of the board to serve as chairman of the board of directors, and the board shall elect from its members a vice chairman and other officers as it sees fit.

- (c) The board of directors shall make recommendations to the City Council concerning the administration of the Zone. It shall prepare and adopt a project plan and reinvestment zone financing plan for the Zone and must submit such plans to the City Council for its approval. The board of directors shall possess all powers necessary to prepare, implement and monitor such project plans for the reinvestment zone as the City Council considers advisable, including the submission of an annual report on the status of the Zone.

Section 5. That the Zone shall take effect on January 1, 1999, and that the termination of the Zone shall occur on December 31, 2030, or at an earlier time designated by subsequent ordinance of the City Council in the event the City determines that the Zone should be terminated due to insufficient private investment, accelerated private investment or other good cause, or at such time as all project costs and tax increment bonds, if any, and the interest thereon, have been paid in full.

Section 6. That the Tax Increment Base for the Zone, which is the total appraised value of all taxable real property located in the Zone, is to be determined as of January 1, 1998, the year in which the Zone was designated a reinvestment zone.

Section 7. That there is hereby created and established a Tax Increment Fund for the Zone which may be divided into such subaccounts as may be authorized by subsequent resolution or ordinance, into which all Tax Increments, less any of the amounts not required to be paid into the Tax Increment Fund pursuant to the Act, are to be deposited. The Tax Increment Fund and any subaccounts are to be maintained in an account at the City Treasurer's affiliated depository bank of the City and shall be secured in the manner prescribed by law of Texas cities. In addition, all revenues from the sale of any tax increment bonds and notes hereafter issued by the City, revenues from the sale of any property acquired as part of the tax increment financing plan and other revenues to be dedicated to and used in the Zone shall be deposited into such fund or subaccount from which money will be disbursed to pay project costs for the Zone or to satisfy the claims of holders of tax increment bonds or notes issued for the Zone.

Section 8. That if any section, paragraph, clause or provision of this ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance.

Section 9. The fact that the present ordinances and regulations of the City of Grapevine, Texas are inadequate to properly safeguard the health, safety, morals, peace and general welfare of the inhabitants of the City of Grapevine, Texas, creates an emergency for the immediate preservation of the public business, property, health, safety and general welfare of the public which requires that this ordinance shall become effective from and after the date of its passage, and it is accordingly so ordained.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF
GRAPEVINE, TEXAS on this the 8th day of December, 1998.

APPROVED:



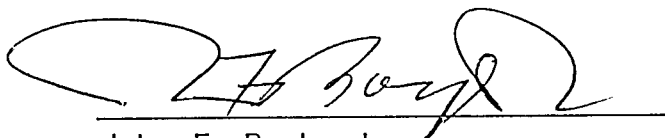
William D. Tate
Mayor

ATTEST:



Linda Huff
City Secretary

APPROVED AS TO FORM:



John F. Boyle, Jr.
City Attorney

EXHIBIT A

DESCRIPTION OF TIF DISTRICT BOUNDARY

ITEM #2
EXHIBIT A TO Ord 98-140
Page 1 of 7

BEING A 121.817 ACRE TRACT OF LAND SITUATED IN THE G.F. MARTIN SURVEY, A-1003, A. ANDERSON SURVEY, A-26, W.P. HERRING SURVEY, A-664, W.K. PAYNE SURVEY, A-1211, SAMUEL FREEMAN SURVEY, A-526, A.F. LEONARD SURVEY, A-946, T. MAHAN SURVEY, A-1050, CITY OF GRAPEVINE, TARRANT COUNTY, TEXAS AND BEING ALL OF A 52.254 ACRE TRACT OF LAND DESCRIBED IN DEED TO BAJA DEVELOPMENT CORPORATION RECORDED IN VOLUME 11236, PAGE 937 OF THE DEED RECORDS OF TARRANT COUNTY, TEXAS (D.R.T.C.T.), ALL OF A 20.566 ACRE TRACT CONVEYED TO GRAPEVINE-COLLEYVILLE INDEPENDENT SCHOOL DISTRICT BY DEED RECORDED UNDER COUNTY CLERK'S FILE NO. D198190528 D.R.T.C.T., AND BEING A PORTION OF THE FOLLOWING TRACTS OF LAND: THE UNITED STATES OF AMERICA CORPS OF ENGINEERS TRACT NO. A-2A RECORDED IN VOLUME 2026, PAGE 163 D.R.T.C.T., A 28.6448 ACRE TRACT OF LAND CONVEYED TO R. TED ENLOE BY DEED RECORDED IN VOLUME 6948, PAGE 1618 D.R.T.C.T., THE RIGHT-OF-WAY OF STATE HIGHWAY NO. 26, A 29.896 ACRE TRACT CONVEYED TO ROBERT W. BRUNSON AND KATHLEEN A. BRUNSON BY DEED RECORDED IN VOLUME 11114, PAGE 1113 D.R.T.C.T., LOT 8, WATSON ADDITION AS RECORDED IN VOL. 388-9, PAGE 55 D.R.T.C.T., LOT 7, WATSON ADDITION CONVEYED TO JIMMY DEAN GREMMINGER BY DEED RECORDED UNDER COUNTY CLERK'S FILE NO. D197177651 D.R.T.C.T., A 0.991 ACRES TRACT DESCRIBED IN AFFIDAVIT RECORDED UNDER COUNTY CLERK'S FILE NO. D198253252 D.R.T.C.T., A 463.63 SQUARE FOOT TRACT OF LAND CONVEYED TO THE STATE OF TEXAS BY DEED RECORDED UNDER COUNTY CLERK'S FILE NO. D197099180 D.R.T.C.T., TRACT 5 CONVEYED TO TRINITY/TARRANT PARTNERS, LTD BY DEED RECORDED UNDER COUNTY CLERK'S FILE NO. D197128889 D.R.T.C.T., TURNER ROAD RIGHT-OF-WAY, LOT 1, BLOCK 1 COBBLESTONE VILLAGE ADDITION DESCRIBED IN DEED RECORDED IN VOLUME 0166, PAGE 51 D.R.T.C.T., TRACT 2 CONVEYED TO CATHERINE VERBURG BY DEED RECORDED IN VOLUME 11393, PAGE 0691, D.R.T.C.T., TRACT A CONVEYED TO CAPITOL CONCEPTS PROPERTIES 82-2 BY DEED RECORDED IN VOLUME 83016, PAGE 2529 D.R.T.C.T., WILDWOOD LANE, A 0.288 ACRE TRACT CONVEYED TO RICHARD E. WALTHER AND WIFE VIOLA E. WALTHER BY DEED RECORDED IN VOLUME 8287, PAGE 823 D.R.T.C.T., THE UNITED STATES OF AMERICA CORPS OF ENGINEERS TRACT NO. A-20 RECORDED IN VOLUME 2397, PAGE 121 D.R.T.C.T. AND THE UNITED STATES OF AMERICA CORPS OF ENGINEERS TRACT NO. A-22A RECORDED IN VOLUME 2296, PAGE 472 D.R.T.C.T.. BEARINGS ARE NAD-83 GRID, TEXAS NORTH CENTRAL ZONE, BASED ON GPS OBSERVATIONS OF THE CITY OF GRAPEVINE HORIZONTAL CONTROL MONUMENTS NO. 1, NO. 2, NO. 5 AND NO. 7. SAID 121.817 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT CORPS MONUMENT W/ BRASS CAP STAMPED "A 54-1963" FOUND MARKING THE NORTHWESTERLY INTERIOR CORNER OF SAID 52.254 ACRE TRACT, COMMON WITH AN EXTERIOR CORNER OF SAID CORPS TRACT NO. A-2A AND BEING ON THE APPROXIMATE WEST LINE OF THE SAID G.F. MARTIN SURVEY, COMMON WITH THE EAST LINE OF THE SAID SAMUEL FREEMAN SURVEY;

