

**CERTIFICATE FOR ORDER**

**THE STATE OF TEXAS  
COUNTY OF HIDALGO**

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I, the undersigned County Clerk of HIDALGO COUNTY, TEXAS (the "*County*") hereby certify as follows:

1. The Commissioners Court of the County convened in SPECIAL MEETING ON THE 10<sup>th</sup> DAY OF MARCH, 2015, at the County Courthouse, and the roll was called of the duly constituted officers and members of said Commissioners Court, to wit:

Ramon Garcia, County Judge  
A.C. Cuellar, Jr., Commissioner, Precinct 1  
Eduardo "Eddie" Cantu, Commissioner, Precinct 2  
Joe M. Flores, Commissioner, Precinct 3  
Joseph Palacios, Commissioner, Precinct 4

and all of said officers and members of said Commissioners Court were present, except the following absentees: Eduardo "Eddie" Cantu and Joseph Palacios, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

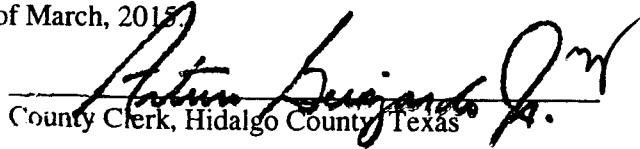
**ORDER APPROVING AN INTERLOCAL AGREEMENT WITH THE CITY  
OF EDINBURG, TEXAS IN CONNECTION WITH REINVESTMENT ZONE  
NUMBER FOUR, CITY OF EDINBURG, TEXAS**

was duly introduced for the consideration of said Commissioners Court. It was then duly moved and seconded that said Order be adopted; and, after due discussion, said motion carrying with it the adoption of said Order, prevailed and carried by the following vote:

AYES:   3   NOES:   0   ABSTENTIONS:

2. A true, full and correct copy of the aforesaid Order adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Order has been duly recorded in said Commissioners Court's minutes of said Meeting; the above and foregoing paragraph is a true, full and correct excerpt from said Commissioners Court's minutes of said Meeting pertaining to the passage of said Order; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Commissioners Court as indicated therein; each of the officers and members of said Commissioners Court was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Order would be introduced and considered for passage at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose; and that said Meeting was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED the 29 day of March, 2015.

  
County Clerk, Hidalgo County, Texas

(Seal)

**ORDER APPROVING AN INTERLOCAL AGREEMENT WITH THE CITY OF EDINBURG, TEXAS IN CONNECTION WITH REINVESTMENT ZONE NUMBER FOUR, CITY OF EDINBURG, TEXAS**

**WHEREAS**, representatives of the CITY OF EDINBURG, TEXAS (the "*City*") have advised HIDALGO COUNTY, TEXAS (the "*County*") that pursuant to Ordinance No. 07-3211 adopted by the City Council of the City on November 19, 2013, the City authorized the creation of REINVESTMENT ZONE NUMBER FOUR, CITY OF EDINBURG, TEXAS (the "*Zone*") in accordance with the provisions of Chapter 311, Texas Tax Code, as amended (the "*Act*"); and

**WHEREAS**, representatives of the City have further advised the County that pursuant to authority granted in Section 311.007(c) of the Act, on January 20, 2015, the City Council of the City (after giving published notice and holding a public hearing in the same manner as required for the original designation of the Zone, which provisions are set forth in Section 311.003(c) of the Act) approved Ordinance No. 2015-3794 for the purpose of extending the termination date of the Reinvestment Zone from December 31, 2043 to December 31, 2045; and

**WHEREAS**, representatives of the City have further advised the County that the City Council desires to bring to the City a new first-class, indoor multipurpose event center, to be located on approximately 49.57 acres of land at the corner of Alberta Road and State Highway 281 in the City, which is expected to include approximately 8,500 fixed seats, 10 luxury suites, 1,200 club seats, a restaurant/club area, locker rooms, offices for sports team personnel, offices for facility management, and a marquee, and will be designed to host a variety of entertainment events, including sporting events such as basketball and ice hockey, concerts, family shows and trade shows (which, together with related parking and infrastructure, is herein referred to as the "*Entertainment Center Project*"); and

**WHEREAS**, the Entertainment Center Project will be located within the County and the boundaries of the Zone; and

**WHEREAS**, the City and the County now deem it necessary and appropriate to enter into an interlocal agreement for the purposes of establishing their obligations with respect to the payment of tax increment revenues generated from certain ad valorem taxes levied within the Zone, as permitted by the Act, which payments will be used to support certain "Contract Revenue Bonds" being issued by the *City of Edinburg, Texas Local Government Finance Corporation* to finance a portion of the costs to construct and equip and Entertainment Center Project, all as set forth in that certain *Interlocal Agreement* between the City and the County relating to the Zone (the "*Interlocal Agreement*"); and

**WHEREAS**, a substantially final draft of the Interlocal Agreement has been presented to and reviewed by the staff and the Commissioners Court of the County, and the Commissioners Court of the County has determined that it is necessary and appropriate to assist with financing the Entertainment Center Project, and will be beneficial to the Zone, by approving the Interlocal Agreement to accomplish the purposes set forth therein; and

**WHEREAS**, based on information submitted to the County by the City and the Zone, the County has determined that pursuant to Section VI.3.a.i. of the Amended and Restated Tax Increment Reinvestment Participation Policy for Hidalgo County the special circumstances exist with respect to the Project such that the County will participate in the Zone at the rate and for the duration as set forth in the Interlocal Agreement; and

**WHEREAS**, it is hereby officially found and determined that the meeting at which this Order was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code; **NOW THEREFORE:**

**BE IT ORDERED BY THE COMMISSIONERS COURT OF HIDALGO COUNTY TEXAS:**

**SECTION 1. APPROVAL OF INTERLOCAL AGREEMENT.** The Interlocal Agreement is hereby approved in substantially the form attached hereto as Exhibit "I", with such changes thereto as are approved by the County Judge of the County, with advice of attorneys for the County, and the County Judge of the County is authorized to execute, and the County Clerk of the County is authorized to attest, the Interlocal Agreement on behalf of the County and deliver same, and when executed and delivered, the Interlocal Agreement shall become a valid and binding obligation of the County in accordance with its terms.

**SECTION 2. ENFORCEABILITY OF ORDER.** If any section, paragraph, clause, or provision of this Order shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Order. In case any obligation of the County authorized or established by this Order or the Interlocal Agreement is held to be in violation of law as applied to any person or any circumstance, such obligation shall be deemed to be the obligation of the County to the fullest extent permitted by law.

**SECTION 3. INCORPORATION OF RECITALS.** The Commissioners Court hereby finds that the statements set forth in the recitals of this Order are true and correct, and the Commissioners Court hereby incorporates such recitals as a part of this Order.

**SECTION 4. EFFECTIVE DATE.** This Order shall become effective immediately from the date of its passage by the Commissioners Court.

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PASSED, APPROVED and ADOPTED this 10<sup>th</sup> day of March, 2015.

HIDALGO COUNTY, TEXAS

By: Ramon Garcia  
Ramon Garcia  
County Judge  
Hidalgo County, Texas

ATTEST:  
Arturo Guajardo, Jr.  
Arturo Guajardo, Jr.  
Hidalgo County Clerk

Approved by Commissioners' Court  
on 3-10-15 RD

Signature Page to the Order Approving an Interlocal Agreement with Hidalgo County, Texas  
in Connection with Reinvestment Zone Number Four, City of Edinburg, Texas

**ORDER APPROVING AN INTERLOCAL AGREEMENT WITH THE CITY OF EDINBURG, TEXAS IN CONNECTION WITH REINVESTMENT ZONE NUMBER FOUR, CITY OF EDINBURG, TEXAS**

**WHEREAS**, representatives of the CITY OF EDINBURG, TEXAS (the "*City*") have advised HIDALGO COUNTY, TEXAS (the "*County*") that pursuant to Ordinance No. 07-3211 adopted by the City Council of the City on November 19, 2013, the City authorized the creation of REINVESTMENT ZONE NUMBER FOUR, CITY OF EDINBURG, TEXAS (the "*Zone*") in accordance with the provisions of Chapter 311, Texas Tax Code, as amended (the "*Act*"); and

**WHEREAS**, representatives of the City have further advised the County that pursuant to authority granted in Section 311.007(c) of the Act, on January 20, 2015, the City Council of the City (after giving published notice and holding a public hearing in the same manner as required for the original designation of the Zone, which provisions are set forth in Section 311.003(c) of the Act) approved Ordinance No. 2015-3794 for the purpose of extending the termination date of the Reinvestment Zone from December 31, 2043 to December 31, 2045; and

**WHEREAS**, representatives of the City have further advised the County that the City Council desires to bring to the City a new first-class, indoor multipurpose event center, to be located on approximately 49.57 acres of land at the corner of Alberta Road and State Highway 281 in the City, which is expected to include approximately 8,500 fixed seats, 10 luxury suites, 1,200 club seats, a restaurant/club area, locker rooms, offices for sports team personnel, offices for facility management, and a marquee, and will be designed to host a variety of entertainment events, including sporting events such as basketball and ice hockey, concerts, family shows and trade shows (which, together with related parking and infrastructure, is herein referred to as the "*Entertainment Center Project*"); and

**WHEREAS**, the Entertainment Center Project will be located within the County and the boundaries of the Zone; and

**WHEREAS**, the City and the County now deem it necessary and appropriate to enter into an interlocal agreement for the purposes of establishing their obligations with respect to the payment of tax increment revenues generated from certain ad valorem taxes levied within the Zone, as permitted by the Act, which payments will be used to support certain "Contract Revenue Bonds" being issued by the *City of Edinburg, Texas Local Government Finance Corporation* to finance a portion of the costs to construct and equip and Entertainment Center Project, all as set forth in that certain *Interlocal Agreement* between the City and the County relating to the Zone (the "*Interlocal Agreement*"); and

**WHEREAS**, a substantially final draft of the Interlocal Agreement has been presented to and reviewed by the staff and the Commissioners Court of the County, and the Commissioners Court of the County has determined that it is necessary and appropriate to assist with financing the Entertainment Center Project, and will be beneficial to the Zone, by approving the Interlocal Agreement to accomplish the purposes set forth therein; and

**WHEREAS**, based on information submitted to the County by the City and the Zone, the County has determined that pursuant to Section VI.3.a.i. of the Amended and Restated Tax Increment Reinvestment Participation Policy for Hidalgo County the special circumstances exist with respect to the Project such that the County will participate in the Zone at the rate and for the duration as set forth in the Interlocal Agreement; and

**WHEREAS**, it is hereby officially found and determined that the meeting at which this Order was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code; **NOW THEREFORE:**

**BE IT ORDERED BY THE COMMISSIONERS COURT OF HIDALGO COUNTY TEXAS:**

**SECTION 1. APPROVAL OF INTERLOCAL AGREEMENT.** The Interlocal Agreement is hereby approved in substantially the form attached hereto as Exhibit "I", with such changes thereto as are approved by the County Judge of the County, with advice of attorneys for the County, and the County Judge of the County is authorized to execute, and the County Clerk of the County is authorized to attest, the Interlocal Agreement on behalf of the County and deliver same, and when executed and delivered, the Interlocal Agreement shall become a valid and binding obligation of the County in accordance with its terms.

**SECTION 2. ENFORCEABILITY OF ORDER.** If any section, paragraph, clause, or provision of this Order shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Order. In case any obligation of the County authorized or established by this Order or the Interlocal Agreement is held to be in violation of law as applied to any person or any circumstance, such obligation shall be deemed to be the obligation of the County to the fullest extent permitted by law.

**SECTION 3. INCORPORATION OF RECITALS.** The Commissioners Court hereby finds that the statements set forth in the recitals of this Order are true and correct, and the Commissioners Court hereby incorporates such recitals as a part of this Order.

**SECTION 4. EFFECTIVE DATE.** This Order shall become effective immediately from the date of its passage by the Commissioners Court.

[The remainder of this page intentionally left blank]

PASSED, APPROVED and ADOPTED this 10<sup>th</sup> day of March, 2015.

HIDALGO COUNTY, TEXAS

By: Ramon Garcia  
Ramon Garcia  
County Judge  
Hidalgo County, Texas

ATTEST: Arturo Guajardo Jr.  
Arturo Guajardo, Jr.  
Hidalgo County Clerk

Approved by Commissioners' Court  
on 3-10-15 RD

**EXHIBIT I TO COUNTY ORDER**

**INTERLOCAL AGREEMENT AMONG THE CITY OF EDINBURG, TEXAS, HIDALGO COUNTY,  
TEXAS AND REINVESTMENT ZONE NUMBER FOUR, CITY OF EDINBURG, TEXAS**

THE STATE OF TEXAS  
COUNTY OF HIDALGO

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CITY OF EDINBURG

### INTERLOCAL AGREEMENT

In consideration of the covenants set forth herein, and subject to the terms and conditions herein, the Parties (as defined below) hereby agree to the terms and conditions of this Agreement (as defined below).

