



Monday, August 5, 2024
Tax Increment Financing Reinvestment Zone #2 Board Meeting

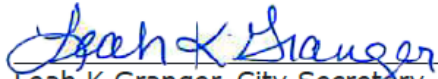
Council Chambers
3815 Sachse Road, Building B
6:00 PM

Tax Increment Financing Reinvestment Zone #2 Board meetings are streamed live online and available on-demand (<https://sachsetx.swagit.com/live>).

A. Regular Meeting

1. Call to Order: The Tax Increment Financing Reinvestment Zone #2 Board of the City of Sachse will hold a regular meeting on Monday, August 5, 2024, at 6:00 PM to consider the following items of business:
2. Invocation and Pledge of Allegiance to the U.S. and Texas Flags.
3. The public is invited to address the Board regarding any topic not already on the agenda. The time limit is 3 minutes per speaker. A Public Comment Card should be presented to the acting Secretary prior to the meeting. According to the Texas Open Meetings Act, the Board is prohibited from discussing any item not posted on the agenda but will take comments under advisement.
4. Consider approving the October 26, 2020, meeting minutes.
5. Consider approving the November 14, 2022, regular meeting minutes.
6. Consider approving the December 4, 2023, regular meeting minutes.
7. Consider accepting the City of Sachse Investment Policy for FY 2023-2024, as adopted by the City Council on December 4, 2023.
8. Consider accepting the Quarterly Investment Reports for the quarters ending December 31, 2023, and March 31, 2024.
9. Consider authorizing an amendment to the existing Tax Increment Reinvestment Zone (TIRZ) Reimbursement Agreement with the City of Sachse, the TIRZ #2 Board, and the PMB Station Developer, LLC.; and any amendments or instruments related thereto.
10. Adjournment.

I, the undersigned authority, do hereby certify that this notice of a public meeting was posted in accordance with the regulations of the Texas Open Meetings Act and was posted on the bulletin board, an accessible location at Sachse City Hall.


Leah K Granger, City Secretary

Posted: 08/02/2024 by 5:00 p.m. | Removed: _____

Accommodation requests for persons with disabilities should be made at least 48 hours prior to the meeting by contacting Logan Thatcher, ADA Coordinator, via phone at 972-495-1212, via email at lthatcher@cityofsachse.com, or by appointment at 3815 Sachse Road, Building B, Sachse, Texas 75048.

A. Regular Meeting

Subject:	4. Consider approving the October 26, 2020, meeting minutes.
Meeting	August 5, 2024 - Tax Increment Financing Reinvestment Zone #2 Board Meeting
Access	Public
Type	Action, Minutes
Fiscal Impact	None
Recommended Action	Approve the minutes as presented.
Goals	

BACKGROUND

Minutes from the October 26, 2020 TIRZ #2 Board.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Approve the minutes as presented.

File Attachments

1. TaxIncrementFinancingReinvestmentZone#2Board_Regular_Minutes_10.26.2020
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**BOARD OF REINVESTMENT ZONE NUMBER TWO
OF THE CITY OF SACHSE
MEETING MINUTES
OCTOBER 26, 2020**

The Board of Reinvestment Zone Number Two of the City of Sachse held a regular meeting on Monday, October 26, 2020, at 6:30 p.m. via virtual teleconference. Those present were Mayor Mike Felix, Mayor Pro Tem Michelle Howarth, Councilmembers Brett Franks, Paul Watkins, Chance Lindsey, Cullen King, and Jeff Bickerstaff; City Manager, Gina Nash, and City Secretary, Michelle Lewis Sirianni.

Mayor Felix opened the meeting at 6:30 p.m.

FINAL PROJECT PLAN AND FINANCE PLAN: Review and take appropriate action regarding approval and recommendation to the City Council regarding the Tax Increment Reinvestment Zone #2 Final Project and Finance Plan.

Mrs. Nash stated Mary Petty with P3 Works will provide a brief overview, however, staff is seeing approval of the TIRZ #2 final plan. The Board is making a recommendation to the City Council.

Mary Petty with P3 Works, stated this item is related to the Public Improvement District (PID) and the Tax Increment Reinvestment Zone (TIRZ) within the Development Agreement that was done relative to The Station project. The agreement indicates that 50% of the new increment created would be put into the TIRZ with a portion of the dollars used to reduce the PID assessment to a competitive overall tax stack. The final plan is required by statute and outlines things relative to what the project costs are, what they'll be used to construct, and location of improvements, and outlines dollars used to pay down the Public Improvement Area #1.

Councilman King made a motion to recommend approval to the Sachse City Council the Tax Increment Reinvestment Zone #2 Final Project and Finance Plan. Councilman Bickerstaff seconded that motion and the motion was unanimously approved.

ADJOURNMENT:

Mayor Felix adjourned the meeting at 6:39 p.m.

ATTEST:

, MAYOR

, City Secretary

A. Regular Meeting

Subject:	5. Consider approving the November 14, 2022, regular meeting minutes.
Meeting	August 5, 2024 - Tax Increment Financing Reinvestment Zone #2 Board Meeting
Access	Public
Type	Action, Minutes
Fiscal Impact	None
Recommended Action	Approve the minutes as presented.
Goals	

BACKGROUND

Minutes from the November 14, 2022 TIRZ #2 Board.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Approve the minutes as presented.

File Attachments
1. TaxIncrementFinancingReinvestmentZone#2Board_Regular_Minutes_11.14.2022

**BOARD OF REINVESTMENT ZONE NUMBER TWO OF THE CITY OF SACHSE
NOVEMBER 14, 2022, MEETING MINUTES**

The Board of Reinvestment Zone Number Two of the City of Sachse held a regular meeting on Monday, November 14, 2022, at 6 p.m. at Sachse City Hall, 3815-B Sachse Road. Those present were Mayor Jeff Bickerstaff; Councilmembers Michelle Howarth, Frank Millsap, Chance Lindsey, and Lindsay Buhler.

Those absent: Mayor Pro Tem Brett Franks and Councilmember Matt Prestenberg

Mayor Bickerstaff opened the meeting at 6 p.m.

2. Invocation and Pledges of Allegiance.

Mayor Bickerstaff gave the invocation and lead the pledges.

3. Public Comment.

No comments were offered.

4. Review and take appropriate action regarding approval and recommendation to the City Council regarding the Tax Increment Reinvestment Zone #2 Amended and Restated Final Project and Finance Plan.

Mary Petty, P3 Works, serves as the TIRZ Administrator. She noted that the Project Finance Plan has been amended and restated. The final plan reflects any of the changes from what was originally estimated. She reviewed some changes and explained that the final plan will be provided to the comptroller.

Board members asked questions and got some clarification from Ms. Petty. After some discussion, Councilmember Howarth made a motion to approve the item as presented. Councilmember Buhler seconded the motion and it passed 4-1, with Councilmember Millsap voting against the motion.

5. Adjournment.

Mayor Bickerstaff adjourned the meeting at 6:18 p.m.

Jeff Bickerstaff, Mayor

ATTEST:

Leah K Granger, City Secretary

A. Regular Meeting

Subject:	6. Consider approving the December 4, 2023, regular meeting minutes.
Meeting	August 5, 2024 - Tax Increment Financing Reinvestment Zone #2 Board Meeting
Access	Public
Type	Action, Minutes
Fiscal Impact	None
Recommended Action	Approve the minutes as presented.
Goals	

BACKGROUND

Minutes from the December 4, 2023 of the TIRZ #2 Board.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Approve the minutes as presented.

File Attachments

1. TaxIncrementFinancingReinvestmentZone#2Board_Regular_Minutes_12.04.2023
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**BOARD OF REINVESTMENT ZONE #2 BOARD OF THE CITY OF SACHSE
DECEMBER 4, 2023, MEETING MINUTES**

The Board of Reinvestment Zone #2 (TIRZ #2) of the City of Sachse held a regular meeting on Monday, December 4, 2023, at 6:15 p.m. at Sachse City Hall, 3815-B Sachse Road. Those present were Mayor Jeff Bickerstaff; Mayor Pro Tem Brett Franks; Councilmembers Michelle Howarth, Chance Lindsey, Lindsay Buhler, and Matt Prestenberg.

Those absent were: Councilmember Frank Millsap

1. Call to Order.

Mayor Bickerstaff opened the meeting at 6:15 p.m.

2. Public Comment.

No comments were offered.

3. Consider recommending approval of and authorizing the City Manager to execute a TIF Zone Number Two Economic Development Incentive and Infrastructure Reimbursement Agreement among the City of Sachse, the TIRZ #2 Board, and the PMB Station Developer, LLC.; and any amendments or instruments related thereto.

Assistant City Manager Lauren Rose provided a brief overview of the reimbursement agreement. The zone was created to capture the increased value from development.

Councilmember Howarth made a motion to approve the item as presented. Councilmember Buhler seconded the motion and it passed unanimously.

5. Adjournment.

Mayor Bickerstaff adjourned the meeting at 6:20 p.m.

Jeff Bickerstaff, Mayor

ATTEST:

Leah K Granger, City Secretary

A. Regular Meeting

Subject:	7. Consider accepting the City of Sachse Investment Policy for FY 2023-2024, as adopted by the City Council on December 4, 2023.
Meeting	August 5, 2024 - Tax Increment Financing Reinvestment Zone #2 Board Meeting
Access	Public
Type	Discussion, Action
Fiscal Impact	None
Recommended Action	Accept the City of Sachse Investment Policy for FY 2023-2024, as adopted by the City Council on December 4, 2023.
Goals	

BACKGROUND

The City's current Investment Policy was reviewed by City Council on December 4, 2023, in accordance with the Public Funds Investment Act (PIA). The PFIA requires that the Investment Policy be reviewed annually by the City Council and the Board of all component units.

The Investment Policy approved by City Council for FY 2023-2024 included the following changes:

- Adding reference to "Public Funds Collateral Act ("PFCA"), Chapter 2257 of the Texas Government Code" (I. Policy)
- Updating "Water and Sewer Enterprise Fund" to "Utility Fund" (II. Scope)

POLICY CONSIDERATIONS

The recommended policy for adoption is in compliance with the Public Funds Investment Act (PFIA).

RECOMMENDATION

Accept the City of Sachse Investment Policy for FY 2023-2024, as adopted by the City Council on December 4, 2023.

File Attachments

- | |
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| 1. Res. 4129 Adopt the City of Sachse, EDC, MDD, TIRZ #1, TIRZ #2, & TIRZ #3 Investment Policy |
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RESOLUTION NO. 4129

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, ADOPTING THE CITY OF SACHSE, SACHSE ECONOMIC DEVELOPMENT CORPORATION, SACHSE MUNICIPAL DEVELOPMENT DISTRICT, TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER ONE, TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER TWO, AND TAX INCREMENT REINVESTMENT ZONE NUMBER THREE INVESTMENT POLICY (“SACHSE INVESTMENT POLICY”) ATTACHED HERETO AS EXHIBIT “A”; DECLARING THAT THE CITY COUNCIL HAS COMPLETED ITS REVIEW OF THE INVESTMENT POLICY AND INVESTMENT STRATEGIES OF THE CITY AND THAT EXHIBIT “A” RECORDS ANY CHANGES TO EITHER THE INVESTMENT POLICY OR INVESTMENT STRATEGIES; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in accordance with the Public Funds Investment Act, Chapter 2256, Texas Government Code, the City Council of the City of Sachse, Texas, by resolution adopted an investment policy; and

WHEREAS, Section 2256.005, Texas Government Code requires the City Council to review the investment policies and investment strategies not less than annually and to adopt a resolution or order stating the review has been completed and recording any changes made to either the investment policies or investment strategies;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, THAT:

SECTION 1. The Sachse Investment Policy, attached hereto as Exhibit “A”, be and the same is hereby adopted and shall govern the investment policies and investment strategies for the City, and shall define the authority of the investment official of the City from and after the effective date of this resolution.

SECTION 2. The City Council of the City of Sachse has completed its review of the investment policies and investment strategies and any changes made to either the investment policies or investment strategies are recorded in Exhibit “A” hereto.

SECTION 3. All provisions of the Resolutions of the City of Sachse, Texas, in conflict with the provisions of this resolution be, and the same are hereby repealed, and all other provisions of the resolutions of the City not in conflict with the provisions of this resolution shall remain in full force and effect.

SECTION 4. Should any word, sentence, paragraph, subdivision, clause, phrase, or section of this resolution, be adjudged or held to be void or unconstitutional, the same shall not

affect the validity of the remaining portions of said resolution, which shall remain in full force and effect.

SECTION 5. This resolution shall become effective immediately from and after its passage.

SECTION 6. This resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

DULY RESOLVED AND ADOPTED by the City Council of the City of Sachse, Texas, this the 4th day of December, 2023.

CITY OF SACHSE, TEXAS



Jeff Bickerstaff, Mayor



ATTEST:



Leah K Granger, City Secretary

Exhibit "A"

**CITY OF SACHSE
SACHSE ECONOMIC DEVELOPMENT CORPORATION
MUNICIPAL DEVELOPMENT DISTRICT
TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER ONE
TAX INCREMENT FINANCING REINVESTMENT ZONE NUMBER TWO
TAX INCREMENT REINVESTMENT ZONE NUMBER THREE
INVESTMENT POLICY**

I. Policy

Throughout this Investment Policy, the City of Sachse, Sachse Economic Development Corporation, Sachse Municipal Development District, Tax Increment Financing Reinvestment Zone Number One, Tax Increment Financing Reinvestment Zone Number Two, and Tax Increment Reinvestment Zone Number Three shall be singularly referred to as "ENTITY" and collectively referred to as "SACHSE."

