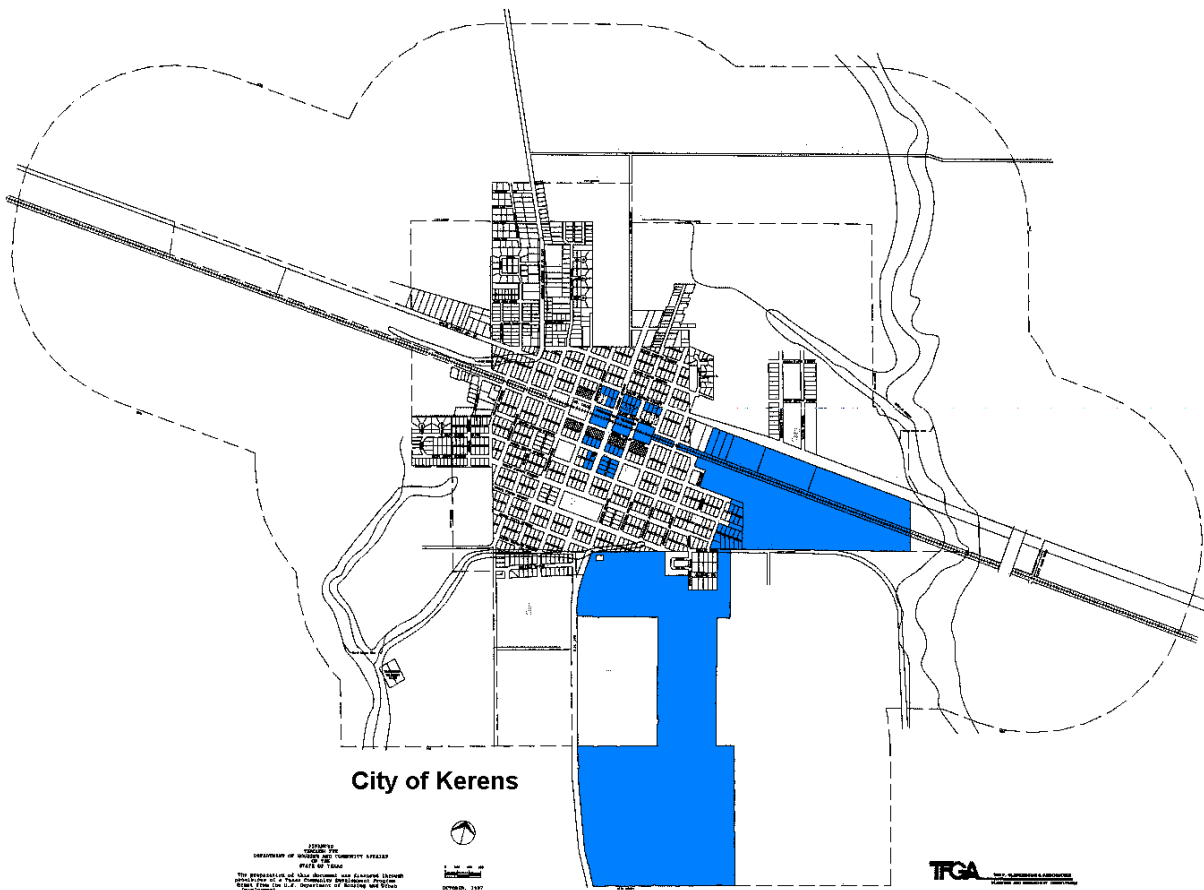


City of Kerens

Preliminary Plan for Development of Proposed Tax Increment Financing Zone



Proposed TIF Zone

The purpose of this plan is to outline the future growth and development of the City of Kerens. This preliminary plan can grow and expand as new ideas and changes occur in the development of surrounding areas.

Future development promises an improved economy and standard of living for the citizens of our community. An improved economy affects all aspects of our lives. Schools are improved, which improves our students. Better education provides a well-trained workforce. The workforce is the foundation on which the American dream is built. An investment in our workforce is an investment in our own future as well as the futures of coming generations.