THENCE WITH THE COMMON LINES OF SAID 52.254 ACRE TRACT AND SAID TRACT NO. A-2A THE FOLLOWING CALLS:

N 00°29'53" W, A DISTANCE OF 574.09 FEET TO A POINT FOR CORNER;

N 28°31'45" E, A DISTANCE OF 115.85 FEET TO A POINT FOR CORNER;

N 76°37'11" E, A DISTANCE OF 168.68 FEET TO A 1/2" IRON ROD FOUND;

S 01°26'40" E, A DISTANCE OF 468.47 FEET TO A CORPS MONUMENT W/PK NAIL FOUND;

N 89°43'23" E, A DISTANCE OF 303.81 FEET TO A CORPS MONUMENT W/ BRASS CAP STAMPED "A 49-1963" FOUND;

THENCE S 13°42'55" E, CROSSING SAID TRACT NO. A-2A, A DISTANCE OF 1399.88 FEET TO A CORPS MONUMENT W/ BRASS CAP STAMPED "A 46-1963" FOUND;

THENCE CROSSING SAID CORPS TRACT NO. A-2A AND SAID 28.6448 ACRE TRACT THE FOLLOWING CALLS:

S 01°45'51" W, A DISTANCE OF 950.24 FEET TO A POINT FOR CORNER;

S 36°54'57" E, A DISTANCE OF 655.56 FEET TO A POINT FOR CORNER;

S 11°47'23" W, A DISTANCE OF 128.35 FEET TO A POINT FOR CORNER;

S 13°24'58" E, A DISTANCE OF 537.43 FEET TO A POINT FOR CORNER;

S 34°07'00" E, A DISTANCE OF 243.33 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 600.00 FEET, A DELTA ANGLE OF 34°43'12", A LONG CHORD THAT BEARS S 17°56'33" E, A DISTANCE OF 358.05 FEET, AN ARC DISTANCE OF 363.59 FEET TO A POINT FOR CORNER;

S 00°34'55" E, A DISTANCE OF 221.43 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 550.00 FEET, A DELTA ANGLE OF 46°51'17", A LONG CHORD THAT BEARS S 24°00'34" E, A DISTANCE OF 437.34 FEET, AN ARC DISTANCE OF 449.77 FEET TO A POINT FOR CORNER;

S 47°26'03" E, A DISTANCE OF 48.94 FEET TO A POINT FOR CORNER IN THE EXISTING RIGHT-OF-WAY OF STATE HIGHWAY NO. 26;

THENCE ON OVER AND ACROSS SAID STATE HIGHWAY NO. 26 THE FOLLOWING CALLS:

N 42°21'05" E, A DISTANCE OF 672.90 FEET TO A POINT FOR CORNER FROM WHICH A 1/2" CAPPED IRON ROD FOUND MARKED RLG BEARS N 37°21' W 23.1 FEET;

S 47°40'50" E, A DISTANCE OF 101.38 FEET TO A POINT FOR CORNER ON THE SOUTHEAST SIDE OF STATE HIGHWAY NO. 26;

S 42°25'57" W, A DISTANCE OF 1391.77 FEET TO A POINT FOR CORNER ON THE SOUTHEAST SIDE OF STATE HIGHWAY NO. 26;

N 47°39'07" W, A DISTANCE OF 99.41 FEET TO A POINT FOR CORNER FROM WHICH A 1/2" CAPPED IRON ROD FOUND MARKED RLG BEARS N 04°32' W 31.6 FEET;

N 42°21'05" E, A DISTANCE OF 618.81 FEET TO A POINT FOR CORNER;

THENCE CROSSING SAID 28.6448 ACRE TRACT AND SAID CORPS TRACT NO. A-2A THE FOLLOWING CALLS:

N 47°25'37" W, A DISTANCE OF 49.31 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 650.00 FEET, A DELTA ANGLE OF 46°51'14", A LONG CHORD THAT BEARS N 24°00'35" W, A DISTANCE OF 516.85 FEET, AN ARC DISTANCE OF 531.54 FEET TO A POINT FOR CORNER;

N 00°34'56" W, A DISTANCE OF 221.43 FEET TO A POINT FOR CORNER;

ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 500.00 FEET, A DELTA ANGLE OF $34^{\circ}43'15''$, A LONG CHORD THAT BEARS $N 17^{\circ}56'31'' W$, A DISTANCE OF 298.38 FEET, AN ARC DISTANCE OF 303.00 FEET TO A POINT FOR CORNER;

$N 34^{\circ}48'02'' W$, A DISTANCE OF 220.63 FEET TO A POINT FOR CORNER;

$N 28^{\circ}38'12'' W$, A DISTANCE OF 379.27 FEET TO A POINT FOR CORNER;

$N 41^{\circ}59'57'' W$, A DISTANCE OF 744.79 FEET TO A POINT FOR CORNER;

$S 48^{\circ}00'02'' W$, A DISTANCE OF 672.45 FEET TO A POINT FOR CORNER;

THENCE $S 00^{\circ}31'49'' E$, ALSO CROSSING SAID 29.896 ACRE TRACT, A DISTANCE OF 3114.08 FEET A TO A POINT FOR CORNER IN STATE HIGHWAY NO. 26;

THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 2149.19 FEET, A DELTA ANGLE OF $23^{\circ}43'36''$, A LONG CHORD THAT BEARS $S 76^{\circ}21'54'' W$, A DISTANCE OF 883.66 FEET, AN ARC DISTANCE OF 890.00 FEET TO A TO A POINT FOR CORNER IN STATE HIGHWAY NO. 26;

THENCE $S 89^{\circ}23'59'' W$, A DISTANCE OF 5295.16 FEET A TO A POINT FOR CORNER IN STATE HIGHWAY NO. 26;

THENCE $N 00^{\circ}26'54'' W$, DEPARTING SAID HIGHWAY, A DISTANCE OF 347.33 FEET TO A "X" CUT FOUND MARKING AN INTERIOR CORNER OF SAID 20.566 ACRE SCHOOL DISTRICT TRACT;

THENCE WITH THE PERIMETER OF SAID 20.566 ACRE SCHOOL DISTRICT TRACT THE FOLLOWING CALLS:

$N 89^{\circ}37'45'' W$, COMMON WITH THE NORTH LINE OF LOT 1, BLOCK 1, DEAN/DAVIS ADDITION RECORDED IN CABINET A, SLIDE 1560 OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS (P.R.T.C.T.), A DISTANCE OF 162.71 FEET TO A 1/2" IRON ROD FOUND;

$S 00^{\circ}28'17'' E$, CONTINUING WITH SAID LOT 1, A DISTANCE OF 32.93 FEET TO A "X" CUT FOUND;

$N 89^{\circ}37'15'' W$, CONTINUING WITH SAID LOT 1 A DISTANCE OF 232.96 FEET TO A 3/4" IRON ROD FOUND;

S 04°27'36" E, CONTINUING WITH SAID LOT 1 A DISTANCE OF 64.08 FEET TO A "X" CUT FOUND;

N 56°50'58" W, COMMON WITH THE EASTERLY LINE OF THE W.C. LUCAS ADDITION AS RECORDED IN VOLUME 388-I, PAGE 81 P.R.T.C.T., A DISTANCE OF 223.21 FEET TO A 1/2" IRON ROD FOUND;

N 00°47'04" W, CONTINUING WITH SAID LUCAS ADDITION, A DISTANCE OF 760.42 FEET TO A 5/8" IRON ROD FOUND IN SOUTH LINE OF HILLTOP DRIVE;