#### I. PARTIES & INDEX

##### A. Parties

1. THIS INTERLOCAL AGREEMENT (the "Agreement") is made by and between the CITY OF EDINBURG, TEXAS (hereafter referred to as "City"), a Texas home rule municipality, acting through its City Manager pursuant to Ordinance 2013-3693 passed and approved by the City Council on November 9, 2013, HIDALGO COUNTY (hereafter referred to as "County"), a political subdivision of the State of Texas, and REINVESTMENT ZONE NUMBER FOUR, CITY OF EDINBURG, TEXAS, a reinvestment zone created by the City pursuant to Chapter 311 of the Texas Tax Code, (hereafter referred to as the "Zone", as hereafter defined) acting by and through its duly authorized Board of Directors, established to administer, manage, and/or operate the Zone pursuant to Sections 311.009(b) and 311.010, Texas Tax Code ("Zone Board"). Collectively, the City, County, and Zone may be referred to as the "Parties". This Agreement is made pursuant to Chapter 791, Texas Government Code and Chapter 311 of the Texas Tax Code for the participation of City and County in the financing and construction of a new arena and entertainment center project in the City.

2. The initial addresses of the Parties are listed below. Each party may designate a different address by giving the City, County, Zone Board and County Auditor at least ten (10) days prior written notice.

CITY:

City of Edinburg  
415 W. University Drive  
Edinburg, Texas 78539  
Attention: Richard H. Garcia, Mayor

With Copy to:

ZONE BOARD:

City of Edinburg – TIF Reinvestment  
Zone #4  
c/o Edinburg Economic Development  
Corporation  
101 N. 10th Ave.  
Edinburg, Texas 78541  
Attention: Richard H. Garcia, Chairman

COUNTY:

County of Hidalgo  
302 W. University Drive  
Edinburg, Texas 78540  
Attention: Ramon Garcia, Hidalgo County Judge

With Copy to:

HIDALGO COUNTY AUDITOR:

Hidalgo County Auditor  
2808 South Business Hwy 281  
Edinburg, Texas 78539  
Attention: Attention: Ray Eufrazio, CPA

## B. Index

This Agreement consists of the following sections:

<u>Section</u>	<u>Description</u>	<u>Page</u>
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II.	Definitions	2
III.	Background	4
IV.	Rights and Obligations of County	5
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VI.	Term and Termination	11
VII.	Miscellaneous	12
Exhibit "A"	Project Plan	
Exhibit "B"	City of Edinburg Ordinances	

## C. Parts Incorporated

All of the above-described exhibits are hereby incorporated into this Agreement by this reference for all purposes.

## II. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set out below:

1. "Administrative Costs" means reasonable costs directly incurred by a Participating Taxing Entity (as hereinafter defined) related to its agreement to participate in the development of the Zone, as described in this Agreement. These costs include, but are not limited to, costs and expenses for legal review and financial analysis related to the Zone incurred prior to entering into this Agreement, as well as any such costs and expenses incurred after this Agreement becomes effective. The only taxing entity to receive reimbursement for Administrative Expenses is the County.
2. "Agreement" means this Interlocal Agreement.
3. "Agreement Term" has the meaning set forth in Section VI.A. below.
4. "Applicable M&O Tax Rate" means for any given year the lesser of (i) the Base Year County M&O Tax Rate and (ii) the M&O Tax Rate for the given year.
5. "Available Tax Increment" shall mean the "Tax Increment," as defined below, less the Administrative Costs of the County.
6. "Captured Appraised Value" means the captured appraised value of the Zone, as defined by Section 311.012(b), Texas Tax Code (and as said Code may be amended from time to time); e.g., the total appraised value in a given year of all real property taxable by a participating taxing entity and located in the Zone for that year less the total appraised value of that property in 2013, the base year of the Zone.

7. "City" has the meaning set forth in Section I.A.1 above, and includes its successors and assigns.
8. "County" has the meaning set forth in Section I.A.1 above.
9. "County M&O Tax Rate" means that portion of the ad valorem tax rate used by the County for Maintenance and Operation. The County M&O Tax Rate may change from time to time. The County M&O Tax Rate as of January 1, 2013 (the Base Year), was \$0.5225 per \$100 dollars of valuation on the Captured Appraised Value and may be changed by the County during the term of the Zone.
10. "Participating Taxing Entity" or "Participating Taxing Entities" means, singularly, a taxing unit participating in the Zone, and collectively, two or more taxing units participating in the Zone, and may include City and County.
11. "Parties" has the meaning given such term in Section I.A.1 above.
12. "Project" refers to the "Planned Public Improvements" identified in the Project Plan, which are expected primarily to consist of the construction and equipping of a new first-class, indoor multipurpose event center on approximately 49.57 acres of land located at the corner of Alberta Road and State Highway 281 in the City, which will be owned on behalf of the City by the City of Edinburg, Texas Local Government Finance Corporation (the "LGFC") and which is expected to include approximately 8,500 fixed seats, 10 luxury suites, 1,200 club seats, a restaurant/club area, locker rooms, offices for sports team personnel, offices for facility management, and a marquee, and will be designed to host a variety of entertainment events, including sporting events such as basketball and ice hockey, concerts, family shows and trade shows, which, together with related parking and infrastructure.
13. "Project Costs" means the items set forth and described in Section 311.002(1), Texas Tax Code, that are included in the Project Plan for the Project. The Project Costs include, but are not limited to, the actual costs of the acquisition and construction of public works, public improvements, new buildings, structures, and fixtures; the actual costs of the acquisition, demolition, alteration, remodeling, repair, or reconstruction of existing buildings, structures, and fixtures; the actual costs of the remediation of conditions that contaminate public or private land or buildings; the actual costs of the preservation of the facade of a public or private building; the actual costs of the demolition of public or private buildings; and the actual costs of the acquisition of land and equipment and the clearing and grading of land.
14. "Project Plan" means the Final Project Plan and Financing Plan for Reinvestment Zone Number Four, City of Edinburg, Texas, Edinburg, Texas Arena Development Program, dated January 15, 2015, adopted by the Board of Directors of the Zone on February 25, 2015, approved by the City Council of the City on March 3, 2015, and attached hereto as Exhibit "A".
15. "Tax Increment" for a Participating Taxing Entity means the total amount of ad valorem taxes levied and collected each year by that Participating Taxing Entity each year on the Captured Appraised Value of taxable real property in the Zone. Further, with respect to the County, this term shall be further limited to the total amount of ad valorem taxes levied and collected only on behalf of the County each year.

16. "Tax Increment Base" means the total appraised value of all real property taxable by a Participating Taxing Entity and located in the Zone as of January 1, 2013, the year in which the Zone was designated.
17. "Tax Increment Fund" means the tax increment fund created by the City for the deposit of Tax Increments for the Zone, entitled "Reinvestment Zone Number Four, City of Edinburg, Texas Tax Increment Fund".
18. "Tax Increment Payment" means the amount of the Tax Increment that a Participating Taxing Entity is required to deposit annually into the Tax Increment Fund in accordance with this Agreement and the Project Plan.
19. The "term of the Zone" has the meaning set forth in Section III.A below.
20. "TIRZ #1" means Reinvestment Zone Number One, City of Edinburg, Texas.
21. "Transportation Zone" means Transportation Reinvestment Zone Number Two, Hidalgo County.
22. "Zone" means Reinvestment Zone Number Four, City of Edinburg, the description of which is contained in Exhibit "B", attached hereto.
23. "Zone Board" has the meaning set forth in Section I.A.1 above.

### III. BACKGROUND

A. The City Council of the City on October 15, 2013, expressed the City's intent to create a tax increment financing reinvestment zone by approving a resolution to support revitalization activities for the Zone, by entering an "Agreement For Services" with TIF Service of South Texas. On November 19, 2013, the City Council of the City passed and approved Ordinance 2013-3687, which created the Zone and Ordinance 2013-3693 appointing a board of Directors for the Zone. The Zone will provide funding for public improvements within the Zone. The Zone is projected to terminate on December 31, 2045, unless earlier termination occurs under this Agreement (the "term of the Zone"), but the County's participation in the Zone, including all obligations of the County to make Tax Increment Payments will be construed as if the term of the Zone ended on December 31, 2045.

B. The City approved the Project Plan on March 3, 2015. The City and the County agree to participate in the Zone and to deposit their respective Tax Increment Payments to the Tax Increment Fund, in accordance with the terms, and in consideration for the agreements, set forth herein. The Tax Increment Fund was authorized by Ordinance No. 2013-3687 attached hereto as Exhibit "B." The County hereby acknowledges receipt of notice of the initial creation of the Zone. The City represents and warrants that it complied with all legal requirements and notice requirements in the creation of the Zone.

C. The Parties hereto agree that, other than bonds or notes issued pursuant to §311.015 of the Texas Tax Code or other contract revenue bonds supported, in part, with tax increment revenues generated within the Zone, no tax-supported public debt instrument will be issued by the City or the Zone Board to finance any costs or improvements on the Project.

D. Based on information submitted to the County by the City and the Zone, the County has determined that pursuant to Section VI.3.a.i. of the Amended and Restated Tax Increment Reinvestment Participation Policy for Hidalgo County special circumstances exist with respect to the Project and the County in its discretion is opting to participate at 80% of the Applicable M&O Tax Rate, subject to the terms and conditions contained herein.

E. The City previously created TIRZ#1. While the Project is not within TIRZ#1, in accordance with Section 311.010(b) of the Texas Tax Code, TIRZ#1 is authorized to use tax increment revenues generated within TIRZ#1 to pay the costs of providing "areas of public assembly," such as the Project, in or out of TIRZ#1. Pursuant to authority granted in Section 311.011(e) of the Texas Tax Code, on March 3, 2015, the City Council of the City approved Ordinance No. 2015-3816 for the purpose of amending the final project and reinvestment zone financing plan related to TIRZ#1 to incorporate being able to use tax increment payments generated within TIRZ#1 to support the financing related to the Project in the Zone.

F. In addition to the Tax Increment Payments being provided by the City and the County from the Zone and TIRZ #1, there are other sources of public funds which will be provided by the City and the Edinburg Economic Development Corporation (the "EEDC") to secure financing for the Project. Those funds are detailed in a "Project Funding Agreement Relating to Edinburg Entertainment Center, expected to be dated as of March 1, 2015, by and among the City, the TIRZ #1, the Zone, the EEDC and the Corporation, and are generally described as being (i) 50% of the revenues derived by the City from the City's 1% general sales and use tax that are collected within TIRZ #1 and the Zone, (ii) a subordinate lien on all sales and use taxes received by the EEDC from the ½ of 1% economic development sales and use tax imposed by the City for the benefit of the EEDC (except for any of such sales tax revenues collected within Reinvestment Zone Number Three, City of Edinburg, Texas), and (iii) certain "Base Rental" to be received annually by the Corporation as the "Landlord" under that certain "Lease and Development Agreement" relating to the development and construction of the Project between the Issuer and Vipers Arena, LLC, a Texas limited liability company, as the "Tenant" thereunder.

#### IV. RIGHTS AND OBLIGATIONS OF THE COUNTY

##### A. Tax Increment Participation by the County

1. Subject to the limitations set out in this Agreement, the County agrees to participate in the Zone by contributing to the Tax Increment Fund an amount equal to 80% of the revenue generated from the Available M&O Tax Rate as assessed and collected on the Tax Increment for the respective tax year. The County's obligation to contribute to the Tax Increment Fund shall begin with the 2015 tax year (no tax increment shall be payable by the County for any prior tax year) and shall terminate upon the earlier to occur of (i) December 31, 2045, and (ii) the date on which all bonds issued by the City or a related entity of the City to finance the Project (including any refunding bonds related thereto) have been fully paid and are no longer outstanding.

2. The Parties hereto agree that the County's contribution to the Tax Increment Fund shall be used to fund Project Costs including construction of the Project to support the development and revitalization efforts in the Zone.

B. Tax Increment Payment

1. a. County's obligation to contribute its Tax Increment Payment to the Tax Increment Fund, as provided in Section IV.A of this Agreement, shall accrue as the County collects its Tax Increment. The Parties hereto agree that all ad valorem property taxes collected each year by the County that are attributable to real property in the Zone shall first constitute taxes on the Tax Increment Base and after the total amount of taxes on the Tax Increment Base have been collected, then the remaining ad valorem taxes collected shall constitute the Tax Increment.

b. County agrees to deposit its first Tax Increment Payment to the Tax Increment Fund for tax year 2015 by the later of (i) all tax accounts having been coded by the Hidalgo County Appraisal District, the Hidalgo County Tax Office having received the list of tax accounts, collection reports having been provided to the Hidalgo County Auditor's Office, and the information required under Section 311.016 of the Tax Code having been provided to the County, (ii) May 1st, 2016, and (iii) 30 days after the full execution and delivery of this Agreement by all Parties. The amount of the first Tax Increment Payment shall be based on the Tax Increments that were received up to January 31, 2016, but only for tax year 2015.

c. For subsequent payments, the County agrees to contribute its yearly Tax Increment Payment to the Tax Increment Fund annually not later than the 90th day after the delinquency date for the County's property taxes (or the first business day thereafter) following the end of each tax year. The amount of each Tax Increment Payment shall be based on the Tax Increments that are received up to January 31st following the end of the tax year, but which have not been previously deposited in the Tax Increment Fund, during the annual periods preceding each deposit date.

d. Under no circumstances shall the County be required to participate in the Zone with taxes attributable to periods after 2045.

e. Administrative Costs in the amount of one thousand dollars (\$1,000) per year will be reimbursed to the County by deduction from the annual payment made to the Tax Increment Fund (with any Administrative Costs in excess of such amount being reimbursed to the County pursuant to Section V.D.3. below, not to exceed an aggregate amount of Thirty One Thousand dollars (\$31,000).

f. The City shall request collection reports from the Hidalgo County Tax Assessor Collector and provide a copy of these reports along with a payment request detailing the payment calculation as illustrated in the chart in subsection g. below to the County one month prior to a payment required to be made under this Agreement.

g. The chart below is an example of the calculation of the County's Tax Increment Reinvestment Zone payment amount.

