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MERCEDES CITY COMMISSION  
REGULAR MEETING  
AUGUST 19, 2025 – 6:30 PM  
MERCEDES CITY HALL – COMMISSION CHAMBERS  
400 S. OHIO AVE., MERCEDES, TX 78570

“At any time during the course of this meeting, the City Commission 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 City Commission 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 City Commission 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. **Invocation by Commissioner Garcia**
4. **Pledge of Allegiance Commissioner Howell**
5. **Open Forum**
6. **Presentation**
  - a. Proclamation for NRA to promote gun safety
  - b. Proclamation for the Mercedes Pony League Divisions
  - c. Presentation by USW regarding Water Safety and Chemical Levels
  - d. Presentation by Perdue Brandon Fielder Collins & Mott, LLP of the Collection Report October 1, 2024 - June 30, 2025
7. **Consent Agenda**
  - a. Approval of Minutes for Meeting(s) held August 5, 2025
  - b. Second and Final Reading of Ordinance 2025-19 approving the Final Project Plan for TIRZ No. 2
  - c. Second and Final Reading of Ordinance 2025-20 approving the Tri-party Agreement for TIRZ No. 2
  - d. Rescind the First Reading of Ordinance 2025-21 approving the Reimbursement Agreement for San Jacinto Enterprises as it relates to TIRZ No. 2
  - e. Second and Final Reading of Ordinance 2025-23 approving the draft interlocal agreement with the County as it relates to TIRZ No. 2
8. **Management Items:** Present, discuss, consider and possibly take action regarding:
  - a. Approval of Funding Proposal from VIDA for FY 2025-2026
  - b. First Public Hearing for the Voluntary Annexation of Salvador Roel Garcia and Jeffrey Adam Bryant
  - c. Approval of appointment(s) of Members to the Keep Mercedes Beautiful Committee
9. **Ordinances/Resolutions**

- a. Approval of First Reading of Ordinance 2025-24 amending Building Related Fees Ordinance
- b. TABLED: Approval of First Reading of Ordinance 2025-22 approving the Reimbursement Agreement for Olivarez Organization as it relates to TIRZ No. 2
- c. Approval of First Reading of Ordinance 2025-25 and Consider approval of the Development Reimbursement Agreement with San Jacinto Enterprises, LLC for capital investments made in TIRZ #2, City of Mercedes as amended.

**10. Monthly Departmental Reports**

- a. Recreation Center, Planning, Library, Parks, Fire Dept., City Sec/HR, IT, PD

**11. Executive Session: Chapter 551, Texas Government Code, Section 551.071 (Consultation with Attorney), Section 551.072 (Deliberation regarding Real Property), Section 551.074 (Personnel Matters) and Section 551.087 (Economic Development)**

- a. Discussion with City Manager regarding personnel matters - Section 551.074
- b. Consultation with Attorney regarding update on litigation - Section 551.071
- c. Consultation with Attorney regarding Project Updates - Section 551.087
- d. Discussion regarding Economic Development negotiations with Project Gomez, Project American Legion, Project J. San Miguel, Project Retama Ledesma, Project M30, Project Stay, Project Kamel, Project ASHTI, Project Arts, Project QSR, Project 150, Project M2, Project Cruz, Project M. Carrillo, Project Bert Ogden, Project A. Garcia, Project RGVLS, Project G. Schwarz, Project Coffee, Project Carwash, Project Rios, and Project UT - Section 551.087
- e. Discussion regarding Conveyance of Real Estate to Development Corporation of Mercedes: Mercedes Original Townsite S. 88.5' -E 110' BLK 2 - Section 551.072

**12. Open Session**

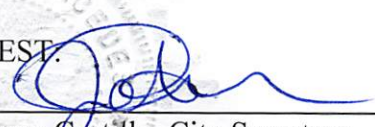
- a. Possible Action pertaining to executive session item A
- b. Possible Action pertaining to executive session item B
- c. Possible Action pertaining to executive session item C
- d. Possible Action pertaining to executive session item D
- e. Possible Action pertaining to executive session item E

**13. Adjournment**

Notice is hereby given that the City Commissioners of the City of Mercedes, Texas will meet in a Regular Meeting on Tuesday, August 19, 2025 at 6:30 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 15TH DAY OF AUGUST, 2025.

ATTEST.

  
 Joselynn Castillo, City Secretary  
 Time of Posting: 2:30 P.M.

**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.





# Office of the MAYOR CITY OF MERCEDES



## Proclamation

**WHEREAS**, the Friends of NRA will host its inaugural *NRA Friends & Family Community Event* on Saturday, September 20, 2025, at the Rio Grande Valley Livestock Show Event Center in Mercedes, Texas; and

**WHEREAS**, this free, family-friendly event is open to the public and does not require NRA membership, offering opportunities for education, hands-on experience, and community engagement; and

**WHEREAS**, the event will highlight important NRA programs such as the Eddie Eagle GunSafe® Program, Refuse to Be a Victim®, Hunter Education, and more, all with the goal of promoting safe firearm ownership, responsible practices, and public awareness; and

**WHEREAS**, attendees will have the opportunity to meet local instructors, NRA leadership, and staff, participate in classes and activities, learn about shooting sports, safe handling, and local shooting resources, while enjoying free parking, free lunch, and giveaways; and

**WHEREAS**, the event will include family-oriented activities, bucket raffles, the Wall of Guns raffle, and prize drawings, including a Henry Lever Action .22 for eligible attendees and special youth giveaways; and

**WHEREAS**, as part of the event's commitment to safety and education, the NRA will present the City of Mercedes Police Department with an Eddie Eagle GunSafe® Program Mascot Costume to further promote firearm safety education for youth throughout the Rio Grande Valley; and

**WHEREAS**, the National Rifle Association, Friends of NRA, volunteers, and community partners are committed to giving back to the community and fostering a culture of safety, education, and responsible recreation;

**NOW, THEREFORE**, I, Oscar D. Montoya Sr., Mayor of the City of Mercedes, Texas by virtue of the authority vested in me and on behalf of the City Commissioners Dr. Ruben J. Saldana, Dr. Jacob C. Howell, Joe Martinez and Armando Garcia do hereby proclaim  
**September 20, 2025** as

### “FRIENDS OF NRA COMMUNITY DAY”

In the City of Mercedes and encourage all residents to participate in this family-oriented event that promotes safety, education, and community engagement.

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused the Seal of the City of Mercedes to be affixed this 19<sup>th</sup> day of August, 2025.

**CITY OF MERCEDES**

**ATTEST:**

**OSCAR D. MONTOYA SR.,  
MAYOR**

**JOSELYNN CASTILLO,  
CITY SECRETARY**



# Office of the MAYOR CITY OF MERCEDES



## Proclamation

**WHEREAS**, the City of Mercedes proudly recognizes the dedication, perseverance, and outstanding achievements of the Mercedes Sports Pony League, which has fostered growth, sportsmanship, and community spirit among its young athletes; and

**WHEREAS**, the launch of the Pony League softball season faced initial uncertainties and limited resources, yet through the unwavering support of the City of Mercedes, the league was given the green light, enabling countless hours of hard work and determination from players and coaches alike; and

**WHEREAS**, the **Pony League 14U** team, a dedicated group whose season was marked by incredible growth, grit, and unforgettable moments, demonstrated exceptional heart and skill, culminating in their impressive finish as **Runner-Up in the Pony League 14U World Series**, a testament to their inspiring performance on the national stage, with most of the team poised to return next year; and

**WHEREAS**, the **RGV Havoc 14U** team capped off a truly historic season, showcasing unparalleled strength and chemistry by going **Undefeated in both the Sectional and Regional Zones**, dominating against top-tier teams across Texas and the South Zone, and battling fiercely to reach the **Championship Game of the Pony League 14U World Series**, ultimately finishing as the **National Runner-Up** and setting a new standard of excellence for our community; and

**WHEREAS**, the **RGV Havoc Red 10U** team, in their inaugural season, made an unforgettable impact, proudly representing the City of Mercedes by claiming the **Mid-Season Pony Tournament Championship**, battling their way to the **South Zone Championship Game** as runners-up, and earning a coveted spot at the **Pony World Series in Youngsville, Louisiana**, where they were the **only 10U team from the Rio Grande Valley** to compete, securing two impressive victories and showcasing defining heart, hustle, grit, and unity; and

**WHEREAS**, these young athletes, their committed coaches, and supportive parents have demonstrated tireless dedication, unwavering commitment, and profound passion throughout the season, leaving a lasting impact on the Mercedes community and laying a powerful foundation for future seasons;

**NOW, THEREFORE**, I, Oscar D. Montoya Sr., Mayor of the City of Mercedes, Texas by virtue of the authority vested in me and on behalf of the City Commissioners Dr. Ruben J. Saldana, Dr. Jacob C. Howell, Joe Martinez and Armando Garcia do hereby officially commend and congratulate the entire **Mercedes Sports Pony League**, with special recognition to the **Pony League 14U, RGV Havoc 14U, and RGV Havoc Red 10U teams**, for their extraordinary achievements, inspiring performances, and exceptional representation of our beloved city.

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused the Seal of the City of Mercedes to be affixed this 19<sup>th</sup> day of August, 2025.

**CITY OF MERCEDES**

**ATTEST:**

**OSCAR D. MONTOYA SR.,  
MAYOR**

**JOSELYNN CASTILLO,  
CITY SECRETARY**



# Office of the MAYOR

## Players and Coaches

### RGV Havoc Red 10U

#### Players:

2 – Ariana Ramirez  
3 – Riley Saucedo  
4 – Liliana Cabrera  
7 – Yamerica Castro  
10 – Klarissa Marroquin  
12 – Elena Grimaldo  
13 – Ayla Piedra  
77 – Caroline Camacho  
99 – Natalia Plasencia  
9 – Claire Trejo  
17 – Savanna Randall

#### Coaches:

Rene Saucedo, Vanessa Cavazos, Tommy Ureste

### RGV Havoc 14U Orange

#### Players:

00 – Alyana Piedra  
1 – Yanixa Castro  
2 – Kassandra Sanchez  
3 – Daniella Ureste  
5 – Scarlett Morales  
6 – Aaliyah Saucedo  
7 – Zaylee Mireles  
12 – Paula Puente  
13 – Anylen Martinez  
31 – Yadira Lopez  
4 – Kendal Gomez

#### Coaches:

Jerry Morales, Marisol Morales, Rene Saucedo, Isaac Mireles

### Pony League 14U Boys

#### Players:

1 – LJ Ledesma  
2 – CJ Rivas  
4 – Isaac Guajardo  
7 – Xavier Alvarado  
8 – Codey Chavez  
10 – Xander Trevino  
12 – Ray Marroquin  
13 – Miles Palacios  
14 – Brody Izaguirre  
42 – Morgan Herrera  
44 – Drew Castillo

#### Coaches:

Ray Marroquin, Nathan Alvarado, Bryant Ledesma

**MERCEDES CITY COMMISSION  
REGULAR MEETING  
AUGUST 5, 2025 – 6:30 PM  
MERCEDES CITY HALL – COMMISSION CHAMBERS  
400 S. OHIO AVE., MERCEDES, TX 78570**

**MEMBERS PRESENT:** Mayor Oscar Montoya  
Commissioner Joe Martinez  
Commissioner Jacob Howell  
Commissioner Armando Garcia

**MEMBERS ABSENT:** Mayor Pro-Tem Ruben Saldana

**STAFF PRESENT:** Alberto Perez, City Manager  
Joselynn Castillo, City Secretary  
Martie Garcia Vela, City Attorney  
Patricio R. Avila, Asst. City Manager  
Meredith Hernandez, Interim Finance Director  
Francisco Sanchez, Police Chief  
Juan Vasquez, I.T Specialist  
Tom Villagomez, Public Works Director  
Marisol Vidales, Library Director  
Javier Campos, Fire Chief/EMC  
Richard Morin, Recreation Director  
Armando Villela, Parks Director  
Kristine Longoria, Human Resources  
Denisse Hernandez, Interim Planning Director

**OTHERS PRESENT:** Eduardo Castellanos, Alvaro De Leon

**1. CALL MEETING TO ORDER**

Mayor Montoya welcomed everyone and called the meeting to order at 6:33 p.m.

**2. ESTABLISH QUORUM**

Four members of the Commission were present, which constitutes a quorum. Mayor Pro-Tem Saldana was absent.

**3. INVOCATION**

Invocation by Commissioner Martinez.

**4. PLEDGE OF ALLEGIANCE**

Pledge of Allegiance led by Mr. Garcia, a veteran present at the City Commission meeting.

**5. OPEN FORUM**

Ms. Jessica Zuniga, a resident of South Mile 2 West, addressed the Commission regarding speeding in her area. She noted an increase in police presence and recommended the



installation of speed bumps. She also reported incidents of shootings and loud music on weekends, playing a recording of both for the Commission. Ms. Zuniga expressed concern for her safety and inquired about possible solutions. The City Attorney informed her that the Commission could not respond to questions during open forum, assured her that her concerns would be addressed, and advised her to speak with the Police Chief.

Ms. Alejandra Marquez stated she was present with Ms. Zuniga and did not wish to speak.

## **6. PRESENTATION**

### **a. Proclamation for UTRGV**

Ms. Galvan addressed the Commission, thanking them for recognizing UTRGV, its programs, the School of Medicine, and the Cancer Center. She announced the upcoming opening of an optometry program and a football program. Mayor Montoya shared a story about UTRGV, congratulated the university for being one of the top-ranked schools in Texas, and read the proclamation.

### **b. Update on Texas Water Development Board Reporting**

Mr. Jonas Gonzalez with South Texas Brightwater Solutions presented the utility profile for the City of Mercedes, noting that the existing water and wastewater system demands and trends are essential for maintaining information for the Texas Water Development Board. He reported that in 2024, the City's water loss decreased from 24% to 12%, which he described as an impressive improvement.

Mr. Gonzalez explained that the Water Conservation Plan is a 10-year plan, currently extending to 2035; however, the Texas Water Development Board requires a 5-year update, which is why they were presenting a new/updated plan. He noted that Mercedes residents currently use an average of 116 gallons of water per day, with a target to reduce usage to 95 gallons per day. This plan will help track utility performance, identify the highest users, and work with them to reduce water loss.

Data from 2020 to 2024 shows that while the regional average is 135–140 gallons per person per day, the City has reduced usage to 116 gallons, indicating more efficient water use. The average water loss in the City is now 11–13%. Mr. Perez added that daily flushing has decreased, contributing to reduced water loss.

In response to a question from Commissioner Howell, Mr. Gonzalez stated the goal is to reach 95 gallons per person in 10 years, with a review of the plan in 5 years.

Commissioner Martinez motioned to move to Item 7A. Commissioner Garcia seconded. Upon a called vote, the motion passed unanimously.

### **c. Condemned Properties Update by Alvaro De Leon**

Mr. De Leon presented before-and-after photos of several condemned properties. He explained that the City contacts property owners, who have either remodeled or demolished the condemned structures. Mayor Montoya noted that these efforts are part of

an ongoing initiative, with Code Enforcement and the Building Official working to beautify Mercedes and encourage more people to live in the city. He expressed appreciation to community members who are investing in remodeling or demolishing their properties and recommended that the City send thank-you letters to those property owners.

**d. Presentation by Arredondo, Inc regarding lights**

Mr. Arredondo participated virtually to provide an update on City streetlight outages. He reported that a meeting with AEP was held on July 1, 2025, during which the City provided an Excel spreadsheet identifying 65 lights in need of repair. As of this date, AEP has completed repairs on 57 streetlights, replacing them with LED fixtures. Commissioner Martinez noted that a light on Maryland continues to go out; Mr. Arredondo confirmed that this issue is being addressed.

Mr. Arredondo also discussed decorative streetlights, noting there are 105 in total, with an estimated cost of \$13,000 to replace. Mr. Perez stated that five lights were retrofitted with LED bulbs as a test to ensure adequate brightness, and the City plans to budget for replacement of the remaining 100 lights in the next fiscal year.

Regarding City Park lighting, Mr. Arredondo stated that all marked lights have been replaced; however, some have since gone out and will be repaired through AEP. He also noted that one park currently has no lighting at all.

**7. ORDINANCES/RESOLUTIONS**

**a. Approval of Resolution 2025-18 adopting the City of Mercedes Water Conservation Plan**

Mr. Gonzalez stated that they plan to implement a quarterly school outreach campaign to educate students on water conservation. Mayor Montoya emphasized the importance of informing the public to promote conservation, noting that while most cities wait until their equipment fails, the City of Mercedes is taking proactive measures for the future. Commissioner Martinez remarked that many take for granted the convenience of simply turning on a faucet.

Commissioner Martinez motioned to approve and forego the reading. Commissioner Garcia seconded. Upon a called vote, the motion passed unanimously.

At this time, the Commission moved back to item C of the presentations and continued with the order of the agenda.

**b. Approval of First Reading of Ordinance 2025-19 approving the Final Project Plan for TIRZ No. 2**

**c. Approval of First Reading of Ordinance 2025-20 approving the Tri-party Agreement for TIRZ No. 2**

- d. Approval of First Reading of Ordinance 2025-21 approving the Reimbursement Agreement for San Jacinto Enterprises as it relates to TIRZ No. 2**
- e. Approval of First Reading of Ordinance 2025-22 approving the Reimbursement Agreement for Olivarez Organization as it relates to TIRZ No. 2**
- f. Approval of First Reading of Ordinance 2025-23 approving the draft interlocal agreement with the County as it relates to TIRZ No. 2**

Commissioner Martinez motioned to approve item B through F excluding E.

Commissioner Garcia seconded. Upon a called vote, the motion passed unanimously.

## **8. CONSENT AGENDA**

- a. Approval of Minutes for Meeting(s) held July 15, 2025**
- b. Second and Final Reading of Ordinance 2025-17 amending Garage, Patio, Yard Sale Ordinance**
- c. Second and Final Reading of Ordinance 2025-18 amending Cross-Connection Control, Backflow Prevention, and Irrigation System Installation (TCEQ)**

Commissioner Martinez motioned to approve all items under consent agenda.

Commissioner Garcia seconded. Upon a called vote the motion passed unanimously.

## **9. MANAGEMENT ITEMS: Present, discuss, consider and possibly take action regarding:**

- a. Approval to accept the Voluntary Annexation Petition filed for Salvador Roel Garcia and Jeffrey Adam Bryant**

Commissioner Martinez motioned to approve. Commissioner Howell seconded. Upon a called vote, the motion passed unanimously.

- b. Approval of Budget Amendment for Equipment Maint./Sidewalk Repair**

Commissioner Martinez motioned to approve. Commissioner Garcia seconded.

Commissioner Martinez stated there was never a sidewalk on Florida St. and he is happy to see that the city is finally putting a sidewalk from 5th street to 10th street. Upon a called vote, the motion passed unanimously.

- c. Discussion and Possible Action to Approve a Memorandum of Agreement (MOA) Between the City of Mercedes and FEMA for Participation in the Integrated Public Alert and Warning System (IPAWS)**

Fire Chief Campos provided an update to the Commission regarding the formalization of an agreement with FEMA for the IPAWS (Integrated Public Alert and Warning System) to issue emergency notification alerts to the community. He noted that the City will continue using CodeRed and transition to CivicReady, which will integrate with IPAWS and connect to federal alert systems. Mercedes will be the third city to enter into such an agreement. Mayor Montoya clarified that CodeRed alerts are used for notifications such as water outages and street closures. Commissioner Howell moved to approve both items 9C & 9D, and Commissioner Martinez seconded the motion. Upon a called vote, the motion carried unanimously.



**d. Approval of the City of Mercedes Policy on the Use and Notification of FEMA IPAWS**

This item was approved in the same motion as item 9C.

**e. Approval of amend the City of Mercedes Personnel Policy Manual Chapter 13. Dress Code**

Commissioner Martinez motioned to approve. Commissioner Howell seconded. Upon a called vote, the motion passed unanimously. A brief discussion followed regarding the topic of blue jeans.

**f. Consideration and possible action to solicit bids for Energy Consultants**

Mayor Montoya stated that he placed this item on the agenda and recommended that the City join a cooperative to reduce electricity costs. Commissioner Martinez moved to solicit bids for energy consultants, and Commissioner Garcia seconded the motion. Upon a called vote, the motion carried unanimously.

**10. BIDS/CONTRACTS**

**a. Approval of Agreement with Galindo Auctions, LLC for Auctioneering Services**

Commissioner Martinez motioned to approve. Commissioner Garcia seconded. Upon a called vote, the motion passed unanimously.

**11. EXECUTIVE SESSION: Chapter 551, Texas Government Code, Section 551.071 (Consultation with Attorney), Section 551.072 (Deliberation regarding Real Property), Section 551.074 (Personnel Matters) and Section 551.087 (Economic Development)**

Commissioner Martinez motioned to go into executive session. Commissioner Garcia seconded. Upon a called vote, the motion passed unanimously. The meeting went into executive session at 7:45 p.m.

- a. Discussion with City Manager regarding personnel matters - Section 551.074
- b. Consultation with Attorney regarding update on litigation - Section 551.071
- c. Consultation with Attorney regarding Project WTP2 - Section 551.087
- d. Discussion regarding Project M30 - Section 551.087

**12. OPEN SESSION**

Mayor Montoya called the meeting back to order at 10:02 p.m.

**a. Possible Action pertaining to executive session item A**

No action was taken on this item.

**b. Possible Action pertaining to executive session item B**

No action was taken on this item.

**c. Possible Action pertaining to executive session item C**

No action was taken on this item.

**d. Possible Action pertaining to Executive Session item D**

No action was taken on this item.

**13. ADJOURNMENT**

Commissioner Garcia motioned to adjourn. Commissioner Martinez seconded the motion.

Upon a called vote, the motion passed unanimously. The meeting adjourned at 10:03 p.m.

**ORDINANCE NO. 2025-19**

**AN ORDINANCE APPROVING THE PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER TWO, CITY OF MERCEDES, TEXAS; AUTHORIZING THE CITY SECRETARY TO DISTRIBUTE SUCH PLANS; CONTAINING VARIOUS PROVISIONS RELATED TO THE FOREGOING SUBJECT.**

**WHEREAS**, the City Council of the CITY OF MERCEDES, by adoption of Ordinance # 2024-22, created Reinvestment Zone Number Two, CITY OF MERCEDES, Texas; and

**WHEREAS**, the Board of Directors of the Reinvestment Zone Number Two has approved and recommended approval of the Project Plan and Reinvestment Zone Financing Plan (the “Project Plan”) attached hereto for the development of said Zone; and

**WHEREAS**, before the City and the Board of Directors of the Reinvestment Zone Number Two may implement the Project Plan, the City Council must approve the Project Plan and determine whether said Project Plan is feasible and in conformance with Chapter 311, Texas Tax Code, and the City of Mercedes master plans; now, therefore,

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MERCEDES, TEXAS;**

**Section 1.** That the findings contained in the preamble of this Ordinance are declared to be true and correct and are hereby adopted as part of this Ordinance.

**Section 2.** That Council does hereby find the Project Plan is feasible, in conformance with the City’s planned development, and also conforms to the requirements set forth in Chapter 311, Texas Tax Code.

**Section 3.** That the Project Plan and Reinvestment Zone Financing Plan attached hereto for Reinvestment Zone Number Two, CITY OF MERCEDES, Texas is hereby approved.