Increased vitality in our established commercial enterprises accompanied by new retail, industrial and manufacturing concerns will provide jobs as well as conveniences for our citizens. We must build an inviting community that will attract new businesses to Kerens. New businesses will also attract people who would like to live in Kerens.

The planned growth in all of Navarro County will further strain the existing housing stock. Kerens must be ready to help fill this void. We must make improvements to our infrastructure that will support additional new homes in our area. New homes will be needed in Navarro County in the very near future. Kerens should welcome new families to our community by providing quality affordable housing.

Tax Increment Financing is the most logical way to invest in the improvements planned for our area. No one is faced with a property tax increase. New buildings and businesses generate the revenue needed to pay for the infrastructure needed to support them.

Now is the time to make these improvements in our city. We must prepare for the future today.

Project Plan

- ❖ Existing uses of real property in the proposed TIF Zone
 - See map attached as Exhibit A
- ❖ Conditions of real property in the proposed TIF Zone

Downtown Area

➤ Block 46

Pt of 1 & 2	Lucky Lady Oil Co.	Busy Corner	good condition	unoccupied
Pt of 1 & 2	Eddie McNeese	Bruner Chev	fair condition	unoccupied
Pt of 3 & 4	Donald Brown	Kerens Trailers	good condition	Retail Sales
Lots 12-16	Billy Inmon	residence	poor condition	unoccupied

➤ Block 47

Pt of 1 & 2	Winters Land Co	Shell Jr. Mart	good condition	Conv. Store
Pt of 2-4	Wadeville Land Co	Chevrolet	VACANT	VACANT
Pt of 5-9	Dorothy Couch	Byrd Station	fair condition	Auto Repair
Pt of 5-9	Christina Thomas		VACANT	VACANT
Lots 10-12	Larry Glasgow	residence	good condition	Residence
Lots 13-16	Larry Glasgow	Larry's Lot Mowing	good condition	Landscape

➤ Block 48

Lot 1	Jack Geiger	Wolf Tires	fair condition	Auto Repair
Lot 2	Ferris Fields		VACANT	VACANT
Pt of 3 & 4	Colleen Busby	Sack-a-Burger	poor condition	unoccupied
Pt of 3 & 4	United Telephone	substation	good condition	telecomm

➤ West Railroad Block

North Lot	Union Pacific RR		VACANT	VACANT
South Lot	Jim Reed	Reese Lumber	fair condition	unoccupied

➤ Central Railroad Block

North Lot	Union Pacific RR		VACANT	VACANT
South Lot	Union Pacific RR	truck parking	VACANT	VACANT

➤ East Railroad Block

North Lot	Union Pacific RR		VACANT	VACANT
South Lot	Union Pacific RR		VACANT	VACANT
pt of S Lot		house	fair condition	Residence

➤ Block 58

Pt of 1-5	Bill Rogers	Trib & Old Reli	good condition	News&Serv
Pt of 1-5	Ted Stovall		fair condition	VACANT
Pt of 1-5	RA Bain	Bain Ins	fair condition	Insurance
Pt of 1-5	Troy Rogers	Post Office	good condition	US Mail
Pt of 1-5	Steve Flowers	Steve's Auto	fair condition	VACANT
Lots 6 & 7	Franklin & Stovall	Franklin Fence	fair condition	Const. Business
Lots 8 & 9	Sammy Franklin			
Lot 10	Calvin Franklin			
Lots 11 & 12	Calvin Franklin			
Lot 13	Frank Westbrook	residence	good condition	Rental Prop
Lot 14	City Trustee	K. Whitely	VACANT	VACANT
Pt of 15&16	B. Ward	Dr's offices	poor condition	VACANT
Pt of 15&16	Tucker Hass	Fred's Flowers	poor condition	VACANT
Pt of 15&16	Chamber of Com	Chamber Off	good condition	Office
Pt of 15	Paschal Funeral	Storage	poor condition	storage
Pt of 15&16	City of Kerens	KESA Bldg	good condition	Comm Cntr