(Assuming for the purpose of this example, the tax value of the zone is \$100,000.00, the base value is \$10,000.00, the Administrative Costs are \$10.00 per year and the overall COUNTY tax rate is \$.0059.)

<b>Tax Increment Reinvestment Zone (TIRZ Payment Calculation)</b>	<b>EXAMPLE</b>
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD))	\$100,000.00
<i>(multiplied by)</i> Hidalgo County Current (GHD) Tax Rate (.59/100)	\$0.0059
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ	<b>\$590.00</b>
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD))	\$100,000.00
<i>(less)</i> Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)	\$10,000.00
<b>Captured Appraised Value</b>	<b>\$90,000.00</b>
Captured Appraised Value	\$90,000.00
<i>(multiplied by)</i> Contribution Rate (Applicable M&O Tax Rate) (.51/100)	0.0051
<b>Tax Levy Due to TIRZ</b>	<b>\$459.00</b>
TIRZ Collections (for February 1 through January 31) as per Collections Reports provided by Hidalgo County Tax Office	\$300.00
<i>(divided)</i> GHD Actual Tax Levy for all Real Property tax accounts located within the TIRZ	\$590.00
<b>Percent Collected of Actual Levy</b>	<b>50.85%</b>
Tax Levy Due to TIRZ	\$459.00
<i>(multiplied by)</i> Percent Collected of Actual Levy	50.85%
Payment Amount	\$233.40
<i>(less)</i> Administration Costs (as per agreement)	\$10.00
<b>TIRZ PAYMENT AMOUNT</b>	<b>\$223.40</b>

2. One month prior to a payment required under Section IV.B. of this Agreement, the City shall provide to the County an updated fact sheet that includes detail as to what portion of the Project has been completed to date, a schedule of what portion of the Project is to be completed in the following year and a current roster of the Zone's board members, including the term of each board member, the entity that appointed the board member, the date for the next annual meeting and a formal request for payment. In addition to and as part of the City's fact sheet, the City shall supply the County with all information as required under Section 311.016 of the Texas Tax Code on or before the 90th day following the end of the fiscal year of the City.

3. In the event there is a conflict between the Parties in regards to the amount of the Tax Increment owed by the County, the Hidalgo County Auditor will make the final determination as to the amount of any Tax Increment owed by the County under this Agreement. The annual Captured Appraised Value for the real property contained within the Zone shall be determined by the Hidalgo County Appraisal District on the assessed appraised values and the Hidalgo County Tax Offices' verification of collections in regards to the real property contained with the Zone. If the certified taxable value changes after the initial tax increment payment has been made, the change in value will not be included in the tax payment in the upcoming years.

4. Any delinquent deposit by the County of a Tax Increment Payment under this Agreement shall be administered as provided in Sections 311.013(c) and 311.013(c-1) of the Texas Tax Code, which states as follows:

"(c) Notwithstanding any termination of the reinvestment zone under Section 311.017(a) and unless otherwise specified by an agreement between the taxing unit and the municipality or county that created the zone, a taxing unit shall make a payment required by Subsection (b) [Tax Increment Payment] not later than the 90th day after the later of:

(1) the delinquency date for the unit's property taxes; or

(2) the date the municipality or county that created the zone submits to the taxing unit an invoice specifying the tax increment produced by the taxing unit and the amount the taxing unit is required to pay into the tax increment fund for the zone.

(c-1) A delinquent payment incurs a penalty of five percent of the amount delinquent and accrues interest at an annual rate of 10 percent."

The Parties expressly agree that the County shall not owe any penalty or interest on Tax Increments attributable to taxes that have been levied, but not received by the County. Further, the County shall not be liable for the payment of any penalties or interest if the fact sheet and payment request required under Section IV.B.2 and the report required under Section 311.016 of the Texas Tax Code are not timely submitted to the County or in any situation in which the City is not obligated to pay penalties and interest.

5. The City and the Zone agree to comply with the Project Plan. The City and the Zone agree to provide prior written notice to all Participating Taxing Entities of a proposed material change (by which is meant any change that would constitute at least a twenty percent (20%) increase or decrease in either the Project Cost or the scope and scale of the Project) to the Project Plan; provided that any change that is not approved by the County shall not change the amount of Tax Increment Payments due from the County. The City shall have the right to amend and modify the Project Plan without providing prior written notice to the Participating Taxing Entities so long as such amendment or modification does not constitute a material change.

6. If the City materially breaches this Agreement, then a Participating Taxing Entity may provide written notice to the City and the Zone (with a copy to any other Participating Taxing Entity still contributing Tax Increment Payments) stating its intent to terminate its participation in the Zone and detailing its objection(s) or concern(s). If the objections and/or concerns, as set out in the notice, are not

resolved within 90 business days from the date of such notice, then County may discontinue its Tax Increment Payments and terminate its participation in the Zone.

7. Except for contributing its respective Tax Increment Payments to the Tax Increment Fund as set out in this Agreement, the County shall not have any obligation or responsibility for any costs or expenses associated with the development of the Zone or the implementation of the Project Plan, including, without limitation, any obligation to pay or repay any bond or other debt issued by another Participating Taxing Entity, the Zone or the Zone Board relating to the Zone or any costs associated with the operation of Zone, the Project or any other projects relating thereto.

8. a. *General Provisions.* Subject to the provisions of this Agreement, the County agrees to participate at eighty percent (80%) of the Applicable M&O Tax Rate per \$100 valuation on the Captured Appraised Value) of real property in the Zone. The City represents and warrants that none of the real property in the Zone is in the Transportation Zone.

b. *Transportation Zone Overlap.* Notwithstanding anything to the contrary contained herein, in the event any of the property within the Zone is also within the Transportation Zone, during any period with respect to which the County is obligated to pay part of the tax increment on such real property in the Zone to the Transportation Zone, in lieu of the 80% of Applicable M&O Tax Rate specified above, the County contribution to the Zone with respect to real property that is within the overlap between the Transportation Zone and the Zone shall not exceed fifty percent (50%) of the Applicable M&O Tax Rate.

c. *Greater County M&O Tax Rate.* If the County M&O Tax Rate for any given year is greater than the Applicable M&O Tax Rate per \$100 valuation on the Captured Appraised Value during any year during the term of the Zone, the County shall retain all taxes collected in excess of the Applicable M&O Tax Rate per \$100 valuation on the Captured Appraised Value and to the extent any such excess has been contributed into the Tax Increment Fund, such excess shall be promptly refunded to the County.

9. County taxes that are delinquent for more than five years will be considered uncollectible and shall not be included in the tax increment payment.

10. Upon the occurrence of any event that allows the City to terminate hereunder, the County shall have the right to withhold tax increment payments under this Agreement until such time as such event is cured, and the County shall not incur any penalties or interest with respect to any such withheld payments notwithstanding any provision herein to the contrary.

#### C. Management of the Zone

1. The Zone shall in all respects be managed by the Zone Board, including the Director appointed by the County. The Zone Board shall have all powers allowed under Chapter 311 of the Texas Tax Code to manage the Zone and carry out the Project and Finance Plan. The Participating Taxing Entities, during the term of this Agreement, may inspect the Project site and review Project plans and drawings at times and intervals that will not interfere with ongoing operations.

2. The Zone Board shall be composed of five (5) members, as allowed under Section 311.009(b) of the Texas Tax Code. The County shall have the right to appoint one (1) member of the Zone Board.

#### D. Expansion of the Zone

Notwithstanding anything to the contrary contained herein, the obligation of the County to participate in the Zone is limited to the description of the Zone in Exhibit "B" attached hereto and is subject to the terms of this Agreement. The County's participation shall not extend to the Tax Increment on any additional real property added to the Zone by the City unless the County approves such participation in writing.

## V. RIGHTS AND OBLIGATIONS OF CITY AND ZONE

### A. Tax Increment Participation by the City

Subject to the terms of this Agreement and the City agrees to participate in the Zone by contributing to the Tax Increment Fund one hundred percent (100%) of its Tax Increment each year during the term of this Agreement, beginning with the 2015 tax year. The City's contributions to the Tax Increment Fund shall end when the City has contributed the all Tax Increments attributable to periods before the Zone termination date in 2045.

### B. Tax Increment Payment

1. The City's obligation to contribute its Tax Increment Payment to the Tax Increment Fund as provided above in Section V of this Agreement shall accrue as the City collects its Tax Increment. The City agrees to deposit its first Tax Increment Payment to the Tax Increment Fund for tax year 2015 by May 1, 2016. The amount of the first Tax Increment Payment shall be based on the Tax Increments that were received through January 31, 2016, but only for the tax year 2015 beginning January 1, 2015. For subsequent Tax Increment Payments, the City agrees to contribute its Tax Increment Payment to the Tax Increment Fund semi-annually on or before March 10th and August 10th (or the first business day thereafter) of each tax year. Any delinquent deposit of a Tax Increment Payment by the City under this Agreement shall be administered as provided in Sections 311.013(c) and (c-1) of the Texas Tax Code (or its successor provision).

2. The County, the City and the Zone expressly agree that the County and the City shall not owe any interest on Tax Increments that have been levied, but not received by the County or the City by the delinquency dates specified herein.

### C. Financing of Project Costs

Each Participating Taxing Entity shall participate in the payment of Project Costs only to the extent described herein. The City and the Zone shall be entitled to enter into any other agreements for the City or the Zone to pay Project Costs and other reasonable expenses from the Tax Increments paid into the Tax Increment Fund without the consent of any other Participating Taxing Entity, but they will provide notice of such agreement(s) to each Participating Taxing Entity.

### D. Disbursement of Funds in the Tax Increment Fund

1. Each Participating Taxing Entity agrees the Zone Board shall administer the Tax Increment Fund on behalf of the Zone, pursuant to Ordinance No. 2013-3687 passed and approved by City Council of the City on November 19, 2013, and the Project Plan approved pursuant to Ordinance 2015-3817 passed and approved by City Council of the City on March 3, 2015. No funds shall be disbursed from the Tax Increment Fund without the prior written approval of the Zone Board, and notice of use and disbursement of funds by the Zone shall be given at least annually to the County.

2. The parties agree and understand that under no circumstances shall reimbursable Administrative Costs exceed, in the aggregate, the amount set out and described in Section 11.1 above over the term of the Zone.

3. In addition to Project Costs and any other allowable costs, the City and Zone represent and warrant that they will use funds in the Tax Increment Fund to pay annual expenditures in the following order or priority of payment: (i) payment of any debt service on any Bonds issued with respect to the Zone under Section 311.015 of the Texas Tax Code; and (ii) to reimburse Administrative Costs incurred by the County to the extent not previously recouped by the County as a reduction to the annual Tax Increment Payment. City acknowledges that the only entity to receive Administrative Costs is County.

E. Implementation of Project Plan.

The City and Zone agree to implement the Project Plan in accordance with the terms thereof, including without limitation that the Project be implemented in such a way as to constitute an "[area] of public assembly out of TIRZ#1 pursuant to Section 311.010(b) of the Texas Tax Code.

## VI. TERM AND TERMINATION

A. Agreement Term and Termination

This Agreement shall become effective as of the last date of execution by the Parties hereto, and shall remain in effect until December 31, 2045 unless earlier terminated as provided herein (the "Agreement Term"). Subject to the terms of this Agreement, the County agrees to participate under this Agreement, beginning with the 2015 tax year and ending in accordance with the terms provided herein. Notwithstanding the term of the Zone extending until December 31, 2045, nor anything to the contrary contained in this Agreement, the Parties agree and understand that the County's Tax Increment Payments will not be made after December 31, 2045.

B. Early Termination

Neither the City nor the Zone Board shall take any action to terminate the Zone earlier than the duration of the Zone as specified herein.

C. Disposition of Tax Increments

Upon expiration or termination of the Zone and after all bonds have been paid and all reimbursements have been made, any money remaining in the Tax Increment Fund shall be paid to the Participating Taxing Entities on a pro rata basis in accordance with Section 311.014(d) of the Texas Tax Code, or any successor thereto. Accounting to determine the pro rata distribution of remaining funds to the respective taxing entities shall be conducted according to generally accepted accounting principles, and shall be subject to review and audit by the County upon reasonable request. In the event a discrepancy occurs between the reviews conducted by the City and County, said dispute will be resolved by the respective audit offices of the City and County. In the event the dispute cannot be resolved it shall be submitted to mediation under the rules of the American Mediation Association with a mediator agreed upon by the County Judge of the County and the Mayor of the City.

## VII. MISCELLANEOUS

A. Understanding

Any and all costs incurred by the City are not, and shall never become, general obligations or debt of any Participating Taxing Entity other than City. With respect to the City's costs, only eligible Project Costs and other allowable expenses under applicable law, if any, incurred by the City shall be payable from the Tax Increment Fund in the manner and priority provided in this Agreement and only to the extent that funds become available in the Tax Increment Fund. The Parties agree and understand that under no circumstance shall the eligible costs exceed the maximum specified in the final finance plan passed and approved in accordance with Ordinance 2015-3817 dated March 3, 2015. The City and the County are not obligated above and beyond what is actually collected as tax increment funds.