N 89°17'22" E, ALONG HILLTOP DRIVE, A DISTANCE OF 50.00 FEET TO A 5/8" IRON ROD FOUND;

N 00°47'46" W, ALONG HILLTOP DRIVE A DISTANCE OF 112.55 FEET TO A 1/2" IRON ROD FOUND;

N 89°39'54" E, ALONG HILLTOP DRIVE A DISTANCE OF 100.03 FEET A TO A POINT FOR CORNER;

N 00°58'54" W, ALONG HILLTOP DRIVE A DISTANCE OF 25.74 FEET A TO A POINT FOR CORNER IN THE SOUTH LINE OF GRAPEVINE HILLTOP APARTMENTS, LTD., AS RECORDED IN VOLUME 5319, PAGE 257 D.R.T.C.T.;

N 89°11'14" E, A DISTANCE OF 569.27 FEET TO A P.K. NAIL FOUND MARKING THE MOST NORTHERLY NORTHEAST CORNER OF SAID SCHOOL DISTRICT 20.566 ACRE TRACT, COMMON WITH AN INTERIOR CORNER OF A 17.113 ACRE TRACT CONVEYED TO JOHN W. VILBIG, III BY DEED RECORDED IN VOLUME 5219, PAGE 277 D.R.T.C.T.;

S 00°30'07" E, A DISTANCE OF 203.51 FEET A TO A POINT FOR CORNER, COMMON WITH THE SOUTHWEST CORNER OF A 0.954 ACRE TRACT CONVEYED TO MARY F. LABRECK BY DEED RECORDED IN VOLUME 4365, PAGE 732 D.R.T.C.T.;

N 89°16'26" E, ALONG SOUTH LINE OF SAID 0.954 ACRE TRACT, A DISTANCE OF 211.83 FEET A TO A POINT FOR THE NORTHWEST CORNER OF LOT 1, BLOCK 1, THE STOREHOUSE ADDITION AS RECORDED IN VOLUME 388-153, PAGE 89 P.R.T.C.T.;

S 00°40'10" E, ALONG THE WEST LINE OF SAID LOT 1, A DISTANCE OF 193.83 FEET A TO A POINT FOR CORNER;

S 89°41'05" E, ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 372.80 FEET TO A CAPPED IRON ROD FOUND MARKED AREA;

S 00°18'32" E, A DISTANCE OF 133.58 FEET TO A CAPPED IRON ROD MARKED LINDES FOUND MARKING THE NORTHEAST CORNER OF LOT 8, SAID WATSON ADDITION;

THENCE S 00°20'27" E, DEPARTING SAID SCHOOL DISTRICT TRACT AND ALONG THE EAST LINE OF SAID LOT 8, A DISTANCE OF 280.99 FEET TO A CAPPED IRON ROD MARKED LINDES FOUND MARKING THE NORTHEAST CORNER OF LOT 7, WATSON ADDITION;

THENCE S 00°22'21" E, ALONG THE EAST LINE OF SAID LOT 7 AND THE EAST LINE OF SAID 0.991 ACRE TRACT, A DISTANCE OF 170.83 FEET TO A POINT FOR CORNER;

THENCE S 88°59'06" W, ALONG THE SOUTH LINE OF SAID 0.991 ACRE TRACT, COMMON WITH THE NORTH LINE OF LOT 1, BLOCK A, BILL MASSY FURNITURE CO., INC. ADDITION AS RECORDED IN VOLUME 388-158, PAGE 11 P.R.T.C.T., A DISTANCE OF 368.51 FEET TO A 5/8" IRON ROD FOUND MARKING THE SOUTHWEST CORNER OF SAID 0.991 ACRE TRACT AND BEING IN THE EAST LINE OF THE GROUP W CABLE ADDITION AS RECORDED IN VOLUME 399-205, PAGE 62 P.R.T.C.T.;