**PASSED AND ADOPTED** this 5th day of August, 2025.

ATTEST:

\_\_\_\_\_  
Oscar D. Montoya Sr., Mayor

\_\_\_\_\_  
Joselynn Castillo, City Secretary





**TAX INCREMENT REINVESTMENT ZONE NUMBER  
TWO, CITY OF MERCEDES, TEXAS**

**FINAL PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN**

AUGUST 5, 2025

TAX INCREMENT REINVESTMENT ZONE (TIRZ)  
NUMBER TWO, CITY OF MERCEDES, TEXAS

FINAL PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN

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## I. Introduction

The purpose of the a increment reinvestment zone (the “Zone” or “TIRZ” ) is to finance construction of public facilities and infrastructure necessary to catalyze residential and/or commercial development and redevelopment within the Zone’s boundary, to incentivize development with public funds, and to catalyze collateral development and tax base expansion as a result of TIRZ-assisted development.

Expenditures associated with the design, construction, and in some instances, maintenance of public facilities and public infrastructure, as well as other specific project related costs, are funded by tax increment revenues derived from increases in property values following new residential and commercial development, and the ad valorem taxes levied on the new value. Sales tax collections within the zone may also be used to finance project costs.

The residential development plan calls for lot preparation and construction of approximately 225 acres of land into approximately 650 lots, with two to three different price points, and in two multi-year phases. The total acreage includes public right of way to be improved. The project also contemplates the undertaking of public roadway improvements to Mile 2, which roadway serves the area’s growing population and will connect the two parcels of land within the TIRZ.

## Executive Summary

The development is being undertaken by a two parties who have a history of shared development projects. Jacinto Garza, Owner of San Jacinto Enterprises, and Joe Olivarez, owner of Olivarez Organization, LLC, (the “Developers”), will partner again to undertake development of just over 225 acres of land, currently in the Mercedes extra territorial jurisdiction. The land will be developed into residential lots, and the developers will contract with a number of local homebuilders to convert the raw land into approximately 650 new homes. In addition, the Developer will also construct improvements to Mile 2 Road, to both widen and improve the roadway to accommodate the anticipated increase in automobile traffic generated by the residents purchasing homes in the subdivisions, and including some improvements to the intersection at Mile 2 Road where it intersects with Mile 9 Road on the southern portion of the zone’s proposed boundary.

The Developers are seeking reimbursement of the public infrastructure costs for the both the residential infrastructure needed to render the land able to be developed, and also including the public roadway infrastructure referenced above. The Zone’s Project Plan and Reinvestment Zone financing plan will include Interest carry costs to finance both reimbursements for carry costs of the developer as well as debt service costs for any tax exempt bonds that might be sold to reimburse the same, or loan facilities should debt be authorized and issued to repay the developer for these costs. Inclusion of Chapter 380 powers in the TIRZ project plan will enable some portion of the future increments to be used in some instances to stimulate commercial development projects. Any such expenditures will be coordinated with the CITY OF MERCEDES.

Detailed costs for the project, and time lines associated with the development of each phase of the project are in the exhibits section of this plan.

**Map 1** depicts the location of the Proposed Tax Increment Reinvestment Zone No. 2.

B. The Developers are requesting that the CITY OF MERCEDES, and HIDALGO COUNTY (“the County”) participate in the tax increment financing zone to help finance public infrastructure improvements, interest carry on the borrowing, and to enable the TIRZ to provide reimbursements pursuant to approved reimbursement agreement(s) for approved costs within the zone. The duration of the zone is projected to be thirty four (34) years, with the zone being in existence through calendar year 2059. The City and County’s last year’s payment will be made from tax increments collected for tax year 2059, unless the reinvestment zone pays all project costs prior to that date. Unless the reinvestment zone creation ordinance and the project plan and reinvestment zone financing plan are amended, the zone would terminate by operation of law upon final payment of reimbursements to the developer for privately financed infrastructure costs set forth in this Plan, or December 31, 2059.

C. The Cost of the Project, including public infrastructure improvements and related capital costs, estimated developer (or bond) interest, drainage, detention, creation costs, and costs for administration of the zone is estimated to total approximately \$95.2 Million at this time. The Developer is seeking reimbursement of the public infrastructure costs associated with the development project including improvements to Mile 2 Road as referenced above, interest associated with the expenditures for those components of the project, which interest revenues may also be used for tax exempt bonds, should bonds be authorized and issued to repay the developer for these costs.

The creation of a local government corporation (Redevelopment Authority) is also proposed to facilitate development of the TIRZ, and provide the mechanism for issuance of tax exempt bonds to repay development costs as the revenues to support the debt service on the bonds are sufficient to amortize the bonded indebtedness.

D. All capital costs associated with the development will be financed with private capital, either borrowed or from revenues of the Developer. It is the intent of the Developer to enter into an agreement with the TIRZ/ Redevelopment Authority to receive reimbursement for investments made in the reimbursable project costs and public infrastructure facilities from revenues generated by the TIRZ.

## **II. PROJECT PLAN**

### **A. Overview**

Tax increments generated within the zone will provide the funding necessary to finance either grants or reimbursements for infrastructure costs needed to undertake the project, which would not otherwise be developed due to the high cost of developing raw land completely lacking utility service and drainage infrastructure. This development will help significantly increase the CITY OF MERCEDES and Hidalgo County’s tax base, catalyze job creation, and generate additional revenues to the City and County general funds, and promote the economic development of both jurisdictions.

The Project Plan in this Part II and the Reinvestment Zone Financing Plan in Part III (collectively the “Project Plan and Reinvestment Zone Financing Plan”) provide for the funding of all “project costs of the zone”, as well as associated engineering fees, legal fees, financial services fees, creation costs, interest, and costs of administration for the project.

## **Public Infrastructure costs.**

See Table 1 for a detailed breakdown of current estimates for infrastructure and other reimbursable projects in the entire development,

### **III. REINVESTMENT ZONE FINANCING PLAN**

#### **A. Introduction**

The Reinvestment Zone Financing Plan ( the “ Financing Plan”) addresses funding for identified project components, and including public improvements on the Project, that will be financed or repaid to the Developer by the TIRZ.

The Zone will include the development of two distinct phases of residential development. The existence of the zone is contemplated to be through Tax Year 2059, unless the project costs are paid prior to that date. The development of the project will be performed by the Developer directly, and by contractors and home builders the developer will bring to the development. Infrastructure costs associated with the improvements to Mile 2 Road will also be financed by the Developer and reimbursed by the zone

#### **B. Public Infrastructure**

The municipal facility costs and public infrastructure improvements associated with the residential development and related with the interest for all phases of development are currently estimated to be approximately \$95.2 Million. The majority of the costs will be financed with private capital, and reimbursed over time by the Zone pursuant to an agreement with the Developer from tax incremental revenues generated as a result of the tax base expansion in the Zone. A summary of those costs is provided in Table 1. As the development is contemplated to take between eight to ten years, it is anticipated that some costs, once incurred will be higher as prices for materials continue to increase.

#### **C. Plan of Finance**

1. Taxable value of the land in the proposed zone as captured by the Hidalgo County Appraisal District for Tax Year 2024 totals \$3,802,165. Value is anticipated to grow to an estimated \$538.6 Million by Tax Year 2059.

##### **2) Taxing Units**

It is contemplated that the CITY OF MERCEDES will participate with 70% of the respective current approved tax rate, and Hidalgo County will participate with 50% of its current M&O Rate only. Currently those rates total \$0.775 for the City and \$0.287 for the County. Schedule C in the Exhibits reflects the valuation assumptions based on development over time. The City will retain 30% of the new taxes generated for its own debt service. Schedule D in Exhibits reflects the estimated revenues generated by each jurisdiction over time.

### 3) TIRZ Bonds

Bonded indebtedness to accelerate repayment to the developer for infrastructure and public facilities project costs is planned, subject to the approval by the City Council. At the time of approval, the tax incremental revenues from the Zone would be pledged to the debt service, and would be the sole source of revenue for payment of bonded indebtedness. All proceeds of bonds would be used first to pay off developer debt, with surplus revenues then available to finance project plan costs yet to be paid. Bonds would be sold by a local government corporation created to manage the implementation of the zone project plan and issue of tax exempt contract revenue bonds or loan facilities at the appropriate time.

### 4) Economic Feasibility

A build-out schedule and tax revenue analysis was prepared by Calderon Economic Development Strategies, LLC, as part of the preliminary assessment of the Zone. The schedule in that analysis constitutes the economic feasibility study and demonstrates that it is feasible to finance the Zone Project Costs set forth in this Plan based on the proposed tax rates for participation by both the City and the County, and also based on the proposed zone life of 34 years. It is anticipated that the reinvestment zone will fund approximately 87% of the zone's infrastructure / project costs, including interest.

### 5) Chapter 380 Authority

The reinvestment zone will have Authority granted under Chapter 380, Texas Local Government Code. The Zone Board of Directors, with the consent of the CITY OF MERCEDDES City Council, may elect to use that authority to finance projects to facilitate development in the zone.



Table 1

| Mercedes TIRZ #2 – Reimbursable Project Costs |                     |                     |  |  |             |
|-----------------------------------------------|---------------------|---------------------|--|--|-------------|
| Category                                      | Subdivision #12 (1) | Subdivision #16 (1) |  |  | Total       |
| ROW for Roads/ drainage                       | \$871,354           | \$463,146           |  |  | \$1,334,500 |
| Surveys/ topos, staking +                     | \$186,400           | \$173,680           |  |  | \$360,080   |
| Engineering                                   | \$914,428           | \$1,029,500         |  |  | \$1,943,928 |
| Offsite Water Distribution System             |                     | \$1,537,300         |  |  | \$1,537,300 |
| Water Lines                                   | \$1,706,400         | \$2,034,985         |  |  | \$3,741,385 |
| Water supply corp dev fees                    | \$467,570           | \$355,000           |  |  | \$822,570   |
| Sanitary Sewer                                | \$2,826,800         | \$4,763,342         |  |  | \$7,590,142 |
| AEP Electrical                                | \$150,000           | \$320,000           |  |  | \$470,000   |
| Irrigation Line removal                       | \$30,000            | \$14,000            |  |  | \$44,000    |
| Subdivision Road                              | \$5,538,764         | \$4,363,660         |  |  | \$9,902,424 |
| Erosion mitigation                            | \$146,520           | \$66,300            |  |  | \$212,820   |
| Drainage/detention                            | \$2,579,485         | \$1,535,056         |  |  | \$4,114,541 |
| Fencing/landscaping in public POW             | \$973,800           | \$551,300           |  |  | \$1,525,100 |
| Dev. Fees/ Subdivision Adm.                   | \$26,840            | \$26,840            |  |  | \$53,680    |
| Tap Fees                                      | \$51,300            |                     |  |  | \$51,300    |

# Reimbursable Project Costs continued

|                                                                                                                                                                              |              |              |  |              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|--|--------------|
| <b>County Inspection / Utility Fees</b>                                                                                                                                      | \$8,000      | \$12,000     |  | \$20,000     |
|                                                                                                                                                                              |              |              |  |              |
| <b>Inspection/testing</b>                                                                                                                                                    | \$654,348    | \$588,400    |  | \$1,242,748  |
|                                                                                                                                                                              |              |              |  |              |
| <b>City Park Fees</b>                                                                                                                                                        | \$235,500    | \$152,500    |  | \$388,000    |
|                                                                                                                                                                              |              |              |  |              |
| <b>Public Road improvements</b>                                                                                                                                              | \$1,500,000  |              |  | \$1,500,000  |
|                                                                                                                                                                              |              |              |  |              |
| <b>Creation Costs</b>                                                                                                                                                        |              |              |  | \$120,000    |
|                                                                                                                                                                              |              |              |  |              |
| <b>Interest Carry (2)</b>                                                                                                                                                    |              |              |  | \$40,000,000 |
|                                                                                                                                                                              |              |              |  |              |
| <b>Project administration -7 years (3)</b>                                                                                                                                   | \$2,800,000  | \$2,800,000  |  | \$5,600,000  |
|                                                                                                                                                                              |              |              |  |              |
| <b>Contingency</b>                                                                                                                                                           | \$1,858,815  | \$1,319,448  |  | \$3,178,263  |
|                                                                                                                                                                              |              |              |  |              |
| <b>Chapter 380 project funding</b>                                                                                                                                           |              |              |  | \$3,000,000  |
|                                                                                                                                                                              |              |              |  |              |
| <b>TIRZ / RA Administration (4)</b>                                                                                                                                          |              |              |  | \$2,500,000  |
|                                                                                                                                                                              |              |              |  |              |
| <b>Total</b>                                                                                                                                                                 | \$23,526,324 | \$22,106,457 |  | \$91,252,781 |
|                                                                                                                                                                              |              |              |  |              |
|                                                                                                                                                                              |              |              |  |              |
| (1) Projected costs are best estimates based on today's cost. Actual reimbursement of these items will be based on independently audited actual costs.                       |              |              |  |              |
| (2) Interest paid will depend on a) audited amounts paid for project costs while payments are "as you go, or on the capital cost for tax exempt bonds when sold.             |              |              |  |              |
| (3) Project cost will finance admin management of multiple contractors involved in both the residential project and the public road improvements undertaken by the Developer |              |              |  |              |
| (4) Redevelopment Authority management including legal, bookkeeping, auditing, and RA/Zone managing                                                                          |              |              |  |              |

## Legal Compliance / Chapter 311, Texas Tax Code

### Existing and Proposed Uses of Land (Texas Tax Code § 311.011(b)(1)):

*Existing Conditions:* Existing land uses within the Zone include predominately undeveloped, vacant land. Overall the area lacks adequate infrastructure including water, wastewater and drainage facilities, and a sufficient roadway network. **Maps 2 and 3** depict existing conditions.

*Surrounding Land Uses:* Land surrounding the proposed Zone is completely undeveloped. The aerial view shown in **Map 2** shows surrounding land uses.

*Proposed Land Use:* As stated above, the proposed land uses will accommodate the development of construction of a mixed use residential development.

### Proposed Changes of Zoning Ordinances, Master Plan of Municipality, Building Codes, and Other Municipal Ordinances (Texas Tax Code § 311.011(b)(2)):

All construction will be done in conformance with existing building code regulations of the CITY OF MERCEDES, and where necessary, HIDALGO COUNTY. There are no proposed changes of any City or County development codes or ordinances, master plans, or building codes.

### Estimated Non-Project Costs (Texas Tax Code § 311.011(b)(3)):

The project costs referenced in **Table 1** are inclusive of project costs to be financed by the Zone. The costs that would otherwise be project costs but are derived from other parties, such as the CITY OF MERCEDES, HIDALGO County, the Texas Department of Transportation, or private sources, are non-project costs. Funding identified in **Table 1** for improvements will be leveraged to acquire non-project funding.

### Method of Relocating Persons to be Displaced, if any, as a result of implementing the Plan (Texas Tax Code § 311.011(b)(4)):

There will be no persons displaced as a result of implementing the plan. The land has been and will be vacant at the time of zone creation.

### Estimated Project Costs (Texas Tax Code § 311.011(c)(1)):

**Table 1** lists the estimated project costs for the Zone including administrative expenses. As set forth in this Plan, the dollar amounts are approximate and may be adjusted based on actual costs incurred by the Developer(s) by the Board of Directors of the Zone. The financing costs are a function of project financing needs and will vary with market conditions from the estimates shown on **Table 1**.

### Proposed Kind, Number, and Location of all Proposed Public Works or Public Improvements to be Financed by the Zone (Texas Tax Code § 311.011(c)(2)):

These details are described throughout the Plan, including but not limited to roadway construction, stormwater conveyance and management systems, water, wastewater improvements, sidewalks, lighting, signage, landscaping, improvements and upgrades to local Rights of Way located within and abutting the Zone. The cost of proposed improvements is detailed in **Table 1**.

Economic Feasibility (Texas Tax Code § 311.011(c)(3)):

As stated earlier, the lack of any infrastructure to support development of the property substantially retards its development and presents an economic and social liability for the CITY OF MERCEDES. These conditions substantially impair and arrest the sound growth of the City. Further the area meets the statutory test for creation as it has an inadequate sidewalk and street layout, and lacks the necessary infrastructure to support development. Given these conditions, the area would benefit greatly from a Tax Increment Reinvestment Zone, which facilitates street and necessary infrastructure improvements, making the area more appealing to residential development. Build out assumptions for residential and commercial development are provided in **Schedules A and B**.

The City and the Zone find that the development plan is feasible. as projected Estimated revenues will be sufficient to finance reimbursement for all of the project costs. **Schedules C and D** constitute incremental revenue estimates for this Plan.

Estimated Amount of Bond Indebtedness; Estimated Time When Related Costs or Monetary Obligations Incurred (Texas Tax Code § 311.011(c)(4), § 311.011(c)(5)):

Issuance of notes and bonds by the Zone may occur as tax increment revenues allow. The value and timing of the issuance of notes or bonds will correlate to debt capacity as derived from the projects and revenue schedules included in **Table 1** and **Schedules C and D**, as well as actual market conditions for the issue and sale of such notes and bonds.

Methods and Sources of Financing Project Costs and Percentage of Increment from Taxing Units Anticipated to Contribute Tax Increment to the Zone (Texas Tax Code § 311.011(c)(6)):

Methods and sources of financing include the issuance of notes and bonds, as well as collaborations with developers and other entities for grant funding and public private partnerships. Tax increments will consist of contributions from the City and County. This figure is calculated as follows:

City contribution =  $\$0.775 / \$100 \times 70\%$ ;

County Contribution= $\$0.287 / \$100$  of assessed valuation,  
representing 50% of the County M&O tax rate.

These participation rates may change over time.

Current Total Appraised Value of Taxable Real Property (Texas Tax Code § 311.011(c)(7)):

As of January 2024, the current certified appraised value of taxable real property in the proposed zone is \$3,802,165.

Estimated Captured Appraised Value of Zone During Each Year of Existence (Texas Tax Code § 311.011(c)(8)):

It is projected that taxable property values in the Zone will increase to

approximately \$538.6 Million by 2059. **Schedules C and D** shows the annual captured value of these increases in property value during the existence of the Zone.

Zone Duration (Texas Tax Code § 311.011(c)(9)):

The zone as proposed will terminate on December 31, 2059. The Zone may terminate at an earlier time designated by subsequent ordinance, or at such time, as all project costs, bonds, and interest on bonds have been paid in full.

# EXHIBIT 1

## Metes and Bounds

### Parcel 1



**QUINTANILLA, HEADLEY AND ASSOCIATES, INC.**

**Consulting Engineers ★ Land Surveyors**

Engineering Firm Registration No. F-1513  
Surveying Firm Registration No. 100411-00  
Municipal & County Projects ★ Subdivisions ★ Surveys  
124 E. Stubbs, Edinburg, Texas 78539  
Phone 956/381-6480 Fax 956/381-0527

### METES AND BOUNDS

#### SAN JACINTO ESTATES PHASE I

A 124.16 ACRE TRACT OF LAND OUT OF LOTS 1, 2, 7, 8, 9, 10 AND 15, BLOCK 116, CAMPACUAS ADDITION SUBDIVISION OF LLANO GRANDE GRANT, HIDALGO COUNTY, TEXAS, ACCORDING TO MAP OR PLAT THEREOF RECORDED IN VOLUME 1, PAGE 2, MAP RECORDS, HIDALGO COUNTY, TEXAS, AND OUT OF FARM TRACT 1058, WEST AND ADAMS TRACT SUBDIVISION, HIDALGO COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 2, PAGES 34-37, MAP RECORDS, HIDALGO COUNTY, TEXAS, AND ACCORDING TO WARRANTY DEED WITH VENDOR'S LIEN RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3053281, 3067247 AND 3091831 AND SPECIAL WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3063541, GENERAL WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3195746, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS, REFERENCE TO WHICH IS HERE MADE FOR ALL PURPOSES AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

BEGINNING AT A COTTON PICKER SPINDLE SET IN THE CENTERLINE OF MILE 9 NORTH ROAD FOR THE SOUTHWEST CORNER OF LOT 15, THE SOUTHEAST CORNER OF FARM TRACT 1057 AND THE SOUTHWEST CORNER OF THIS TRACT.

THENCE; N 00°30'00" E, ALONG THE WEST LINE OF LOT 15, THE EAST LINE FARM TRACT 1057, PASSING A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET AT 20.00 FEET FOR THE NORTH RIGHT OF WAY LINE OF MILE 9 NORTH ROAD AND THE EAST RIGHT OF WAY LINE OF A 30.00 FOOT COUNTY ROAD (NOT OPEN), A TOTAL DISTANCE OF 1,320.00 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 FOUND FOR THE SOUTHWEST CORNER OF LOT 10, THE NORTHWEST CORNER OF LOT 15, THE NORTHEAST CORNER OF FARM TRACT 1057, THE SOUTHEAST CORNER OF FARM TRACT 1058 AND INTERIOR CORNER OF THIS TRACT.

THENCE; WEST, ALONG THE NORTH LINE OF FARM TRACT 1057, THE SOUTH LINE OF FARM TRACT 1058, A DISTANCE OF 30.00 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET ON THE EAST LINE OF THE MID-VALLEY INTERNATIONAL INDUSTRIAL PARK SUBDIVISION (RECORDED IN INSTRUMENT NUMBER 3401204, MAP RECORDS, HIDALGO COUNTY, TEXAS) FOR AN EXTERIOR CORNER OF THIS TRACT.

THENCE; N 00°30'00" E, ALONG THE EAST LINE OF THE MID-VALLEY INTERNATIONAL INDUSTRIAL PARK SUBDIVISION, A DISTANCE OF 2,192.59 FEET TO A POINT FOR THE NORTHWEST CORNER OF THIS TRACT.

THENCE, N 66°40'00" E, ALONG THE SOUTH LINE OF THE HIDALGO AND CAMERON COUNTIES IRRIGATION DISTRICT No.9 RIGHT OF WAY (RECORDED IN VOLUME 91, PAGE 171, DEED RECORDS, HIDALGO COUNTY, TEXAS), A DISTANCE OF 324.50 FEET TO A POINT ON THE NORTH LINE OF LOT 1 FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE, N 38°32'00" E, ALONG THE EAST LINE OF THE HIDALGO AND CAMERON COUNTIES IRRIGATION DISTRICT No.9 RIGHT OF WAY, A DISTANCE OF 407.76 FEET TO A POINT ON THE NORTH LINE OF LOT 1 FOR AN EXTERIOR CORNER OF THIS TRACT.

THENCE, N 37°10'58" E, ALONG THE EAST LINE OF THE HIDALGO AND CAMERON COUNTIES IRRIGATION DISTRICT No.9 RIGHT OF WAY, A DISTANCE OF 772.64 FEET TO A POINT ON THE NORTH LINE OF LOT 1 FOR THE NORTHWEST CORNER OF THIS TRACT.

THENCE; S 44°44'19" E, A DISTANCE OF 866.60 FEET TO A POINT FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; EAST, A DISTANCE OF 636.70 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 FOUND ON NORTH LINE OF LOT 8 AND THE SOUTH LINE OF LOT 1 AND ON THE WEST RIGHT OF WAY OF MILE 2 WEST ROAD FOR THE NORTHEAST CORNER OF THIS TRACT.

THENCE; SOUTH, ALONG THE WEST RIGHT OF WAY LINE OF MILE 2 WEST ROAD, A DISTANCE OF 611.91 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 FOUND FOR AN EXTERIOR CORNER OF THIS TRACT.

THENCE; ALONG THE WEST RIGHT OF WAY LINE OF MILE 2 WEST ROAD AND THE ARC OF A CURVE TO THE LEFT (CURVE DATA: DELTA = 01°41'30", RADIUS = 11,499.00 FEET), A DISTANCE OF 339.50 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 FOUND FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; ALONG THE WEST RIGHT OF WAY LINE OF MILE 2 WEST ROAD AND THE ARC OF A CURVE TO THE RIGHT (CURVE DATA: DELTA = 00°02'25", RADIUS = 11,419.00 FEET), A DISTANCE OF 334.58 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 FOUND FOR AN EXTERIOR CORNER.

