

ORDINANCE NO. P-2008-05-64

DESIGNATING THE RIVER CROSSING DEVELOPMENT PROJECT BEING A +/- 1528 ACRE AREA LOCATED IN THE SOUTHERN MOST AREA OF THE CITY AS A TAX INCREMENT REINVESTMENT ZONE; DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; PROVIDING FOR AN EFFECTIVE DATE AND A TERMINATION DATE FOR THE ZONE; NAMING THE ZONE "REINVESTMENT ZONE NUMBER TWO, CITY OF DONNA, TEXAS"; ESTABLISHING A TAX INCREMENT FUND; AND CONTAINING OTHER PROVISIONS RELATED THERETO.

WHEREAS, the City Council (the "Council") of the City of Donna, Texas (the "City") desires to support revitalization, economic development and job creation activities for the community through the construction of the RIVER CROSSING Development Project (the "Project"), to be funded in whole or in part through the creation of a Tax Increment Reinvestment Zone (the "Zone"), as hereinafter more specifically defined and named, and with boundaries as hereinafter provided, pursuant to the provisions of the Tax Increment Financing Act (the "Act"), Texas Tax Code, Chapter 311; and

WHEREAS, the City received a petition for Zone designation by owners representing over 50% of the appraised value of the land in the proposed Zone; and the City agrees to create the Zone as petitioned; and

WHEREAS, the proposed public improvements for the area may include the design and construction of streets with curbs, sidewalks, drainage, sewer, water, utilities, street lights and other public improvements which may be provided for in a Development Agreement to be considered by Council at a later date; and

WHEREAS, pursuant to the Act, the City may designate a contiguous geographic area within the jurisdiction of the City to be a Zone if the area satisfies certain sections of the Act; and

WHEREAS, §311.0031 of the Act states that an area designated as an enterprise zone under Chapter 2303 of the Government Code constitutes designation of the area as a reinvestment zone without further hearing or other procedural requirements; and

WHEREAS, on November 5, 2007, the Council adopted Resolution No. 2007-11-02, expressing its intent to create the proposed Zone in order to encourage the growth and development of new housing opportunities within the City limits; and

WHEREAS, pursuant to §311.003(e) of the Act, the City sent written notice to the governing body of each taxing unit that levies real property taxes in the proposed Zone of the City's intent to create a Tax Increment Reinvestment Zone within the corporate limits of the City to reimburse those certain costs associated with the Project, providing 60-days notice or requesting waiver of the notice requirement prior to the public hearing, as required by the Act; and

WHEREAS, both the governing bodies of the County of Hidalgo and the Donna Independent School District have taken action waiving such notice in furtherance of creation of the Zone, and

WHEREAS, pursuant to §311.003(b) of the Act, the City has distributed a copy of the Preliminary Finance Plan to the governing body of each taxing unit that levies taxes on real property in the proposed Zone, and

WHEREAS, pursuant to §311.0031 of the Act a public hearing is not required because the City of Donna is an enterprise zone under Chapter 2303 of the Government Code; but the City shall conduct a public hearing for the benefit of its residents and to foster open government.

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code; **NOW THEREFORE:**

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

SECTION 1. FINDINGS. The City hereby finds and declares that: (a) improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City; and (b) the Zone area meets the requirements of Section 311.005(a)(5) of the Act, being that the Zone area:

(1) is an area described in a petition requesting that the area be designated as a reinvestment zone, if the petition is submitted to the governing body of the municipality by the owners of property constituting at least 50 percent of the appraised value of the property in the area according to the most recent certified appraisal roll for the county in which the area is located.

The City, pursuant to the Act, further finds and declares that:

- (1) the proposed Zone is a contiguous geographical area located wholly within the corporate limits of the City of Donna;
- (2) the total appraised value of the taxable real property in the proposed Zone or in existing reinvestment zones, if any, does not exceed fifteen (15%) of the total appraised value of taxable real property in the City and in industrial districts created by the City;
- (3) the proposed Zone does not contain more than fifteen (15%) of the appraised value of real property taxable by Hidalgo County or by the Donna Independent School District; and
- (4) development or redevelopment within the boundaries of the proposed Zone will not occur solely through private investment in the reasonably foreseeable future.

