

Reinvestment Zone Number 1 City of Pflugerville, Texas

First Amended Project Plan and
Reinvestment Zone Financing Plan



November 2018

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TIRZ CONCEPT

A tax increment reinvestment zone (TIRZ) is a financing tool enabled by the Texas Legislature with the adoption of Chapter 311 of the Texas Tax Code to assist cities in developing or redeveloping blighted and substandard areas within their boundaries.

Cities may create a TIRZ where conditions exist that substantially impair an area's sound growth and where development or redevelopment is not likely to occur but for public infrastructure enhancements financed by a TIRZ.

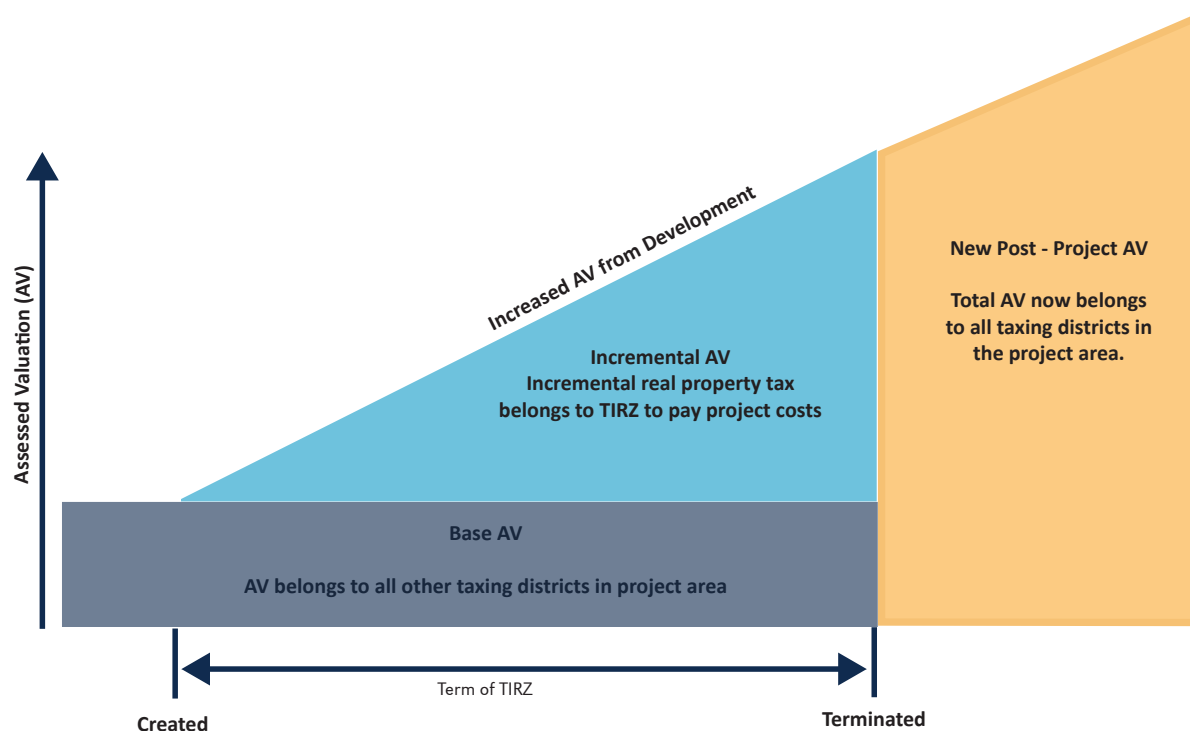
Upon creation of the TIRZ, the total appraised value of real property located within its boundaries is established for the year in which it was created. This is known as the base value. As development occurs in the TIRZ due to the provision of new infrastructure, the value of real property increases.

This additional value above the base is known as the increment. It is set aside to finance infrastructure improvements within the TIRZ. Once all projects are completed, or after a defined period of time, the TIRZ is dissolved.

During the life of the TIRZ, the city collects tax revenue on the base value of the TIRZ. When the TIRZ is dissolved, the city receives the benefit of the full increment value created by new development.

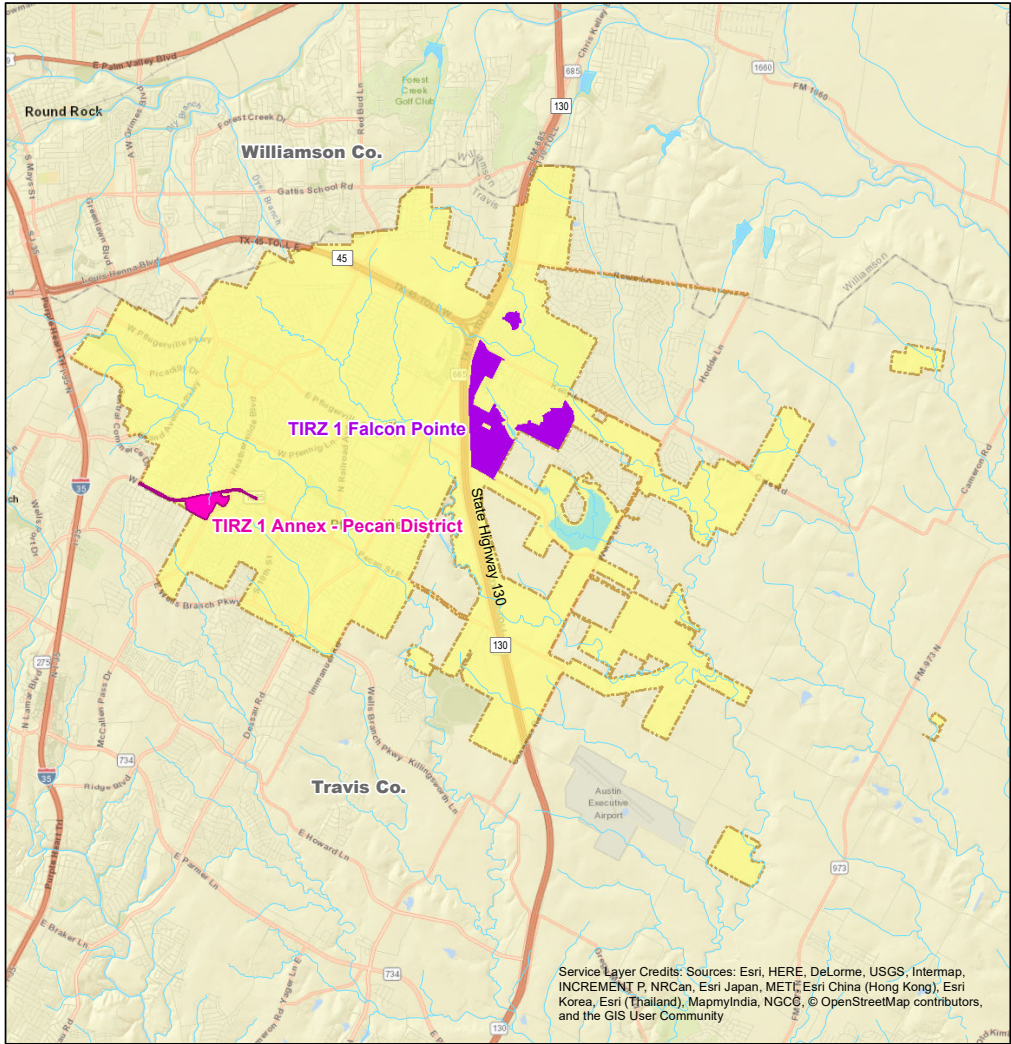
ABOUT THIS DOCUMENT

This document constitutes the First Amended Project Plan and Financing Plan for the City of Pflugerville TIRZ #1. The document details the specific projects proposed for the Zone, as well as the methods and means to finance them.



INTRODUCTION

Map 1 - TIRZ #1



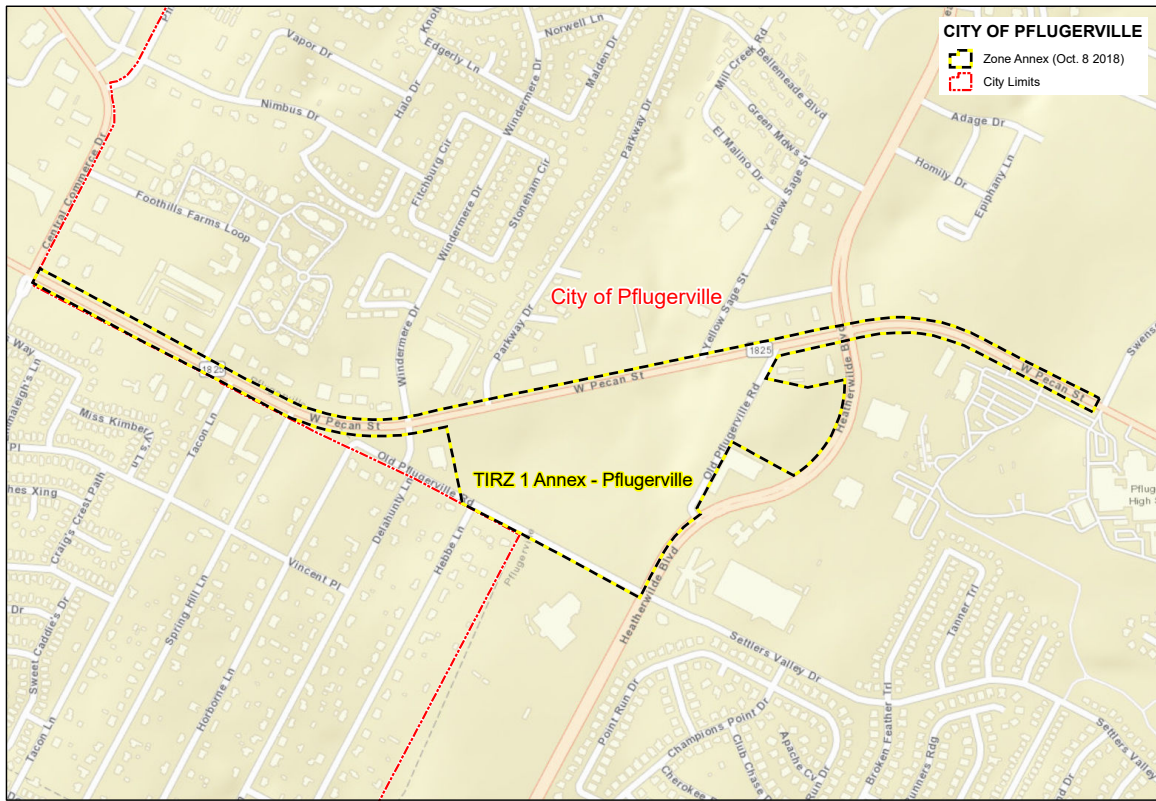
The purpose of the tax increment reinvestment zone is to finance construction of public facilities and infrastructure necessary to catalyze mixed used development and redevelopment within the Zone boundaries. Expenditures associated with the design and construction of public facilities infrastructure, as well as other specific project related costs, will be funded by tax increment revenues derived from increases in property values following new residential and commercial development.