➤ Block 59

Lots 1-4	Don Paschal	Storage Rental	good condition	Storage
Pt of 5 & 6	Don Paschal	barn	poor condition	unoccupied
Pt of 5 & 6	unknown	Domino Hall	VACANT	VACANT
Pt of 7-12	Relief Lodge	Coffee Shop	VACANT	VACANT
Pt of 7-12	Relief Lodge	Carroll Hdwr	VACANT	VACANT
Pt of 7-12	Relief Lodge	Carroll Hdwr	VACANT	VACANT
Pt of 7-12	Tucker Hass	Trunk Line	VACANT	VACANT
Pt of 13&14	Rocking L Land	N ½ of Ousley	VACANT	VACANT
Pt of 13&14	City	S ½ of Ousley	VACANT	VACANT
Pt of 13&14	City	TR Belts	VACANT	VACANT
Pt of 13&14	City	Hilliard Drugs	VACANT	VACANT
Pt of 13&14	City	Hilliard Drugs	VACANT	VACANT
Pt of 13&14	City	Scott's Cafe	VACANT	VACANT
Pt of 14&15	Margaret Burden	Grocery Store	VACANT	VACANT
Pt of 15&16	B Thomason	Gin	VACANT	VACANT

➤ Block 72

Pt of 1	City of Kerens	City Hall	good condition	Offices
Pt of 1	C.A. McCluney		fair condition	unoccupied
Pt of 1	Bain Ranch Ltd	FranklinResale	fair condition	unoccupied
Pt of 2,3&6	C.A. McCluney		VACANT	VACANT
Pt of 4	Tucker Hass	Dirt Diggers	fair condition	Offices
Pt of 4	Larry Cottrell	Legacy	good condition	Furniture
Pt of 4	Larry Cottrell	Collection	good condition	Manufact.

Pt of 5	Larry Cottrell		good condition	
Pt of 5	Relief Lodge	Masonic Hall	fair condition	unoccupied/ meeting
Pt of 5 & 8	Susanne Odom	Carroll's	fair condition	Retail Sales
Pt of 8	D.L. Orr	Orr & Orr	good condition	Offices

➤ Block 73

Lots 1 & 4	Terry Stoval		fair condition	unoccupied
Lot 2&pt of 3	City of Kerens	Library & Park	good condition	Library
S 25' of 3	Vernon Smith	Bain's	fair condition	unoccupied
Lot 5	Bobbie J Darby		VACANT	VACANT
Lot 6	Bain Ranch Ltd		VACANT	VACANT
Lot 7	Paul Holloway	Trinity Service	fair condition	Auto Repair
Lot 8	Bobbie J Darby	residence	good condition	Residence

Industrial Area

➤ Block 51

Lot 1-A	Claira Jackson		VACANT	VACANT
Lot 1-B	Jerrell Schultz	residential	good condition	Residence
Lot 2	Gladys Douglas	residence	fair condition	unoccupied
Lot 3	Gene Berry		VACANT	VACANT
Lot 4	Gene Berry		VACANT	VACANT

➤ Block 52

Lot 1	Fed Home Loan	residence	fair condition	unoccupied
Lot 2	K,. Scarbrough	residence	good condition	residence
Lot 3 & 4	James DeMoss		VACANT	VACANT

➤ Block 53

1.13 acres	Carolyn Pate	junk yard	junk yard	Pate's Garage
9.4 acres	JE Harrell			

➤ Block 79

Lots 1-3	Diane Lang	undeveloped	VACANT	VACANT
Lots 6-9	Diane Lang	undeveloped	VACANT	VACANT

➤ Block 105

Lots 1-13	Diane Lang	undeveloped	VACANT	VACANT
FM 3096 was built through this block				

➤ Unplatted areas

Tract 39	Larry Weemes		fair condition	unoccupied
Tract 40	Wayne Schneider	resale	poor condition	flea market