SECTION 2. DESIGNATING THE AREA AS A REINVESTMENT ZONE. The area located in the most recently annexed, southern most part of the City and being commonly referred to as the “River Crossing Development Project”, with the boundaries as more specifically described in exhibits A and B attached hereto, and officially assigned the name as

designated in Section 5 below (which reinvestment Zone so described, named and designated is hereinafter referred to as the “Zone”), is hereby designated as a Tax Increment Reinvestment Zone pursuant to Chapter 311, Texas Tax Code.

SECTION 3. DESCRIPTION OF THE BOUNDARIES OF THE REINVESTMENT ZONE. Attached hereto as Exhibits “A” & “B” which are incorporated herein as if a part hereof, is a field note description and a map depicting the boundaries of the Zone, which consists of approximately 2000+/- acres of real property within the corporate limits of the City;

SECTION 4. CREATION AND COMPOSITION OF A BOARD OF DIRECTORS FOR THE ZONE. There is hereby created a Board of Directors (the “Board”) for the Zone, with all the rights, powers and duties as provided by the Act, including but not limited to §311.010, to include the powers provided under Chapter 211 of the Texas Local Government Code pursuant to §311.010(c) the Board shall consist of nine (9) members and have the following composition:

- a) Six (6) members appointed by the City of Donna, Texas by resolution of the City Council and meeting the requirements of §311.009(e) (2) of the Texas Tax Code; and
- b) One member appointed by Hidalgo County, Texas; and
- c) The member of the State Senate of District _____, or their designee; and
- d) The member of the State House of Representatives of District _____, or their designee.

SECTION 5. EFFECTIVE DATE AND TERMINATION DATE OF THE ZONE. The Zone shall take effect immediately upon passage of the ordinance (the “Effective Date”), and continue until its termination date of May 29, 2038 (the “Termination Date”), unless otherwise terminated earlier as a result of payment in full of all project costs, tax increment bonds, if any, including interest on said bonds, or as authorized or permitted by law, or extended as may be allowed by law.

SECTION 6. ASSIGNING A NAME TO THE ZONE. The Zone created hereby is assigned the name of “REINVESTMENT ZONE NUMBER TWO, CITY OF DONNA, TEXAS.”

SECTION 7. TAX INCREMENT BASE. The Tax Increment Base for the Zone is the total appraised value of all real property within the zone and taxable by the City and located in Zone, determined as of January 1, 2008, the year in which the Zone was designated as a Tax Increment Reinvestment Zone (the “Tax Increment Base”).

SECTION 8. ESTABLISHMENT OF A TAX INCREMENT FUND. There is hereby created and established in the depository bank of the City, a fund to be called the “REINVESTMENT ZONE NUMBER TWO, CITY OF DONNA, TEXAS TAX INCREMENT FUND” (herein call the “Tax Increment Fund”). Money in the Tax Increment Fund, from whatever source, may be disbursed from the Tax Increment Fund, invested, and paid as permitted by the Act or by any agreements entered into pursuant to the Act, or as otherwise authorized by law.

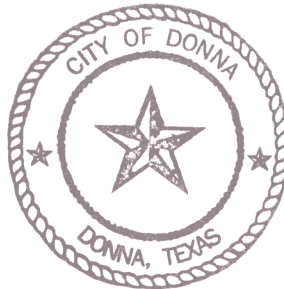
SECTION 9. INCORPORATION OF RECITALS. The Council hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the Council hereby incorporates such recitals as a part of this Ordinance.


SECTION 10. SEVERABILITY. If any provision of this Ordinance or the application thereof to any circumstances shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, as if such invalid provision had never appeared herein, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 11. EFFECTIVE DATE. The Zone shall take effect immediately upon passage of this ordinance, pursuant to §311.004(a)(3) of the Act.

PASSED AND APPROVED UPON FIRST READING ON THIS 14TH DAY OF MAY, 2008.


PASSED, APPROVED AND ADOPTED UPON SECOND AND FINAL READING ON THIS 29TH DAY OF MAY, 2008.






Ricardo Morales
Mayor

Attest:

