



PROJECT PLAN AND
REINVESTMENT ZONE FINANCING PLAN
FOR
TAX INCREMENT REINVESTMENT ZONE NO. 1
CITY OF LAREDO

November 14, 2017

Prepared by

marshdarcy
PARTNERS

CDS COMMUNITY
DEVELOPMENT
STRATEGIES

TABLE OF CONTENTS

1. Overview

1.1 Background.....	1
1.2 The Challenge	2
1.3 Responding to the Challenge.....	3

2. Project Plan

2.1 Existing Uses and Conditions, Proposed Uses (311.011(b)(1)).....	6
2.2 Changes to Municipal Ordinances Required (311.011(b)(2)).....	8
2.3 Non-Project Costs (311.011(b)(3)).....	8
2.4 Method of Relocation (311.011(b)(4))	8

3. Reinvestment Zone Financing Plan

3.1 Estimated Project Cost Description (311.011(c)(1)).....	9
3.2 Kind, Number, and Location of Proposed Public Improvements (311.011(c)(2)).....	10
3.3 Economic Feasibility (311.011(c)(3))	12
3.4 Estimate of Bonded Indebtedness To Be Incurred (311.011(c)(4))	13
3.5 Estimated Time When Monetary Obligations Are To Be Incurred (311.011(c)(5))	13
3.6 Methods and Sources of Financing (311.011(c)(6)).....	13
3.7 Current Appraised Value of Taxable Real Property (311.011(c)(7)).....	14
3.8 Estimated Captured Appraised Value By Year(311.011(c)(8))	14
3.9 Duration of Zone (311.011(c)(9)).....	15

Appendices

- A. TIRZ Boundary Legal Description
- B. Economic Feasibility Report (Downtown Market Demand Analysis)

1. OVERVIEW

1.1 Background

The City of Laredo (City), founded in 1755, with a 2010 census population of 236,191 is the third most populated city on the U.S.-Mexico border (behind only San Diego and El Paso) and the 10th largest city in the State of Texas. The City is the county seat of Webb County (County) and is home to a large Federal government presence, a Texas A&M campus, and Laredo Community College (College).

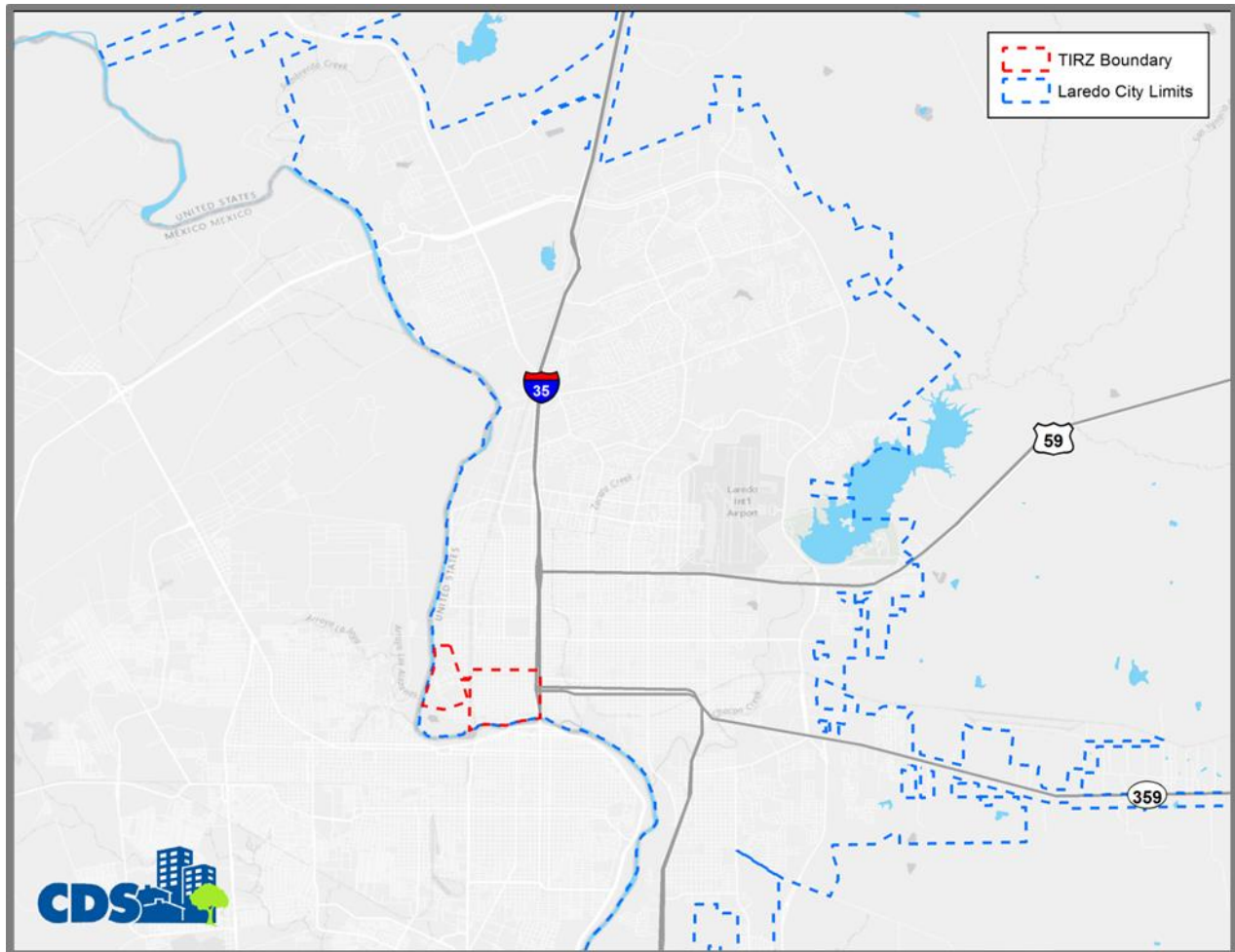
Since its founding, Laredo has served as a major border crossing destination with an economy largely based on international trade. Situated at the southern terminus of IH-35 and multiple major rail lines, Laredo is the largest inland port in the United States. Laredo is a shopping destination for residents of Nuevo Laredo and other major population centers in Northern Mexico. Historically, Downtown Laredo also served a large wholesale goods market, however, that role has diminished substantially in recent years.