Reinvestment Zone One, City of Pflugerville, Texas (“Zone”), was created by the City Council of the City of Pflugerville, Texas (“City”) on December 14, 2010, by Ordinance No. 1063-10-12-14. The Zone was originally created to spur development of Falcon Pointe, a master planned community located in the eastern portion of the City, in the vicinity of State Highway 130 and Pflugerville Parkway. The Zone encompasses approximately 394 acres and includes single family, multi-family, commercial/retail uses and recreational uses.

Since the Zone’s creation, the majority of projects associated with this development have been completed including portions of Colorado Sand Drive, the Regional Pond, Lift Station and Lonestar Boulevard.

FIRST AMENDED PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN

Map 2 - Proposed Area to be Annexed



Map Date: 10/6/2018
 Layer Credits: City of Pflugerville, USDA NAIP, HHA LLP, TNRS, TXDOT; Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community

The Zone and the City propose this First Amendment to the Project Plan and Reinvestment Zone Financing Plan. The Amended Plan expands the Zone boundaries to include approximately 67 acres of land to be developed as The Pecan District, located in the western portion of the City at the intersection of W. Pecan Street and S. Heatherwilde Boulevard. The plan amendment also proposes to extend the life of the Zone to the Year 2058, to allow for infrastructure improvements associated with this development. Maps 1 and 2 depict the location of the Tax Increment Reinvestment Zone No. 1, including the proposed area to be annexed.

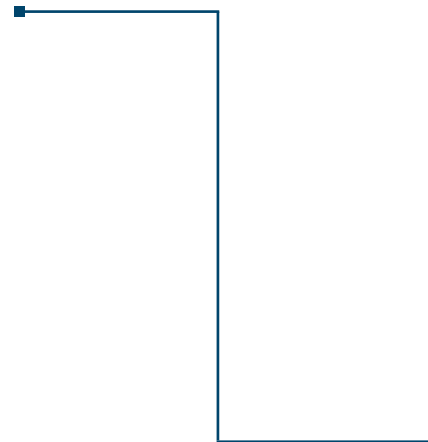
The Pecan District is proposed to be a mixed-use development, that will occur in 10 phases and include residential, office, retail and civic uses. Upon build out of the first five phases, which is the focus of this plan, the development is projected to be valued at over \$393 million. Infrastructure improvements reimbursable by the Zone associated with this development include parking garages, underground utility infrastructure, roadway infrastructure, and open space improvements including a plaza, festival street, playground, amphitheater and landscaping. While this Plan focuses on the first five phases, it is the intent of the Zone to revisit and amend the Plan at a later date to include project costs for phases six through ten.

PROJECT PLAN

Build Out

Build out of the first five phases includes residential, office and retail uses.

- ❖ Residential GSF - 1,124,822
- ❖ Retail GSF - 135,095
- ❖ Office GSF - 321,806
- ❖ Total GSF - 1,581,723



This document constitutes the Amended Project Plan for Tax Increment Reinvestment Zone Number One, City of Pflugerville, as required by Chapter 311 of the Texas Tax Code and serves as a supplement to the original plan. The purpose of the Zone is to finance reimbursements for costs associated with infrastructure improvements necessary to develop a 67 - acre site as a mixed-use development known as The Pecan District. The area to be added to the TIRZ is currently vacant and would not be developed to its fullest potential but for the creation of such a TIRZ.

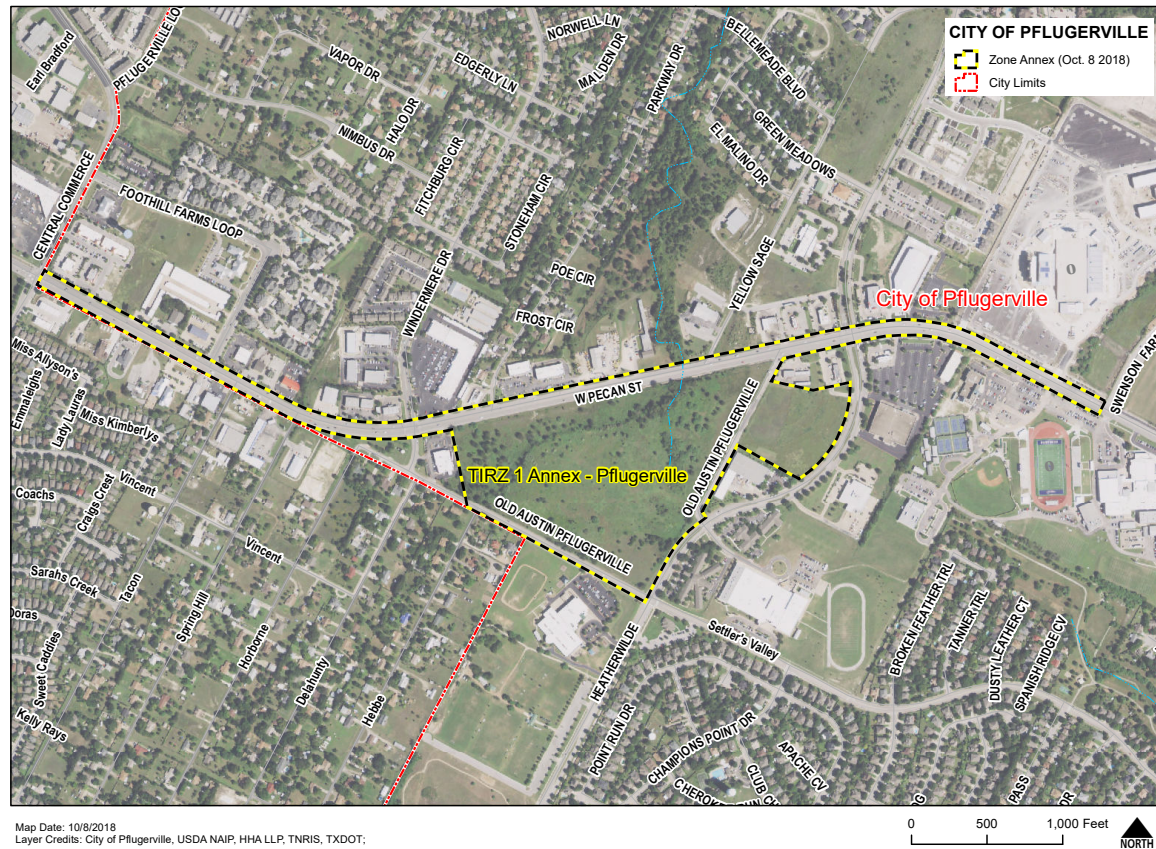
EXISTING AND PROPOSED USES OF LAND (TEXAS TAX CODE § 311.011(B)(1)):

Existing Conditions: The area to be added into the Zone boundaries is currently vacant/undeveloped. The site lacks adequate infrastructure including water, wastewater and drainage facilities, and a sufficient internal roadway network. Extensive fill was placed on the southeast portion of the property by the previous owner. Map 3 depicts existing conditions.

Surrounding Land Uses: The area to be added to the Zone is located south of Pecan Street and west of Heatherwilde Boulevard. Land surrounding the site ranges from vacant to single family residential, commercial, industrial and public uses. Several schools are located nearby, as are Pflugerville ISD's Administrative Building and District Stadium, The Pfield. The site is surrounded by residential neighborhoods as well as commercial and retail uses along Pecan Street. Map 3 shows surrounding land uses.

Proposed Land Use: The site is proposed to be developed as a mixed use, urban development with residential, retail, office, recreation, hospitality and civic uses. Complete build out of the site is expected to occur in 10 phases, however, this plan addresses the first five phases only. Exhibit 3 - Pecan District Concept Plan and Phasing Plan shows build-out of the site.

Map 3 - Proposed Area to be Annexed (Aerial View)



CHANGES OF ZONING ORDINANCES, MASTER PLAN OF MUNICIPALITY, BUILDING CODES, AND OTHER MUNICIPAL ORDINANCES (TEXAS TAX CODE § 311.011(B)(2)):

All construction will be done in conformance with existing building code regulations of the City of Pflugerville. The development is included in a Planned Unit Development (PUD) that was approved by Ordinance 1280-16-08-23. There are no proposed changes of any city development ordinances, master plans or building codes.

ESTIMATED NON-PROJECT COSTS (TEXAS TAX CODE § 311.011(B)(3)):

Non-Project costs are those infrastructure costs that will not be funded or reimbursed by the TIRZ but will be funded by the Developer. For The Pecan District costs that will not be reimbursed by the TIRZ are anticipated to be over \$10.4 million as shown in Table 1. This cost reflects the portion of the parking garages that will not be reimbursed by the TIRZ.

METHOD OF RELOCATING PERSONS TO BE DISPLACED, IF ANY, AS A RESULT OF IMPLEMENTING THE PLAN (TEXAS TAX CODE § 311.011(B)(4)):

There will be no persons displaced as a result of implementing the plan.