B. Severability

In the event any term, covenant or condition herein contained shall be held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition herein contained.

C. Entire Agreement

This Agreement merges the prior negotiations and understandings of the Parties hereto and embodies the entire agreement of the Parties. There are no other agreements, assurances, conditions, covenants (express or implied), or other terms with respect to the covenants, whether written or verbal, antecedent or contemporaneous with the execution hereof.

With respect to the County's obligations, to the extent there is any discrepancy between this Agreement and any exhibit hereto, the terms of this Agreement shall control.

D. Written Amendment

This Agreement may be changed or amended only by a written instrument duly executed on behalf of each Party hereto. All Parties to this Agreement understand and recognize that only the City Commission of City and only the Commissioners Court of the County have authority to approve a change or amendment to this Agreement on behalf of the City or the County, respectively.

E. Notices

All notices required or permitted hereunder shall be in writing and delivered by personal delivery, facsimile or United States Postal Service (certified mail, return receipt requested) and addressed to the respective other Party at the address prescribed in Section I of this Agreement, or at such other address as the receiving Party may have theretofore prescribed by notice to the sending Party. Such notices shall be deemed delivered the earlier of: (i) when actually received by personal delivery or facsimile if received during normal business hours and on the next business day if received after normal business hours; or (ii), if sent by the United States Postal Service, on the date indicated by the United States Postal Service on the return receipt as the date on which it was received by the respective other Party.

F. Non-Waiver

Failure of any Party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on, or to enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.

G. Assignment

All Parties to this Agreement understand and recognize that only the City Council of the City and only the Commissioners Court of the County have authority to approve a delegation or assignment of the County's or the City's rights in this Agreement on behalf of the City or the County, respectively.

H. Successors

This Agreement shall bind and benefit the Parties and their legal successors or assigns. This Agreement does not create any personal liability on the part of any trustee, officer, owner, partner, principal, employee, elected official or agent of a Party to this Agreement.

I. Project Plan

The Parties agree a material change to the Project Plan shall not apply to the County unless the County approves the amendment as provided herein if such amendment to the Project Plan (i) has the effect of directly or indirectly increasing the percentage or amount of Tax Increment to be contributed by the County to the Tax Increment Fund; or (ii) increases or reduces the geographical area of the Zone set forth in the Project Plan or (iii) otherwise materially changes the Project.

J. Access to Financial Information

The Zone agrees to conduct or to cause to be conducted, at a minimum, an annual financial review, a copy of which will be provided to the County. Furthermore, each Party to this Agreement shall have reasonable access to financial information and audit reports regarding the operation of the Zone, contribution of Tax Increment Payments to the Tax Increment Fund, and expenditures from the Tax Increment Fund for Project Costs. In addition, the City agrees, during the term of this Agreement, to prepare and deliver an annual report to the County in accordance with Section 311.016 and 311.0101(c), Texas Tax Code. The County shall have the right to withhold or delay payments to the Tax Increment Fund until such time as it has received the financial or other report from the City for the applicable tax year, and shall not incur any penalties or interest with respect to any such withheld or delayed payments notwithstanding any provision herein to the contrary.

K. Zone Designation

The City represents that its designation of the Zone meets the criteria of Section 311.005(a), Texas Tax Code.

IN WITNESS HEREOF, the CITY OF EDINBURG; HIDALGO COUNTY AND REINVESTMENT ZONE NUMBER FOUR, CITY OF EDINBURG, TEXAS have made and executed this Agreement in triplicate originals effective this 10<sup>th</sup> day of March, 2015.

CITY OF EDINBURG

HIDALGO COUNTY

By: \_\_\_\_\_  
Richard H. Garcia  
Mayor

By: Ramon Garcia  
Ramon Garcia  
County Judge

ATTEST/SEAL:

ATTEST/SEAL:

\_\_\_\_\_  
Myra L. Ayala Garza  
City Secretary

Arturo Guajardo, Jr.  
Arturo Guajardo, Jr.  
County Clerk

APPROVED AS TO FORM FOR  
CITY OF EDINBURG

APPROVED AS TO FORM FOR  
HIDALGO COUNTY:

PALACIOS, GARZA & THOMPSON P.C

ATLAS, HALL & RODRIGUEZ, LLP

By: \_\_\_\_\_  
City Attorney

By: Stephen L. Crain  
Stephen L. Crain

REINVESTMENT ZONE NUMBER FOUR, CITY  
OF EDINBURG, TEXAS

Approved by Commissioners' Court  
on 3-10-15

By: \_\_\_\_\_  
Richard H. Garcia  
Chairperson

Exhibit A  
Project Plan

**FINAL**

**PROJECT PLAN  
AND FINANCING PLAN  
FOR**

**Reinvestment Zone Number Four**

**City of EDINBURG, TEXAS**

**Arena Development Program**

**JANUARY 15, 2015**

## **Table of Contents**

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### **EXHIBITS**

- A. MAP OF ZONE
- B. SUMMARY OF TIRZ REQUIREMENTS.

## **SECTION I – EXECUTIVE SUMMARY**

### **Overview of Plan**

The City of Edinburg, Texas Tax Increment Reinvestment Zone (“TIRZ”) Number Four represents an important opportunity for the City of Edinburg, Texas to promote and encourage construction of mixed use retail, entertainment, food service and hospitality facilities in areas of the City that have significant and varied impediments to development.

Large and small tracts of land in and around the city have remained vacant or underdeveloped and are in need of development or redevelopment due to inadequate city street infrastructure, substandard streets, lack of adequate parking, and drainage issues. The costs associated with the remediation of development and redevelopment issues are of a magnitude that without additional sources of funds the growth of the city will be significantly impaired.

The creation of the TIRZ will provide the following benefits:

1. Funding for necessary public improvements associated with needed development in the city.
2. Replace lower value existing land uses with high value entertainment, retail, food service and hospitality facilities
3. Offer employment opportunities for Edinburg, Texas and Hidalgo County residents.
4. Help to balance economic growth in Hidalgo County.
5. Provide a more efficient use of existing city and county services and infrastructure.

The proposed TIRZ is comprised of vacant land along Hwy 281 in the City of Edinburg, Texas.

### **Development Goals and Objectives**

The development goals and objectives, which are expected to meet the specific needs of the City of Edinburg, Texas TIRZ District, are:

- Provide retail, entertainment, hospitality and food service opportunities for developers and companies seeking commercial building sites.
- Provide for new commercial and residential opportunities through the upgrading of Alberta Road and Tres Hermanos Road.
- Provide employment opportunities to service increasing population growth within the City of Edinburg, Texas and surrounding Hidalgo County.

The City of Edinburg, Texas TIRZ District Project Plan and Reinvestment Zone Financing Plan provides a long term program to increase business opportunities and population within the District, using tax increment financing to fund required public improvements. This long-term program is expected to attract additional commercial and residential development to include affordable and market rate housing.

**Planned Private Development**

The City of Edinburg, Texas TIRZ Development Program includes;

2014	15,528,281	Wal Mart
2015	\$10,000,000	HEB
2015	\$55,000,000	Arena
2015	\$1,200,000	Wal Mart Pad Sites TBB
2016	\$3,540,000	Arena Pad Sites TBB
2017	\$3,540,000	Arena Pad Sites TBB

The total private investment is expected to be in excess of \$ 88,808,281.

The projected values of future commercial development is based upon an analysis of the impact of the construction of Wal-Mart, the Arena and a future HEB.

Consideration has also been given to visits to the City from third party developers looking at commercial sites and enquiring about the availability of sewer, water and the location of other utilities.

**Planned Public Improvements**

The public improvements enumerated in the Project Plan, with an estimated cost of \$55,319,476.00 provide for the sewer system enhancements, funds for street reconstruction and utility relocation, and new municipal facilities. The public improvements planned for the City of the Edinburg, Texas district are designed to help meet the long-term needs to secure and insure growth and investment in the City and Hidalgo County.

## **Planned Public Construction**

The City of Edinburg, Texas TIRZ Development Program includes;

Land Cost	\$ 7,360,620.78
Arena Construction	\$43,305,280.01
On-Site Paving and Utilities	\$ 2,482,227.72
Off-Site City Road Improvements	\$ 2,076,347.50
Total Cost of Construction	\$ 55,224,476.01

The TIRZ Financing Plan provides for tax increment allowable expenses in the approximate amount of \$ 43,487,279. The Reinvestment Zone Financing Plan provides for incremental financing and predicts revenues for the City of Edinburg, Texas TIRZ District.

## **Section II – Project Plan**

### **Background**

On October 15, 2013 the City of Edinburg, Texas Economic Development Corporation signaled its intent to consider the creation of the City of Edinburg by entering an “Agreement For Services” with TIF Service of South Texas. On November 19, 2013, the City Council approved Ordinance 2013-3687 authorizing the creation of the TIRZ and Ordinance # 2013-3693 appointing a Board of Directors for the Zone.

Meetings and presentations were held with individuals and taxing entities in HIDALGO County on the following dates:

- HIDALGO County Commissioners Court Executive Session August 20, 2013.
- HIDALGO County Commissioners Court Executive Session October 15 & 29, 2013
- Edinburg Independent School District Executive Session October 15, 2013
- HIDALGO County Commissioners Court November 5, 2013

## **Program Concepts**

The City of Edinburg, Texas TIRZ District # 4 represents an important opportunity for the City of Edinburg, Texas to develop a viable long-range public facility and infrastructure plan for the City. New public facilities, retail, food service and lodging construction are the key components of the development plan. Increased employment opportunities for Edinburg, Texas and surrounding county and community residents will be enhanced through the development and redevelopment activity within and adjacent to the Zone.

## **Development Goals and Objectives**

The planned public improvements within the City of Edinburg, Texas TIRZ District # 4 will provide for additional public event venues and will insure the future of the City as a viable option as companies look to expand or relocate. The addition of lodging facilities will complement the valley's destination sport, tourism, hunting and fishing industries.

## **Description of District**

The City of Edinburg, Texas TIRZ District # 4 is located on the Highway 281 corridor of the City. The market value of property within the Zone is \$2,340,271 the Base Value of the Zone, per the Hidalgo County Appraisal District. The City of Edinburg, Texas TIRZ # 4 zone includes approximately 96.73+/- acres of public and privately held land as shown on the Exhibit "A"

## **Existing Uses and Conditions**

All of the property contained in the Zone is vacant land.

The City of Edinburg, Texas has determined that the improvements in the Zone will significantly enhance the value of all of the taxable real property in the Zone and will be of general benefit to the municipality, and that the Zone area meets the requirements of Section 311.005 of the Act, being that the Zone area:

"is predominantly open, and because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City" and

The City of Edinburg, Texas, pursuant to the Act, further finds and declares that:

1. the proposed zone is located wholly within the City limits of Edinburg, Texas;
2. less than thirty percent (30%) of the property in the proposed Zone is used for residential purposes, as the term "residential" is defined in Section 311.006(d) of the Act;
3. the total appraised value of the taxable real property in the proposed Zone or in existing reinvestment zones, if any, does not exceed fifty per cent (50%) of the total appraised value of taxable real property in the City and in industrial districts, if any, created by the City;

4. the proposed Zone does not contain more than fifty percent (50%) of the total appraised value of real property taxable by Hidalgo County.
5. development or redevelopment within the boundaries of the proposed Zone will not occur solely through private investment in the reasonably foreseeable future.

### **City of Edinburg, Texas TIRZ Zoning**

Properties within the Zone are currently zoned Agriculture and General Commercial. The arena property will be rezoned from agricultural to the appropriate retail and hospitality zoning and the arena site will be zoned appropriately as a public facility.

### **Proposed Public Improvements**

#### **OFF-SITE CITY ROAD IMPROVEMENTS**

##### **Alberta Road**

Alberta Road located along the Southern border of the proposed Area site will serve as a significant access point to the arena site. The road will be upgraded to a full sixty (60) foot collector street from Hwy 281 to I (Veterans) Road. I Road serves as a collector running from north of US Hwy 83 to the intersection of Alberta Road. Improvements include upgrading the water line to a 10 inch along the entire corridor and new sanitary and storm sewer lines as well relocating and upgrading the electrical service and street lights.

##### **Tres Hermanos Road**

Tres Hermanos Road located along the eastern border of the arena site will be rebuilt and upgraded to a fifty (50) foot collector street. The reconstruction will require the replacement of the water, sanitary sewer, storm sewer and the relocation of the electrical service and street lights in the road.

#### **MUNICIPAL FACILITIES**

##### **On-site work and Utility Work**

The area site located at Expressway 281 and Alberta Road has been divided into four unique sites; 1. the Arena site; Site #2, which includes seven retail users in four buildings; Site #3, which has 3 retail or pad users in three buildings; and Site # 4, which has 2 buildings of 7,198 square feet sharing a common courtyard. All of the sites will need to have water, sewer, storm sewer and electrical service to them. Some sites may require gas service. A significant storm water detention facility will be needed along the northern border of the property alongside the H.C.I.D. drainage canal.