Tract 41	M.R. Page	Mobile Home	fair condition	residence
Tract 41A	Vince Hagan Co.	Vince Hagan	fair condition	Dowd&Son Welding
Tract 41B	Eddie Richards		VACANT	VACANT
Tract 42	Jerry Haynes	Wild Child's		construction
Tract 85	Wilkins		VACANT	VACANT

Mixed Usage Area across from School

Tract 27A	Tenny Whorton	agricultural	VACANT	VACANT
Tract 27A-1	Vickie Whorton	agricultural	VACANT	VACANT
Tract 27A-2	Katherine Whorton	agricultural	VACANT	VACANT
Tract 29	Ted Stoval	agricultural	VACANT	VACANT
Tract 28	Matt Adams	residential	good condition	residence
Tract 30A	Frank Commiato	agricultural	VACANT	VACANT

- ❖ Proposed improvements to and proposed uses of the property in the proposed TIF Zone
 - See map attached as Exhibit B
- ❖ Proposed Changes in zoning
 - See map attached as Exhibit C
- ❖ Estimated non-project costs
 - Preliminary study does not project any non-project costs at this time. Non-project planning and presentation will be done by City Staff at no outside cost.
- ❖ Method of relocating displaced persons
 - There will be no displacement as a result of implementing the plan.

Financing Plan

- ❖ Project costs
 - Downtown Renovation - \$75,000
 - Industrial Park - \$250,000
 - Mixed Usage Area - \$160,000
- ❖ Proposed public works or improvements within the TIF Zone
 - Water Improvements
 - Replace under S. Colket (100 block)
 - Extend water lines to service Industrial Park
 - Extend water lines to service Mixed Usage Area
 - Additional Fire Hydrants to service Industrial Park and Mixed Usage Area
 - Sewer Improvements
 - Replace under S. Colket (100 block)
 - Extend sewer lines to service Industrial Park
 - Additional lift station to service Industrial Park

- Extend sewer lines to service Mixed Usage Area
- Street Improvements
 - Stripe for parking in downtown area
 - Overlay asphalt - 100 SE First
 - Overlay asphalt – 100 SE Second
 - Overlay asphalt – 100 SE Third
- Sidewalk Improvements
 - New sidewalk on north side of 200 block of S. Colket (at Garden Park)
 - Make all downtown sidewalks conform to ADA standards
- ❖ Economic feasibility study
- ❖ Indebtedness to be incurred
- ❖ Timing for incurring costs or monetary obligations
 - Downtown Renovation
 - Short term (within the next 24 months)
 - Stripe 2 block downtown area for head-in parking
 - Replace water and sewer lines under 100 block of S. Colket
 - Mid-Range (2 – 5 years)
 - Sidewalk renovations
 - Long-Range (5 years or longer)
 - Industrial Park
 - Short term (within the next 24 months)
 - Mid-Range (2 – 5 years)
 - Extend water lines
 - Extend sewer lines
 - Build additional lift station
 - Long-Range (5 years or longer)
 - Mixed Usage Area
 - Short term (within the next 24 months)
 - Mid-Range (2 – 5 years)
 - Extend water lines
 - Extend sewer lines
 - Long-Range (5 years or longer)
- ❖ Expected sources of revenue or financing
 - Bank Financing from local area banks on short-term notes
 - 4-B Sales Tax Revenue – \$10,000 annual revenue will be generated based on current sales tax receipts. This figure will increase as new businesses are opened.
 - Tax Revenues generated from improvements within the TIF Zone – estimated improvements should increase property values by atleast \$13,000,000
- ❖ Current total appraised value of taxable property within the TIF Zone
 - See Navarro County Appraisal District Preliminary Roll attached as Exhibit D
- ❖ Estimated value of the TIF Zone in subsequent years
 - Single Family Residential Area should be subdivided to accommodate as many as 100 new houses..... \$8,000,000
 - Multi-Family Residential Area should be platted to accommodate as many as 100 new apartment and/or townhouses..... \$1,500,000