REINVESTMENT ZONE FINANCE PLAN

This document constitutes the First Amended Reinvestment Zone Financing Plan for the Tax Increment Reinvestment Zone Number One, City of Pflugerville, as required by Chapter 311 of the Texas Tax Code and serves as a supplement to the original plan. The purpose of the Zone is to finance public improvements to support the development of The Pecan District. Improvements include parking garages, underground utility infrastructure, roadway infrastructure and open space improvements including a plaza, festival street, playground, amphitheater and landscaping.

The developer will advance funds for certain project costs and will be reimbursed from tax increment revenues of the Zone as provided in a separate agreement between the Developer and the TIRZ (the “Reimbursement Agreement”).

ESTIMATED PROJECT COSTS (TEXAS TAX CODE § 311.011(c) (1)):

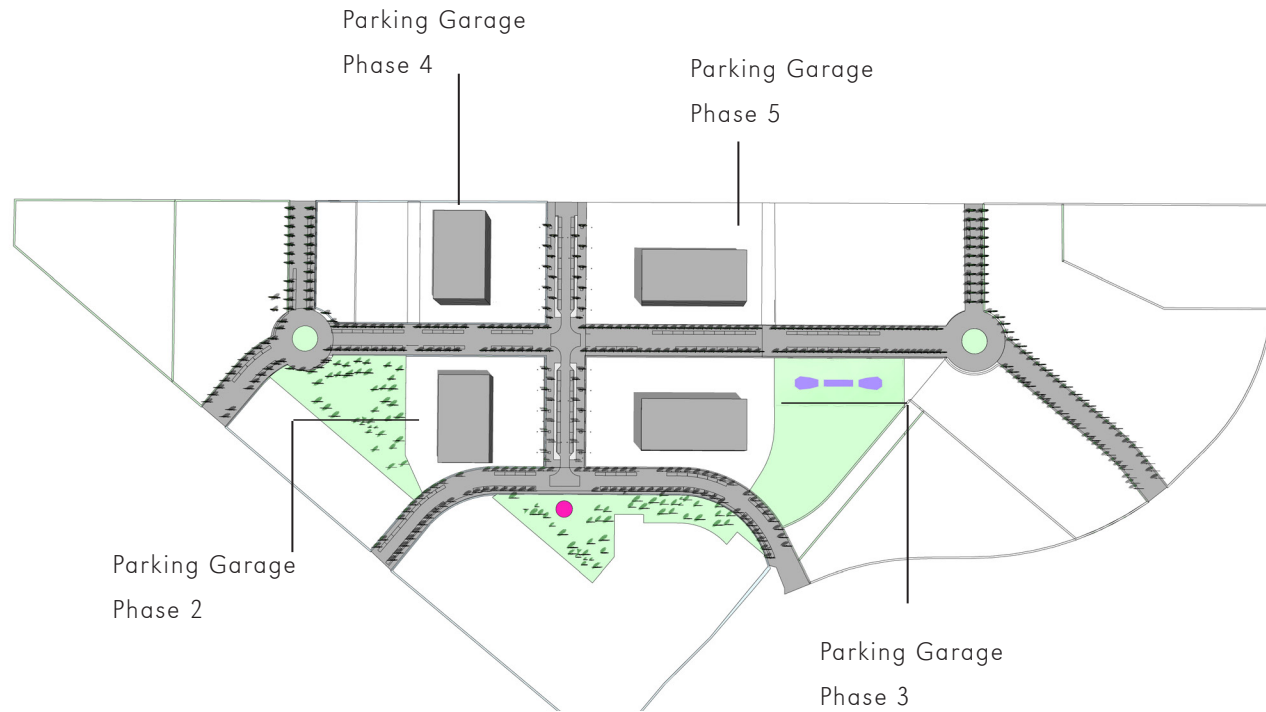
Table 1 lists the estimated costs for projects within the Zone. Project costs are the infrastructure costs reimbursable by the Zone, including capital improvements which will benefit the general public as well as facilitate development within the Zone. As set forth in this Plan, the dollar amounts are approximate and may be amended from time to time by the Board of Directors of the Zone with approval of the City Council. Financing costs are a function of project financing needs and will vary with market conditions. Projects include both public and private roadways. Private roadways will be open for public use but maintained by the developer. A public access easement will be granted to the City for all private roadways. Those portions of the parking garages being reimbursed by TIRZ funds (69%) will also be available for unrestricted public use, yet owned and maintained by the developer.

The costs identified in Table 1, reflect costs for the first five phases only. It is the intent of the Zone to revisit and amend the Plan at a later date to include project costs for phases six through ten.

Table 1 - Reimbursable and Non Reimbursable Costs

Phase	Year	Parking Garage	Infrastructure	Total TIRZ Reimbursable Costs	Non-Reimbursable Costs
1	2019		\$2,600,000	\$2,600,000	\$ -
2	2021	\$ 4,650,000	\$8,400,000	\$13,050,000	\$2,046,000
3	2022	\$6,137,500	\$3,000,000	\$9,137,500	\$2,700,500
4	2024	\$6,162,500	\$2,500,000	\$8,662,500	\$2,711,500
5	2025	\$6,750,000	\$5,000,000	\$11,750,000	\$2,970,000
Total		\$23,700,000	\$21,500,000	\$45,200,000	\$10,428,000

Note: Parking garage reimbursable costs are capped at \$12,500 per space, which is 69% of the total parking garage cost. This cap does not include the cost of parking garage wayfinding systems technology that will be reimbursed separately as a component of Infrastructure cost.



Parking Garages - Total Square Feet and Spaces (Public & Private)

1. Phase 2 Garage	111,825 sq. ft./	372 spaces
2. Phase 3 Garage	147,500 sq. ft./	491 spaces
3. Phase 4 Garage	148,080 sq. ft./	493 spaces
4. Phase 5 Garage	162,250 sq. ft./	540 spaces

Note: Those portions of the parking garages being reimbursed by TIRZ funds (69%) will be available for unrestricted public use.

PROPOSED KIND, NUMBER, AND LOCATION OF ALL PROPOSED PUBLIC WORKS OR PUBLIC IMPROVEMENTS TO BE FINANCED BY THE ZONE (TEXAS TAX CODE § 311.011(c)(2)):

Improvements to facilitate the development of The Pecan District site are shown in Table 1 and Exhibit 4 and include:

Sub-Grade Utilities

1. Approximately 3,000 linear feet of 10" to 15" Stormwater lines capturing off-site flows and conveying them through the site to regional facilities.
2. Approximately 4,300 linear feet of 10" to 15" off-site Wastewater extension lines expanding capacity for the proposed density on site.





At Grade Public Roadway Improvements

1. All off-site improvements required through the Traffic Impact Analysis (TIA).
2. Approximately 5,000 linear feet of two lane roadway (one lane each direction) with parallel parking flanking each travel lane, in conformance with PUD. Roadways include Social Drive, Imagination, Ingenuity and Aspiration. Ingenuity Avenue will be a public roadway, while all other roadways will be private. A public access easement will be granted to the City for all private roadways.

Open Space Improvements

1. Festival Street
2. Fountain Plaza
3. Playground
4. Amphitheater and Performance Stage
5. Native Plant Paseo
6. Streetscape improvements including trees, street lights and amenities in conformance with PUD

2018 Demographics

	City	County
 Population		
Population	63,449	1,258,823
Households	20,813	495,919
Housing Units	21,228	532,048
 Race		
Hispanic Origin	27.6%	34%
White	61.1%	67.9%
Black	15.5%	8.4%
Asian	9.7%	6.8%
 Income		
Median HH Income	\$82,962	\$63,712
Average HH Income	\$101,732	\$96,035
 Homes		
Median Value	\$198,987	\$277,077
Owner Occupied	73.4%	48.4%
Renter Occupied	24.6%	44.8%
Vacant	2.0%	6.8%

Source: ESRI 2018

ECONOMIC FEASIBILITY (TEXAS TAX CODE § 311.011(c)(3)):

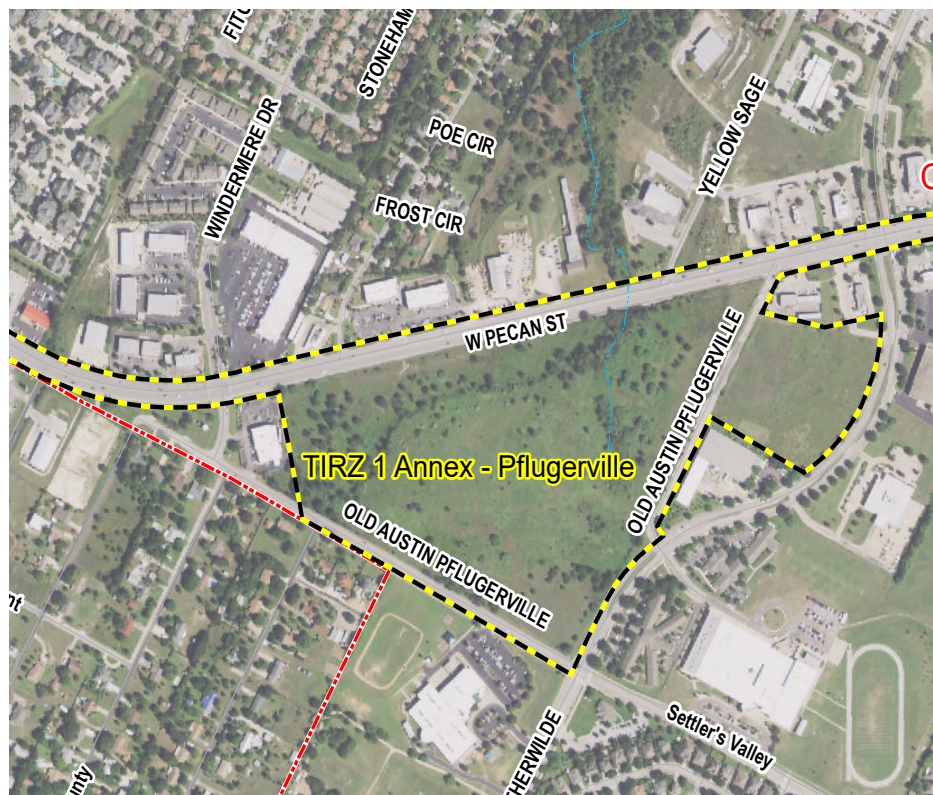
The following feasibility analysis for The Pecan District development includes analysis performed by Hawes Hill & Associates as well as studies commissioned by the developer. A community profile of the area is included in Exhibit 6.

