

**ORDER ADOPTING AMENDMENT TO GUIDELINES AND CRITERIA
FOR
GRANTING TAX ABATEMENTS
IN HIDALGO COUNTY, TEXAS**

WHEREAS, the Commissioners Court of Hidalgo County, Texas, adopted Guidelines and Criteria for Granting Tax Abatements in Hidalgo County, Texas, effective December 22, 2014, (the "Guidelines") to allow Hidalgo County, on a case-by-case basis, to give consideration to providing tax abatement as a stimulation for economic development in Hidalgo County pursuant to chapter 312 of the Texas Tax Code (the "Property Redevelopment and Tax Abatement Act").

WHEREAS, the Commissioners Court of Hidalgo County desires to amend the Guidelines in order to better provide for the stimulation of economic development in Hidalgo County.

WHEREAS, pursuant to the Property Redevelopment and Tax Abatement Act, amending the Guidelines requires a vote of three-fourths of the governing body of Hidalgo County.

NOW, THEREFORE IT IS HEREBY ORDERED that the Commissioners Court of Hidalgo County, Texas, hereby adopts the Amendment to Guidelines and Criteria for Granting Tax Abatements in Hidalgo County, Texas, attached as Exhibit A.

PASSED, APPROVED, ADOPTED AND ORDERED this the 15th day of December, 2015, by the Commissioners Court of Hidalgo County, Texas.

SIGNED AND ENTERED ON THE ABOVE DATE BY THE FOLLOWING MEMBERS OF THE HIDALGO COUNTY COMMISSIONERS COURT

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

Attested to:

APPROVED AS TO FORM:
ATLAS AND HALL, L.L.P.

ARTURO GUAJARDO, JR.
County Clerk

By: _____
STEPHEN L. CRAIN

EXHIBIT A

AMENDMENT EFFECTIVE DECEMBER 15, 2015 TO

DECEMBER 22, 2014
GUIDELINES AND CRITERIA FOR
GRANTING TAX ABATEMENTS
IN HIDALGO COUNTY, TEXAS

I. Expansion of Projects onto Additional Property. In order to allow for the expansion of Projects for which tax abatement agreements are already in effect, the following changes are made to the Guidelines and Criteria for Granting Tax Abatements in Hidalgo County, Texas, effective December 22, 2014 (the “Guidelines and Criteria”):

1. The following new definitions are added to Section II of the Guidelines and Criteria as new definitions “L” and “GG”, and all subsequent definitions are renumbered according:

L. “Existing Project” means any Project for which there is an Agreement in existence between the County and an Owner and/or a Lessee with respect to which the Tax Abatement Period has not expired.

GG. “Supplemental Project” means any Project that is an expansion of an Existing Project onto additional Property. Supplemental Projects must qualify as a Project without taking into account the related Existing Project, but may have different terms as set forth in Section III.G.(1) below.

2. Section III.G.(1)(a) is amended to read in its entirety as follows:

(a) General. Except with respect to Extraordinary Impact Projects in which subsection III.G.(1)(b) below applies and Supplemental Projects, the percent of value to be abated will be determined by the greater percentage for which the Project qualifies as set forth below based on the Capital Cost expended by the Owner and/or Lessee, as the case may be, in the Project or the number of Jobs created:

Percent of Increase in Property Value to be Abated	Capital Cost of the Project	Number of Jobs Created
0%	Less than \$1,500,001	0 – 25
25%	\$1,500,001 up to and including \$5,000,000	26 – 50
50%	Over \$5,000,000 up to and including \$10,000,000	51 – 100
80%	Over \$10,000,000	101 or more

3. Section III.G.(1) is amended by adding the following new provision c immediately before Section III.G.(2):

(c) Supplemental Projects. With respect to Supplemental Projects, the percent of value to be abated will be determined by the County and shall not exceed the greater percentage for which the Supplemental Project qualifies as set forth below based on the Capital Cost expended by the Owner and/or Lessee, as the case may be, in the Supplemental Project or the number of Jobs created:

Maximum Percent of Increase in Property Value to be Abated	Capital Cost of the Project*	Number of Jobs Created*
0%	Less than \$1,500,001	0 – 25
25%	\$1,500,001 up to and including \$5,000,000	26 – 50
50%	Over \$5,000,000 up to and including \$10,000,000	51 – 100
80%	Over \$10,000,000	101 or more

*In the event of any irreconcilable dispute between the parties as to the allocation of Jobs and Capital Cost between an Existing Project and the related Supplemental Project, the County will make the final determination as to such allocation.

II. Except as expressly amended hereby, the Guidelines and Criteria are hereby ratified and confirmed. The full text of the Guidelines and Criteria, with these amendments incorporated, is attached below.