## The Arena

A 179,000 square foot multi-use facility is proposed. The arena would be the home of the Rio Grande Valley basketball team as well as being available for other public venues including concerts, stage performances large meetings and other public uses.

### **Non-Project Costs:**

The Tax Increment Reinvestment Zone does not contemplate or foresee any non-project costs other than Alberta and Tres Hermanos Roads.

## **SECTION III - Project Feasibility**

The feasibility of any development has two aspects that must be considered:

1. Financial feasibility
2. Market feasibility.

The purpose of the TIRZ is to address the financial aspect of the development. TIRZ incremental funds provide for a portion of the development costs incurred for public improvements, thus insuring the financial feasibility of the Project. This project is financially feasible and can be developed with funding of public improvements from TIRZ funds, however the City acknowledges that the incremental funds to be generated from the project do not cover all of the cost of the proposed public improvements and that other funding sources will be necessary.

Market feasibility addresses issues relating to product absorption, type of product, and demand. Through a long term lease with the Rio Grande Vipers, a professional basketball team, the City has secured a user and manager for the Arena facility who will handle the day to day operation of the facility and assume the financial obligation of maintain the facility

There is demonstrated demand for the type and size of the planned private improvements in the Zone. The public improvements schedule for the Zone will insure that these private improvements are built.

## **SECTION IV – REINVESTMENT ZONE FINANCING PLAN**

### **Tax Increment Financing**

The Tax Increment Financing Act (Chapter 311 of the Tax Code), provides for municipalities to create “reinvestment zones” within which various public works and improvements can be undertaken, using tax increment revenues, bonds or notes, to pay for those improvements. At the time an area is designated a reinvestment zone for tax increment financing (“TIF”), the existing total of appraised value of real property in the zone is identified and designated as the “tax increment base.” Taxing units levying taxes in the zone during its life are limited to revenues from this base.

Public improvements are made in the area to attract private development that would not otherwise occur. As the costs of new development are added to the tax rolls, property values will rise. This rise in new value is called the “captured appraised value.” The taxes that are collected by the participating taxing jurisdictions on the increment between the base value and the new higher value, the tax increment, are then deposited into a TIF Trust Fund, which is used to pay for the public improvements. Once the public improvements are completed and paid for, the TIF is dissolved and any remaining amounts of taxes collected are kept by the taxing jurisdiction. In effect, the taxing jurisdictions are “investing” future earnings to receive the benefit of higher tax revenues from new development. Taxing jurisdictions are not restricted from raising their tax rate during the life of the zone.

### **Financing Plan**

The Reinvestment Zone Financing Plan developed by the City provides that potentially \$39,165,468 of public improvements will be paid for with TIF funds. The Reinvestment Zone Financing Plan also projects incremental funds for financing and revenues for the City of Edinburg, Texas TIRZ. It is not anticipated that tax increment funds in an amount to fully reimburse the City for all approved project costs will be generated over the projected life of the Zone

Financing Method: Incremental funds will be spent as they accrue and TIF Revenue Bonds may be issued for larger projects and paid for with annual TIRZ proceeds

Financing Policy: The goal of the City of Edinburg, Texas TIRZ District is to borrow only those funds needed as the necessity arises in order to reduce interest expense.

Long Term Financing: The developers of the commercial/industrial/Retail sites, and the single and multi-family homes will arrange for long term financing for their individual projects.

## **Development Schedule And Assumptions**

The Development Schedule is based upon the immediate needs of the City and the public works are listed by priority. The City intends to remain flexible in order to leverage other funds with TIRZ funds to maximize the efficiency of the City's funds.

The City anticipates construction beginning in 2015 with completion in 2018

Land Cost	\$ 7,360,620.78
Arena Construction	\$43,305,280.01
On-Site Paving and Utilities	\$ 2,482,227.72
Off-Site City Road Improvements	\$ 2,076,347.50
Total Cost of Construction	\$ 55,224,476.01
County Administrative Fees	\$ 20,000.00
Formation Expenses	\$ 75,000.00
Total Costs	\$ 55,319,476.01

## **Financial Assumptions**

No tax rate changes have been factored into the financial pro forma's for the District. All projections assume that taxable appraised value and tax rates will remain unchanged. It has also been assumed that the taxing entities will continue to collect tax revenues at the same rate. The finance plan assumes a collection rate of 100% because the new development will be in the form of commercial construction, the long-term lenders who do the permanent financing for these types of projects generally require proof that the taxes are current.

**City of Edinburg Texas  
Project Review**

**City of Edinburg - TIF Reinvestment Zone # Four**

1/21/2014

**Summary Fact Sheet**

**Plan of Finance**

Site Area	120.280	Acres
Base Value Estimate (2013)	\$2,340,271	

**Project:**

Phase 1	2014	15,528,281	Wal Mart
Phase 1a	2015	\$10,000,000	HEB
Phase 2	2015	\$55,000,000	Arena
Phase 2a	2015	\$1,200,000	Wal Mart Pad Sites TBB
Phase 3	2016	\$3,540,000	Arena Pad Sites TBB
Phase 4	2017	\$3,540,000	Arena Pad Sites TBB

**Totals** **\$88,808,281**

<b>Assumption</b>	<b>Captured Value</b>	<b>\$ 88,808,281</b>	
Growth Factor		0.00%	
Collection Rate		100.00%	
Estimated TIF Life		30	Years
Estimated TIF Revenue	<b>\$</b>	<b>43,487,729</b>	

---

### Projected Value of New Tax Increment

The estimates of new tax increment are based upon the development schedule.

Year	Phase 1	Phase 2	Phase 3	Phase 4	Total
2014	15,528,281				15,528,281
2015		66,200,000			66,200,000
2016			3,540,000		3,540,000
2017				3,540,000	3,540,000
2018				0	0
2019				0	0
2020				0	0
	15,528,281	66,200,000	3,540,000	3,540,000	88,808,281



Schedule of Projected Income From Value of New Tax Increment Continued:

Edinburg Sales Tax	Combined Tax Collections	Fiscal Year Ending
\$ 175,000.00	175,000	2013
\$ 432,000.00	877,656	2014
\$ 449,500.00	1,330,558	2015
\$ 501,125.00	1,419,694	2016
\$ 552,750.00	1,493,798	2017
\$ 552,750.00	1,493,798	2018
\$ 552,750.00	1,493,798	2019
\$ 552,750.00	1,493,798	2020
\$ 552,750.00	1,493,798	2021
\$ 552,750.00	1,493,798	2022
\$ 552,750.00	1,493,798	2023
\$ 552,750.00	1,493,798	2024
\$ 552,750.00	1,493,798	2025
\$ 552,750.00	1,493,798	2026
\$ 552,750.00	1,493,798	2027
\$ 552,750.00	1,493,798	2028
\$ 552,750.00	1,493,798	2029
\$ 552,750.00	1,493,798	2030
\$ 552,750.00	1,493,798	2031
\$ 552,750.00	1,493,798	2032
\$ 552,750.00	1,493,798	2033
\$ 552,750.00	1,493,798	2034
\$ 552,750.00	1,493,798	2035
\$ 552,750.00	1,493,798	2036
\$ 552,750.00	1,493,798	2037
\$ 552,750.00	1,493,798	2038
\$ 552,750.00	1,493,798	2039
\$ 552,750.00	1,493,798	2040
\$ 552,750.00	1,493,798	2041
\$ 552,750.00	1,493,798	2042
\$ 552,750.00	1,434,096	2043
	905,325	
\$ 15,929,125.00	43,487,279	

## **Project Budget**

TIRZ Revenue	\$ 43,487,279.00
Developer Contribution	\$ 11,832,197.01
Land Cost	\$ 7,360,620.78
Arena Construction	\$43,305,280.01
On-Site Paving and Utilities	\$ 2,482,227.72
Off-Site City Road Improvements	\$ 2,076,347.50
Total Cost of Construction	\$ 55,224,476.01
County Administrative Fees	\$ 20,000.00
Formation Expenses	\$ 75,000.00
Total Costs	\$ 55,319,476.01

## **Financial Feasibility**

Based upon a set of conservative assumptions and analysis of the project-financing plan, the City of Edinburg, Texas has concluded that the plan is feasible.

## **Conclusions**

Based upon a set of conservative assumptions and analysis of the City of Edinburg, Texas Tax Increment Reinvestment Zone District Project Plan and Reinvestment Zone Financing Plan, The City of Edinburg, Texas TIRZ Board has concluded that the City of Edinburg, Texas TIRZ District Project Plan and Reinvestment Zone Financing Plan is feasible.

The success of the City of Edinburg, Texas TIRZ # 4 District project plan will encourage other mixed-use commercial/industrial/retail/lodging and market rate residential and affordable housing.

**Board of Directors of Tax Increment Reinvestment Zone Number Four, City of Edinburg,  
Texas**

- 1. Richard H. Garcia, Chairman**
- 2. Felipe Garza**
- 3. Fred Palacios**
- 4. Havidan Rodriguez**
- 5. Steven Cruz**

**Exhibit A**  
**Finance and Development Plan**  
**Map of Zone Properties**



**Exhibit B**  
**Finance and Development Plan**

**TIRZ REQUIREMENTS**

Section 311 of the State Tax Code (Tax Increment Financing Act) specifies that TIRZ (TIF) project and financing plans meet certain requirements. These requirements are listed below, along with a reference indicating where these elements can be located in the plan.

**Project Plan**

- |  |                |
|--|----------------|
| 1. Map of existing uses and conditions   | Exhibit A      |
| 2. List proposed improvements and uses   | Page 20        |
| 3. Description of Zone Property          | Exhibit A      |
| 4. Project Feasibility                   | Page 11        |
| 5. Proposed zoning changes               | Page 8         |
| 6. Estimated non-project costs           | Page 10        |
| 7. Relocation plan for current residents | Not Applicable |

**Financing Plan**

- |   |              |
|---|--------------|
| 1. Detailed estimate of project costs.          | Page 20      |
| 2. Proposed public improvements                 | Page 20      |
| 3. Project Timeline                             | Page 15, 17  |
| 4. Estimated amount of bonded indebtedness      | Undetermined |
| 5. Time when costs/obligations will be incurred | 2010 - 2023  |
| 6. Methods of financing, sources of Revenue     | Page 15      |
| 7. Current total appraised value.               | Page 15      |
| 8. Estimated captured appraised value           | Page 17      |
| 9. Duration of Zone                             | Page 15      |

**Exhibit B**  
**City of Edinburg Ordinances**

**CERTIFICATE FOR ORDINANCE**

**THE STATE OF TEXAS  
COUNTY OF HIDALGO  
CITY OF EDINBURG**

§  
§  
§

I, the undersigned City Secretary of the CITY OF EDINBURG, TEXAS (the "*City*"), hereby certify as follows:

1. The City Council of the City (the "*City Council*") convened in Regular Meeting on March 3, 2015 (the "*Meeting*"), at the City Hall, and the roll was called of the duly constituted officers and members of the City Council, to wit:

Richard H. Garcia, Mayor  
Richard Molina, Councilmember Place 1  
J.R. Betancourt, Councilmember, Place 2  
Homer Jasso, Jr., Councilmember, Place 3  
Elias Longoria, Jr., Councilmember, Place 4

and all of said officers and members of the City Council were present, except the following absentees: J.R. Betancourt and Homer Jasso, Jr., thus constituting a quorum. Whereupon, among other business, the following was transacted at the Meeting: a written Ordinance No. 2015- 3817 (the "*Ordinance*") entitled

**ORDINANCE APPROVING THE PROJECT AND REINVESTMENT ZONE FINANCING PLAN IN CONNECTION WITH REINVESTMENT ZONE NUMBER FOUR, CITY OF EDINBURG, TEXAS, AND REPEALING ORDINANCE NUMBERS 2015-3793 AND 2015-3810 RELATING TO THE SAME SUBJECT**

was duly introduced for the consideration of the City Council. It was then duly moved and seconded that the Ordinance be adopted; and, after due discussion, said motion carrying with it the adoption of the Ordinance, prevailed and carried by the following vote:

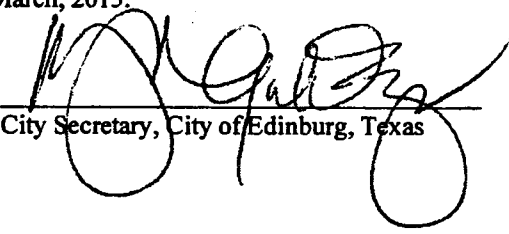
AYES:   3   NOES:   0   ABSTENTIONS:   0  

2. A true, full and correct copy of the Ordinance adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; the Ordinance has been duly recorded in the City Council's minutes of the Meeting; the above and foregoing paragraph is a true, full and correct excerpt from the City Council's minutes of the Meeting pertaining to the passage of the Ordinance; the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the City Council as indicated therein; each of the officers and members of the City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the Meeting, and that the Ordinance would be introduced and considered for passage at the Meeting, and each of said officers and members consented, in advance, to the holding of the Meeting for such purpose; and the Meeting was open to the public and public notice of the time, place and purpose of the Meeting was given, all as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED the 3<sup>rd</sup> day of March, 2015.