Overview of the Area

The City of Pflugerville is located north of Austin, in northeast Travis County. The City is primarily a suburban community comprised mostly of single family residential developments, a historic downtown, and several commercial retail corridors. The City of Pflugerville is part of the Austin-Round Rock-San Marcos Metropolitan Statistical Area (MSA) and within the fifth most populated county in the State. The City has an estimated population of 63,000 people.

The area proposed to be added to the Zone is approximately 67 acres, located in the western portion of the City at the intersection of W. Pecan Street and S. Heatherwilde Boulevard. The site is currently vacant and lacks infrastructure, including water, sewer and drainage facilities and an internal roadway network. Land surrounding the site ranges from vacant to single family residential, commercial, industrial and public uses. Several schools are located nearby, as are Pflugerville ISD's Administrative Building and District Stadium, The Pfield. The site is surrounded by residential neighborhoods as well as commercial and retail uses along Pecan Street.

The west side of Pflugerville is in need of development to help catch up to other more developed parts of the City. The proposed development, The Pecan District, can serve as a catalyst for this part town. The development will provide crucial economic resources to the west side of the City and create a primary gateway for Pflugerville – something that the City currently lacks.



For this project to develop to its fullest potential and be a quality destination desired by the City of Pflugerville, infrastructure improvements including adequate parking, roadways, water, drainage and sewer facilities are needed to support new housing and commercial development in The Pecan District. A TIRZ would facilitate construction of these improvements, supporting the development of needed residential and commercial uses. Improvements would be funded from tax increment revenues derived from increases in property values (captured value) following new residential and commercial development. The development of the Zone to its fullest potential would not be feasible in the near future without the assistance of a tool like a TIRZ.

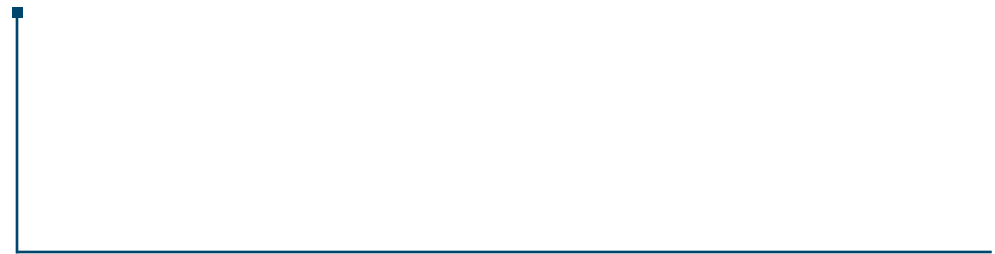
Growth Potential

Being located in close proximity to Austin and within close proximity to State Highway 130 and I-35 Corridors, combined with affordable neighborhoods, quality schools, large undeveloped tracts of land, the City can expect to see continued strong population and employment growth in the future. As the Austin-Round Rock MSA continues to grow, the demand for commercial office and retail space and multifamily housing units will grow, a portion of which will be absorbed in Pflugerville. The City of Pflugerville's population is expected to grow from 63,000 to almost 73,000 by 2023, an annual increase of 3 percent. Travis County's population is expected to grow from 1.3 million to 1.4 million in 2023. Employment is also expected to grow in Travis County at an annual average rate of 2.3%.

A multi-family feasibility analysis was prepared for the developer in 2015 by AngelouEconomics. Based on population forecasts, the analysis showed a strong need for multifamily units to be developed in Pflugerville. Based on three different growth scenarios, the Pflugerville market could absorb between 1,598 to 2,563 units over 10 years. Additionally, labor force projections and income levels support the need for the type of housing to be offered by this development.

Table 2 – Total Added Valuation at Build Out

Year	Phase	Added Valuation	Cumulative Added Valuation
2018		\$-	\$-
2019	1	\$4,488,319	\$4,488,319
2020	1	\$40,394,867	\$44,883,186
2021		\$-	\$44,883,186
2022	2	\$56,496,405	\$101,379,591
2023	3	\$87,611,409	\$188,991,000
2024	4	\$104,304,671	\$293,295,671
2025	5	\$100,070,793	\$393,366,464



The Pecan District Development & Impacts

The Pecan District is proposed to be located at the western gateway of the City of Pflugerville and the geographic heart of the Pflugerville Independent School District. It is proposed to develop as a master planned mixed-use, walkable urban place with activated public spaces that will serve as an amenity for residents and office tenants and will serve as an attraction for the region.

The development is anticipated to occur in 10 phases and will include residential, office, retail, restaurants, hotel, entertainment and civic uses and places. This plan focuses on the first five phases of the development. The public improvements proposed in this plan would convey a direct benefit to the City of Pflugerville both in terms of quality regional growth and significant economic impacts including increases in ad valorem values and sales tax revenues.

Impacts:

Property Tax

Once the proposed public improvements are completed, development of the initial phases of the proposed master plan will begin. It is anticipated that the first phase will begin in 2018 and be completed in 2019. This initial phase will include residential development. Upon build out of the initial first five phases, which includes residential, office and retail uses, the development is expected to have a value of over \$393 million. Table 2 shows the value of the project at build out.

As a result of this increase in real property, revenues from ad-valorem taxes over the life of the TIRZ are projected to equal just over \$73 million , on a cumulative basis. Table 3 shows projected revenues over the life of the TIRZ.

Table 3 – Total Ad Valorem Revenues Available for Project

Year	Annual	Cumulative
2018	\$-	\$-
2023	\$732,625	\$1,340,559
2028	\$1,588,676	\$8,860,096
2033	\$1,700,217	\$17,025,086
2038	\$1,901,496	\$26,122,039
2043	\$2,123,725	\$36,287,405
2048	\$2,356,324	\$47,619,628
2053	\$2,556,488	\$59,995,781
2058	\$2,772,122	\$73,418,702

Note: Revenues are based solely on City's property tax rate of \$0.4976/\$100 of assessed added valuation and do not include sales tax revenues or ad valorem tax revenues from other taxing jurisdictions including Travis County and Pflugerville Independent School District.

Sales Tax:

In addition to the ad-valorem revenues, the development would generate other impacts including job creation, retail sale tax generation (and curbing retail sales tax leakage).

Employment Opportunities:

In addition to the jobs created during construction of the project improvements, it is expected that the future development within the Zone resulting from the improvements will generate employment opportunities in business, retail, and hospitality industries.

In addition to the value this project will bring, The Pecan District will be an important catalyst in spurring additional private investment, which strengthens the Pflugerville economy and tax base.

Project Plan and Finance Plan

The planned infrastructure improvements depicted in Table 1 will contribute significantly to Pflugerville's ability to retain and attract business growth on the west side of the City.

Exhibit 2 constitutes incremental revenue estimates for this Plan Amendment. The future anticipated revenue of the district is expected to be sufficient to pay for all project costs (including interest) of any Development Agreements entered into by the Zone, in addition to any costs associated with administering the TIRZ.

**ESTIMATED AMOUNT OF BOND INDEBTEDNESS; ESTIMATED
TIME WHEN RELATED COSTS OR MONETARY OBLIGATIONS
INCURRED (TEXAS TAX CODE § 311.011(c)(4), §
311.011(c)(5)):**

Issuance of notes and bonds by the Zone will occur as tax increment revenues allow. The value and timing of the issuance of notes or bonds will correlate to debt capacity as derived from the projects and revenue schedules included in Table 1 and Exhibits 1 and 2, as well as actual market conditions for the issue and sale of such notes and bonds.

The Developer shall not request, nor shall Reinvestment Zone Number 1, City of Pflugerville, Texas, fund any bonds or other obligations (the “Bonds”) on behalf of the Development unless and until the incremental assessed value has been created and is sufficient to repay the Bonds over their entire life. The professional advice and opinion of the City of Pflugerville Financial Advisor shall be deemed conclusive in determining if and when the Bonds can be issued.

The time when related costs or monetary obligations are to be incurred is a function of the availability of Zone Revenues as shown in Exhibit 2.

