

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

**INTERLOCAL COOPERATION AGREEMENT BETWEEN THE
COUNTY OF HIDALGO, CITY OF MISSION, AND CITY OF PEÑITAS, TEXAS
CONCERNING THE PROJECT DEVELOPMENT ACTIVITIES OF THE
MILITARY HIGHWAY PROJECT,
FROM FM 1016 TO MILE 3 NORTH ROAD
(PHASE I)**

THIS agreement is made on this the _____ day of _____ 2025 by and among the CITY OF MISSION, TEXAS, (hereinafter referred to as "Mission"), the CITY OF PEÑITAS, TEXAS, (hereinafter referred to as "Peñitas") and the COUNTY OF HIDALGO, TEXAS (hereinafter referred to as the "County"), pursuant to the provisions of the Texas Interlocal Cooperation Act (the "Act"), Chapter 791 et seq., Texas Government Code, as follows:

WITNESSETH:

WHEREAS both Mission and Peñitas are municipalities defined as a "Local Government" under the Act, and a political subdivision organized under the laws of the State of Texas, within the boundary of Hidalgo County, Texas; and

WHEREAS both Mission and Peñitas are cities created under the laws of Texas.

WHEREAS, the County is defined as a "Local Government" under the Act, and a political subdivision organized under the laws of the State of Texas; and

WHEREAS Mission, Peñitas and the County desire to cooperate in developing Military Highway from FM 1016 to Mile 3 N. Road, as shown in **Exhibit A** (the "Project"); and

WHEREAS, Mission, Peñitas and the County, each pursuant to its statutory and constitutional authority, are responsible for maintenance and improvements to certain public roadways within their boundaries; and

WHEREAS the County finds that the proposed Military Highway project, from FM 1016 to Mile 3 N. Road, would be a major public thoroughfare that would serve as a connecting link of the County Road System and such improvements are in the public interest of Mission, Peñitas and the County; and

WHEREAS Mission, Peñitas and the County agree it is essential to develop this very important corridor which will provide connectivity, improve mobility and safety as well as economic prosperity to the entire county; and

WHEREAS, Mission, Peñitas and the County are authorized to enter into this Agreement pursuant to the Act, which authorizes local governments to contract with each other and with agencies of the state, to perform governmental functions and services under the terms of the Act; and pursuant to Section 251.012 of the Texas Transportation Code which authorizes counties to

improve roadways within the limits of Mission and Peñitas without their consent; and

WHEREAS the County will work with Rio Grande Valley Metropolitan Planning Organization (RGVMPO) to functionally classify the Unclassified portions of the project as a principle arterial; and

WHEREAS Mission, Peñitas and the County now desire to cooperate in the development of Phase I activities which include Project Management, Environmental Documentation, Public Involvement, Schematics, Field/Office Surveying, Sub-Surface Utility Engineering (SUE), Traffic Analysis/Travel Demand Modeling, Hydraulic Modeling and Report, and Preliminary Compensable Utilities as outlined in **Exhibit B** attached hereto and incorporated for all purposes.

NOW, THEREFORE, County, Mission, and Peñitas, in consideration of the mutual covenants expressed hereinafter, agree to enter into this agreement as follows:

1. Parties agree that the County will be the fiduciary agent for this project and assume the role of project development lead.
2. Mission and Peñitas agree that the County will assume the role of project sponsor to develop Phase I of the Project within the limits of Mission and Peñitas.
3. The County agrees to complete Phase I project development activities which include Project Management, Environmental Documentation, Public Involvement, Schematics, Field/Office Surveying, Sub-Surface Utility Engineering (SUE), Traffic Analysis/Travel Demand Modeling, Hydraulic Modeling and Report, and Preliminary Compensable Utilities as described in **Exhibit B**.
4. The total Phase I project development cost is estimated to be \$4,500,000.00. Mission shall pay the County as its contribution to Phase I, \$1,500,000.00 upon execution of this agreement and Peñitas shall pay the County as its contribution to Phase I, upon execution of this agreement and the County will contribute an estimated amount of \$3,000,000.00 as outlined in **Exhibit B**.
5. The County agrees to complete Phase II activities which include Right of Way (ROW) Mapping, Surveys and ROW Acquisition for Roadway and Outfalls as outlined in **Exhibit B**.
6. Phase II will begin after Phase I is substantially complete. The total Phase II project development cost for estimating purposes only is outlined in **Exhibit B**.
7. The County agrees to complete Phase III which includes Plans, Specification and Estimates (PS&E) and Design for Roadway and Outfalls as outlined in **Exhibit B**.
8. Phase III will begin after Phase I is substantially complete. The total Phase III project development cost for estimating purposes only is outlined in **Exhibit B**.
9. The County agrees to complete Phase IV which includes Consultant Construction Management of the Project as outlined in **Exhibit B**.
10. Phase IV will begin after completion of Phases I, II, and III and the total Phase IV cost for