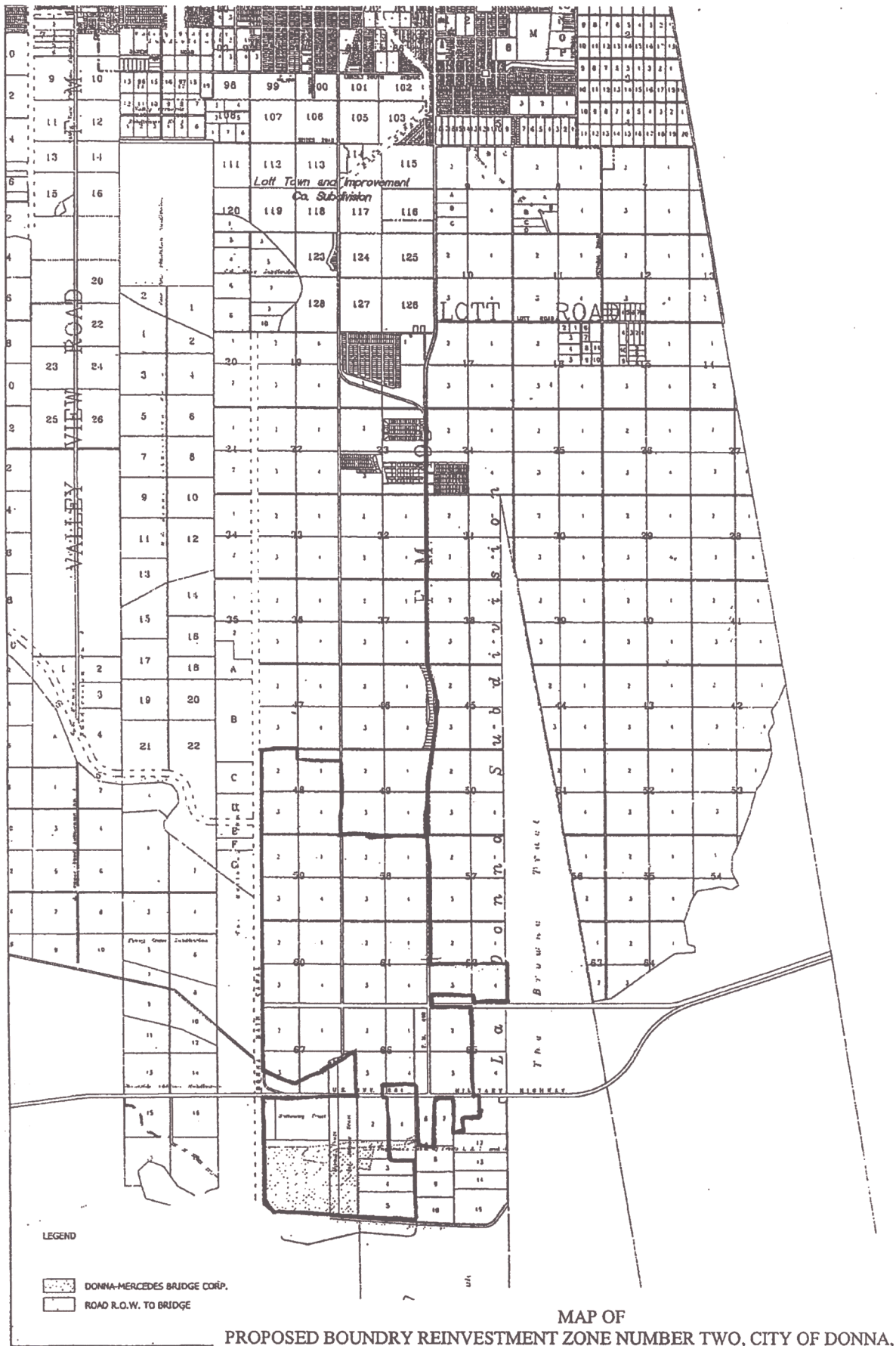


Martha Alvarado
City Secretary

Approved as to form and substance:



Javier Villalobos
City Attorney



MAP OF
 PROPOSED BOUNDARY REINVESTMENT ZONE NUMBER TWO, CITY OF DONNA, TEXAS
EXHIBIT A

March 7, 2007

**METES AND BOUNDS
ANNEXATION TO THE CITY OF DONNA
HIDALGO COUNTY, TEXAS**

A tract of land containing 1,528.16 acres situated in the County of Hidalgo, Texas, described as follows:

BEGINNING at the Northeast corner of Lot 1, Block 58, LA DONNA PLAT SUBDIVISION, according to the map thereof recorded in Volume 1, Page 51, Hidalgo County Map Records;

THENCE, S 08° 35' 22" W along the East lines of Blocks 58 and 61, La Donna Plat Subdivision and within the right-of-way of FM Road 493, a distance of 3,960.00 feet to the Southeast corner of Lot 1, Block 61;

THENCE, S 81° 24' 38" E along the North line of Lot 3, Block 62, La Donna Plat Subdivision, a distance of 1,320.00 feet to the Northeast corner of said Lot 3;

