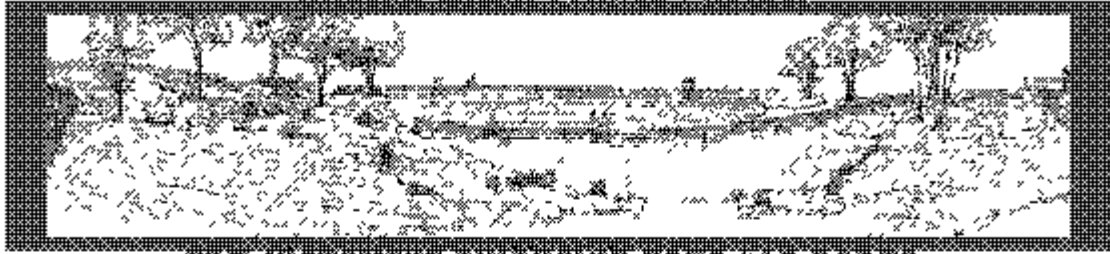


WALLER CREEK TUNNEL PROJECT



TAX INCREMENT FINANCING ZONE #17 BOARD

CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA DATE: March 20, 2008
RBA TYPE: Agreement

PAGE: 1 of 2

Subject: Recommend to the Austin City Council the execution of an Agreement between the City of Austin and Travis County to fund and participate in the Tax Increment Financing (TIF) Reinvestment Zone #17 (Waller Creek Tunnel Project)

AMOUNT & SOURCE OF FUNDING N/A

FORMOREINFORMATIONCONTACT: Leshe Browder, Chief Financial Officer, 974- 2283

PRIOR COUNCIL ACTION: Created Tax increment Financing District No 17 on June 21, 2007, approved TIF Board appointments on October 18, 2007

BOARD AND COMMISSION ACTION N/A

On June 21, 2007, the Austin City Council approved an ordinance creating Tax Increment Financing (TIF) Reinvestment Zone No 17 to finance the construction of flood control improvements along lower Waller Creek. The TIF is located within the area shown on the Project Plan which is attached to the Agreement.

The purpose of the Waller Creek Tunnel project, which is to be financed through TIF Reinvestment Zone No 17, is to provide 100-year storm event flood protection with no out-of-bank or roadway flooding in the lower Waller Creek watershed. The project will provide flood protection to existing buildings, prevent the flooding of roadway crossings, and reduce the width of the floodplain in the Reinvestment Zone area, essentially containing it within the creekbed. This reduction in floodplain area resulting from the project will significantly increase the amount of developable land area in the lower Waller Creek watershed.

To finance this project, the City of Austin formed TIF Reinvestment Zone No. 17 in accordance with state law. In a TIF, one or more political subdivisions contribute up to 100% of the property tax on the increase in value of real property in the district (tax increment) for TIF purposes. Under the terms of this Agreement to Participate in Tax Increment Reinvestment Zone No. 17 between the City of Austin and Travis County, the City of Austin will contribute 100% of its tax increment, and Travis County will contribute 50% of its tax increment. The construction project will be funded in part by the future issuance of certificates of obligation that will be repaid primarily from the tax increment revenues collected during the duration of TIF Reinvestment Zone No. 17. At the end of the TIF, the City will be responsible for paying all remaining debt, as well as ongoing operations and maintenance expenses.

The Agreement to Participate in Tax Increment Reinvestment Zone No. 17 between the City of Austin and Travis County defines the responsibilities of both parties during the life of the TIF. The City of Austin will be solely responsible for managing the design and construction of the Waller Creek tunnel project, and for operating, and maintaining the tunnel after its completion, and administering the TIF zone. In the event, the actual costs exceed estimated project costs outlined in the attached project and financing plan, the City of Austin will be responsible for funding those additional costs to the extent that project or operating costs exceed the available TIF revenues to be contributed by the City and Travis County. The City will issue certificates of obligation under its own authority to finance design and construction of the tunnel project. Travis County will be responsible only for contributing 50% of its tax increment to be derived from the TIF Reinvestment Zone No. 17. The terms and conditions outlined in the agreement between the City and Travis County are consistent with the preliminary financing plan approved by the City Council when the TIF Reinvestment Zone was established in June 2007.

**AGREEMENT TO PARTICIPATE IN
TAX INCREMENT REINVESTMENT ZONE NUMBER 17, BETWEEN THE
CITY OF AUSTIN AND TRAVIS COUNTY**

This Agreement to Participate in Tax Increment Reinvestment Zone Number 17, City of Austin, Texas ("Agreement") is entered into by and between the City of Austin, Texas (the "City") and Travis County, Texas (the "County"), hereinafter collectively referred to sometimes as the "Parties" or singularly as a "Party "

This Agreement is entered into by the City and the County pursuant to Chapter 311, Texas Tax Code, and other applicable statutes

The City and the County hereby agree that the following statements are true and correct and constitute the basis upon which the City and the County have entered into this Agreement

A On March 27, 2007, the Travis County Commissioners Court (the "Commissioners Court") approved the County's participation in the Tax Increment Reinvestment Zone that is the subject of this Agreement, as evidenced by the minutes of the Commissioners Court ("Minutes") attached hereto as Exhibit A

B On June 21, 2007, the City Council of the City ("City Council") adopted City Ordinance No 20070621-151 (the "Ordinance"), attached hereto as **Exhibit B**, designating certain real property described in the Ordinance as Tax Increment Reinvestment Zone Number 17, City of Austin, Texas (the "TIF District") The TIF District is informally known as the "Waller Creek TIF" because its purpose is the development and funding of the Waller Creek Tunnel Project (the "Project") The Ordinance is hereby incorporated by reference for all purposes Any subsequent amendments to the Ordinance will be attached hereto and considered a part hereof

C In the Ordinance, the City found that the designation of the TIF District would encourage the development of property in and around the TIF District to occur that would not occur otherwise in the foreseeable future As a result of designation of the TIF District, and in consideration of the County's contribution of a fifty percent portion of its Tax Increment as set out in this Agreement, the City will contribute one hundred percent of its Tax Increment and construct a major drainage project and related facilities within the TIF District As a result, it is anticipated that other complementary development in the TIF District will follow This overall development is expected to result in increased tax revenues and other public benefits for both the City and the County

D Pursuant to Section 311.013(f) of the Texas Tax Code, the County is not required to pay any Tax Increment into the Tax Increment Fund of the TIF District unless it enters into an agreement with the City, such as this Agreement

E Pursuant to Sections 311.008(b)(3) and 311.013(f) of the Texas Tax Code, the City and the County are entering into this Agreement to set forth the conditions governing the contribution of Tax Increment by the County and the City to the TIF

District, and the City finds that this Agreement is necessary for the implementation of the Project Plan for the TIF District

NOW, THEREFORE, for and in consideration of the promises and conditions set forth herein, the sufficiency of which is hereby acknowledged, the City and the County do hereby contract, covenant, and agree as follows

1. **INCORPORATION OF RECITALS AND
APPROVAL OF PROJECT AND FINANCING PLAN**

1 1 The Parties hereby agree that the recitals set forth above form the basis upon which they have entered into this Agreement

1 2 The Parties hereby approve the Waller Creek Tax Increment Financing Reinvestment Zone no 17 Final Project Plan and Reinvestment Zone Financing Plan attached hereto as Exhibit D

2. **DEFINITIONS.**

2 1 In addition to any terms defined in the body of this Agreement, the following terms shall have the definitions ascribed to them as follows

2 1 1 **Act** means the Tax Increment Financing Act, as amended and as codified as Chapter 311 of the Texas Tax Code

2 1 2 **Captured Appraised Value** in a given year means the total appraised value, less any applicable exemptions, of all TIF District real property taxable by the City or the County for that Tax Year less the Tax Increment Base defined in Section 2 1 7 below

A listing of parcels located in the TIF districts, including 2007 values, is attached hereto as **Exhibit C**

2 1 3 **Financing Plan** shall mean the financing plan for funding of Project Costs set forth in the Project Plan for the TIF District as adopted by the TIF Board and approved by the City Council of the City in accordance with the Act

2 1 4 **Project Costs, for purposes of this Agreement,** means (1) the direct operations and maintenance costs of the Project, determined on the basis of generally accepted accounting principles, and (2) construction, engineering, project management, inspection, and other directly related costs associated with the improvements described in the Project Plan, and acquisition of any property necessary for the Project Plan, including the debt service on bonds or other obligations issued to fund these costs Debt service shall be calculated as annual level-debt service requirements using the true interest cost on the total amount financed

The "direct operations and maintenance costs" does not include, either directly or indirectly, any of the following

- a Other Post Employment Benefits (OPEB) for City employees whether or not those costs are for current year benefits, prior year benefits, or future year benefits,
- b employee recognition, rewards or awards other than performance pay documented pursuant to Council adopted compensation schedules,
- c entertainment and gifts, including meals or beverages, even if related to a business purpose,
- d legislative consultant services,
- e donations to non-profit or private organizations,
- f legal services,
- g consulting services not directly related to the acquisition, construction, operation or maintenance of the Project

2 1 5 **Project Plan** means the project plan for the TIF District substantially in the form of the Project Plan attached to this Agreement as **Exhibit D**, consisting of the construction of a tunnel with inlet and outlet features to divert floodwater from portions of Waller Creek ("the Waller Creek Tunnel"), and related acquisitions, improvements and acquisitions. The Project Plan will include maps of all property in the TIF District, including all non-taxable property. The Project Plan will be effective upon adoption by the TIF Board and approval by the City Council, in accordance with the Act.

2 1 6 **Tax Increment** means the respective amounts to be paid into the TIF by the City and the County in any given Tax Year and will be determined as follows:

2 1 6(a) "City Tax Increment" will be the amount of City property taxes levied and collected for that year on the Captured Appraised Value of TIF District real property taxable by the City, unless the City elects to use the formula described in **Exhibit E**. In any event, if the City elects to use the formula described in **Exhibit E**, the City must make this determination before the first payment of Tax Increment due under this Agreement, and must apply the formula during the remainder of the Agreement.

2 1 6(b) County Tax Increment will be that amount paid by the County into the Tax Increment Fund as determined using the formula which is set forth in **Exhibit E**.

2 1 7 **Tax Increment Base** means the total appraised value as of January 1, 2007, of all real property taxable by the City or the County, as applicable, and located in the TIF District. The Parties agree that the Tax Increment Base for this Agreement for the City is 236.2 Million Dollars and, for the County is 228.1 Million Dollars.

2 1 8 **Tax Increment Fund** means that fund created by the City pursuant to Section 311 014 of the Act and Part 6 of the Ordinance, which will be maintained by the City, and into which all revenues of the TIF District will be deposited, including deposits of Tax Increment by the City and by such other taxing units with jurisdiction over real property in the TIF District that may enter into agreements for such contributions, including the County

2 1 9 **Tax Year** means that period from January 1 through the following December 31

2 1 10 **TIF Board** means the governing board of directors of the TIF District appointed in accordance with Section 311 009 of the Act and Part 3 of the Ordinance

2 1 11 **TIF District** means the Tax Increment Reinvestment Zone No 17, approved by the Ordinance

3. **DEPOSIT OF TAX INCREMENT.**

3 1 County Deposit

3 1 1 Percentage Pursuant to the County Commissioners Court approval and specifically subject to Section 4 and the other applicable terms of this Agreement, the County agrees to deposit into the Tax Increment Fund fifty percent (50%) of the County's Tax Increment as such Tax Increment is to be determined according to **Exhibit E** for each Tax Year, commencing with tax year 2008 until the termination of this Agreement

3 1 2 Limitation Such commitment by the County under this Section 3 1 is the full and complete obligation of the County to provide Tax Increments for deposit to the credit of the Tax Increment Fund under this Agreement The City will be solely responsible for any increases in requirements for funding the construction and operations and maintenance costs, or any other increases to complete, expand and/or maintain the Project above the County's contribution to the Tax Increment Fund Any losses resulting from overruns on construction, operation or maintenance costs beyond such limitation in the County's funding obligation are the sole obligation of the City, and the County contribution will not be increased beyond that specified in this Section 3 1

3 1 3 The County will not be required to make the deposit of the County Tax Increment after three years from June 21, 2008, the date the TIF District was created unless the City has, during that 3 year period, either

- (a) issued or caused to be issued debt in the manner described in the Project Plan and this Agreement,
- (b) acquired property, including easements, in the TIF District pursuant to the Project Plan, or

(c) begun construction on improvements, including park mitigation, pursuant to the Project Plan

3.2 City Percentage The City agrees to deposit one hundred percent (100%) of the City Tax Increment into the Tax Increment Fund for each Tax Year commencing with Tax Year 2008 and continuing until the termination of this Agreement. It is the express intent of the City that, in the event the Tax Increments prove to be insufficient to complete the Project, the Project will be completed with other funding lawfully available to the City.

3.3 Important Dates Pursuant to the Act and the terms of this Agreement, the Parties agree that the following dates show the anticipated dates for performance in the first two (2) years of the Agreement and the termination date(s).

January 1, 2007 -	Date of determination of the Tax Increment Base ("Base")
January 1, 2008 -	
December 31, 2008 -	First Tax Year for determining Tax Increment
May 31, 2008 -	County provides preliminary estimate to City of Captured Appraised Value for budgeting purposes only
January 31, 2009 -	City and County provide notice of estimated amount of Tax Increment payment
May 1, 2009 -	City and County deposits due on Tax Year 2008 Tax Increment
December 31, 2028	End of twenty-year Agreement term (subject to earlier termination pursuant to the Agreement)
May 1, 2029 -	Last deposit for County (unless fully paid prior to this date or terminated earlier pursuant to the Agreement terms)

The Parties agree that subsequent deposits, estimates, notices, and determinations will follow the calendar dates set forth in the above schedule for each subsequent Tax Year.

3.4 Deposits

3.4.1 Deposits The County and the City will deposit their Tax Increments into the Tax Increment Fund on or before May 1st of each year following the Tax Year for which the Tax Increment payment is due under this Agreement pursuant to applicable statutory requirements including, without limitation, the Act. Deposits by the County shall be sent to

The City of Austin
Attention: City Controller
Tax Increment Reinvestment Zone No. 17
P.O. Box 2920
Austin, Texas 78767

3.4.2 Annual Notices On or before January 31 of each year, the Parties shall notify each other of the estimated amount of their respective deposits of Tax

increments to the Tax Increment Fund, and that such determination has been made in accordance with the Act

3.4.3 Delinquent Taxes The Parties agree that they will use best efforts to collect delinquent taxes within the TIF District, and that deposits on delinquent taxes do not have to be made until those delinquent taxes have actually been collected by the taxing entity. The Parties agree that the formula set forth in **Exhibit E** may be used for determining the Tax Increment payments to be made by the Parties under this Agreement and such formula substantively accounts for delinquent tax collections and refunds to taxpayers

4. LIMITATIONS ON TAX INCREMENT DEPOSITS AND USE OF FUNDS.

This Agreement is based on the following conditions, and the City agrees and acknowledges the County's right to enforce the conditions contained herein by injunction or any other lawful means in the event one or more of such conditions are not satisfied or to terminate this Agreement, cease making deposits, and receive reimbursement for deposits made up to the time of City's failure to meet these conditions

4.1 Compliance The Parties agree that all performance under this Agreement has been and will be done in compliance with all requirements of the Act. In addition, City shall provide all services and activities performed under the terms of this Agreement in compliance with the Constitutions of the United States and Texas and with all *applicable federal, state, and local orders, laws, regulations, rules, policies and* certifications governing any activities undertaken during the performance of this Agreement

4.2 TIF District Project Costs

4.2.1 Payment of Project Costs The portion of the County's Tax Increment deposited into the Tax Increment Fund shall be used pursuant to the Act to pay Project Costs (as defined by Section 311.002(1) of the Act) for infrastructure improvements or other public improvements as specifically set forth and identified in the Project Plan, attached hereto as **Exhibit D**. The Project Plan may be amended from time to time with County's written approval, but if the Project Plan is amended, the portion of the Tax Increment deposited into the Tax Increment Fund by the County may not be used for any infrastructure improvements or other public improvements not addressed by the original Project Plan, unless the amended Project Plan and such commitment to contribute to increased costs incurred as a result of that amendment is approved by the Commissioners Court as an amendment to **Exhibit D** to this Agreement

4.2.2 Direct Operations and Maintenance Costs Should the Agreement expire prior to the end of the twenty (20) year term pursuant to the terms of Section 5.2(a) [payment of all Project Costs as defined in that Section 5.2(a)], the Parties agree that the County's contribution will be completed and that payment by County on continued direct operations and maintenance costs shall cease

4.3 TIF District Expansion The TIF District shall include those real properties located within the boundaries as described in the Ordinance. The City may expand the TIF District in accordance with the Act. If the TIF District is expanded, County must approve such expansion in writing, and the portion of the Tax Increment deposited into the Tax Increment Fund by the County may not be used for any Project Costs in any portion of the expanded area of the TIF District, unless such contribution is specifically approved by the Commissioners Court through an amendment to this Agreement and the Project and Financing Plan. Further, the County's obligation to pay a portion of its Tax Increment into the Tax Increment Fund shall not apply to any expanded area of the TIF District, unless the County agrees to do so by written amendment of this Agreement.

4.4 TIF Board The TIF Board will be created and operated pursuant to the Act. The County shall have one member appointed to the TIF Board. The Parties understand that this appointment will not require the County to incur or report any liabilities or obligations related to the TIF District (other than the obligation to contribute its Tax Increment to the TIF District) or to meet the conditions of a reportable component unit in the County's financial statements. The TIF Board will have only those powers and duties as set forth in the Act and reasonably inferable therefrom, including the ability to make recommendations to the City Council and to exercise any powers authorized by the City pursuant to the Act. The TIF Board will NOT have the power to issue bonds, impose taxes or fees, exercise the power of eminent domain or give final approval to the Project Plan.

4.5 Fund Disbursements Money may be disbursed from the Tax Increment Fund only to satisfy claims of holders of bonds or other obligations issued to finance Project Costs, to pay Project Costs for the TIF District or to make payment pursuant to agreements as specified in the Act.

4.6 City Completion Regardless of the structure employed to perform the activities set forth under this Agreement, or any other agreements entered into or any other provisions of this Agreement, the City agrees not to seek contributions from the County in excess of the County contribution set forth in Section 3.1, it being the understanding of the Parties that the sole obligation of the County with respect to the construction, operation and maintenance of the Project provided for under this Agreement is to collect and contribute to the TIF District its Tax Increment. The City will issue obligations secured by ad valorem taxes for the purpose of constructing the Project provided for under this Agreement, and to fund the full completion and maintenance of the Project for the term of this Agreement, as provided for under this Agreement solely from funds lawfully available to the City for such purpose. If the City does not issue such obligations to finance the construction of the Project provided for under this Agreement, then, in consultation with the County, the City shall pursue other feasible methods of extending its full faith and credit related to financing of Project Costs, including the establishment of a sinking fund, an escrow account or an agreeable alternative arrangement, it being the express intent of the City that, during the term of this Agreement, the Project shall be constructed and maintained by the City with funds lawfully available to and appropriated by the City for such purposes.

