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SECTIONS OF CURRENT POLICY TO BE CONSIDERED FOR AMENDMENT

3. Special Circumstances Allowing Participating Not to Exceed 100% of County M&O Tax Rate. The TIRZ Review Committee may recommend the County participate at a rate in excess of 50% of County M&O Tax Rate in accordance with the provisions of this section.

- a. For purposes of this section VI.3, special circumstances exist when a project meets both of the following criteria: (i) the project includes development of sports and/or entertainment facilities and (ii) the project includes development or redevelopment of public works, facilities or buildings.

(Proposed Change: Add special circumstances where: the zone is greater than 500 acres, is situated entirely in the extra territorial jurisdiction of a municipality and the zone must be annexed by the municipality within 12 months of the zone being created.)

- b. When the County finds that both criteria specified in section VI.3(a) above are met, the County may in its discretion opt to participate at a greater amount than set forth in section VI.2, but shall not exceed one hundred percent (100%) of the Base Year County M&O Tax Rate as assessed and collected on the tax increment for the respective tax year.....

5. The County's participation in a TIRZ shall not be for a period greater than 20 or, in the event the special circumstances set forth in section VI.3 above apply, 30 years.

7. The aggregate amount of the County's participation in a TIRZ shall not exceed either (i) the creating entity's total contribution to a zone or (ii) the maximum total contribution agreed to by the County in an Interlocal Agreement with the entity creating a TIRZ and the developer (if applicable).

(Proposed Change: Add language that will allow the county to contribute more than the city)

Option 1

Pass TIRZ at levels proposed

\$2.6 billion development
County collects \$36 million in MO Tax and \$21 million in Debt Service
City collects \$29 million in prop tax, potential of \$15 million sales
County costs of service is \$18 million, City is \$26 million

Option 2

Remove Developer Surplus, adopt 77% County Participation

Option 3

Remove Developer Surplus, County 71%, City 85%
Cost of Service exceeds City projected revenues.
City unable to do project

Option 4

Developer surplus goes to negative \$25 million, County 66%, City 80%
Developer unable to develop

Options 3 & 4

Rural Sub 1/2 acre lots

\$182 million development
County collects \$13 million in MO Tax and \$1.5 million debt service
City collects nothing
County cost of service exceeds \$18 million, as all services now fall to county.
City has no cost of service

Option 5

Remain Rural use

No new taxes

County Maintenance and Operations

Options	1	2	3 & 4	5
Revenues	\$35,603,589.00	\$41,582,880.84	\$13,000,000.00	\$0.00
Costs	\$18,780,833.00	\$18,780,833.00	\$23,476,041.25	\$0.00
Surplus	\$16,822,756.00	\$22,802,047.84	-\$10,476,041.25	\$0.00

McAllen Tres Lagos TIRZ

Part Level	Tax Rate	Total Contribution	M&O Residual Levy	% Kept	100% debt service collected	Total Levy Kept	% Kept	
1	80.00% County	0.418204	\$ 145,191,545	\$ 35,603,589	24.52%	\$24,022,702	\$59,626,291	41.07%
	80.00% City	0.34504	\$ 119,780,248	\$ 29,493,768	24.62%			
	TOTAL		\$ 264,971,793					
			\$ 6,030,892	development surplus				

Part Level	Tax Rate	Total Contribution	M&O Residual Levy	% Kept	100% debt service collected	Total Levy Kept	% Kept	
2	77.00% County	0.401016	\$ 139,212,253	\$ 41,582,881	29.87%	\$24,022,702	\$65,605,583	47.13%
	80.00% City	0.34504	\$ 119,780,248	\$ 29,493,768	24.62%			
	TOTAL		\$ 258,992,501					
			\$ 51,601	development surplus				

Part Level	Tax Rate	Total Contribution	M&O Residual Levy	% Kept	100% debt service collected	Total Levy Kept	% Kept	
3	71.33% County	0.373	\$ 129,486,530	\$ 51,308,604	39.62%	\$24,022,702	\$75,331,306	58.18%
	84.64% City	0.373	\$ 129,486,530	\$ 19,787,486	15.28%			
	TOTAL		\$ 258,973,060					
			\$ 32,160	development surplus				

Part Level	Tax Rate	Total Contribution	M&O Residual Levy	% Kept	100% debt service collected	Total Levy Kept	% Kept	
4	65.99% County	0.34504	\$ 119,780,248	\$ 61,014,886	50.94%	\$24,022,702	\$85,037,588	70.99%
	80.00% City	0.34504	\$ 119,780,248	\$ 29,493,768	24.62%			
	TOTAL		\$ 239,560,496					
			\$ (25,411,297)	development surplus				

\$ 15,358,861 sales tax calculation by developer
City does not confirm

McAllen Cost of Service \$ 26,305,771 over the period per city of McAllen
Hidalgo County Cost of Service \$ 18,780,833 over the period per County Budget Office

McAllen Services after annexation

trash, streets, curb/cutter, fire, police, vital records
net improvement on drainage system, water detention and reuse
\$6million donation of 70 acres to DD# 1 for master drain plan

Note to cost of service

If development went rural 1/2 acre subd, then costs would increase on county.
Sheriff dept increases, county maintenance of roads, drainage, lighting, health
fire service

Also the planned subdivision on a per capita basis, based on median household values
at minimum twice the value of those throughout the county would have less impact
on cost of service for jail and judicial system as calculated by budget office
Rural subdivision would have the opposite impact, placing larger burdens and costs
on the county.