

12/1/08 Fax to: Noel Mordez
973-7804



Queen City of the Rio Grande Valley

November 21, 2008

COPY

Sylvia S. Handy
Commissioner Precinct 1
Hidalgo County
1902 Joe Stephens Ave.
Weslaco, TX 78596

Re: City of Mercedes Tax Increment Finance Zone Number One

Dear Commissioner Handy:

The City of Mercedes is proposing to create a Tax Increment Reinvestment Zone (TIRZ) under Chapter 311.005 (2). The site of the development is in an area of Hidalgo County that has inadequate infrastructure and is in need of development. The City requests that Hidalgo County accept this correspondence in satisfaction of the procedural requirements outlined by Chapter 311 of the Texas Tax Code ("Tax Increment Financing Act").

As required by the Tax Increment Financing Act, Mercedes intends to establish the City of Mercedes Tax Increment Reinvestment Zone no earlier than sixty (60) days of the date of this correspondence. However, the City is requesting a waiver of the sixty (60) day requirement from Mercedes ISD in order to perfect the creation of the Zone prior to December 31, 2008. The City of Mercedes TIRZ zone includes approximately 1,017 +/- acres throughout the City. The City of Mercedes TIRZ proposes to raise approximately \$30,942,886 over a twenty-five (25) year period for public improvements including collector streets, arterials, regional drainage improvements, utilities, sewer and water plant expansions, public safety and municipal facility improvements, regional park improvements including soccer fields, economic development and future road and utility right-of-way acquisition. The projected value of the increment created is \$124,250,000. The Base Value of the Zone is approximately \$74,173,671. We would like to make this presentation at your regularly scheduled meeting on Tuesday, December 9, 2008.

The agenda item should be styled: Statutory presentation by the City of Mercedes on the creation of the Mercedes Tax Increment Reinvestment Zone Number One, City of Mercedes and waiving the sixty (60) day notice for the creation of the Zone.

Thank you for your assistance with this,

Sincerely,

A handwritten signature in black ink, appearing to read 'Ricardo Garcia', written in a cursive style.

Ricardo Garcia, City Manager

cc: Files ✓