THENCE; SOUTH, A DISTANCE OF 34.12 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 FOUND FOR AN EXTERIOR CORNER OF THIS TRACT.

THENCE; WEST, A DISTANCE OF 627.45 FEET TO POINT FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; SOUTH, A DISTANCE OF 1,320.00 FEET TO POINT FOR AN EXTERIOR CORNER OF THIS TRACT.

THENCE; WEST, A DISTANCE OF 1608.05 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 FOUND FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; SOUTH, A DISTANCE OF 1,300.00 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; S 44°45'00" E, A DISTANCE OF 28.16 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET ON THE NORTH RIGHT OF WAY LINE OF MILE 9 NORTH ROAD FOR AN EXTERIOR CORNER OF THIS TRACT.

THENCE; WEST, ALONG THE SOUTH LINE OF LOT 15 AND THE CENTERLINE OF MILE 9 NORTH ROAD, A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 124.16 ACRES OF LAND MORE OR LESS.

BEARINGS ARE IN ACCORDANCE WITH ESTANCIA DEL VALLE SUBDIVISION, RECORDED IN VOLUME 39, PAGE 147, MAP RECORDS, HIDALGO COUNTY, TEXAS.

I, ALFONSO QUINTANILLA, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THE ABOVE METES AND BOUNDS TO BE TRUE AND CORRECT, AND TO BE THE REPRESENTATION AND RESULT OF AN ACTUAL SURVEY DONE ON THE GROUND UNDER MY DIRECTION.

DATE PREPARED: October 22, 2024

---

ALFONSO QUINTANILLA  
REGISTERED PROFESSIONAL  
LAND SURVEYOR No. 4856



## Parcel 2



**QUINTANILLA, HEADLEY AND ASSOCIATES, INC.**

**Consulting Engineers ★ Land Surveyors**

Engineering Firm Registration No. F-1513  
Surveying Firm Registration No. 100411-00  
Municipal & County Projects ★ Subdivisions ★ Surveys  
124 E. Stubbs, Edinburg, Texas 78539  
Phone 356/381-5480 Fax 356/381-0527

### METES AND BOUNDS

A 19.00 ACRE TRACT OF LAND BEING A PART OR PORTION OF LOT 12, BLOCK 102, CAMPACUAS ADDITION, HIDALGO COUNTY, TEXAS, ACCORDING TO THE PLAT OR MAP THEREOF RECORDED IN VOLUME 1, PAGE 2, MAP RECORDS HIDALGO COUNTY, TEXAS, AND ACCORDING TO CORRECTION SPECIAL WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3366599, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS, REFERENCE TO WHICH IS HERE MADE FOR ALL PURPOSES AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

BEGINNING AT A COTTON PICKER SPINDLE SET WITHIN THE RIGHT OF WAY OF MILE 2 WEST ROAD FOR THE NORTHWEST OF LOT 12 AND THE NORTHWEST CORNER OF THIS TRACT.

THENCE; EAST, ALONG THE NORTH LINE OF LOT 12, PASSING A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET AT 30.00 FEET FOR THE EAST RIGHT OF WAY LINE OF MILE 2 WEST ROAD, A TOTAL DISTANCE OF 1,320.00 FEET TO A POINT FOR THE NORTHEAST CORNER OF LOT 12 AND THE NORTHEAST CORNER OF THIS TRACT.

THENCE; SOUTH, ALONG THE EAST LINE OF LOT 12, A DISTANCE OF 661.78 FEET TO A POINT FOR THE NORTHEAST CORNER OF THE JOSE NICOLAS CADENA AND JORGE CADENA TRACT (THE SOUTH HALF OF LOT 12, BLOCK 102, CAMPACUAS ADDITION, ACCORDING TO WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 368072, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) AND THE SOUTHEAST CORNER OF THIS TRACT.

THENCE; N 89°55'04" W, ALONG THE NORTH LINE OF THE JOSE NICOLAS CADENA AND JORGE CADENA TRACT, A DISTANCE OF 1,129.87 FEET TO A 1/2" IRON ROD WITH CAP STAMPED ASES 4802 FOUND FOR THE SOUTHEAST CORNER OF THE DAGOBERTO MORALES AND MARIA E. RODRIGUEZ TRACT (A 1.01 ACRE TRACT OF LAND OU OF LOT 12, BLOCK 102, CAMPACUAS ADDITION, ACCORDING TO GENERAL WARRANTY DEED WITH THIRD PARTY'S VENDOR'S LIEN RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3081251, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) AND THE SOUTHWEST CORNER OF THIS TRACT.

THENCE; N 14°35'27" W, ALONG THE EAST LINE OF THE DAGOBERTO MORALES AND MARIA E. RODRIGUEZ TRACT, A DISTANCE OF 103.58 FEET TO A 1/2" IRON ROD WITH CAP STAMPED ASES 4802 FOUND FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; N 20°47'52" W, ALONG THE EAST LINE OF THE DAGOBERTO MORALES AND MARIA E. RODRIGUEZ TRACT, A DISTANCE OF 106.77 FEET TO A 1/2" IRON ROD WITH CAP STAMPED ASES 4802 FOUND FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; N 22°43'51" W, ALONG THE EAST LINE OF THE DAGOBERTO MORALES AND MARIA E. RODRIGUEZ TRACT, A DISTANCE OF 108.58 FEET TO A 1/2" IRON ROD WITH CAP STAMPED ASES 4802 FOUND FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; N 25°26'51" W, ALONG THE EAST LINE OF THE DAGOBERTO MORALES AND MARIA E. RODRIGUEZ TRACT, A DISTANCE OF 18.83 FEET TO A 1/2" IRON ROD WITH CAP STAMPED ASES 4802 FOUND FOR THE NORTHEAST CORNER OF SAID TRACT AND AN INTERIOR CORNER OF THIS TRACT.

THENCE; S 89°56'16" W, ALONG THE NORTH LINE OF THE DAGOBERTO MORALES AND MARIA E. RODRIGUEZ TRACT, PASSING A 1/2" IRON ROD FOUND AT 46.08 FEET FOR THE EAST RIGHT OF WAY LINE OF MILE 2 WEST ROAD, A TOTAL DISTANCE OF 76.08 FEET TO A COTTON PICKER

SPINDLE SET ON THE WEST LINE OF LOT 12 AND WITHIN THE RIGHT OF WAY OF MILE 2 WEST ROAD FOR THE NORTHWEST CORNER OF SAID TRACT AND THE SOUTHWEST CORNER OF THIS TRACT.

THENCE; NORTH, ALONG THE WEST LINE OF LOT 12 AND WITHIN THE RIGHT OF WAY OF MILE 2 WEST ROAD, A DISTANCE OF 343.03 FEET TO THE POINT OF BEGINNING AND CONTAINING 19.00 ACRES OF LAND MORE OR LESS.

BEARINGS ARE IN ACCORDANCE WITH LAS BRISAS DEL ORO UNIT 5, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 35, PAGE 13, MAP RECORDS, HIDALGO COUNTY, TEXAS.

I, ALFONSO QUINTANILLA, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THE ABOVE METES AND BOUNDS TO BE TRUE AND CORRECT, AND TO BE THE REPRESENTATION AND RESULT OF AN ACTUAL SURVEY DONE ON THE GROUND UNDER MY DIRECTION.

DATE PREPARED: JUNE 11, 2024

---

ALFONSO QUINTANILLA  
REGISTERED PROFESSIONAL  
LAND SURVEYOR No. 4856

### Parcel 3



**QUINTANILLA, HEADLEY AND ASSOCIATES, INC.**

**Consulting Engineers ★ Land Surveyors**

Engineering Firm Registration No. F-1513  
Surveying Firm Registration No. 100411-00  
Municipal & County Projects ★ Subdivisions ★ Surveys  
124 E. Stubbs, Edinburg, Texas 78539  
Phone 956/381-6480 Fax 956/381-0527

#### METES AND BOUNDS

A 62.73 ACRE TRACT OF LAND BEING A PART OR PORTION OF LOTS 9 AND 16, BLOCK 115, CAMPACUAS ADDITION, HIDALGO COUNTY, TEXAS, ACCORDING TO THE PLAT OR MAP THEREOF RECORDED IN VOLUME 1, PAGE 2, MAP RECORDS HIDALGO COUNTY, TEXAS, AND ACCORDING TO CORRECTION SPECIAL WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3366599, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS, REFERENCE TO WHICH IS HERE MADE FOR ALL PURPOSES AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

BEGINNING AT A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET ON THE NORTH LINE OF LOT 9 AND ON THE WEST RIGHT OF WAY OF MILE 2 WEST ROAD (ACCORDING TO RIGHT OF WAY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 1945603, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) FOR THE NORTHEAST CORNER OF THIS TRACT, SAID ROD BEARS WEST, 50.00 FEET FROM THE NORTHEAST CORNER OF LOT 9.

THENCE; SOUTH, ALONG THE WEST RIGHT OF WAY LINE OF MILE 2 WEST ROAD, A DISTANCE OF 1,319.91 FEET TO A 1/2" IRON ROD WITH CAP STAMPED TEDSI FOUND ON THE COMMON LINE OF LOTS 9 AND 16 FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; ALONG THE WEST RIGHT OF WAY LINE OF MILE 2 WEST ROAD (ACCORDING TO RIGHT OF WAY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 1945602, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) AND THE ARC OF A CURVE TO THE LEFT (CURVE DATA: DELTA = 02°23'52", RADIUS = 11,499.00 FEET), A DISTANCE OF 481.21 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN EXTERIOR CORNER OF THIS TRACT.

THENCE; ALONG THE WEST RIGHT OF WAY LINE OF MILE 2 WEST ROAD AND THE ARC OF A CURVE TO THE RIGHT (CURVE DATA: DELTA = 03°36'16", RADIUS = 11,419.00 FEET), A DISTANCE OF 344.17 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHEAST CORNER OF THE SAMUEL GUADALUPE NIETO TRACT (A 0.55 OF AN ACRE TRACT OF LAND OUT OF LOT 16, BLOCK 115, CAMPACUAS ADDITION, ACCORDING TO GIFT DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 2715752, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) AND THE SOUTHEAST CORNER OF THIS TRACT.

THENCE; S 89°57'30" W, ALONG THE NORTH LINE OF THE SAMUEL GUADALUPE NIETO TRACT AND THE NORTH LINE OF THE GOLD LANTERN, LLC TRACT (A 14.075 ACRE TRACT OF LAND OUT OF LOT 16, BLOCK 115, CAMPACUAS ADDITION, ACCORDING TO WARRANTY DEED WITH VENDOR'S LIEN RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3369257, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS), A DISTANCE OF 1,289.43 FEET TO A 1/2" IRON ROD FOUND ON THE WEST LINE OF LOT 16 FOR THE NORTHWEST CORNER OF THE GOLD LANTERN, LLC TRACT AND THE SOUTHWEST CORNER OF THIS TRACT.

THENCE; NORTH, ALONG THE WEST LINE OF LOTS 9 AND 16, A DISTANCE OF 2,145.97 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHWEST CORNER OF LOT 9 AND THE NORTHWEST CORNER OF THIS TRACT.

THENCE; EAST, ALONG THE NORTH LINE OF LOT 9, A DISTANCE OF 1,270.35 FEET TO THE POINT OF BEGINNING AND CONTAINING 62.73 ACRES OF LAND MORE OR LESS.

BEARINGS ARE IN ACCORDANCE WITH LAS BRISAS DEL ORO UNIT 5, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 35, PAGE 13, MAP RECORDS, HIDALGO COUNTY, TEXAS.

I, ALFONSO QUINTANILLA, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THE ABOVE METES AND BOUNDS TO BE TRUE AND CORRECT, AND TO BE THE REPRESENTATION AND RESULT OF AN ACTUAL SURVEY DONE ON THE GROUND UNDER MY DIRECTION.

DATE PREPARED: JUNE 11, 2024

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ALFONSO QUINTANILLA  
REGISTERED PROFESSIONAL  
LAND SURVEYOR No. 4856

## **Parcel 4**

### **Mile 2 Road ROW**

Tract No.1: Mile 2 West Road Right of Way from Mile 8 North Road to Mile 9 North Road

An 80.00 foot strip of land being 9.70 acres out of Lots 4, 5, 12 and 13, Block 102, and out of Lots 1, 8, 9 and 16, Block 115, Campacuas Addition, Hidalgo County, Texas, according to the map or plat thereof recorded in Volume 1, Page2, Map Records, Hidalgo County, Texas.

Beginning at a point in the intersection of the centerlines of Mile 2 West Road and Mile 8 North Road for the southwest corner of Lot 13, Block 102 and the southeast corner of Lot 16, Block 115.

Thence; North, along the centerline of Mile 2 West Road (80.00' right of way), along the west line of line of Lots 4, 5, 12 and 13, Block 102, and the east line of Lots 1, 8, 9 and 16, Block 115, a distance of 5,280.00 feet to a point in the centerline of Mile 9 North Road for the northwest corner of Lot 4, Block 102 and the northeast corner of Lot 1, Block 115.

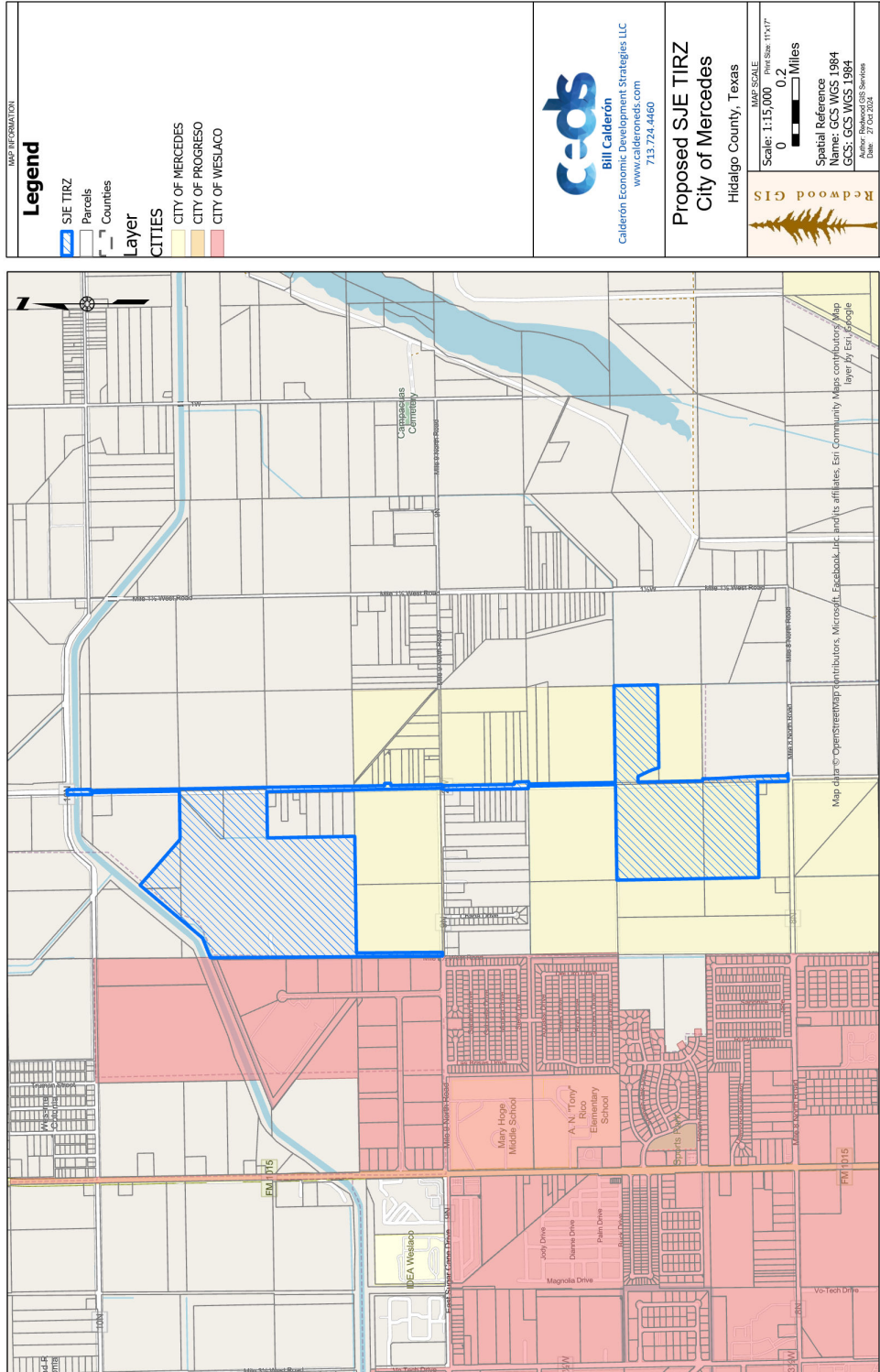
Tract No.2: Mile 2 West Road Right of Way from Mile 9 North Road to Mile 10 North Road

An 80.00 foot strip of land being 10.39 acres out of Lots 4, 5, 12 and 13, Block 101, and out of Lots 1, 8, 9 and 16, Block 116, Campacuas Addition, Hidalgo County, Texas, according to the map or plat thereof recorded in Volume 1, Page2, Map Records, Hidalgo County, Texas.

Beginning at a point in the intersection of the centerlines of Mile 2 West Road and Mile 9 North Road for the southwest corner of Lot 13, Block 102 and the southeast corner of Lot 16, Block 115.

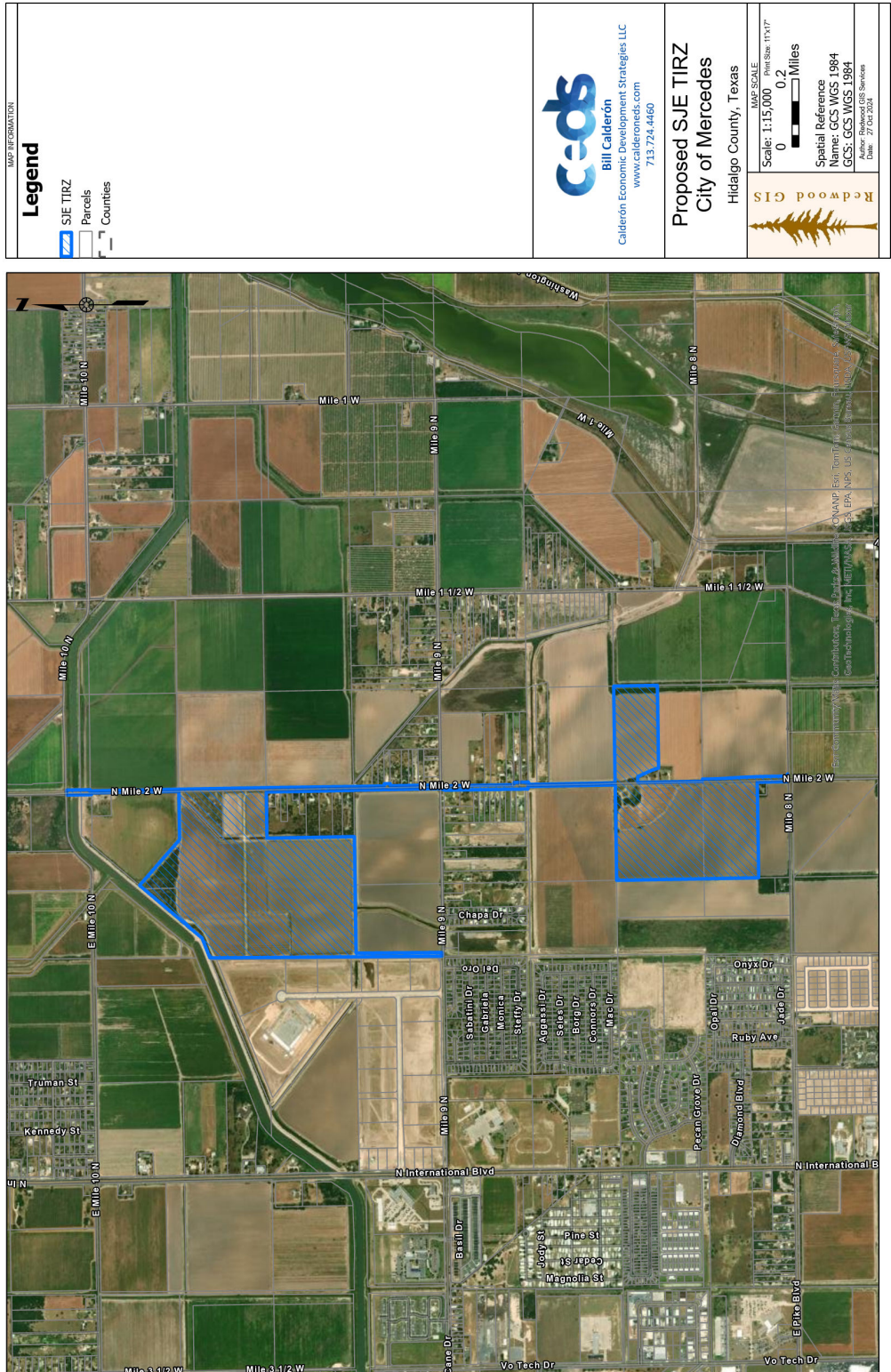
Thence; North, along the centerline of Mile 2 West Road (80.00' right of way), along the west line of line of Lots 4, 5, 12 and 13, Block 101, and the east line of Lots 1, 8, 9 and 16, Block 116, a distance of 5,656.00 feet to a point in the centerline of Mile 10 North Road for the northwest corner of Lot 4, Block 101 and the northeast corner of Lot 1, Block 116.