It is the policy of SACHSE to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of SACHSE and conforming to the Public Funds Investment Act ("PFIA"), Chapter 2256 of the Texas Government Code, the Public Funds Collateral Act ("PFCA"), Chapter 2257 of the Texas Government Code, and all other State and local statutes governing the investment of public funds.

II. Scope

This Investment Policy applies to all funds or financial resources available for investment under SACHSE's financial control and accounted for in the City of Sachse's Annual Comprehensive Financial Report (ACFR) which includes the General Fund, Debt Service Fund, Special Revenue Fund, Capital Projects Fund, Utility Fund, Sachse Economic Development Corporation Fund, President George Bush Turnpike Reinvestment Zone Tax Increment Fund, Tax Increment Reinvestment Zone Number Two, Tax Increment Reinvestment Zone Number Three, and any new fund created by SACHSE unless specifically exempt.

To maximize the effective investment of assets, all funds may pool their cash balances for investment purposes. The income derived from investing activities will be distributed to the various funds based on calculation of their average balances.

III. Prudence

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of their capital and the probable income to be derived.

The standard of prudence to be used by Investment Officers shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment Officers, acting in accordance with written procedures and the Investment Policy and exercising due diligence, shall be relieved of personal responsibility for an individual investment's credit risk or market price changes, provided deviation from expectations are reported immediately upon knowledge of the deviation and appropriate action is taken to control adverse developments.

IV. Objective

The primary objectives, in priority order, of SACHSE investment activities shall be:

- A. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of SACHSE shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- B. **Liquidity:** The SACHSE investment portfolio will remain sufficiently liquid to enable SACHSE to meet all operating requirements which might be reasonably anticipated.
- C. **Public Trust:** Investment Officers shall seek to act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction that might impair public confidence in SACHSE's ability to govern effectively.
- D. **Return on Investments:** SACHSE's investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with SACHSE's investment risk constraints and the cash flow characteristics of the portfolio.

V. Delegation of Authority

Management responsibility for the investment program is hereby delegated to the Director of Finance, the Assistant Director of Finance and the Senior Accountant of the City of Sachse (the "Investment Officers"). The Director of Finance shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Procedures should include reference to: safekeeping, repurchase agreements, wire transfer agreements, banking service contracts, and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the Director of Finance. The Investment Officers shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinates.

VI. Ethics and Conflicts of Interest

Investment Officers involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment Officers shall disclose to SACHSE any material financial interest in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of SACHSE, particularly with regard to the time of purchases and sales.

Investment Officers involved in the investment process shall adhere to the business relationship and other disclosure requirements as described in the PFIA 2256.005(i) by filing statements with the Texas Ethics Commission and each ENTITY's governing body.

VII. Authorized Broker/Dealers

The list of authorized broker/dealers shall be annually approved by the City Council (Appendix A). These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Investment Officer with the following: audited financial statements, proof of Financial Industry Regulatory Authority (FINRA) certification, trading resolution, and/or proof of State registration, as applicable.

It is at the discretion of the Investment Officer as to which authorized broker/dealer shall be used for any buy/sell transactions.

VIII. Investment Strategy

SACHSE's basic investment strategy for all financial assets is to preserve principal. In order to achieve that objective, SACHSE restricts the authorized investment instruments to those with suitable and limited credit and market risk. In order to make effective use of SACHSE's resources, all monies may be pooled into one portfolio, if practical, except for those monies required to be accounted for in other accounts as stipulated by applicable laws, bond covenants, ordinances, contracts, agreements, or other policies.

The objective of liquidity stems from the need of SACHSE to maintain available cash balances sufficient to cover financial outlays. Since the timing and amount of some financial disbursements are not predictable, fund-type strategies shall adjust for the uncertainty of projected cash flows.

Investment marketability will be maintained based on the fund-type strategies to sufficiently and reasonably assure that investments could be liquidated prior to the maturity, if cash needs dictate.

Whenever practical or appropriate, it is the policy of SACHSE to diversify its investment portfolio. Assets held in the investment portfolio may be diversified to minimize the risk of loss resulting from concentration of assets in a specific maturity, a specific issuer, or a specific class of investment.

SACHSE funds shall seek to achieve a competitive yield appropriate for each strategy. Yield objectives shall at all times be subordinate to the objectives of safety and liquidity. Tax-exempt debt proceeds shall be invested to maximize the interest earnings retained by SACHSE, while at the same time fully complying with all applicable State laws and federal regulations, including the arbitrage rebate regulations. A competitive yield environment shall be achieved by soliciting quotes from multiple investment providers, monitoring comparable investment alternatives, and reviewing general market conditions.

The overall investment strategy of SACHSE is based on the premise that a certain amount of SACHSE's funds will be needed to pay current year expenditures or for projects that are to be complete within a specific time frame. Remaining funds are considered to be reserves and, barring any unforeseen emergencies or events beyond SACHSE's control, it is considered that these funds may be invested, within the maturity limits of this Policy, in an advantageous position on the yield curve. It is understood that investments in longer term instruments are sensitive to changes in interest rates and other market conditions; however, it is SACHSE's belief that such investments may be held to maturity if necessary.

SACHSE may maintain one portfolio in which all funds under its control are pooled for investment purposes. Within the pooled portfolio are fund components, each having an investment strategy as described below:

- A. Governmental Funds – the funds through which most governmental functions are financed and the primary operating funds of SACHSE. The investment strategy must allow for the investment of anticipated cash flows to meet the anticipated expenditures of the following funds:
 1. General Fund
 2. Debt Service Fund
 3. Special Revenue Fund
 4. Capital Projects Fund
 5. Sachse Economic Development Corporation Fund
 6. Tax Increment Financing Reinvestment Zone Number One
 7. Tax Increment Financing Reinvestment Zone Number Two

8. Tax Increment Reinvestment Zone Number Three

The yield of an equally weighted, rolling three-month Treasury Bill portfolio will be the minimum yield objective.

- B. Proprietary Funds - the funds used in SACHSE's business-type activities or Enterprise activities financed primarily by user charges and fees. The strategy for these funds is to time investment maturities to anticipated cash requirements. Some project funds may allow investments with short to intermediate maturities.

The yield of an equally weighted, rolling six-month Treasury Bill portfolio will be the minimum yield objective.

- C. The Debt Service and Interest/Sinking Funds should consist of short-term investments, whose maturities meet the scheduled debt service payments. Reserves may be invested in longer-term investments.

The yield of an equally weighted, rolling three-month Treasury Bill portfolio will be the minimum yield objective.

- D. Special Revenue Fund and other Non-operating Funds investments should be in short-term instruments with maturities laddered to meet projected cash needs. Reserves are idle funds that may be invested in intermediate to long-term investments after analysis of future plans for use of the funds.

The yield of an equally weighted, rolling six-month Treasury Bill portfolio will be the minimum yield objective.

IX. Authorized & Suitable Investments

SACHSE is empowered by statute to invest in the following:

- A. Obligations of, or guaranteed by, governmental entities:
1. obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
 2. direct obligations of this State or its agencies and instrumentalities;
 3. other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of this State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; and

4. obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.
- B. Financial Institution Deposits: A financial institution deposit is an authorized investment under this Policy if the deposit is with a state or national bank, a savings and loan association, or credit union that is:
1. guaranteed or insured by the Federal Deposit Insurance Corporation ("FDIC") or its successor, or the National Credit Union Share Insurance Fund ("NCUSIF"), or its successor;
 2. secured by obligations that are described in Section XII Collateralization; and
 3. executed through a depository institution or broker that has its main office or a branch office in Texas and meets the requirements of the PFIA.
- C. Repurchase Agreements:
1. A fully collateralized repurchase agreement is an authorized investment if the repurchase agreement:
 - (a) has a defined termination date;
 - (b) is secured by cash or obligations described by Section IX. A1;
 - (c) requires the cash or securities being purchased by SACHSE to be delivered versus payment to SACHSE, held in SACHSE's account with a third party selected and approved by SACHSE; and
 - (d) is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in this State.
 2. "Repurchase agreement" means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date, obligations described by Section IX. A1 at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed.
- D. Mutual Funds:
1. A no-load money market mutual fund is an authorized investment under this Policy if the mutual fund:

- (a) is registered with and regulated by the Securities and Exchange Commission;
 - (b) provides SACHSE with a prospectus and other information as required by the Securities Exchange Act of 1934 (15 U.S.C. Section 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.);
 - (c) has a dollar-weighted average stated maturity in compliance with regulations;
 - (d) includes in its investment objectives the maintenance of a stable net asset value of \$1.0000 for each share; and
 - (e) is continuously rated no lower than AAAm or at an equivalent rating by one nationally recognized rating service.
2. SACHSE is not authorized by this section to invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund in an amount that exceeds 10 percent of the total assets of the mutual fund.

E. Investment Pools:

- 1. SACHSE may invest its funds and funds under its control through an eligible investment pool if each ENTITY's governing body by rule, order, ordinance, or resolution, as appropriate, authorizes investment in the particular pool. An investment pool shall invest the funds it receives from entities in authorized investments permitted by the PFIA 2256.016.
- 2. To be eligible to receive funds from and invest funds on behalf of an entity under the PFIA 2256.016, an investment pool must furnish to the Investment Officers or other authorized representative of the entity an offering circular or other similar disclosure instrument that contains at a minimum, the following information:
 - (a) the types of investments in which money is allowed to be invested;
 - (b) the maximum average dollar-weighted maturity allowed, based on the stated maturity date, of the pool;
 - (c) the maximum stated maturity date any investment security within the portfolio has;
 - (d) the objectives of the pool;

- (e) the size of the pool;
 - (f) the names of the members of the advisory board of the pool and the dates their terms expire;
 - (g) the custodian bank that will safekeep the pool's assets;
 - (h) whether the intent of the pool is to maintain a net asset value of one dollar and the risk of market price fluctuation;
 - (i) whether the only source of payment is the assets of the pool at market value or whether there is a secondary source of payment, such as insurance or guarantees, and a description of the secondary source of payment;
 - (j) the name and address of the independent auditor of the pool;
 - (k) the requirements to be satisfied for an entity to deposit funds in and withdraw funds from the pool and any deadlines or other operating policies required for the entity to invest funds in and withdraw funds from the pool; and
 - (l) the performance history of the pool, including yield, average dollar-weighted maturities, and expense ratios.
3. To maintain eligibility to receive funds from and invest funds on behalf of an entity under the PFIA 2256.016, at a minimum an investment pool must furnish to the Investment Officer or other authorized representative of the entity:
- (a) investment transaction confirmations; and
 - (b) a monthly report that contains, as a minimum, the following information:
 - (1) the types and percentage breakdown of securities in which the pool is invested;
 - (2) the current average dollar-weighted maturity, based on the stated maturity date, of the pool;
 - (3) the current percentage of the pool's portfolio in investments that have stated maturities of more than one year;
 - (4) the book value versus the market value of the pool's portfolio, using amortized cost valuation;

- (5) the size of the pool;
 - (6) the number of participants in the pool;
 - (7) the custodian bank that is safekeeping the assets in the pool;
 - (8) a listing of daily transaction activity of the entity participating in the pool;
 - (9) the yield and expense ratio of the pool;
 - (10) the portfolio managers of the pool; and
 - (11) any changes or addenda to the offering circular.
4. SACHSE, by contract, may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.
 5. Investment Pool "yield" shall be calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940, as promulgated from time to time by the Federal Securities and Exchange Commission.
 6. A public funds investment pool utilized as a cash-equivalent investment must mark its portfolio to market daily and, to the extent reasonably possible, stabilize at a \$1.00 net asset value. If the ratio of the market value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005, portfolio holdings may be sold as necessary to maintain the ratio between 0.995 and 1.005.
 7. An Investment pool must have an advisory board composed:
 - (a) Equally of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for pools created under Chapter 791 Texas State Code and managed by a state agency; or
 - (b) of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool, for other investment pools.
 8. A public funds investment pool must be continuously rated no lower than AAA or AAAM or at an equivalent rating by one nationally recognized rating service.

9. If the investment pool operates an Internet website, the information in a disclosure instrument or report described in Subsections (b), (c)(2), and (f) must be posted on the website.
10. To maintain eligibility to receive funds from and invest funds on behalf of an entity under this chapter, an investment pool must make available to the entity an annual audited financial statement of the investment pool in which the entity has funds invested.
11. If an investment pool offers fee breakpoints based on fund balances invested, the investment pool in advertising investment rates must include either all levels of return based on the breakpoints provided or state the lowest possible level of return based on the smallest level of funds invested.

X. Unauthorized Investments

The following are not authorized investments under this section:

- A. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
- B. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest; and
- C. Collateralized mortgage obligations.

Any Authorized & Suitable Investment that requires a minimum rating does not qualify during the period the investment does not have the minimum rating. SACHSE shall take all prudent measures that are consistent with this Policy to liquidate an investment that does not have the minimum rating. Additionally, SACHSE is not required to liquidate investments that were authorized at the time of purchase.

