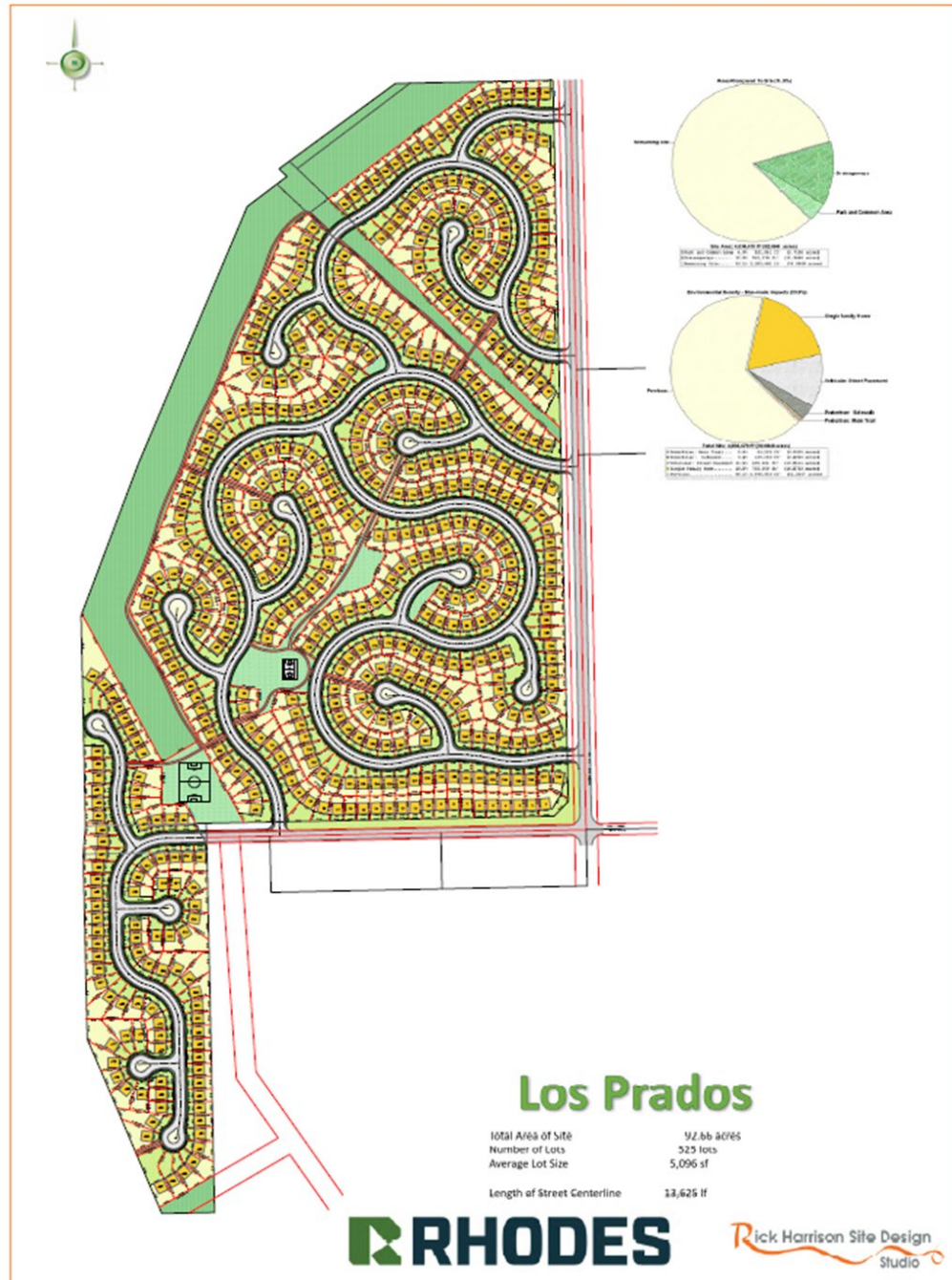


HIDALGO COUNTY TIRZ #1 PRELIMINARY PROJECT AND FINANCING PLAN

LOS PRADOS Hidalgo County, Texas





Project Overview

Hidalgo County TIRZ
#1

Hidalgo County TIRZ #1 Concept

*Replace Colonias and
substandard
Development in the
County*

*Quality Community at
an Affordable Price*

*Downpayment
Assistance Program
targeted to create a
pathway to prosperity*

*Creating paths to
prosperity through home
ownership*

Hidalgo County is subject to substandard development and colonias in the region. This presents unique challenges from the cost of maintenance to the quality of life in the region. Section 311.010 in the Tax Increment Financing Act of the Tax Code allows for the pledge of TIRZ revenues to flow into affordable housing programs, such as downpayment assistance programs.