## Boundary

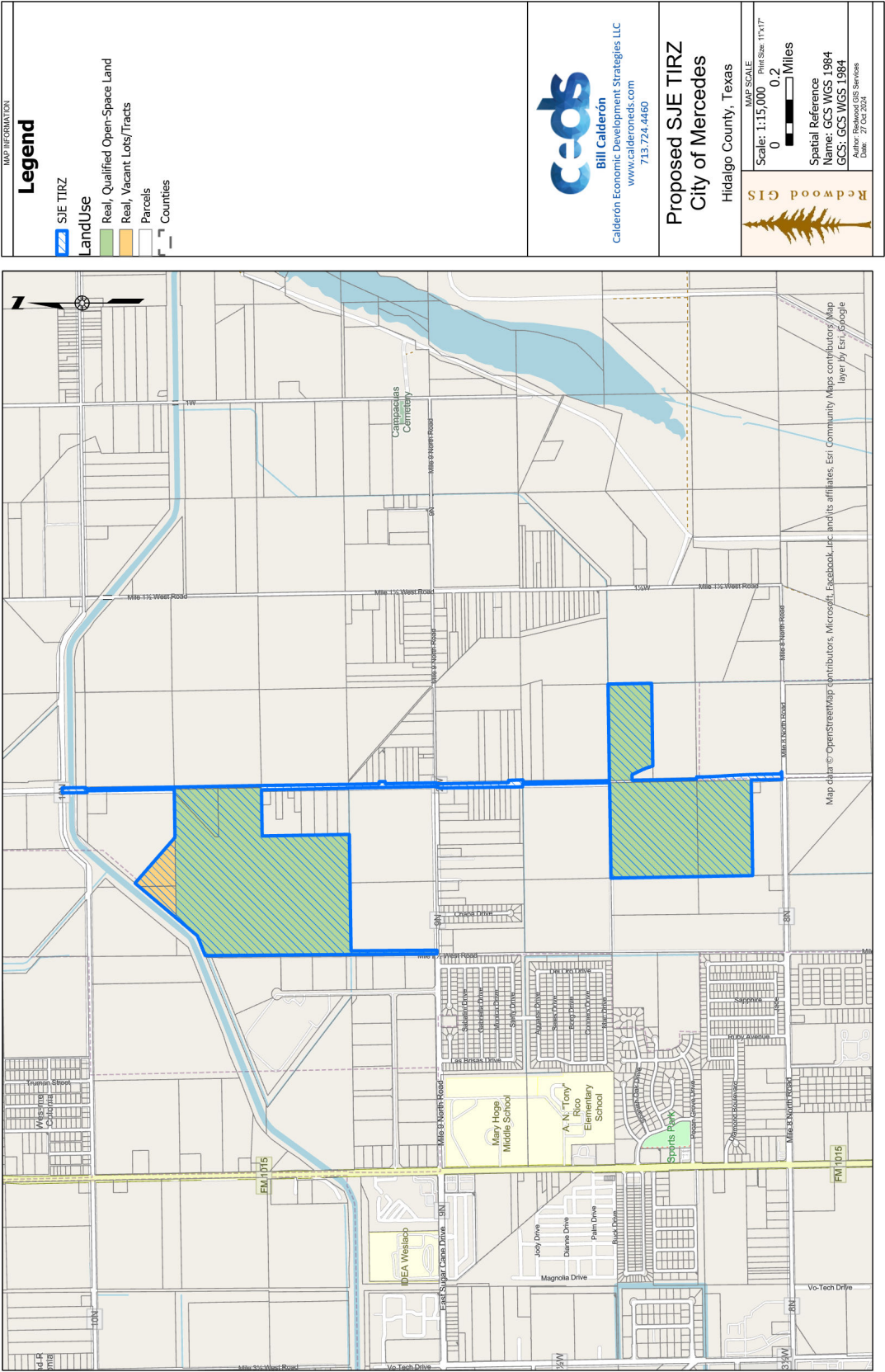




# Map 2 —Aerial Map



Map 3—Land Use





Schedules A & B

| Schedule A / B                                |         |              |              |              |         |               |         |               |               |               |               |               |           |           | Total Homes |
|-----------------------------------------------|---------|--------------|--------------|--------------|---------|---------------|---------|---------------|---------------|---------------|---------------|---------------|-----------|-----------|-------------|
| Year                                          | # units | 2027         | 2028         | 2029         | # units | 2030          | # units | 2031          | # units       | 2032          | # units       | 2033          | # units   | 2034      |             |
| Phase I Dev—#16                               |         |              |              |              |         |               |         |               |               |               |               |               |           |           |             |
| Single Family DevPhase I<br>305 lots—Mercedes |         |              |              |              |         |               |         |               |               |               |               |               |           |           |             |
| Homes/sold                                    | 40      | 350000       | 60           | \$350,000    | 60      | 350000        | 60      | 350000        | 25            | 350000        |               |               |           |           | 305         |
|                                               |         |              |              |              |         |               |         |               |               |               |               |               |           |           |             |
|                                               |         |              |              |              |         |               |         |               |               |               |               |               |           |           |             |
|                                               |         |              |              |              |         |               |         |               |               |               |               |               |           |           |             |
| Phase II- #12<br>303 lots, 42 4-Plex          |         |              |              |              |         |               |         |               |               |               |               |               |           |           |             |
| Homes sold                                    | 0       | 0            | 40           | \$350,000    | 60      | \$350,000     | 50      | 350000        | 50            | \$350,000     | 50            | \$350,000     | 27        | \$350,000 | 26          |
| 4 plex                                        |         |              |              |              |         |               |         | 10            | \$550,000     | 10            | \$550,000     | 10            | \$550,000 | 12        | \$550,000   |
|                                               |         |              |              |              |         |               |         |               |               |               |               |               |           |           | 42          |
|                                               |         |              |              |              |         |               |         |               |               |               |               |               |           |           |             |
| Totals                                        |         | \$14,000,000 | \$21,000,000 | \$35,000,000 |         | \$42,000,000  |         | \$44,000,000  | \$31,750,000  | \$23,000,000  | \$16,050,000  | \$9,100,000   |           |           |             |
| LF Cum Total / Year                           |         | \$14,000,000 | \$35,000,000 | \$70,000,000 |         | \$112,000,000 |         | \$156,000,000 | \$187,750,000 | \$210,750,000 | \$226,800,000 | \$235,900,000 |           |           | 650         |

# Schedules C & D

| SCHEDULE C |                                     |                                               |                                            |          |            |                            |                     |                                |                               |                 |                                          |                                   | SCHEDULE D    |  |  |  |  |  |  |  |  |  |  |  |  |
|------------|-------------------------------------|-----------------------------------------------|--------------------------------------------|----------|------------|----------------------------|---------------------|--------------------------------|-------------------------------|-----------------|------------------------------------------|-----------------------------------|---------------|--|--|--|--|--|--|--|--|--|--|--|--|
| Tax Roll   | City Development                    | Mercedes Cum Projected Taxable Valuation (\$) | Hidalgo Co Cum Projected Taxable Valuation | Tax Year | Coll. Year | 100 % of Mercedes Tax Rate | 0.98 Tax Collection | City at 70% TIRZ Participation | City retained revenues at 30% | County Rate 50% | County at 50% Participation for 30 years | Total TIRZ Tax Revenues Available | Cum           |  |  |  |  |  |  |  |  |  |  |  |  |
| 2027       | \$ 14,000,000                       | 14,000,000                                    | 14,000,000                                 | 1        | 2027       | \$ 0.775000                | \$ 106,330          | \$ 74,431                      | \$ 31,899                     | \$ 0.287600     | \$ 40,264                                | \$ 114,695                        | \$ 114,695    |  |  |  |  |  |  |  |  |  |  |  |  |
| 2028       | \$ 35,000,000                       | 35,000,000                                    | 35,000,000                                 | 2        | 2028       | \$ 0.775000                | \$ 265,825          | \$ 186,078                     | \$ 79,748                     | \$ 0.287600     | \$ 100,660                               | \$ 286,738                        | \$ 401,433    |  |  |  |  |  |  |  |  |  |  |  |  |
| 2029       | \$ 70,000,000                       | 70,000,000                                    | 70,000,000                                 | 3        | 2029       | \$ 0.775000                | \$ 531,650          | \$ 372,155                     | \$ 159,495                    | \$ 0.287600     | \$ 201,320                               | \$ 973,475                        | \$ 974,908    |  |  |  |  |  |  |  |  |  |  |  |  |
| 2030       | \$ 112,000,000                      | 112,000,000                                   | 112,000,000                                | 4        | 2030       | \$ 0.775000                | \$ 850,640          | \$ 595,448                     | \$ 255,192                    | \$ 0.287600     | \$ 322,112                               | \$ 917,560                        | \$ 1,892,468  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2031       | \$ 156,000,000                      | 156,000,000                                   | 156,000,000                                | 5        | 2031       | \$ 0.775000                | \$ 1,184,820        | \$ 829,374                     | \$ 355,446                    | \$ 0.287600     | \$ 448,656                               | \$ 1,278,030                      | \$ 3,170,498  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2032       | \$ 187,750,000                      | 187,750,000                                   | 187,750,000                                | 6        | 2032       | \$ 0.775000                | \$ 1,425,961        | \$ 998,173                     | \$ 427,788                    | \$ 0.287600     | \$ 539,969                               | \$ 1,538,142                      | \$ 4,708,639  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2033       | \$ 210,750,000                      | 210,750,000                                   | 210,750,000                                | 7        | 2033       | \$ 0.775000                | \$ 1,600,646        | \$ 1,120,452                   | \$ 480,194                    | \$ 0.287600     | \$ 606,117                               | \$ 1,726,569                      | \$ 6,435,209  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2034       | \$ 226,800,000                      | 226,800,000                                   | 226,800,000                                | 8        | 2034       | \$ 0.775000                | \$ 1,722,546        | \$ 1,205,782                   | \$ 516,764                    | \$ 0.287600     | \$ 652,277                               | \$ 1,858,059                      | \$ 8,293,268  |  |  |  |  |  |  |  |  |  |  |  |  |
| 2035       | \$ 235,900,000                      | 235,900,000                                   | 235,900,000                                | 9        | 2035       | \$ 0.775000                | \$ 1,791,661        | \$ 1,254,162                   | \$ 537,498                    | \$ 0.287600     | \$ 678,448                               | \$ 1,932,611                      | \$ 10,225,879 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2036       | \$ 244,156,500                      | 244,156,500                                   | 244,156,500                                | 10       | 2036       | \$ 0.775000                | \$ 1,854,369        | \$ 1,298,058                   | \$ 556,311                    | \$ 0.287600     | \$ 702,194                               | \$ 2,000,252                      | \$ 12,226,131 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2037       | \$ 252,701,978                      | 252,701,978                                   | 252,701,978                                | 11       | 2037       | \$ 0.775000                | \$ 1,919,272        | \$ 1,343,490                   | \$ 575,781                    | \$ 0.287600     | \$ 726,771                               | \$ 2,070,261                      | \$ 14,296,392 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2038       | \$ 261,546,547                      | 261,546,547                                   | 261,546,547                                | 12       | 2038       | \$ 0.775000                | \$ 1,986,446        | \$ 1,390,512                   | \$ 595,934                    | \$ 0.287600     | \$ 752,208                               | \$ 2,142,720                      | \$ 16,439,112 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2039       | \$ 270,700,676                      | 270,700,676                                   | 270,700,676                                | 13       | 2039       | \$ 0.775000                | \$ 2,055,972        | \$ 1,439,180                   | \$ 616,791                    | \$ 0.287600     | \$ 778,535                               | \$ 2,217,715                      | \$ 18,656,827 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2040       | \$ 280,175,200                      | 280,175,200                                   | 280,175,200                                | 14       | 2040       | \$ 0.775000                | \$ 2,127,931        | \$ 1,489,551                   | \$ 638,379                    | \$ 0.287600     | \$ 805,784                               | \$ 2,295,335                      | \$ 20,952,162 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2041       | \$ 289,981,331                      | 289,981,331                                   | 289,981,331                                | 15       | 2041       | \$ 0.775000                | \$ 2,202,408        | \$ 1,541,686                   | \$ 660,722                    | \$ 0.287600     | \$ 833,986                               | \$ 2,375,672                      | \$ 23,327,834 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2042       | \$ 300,130,678                      | 300,130,678                                   | 300,130,678                                | 16       | 2042       | \$ 0.775000                | \$ 2,279,493        | \$ 1,595,645                   | \$ 683,848                    | \$ 0.287600     | \$ 863,176                               | \$ 2,458,821                      | \$ 25,786,655 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2043       | \$ 310,635,252                      | 310,635,252                                   | 310,635,252                                | 17       | 2043       | \$ 0.775000                | \$ 2,359,275        | \$ 1,651,492                   | \$ 707,782                    | \$ 0.287600     | \$ 893,387                               | \$ 2,544,879                      | \$ 28,331,534 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2044       | \$ 321,507,486                      | 321,507,486                                   | 321,507,486                                | 18       | 2044       | \$ 0.775000                | \$ 2,441,849        | \$ 1,709,295                   | \$ 732,555                    | \$ 0.287600     | \$ 924,656                               | \$ 2,633,950                      | \$ 30,965,484 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2045       | \$ 332,760,248                      | 332,760,248                                   | 332,760,248                                | 19       | 2045       | \$ 0.775000                | \$ 2,527,314        | \$ 1,769,120                   | \$ 756,194                    | \$ 0.287600     | \$ 957,018                               | \$ 2,726,138                      | \$ 33,691,623 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2046       | \$ 344,406,856                      | 344,406,856                                   | 344,406,856                                | 20       | 2046       | \$ 0.775000                | \$ 2,615,770        | \$ 1,831,039                   | \$ 784,731                    | \$ 0.287600     | \$ 990,514                               | \$ 2,821,553                      | \$ 36,513,176 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2047       | \$ 356,461,096                      | 356,461,096                                   | 356,461,096                                | 21       | 2047       | \$ 0.775000                | \$ 2,707,322        | \$ 1,895,125                   | \$ 812,197                    | \$ 0.287600     | \$ 1,025,182                             | \$ 2,920,308                      | \$ 39,433,483 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2048       | \$ 368,937,235                      | 368,937,235                                   | 368,937,235                                | 22       | 2048       | \$ 0.775000                | \$ 2,802,078        | \$ 1,961,455                   | \$ 840,623                    | \$ 0.287600     | \$ 1,061,063                             | \$ 3,022,518                      | \$ 42,456,002 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2049       | \$ 381,850,038                      | 381,850,038                                   | 381,850,038                                | 23       | 2049       | \$ 0.775000                | \$ 2,900,151        | \$ 2,030,106                   | \$ 870,045                    | \$ 0.287600     | \$ 1,098,201                             | \$ 3,128,306                      | \$ 45,584,308 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2050       | \$ 395,214,789                      | 395,214,789                                   | 395,214,789                                | 24       | 2050       | \$ 0.775000                | \$ 3,001,656        | \$ 2,101,159                   | \$ 900,497                    | \$ 0.287600     | \$ 1,136,638                             | \$ 3,237,797                      | \$ 48,822,105 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2051       | \$ 409,047,307                      | 409,047,307                                   | 409,047,307                                | 25       | 2051       | \$ 0.775000                | \$ 3,106,714        | \$ 2,174,700                   | \$ 932,014                    | \$ 0.287600     | \$ 1,176,420                             | \$ 3,351,120                      | \$ 52,173,225 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2052       | \$ 423,363,963                      | 423,363,963                                   | 423,363,963                                | 26       | 2052       | \$ 0.775000                | \$ 3,215,449        | \$ 2,250,815                   | \$ 964,635                    | \$ 0.287600     | \$ 1,217,595                             | \$ 3,468,409                      | \$ 55,641,635 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2053       | \$ 438,181,701                      | 438,181,701                                   | 438,181,701                                | 27       | 2053       | \$ 0.775000                | \$ 3,327,990        | \$ 2,329,593                   | \$ 998,397                    | \$ 0.287600     | \$ 1,260,211                             | \$ 3,589,804                      | \$ 59,231,438 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2054       | \$ 453,518,061                      | 453,518,061                                   | 453,518,061                                | 28       | 2054       | \$ 0.775000                | \$ 3,444,470        | \$ 2,411,129                   | \$ 1,033,341                  | \$ 0.287600     | \$ 1,304,318                             | \$ 3,715,447                      | \$ 62,946,885 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2055       | \$ 469,391,193                      | 469,391,193                                   | 469,391,193                                | 29       | 2055       | \$ 0.775000                | \$ 3,565,026        | \$ 2,495,518                   | \$ 1,069,508                  | \$ 0.287600     | \$ 1,349,969                             | \$ 3,845,487                      | \$ 66,792,372 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2056       | \$ 485,819,885                      | 485,819,885                                   | 485,819,885                                | 30       | 2056       | \$ 0.775000                | \$ 3,689,802        | \$ 2,582,861                   | \$ 1,106,941                  | \$ 0.287600     | \$ 1,397,218                             | \$ 3,980,079                      | \$ 70,772,452 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2057       | \$ 502,823,581                      | 502,823,581                                   | 502,823,581                                | 31       | 2057       | \$ 0.775000                | \$ 3,818,945        | \$ 2,673,262                   | \$ 1,145,684                  | \$ 0.287600     | \$ 1,446,121                             | \$ 4,119,382                      | \$ 74,891,834 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2058       | \$ 520,422,406                      | 520,422,406                                   | 520,422,406                                | 32       | 2058       | \$ 0.775000                | \$ 3,952,608        | \$ 2,766,826                   | \$ 1,185,782                  | \$ 0.287600     | \$ 1,496,735                             | \$ 4,263,561                      | \$ 79,155,394 |  |  |  |  |  |  |  |  |  |  |  |  |
| 2059       | \$ 538,637,190                      | 538,637,190                                   | 538,637,190                                | 33       | 2059       | \$ 0.775000                | \$ 4,090,949        | \$ 2,863,665                   | \$ 1,227,885                  | \$ 0.287600     | \$ 1,549,121                             | \$ 4,412,785                      | \$ 83,568,180 |  |  |  |  |  |  |  |  |  |  |  |  |
|            |                                     |                                               |                                            |          |            |                            | \$ 777,473,338      | \$ 54,231,337                  | \$ 23,242,001                 |                 | \$ 29,336,843                            | \$ 83,568,180                     |               |  |  |  |  |  |  |  |  |  |  |  |  |
| 1          | M&O =62% of tax rate                |                                               |                                            |          |            |                            |                     |                                |                               |                 |                                          |                                   |               |  |  |  |  |  |  |  |  |  |  |  |  |
| 2          | IES = 38% of tax rate               |                                               |                                            |          |            |                            |                     |                                |                               |                 |                                          |                                   |               |  |  |  |  |  |  |  |  |  |  |  |  |
| 3          | value growth at 3.5% begins in 2034 |                                               |                                            |          |            |                            |                     |                                |                               |                 |                                          |                                   |               |  |  |  |  |  |  |  |  |  |  |  |  |

**City of MERCEDES, Texas,  
Ordinance No. 2025-20**

**AN ORDINANCE APPROVING AND AUTHORIZING AN AGREEMENT BETWEEN THE CITY OF MERCEDES, SAN JACINTO REDEVELOPMENT AUTHORITY, AND TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, CITY OF MERCEDES, TEXAS (TIRZ # 2) IN CONNECTION WITH THE CITY'S REINVESTMENT ZONE NUMBER TWO; AUTHORIZING AN INTIAL BORROWING CAPACITY OF \$1 MILLION, AND DECLARING AN EMERGENCY.**

\* \* \* \*

**BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF MERCEDES:**

**Section 1.** The CITY COMMISSION hereby approves and authorizes the contract, agreement and initial borrowing authorization described in the title of this Ordinance, in substantially the form as shown in the document which is attached hereto and incorporated herein by this reference. The Mayor is hereby authorized to execute such document and all related documents on behalf of the City of MERCEDES. The City Secretary is hereby authorized to attest to all such signatures and to affix the seal of the City to all such documents.

**Section 2.** The Mayor is hereby authorized to take all actions necessary to effectuate the City's intent and objectives in approving such agreement, agreements or other undertaking described in the title of this ordinance, in the event of changed circumstances.

**Section 3.** There exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor.

**PASSED AND ADOPTED this 5th day of August, 2025.**

\_\_\_\_\_  
Oscar D. Montoya Sr., Mayor

ATTEST:

\_\_\_\_\_  
Joselynn Castillo, City Secretary

**AGREEMENT BY AND BETWEEN THE  
CITY OF MERCEDES, TEXAS,  
REINVESTMENT ZONE NUMBER TWO, CITY OF MERCEDES,  
AND SAN JACINTO REDEVELOPMENT AUTHORITY**

**THE STATE OF TEXAS                   §  
                                                 §   **KNOW ALL BY THESE PRESENTS:**  
COUNTY OF CAMERON               §**

**THIS AGREEMENT** (this “*Agreement*”), effective as of **(Date Council approves )** , is made by and between the **CITY OF MERCEDES, TEXAS**, a municipal corporation and a home-rule city in the State of Texas (the “*City*”); **REINVESTMENT ZONE NUMBER TWO, CITY OF MERCEDES**, a reinvestment zone created by the City pursuant to Chapter 311, Texas Tax Code (the “*Zone*”); and the **SAN JACINTO REDEVELOPMENT AUTHORITY**, a nonprofit local government corporation organized and existing under the laws of the State of Texas (the “*Authority*”).

**RECITALS**

**WHEREAS**, by Resolution No. XX-XX of the City Council of the City adopted on **XXXX XXXXX**, the City approved the Certificate of Formation, authorized the creation of the Authority pursuant to Subchapter D of the Texas Transportation code, as a local government corporation to aid, assist and act on behalf of the City in the performance of the City’s governmental functions with respect to the common good and general welfare of MERCEDES, and approved the Authority By Laws; and to be used in conjunction with a tax increment reinvestment zone created pursuant to Chapter 311 of the Texas Tax Code, and;

**WHEREAS**, by Ordinance No. 2024-22, the City created the Zone pursuant to Chapter 311, TEXAS TAX CODE (the “*TIRZ Act*”); and

**WHEREAS**, the Board of Directors of the Zone (“*Zone Board*”) and the City Council of the City each approved and adopted a Project Plan and a Reinvestment Zone Financing Plan for the Zone; and

**WHEREAS**, the City and the Zone Board have determined that it will be advisable to have the Authority assist the Zone Board and act as consultant to the Zone Board in the implementation of the Project Plan and the Reinvestment Zone Financing Plan and provide the other services set forth in this Agreement, including the construction of improvements and the issuance of its bonds to facilitate the Plan; and

**WHEREAS**, the City and the Zone desire to contract with the Authority to provide the assistance described in this Agreement during the term of the Zone, and to finance the efforts of the Authority using tax increments as provided herein;

**NOW, THEREFORE**, for and in consideration of the premises and the mutual covenants and agreements herein contained, the City, the Zone and the Authority agree as follows:

## **I. DEFINITIONS**

Definitions. The terms “*Agreement*,” “*Authority*,” “*Authority Board*”, “*City*,” and “*Zone Board*” , “*TIRZ Act*”, have the meanings set forth in the preamble hereof, and the following capitalized terms shall have the meanings provided below, unless otherwise defined or the context clearly requires otherwise. For purposes of this Agreement the words “shall” and “will” are mandatory, and the word “may” is permissive.

“*Appraisal District*” shall mean the HIDALGO County Appraisal District.

“*Authority Obligations*” shall mean the notes or other contractual obligations that the Authority may incur from time to time with a Developer pursuant to Article III hereof and includes without limitation Development Agreements.

“*Bonds*” shall mean the TIRZ Bonds, as applicable.

“*Budget*” shall mean the annual operating Budget of the Authority, that has been reviewed and approved by the Authority Board, the Zone Board, and the City Council.

“*Captured Appraised Value*” shall mean the total appraised value of property in the Zone as of January 1 of any year less the Tax Increment Base of the Zone, all as defined in the TIRZ Act.

“*City*” shall mean the CITY OF MERCEDDES.

“*City Council*” shall mean the governing body of the City.

“*City Manager*” shall mean the City Manager of the City, or such person as he or she shall designate.

“*County*” shall mean HIDALGO County, Texas.

“*Developer*” shall mean a person who is developing or redeveloping, or proposes to develop or redevelop, a TIRZ Project within the Zone and may include natural persons, private entities, public or private not-for-profit corporations, the City, a school district, the County, the State of Texas, any other governmental bodies, or any other kind of person.

“*Development Agreement*” shall mean an agreement(s) between the Authority and a Developer relating to the development, construction, remodeling, or rehabilitation of a TIRZ Project.

“*Financing Plan*” shall mean the reinvestment zone financing plan for the Zone as amended from time to time pursuant to the TIRZ Act, as adopted by the Zone Board and approved

by the City Council.

“*Interlocal Agreement*” means the Interlocal Agreement between the City, the Zone and any participating taxing unit approved by with respect to the participation of the taxing unit in the Zone, as such may be amended from time to time.

“*Project Cost*” shall mean those costs of public works and improvements and other costs for which payment can be made pursuant to the TIRZ Act that are identified in the TIRZ Plan.

“*Project Plan*” or “*Plan*” shall mean the project plan for the Zone as it may be amended from time to time pursuant to the terms of the TIRZ Act, as adopted by the Zone Board and approved by the City Council.

“*Projects*” shall mean the TIRZ Projects.

“*Revenue Fund*” shall mean the fund established by the Authority comprised of the TIRZ Revenue Fund sub-account.