**METHODS AND SOURCES OF FINANCING PROJECT COSTS AND
PERCENTAGE OF INCREMENT FROM TAXING UNITS ANTICIPATED
TO CONTRIBUTE TAX INCREMENT TO THE ZONE (TEXAS TAX
CODE § 311.011(c)(6)):**

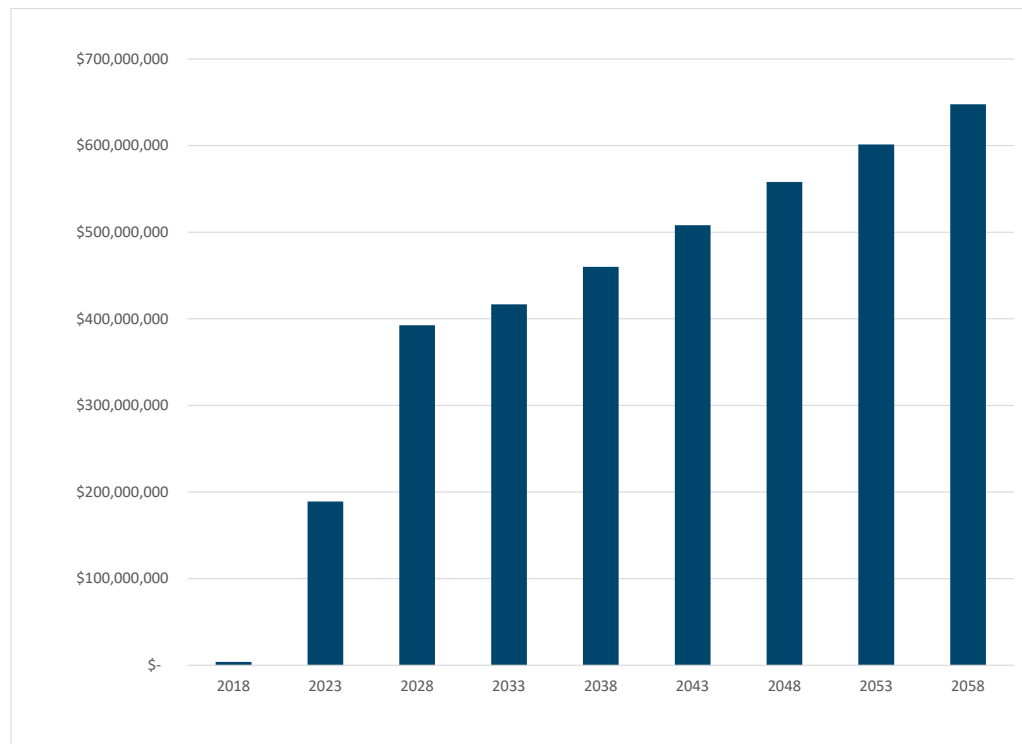
Methods and sources of financing include the issuance of notes and bonds, as well as collaboration with developers and other entities for grant funding and partnerships. Tax increment will consist of contributions from the City. This figure is calculated using a City contribution of \$0.4976/\$100 of assessed valuation.

For The Pecan District, the Developer will advance funds for certain project costs, and the Zone will reimburse these costs from tax increment revenues as they are realized and/or issue bonds when revenues are sufficient to do so. The reimbursement will be as described in a separate Developer

Agreement between the Developer and the City.

It is acknowledged that the development plan, phasing schedule and Incremental Valuation, incorporated into this plan amendment, will be subject to certain market conditions. In most historical market cycles, the time between a cycle downturn trough and equilibrium is generally a four-year horizon. Consequently, the Developer shall be granted a four-year grace period to establish the Incremental Valuation when compared to the Plan Amendment. In the event that the Developer has not created such Incremental Valuation within such four-year grace period, then the Developer must come before the TIRZ Board and the City Council to explain why such variance has occurred. The TIRZ Board and the City Council may elect, in their sole and absolute discretion, to terminate any future funding obligations as may be set forth in the Development Agreement.

Projected Value Over the Life of the TIRZ



CURRENT TOTAL APPRAISED VALUE OF TAXABLE REAL PROPERTY (TEXAS TAX CODE § 311.011(c)(7)):

The 2018 appraised taxable value of property to be added to the Zone (The Pecan District) is \$3.9 million. As of January 2017, the current appraised value of taxable real property in the existing Zone was \$254,591,268.

ESTIMATED CAPTURED APPRAISED VALUE OF ZONE DURING EACH YEAR OF EXISTENCE (TEXAS TAX CODE § 311.011(c)(8)):

Exhibit 2 shows for The Pecan District, the annual captured value of increases in property value during the existence of the Zone.

ZONE DURATION (TEXAS TAX CODE § 311.011(c)(9)):

The Zone was established by the City on December 14, 2010 with a 30-year duration. However, as part of this plan amendment the life of the TIRZ will be extended and will now terminate on December 31, 2058. Final TIRZ payments will be received in 2059. The Zone may terminate at an earlier time designated by subsequent ordinance, or at such time, subsequent to the issuance of proposed revenue bonds, notes or other obligations, if any, that all project costs, bonds, and interest on bonds have been paid in full.

EXHIBIT 1 - COMPONENTS OF ADDED VALUATION AT BUILD OUT

Phase	Year	Residential Units	Parking Garage	Vertical Mixed Use	Land Value	Total Assessed Value
Phase 1	2019	272	\$0	\$ 43,413,124	\$ 1,470,062	\$ 4,488,319
	2020					\$ 40,394,867
	2021					
Phase 2	2022	87	\$7,733,880	\$ 47,957,490	\$ 805,035	\$ 56,496,405
Phase 3	2023	140	\$10,718,285	\$ 76,332,315	\$ 560,810	\$ 87,611,409
Phase 4	2024	204	\$11,300,041	\$ 92,307,420	\$ 697,210	\$ 104,304,671
Phase 5	2025	159	\$12,996,193	\$ 86,400,627	\$ 673,973	\$ 100,070,793
Phase 6	2026					\$ -
Phase 7	2027					\$ -
Phase 8	2028					\$ -
Phase 9	2029					\$ -
Phase 10	2030					\$ -
Total		862	42,748,398	346,410,977	4,207,090	\$ 393,366,464

EXHIBIT 2 - PROJECTED VALUE AND REVENUES

Projected Assessed Valuation

Tax Year	Phase	Total Added Valuation	No of Residential Units Added	Cum. No. of Residential Units	City Projected Valuation	Base Year Valuation	Captured Appraised Value (Increment)
2018						\$ 3,919,027	
2019	Phase 1	\$ 4,488,319		0	\$ 4,488,319	\$ 3,919,027	\$ 569,292
2020		\$ 40,394,867	272	272	\$ 44,883,186	\$ 3,919,027	\$ 40,964,159
2021			0	272	\$ 44,883,186	\$ 3,919,027	\$ 40,964,159
2022	Phase 2	\$ 56,496,405	87	359	\$ 101,379,591	\$ 3,919,027	\$ 97,460,564
2023	Phase 3	\$ 87,611,409	140	499	\$ 188,991,000	\$ 3,919,027	\$ 185,071,973
2024	Phase 4	\$ 104,304,671	204	703	\$ 293,295,671	\$ 3,919,027	\$ 289,376,644
2025	Phase 5	\$ 100,070,793	159	862	\$ 393,366,464	\$ 3,919,027	\$ 389,447,437
2026	Phase 6	\$ -	0	862	\$ 393,366,464	\$ 3,919,027	\$ 389,447,437
2027	Phase 7	\$ -	0	862	\$ 393,366,464	\$ 3,919,027	\$ 389,447,437
2028	Phase 8	\$ -	0	862	\$ 393,366,464	\$ 3,919,027	\$ 389,447,437
2029	Phase 9	\$ -	0	862	\$ 393,366,464	\$ 3,919,027	\$ 389,447,437
2030	Phase 10	\$ -		862	\$ 393,366,464	\$ 3,919,027	\$ 389,447,437
2031				862	\$ 401,233,794	\$ 3,919,027	\$ 397,314,767
2032				862	\$ 409,258,469	\$ 3,919,027	\$ 405,339,442
2033				862	\$ 417,443,639	\$ 3,919,027	\$ 413,524,612
2034				862	\$ 425,792,512	\$ 3,919,027	\$ 421,873,485
2035				862	\$ 434,308,362	\$ 3,919,027	\$ 430,389,335
2036				862	\$ 442,994,529	\$ 3,919,027	\$ 439,075,502
2037				862	\$ 451,854,420	\$ 3,919,027	\$ 447,935,393
2038				862	\$ 460,891,508	\$ 3,919,027	\$ 456,972,481
2039				862	\$ 470,109,338	\$ 3,919,027	\$ 466,190,311
2040				862	\$ 479,511,525	\$ 3,919,027	\$ 475,592,498
2041				862	\$ 489,101,755	\$ 3,919,027	\$ 485,182,728
2042				862	\$ 498,883,791	\$ 3,919,027	\$ 494,964,764
2043				862	\$ 508,861,466	\$ 3,919,027	\$ 504,942,439
2044				862	\$ 519,038,696	\$ 3,919,027	\$ 515,119,669
2045				862	\$ 529,419,470	\$ 3,919,027	\$ 525,500,443
2046				862	\$ 540,007,859	\$ 3,919,027	\$ 536,088,832
2047				862	\$ 550,808,016	\$ 3,919,027	\$ 546,888,989
2048				862	\$ 559,070,136	\$ 3,919,027	\$ 555,151,109
2049				862	\$ 567,456,188	\$ 3,919,027	\$ 563,537,161
2050				862	\$ 575,968,031	\$ 3,919,027	\$ 572,049,004
2051				862	\$ 584,607,552	\$ 3,919,027	\$ 580,688,525
2052				862	\$ 593,376,665	\$ 3,919,027	\$ 589,457,638
2053				862	\$ 602,277,315	\$ 3,919,027	\$ 598,358,288
2054				862	\$ 611,311,475	\$ 3,919,027	\$ 607,392,448
2055				862	\$ 620,481,147	\$ 3,919,027	\$ 616,562,120
2056				862	\$ 629,788,364	\$ 3,919,027	\$ 625,869,337
2057				862	\$ 639,235,190	\$ 3,919,027	\$ 635,316,163
2058				862	\$ 648,823,717	\$ 3,919,027	\$ 644,904,690
		\$ 393,366,464	862				