As the City has grown, Downtown Laredo has become isolated from the major population, shopping, and employment centers that serve the majority of the City's residents. Access to downtown is hindered by geographical constraints, railroad corridors, the IH 35 corridor, and traffic congestion associated with the border crossing points. With changes in various trade and border security policies, overall activity and trade in the Downtown area has diminished substantially. Consequently, other than governmental centers, Downtown Laredo largely serves as a pedestrian shopping destination for nearby residents from both sides of the border.

Much of the public infrastructure in Downtown Laredo is outdated and obsolete. Built within narrow rights of ways, beginning over 250 years ago, water, wastewater, drainage, streets, sidewalks, lighting, and electric and gas utilities largely do not meet current standards and expectations. The combination of insufficient infrastructure and changed border policies have contributed to falling property values, rental rates, and overall commercial activity within Downtown Laredo.

The location of Laredo Tax Increment Reinvestment Zone #1 within the City of Laredo is shown in Figure 1.

Figure 1 – Vicinity Map



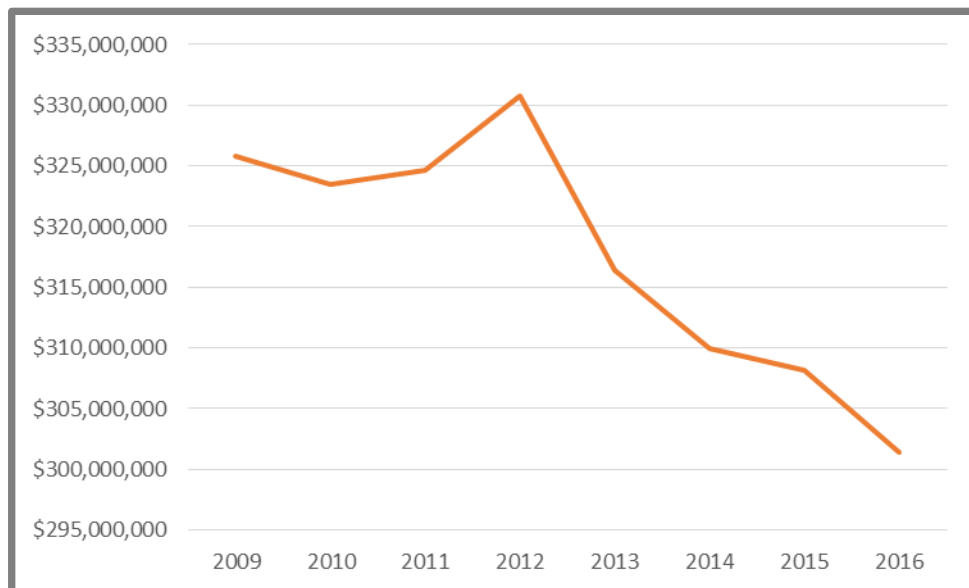
1.2 The Challenge

The Downtown Market Demand Analysis prepared by CDS Community Development Strategies in support of this Plan analyzed market and real estate trends impacting downtown Laredo. The full analysis is contained in Appendix B to this Plan. In summary, there are a variety of existing conditions and trends that create challenges for the economic health of the downtown area, including:

- Between 2010 and 2016, the project area has experienced:
 - Declining property values (see Figure 2)
 - Declining retail traffic and sales
 - Declining employment
 - Declining retail occupancy rates, notably including the closure of the downtown HEB
 - Declining commercial/retail lease rates
 - Declining overall population, but an increase in the over-55 age group
- In comparison to the overall City of Laredo competitive market area, the project area contains:

- Older median age of housing stock by more than 20 years
- Lower median home values
- Lower educational attainment levels
- Lower median income level
- The project area is isolated from a majority of the City, growth corridors, and middle class residential areas.
- A substantial portion of the public infrastructure is obsolete, undersized, and/or in poor condition

Figure 2 – Property Value History within TIRZ #1 Boundary



1.3 Responding to the Challenge

The Tax Increment Reinvestment Zone (TIRZ or Zone) is intended to address these challenges and obstacles by providing a funding mechanism for high priority public infrastructure construction or reconstruction. A critical assumption of this Plan is that public streets and public spaces in the vicinity of the new access portals to the Outlet Shoppes at Laredo are improved to create an inviting walkable destination. In their current state, with unattractive streetscape and poor sidewalk conditions, the ability to capture the offsite mall visitor spending potential will be doubtful. Additional public infrastructure radiating out from this focal point over time provides the greatest opportunity for the City to reverse the documented declining economic conditions by supporting new private investment via a dedicated revenue stream committed to renewing the public infrastructure that will support the desired future uses.