XI. Primary Depository

In compliance with State legislation, a Primary Depository shall be selected through SACHSE's banking services procurement process, which shall include a formal request for application (RFA). In selecting a Primary Depository, the Director of Finance shall conduct a review of prospective depository's credit characteristics and financial history.

No public deposit shall be made except in a qualified public depository as established by State laws.

XII. Collateralization

Collateralization will be required on two types of investments: financial institution deposits (in amounts exceeding FDIC or NCUSIF insurance coverage) and repurchase agreements. With the exception of Letters of Credit issued for 100% of amount, the minimum collateralization level will be 102% of market value of principal and accrued interest, less FDIC or NCUSIF insurance when applicable.

SACHSE chooses to limit collateral (including letters of credit) to the obligations of, or guaranteed by, governmental entities as outlined in the Public Funds Collateral Act.

All financial institution deposits shall be insured or collateralized in compliance with applicable State law. SACHSE reserves the right, in its sole discretion, to accept or reject any form of insurance or collateralization pledged towards financial institution deposits. Financial institutions serving as depositories will be required to sign a depository agreement with SACHSE. The collateralized deposit portion of the agreement shall define SACHSE's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations, including:

- The agreement must be in writing;
- The agreement has to be executed by the Depository and SACHSE contemporaneously with the acquisition of the asset;
- The agreement must be approved by the Board of Directors or designated committee of the Depository and a copy of the meeting minutes must be delivered to SACHSE; and
- The agreement must be part of the Depository's "official record" continuously since its execution.

Securities pledged as collateral shall be held by an independent third party acceptable to SACHSE. The custodial agreement is to specify the acceptable investment securities as collateral, including provisions relating to possession of the collateral, the substitution or release of investment securities, ownership of securities at default, and the method of valuation of securities.

XIII. Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by SACHSE shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held in an account in SACHSE's name by a third-party safekeeping agent/custodian designated by the Investment Officers and evidenced by safekeeping receipts.

XIV. Electronic Fund Transfer

SACHSE may use electronic means to transfer or invest all funds collected or controlled by the local government.

XV. Diversification

SACHSE will diversify its investments by types, maturity dates, and/or institutions, as appropriate.

XVI. Maximum Maturities and Weighted Average Maturity

To the extent possible, SACHSE will attempt to match its anticipated cash flow requirements with maturing investments. SACHSE will not directly invest in instruments maturing more than 2 years from the date of purchase, with the maximum weighted average maturity for the total portfolio to not exceed twelve months. However, SACHSE may collateralize its repurchase agreements using longer-dated investments not to exceed 5 years to maturity.

Reserve funds may be invested in instruments up to and including 5 years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

XVII. Internal Control

The Director of Finance shall establish an annual process of independent review by an external auditor in conjunction with the annual audit. This review will provide internal control by assuring compliance with policies and procedures.

XVIII. Performance Standards

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. "Weighted Average Yield to Maturity" shall be the standard for calculating portfolio rate of return.

XIX. Reporting

- A. The Investment Officers shall prepare and submit quarterly a written report of investment transactions for all funds covered by this Investment Policy for the preceding reporting period.
- B. The report must include the following:
 - 1. describe in detail the investment position of SACHSE on the date of the report;

2. be prepared jointly by all Investment Officers of SACHSE;
 3. be signed by each Investment Officer of SACHSE;
 4. contain a summary statement of each pooled fund group that states the:
 - (a) beginning market value for the reporting period;
 - (b) ending market value for the period; and
 - (c) fully accrued interest for the period.
 5. state the book value and market value of each separately invested asset at the beginning and end of the reporting period by type of asset and fund type invested;
 6. state the maturity date of each separately invested asset that has a maturity date;
 7. state the account or fund or pooled group fund in the local government for which each individual investment was acquired; and
 8. state the compliance of the Investment Portfolio of the local government as it relates to:
 - (a) the Investment Strategy expressed in SACHSE's Investment Policy; and
 - (b) relevant provisions of the PFIA.
- C. The report shall be presented not less than quarterly to each ENTITY's governing body within a reasonable time after the end of the period.
- D. The market values and credit ratings presented in all portfolio reports shall be accurate and reliable estimates of the investment's true value and risk. Market value and credit rating sources may include, but are not limited to, rating agency reports, newspapers, financial websites, custodian reports, broker/dealer reports, and investment advisor research.

XX. Investment Policy Adoption

SACHSE's Investment Policy shall be adopted by resolution of each ENTITY's governing body. This Policy shall be reviewed annually and any modifications made thereto must be approved by each ENTITY's governing body. Each ENTITY's governing body shall adopt a written instrument attesting to each annual review.

XXI. Auditor

As part of the annual audit, the independent auditor must formally review the quarterly investment reports to comply with the PFIA and report the results of that review to each ENTITY's governing body.

XXII. Training

In order to ensure qualified and capable investment management, the Investment Officers, their designated subordinates, Treasurer, and Chief Financial Officer of SACHSE shall attend training that includes education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and PFIA compliance. SACHSE approves the Government Finance Officers Association, Government Finance Officers Association of Texas, Government Treasurers' Organization of Texas, North Central Texas Council of Governments, Texas City Managers Association, Texas Municipal League, and University of North Texas as independent sources of training.

Each individual shall attend training accumulating at least 10 hours of instruction within twelve months of assuming investment-related responsibilities; and shall then receive not less than 8 hours of investment-related instruction within each subsequent two-year period aligned with SACHSE's fiscal year end.

XXIII. Donated Investments

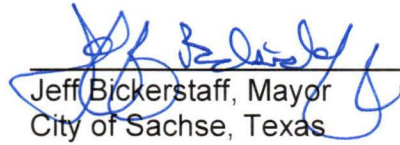
This Policy does not apply to an investment donated to SACHSE for a particular purpose or under terms of use specified by the donor.

XXIV. Investment Policy Certification

The qualified representative of any business organization (including investment pool and discretionary investment management firm) offering to engage in an investment transaction must execute a written instrument substantially to the effect that the business organization has received and reviewed the Investment Policy and that the business organization has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the organization and SACHSE.

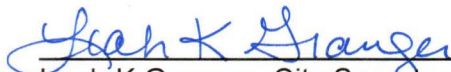
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PASSED AND APPROVED by the City Council of the City of Sachse, Texas, this 4th day of December, 2023.



Jeff Bickerstaff, Mayor
City of Sachse, Texas

ATTEST:



Leah K Granger, City Secretary
City of Sachse, Texas

Acknowledged by the Sachse Economic Development Corporation, Texas, this _____ day of _____, 2023.

Scott McMurdie, President
Sachse Economic Development Corporation

ATTEST:

Richard Chandler, Vice-President
Sachse Economic Development Corporation

Acknowledged by the Sachse Municipal Development District, Texas, this _____ day of _____, 2023.

Jermaine McDaniel, Chairperson
Sachse Municipal Development District

ATTEST:

George H. Kemper, Vice-Chairperson
Sachse Municipal Development District

Acknowledged by the Tax Increment Financing Reinvestment Zone Number One, Texas, this _____ day of _____, 2023.

Bobby Tillman, Chairperson
Tax Increment Financing Reinvestment Zone
Number One

ATTEST:

Ed Brown, Vice-Chairperson
Tax Increment Financing Reinvestment Zone Number One

Acknowledged by the Tax Increment Financing Reinvestment Zone Number Two, Texas, this _____ day of _____, 2023.

Jeff Bickerstaff, Chairperson
Tax Increment Financing Reinvestment Zone
Number Two

ATTEST:

Leah K Granger, City Secretary
Tax Increment Reinvestment Zone Number Two

Acknowledged by the Tax Increment Reinvestment Zone Number Three Fund, Texas, this _____ day of _____, 2023.

Jeff Bickerstaff, Chairperson
Tax Increment Reinvestment Zone Number
Three

ATTEST:

Leah K Granger, City Secretary
Tax Increment Reinvestment Zone Number Three

Appendix A

Authorized Broker/Dealer Firms

FHN Financial

Hilltop Securities

Oppenheimer & Co.

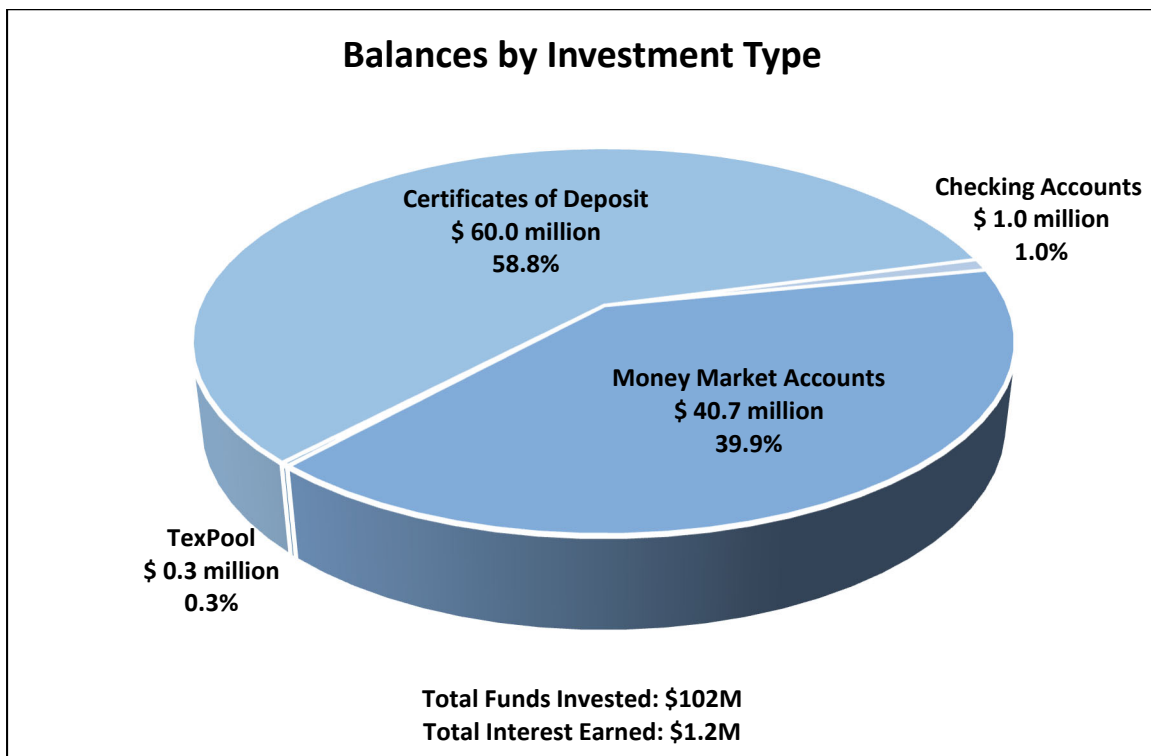
SAMCO Capital Markets

Wells Fargo Securities

To: Gina Nash, City Manager
From: David Baldwin, Director of Finance
 Ryan Bredehoeft, Assistant Director of Finance
 Katelyn Ellis, Senior Accountant
CC: Mayor and City Council
Date: March 4, 2024

Re: Investment Report for the quarter ending December 31, 2023

Attached is the Quarterly Investment Report for the quarter ending December 31, 2023. This report complies with the requirements of the City's Investment Policy and the Public Funds Investment Act as amended. The chart below provides a summary of balances by investment type. See the report for further details.



Account Type	Weighted Average Interest Rate
Checking Accounts	0.00%
Money Market Accounts	5.56%
TexPool	5.37%
Certificates of Deposit	5.17%

Average interest rate yield	5.27%
TexPool (benchmark)	5.37%



The City of
SACHSE

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

December 31, 2023

Prepared by
Valley View Consulting, L.L.C.

The investment portfolio of the City is in compliance with the Public Funds Investment Act and the Investment Policy and strategies.

Director of Finance

Assistant Director of Finance

Senior Accountant

Disclaimer: These reports were compiled using information provided by the City of Sachse. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment advisor fees.