Projected Revenue

Tax Year	Coll Year	City Tax Rate (100%)	City TIRZ Participation	Cumulative TIRZ Revenues
2018	2019	0.4976		
2019	2020	0.4976	\$ 2,776	\$ 2,776
2020	2021	0.4976	\$ 199,761	\$ 202,537
2021	2022	0.4976	\$ 199,761	\$ 402,298
2022	2023	0.4976	\$ 475,264	\$ 877,562
2023	2024	0.4976	\$ 902,500	\$ 1,780,062
2024	2025	0.4976	\$ 1,411,139	\$ 3,191,202
2025	2026	0.4976	\$ 1,899,133	\$ 5,090,334
2026	2027	0.4976	\$ 1,899,133	\$ 6,989,467
2027	2028	0.4976	\$ 1,899,133	\$ 8,888,600
2028	2029	0.4976	\$ 1,899,133	\$ 10,787,732
2029	2030	0.4976	\$ 1,899,133	\$ 12,686,865
2030	2031	0.4976	\$ 1,899,133	\$ 14,585,997
2031	2032	0.4976	\$ 1,937,498	\$ 16,523,495
2032	2033	0.4976	\$ 1,976,630	\$ 18,500,125
2033	2034	0.4976	\$ 2,016,544	\$ 20,516,669
2034	2035	0.4976	\$ 2,057,258	\$ 22,573,927
2035	2036	0.4976	\$ 2,098,785	\$ 24,672,712
2036	2037	0.4976	\$ 2,141,143	\$ 26,813,855
2037	2038	0.4976	\$ 2,184,348	\$ 28,998,203
2038	2039	0.4976	\$ 2,228,417	\$ 31,226,620
2039	2040	0.4976	\$ 2,273,368	\$ 33,499,988
2040	2041	0.4976	\$ 2,319,217	\$ 35,819,205
2041	2042	0.4976	\$ 2,365,984	\$ 38,185,189
2042	2043	0.4976	\$ 2,413,686	\$ 40,598,874
2043	2044	0.4976	\$ 2,462,342	\$ 43,061,216
2044	2045	0.4976	\$ 2,511,971	\$ 45,573,187
2045	2046	0.4976	\$ 2,562,592	\$ 48,135,779
2046	2047	0.4976	\$ 2,614,226	\$ 50,750,006
2047	2048	0.4976	\$ 2,666,893	\$ 53,416,899
2048	2049	0.4976	\$ 2,707,183	\$ 56,124,082
2049	2050	0.4976	\$ 2,748,078	\$ 58,872,160
2050	2051	0.4976	\$ 2,789,586	\$ 61,661,746
2051	2052	0.4976	\$ 2,831,716	\$ 64,493,462
2052	2053	0.4976	\$ 2,874,478	\$ 67,367,940
2053	2054	0.4976	\$ 2,917,882	\$ 70,285,822
2054	2055	0.4976	\$ 2,961,937	\$ 73,247,759
2055	2056	0.4976	\$ 3,006,653	\$ 76,254,412
2056	2057	0.4976	\$ 3,052,039	\$ 79,306,451
2057	2058	0.4976	\$ 3,098,107	\$ 82,404,558
2058	2059	0.4976	\$ 3,144,865	\$ 85,549,423
			\$ 85,549,423	

Revenues Available for Projects

Admin Fee (5%)	Residential Fee (\$250/Unit)	TIRZ Revenues For Projects	Cumulative TIRZ Revenues Available for Projects
	\$ -	\$ -	\$ -
\$ (139)	\$ -	\$ 2,637	\$ 2,637
\$ (9,988)	\$ (68,000)	\$ 121,773	\$ 124,410
\$ (9,988)	\$ (68,000)	\$ 121,773	\$ 246,183
\$ (23,763)	\$ (89,750)	\$ 361,751	\$ 607,934
\$ (45,125)	\$ (124,750)	\$ 732,625	\$ 1,340,559
\$ (70,557)	\$ (175,750)	\$ 1,164,832	\$ 2,505,392
\$ (94,957)	\$ (215,500)	\$ 1,588,676	\$ 4,094,068
\$ (94,957)	\$ (215,500)	\$ 1,588,676	\$ 5,682,744
\$ (94,957)	\$ (215,500)	\$ 1,588,676	\$ 7,271,420
\$ (94,957)	\$ (215,500)	\$ 1,588,676	\$ 8,860,096
\$ (94,957)	\$ (215,500)	\$ 1,588,676	\$ 10,448,772
\$ (94,957)	\$ (215,500)	\$ 1,588,676	\$ 12,037,448
\$ (96,875)	\$ (215,500)	\$ 1,625,123	\$ 13,662,570
\$ (98,831)	\$ (215,500)	\$ 1,662,298	\$ 15,324,868
\$ (100,827)	\$ (215,500)	\$ 1,700,217	\$ 17,025,086
\$ (102,863)	\$ (215,500)	\$ 1,738,895	\$ 18,763,981
\$ (104,939)	\$ (215,500)	\$ 1,778,346	\$ 20,542,326
\$ (107,057)	\$ (215,500)	\$ 1,818,586	\$ 22,360,912
\$ (109,217)	\$ (215,500)	\$ 1,859,631	\$ 24,220,543
\$ (111,421)	\$ (215,500)	\$ 1,901,496	\$ 26,122,039
\$ (113,668)	\$ (215,500)	\$ 1,944,199	\$ 28,066,238
\$ (115,961)	\$ (215,500)	\$ 1,987,756	\$ 30,053,995
\$ (118,299)	\$ (215,500)	\$ 2,032,185	\$ 32,086,179
\$ (120,684)	\$ (215,500)	\$ 2,077,501	\$ 34,163,681
\$ (123,117)	\$ (215,500)	\$ 2,123,725	\$ 36,287,405
\$ (125,599)	\$ (215,500)	\$ 2,170,872	\$ 38,458,278
\$ (128,130)	\$ (215,500)	\$ 2,218,963	\$ 40,677,240
\$ (130,711)	\$ (215,500)	\$ 2,268,015	\$ 42,945,256
\$ (133,345)	\$ (215,500)	\$ 2,318,049	\$ 45,263,304
\$ (135,359)	\$ (215,500)	\$ 2,356,324	\$ 47,619,628
\$ (137,404)	\$ (215,500)	\$ 2,395,174	\$ 50,014,802
\$ (139,479)	\$ (215,500)	\$ 2,434,606	\$ 52,449,408
\$ (141,586)	\$ (215,500)	\$ 2,474,630	\$ 54,924,038
\$ (143,724)	\$ (215,500)	\$ 2,515,254	\$ 57,439,293
\$ (145,894)	\$ (215,500)	\$ 2,556,488	\$ 59,995,781
\$ (148,097)	\$ (215,500)	\$ 2,598,340	\$ 62,594,121
\$ (150,333)	\$ (215,500)	\$ 2,640,820	\$ 65,234,941
\$ (152,602)	\$ (215,500)	\$ 2,683,937	\$ 67,918,879
\$ (154,905)	\$ (215,500)	\$ 2,727,701	\$ 70,646,580
\$ (157,243)	\$ (215,500)	\$ 2,772,122	\$ 73,418,702
	\$ (4,277,471)	\$ (7,853,250)	\$ 73,418,702

- Notes
- (1) 2% growth rate upon build out 2031 thru 2047, 1.5% 2048 thru 2058
 - (2) Assumes 98% collection rate
 - (3) 5% City Administration Fee
 - (4) \$250/residential unit service fee
 - (5) Base Year - January 1, 2018 taxable value from Travis County Appraisal District

EXHIBIT 3 - THE PECAN DISTRICT CONCEPT PLAN AND PHASING PLAN

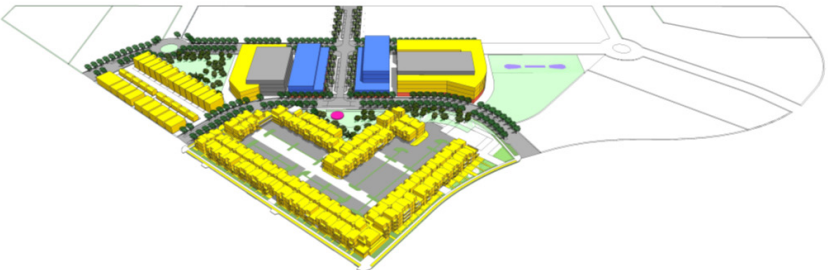
Phase 1



Phase 2



Phase 3



Phase 4



Phase 5



EXHIBIT 4 - THE PECAN DISTRICT IMPROVEMENTS AND PHASING PLAN

Phase 1



Phase 2



Phase 3



Phase 4



Phase 5



EXHIBIT 5- BOUNDARY DESCRIPTION (PROPOSED ANNEXED AREA)

Boundary Description

2018 Tax Increment Reinvestment Zone No. 1 Annexation

City of Pflugerville Municipal Limits, Travis County

The 2018 Pflugerville TIRZ No. 1 Annexation is situated southwest of the intersection of W Pecan St (FM 1825) and S Heatherwilde Blvd within the municipal limits of Pflugerville, and J. Van Winkle Survey of Travis County. The Annexation is a +/- 67.4 acre tract and described as follows:

Beginning at southeast corner of intersection of south right-of-way (ROW) of W Pecan St and east ROW of Old Austin Pflugerville Rd and northwest corner of 1.056 acre tract (LOT 3&4 BLK A WELLS POINT COMMERCIAL FILING I) located at 1705 W Pecan St;

Then southwest by south along west boundary of said 1.056 acre tract to southwest corner of said tract and northwest corner of 7.2775 acre lot (LOT 5 BLK A WELLS POINT COMMERCIAL FILING I);

Then generally east along north boundary of said 7.2775 acre lot, to northeast corner of said lot and west ROW of S Heatherwilde Blvd;

Then generally south along east boundary of said 7.2775 acre lot and west ROW of S Heatherwilde Blvd to southeast corner of said 7.2775 acre lot;

Then west northwest along south boundary of said 7.2775 acre lot to southwest corner of said 7.2775 acre lot and east ROW of Old Austin Pflugerville Rd;

Then south southwest along east ROW of Old Austin Pflugerville Rd to intersection with west ROW of S Heatherwilde Blvd;

Then generally south along west ROW of S Heatherwilde Blvd to south ROW of Old Austin Pflugerville Rd;

Then west northwest along south ROW of Old Austin Pflugerville Rd to a point south by east of southeast corner of 1.7160 acre lot (LOT 1 DSP ADDN) located at 2021 W Pecan St;

Then north by west across ROW of Old Austin Pflugerville Rd and along east boundary of said 1.7160 acre lot to northeast corner of said 1.7160 acre lot and south ROW of W Pecan St;

Then generally west and northwest by west along south ROW of W Pecan St to City of Pflugerville Mun. Limits at east ROW of Central Commerce Dr;