The Zone will facilitate the attainment of several City goals related to the project area:

- Downtown should serve as Laredo’s economic, civil, social and cultural hub
- Revive Downtown Laredo’s legacy as a Pan-American destination of people and trade
- Reinvigorate Downtown as a focal point of community activity

Specific outcomes that are desired to be achieved by successful execution of this Plan and capture of the market potential include:

- Capitalize on the investment and activity expected from the Outlet Shoppes at Laredo project
- Rebuild water, sanitary sewer, drainage, and paving infrastructure
- Improve streetscapes, sidewalks, and pedestrian accessibility
- Improve public safety
- Improve lighting
- Support construction of a potential downtown convention center
- Repurpose under-utilized land uses
- Create interesting entertainment and dining destinations that will add to the downtown economy and lifestyle

The Downtown Market Demand Analysis evaluated the potential for various market sectors. The realization of these potential market opportunities is highly dependent upon the success of the Outlet Shoppes at Laredo and the City’s ability to capture the secondary markets created by that economic driver. Over the next 10 years, with successful execution of Phase 1 of the Outlet Shoppes at Laredo coupled with public-sector improvements financed by the TIRZ, it is projected the following market opportunities could be captured within the downtown area:

- Phase 2 of the Outlet Shoppes at Laredo
- Market based multi-family housing – 120 units
- Age and income restricted multi-family – 100 units
- Visitor-supported retail – Increased patronage of existing businesses and up to 35,000 square feet absorption into existing buildings
- Single-tenant office absorption into existing buildings
- Limited service hotel – 120 rooms
- Non-chain retail and restaurants that offer unique experiences

Description of how the TIRZ can facilitate the desired outcomes

The TIRZ affords the opportunity for the City to plan and execute a Downtown-focused capital improvement program. Initial improvements will be financed by the new value expected to be created by the Outlet Shoppes at Laredo project. As infrastructure and streetscapes are improved, it is expected that additional new private investment will be made, in turn generating additional new value that will support further public improvements.

The TIRZ will supplement and support the City’s other downtown economic development programs such as the Neighborhood Empowerment Zone. The proposed Downtown

2. PROJECT PLAN

This Project Plan and Reinvestment Zone Financing Plan (“The Plan”) has been prepared in accordance with the requirements of Chapter 311.011 of the Texas Tax Code and outlines the improvements to be funded and implemented by the Tax Increment Reinvestment Zone Number 1, Laredo, Texas.

The TIRZ will allow the City and other participating entities to partner with each other for public improvements each may have planned for the area. The City believes that a TIRZ is the best mechanism by which to partner not only with other governmental entities, but also with private sector developers to plan, fund, and construct the needed improvements over the long-range time horizon such an ambitious undertaking might require.

Through the TIRZ, the City and other participating entities can each maximize property values in the Zone to the benefit of their respective voters and citizens, as well as contribute to the community cohesion that comes with a vibrant downtown. Projects may be funded directly by the TIRZ or through reimbursement agreements with private developers.

2.1 Existing Uses and Conditions, Proposed Use (311.011(b)(1))

Property values in the TIRZ reflect economic challenges facing the area. From 2006 to 2016, the average annual appreciation rate of assessed value was just 1.6%. From 2010 to 2016, the total value actually declined at an average of -1.2% annually. Some of this decline was due to the acquisition of private property by the public sector, but Webb County Appraisal District records show that all classes of property (commercial, industrial, residential etc.) per 2016 classification showed declines during this period. In fact, WCAD indicated that even greater declines are possible for the 2017 values because of the strongly negative economic conditions now facing the area.

Other measures of economic activity also show decline during the 2010 to 2016 period including retail sales, retail occupancy rates, commercial lease rates, employment, and population.

The existing land uses are shown in Figure 4. The desired future land use map is shown in Figure 5.

Figure 4 – Existing Land Use

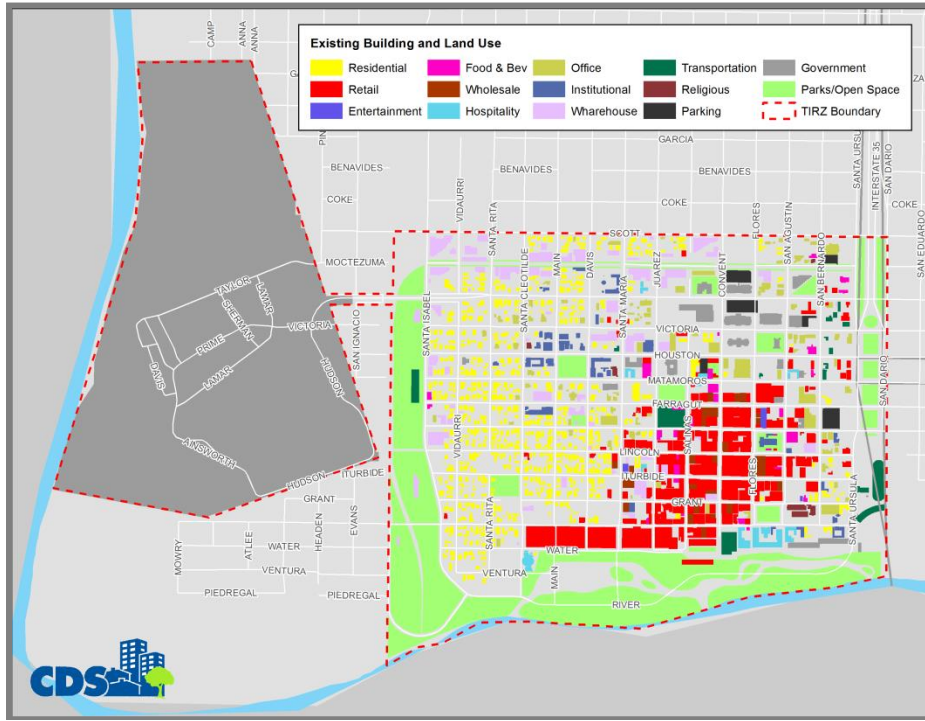
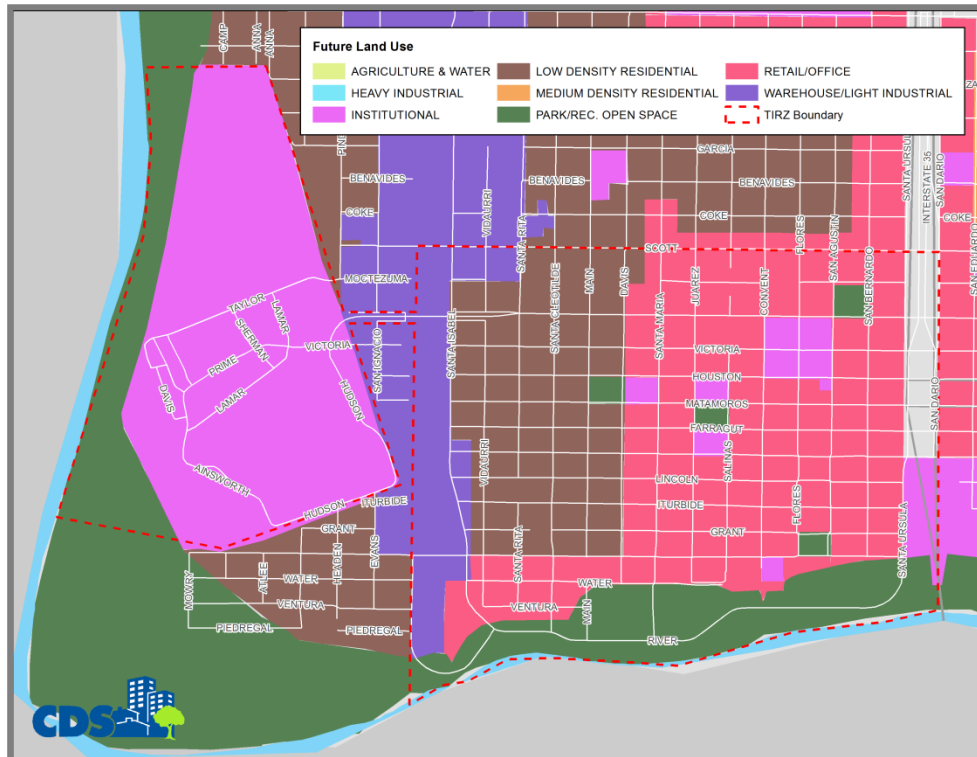