Summary

Quarter End Results by Investment Category:

Asset Type	September 30, 2023		December 31, 2023		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
Demand Deposit/ Money Market/Pool	\$ 34,589,332	\$ 34,589,332	\$ 42,056,757	\$ 42,056,757	5.42%
CDs/Securities	59,445,297	59,445,297	60,028,446	60,028,446	5.17%
Totals	\$ 94,034,629	\$ 94,034,629	\$ 102,085,203	\$ 102,085,203	5.27%

Current Quarter Average Yield (1)

Total Portfolio 5.27%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 5.27%

Weighted Average Maturity 118 days

Rolling Three Month Treasury 5.53%
 Rolling Six Month Treasury 5.49%
 TexPool 5.37%

Rolling Three Month Treasury 5.53%
 Rolling Six Month Treasury 5.49%
 TexPool 5.37%

Interest Earnings (Approximate)

	City		EDC	
Interest Earnings QTR	\$ 1,131,099	\$	63,767	
Interest Earnings YTD	\$ 1,131,099	\$	63,767	

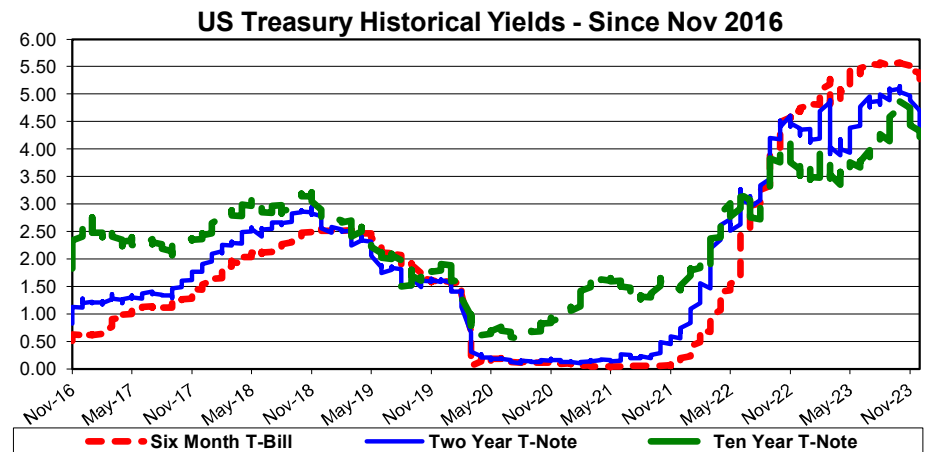
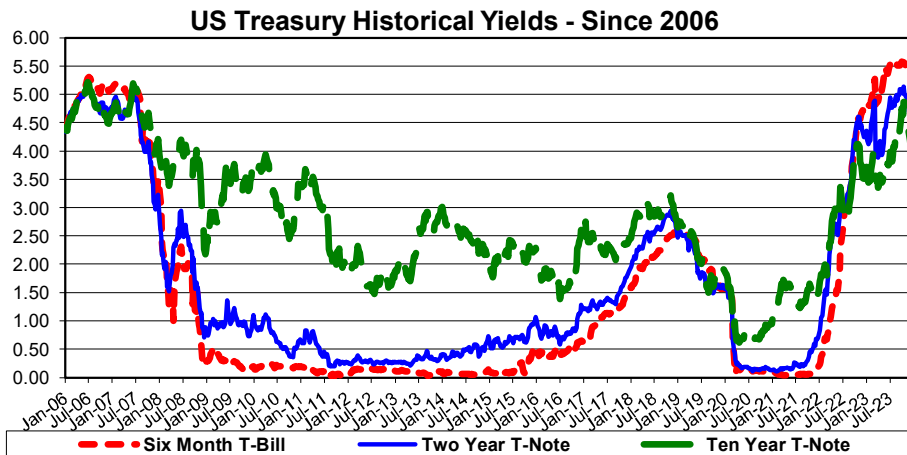
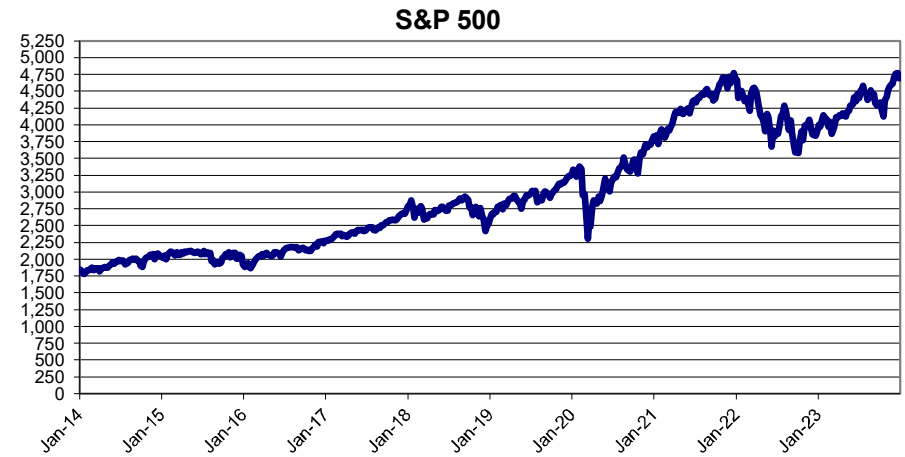
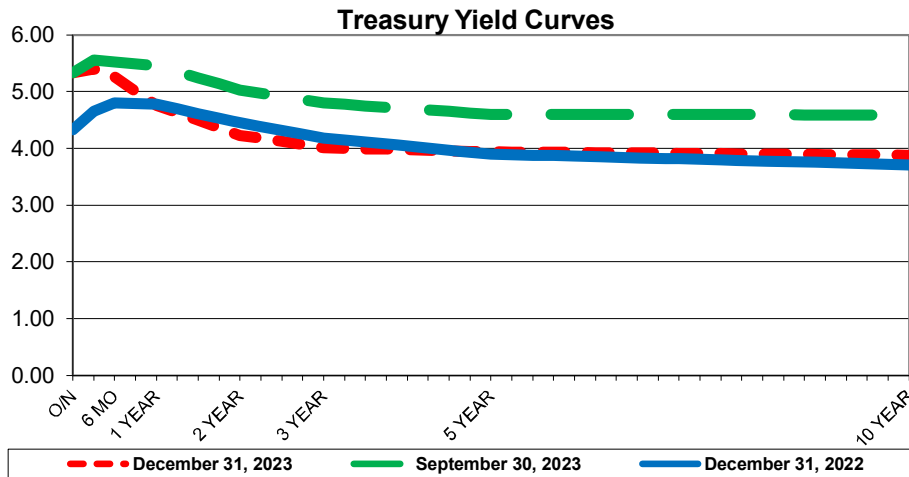
(1) Current Quarter Weighted Average Yield - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis; realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(2) Fiscal Year-to-Date Weighted Average Yields - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Economic Overview

12/31/2023

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range 5.25% - 5.50% (Effective Fed Funds are trading +/-5.33%). Any additional actions, up or down, will be data-dependent. Final Third Quarter 2023 GDP revised downward to 4.9%, but still robust growth. December Non-Farm Payroll posted 216k new jobs (above the estimated 170k). The Three Month Rolling Average declined to 165k. The S&P 500 Stock Index reached a new peak trading over 4,770 (exceeding 4,766 in Dec 2021). The yield curve shifted lower anticipating future FOMC target reductions. Crude Oil stabilized at +/- \$73 per barrel. Inflation continued to decline but still remained above the FOMC 2% target (Core PCE +/-3.2% and Core CPI +/-4.0%). Reduced global economic outlooks and ongoing/expanding military conflicts increase uncertainty.



Investment Holdings
December 31, 2023

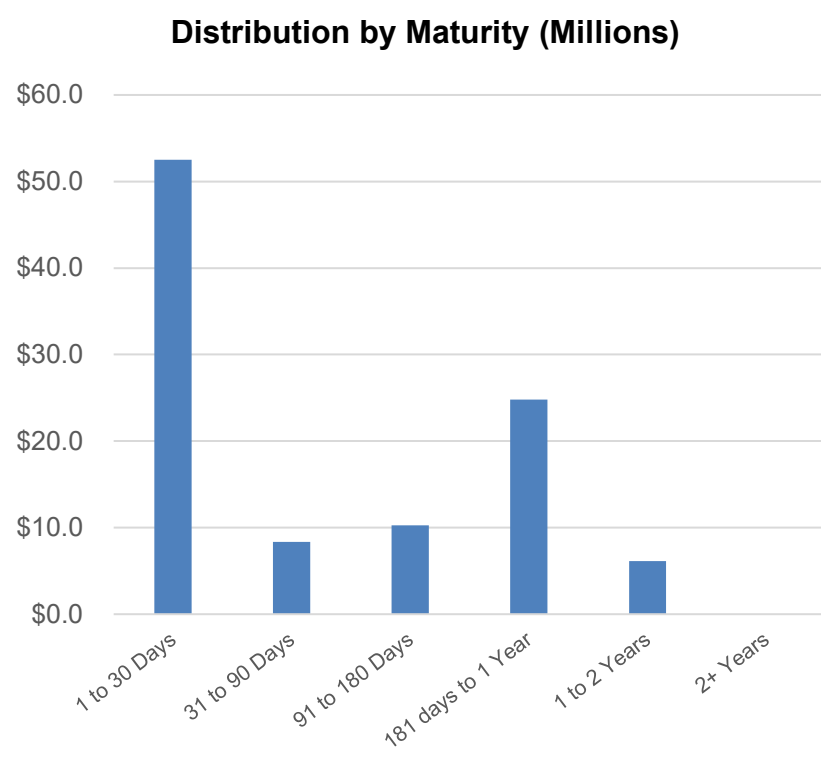
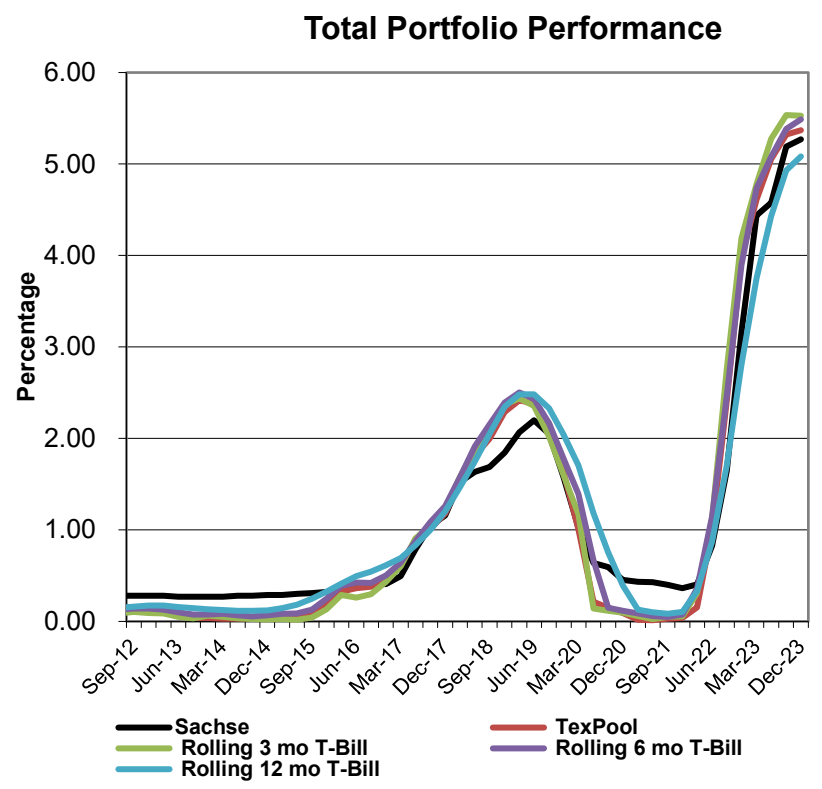
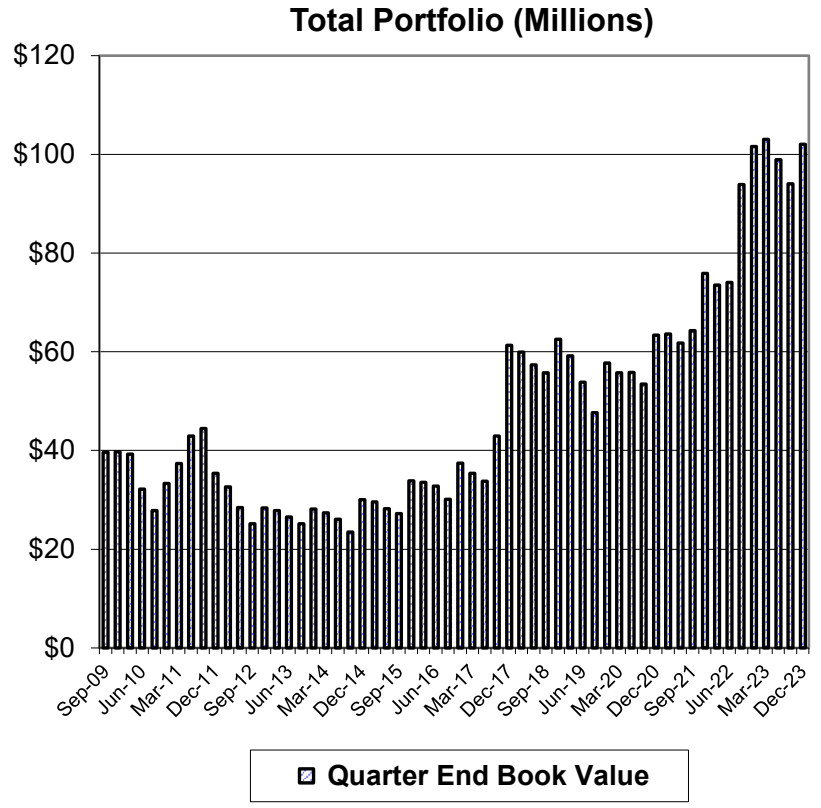
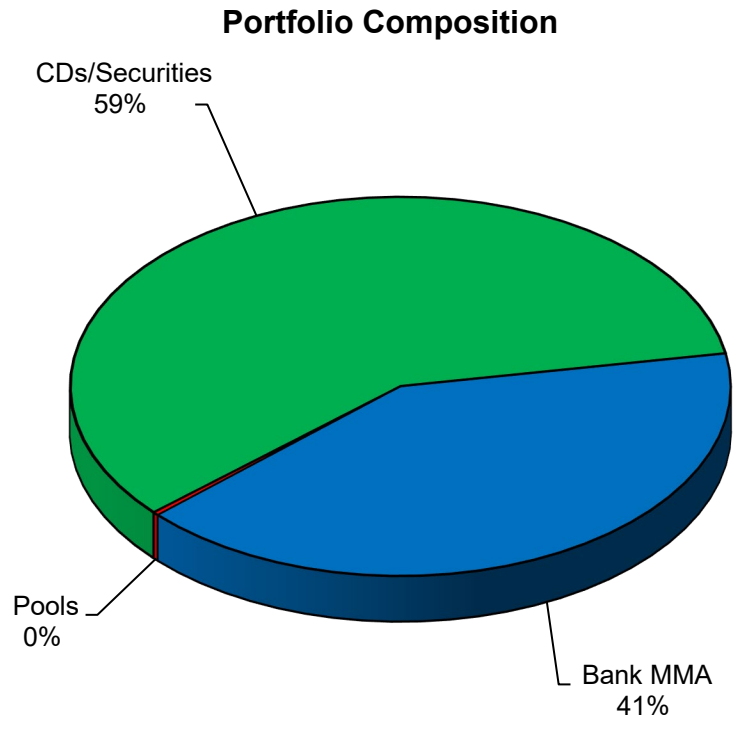
<u>Description</u>	<u>Rating</u>	<u>Coupon/ Discount</u>	<u>Maturity Date</u>	<u>Settlement Date</u>	<u>Book Value</u>	<u>Market Price</u>	<u>Market Value</u>	<u>Life (days)</u>	<u>Yield</u>
<u>Checking Accounts</u>									
American Nat'l Bank of Texas Checking		0.00%	01/01/24	12/31/23	\$ 1,014,755	1.00	\$ 1,014,755	1	0.00%
<u>Money Market Accounts</u>									
American Nat'l Bank of Texas		3.92%	01/01/24	12/31/23	452,500	1.00	452,500	1	3.92%
NexBank IntraFi		5.60%	01/01/24	12/31/23	29,690,709	1.00	29,690,709	1	5.60%
Texas Bank		5.50%	01/01/24	12/31/23	10,604,470	1.00	10,604,470	1	5.50%
<u>Local Government Investment Pools</u>									
TexPool	AAAm	5.37%	01/01/24	12/31/23	294,323	1.00	294,323	1	5.37%
<u>Certificates of Deposit</u>									
Veritex Community Bank 5162		4.87%	01/09/24	01/09/23	3,142,498	100.00	3,142,498	9	4.87%
Veritex Community Bank 5165		4.84%	01/23/24	01/23/23	7,317,451	100.00	7,317,451	23	4.84%
American Nat'l Bank & Trust 7350		4.25%	03/07/24	10/07/22	5,253,807	100.00	5,253,807	67	4.33%
East West Bank 3409		5.47%	03/12/24	06/12/23	3,092,662	100.00	3,092,662	72	5.62%
East West Bank 0248		5.57%	04/05/24	07/05/23	5,139,235	100.00	5,139,235	96	5.73%
East West Bank 1557		5.31%	06/13/24	06/13/23	5,149,104	100.00	5,149,104	165	5.45%
East West Bank 3829		5.48%	07/05/24	07/05/23	5,136,955	100.00	5,136,955	187	5.63%
American Nat'l Bank & Trust 7787		4.50%	07/24/24	01/24/23	6,251,745	100.00	6,251,745	206	4.59%
East West Bank 6187		5.61%	10/07/24	10/05/23	7,390,773	100.00	7,390,773	281	5.77%
Texas Bank 0374		4.94%	12/19/24	12/21/23	6,008,932	100.00	6,008,932	354	5.06%
BOK Financial 3645		4.93%	06/12/25	06/15/23	1,027,363	100.00	1,027,363	529	5.05%
BOK Financial 2643		4.93%	07/03/25	07/06/23	512,228	100.00	512,228	550	5.05%
BOK Financial 3602		4.93%	07/10/25	07/13/23	4,605,694	100.00	4,605,694	557	5.05%
					\$ 102,085,203			118	5.27%
								(1)	(2)

