ORDER APPROVING AN INTERLOCAL AGREEMENT BY AND AMONG THE CITY OF McALLEN, TEXAS, HIDALGO COUNTY AND TAX INCREMENT REINVESTMENT ZONE NUMBER 2A, CITY OF McALLEN TEXAS ALLOWING FOR HIDALGO COUNTY TO PARTICIPATE IN REINVESTMENT ZONE NUMBER 2A, CITY OF McALLEN, TEXAS

WHEREAS, representatives of the **CITY OF MCALLEN, TEXAS** (the "***City***") have advised **HIDALGO COUNTY, TEXAS** (the "***County***") that pursuant to Ordinance No. 2016-88 adopted by the City Commission of the City on December 12, 2016, the City created **REINVESTMENT ZONE NUMBER 2A, CITY OF MCALLEN, TEXAS** (the "***Zone***") in accordance with the provisions of Chapter 311, Texas Tax Code, as amended (the "***Act***"); and

WHEREAS, the City has also advised the County that the Zone contains approximately 1,769 acres of contiguous property, which is predominately undeveloped, vacant and/or blighted and underdeveloped, and that the proposed project will significantly enhance the value of all of the taxable real property within the Zone, and that the Zone meets the requirements of Section 311.005 of the Act; and

WHEREAS, the City had previously designated Reinvestment Zone Number Two, City of McAllen ("***TIRZ Two***"), which included some of the property within the Zone; and

WHEREAS, the City has advised the County that it dissolved TIRZ Two on December 12, 2016, prior to the designation of the Zone, and that the Zone is a separate tax increment reinvestment zone from TIRZ Two; and

WHEREAS, based on the benefits for economic development that will be generated through the creation of, and participation by the County in, the proposed project in the Zone, the City and the County now deem it necessary and appropriate to enter into an interlocal agreement for the purposes of establishing their obligations with respect to the payment of tax increment revenues generated from certain ad valorem taxes levied within the Zone, as permitted by the Act, all as set forth in that certain *Interlocal Agreement* among the City, the County and the Zone relating to the Zone (the "***Interlocal Agreement***"); and

WHEREAS, representatives of the City have advised the County that, the City adopted the Interlocal Agreement in substantially final form on April 24, 2017, which Interlocal Agreement provides for the County to designate a second member to the Zone board of directors; and

WHEREAS, the final draft of the Interlocal Agreement, which is attached hereto as Exhibit "I", has been presented by the City to, and reviewed by, the staff and the Commissioners Court of the County, and the Commissioners Court of the County has determined that it is necessary and appropriate to assist with financing the project, and will be beneficial to the Zone, by approving the Interlocal Agreement to accomplish the purposes set forth therein; and

NOW THEREFORE:

BE IT ORDERED BY THE COMMISSIONERS COURT OF HIDALGO COUNTY TEXAS:

SECTION 1. APPROVAL OF INTERLOCAL AGREEMENT. The Interlocal Agreement is hereby approved in the form attached hereto as Exhibit "I", and the County Judge of the County is authorized to execute, and the County Clerk of the County is authorized to attest, the Interlocal Agreement on behalf of the County and deliver same, and when executed and delivered by all of the parties thereto, the Interlocal Agreement shall become a valid and binding obligation of the County in accordance with its terms.

SECTION 2. ENFORCEABILITY OF ORDER. If any section, paragraph, clause, or provision of this Order shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Order. In case any obligation of the County authorized or established by this Order or the Interlocal Agreement is held to be in violation of law as applied to any person or any circumstance, such obligation shall be deemed to be the obligation of the County to the fullest extent permitted by law.

SECTION 3. INCORPORATION OF RECITALS. The Commissioners Court hereby finds that the statements set forth in the recitals of this Order are true and correct, and the Commissioners Court hereby incorporates such recitals as a part of this Order.

SECTION 4. EFFECTIVE DATE. This Order shall become effective immediately on the date of its passage by the Commissioners Court.

PASSED, APPROVED and ADOPTED this 3rd day of October, 2017.

HIDALGO COUNTY, TEXAS

By:_____
Ramon Garcia
County Judge
Hidalgo County, Texas

ATTEST:

_____
Arturo Guajardo, Jr.
Hidalgo County Clerk

EXHIBIT I TO COUNTY ORDER

INTERLOCAL AGREEMENT BETWEEN THE CITY OF MCALLEN, TEXAS, REINVESTMENT ZONE NUMBER 2A, HIDALGO COUNTY AND CITY OF MCALLEN, TEXAS FOR PARTICIPATION IN REINVESTMENT ZONE NUMBER 2A, CITY OF MCALLEN, TEXAS