THENCE, S 08° 35' 22" W along the East line of Lot 3, Block 62, La Donna Plat Subdivision, a distance of 214.40 feet;

THENCE, along the South boundary of the Levee Easement to Hidalgo County Drainage District No. 1 (Vol.330 Pg.497 H.C.D.R.), to Hidalgo County (Vol.455 Pg.441 H.C.D.R.) and to the United States of America (Vol.457 Pg.461 H.C.D.R.), as follows: S 76° 33' 37" E a distance of 625.00 feet, S 83° 25' 19" E a distance of 105.39 feet and S 82° 45' 43" E a distance of 256.40 feet;

THENCE, S 08° 33' 15" W along the East line of Lot 4, Block 62, La Donna Plat Subdivision, a distance of 962.50 feet;

THENCE, N 81° 24' 38" W along the North line of a tract described in a Deed to San Benito Rio Grande Valley Railroad Company (Vol.184 Pg.311 H.C.D.R.), a distance of 985.00 feet;

THENCE, S 08° 35' 22" W along the East lines of Lot 3, Block 62 and Lots 2 and 3, Block 65, La Donna Plat Subdivision, a distance of 2,740.00 feet to the Southeast corner of said Lot 3, Block 65;

THENCE, S 81° 24' 38" E along the South line of Lot 4, Block 65, La Donna Plat Subdivision and within the right-of-way of U.S. 281-Military Highway, a distance of 189.96 feet;

THENCE, S 08° 35' 22" W within Lot 11, out of the C. R. Engelman Subdivision of Lands in the La Blanca Grant according to the plat thereof recorded in Volume 1, Page 60, Hidalgo County Map Records, a distance of 678.85 feet;

THENCE, N 81° 24' 38" W within Lot 11 in said C. R. Engelman Subdivision and along the North line of a 5.0-acre tract described in Document #898108, Hidalgo County Official Records, a distance of 466.69 feet;

THENCE, S 08° 35' 22" W within Lot 11 in said C. R. Engelman Subdivision and along the West line of said 5.0-acre tract described in Document #898108, Hidalgo County Official Records, a distance of 466.69 feet;

THENCE, N 81° 24' 38" W along the South line of said Lot 11, C. R. Engelman Subdivision, a distance of 300.21 feet to the Southwest corner of said Lot 11;

THENCE, N 08° 35' 22" E along the East line of said Lot 11, C. R. Engelman Subdivision, a distance of 1131.91 feet to the Northwest corner of said Lot 11;

THENCE, N 81° 24' 38" W along the North of Lot 7 in said C. R. Engelman Subdivision of Lands in the La Blanca Grant and within the right-of-way of U.S. 281-Military Highway, a distance of 575.80 feet to the Northeast corner of Lot 6 in said C. R. Engelman Subdivision of Lands in the La Blanca Grant;

THENCE, S 08° 35' 22" W along the East line of said Lot 6, C. R. Engelman Subdivision, a distance of 1513.10 feet to the Southeast corner of said Lot 6;

THENCE, N 81° 24' 38" W along the South line of said Lot 6, C. R. Engelman Subdivision, a distance of 575.80 feet to the Southwest corner of said Lot 6;

THENCE, N 08° 35' 22" E along the West line of said Lot 6, C. R. Engelman Subdivision, a distance of 1,530.10 feet to the Northwest corner of said Lot 6;

THENCE, N 81° 24' 38" W along the North of Lot 1 in said C. R. Engelman Subdivision of Lands in the La Blanca Grant and within the right-of-way of U.S. 281-Military Highway, a distance of 20.31 feet;

THENCE, N 08° 27' 23" E at a distance of 79.96 feet pass the North right-of-way line of U.S. 281-Military Highway, continuing now along the East line of a 7.0-acre tract described in Volume 892 page 237, Hidalgo County Deed Records, for a total distance of 379.96 feet;

THENCE, N 81° 32' 37" W along the North line of said 7.0-acre tract described in Volume 892 page 237, Hidalgo County Deed Records, a distance of 1016.40 feet;

THENCE, S 08° 27' 23" W along the West line of said 7.0-acre tract described in Volume 892 page 237, Hidalgo County Deed Records, at a distance of 300.00 feet pass the North right-of-way line of U.S. 281-Military Highway, continuing for a total distance of 377.60 feet;

THENCE, S 81° 24' 38" E along the North of Lot 2 in said C. R. Engelman Subdivision of Lands in the La Blanca Grant and within the right-of-way of U.S. 281-Military Highway, a distance of 122.51 feet;