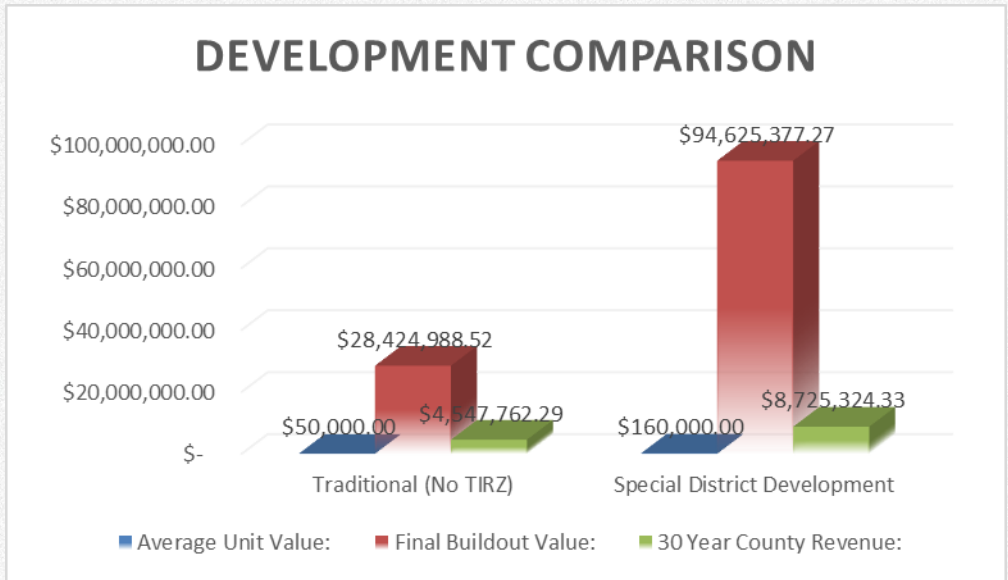
This TIRZ aims to challenge conventional thinking of affordable housing and provide a path to prosperity through home ownership. To accomplish this goal, the County is pledging 50% of its M&O tax increment generated in the zone to reimburse the Developer for providing a downpayment assistance program.

By allowing more people to qualify, and by enabling better communities, this TIRZ is estimated to generate over \$7,000,000.00 for affordable housing, paid for by the developer and reimbursed over time with zero interest.

By this public-private partnership, Hidalgo County is putting its residents first and revitalizing how TIRZs can be utilized to empower the community.