- Industrial Area should accommodate 1 or two medium to small industrial distribution, warehouse, and/or manufacturing concerns \$2,500,000
- Commercial Area along SH 309 should accommodate 3 or 4 stand alone business as well as a small strip center..... \$1,000,000

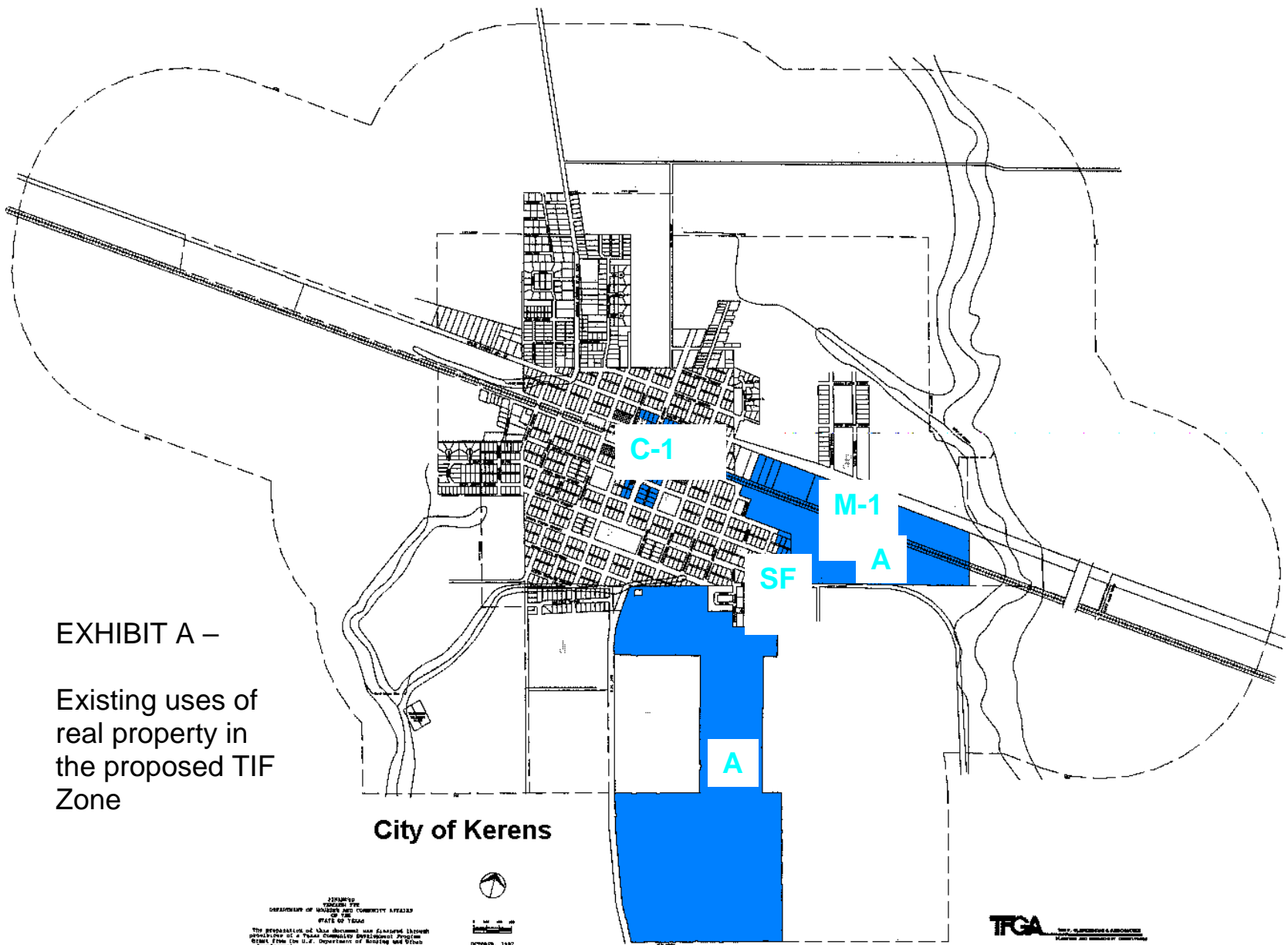


EXHIBIT A –
Existing uses of
real property in
the proposed TIF
Zone

City of Kerens

DESIGNED BY
TERRACON CONSULTING, INC.
CITY OF KERENS
STATE OF TEXAS
The preparation of this document was funded through
approval of a Texas Community Development Program
Grant from the U.S. Department of Housing and Urban
Development.


