

CITY OF DONNA

Agenda Item Request

All items being requested to be placed on an agenda must be submitted 5 business days before the meeting date.

Meeting:

CITY COUNCIL Reg _____ Sp _____ DONNA ECONOMIC DEV. CORP. INC. (4A) _____
 PLANNING & ZONING BOARD _____ DEV. CORP. OF DONNA, INC. (4B) _____
 OTHER _____

Date Submitted: 12/3/2014 Meeting Date: 12/9/2014 Agenda Item #: 11.(B)
 Meets 5 day requirement? Yes _____ No (City Manager approval): _____

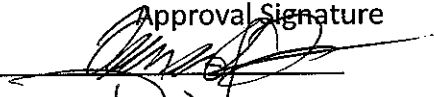
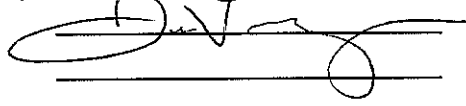
Item Requested by:
 Councilmember: _____ City Manager: Fernando Flores 
 Finance Director: David Vasquez

Agenda Wording: Consideration and possible action on approval of an ordinance authorizing the dissolution of Tax Reinvestment Zone # 1 and other matters related thereto.

Item Description: _____

Attachments: Yes _____ No (Attachments must be submitted for item to be considered for agenda)

Item Budgeted: _____ Yes _____ No _____ N/A Alternate options/cost: _____

<u>Routing Process: Name/Title</u>	<u>Date</u>	<u>Approval Signature</u>
From: Fernando Flores, Interim C. M	12/3/2014	
To: David Vasquez, Fin. Dir.	12-5-14	
From: _____	_____	_____
To: _____	_____	_____

Staff Recommendation: _____

Executive Session Required: _____ Yes _____ No
City Attorney Action: _____ Approved _____ Denied _____ No Response

City Council Action: _____ Approved _____ Denied _____ Tabled _____ No Action

Finance Dept. Action: _____ Approved _____ Denied _____ N/A Date: _____

**ORDINANCE AUTHORIZING THE DISSOLUTION OF TAX REINVESTMENT
ZONE #1 AND OTHER MATTERS RELATED THERETO**

WHEREAS, pursuant to Ordinance No. PL-2006-007-10 (the "Authorizing Ordinance"), the City Council of the City of Donna, Texas (the "City") authorized the creation of the Tax Reinvestment Zone #1 (the "TIRZ") pursuant to Chapter 311, Texas Tax Code (the "Code");

WHEREAS, pursuant to a certain Development Agreement (the "Agreement") between the City and Grande Valley Homes, LLC d/b/a Casa Linda Homes (the "Developer"), the Developer was required to develop the Red River Project (the "Project") as described in the Agreement;

WHEREAS, the Project was never developed in accordance with the Agreement and the Developer has entered into bankruptcy and no longer owns the Project;

WHEREAS, because the Project is now defunct, the City desires to dissolve the TIRZ and recover the tax base encompassed by the TIRZ;

WHEREAS, Hidalgo County, Texas (the "County") as a taxing entity and a participant in the TIRZ, pursuant to a certain interlocal agreement between the County, the City, the TIRZ, and the Developer (the "Interlocal Agreement"), has expressed its desire to withdraw such participation because the Developer has not satisfied its obligations under the Agreement, and the Project has not been completed to generate the intended benefits to the County and City;

WHEREAS, the Authorizing Ordinance permits the dissolution of the TIRZ at any time by the City should no other taxing entities participate in the TIRZ, all other taxing entities withdraw participation, or if any development agreements fail for any reason;

WHEREAS, the City has provided notice of its intent to dissolve the TIRZ to the County and the Developer; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DONNA, TEXAS THAT:

Section 1. The Tax Reinvestment Zone #1 is hereby dissolved.

Section 2. The City Manager, staff, consultants, and counsel, are authorized to negotiate terms necessary to transfer available TIRZ funds to the City pursuant to the Agreement, the Interlocal Agreement, and the Code.

Section 3. The Council hereby finds that the statements set forth in the recital of this Ordinance are true and correct, and the Council hereby incorporates such recitals as a part of this Ordinance.

Section 4. 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 5. It is hereby officially found and determined that the meeting at which this Resolution was adopted 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, as amended.

Section 6. This Ordinance shall take effect upon approval and withdrawal of its participation by the County and in accordance with the City Charter.

PASSED AND APPROVED upon first reading this 9th day of December, 2014.

PASSED, APPROVED AND ADOPTED upon second and final reading on this ____ day of December, 2014.

ATTEST:

Martha Alvarado
City Secretary

David Hernandez
Mayor

Approve as to form and substance:

City Attorney

(CITY SEAL)