(1) **Weighted average life** - For purposes of calculating weighted average life, pool investments are assumed to have a one day maturity.

(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered.

Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 09/30/23	Increases	Decreases	Book Value 12/31/23	Market Value 09/30/23	Change in Market Value	Market Value 12/31/23
<u>Checking Accounts</u>									
American Nat'l Bank of Texas	0.00%	01/01/24	\$ 485,666	\$ 529,089	\$ -	\$ 1,014,755	\$ 485,666	\$ 529,089	\$ 1,014,755
<u>Money Market Accounts</u>									
American Nat'l Bank of Texas	3.92%	01/01/24	448,185	4,316	-	452,500	448,185	4,316	452,500
NexBank IntraFi	5.60%	01/01/24	22,906,296	6,784,413	-	29,690,709	22,906,296	6,784,413	29,690,709
Texas Bank	5.50%	01/01/24	10,458,809	145,662	-	10,604,470	10,458,809	145,662	10,604,470
<u>Local Government Investment Pools</u>									
TexPool	5.37%	01/01/24	290,377	3,946	-	294,323	290,377	3,946	294,323
<u>Certificates of Deposit</u>									
East West Bank 6187	4.16%	10/05/23	7,288,230	-	(7,288,230)	-	7,288,230	(7,288,230)	-
East West Bank 9276	5.79%	12/12/23	3,051,802	-	(3,051,802)	-	3,051,802	(3,051,802)	-
East West Bank 1060	5.97%	12/12/23	3,052,380	-	(3,052,380)	-	3,052,380	(3,052,380)	-
Veritex Community Bank 5162	4.87%	01/09/24	3,105,672	36,825	-	3,142,498	3,105,672	36,825	3,142,498
Veritex Community Bank 5165	4.84%	01/23/24	7,232,055	85,396	-	7,317,451	7,232,055	85,396	7,317,451
American Nat'l Bank & Trust 7350	4.33%	03/07/24	5,198,529	55,278	-	5,253,807	5,198,529	55,278	5,253,807
East West Bank 3409	5.62%	03/12/24	3,050,318	42,344	-	3,092,662	3,050,318	42,344	3,092,662
East West Bank 0248	5.73%	04/05/24	5,067,593	71,642	-	5,139,235	5,067,593	71,642	5,139,235
East West Bank 1557	5.45%	06/13/24	5,080,651	68,452	-	5,149,104	5,080,651	68,452	5,149,104
East West Bank 3829	5.63%	07/05/24	5,066,494	70,462	-	5,136,955	5,066,494	70,462	5,136,955
American Nat'l Bank & Trust 7787	4.59%	07/24/24	6,182,127	69,618	-	6,251,745	6,182,127	69,618	6,251,745
East West Bank 6187	5.77%	10/07/24	-	7,390,773	-	7,390,773	-	7,390,773	7,390,773
Texas Bank 0374	5.06%	12/19/24	-	6,008,932	-	6,008,932	-	6,008,932	6,008,932
BOK Financial 3645	5.05%	06/12/25	1,014,684	12,679	-	1,027,363	1,014,684	12,679	1,027,363
BOK Financial 2643	5.05%	07/03/25	505,906	6,321	-	512,228	505,906	6,321	512,228
BOK Financial 3602	5.05%	07/10/25	4,548,855	56,839	-	4,605,694	4,548,855	56,839	4,605,694
TOTAL / AVERAGE	5.27%		\$ 94,034,629	\$ 21,442,987	\$ (13,392,413)	\$ 102,085,203	\$ 94,034,629	\$ 8,050,574	\$ 102,085,203



FUND EQUITY IN POOLED CASH AND INVESTMENT

FUND	FUND NAME	9/30/2023	12/31/2023	Percent	Quarterly Change
01	General Fund	\$ 16,859,000	\$ 19,727,742	19.33%	\$ 2,868,741
02	Utility Fund	23,275,918	22,820,568	22.36%	(455,350)
03	Debt Service	1,416,090	5,597,589	5.48%	4,181,499
04	Capital Projects	8,702,338	11,846,895	11.60%	3,144,557
05	Special Revenue Fund	847,919	853,502	0.84%	5,583
06	Sachse Economic Development (EDC)	4,927,905	5,181,153	5.08%	253,248
09	TIRZ 1 - PGBT	11,015	10,150	0.01%	(865)
10	Impact Fees	9,010,239	9,015,791	8.83%	5,551
11	Street Maintenance	1,727,164	1,930,974	1.89%	203,810
12	Vehicle Equipment Replacement Fund (VERF)	2,314,324	2,492,391	2.44%	178,067
13	Sachse Municipal Development District (MDD)	149,890	329,177	0.32%	179,288
14	TIRZ 2 - The Station	679,046	170,255	0.17%	(508,791)
15	Health Insurance	1,737,789	950,459	0.93%	(787,330)
16	Station O&M PID	21,629	119,685	0.12%	98,056
17	American Rescue Plan Act (ARPA)	4,708,972	4,167,657	4.08%	(541,316)
18	Hotel Occupancy Tax	26,892	34,284	0.03%	7,393
19	TIRZ 3 - Highway 78	528,090	534,591	0.52%	6,501
21	2022 Bond Construction Fund	17,090,409	16,302,342	15.97%	(788,067)
TOTAL POOLED CASH AND INVESTMENTS		\$ 94,034,629	\$ 102,085,203	100.00%	\$ 8,050,574

Notes:

Consistent with City policy, investment activity is attributed to all of the City's accounting funds collectively and on a proportional basis to each fund's total cash balance.

The City does not carry any security instrument (investment type) on its books that is traded on the open market; therefore, all investments are listed at 100% of market value.

It is the strategy of the Finance Department to maintain a high percentage of its idle funds invested in safe and secure investment securities and pooled investment types in accordance with the Public Funds Investment Act.

The City's investments are liquid and have same day access (although may be subject to an early withdrawal penalty). The City's funds are swept into the above accounts and are withdrawn as needed for operational cash flow requirements.

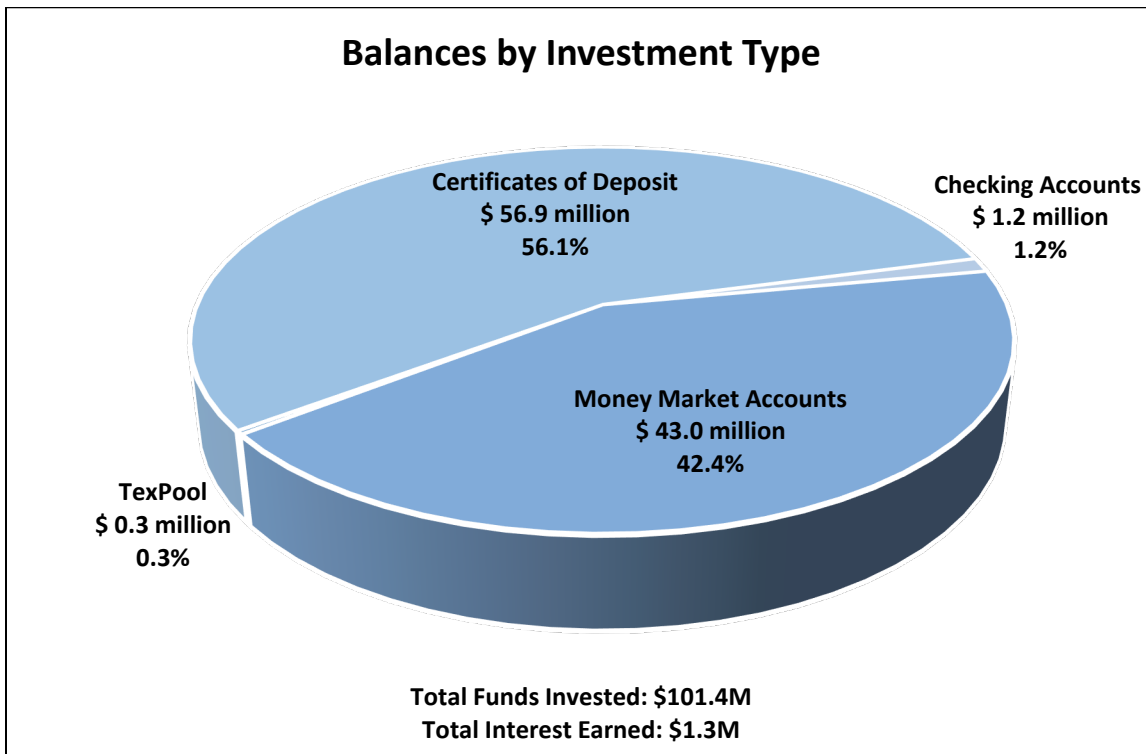


Finance Department Memo

To: Gina Nash, City Manager
From: David Baldwin, Director of Finance
 Ryan Bredehoeft, Assistant Director of Finance
 Katelyn Ellis, Senior Accountant
CC: Mayor and City Council
Date: June 3, 2024

Re: Investment Report for the quarter ending March 31, 2024

Attached is the Quarterly Investment Report for the quarter ending March 31, 2024. This report complies with the requirements of the City's Investment Policy and the Public Funds Investment Act as amended. The chart below provides a summary of balances by investment type. See the report for further details.