estimating purposes only is outlined in **Exhibit B**.

11. Any actual costs more than the estimated project development cost for Phase I (as detailed in **Exhibit B**) shall be shared one-third by Mission and two-thirds by the County. Any amount that is not utilized shall be reimbursed back to Mission and County.
12. Each party agrees to conform to its own applicable purchasing laws, regulations, policies, and procedures with respect to the portion of the work under this Agreement performed by each party.
13. **Term.** The term of this Agreement shall be from the effective date of this Agreement to the date indicated herein or when Phase IV of the Project is completed or as otherwise agreed to by the parties.
14. **Termination.** Either party may terminate this Agreement with or without cause upon thirty (30) days written notice to the other.
15. **Liability Insurance.** Each entity will carry sufficient liability insurance at the statutorily required limits, pursuant to the Texas Tort Claims Act.
16. **Nature of Relationship.** Nothing contained in this Agreement shall be deemed or constructed to create the relationship of principal and agent or that of partnership or joint venture or any association between the Parties, and any intention to create a joint venture or partnership relationship between the Parties hereto is hereby expressly disclaimed. No provision contained in this agreement nor any acts of the Parties hereto shall be deemed to create any relationship between Mission, Peñitas and County other than what is specifically described within the agreement. The County of Hidalgo shall maintain exclusive control, direction and management of its own employees, and Mission and Peñitas shall have no rights with respect thereto, except for the right to enforce covenants of the Agreement as set forth herein.
17. **Indemnification.** To the extent permitted under the Constitution and laws of the State of Texas, Mission and Peñitas agree to indemnify and hold harmless and defend County, its agents, employees and officers from and against any claim, loss, damage, liability and expense, including reasonable attorney's fees, incurred or suffered by it, by reason of any and all claims, demands or causes of action asserted or that may be asserted, against any or all of the above named parties, whether alleging intentional or negligent acts or omissions, and whether seeking compensatory or punitive damages, and involving, arising out of, or in any manner related to this agreement.
18. **Immunities.** It is expressly understood and agreed that, in the execution of this agreement, neither Mission, Peñitas nor County waive, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercising of governmental powers and functions.
19. **Conflict of Applicable Law:** Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of their Agreement and any present or future law, ordinance, or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which

the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of the Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

20. **No Waiver:** No waiver by any party hereto of any breach of any provision of the Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.
21. **Entire Agreement:** This Agreement contains the entire contract between the parties hereto and each party acknowledges that neither has made (either directly or through any agreement or representative) and representation or agreement in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by Mission, Peñitas and the County, and not otherwise.
22. **Texas Law To Apply:** This Agreement shall be construed under and in accordance with the Laws of the State of Texas, and all obligation of the parties created hereunder are performable in Hidalgo County, Texas. The parties hereby consent to personal jurisdiction in Hidalgo County, Texas.
23. **Notice:** Except as maybe otherwise specifically provided in this Agreement, all notices, demands, requests or communication required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to City: City of Mission
Attention: Hon. Norie Gonzalez-Garza, Mayor
1201 E. 8th St.
Mission, Texas 78572

If to City: City of Peñitas
Attention: Hon. Ramiro Loya, Mayor
P.O. Box 204
Peñitas, Texas 78576

If to County: Hidalgo County, Texas
Attention: Hon. Richard F. Cortez, County Judge
100 E Cano St., Second Floor
Edinburg, Texas 78539

With copy to: Hon. Everardo "Ever" Villarreal, Commissioner Pct. #3
724 Breyfogle Rd
Mission, Texas 78572

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee, or, if mailed, at such time as it is deposited in

the United States mail.