“*School District*” shall mean any Independent School District providing educational services with the boundaries of the TIRZ.

“*Tax Increment*” shall mean the amount of property taxes collected each year by each Taxing Unit participating in the Zone (to the extent of their participation) on the Captured Appraised Value.

“*Tax Increment Base*” shall mean the total appraised value of all real property taxable by the City and located in the Zone as of January 1, 2024, the year in which the Zone was effective and designated as a reinvestment zone, plus the total appraisal of all real property taxable by the City and the other Taxing Units participating in the Zone and annexed to the Zone determined as of January 1 of the year in which any future area is annexed to the Zone.

“*Tax Increment Fund*” shall mean the Tax Increment Fund created by the City for the Zone including any sub-account therein into which the City shall deposit all Tax Increments.

“*Taxing Unit*” shall mean the City, the County, and any other Taxing Unit that participates in the TIRZ.

“*TIRZ Bonds*” shall mean the bonds of the Authority payable from a pledge of the TIRZ Revenue Fund.

“*TIRZ Plan*” shall mean the Project Plan and the Financing Plan.

“*TIRZ Project*” shall mean any project for which monies in the Tax Increment Fund can be used pursuant to the TIRZ Act and which has been approved in the Project Plan and the Financing Plan.

“*TIRZ Revenue Fund*” shall mean the sub-account of the Revenue Fund into which the Tax Increments are deposited by the City for the use of the Authority hereunder.



## **II. SCOPE OF SERVICES BY AUTHORITY**

To the extent of available funds and subject to the limitations of this Agreement, the services that the Authority may furnish consist of, among other things, the following:

A. Management and Administrative Services and Consultants. The Authority will provide management and administrative services for the Zone. The services without limitation may include the following:

1. Provide the staff, and administrative services that are necessary to manage the Zone and provide or supervise the services and the Projects;
2. Provide management, financial and program monitoring systems for the administration of the Zone;
3. Provide any required reports to the City and the Zone Board concerning the administration of the Zone;
4. Subject to the terms of this Agreement, recruit, hire, pay and supervise the consultants and any work force that the Authority will utilize to furnish services required for the development or redevelopment of the Zone;
5. Provide staff to participate in meetings concerning the administration of the Zone in all its capacities, including the services to the Zone Board when managing the Zone;
6. Provide liaison and coordination between the Zone, the City, the County, the School District, other Taxing Units, property owners, and other persons and groups interested in the redevelopment activities of the Zone;
7. Supervise and monitor the performance of consultants and subcontractors who are employed by the Authority;
8. Assist, where necessary, in briefing Developers, property owners and other persons concerning proposed activities and developments that would complement public and private development activities in the Zone;
9. Function as the information/complaint center for all matters relating to the administration of the Zone and advise the Zone Board and the City in a timely manner of any problems concerning the Zone; and
10. Provide engineering, planning, legal, financial, real estate, and other services through consultants engaged by the Authority as may be requested by the Zone Board or the City.

B. Services With Respect to the Plan and Enlargement of the Zone.

1. Act as consultant to the Zone in the implementation and amendment of the Plan in accordance with applicable law.

2. The Authority will review areas for addition to the Zone as requested by the Zone Board and will provide information with respect to any proposed enlargement that may be required by the Zone Board including, if requested, the information required for a preliminary Project Plan and a preliminary Financing Plan with respect to the enlargement of the Zone.

C. Tax and Assessment Rolls.

1. Assist the Zone Board and the City with respect to the preparation of special tax rolls relating to the Zone. The Authority will analyze property uses in the Zone, compare them to the records of the Appraisal District, and attempt to reconcile the tax rolls of the Appraisal District with the actual land uses.

2. Assist the City in securing a tax roll for the Zone each year, and assist the Zone Board, the City, and the Appraisal District in having the Zone tax rolls correctly reflect the total appraised value of real property in the Zone for that year and showing separately the Tax Increment Base and the Captured Appraised Value. The Authority will assist the Zone Board and the City in advising all Taxing Units participating in the Zone with respect to the Captured Appraised Value and the amount of Tax Increment of each Taxing Unit, which is to be paid into the Tax Increment Fund as, required by the TIRZ Act.

D. Zone Planning, Design and Infrastructure Improvements. The Authority will assist the City and the Zone Board in preparing a development plan and provide technical assistance to encourage public and private property owners to make improvements or provide services.

E. Development Programs. The Authority will assist the City and the Zone Board:

1. To establish a program to encourage economic development and redevelopment in the Zone;

2. In preparing a program to encourage the development of the Zone;

3. In identifying obstacles to development in the Zone and in preparing a plan for application to the Zone to eliminate those obstacles;

F. Construction of Projects. The Authority may construct infrastructure, buy equipment and supplies, and deal in real estate as necessary to implement the Plan and as permitted by the TIRZ Act and the Authority's Bylaws:

1. To the extent funds are available, the Authority may design and construct Projects identified in the Plan that meet the qualifications of the TIRZ Act as applicable;

and

2. To the extent funds are available, the Authority may buy, sell, lease and otherwise deal in real estate pursuant to the Project Plan and a Financing Plan for the Zone.

G. Subcontractors. The Authority may provide the services required by this Agreement through staff, subcontractors, and/or consultants subject to the conditions of this Agreement.

### **III. OBLIGATIONS OF THE AUTHORITY**

A. General Statement. The Authority has the authority to enter into Authority Obligations with Developers and enter into contracts with consultants and others to be paid from monies to be paid by the City and the Zone to the Authority from Tax Increments pursuant to this Agreement, and further, the Authority may issue Bonds with the consent of the City Council; provided that nothing in this Agreement shall be construed to authorize the Authority to expend any of the Tax Increment funds received pursuant to this Agreement for any costs other than Project Costs.

B. Power to Incur Authority Obligations. Subject to the provisions of this Article, the Authority shall have the power from time to time to issue and incur Authority Obligations and enter into contracts with consultants upon such terms and conditions as the Authority Board and the Zone Board shall determine to be necessary or desirable to implement the Plan. The Authority Obligations may be in the form of a Development Agreement with the Developer of a Development who agrees to construct, improvements or other facilities included in the Plan in exchange for the obligation of the Authority to repay the Developer for such costs from future payments made by the City and the Zone to the Authority pursuant to this Agreement. All Development Agreements shall specify which Plan pursuant to which it is entered, and shall provide that (i) the Authority will not reimburse any Developer for any Project that is determined to be an ineligible Project Cost under the TIRZ Act; and (ii) the Developer shall repay the Authority for any payment made by the Authority to the Developer that is determined to be ineligible.

C. Approval of Bonds and Other Obligations. The Authority may issue Bonds secured by payments made pursuant to this Agreement with the approval of City Council.

D. Use of Tax Increments. Amounts deposited in the TIRZ Revenue Fund shall be applied in the following order of priority (i) amounts pledged or required for the payment of outstanding Bonds secured by the TIRZ Revenue Fund, including Bonds in the process of issuance and refunding Bonds, (ii) administrative costs of the Zone and the Authority relating to the Zone, and (iii) payments of other Authority Obligations relating to the Zone.

E. Pledge of Revenue Fund. The Authority and the Zone Board may pledge and assign all or a part of the Revenue Fund under this Agreement to: With respect to the TIRZ Revenue Fund, the owners and holders of TIRZ Bonds, and Developers pursuant to a Development

Agreement for TIRZ Improvements.

F. The City consents to any assignment and pledge consistent with this Agreement and approves the terms and conditions of the instruments assigning or pledging the proceeds to be received by the Authority pursuant to this Agreement.

#### IV.

#### DUTIES AND RESPONSIBILITIES OF THE CITY AND THE ZONE

A. Tax Increment Fund. The City has established and will maintain a separate Tax Increment Fund, including sub accounts if necessary, in the City treasury into which Tax Increments shall be deposited. During the term of this Agreement, Tax Increments shall be paid to the Authority from the Tax Increment Fund as herein provided.

B. Limitation of Source of Payment. The City and the Zone shall have no financial obligation to the Authority other than as provided in this Agreement or in other agreements between the City, the Zone and the Authority. The obligation of the City and the Zone to the Authority under this Agreement is limited to the Tax Increments that are collected by the City. This Agreement shall create no obligation on the City or the Zone that is payable from taxes or other monies of the City other than the Tax Increments that are collected by the City.

C. The obligation of the City and the Zone to the Authority under this Agreement shall be subject to the rights of any of the holders of Bonds or other obligations that have heretofore or are hereafter issued by the City, the County, and any other Taxing Units that are payable from or secured by a general levy of ad valorem taxes throughout the taxing jurisdiction of the City, the County, and the other Taxing Units.

D. Collection and Payment of Tax Increments by the City and the Zone. In consideration of the services and TIRZ Projects to be provided by the Authority, the City and the Zone covenant and agree that they will, as authorized under the TIRZ Act and other applicable laws, continuously collect the Tax Increments from the Taxing Units whose participation in the Zone is reflected in the TIRZ Plan during the term of this Agreement in the manner and to the maximum extent permitted by applicable law. To the extent the City and the Zone may legally do so, the City and the Zone also covenant and agree that they will not permit a reduction in the Tax Increments paid by the Taxing Units except to the extent provided in the agreement with the Taxing Unit executed at the time the Taxing Unit agrees to participate in the Zone. In addition, the City covenants and agrees that it will not dissolve the Authority and that any repeal of the right and power to collect the Tax Increments will not be effective until all the TIRZ Bonds or other TIRZ-related Authority Obligations have been paid in full or until they are legally defeased. The City and the Zone further covenant and agree that they will make all payments as set forth in **Article V** below, by a direct deposit into the TIRZ Revenue Fund, without counterclaim or offset, but minus any expenses incurred by the City in connection with the collection of the Tax Increments and minus any amount retained pursuant to the provisions set forth in **Article V** below.

D. Obligations of City and the Zone to be Absolute. The obligation of the City and the

Zone to make the payments set forth in this Agreement shall be absolute and unconditional, and until such time as this Agreement, Bonds, and the contractual obligations of the Authority incurred pursuant to this Agreement have been fully paid or provision for payment thereof shall have been made in accordance with their terms (or, with respect to the Tax Increments, the date of expiration of the Zone, if earlier), the City and the Zone will not suspend or discontinue any payments provided for in this Agreement and will not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, the failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Agreement except as provided in **Article XVII**. Nothing contained in this section shall be construed to release the Authority from performance of any of the agreements on its part contained in this Agreement, and in the event the Authority shall fail to perform any such agreement on its part, the City may institute such action against the Authority as the City may deem necessary to compel performance so long as this action does not abrogate the obligations of the City and the Zone to make the payments set forth in this Agreement to pay the Bonds of the Authority or to meet its Authority Obligations to Developers.

## **V.**

### **CITY PAYMENT TO AUTHORITY**

A. TIRZ Payments. The City, on behalf of itself and the Zone, will pay the Authority, not later than July 1 of each year during the term of this Agreement, all monies then available in the Tax Increment Fund, subject to the retention by the City of (i) an amount equal to the City's direct administrative costs connected with the Zone and the TIRZ Plan, not to exceed three percent of the amount available in the Tax Increment Fund. The Authority shall deposit the payments received pursuant to this Section into the TIRZ Revenue Fund and use the monies in the TIRZ Revenue Fund for payment of its TIRZ- related costs, its obligations to the holders of its TIRZ Bonds, its obligations to Developers pursuant to a TIRZ Development Agreement, or its other contractual obligations. The obligation to make these payments shall survive a termination of this Agreement as provided by **Article XVII** hereof.

## **VI.**

### **ACCOUNTING AND AUDITS**

A. Accounts, records, and accounting reports. The Authority will maintain books of records and accounts in which full, true, and proper entries will be made on all dealings, transactions, business, and matters that in any way affect or pertain to the operation of the Zone, and the allocation and application of funds provided hereunder. All such records shall be maintained in accordance with accounting generally accepted principles and shall be clearly identified and readily accessible. The Authority shall provide free access to the books and records at all times to the City and the Zone or their representatives and shall permit them to examine and audit the same and make copies thereof. The Authority shall further allow the City and the Zone and their representatives to make inspections of all work data, documents, proceedings, and activities related to this Agreement. Such right of access and audit shall continue for a period of three years from the date of final payment under this Agreement or

for such longer period of time as proscribed by law. The Authority will operate on the basis of the same fiscal year as the City.

B. Audit. At the end of each fiscal year (beginning with the fiscal year or fraction thereof during which this Agreement is executed), the Authority will have an audit prepared by an independent Certified Public Accountant for that fiscal year that shall be submitted to the Authority, the Zone and the City within 120 days after the end of the fiscal year. The Authority shall furnish copies of the audit to the City Council, City Manager and the Zone Board.

C. Authority Depository. Any monies received from investing and reinvesting the monies paid by the City and the Zone to the Authority shall remain in the TIRZ Revenue Fund until used by the Authority for the purposes permitted by this Agreement, and may be commingled with other monies of the Authority; provided that these funds shall be accounted for separately. Such funds shall be invested and reinvested by the Authority only in investments that would be eligible for investment by the City pursuant to the provisions of the Public Funds Investment Act (Chapter 2256, Texas Government Code). The depository bank will secure such funds in the same manner as City funds are required to be secured at the City depository and in accordance with applicable law and City procedures.

D. During the term of this agreement, the Authority will submit to the City and the Zone Board its annual budget, setting forth the Authority's proposed expenditures during the ensuing fiscal year, including administrative costs incurred in connection with providing services under this agreement, and obligation payable to the holders of bonds, or a Developer, pursuant to their approved development agreement.

## **VII. RIGHT OF OWNERSHIP**

All property and improvements purchased by the Authority shall be the property of the Authority and shall be maintained by the Authority throughout the term of this Agreement and the Authority may lease, sell or otherwise dispose of such property upon such terms and conditions as the Authority deems desirable; provided that, if any TIRZ Project is integrated in and used as part of the City's infrastructure, it shall be conveyed to the City at the time of such integration, at the City's discretion. Upon termination of this Agreement or dissolution of the Authority, title to all Authority property shall immediately vest in the City without the need for further action on the part of the City.

## **VIII. PERSONAL LIABILITY OF PUBLIC OFFICIALS**

Except for illegal acts, malfeasance, or misfeasance, to the extent permitted by State law, no director of the Authority, nor any employee or agent of the Authority, no director of the Zone, nor any employee or agent of the Zone, and no employee of the City, nor any agent of the City, shall be personally responsible for



any liability arising under or growing out of the  
the Authority under the terms of this Agreement.

Agreement, or operations of

## **IX. CITY AND ZONE NOT LIABLE FOR DELAY**

It is expressly agreed that in no event shall the City or the Zone be liable or responsible to  
the Authority or any other person for or on account of, any stoppage or delay in the work herein  
provided for by injunction or other legal or equitable proceedings, or from or  
by or on account of any delay for any cause over which the City or the Zone has no control.

## **X. INDEMNITY AND RELEASE**

**A. INDEMNITY FOR PERSONAL INJURIES. THE AUTHORITY COVENANTS AND AGREES TO, AND DOES HEREBY, DEFEND, INDEMNIFY AND HOLD THE CITY, THE ZONE, AND THEIR OFFICERS, DIRECTORS, AND EMPLOYEES (THE “INDEMNIFIED PERSONS”), HARMLESS FOR ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, FINES, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS’ FEES, COURT COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE OR LOSS INJURIES, INCLUDING DEATH, TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO ANY PERFORMANCE UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THOSE CAUSED BY:**

- 1. THE AUTHORITY’S AND/OR ITS AGENTS’, EMPLOYEES’, OFFICERS’, DIRECTORS’, CONTRACTORS’, OR SUBCONTRACTORS’ (COLLECTIVELY IN LETTERED PARAGRAPHS 1-3, “AUTHORITY’S”) ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS;**
- 2. THE INDEMNIFIED PERSONS’ AND THE AUTHORITY’S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER THE AUTHORITY IS IMMUNE FROM LIABILITY OR NOT; AND**
- 3. THE INDEMNIFIED PERSONS’ AND THE AUTHORITY’S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER THE AUTHORITY IS IMMUNE FROM LIABILITY OR NOT. IT IS THE EXPRESSED INTENTION OF THE PARTIES HERETO THAT THE INDEMNITY PROVIDED FOR IN THIS ARTICLE X IS AN INDEMNITY BY THE AUTHORITY TO INDEMNIFY AND PROTECT THE INDEMNIFIED**

PERSONS FROM THE CONSEQUENCES OF (I) THE INDEMNIFIED PERSON'S OWN NEGLIGENCE, WHETHER THAT NEGLIGENCE IS THE SOLE OR CONCURRING CAUSE OF THE RESULTING INJURY, DEATH OR DAMAGE AND/OR (II) THE AUTHORITY'S OWN NEGLIGENCE, WHETHER THAT NEGLIGENCE IS THE SOLE OR A CONCURRING CAUSE OF THE RESULTING INJURY, DEATH OR DAMAGE THE AUTHORITY SHALL DEFEND, INDEMNIFY, AND HOLD THE INDEMNIFIED PERSONS HARMLESS DURING THE TERM OF THIS AGREEMENT AS WELL AS AFTER THE AGREEMENT TERMINATES. THE AUTHORITY SHALL NOT INDEMNIFY THE INDEMNIFIED PERSONS FOR THE INDEMNIFIED PERSONS' SOLE NEGLIGENCE.

**B. INDEMNITY TO CITY PROPERTY.** AUTHORITY SHALL LIKEWISE INDEMNIFY AND HOLD HARMLESS THE CITY FOR ANY AND ALL INJURY OR DAMAGE TO CITY PROPERTY ARISING OUT OF OR IN CONNECTION WITH ANY AND ALL ACTS OF AUTHORITY, ITS OFFICERS, AGENTS, EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, LICENSEES, OR INVITEES.

**C. RELEASE.** THE AUTHORITY AGREES TO AND SHALL RELEASE THE INDEMNIFIED PERSONS FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE INDEMNIFIED PERSONS' SOLE OR CONCURRENT NEGLIGENCE.

**D. DEFENSE OF CLAIMS.** IN THE EVENT THAT ANY ACTION OR PROCEEDING IS BROUGHT AGAINST AN INDEMNIFIED PERSON BY REASON OF ANY OF THE ABOVE, THE AUTHORITY FURTHER AGREES AND COVENANTS TO DEFEND THE ACTION OR PROCEEDING BY LEGAL COUNSEL ACCEPTABLE TO THE INDEMNIFIED PARTY.

**E. Payment from Tax Increment.** All costs of obligations of the Authority imposed by this Article may be paid from proceeds from insurance or, to the extent provided by law, Tax Increments.

## **XI. INDEPENDENT CONTRACTOR**

It is expressly understood and agreed that the Authority shall perform all work and services described herein as an independent contractor and not as an officer, agent, servant, or employee of the City or the Zone; that except as herein provided, the Authority shall have exclusive control of and the exclusive right to control the details of the services and work performed hereunder, and all persons performing the same; and shall be solely responsible for the acts of its officers,

agents, employees, contractors, and subcontractors; that the doctrine of respondeat superior shall not apply as between the City or the Zone and the Authority, its officers, agents, employees, contractors, and subcontractors; and that nothing herein shall be construed as creating a partnership or joint enterprise between the City or the Zone and the Authority. No person performing any of the work and services described hereunder shall be considered an officer, agent, servant, or employee of the City or the Zone.

## **XII. INSURANCE**

The Authority shall obtain and maintain insurance coverage continuously during the term of this Agreement, and the Authority shall contract with each contractor engaged by it hereunder to maintain (and cause each of its subcontractors to maintain) insurance coverage during the term of its contract, in substance and amount as may be agreed upon by the Parties.

## **XIII. ADDRESS AND NOTICE**

Any notice sent under this Agreement (except as otherwise expressly required) shall be written and mailed, or sent by electronic or facsimile transmission confirmed by mailing written confirmation at substantially the same time as such electronic or facsimile transmission, or personally delivered to an officer of the receiving party at the following addresses:

CITY OF MERCEDES  
City Hall  
400 S. Ohio Avenue  
MERCEDES Texas,

78570

Attention: City Manager

SAN JACINTO REDEVELOPMENT

AUTHORITY &  
REINVESTMENT ZONE #2,  
City of MERCEDES,  
c/o Bill Calderon  
Calderon Economic Development Strategies, LLC  
5523 Spellman Road  
Houston, Texas 77096

Each party may change its address by written notice in accordance with this section. Any communication addressed and mailed in accordance with this section shall be deemed to be given when so mailed, any notice so sent by electronic or facsimile transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when receipted for by, or actually received by, the Authority, the Zone, or the City, as the case may be.

#### **XIV. APPLICABLE LAWS**

This Agreement is made subject to the Constitution and laws of the State of Texas and the Charter of the City.

#### **XV. CAPTIONS**

The captions at the beginning of the Articles of this Agreement are guides and labels to assist in locating and reading such Articles and, therefore, will be given no effect in construing this Agreement and shall not be restrictive of the subject matter of any article, section, or part of this Agreement.

#### **XVI. SUCCESSORS AND ASSIGNS**

This Agreement shall bind and benefit the respective parties and their legal successors, and shall not be assignable, in whole or in part, by any party hereto without first obtaining the written consent of the other party. Nothing herein shall be construed as creating any personal liability on the part of any officer or agency of the City, of the Zone, or of the Authority.

#### **XVII. TERM AND TERMINATION, DISSOLUTION OF AUTHORITY**

A. In general. This Agreement shall become effective, and its initial term shall begin, on the date first set forth above, and end upon the later of (i) the date of completion of the Plan, or (ii) the date on which all Authority Obligations and Authority Bonds have been retired.

B. Termination for cause. A party may terminate its performance under this Agreement only upon default by the other party. Default by a party shall occur if the party fails to perform or observe any of the terms and conditions of this Agreement required to be performed or observed by that party. Should such a default occur, the party against whom the default has occurred shall have the right to terminate all or part of its duties under this Agreement as of the 60th day following the receipt by the defaulting party of a notice describing such default and intended termination, provided:

(i) such termination shall be ineffective if within said 60-day period the defaulting party cures the default, or (ii) such termination may be stayed, at the sole option of the party against whom the default has occurred, pending cure of the default. No termination of this Agreement will affect the obligation of the City and the Zone to pay an amount that will permit the Authority to pay its Bonds or Authority Obligations issued or incurred pursuant to and consistent with this Agreement prior to termination.

C. Dissolution of Authority. The City agrees not to dissolve the Authority or the Zone unless it makes satisfactory arrangements to provide for the payments of the Authority's Bonds, or other Authority Obligations incurred upon the Authority's dissolution.

## **XVIII. AMENDMENT OR MODIFICATIONS**

Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment, or modification only by the mutual written consent of the parties hereto.

**IN TESTIMONY OF WHICH** this instrument has been executed on behalf of the Authority, the Zone and the City effective as of the date first above written.