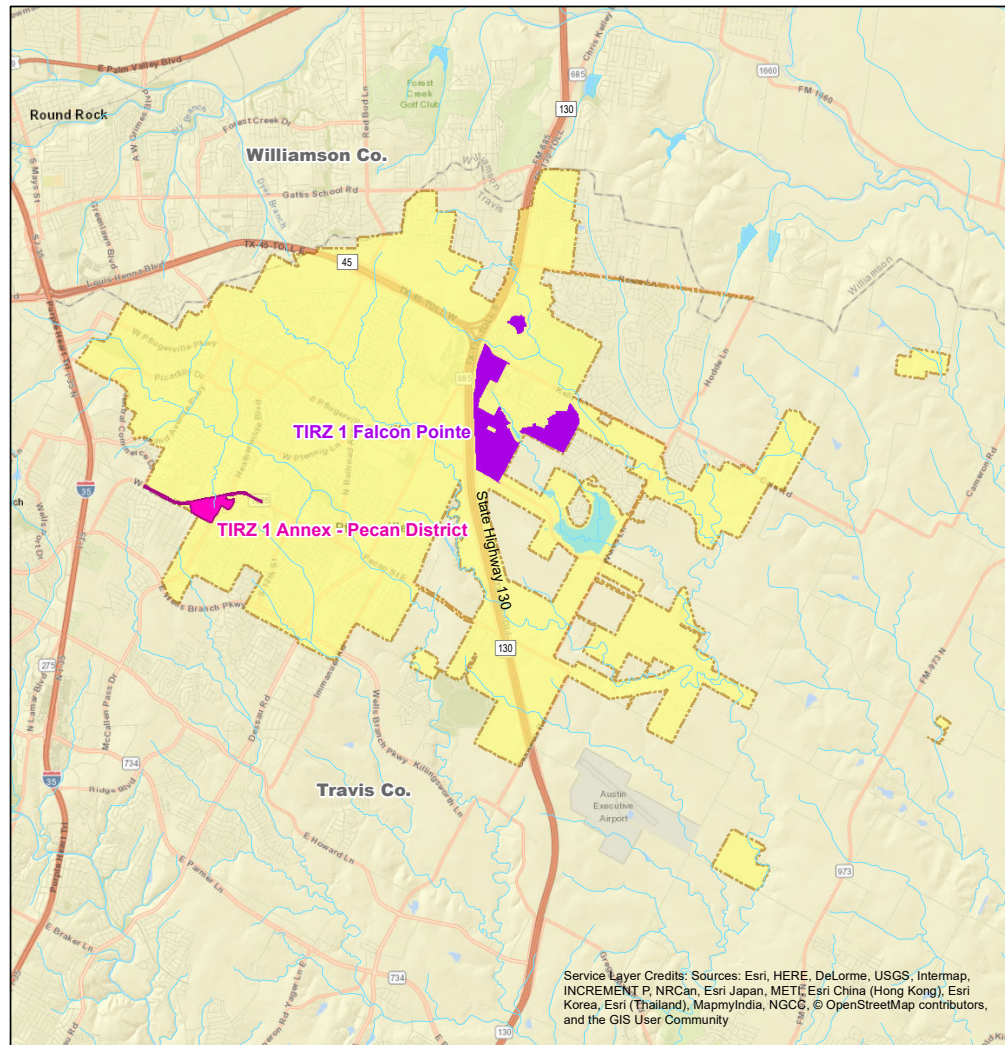
Then north northeast along City of Pflugerville Mun. Limits to north ROW of W Pecan St;

Then generally east and southeast by east along north ROW of W Pecan St to west ROW of Swenson Farms Blvd;

Then south southwest along west ROW of Swenson Farms Blvd to south ROW of W Pecan St;

Then generally west and northwest by west along south ROW of W Pecan St to northwest corner of 1.056 acre lot (LOT 3&4 BLK A WELLS POINT COMMERCIAL FILING I), and east ROW of Old Austin Pflugerville Rd and beginning of +/- 67.4 acre tract.

EXHIBIT 6 - COMMUNITY PROFILE FOR FEASIBILITY STUDY



CITY OF PFLUGERVILLE

- Zone Annex (Oct. 8 2018)
- Original Zone
- City of Pflugerville

0 1 2 Miles
 NORTH
 Data Sources: City of Pflugerville, USDA NAIP
 HHA LLP, TNRRIS, TXDOT
 Date: 10/8/2018

Introduction

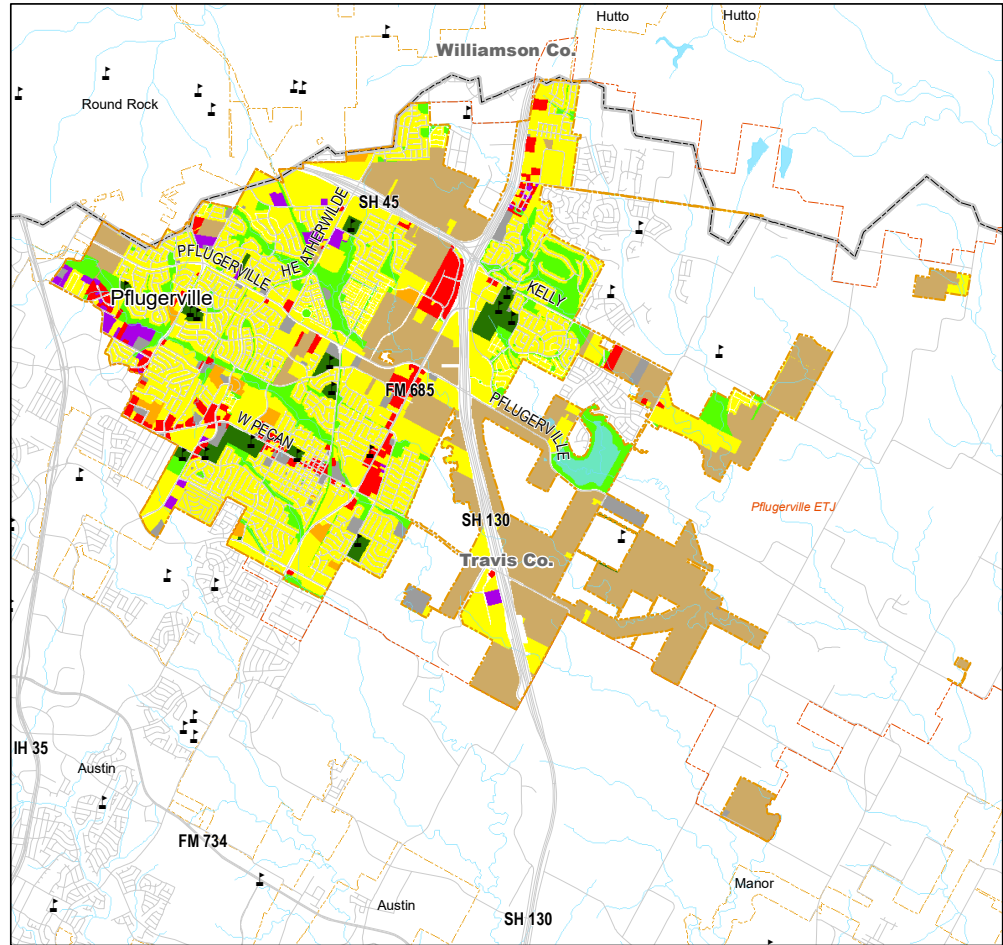
Situated primarily in northeast Travis County is the City of Pflugerville, a 23.8 square mile suburban community comprised mostly of single family residential developments, an historic downtown, and several commercial retail corridors. Also, within the City Limits are large tracts of undeveloped land located on the southeast side.

Founded in 1860 as a farming community it was named in honor of early-resident Henry Pfluger¹, who brought his family to the area in 1849². Pflugerville’s Downtown was platted in 1904 in conjunction with the Missouri-Kansas-Texas Railroad corridor. The City’s terrain is mostly flat, gently rolling blackland prairie intersected by the Gilleland and Wilbarger Creeks – both tributaries to the Colorado River. Pflugerville is served by two Farm-to-Market (FM) Roads specifically FM 1825 and FM 685. In 2005, construction began on State Highway 130 providing a north-south toll-based transportation option east of Downtown.

Part of the Austin-Round Rock-San Marcos Metropolitan Statistical Area and within the fifth most populated county in the State³, Pflugerville has experienced tremendous growth since the 1990’s. The City, with a low unemployment rate⁴ ranging between three and four percent, and combined with affordable neighborhoods, large undeveloped tracts of land, close-proximity to State Highway 130 and I-35 Corridors, can expect to see continued strong residential and commercial development.

Well-suited for new development, especially along the State Highway 130 Corridor, the City of Pflugerville implemented a Tax Increment Finance Zone to facilitate public financing and business development. A TIRZ Zone Project and Finance Plan directs and finances new public improvements such as roads, parking, water and sewer, sidewalks, drainage, utility location, street lighting, bridge construction and public facilities. Improvements, which in turn make the Zone and surrounding area more attractive to residential and business owners, bringing

Land Use



CITY OF PFLUGERVILLE

Land Use	Public School (39)
 Agricultural Land (234)	 County Boundary
 Commercial and Services (294)	 Other Corp. Limits
 Industrial (63)	 ETJ
 Institutional (91)	
 Instructional (23)	
 Multi-Family Residential (22)	

NORTH

0 1 2 Miles

Data Sources: City of Pflugerville, USDA NAIP
 HHA LLP, TNRIIS, TXDOT
 Date: 7/23/2018
 Service Layer Credits: TEA

greater sales and ad valorem tax dollars to the Zone and surrounding area.

AREA PROFILE

Much of the initial single family residential construction occurred along Main Street during the early 1900’s, with the bulk of construction taking place during and after the 1990’s. About a third of the City remains as farm or undeveloped range land (see Land Use Map).

What is presented here is a community snapshot of the City of Pflugerville as it is today.

