

**AN ORDER OF THE COUNTY COMMISSIONERS COURT  
OF HIDALGO COUNTY, TEXAS,  
CLARIFYING THE COUNTY'S PARTICIPATION IN  
REINVESTMENT ZONE NUMBER ONE, CITY OF MCALLEN, TEXAS**

**WHEREAS**, pursuant to Ordinance No. 2014-75 adopted by the City Commission of the City of McAllen, Texas (hereinafter, "City"), on December 22, 2014, the City created Reinvestment Zone Number One, City of McAllen, Texas (hereinafter, "Zone"), in accordance with the provisions of Chapter 311, Texas Tax Code, as amended; and

**WHEREAS**, Hidalgo County, Texas (hereinafter, "County"), agreed to participate in the Zone, based on the benefits and special circumstances for economic development that would be generated through the creation of, and participation by the County in, the project known as the Tres Lagos Development Project, as referenced in the Commissioners Court Order of March 17, 2015; and

**WHEREAS**, the Commissioners Court of Hidalgo County, Texas, approved the First Amendment to the Interlocal Agreement pursuant to an order approved at a meeting held on September 15, 2015; and

**WHEREAS**, the Commissioners Court of Hidalgo County, Texas, passed an order ratifying Hidalgo County's participation in the Amended and Restated Interlocal Agreement (as to McAllen TIRZ Number One) (hereinafter "Interlocal Agreement") at a special meeting held on April 5, 2016, which order is attached hereto as **Exhibit A**; however, said order was never executed by the County; and

**WHEREAS**, the passage of the Interlocal Agreement by the County in 2016 included approval and adoption of the revised "Supplemental Project and Finance Plan," which included certain tracts of land, identified under the Hidalgo County Central Appraisal District (HCAD) Property ID Number(s): 224742, 224751, 546126, 1074944, and 547649 (collectively referred to hereinafter as "TIRZ Expansion Tracts"), into the Zone; and

**WHEREAS**, the City Commission of McAllen, Texas, signed into effect Ordinance No. 2023-107 on August 14th, 2023, which ratified the former amendment and enlargement of the Zone by inclusion or annexation of the TIRZ Expansion Tracts into the Zone; and

**WHEREAS**, the Commissioners Court of Hidalgo County finds that the Zone boundaries were amended under the terms of the Interlocal Agreement to include the TIRZ Expansion Tracts within the Zone boundaries on April 5, 2016, and, to the extent applicable, seeks to clarify its participation in the former expansion by this Order to resolve any ambiguity that may exist as to the same; and

**WHEREAS**, the Commissioners Court of Hidalgo County has reviewed this Order, and now desires to confirm its participation in the expanded boundaries of the Zone in order to better provide for the stimulation of economic development in Hidalgo County; and

**WHEREAS**, proper notice of the hearing at which this Order is passed has been provided as required by law;

**NOW, THEREFORE IT IS HEREBY ORDERED** that the Commissioners Court of Hidalgo County, Texas, hereby:

1. Finds the aforementioned recitals to be true and accurate.
2. The Commissioners Court of Hidalgo County previously agreed for the County to participate in the Zone's amended boundaries through the County's approval and adoption of the Supplemental Project and Finance Plan (through the County's participation in the Interlocal Agreement dated April 5, 2016).
3. The County hereby confirms its participation in the Zone in accordance with the terms of said Interlocal Agreement, and to the extent necessary consents to the County's participation in said Zone, including its participation in the TIRZ Expansion Tracts referenced below:
  - a. **Tract 1:** being approximately 92.64 acres and identified under HCAD Prop. ID No. 224742;
  - b. **Tract 2:** being approximately 4.43 acres and identified under HCAD Prop. ID No. 224751;
  - c. **Tract 3:** being approximately 84.90 acres and identified under HCAD Prop. ID No. 546126;
  - d. **Tract 4:** being approximately 51.168 acres and identified under HCAD Prop. ID No. 1074944; and
  - e. **Tract 5:** being approximately 34.90 acres and identified under HCAD Prop. ID No. 547649.
4. The TIRZ Expansion Tracts identified above (Tracts 1-5) are additionally depicted in the map attached hereto as **Exhibit B**, which is incorporated herein for reference.
5. The Commissioners Court of Hidalgo County, to the extent applicable, hereby confirms its participation in the Zone under the passage of the Order adopting the 2016 Interlocal Agreement, which through the Supplemental Project and Finance Plan, included the addition of TIRZ Expansion Tracts into the Zone.
6. This Order take immediate effect and is retroactive to April 5, 2016.

**PASSED, APPROVED, ADOPTED AND ORDERED** this the \_\_\_\_ day of \_\_\_\_\_ 2024, by the Commissioners Court of Hidalgo County, Texas.

**[Signature page follows.]**

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

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**RICHARD F. CORTEZ**  
County Judge

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**DAVID L. FUENTES**  
County Commissioner, Pct. 1

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**EDUARDO "EDDIE" CANTU**  
County Commissioner, Pct. 2

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**ELVERARDO "EVER" VILLARREAL**  
County Commissioner, Pct.3

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**ELLIE TORRES**  
County Commissioner, Pct. 4

Attested to:

Approved as to Form:

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**ARTURO GUAJARDO, JR.**  
County Clerk

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**EUGENE R. VAUGHAN, III**  
Attorney for Hidalgo County

**EXHIBIT A**  
**Order Approved by Hidalgo County Commissioners Court**  
**On April 5, 2016**

**ORDER APPROVING**  
**AMENDED AND RESTATED INTERLOCAL AGREEMENT**  
**(AS TO MCALLEN TIRZ NUMBER ONE)**

*WHEREAS*, pursuant to Ordinance No. 2014-75 adopted by the City Commission of the CITY OF MCALLEN, TEXAS (the “City”) on December 22, 2014, the City created REINVESTMENT ZONE NUMBER ONE, CITY OF MCALLEN, TEXAS (the “Zone”) in accordance with the provisions of Chapter 311, Texas Tax Code, as amended and