THENCE N 00°52'03" W, ALONG COMMON LINE OF SAID CABLE ADDITION AND SAID 0.991 ACRE TRACT, A DISTANCE OF 37.53 FEET TO A 1/2" IRON ROD FOUND MARKING A SOUTHEAST CORNER OF SAID SCHOOL DISTRICT TRACT;

THENCE S 89°08'55" W, ALONG COMMON LINE OF SAID CABLE ADDITION AND SAID SCHOOL DISTRICT TRACT, A DISTANCE OF 302.64 FEET TO A 1/2" IRON ROD FOUND MARKING THE NORTHWEST CORNER OF SAID CABLE ADDITION AND BEING AN INTERIOR CORNER OF SAID SCHOOL DISTRICT TRACT;

THENCE S 00°27'52" E, ALONG THE WEST LINE OF SAID CABLE ADDITION, COMMON WITH AN EAST LINE OF SAID SCHOOL DISTRICT TRACT, A DISTANCE OF 325.97 FEET TO A POINT IN STATE HIGHWAY NO. 26;

THENCE N 89°23'59" E, A DISTANCE OF 5245.15 FEET TO A POINT IN STATE HIGHWAY NO. 26;

THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 2148.19 FEET, A DELTA ANGLE OF 20°49'45", A LONG CHORD THAT BEARS N 77°48'47" E, A DISTANCE OF 776.66 FEET, AN ARC DISTANCE OF 780.95 FEET TO A POINT FOR CORNER IN STATE HIGHWAY NO. 26;

THENCE N 00°31'49" W, CROSSING SAID 463.63 SQUARE FOOT TRACT, SAID TRINITY/TARRANT PARTNERS, LTD. TRACT 5, TURNER ROAD, SAID LOT 1, BLOCK 1, COBBLESTONE VILLAGE ADDITION, SAID CATHERINE VERBURG TRACT 2, SAID WILDWOOD LANE, SAID 0.288 ACRE TRACT AND SAID CORPS TRACT NO. A-20, A DISTANCE OF 3720.54 FEET TO A POINT FOR CORNER;

THENCE N 32°08'40" W, A DISTANCE OF 145.44 FEET TO A 5/8" IRON ROD FOUND AT A POINT OF TANGENT IN THE SOUTHWESTERLY LINE OF SAID 52.254 ACRE TRACT;

THENCE N 39°32'14" W, WITH SAID SOUTHWESTERLY LINE, A DISTANCE OF 580.42 FEET TO A 5/8" IRON ROD FOUND FOR A WEST CORNER OF SAID 52.254 ACRE TRACT;

THENCE N 03°37'50" E, ALONG THE WEST LINE OF SAID 52.254 ACRE TRACT, A DISTANCE OF 309.48 FEET TO A POINT FOR CORNER;

THENCE N 21°19'56" W, CROSSING SAID CORPS TRACT NO. A-22A, A DISTANCE OF 259.51 FEET TO A POINT FOR CORNER;

THENCE N 02°29'54" W, CROSSING SAID CORPS TRACT NO. A-22A, A DISTANCE OF 1156.92 FEET TO A POINT FOR CORNER;

THENCE N 85°56'37" E, A DISTANCE OF 503.69 FEET TO THE POINT OF BEGINNING, AND CONTAINING 121.817 ACRES OF LAND, MORE OR LESS.