5. TERM.

5.1 Effective Date The effective date of this Agreement is December 31, 2007

5.2 Termination Date This Agreement shall expire upon expiration or termination of the TIF District, which currently is the earlier of

(i) December 31, 2028, or

(ii) the date on which the Project has been fully implemented and all Project Costs of the TIF District (excluding, for the purposes of this provision, continuing direct operations and maintenance costs of the Project), and including, but not limited to, tax increment bonds or notes, contract revenue bonds, or other obligations, and interest on those bonds or other obligations, issued by or on behalf of the City in accordance with the Financing Plan have been paid, re-paid, or otherwise satisfied in full subject to the limitations set forth in Section 4.2 of this Agreement

5.3 Early Termination The Parties may agree to terminate the Agreement prior to the termination date set forth in Section 5.2 only by written agreement signed by both Parties, which agreement shall provide for

- (a) the agreed to termination date, and
- (b) the disposition of any undisbursed funds in accordance with Section 311.014 of the Act, and
- (c) other terms as agreed to by the Parties

5.4 Termination for Cause Other provisions notwithstanding, this Agreement may be terminated by County at any time that City violates Section 3.2 after written notice by the County to the City, and a reasonable period for the City to cure, not to exceed 60 calendar days, unless the City promptly cures such violation within such 60 day period, or commences to prosecute such cure during such 60 day period and diligently and in good faith continues to prosecute such cure to completion, in which case the Agreement will continue in full force and effect

6. FINAL ACCOUNTING.

6.1 After all Project Costs of the TIF District have been paid or at the time of the termination or other expiration of this Agreement (whichever occurs first), the City shall prepare and provide the County with a final accounting upon such occurrence of the funds deposited to and disbursed from the Tax Increment Fund. Any funds remaining in the Tax Increment Fund following the final accounting by the City shall be paid to those taxing units participating in the TIF District in proportion to each taxing unit's share of the total amount of Tax Increment deposited into the Tax Increment Fund in accordance with Section 311.014 of the Act

7. RESPONSIBILITY FOR ACTS.

7.1 The City and the County shall each be responsible to the extent provided by Texas law for the sole negligent acts of their officers, agents, employees or separate contractors. In the event of joint and concurrent negligence of both the City and the County, responsibility, if any, shall be apportioned comparatively with the laws of the State of Texas, with the understanding that neither party waives any governmental powers or immunities or any other defenses available to each individually or waives sovereign immunity to suit by the execution of this Agreement or by any conduct of any representative of that Party relating to this Agreement.

8. NOTICES.

8.1 All written notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party may subsequently designate in writing, by certified mail, postage prepaid, or by hand delivery.

8.2 The address of the City for all purposes under this Agreement, unless otherwise noted, shall be

City of Austin
Attn: City Chief Financial Officer
301 West 2nd Street
P O Box 1088
Austin, Texas 78767-1088

With additional copies to

City Attorney's Office and
City Financial Services Department

8.3 The address of the County for all purposes under this Agreement shall be

Honorable Samuel T. Biscoe (or successor)
Travis County Judge
314 West 11th St., Suite 520
PO Box 1748
Austin, TX 78767

With additional copies to

Honorable David Escamilla (or successor)
Travis County Attorney's Office
P O Box 1748
Austin, Texas 78767
Attention: Civil Transactions

and

Christian Smith (or successor)
County Planning and Budget Office
P O Box 1748
Austin, Texas 78767

9. NO WAIVER.

The failure of either Party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that Party's right to insist upon appropriate performance or to assert any such right on any future occasion

10. VENUE AND JURISDICTION.

If any action, whether real or asserted, at law or in equity, arises on the basis of any provision of this Agreement, venue for such action shall lie in state courts located in Travis County, Texas. This Agreement shall be construed in accordance with the laws of the State of Texas

11. NO THIRD PARTY RIGHTS.

The provisions and conditions of this Agreement are solely for the benefit of the City and the County and are not intended to create any rights, contractual or otherwise, to any other person or entity. The relationship of the City and the County under this Agreement is not and shall not be construed or interpreted to be a joint enterprise or joint venture. The Parties agree that each Party is an independent contractor.

12. FORCE MAJEURE.

The Parties shall exercise every reasonable effort to meet their respective obligations as set forth in this Agreement, but shall not be held liable for any delay in or omission of performance due to force majeure or other causes beyond their reasonable control, including, but not limited to, compliance with any governmental law, ordinance or regulation, acts of God, fires, strikes, lockouts, national disasters, wars, riots, material or labor restrictions, transportation problems and/or any other cause beyond the reasonable control of either party.

13. INTERPRETATION.

In the event of any dispute over the meaning or application of any provision of this Agreement, this Agreement shall be interpreted fairly and reasonably, and neither more strongly for or against any party, regardless of the actual drafter of this Agreement.

14. CAPTIONS.

Captions and headings used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

15. ENTIRETY OF AGREEMENT.

15.1 Inclusive Agreement This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the City and the County as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement.

15.2 Attachments The attachments enumerated and denominated below are hereby made a part of this Agreement, and constitute promised performance by the Parties in accordance with the terms of this Agreement:

- | | | |
|--------|-----------|--------------------------------|
| 15.2.1 | Exhibit A | County Minutes |
| 15.2.2 | Exhibit B | Ordinance No. 20070621-151 |
| 15.2.3 | Exhibit C | TIF Parcel Listing |
| 15.2.4 | Exhibit D | TIF Project and Financing Plan |
| 15.2.5 | Exhibit E | Tax Increment Formula |

15.3 Amendments Notwithstanding anything to the contrary herein, this Agreement shall not be amended unless executed in writing by both parties and approved by the City Council and the Commissioners Court in open meetings held in accordance with Chapter 551 of the Texas Government Code.

16.0 GENERAL PROVISIONS

16.1 Annual Reports Within 90 days of the end of the City's fiscal year, the City shall provide the County with an annual report of performance under this Agreement in accordance with Section 311.010 of the Act. The City shall also provide additional information related to performance under this Agreement as reasonably requested by the County. In addition, the City will prepare all reports required under the Act, with copies of such reports to be provided to the County.

16.2 Audit Each Party reserves the right to conduct, at the conducting Party's expense, an annual performance and financial audit under this Agreement. Each Party agrees to permit the other Party, or its authorized representatives, to audit and copy, at the expense of the auditing Party, records of the Party being audited that relate to this Agreement and to obtain any documents, materials, or information relating to this Agreement which are necessary to facilitate such audit.

16.3 Reservation of Rights. If any Party to this Agreement breaches this Agreement, the other Party(ies) shall be entitled to any and all rights and remedies provided for by Texas law and any applicable Federal laws or regulations. All rights of the City and the County under this Agreement are specifically reserved, and any payment, act or omission shall not impair or prejudice any remedy or right to the County or the City under this Agreement. The exercise or failure to exercise any right or remedy in this Agreement of the City or the County or the failure to act in accordance with law based upon the other Party's breach of the terms, covenants and conditions of this Agreement, or

the failure to demand the prompt performance of any obligation under this Agreement shall not preclude the exercise of any other right or remedy under this Agreement or under any law, nor shall any action taken or not taken in the exercise of any right or remedy be deemed a waiver of any other rights or remedies

16.4 Severability If any portion of this Agreement is ruled invalid, illegal or unenforceable by a court of competent jurisdiction, the remainder of it shall remain valid and binding, and shall continue to have full force and effect and shall in no way be impaired or invalidated by that holding

17. COUNTERPARTS.

This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument

In witness whereof, the following authorized representatives of the parties have
EXECUTED this Agreement to be effective as of December 31, 2007

CITY OF AUSTIN, TEXAS:

By _____

City Manager

Date _____

TRAVIS COUNTY, TEXAS

By _____

Sam Biscoe, County Judge

Date _____

APPROVED AS TO FORM

By _____

Gordon Bowman
Assistant City Attorney

By _____

Mary Etta Gerhardt
Assistant County Attorney

EXHIBIT A

COUNTY MINUTES

MINUTES OF MEETING - MARCH 27, 2007

TRAVIS COUNTY COMMISSIONERS' COURT

On Tuesday, the 27th day of March 2007, the Commissioners' Court convened the Voting Session at 9 15 AM in the Commissioners' Courtroom, 1st Floor of the Ned Granger Administration Building, 314 West 11th Street, Austin, Texas. Dana DeBeauvoir, County Clerk, was represented by Deputy Gillian Porter.

The Commissioners Court recessed the Voting Session at 12 12 PM.

The Commissioners Court, meeting as the Northwest Travis County Road District # 3 (Golden Triangle), convened at 1 54 PM and adjourned at 1 54 PM.

The Commissioners Court, meeting as the Travis County Housing Finance Corporation, convened at 1 55 PM and adjourned at 1 56 PM.

The Commissioners Court reconvened the Voting Session at 1 56 PM.

The Commissioners Court retired to Executive Session at 5 00 PM.

The Commissioners Court reconvened the Voting Session at 6 11 PM.

The Commissioners Court adjourned the Voting Session at 6 18 PM.

SPECIAL ITEMS

TO BE TAKEN UP AT 10:00 A.M.

5. CONSIDER AND TAKE APPROPRIATE ACTION ON CITY OF AUSTIN WALLER CREEK TUNNEL PROJECT (10 10 AM)

Members of the Court heard from: Sheryl Cole, Austin City Council Member, John Stephens, Chief Financial Officer, City of Austin, Leroy Nellis, Budget Manager, Planning and Budget Office (PBO), Geoff Jacks, Travis County Resident, Bea Fincher, Austin Chapter, Women's Chamber of Commerce, Charlie Betts, Executive Director, Austin Downtown Alliance, and Sam Archer, Austin Rowing Club.

Motion by Commissioner Daugherty **and seconded by** Commissioner Davis to approve Item 5.

A Clarification of the Previous Motion was made by Judge Biscoe to approve the request from the City of Austin for us to participate in the Tax Increment Financing (TIF), and work with City of Austin between now and

December 2007 to put together an appropriate contract, to designate appropriate County Staff at the appropriate time to handle the County's part

Motion carried:	County Judge Samuel T. Biscoe	yes
	Precinct 1, Commissioner Ron Davis	yes
	Precinct 2, Commissioner Sarah Eckhardt	yes
	Precinct 3, Commissioner Gerald Daugherty	yes
	Precinct 4, Commissioner Margaret J. Gómez	yes

EXHIBIT E

FORMULA - DETERMINATION OF TAX INCREMENT PAYMENT

The Parties understand and agree that determination of the actual "amount of property taxes levied and collected" would include extensive calculations on an ongoing parcel-by-parcel basis during every Tax Year of the Agreement to accurately reflect changes to the Tax Increment resulting from delinquent collections and refunds due to appraisal valuation adjustments. In order to simplify the calculations for payment, while maintaining substantive accuracy of the Tax Increment based on the taxes collected on the adjusted value of the property involved in the TIF District, the Parties may annually calculate an average collection rate that will be utilized to determine the Tax Increment.

The average collection rate will be based on the past four Tax Years. The collection rate will be calculated as of the fifth year of collection for each of those four Tax Years and then averaged. The calculation will be based on the beginning Tax Year unadjusted levy and the total amount collected on that levy after five years. Since this percentage will take into account the average decrease or increase to the levy due to delinquent payments, refunds, and property valuation adjustments, there will be no need to adjust future years' Tax Increments to reflect those amounts. The calculation will be based on TIF District parcel data if available, otherwise, County- or City-wide parcel data will be used to calculate the collection rate by the appropriate Party.

EXAMPLE. On page two of this exhibit is an example of the average collection rate calculation for Travis County using TIF District parcel data. It shows the collection rate for each Tax Year 1999 through 2002 and the average collection rate for all those years totaling 93.2%. Using this average collection rate the calculation of the Tax Increment payment for Travis County would be:

Captured Appraised Value divided by 100 multiplied by the then current Tax Rate multiplied by the average collection rate of 93.2% and then divided by two.

The first Tax Increment to be paid in 2009 would be based on the calculated rate for Tax Years 2000-2003. Prior to each annual payment, the Parties may review the calculations including the underlying information and documentation.

EXHIBIT E - Example

PROPERTY TAX COLLECTIONS AS OF SEPTEMBER 30 OF EACH YEAR FOR WALLER CREEK TIF DISTRICT PARCELS

Tax Year	Fiscal Year	Beginning Tax Balance	Tax Adjustments	Adjusted Levy	Reversible	Base Tax Collected	Assessed Net Tax Collected	Percent Collected	Ending Balance
1999	00	515,617	B (9,043)	506,574	-	506,709	506,709	99.83%	855
	2nd 01	855	(132)	506,442	(132)	506,510	506,442	100.00%	-
	3rd 02	-	-	506,442	-	-	506,442	100.00%	-
	4th 03	-	(12,924)	493,518	(12,924)	-	493,518	100.00%	-
	5th 04	-	-	493,518	-	-	493,518 A	100.00%	-
	6th 05	-	-	493,518	-	-	493,518	100.00%	-
	7th 06	-	-	493,518	-	-	493,518	100.00%	-
	8th 07	-	-	493,518	-	-	493,518	100.00%	-
Collection % after five years -1999							96.71%	(A/B)	
2000	01	556,770	B (2,013)	554,757	(164)	552,198	552,034	99.51%	2,723
	2nd 02	2,723	(41,077)	513,680	(41,077)	2,723	512,680	100.00%	-
	3rd 03	-	-	513,680	-	-	512,680	100.00%	-
	4th 04	-	-	513,680	-	-	512,680	100.00%	-
	5th 05	-	-	513,680	-	-	513,680 A	100.00%	-
	6th 06	-	-	513,680	-	-	512,680	100.00%	-
	7th 07	-	-	513,680	-	-	513,680	100.00%	-
Collection % after five years -2000							92.26%	(A/B)	
2001	02	636,466	B (55,275)	581,194	(43,114)	622,618	579,504	99.71%	1,690
	2nd 03	1,690	-	581,194	-	1,066	580,570	99.89%	624
	3rd 04	624	-	581,194	-	624	581,194	100.00%	-
	4th 05	-	-	581,194	-	-	581,194	100.00%	-
	5th 06	-	-	581,194	-	-	581,194 A	100.00%	-
	6th 07	-	-	581,194	-	-	581,194	100.00%	-
Collection % after five years -2001							91.32%	(A/B)	
2002	03	603,733	B (7,500)	596,233	(1,447)	592,334	591,857	99.27%	4,346
	2nd 04	4,346	(31,804)	564,429	(21,604)	3,890	563,973	99.92%	456
	3rd 05	456	-	564,429	-	388	564,361	99.99%	58
	4th 06	58	-	564,429	-	60	564,429	100.00%	-
	5th 07	-	-	564,429	-	-	564,429 A	100.00%	-
Collection % after five years -2002							93.49%	(A/B)	
Average Collection % for 1999-2002							93.20%		

EXHIBIT A

COUNTY MINUTES

MINUTES OF MEETING - MARCH 27, 2007

TRAVIS COUNTY COMMISSIONERS' COURT

On Tuesday, the 27th day of March 2007, the Commissioners' Court convened the Voting Session at 9 15 AM in the Commissioners' Courtroom, 1st Floor of the Ned Granger Administration Building, 314 West 11th Street, Austin, Texas. Dana DeBeauvoir, County Clerk, was represented by Deputy Gillian Porter.

The Commissioners Court recessed the Voting Session at 12 12 PM.

The Commissioners Court, meeting as the Northwest Travis County Road District # 3 (Golden Triangle), convened at 1 54 PM and adjourned at 1 54 PM.

The Commissioners Court, meeting as the Travis County Housing Finance Corporation, convened at 1 55 PM and adjourned at 1 56 PM.

The Commissioners Court reconvened the Voting Session at 1 56 PM.

The Commissioners Court retired to Executive Session at 5 00 PM.

The Commissioners Court reconvened the Voting Session at 6 11 PM.

The Commissioners Court adjourned the Voting Session at 6 18 PM.

SPECIAL ITEMS

TO BE TAKEN UP AT 10:00 A.M.

5. CONSIDER AND TAKE APPROPRIATE ACTION ON CITY OF AUSTIN WALLER CREEK TUNNEL PROJECT (10 10 AM)

Members of the Court heard from: Sheryl Cole, Austin City Council Member, John Stephens, Chief Financial Officer, City of Austin, Leroy Nellis, Budget Manager, Planning and Budget Office (PBO), Geoff Jacks, Travis County Resident, Bea Fincher, Austin Chapter, Women's Chamber of Commerce, Charlie Betts, Executive Director, Austin Downtown Alliance, and Sam Archer, Austin Rowing Club.

Motion by Commissioner Daugherty **and seconded by** Commissioner Davis to approve Item 5.

A Clarification of the Previous Motion was made by Judge Biscoe to approve the request from the City of Austin for us to participate in the Tax

Increment Financing (TIF), and work with City of Austin between now and December 2007 to put together an appropriate contract, to designate appropriate County Staff at the appropriate time to handle the County's part

Motion carried:	County Judge Samuel T. Biscoe	yes
	Precinct 1, Commissioner Ron Davis	yes
	Precinct 2, Commissioner Sarah Eckhardt	yes
	Precinct 3, Commissioner Gerald Daugherty	yes
	Precinct 4, Commissioner Margaret J. Gómez	yes

ORDINANCE NO. 20070621-151

AN ORDINANCE CREATING AND DESIGNATING THE AREA SURROUNDING THE WALLER CREEK TUNNEL PROJECT AS A TAX INCREMENT FINANCING REINVESTMENT ZONE NAMED "REINVESTMENT ZONE NUMBER SEVENTEEN, CITY OF AUSTIN, TEXAS"; ESTABLISHING A BOARD OF DIRECTORS FOR THE REINVESTMENT ZONE; CREATING A TAX INCREMENT BASE; ESTABLISHING A TAX INCREMENT FUND; AND DECLARING AN EMERGENCY.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. Findings.

The City Council finds that:

- (1) The City has proposed creation of a tax increment financing reinvestment zone under Texas Tax Code Chapter 311 (*Tax Increment Financing Act*) for the approximately 126 acre area surrounding the Waller Creek Tunnel Project, as more particularly described by metes and bounds in Exhibit A and the map in Exhibit B attached to and incorporated as part of this ordinance (Reinvestment Zone).
- (2) The City has prepared a preliminary reinvestment zone project and financing plan, attached to and incorporated as part of this Ordinance as Exhibit C (Preliminary Plan).
- (3) As required by Texas Tax Code Section 311.003 (*Procedure for Creating Reinvestment Zone*) of the Act, the governing body of each taxing unit that levies taxes on real property in the proposed Reinvestment Zone has been given a copy of the Preliminary Plan and provided 60 days notice of the creation of the proposed reinvestment zone. Travis County and the Austin Independent School District have received a formal presentation from City staff. Exhibit C is a revised version of the Preliminary Plan originally provided to the other taxing units, and a copy of this revised Plan was provided to each taxing unit that indicated that it would contribute tax increment funds to the project.
- (4) The Preliminary Plan provides that the ad valorem taxes of the City that constitutes the City's tax increment, and fifty percent of Travis County's tax increment, from property within the proposed Reinvestment Zone will be

deposited into the Tax Increment Fund created by this ordinance, and that the ad valorem taxes of the other taxing units, if agreed to by those taxing units, constituting their respective tax increments from property within the proposed Reinvestment Zone may also be utilized for the purposes described in the Preliminary Plan.