(SEAL)



  
\_\_\_\_\_  
City Secretary, City of Edinburg, Texas

ORDINANCE NO. 2015-3817

STATE OF TEXAS  
COUNTY OF HIDALGO  
CITY OF EDINBURG, TEXAS

§  
§  
§

**ORDINANCE APPROVING THE PROJECT AND REINVESTMENT ZONE FINANCING PLAN IN CONNECTION WITH REINVESTMENT ZONE NUMBER FOUR, CITY OF EDINBURG, TEXAS, AND REPEALING ORDINANCE NUMBERS 2015-3793 AND 2015-3810 RELATING TO THE SAME SUBJECT**

*WHEREAS*, pursuant to Ordinance No. 2013-3687 adopted by the City Council of the CITY OF EDINBURG, TEXAS (the "*City*") on November 19, 2013, the City approved the creation of REINVESTMENT ZONE NUMBER FOUR, CITY OF EDINBURG, TEXAS (the "*Zone*") and approved a board of directors for the Zone; and

*WHEREAS*, the Zone was created in accordance with the provisions of Chapter 311, Texas Tax Code, as amended (the "*Act*"); and

*WHEREAS*, prior to the adoption of Ordinance No. 2013-3687, the City prepared a preliminary reinvestment zone financing plan as required by Section 311.003(b) of the Act; and

*WHEREAS*, by resolution approved on February 25, 2015, the Board of Directors of the Zone adopted the *Project and Reinvestment Zone Financing Plan*, in the form attached hereto as Exhibit A (the "*Plan*"), as required by Section 311.011(a) of the Act; and

*WHEREAS*, the Board of Directors of the Zone has submitted the Plan to the City Council and has requested the City Council consider approving the Plan as required by Section 311.011(d) of the Act; and

*WHEREAS*, it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code; **NOW THEREFORE:**

***BE IT ORDAINED BY THE CITY COUNCIL OF CITY OF EDINBURG, TEXAS:***

**SECTION 1. APPROVAL OF PROJECT AND REINVESTMENT ZONE FINANCING PLAN.** In satisfaction of Section 311.011(d) of the Act, the City Council hereby approves the *Project and Reinvestment Zone Financing Plan* attached hereto as Exhibit A.

**SECTION 2. REPEAL OF ORDINANCE NUMBERS 2015-3793 AND 2015-3810.** Ordinance No. 2015-3793 approved by the City Council on January 20, 2015, and Ordinance No. 2015-3810 approved by the City Council on February 17, 2015, each of which regarded the same subject as this Ordinance, are hereby repealed in their entirety due to the fact that the amendment to the Final Plan

which was approved pursuant to Ordinance No. 2015-3793 has been revised and updated with information that is contained in the Final Plan being approved by this Ordinance (and by Ordinance No. 2015-3810), and Ordinance No. 2015-3810 was inadvertently approved prior to the Board of Directors of the Zone approving its resolution on February 25, 2015 adopting the Final Plan.

**SECTION 3. INCORPORATION OF RECITALS.** The City Council hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the City Council hereby incorporates such recitals as a part of this Ordinance.

**SECTION 4. EFFECTIVE DATE.** Pursuant to Article III, Section 7 of the City Charter, this Ordinance shall become effective ten (10) days from the date of its passage by the City Council. The requirement in Article III, Section 6 of the City Charter for ordinances to be read on three separate days is hereby dispensed with.

[The remainder of this page intentionally left blank]

**READ, CONSIDERED, PASSED AND APPROVED** at a regular meeting of the City Council of the City of Edinburg, Texas, at which a quorum was present, which was held in accordance with VTCA, Government Code, Section 551.041 on the 3<sup>rd</sup> day of March, 2015.

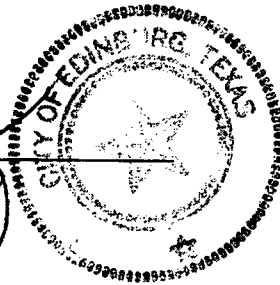
**CITY OF EDINBURG**

By:   
Richard H. Garcia, Mayor

**ATTEST:**

By:   
Myra L. Ayala Garza, City Secretary

(City Seal)



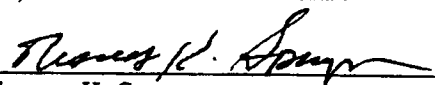
**APPROVED AS TO FORM BY CITY ATTORNEY:**

Palacios, Garza & Thompson P.C.

By:   
City Attorney

**APPROVED AS TO FORM BY BOND COUNSEL:**

McCall, Parkhurst & Horton L.L.P.

By:   
Thomas K. Spurgeon

Signature Page to the Ordinance Approving the  
Project Plan and Reinvestment Zone Financing Plan in Connection with  
Reinvestment Zone Number Four, City of Edinburg, Texas

**EXHIBIT A**

**PROJECT AND REINVESTMENT ZONE FINANCING PLAN**

**FINAL**

**PROJECT PLAN  
AND FINANCING PLAN  
FOR**

**Reinvestment Zone Number Four**

**City of EDINBURG, TEXAS**

**Arena Development Program**

**JANUARY 15, 2015**

## Table of Contents

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I. EXECUTIVE SUMMARY	3
II. PROJECT PLAN	7
III. PROJECT FEASIBILITY	11
IV. REINVESTMENT ZONE FINANCING PLAN	12
V. TIRZ BOARD MEMBERS	21

### EXHIBITS

- A. MAP OF ZONE
- B. SUMMARY OF TIRZ REQUIREMENTS.

## **SECTION I – EXECUTIVE SUMMARY**

### **Overview of Plan**

The City of Edinburg, Texas Tax Increment Reinvestment Zone (“TIRZ”) Number Four represents an important opportunity for the City of Edinburg, Texas to promote and encourage construction of mixed use retail, entertainment, food service and hospitality facilities in areas of the City that have significant and varied impediments to development.

Large and small tracts of land in and around the city have remained vacant or underdeveloped and are in need of development or redevelopment due to inadequate city street infrastructure, substandard streets, lack of adequate parking, and drainage issues. The costs associated with the remediation of development and redevelopment issues are of a magnitude that without additional sources of funds the growth of the city will be significantly impaired.

The creation of the TIRZ will provide the following benefits:

1. Funding for necessary public improvements associated with needed development in the city.
2. Replace lower value existing land uses with high value entertainment, retail, food service and hospitality facilities
3. Offer employment opportunities for Edinburg, Texas and Hidalgo County residents.
4. Help to balance economic growth in Hidalgo County.
5. Provide a more efficient use of existing city and county services and infrastructure.

The proposed TIRZ is comprised of vacant land along Hwy 281 in the City of Edinburg, Texas.

### **Development Goals and Objectives**

The development goals and objectives, which are expected to meet the specific needs of the City of Edinburg, Texas TIRZ District, are:

- Provide retail, entertainment, hospitality and food service opportunities for developers and companies seeking commercial building sites.
- Provide for new commercial and residential opportunities through the upgrading of Alberta Road and Tres Hermanos Road.
- Provide employment opportunities to service increasing population growth within the City of Edinburg, Texas and surrounding Hidalgo County.

The City of Edinburg, Texas TIRZ District Project Plan and Reinvestment Zone Financing Plan provides a long term program to increase business opportunities and population within the District, using tax increment financing to fund required public improvements. This long-term program is expected to attract additional commercial and residential development to include affordable and market rate housing.

**Planned Private Development**

The City of Edinburg, Texas TIRZ Development Program includes;

2014	15,528,281	Wal Mart
2015	\$10,000,000	HEB
2015	\$55,000,000	Arena
2015	\$1,200,000	Wal Mart Pad Sites TBB
2016	\$3,540,000	Arena Pad Sites TBB
2017	\$3,540,000	Arena Pad Sites TBB

The total private investment is expected to be in excess of \$ 88,808,281.

The projected values of future commercial development is based upon an analysis of the impact of the construction of Wal-Mart, the Arena and a future HEB.

Consideration has also been given to visits to the City from third party developers looking at commercial sites and enquiring about the availability of sewer, water and the location of other utilities.

**Planned Public Improvements**

The public improvements enumerated in the Project Plan, with an estimated cost of \$55,319,476.00 provide for the sewer system enhancements, funds for street reconstruction and utility relocation, and new municipal facilities. The public improvements planned for the City of the Edinburg, Texas district are designed to help meet the long-term needs to secure and insure growth and investment in the City and Hidalgo County.

## **Planned Public Construction**

The City of Edinburg, Texas TIRZ Development Program includes;

Land Cost	\$ 7,360,620.78
Arena Construction	\$43,305,280.01
On-Site Paving and Utilities	\$ 2,482,227.72
Off-Site City Road Improvements	\$ 2,076,347.50
Total Cost of Construction	\$ 55,224,476.01

The TIRZ Financing Plan provides for tax increment allowable expenses in the approximate amount of \$ 43,487,279. The Reinvestment Zone Financing Plan provides for incremental financing and predicts revenues for the City of Edinburg, Texas TIRZ District.

## **Section II – Project Plan**

### **Background**

On October 15, 2013 the City of Edinburg, Texas Economic Development Corporation signaled its intent to consider the creation of the City of Edinburg by entering an “Agreement For Services” with TIF Service of South Texas. On November 19, 2013, the City Council approved Ordinance 2013-3687 authorizing the creation of the TIRZ and Ordinance # 2013-3693 appointing a Board of Directors for the Zone.

Meetings and presentations were held with individuals and taxing entities in HIDALGO County on the following dates:

- HIDALGO County Commissioners Court Executive Session August 20, 2013.
- HIDALGO County Commissioners Court Executive Session October 15 & 29, 2013
- Edinburg Independent School District Executive Session October 15, 2013
- HIDALGO County Commissioners Court November 5, 2013

## **Program Concepts**

The City of Edinburg, Texas TIRZ District # 4 represents an important opportunity for the City of Edinburg, Texas to develop a viable long-range public facility and infrastructure plan for the City. New public facilities, retail, food service and lodging construction are the key components of the development plan. Increased employment opportunities for Edinburg, Texas and surrounding county and community residents will be enhanced through the development and redevelopment activity within and adjacent to the Zone.

## **Development Goals and Objectives**

The planned public improvements within the City of Edinburg, Texas TIRZ District # 4 will provide for additional public event venues and will insure the future of the City as a viable option as companies look to expand or relocate. The addition of lodging facilities will complement the valley's destination sport, tourism, hunting and fishing industries.

## **Description of District**

The City of Edinburg, Texas TIRZ District # 4 is located on the Highway 281 corridor of the City. The market value of property within the Zone is \$2,340,271 the Base Value of the Zone, per the Hidalgo County Appraisal District. The City of Edinburg, Texas TIRZ # 4 zone includes approximately 96.73+/- acres of public and privately held land as shown on the Exhibit "A"

## **Existing Uses and Conditions**

All of the property contained in the Zone is vacant land.

The City of Edinburg, Texas has determined that the improvements in the Zone will significantly enhance the value of all of the taxable real property in the Zone and will be of general benefit to the municipality, and that the Zone area meets the requirements of Section 311.005 of the Act, being that the Zone area:

"is predominantly open, and because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City" and

The City of Edinburg, Texas, pursuant to the Act, further finds and declares that:

1. the proposed zone is located wholly within the City limits of Edinburg, Texas;
2. less than thirty percent (30%) of the property in the proposed Zone is used for residential purposes, as the term "residential" is defined in Section 311.006(d) of the Act;
3. the total appraised value of the taxable real property in the proposed Zone or in existing reinvestment zones, if any, does not exceed fifty per cent (50%) of the total appraised value of taxable real property in the City and in industrial districts, if any, created by the City;

4. the proposed Zone does not contain more than fifty percent (50%) of the total appraised value of real property taxable by Hidalgo County.
5. development or redevelopment within the boundaries of the proposed Zone will not occur solely through private investment in the reasonably foreseeable future.

### **City of Edinburg, Texas TIRZ Zoning**

Properties within the Zone are currently zoned Agriculture and General Commercial. The arena property will be rezoned from agricultural to the appropriate retail and hospitality zoning and the arena site will be zoned appropriately as a public facility.

### **Proposed Public Improvements**

#### **OFF-SITE CITY ROAD IMPROVEMENTS**

##### **Alberta Road**

Alberta Road located along the Southern border of the proposed Area site will serve as a significant access point to the arena site. The road will be upgraded to a full sixty (60) foot collector street from Hwy 281 to I (Veterans) Road. I Road serves as a collector running from north of US Hwy 83 to the intersection of Alberta Road. Improvements include upgrading the water line to a 10 inch along the entire corridor and new sanitary and storm sewer lines as well relocating and upgrading the electrical service and street lights.

##### **Tres Hermanos Road**

Tres Hermanos Road located along the eastern border of the arena site will be rebuilt and upgraded to a fifty (50) foot collector street. The reconstruction will require the replacement of the water, sanitary sewer, storm sewer and the relocation of the electrical service and street lights in the road.

#### **MUNICIPAL FACILITIES**

##### **On-site work and Utility Work**

The area site located at Expressway 281 and Alberta Road has been divided into four unique sites; 1. the Arena site; Site #2, which includes seven retail users in four buildings; Site #3, which has 3 retail or pad users in three buildings; and Site # 4, which has 2 buildings of 7,198 square feet sharing a common courtyard. All of the sites will need to have water, sewer, storm sewer and electrical service to them. Some sites may require gas service. A significant storm water detention facility will be needed along the northern border of the property alongside the H.C.I.D. drainage canal.