Figure 5 – Proposed Land Uses



2.2 Changes to Municipal Ordinances Required (311.011(b)(2))

There are no contemplated changes to the City’s Code of Ordinances, zoning ordinances, master plan, building codes, or subdivision rules and regulations necessary to implement the Plan, except for possible revisions to the Neighborhood Empowerment Zone program related to the administration of tax abatements.

2.3 Non-Project Costs (311.011(b)(3))

This plan assumes that there will be non-project costs consisting of private investment in the potential retail shopping venues, hotels, senior housing, and multi-family housing opportunities totaling \$143,000,000 over the duration of the Zone.

2.4 Method of Relocation (311.011(b)(4))

Certain TIRZ eligible projects may result in the relocation of existing persons or uses. If relocation becomes necessary relocation may be considered as eligible project costs, as determined by the Board of Directors of the TIRZ. In addition, the TIRZ Board and City will consider and utilize such other methods as are available, cost effective, and efficient to aid in the relocation with due weight being given to the availability of tax increments to pay related costs.

3. REINVESTMENT ZONE FINANCING PLAN

The TIRZ will provide a funding and/or reimbursement mechanism for major public infrastructure to provide new and/or reconstructed public improvements serve properties within the Zone, along with streetscape, landscape, beautification, lighting, traffic signalization, security infrastructure, and urban design components. The comprehensive and long-term nature of the projects will promote stability, and sustainable utilization and property values in an area that has previously been in decline. The TIRZ may fund all or a portion of the eligible projects.

3.1 Estimated Project Cost Description (311.011(c)(1))

The project costs in Table 1 below comply with the categories established in Section 311.02 of the Texas Tax Code. The dollar amounts are approximate estimates based on assumptions of how the land may develop and are expressed in year 2016 dollars. Project Costs may be adjusted to actual development plans, bid costs and/or for inflation. Projects will be undertaken and paid for as funds are available from increment or other sources. The intent is to complete as many of the projects as can be funded from tax increment revenues notwithstanding whether the costs or tax increment exceed the estimates herein and costs may be moved among line items. All project types described in this section are eligible, however, the projects primarily focused on “streetscape reconstruction”, beginning in the primary impact area and working outward, are the most likely to assist the city in capturing the identified market opportunities.

“Streetscape reconstruction” consists of a complete rehabilitation of the streetscape on a block by block basis. Depending on the scope and needs of a particular block, concept-level construction cost estimates could range from \$1,000 to \$1,500 per linear foot. Streetscape reconstruction improvement may include all or some of the following components:

- Water Mains
- Sanitary Sewer
- Drainage
- Roadway Paving
- Traffic Signalization
- Sidewalks
- Streetscape and Landscape Improvements
- Signage and way-finding
- Public Art
- Lighting
- Seating and Furnishings
- Shade Structures
- Power and Communications Infrastructure
- Security Infrastructure

Table 1

Project Description	Project Cost Estimate Range (1)
Streetscape Reconstruction (80% of available construction funds)	\$22,000,000 to \$35,000,000
Convention Center & Parking Facilities (20% of available construction funds)	\$4,982,000 to \$5,662,000
Professional Services Architects, Engineers, Surveying (15% of construction)	\$4,761,000 to \$7,176,000
Creation Costs and Zone Administration (\$25,000 to \$50,000 per year)	\$750,000 to \$1,500,000
Zone Operational Cost Transfer (5% of Increment)	\$1,710,000 to \$2,597,000
Total Estimated Project Costs	\$34,203,000 to 51,935,000

(1) Lower range based on City-only participation; upper range includes College participation

In conjunction with the projects described above, the following categories established in Section 311.002 (1) of the Texas Tax Code as eligible project costs will be considered eligible project costs. The TIRZ will fund project costs consistent with this Plan at the earliest feasible and practicable date(s), upon approval of the Board of Directors of the TIRZ.