- (5) On June 21, 2007, at 6 o'clock p.m., at the Austin City Hall, Austin, Texas, the City held a public hearing to receive public comments on the creation of the proposed Reinvestment Zone and its benefits to the City and County, and the property in the proposed Reinvestment Zone.
- (6) In compliance with the Tax Increment Financing Act, notice of the public hearing on the proposed Reinvestment Zone was published at least seven days before the date of the public hearing in the Austin American-Statesman, a daily paper of general circulation in the City.
- (7) At the hearing, the City Council heard comment from each interested person supporting or opposed to: the creation of the proposed Reinvestment Zone; the boundaries of the proposed Reinvestment Zone; inclusion of all or part of the territory included in the proposed Reinvestment Zone; the benefit to the property in the proposed zone the concept of tax increment financing; and the appointment of members to a board of directors for the proposed Reinvestment Zone.
- (8) The owners of property located within the proposed Reinvestment Zone, other taxing units, and other interested persons were given a reasonable opportunity at the public hearing to protest the creation of the proposed Reinvestment Zone, including the inclusion of certain property in the proposed Reinvestment Zone.
- (9) The Reinvestment Zone meets the criteria for the creation of a reinvestment zone as set forth in the Tax Increment Financing Act because:
 - (a) It is a contiguous geographic area located wholly within the corporate limits of the City.
 - (b) It meets the requirements of Texas Tax Code Section 311.005 (*Criteria for Reinvestment Zone*), including specifically Subsections 311.005(a)(1)(D) and (H), because there are unsafe conditions with the potential for flooding that endangers life or property; and Subsection 311.005(a)(2), because the area is predominantly open and contains obsolete structures and site improvements because of its floodplain designation, that substantially impair the sound growth of the City.

- (c) The improvements proposed to be implemented in the proposed Reinvestment Zone will significantly enhance the value of all taxable real property in the proposed Reinvestment Zone.
- (10) The creation of the proposed Reinvestment Zone will benefit the City, its residents and property owners, including the property, residents, and property owners in the proposed Reinvestment Zone.
- (11) The development or redevelopment of the property in the proposed Reinvestment Zone will not occur solely through private investment in the reasonably foreseeable future.
- (12) The proposed Reinvestment Zone does not contain more than fifteen percent of the total appraised value of real property taxable by a county or school district and not more than ten percent of the property in the proposed Reinvestment Zone is currently in use for residential purposes.
- (13) According to the most recent appraisal rolls of the Travis Central Appraisal District, the total appraised value of all taxable real property in the proposed Reinvestment Zone together with the total appraised value of taxable real property in all other existing reinvestment zones within the City does not exceed fifteen 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.
- (14) The creation of the proposed Reinvestment Zone and the expenditure of funds on deposit in the Tax Increment Fund is necessary or convenient to the creation of the Reinvestment Zone or to the implementation of the Preliminary Plan for the Reinvestment Zone, and constitutes a program to promote local economic development and to stimulate business and commercial activity in the City.

PART 2. Creation.

A reinvestment zone is created for the area described in Exhibit A and Exhibit B and this reinvestment zone is designated as "Reinvestment Zone Number Seventeen, City of Austin, Texas" (the Zone).

PART 3. Board of Directors.

A board of directors for the Zone is established, consisting of 11 members (Board)

- (1) The Board of the Zone shall be appointed as follows:
 - (a) The Travis County Commissioner's Court and the Austin Community College District may each appoint one member to the Board. The Austin Independent School District and the Travis County Hospital

District have waived their right to appoint a board member. The Travis County Commissioner's Court and Austin Community College District shall make their initial appointments by resolution not later than the 60th day after the effective date of this ordinance, or as promptly afterward as reasonably possible. For those board positions for which taxing units have waived the right to appoint a member, the City Council may appoint Board members to fill the board positions.

- (b) As provided in Subsection 311.009(a) of the Act, the remaining members of the Board are appointed by the City Council.
- (2) A Board member shall serve a two year term. The City Council shall designate a member of the Board to serve as its chair. The Board shall elect from its members a vice chair and other officers as it deems necessary.
- (3) The Board shall make recommendations to the City Council concerning the administration of the Zone. It shall prepare and adopt a final project plan and financing plan for the Zone and submit these plans to the City Council for approval. The Board shall possess all powers necessary to prepare, implement and monitor the project plan and zone financing plan for the Zone as the City Council considers advisable, including the submission of an annual report on the status of the Zone.

PART 4. Authority of the Board.

- (A) The City Council authorizes the Board of the Zone to exercise any of the City's powers with respect to the administration, management, or operation of the Zone or the implementation of the project plan for the Zone, except that the Board may not: issue tax increment bonds or notes; impose taxes or fees; exercise the power of eminent domain; or give final approval to the project plan.
- (B) The Board of the Zone may enter into a contract with a local government corporation created by the City under Texas Transportation Code Chapter 431 (*Texas Transportation Corporation Act*), to manage the Zone or implement the approved project plan and financing plan. Funds on deposit in the Tax Increment Fund may be transferred to the local government corporation to secure bonds, notes or other obligations issued by the local government corporation relating to the implementation of the approved project plan and financing plan for the Zone.

PART 5. Tax Increment Base.

The tax increment base for the Zone is the total appraised value determined as of January 1, 2007, of all taxable real property located in the Zone as provided in Texas Tax Code Section 311.012(c).

PART 6. Tax Increment Fund.

- (A) A Tax Increment Fund for the Zone is established. The Tax Increment Fund may be divided into accounts and subaccounts as authorized by the City Council. All tax increments, less the amount not required to be paid into the Tax Increment Fund under the Tax Increment Financing Act, must be deposited into the Tax Increment Fund. All revenues from the sale of tax increment bonds or notes, contract revenue bonds or other indebtedness issued by or on behalf of the City, or property acquired as part of the financing plan, and other revenue dedicated to use in the Zone shall be deposited into the Tax Increment Fund to pay approved project costs for the Zone or to satisfy the claims of holders of tax increment bonds or notes issued for the Zone. It is intended that the City and Travis County, and any other taxing units contributing to the Tax Increment Fund, will contribute their respective payments into the Fund for the years 2009 through 2028.
- (B) City Council approval of an expenditure from the Tax Increment Fund in excess of the city manager's administrative limit or a related contract is required before the expenditure is made or the contract is executed.
- (C) The Tax Increment Fund including an account or subaccount shall be maintained at the City's depository bank and secured as prescribed by state law.

PART 7. Severability.

If any section, paragraph, clause, or provision of this ordinance is for any reason held to be invalid or unenforceable, the invalidity or unenforceability of that section, paragraph, clause, or provision shall not affect any of the remaining provisions of this ordinance.

PART 8. Effective Date and Termination.

The Zone shall take effect on June 21, 2007, and shall terminate on September 30, 2028, or at an earlier time designated by the City Council by ordinance if the City Council determines in its sole discretion that the Zone should be terminated due to insufficient private investment, accelerated private investment, or other good cause, or

when all project costs and tax increment bonds or notes, contract revenue bonds, or other indebtedness issued by or on behalf of the City, if any, including interest, have been paid in full.

PART 9. Effective Date.

The council finds that Texas Tax Code Subsection 311.004(a)(3) requires that the Zone take effect immediately upon passage of this ordinance, and that this constitutes an emergency. Because of the emergency, this ordinance takes effect immediately on its passage for the immediate preservation of the public peace, health, and safety, and to comply with state law.

PASSED AND APPROVED

_____ June 21 _____, 2007 §
 §
 §

 Will Wynn
 Mayor

APPROVED: _____
 David Allan Smith
 City Attorney

ATTEST: _____
 Shirley A. Gentry
 City Clerk

EXHIBIT A

**METES & BOUNDS DESCRIPTION
OF WALLER CREEK
TAX INCREMENT FINANCING REINVESTMENT ZONE (TIF)
CITY OF AUSTIN, TRAVIS COUNTY, TEXAS**

Being a boundary of a political subdivision in the City of Austin, Travis County, Texas; generally located in the downtown area of the City of Austin, being bounded on the North by the centerline of East 12th Street, on the East by the West right-of-way line of Interstate Highway 35 and the West right-of-way line of East Avenue, on the South by the centerline of Cummings Street and on the Southwest by the Northeast limits of Town Lake also known as the Colorado River said limits being defined by the normal pool elevation contour line of 429.00 mean sea level, and on the West by the centerlines of Trinity Street and Red River Street, said political boundary being described by metes and bounds as follows:

BEGINNING at a found "PK" nail being the centerline intersection of East 12th Street and Red River Street, for the most Northwesterly corner of the herein described tract;

Thence in an Easterly direction along the centerline of East 12th Street to a corner at the centerline intersection of Sabine Street and East 12th Street, for a corner of the herein described tract,

Thence in a Southerly direction along the centerline of Sabine Street to a corner at the centerline intersection of Sabine Street and East 11th Street, for an interior corner of the herein described tract;

Thence in an Easterly direction along the centerline of East 11th Street to a corner at the centerline intersection of East 11th Street and the West right-of-way line of Interstate Highway 35, for the most Northeasterly corner of the herein described tract;

Thence in a Southerly direction along the West right-of-way line of N. Interstate Highway 35 to a point at the intersection of the West right-of-way line of N. Interstate Highway 35 and the West right-of-way line of East Avenue;

Thence continuing in a Southerly direction along the West right-of-way line of East Avenue to a corner at the intersection of the West right-of-way line of East Avenue and the centerline of Cummings Street for the most Southeasterly corner of the herein described tract;

Thence in a Westerly direction along the centerline of Cummings Street and the extension of the centerline of Cummings Street to the intersection of the normal pool elevation contour line of 429.00 mean sea level of Town Lake being on the Northeasterly side of Town Lake;



Thence in a Northwesterly direction along said normal pool elevation contour line of 429.00 mean sea level of Town Lake to a corner at the intersection of the centerline extension of Trinity Street with said 429.00 mean sea level contour line for the most Southwesterly corner of the herein described tract;

Thence in a Northerly direction along said extension of the centerline of Trinity Street to a corner on the South line of a 38,984 Square Foot tract of Land described in Ordinance Number 820513-G Vacating right-of-way in River Walk, recorded in Volume 7650, Page 44 of the Deed Records of Travis County, Texas;

Thence in an Easterly direction along the South line of said 38,984 Square Foot Tract to the southeast corner of said Tract;

Thence continuing along the east line of said 38,984 Square Foot Tract the record bearing of North 45°52'00" East, a record distance of 68.88 feet to a corner,

Thence continuing along the east line of said 38,984 Square Foot Tract the record bearing of North 19°02' East, a record distance of 5.90 feet to the Northeast corner of said 38,984 Square Foot tract and being the Southwest corner of a 46,957.50 Square Foot Tract of land described in Volume 2575, Page 453 of the Deed Records of Travis County, Texas, and the Southeast corner of Trinity Street right-of-way;

Thence along the East line of Trinity Street and the West line of said 46,957.50 Square Foot Tract the record bearing of North 19°00' East, a record distance of 131.00 feet to a corner, being the Northwestern corner of said 46,957.50 Square Foot Tract and being the Southwest corner of the vacated Willow Street as described in Ordinance Number 640730-B recorded in Volume 29, Page 741 of the Deed Records Travis County, Texas, also being an interior corner of the herein described tract;

Thence in a Westerly direction along the South right-of-way line of Willow Street to a corner at the intersection with the centerline of said Trinity Street;

Thence in a Northerly direction along the centerline of Trinity Street to a corner at the intersection with the centerline of East 3rd Street for an exterior corner of the herein described tract;

Thence in an Easterly direction along the centerline of East 3rd Street and vacated East 3rd Street as described in ordinance number 990715-19 recorded in the Official Public Records of Travis County, Texas, and through the existing Austin Convention Center to a corner at the centerline intersection of East 3rd Street and Red River Street for an interior corner of the herein described tract;



Thence in a Northerly direction along the centerline of Red River Street to the POINT
OF BEGINNING.

NOTE:

"This document was prepared under 22 TAC §663.21, does not reflect the results of an
on the ground survey, and is not to be used to convey or establish interests in real
property except those rights and interests implied or established by the creation or
reconfiguration of the boundary of the political subdivision for which it was prepared".

V&A Job No. 1739-004-107
SH/CR/gm m&b TIF District(061407)
Revised: June 14, 2007
June 8, 2007

A separate drawing of even date accompanies this metes and bounds description

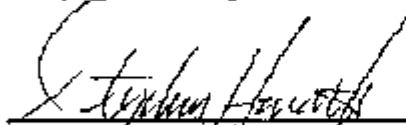
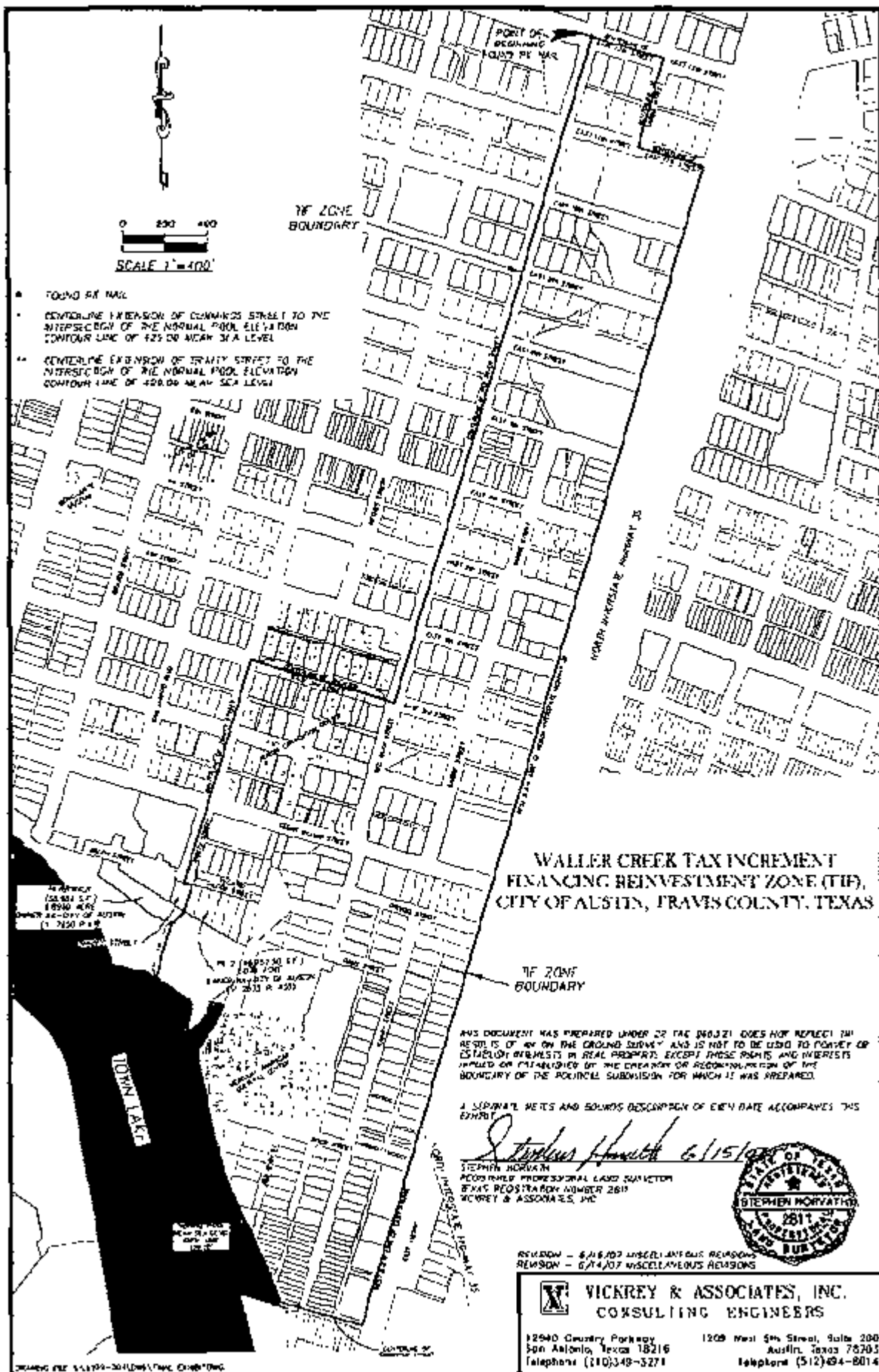
 6/14/07
Stephen Horvath
Registered Professional Land Surveyor
Texas Registration Number 2811
Vickrey & Associates, Inc.



EXHIBIT B



**WALLER CREEK TAX INCREMENT
FINANCING REINVESTMENT ZONE (TIF),
CITY OF AUSTIN, TRAVIS COUNTY, TEXAS**

THIS DOCUMENT WAS PREPARED UNDER 22 TAC 600.021. IT DOES NOT REFLECT THE RESULTS OF ANY ON THE GROUND SURVEY AND IS NOT TO BE USED TO CONVEY OR ESTABLISH RIGHTS IN REAL PROPERTY, EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONSTRUCTION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

A SEPARATE NOTES AND SOUNDS DESCRIPTION OF EACH DATE ACCOMPANIES THIS EXHIBIT.

Stephen Norman 6/15/07
STEPHEN NORMAN
REGISTERED PROFESSIONAL LAND SURVEYOR
EXERCISE REGISTRATION NUMBER 2811
VICKREY & ASSOCIATES, INC.



REVISION - 6/15/07 MISCELLANEOUS REVISIONS
REVISION - 6/14/07 MISCELLANEOUS REVISIONS



VICKREY & ASSOCIATES, INC.
CONSULTING ENGINEERS

12940 Country Parkway
San Antonio, Texas 78216
Telephone (210)349-3271

1209 West 5th Street, Suite 200
Austin, Texas 78703
Telephone (512)494-8014

EXHIBIT C

**Waller Creek
Tax Increment Financing Reinvestment Zone
City of Austin
Tax Increment Financing Reinvestment Zone No. 17**

**Preliminary Project Plan
and
Reinvestment Zone Financing Plan**

June 13, 2007

Table of Contents

Executive Summary

Project Plan

Reinvestment Zone Financing Plan

Executive Summary

The proposed zone is to be located within the area bounded on the west by Red River Street from 12th Street south to 3rd Street, then west along 3rd Street to Trinity Street, then south along Trinity Street to Town Lake; on the south by Town Lake from Trinity Street east to Cumming Street, then east along Cummings Street to East Avenue, on the east by East Avenue from Cummings Street north to the south bound access road of IH-35, then along said access road north to 11th Street, then west along 11th Street to Sabine Street, and north along Sabine Street to Red River Street, and on the north by 12th Street between Sabine Street and Red River Street.

The purpose of the Waller Creek Tunnel project, which is to be financed through the subject Tax Increment Financing Reinvestment Zone (TIF), is to provide 100-year storm event flood protection with no out-of-bank or roadway flooding for the lower Waller Creek watershed. The project will provide flood protection to existing buildings, prevent the flooding of roadway crossings, and reduce the width of the floodplain. The reduction in floodplain area resulting from the project will significantly increase the amount of developable land area in the lower Waller Creek watershed.

