

**ORDINANCE NO. 2026-14**

**AN ORDINANCE OF THE CITY OF MERCEDES, TEXAS, TERMINATING THE CREATION OF A TAX INCREMENT REINVESTMENT ZONE; FINDING THAT THE PURPOSES OF THE ZONE HAVE BEEN SUBSTANTIALLY ACCOMPLISHED OR ARE NO LONGER FEASIBLE; PROVIDING FOR THE DISSOLUTION OF THE REINVESTMENT ZONE AND ITS BOARD OF DIRECTORS; PROVIDING FOR THE DISPOSITION OF FUNDS AND PROPERTY; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Commission of the City of Mercedes, Texas (the “City”), previously created **Tax Increment Reinvestment Zone No. 1** (the “Zone”) pursuant to **Chapter 311, Texas Tax Code**, by Ordinance No. 2008-33, adopted on December 30, 2008; and

**WHEREAS**, Section 311.017 of the Texas Tax Code authorizes a municipality to terminate a reinvestment zone by ordinance upon finding that the purposes of the zone have been substantially completed or that the continued existence of the zone is no longer feasible or necessary; and

**WHEREAS**, the City Commission has determined that the public purposes for which the Zone was created have been accomplished, or that continuation of the Zone is no longer feasible or in the best interest of the City; and

**WHEREAS**, the City Commission desires to terminate the Zone and dissolve its Board of Directors in accordance with state law and subject to approval by Hidalgo County of the TIRZ No. 1 Amendment Agreement;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF MERCEDES, TEXAS:**

**SECTION 1. TERMINATION OF TAX INCREMENT REINVESTMENT ZONE.**

Pursuant to Section 311.017 of the Texas Tax Code, **Tax Increment Reinvestment Zone No. 1** is hereby **terminated and abolished**, effective as provided in Section 6 of this Ordinance.

**SECTION 2. FINDINGS.**

The City Commission finds and determines that:

1. The purposes for which the Zone was created have been substantially accomplished **and/or**
2. The continued existence of the Zone is no longer feasible, necessary, or in the best interest of the City.

These findings are adopted as legislative determinations of the City Commission.

**SECTION 3. DISSOLUTION OF BOARD OF DIRECTORS.**

Upon the effective date of this Ordinance, the **Board of Directors of the Tax Increment Reinvestment Zone** is hereby **dissolved**, and all authority, duties, and responsibilities of the Board shall cease.

**SECTION 4. DISPOSITION OF FUNDS AND PROPERTY.**

(a) Any funds remaining in the Tax Increment Fund after payment of all lawful obligations of the Zone shall be returned to the participating taxing units in proportion to their contributions, unless otherwise required by law.

(b) Any property, records, or assets of the Zone shall be transferred to the City or disposed of in accordance with applicable law.

**SECTION 5. SEVERABILITY.**

If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional, such invalidity shall not affect the remaining portions of this Ordinance.

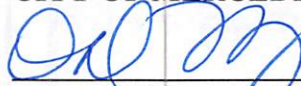
**SECTION 6. EFFECTIVE DATE.**

This Ordinance shall take effect immediately upon its adoption, as permitted by law.

**PASSED AND APPROVED ON FIRST READING, THIS THE 21<sup>ST</sup> DAY OF APRIL, 2026.**

**PASSED, APPROVED AND ADOPTED ON SECOND READING, THIS THE 5<sup>TH</sup> DAY OF MAY, 2026.**

**CITY OF MERCEDES**



Oscar D. Montoya Sr., Mayor

**APPROVED AS TO FORM:**



Martie Garica-Vela, City Attorney

**ATTEST:**



Joselynn Castillo, City Secretary