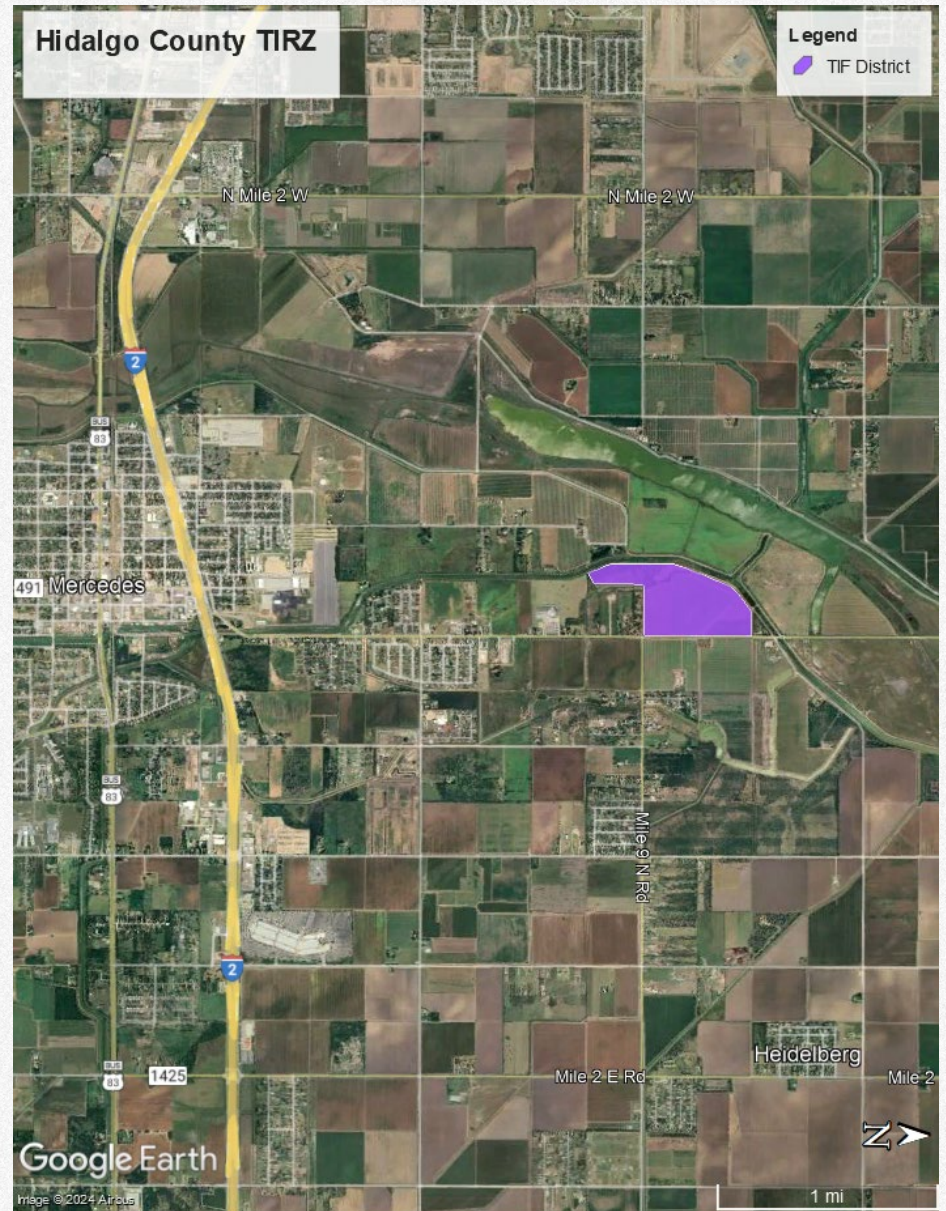
The next slide contains a comparison of traditional vs. district developments, assuming typical County maintenance (streets, drainage, etc.) is paid for and managed by the PID.

Comparison of Traditional vs. District Development		
Assumptions		
Land:	96.48 Acres	
Lots:	525	
Buildout:	8 Years	
Traditional Development:	Typical Minimum Standard County Development	
Special District Development:	TIRZ & PID, 50% M&O County Participation	
Term:	30 Year TIRZ, 30 Years of PID Assessments per home	
Development Type:	Traditional (No TIRZ)	Special District Development
Average Unit Value:	\$ 50,000.00	\$ 160,000.00
Final Buildout Value:	\$ 28,424,988.52	\$ 94,625,377.27
30 Year County Revenue:	\$ 4,547,762.29	\$ 8,725,324.33



Hidalgo County TIRZ #1 Location

The area consists of approximately 96.48 acres and is more fully described in the map and legal description presented in Exhibit A.