The proposed tunnel will be 22 feet in diameter and approximately 5400 feet in length. The tunnel will originate in Waterloo Park near East 12th Street with discharge to Town Lake. The tunnel alignment is generally beneath Sabine Street. Significant inlet and outlet structures are required and because the structures are in parkland, aesthetics of the structures are a major consideration. The inlet structure will include a pond, a morning-glory shaped inlet structure, small dam, access bridge, pump building and significant landscaping enhancements. The inlet also includes mechanical screens to ensure operational reliability and a system to pump small quantities of water from the tunnel to the creek. This pumped water will augment the base flow in the creek and by so doing enhance its aesthetic appeal and water quality. The outlet structure includes a pond, an outlet shaft, and a de-watering pump system. A floating stage may be located on the outlet shaft. An outdoor amphitheater may be built on the slopes surrounding the outlet pond. The park facilities to be located at the tunnel inlet and outlet will be finalized following meetings with the public and Parks and Recreation Department Board. The total estimated cost of the project is \$127,547,000 (in June 2006 dollars).

The Waller Creek tunnel project will spur economic development throughout downtown, in particular in an area where development has lagged the rest of the city. The project will enhance the parkland and trail along the creek by providing amenities in Waterloo Park and on Town Lake and by preventing flooding and reducing streambank erosion. Further, the project's water re-circulation efforts will supplement stream base flow and enhance the quality of water flowing into Town Lake. The project is also expected to improve the connectivity between east and west Austin, and with its parkland enhancement and anticipated economic development stimulus, promote tourism by convention and other visitors.

To finance this project, the City of Austin proposes the formation of a tax increment financing reinvestment zone (TIF) in accordance with state law. In a TIF, one or more political subdivisions contribute up to 100% of the property tax on the increase in value (tax increment) to TIF purposes. Under the proposal, the City of Austin will contribute 100% of its tax increment, and Travis County will contribute 50% of its tax increment. The project will be funded by the issuance of debt that will be repaid primarily from the revenues of a 20-year tax increment financing zone (a "TIF"). At the end of the 20-year TIF, the City will pay all remaining debt and operations and maintenance expenditures.

Project Plan

Introduction

This document is the Preliminary Project Plan for the Waller Creek Tax Increment Financing Reinvestment Zone for the Lower Waller Creek Flood Control Improvements, City of Austin, Texas as required by Chapter 311 of the Texas Tax Code. The Zone is on the eastern edge of the downtown area of Austin, Texas. The purpose of the Zone is to finance reimbursements of costs associated with flood control improvements in the Waller Creek watershed of the City of Austin, Texas.

The flood control improvements are public infrastructure. The proposed tunnel will be 22 feet in diameter and approximately 5400 feet in length. The tunnel will originate in Waterloo Park near East 12th Street with discharge to Town Lake. The tunnel alignment is generally beneath Sabine Street. Significant inlet and outlet structures are required and because the structures are in parkland, aesthetics of the structures are a major consideration. The inlet structure will include a pond, a morning-glory shaped inlet structure, small dam, access bridge, pump building and significant landscaping enhancements. The inlet also includes mechanical screens to ensure operational reliability and a system to pump small quantities of water from the tunnel to the creek. This pumped water will augment the base flow in the creek and by so doing enhance its aesthetic appeal and water quality. Approximately four storm water inlets along the lower Waller Creek downstream of the tunnel inlet and a parallel smaller diameter tunnel originating near East 3rd Street and terminating at the tunnel outlet will provide for the diversion of storm water entering the lower Waller Creek channel. The outlet structure includes a pond, an outlet shaft, and a de-watering pump system. A floating stage may be located on the outlet shaft. An outdoor amphitheater may be built on the slopes surrounding the outlet pond. The park facilities to be located at the tunnel inlet and outlet will be finalized following meetings with the public and Parks and Recreation Department Board.

Expenditures associated with the design and construction project and other project-related costs including easements and right-of-way will be funded by tax increment revenues derived from increases in property values resulting from the new development.

I. Maps Showing Existing Floodplain and Map Showing Proposed Floodplain

The Zone includes approximately 126 acres. The proposed zone is to be located within the area bounded on the west by Red River Street from 12th Street south to 3rd Street, then west along 3rd Street to Trinity Street, then south along Trinity Street to Town Lake; on the south by Town Lake from Trinity Street east to Cumming Street, then east along Cummings Street to East Avenue; on the east by East Avenue from Cummings Street north to the south bound access road of IH-35, then along said access road north to 11th Street, then west along 11th Street to Sabine Street, and north along Sabine Street to Red River Street; and on the north by 12th Street between Sabine Street and Red River Street. Existing land use includes commercial, residential and public use including park land. The extent of the floodplain within the proposed Zone precludes many development options.

Exhibits 1 and 2 show the existing floodplain and post-project floodplains in the Zone. Exhibit 3 shows the Zone boundary. Renderings of the Waller Creek Tunnel inlet and outlet are shown in Exhibits 5 and 6.

II. Proposed Changes of Zoning Ordinances, the Master Plan of the Municipality, Building Codes, and Other Municipal Ordinances

All project construction is anticipated to adhere to existing design and building criteria. Currently, there are no proposed changes to City ordinances, master plans or building codes. In the future, regulatory changes may be recommended as part of the Downtown Austin Master Plan (Downtown Plan).

Downtown Plan

As a city, Austin is seen as one of the best in the country, with a long and growing list of "Bests," including:

- 1st place - "Best Large City for Relocating Families" (The Worldwide Employee Relocation Council (ERC), Primacy Relocation and Sperling's BestPlaces, June 2004)
- 1st place (for the second consecutive year) - "Top 10 Cities for Hispanics to Live In" (Hispanic magazine, August 2005)
- 2nd place - Top Creative Class Cities (The Rise of the Creative Class, Richard Florida, 2002)
- 2nd place - "Ten Greenest Cities" list (Vegetarian Times' July/August 2005)
- 3rd place - "Best Places" for business and careers (Forbes, May 2005)
- 6th place - Nation's top tech hubs (Silicon Valley study, September 2005)
- 11th place - "The 25 Best Running Cities in America" and (Runner's World July 2005)
- One of the top 10 cities to be a dog. (DogFancy November 2005)

At the heart of all these accolades are Austin's citizens, their love for the City, and in a very tangible sense, downtown. Downtown Austin is the city's central business district, the entertainment hub, the primary tourist destination, and home to City, County and State governmental activities.

Downtown Austin, however, is in a period of transition. On the one hand, downtown is experiencing tremendous growth in the housing sector based on strong demand. On the other hand, downtown is struggling to maintain or recapture its retail and office market share as office buildings and shopping centers are being built further and further away from downtown to accommodate a growing suburban population. If left unchecked, this development pattern will lead to the advancement of one sector to the possible exclusion and detriment of others.

On December 15, 2005 the Austin City Council adopted a resolution initiating a planning process for Downtown Austin including the Waller Creek TIF Area. The Council action required the selection of a nationally-recognized consultant with downtown expertise to develop the Downtown Austin Plan by working with stakeholders, including but not limited to State, Federal and local governments, Capital Metro, downtown neighborhood associations and downtown business groups, affordable housing advocates, parks groups and environmental organizations. The consultant's scope of work was to include the following:

1. Implement ordinance modernizations, including but not limited to FAR standards and procedures for modifying where appropriate; height standards and procedures for modifying where appropriate, and; funding ordinances for infrastructure.
2. Identify right-of-way for passenger rail and dedicated bus thoroughfares.
3. Develop a program and procedure for the sale and development of government-owned land
4. Identify east-west and north-south rail lines and dedicate station locations downtown.
5. Integrate the Downtown Neighborhood Plan and the TOD Ordinance Convention Center Station Area Planning effort into the Downtown Austin Plan and Ordinance
6. Identify strategies and best practices for affordable work force housing in the downtown area.

In April 2007, the City contracted with the ROMA Design Group to assist with the development of the Downtown Master Plan. The contract for the Downtown Plan envisions that the Plan will unfold in phases.

Phase One -- Analyze baseline information, interview key stakeholders, assess opportunities and challenges, and craft a strategic framework with clearly prioritized actions aimed at implementing the downtown vision. The Phase One work will require six months to complete.

Phase Two – Implementation of the identified high-priority items.

Proposed regulatory changes considered in the Downtown Plan will be evaluated for any potential impacts on the construction of the proposed TIF improvements and future redevelopment and assessed valuation within the TIF Area. The City of Austin expects that any regulatory changes that may be recommended will enhance redevelopment opportunities and density (and thus, valuation) beyond the baseline assumptions included in the Feasibility section of this report.

III. List of Estimated Non-Project Costs

The project is precedent to revising the floodplain in the Zone. Anticipated redevelopment within the Zone will be by private developers after the construction of the project. Non-project costs are those development items that will be funded by others and are necessary for the implementation of the project. No tax increment reimbursement is provided for non-project costs. No non-project improvements or costs are proposed.

IV. Statement of Method of Relocating Persons to be Displaced as a Result of Implementing the Project

No persons will be displaced as a result of the construction of the project.

Reinvestment Zone Financing Plan

I. List of the Estimated Project Costs of the Zone Including Administrative and Recurring Expenses

The following list itemizes the estimated infrastructure project costs for the Zone. The Zone may incur bond financing costs but these costs have not been included in the list below. Line item amounts may be adjusted with approval of the Zone Board of Directors. Additional construction cost estimate information is available in *Waller Creek Tunnel Construction and O&M Cost Estimates Update, Brown & Root/Espey Padden Joint Venture, October 6, 2006*.

<u>Project Capital Item</u>	<u>Estimated Cost</u>
Construction Costs	
Inlet, Morning Glory with Mechanical Screens	\$21,605,000
Tunnel, 22 ft. diameter, Sabine Street alignment	27,566,000
Outlet, with floating stage and amphitheatre	13,300,000
<u>Intervening Storm Sewer Connections</u>	<u>32,260,000</u>
Total Construction Cost:	\$94,731,000

Right-of-Way

Tunnel	\$702,000
Intervening storm sewer connections	730,000
Total Right-of-Way Cost:	\$1,432,000

Other Project Costs

Engineering, Testing & Construction Management	\$27,610,000
Administrative	
Zone Creation	150,000
City Real Estate Acquisition Services	200,000
City Project Management (2.0%)	1,900,000
Total Administrative:	\$2,250,000
Project Contingencies	
Construction (5 to 15% included above)	\$ 0
Right-of Way (10%)	143,000
Engineering (5%)	1,381,000
Total Contingency (excluding construction)	\$1,524,000

Total Project Capital Cost **\$127,547,000**

Project Annual Costs

Operation and Maintenance	\$2,632,000
Zone Administration	30,000

Total Annual Cost **\$2,662,000**

II. Statement Listing the Kind, Number and Location of All Proposed Public Works or Public Improvements in the Zone

The Waller Creek bypass tunnel is located throughout the Zone as shown in Exhibit 4.

III. Economic Feasibility Studies

The Brown & Root/Espey Padden Joint Venture prepared economic models of development resulting from the project and increases in tax revenues resulting from the development. The project was found to be economically viable. Economic studies of the project were also prepared by Spillete Consulting and Charles Heimsath and also demonstrated the economic viability of the project. The Waller Creek TIF Buildout and Tax Revenue Schedule is attached as Exhibit 7.

IV. The Estimated Amount of Bonded Indebtedness to be Incurred

The estimated amount of bonded indebtedness to be incurred by the Zone is shown below:

Estimated capital cost of project (in millions):	\$127.55
Cash on hand:	<u>(27.30)</u>
Balance to be financed:	\$100.25
Inflated balance (4.5%) at time of construction start in 2010:	\$109.48

V. The Time When Monetary Obligations are to be Incurred

Monetary obligations are to begin with the start of construction currently estimated as August 2010. Project design will be initiated in August 2007 and will be paid for with cash-on-hand.

VI. A Description of the Method 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 that Levies Taxes on Real Property in the Zone

Description of the Methods of Financing

The City of Austin may, under the provisions of Section 311.015 of the Tax Increment Financing Act, issue tax increment bonds or notes, the proceeds of which may be used to provide for project-related costs. The City of Austin intends to issue tax increment bonds or notes to finance the project.

Sources of Tax Increment Revenue

The tax increment revenue necessary to pay the project costs is expected to come from increased property values in the Zone due to construction of new commercial and residential buildings. Buildout assumptions are shown in Exhibit 8.

The financing plan is based on the City of Austin contributing 100% of their collected incremental tax revenue to the Zone and Travis County contributing 50% of their collected incremental tax revenue to the Zone. Current (2006) tax rates are shown below:

Taxing Unit	Total Tax Rate	Tax Rate Dedicated	% Dedicated
City of Austin	\$0.4126/\$100	\$0.4126/\$100	100%
Travis County	\$0.4499/\$100	\$0.22495/\$100	50%

VII. The Current Total Appraised Value of Taxable Real Property in the Zone

The total estimated 2007 appraised value within the Zone is \$173,584,987.00

VIII. The Estimated Captured Value of the Zone During Each Year of its Existence

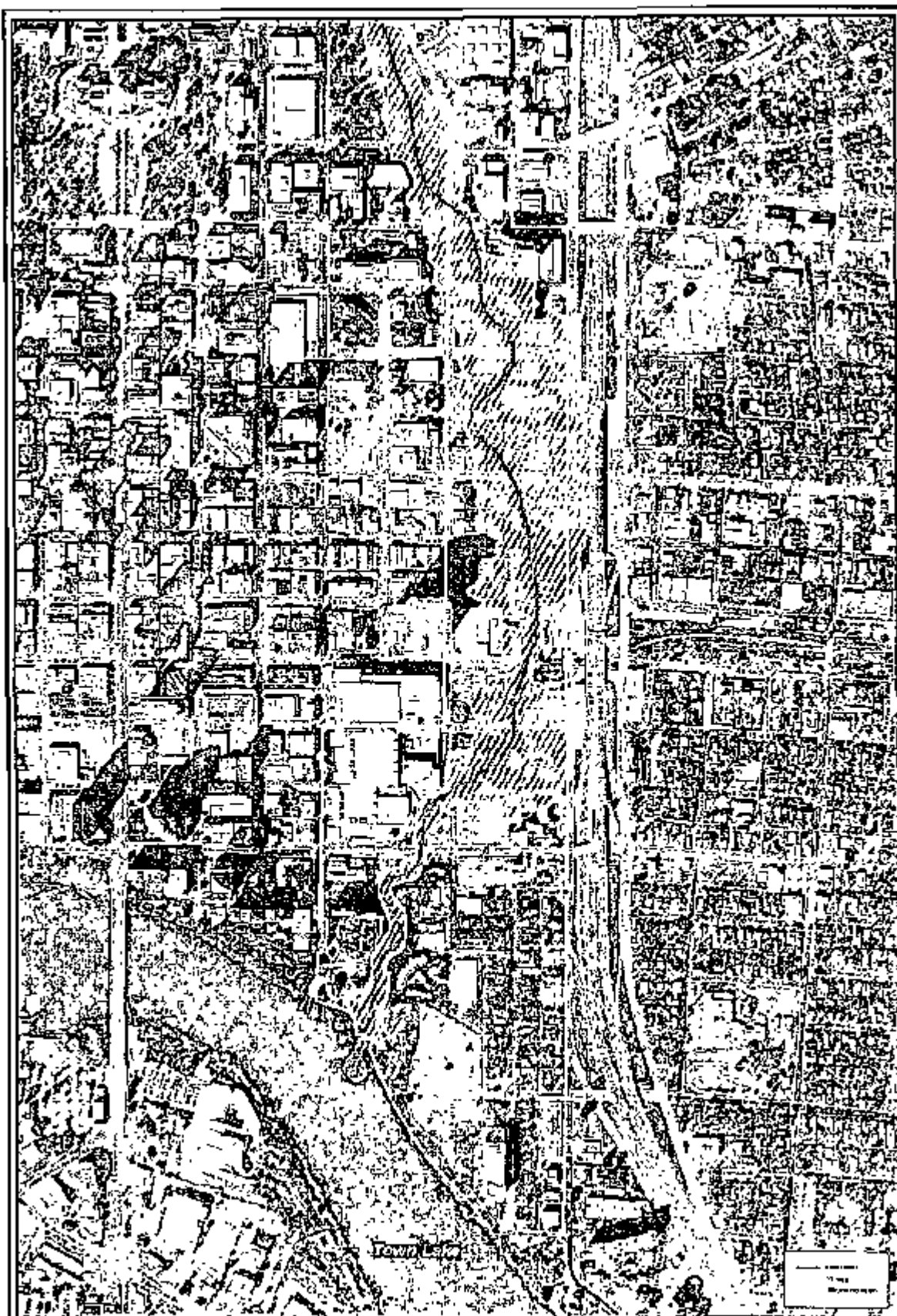
The estimated captured appraised value of the Zone during each year of its existence is shown in Exhibit 7.

IX. Duration of the Zone

The duration of the Zone is 20 years. The Zone will take effect on the date it is created and it is anticipated that the City of Austin Council will establish January 1, 2008 as the base year of the Zone. The Zone will terminate on December 31, 2028, or on a date to be subsequently established by ordinance of the City of Austin Council.