*WHEREAS*, HIDALGO COUNTY, TEXAS (the “County”) agreed to participate in the Zone, 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 project known as the Tres Lago Development Project, as referenced in the Commissioners Court Order of March 17, 2015;

*WHEREAS*, the City, the County, Rhodes Enterprises, Inc. (the “Developer”) and the Zone entered into that certain *Interlocal Agreement*, dated as of March 17, 2015 (the “*Interlocal Agreement*”), which provides, among other things, that the City participate in the Zone at a level of 80% of the City’s M&O tax rate and the County participate in the Zone at a level of 77% of the Applicable M&O Tax Rate and a maximum contribution by the County of \$143,318,484 (the “*Original Cap*”); and

*WHEREAS*, the City and the board of the Zone approved a supplemental plan for the Zone, which includes, in accordance with a Letter of Intent dated and entered into September 15, 2015, among The Texas A&M University System and Texas A&M University (collectively, “Texas A&M”), the City and the County, the development, on approximately 100 acres of land within the original Tres Lagos Development Project, of a new Texas A&M campus (the “*Supplemental Project*”); and

*WHEREAS*, the County previously determined that the Tres Lagos Development Project for the Zone, even without the Supplemental Project, satisfied the requirements of Section VI.3.a.ii of the Amended and Restated Tax Increment Reinvestment Zone Participation Policy for Hidalgo County (as such policy was amended on March 10, 2015, the “*TIRZ Policy*”), which authorizes 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; and

*WHEREAS*, on September 15, 2015, the City Council of the City and the Commissioners Court of the County met together to consider the Supplemental Project, and the benefits of it, including to economic development, at which time the City, the County, the Developer and the Zone deemed it necessary and appropriate to amend the Interlocal Agreement for the purposes of adding the Supplemental Project, and implementing the supplemental plan, including increasing the City’s and the County’s participation, providing for the related bonds and/or other financing, and adding the TRES LAGOS PUBLIC IMPROVEMENT DISTRICT (the “*PID*”) as a party, all as set

forth in that certain *First Amendment to Interlocal Agreement* (the "*First Amendment*") among such parties dated September 15, 2015; and

*WHEREAS*, pursuant to the Interlocal Agreement as amended by the First Amendment, the County's original pledge of 77% of the tax increment remained subject to Original Cap and the County's additional pledge for the Supplemental Project was subject to a maximum of \$6.8 million (the "*Additional Pledge Cap*", and together with the Original Cap, the "*Aggregate Cap*"), and;

*WHEREAS*, the City and the board of the Zone subsequently amended the Supplemental Project and Finance Plan, which was approved by the board of the Zone, on November 25, 2015, and the City, on December 14, 2015, approved (as so amended, the "*Supplemental Plan*"); and

*WHEREAS*, in order to implement the Supplemental Plan for the Supplemental Project, the City requested changes to the Interlocal Agreement as amended by the First Amendment, including changing the allocation of the County's tax increment contributions such that during the years 2015 – 2025 up to 33%, instead of 23%, of the County's tax increment will be allocated to the Additional Pledge Cap and during such years 67% of the County's tax increment, instead of 77%, will be allocated to the Original County Cap, while the Aggregate Cap remains unchanged; and

*WHEREAS*, the County found that the Supplemental Project will bring substantial additional benefits to economic development in the County;

*WHEREAS*, the City, the County, the Developer, the PID and the Zone now deem it necessary and appropriate to amend the Interlocal Agreement for the purpose of adding the amended Supplemental Project, and implementing certain changes related to providing for the related bonds and/or other financing, and restating the Interlocal Agreement as amended, all as set forth in that certain *Amended and Restated Interlocal Agreement* (the "*Amended and Restated Interlocal Agreement*") among such parties dated December 15, 2015; and

*WHEREAS*, the Commissioners Court of the County approved a substantially final draft of the Amended and Restated Agreement on December 15, 2015; and

*WHEREAS*, representatives of the other have now finalized the Amended and Restated Interlocal Agreement;

*WHEREAS*, the final Amended and Restated Agreement has been presented to and reviewed by 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 Supplemental Project by ratifying the prior approval by approving the final Amended and Restated Interlocal Agreement to accomplish the purposes set forth therein; and

*WHEREAS*, it is hereby officially found and determined that the meeting at which this Order was passed was 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;

**NOW THEREFORE:**

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

**SECTION 1. APPROVAL OF AMENDED AND RESTATED INTERLOCAL AGREEMENT.** The Amended and Restated Interlocal Agreement is hereby approved in the form attached hereto as Exhibit "T", and the County Judge is authorized to execute, and the County Clerk is authorized to attest, the Amended and Restated Interlocal Agreement on behalf of the County and deliver same, and when executed and delivered, the Amended and Restated 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 Amended and Restated 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 Curt hereby incorporates such recitals as a part of this Order.

**SECTION 4. EFFECTIVE DATE.** This Order shall become effective immediately upon on the passage hereof.

**PASSED, APPROVED and ADOPTED this 5<sup>th</sup> day of April 2016.**

**HIDALGO COUNTY, TEXAS**

By: \_\_\_\_\_  
Ramon Garcia  
County Judge  
Hidalgo County, Texas

**ATTEST:**

\_\_\_\_\_  
Arturo Guajardo, Jr.  
Hidalgo County Clerk

Exhibit B  
Diagram of the TIRZ Expansion Tracts