THENCE, S 08° 35' 22" W along the East line of said Lot 2, C. R. Engelman Subdivision, a distance of 1,905.90 feet to the Southeast corner of said Lot 2;

THENCE, S 81° 24' 38" E along the North of Lot 3 in said C. R. Engelman Subdivision of Lands in the La Blanca Grant, a distance of 914.20 feet to the Northeast corner of said Lot 3;

THENCE, S 08° 35' 22" W along the East lines of said Lots 3, 4 and 5, C. R. Engelman Subdivision of Lands in the La Blanca Grant, a distance of 1,208.80 feet;

THENCE, N 81° 24' 38" W within Lot 5 in said C. R. Engelman Subdivision of Lands in the La Blanca Grant, a distance of 1,791.80 feet;

THENCE, S 08° 35' 22" W along the East line of the Handy Tract as shown in the plat of C. R. Engelman Subdivision of Lands in the La Blanca Grant (Vol.1 Pg.60 H.C.M.R.), a distance of 524.50 feet;

THENCE, N 77° 48' 59" W along the South line of the Handy and the Muñoz Tracts, and its extension as shown in the plat of C. R. Engelman Subdivision of Lands in the La Blanca Grant (Vol.1 Pg.60 H.C.M.R.), a distance of 2,615.17 feet;

THENCE, N 38° 04' 45" W along the East line of the 200-foot Donna Irrigation District No.1 Main Canal right-of-way, a distance of 370.90 feet;

THENCE, N 08° 35' 22" E along the East line of the 200-foot Donna Irrigation District No.1 Main Canal right-of-way, a distance of 1,873.74 feet;

THENCE, S 81° 24' 38" E a distance of 27.35 feet;

THENCE, N 08° 35' 22" E along the West line of a certain 11.42-acre tract designated as Tract 8-C in Document #741019 Hidalgo County official Records, a distance of 1,347.00 feet;

THENCE, S 81° 24' 38" E along the North line of said 11.42-acre tract, the North line of the above mentioned Muñoz Tract and within the right-of-way of U.S. 281-Military Highway, a distance of 2,264.20 feet;

THENCE, N 08° 35' 22" E along the extended East line of said Muñoz Tract also being the East line of a certain 8.394-acre tract described in Document #696213, Hidalgo County Deed Records, a distance of 1024.27 feet;

THENCE, N 81° 24' 38" W along a Northern boundary of said 8.394-acre tract described in Document #696213, Hidalgo County Deed Records, a distance of 277.80 feet;

THENCE, S 08° 35' 22" W along a Western boundary of said 8.394-acre tract described in Document #696213, Hidalgo County Deed Records, a distance of 76.81 feet;

THENCE, along the "centerline of the Ruthven Resaca" as follows: S 68° 54' 22" W a distance of 617.32 feet, S 61° 41' 22" W a distance of 450.00 feet, S 79° 55' 22" W a distance of 150.00 feet and N 57° 38' 38" W a distance of 1065.00 feet;

THENCE, N 08° 35' 22" E along the East line of the 200-foot Donna Irrigation District No.1 Main Canal right-of-way and within Blocks 67, 60, 59 and 48 out of La Donna Plat Subdivision (Vol.1, Pg. 51, H.C.M.R.), a distance of 9,822.30 feet;

THENCE, S 81° 24' 38" E along the North line of Lot 2, Block 48, La Donna Plat Subdivision, a distance of 1,120.00 feet;

THENCE, S 08° 35' 22" W along the East line of said Lot 2, Block 48, La Donna Plat Subdivision, a distance of 330.00 feet;

THENCE, S 81° 24' 38" E a distance of 1,320.00 feet;

THENCE, S 08° 35' 22" W along the East lines of Lots 1 and 4, Block 48, La Donna Plat Subdivision, a distance of 2,310.00 feet;

THENCE, S 81° 24' 38" E along the North lines of Lots 2 and 1, Block 58, La Donna Plat Subdivision, a distance of 2,640.00 feet to the POINT OF BEGINNING and containing 1,519.32 acres of land, more or less.

SAVE AND EXCEPT a 200'x200' tract containing 0.918 of one acre, being the North 200 feet of the East 200 feet of Lot 1, Block 66, La Donna Plat Subdivision (Reference Deeds: Vol.352 Pg.151 and Vol.477 Pg.379 Hidalgo County Deed Records).

Prepared by:
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