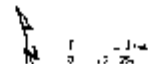
Exhibits to Preliminary Project Plan and Reinvestment Zone Financing Plan

Exhibit 1	Map - Existing Floodplain
Exhibit 2	Map - Proposed Floodplain
Exhibit 3	Map - TIF Boundaries
Exhibit 4	Map - Tunnel Alignment
Exhibit 5	Rendering - Tunnel Inlet
Exhibit 6	Rendering - Tunnel Outlet
Exhibit 7	Waller Creek TIF Buildout and Tax Revenue Schedule
Exhibit 8	Waller Creek TIF Buildout Assumptions

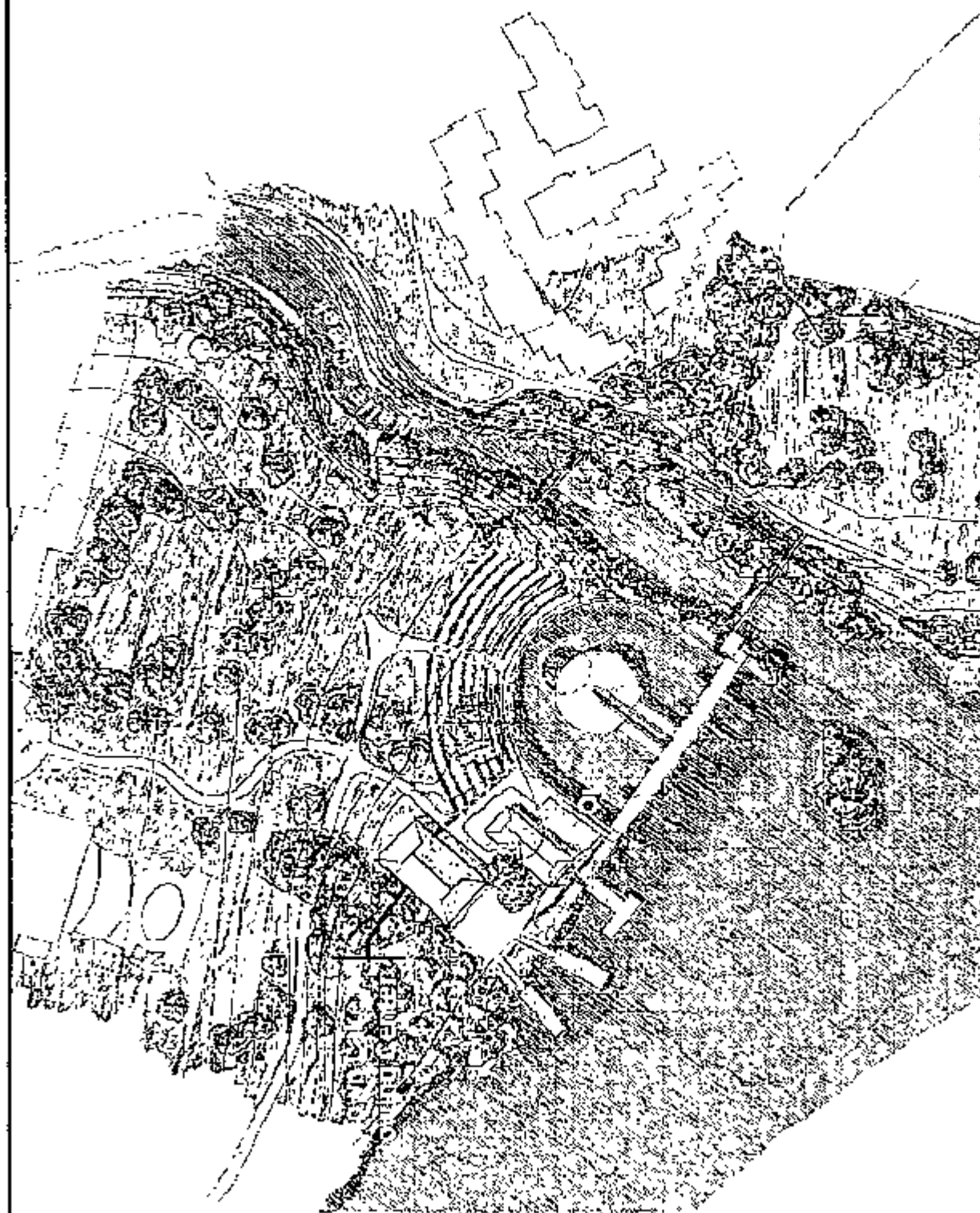


**Watershed Protection
Development Review**

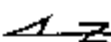
**Exhibit 1
Existing Floodplain**
Updated 6/1/07



Map prepared by: [illegible]
Map date: 6/1/07
Map scale: 1 inch = 1 mile
Map projection: NAD 83
Map datum: NAD 83
Map source: [illegible]



**Watershed Protection
Development Review**



**Exhibit 6
Tunnel Outlet**

AWARD OF
CONSTRUCTION
CONTRACT
AUGUST 2010

ESTIMATED VALUES AND ABSORPTION TOTALS				
	Office Value & Square Feet (SF)	Retail Value & Square Feet (SF)	Hotel Value & Square Feet (SF)	Residential (Apartments/ Condominiums) Value & Square Feet (SF)
TOTAL 2005 Values =>	\$ 589,265,000	\$ 117,000,000	\$ 126,239,125	\$ 820,118,420
Maximum Absorption Estimate, SF =>	2,606,500	600,000	1,593,700	2,561,400

Exhibit 7
Waller Creek TIF
Buildout and
Tax Revenues Schedule

2013	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
\$ 406,618,381	\$ 513,878,233	\$ 685,895,180	\$ 804,728,283	\$ 986,239,988	\$ 1,175,223,681	\$ 1,346,815,487	\$ 1,531,857,854	\$ 1,731,259,941	\$ 1,980,012,865	\$ 2,212,118,471
\$ 580,233,368	\$ 647,263,296	\$ 839,280,147	\$ 980,313,350	\$ 1,159,824,595	\$ 1,346,808,668	\$ 1,520,400,474	\$ 1,695,443,841	\$ 1,904,844,828	\$ 2,153,597,852	\$ 2,385,703,458
\$ 1,752,463	\$ 2,218,744	\$ 4,488,249	\$ 3,502,355	\$ 4,269,249	\$ 5,110,373	\$ 5,682,614	\$ 6,882,288	\$ 7,512,882	\$ 8,557,228	\$ 9,697,331
\$ 955,445	\$ 1,209,334	\$ 1,575,232	\$ 1,809,406	\$ 2,234,469	\$ 2,768,344	\$ 3,180,864	\$ 3,626,824	\$ 4,088,021	\$ 4,567,218	\$ 5,032,477
\$ 2,707,908	\$ 3,427,678	\$ 4,464,431	\$ 5,411,843	\$ 6,816,318	\$ 7,897,018	\$ 9,043,778	\$ 10,278,083	\$ 11,608,863	\$ 13,284,445	\$ 14,829,606
\$ 7,084,828	\$ 7,084,828	\$ 7,084,828	\$ 7,084,828	\$ 7,084,828	\$ 7,084,828	\$ 7,084,828	\$ 7,084,828	\$ 7,084,828	\$ 7,084,828	\$ 7,084,828
\$ -	\$ -	\$ -	\$ 3,240,000	\$ 3,340,000	\$ 3,440,000	\$ 3,540,000	\$ 3,650,000	\$ 3,760,000	\$ 3,870,000	\$ 3,990,000
\$ 7,084,828	\$ 7,084,828	\$ 7,084,828	\$ 10,324,828	\$ 10,424,828	\$ 10,524,828	\$ 10,624,828	\$ 10,734,828	\$ 10,844,828	\$ 10,954,828	\$ 11,074,828
\$ (4,376,320)	\$ (3,657,350)	\$ (2,620,357)	\$ (4,912,983)	\$ (3,808,510)	\$ (2,627,812)	\$ (1,581,062)	\$ (455,735)	\$ 784,065	\$ 2,329,618	\$ 3,754,980
\$ (6,506,220)	\$ (10,163,570)	\$ (12,183,927)	\$ (17,695,912)	\$ (21,505,423)	\$ (24,433,235)	\$ (25,714,287)	\$ (26,170,023)	\$ (25,405,968)	\$ (23,078,349)	\$ (19,371,369)
\$ 1,888,860	\$ 2,610,557	\$ 3,327,106	\$ 4,433,728	\$ 5,398,220	\$ 5,519,986	\$ 5,766,191	\$ 6,029,077	\$ 6,519,389	\$ 6,578,048	\$ 6,870,013

TRAVIS COUNTY
PARTICIPATION IN
TYF ENDS

5

Exhibit 7
Waller Creek TIF
Bulldozer and
Tax Revenue Schedule

	2033		2034		2035		2036		2037		2038		2039		2040	
	2033		2034		2035		2036		2037		2038		2039		2040	
\$ 3,825,972.719	\$		\$ 3,899,348.406	\$	\$ 3,899,348.406	\$	\$ 3,899,348.406	\$	\$ 3,899,348.406	\$	\$ 3,899,348.406	\$	\$ 3,899,348.406	\$	\$ 3,899,348.406	\$
\$ 3,959,537.766	\$		\$ 4,072,933.393	\$	\$ 4,072,933.393	\$	\$ 4,072,933.393	\$	\$ 4,072,933.393	\$	\$ 4,072,933.393	\$	\$ 4,072,933.393	\$	\$ 4,072,933.393	\$
\$ 16,649,247	\$		\$ 17,045,929	\$	\$ 17,074,642	\$	\$ 17,104,117	\$	\$ 17,134,600	\$	\$ 17,165,088	\$	\$ 17,195,580	\$	\$ 17,226,071	\$
\$ 16,889,247	\$		\$ 17,045,929	\$	\$ 17,074,642	\$	\$ 17,104,117	\$	\$ 17,134,600	\$	\$ 17,165,088	\$	\$ 17,195,580	\$	\$ 17,226,071	\$
\$ 7,064,628	\$		\$ 7,099,828	\$	\$ 7,099,828	\$	\$ 7,099,828	\$	\$ 7,099,828	\$	\$ 7,099,828	\$	\$ 7,099,828	\$	\$ 7,099,828	\$
\$ 5,520,000	\$		\$ 5,520,000	\$	\$ 5,520,000	\$	\$ 5,520,000	\$	\$ 5,520,000	\$	\$ 5,520,000	\$	\$ 5,520,000	\$	\$ 5,520,000	\$
\$ 12,604,838	\$		\$ 12,604,838	\$	\$ 12,604,838	\$	\$ 12,604,838	\$	\$ 12,604,838	\$	\$ 12,604,838	\$	\$ 12,604,838	\$	\$ 12,604,838	\$
\$ 4,064,439	\$		\$ 4,064,439	\$	\$ 4,064,439	\$	\$ 4,064,439	\$	\$ 4,064,439	\$	\$ 4,064,439	\$	\$ 4,064,439	\$	\$ 4,064,439	\$
\$ 51,947,059	\$		\$ 56,228,100	\$	\$ 60,367,814	\$	\$ 64,357,104	\$	\$ 68,196,855	\$	\$ 71,887,983	\$	\$ 75,549,242	\$	\$ 79,184,716	\$
\$ 8,701,781	\$		\$ 8,471,584	\$	\$ 8,225,711	\$	\$ 7,987,482	\$	\$ 7,757,107	\$	\$ 7,531,107	\$	\$ 7,305,474	\$	\$ 7,079,365	\$

Exhibit 4
Waller Creek TIF
Buildout Assumptions

WALLER CREEK TUNNEL PROJECT, CIT

Most Likely Development

Adsorption Assumption and Lag Times										
Year Number	Calendar Year	Bottom of Range Office (\$F)	Average Office (\$F)	Top of Range Office (\$F)	Bottom of Range Retail (\$F)	Average Retail (\$F)	Top of Range Retail (\$F)	Motel - \$F	Residential (Apartments/Condominiums) - SF	Apartments Number of Units per Year
TOTAL 2008 Values as of		\$ 549,205,040	\$ 690,285,000	\$ 909,285,000	\$ 117,400,000	\$ 117,400,000	\$ 117,000,000	\$ 126,238,125	\$ 120,418,420	
		2,605,300	2,000,300	2,000,300	600,000	600,000	600,000	1,533,700	2,661,400	
1	End of 2008	-	-	-	-	-	-	-	-	-
2	End of 2009	-	-	-	50,000	62,500	75,000	200,000	268,800	-
3	End of 2010	75,000	100,000	125,000	50,000	62,500	75,000	-	71,250	75
4	End of 2011	75,000	100,000	125,000	50,000	62,500	75,000	-	141,250	75
5	End of 2012	75,000	100,000	125,000	50,000	62,500	75,000	-	141,250	75
6	End of 2013	75,000	100,000	125,000	100,000	112,500	125,000	200,000	141,250	75
7	End of 2014	75,000	100,000	125,000	100,000	112,500	125,000	-	141,250	75
8	End of 2015	150,000	175,000	200,000	100,000	112,500	125,000	-	141,250	75
9	End of 2016	150,000	175,000	200,000	100,000	112,500	125,000	200,000	141,250	75
10	End of 2017	150,000	175,000	200,000	-	-	-	-	141,250	75
11	End of 2018	150,000	175,000	200,000	-	-	-	-	141,250	75
12	End of 2019	150,000	175,000	200,000	-	-	-	-	141,250	75
13	End of 2020	150,000	175,000	200,000	-	-	-	200,000	141,250	75
14	End of 2021	150,000	175,000	200,000	-	-	-	-	141,250	75
15	End of 2022	150,000	175,000	200,000	-	-	-	-	141,250	75
16	End of 2023	150,000	175,000	200,000	-	-	-	-	141,250	75
17	End of 2024	150,000	175,000	180,500	-	-	-	200,000	141,250	75
18	End of 2025	150,000	175,000	-	-	-	-	-	141,250	75
19	End of 2026	150,000	175,000	-	-	-	-	-	102,600	75
20	End of 2027	150,000	5,500	-	-	-	-	-	-	-
21	End of 2028	150,000	-	-	-	-	-	200,000	-	-
22	End of 2029	130,900	-	-	-	-	-	-	-	-
23	End of 2030	-	-	-	-	-	-	-	-	-
24	End of 2031	-	-	-	-	-	-	-	-	-
25	End of 2032	-	-	-	-	-	-	-	-	-
26	End of 2033	-	-	-	-	-	-	200,000	-	-
27	End of 2034	-	-	-	-	-	-	-	-	-
28	End of 2035	-	-	-	-	-	-	-	-	-
29	End of 2036	-	-	-	-	-	-	-	-	-
30	End of 2037	-	-	-	-	-	-	-	-	-

19	End of 2030	-	-	-	-	-	-	-
20	End of 2039	-	-	-	-	-	-	-
21	End of 2040	-	-	-	-	-	-	-
22	End of 2041	-	-	-	-	-	-	-
23	End of 2042	-	-	-	-	-	-	-
24	End of 2043	-	-	-	-	-	-	-
25	End of 2044	-	-	-	-	-	-	-
26	End of 2045	-	-	-	-	-	-	-
27	End of 2046	-	-	-	-	-	-	-
28	End of 2047	-	-	-	-	-	-	-
29	End of 2048	-	-	-	-	-	-	-
30	End of 2049	-	-	-	-	-	-	-
31	End of 2050	-	-	-	-	-	-	-
32	End of 2051	-	-	-	-	-	-	-
33	End of 2052	-	-	-	-	-	-	-
34	End of 2053	-	-	-	-	-	-	-
35	End of 2054	-	-	-	-	-	-	-
36	End of 2055	-	-	-	-	-	-	-
37	End of 2056	-	-	-	-	-	-	-
38	End of 2057	-	-	-	-	-	-	-

12th Street

Red River Street

Pump House
Control Building



**Watershed Protection
Development Review**

**Exhibit 5
Tunnel Inlet**

22

EXHIBIT C
WALLER CREEK TAX INCREMENT FINANCING
REINVESTMENT ZONE NO. 17
2007 APPRAISAL ROLL

Block .	Ref ID 2		TOTAL MarketValue	CityTaxable Value	County TaxableValue
1	02030312020000	54 RAINEYSTST	407,978	407,978	407,978
1	02030312030000	54 RAINEYSTST	406,396	406,396	406,396
1	02030312040000	54 RAINEYSTST	475,923	475,923	475,923
1	02030312050000	54 RAINEYSTST	289,359	289,359	231,487
1	02030312060000	54 RAINEYSTST	378,681	378,681	378,681
1	02030312070000	54 RAINEYSTST	156,120	156,120	124,896
1	02030312080000	54 RAINEYSTST	357,423	357,423	285,938
1	02030312090000	54 RAINEYSTST	370,735	370,735	370,735
1	02030312100000	54 RAINEYSTST	200,929	200,929	200,929
1	02030312110000	54 RAINEYSTST	245,440	245,440	196,352
1	02030312120000	54 RAINEYSTST	260,185	260,185	208,148
1	02030312130000	54 RAINEYSTST	260,185	260,185	260,185
1	02030312140000	54 RAINEYSTST	370,735	370,735	296,588
1	02030312150000	54 RAINEYSTST	370,735	370,735	370,735
1	02030312160000	54 RAINEYSTST	282,300	282,300	225,840
1	02030312170000	54 RAINEYSTST	260,185	260,185	260,185
1	02030312180000	54 RAINEYSTST	285,008	285,008	285,008
1	02030312190000	54 RAINEYSTST	179,190	179,190	179,190
1	02030312200000	54 RAINEYSTST	284,320	284,320	227,456
1	02030312210000	54 RAINEYSTST	260,185	260,185	208,148
1	02030312220000	54 RAINEYSTST	258,131	258,131	206,505
1	02030312230000	54 RAINEYSTST	370,735	370,735	370,735
1	02030312240000	54 RAINEYSTST	386,016	386,016	386,016
1	02030312250000	54 RAINEYSTST	368,493	368,493	368,493
1	02030312260000	54 RAINEYSTST	368,493	368,493	368,493
1	02030312270000	54 RAINEYSTST	408,480	357,480	261,784
1	02030312280000	54 RAINEYSTST	250,000	250,000	250,000
1	02030312290000	54 RAINEYSTST	378,681	378,681	378,681
1	02030312300000	54 RAINEYSTST	266,266	266,266	213,013
1	02030312310000	54 RAINEYSTST	422,800	371,800	273,240
1	02030312320000	54 RAINEYSTST	370,735	370,735	296,588
1	02030312330000	54 RAINEYSTST	298,739	298,739	298,739
1	02030312340000	54 RAINEYSTST	252,440	252,440	252,440
1	02030312350000	54 RAINEYSTST	260,185	260,185	260,185
1	02030312360000	54 RAINEYSTST	177,909	177,909	142,327
1	02030312370000	54 RAINEYSTST	370,735	370,735	296,588
1	02030312380000	54 RAINEYSTST	370,735	277,684	222,147
1	02030312390000	54 RAINEYSTST	370,735	370,735	370,735
1	02030312400000	54 RAINEYSTST	260,185	260,185	208,148
1	02030312410000	54 RAINEYSTST	285,008	285,008	285,008
1	02030312420000	54 RAINEYSTST	289,359	289,359	289,359
1	02030312430000	54 RAINEYSTST	370,735	370,735	370,735
1	02030312440000	54 RAINEYSTST	260,185	260,185	208,148
1	02030312450000	54 RAINEYSTST	258,131	258,131	206,505
1	02030312460000	54 RAINEYSTST	370,735	370,735	370,735
1	02030312470000	54 RAINEYSTST	386,016	386,016	308,813
1	02030312480000	54 RAINEYSTST	368,493	368,493	294,794
1	02030312490000	54 RAINEYSTST	406,396	406,396	406,396

EXHIBIT C
WALLER CREEK TAX INCREMENT FINANCING
REINVESTMENT ZONE NO. 17
2007 APPRAISAL ROLL

Block .	Ref ID 2		TOTAL MarketValue	CityTaxable Value	County TaxableValue
1	02030312500000	54 RAINEYSTST	475,923	475,923	475,923
1	02030312510000	54 RAINEYSTST	289,359	289,359	231,487
1	02030312520000	54 RAINEYSTST	378,681	378,681	378,681
1	02030312530000	54 RAINEYSTST	183,196	183,196	146,557
1	02030312540000	54 RAINEYSTST	342,680	342,680	274,144
1	02030312550000	54 RAINEYSTST	370,735	370,735	296,588
1	02030312560000	54 RAINEYSTST	298,739	298,739	298,739
1	02030312570000	54 RAINEYSTST	289,900	289,900	231,920
1	02030312580000	54 RAINEYSTST	260,185	260,185	260,185
1	02030312590000	54 RAINEYSTST	249,000	249,000	249,000
1	02030312600000	54 RAINEYSTST	294,360	294,360	294,360
1	02030312610000	54 RAINEYSTST	370,735	370,735	296,588
1	02030312620000	54 RAINEYSTST	370,735	370,735	296,588
1	02030312630000	54 RAINEYSTST	260,185	260,185	208,148
1	02030312640000	54 RAINEYSTST	285,008	285,008	285,008
1	02030312650000	54 RAINEYSTST	289,359	289,359	289,359
1	02030312660000	54 RAINEYSTST	370,735	370,735	370,735
1	02030312670000	54 RAINEYSTST	260,185	260,185	208,148
1	02030312680000	54 RAINEYSTST	258,131	258,131	206,505
1	02030312690000	54 RAINEYSTST	370,735	370,735	296,588
1	02030312700000	54 RAINEYSTST	386,016	335,016	243,813
1	02030312710000	54 RAINEYSTST	292,680	292,680	234,144
1	02030312720000	54 RAINEYSTST	406,396	406,396	406,396
1	02030312730000	54 RAINEYSTST	475,923	475,923	475,923
1	02030312740000	54 RAINEYSTST	203,000	203,000	203,000
1	02030312750000	54 RAINEYSTST	378,681	378,681	378,681
1	02030312760000	54 RAINEYSTST	266,266	266,266	266,266
1	02030312770000	54 RAINEYSTST	422,800	422,800	338,240
1	02030312780000	54 RAINEYSTST	280,000	280,000	224,000
1	02030312790000	54 RAINEYSTST	298,739	298,739	298,739
1	02030312800000	54 RAINEYSTST	370,735	370,735	370,735
1	02030312810000	54 RAINEYSTST	260,185	260,185	260,185
1	02030312820000	54 RAINEYSTST	224,375	224,375	224,375
1	02030312830000	54 RAINEYSTST	370,735	370,735	370,735
1	02030312840000	54 RAINEYSTST	370,735	370,735	370,735
1	02030312850000	54 RAINEYSTST	370,735	370,735	370,735
1	02030312860000	54 RAINEYSTST	260,185	260,185	208,148
1	02030312870000	54 RAINEYSTST	285,008	285,008	285,008
1	02030312880000	54 RAINEYSTST	235,900	235,900	188,720
1	02030312890000	54 RAINEYSTST	370,735	370,735	370,735
1	02030312900000	54 RAINEYSTST	260,185	260,185	260,185
1	02030312910000	54 RAINEYSTST	194,848	194,848	194,848
1	02030312920000	54 RAINEYSTST	370,735	370,735	370,735
1	02030312930000	54 RAINEYSTST	386,016	386,016	386,016
1	02030312940000	54 RAINEYSTST	368,493	368,493	368,493
1	02030312950000	54 RAINEYSTST	406,396	406,396	406,396
1	02030312960000	54 RAINEYSTST	475,923	475,923	475,923
1	02030312970000	54 RAINEYSTST	289,359	289,359	289,359

