
MERCEDES TIRZ NO. 2 BOARD
REGULAR MEETING
AUGUST 19, 2025 – 6:15 PM
MERCEDES CITY HALL – COMMISSION CHAMBERS
400 S. OHIO AVE., MERCEDES, TX 78570

“At any time during the course of this meeting, the TIRZ No. 2 Board may retire to Executive Session under Texas Government Code 551.071(2) to confer with its legal counsel on any subject matter on this agenda in which the duty of the attorney to the Board under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code. Further, at any time during the course of this meeting, the Board may retire to Executive Session to deliberate on any subject slated for discussion at this meeting, as may be permitted under one or more of the exceptions to the Open Meetings Act set forth in Title 5, Subtitle A, Chapter 551, Subchapter D of the Texas Government Code.”

1. **Call Meeting to Order**
2. **Establish Quorum**
3. **Receive Public Comments**
4. **Consent Agenda**
 - a. Consider approval of the minutes of the 08.05.25 meeting of the TIRZ
5. **Management Items:** Present, discuss, consider and possibly take action regarding:
 - a. Consider a motion to ratify approvals of 1) Development Reimbursement Agreement with Olivarez Organization, LLC for capital investments made in TIRZ #2, City of Mercedes, and Rescending of the original Development Reimbursement Agreement with San Jacinto Enterprises, LLC, for capital investments made in TIRZ #2, City of Mercedes, and approval of the modified agreement for the same
6. **Adjournment**

Notice is hereby given that the TIRZ No. 2 Board of the City of Mercedes, Texas will meet in a Regular Meeting on Tuesday, August 19, 2025 at 6:15 PM. Said meeting will be conducted in the Commission Chambers of the City Hall located at 400 S. Ohio, Mercedes, Texas for the purpose of considering and taking formal action regarding the items listed above. This notice is given in accordance with Vernon’s Texas Codes Annotated, Texas Government Code, Section 551.001 et. Seq.

WITNESS MY HAND AND SEAL OF THE CITY THIS XXTH DAY OF XXXXXXXX, 20XX.

ATTEST:

Joselynn Castillo, City Secretary
Time of Posting: XXXX

ACCESSIBILITY STATEMENT

The City of Mercedes recognizes its obligations under the Americans with Disabilities Act of 1990 to provide equal access to individuals with disabilities. Please contact the City Manager’s Office at (956)

565-3114 at least 48 hours in advance of the meeting with requests for reasonable accommodations, including requests for a sign language interpreter.

**TAX INCREMENT REINVESTMENT ZONE NO. 2
REGULAR MEETING
AUGUST 5, 2025 – 6:00 PM
MERCEDES CITY HALL – COMMISSION CHAMBERS
400 S. OHIO AVE., MERCEDES, TX 78570**

MEMBERS PRESENT: Oscar D. Montoya Sr., Chairperson
Dr. Jacob C. Howell, Member
Armando Garcia, Member
Joe Martinez, Member
Joe Olivarez, Member
Dan Dill, Member

MEMBERS ABSENT: Dr. Ruben J. Saldana, Secretary

STAFF PRESENT: Alberto Perez, City Manager
Joselynn Castillo, City Secretary
Martie Garcia Vela, City Attorney (Virtual)
Meredith Hernandez, Interim Finance Director
Francisco Sanchez, Police Chief
Juan Vasquez, I.T Specialist
Tom Villagomez, Public Works Director
Marisol Vidales, Library Director

OTHERS PRESENT:

1. CALL MEETING TO ORDER

Chairperson Montoya welcomed everyone and called the meeting to order at 6:03 p.m.

2. ESTABLISH QUORUM

Chairperson Oscar Montoya, Member Jacob Howell, Member Armando Garcia, and Member Dan Dill were present. Member Joe Olivarez and Member Joe Martinez arrived after the meeting began. Member Saldana was absent.

3. RECEIVE PUBLIC COMMENTS

There were no comments from the public.

4. MANAGEMENT ITEMS: Present, discuss, consider and possibly take action regarding:

a. Receive Certificate from the Texas Secretary of State for the San Jacinto Redevelopment Authority

Mr. Calderon informed the Commission this item does not require an action and is just to provide the Commission with the Certificate from the Texas Secretary of State. They received the letter on July 14, 2025 accepting the project which will allow them to move forward.

b. Consider approval of the Tri-party Agreement between the San Jacinto Redevelopment Authority, the City of Mercedes, and TIRZ #2, City of Mercedes

Mr. Calderon stated that approval of the agreement will entrust the Redevelopment Authority with developing the TIRZ, creating the capacity to assist with its development. He noted there will be a delay in revenues of approximately 4 to 5 years, which will be used to issue bonds. Approval of the agreement also allows for the issuance and sale of bonds and promotes a high level of transparency.

In response to a question, Mr. Perez explained that this will provide checks and balances to ensure TIRZ funds are used solely for TIRZ projects. He added that the City must prepare an annual budget, conduct an independent audit of the funds, and include the audit in the City's overall audit. Mr. Perez further stated that the City does not have to borrow money for a TIRZ; the TIRZ will have its own financial advisors and contractors, and the City will contract for the audits.

Member Howell moved to approve. Member Garcia seconded. Upon a called vote, the motion passed unanimously.

c. Consider approval of Final Project Plan and Reinvestment Zone Financing Plan for TIRZ #2, City of Mercedes

Mr. Calderon stated they are anticipating approximately \$91 million in project costs for the TIRZ, with the City retaining a minimum of \$23 million in revenues.

Member Garcia moved to approve. Member Howell seconded. Upon a called vote, the motion passed unanimously.

d. Consider approval of the Development Reimbursement Agreement with Olivarez Organization, LLC for capital investments made in TIRZ #2, City of Mercedes

Mr. Calderon recommended tabling the item, explaining that the original agreement was combined with San Jacinto but was later changed to two separate agreements.

Member Howell moved to table the item. Member Garcia seconded. Upon a called vote, the motion passed unanimously.

e. Consider approval of the Development Reimbursement Agreement with San Jacinto Enterprises, LLC for capital investments made in TIRZ #2, City of Mercedes

Mr. Calderon stated that the agreement guarantees the developer the ability to be reimbursed for \$22.1 million in infrastructure costs. Member Martinez arrived at this time.

Member Garcia moved to approve. Member Howell seconded. Upon a called vote, the motion passed unanimously.

f. Consider approval of Inter-local agreement between TIRZ #2, City of Mercedes, the City of Mercedes, and Hidalgo County

Mr. Calderon stated that the agreement is a draft formatted to meet County requirements. He explained that, in order for the project to move forward, the County requires the City to approve the agreement first. The expected output is \$28 million for the County, with a cap of \$30 million for County participation.

Member Garcia moved to approve. Member Howell seconded. Upon a called vote, the motion passed unanimously.

g. Receive an update on the status of the Project

Ms. Patty updated the Commission that they are working with North Alamo for water service and with the City for a lift station. She stated there are a few minor items to address before visiting the bank. Discussion followed regarding the agreement with North Alamo for water and the possibility of petitioning the County to become part of the City. Mr. Dill stated they have expressed willingness to pay for the water tower.

5. ADJOURNMENT

Member Garcia motioned to adjourn. Member Howell seconded. Upon a called vote the motion passed unanimously. The meeting adjourned at 6:32 p.m.