**CITY OF MERCEDES**

OSCAR MONTTOYA, SR.  
Mayor

**ATTEST:**

\_\_\_\_\_  
Joselynn Castillo  
City Secretary

**MERCEDES  
REDEVELOPMENT  
AUTHORITY**

\_\_\_\_\_  
Chairman, Board of Directors

**ATTEST:**

\_\_\_\_\_  
Secretary, Board of Directors

**REINVESTMENT ZONE NUMBER TWO,  
CITY OF MERCEDES**

\_\_\_\_\_  
Chairman, Board of Directors

**ATTEST:**

\_\_\_\_\_  
Secretary, Board of Directors

**ORDINANCE NO. 2025-21**

**AN ORDINANCE APPROVING THE ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF MERCEDES, THE TAX INCREMENT REINVESTMENT ZONE #2, CITY OF MERCEDES, AND SAN JACINTO ENTERPRISES, LLC; AUTHORIZING EXECUTION OF THE AGREEMENT, AND VARIOUS PROVISIONS RELATED TO THE FOREGOING SUBJECT.**

**WHEREAS**, the City Council of the City of MERCEDES, by adoption of Ordinance No. 2024-22 created Reinvestment Zone Number One, City of MERCEDES, Texas; and

**WHEREAS**, the Board of Directors of the Reinvestment Zone Number One has approved and recommended approval of the Economic Development Reimbursement Agreement (the “The Agreement”) attached hereto for the development of public infrastructure within said Zone, providing certain reimbursements to SAN JACINTO ENTERPRISES, LLC (the “Developer”) for investments the Developer will make in the TIRZ #2, City of MERCEDES; and

**THEREFORE; BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MERCEDES, TEXAS;**

Section 1. That the findings contained in the preamble of this Ordinance are declared to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. That Council does hereby find the proposed project cost reimbursements for investments in public infrastructure by the Developer are consistent with the Zone’s Project Plan and Reinvestment Zone financing plan, and are in conformance with the City’s planned development, and also conforms to the requirements set forth in Chapter 311, Texas Tax Code.

Section 3. That the Economic Development Reimbursement Agreement attached hereto for Reinvestment Zone Number #2, City of MERCEDES, Texas is hereby approved.

**INTRODUCED AND APPROVED** on the first reading this 5th day of August, 2025.

**APPROVED AND PASSED** on the second reading this 19th day of August, 2025.

---

Oscar D. Montoya Sr., Mayor

ATTEST:

---

Joselynn Castillo, City Secretary



## ECONOMIC DEVELOPMENT AGREEMENT

**THIS ECONOMIC DEVELOPMENT AGREEMENT** (this “**Agreement**”) is by and among the CITY OF MERCEDES, Texas, a political subdivision of the State of Texas (the “**City**”), TAX INCREMENT REINVESTMENT ZONE NO. 2, CITY OF MERCEDES, TEXAS, a reinvestment zone created by the City pursuant to Chapter 311, Texas Tax Code (“**TIRZ #2**”), and SAN JACINTO ENTERPRISES, a Texas limited liability company (the “**Developer**”), is entered into on this \_\_\_\_ day of JANUARY 2025 (the “**Effective Date**”). The City, the Developer, and TIRZ #2 may be individually referred to herein as “**Party**” and collectively as the “**Parties**.”

### RECITALS AND FINDINGS

WHEREAS, Developer owns and is proposing to develop certain tracts of land currently known as Subdivision 12, totaling approximately 127.44 acres, excluding Rights of Way to be improved, in the City’s ETJ (the “**Project Site**”), which is one of two development parcels of land located in TIRZ #2, as shown on the property map contained in **Exhibit A** attached hereto and incorporated herein for all purposes (the “**Property**”), and desires to construct and develop certain residential developments on the entirety of the Property (the “**Project**”); and,

WHEREAS, the City, pursuant to Chapter 311, Texas Tax Code as amended, has : (a) created a tax increment reinvestment zone over the entire Property to facilitate the development of the land, (b) provide certain agreed upon reimbursements to Developer for the Project funded by the Developer, and (c) seek and approve a participation agreement with the County for participation in the TIRZ #2;

WHEREAS, the City of Mercedes, Texas (the “**City**”) has agreed to participate in tax increment funding for TIRZ #2 by contributing to the tax increment fund for TIRZ #2 seventy percent (70%) of approved *Ad Valorem* Tax Rate each year until December 31, 2059, as set forth in Ordinance No. 2024-22, creating TIRZ #2 City of Mercedes; and,

WHEREAS, Hidalgo County, Texas (the “**County**”) is considering participating in tax increment funding for TIRZ #2 by contributing to the tax increment fund for TIRZ #2 fifty percent (50%) of its Maintenance and Operation Tax Rate , as will be memorialized in that certain Inter-local Agreement Tax Increment Reinvestment Zone #2, to be approved by and between the County and the City, (the “**TIRZ#2 Inter-local Agreement**”); and,

WHEREAS, while portions of the Property may be sold or conveyed to third parties, Developer shall be responsible for the overall development of the Project and all portions of the Property shall be included under this Agreement;

WHEREAS, the Board of Directors for TIRZ #2 (the “**TIRZ Board**”) and the City Council for the City of Mercedes (the “**City Council**”) each approved and adopted the Project Plan and Reinvestment Zone Financing Plan for TIRZ #2, dated August 5, 2025, (the “**TIRZ Plan**”);

WHEREAS, the Parties desire to provide for the development and financing of the projects set forth below to implement the TIRZ Plan;

WHEREAS, the City Council of the City of Mercedes has found and determined that the construction of the Project will provide the benefit of serving the public interest and welfare and enhancing the economic stability and growth of the City, contribute to the expansion of the City's tax base, increase mobility by construction of road ways and related infrastructure, facilitate the development of raw land into a master-planned mixed use development;

WHEREAS, the Project is consistent with the City's economic development objectives to increase taxable property values and taxes in the residential areas of the Project;

WHEREAS, the City agrees to provide financial and development assistance to the Developer through utilization of the TIRZ;

WHEREAS, the TIRZ Board shall possess all powers necessary to implement and monitor the TIRZ Plan as the City Council considers advisable, including without limitation, the submission of an Annual Reimbursement Report [defined in Article III, Section 4(f)];

WHEREAS, the Parties hereto have agreed that the TIRZ #2 shall be responsible for verifying the Developer's ongoing compliance with the requirements set forth in this Agreement necessary to obtain City payments as detailed herein;

WHEREAS, the Developer has agreed to petition the City for annexation of the land within the TIRZ, and also finance certain agreed upon infrastructure improvements, to develop the master planned mixed use project, and satisfy and comply with certain terms and conditions;

WHEREAS, the Parties agree that the provisions of this Agreement substantially advance a legitimate interest of the City;

WHEREAS, the Parties desire to cooperate in the development of the Project, on the terms and conditions contained herein;

NOW, THEREFORE, for and in consideration of the promises and the mutual agreements set forth herein, the Parties hereby agree as follows:

## ARTICLE I DEFINITIONS

- I. **"Affiliate"** means, as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such Person or is a director or officer of such Person or of an Affiliate of such Person.
- II. **"Annual Payment(s)"** means the periodic payments of Tax Increment Revenue made to Developer as provided herein, and as set forth in Chapter 311, Texas Tax Code.
- III. **"Base Value"** shall mean the taxable value of the property located within the Property as of January 1, 2024, which amount is deemed to be \$3,083,165;

- IV. **“Captured Appraised Value”** means the total appraised ad valorem value of all real property taxable by the City and located in the Property as of January 1 of any year less the Base Tax.
- V. **“Developer Interest”** means interest accrued on the actual public improvement costs paid by the Developer at a per annum rate equal to 8.5%. Developer Interest shall accrue from the later of (i) the Effective Date of this Agreement for all expenditures made related to the creation of the TIRZ #2 or (ii) the date of actual payment by the Developer for expenditures made after the TIRZ #2 creation, and shall continue until such time the Developer receives full payment for the Project Costs (defined in Section 2(a)).
- VI. **“Person”** means any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.
- VII. **“Local Government Corporation”** means a tax exempt not for profit entity created pursuant to Chapter 431, Texas Transportation Code, and authorized by the City through the approval of an agreement to manage the TIRZ on the City’s behalf, and also serve as the debt facility mechanism should the City consent to the sale of tax exempt bonds to finance developer reimbursements or other project costs.
- VIII. **“Project Manager”** means the Developer for a project by Developer or the City for a project by the City.
- XI. **“Tax Increment”** means funds from the amount of ad valorem taxes levied and collected by the City on the Captured Appraised Value of real property located within the Property.
- X. **“Tax Increment Revenue”** means all (i) tax incremental revenues levied and collected from taxable incremental value in the TIRZ #2 x the current City approved *Ad Valorem* Tax Rate x .70, for thirty four (34) years (the duration of the TIRZ #2) and payable to the Developer under this Agreement and (ii) tax incremental revenues levied and collected from the taxable incremental value in the TIRZ #2 x the current County approved *Ad Valorem* Tax Rate, as set forth in the inter-local agreement approved by both the City and the County for thirty four (34) years (the duration of the TIRZ #2) and payable to the Developer under this Agreement.
- XI. **“Term”** means a term of thirty four (34) years during which the annual Tax Increment Revenue and annual Captured Appraised Value of the Property is calculated and the resulting Annual Payment is disbursed by the City.
- XII **“Reimbursable Project Costs”** means all costs set forth in Table I—Project Plan and Reinvestment Zone Financing Plan for TIRZ #2 and in **Exhibit C** of this

Agreement, which costs are currently estimated to be \$95,226,202.

## ARTICLE II THE PROJECT

1. Development of the Project. The Project is to be constructed in two phases consisting of residential development and limited multifamily development, each phase must be in accordance with the Developer's Master Plan, and as reflected in the project plan and the approved City Plat.
2. Project Costs & Improvements for Subdivision 12.
  - (a) All of the TIRZ #2 improvements set forth in **Exhibit C**, related to Subdivision 12, and including 1/2 of the estimated Interest costs, and 1/2 of the TIRZ administration costs, as set forth in the TIRZ #2 project plan attached hereto and incorporated herein for all purposes (collectively, the "**Project Improvements**") , together with the costs of the construction of such Project Improvements including, without limitation, all costs incurred in connection with obtaining governmental approvals, certificates, and permits and all costs of engineering, testing and inspection required in connection with the construction of the improvements, and including the costs of creation of the Zone shall be referred to herein as the "**Project Costs.**".
  - (b) The Developer shall design, permit and construct the public roads as approved by the City and shall dedicate them, as such, to the City upon their completion. All such public roads accepted by the City shall thereafter be owned and maintained by the City.
  - (c) The Developer shall construct and install all reasonable and necessary traffic control devices (including signs) within the Project as required by the City, the County or other appropriate Party with jurisdiction. All such traffic control devices (including signs) shall thereafter be operated and maintained by the City, the County or other appropriate Party with jurisdiction.
  - (d) In the event that City and Developer mutually agree to the elimination or modification of any improvement listed as a component of the Project Costs, then the Parties may mutually agree, in writing, to modify, eliminate, amend or re-apportion the Project Costs in question.
3. Cost of Improvements to be Funded by the Developer. Unless otherwise agreed to by the Parties in writing, the Developer shall promptly pay (or cause to be paid) all Project Costs of constructing the Project Improvements including, without limitation: (i) all costs of design, engineering, materials, labor, construction, permitting, testing and inspection, arising in connection with the construction of the Project Improvements (except for those items which may be contested in good faith by Developer); (ii) all payments arising under any contracts entered into for the construction of the Project Improvements (except for those items which may be contested in good faith by Developer); (iii) land costs for land dedicated as public rights of way at fair market value; (iv) all financing costs and

fees associated with the Project Improvements, including legal fees. The City *shall not be liable* to any contractor, engineer, attorney, material man, laborer, or other party employed by or on behalf of the Developer, its affiliates or designees, as the case may be, in connection with the construction of the Project Improvements.

### ARTICLE III PUBLIC FINANCIAL CONTRIBUTION

1. City Payments to Developer.
  - (a) In consideration of the City entering into this Agreement and providing for Annual Payments to the Developer under the terms and conditions set forth herein, as further described in more detail throughout this Agreement, the Developer agrees that it, along with its affiliates and any of Developer's current or future successors or assigns to the Project Site, in whole or in part, shall design, permit and construct the Project Improvements in accordance with the City or County codes, as applicable.
  - (b) The Annual Payments made by the City to the Developer shall be paid solely from the *ad valorem* tax incremental revenues collected in the TIRZ #2 for the prior tax year, and including any prior year reconciliations. Each Annual Payment shall be an amount equal to the total Tax Increment Revenue collected based on the following formula: (i) for the City-- Prior Tax Year Certified Taxable Value, Less Base Value /\$100 x the Current City Tax Rate x 70% and (ii) for the County—all Incremental Revenues remitted by the County to the City pursuant to the TIRZ #2 Interlocal Agreement. The Annual Payments shall be paid annually to Developer by the City no later than June 1, beginning in the first calendar year after Developer receives its first acceptance by the City of the completion of the Project Improvements in the first subdivision platted, improved and completed by Developer and continuing each year thereafter until the earlier of: (i) the date the City has fully paid all Reimbursable Project Costs and Developer Interest to the Developer or Lender (defined below), as applicable, in an amount currently estimated to be \$50,015,362, including estimated interest payments, and as reflected in Table 1, Project Plan and Reinvestment Finance Plan, and as computed pursuant to Section II, 2 (a) of this agreement, or (i) the completion of the Term of TIRZ #2. The total reimbursement will be based on actual expenditures for approved project costs based on an independent audit.
  - (c) The Developer may assign revenues received pursuant to this Agreement to a lender to collateralize a loan to further the development within the TIRZ, subject to the consent of the City, which consent shall not be unreasonably withheld. The terms of any borrowing shall be exclusively determined by negotiation between the developer and the Lender.
2. Annual Payment Administration. The Parties hereby agree and consent that all Annual Payments shall be paid directly by the City to the Developer or, if applicable, a Local Government Corporation (LGC) created to manage the TIRZ on behalf of the City. Once any Annual Payment (or portion thereof) is delivered by the City to the Developer, or the LGC, the City shall have no further obligation to the Developer as it relates to the annual tax incremental revenues. Total payment to Developer shall be based on the total audited costs of the Developer for those Project Costs as reflected in Table One of the Zone's approved Project Plan, as may be amended from time to time.

3. Project Quality. As consideration for City's obligation to pay Developer, the Developer agrees to construct the Project to the standard of quality as required by the City and the County for typical infrastructure constructed in residential and commercial projects.
4. Process for Project Development and Distribution of Developer Reimbursement Requests.
  - (a) Before initiating each phase of the Project, the Developer shall make a presentation to the TIRZ Board. Such presentation shall specify: (i) the phase to be initiated, (ii) the estimated cost to design and construct such phase, including any Project Costs, and (iii) the estimated time to complete such phase.
  - (b) Periodically, and no less than twice a year, the Developer shall provide reports regarding the progress of construction of the Project Improvements and the Developer's payment of Project Costs. The Developer shall allow the City and/or TIRZ Board reasonable access to the Project for inspections during all phases of construction.
  - (c) Upon completion of construction of the public infrastructure, any applicable interest in the real property upon which the public improvement is constructed shall be conveyed to the City or other public entity responsible for operation and maintenance of such completed work, and the City will accept the same upon the completion thereof in accordance with approved plans and specifications. The Developer shall, at its own costs and expense, maintain or cause to be maintained, the completed work until acceptance by the City, as evidenced by written acceptance by the appropriate City administrator, and for one (1) year after said acceptance.
  - (d) Developer will work with the TIRZ/ Redevelopment Authority administrator to have an independently prepared agreed upon procedures report (AUP) of developer reimbursable project costs this this Agreement and costs in the approved project plan and reinvestment zone financing plan prepared for submission to the Board of Directors of the TIRZ for approval.
  - (e) Upon approval of the Reimbursement Report by the TIRZ Board for the particular Project phase(s) completed at that time, the reimbursements shall become an obligation of the TIRZ and shall be payable from the available funds or bonds in accordance with this Agreement.
  - (f) Developer agrees that imputed administration costs in the amount of up to five percent (5%) of the Annual Payment may be retained by the City, and deduction from the Annual Payment made by the City to the Developer (the "**Administrative Costs**").

#### **ARTICLE IV**

##### **MISCELLANEOUS PROVISIONS**

1. Default; Remedies.
  - (a) Unless otherwise provided herein, any Party to this Agreement that believes that the other Party to this Agreement has defaulted in the performance of any condition, term, or obligation owed to that Party under this Agreement shall within twenty (20) business

days after discovery of said default, give written notice of the default to the defaulting Party, specifying in detail the provision or provisions of this Agreement that have allegedly been breached and what specific action must be taken to cure or correct the default. Should the Party receiving the notice fail to commence action to correct the default within thirty days, and/or thereafter fail to diligently pursue the completion of the action to correct the default, the Party giving the notice of default may declare the defaulting Party in default. In addition to any other right or remedy available to the Parties under this Agreement, in the event that a Party is declared in default, the complaining Party shall have the right (but not the obligation), in its sole discretion, to exercise its rights with regards to mandamus, specific performance or mandatory or permanent injunction to require the Party alleged to have defaulted or breached to perform.

- (b) In the event that the Developer is in default, the City shall not be obligated to make Annual Payment(s), or any portion thereof, to the Developer unless and until the default has been cured to the reasonable satisfaction of the City. In the event that the Developer fails to: (i) diligently pursue the completion of the action to correct the default as determined in the City's reasonable discretion, on the timeline established by the City Council; and (ii) such default remains on going six (6) months from the date of the cure deadline established by the City Council pursuant to this section, this Agreement may be terminated or suspended.
  - (c) Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Section or pursuant to the provisions of any other Section of this Agreement will constitute an election of remedies; and all remedies set forth in this Agreement will be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the Parties has the affirmative obligation to mitigate its damages in the event of a default by the other Party.
  - (d) Notwithstanding anything in this Agreement which is or may appear to be to the contrary, if the performance of any covenant or obligation to be performed hereunder by any party, except for a delay in payment of the Annual Payment, is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending or threatened litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions [such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures, or tornadoes], labor action, strikes or similar acts) or pandemics, including without limitation, Covid 19, the time for such performance shall be extended by the amount of time of such delay ("**Force Majeure**").
2. Separate Status. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in their respective businesses or otherwise, nor shall it cause them to be considered joint ventures or members of any joint enterprise.

3. Construction and Interpretation.

- (a) Whenever required by the context of this Agreement, (i) the singular shall include the plural, and vice versa, and the masculine shall include the feminine and neuter genders, and vice versa, and (ii) use of the words “including”, “such as”, or words of similar import, when following any general term, statement or matter, shall not be construed to limit such statement, term or matter to specific terms, whether or not language of non- limitation, such as “without limitation”, or “but not limited to”, are used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest scope of such statement, term or matter.
- (b) The captions preceding the text of each article and section of this Agreement are included only for convenience of reference. Captions shall be disregarded in the construction and interpretation of this Agreement. Capitalized terms are also selected only for convenience of reference and do not necessarily have any connection to the meaning that might otherwise be attached to such term in a context outside of this Agreement.
- (c) This Agreement may be executed in several counterparts; each of which shall be deemed an original. The signatures to this Agreement may be executed and notarized on separate pages, and when attached to this Agreement shall constitute one (1) complete document.

4. Indemnification ; Errors, Omissions, Negligent Acts, Legal Fees

**The Developers shall save and hold harmless the City of Mercedes, and its officers and employees, the City’s Tax Increment Reinvestment Zone directors and employees, and it’s authorized and overlaid Local Government Corporation directors and employees from all claims and liability due to activities of itself, its agents, or employees, performed under this contract and which are caused by or result from error, omission, or negligent act of the Developers or of any person employed by the Developers. Such indemnity shall include but not limited to, attorney fees which may be incurred by the City of Mercedes in litigation or otherwise resisting said claim or liabilities which may be imposed on the City as a result of such activities by the Developers, their agents, or employees.**

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- (a) Actions Performable. The Parties agree that all actions to be performed under this Agreement are performable solely in City of Mercedes, Texas.
  - (b) Assignability. Performance by Developer and TIRZ #2 under the terms and conditions of this Agreement are deemed personal and, as such, any attempt to convey, assign or transfer those duties and obligations without the prior written approval and consent by the City are void except for (i) assignments and partial assignments of this Agreement by Developer to any Affiliate of Developer, which are expressly permitted, (ii) assignments and partial assignments of this Agreement by Developer to third parties to whom the



Developer has sold land within the Project and provided written notice to the City and TIRZ #2 of same, and (iii) Collateral Assignments [defined in Article V below] and Security Agreements [defined in Article V below] of this Agreement to Lender and other security interests granted under the Loan Documents for the benefit of Lender, which are all expressly permitted hereunder.

(c) Severability. If any provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction, the entire Agreement shall not be void; but the remaining provisions shall continue in effect as nearly as possible in accordance with the original intent of the Parties.

(d) Complete Agreement. This Agreement represents the complete agreement of the Parties with respect to the subject matter hereof and supersedes all prior written and oral matters related to this Agreement. Any amendment to this Agreement must be in writing and signed by all Parties hereto or permitted or approved assignees.

(e) Exhibits. All exhibits attached to this Agreement are incorporated herein by reference and expressly made part of this Agreement as if copied verbatim.

(f) Notice. Any notice or demand, which either the City or the Developer is required to or may desire to serve upon the other, must be in writing, and shall be sufficiently served if (i) personally delivered, (ii) sent by registered or certified mail, postage prepaid, or (iii) sent by commercial overnight carrier, and addressed to:

If to the City:

City of Mercedes, Texas  
Attn: City Manager  
400 S. Ohio Street  
Mercedes, Texas 78570

If to the Developer:

San Jacinto Enterprises  
ATT: Mr. Jacinto Garza  
2100 W. Expressway 83  
Mercedes Texas 78570

If to the TIRZ:

Bill Calderon  
Calderon Economic Development Strategies LLC  
5523 Spellman Road  
Houston, Texas 77096

or such other address or addresses which any Party may be notified in writing by any other Party to this Agreement.

Such notice shall be deemed to have been served (a) five (5) business days after the date such notice is deposited and stamped by the United States Postal Service, except when lost, destroyed, improperly addressed or delayed by the United States Postal Service, or (b) upon receipt in the event of personal service, or (c) the first business day after the date of deposit with an overnight courier, except when lost, destroyed, improperly addressed or delayed by the courier, or (d) the date of receipt by facsimile (as reflected by electronic confirmation); provided, however, that should such notice pertain to the change of address to any of the Parties hereto, such notice shall be deemed to have been served upon receipt thereof by the Party to whom such notice is given.

(g) Force Majeure. The Parties agree that the obligations of each Party shall be subject to Force Majeure.

(h) Forum Selection. This Agreement and the relationship between the Parties hereto shall be governed and interpreted under the laws of Texas without regard to any conflict of laws provision. Venue for any suit arising out of any relationship between the Parties hereto shall exclusively be the appropriate court in the City of Mercedes, Texas. The Parties specifically consent to and waive any objections to, in personam jurisdiction in City of Mercedes, Texas.

6. Effective Date. This Agreement shall be binding and take effect only upon all Parties signatures hereto, attachment of all required exhibits, and receipt by the City of a fully executed copy hereof. For the purposes of timetables provided in this Agreement, the Effective Date shall be the date first above written.

7. Preamble. The findings of fact, recitations and provisions set forth in the preamble to this Agreement are true and are adopted and made a part of the body of this Agreement, binding the Parties hereto, as if the same were fully set forth herein.

8. Representations. The City and TIRZ #2 represent and warrant to the Developer that the City and TIRZ #2 are duly authorized and empowered to enter into this Agreement, subject to the terms and conditions contained herein, and have the legal right to reimburse the Developer as provided in this Agreement. The Developer represents and warrants to the City and TIRZ #2 that it has the right to enter into this Agreement and is a proper party to this Agreement.

9. Signature Warranty Clause. The signatories to this Agreement represent and warrant that they have the right to execute this Agreement on behalf of the City, TIRZ #2, and Developer, respectively.

10. Legal Contest. This Agreement is entered into in accordance with applicable law as understood by the Developer, the TIRZ #2, and the City. In the event any part, provision or paragraph thereof shall become unenforceable by reason of judicial decree or determination the Parties hereto mutually agree to the extent possible to ensure that all other provisions of this Agreement, including the intent of this Agreement be honored and performed.