EXHIBIT C
WALLER CREEK TAX INCREMENT FINANCING
REINVESTMENT ZONE NO. 17
2007 APPRAISAL ROLL

Block .	Ref ID 2		TOTAL MarketValue	CityTaxable Value	County TaxableValue
1	02030312980000	54 RAINEY ST ST	378,681	327,681	237,945
1	02030312990000	54 RAINEY ST ST	266,266	266,266	266,266
1	02030313010000	54 RAINEY ST ST	379,900	379,900	379,900
1	02030313020000	54 RAINEY ST ST	370,735	370,735	370,735
1	02030313030000	54 RAINEY ST ST	298,739	298,739	298,739
1	02030313040000	54 RAINEY ST ST	370,735	370,735	370,735
1	02030313050000	54 RAINEY ST ST	260,185	260,185	260,185
1	02030313060000	54 RAINEY ST ST	260,185	260,185	208,148
1	02030313070000	54 RAINEY ST ST	370,735	370,735	370,735
1	02030313080000	54 RAINEY ST ST	370,735	370,735	296,588
1	02030313090000	54 RAINEY ST ST	303,720	303,720	303,720
1	02030313100000	54 RAINEY ST ST	260,185	260,185	208,148
1	02030313110000	54 RAINEY ST ST	285,008	234,008	163,006
1	02030313120000	54 RAINEY ST ST	289,359	289,359	289,359
1	02030313130000	54 RAINEY ST ST	370,735	370,735	370,735
1	02030313140000	54 RAINEY ST ST	260,185	260,185	260,185
1	02030313150000	54 RAINEY ST ST	258,131	258,131	206,505
1	02030313160000	54 RAINEY ST ST	370,735	370,735	296,588
1	02030313170000	54 RAINEY ST ST	386,016	386,016	308,813
1	02030313180000	54 RAINEY ST ST	368,493	368,493	368,493
1	02030313190000	54 RAINEY ST ST	406,396	406,396	406,396
1	02030313200000	54 RAINEY ST ST	475,923	475,923	475,923
1	02030313210000	54 RAINEY ST ST	289,359	289,359	289,359
1	02030313220000	54 RAINEY ST ST	370,900	319,900	231,720
1	02030313230000	54 RAINEY ST ST	266,266	266,266	266,266
1	02030313240000	54 RAINEY ST ST	399,000	399,000	319,200
1	02030313250000	54 RAINEY ST ST	370,735	370,735	370,735
1	02030313260000	54 RAINEY ST ST	298,739	298,739	298,739
1	02030313270000	54 RAINEY ST ST	370,735	370,735	370,735
1	02030313280000	54 RAINEY ST ST	260,185	260,185	208,148
1	02030313290000	54 RAINEY ST ST	260,185	260,185	260,185
1	02030313300000	54 RAINEY ST ST	370,735	370,735	296,588
1	02030313310000	54 RAINEY ST ST	290,000	290,000	232,000
1	02030313320000	54 RAINEY ST ST	370,735	370,735	370,735
1	02030313330000	54 RAINEY ST ST	260,185	260,185	260,185
1	02030313340000	54 RAINEY ST ST	285,008	285,008	285,008
1	02030313350000	54 RAINEY ST ST	289,359	289,359	231,487
1	02030313360000	54 RAINEY ST ST	370,735	370,735	370,735
1	02030313370000	54 RAINEY ST ST	260,185	260,185	260,185
1	02030313380000	54 RAINEY ST ST	400,489	400,489	400,489
1	02030313390000	54 RAINEY ST ST	370,735	370,735	296,588
1	02030313400000	54 RAINEY ST ST	386,016	386,016	308,813
1	02030313410000	54 RAINEY ST ST	368,493	368,493	368,493
1	02030313420000	54 RAINEY ST ST	406,396	406,396	325,117
1	02030313430000	54 RAINEY ST ST	475,923	475,923	475,923
1	02030313440000	54 RAINEY ST ST	289,359	289,359	289,359
1	02030313450000	54 RAINEY ST ST	378,681	378,681	302,945
1	02030313460000	54 RAINEY ST ST	266,266	266,266	266,266

EXHIBIT C
WALLER CREEK TAX INCREMENT FINANCING
REINVESTMENT ZONE NO. 17
2007 APPRAISAL ROLL

Block .	Ref ID 2		TOTAL MarketValue	CityTaxable Value	County TaxableValue
1	02030313470000	54 RAINEYSTST	422,800	422,800	422,800
1	02030313480000	54 RAINEYSTST	370,735	370,735	370,735
1	02030313490000	54 RAINEYSTST	298,739	298,739	298,739
1	02030313500000	54 RAINEYSTST	370,735	370,735	370,735
1	02030313510000	54 RAINEYSTST	260,185	260,185	260,185
1	02030313520000	54 RAINEYSTST	260,185	260,185	260,185
1	02030313530000	54 RAINEYSTST	370,735	370,735	296,588
1	02030313540000	54 RAINEYSTST	370,735	370,735	296,588
1	02030313550000	54 RAINEYSTST	370,735	370,735	370,735
1	02030313560000	54 RAINEYSTST	260,185	260,185	260,185
1	02030313570000	54 RAINEYSTST	285,008	285,008	285,008
1	02030313580000	54 RAINEYSTST	289,359	289,359	289,359
1	02030313590000	54 RAINEYSTST	370,735	370,735	370,735
1	02030313600000	54 RAINEYSTST	260,185	260,185	260,185
1	02030313610000	54 RAINEYSTST	258,131	258,131	258,131
1	02030313620000	54 RAINEYSTST	370,735	370,735	296,588
1	02030313630000	54 RAINEYSTST	386,016	386,016	308,813
1	02030313640000	54 RAINEYSTST	368,493	368,493	294,794
1	02030313650000	54 RAINEYSTST	406,396	406,396	406,396
1	02030313660000	54 RAINEYSTST	475,923	475,923	380,738
1	02030313670000	54 RAINEYSTST	262,770	262,770	262,770
1	02030313680000	54 RAINEYSTST	378,681	378,681	378,681
1	02030313690000	54 RAINEYSTST	210,000	210,000	210,000
1	02030313700000	54 RAINEYSTST	422,800	422,800	422,800
1	02030313710000	54 RAINEYSTST	370,735	370,735	370,735
1	02030313720000	54 RAINEYSTST	298,739	298,739	298,739
1	02030313730000	54 RAINEYSTST	370,735	370,735	370,735
1	02030313740000	54 RAINEYSTST	260,185	260,185	260,185
1	02030313750000	54 RAINEYSTST	260,185	260,185	260,185
1	02030313760000	54 RAINEYSTST	370,735	370,735	370,735
1	02030313770000	54 RAINEYSTST	370,735	370,735	370,735
1	02030313780000	54 RAINEYSTST	370,735	370,735	370,735
1	02030313790000	54 RAINEYSTST	260,185	260,185	260,185
1	02030313800000	54 RAINEYSTST	285,008	285,008	285,008
1	02030313810000	54 RAINEYSTST	252,900	252,900	202,320
1	02030313820000	54 RAINEYSTST	597,867	597,867	597,867
1	02030313830000	54 RAINEYSTST	258,131	258,131	258,131
1	02030313840000	54 RAINEYSTST	370,735	319,735	231,588
1	02030313850000	54 RAINEYSTST	739,107	739,107	591,286
1	02030313860000	54 RAINEYSTST	419,896	419,896	419,896
1	02030313870000	54 RAINEYSTST	489,423	489,423	489,423
1	02030313880000	54 RAINEYSTST	251,900	251,900	251,900
1	02030313890000	54 RAINEYSTST	392,181	392,181	392,181
1	02030313900000	54 RAINEYSTST	215,000	215,000	215,000
1	02030313910000	54 RAINEYSTST	436,300	436,300	349,040
1	02030313920000	54 RAINEYSTST	384,235	384,235	384,235
1	02030313930000	54 RAINEYSTST	517,838	517,838	414,270
1	02030313940000	54 RAINEYSTST	384,235	384,235	307,388

EXHIBIT C
WALLER CREEK TAX INCREMENT FINANCING
REINVESTMENT ZONE NO. 17
2007 APPRAISAL ROLL

Block .	Ref ID 2		TOTAL MarketValue	CityTaxable Value	County TaxableValue
1	02030313950000	54 RAINEYSTST	273,685	273,685	273,685
1	02030313960000	54 RAINEYSTST	384,235	384,235	384,235
1	02030313970000	54 RAINEYSTST	384,235	384,235	384,235
1	02030313980000	54 RAINEYSTST	384,235	384,235	384,235
1	02030313990000	54 RAINEYSTST	273,685	273,685	273,685
1	02030314010000	54 RAINEYSTST	298,508	298,508	238,806
1	02030314020000	54 RAINEYSTST	302,859	302,859	302,859
1	02030314030000	54 RAINEYSTST	611,367	611,367	611,367
1	02030314040000	54 RAINEYSTST	271,631	271,631	217,305
1	02030314050000	54 RAINEYSTST	384,235	384,235	384,235
1	02030314060000	54 RAINEYSTST	752,607	752,607	752,607
1	02030314070000	54 RAINEYSTST	446,896	446,896	357,517
1	02030314080000	54 RAINEYSTST	516,423	516,423	516,423
1	02030314090000	54 RAINEYSTST	233,000	233,000	233,000
1	02030314100000	54 RAINEYSTST	419,181	419,181	419,181
1	02030314110000	54 RAINEYSTST	267,000	267,000	267,000
1	02030314120000	54 RAINEYSTST	463,300	463,300	463,300
1	02030314130000	54 RAINEYSTST	411,235	411,235	411,235
1	02030314140000	54 RAINEYSTST	544,838	544,838	544,838
1	02030314150000	54 RAINEYSTST	411,235	411,235	411,235
1	02030314160000	54 RAINEYSTST	300,685	300,685	300,685
1	02030314170000	54 RAINEYSTST	411,235	411,235	411,235
1	02030314180000	54 RAINEYSTST	411,235	411,235	328,988
1	02030314190000	54 RAINEYSTST	411,235	411,235	328,988
1	02030314200000	54 RAINEYSTST	300,685	300,685	300,685
1	02030314210000	54 RAINEYSTST	325,508	325,508	325,508
1	02030314220000	54 RAINEYSTST	259,900	252,400	200,420
1	02030314230000	54 RAINEYSTST	638,367	638,367	638,367
1	02030314240000	54 RAINEYSTST	298,631	298,631	238,905
1	02030314250000	54 RAINEYSTST	411,235	411,235	411,235
1	02030314260000	54 RAINEYSTST	779,607	779,607	779,607
1	02030314270000	54 RAINEYSTST	715,523	715,523	572,418
1	02030314280000	54 RAINEYSTST	656,503	656,503	656,503
1	02030314290000	54 RAINEYSTST	410,382	410,382	410,382
1	02030314300000	54 RAINEYSTST	490,300	490,300	392,240
1	02030314310000	54 RAINEYSTST	438,235	438,235	350,588
1	02030314320000	54 RAINEYSTST	571,838	571,838	571,838
1	02030314330000	54 RAINEYSTST	438,235	438,235	438,235
1	02030314340000	54 RAINEYSTST	327,685	327,685	327,685
1	02030314350000	54 RAINEYSTST	438,235	438,235	438,235
1	02030314360000	54 RAINEYSTST	438,235	438,235	438,235
1	02030314370000	54 RAINEYSTST	360,212	360,212	360,212
1	02030314380000	54 RAINEYSTST	327,685	327,685	327,685
1	02030314390000	54 RAINEYSTST	245,000	245,000	196,000
1	02030314400000	54 RAINEYSTST	665,367	665,367	665,367
1	02030314410000	54 RAINEYSTST	289,900	289,900	231,920
1	02030314420000	54 RAINEYSTST	438,235	438,235	438,235
1	02030314430000	54 RAINEYSTST	806,607	806,607	806,607

EXHIBIT C
WALLER CREEK TAX INCREMENT FINANCING
REINVESTMENT ZONE NO. 17
2007 APPRAISAL ROLL

Block .	Ref ID 2		TOTAL MarketValue	CityTaxable Value	County TaxableValue
1	02030304010000	15 Red Rwer St	394,240	0	0
1	02030304020000	53 Red Rwer	352,000	0	0
1	02030304030000	22 Bierce St	352,000	0	0
1	02030304040000	54 Bierce St	364,150	0	0
1	02030304050000	56 Bierce St	416,071	0	0
1	02030304090000	0 Bierce St	1,056,000	0	0
1	02030304100000	59 Bierce St	145,955	145,955	116,764
1	02030304110000	58 Rainey St	224,000	0	0
1	02030304120000	56 Rainey St	112,000	112,000	112,000
1	02030304130000	0 Bierce St	3,398,725	0	0
1	02030301010000	0 Red Rwer St	11,729,837	0	0
2	02030309010000	706 Cummings St	336,000	336,000	336,000
2	02030309020000	43 Rainey St	224,000	224,000	224,000
2	02030309030000	431/2 Rainey St	215,250	215,250	215,250
2	02030309040000	45 Rainey St	215,250	215,250	215,250
2	02030309050000	451/2 Rainey St	107,625	107,625	107,625
2	02030309060000	47 Rainey St	215,250	215,250	215,250
2	02030309070000	49 Rainey St	215,250	215,250	215,250
2	02030309080000	51 Rainey St	300,650	300,650	300,650
2	02030309090000	53 Rainey St	409,920	409,920	409,920
2	02030309110000	55 Rainey St	186,410	186,410	186,410
2	02030309130000	57 Rainey St	385,280	385,280	385,280
2	02030309140000	59 Rainey St	186,410	186,410	186,410
2	02030309160000	56 East Av	1,120,000	0	0
2	02030309210000	42 East Av	454,434	454,434	454,434
2	02030309280000	701 River St	162,041	162,041	129,633
2	02030309290000	703 River St	119,683	109,808	87,846
2	02030309300000	44 East Av	1,683,261	1,683,261	1,683,261
2	02030309310000	48 East Av	1,514,667	1,514,667	1,514,667
2	02030309320000	50 East Av	582,400	0	0
2	02030309330000	53 Rainey St	84,439	84,439	84,439
3	02030306010000	0 Rwer St	5,451,034	0	0
3	02030306050000	507 Willow St	190,062	190,062	190,062
3	02030306060000	94 Red River St	663,207	663,207	663,207
3	02030306080000	602 Daws St			
3	02030306090000	609 Davis St	235,008	235,008	235,008
3	02030306100000	90 Rainey St	209,144	132,950	106,360
3	02030306110000	88 Rainey St	249,034	249,034	249,034
3	02030306120000	86 Rainey St	314,283	314,283	314,283
3	02030306130000	84 Rainey St	294,193	294,193	294,193
3	02030306140000	82 Rainey St	291,449	291,449	291,449
3	02030306150000	80 Rainey St	309,253	86,622	45,098
3	02030306160000	78 Rainey St	302,881	302,881	302,881
3	02030306170000	76 Rainey St	320,079	139,743	111,794
3	02030306180000	72 Rainey St	494,628	494,628	494,628
3	02030306220000	70 Rainey St	299,028	299,028	299,028
3	02030306230000	68 Rainey St	210,000	210,000	210,000
3	02030306240000	64 Rainey St	411,600	0	0

EXHIBIT C
WALLER CREEK TAX INCREMENT FINANCING
REINVESTMENT ZONE NO. 17
2007 APPRAISAL ROLL

Block .	Ref ID 2		TOTAL Market Value	City Taxable Value	County Taxable Value
3	02030306250000	92RedRiverST	1,161,492	1,161,492	1,161,492
3	02030306260000	0WillowSt	1,047,480	0	0
3	02030306270000	0NechesSt	786,688	0	0
3	'0	80 Red River St			
3	02030306280000	80REDRIVERST	114,881	114,881	114,881
3	02030306280001	80REDRIVERST	114,715	114,715	91,772
3	02030306280002	80REDRIVERST	115,263	64,263	27,210
3	02030306280003	80REDRIVERST	112,216	112,216	89,773
3	02030306280004	80REDRIVERST	112,216	112,216	112,216
3	02030306280005	80REDRIVERST	112,216	112,216	112,216
3	02030306280006	80REDRIVERST	254,607	215,683	172,546
3	02030306280007	80REDRIVERST	254,607	242,491	193,993
3	02030306280008	80REDRIVERST	254,607	254,607	254,607
3	02030306280009	80REDRIVERST	252,243	242,197	193,758
3	02030306280010	80REDRIVERST	252,243	252,243	252,243
3	02030306280011	80REDRIVERST	252,243	240,352	192,282
3	02030306280012	80REDRIVERST	252,243	242,197	193,758
3	02030306280013	80REDRIVERST	252,243	242,197	193,758
3	02030306280014	80REDRIVERST	252,243	240,352	192,282
3	02030306280016	80REDRIVERST	254,607	254,607	203,686
3	02030306280017	80REDRIVERST	254,607	222,001	177,601
3	02030306280015	80REDRIVERST	254,607	244,509	195,607
3	02030306280018	80REDRIVERST	112,216	112,216	112,216
3	02030306280019	80REDRIVERST	112,216	112,216	89,773
3	02030306280020	80REDRIVERST	112,216	61,216	24,773
3	02030306280021	80REDRIVERST	114,881	114,881	91,905
3	02030306280022	80REDRIVERST	114,715	114,715	114,715
3	02030306280023	80REDRIVERST	115,263	115,263	115,263
3	02030306280025	80REDRIVERST	455,498	455,498	364,398
3	02030306280026	80REDRIVERST	134,354	134,354	107,483
3	02030306280027	80REDRIVERST	279,430	269,313	215,450
3	02030306280028	80REDRIVERST	134,354	134,354	107,483
3	02030306280029	80REDRIVERST	279,430	279,430	279,430
3	02030306280030	80REDRIVERST	134,354	134,354	107,483
3	02030306280031	80REDRIVERST	279,430	206,313	138,450
3	02030306280032	80REDRIVERST	136,791	136,791	136,791
3	02030306280033	80REDRIVERST	318,555	318,555	254,844
3	02030306280034	80REDRIVERST	260,139	260,139	260,139
4	02030310020000	80REDRIVERST	193,342	193,342	193,342
4	02030310030000	80REDRIVERST	226,330	55,848	44,678
4	02030310040000	80REDRIVERST	313,218	313,218	313,218
4	02030310050000	80REDRIVERST	266,711	92,102	73,682
3	02030306280035	80REDRIVERST	260,139	249,767	199,814
3	02030306280036	80REDRIVERST	260,023	249,678	199,742
3	02030306280037	80REDRIVERST	254,607	254,607	254,607
3	02030306280038	80REDRIVERST	254,607	254,607	254,607
3	02030306280039	80REDRIVERST	254,607	242,491	193,993
3	02030306280040	80REDRIVERST	254,607	244,509	195,607