Account Type	Weighted Average Interest Rate
Checking Accounts	0.00%
Money Market Accounts	5.52%
TexPool	5.32%
Certificates of Deposit	5.29%

Average interest rate yield	5.33%
TexPool (benchmark)	5.32%



The City of
SACHSE

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

March 31, 2024

Prepared by
Valley View Consulting, L.L.C.

The investment portfolio of the City is in compliance with the Public Funds Investment Act and the Investment Policy and strategies.

Director of Finance

Assistant Director of Finance

Senior Accountant

Disclaimer: These reports were compiled using information provided by the City of Sachse. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment advisor fees.

Summary

Quarter End Results by Investment Category:

Asset Type	December 31, 2023		March 31, 2024		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
Demand Deposit/ Money Market/Pool	\$ 42,056,757	\$ 42,056,757	\$ 44,527,115	\$ 44,527,115	5.37%
CDs/Securities	60,028,446	60,028,446	56,864,319	56,864,319	5.29%
Totals	\$ 102,085,203	\$ 102,085,203	\$ 101,391,434	\$ 101,391,434	5.33%

Current Quarter Average Yield (1)

Total Portfolio 5.33%

Weighted Average Maturity 113 days

Rolling Three Month Treasury 5.46%
 Rolling Six Month Treasury 5.37%
 TexPool 5.32%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 5.30%

Rolling Three Month Treasury 5.49%
 Rolling Six Month Treasury 5.43%
 TexPool 5.34%

Interest Earnings (Approximate)

	City	EDC
Interest Earnings QTR	\$ 1,269,008	\$ 68,876
Interest Earnings YTD	\$ 2,400,107	\$ 132,643

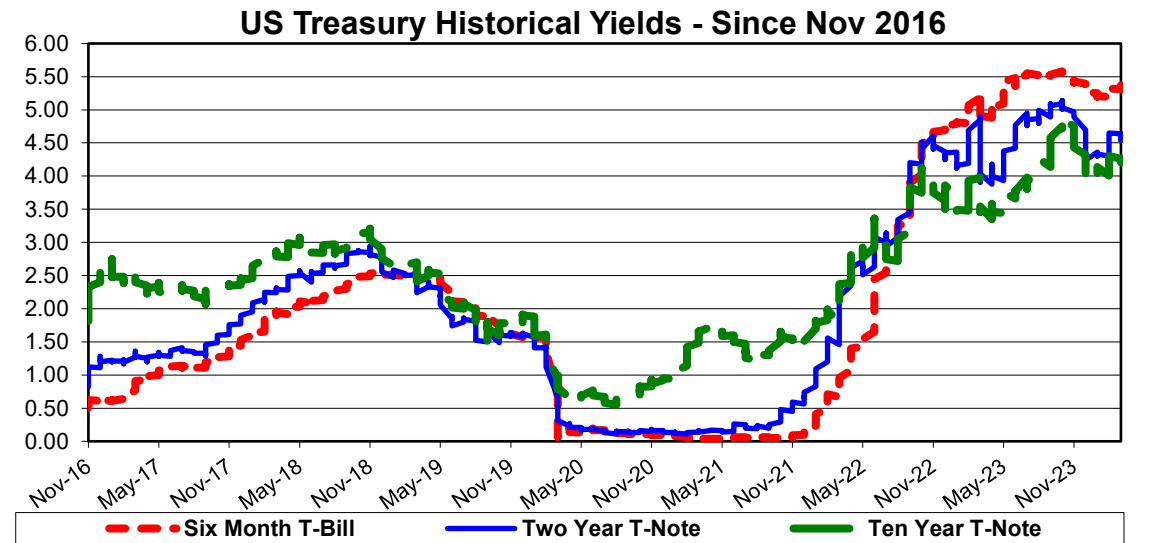
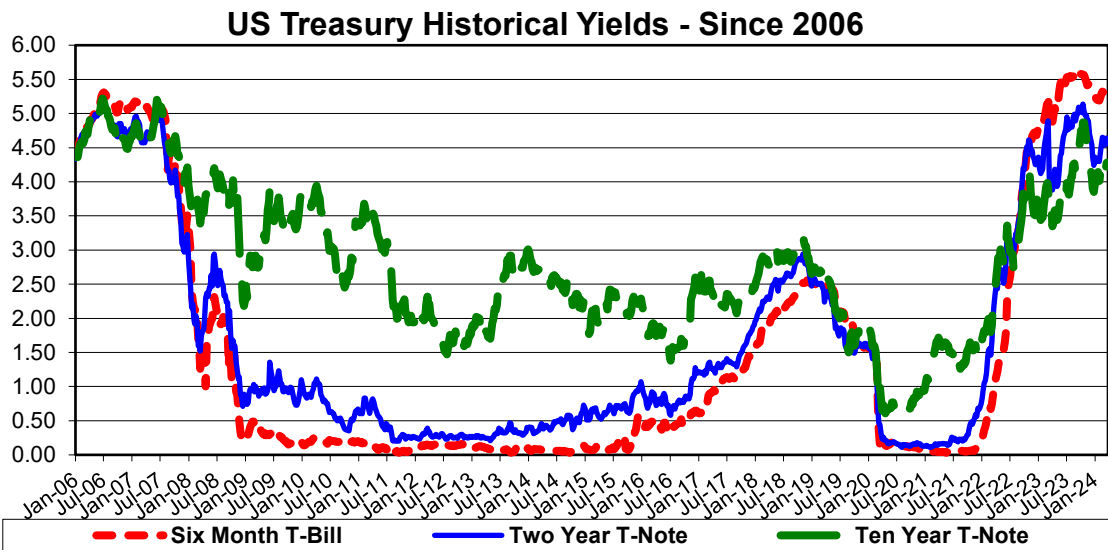
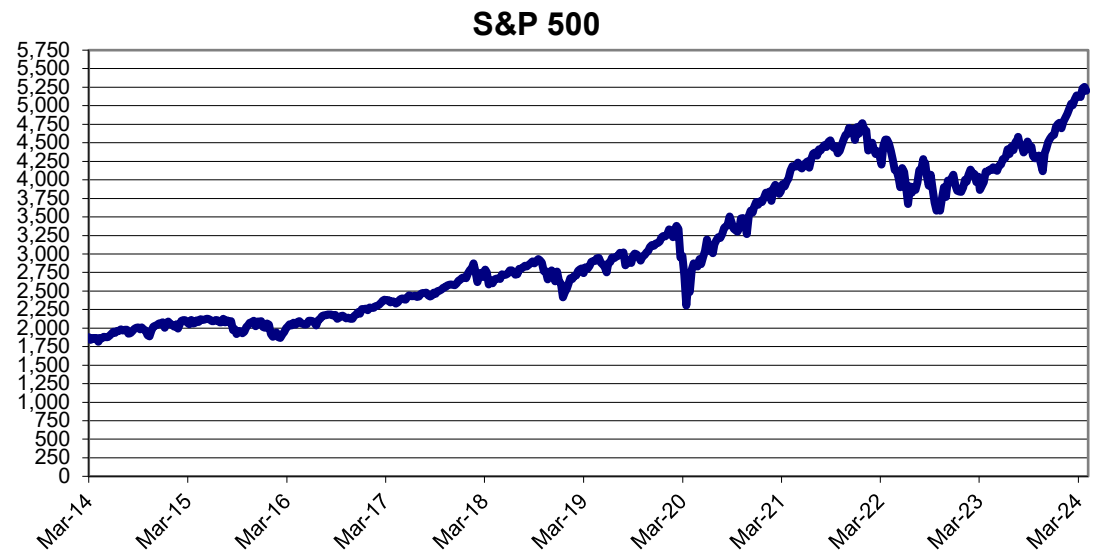
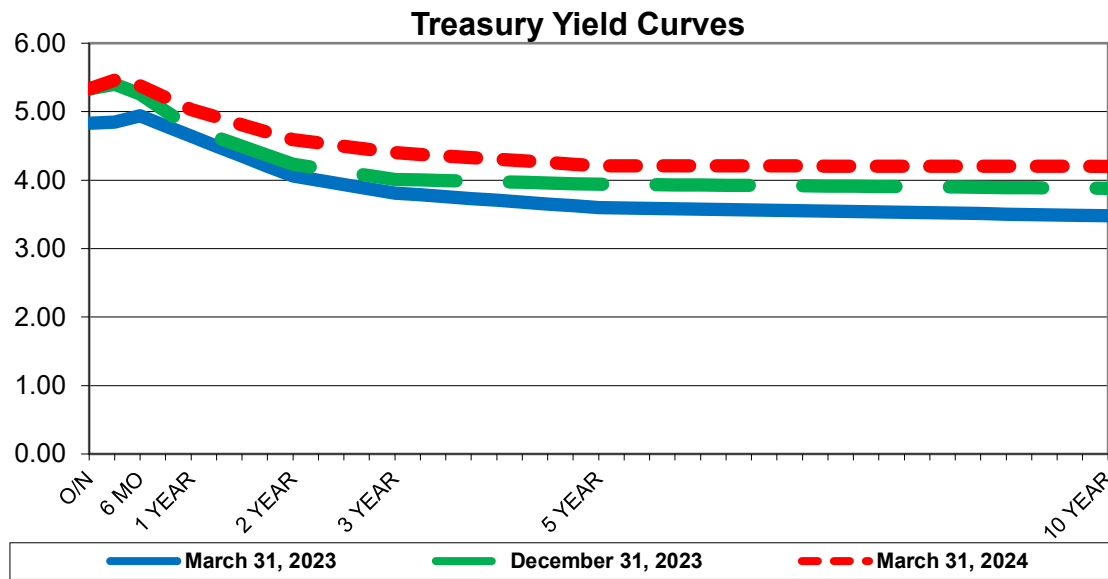
(1) Current Quarter Weighted Average Yield - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis; realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(2) Fiscal Year-to-Date Weighted Average Yields - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Economic Overview

3/31/2024

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range 5.25% - 5.50% (Effective Fed Funds are trading +/-5.33%). All expectations are for reduced future rates, but any actions will be meeting-by-meeting and "data-dependent." Fourth Quarter 2023 GDP recorded a stronger than expected 3.4%. The S&P 500 Stock Index reached another new high closing over 5,200. The yield curve remains inverted but longer yields rose slightly. Crude Oil traded over \$87 per barrel. Inflation stubbornly remained above the FOMC 2% target (Core PCE +/-2.8% and Core CPI +/-3.8%). Reduced global economic outlooks and ongoing/expanding military conflicts continue increasing uncertainty.



Investment Holdings
March 31, 2024

<u>Description</u>	<u>Rating</u>	<u>Coupon/ Discount</u>	<u>Maturity Date</u>	<u>Settlement Date</u>	<u>Book Value</u>	<u>Market Price</u>	<u>Market Value</u>	<u>Life (days)</u>	<u>Yield</u>
<u>Checking Accounts</u>									
American Nat'l Bank of Texas Checking		0.00%	04/01/24	03/31/24	\$ 1,203,417	1.00	\$ 1,203,417	1	0.00%
<u>Money Market Accounts</u>									
American Nat'l Bank of Texas		3.91%	04/01/24	03/31/24	456,846	1.00	456,846	1	3.91%
NexBank IntraFi		5.55%	04/01/24	03/31/24	31,818,055	1.00	31,818,055	1	5.55%
Texas Bank		5.50%	04/01/24	03/31/24	10,750,547	1.00	10,750,547	1	5.50%
<u>Local Government Investment Pools</u>									
TexPool	AAAm	5.32%	04/01/24	03/31/24	298,251	1.00	298,251	1	5.32%
<u>Certificates of Deposit</u>									
East West Bank 0248		5.57%	04/05/24	07/05/23	5,211,095	100.00	5,211,095	5	5.73%
East West Bank 1557		5.31%	06/13/24	06/13/23	5,217,719	100.00	5,217,719	74	5.45%
East West Bank 3829		5.48%	07/05/24	07/05/23	5,207,615	100.00	5,207,615	96	5.63%
American Nat'l Bank & Trust 7787		4.50%	07/24/24	01/24/23	6,322,147	100.00	6,322,147	115	4.59%
East West Bank 0647		5.44%	09/26/24	03/26/24	5,004,473	100.00	5,004,473	179	5.59%
East West Bank 6187		5.61%	10/07/24	10/05/23	7,494,863	100.00	7,494,863	190	5.77%
Texas Bank 0374		4.94%	12/19/24	12/21/23	6,083,338	100.00	6,083,338	263	5.06%
Veritex Community Bank 5562		4.94%	01/16/25	01/16/24	10,101,837	100.00	10,101,837	291	5.05%
BOK Financial 3645		4.93%	06/12/25	06/15/23	1,040,060	100.00	1,040,060	438	5.05%
BOK Financial 2643		4.93%	07/03/25	07/06/23	518,558	100.00	518,558	459	5.05%
BOK Financial 3602		4.93%	07/10/25	07/13/23	4,662,614	100.00	4,662,614	466	5.05%
					<u>\$ 101,391,434</u>		<u>\$ 101,391,434</u>	<u>113</u>	<u>5.33%</u>
								(1)	(2)

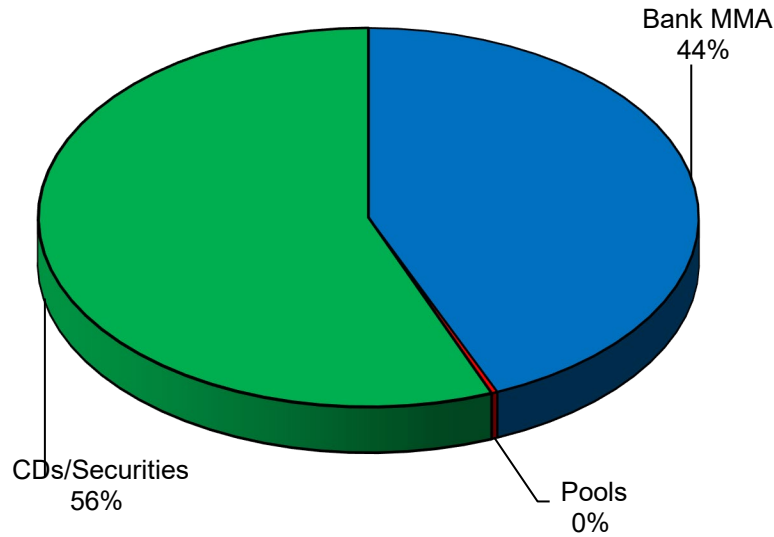
(1) **Weighted average life** - For purposes of calculating weighted average life, pool investments are assumed to have a one day maturity.