- *Capital Projects* related to demolition, environmental abatement, and remediation including site work and fill, necessary to prepare sites and existing structures for new use. Capital costs related to water and wastewater system construction, expansion, or acquisition and capital recovery or impact fees.
- *Land Costs* associated with property formally conveyed to the public in conjunction with the implementation of projects otherwise eligible for reimbursement may also be eligible for reimbursement.
- *Matching Funds* may be contributed in support of local, state, federal or other capital improvements programs that benefit the project and the region.
- *Professional Services* incurred for architectural, planning, engineering, legal, landscape architecture, financial, marketing, public relations, management, leasing, bookkeeping, tax role verification, environmental, archaeological, and other services and advice necessary to a project.
- *Financing Costs* related to developer’s interest, city interest, and financing interest, legal fees, underwriter’s fees, brokerage charges, transfer or placement charges, premium and fees paid for loans, credit enhancement fees, notes, bonds or other instruments of credit issued to pay for project costs.
- *Operational Expenses* as may be necessary to provide for the proper administration of the Zone, operation of Zone facilities and services provided therein, over the life of the TIRZ. The City’s operational/administrative costs will be calculated as 5% of total annual Zone revenues, unless otherwise directed by the City Council by separate resolution.

3.2 Kind, Number and Location of Proposed Public Improvements (311.011(c)(2))

The public improvements proposed may be constructed at any advantageous location within the TIRZ as shown in Figure 6. Improvements are intended to be constructed within the public rights-of-way shown on Figure 6 and on publically-owned property that the City may own or subsequently acquire. However, the intent is that the improvements should initially be focused in the vicinity of the Outlet Shoppes at Laredo in order to capitalize on this catalyst project at the earliest possible date.

The initial highest priority projects are in the Primary Impact Area (see Figure 7) in the vicinity of the Outlet Shoppes at Laredo pedestrian portals at Juarez and Santa Maria Streets and along Zaragoza Street. The public streets and public spaces along Zaragoza, Juarez, Santa Maria, Iturbide, Salinas, and other streets in this area should be improved to create an inviting walkable destination. In their current state, with unattractive streetscape and poor sidewalk conditions, the ability to capture the offsite mall visitor spending will be doubtful.

The next highest priorities should be focused within the Secondary Impact Area (see Figure 7). As improvements are completed in the primary and secondary impact areas, improvements should radiate out to other portions of the Zone and/or be targeted to other priority areas that emerge based on evolving markets over the life of the Zone.