EXHIBIT C
WALLER CREEK TAX INCREMENT FINANCING
REINVESTMENT ZONE NO. 17
2007 APPRAISAL ROLL

Block .	Ref ID 2		TOTAL Market Value	City Taxable Value	County Taxable Value
3	02030306280041	80 RED RIVER ST	284,131	284,131	284,131
3	02030306280042	80 RED RIVER ST	254,607	254,607	203,686
3	02030306280043	80 RED RIVER ST	246,803	246,803	246,803
3	02030306280044	80 RED RIVER ST	254,607	244,509	195,607
3	02030306280045	80 RED RIVER ST	254,607	254,607	203,686
3	02030306280046	80 RED RIVER ST	254,607	236,223	188,978
3	02030306280048	80 RED RIVER ST	254,607	254,607	229,146
3	02030306280047	80 RED RIVER ST	254,607	254,607	254,607
3	02030306280051	80 RED RIVER ST	254,607	254,607	203,686
3	02030306280052	80 RED RIVER ST	254,607	181,245	120,796
3	02030306280049	80 RED RIVER ST	254,607	254,607	254,607
3	02030306280056	80 RED RIVER ST	252,130	242,106	193,685
3	02030306280057	80 RED RIVER ST	252,130	240,188	192,150
4	02030310010000	80 RED RIVER ST	260,345	260,345	260,345
3	02030306280050	61 Rainey St	254,607	254,607	203,686
3	02030306280053	69 Rainey St	254,607	254,607	254,607
3	02030306280054	71 Rainey St	254,607	254,607	203,686
3	02030306280055	73 Rainey St	252,130	252,130	252,130
3	02030306280058	75 Rainey St			
4	02030310060000	75 1/2 Rainey St	366,204	141,209	112,967
4	02030310070000	77 Rainey St	322,390	271,937	217,550
4	02030310080000	79 Rainey St	316,243	76,251	36,801
4	02030310090000	81 Rainey St	299,255	299,255	299,255
4	02030310100000	81 Rainey St	273,606	10,588	0
4	02030310110000	83 Rainey St	335,753	335,753	335,753
4	02030310120000	85 Rainey St	268,164	268,164	268,164
4	02030310130000	87 Rainey St	550,589	461,848	369,478
4	02030310140000	89 Rainey St	474,021	474,021	474,021
4	02030310150000	89 Rainey St	300,000	300,000	300,000
4	02030310160000	91 Rainey St	480,190	480,190	480,190
4	02030310170000	93 Rainey St	339,218	280,286	224,229
4	02030310180000	95 Rainey St	340,386	340,386	340,386
4	02030310190000	97 Rainey St	223,638	223,638	223,638
4	02030310200000	705 Driskill St	102,222	102,222	102,222
4	02030310210000	709 Driskill St	138,984	138,984	138,984
4	02030310220000	96 East Av	197,750	197,750	197,750
4	02030310230000	94 East Av	365,392	365,392	365,392
4	02030310240000	92 East Av	378,454	378,454	378,454
4	02030310250000	90 East Av	1,032,332	1,032,332	1,032,332
4	02030310260000	84 East Av	610,273	610,273	610,273
4	02030310280000	82 East Av	224,000	224,000	224,000
4	02030310290000	80 East Av	265,296	193,350	154,680
4	02030310320000	76 East Av	201,600	201,600	201,600
4	02030310330000	76 East Av	268,800	268,800	268,800
4	02030310340000	74 East Av	252,000	252,000	252,000
4	02030310350000	72 East Av	252,000	252,000	252,000
4	02030310360000	68 East Av	252,000	252,000	252,000
4	02030310370000	64 East Av	266,368	163,291	106,433

EXHIBIT C
WALLER CREEK TAX INCREMENT FINANCING
REINVESTMENT ZONE NO. 17
2007 APPRAISAL ROLL

Block .	Ref ID 2		TOTAL MarketValue	City Taxable Value	County TaxableValue
4	02030310380000	62EastAv	261,571	261,571	261,571
4	02030310390000	60EastAv	379,505	379,505	379,505
4	02030310400000	0EastAv	931,861	931,861	931,861
5	02030206050000	0WillowSt	2,318,400	0	0
5	02040401070000	0WillowSt	4,084,900	0	0
6	02030307010000	91 Red RiverSt	331,207	221,437	177,150
6	02030307020000	91 Red RiverSt	289,197	289,197	289,197
6	02030307030000	93 Red RiverSt	617,967	617,967	617,967
6	02030307040000	93 Red RiverSt	363,424	363,424	363,424
6	02030307050000	603DriskilSt	83,125	83,125	83,125
6	02030307060000	96RaineySt	255,807	255,807	255,807
6	02030307070000	94RaineySt	347,111	347,111	347,111
6	02030307080000	92RaineySt	344,735	344,735	344,735
6	02030307090000	90RaineySt	280,000	280,000	280,000
7	02040401010000	401CesarChevez	2,249,830	2,249,830	2,249,830
7	02040401070000	0WillowSt	4,084,900	0	0
7	02040401070000	0WillowSt	4,084,900	0	0
8	02040406010000	504WillowSt	584,926	584,926	584,926
8	02040406030000	98RedRiverSt	378,672	378,672	378,672
8	02040406040000	96RedRiverSt	265,955	265,955	265,955
8	02040406070000	503E CesarChav	380,028	380,028	380,028
8	02040406080000	96RedRiverSt	1,099,760	1,099,760	1,099,760
8	02040406090000	511E CesarChav	357,866	357,866	357,866
8	02040406100000	512E CesarChav	306,398	306,398	306,398
9	02040411010000	97RedRiver	636,020	636,020	636,020
9	02040411060000	701CesarChavez	242,550	242,550	242,550
9	02040411070000	705CesarChavez	233,940	233,940	233,940
9	02040411080000	707CesarChavez	1,833,705	1,833,705	1,833,705
9	02040411110000	604DriskilSt	1,011,885	1,011,885	1,011,885
10	02050202010000	500ECesarChav	447,488	447,488	447,488
10	'0	500ECesarChavez			
10	'0	500ECesarChavez			
10	'0	500ECesarChavez			
10	'0	500ECesarChavez			
11	02040407060000	510E CesarChav	604,320	604,320	604,320
12	02040412040000	WallerCreekEleve	3,123,574	3,123,574	3,123,574
13	02040416010000	109SabineSt	8,699,573	0	0
14	02040413030000	607E 3rdSt	233,920	0	0
14	02040413040000	621E 3rdSt	681,897	0	0
14	02040413050000	600E2ndSt	1,073,280	0	0
14	02040413060000	201RedRiverSt	562,639	0	0
14	02040413070000	215RedRiverSt	1,101,240	0	0
15	02040417010000	109SabineSt	4,186,368	0	0
16	02040414010000	315SabineSt	1,420,854	1,420,854	1,420,854
16	02040414020000	610E 3rdSt	283,624	283,624	283,624
16	02040414030000	606E 3rdSt	434,154	434,154	434,154
16	02040414040000	604E 3rdSt	441,060	176,640	88,428
16	02040414050000	600E 3rdSt	1,190,032	705,416	705,416

EXHIBIT C
WALLER CREEK TAX INCREMENT FINANCING
REINVESTMENT ZONE NO. 17
2007 APPRAISAL ROLL

Block .	Ref ID 2		TOTAL MarketValue	CityTaxable Value	County TaxableValue
17	02040418010000	311 SabineSt	39,360	39,360	39,360
17	02040418030000	705 E 4thSt	142,680	142,680	142,680
17	02040418060000	306 EastAve	426,782	426,782	426,782
17	02040418070000	300 EastAve	338,558	338,558	338,558
17	02040418080000	708 E 3rdSt	137,988	137,988	137,988
17	02040418090000	706 E 3rdSt	177,040	177,040	177,040
17	02040418100000	702 E 3rdSt	442,165	442,165	442,165
17	02040418110000	700 E 3rdSt	17,664	17,664	17,664
17	02040418120000	701 E 4thSt	754,268	754,268	754,268
18	02040415010000	601 E 5thSt	1,071,894	0	0
19	02040419010000	701 E 5thSt	577,272	577,272	577,272
19	02040419030000	707 E 5thSt	324,404	324,404	324,404
19	02040419060000	708 E 4thSt	351,420	351,420	351,420
19	02040419070000	700 E 4thSt	696,790	696,790	696,790
19	02040419080000	706 E 4thSt	10,766	10,766	10,766
19	02040419090000	0 EastAve	801,319	801,319	801,319
20	02060410010000	611 E 6thSt	8,853,103	8,853,103	8,853,103
21	02060415010000	701 E 6thSt	911,907	514,543	514,543
21	02060415020000	705 E 6thSt	58,240	0	0
21	02060415030000	707 E 6thSt	9,800	0	0
21	02060415040000	709 E 6thSt	600,238	600,238	600,238
21	02060415050000	711 E 6thSt	305,311	305,311	305,311
21	02060415060000	713 E 6thSt	729,874	729,874	729,874
21	02060415070000	719 E 6thSt	336,216	336,216	336,216
21	02060415080000	721 E 6thSt	334,779	334,779	334,779
21	02060415100000	725 E 6thSt	293,938	293,938	293,938
21	02060415170000	723 E 6thSt	166,264	166,264	166,264
21	02060415180000	0 E 6thSt	29,760	29,760	29,760
21	02060415190000	703 E 6thSt	41,628	0	0
21	02060415200000	500 IH 35 N	16,230,000	16,230,000	16,230,000
21	02060415210000	507 SabineSt	6,900,000	6,900,000	6,900,000
22	02060411010000	607 RedRiver	373,939	373,939	373,939
22	02060411030000	609 RedRiver	900,985	900,985	900,985
22	02060411040000	615 RedRiver	498,911	498,911	498,911
22	02060411050000	617 RedRiver	274,704	274,704	274,704
22	02060411070000	611 E7thSt	480,000	480,000	480,000
22	02060411080000	717 E7thSt	455,489	455,489	455,489
22	02060411090000	621 E7thSt	194,009	194,009	194,009
22	02060411100000	600 SabineSt	396,628	396,628	396,628
22	02060411110000	616 E6thSt	298,022	298,022	298,022
22	02060411120000	612 E6thSt	608,558	608,558	608,558
22	02060411130000	610 E6thSt	192,000	192,000	192,000
22	02060411150000	600 E6thSt	747,673	747,673	747,673
22	02060411160000	618 E6thSt	248,239	248,239	248,239
22	02060411170000	600 E6thSt	993,905	993,905	993,905
23	02060416010000	703 E7thSt	151,398	0	0
23	02060416020000	707 E7thSt	229,923	229,923	229,923
23	02060416060000	608 EastAve	223,314	223,314	223,314

EXHIBIT C
WALLER CREEK TAX INCREMENT FINANCING
REINVESTMENT ZONE NO. 17
2007 APPRAISAL ROLL

Block .	Ref ID 2		TOTAL MarketValue	CityTaxable Value	County TaxableValue
23	02060416070000	718E6thSt	186,623	186,623	186,623
23	02060416080000	714E6thSt	142,016	142,016	142,016
23	02060416090000	712E6thSt	72,457	72,457	72,457
23	02060416100000	710E6thSt	76,944	76,944	76,944
23	02060416110000	708E6thSt	296,271	189,235	189,235
23	02060416120000	603Sabine	509,310	509,310	509,310
23	02060416130000	719E7thSt	706,889	706,889	706,889
23	02060416140000	706E6thSt	141,660	0	0
24	02060412010000	715RedRiver	350,370	350,370	350,370
24	02060412020000	0RedRiver	275,370	275,370	275,370
24	02060412050000	609E8thSt	3,060,070	0	0
24	02060412070000	614E7thSt	220,913	220,913	220,913
24	02060412080000	606E7thSt	308,377	308,377	308,377
24	02060412090000	604E7thSt	287,026	287,026	287,026
24	02060412100000	602E7thSt	324,069	324,069	324,069
24	02060412110000	701 RedRiver	686,977	686,977	686,977
24	02060412120000	0E7thSt	150,840	0	0
24	02060412130000	0RedRiver	52,800	0	0
25	02060413010000	811 RedRiver	206,074	206,074	206,074
25	02060413020000	815 RedRiver	117,018	117,018	117,018
25	02060413030000	817 RedRiver	121,409	121,409	121,409
25	02060413040000	819 RedRiver	123,900	123,900	123,900
25	02060413110000	801 RedRiver	983,608	983,608	983,608
25	02060413120000	701 E9thSt	118,037	118,037	118,037
25	02060413130000	703 E9thSt	188,993	188,993	188,993
25	02060413140000	707 E9thSt	685,304	685,304	685,304
25	02060413150000	700 E8thSt	1,582,457	0	0
25	02060413160000	610 E8thSt	150,541	0	0
25	02060413170000	611 E9thSt	846,499	846,499	846,499
25	02060413180000	0E9thSt	235,904	0	0
26	02060414040000	612 E9thSt	1,852,839	1,852,839	1,852,839
26	02060414060000	901 RedRiver			
26	02060414070000	909 RedRiver			
26	02060414130000	611 E10thSt	763,085	0	0
26	02060419030000	705 E10thSt	329,728	329,728	329,728
26	02060419050000	900IH35	441,996	441,996	441,996
26	02060419090000	625 E10thSt	24,463,235	0	0
26	02060419110000	709 E10thSt	881,326	881,326	881,326
27	02080513020000	1003 RedRiverSt	1,340,237	0	0
27	02080513010000	701 E 11thSt	34,159,133	34,159,133	34,159,133
28	02080510130000	1101 RedRiver	1,130,162	0	0
28	02080510130000	1111 RedRiver	1,130,162	0	0
28	02080510150000	612 E11thSt	3,810,715	3,810,715	3,810,715
28	02080510170000	1117 RedRiver	989,309	0	0
			\$335,777,123	\$236,199,782	\$228,144,590

**Waller Creek
Tax Increment Financing Reinvestment Zone
City of Austin
Tax Increment Financing Reinvestment Zone No. 17**

**Final Project Plan
and
Reinvestment Zone Financing Plan**

March 2008

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Executive Summary

On June 21, 2007, the Austin City Council approved an ordinance creating Tax Increment Financing (TIF) Reinvestment Zone No. 17 to finance the construction of flood control improvements along lower Waller Creek. The TIF is located within the area bounded on the west by Red River Street from 12th Street south to 3rd Street, then west along 3rd Street to Trinity Street, then south along Trinity Street to Lady Bird Lake, on the south by Lady Bird Lake from Trinity Street east to Cummings Street, then east along Cummings Street to East Avenue, on the east by East Avenue from Cummings Street north to the south bound access road of IH-35, then along said access road north to 11th Street, then west along 11th Street to Sabine Street, and north along Sabine Street to Red River Street, and on the north by 12th Street between Sabine Street and Red River Street.

The purpose of the Waller Creek Tunnel project, which is to be financed through TIF Reinvestment Zone No. 17, is to provide 100-year storm event flood protection with no out-of-bank or roadway flooding for the lower Waller Creek watershed. The project will provide flood protection to existing buildings, prevent the flooding of roadway crossings, and reduce the width of the floodplain in the Reinvestment Zone area, essentially containing it within the creekbed. This reduction in floodplain area resulting from the project will significantly increase the amount of developable land area in the lower Waller Creek watershed.

In accordance with State law, this Project Plan and TIF Reinvestment Zone No. 17 Financing Plan have been created to describe the Waller Creek Tunnel project and associated financing using dedicated TIF revenue from the City of Austin and Travis County.

The proposed tunnel will be approximately 22 feet in diameter and approximately 5,400 feet in length. The total estimated cost of the project is \$127,547,000 (in June 2006 dollars). The tunnel will originate in Waterloo Park near East 12th Street with discharge to Lady Bird Lake. The tunnel alignment is generally beneath Sabine Street. Significant inlet and outlet structures are required and because the structures are in parkland, aesthetics of the structures are a major consideration. The inlet structure will include a pond, an inlet structure, small dam, access bridge, pump building and significant landscaping enhancements. The inlet also includes mechanical screens to ensure operational reliability and a system to pump small quantities of water from the tunnel to the creek. This pumped water will augment the base flow in the creek and by so doing enhance its aesthetic appeal and water quality. The outlet structure includes a pond, an outlet shaft, and a de-watering pump system. On April 12, 2007, the Austin City Council created the Waller Creek Citizen Advisory Committee. The City Council believes it is very important for the community to participate and provide oversight in the construction and development of the Waller Creek Tunnel Project. The process for finalizing park facilities to be located at the tunnel inlet and outlet will include consideration of recommendations made by the Committee. The Committee includes a citizen appointed

by Travis County

The Waller Creek tunnel project will spur economic development throughout downtown, in particular in the Reinvestment Zone area where development has lagged the rest of the city. The project will enhance the parkland and trail along the creek by providing amenities in Waterloo Park and on Lady Bird Lake and by preventing flooding and reducing streambank erosion. Further, the project's water re-circulation efforts will supplement stream base flow and enhance the quality of water flowing into Lady Bird Lake. The project is also expected to allow improved connectivity between east and west Austin, and with its parkland enhancement and anticipated economic development stimulus, promote tourism by convention and other visitors.

To finance this project, the City of Austin formed TIF Reinvestment Zone No. 17 (see Exhibit 3 for TIF boundaries) in accordance with State law. In a TIF, one or more political subdivisions contribute up to 100% of the property tax on the increase in value of real property in the district (tax increment) for TIF purposes. Under the terms of TIF Reinvestment Zone No. 17 and an Agreement to Participate in Tax Increment Reinvestment Zone No. 17, between the City of Austin and Travis County, negotiated with Travis County, the City of Austin will contribute 100% of its tax increment, and Travis County will contribute 50% of its tax increment. The project will be funded by the issuance of debt that will be repaid primarily from the tax increment revenues collected during the 20-year duration of TIF Reinvestment Zone No. 17. At the end of the 20-year TIF, the City will pay all remaining debt and operations and maintenance expenditures.

Project Plan

Introduction

This document is the Project Plan for TIF Reinvestment Zone No. 17 for the Lower Waller Creek Flood Control Improvements, in the City of Austin, Texas, as required by Chapter 311 of the Texas Tax Code. The purpose of TIF Reinvestment Zone No. 17 is to finance reimbursements of costs associated with flood control improvements in the Waller Creek watershed of the City of Austin, Texas.