1" = 100' 0" 0"
OCTOBER, 2007

TFGA TRANSPORTATION FINANCING GROUP ASSOCIATION

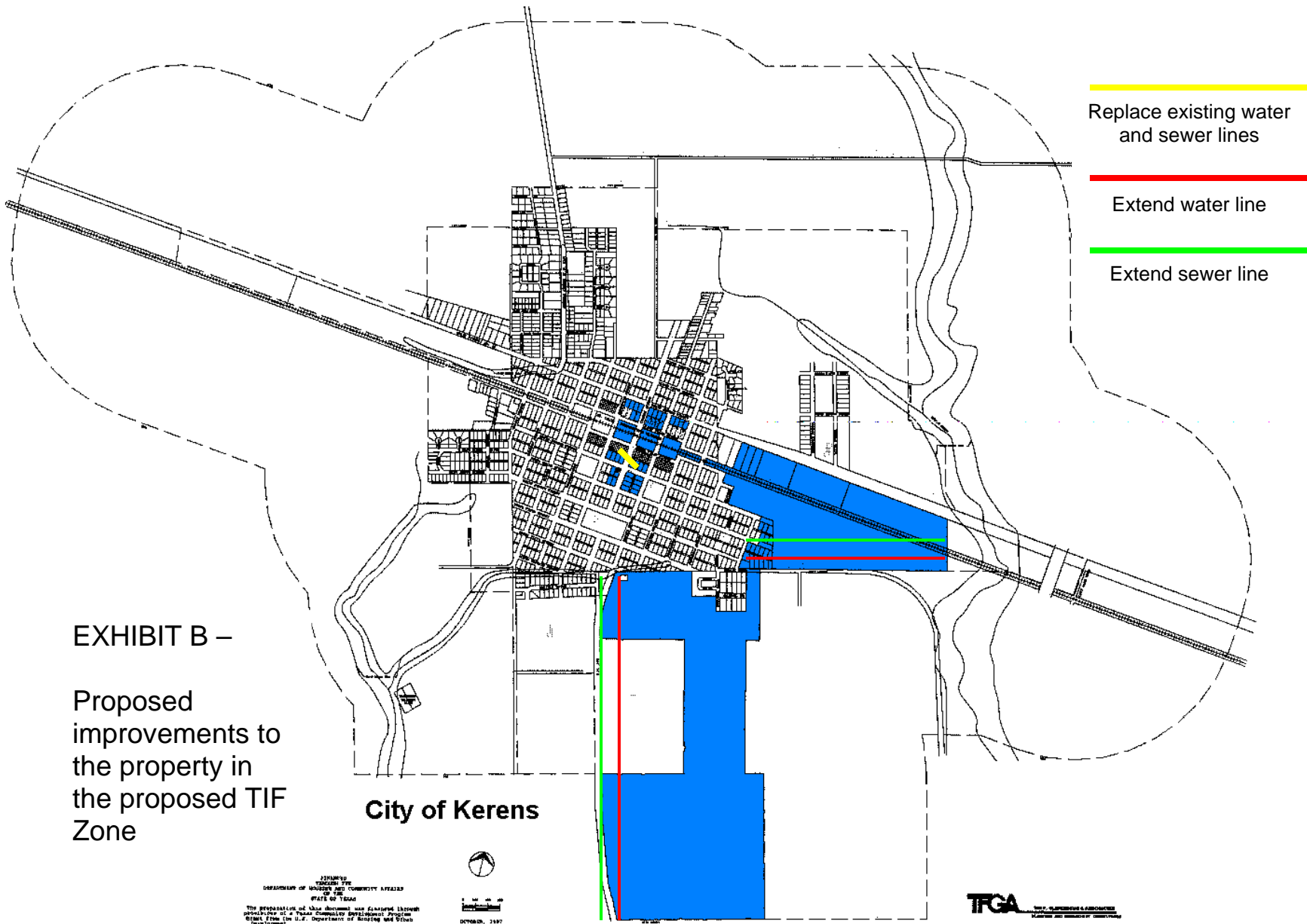


EXHIBIT B –
Proposed improvements to the property in the proposed TIF Zone

City of Kerens

SEALING
VERNON T. C
DEPARTMENT OF WATER AND COMMUNITY AFFAIRS
OF THE
STATE OF TEXAS
The preparation of this document was prepared through
provision of a Texas Community Development Program
Grant from the U.S. Department of Housing and Urban
Development.


1" = 100' 00" 00"
OCTOBER, 2007

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10000 W. 10th Street, Suite 100
Kerens, TX 75085
972.442.1111
www.tfga.com

