

**RESOLUTION OF INTENT TO PARTICIPATE IN PROPOSED
REINVESTMENT ZONE NUMBER ONE, CITY OF MCALLEN, TEXAS**

WHEREAS, the County of Hidalgo desires to promote and encourage the orderly growth and development within the County, and encourage the creation of economic development and new jobs within the County; and

WHEREAS, the City of McAllen (“City”) has informed the County that the City intends to annex approximately 2500 acres of land, and to create a tax increment reinvestment zone (“TIRZ”) on such land within the corporate limits of the City of McAllen to be named “Reinvestment Zone Number One, City of McAllen” (and also to be known as the “Tres Lagos TIRZ”), in order to cause the expansion of the tax base through establishment of new quality commercial, retail, and residential development; and

WHEREAS, the Tres Lagos TIRZ, as proposed, will contain more than 2000 acres of contiguous property which is currently predominately vacant and used for agricultural purposes, will add over \$2,000,000,000.00 to the tax rolls of the County, will eliminate the County’s costs for street maintenance and emergency services within the TIRZ after creation due to the City providing such services, and will require the use of recycled water and availability of high speed fiber data service to each future home and business in the TIRZ, resulting in significantly more tax revenue to the County and less street maintenance and emergency services cost than would likely occur without the establishment of the TIRZ; and

WHEREAS, the Tres Lagos TIRZ, as proposed, would satisfy the requirements of Section VI.3.a.ii of the Amended and Restated Tax Increment Reinvestment Zone Participation Policy for Hidalgo County adopted November 18, 2014 (the “TIRZ Policy”), and would authorize County participation at an amount not to exceed 100% of the Applicable M&O Tax Rate, as such term is defined in the TIRZ Policy, for a term of up to 30 years; and

WHEREAS, a Joint City and County Committee reviewed the merits and desirability of in the proposed TIRZ and has recommended the City participate at a level of 80% of the City’s M&O tax rate and the County participate at a level of 77% of the Applicable M&O Tax Rate, each for a term of 30 years, and the City has formally requested the County to participate in the proposed TIRZ on such terms, subject to the negotiation and future approval of an acceptable interlocal agreement in accordance with the TIRZ Policy; and

WHEREAS, based on the benefits and special circumstances for economic development that will be generated through the creation of, and participation by the County in, the proposed Tres Lagos TIRZ, the County wishes to express its intent to participate in the proposed Tres Lagos TIRZ at a level of 77% of the Applicable M&O Tax Rate for a term of 30 years, subject to negotiation and future approval by the Commissioners Court of an acceptable interlocal agreement in accordance with the TIRZ Policy;

NOW, THEREFORE, BE IT RESOLVED that the Hidalgo County Commissioners Court does hereby express its intent to participate in the proposed Tax Increment Reinvestment Zone Number One, City of McAllen (the “Zone”) at a level of 77% of the Applicable M&O Tax Rate on the tax increment generated within the Zone for a term of 30 years, subject to and conditioned on all of the following:

1. When the Zone is created, the Zone contains more than 2,000 contiguous acres of land.
2. When the Zone is created, the property in the Zone is predominately vacant and used for agricultural or open space purposes.
3. The property in the Zone is annexed into the corporate limits of the City of McAllen within one year of the creation of the Zone.
4. When the Zone is created, the Zone is projected to result in an increase of tax base of at least \$2,000,000,000.
5. When the Zone is created and throughout the life of the Zone, the City will relieve the County of responsibility for street maintenance and emergency services within the Zone.
6. When the Zone is created and throughout the life of the Zone, the Zone requires the use of recycled water for open space areas and the availability of high speed fiber data service to each future home and business in the Zone.
7. The City of McAllen participates at a level of 80% of the City's M&O tax generated within the Zone for a term of 30 years.
8. If not previously provided to the County, all information required pursuant to the Policy is provided to the County so that the County may complete its review of the Zone in accordance with the Policy.
9. An interlocal agreement between the City of McAllen and the County setting forth acceptable terms and conditions for participation in the Zone by the County is presented to and approved by the Hidalgo Commissioners Court in furtherance of the intent expressed herein and in accordance with applicable law and the Policy.

Approved this 18th day of November, 2014.

RAMON GARCIA
County Judge

A.C. CUELLAR, JR.
County Commissioner, Pct. 1

HECTOR "TITO" PALACIOS
County Commissioner, Pct. 2

JOE M. FLORES
County Commissioner, Pct. 3

JOSEPH PALACIOS
County Commissioner, Pct. 4

Attest: ARTURO GUAJARDO, JR.
Hidalgo County Clerk