Figure 6 – Locations of Proposed Public Improvements

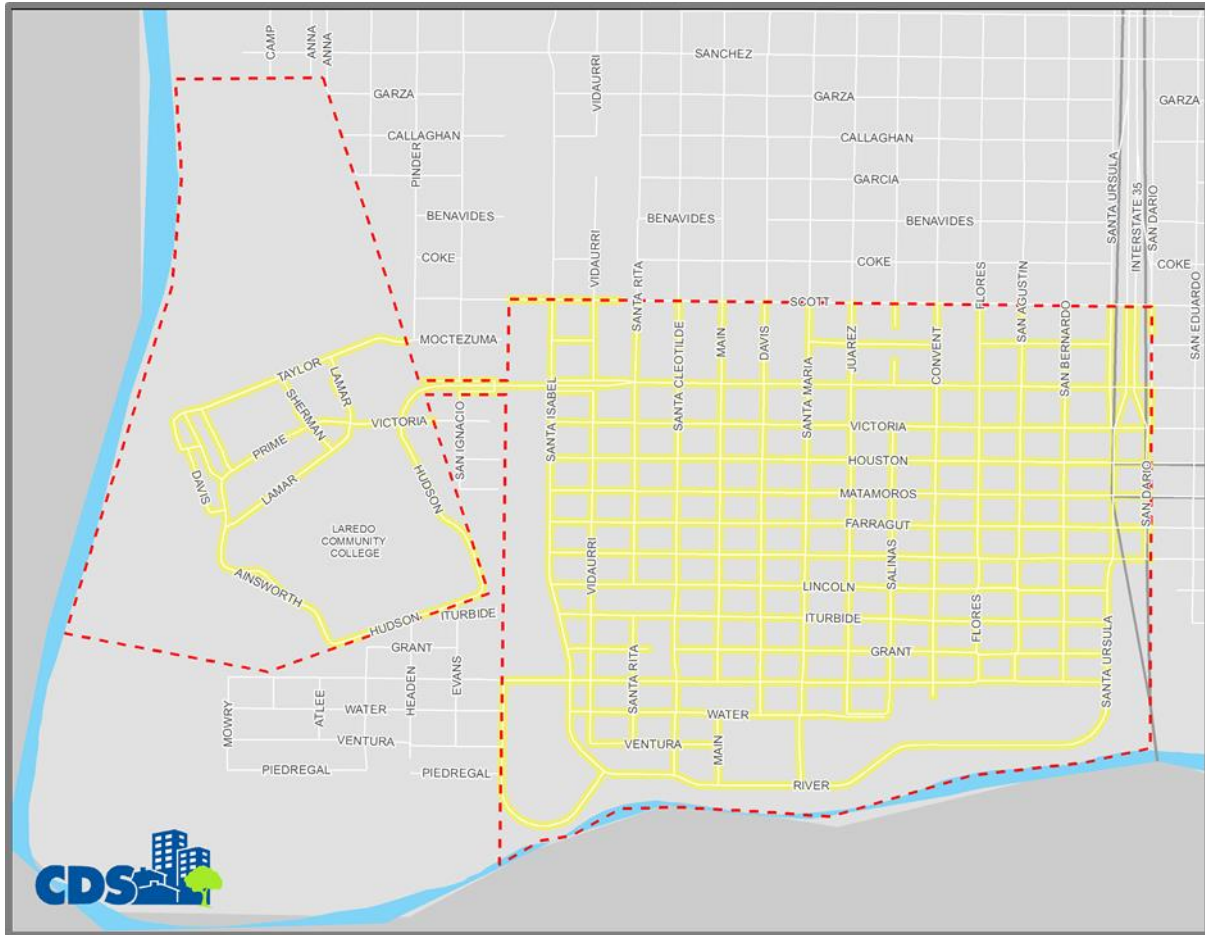
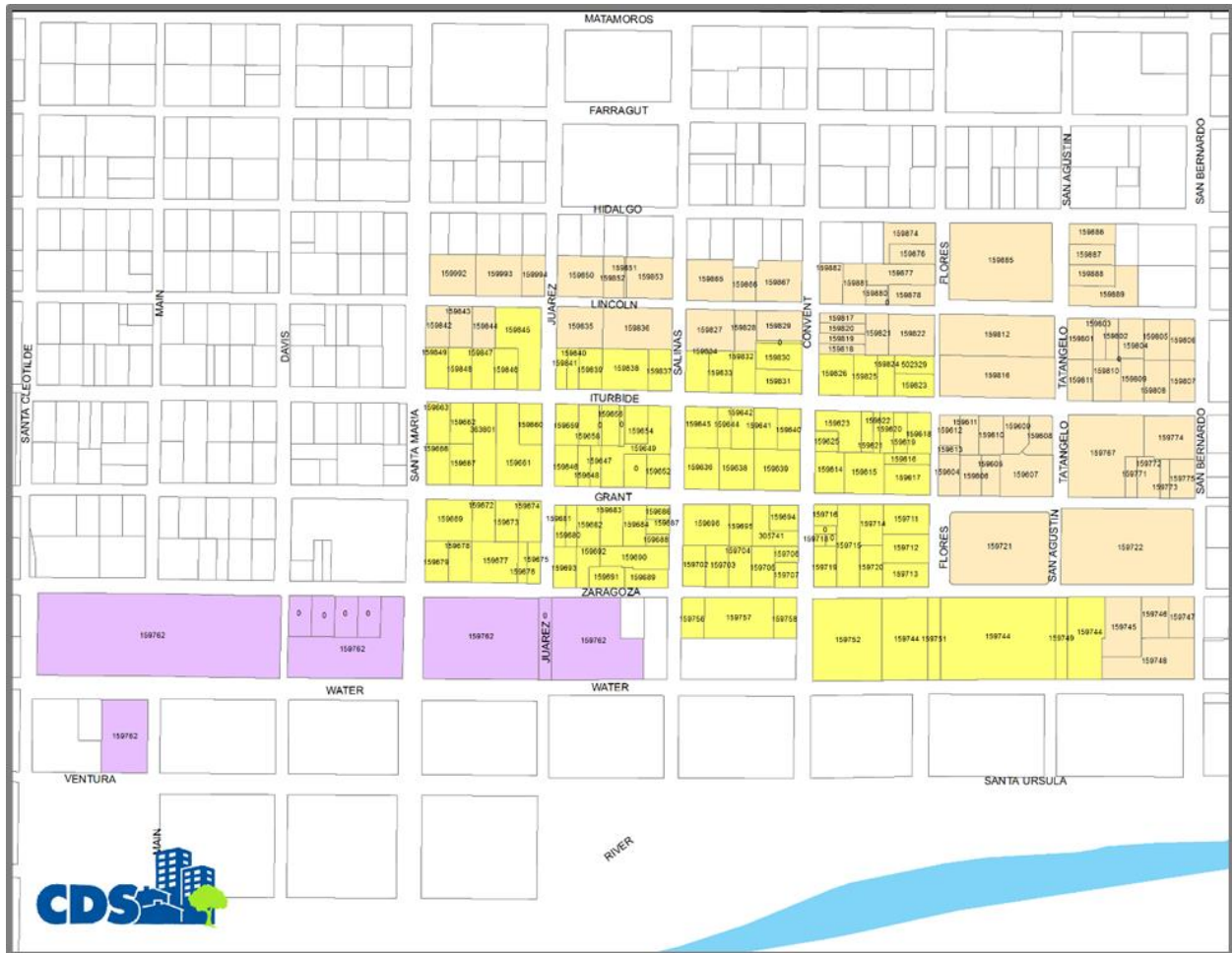


Figure 7 – Primary Impact Areas



Legend:

Lavender – Outlet Shoppes at Laredo

Yellow – Primary Impact Area

Sand – Secondary Impact Area

3.3 Economic Feasibility (311.011(c)(3))

CDS Community Development Strategies (“CDS”) performed a TIRZ feasibility analysis (Downtown Market Demand Analysis) based on research into the potential capture of market share Downtown Laredo could achieve with the appropriate infrastructure to support such land uses. The full report of the analysis is included in Appendix B. A major assumption of that report is that the Outlet Shoppes at Laredo will be successful in attracting the customers and sales that have been projected by the owners. Based on that assumption, the report reflects that the TIRZ is economically feasible. A copy of the CDS report is included in the appendix of this document. The report supports the findings that without TIRZ creation and participation by the City the likelihood of Downtown Laredo being able to maximize its market share for quality development will be unlikely. Participation by either or both the County or College enhances the viability of the Zone.

