

STATE OF TEXAS

RESOLUTION OF THE SEGUIN PUBLIC FINANCE CORPORATION APPROVING A CONTRACT WITH THE NAVARRO SCHOOL DISTRICT TO SHARE FUNDS DERIVED FROM LEASE PAYMENTS MADE BY THE LILLY SPRING APARTMENT PROJECT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, the Seguin Public Finance Corporation (“PFC”) approved a term sheet that would include a long-term lease of land for the Lilly Springs Apartment Project (“Project”);

WHEREAS, the anticipated financing for the project required that at least 50% of the apartment units be leased to tenants earning less than 80% of the area median income; and

WHEREAS, the transaction, with the PFC owning the land, would result in no increase in taxable value after the Project is completed; and

WHEREAS, through state law the Navarro Independent School District (“Navarro”) would be partially compensated for the loss in tax revenue by a State transfer based on the number of students living in the Project; and

WHEREAS, the rapid population expansion for the City within the Navarro District is putting pressure on Navarro to fund and build new schools to meet the increased number of students; and

WHEREAS, the amount of compensation would not be equivalent to the allocation of school property taxes to the completed project resulting in increased difficulty building schools to handle rapid growth; and

WHEREAS, the PFC believes that it is in its best interest, as well as the best interest of city residents, to partner with Navarro in sharing lease payments that result from the Project.

NOW THEREFORE BE IT RESOLVED by the Seguin Public Finance Corporation:

SECTION 1. The factual assertions in the above recitals are adopted in this Resolution as if fully set forth herein.

SECTION 2. The Seguin Public Finance Corporation hereby approves a contract with Navarro Independent School District under the following parameters:

- a. Navarro Independent School District shall receive the sum of \$500,000.00 upon the closing for the lease of the above referenced project.
- b. For the duration of the lease the Seguin Public Finance Corporation shall pay to the Navarro School District, fifty percent (50%) of the lease payments received by the PFC.

SECTION 3. This Resolution is in full effect from and after the date of its passing.

Passed this 15th day of November 2022.

Donna Dodgen, President

Attest:

Rick Cortes, Secretary