Land Use Classification

While dominated by single family residential neighborhoods (46%), much of the City’s southeast side remains as farm or undeveloped land (30%) with many large tracts along State Highway 130, and to the east. With the construction of State Highway 130, the eastern half of the City and Extra-Territorial Jurisdiction (ETJ) is experiencing new suburban development. Currently located in the Pflugerville ETJ, the School District opened Weiss High School in the Fall of 2017⁹ to serve the expected enrollment growth east of State Highway 130.

Commercial Land Use is primarily along two corridors: FM 685 from Downtown Pflugerville north to the Stone Hill Town Center, where State Highway 130 and 45 intersect; and Pecan Street/FM 1825 west of Downtown. Closely located to the northwest of Pflugerville is the intersection of I-35 with Texas 45 and the La Frontera Village of Round Rock. Downtown Austin is a short travel time of 30 minutes to the southwest.

Population and Housing Units

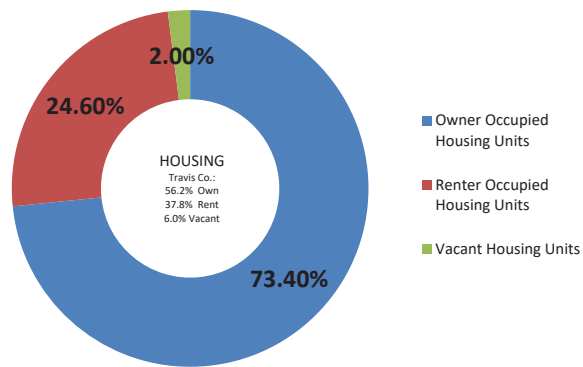
The following table reports population and households for the 2010 census year, 2018 estimated and 2023 projected for the City compared with Travis County as a whole. While coterminous with 2.4% of Travis County’s 9906 sq. miles, it has 5% of the County’s total population. Projected annual population growth in the City (2.82) is slightly above

Population, Households & Housing Units

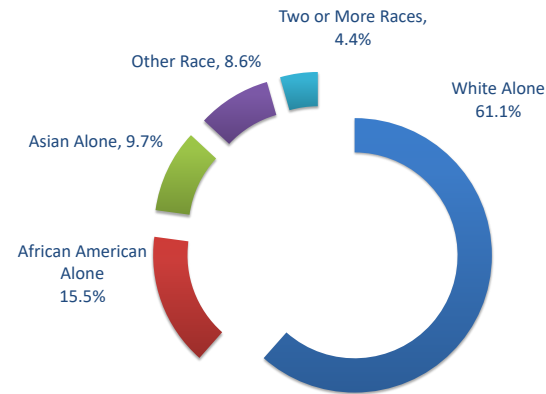
	Pflugerville			Travis County		
	2010	2018	2023	2010	2018	2023
Population	48,124	63,449	72,917	1,024,266	1,258,823	1,410,482
Households	16,107	20,813	23,818	404,467	495,919	555,379

Source: US Census Bureau 2010, ESRI Community Profile 2018

Housing



Race



what is projected for the County (2.3%)⁵ over the 2018-2023 Period. The percent of Owner Occupied Housing Units in the Study Area is 25% higher than Travis County.⁸

Population Density

Dominated by large residential developments, the City possesses a moderately-high population density of nearly 2,700 persons per square mile (PPSM), when compared to Travis County with roughly 1,270 PPSM.

Proximity to Employment Centers

Due to the area’s proximity to State Highway 130, and Interstate Highway 35 on the west, local residents and businesses are within 20 to 40-minute drive times to various communities along both Corridors and less than three hours to three of the top 10 Largest U.S. Cities by Population. The 2018 American Community Survey Population Summary for the City estimates that the average commute time of employees in Pflugerville is 24.7 minutes, with 82% driving alone. ACS estimates 76% workers age 16+ work in Travis County.

The average daily traffic volume⁷ along Pecan St/FM 1825, just west of Downtown Pflugerville, ranges from 17,600 to 32,600 vehicles per day. On State Highway 130, between SH 45 and FM 734, the average daily traffic volume average 30,000 vehicles per day. The Average drive time from the City to Downtown Austin is 26 minutes (approximately a 17-mile trip one way).

Race, Ethnicity and Origin

The residential population of the Study Area is majority White. 61% of the Area’s population in 2018 is estimated to be White. 28% of the residential population is of Hispanic Origin, which is above the U.S. estimate at 18%, and below the State at 39%.⁵

The Diversity Index⁵, which measures the probability that two people from the same area will be from different race/ethnic groups, is 7.6 in the Study Area, compared to 7.38 in the County, and 6.4 for the U.S. as a whole (on a scale of 0-10, with 10 = Complete Diversity, and 0 =

No Diversity).

Median Age

The median age in the City is estimated to be 37, slightly older when compared to the median age of Travis County (33.3) and younger than the U.S. median age of 37.7.⁸

Median Household Income / Poverty

The City's median household income in 2016 is estimated to be \$77,899 nearly 21% higher when compared to the County as a whole. The median income within Pflugerville has grown approximately 6% since 2010.⁸

According to the 2016 American Community Survey, 6.9% of the residential population are living in poverty. In comparison, 15.2% of the population in the County is at or below the Poverty Line.

Home Values

Estimated 2016 median home values of owner-occupied homes in Pflugerville are \$183,500 (compared to \$253,600 for Travis County and \$184,700 for the U.S). The median increase in owner occupied dwelling units increased approximately 15% since 2010.⁸

Education

The educational needs of the community are served by Pflugerville ISD, primarily Pflugerville, Hendrickson and Weiss High Schools, four Middle schools and twelve Elementary Schools. In 2018, Pflugerville ISD received an overall letter grade rating of "B, Recognized Performance" in the TEA Accountability System.¹¹

Within 25 to 60-minute drive times are several higher education institutions in Austin, Georgetown and San Marcos. They include the University of Texas Austin, Huston-Tillotson University, St. Edward's University, Southwestern University in Georgetown, Texas State University San Marcos, Austin Community College, Texas A&M University Medical School and East Williamson County Higher Education Center.

Retail Goods & Expenditures

Products or Services	Amount
Apparel and Services	56,990,468
Computer Hardware, Software & Accessories	5,323,545
Entertainment & Recreation	210,136,065
Food at Home	123,046,020
Food Away from Home	91,561,936
Alcoholic Beverages	14,069,260
Health	13,505,295
Mortgage Payments & Basics	236,881,794
Home Maintenance & Remodeling	66,216,587
Utilities, Fuel, and Public Services	118,241,602
Household Furnishings & Equipment	33,969,508
Household Operations, Housekeeping	44,889,407
Insurance	145,440,981
Personal Care	12,449,992
School Book and Supplies	3,959,561
Smoking Products	8,407,300
Transportation	149,201,963
Travel	42,820,598
Total	\$1,377,111,882

Source: 2014 & 2015 Consumer Expenditure Surveys, Bureau of Labor Statistics

Currently, over two-thirds of the employed population 16 years of age and older (34,464 persons) are in White Collar occupations (72.6%) followed next by Services Industry (15.5%), with the remainder in Blue Collar (11.9%).

Retail Expenditures

Downtown Pflugerville is dotted with small retail operations along Main Street with the bulk of retail operations located along W. Pecan Street to the west, and north northeast along FM 685. During 2015, it is estimated City households spent over \$1.37 billion for retail goods and services.¹³

Area Businesses

As of the Summer of 2018, it is estimated there were 1,151 businesses in the Study Area, employing nearly 12,000 workers.

Tapestry Segments

According to ESRI’s 2018 Tapestry Segmentation, which provides a detailed description of America’s neighborhoods¹⁴, the City’s dominant lifestyle is the Up and Coming Families Tapestry (35%). The adult population in this Tapestry are young, diverse, and mobile, they traded a longer commute time for an affordable new house in a new suburban development. They shop for the best deals and spend their free time on movies at home, trips to theme parks and the zoo, and working out. They typically reside in single-family housing, where the median home value is \$194,000, slightly below the US Median of \$207,300. The median household income for this socioeconomic segment is \$72,500 well above the US Median of \$56,100.

The next dominant segment of residents identify with the Boomburbs Tapestry (25%) which is composed of young professionals that moved to the suburbs for the bigger homes they offer. They live in fully-developed neighborhoods and are more likely to have a mortgage than the average US adult. They typically reside in single-family housing, where the median home value is \$350,000. At \$113,400, the median

household income for this socioeconomic segment is over twice the US Median.

The third most dominant segment of residents identify with the Soccer Moms Tapestry (23%) which is an affluent and family-oriented market, with a country flavor. They live outside the city, but close enough to commute to their professional jobs. Both parents work to support their growing children, and they love time-saving innovations like online banking and housekeeping services. They typically reside in single-family housing, where the median home value is \$257,400. At \$90,500, the median household income for this socioeconomic segment is well above the US Median.

The Path Forward

With its many qualities, Pflugerville's economic prosperity should remain strong for the foreseeable future. Maximizing that prosperity with a structured long-term plan for new commercial and residential development can expedite the transformation of a defined geographic area. A plan that flourishes through commercial and private investment and directed with a public financing tool such as a Tax Increment Reinvestment Zone. The TIRZ directed economic development plan is implemented through the ability to capture and utilize incremental ad valorem tax revenue generated from real property, known as the captured taxable value. The incremental tax revenue is spent on agreed-upon improvements spurring the development and redevelopment within an area. The redevelopment occurs over a specified number of years.

Sources:

1. City of Pflugerville, History, 2018
2. Texas State Historical Association 2018
3. US Census Bureau Estimates for July 1, 2016-2017, 2018
4. Bureau of Labor Statistics 2018
5. Esri Community Profile, 2018
6. US Census Bureau Quick Facts 2017
7. Average Daily Traffic Volume, Kalibrate Technologies 2018
8. US Census 2016 ACS 5-year estimates
9. Pflugerville ISD 2018
10. Recent Home Listings, Trulia.com, 2018
11. Texas Education Agency, 2017
12. Austin Community College District and Service Area 2018
13. Esri Retail Goods and Services Expenditures 2018
14. Esri Community Tapestry Segmentation 2018