24. **Additional Documents:** The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this agreement.
25. **Successors.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.
26. **Assignment:** This Agreement shall not be assignable.
27. **Headings.** The headings and captions contained in this Agreement are solely for the convenience reference and shall not be deemed to affect the meaning or interpretation of any provision of paragraph hereof.
28. **Gender and Number.** All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and singular shall include the plural whenever and as often as may be appropriate.
29. **Non-Discrimination.** The Agreement and all related activities shall be conducted in a manner that does not discriminate against any person on a basis prohibited by applicable law or County, Mission or Peñitas policy, including without limitation race, color, national origin, religion, sex, age, veteran status, disability or any other category protected under law.
30. **Governmental Purpose.** Each party hereto is entering into the agreement for the purpose of providing governmental services or functions and will pay for such services out of current revenues available to the paying party as herein provided.
31. **Commitment of Current Revenues Only.** If, during any term hereof, the Commissioners Court does not appropriate sufficient funds to meet the obligations of County under this Agreement, County may terminate this Agreement upon ninety (90) days written notice to Company. County agrees, however, to use reasonable efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of County. *Agreements for the acquisition, including lease of real or personal property under Tex. Loc. Govt. Code §271.903:* In the event that, during any term hereof, the Commissioner's Court does not appropriate sufficient funds to meet the obligations of County under this Agreement, County may terminate this Agreement upon ninety (90) days written notice to Company, County agrees, however, to use a best efforts attempt to obtain and appropriate funds for payment of the Agreement. The parties intend this provision, if applicable, to be a continuing right to terminate this at the expiration of each budget period of County in accordance with Tex. Loc. Govt. Code §271.903 (Vernon Supp. 1996).
32. **Governing Provisions.** Parties shall comply with all applicable laws and regulations. A non-exclusive list of regulations commonly applicable to Federal and State grants, and equipment can be found in the new 2 CFR 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements.

33. **Legal Construction/Severability.** In case any one or more of the provisions contained in this Agreement will for any reason be held to be invalid, illegal or unenforceable in any respect, **such** invalidity, illegality or unenforceability will not affect any other provision thereof, and this Agreement will be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
34. **Prior Agreements.** This Agreement supersedes and terminates all previous Interlocal Agreement(s) between the parties hereto concerning the subject matter hereof, except for any Interlocal Agreement dated prior to this Agreement to the extent work is being performed under said Agreement at the time of executing this Agreement. Once ongoing work under any such previous Interlocal Agreement(s) is completed and payment is remitted, such previous Interlocal agreement shall terminate at such time.
35. **Authority to Execute.** The execution and performance of this Agreement by Mission, Peñitas and the County have been duly authorized by all necessary laws, resolutions or corporate action, and this **Agreement** constitutes the valid and enforceable obligations of Mission, Peñitas and the County in accordance with its terms.

(Signature page to follow)

WITNESS THE HANDS OF THE PARTIES effective as of the day and year first written above.

APPROVED BY COMMISSIONERS' COURT ON _____, 2025.

Agenda Item No. _____ Executive Office: _____

COUNTY OF HIDALGO:

By: _____
Richard F. Cortez, County Judge

ATTEST:

County Clerk

CITY OF MISSION:

By: _____
Norie Gonzalez-Garza, Mayor

ATTEST:

City Secretary

CITY OF PEÑITAS:

By: _____
Ramiro Loya, Mayor

ATTEST:

City Secretary

APPROVED AS TO FORM

By: _____
Mission City Attorney

APPROVED AS TO FORM

By: _____
Peñitas City Attorney

APPROVED AS TO FORM
Office of the Criminal District Attorney,
Toribio "Terry" Palacios

By: Michelle Lopez, Assistant District Attorney