(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered.

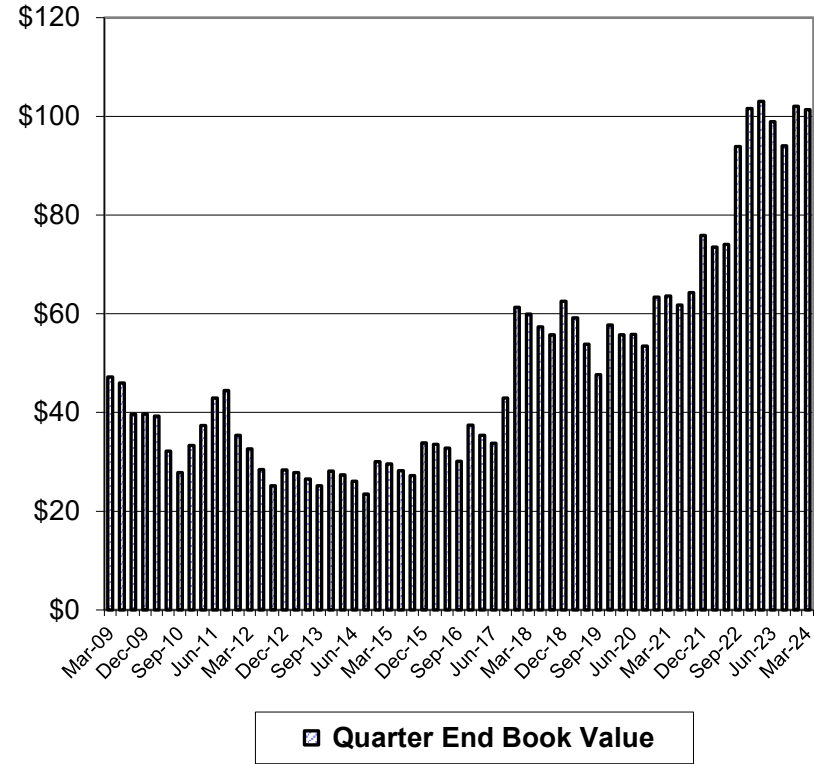
Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 12/31/23	Increases	Decreases	Book Value 03/31/24	Market Value 12/31/23	Change in Market Value	Market Value 03/31/24
<u>Checking Accounts</u>									
American Nat'l Bank of Texas	0.00%	04/01/24	\$ 1,014,755	\$ 188,662	\$ -	\$ 1,203,417	\$ 1,014,755	\$ 188,662	\$ 1,203,417
<u>Money Market Accounts</u>									
American Nat'l Bank of Texas	3.91%	04/01/24	452,500	4,345	-	456,846	452,500	4,345	456,846
NexBank IntraFi	5.55%	04/01/24	29,690,709	2,127,346	-	31,818,055	29,690,709	2,127,346	31,818,055
Texas Bank	5.50%	04/01/24	10,604,470	146,077	-	10,750,547	10,604,470	146,077	10,750,547
<u>Local Government Investment Pools</u>									
TexPool	5.32%	04/01/24	294,323	3,928	-	298,251	294,323	3,928	298,251
<u>Certificates of Deposit</u>									
Veritex Community Bank 5162	4.87%	01/09/24	3,142,498	-	(3,142,498)	-	3,142,498	(3,142,498)	-
Veritex Community Bank 5165	4.84%	01/23/24	7,317,451	-	(7,317,451)	-	7,317,451	(7,317,451)	-
American Nat'l Bank & Trust 7350	4.33%	03/07/24	5,253,807	-	(5,253,807)	-	5,253,807	(5,253,807)	-
East West Bank 3409	5.62%	03/12/24	3,092,662	-	(3,092,662)	-	3,092,662	(3,092,662)	-
East West Bank 0248	5.73%	04/05/24	5,139,235	71,860	-	5,211,095	5,139,235	71,860	5,211,095
East West Bank 1557	5.45%	06/13/24	5,149,104	68,615	-	5,217,719	5,149,104	68,615	5,217,719
East West Bank 3829	5.63%	07/05/24	5,136,955	70,660	-	5,207,615	5,136,955	70,660	5,207,615
American Nat'l Bank & Trust 7787	4.59%	07/24/24	6,251,745	70,402	-	6,322,147	6,251,745	70,402	6,322,147
East West Bank 0647	5.59%	09/26/24	-	5,004,473	-	5,004,473	-	5,004,473	5,004,473
East West Bank 6187	5.77%	10/07/24	7,390,773	104,090	-	7,494,863	7,390,773	104,090	7,494,863
Texas Bank 0374	5.06%	12/19/24	6,008,932	74,406	-	6,083,338	6,008,932	74,406	6,083,338
Veritex Community Bank 5562	5.05%	01/16/25	-	10,101,837	-	10,101,837	-	10,101,837	10,101,837
BOK Financial 3645	5.05%	06/12/25	1,027,363	12,697	-	1,040,060	1,027,363	12,697	1,040,060
BOK Financial 2643	5.05%	07/03/25	512,228	6,330	-	518,558	512,228	6,330	518,558
BOK Financial 3602	5.05%	07/10/25	4,605,694	56,920	-	4,662,614	4,605,694	56,920	4,662,614
TOTAL / AVERAGE	5.33%		\$ 102,085,203	\$ 18,112,648	\$ (18,806,417)	\$ 101,391,434	\$ 102,085,203	\$ (693,769)	\$ 101,391,434

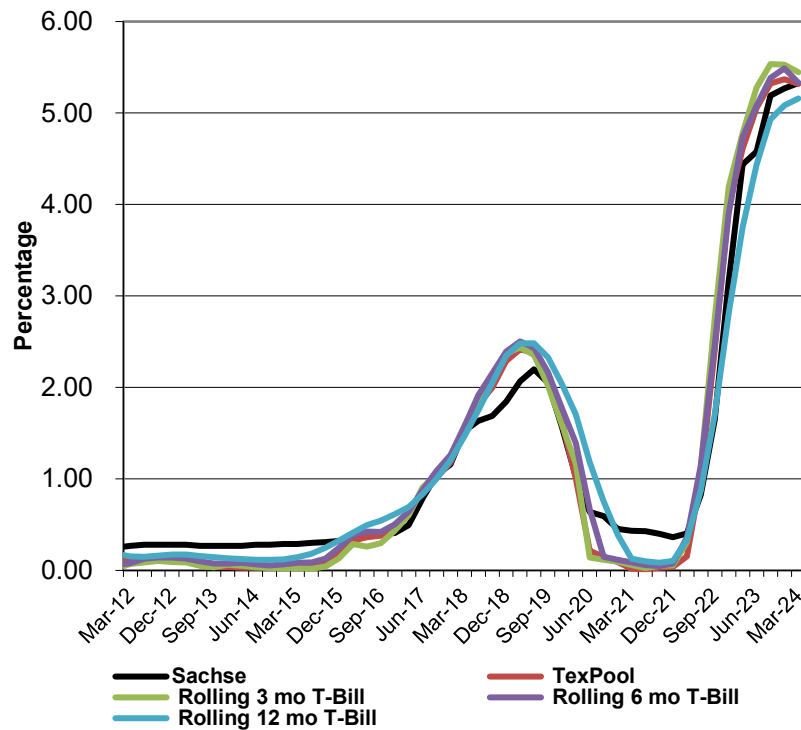
Portfolio Composition



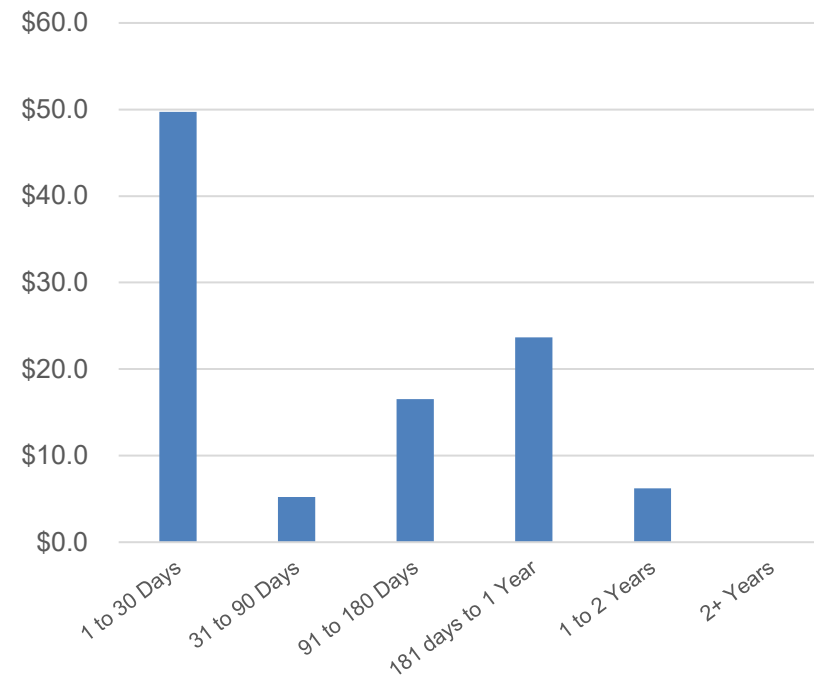
Total Portfolio (Millions)



Total Portfolio Performance



Distribution by Maturity (Millions)



FUND EQUITY IN POOLED CASH AND INVESTMENT

FUND	FUND NAME	12/31/2023	3/31/2024	Percent	Quarterly Change
01	General Fund	\$ 19,727,742	\$ 21,843,966	21.53%	\$ 2,116,225
02	Utility Fund	22,820,568	21,239,866	20.95%	(1,580,702)
03	Debt Service	5,597,589	3,419,815	3.37%	(2,177,774)
04	Capital Projects	11,846,895	13,823,710	13.63%	1,976,815
05	Special Revenue Fund	853,502	879,557	0.87%	26,055
06	Sachse Economic Development (EDC)	5,181,153	5,402,458	5.33%	221,305
09	TIRZ 1 - PGBT	10,150	10,284	0.01%	134
10	Impact Fees	9,015,791	9,028,962	8.91%	13,171
11	Street Maintenance	1,930,974	2,147,145	2.12%	216,172
12	Vehicle Equipment Replacement Fund (VERF)	2,492,391	2,737,217	2.70%	244,827
13	Sachse Municipal Development District (MDD)	329,177	522,219	0.52%	193,041
14	TIRZ 2 - The Station	170,255	168,919	0.17%	(1,336)
15	Health Insurance	950,459	932,234	0.92%	(18,225)
16	Station O&M PID	119,685	80,987	0.08%	(38,698)
17	American Rescue Plan Act (ARPA)	4,167,657	3,194,998	3.15%	(972,659)
18	Hotel Occupancy Tax	34,284	38,461	0.04%	4,177
19	TIRZ 3 - Highway 78	534,591	541,504	0.53%	6,914
21	2022 Bond Construction Fund	16,302,342	15,379,131	15.17%	(923,211)
TOTAL POOLED CASH AND INVESTMENTS		\$ 102,085,203	\$ 101,391,434	100.00%	\$ (693,769)

Notes:

Consistent with City policy, investment activity is attributed to all of the City's accounting funds collectively and on a proportional basis to each fund's total cash balance.

The City does not carry any security instrument (investment type) on its books that is traded on the open market; therefore, all investments are listed at 100% of market value.

It is the strategy of the Finance Department to maintain a high percentage of its idle funds invested in safe and secure investment securities and pooled investment types in accordance with the Public Funds Investment Act.

The City's investments are liquid and have same day access (although may be subject to an early withdrawal penalty). The City's funds are swept into the above accounts and are withdrawn as needed for operational cash flow requirements.

A. Regular Meeting

Subject: 9. Consider authorizing an amendment to the existing Tax Increment Reinvestment Zone (TIRZ) Reimbursement Agreement with the City of Sachse, the TIRZ #2 Board, and the PMB Station Developer, LLC.; and any amendments or instruments related thereto.