Map 3: TIRZ #1 Proposed Land Use

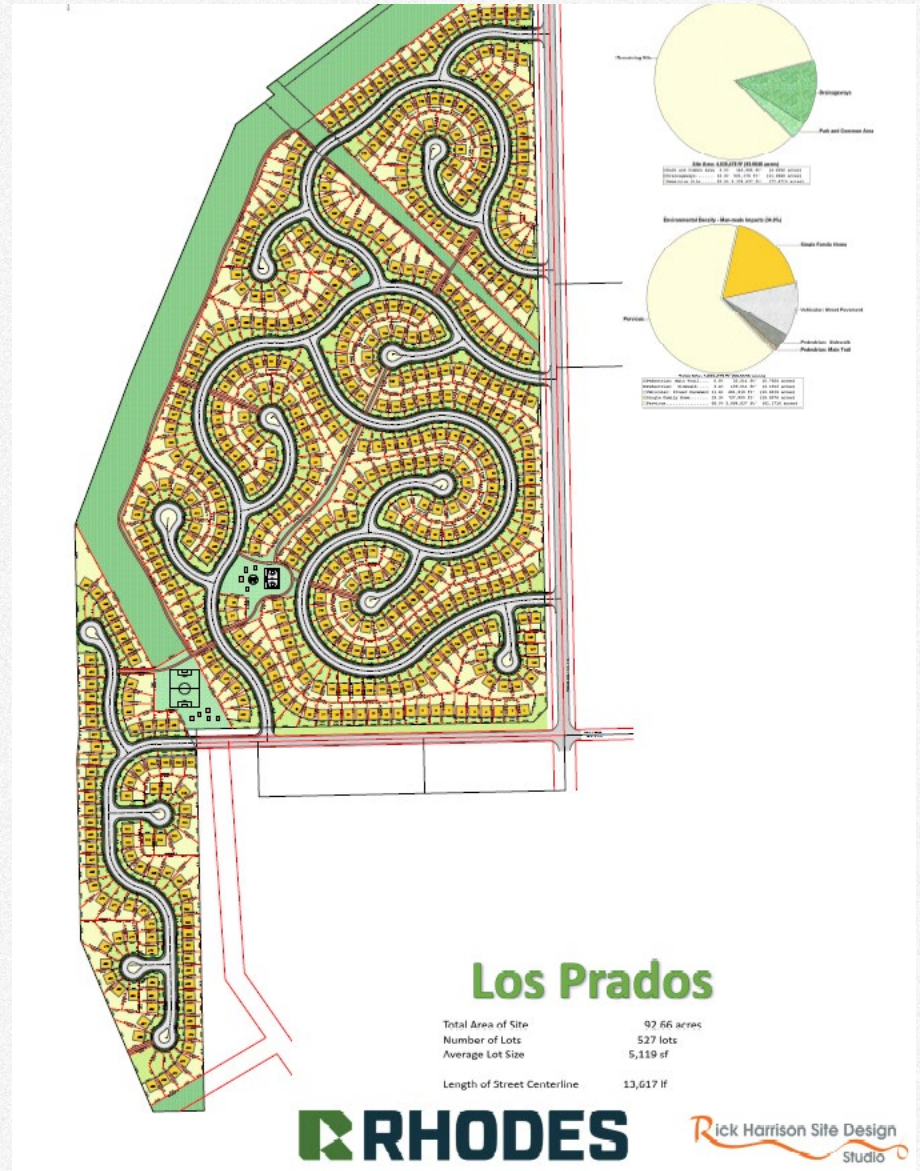


Exhibit B: Tax Increment Reinvestment Zone Analysis

LOS PRADOS FINANCING PLAN					
8 Year Estimated Build Out					
Summary Fact Sheet					
October 1, 2024					
Site Area (in Acres)	=	97.48	Total Sq. Ft. =	4,246,228.80	
2024 Base Value	= \$	635,798.00			
					<u>Projected Taxable</u>
					<u>Value At Full Build</u>
	Residential Units	Affordable Homes	527	Units	\$ 94,985,854.90
		Totals	527	Lots	\$ 94,985,854.90
Projected Taxable Value Created	\$	94,985,854.90			
PID Financing Model:					
PID Debt Assessment (\$1,300/Lot) (38 Years)					
Collection Rate		100.00%			
Est. Total Revenues	\$	22,908,600.00			
Less Est. Infrastructure & Project Costs	\$	(22,030,339.00)			
Less Est. Interest Expense	\$	(16,020,928.08)			
Excess (Shortage) PID Revenues	\$	(15,142,667.08)			
Developer Contribution	\$	15,142,667.08			
PID Maintenance Assessment (Perpetual)					
PID Maintenance Assessment		\$540/Lot			
Annual Revenue at Full Build Out	\$	284,580.00			
TIRZ Financing Model:					
TIRZ - Los Prados Downpayment Assistance Program (30 Year Term)					
Hidalgo County	50% of M&O Tax Rate	\$	0.257000		
	Available Funding	\$	7,111,194.40		
	Interest on Program		0%		
	Est. Available Per Home	\$	13,493.73		
<p>The projections and estimates contained in this Finance and Project Plan are subject to and may be impacted by market & economic conditions both domestic & international. Actual completion & construction of the Project may take more or less time than described herein. However it is understood that the Developer will use its best efforts to complete the project as quickly as economically feasible. A growth rate of 1.5% per year has been used to establish value of future tax base, year over year, which is less than 50% of the actual 5 year average of escalation. All TIRZ Revenues assumed to go completely to reimburse Developer for providing downpayment assistance in accordance with the Los Prados Downpayment Assistance Program, any excess revenues after the sale of the last home from a Developer related entity to an unrelated 3rd party shall be returned to the County.</p>					