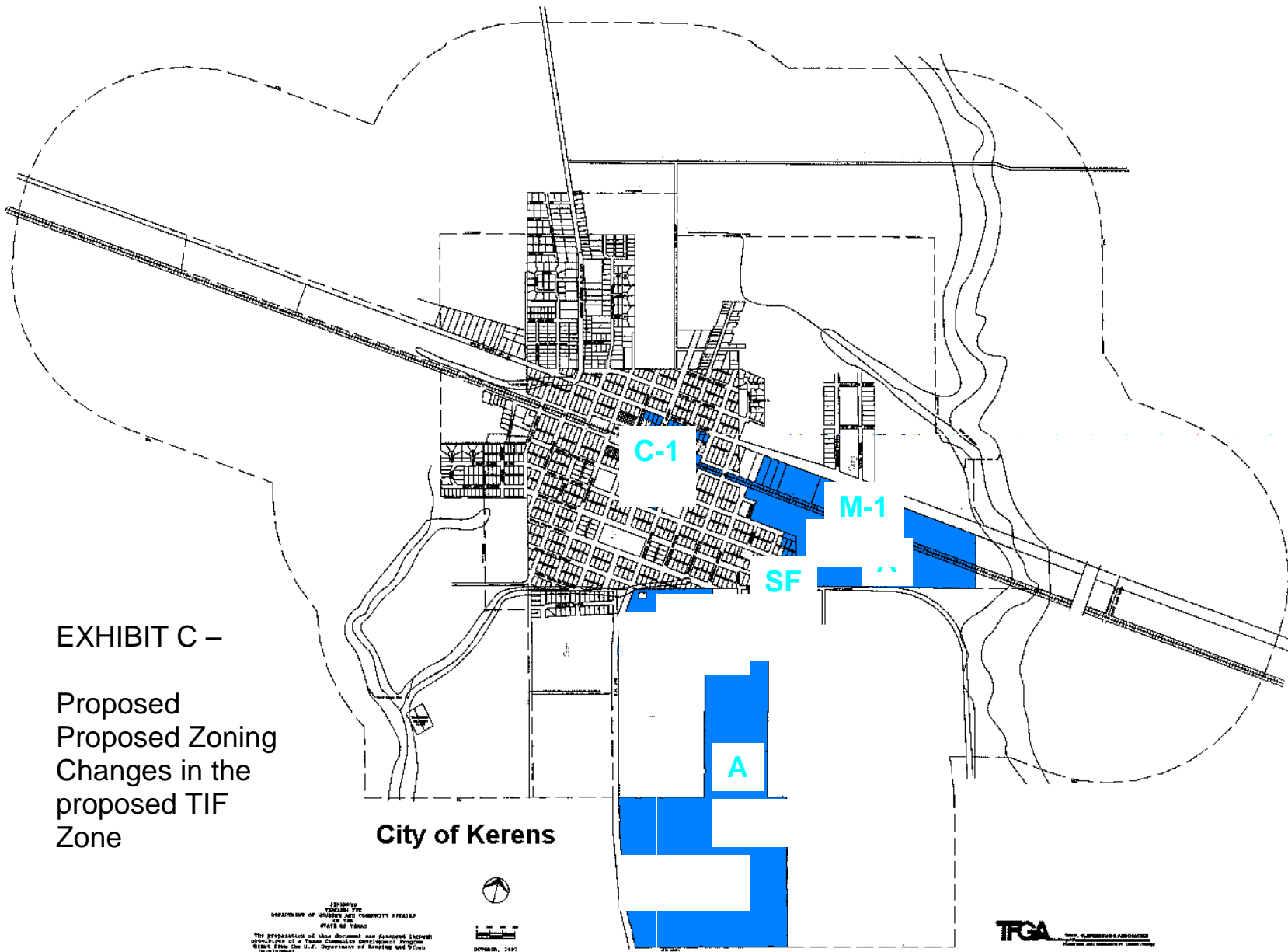


EXHIBIT C –
 Proposed
 Proposed Zoning
 Changes in the
 proposed TIF
 Zone

City of Kerens

ZINMAPS
 PROVIDES THE
 DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
 OF THE
 STATE OF TEXAS
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TFGA

 TRAFFIC FLOW ANALYSIS
 AND
 SIGNALIZATION CONSULTANTS

***** PRELIMINARY ROLL GRAND TOTALS *****
***** TAX INCREMENT FUND-KERENS (TIFK) *****
***** 03/23/04 12:42pm *****

NUMBER OF PROPERTIES = 97

LAND - HOMESITE	(+)	\$63,220		
LAND - NON HOMESITE	(+)	\$372,371		
LAND - AG MARKET	(+)	\$298,350		
LAND - TIMBER MARKET	(+)	\$0		
TOTAL LAND MARKET VALUE	(=)	\$733,941	(+)	\$733,941
IMPROVEMENTS - HOMESITE	(+)	\$262,780		
IMPROVEMENTS - NON HOMESITE	(+)	\$708,660		
TOTAL IMPROVEMENTS	(=)	\$971,440	(+)	\$971,440
PERSONAL PROPERTY (0)		\$0	(+)	\$0