Meeting August 5, 2024 - Tax Increment Financing Reinvestment Zone #2 Board Meeting

Access Public

Type Discussion, Action

Fiscal Impact (Yes/No)

Dollar Amount \$_____

Budgeted (Yes/No)

Budget Source

Recommended Action Authorize an amendment to the existing Tax Increment Reinvestment Zone (TIRZ) Reimbursement Agreement with the City of Sachse, the TIRZ #2 Board, and the PMB Station Developer, LLC.; and any amendments or instruments related thereto.

Goals

BACKGROUND

The Station is Sachse's signature mixed-use development located between Miles Road and Merritt Road and the President George Bush Turnpike. It includes 100+ acres of residential, retail, restaurants, and two parks: the new Commons Park and the City's largest open space, Heritage Park. Currently, Heritage Park is in the process of being reconstructed and is receiving a multi-million dollar enhancement as a part of the development. The Station was created with a Public Improvement District (PID) and Tax Increment Reinvestment Zone (TIRZ #2) overlay as a way to capture the value that was anticipated to be created with the development. PIDs are an important economic development catalyst tool for cities to use to activate raw land and TIRZs are an important reinvestment tool for cities to send value back to a designated area. At its inception, the Station was originally valued at \$250 million; however, that value has since doubled to \$500 million in recent years. In doing so, the value of TIRZ #2 has also increased considerably.

The TIRZ Reimbursement Agreement, which was negotiated between the City and developer with the assistance of their respective attorneys, identifies in exhibits to the agreement the specific improvements (both private and public) for which reimbursement grants from TIRZ funds will be paid. The agreement further caps the reimbursement grants to the estimated costs for design and construction of each component of the improvements on a per component basis, those caps also being set forth in the agreement exhibits. Consequently, in cases where the developer has realized savings relating to the design and construction of a completed component of the improvements, the amount of grant paid on such component is less than the maximum that would otherwise have been paid. Conversely, the agreement does not allow the developer to be reimbursed for amounts exceeding the grant cap on a specific component of the improvements, even if the savings were realized on a different component.

After extensive discussions between City staff and the developer regarding this issue, City staff, with assistance of the city attorney, has negotiated a proposed amendment to the TIRZ Reimbursement Agreement that would allow the developer to obtain reimbursement for cost overruns for the improvements described in the agreement provided (i) construction on such components is completed so the final costs of such component is known and fixed, (ii) the reimbursements for overruns do not exceed the savings realized on other completed components, (iii) the total of all grants (both economic development grants and infrastructure

grants) does not exceed the original agreed maximum for each type of grant, and (iv) savings on completed private improvements may only be applied to overruns on other completed private improvements and savings on completed public improvements may only be applied to overruns on completed public improvements.

POLICY CONSIDERATIONS

This action was originally contemplated in the original Development Agreement between the City of Sachse and PMB Station Developer, LLC that was approved and executed in 2018. The TIRZ #2 Board and the City Council officially authorized the TIRZ Reimbursement Agreement at their respective December 4, 2023, regular meetings.

RECOMMENDATION

Authorize an amendment to the existing Tax Increment Reinvestment Zone (TIRZ) Reimbursement Agreement with the City of Sachse, the TIRZ #2 Board, and the PMB Station Developer, LLC.; and any amendments or instruments related thereto.

File Attachments

1. Sachse FirstAmendment TIF Zone #2 Econ Devo and Infrastructure Reimbursement Agmnt (The Station)

STATE OF TEXAS § **FIRST AMENDMENT TO TIF ZONE NUMBER TWO**
 § **ECONOMIC DEVELOPMENT INCENTIVE AND**
 COUNTY OF DALLAS § **INFRASTRUCTURE REIMBURSEMENT AGREEMENT**

This **First Amendment to TIF Zone Number Two Economic Development Incentive and Infrastructure Reimbursement Agreement** (“**Amendment**”) is made by and among the **City of Sachse** (“**City**”), a Texas home rule municipality, the **Board of Directors of Reinvestment Zone Number Two, City of Sachse, Texas** (the “**Board**”), and **PMB Station Developer, LLC** (“**Company**”), a Texas limited liability company (each a “**Party**” or collectively the “**Parties**”), acting by and through their respective authorized officers or representatives.

RECITALS:

WHEREAS, the Parties entered into that certain *TIF Zone Number Two Economic Development Incentive and Infrastructure Reimbursement Agreement* effective December 4, 2023, (the “**Agreement**”) setting forth the terms and conditions by which City and Board agreed to provide the Economic Development Grants and Infrastructure Grants to pay Eligible Costs for the Private Infrastructure and Public Infrastructure, respectively; and

WHEREAS, the Agreement defines “Maximum Grant Amounts” as being the maximum cost for reimbursement for Eligible Costs for the respective components of Private and Public Infrastructure identified as “Costs” set forth in Exhibit “B” and Exhibit “C” to the Agreement; and

WHEREAS, Section 4.4 of the Agreement provides in part that “In no case shall the cumulative payment of the annual Economic Development Grants and the annual Infrastructure Grants exceed the respective Maximum Grant Amount for reimbursement for the Eligible Costs for the respective component of the Private Infrastructure or Public Infrastructure...”; and

WHEREAS, the final costs incurred by Company for certain components of the Private Infrastructure and the Public Infrastructure, respectively, for which Completion of Construction has occurred, have in some instances been less than the cost for such components set forth in Exhibit “B” and/or Exhibit “C” to the Agreement and, in other instances, have exceeded or will exceed the cost for such components set forth in Exhibit “B” and Exhibit “C” to the Agreement; and

WHEREAS, the definition of Maximum Grant Amounts and the language of Section 4.4 of the Agreement effectively disallows Company from requesting that portions of the Grants that are not paid to Company relating to the cost for construction of components of the Private Infrastructure and/or the Public Infrastructure because the final construction cost for such components was less than the cost for such components set forth in Exhibit “B” and Exhibit “C” to the Agreement be paid in relation to the portion of the final costs of other components of the Private Infrastructure and/or the Public Infrastructure that exceeds the cost for such components set forth in Exhibit “B” and Exhibit “C” to the Agreement; and

WHEREAS, Company has requested the Agreement be amended to allow funds from the Grants saved on components of Infrastructure, the final costs for which was less than the costs for such components set forth in Exhibit “B” and Exhibit “C” to the Agreement, to be used to reimburse Company for the final costs for completed components of Infrastructure the costs for which exceed the cost for such components set forth in Exhibit “B” and Exhibit “C”; and

WHEREAS, the Parties desire to enter into this Amendment to the Agreement to allow such Grant savings be applied to pay for other components of the Infrastructure where the final construction costs exceeded the cost for such components set forth in Exhibit “B” and Exhibit “C” to the Agreement.

NOW THEREFORE, in consideration of the foregoing, and on the terms and conditions hereinafter set forth and other valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

Section 1. Definitions. Unless the context requires otherwise, or otherwise defined or amended herein, the capitalized terms in this Amendment shall have the meanings set forth in the Agreement.

Section 2. Amendments. The Agreement is amended as follows:

A. The definition of “Maximum Grant Amounts” set forth in Article I is amended to read as follows:

“Maximum Grant Amounts” shall mean the maximum cost for reimbursement for Eligible Costs for the respective components of Private and Public Infrastructure identified as “Costs” set forth in Exhibit “B” and Exhibit “C” as adjusted pursuant to Section 4.4.

B. Section 4.1(a) is amended to read as follows:

(a) Subject to Company’s continued satisfaction of all terms and conditions of this Agreement and the obligation of Company to repay the Grants pursuant to Article VI, City agrees to provide annual Economic Development Grants to Company in an aggregate amount not to exceed the respective Maximum Grant Amount (as adjusted pursuant to Section 4.4(c)) to be paid on the Annual Payment Date for Eligible Costs for completed components of Private Infrastructure which have achieved Completion of Construction prior to the Annual Payment Date. Company may submit the Payment Requests for the Economic Development Grants no earlier than April 1 following the calendar year for which the request is made but not later than July 1. Failure of the Company to timely submit a Payment Request for an annual Economic Development Grant shall result

in forfeiture of the payment of such annual Economic Development Grant, subject to Section 4.1(b).

C. Section 4.2(a) is amended to read as follows:

(a) Subject to Company's continued satisfaction of all terms and conditions of this Agreement and the obligation of Company to repay the Grants pursuant to Article VI, City agrees to provide annual Infrastructure Grants to Company in an amount not to exceed the respective Maximum Grant Amount (as adjusted pursuant to Section 4.4(d)) to be paid on an annual basis on the Annual Payment Date for Eligible Costs for completed components of Public Infrastructure which have been accepted by City prior to each Annual Payment Date. Company may submit the Payment Requests for the annual Infrastructure Grant no earlier than April 1 following the calendar year for which the request is made but not later than July 1. Failure of the Company to timely submit a Payment Request for an annual Infrastructure Grant shall result in forfeiture of the payment of such annual Infrastructure Grant, subject to Section 4.2 (b).

D. Section 4.4 is amended to read as follows:

4.4 Maximum Grant Payments.

(a) Except as provided in Section 4.4(c), in no case shall the cumulative payment of the annual Economic Development Grants for reimbursement for the Eligible Costs for the respective component of the Private Infrastructure exceed the respective Maximum Grant Amount for reimbursement for the Eligible Costs for the respective component of the Private Infrastructure as set forth in Exhibit "B".

(b) Except as provided in Section 4.4(d), in no case shall the cumulative payment of the annual Infrastructure Grants for reimbursement for the Eligible Costs for the respective component of the Public Infrastructure exceed the respective Maximum Grant Amount for reimbursement for the Eligible Costs for the respective component of the Public Infrastructure as set forth in Exhibit "C".

(c) If, upon Completion of Construction of a component of Private Infrastructure, the total Eligible Costs related to such completed component is less than the cost for such component set forth in Exhibit "B", an amount that does not exceed (i) the cost for such component set forth in Exhibit "B" less (ii) the total Eligible Costs for such completed component for which payment of an Economic Development Grant has been timely requested, may be applied to pay the Eligible Costs of other components of Private Infrastructure for which (x) Completion of Construction has occurred and (y) the total amount of Eligible Costs for such component(s) exceeds the amount for such component(s) set forth in Exhibit "B", provided, in no case shall the cumulative amount of all annual Economic Development Grants paid to Company exceed the lesser of:

(1) \$522,065.00; and

(2) The total Eligible Costs incurred by Company relating to the construction of all Private Infrastructure for which (i) Completion of Construction has occurred and (ii) Payment Requests have been timely submitted.

(d) If, upon Completion of Construction of a component of Public Infrastructure, the total Eligible Costs related to such completed component is less than the cost for such component set forth in Exhibit "C", an amount that does not exceed (i) the cost for such component set forth in Exhibit "C" less (ii) the total Eligible Costs for such completed component for which payment of an Infrastructure Grant has been requested, may be applied to pay the Eligible Costs of other components of Public Infrastructure for which (x) Completion of Construction has occurred and (y) the total amount of Eligible Costs for such component(s) exceeds the amount for such component(s) set forth in Exhibit "C", provided, in no case shall the cumulative amount of all annual Infrastructure Grants paid to Company exceed the lesser of :

(1) \$2,028,326.00; and

(2) The total Eligible Costs incurred by Company relating to the construction of all Public Infrastructure for which (i) Completion of Construction has occurred and (ii) Payment Requests have been timely submitted.

(e) Except as provided in Sections 4.4(c) and (d), Company shall have no right to seek reimbursement from City or the Board for reimbursement of Eligible Costs for Private Infrastructure and/or Public Infrastructure in excess of the respective Maximum Grant Amount, even if funds are available in the Tax Increment Fund from the City Tax Increment.

(f) In no case shall:

(1) The Economic Development Grants and the Infrastructure Grants be used to pay or reimburse costs for projects which have or will be reimbursed by the PID; or

(2) Cost overruns on components of Private Infrastructure be paid from Infrastructure Grant funds; or

(3) Cost overruns on components of Public Infrastructure be paid from Economic Development Grant funds.

Section 3. Entire Agreement. The Agreement, as amended by this Amendment, is the entire agreement among the Parties with respect to the subject matter covered in the Agreement.

Section 4. Amendment Effective Date. This Amendment shall be deemed to be effective on the date it bears the signatures of authorized representatives of all Parties hereto (“**Effective Date**”).

Section 5. Counterparts. This Amendment may be signed by the Parties in any number of identical counterparts, each of which shall be deemed an original and constitute one and the same document.

Section 6. Ratification of Agreement. Except as amended by this Amendment, the Parties acknowledge and agree the Agreement remains in full force and effect.

Signatures on Following Page

SIGNED AND AGREED on this _____ day of _____, 2024.

CITY OF SACHSE, TEXAS

By: _____
Gina Nash, City Manager

APPROVED AS TO FORM:

By: _____
City Attorney

SIGNED AND AGREED on this _____ day of _____, 2024.

**BOARD OF DIRECTORS
REINVESTMENT ZONE NUMBER TWO**

By: _____
Gina Nash, City Manager

SIGNED AND AGREED on this _____ day of _____, 2024.

**PMB STATION DEVELOPER, LLC,
a Texas limited liability company.**

**By: PMB STATION LAND, LP,
a Texas limited partnership,
its Manager**

**By: PMB STATION LAND GP, LLC,
a Texas limited liability company,
its General Partner**

By: _____
K. Taylor Baird, Manager