The City of Austin will be solely responsible for managing the design and construction of the Waller Creek tunnel project, for operating and maintaining the tunnel after its completion, and for administering the TIF zone, which is located on the eastern edge of the downtown area of Austin, Texas. In the event that actual costs exceed estimated project costs outlined in the project and financing plan, the City of Austin will be responsible for funding those additional costs to the extent that project or operating costs exceed the available TIF revenues to be contributed by the City and Travis County, as described more fully in the financing plan that follows. Upon completion, a significant amount of land will no longer be within the flood plain, and will then be suitable for development. It is estimated that the investment in private development will benefit both the City and the County financially, and will also benefit City and County citizens through the creation of jobs and recreational amenities.

The flood control improvements will be public infrastructure. The proposed tunnel will be approximately 22 feet in diameter and approximately 5,400 feet in length. The tunnel will originate in Waterloo Park near East 12th Street with discharge to Lady Bird Lake. The tunnel alignment will be generally beneath Sabine Street. Significant inlet and outlet structures are required and because the structures are in parkland, aesthetics of the structures are a major consideration. Preliminary design features include a pond, a inlet structure, small dam, access bridge, pump building and significant landscaping enhancements. The inlet also includes mechanical screens to ensure operational reliability and a system to pump small quantities of water from the tunnel to the creek. This pumped water will augment the base flow in the creek and by so doing enhance its aesthetic appeal and water quality. Two to four stormwater inlets along Waller Creek downstream of the tunnel inlet and possibly a parallel smaller diameter tunnel originating near East 3rd Street and terminating at the tunnel outlet will provide for the diversion of storm water entering the lower Waller Creek channel. The outlet structure includes a pond, an outlet shaft, and a de-watering pump system. On April 12, 2007, the Austin City Council created the Waller Creek Citizen Advisory Committee. The City Council believes it is very important for the community to participate and provide oversight in the construction and development of the Waller Creek Tunnel Project. The process for finalizing park facilities to be located at the tunnel inlet and outlet will include consideration of recommendations made by the Committee. Exhibit 5 is a resolution by the Committee outlining design recommendations.

On August 30, 2007, the City Council approved an amendment to the professional services agreement with the joint venture of Brown & Root, Inc./Espey Padden for design/bid (Phase 2) and construction management and warranty assistance (Phase 3) engineering services. These costs will be primarily funded with unencumbered 1998 venue project bond proceeds, and related bond interest earnings. Additional expenditures associated with the design and construction of the project and other project-related costs, including easements and right of way, will be funded by tax increment revenues derived from increases in property values resulting from the new development. Monetary obligations are to begin in the spring or early summer of 2010, beginning with the acquisition of easements and right of way required to begin construction of the tunnel. Construction is currently estimated to start in June 2010.

I. Maps Showing Existing Floodplain and Map Showing Post-Project Floodplain

TIF Reinvestment Zone No. 17 includes approximately 126 acres. The boundaries of the zone are within the area bounded on the west by Red River Street from 12th Street south to 3rd Street, then west along 3rd Street to Trinity Street, then south along Trinity Street to Lady Bird Lake, on the south by Lady Bird Lake from Trinity Street east to Cummings Street, then east along Cummings Street to East Avenue, on the east by East Avenue from Cummings Street north to the south bound access road of IH-35, then along said access road north to 11th Street, then west along 11th Street to Sabine Street, and north along Sabine Street to Red River Street, and on the north by 12th Street between Sabine Street and Red River Street. Existing land use includes commercial, residential and public use, including park land. The extent of the floodplain within the TIF Reinvestment Zone No. 17 currently precludes many development options.

Exhibits 1 and 2 show the existing floodplain and post-project floodplains superimposed on an aerial showing land uses in the zone. Exhibit 3 shows the zone boundary. Renderings of the Waller Creek Tunnel inlet and outlet are shown in Exhibits 7 and 8.

II. Proposed Changes of Zoning Ordinances, the Master Plan of the Municipality, Building Codes, and Other Municipal Ordinances

All project construction is anticipated to adhere to existing design and building criteria and regulations. Currently, there are no proposed changes to City ordinances, master plans or building codes. In the future, regulatory changes may be recommended as part of the Downtown Austin Master Plan (Downtown Plan), which is currently being formulated with stakeholder input, and is summarized below.

Downtown Plan

As a city, Austin is seen as one of the best in the country, with a long and growing list of "Bests," including

- 1st place - "Best Large City for Relocating Families" (The Worldwide Employee Relocation Council (ERC), Primacy Relocation and Sperling's BestPlaces, June 2004)
- 1st place (for the second consecutive year) – "Top 10 Cities for Hispanics to Live In" (Hispanic magazine, August 2005)
- 2nd place - Top Creative Class Cities (The Rise of the Creative Class, Richard Florida, 2002)
- 2nd place - "Ten Greenest Cities" list (Vegetarian Times' July/August 2005)
- 3rd place - "Best Places" for business and careers (Forbes, May 2005)
- 6th place - Nation's top tech hubs (Silicon Valley study, September 2005)
- 11th place - "The 25 Best Running Cities in America" and (Runner's World July 2005)
- One of the top 10 cities to be a dog (DogFancy November 2005)

At the heart of all these accolades are Austin's citizens, their love for the City, and in a very tangible sense, downtown. Downtown Austin is the City's central business district, the entertainment hub, the primary tourist destination, and home to City, County and State governmental activities.

Downtown Austin, however, is in a period of transition. On the one hand, downtown is experiencing tremendous growth in the housing sector based on strong demand. On the other hand, downtown is struggling to maintain or recapture its retail and office market share as office buildings and shopping centers are being built further and further away from downtown to accommodate a growing suburban population. If left unchecked, this development pattern will lead to the advancement of one sector to the possible exclusion and detriment of others.

On December 15, 2005, the Austin City Council adopted a resolution initiating a planning process for downtown Austin, including the Waller Creek TIF area. The Council action required the selection of a nationally-recognized consultant with downtown expertise to develop the Downtown Plan by working with stakeholders, including but not limited to state, federal and local governments, the Capital Metropolitan Transportation Authority, downtown neighborhood associations and downtown business groups, affordable housing advocates, parks groups and environmental organizations. The consultant's scope of work was to include the following:

1. Implement ordinance modernizations, including but not limited to Floor to Area standards and procedures for modifying where appropriate, height standards and procedures for modifying where appropriate, and, funding ordinances for infrastructure.
2. Identify right-of-way for passenger rail and dedicated bus thoroughfares.
3. Develop a program and procedure for the sale and development of government-owned land.

- 4 Identify east-west and north-south rail lines and dedicate station locations downtown
- 5 Integrate the Downtown Neighborhood Plan and the Transit Oriented Development Ordinance Convention Center Station Area Planning effort into the Downtown Plan and Ordinance
- 6 Identify strategies and best practices for affordable work force housing in the downtown area

In April 2007, the City contracted with the ROMA Design Group to assist with the development of the Downtown Plan. The contract for the Downtown Plan envisions that the plan will unfold in phases

Phase One -- Analyze baseline information, interview key stakeholders, assess opportunities and challenges, and craft a strategic framework with clearly prioritized actions aimed at implementing the downtown vision. The phase one work will require six months to complete.

Phase Two -- Implementation of the identified high-priority items

Proposed regulatory changes considered in the Downtown Plan will be evaluated for any potential impacts on the construction of the proposed TIF improvements and future redevelopment and assessed valuation within the TIF area. The City of Austin expects that any regulatory changes that may be recommended will enhance redevelopment opportunities and density (and thus, valuation) beyond the baseline assumptions included in the feasibility section of this report.

Waller Creek Master Plan

The City is in the process of selecting a consultant to create a Waller Creek Master Plan, which will emphasize planning beyond the completion of the tunnel project. A request for qualifications was issued in November 2007 and a notice to proceed is expected to be issued in May 2008 after the consultant has been selected. The plan is expected to take approximately 24 months to complete and will include an assessment of baseline conditions within the district, community visioning, and a final report that will include an implementation plan and cost estimates.

III. List of Estimated Non-Project Costs

The project is necessary to revise the floodplain in the zone. Anticipated redevelopment within the zone will be accomplished by private developers after the construction of the project. Non-project costs are those development items that will be funded by others and are necessary for the implementation of the project. No tax increment reimbursement is provided for non-project costs. No non-project improvements or costs are proposed.

IV. Statement of Method of Relocating Persons to be Displaced as a Result of Implementing the Project

No persons will be displaced as a result of the construction of the project

Reinvestment Zone Financing Plan

As outlined previously, under the terms of TIF Reinvestment Zone No. 17 and the Agreement to Participate in Tax Increment Reinvestment Zone No. 17, between the City of Austin and Travis County, the City of Austin will contribute 100% of its tax increment, and Travis County will contribute 50% of its tax increment. The project will be funded by the issuance of debt that will be repaid primarily from the revenues of the 20-year TIF Reinvestment Zone No. 17. At the end of the 20-year TIF, the City will pay all remaining debt and operations and maintenance expenditures.

I. List of the Estimated Project Costs of the Zone Including Administrative and Recurring Expenses

The following list itemizes the estimated infrastructure project costs for TIF Reinvestment Zone No. 17. The zone is expected to incur bond financing costs but these costs have not been included in the list below. Line item amounts may be adjusted with approval of the TIF Reinvestment Zone No. 17 Board of Directors. Additional construction cost estimate information is available in *Waller Creek Tunnel Construction and O&M Cost Estimates Update, Brown & Root/Espey Padden Joint Venture, October 6, 2006*.

<u>Project Capital Item</u>	<u>Estimated Cost</u>
Construction Costs	
Inlet, with Mechanical Screens	\$21,605,000
Tunnel on Sabine Street alignment	27,566,000
Outlet	13,300,000
<u>Intervening Storm Sewer Connections</u>	<u>32,260,000</u>
Total Construction Cost	\$94,731,000
Right-of-Way	
Tunnel	\$702,000
<u>Intervening storm sewer connections</u>	<u>730,000</u>
Total Right-of-Way Cost	\$1,432,000
Other Project Costs	
Engineering, Testing & Construction Management	\$27,610,000
Administrative	
Zone Creation	150,000
City Real Estate Acquisition Services	200,000
<u>City Project Management (2.0%)</u>	<u>1,900,000</u>
Total Administrative	\$2,250,000

Project Contingencies	
Construction (5 to 15% included above)	\$ 0
Right-of-Way (10%)	143,000
<u>Engineering (5%)</u>	<u>1,381,000</u>
Total Contingency (excluding construction)	\$1,524,000

Total Project Capital Cost **\$127,547,000**

Project Annual Costs

Operation and Maintenance (in 2006 dollars)	\$2,632,000
<u>Zone Administration</u>	<u>30,000</u>

Total Annual Cost **\$2,662,000**

II. Statement Listing the Kind, Number and Location of All Proposed Public Works or Public Improvements in the Zone

The Waller Creek bypass tunnel is located throughout the Zone as shown in Exhibit 4

III. Economic Feasibility Studies

The Brown & Root/Espey Padden Joint Venture prepared economic models of development resulting from the project and increases in tax revenues resulting from the development. The project was found to be economically viable. Economic studies of the project were also prepared by Spillete Consulting and Charles Hernsmath and also demonstrated the economic viability of the project. These economic studies are on file with the Board of TIF Reinvestment Zone No. 17 and the City Council of the City, and are incorporated by reference into this project plan. The Waller Creek TIF estimated buildout and tax revenues are attached as Exhibit 8. Buildout assumptions are attached as Exhibit 9.

IV. The Estimated Amount of Bonded Indebtedness to be Incurred

The estimated amount of bonded indebtedness to be incurred by the TIF Reinvestment Zone No. 17 is shown below:

Estimated capital cost of project (in millions)	\$127.55
Cash on hand	<u>(27.30)</u>
Balance to be financed	\$100.25
Inflated balance	\$109.48

V. The Time When Monetary Obligations are to be Incurred

Monetary obligations are to begin in the spring or early summer of 2010, beginning with the acquisition of easements and right of way required to begin construction of the tunnel. Construction is currently estimated to start in June 2010. Project design was initiated in

August 2007 and will be paid for with the City's cash-on-hand provided by the 1998 bond proceeds plus related interest earnings

The City and County tax increments, as set out in the Agreement with Travis County, are expected to provide sufficient funds to pay the costs of the project, however, there are timing issues associated with the cash flows during the 20-year life of the TIF. Collection of TIF revenue is expected to begin in fiscal year 2009 and end in fiscal year 2028. To smooth out the cash flows during the life of the TIF, an additional source of funding for the project is available from within the Convention Center/Waller Creek venue to supplement the available TIF revenue when needed to help cover project costs or debt service. The refunding of the Hilton Hotel bonds that occurred in December 2006 provides for the payment of net revenue from the hotel to the Austin Convention Enterprises Corporation (ACE) and ultimately to the City. These net revenues are not hotel tax revenues, but represent revenues from the hotel project. The use of these revenues strengthens the final financing plan. Using this additional funding will provide additional security for the bond holders when debt is issued to finance the project, thus helping to lower the interest rate. Use of these revenues will also solve cash flow issues in the early years of the TIF before the tax increment has significantly grown, and will provide a reserve for unanticipated problems that might be encountered during the long design and construction phases. As outlined in the project plan, should actual costs exceed estimated project costs, then the City of Austin will be responsible for funding those additional costs if project or operating costs exceed the available TIF revenues to be contributed by the City and Travis County.

VII. Description of the Method 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 that Levies Taxes on Real Property in the Zone

Description of the Methods of Financing

The City of Austin is allowed, under the provisions of Section 311.015 of the Tax Increment Financing Act, to issue tax increment bonds or notes, the proceeds of which may be used to provide for project-related costs. The City possesses the authority under Texas law to issue certificates of obligation to finance projects such as those described in this project plan. The City will issue debt under its own authority to finance design and construction of the tunnel project. The City of Austin will be responsible for managing the financing process for the tunnel project and intends to issue future certificates of obligation to fund construction and other related project costs as needed. When the City issues certificates of obligation to fund project costs described in this project plan, revenues deposited to the credit of the tax increment fund for TIF Reinvestment Zone No. 17 will be made available to the City for the purpose of paying the debt service on the certificates of obligation. By issuing certificates of obligation, the City assumes the risk if future development is not sufficient to pay for all costs related to the construction of the tunnel. Travis County will be responsible only for contributing 50% of its tax increment to be derived from the TIF Reinvestment Zone No. 17. The terms and conditions

outlined in the Agreement between the City of Austin and Travis County and in this financing plan will be incorporated into any bond covenants associated with the issuance of debt related to this project

Sources of Tax Increment Revenue

The tax increment revenue necessary to pay the project costs is expected to come from increased property values in the zone due to construction of new commercial and residential buildings. Estimated buildout and tax revenues are shown in Exhibit 8. Buildout assumptions are shown in Exhibit 9.

The financing plan is based on the City of Austin contributing 100% of their collected incremental tax revenue to the zone and Travis County contributing 50% of their collected incremental tax revenue to the zone. Tax rates that were in effect when the TIF Reinvestment Zone No. 17 was established in June 2007 are shown below.

Taxing Unit	Total Tax Rate	Tax Rate Dedicated	% Dedicated
City of Austin	\$0.4126/\$100	\$0.4126/\$100	100%
Travis County	\$0.4499/\$100	\$0.22495/\$100	50%

VIII. The Current Total Appraised Value of Taxable Real Property in the Zone

The total appraised value within the TIF Reinvestment Zone No. 17 based on values for the 2006 tax year when the TIF was established in June 2007 was \$173.6 million. Recent values from the Travis County Appraisal District for the 2007 tax year are approximately \$236.2 million associated with taxable properties in the City of Austin and \$228.1 million in Travis County. Exhibit 8, which depicts estimated tax revenue over the 20-year TIF period, has been updated to reflect the updated 2007 tax values. These updated tax values have also been incorporated in the Agreement to Participate in Tax Increment Reinvestment Zone No. 17, between the City of Austin and Travis County.

IX. The Estimated Captured Value of the Zone During Each Year of its Existence

The estimated captured appraised value of the TIF Reinvestment Zone No. 17 during each year of its existence is shown in Exhibit 8. The estimated appraised value for tax year 2007 has increased compared to the value originally projected. The assumptions in the Brown & Root/Espey Padden Joint Venture economic model related to cumulative assessed value increment within the zone over the estimated life of the TIF are considered reasonable and materially accurate for purposes of projecting future tax increment revenues. Estimated buildout and tax revenues are shown in Exhibit 8. Buildout assumptions are shown in Exhibit 9.

X. Duration of the Zone

The duration of the TIF Reinvestment Zone No. 17 is 20 years. The Austin City Council has established January 1, 2008 as the first year of the TIF Reinvestment Zone No. 17, with the TIF base valuation dated January 1, 2007. January 1, 2008 will be the first date for which the TIF captured appraised value will be recorded. Fiscal year 2009 will be the first year in which both the City and Travis County pay their associated tax increment into the TIF fund that will be established pursuant to the Agreement. The TIF Reinvestment Zone No. 17 will terminate on September 30, 2028, or the date on which the project has been fully implemented and all Project Costs of the TIF District, including any debt or interest on that debt, issued by the City in accordance with the financing plan have been paid or otherwise satisfied in full. The Parties may agree to terminate the TIF agreement prior to the termination date only by written agreement signed by both parties, which agreement shall include the actual termination date, and the disposition of funds that have not been disbursed.

EXHIBIT E

FORMULA - DETERMINATION OF TAX INCREMENT PAYMENT

The Parties understand and agree that determination of the actual "amount of property taxes levied and collected" would include extensive calculations on an ongoing parcel-by-parcel basis during every Tax Year of the Agreement to accurately reflect changes to the Tax Increment resulting from delinquent collections and refunds due to appraisal valuation adjustments. In order to simplify the calculations for payment, while maintaining substantive accuracy of the Tax Increment based on the taxes collected on the adjusted value of the property involved in the TIF District, the Parties may annually calculate an average collection rate that will be utilized to determine the Tax Increment.

The average collection rate will be based on the past four Tax Years. The collection rate will be calculated as of the fifth year of collection for each of those four Tax Years and then averaged. The calculation will be based on the beginning Tax Year unadjusted levy and the total amount collected on that levy after five years. Since this percentage will take into account the average decrease or increase to the levy due to delinquent payments, refunds, and property valuation adjustments, there will be no need to adjust future years' Tax Increments to reflect those amounts. The calculation will be based on TIF District parcel data if available, otherwise, County- or City-wide parcel data will be used to calculate the collection rate by the appropriate Party.

EXAMPLE On page two of this exhibit is an example of the average collection rate calculation for Travis County using TIF District parcel data. It shows the collection rate for each Tax Year 1999 through 2002 and the average collection rate for all those years totaling 93.2%. Using this average collection rate the calculation of the Tax Increment payment for Travis County would be:

Captured Appraised Value divided by 100 multiplied by the then current Tax Rate multiplied by the average collection rate of 93.2% and then divided by two.

The first Tax Increment to be paid in 2009 would be based on the calculated rate for Tax Years 2000-2003. Prior to each annual payment, the Parties may review the calculations including the underlying information and documentation.

PROPERTY TAX COLLECTIONS AS OF SEPTEMBER 30 OF EACH YEAR FOR WALLER CREEK TIF DISTRICT

[illegible]