3.4 Estimate of Bonded Indebtedness To Be Incurred (311.011(c)(4))

Bonds, notes or other obligations may be issued to yield net proceeds sufficient to pay all or a portion of the eligible project costs and related professional fees that are currently estimated at, but are not limited to, \$52,000,000 in 2016 dollars. The City, at its sole discretion, may issue or cause to be issued bonds, notes, or other obligations secured by tax increment revenues, the proceeds of which could be used to pay for or reimburse Project Costs, including public improvements, capitalized interest, professional fees, developer interest and costs of issuance of the bonds.

The City may create or utilize an existing local government corporation to aid and assist the Zone in implementing the Project and Financing Plan, issuance of bonds, and its administrative activities. The corporation would be chartered by the City to act on behalf of the City with the specific authority to issue bonds, notes, or other obligations on behalf of the City for the Zone, in lieu of City-issued tax increment bonds or notes. Additionally, the Zone may elect to pay for Project Costs directly from tax increment proceeds as they become available, without the sale of bonds or notes.

3.5 Estimated Time When Monetary Obligations Are To Be Incurred (311.011(c)(5))

The TIRZ will initially incur monetary obligations only after the completion, inspection and acceptance by the City of the eligible public improvements or as detailed in Developer Reimbursement Agreements to be executed between the TIRZ and developers. Since the build-out horizon for TIRZ improvements will be market driven, it is anticipated that the completion of the infrastructure will take a minimum of 30 years. Bond issuance may occur at appropriate times as determined by the City’s Financial Advisor and approved by the City. Project Costs, administrative costs, and costs related to the creation and organization of the TIRZ may be paid from the issuance of bonds or directly from tax increment revenue.

3.6 Methods and Sources of Financing (311.011(c)(6))

The primary source of revenue will be the ad valorem property taxes generated on the annual increment value above the base year value. Table 2 below shows the proposed participation rate of the City.

Table 2

Jurisdiction	2016 Tax Rate	% Participation	Duration
City of Laredo	\$0.637/\$100	100%	30 Years
Laredo Community College	\$0.330244/\$100	100%	30 years

The City anticipates requesting TIRZ participation by the College and may also request TIRZ participation by the County that could further advance the purposes and goals of the Zone.

To ensure timely construction of public improvements, both pay-as-you-go and various methods of financing may be utilized. These include:

- *Tax Increment Bonds or Notes.* As allowed by annual incremental increases in Zone assessed value, tax-exempt tax increment bonds or notes may be issued to fund improvements.
- *Direct Reimbursements.* Projects that are closely related to particular private development projects or public infrastructure programs of public agencies, municipalities, and authorities may be financed through reimbursement agreements with a developer, public agency, municipality, or authority using a direct payment annually from the TIRZ increment fund.
- *Other private financing.* Some projects may be financed on a short-term basis through private financial institutions.
- *Grants/Other Public Funds.* To the extent permitted by law, efforts will be made to leverage TIRZ funds with other public funds and economic development tools.

3.7 Current Appraised Value of Taxable Real Property (311.011(c)(7))

Based upon the 2016 Webb County Appraisal District certified tax roll, the base year value of the TIRZ is \$299,722,449.

3.8 Estimated Captured Appraised Value By Year (311.011(c)(8))

The primary areas of impact, as identified in the economic feasibility study, from which the majority of the Captured Appraised Value is expected be generated are shown in Figure 7. Table 3 shows the Captured Appraised Value and the resulting revenue from the City and College for the duration of the Zone.