## The Arena

A 179,000 square foot multi-use facility is proposed. The arena would be the home of the Rio Grande Valley basketball team as well as being available for other public venues including concerts, stage performances large meetings and other public uses.

### **Non-Project Costs:**

The Tax Increment Reinvestment Zone does not contemplate or foresee any non-project costs other than Alberta and Tres Hermanos Roads.

## **SECTION III - Project Feasibility**

The feasibility of any development has two aspects that must be considered:

1. Financial feasibility
2. Market feasibility.

The purpose of the TIRZ is to address the financial aspect of the development. TIRZ incremental funds provide for a portion of the development costs incurred for public improvements, thus insuring the financial feasibility of the Project. This project is financially feasible and can be developed with funding of public improvements from TIRZ funds, however the City acknowledges that the incremental funds to be generated from the project do not cover all of the cost of the proposed public improvements and that other funding sources will be necessary.

Market feasibility addresses issues relating to product absorption, type of product, and demand. Through a long term lease with the Rio Grande Vipers, a professional basketball team, the City has secured a user and manager for the Arena facility who will handle the day to day operation of the facility and assume the financial obligation of maintain the facility

There is demonstrated demand for the type and size of the planned private improvements in the Zone. The public improvements schedule for the Zone will insure that these private improvements are built.

## **SECTION IV – REINVESTMENT ZONE FINANCING PLAN**

### **Tax Increment Financing**

The Tax Increment Financing Act (Chapter 311 of the Tax Code), provides for municipalities to create “reinvestment zones” within which various public works and improvements can be undertaken, using tax increment revenues, bonds or notes, to pay for those improvements. At the time an area is designated a reinvestment zone for tax increment financing (“TIF”), the existing total of appraised value of real property in the zone is identified and designated as the “tax increment base.” Taxing units levying taxes in the zone during its life are limited to revenues from this base.

Public improvements are made in the area to attract private development that would not otherwise occur. As the costs of new development are added to the tax rolls, property values will rise. This rise in new value is called the “captured appraised value.” The taxes that are collected by the participating taxing jurisdictions on the increment between the base value and the new higher value, the tax increment, are then deposited into a TIF Trust Fund, which is used to pay for the public improvements. Once the public improvements are completed and paid for, the TIF is dissolved and any remaining amounts of taxes collected are kept by the taxing jurisdiction. In effect, the taxing jurisdictions are “investing” future earnings to receive the benefit of higher tax revenues from new development. Taxing jurisdictions are not restricted from raising their tax rate during the life of the zone.

### **Financing Plan**

The Reinvestment Zone Financing Plan developed by the City provides that potentially \$39,165,468 of public improvements will be paid for with TIF funds. The Reinvestment Zone Financing Plan also projects incremental funds for financing and revenues for the City of Edinburg, Texas TIRZ. It is not anticipated that tax increment funds in an amount to fully reimburse the City for all approved project costs will be generated over the projected life of the Zone

Financing Method: Incremental funds will be spent as they accrue and TIF Revenue Bonds may be issued for larger projects and paid for with annual TIRZ proceeds

Financing Policy: The goal of the City of Edinburg, Texas TIRZ District is to borrow only those funds needed as the necessity arises in order to reduce interest expense.

Long Term Financing: The developers of the commercial/industrial/Retail sites, and the single and multi-family homes will arrange for long term financing for their individual projects.

## **Development Schedule And Assumptions**

The Development Schedule is based upon the immediate needs of the City and the public works are listed by priority. The City intends to remain flexible in order to leverage other funds with TIRZ funds to maximize the efficiency of the City's funds.

The City anticipates construction beginning in 2015 with completion in 2018

Land Cost	\$ 7,360,620.78
Arena Construction	\$43,305,280.01
On-Site Paving and Utilities	\$ 2,482,227.72
Off-Site City Road Improvements	\$ 2,076,347.50
Total Cost of Construction	\$ 55,224,476.01
County Administrative Fees	\$ 20,000.00
Formation Expenses	\$ 75,000.00
Total Costs	\$ 55,319,476.01

## **Financial Assumptions**

No tax rate changes have been factored into the financial pro forma's for the District. All projections assume that taxable appraised value and tax rates will remain unchanged. It has also been assumed that the taxing entities will continue to collect tax revenues at the same rate. The finance plan assumes a collection rate of 100% because the new development will be in the form of commercial construction, the long-term lenders who do the permanent financing for these types of projects generally require proof that the taxes are current.

**City of Edinburg Texas  
Project Review**

**City of Edinburg - TIF Reinvestment Zone # Four**

1/21/2014

**Summary Fact Sheet**

**Plan of Finance**

Site Area	120.280	Acres
Base Value Estimate (2013)	\$2,340,271	

**Project:**

Phase 1	2014	15,528,281	Wal Mart
Phase 1a	2015	\$10,000,000	HEB
Phase 2	2015	\$55,000,000	Arena
Phase 2a	2015	\$1,200,000	Wal Mart Pad Sites TBB
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**Totals** **\$88,808,281**

Assumption	Captured Value	\$ 88,808,281	
	Growth Factor	0.00%	
	Collection Rate	100.00%	
	Estimated TIF Life	30	Years
	Estimated TIF Revenue	\$ 43,487,729	

---

### Projected Value of New Tax Increment

The estimates of new tax increment are based upon the development schedule.

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Schedule of Projected Income From Value of New Tax Increment Continued:

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\$ 552,750.00	1,493,798	2019
\$ 552,750.00	1,493,798	2020
\$ 552,750.00	1,493,798	2021
\$ 552,750.00	1,493,798	2022
\$ 552,750.00	1,493,798	2023
\$ 552,750.00	1,493,798	2024
\$ 552,750.00	1,493,798	2025
\$ 552,750.00	1,493,798	2026
\$ 552,750.00	1,493,798	2027
\$ 552,750.00	1,493,798	2028
\$ 552,750.00	1,493,798	2029
\$ 552,750.00	1,493,798	2030
\$ 552,750.00	1,493,798	2031
\$ 552,750.00	1,493,798	2032
\$ 552,750.00	1,493,798	2033
\$ 552,750.00	1,493,798	2034
\$ 552,750.00	1,493,798	2035
\$ 552,750.00	1,493,798	2036
\$ 552,750.00	1,493,798	2037
\$ 552,750.00	1,493,798	2038
\$ 552,750.00	1,493,798	2039
\$ 552,750.00	1,493,798	2040
\$ 552,750.00	1,493,798	2041
\$ 552,750.00	1,493,798	2042
\$ 552,750.00	1,434,096	2043
\$ 905,325		
\$ 43,487,279		
\$ 15,928,125.00		

## **Project Budget**

TIRZ Revenue	\$ 43,487,279.00
Developer Contribution	\$ 11,832,197.01
Land Cost	\$ 7,360,620.78
Arena Construction	\$43,305,280.01
On-Site Paving and Utilities	\$ 2,482,227.72
Off-Site City Road Improvements	\$ 2,076,347.50
Total Cost of Construction	\$ 55,224,476.01
County Administrative Fees	\$ 20,000.00
Formation Expenses	\$ 75,000.00
Total Costs	\$ 55,319,476.01

## **Financial Feasibility**

Based upon a set of conservative assumptions and analysis of the project-financing plan, the City of Edinburg, Texas has concluded that the plan is feasible.

## **Conclusions**

Based upon a set of conservative assumptions and analysis of the City of Edinburg, Texas Tax Increment Reinvestment Zone District Project Plan and Reinvestment Zone Financing Plan, The City of Edinburg, Texas TIRZ Board has concluded that the City of Edinburg, Texas TIRZ District Project Plan and Reinvestment Zone Financing Plan is feasible.

The success of the City of Edinburg, Texas TIRZ # 4 District project plan will encourage other mixed-use commercial/industrial/retail/lodging and market rate residential and affordable housing.

**Board of Directors of Tax Increment Reinvestment Zone Number Four, City of Edinburg,  
Texas**

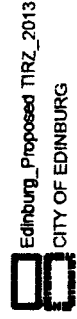
- 1. Richard H. Garcia, Chairman**
- 2. Felipe Garza**
- 3. Fred Palacios**
- 4. Havidan Rodriguez**
- 5. Steven Cruz**

**Exhibit A**  
**Finance and Development Plan**

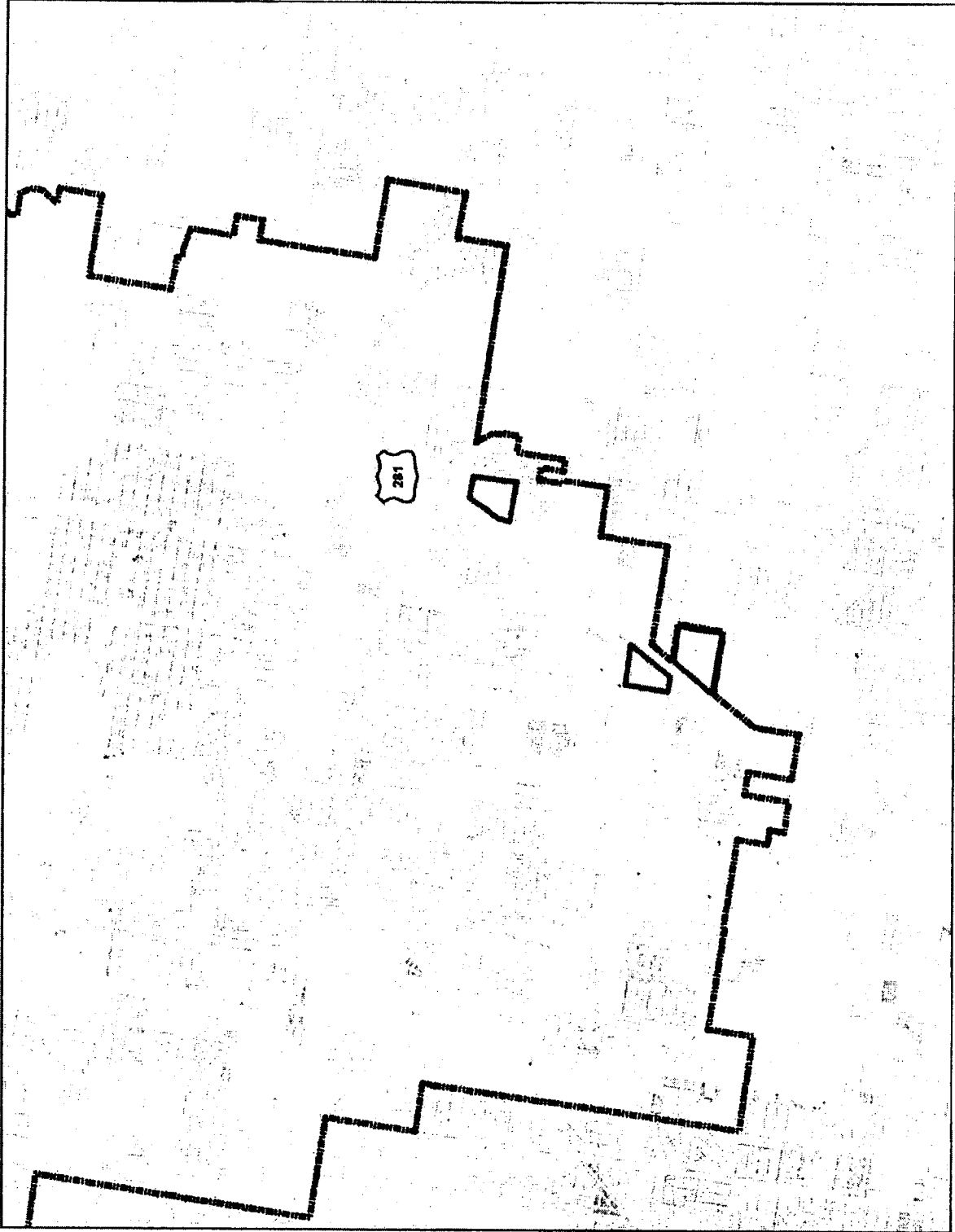
**Map of Zone Properties**

**CITY OF EDINBURG  
PROPOSED TIRZ -2013**

**LEGEND**



1 in = 1 miles



**Exhibit B**  
**Finance and Development Plan**

**TIRZ REQUIREMENTS**

Section 311 of the State Tax Code (Tax Increment Financing Act) specifies that TIRZ (TIF) project and financing plans meet certain requirements. These requirements are listed below, along with a reference indicating where these elements can be located in the plan.