DATE OF SURVEY: SEPTEMBER-NOVEMBER 1998

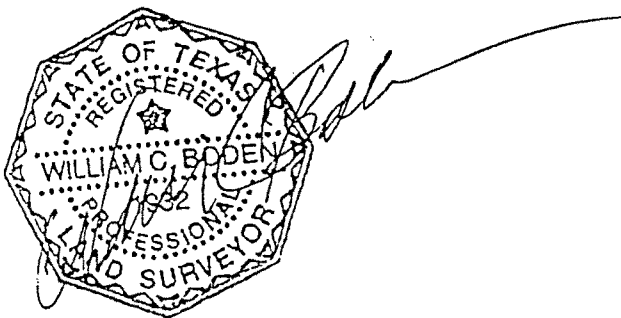


EXHIBIT B

ITEM #2

GRAPHIC SCALE

NOT TO SCALE

COURSE TABLE

LINE No.	BEARING	DISTANCE
1	N 00°29'53"W	574.09'
2	N 28°31'45"E	115.85'
3	N 76°37'11"E	168.68'
4	S 01°26'40"E	468.47'
5	N 89°43'23"E	303.81'
6	S 13°42'55"E	1399.88'
7	S 01°45'51"W	950.24'
8	S 36°54'57"E	655.56'
9	S 11°47'23"W	128.35'
10	S 13°24'58"E	537.43'
11	S 34°07'00"E	243.33'
12	S 00°34'55"E	221.43'
13	S 47°26'03"E	48.94'
14	N 42°21'05"E	672.90'
15	S 47°40'50"E	101.38'
16	S 42°25'57"W	1391.77'
17	N 47°39'07"W	99.41'
18	N 42°21'05"E	618.81'
19	N 47°25'37"W	49.31'
20	N 00°34'56"W	221.43'
21	N 34°48'02"W	220.63'
22	N 28°38'12"W	379.27'
23	N 41°59'57"W	744.79'
24	S 48°00'02"W	672.45'
25	S 00°31'49"E	3114.08'
26	S 89°23'59"W	5295.16'
27	N 00°26'54"W	347.33'
28	N 89°37'45"W	162.71'
29	S 00°28'17"E	32.93'

COURSE TABLE

LINE No.	BEARING	DISTANCE
30	N 89°37'15"W	232.96'
31	S 04°27'36"E	64.08'
32	N 56°50'58"W	223.21'
33	N 00°47'04"W	760.42'
34	N 89°17'22"E	50.00'
35	N 00°47'46"W	112.55'
36	N 89°39'54"E	100.03'
37	N 00°58'54"W	25.74'
38	N 89°11'14"E	569.27'
39	S 00°30'07"E	203.51'
40	N 89°16'26"E	21.83'
41	S 00°40'10"E	193.83'
42	S 89°41'05"E	372.80'
43	S 00°18'32"E	133.58'
44	S 00°20'27"E	280.99'
45	S 00°22'21"E	170.83'
46	S 88°59'06"W	368.51'
47	N 00°52'03"W	37.53'
48	S 89°08'55"W	302.64'
49	S 00°27'52"E	325.97'
50	N 89°23'59"E	5245.15'
51	N 00°31'49"W	3720.54'
52	N 32°08'40"W	145.44'
53	N 39°32'14"W	580.42'
54	N 03°37'50"E	309.48'
55	N 21°19'56"W	259.51'
56	N 02°29'54"E	1156.92'
57	N 85°56'37"E	503.69'

CURVE TABLE

CURVE No.	RADIUS	ARC LENGTH	DELTA	CHORD	CHORD BEARING
1	600.00'	363.59'	34°43'12"	358.05'	S 17°56'33"E
2	550.00'	449.77'	46°51'17"	437.34'	S 24°00'34"E
3	650.00'	531.54'	46°51'14"	516.85'	N 24°00'35"W
4	500.00'	303.00'	34°43'15"	298.38'	N 17°56'31"W
5	2149.19'	890.00'	23°43'36"	883.66'	S 76°21'54"W
6	2148.19'	780.95'	20°49'45"	776.66'	N 77°48'47"E