Table 3

TIRZ Year	Year	Incremental Value Projection		Incremental TIRZ Revenue Projection			
		Annual Incremental Value	Cumulative Incremental Value	City	College	Total	Cumulative Revenue
1	2017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	2018	\$ 68,832,009	\$ 68,832,009	\$ -	\$ -	\$ -	\$ -
3	2019	\$ (2,000,000)	\$ 66,832,009	\$ 434,176	\$ 225,092	\$ 659,268	\$ 659,268
4	2020	\$ 804,572	\$ 67,636,581	\$ 421,436	\$ 218,488	\$ 639,923	\$ 1,299,191
5	2021	\$ 3,580,866	\$ 71,217,447	\$ 426,561	\$ 221,145	\$ 647,705	\$ 1,946,897
6	2022	\$ 837,077	\$ 72,054,524	\$ 449,371	\$ 232,970	\$ 682,341	\$ 2,629,238
7	2023	\$ 29,234,339	\$ 101,288,863	\$ 455,677	\$ 236,240	\$ 691,917	\$ 3,321,155
8	2024	\$ 1,670,301	\$ 102,959,164	\$ 641,814	\$ 332,740	\$ 974,554	\$ 4,295,709
9	2025	\$ 1,709,177	\$ 104,668,341	\$ 653,251	\$ 338,669	\$ 991,919	\$ 5,287,629
10	2026	\$ 22,349,973	\$ 127,018,314	\$ 664,049	\$ 344,267	\$ 1,008,316	\$ 6,295,945
11	2027	\$ 1,789,693	\$ 128,808,007	\$ 809,107	\$ 419,470	\$ 1,228,577	\$ 7,524,522
12	2028	\$ 14,006,499	\$ 142,814,505	\$ 820,507	\$ 425,381	\$ 1,245,888	\$ 8,770,410
13	2029	\$ 8,854,779	\$ 151,669,284	\$ 909,728	\$ 471,636	\$ 1,381,365	\$10,151,774
14	2030	\$ 9,281,565	\$ 160,950,849	\$ 966,133	\$ 500,879	\$ 1,467,012	\$11,618,786
15	2031	\$ 9,473,540	\$ 170,424,389	\$ 1,025,257	\$ 531,531	\$ 1,556,787	\$13,175,574
16	2032	\$ 9,669,512	\$ 180,093,901	\$ 1,085,603	\$ 562,816	\$ 1,648,420	\$14,823,993
17	2033	\$ 9,869,567	\$ 189,963,468	\$ 1,147,198	\$ 594,749	\$ 1,741,947	\$16,565,941
18	2034	\$ 10,073,789	\$ 200,037,258	\$ 1,210,067	\$ 627,343	\$ 1,837,410	\$18,403,351
19	2035	\$ 10,282,267	\$ 210,319,525	\$ 1,274,237	\$ 660,611	\$ 1,934,848	\$20,338,199
20	2036	\$ 10,495,089	\$ 220,814,614	\$ 1,339,735	\$ 694,568	\$ 2,034,303	\$22,372,502
21	2037	\$ 10,712,347	\$ 231,526,961	\$ 1,406,589	\$ 729,227	\$ 2,135,816	\$24,508,319
22	2038	\$ 10,934,134	\$ 242,461,095	\$ 1,474,827	\$ 764,604	\$ 2,239,431	\$26,747,749
23	2039	\$ 11,160,546	\$ 253,621,641	\$ 1,544,477	\$ 800,713	\$ 2,345,190	\$29,092,940
24	2040	\$ 11,391,678	\$ 265,013,319	\$ 1,615,570	\$ 837,570	\$ 2,453,140	\$31,546,080
25	2041	\$ 11,627,632	\$ 276,640,951	\$ 1,688,135	\$ 875,191	\$ 2,563,325	\$34,109,405
26	2042	\$ 11,868,507	\$ 288,509,458	\$ 1,762,203	\$ 913,590	\$ 2,675,793	\$36,785,198
27	2043	\$ 12,114,408	\$ 300,623,867	\$ 1,837,805	\$ 952,785	\$ 2,790,590	\$39,575,789
28	2044	\$ 12,365,441	\$ 312,989,308	\$ 1,914,974	\$ 992,792	\$ 2,907,766	\$42,483,555
29	2045	\$ 12,621,713	\$ 325,611,020	\$ 1,993,742	\$ 1,033,628	\$ 3,027,370	\$45,510,925
30	2046	\$ 12,883,334	\$ 338,494,354	\$ 2,074,142	\$ 1,075,311	\$ 3,149,453	\$48,660,378
	2047			\$ 2,156,209	\$ 1,117,857	\$ 3,274,066	\$51,934,445
Total		\$ 338,494,354		\$ 34,202,581	\$ 17,731,864	\$ 51,934,445	

Assumptions for the value and increment projections are contained in Appendix B: Downtown Market Demand Analysis. The year in which incremental revenues are shown is based on the year of receipt, which lags by one year the year in which new value is recorded on the tax roll.

3.9 Duration of Zone (311.011(c)(9))

The duration of the Zone is 30 years, with the final payment of increment being made on values and at rates for 2046, which revenue may be paid in 2047. Therefore, the Zone will terminate for purposes of collection on December 31, 2047.

APPENDICES

- A. TIRZ Boundary Legal Description
- B. Economic Feasibility Report

APPENDIX A

TIRZ Boundary Legal Description

A tract of land **beginning at a point** within the City of Laredo, Webb County, Texas, at the intersection of the north right of way line of Scott Street and the east right of way line of San Dario Avenue;

Thence south along the east right of way line of San Dario Avenue, passing the north right of way line of Hidalgo Street, and continuing south along the southerly projection of the east right of way line of San Dario Avenue to a point at the intersection of the southerly projection of the east right of way line of San Dario Avenue and the south city limit line of the City of Laredo;

Thence westerly along the south city limit line of the City of Laredo, such line also following the meanders of the Rio Grande River, to a point at the intersection of the south city limit line of the City of Laredo and the southerly projection of the east right of way line of Eagle Pass Avenue;

Thence north along the southerly projection of the east right of way line of Eagle Pass Avenue, passing the south right of way line of Ventura Street and continuing north along the east right of way line of Eagle Pass Avenue, passing the north right of way line of Leyendecker Road and continuing north along the northerly projection of the east right of way line of Eagle Pass Avenue to a point at the intersection the northerly projection of the east right of way line of Eagle Pass Avenue and the south right of way line of Washington Street;

Thence west along the south right of way line of Washington Street to a point at the intersection of the south right of way line of Washington Street and the east line of the 202.89311-acre Laredo Community College Campus-Old Fort McIntosh tract identified as Webb County Appraisal District Property Identification Number 167449 and also being identified as Geographic Identification Number 224-00025-010 (the "College Tract");

Thence southeasterly along the east line of said College Tract to a point at the southeast corner of said College Tract;

Thence westerly along the southern line of said College Tract to a point at the southwest corner of said College Tract;

Thence northerly along the west line of said College Tract to a point at the northwest corner of said College Tract;

Thence east along the north line of said College Tract to a point at the northeast corner of said College Tract to a point at the northeast corner of said College Tract;

Thence southeast along the east line of said College Tract to a point at the intersection of the east line of said College Tract and the north right of way line of Washington Street, it being the intention that all land within the outside boundary of said College Tract, including any other land that may be within separate tax account designations owned by Laredo Community College and wholly within the outer boundary of said College Tract, be included in this description;

Thence east along the north right of way line of Washington Street to a point at the intersection of the north right of way line of Washington Street and the northerly projection of the east right of way line of Eagle Pass Avenue;

Thence north along the northerly projection of the east right of way line of Eagle Pass Avenue to a point at the intersection the northerly projection of the east right of way line of Eagle Pass Avenue and the north right of way line of Scott Street;

Thence east along the north right of way line of Scott Street to a point at the intersection of the north right of way line of Scott Street and the east right of way line of San Dario Avenue, such point also being the **Point of Beginning**, and containing an area of 652.8 acres, more or less.

APPENDIX B

Economic Feasibility Report