**Project Plan**

- |  |                |
|--|----------------|
| 1. Map of existing uses and conditions   | Exhibit A      |
| 2. List proposed improvements and uses   | Page 20        |
| 3. Description of Zone Property          | Exhibit A      |
| 4. Project Feasibility                   | Page 11        |
| 5. Proposed zoning changes               | Page 8         |
| 6. Estimated non-project costs           | Page 10        |
| 7. Relocation plan for current residents | Not Applicable |

**Financing Plan**

- |   |              |
|---|--------------|
| 1. Detailed estimate of project costs.          | Page 20      |
| 2. Proposed public improvements                 | Page 20      |
| 3. Project Timeline                             | Page 15, 17  |
| 4. Estimated amount of bonded indebtedness      | Undetermined |
| 5. Time when costs/obligations will be incurred | 2010 - 2023  |
| 6. Methods of financing, sources of Revenue     | Page 15      |
| 7. Current total appraised value.               | Page 15      |
| 8. Estimated captured appraised value           | Page 17      |
| 9. Duration of Zone                             | Page 15      |

**ORDINANCE NO. 2013-3693**

**AN ORDINANCE AMENDING ORDINANCE NO. 2013-3687  
BY APPOINTING THE FIVE INITIAL BOARD MEMBERS  
TO THE BOARD OF DIRECTORS OF THE  
REINVESTMENT ZONE NUMBER FOUR, CITY OF  
EDINBURG, TEXAS.**

**WHEREAS**, on November 19, 2013, City Council adopted Ordinance No. 2013-3687 designating a certain area within the jurisdiction of the City of Edinburg, Texas as a Tax Increment Financing District to be known as "Reinvestment Zone Number Four, City of Edinburg, Texas," and established a Board of Directors for Such Reimbursement Zone; and,

**WHEREAS**, the Ordinance formally created a "tax increment reinvestment zone" pursuant to the provisions of Chapter 311 of the Texas Tax Code – to be known as "Reinvestment Zone Number Four, City of Edinburg, Texas" (the "Zone") – within the City which will include the area in which the Project will be located; and,

**WHEREAS**, in addition to authorizing the creation of the Zone, the Ordinance:

- Made certain required statutory findings;
- Set the "Tax Increment Base" for the Zone as being the total appraised value of all taxable real property located in the Zone, is to be determined as of January 1, 2013 (i.e. \$2,342,525);
- Created a board of directors consisting of not less than five (5) and not more than fifteen (15) directors with one (1) appointee by the County with the City appointing the remaining directors;
- Established an effective date for the Zone (i.e. date of passage of the Ordinance) and a termination date for the Zone (i.e. December 31, 2043) unless otherwise terminated earlier as a result of payment in full of all project costs, tax increment bonds, if any, including interest on said bonds as authorized or permitted by law.
- Created and established in the depository bank of the City, a fund to be called the "REINVESTMENT ZONE NUMBER FOUR, CITY OF EDINBURG, TEXAS TAX INCREMENT FUND" Money in the Tax Increment Fund, from whatever source, may be disbursed from the Tax Increment Fund, invested, and paid as permitted by the Act or by any agreements entered into pursuant to the Act, or as otherwise authorized by law.

**WHEREAS**, the City Council wishes to appoint the five initial Board Members to the Board of Directors of the Reinvestment Zone Number Four, City of Edinburg, Texas.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EDINBURG, TEXAS, THAT:**

**SECTION I.** The following members are hereby appointed to the Board of Directors for Tax Increment Reinvestment Zone Number Four for a two (2) year term, beginning on

November 19, 2013 and ending November 18, 2015: Richard H. Garcia,  
Chairman, Jaime Rodriguez, Felipe Garcia, Jr.,  
Fred Palacios, Havidan Rodriguez.

**SECTION II. REPEALER CLAUSE.** This Ordinance shall be cumulative of all other ordinances dealing with the same subject and any provision of any Ordinance in direct conflict with any provision of this Ordinance is hereby repealed and the provisions of this Ordinance shall supersede any provisions in conflict herewith; all provisions of any other Ordinance not in conflict herewith shall remain in full force and effect.

**SECTION III. SAVINGS CLAUSE.** If any section, part, or provision of this Ordinance is declared unconstitutional or invalid, by a court of competent jurisdiction, then, in that event, it is expressly provided, and it is the intention of the City Council in passing this Ordinance that its parts shall be severable and all other parts of this Ordinance shall not be affected thereby and they shall remain in full force and effect.

**READ, CONSIDERED, PASSED AND APPROVED** at a regular meeting of the City Council of the City of Edinburg, Texas, at which a quorum was present, which was held in accordance with VTCA, Government Code, Section 551.041 on the 3<sup>rd</sup> day of December, 2013.

CITY OF EDINBURG

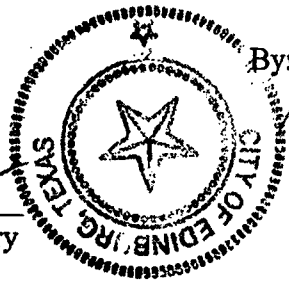
By: [Signature] for  
Richard H. Garcia, Mayor

ATTEST:

By: [Signature]  
Myra L. Ayala Garza, City Secretary

APPROVED AS TO FORM:  
PALACIOS & ASSOCIATES, P.C.

By: [Signature]  
City Attorney



ORDINANCE NO. 2013-3687

**AN ORDINANCE DESIGNATING AN AREA KNOWN AS THE CITY OF EDINBURG DEVELOPMENT PROJECT AS A TAX INCREMENT REINVESTMENT ZONE; DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; APPOINTING THE CITY'S BOARD MEMBERS; PROVIDING FOR AN EFFECTIVE DATE AND TERMINATION DATE FOR THE ZONE; NAMING THE ZONE "REINVESTMENT ZONE NUMBER FOUR, CITY OF EDINBURG, TEXAS"; AND ESTABLISHING A TAX INCREMENT FUND; PROVIDING A WAIVER OF THE THREE (3) SEPARATE READINGS; CONTAINING A REPEALER CLAUSE; CONTAINING A SAVINGS CLAUSE; PROVIDING FOR PUBLICATION AND EFFECTIVE DATE; AND ORDAINING OTHER PROVISIONS RELATED TO THE SUBJECT MATTER THEREOF.**

**WHEREAS**, the City Council (the "Council") of the City of Edinburg, Texas (the "City") desires to support development and redevelopment in the City to be funded in whole or in part, through the creation of a Tax Increment Reinvestment Zone (the "Zone"), as hereinafter more specifically defined and named and with boundaries as hereinafter provided, pursuant to the provisions of the Tax Increment Financing Act, hereinafter the "Act"), Texas Tax Code, Chapter 311; and

**WHEREAS**, The Project will support financing of costs associated with the construction of public improvements related to several possible development and redevelopment projects, which may include (i) Street Construction, (ii) Utility Extensions and Construction, (iii) Right-of-Way Acquisition, (iv) Drainage Improvements, (v) Utility Relocation, (vi) New Collector Streets, and (vii) Municipal Facilities.

**WHEREAS**, pursuant to the Act, the City may designate a geographical area within the City or the Cities extra-territorial jurisdiction; and

**WHEREAS**, pursuant to the Act, the City has directed that a Preliminary Reinvestment Zone Financing Plan (the "Preliminary Plan") be prepared for the proposed

Zone; and

WHEREAS, a Public Hearing was held on November 19<sup>th</sup>, 2013 at 6:00 p. m in the City Council Chambers, City Hall to consider the creation of a Tax Increment Reinvestment Zone for the Project and its respective benefits to the City and to property in the proposed Zone; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EDINBURG, TEXAS, THAT:**

**SECTION I. DESIGNATING THE AREA AS A REINVESTMENT ZONE.** The area described in Section II. below and more commonly referred to as the "Edinburg Development Project" and officially assigned the name as designated in Section V. below (which reinvestment zone so described, named and designated is hereinafter referred to as the "Zone", is hereby designated as a Tax Increment Reinvestment Zone.

**SECTION II. DESCRIPTION OF THE BOUNDARIES OF THE REINVESTMENT ZONE.** An Hidalgo County Appraisal District Map with the parcels, area and boundaries of the Zone outlined in blue incorporated in the Zone is attached hereto as Exhibit "A," and is incorporated herein by reference for all purposes.

**SECTION III. CREATION AND COMPOSITION OF A BOARD OF DIRECTORS FOR THE ZONE.**

A. There is hereby created a Board of Directors (the "Board") for the Zone, with all the rights powers and duties as provided by the Act to such Boards or by action of the City

Council. Pursuant to Section 311.009(a) of the Texas Tax Code the Board shall consist of not less than five (5) and not more than fifteen (15) members.

Each taxing unit other than the City that levies taxes on real property in the Zone may appoint one member to the Board if the taxing unit has approved the payment of all or part of the tax increment produced by the Unit into the tax increment fund for the Zone. A unit may waive its right to appoint a member. The City shall appoint the remaining directors of which, one shall be nominated by the Commissioners Court of Hidalgo County.

Appointees shall be for a two (2) year term. Upon expiration of their respective terms of office, replacements to the Board shall be appointed. Vacancies on the Board shall be filled by the respective taxing unit making such appointments for the remainder of the unexpired term.

B. The following members are hereby appointed to the Board of Directors for Tax Increment Reinvestment Zone Number Four for a two (2) year term, beginning on November 19, 2013 and ending November 18, 2015: \_\_\_\_\_, Chairman,

\_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_.

**SECTION IV. EFFECTIVE DATE AND TERMINATION DATE OF THE ZONE.** The Zone shall take effect on November 19, 2013 and continue until its termination date of December 31, 2043, unless otherwise terminated earlier as a result of payment in full of all project costs, tax increment bonds, if any, including interest on said bonds as authorized or permitted by law.

**SECTION V. ASSIGNING A NAME TO THE ZONE.** The Tax Increment Reinvestment Zone created hereby is assigned the name of "REINVESTMENT ZONE NUMBER FOUR, CITY OF EDINBURG, TEXAS."

**SECTION VI. TAX INCREMENT BASE.** The tax increment base for the Zone is the total assessed value of all real property taxable by the City and located in the Zone, determined as of January 1, 2013, the year in which the Zone was designated as a Reinvestment Zone (the "Tax Increment Base").

**SECTION VII. ESTABLISHMENT OF A TAX INCREMENT FUND.** There is hereby created and established in the depository bank of the City, a fund to be called the "REINVESTMENT ZONE NUMBER FOUR, CITY OF EDINBURG, TEXAS TAX INCREMENT FUND" (HEREIN CALLED THE "Tax Increment Fund"). Money in the Tax Increment Fund, from whatever source, may be disbursed from the Tax Increment Fund, invested, and paid as permitted by the Act or by any agreements entered into pursuant to the Act, or as otherwise authorized by law.

**SECTION VIII. FINDINGS.** The City hereby finds and declares that (a) improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City; and (b) the Zone meets the requirements of 311.005 of the Act, being that the Zone area:

"is predominantly open, and because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City" and

The City of Edinburg, pursuant to the Act, further finds and declares that:

1. the proposed zone is a geographical area located wholly within the City limits or Extra-territorial Jurisdiction of Edinburg;
2. less than thirty percent (30% ) of the property in the proposed Zone is used for residential purposes, as the term "residential" is defined in Section 311.006(d) of the

Act;

3. the total appraised value of the taxable real property in the proposed Zone or in existing reinvestment zones, if any, does not exceed fifty per cent (50%) of the total appraised value of taxable real property in the City and in industrial districts, if any, created by the City;
4. the proposed Zone does not contain more than fifty percent (50%) of the total appraised value of real property taxable by Hidalgo County and the Edinburg Independent School District, and
5. development or redevelopment within the boundaries of the proposed Zone will not occur solely through private investment in the reasonably foreseeable future.

**SECTION IX. DESIGNATION OF A SECTION 311.005(a) ZONE.** The Zone is designated pursuant to Section 311.005(a) of the Act.

**SECTION X.** The Zone shall take effect immediately upon passage of this Ordinance, pursuant to Section 311.004(3) of the Act.

**SECTION XI. WAIVER CLAUSE.** The requirement of three separate readings of this Ordinance is hereby dispensed with by a vote of not less than a majority of all the members of the City Council.

**SECTION XII. REPEALER CLAUSE.** This Ordinance shall be cumulative of all other ordinances dealing with the same subject and any provision of any Ordinance in direct conflict with any provision of this Ordinance is hereby repealed and the provisions of this Ordinance shall supersede any provisions in conflict herewith; all provisions of any other Ordinance not in conflict herewith shall remain in full force and effect.

**SECTION XIII. SAVINGS CLAUSE.** If any section, part, or provision of this

Ordinance is declared unconstitutional or invalid, by a court of competent jurisdiction, then, in that event, it is expressly provided, and it is the intention of the City Council in passing this Ordinance that its parts shall be severable and all other parts of this Ordinance shall not be affected thereby and they shall remain in full force and effect.

**SECTION XIV. PUBLICATION AND EFFECTIVE DATE.** This Ordinance shall take effect upon its passage and publication according to law.

**READ, CONSIDERED, PASSED AND APPROVED** at a regular meeting of the City Council of the City of Edinburg, Texas, at which a quorum was present, which was held in accordance with VTCA, Government Code, Section 551.041 on the 19<sup>th</sup> day of November, 2013.

**CITY OF EDINBURG**

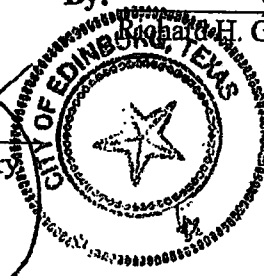
By: \_\_\_\_\_

Richard H. Garcia, Mayor

ATTEST:

By: \_\_\_\_\_

Myra L. Ayala Garza, City Secretary



**APPROVED AS TO FORM:**  
**PALACIOS & ASSOCIATES, P.C.**

By: \_\_\_\_\_

City Attorney

CITY OF EDINBURG  
PROPOSED TIRZ - 2013

LEGEND



Edinburg\_Proposed TIRZ\_2013  
CITY OF EDINBURG



1 in = 1 miles