11. Conflicts with Ordinances. The Parties agree that any City and/or TIRZ #2 ordinance, or regulation by any other agency over which the City and/or TIRZ #2 has control, whether

heretofore or hereafter adopted, that addresses matters that are covered by this Agreement shall not be enforced by the City and/or TIRZ #2, and that the provisions of this Agreement govern development of the Property and supersede any ordinance or regulation heretofore or hereafter adopted regarding the matters discussed herein.

12. Survival. The covenants and agreements of the Parties set forth in this Agreement shall terminate and expire upon or earlier of (i) when the City, on behalf of itself and the County, has paid all Reimbursement Project Costs and Developer Interest to the Developer, or (ii) December 31, 2059; provided, that the Developer's obligation to indemnify and hold harmless the City and TIRZ #2 shall survive the termination and expiration of this Agreement.

13. Amendment. Any term of this Agreement may be amended or waived only by an instrument in writing and signed by all Parties hereto. Notwithstanding the foregoing, so long as a Lender or its successors or assigns have any liens and/or security interest covering the Property and/or this Agreement, including without limitation, by a Deed of Trust [defined Article V (1) below] covering all or a portion of the Property, and/or a Security Agreement and/or Collateral Assignment covering this Agreement and/or the Other Agreements [defined in Article V (1) below], there shall be no amendments, revisions or corrections to this Agreement without the prior written consent of Lender, which may be withheld in the Lender's sole discretion.

14. Time and Business Days. Time is of the essence for the performance of any obligation under this Agreement. If any date or period for performance provided for herein ends on a Saturday, Sunday, or legal holiday of the City of Mercedes, Texas, then the applicable date or period will be extended to the first day following such Saturday, Sunday, or legal holiday. A business day is defined herein as any day that is not a Saturday, Sunday or legal holiday of the City of Mercedes, Texas.

**[SIGNATURE PAGES FOLLOW]**

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in multiple copies, each of equal dignity, as of the date and year set forth on the first page hereof.

**City of Mercedes, TEXAS**

BY: \_\_\_\_\_  
OSCAR MONTOYA, MAYOR

Date: \_\_\_\_\_

**TAX INCREMENT REINVESTMENT ZONE NO.  
TWO, City of Mercedes, TEXAS,**

a reinvestment zone created by the City of Mercedes, Texas  
pursuant to Chapter 311 of the Texas Tax Code

BY: \_\_\_\_\_  
Chairman of the Board of Directors

Date: \_\_\_\_\_

**SAN JACINTO ENTERPRISES**  
a Texas limited liability company

By: \_\_\_\_\_  
Jacinto, Garza, President

**CORPORATE ACKNOWLEDGMENT**

STATE OF TEXAS           §  
COUNTY OF HIDALGO   §

This instrument was acknowledged before me by OSCAR MONTOYA, Mayor, for the City of Mercedes, Texas, a municipal corporation of the State of Texas, on behalf of said corporation, this \_\_\_\_\_ day of JANUARY, 2025.

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Notary Public, State of Texas

#### CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS           §  
COUNTY OF HIDALGO   §

This instrument was acknowledged before me by OSCAR MONTOYA Chairman of the Board of Directors, for Tax Increment Reinvestment Zone No. TWO, City of Mercedes, Texas, a reinvestment zone created by the City of Mercedes, Texas pursuant to Chapter 311 of the Texas Tax Code, on behalf of said reinvestment zone, this \_\_\_\_\_ day of JANUARY, 2025

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Notary Public, State of Texas

#### ACKNOWLEDGMENT

STATE OF TEXAS           §  
COUNTY OF HIDALGO   §

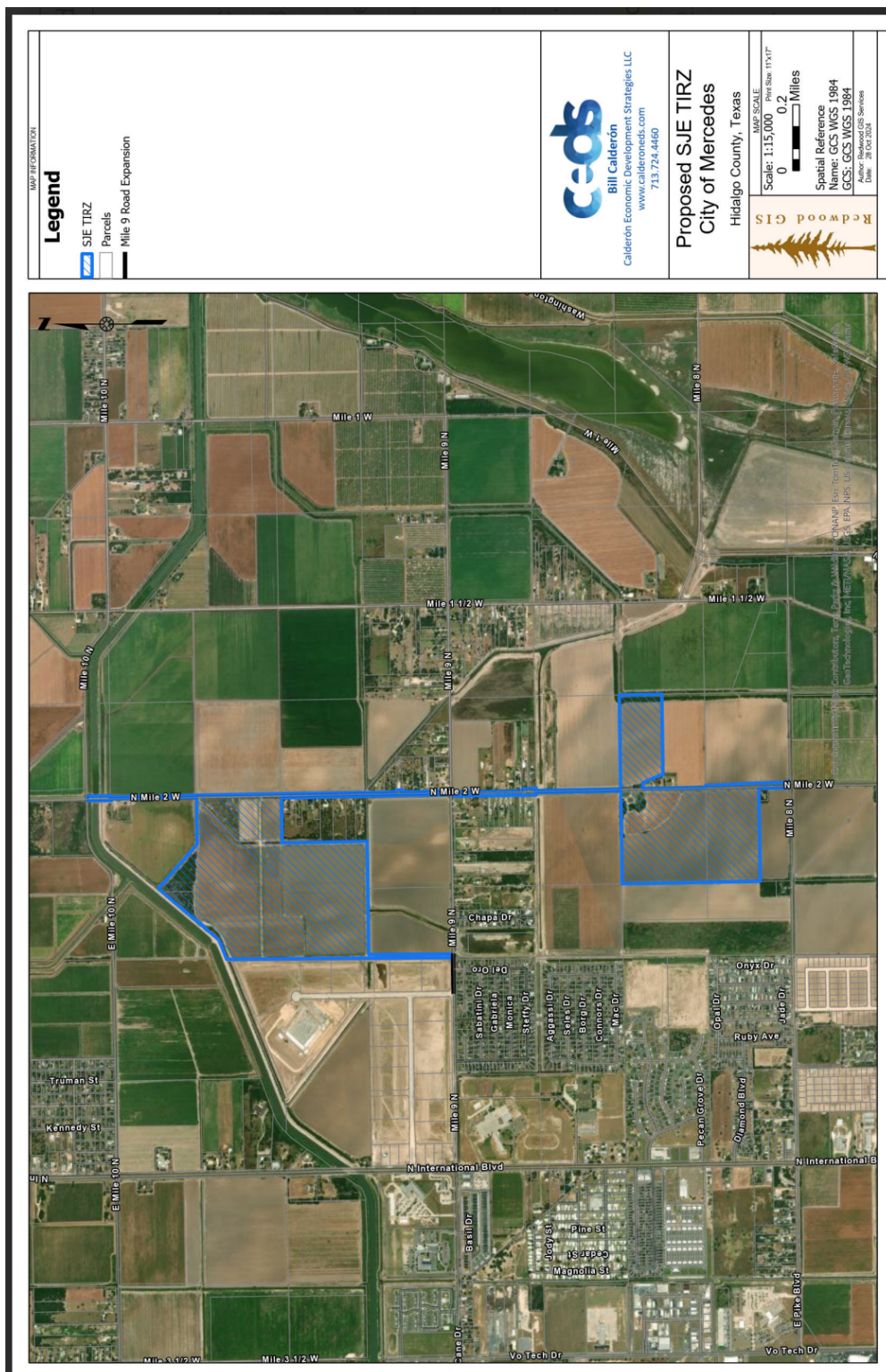
This instrument was acknowledged before me on JANUARY \_\_\_\_\_, 2025 by JACINTO GARZA, as the PRESIDENT, SAN JACINTO ENTERPRISES, a Texas limited liability company, on behalf of said limited liability company.

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Notary Public, State of Texas

# EXHIBIT A

## PROPERTY MAP



**EXHIBIT B**  
**List of Improvements and Eligible TIRZ Project Costs**

| Mercedes TIRZ #2—Reimbursable Project Costs |                     |                     |  |  |             |
|---------------------------------------------|---------------------|---------------------|--|--|-------------|
| Category                                    | Subdivision #12 (1) | Subdivision #16 (1) |  |  | Total       |
| ROW for Roads/ drainage                     | \$871,354           | \$463,146           |  |  | \$1,334,500 |
| Surveys/ topos, staking +                   | \$186,400           | \$173,680           |  |  | \$360,080   |
| Engineering                                 | \$914,428           | \$1,029,500         |  |  | \$1,943,928 |
| Offsite Water Distribution System           |                     | \$1,537,300         |  |  | \$1,537,300 |
| Water Lines                                 | \$1,706,400         | \$2,034,985         |  |  | \$3,741,385 |
| Water supply corp dev fees                  | \$467,570           | \$355,000           |  |  | \$822,570   |
| Sanitary Sewer                              | \$2,826,800         | \$4,763,342         |  |  | \$7,590,142 |
| AEP Electrical                              | \$150,000           | \$320,000           |  |  | \$470,000   |
| Irrigation Line removal                     | \$30,000            | \$14,000            |  |  | \$44,000    |
| Subdivision Road                            | \$5,538,764         | \$4,363,660         |  |  | \$9,902,424 |
| Erosion mitigation                          | \$146,520           | \$66,300            |  |  | \$212,820   |
| Drainage/detention                          | \$2,579,485         | \$1,535,056         |  |  | \$4,114,541 |
| Fencing/landscaping in public POW           | \$973,800           | \$551,300           |  |  | \$1,525,100 |
| Dev. Fees/ Subdivision Adm.                 | \$26,840            | \$26,840            |  |  | \$53,680    |
| Tap Fees                                    | \$51,300            |                     |  |  | \$51,300    |

|                                                                                                                                                                              |  |              |              |  |              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------|--------------|--|--------------|
| <b>County Inspection / Utility Fees</b>                                                                                                                                      |  | \$8,000      | \$12,000     |  | \$20,000     |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>Inspection/testing</b>                                                                                                                                                    |  | \$654,348    | \$588,400    |  | \$1,242,748  |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>City Park Fees</b>                                                                                                                                                        |  | \$235,500    | \$152,500    |  | \$388,000    |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>Public Road improvements</b>                                                                                                                                              |  | \$1,500,000  |              |  | \$1,500,000  |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>Creation Costs</b>                                                                                                                                                        |  |              |              |  | \$120,000    |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>Interest Carry (2)</b>                                                                                                                                                    |  |              |              |  | \$40,000,000 |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>Project administration -7 years (3)</b>                                                                                                                                   |  | \$2,800,000  | \$2,800,000  |  | \$5,600,000  |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>Contingency</b>                                                                                                                                                           |  | \$1,858,815  | \$1,319,448  |  | \$3,178,263  |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>Chapter 380 project funding</b>                                                                                                                                           |  |              |              |  | \$3,000,000  |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>TIRZ / RA Administration (4)</b>                                                                                                                                          |  |              |              |  | \$2,500,000  |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>Total</b>                                                                                                                                                                 |  | \$23,526,324 | \$22,106,457 |  | \$91,252,781 |
|                                                                                                                                                                              |  |              |              |  |              |
|                                                                                                                                                                              |  |              |              |  |              |
| (1) Projected costs are best estimates based on today's cost. Actual reimbursement of these items will be based on independently audited actual costs.                       |  |              |              |  |              |
| (2) Interest paid will depend on a) audited amounts paid for project costs while payments are "as you go, or on the capital cost for tax exempt bonds when sold.             |  |              |              |  |              |
| (3) Project cost will finance admin management of multiple contractors involved in both the residential project and the public road improvements undertaken by the Developer |  |              |              |  |              |
| (4) Redevelopment Authority management including legal, bookkeeping, auditing, and RA/Zone managing                                                                          |  |              |              |  |              |



**ORDINANCE NO. 2025-23**

**AN ORDINANCE APPROVING AN INTERLOCAL AGREEMENT BETWEEN, TAX INCREMENT REINVESTMENT ZONE NO. TWO, CITY OF MERCEDES, THE CITY OF MERCEDES, TEXAS, AND HIDALGO COUNTY, TEXAS; CONTAINING VARIOUS PROVISIONS RELATED TO THE FOREGOING SUBJECT.**

**WHEREAS**, by City of MERCEDES Ordinance No. 2024-22, the City created Reinvestment Zone Number Two, City of MERCEDES, Texas (the “ Zone”); and

**WHEREAS**, by City of MERCEDES Ordinance No. 2025-19, the City approved the project plan and reinvestment zone financing plan; and

**WHEREAS**, the City and the Board of Directors of the Reinvestment Zone Number TWO are requesting the County participate in TIRZ NO. TWO, to assist the City and Zone in the financing of Zone improvements as set forth in the Project Plan and Reinvestment Zone financing plan;

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MERCEDES, TEXAS;**

**Section 1.** That the findings contained in the preamble of this Ordinance are declared to be true and correct and are hereby adopted as part of this Ordinance.

**Section 2.** That the Interlocal Agreement between the Tax Increment Reinvestment Zone No. TWO, City of MERCEDES, the City of MERCEDES, Texas, and Hidalgo County, attached hereto for Reinvestment Zone Number TWO, City of MERCEDES, Texas is hereby approved.

**PASSED AND APPROVED** on this 5th day of AUGUST, 2025.

**APPROVED AND ADOPTED** on this 19<sup>th</sup> day of AUGUST, 2025.

\_\_\_\_\_  
Oscar D. Montoya Sr., Mayor

ATTEST:

\_\_\_\_\_  
Joselynn Castillo, City Secretary

THE STATE OF TEXAS  
COUNTY OF HIDALGO

§  
§  
§

CITY OF MERCEDES

## INTER-LOCAL 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. INTER-LOCAL AGREEMENT is made by and between (i) the **CITY OF MERCEDES, TEXAS** (the "City"), a Texas Home Rule Municipality, acting through its governing body, the City Council; (ii) **HIDALGO COUNTY**, a political subdivision of the State of Texas, acting through its County Judge pursuant to authority granted by the Hidalgo County Commissioners Court (the "County"); and (iii) **REINVESTMENT ZONE NUMBER TWO, CITY OF MERCEDES, TEXAS**, a reinvestment zone created by the City pursuant to Chapter 311 of the Texas Tax Code (the "Zone"), acting by and through its duly authorized Board of Directors (the "Zone Board"), established to administer manage and/or operate the Zone pursuant to Sections 311.009(b) and 311.010, Texas Tax Code, as well as to implement and fund the Project and the Supplement Project (as such terms are defined below). Collectively, the City, the County and the Zone may be referred to as the "Parties." This Agreement is made pursuant to Chapter 791 of the Texas Government Code and Chapter 311 of the Texas Tax Code for the participation of the City and the County in the Project (as defined below).

2. The initial addresses of the Parties as of the date of this Agreement are listed below. Each party may designate a different address by giving the others at least ten (10) days prior written notice.

**If to the City, to:**

CITY OF MERCEDES  
400 S OHIO  
MERCEDES, TEXAS 78570  
Attention: City Manager

## **B. Index**

This Agreement consists of the following sections:

| <b><u>Section</u></b> | <b><u>Description</u></b>               | <b><u>Pages</u></b> |
|-----------------------|-----------------------------------------|---------------------|
| I.                    | Parties & Index                         | 1-3                 |
| II.                   | Definitions                             | 3-5                 |
| III.                  | Background                              | 5-6                 |
| IV.                   | Rights and Obligations of the County    | 6-12                |
| V.                    | Rights and Obligations of City and Zone | 13-15               |
| VI.                   | Term and Termination                    | 15                  |
| VII.                  | Miscellaneous                           | 16-18               |
|                       | Signature Page                          | 19                  |

**Exhibit 1** CITY OF MERCEDDES Ordinance No. 2024-22

**Exhibit 2** TIRZ Reinvestment Zone Project Plan and  
Reinvestment Zone Financing Plan

**Exhibit 3** Reinvestment Zone Plan Budget

**Exhibit 4** Tax Accounts

## **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 aggregate reimbursable Administrative Costs for all the combined Participating Taxing Entities, which incur

Administrative Costs over the life of the Zone, shall not exceed an aggregate reimbursement of Two Million Fifty Thousand Dollars (\$2,050,000), representing Two Million (\$2,000,000) to the City and Fifty Thousand Dollars (\$50,000) to the County.

2. “Agreement” means this Interlocal Agreement.

3. “Final Project Plan and Reinvestment Zone Financing Plan”, dated August 5, 2025, a true copy of which is attached hereto as Exhibit 2.

4. “Available Tax Increment” shall mean (i) as to City, an amount calculated as a millage rate per \$100 of Captured Appraised Value of real property in the Zone that equals 100% of the City’s property tax as levied and collected x 70%; and (ii) as to County, an amount calculated as a millage rate per \$100 of Captured Appraised Value of real property in the Zone that equals 50% of the County’s Applicable M&O Tax Rate as levied, collected and allocated to the general fund (i.e., excluding only the portion of the County’s property tax rate that is apportioned for payment of outstanding general obligation bonded indebtedness commonly referred to as the “interest and sinking fund rate.”)

5. “Base Year” means the year in which a Tax Increment Reinvestment Zone is created by ordinance. The Base Year is 2024.

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 2004, the Base Year of the Zone.

7. “City” has the meaning given such term in Section I.A.1 above.

8. “City Adopted Tax Rate” means 100% of the ad valorem tax rate used by the City as annually approved by City Council. The City Tax Rate may change from time to time. The City Tax Rate as of December 31, 2024 is \$0.7750 per \$100 dollars of valuation on the Captured Appraised Value and may be changed by the City during the Term of the Zone.

9. “County” has the meaning given such term in Section I.A.1 above.

10. “County Applicable M&O Tax Rate” for any given year means the lesser of (i) the Base Year M&O Tax Rate and (ii) the County M&O Tax Rate for the given year. The Base Year M&O Tax Rate was \$0.5752 per \$100 dollars of valuation.

11. “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 is subject to change by the County in accordance with applicable law.

12. “County’s Effective Termination Date” has the meaning given such term in Section V.F below.
13. “County’s Maximum Contribution” is the lesser of (i) Thirty Five Million Dollars (\$35,000,000) or (ii) the City’s aggregate contribution to the Tax Increment Fund over the Term of the Zone. Amounts deducted by the County from a Tax Increment Payment for the County’s Administrative Costs in accordance with Section IV below count toward the County’s Maximum Contribution as if those amounts had been contributed by the County into the Tax Increment Fund as part of such Tax Increment Payment.
14. “Creation Ordinance” has the meaning given such term in Section III.B below.
15. “Participating Taxing Entity” means both the City and County.
16. “Parties” has the meaning given such term in Section I.A.1 above.
17. “Project” means the improvements for water, waste water, drainage, sidewalks, streets, lights and bridges identified in the Preliminary Project Plan.
18. “Project Costs” mean the items set forth in Section 311.002(1) of the Texas Tax Code that are included in the Amended Plan for the Project. The Project Costs in the aggregate for the life of Zone are estimated to be Ninety One Million Two Hundred Fifty Two Thousand Seven Eighty One Dollars (\$91,252,781), as more completely set forth in Exhibit 3.
19. “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.
20. “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, 2024 the year in which the Zone was designated.
21. “Tax Increment Fund” means the tax increment fund created by the City for the deposit of Available Tax Increments for the Zone, entitled “REINVESTMENT ZONE NUMBER TWO CITY OF MERCEDES, Texas Tax Increment Fund,” which fund must be segregated and kept apart from any other funds of the City and may only be used to pay for expenses and costs approved by the Zone Board for the Zone.
22. “Tax Increment Payment” means the Available Tax Increment that a Participating Taxing Entity is required to deposit annually into the Tax Increment Fund in accordance with this Agreement.

- 23. “Term of the Zone” has the meaning given such term in Section III. A., below.
- 24. “Zone” has the meaning given such term in Section I.A.1. above.
- 25. “Zone Board” has the meaning given such term in Section I.A.1 above.

### **III. BACKGROUND**

- A. On November 19, 2024, the City created the Zone over the property contained in the Zone by adoption of City Ordinance No. 2024-22, a true and correct copy of which is attached hereto as **Exhibit 1**, for the purposes of development and redevelopment of the property within the Zone (a legal description of which is contained in Exhibit 1). The City agreed to participate in the Zone by contributing tax increments produced in the Zone to the Tax Increment Fund. With approval of this inter-local agreement, The County has agreed to participate in the Zone, beginning with the 2026 tax year.
- B. The City and the Zone represent and warrant that (i) each has found that the City and the Zone have complied with all legal requirements, including notice requirements, in the creation of the Zone, the adoption and amendment of the Creation Ordinance, and the adoption of both the Preliminary Plan; (ii) the Plan is feasible and (iii) construction pursuant to the Plan will commence within two (2) years of creation of the Zone.
- C. The Zone is now projected to terminate on December 31, 2059, unless earlier termination occurs under this Agreement (the “Term of the Zone”).
- D. The Parties now desire to enter into this Agreement pursuant to Section 31.1013(f) of the Texas Tax Code.

### **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 50% of the revenue generated from the County Applicable M&O Tax Rate as assessed and collected on the Captured Appraised Value for each respective tax year during the Term of the Zone. For the purpose of this Agreement, the County Applicable M&O Tax Rate shall be calculated as set forth in Section IV.B of this Agreement. In no event shall the County contribution to the Tax Increment Fund (including amounts allocated to the County’s Administrative Costs in accordance with Subsection IV.B.1.e. below) be greater than the County Maximum Contribution over the Term of

the Zone (which for purposes of this provision will be deemed to end no later than December 31, 2059) beginning with tax payments generated from 2025 taxable values and paid in the 2026 tax year.

2. The Parties hereto agree that the County's contribution to the Tax Increment Fund pursuant to Section IV.A.1 above shall be used to fund Project Costs. The County's contributions to the Tax Increment Fund shall end when the County has contributed the County Maximum Contribution, or when it has made contributions of all Tax Increment Payments, as specified in the Project Plan, attributable to all periods through the end of the County's fiscal year 2059 (ending on December 31, 2059), whichever occurs first.

## **B. Tax Increment Payment**

1. a. The 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 Available 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 value of the Tax Increment Base have been collected, then the remaining ad valorem taxes collected shall constitute the taxes collected on the value of the Tax Increment.

b. The County agrees to deposit its next Tax Increment Payment to the Tax Increment Fund, which will be for tax year 2026, by the later of:

- (i) thirty (30) days after collection reports and any other documentation required under this Agreement have been provided to the Hidalgo County Auditor's Office and/or the County;
- (ii) the information required under Section 311.016 of the Tax Code having been provided to the County;
- (iii) no later than May 1, 2026;

For the avoidance of doubt, the amount of the first Tax Increment Payment due pursuant to this Agreement after the date hereof shall be based on the Tax Increments that were received on or before January 31, 2027, but which have not been previously deposited into the Tax Increment Fund or otherwise part of a calculation of a previously made Tax Increment Payment.

d. For subsequent payments, the County agrees to contribute its yearly Tax Increment Payment to the Tax Increment Fund annually not later than the later of:

- (i) thirty (30) days after collection reports and any other information required under this Agreement have been provided to the Hidalgo County Auditor's Office and/or the County;

- (ii) the information required under Section 311.016 of the Tax Code having been provided to the County;

The amount of each Tax Increment Payment shall be based on the Tax Increments that are received up to January 31<sup>st</sup> following the end of the tax year, but which have not been previously deposited in the Tax Increment Fund or otherwise part of a calculation of a previously made Tax Increment Payment, during the annual periods preceding each deposit date.

e. Under no circumstances shall the County be required to participate in the Zone with taxes attributable to periods after 2059, or to make any Tax Increment Payment from any source other than the County's Available Tax Increment.

f. The County shall have the right to deduct the County's Administrative Costs prior to contribution of its Tax Increment Payment into the Tax Increment Fund. For the avoidance of doubt, if the County deducts Administrative Costs prior to making the payment into the Tax Increment Fund, the amount of the deducted Administrative Costs shall be counted as having been made by the County to the Tax Increment Fund for purposes of determining whether the County has reached the County Maximum Contribution. The County will not deduct more than \$1200 in any calendar year for Administrative Costs.

g. 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 h. below to the County one month prior to the payment required to be made under this Agreement.

h. The chart below is for illustrative purposes only and is an example of the calculation of the County's Tax Increment Payment.

