

IN THE COMMISSIONERS COURT OF HIDALGO COUNTY

ORDER AUTHORIZING THE CREATION OF A COUNTY ENERGY TRANSPORTATION REINVESTMENT ZONE KNOWN AS

HIDALGO COUNTY ENERGY TRANSPORTATION REINVESTMENT ZONE NO. 1

ESTABLISHING A BASE YEAR FOR AD VALOREM TAX VALUES, CREATING AND STATING THE TERMS AND DUTIES OF THE HIDALGO COUNTY ENERGY TRANSPORTATION REINVESTMENT ZONE ADVISORY BOARD, AND ESTABLISHING AN AD VALOREM INCREMENT ACCOUNT

BE IT REMEMBERED, that the Commissioners Court of Hidalgo County, Texas, prior to this date, has provided public notice by publication in a newspaper of general circulation in the county to be printed not less than seven (7) days prior to a public hearing, and after conducting said public hearing as required by §222.1071 of the Texas Transportation Code on the 7th day of January, 2014, the Commissioners Court of Hidalgo County, Texas does hereby:

- 1.** Make a formal determination that Hidalgo County has been affected by oil and gas exploration and production activity within the county generally, and more particularly, adversely affected by the heavy truck traffic on county maintained roads, and
- 2.** Further determine that Hidalgo County would benefit from the availability of funds provided by the State of Texas pursuant to the provisions of Chapter 256 of the Texas Transportation Code, and

The area described more fully herein is in the jurisdiction of the County and the creation of a County Energy Transportation Reinvestment Zone would promote one or more transportation infrastructure projects, as defined by § 256.101, located in the zone, or, in conjunction with other financing mechanism, to fund a transportation projects throughout the County.

- 3.** Finally, the creation of a County Energy Transportation Reinvestment Zone and the establishment of an ad valorem tax increment account will assist the county in addressing the fiscal needs of the county, while permitting enhanced stability in the county budgeting process.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the Commissioners Court of Hidalgo County, Texas, hereby establishes and creates a County Energy Reinvestment Zone as authorized by Chapter 222 of the Texas Transportation Code, such Zone to be titled as Hidalgo County Energy Transportation Zone No. 1-[FM 1017] and operated in compliance with said Chapter, and the Commissioners Court further designates the contiguous geographic area identified in Exhibit A, attached hereto and incorporated herein by this reference, as the zone in which all captured appraised value of real property located within the zone shall be dedicated to transportation infrastructure projects in compliance with all applicable laws in the application of Chapter 222 of the Texas Transportation Code..

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Hidalgo County Energy Transportation Reinvestment Zone No. 1-[FM 1017] shall take effect immediately on adoption of this Order, that a Tax Increment Account be established and that the base year, for the purposes of determining ad valorem tax increment, shall be the year of 2014, being the year of adoption of this Order.

In this regard, it is the FURTHER ORDER OF THIS COMMISSIONERS COURT, that an Advisory Board for the Hidalgo County Energy Transportation Reinvestment Zone No. 1-[FM 1017], is hereby created, whose members shall serve for two years terms, and whose successors may be appointed by the Commissioners Court as their terms expire, or as vacancies may occur from time to time. The Advisory Board for the Hidalgo County Energy Transportation Reinvestment Zone No. 1-[FM 1017], shall not be entitled to receive compensation for service on the board, nor entitled to reimbursement for expenses incurred in performing services as a member of the Advisory Board. The Advisory Board shall meet not less than quarterly, in compliance with the Texas Open Meetings Act, and shall perform such tasks or functions as provided by law and as the Commissioners Court may from time to time require of the Advisory Board. The Advisory Board shall review all project plans for the zone created by this Order, and shall provide comment and recommendations to the Commissioners Court regarding the development of all plans and expenditure of funds from the Tax Increment Account established to benefit Transportation Infrastructure Projects located in the zone created

by this Order. Such recommendations shall be duly considered by the Commissioners Court, but are not binding upon the Commissioners Court.

Members of the Advisory Board are:

<u>TBD</u>	Member
<u>TBD</u>	Member
<u>TBD</u>	Member
<u>TBD</u>	Member
<u>TBD</u>	Member

IT IS FURTHER ORDRED, ADJUDGED AND DECREED that the County Treasurer shall designate a suitable interest bearing account, to be known as the Hidalgo County Energy Transportation Reinvestment Zone No. 1-[FM-1017] Tax Increment Account, and that such funds as may be accrued, pursuant to the provisions of §222.1701(h), Texas Transportation Code, shall be deposited annually into said account, together with such other funds as may be allocated to the said tax increment account by the Commissioners Court of Hidalgo County, Texas. Such funds may only be expended in compliance with Section 222.1071 (i) and (j), of the Texas Transportation Code. The captured appraised value of real property located in the zone shall be treated as provided by Section 26.03, Tax Code.

The Hidalgo County Energy Transportation Reinvestment Zone No. 1-[FM 1017] shall remain in full force and effect for the initial term of ten years from the date of formation, and shall terminate on December 31 of the tenth (10th) year after designation of the zone, unless extended by an act of the County Commissioners Court that designated the zone. The extension may not exceed five years.

On termination of the zone, any money remaining in the tax increment account must be transferred to the road and bridge fund described by Chapter 256 for the county that deposited the money into the tax increment account..

Read and Adopted this 5th day of March, 2014 by a vote of _____ ayes and _____ nays.

A.C. Cuellar

Commissioner, Precinct 1-A.C. Cuellar

Joe M. Flores

Commissioner, Precinct 3- Joe M. Flores

Ramon Garcia

County Judge-Ramon Garcia

Hector Palacios

Commissioner, Precinct 2-Hector "Tito" Palacios

Joseph Palacios

Commissioner, Precinct 4-Joseph Palacios

ATTEST:

Arturo Guajardo Jr.

County Clerk-Arturo Guajardo

APPROVED BY
COMMISSIONERS' COURT
ON: 3/5/14

EXHIBIT A