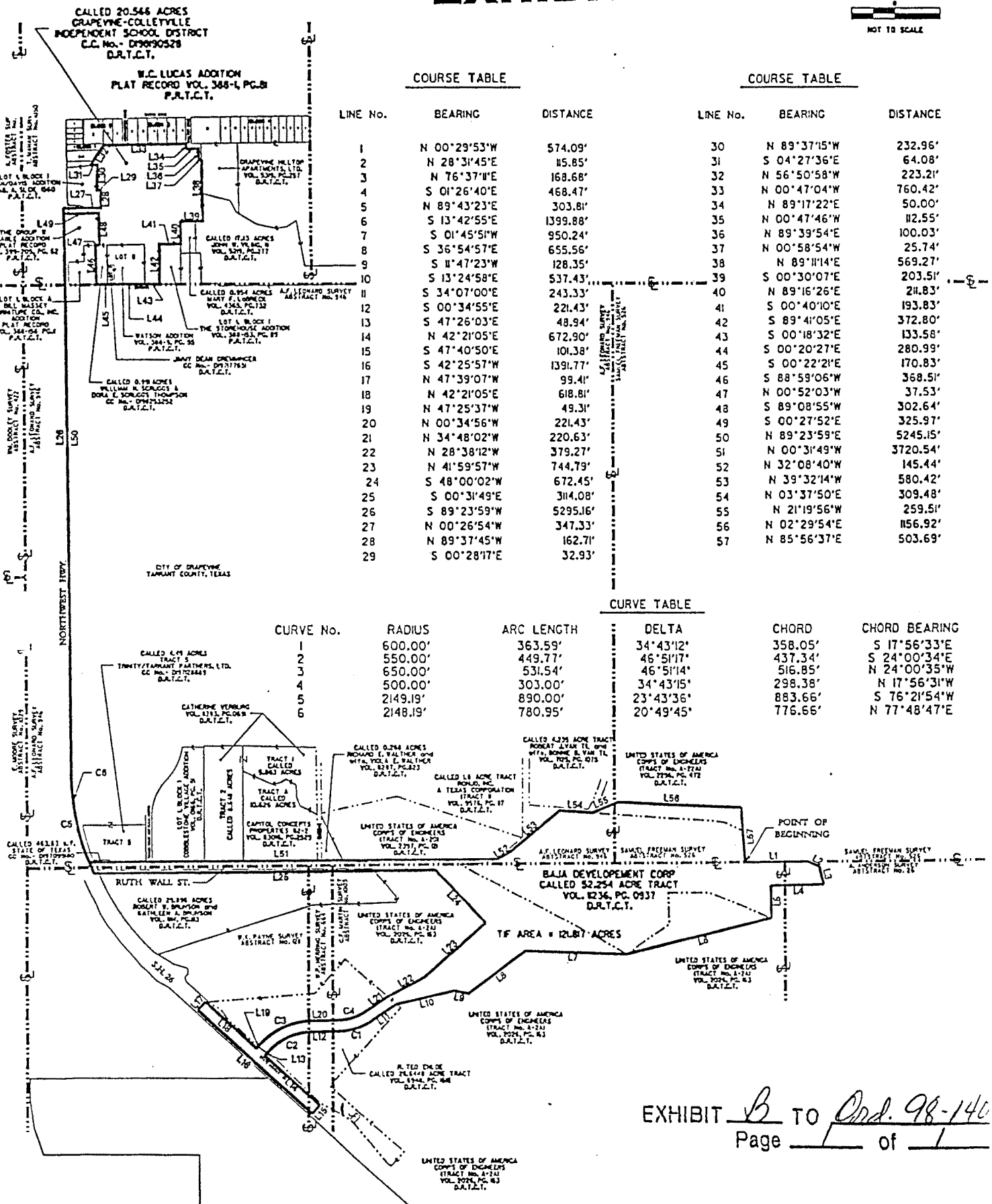


EXHIBIT B TO Ord. 98-140
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Cartor-Duggan

**TIF DISTRICT BOUNDARY EXHIBIT
CITY OF GRAPEVINE
TARRANT COUNTY, TEXAS**

PROJECT NO.	DATE	REVISION