MINERALS (1)(INDUSTRIALS (1)	\$545,260	\$545,260	(+)	\$545,260
AUTOS (0)		\$0	(+)	\$0
TOTAL MARKET VALUE	(=)			\$2,250,641
TOTAL HOMESTEAD CAP ADJUSTMENT (1)			(-)	\$9,480
TOTAL EXEMPT PROPERTY (17)			(-)	\$258,910
TOTAL PRODUCTIVITY MARKET (NON EXEMPT)	(+)	\$298,350		
AG USE (9)	(-)	\$40,250		
TIMBER USE (0)	(-)	\$0		
PRODUCTIVITY LOSS	(=)	\$258,100	(-)	\$258,100
TOTAL ASSESSED	(=)			\$1,724,151
EXEMPTIONS				
(HS) HOMESTEAD (9)	(+)	\$0	(HS ASSD	244,800)
(OA) OVER 65 (3)	(+)	\$0	(STATE	0)
(DP) DISABLED PERSONS (0)	(+)	\$0	(STATE	0)
(DV) DISABLED VET (0)	(+)	\$0	(STATE	0)
TOTAL EXEMPTIONS	(=)	\$0	(-)	\$0
NET TAXABLE	(=)			\$1,724,151

EXHIBIT D -

**Current total
appraised value of
taxable property
within the proposed
TIF Zone**

APPROXIMATE TOTAL LEVY=(NET TAXABLE * TAX RATE / 100)
= (1,724,151 * _____)