***[Remainder of page intentionally blank]***



*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, the overall County tax rate is \$.0059 and there is no overlap with the Transportation Zone.*

| <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       |
| (Multiplied by) 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       |
| (Less) 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        |
| (multiplied by) 100% of M&O Rate (.005752*.50)                                                                       | 0.002876            |
| <b>Tax Levy Due to TIRZ</b>                                                                                          | <b>\$ 258.84</b>    |
|                                                                                                                      |                     |
| <b>TAX INCREMENT PAYMENT AMOUNT DUE TO TAX INCREMENT FUND</b>                                                        | <b>\$ 258.84</b>    |
|                                                                                                                      |                     |

2. At least thirty (30) days prior to the expected date of a payment required under Section IV.B. of this Agreement, the City shall provide to the County:

- (i) the Zone annual audit report, if a Redevelopment Authority /Local Government Corporation is managing the zone; otherwise a reconciliation of collections will be provided.;
- (ii) an updated fact sheet that includes detail as to what portion of the Project has been completed to date;
- (iii) a schedule of what portion of the Project is expected to be completed in the following year;
- (iv) a current roster of the Zone's board members, including the term of each board member

- (v) a formal request for payment, including the calculation in the form of the chart set forth in Section IV.B.1.h above.

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 90<sup>th</sup> day following the end of the fiscal year of the City. Such reports and documentation also shall include sufficient information on to allow the County and the Hidalgo County Auditor to confirm the expenditures from the Tax Increment Fund were for Project Costs. A copy of the annually required reporting filed with the Texas Comptroller's office will be satisfy this requirement.

3. Pursuant to Chapter 311 of the Texas Tax Code, 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. Upon written request from another Party, the County will provide the Parties information showing the difference in the County's calculation of such amount owed. 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.

4. Any delinquent deposit by the County of a Tax Increment Payment under this Agreement shall be administered as provided in Section 311.013(c) and (c-1) of the Texas Tax Code, which state 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 the Subsection (b) [Tax Increment Payment], not later than the 90<sup>th</sup> 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, or with respect to any payment made prior to the date hereof. Further, the County shall not be liable for the payment of any penalties or interest if the report required to be filed by the City under Section 311.016 of the Texas Tax Code is not filed timely; or if the fact sheet, the Zone's annual audit report, payment request or other documentation required by this Agreement are not

provided to the County timely, or under any other situation in which the City does not pay interest or penalties.

5. As a condition of the County's participation in this Agreement, the Zone's Project Plan must be followed and implemented by the Zone. The City and the Zone agree to provide prior written notice to the County of a proposed change to the Plan at least thirty (30) days prior to the submission of the proposed change to the city Commission for approval. The County, and any member of the County Commissioners Court, may comment upon any proposed amendment to the Plan prior to its approval by the City Commission.

6. If the City or the Zone Board materially breaches this Agreement, then the County may provide written notice to the City, and the Zone (with a copy to any other Participating Taxing Entity still contributing Tax Increment Payments) demanding that all breaches must be resolved within ninety (90) days. If the objections and/or concerns, as set out in the notice, are not resolved within ninety (90) business days from the date of such notice, then the County may suspend its Tax Increment Payments until such breach is cured.

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 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. Notwithstanding anything herein to the contrary, the County's total Tax Increment Payment to the Tax Increment Fund over the Term of the Zone, including any amounts paid prior to execution of this Agreement and amounts allocated to Administrative Costs, shall not exceed the County's Maximum Contribution, plus any applicable penalty and/or interest allowed in Section 311.013 of the Tax Code, subject to the limitations on Section IV.B.4. hereof.

9. a. *General Provisions.* Subject to the provisions of this Agreement,, the County agrees to participate at fifty percent (50%) of the County Applicable M&O Tax Rate per \$100 valuation on the Captured Appraised Value) of real property in the Zone.

b. *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 County 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.

10. Any portion of the taxes included in the calculation of a County Tax Increment Payment that are refunded by the County pursuant to applicable law after such calculation, shall be offset against the County's future Tax Increment Payment.

11. County taxes that are delinquent for more than five years will be considered uncollectible and shall not be included in the Tax Increment Payment.

**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 Plan as limited by the City's ordinance creating the Zone. 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 in a manner that will not interfere with ongoing operations.

2. The Zone Board shall be composed of seven (7) directors.

3. Notwithstanding anything to the contrary in the Creation Ordinance, pursuant to the provisions of Section 311.009(a) of the Texas Tax Code, the County shall have the unequivocal right to appoint and thereafter at all times to maintain one (1) director on the Zone Board. Failure of the County to appoint a person to the Zone board shall not be deemed a waiver of the County's right to make an appointment at a later date. If it is necessary for the City to make or confirm the appointment, the City shall appoint or confirm the County's designee. The County may also appoint and maintain as many non-voting ex-officio members to the Zone Board as the County desires.

**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 legal description of the Zone contained in Exhibit 2 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 a written amendment to this Agreement.

**IV. RIGHTS AND OBLIGATIONS OF CITY AND ZONE**

**A. Tax Increment Participation by the City**

Subject to the terms of this Agreement, the City agrees to participate in the Zone by contributing to the Tax Increment Fund one hundred percent (100%) of the revenue generated from the City's Annually Adopted Tax Rate x 70%, as levied and collected on the Captured Appraised Value each respective tax year during the term of the Zone, beginning with the 2026 tax year. The City agrees to require the Zone to implement the Adopted Project Plan. The City's contributions to the Tax Increment Fund pursuant to this Section V.A.1 shall end when the City has contributed all Tax Increments attributable to periods before the Zone termination date.

**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.A. of this Agreement shall accrue as the City collects its Tax Increment. The City agrees to deposit its Tax Increment Payments to the Tax Increment Fund annually on or before May 1, (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 Section 311.013(c) of the Texas Tax Code (or its successor provision).

2. The County, the City and the Zone expressly agree that the City shall not owe any interest on Tax Increments that have been levied, but not received by 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 related expenses from the Available 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 the Creation Ordinance, and pursuant to this Agreement. Except for amounts to be paid to the City and County for Administrative Costs, no funds shall be disbursed from the Tax Increment Fund without the prior written approval of the Zone Board (except for amounts to be deducted by the County for Administrative Costs), and notice of the amount of funds used and disbursement of funds by the Zone shall be given at least annually to the County. The Parties agree that the Zone Board shall be responsible for the annual administration of the Zone.

2. The parties agree and understand that under no circumstances shall the amount reimbursable as Administrative Costs, in the aggregate, exceed the amount set out and described in Section II.2 above

3. The City and Zone will use funds in the Tax Increment Fund to reimburse expenditures set forth in the Project Plan as set forth in an approved in any approved Development Agreements. The foregoing notwithstanding, no such funds will be paid from the Tax Increment Fund to a Participating Taxing Entity for its financial or legal services incurred in any dispute arising under this Agreement with another Participating Taxing Entity or Participating Taxing Entities or the Zone Board.

#### **F. Project Plan.**

1. The City and the Zone Board agree to comply with and implement the Zone Project Plan.

2. The City agrees to provide prior written notice to the County of any proposed amendments to the Plan. The County shall have a period of thirty (30) business days from receipt of such notice of a proposed change to provide comments and objections to the proposed change. If the County timely provides written notice to the City that it objects to the proposed change, and (i) the change, on its own or taken together with any prior changes, constitutes a Material Change to the Plan; (ii) the objection, as set out in the notice, is not resolved within forty-five (45) business days from the date of the City's receipt of the County's notice; and (iii) the City approves such change notwithstanding the County's objection, then the County may thereafter discontinue its Tax Increment Payments and terminate its participation in the Zone; *provided that* the County's discontinuation shall not become effective until such time as (x) all Project Costs incurred in accordance with the Plan prior to the adoption of the proposed change and which the Zone is obligated to reimburse are paid in full or (y) the County has made aggregate Tax Increment Payments equal to Maximum County Participation of Project Costs (the "County's Termination Effective Date"). Prior to the County's Termination

Effective Date, the County shall remain a participant in this Agreement and shall be bound by its terms.

3. A change to the Plan is a Material Change if (i) it provides for improvements or costs unrelated to the projects and costs in the Plan as of the date of this Agreement; (ii) it would constitute at least a twenty percent (20%) increase or decrease in either the Project Costs or the scope and scale of the Project; (iii) has the effect of directly or indirectly increasing the percentage of Tax Increment to be contributed by the County; or (iv) increases or reduces the geographical area of the Zone.

4. If the County does not provide notice of its objections within 45 days as provided above, the changes to the Plan, as amended are deemed approved.

5. Notwithstanding any other provision hereof, no change, regardless of whether it is a Material Change, without a corresponding specific written amendment to this Agreement will change the amount of Tax Increment Payments due from the County or increase the County Maximum Contribution.

#### **G. Tax Accounts; Plats and Subdivisions**

The Parties agree to cooperate so that the City and the County can properly account for all tax accounts within the Zone. The Zone agrees to use its best efforts to (i) provide such information as the County and the Hidalgo County Appraisal District may reasonably need to properly allocate tax accounts to the Zone, and (ii) provide copies of all plats approved within the Zone to the County, the County Auditor, and the Hidalgo County Appraisal District. The tax accounts identified as of the date of this Agreement are listed on **Exhibit 5** attached hereto.

### **VI. TERM AND TERMINATION**

#### **A. Term of the Zone and Termination**

This Agreement shall become effective as of the last date of execution by the Parties hereto. The term of the Agreement will commence with the tax year beginning on January 1, 2026. This Agreement terminates on the earlier of (i) December 31, 2059; (ii) the termination of the Zone as provided in Section 311.017 of the Texas Tax Code; or (iii) termination by the Parties hereto consistent with all applicable laws. Upon termination of this Agreement, the obligation of the County to contribute to the Tax Increment Fund for the Zone shall end; however, any refund obligations of the City, the Zone or any related redevelopment authority shall survive such termination.

#### **B. Early Termination**

The Zone may terminate early pursuant to the provisions of Section 311.017 of the Texas Tax Code.

### **C. Disposition of Tax Increments**

Upon expiration or termination of the Zone and after all bonds and/or notes 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 provision thereto. Such payment shall be made to the County not later than sixty (60) days after such termination. 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, or the Mayor's designee..

## **VII. MISCELLANEOUS**

### **A. Understanding**

Any and all costs incurred by the Zone or the City are not, and shall never become, general obligations or debt of the County. With respect to the City and County costs, only eligible Project Costs and other allowable expenses under applicable law, if any, incurred by the City or County shall be payable from the Tax Increment Fund in the manner and priority provided in the Plan, and only to the extent that funds become available in the Tax Increment Fund. The Parties agree and understand that eligible costs exceeding the maximum specified in the Amended Plan, shall not increase the amount due from the County beyond what is actually collected as its Available Tax Increment during the Term of the Zone, which shall be deposited into the Tax Increment Fund, subject to the County Maximum Contribution and the other provisions of this Agreement.

### **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.

In the event any term, covenant or condition shall be held invalid and affects in any manner the limitations on the County's, or any other Party's, contributions or participation, then neither the County, nor any other Party, shall have any liability for any incremental or other payments as may otherwise be provided for in this Agreement.

### **C. Entire Agreement**



1. This Agreement merges all negotiations and understandings of the Parties hereto. 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.

2. With respect to the County's obligations, to the extent there is any irreconcilable conflict between the terms contained in the body of this Agreement and any exhibit hereto, the terms contained in the body of this Agreement shall control over those contained in such exhibit.

#### **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 Council of the 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**

No Party shall assign this Agreement at law or otherwise without the prior written consent of the other Parties. No Party shall delegate any portion of its performance under this Agreement without the written consent of the other Parties.

## **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. Access to Financial Information**

1. 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 or other information and audit reports, when prepared in concert with a Redevelopment Authority / Local Government Corporation created to manage the zone, 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 report (and other documentation and information pursuant to Section IV.B. above) 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.

2. The County Auditor shall be authorized to audit Zone records at the County's expense upon reasonable notice to the Zone and the City. The Zone and the City shall cooperate with the County Auditor with respect to such audit.

3. In the event the City recreates a redevelopment authority / local government corporation in connection with the Zone, the City shall provide to the County, with a copy to the County Auditor, a copy of each of the audits required by the agreement between the City, the Zone and any such redevelopment authority within thirty (30) days of receipt of each audit.

## **J. Zone Designation**

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

## **K. No Waiver of Immunity**

No Party hereto waives or relinquishes any immunity or defense on behalf of itself, its elected officials, trustees, officers, employees, directors and agents as a result of its execution of this Agreement and performance of the covenants contained herein.

**L. Force Majeure**

The Parties agree that in the event a Party's performance of any obligation under this Agreement is delayed due to the act or failure or delay in acting of another Party or another government entity (so long as such failure is not caused by an act or omission of the delaying Party), then such Party's time to perform shall be extended by the length of the delay; provided that the Party whose performance has been delayed gives prompt notice thereof to the other Parties hereto. The Parties further agree that in the event any payment hereunder is miscalculated due to errors in the information provided to the Party making the calculation or making the payment based on such calculation, that such payment shall be promptly adjusted upon the Parties becoming aware of the miscalculation and agreeing to the proper calculation (e.g., in the event the Hidalgo County Appraisal District omits a tax account that should be in the Zone from calculations of the tax increment attributable to the Zone). It is the Parties intention that all of the Parties work together in good faith to correct any such delays or miscalculations and that no interest or penalty shall be due with respect to any such delays or miscalculations.

*[Signature page follows]*

**IN WITNESS HEREOF**, the City, the County and the Zone have made and executed this Agreement in triplicate originals on this \_\_\_\_<sup>th</sup> day of (Month) , 2025.

**CITY OF MERCEDES**

**HIDALGO COUNTY**

\_\_\_\_\_  
Oscar Montoya  
City Mayor

\_\_\_\_\_  
Hon. Richard Cortez  
County Judge

**ATTEST/SEAL:**

**ATTEST/SEAL:**

\_\_\_\_\_  
Joselynn Castillo  
City Secretary

\_\_\_\_\_  
Arturo Guajardo, Jr.  
County Clerk

**APPROVED AS TO FORM FOR  
THE CITY OF MERCEDES:**

**APPROVED AS TO FORM FOR  
HIDALGO COUNTY:**

\_\_\_\_\_  
City Attorney

By: \_\_\_\_\_  
County Attorney

**REINVESTMENT ZONE NUMBER TWO,  
CITY OF MERCEDES, TEXAS**

\_\_\_\_\_  
Oscar Montoya  
Chair, Board of Directors

**Exhibit 1**

**CITY OF MERCEDES Ordinance No. 2024-22**  
(Creation of Zone)

[See attached \_\_\_\_ pages]

**Exhibit 2**

**CITY OF MERCEDES TIRZ #2 Project Plan**

[See attached \_\_\_\_ pages]

**Exhibit 3**

**CITY OF MERCEDES TIRZ #2 Zone Budget**

[See attached \_\_\_\_ pages]

## Exhibit 4

### Tax Accounts

\*This is a list of the tax accounts within the Zone. The Parties acknowledge that it is subject to correction based on any errors discovered by the Hidalgo County Appraisal District or the Hidalgo County Auditor's Office. Any errors uncovered after a payment is made will be accounted for in the next payment after discovery of the error.

| SJE Project | prop_id | file_as_name                                              | legal_acreage | legal_desc                                                                                  | land_val       |
|-------------|---------|-----------------------------------------------------------|---------------|---------------------------------------------------------------------------------------------|----------------|
| 12          | 1569415 | HIDALGO & CAMERON COUNTIES WATER CONTROL & IMP DIST NO. 9 | 4.72          | CAMPACUAS ADDN AN IRR TR S575.95'-W640' LOT 1 BLK 116 4.72AC NET                            | 129550         |
|             | 1569412 | HIDALGO & CAMERON COUNTIES WATER CONTROL & IMP DIST NO. 9 | 2.89          | CAMPACUAS ADDN AN IRR TR S575.95'-E436.50' LOT 2 BLK 116 2.89AC NET                         | 120825         |
|             | 1240516 | SAN JACINTO ENTERPRISES LLC                               | 1.47          | CAMPACUAS ADDN W50' BLK 116 LT 15 1.52AC GR 1.47AC NET                                      | 13965          |
|             | 130118  | SAN JACINTO ENTERPRISES LLC                               | 5.12          | CAMPACUAS ADDN NE 5.73AC LOT 8 BLK 116 5.12 AC NET                                          | 104960         |
|             | 130114  | SAN JACINTO ENTERPRISES LLC                               | 109.2         | CAMPACUAS ADDN SE 25.75AC LOT 7 & ALL LOTS 8 EXC NE 5.73AC & W660' LOT BLK 116 109.20AC NET | 1037400        |
|             |         |                                                           | 123.4         |                                                                                             | \$1,406,700.00 |
| 16          | 130111  | OLIVAREZ JOE DANIEL & JACINTO GARZA                       | 24.24         | CAMPACUAS ADDN N825' LOT 16 BLK 115 24.24AC                                                 | 496920         |
|             | 130103  | OLIVAREZ JOE DANIEL & JACINTO GARZA                       | 38.49         | CAMPACUAS ADDN LOT 9 BLK 115 38.49AC NET                                                    | 789045         |
|             | 129931  | OLIVAREZ JOE DANIEL & JACINTO GARZA                       | 19            | CAMPACUAS ADDN N660' LOT 12 BLK 102 EXC S317'-W190' BEING AN IRR TR 19.0AC                  | 389500         |
|             |         |                                                           | 81.73         |                                                                                             | \$1,675,465.00 |
|             |         |                                                           |               |                                                                                             | \$3,082,165.00 |







June 27, 2025

Mr. Alberto Perez  
City Manager  
The City of Mercedes  
400 S. Ohio Avenue  
Mercedes, TX 78570

Dear Mr. Alberto Perez,

Thank you for your continued partnership with VIDA and your commitment to empowering Mercedes residents through access to education, career training, and comprehensive support services. Your investment ensures that individuals from low-income backgrounds have equitable opportunities to pursue high-demand occupations and achieve long-term economic self-sufficiency.

As you begin your budget planning for the upcoming fiscal year, we respectfully submit VIDA's FY2025 - 2026 funding proposal for your consideration. Continued support from The City of Mercedes will allow us to provide essential services that promote student persistence, program completion, and successful entry into the workforce.

To highlight the impact of our current grant partnership, we have enclosed the following:

- VIDA Grant Progress Report (YTD FY 2024-2025)
- VIDA's 2024 Annual Report
- VIDA's Funding Proposal for FY 2025 - 2026

A recent Economic Impact Study conducted by UTRGV demonstrates a measurable return on the investment that VIDA generates in our region. The study found that for every \$1 invested in VIDA, there is a \$15.69 return in community economic output—resulting in a total impact of over \$51.9 million through increased jobs, income, taxes, and local productivity.

VIDA respectfully requests a continued investment of \$25,000, to support a minimum of five Mercedes residents in the coming fiscal year. Your investment will help ensure that more individuals are equipped with the skills and credentials necessary to meet the needs of our regional workforce and break the cycle of poverty.

We value our ongoing collaboration with The City of Mercedes and look forward to continuing this impactful partnership. Together, we can drive sustainable economic growth and transform lives through education and workforce development—one VIDA at a time.

Sincerely,

Felida Villarreal, CPA  
President & CEO

## City of Merced Progress Report FY 2024-2025

Every \$1 invested in VIDA's program yields a return of \$15.69 to the communities we serve.

*Source: The 2024 Economic Impact Study was conducted by The University of Texas Rio Grande Valley, Data & Information Systems Center.*

**Average Salary Reported Upon Graduation: \$41,080 as of June 27, 2025**

### 2024-2025 AT-A-Glance

50% Between Age of 25-50  
 100% Unemployed, Underemployed or Low Income  
 38% 1+ Dependent Child(ren) in the Household  
 88% First Generation in College  
**City of Merced Investment: \$25,000**  
**Contractual Benchmark: 5**  
**Total Served to Date: 8**  
**Persistence Rate: 100%**

### CREDENTIAL ANALYSIS

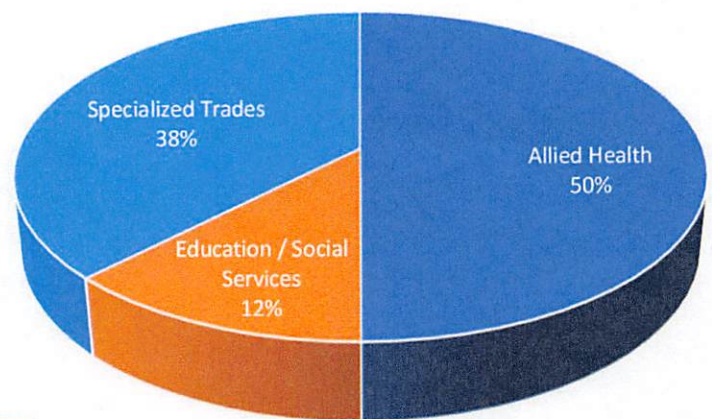
#### Graduates/Completers

| Industry Recognized Credential | Certificate | Associate | Bachelor |
|--------------------------------|-------------|-----------|----------|
| 0%                             | 50%         | 0%        | 50%      |

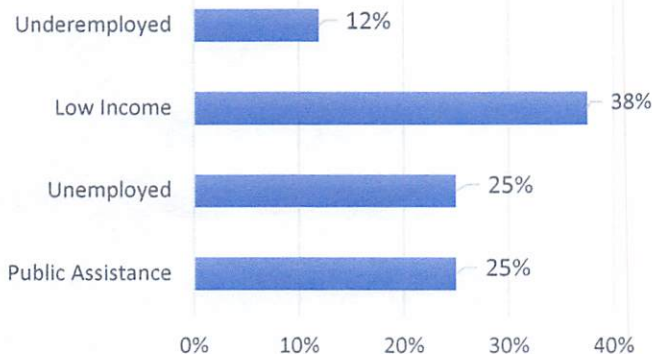
#### Active Students

| Industry Recognized Credential | Certificate | Associate | Bachelor |
|--------------------------------|-------------|-----------|----------|
| 17%                            | 17%         | 49%       | 17%      |

### Program of Study (By Industry)

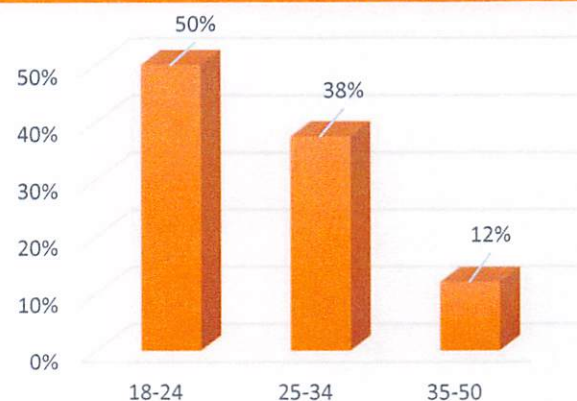


### Financial Eligibility



Some participants meet more than one eligibility factor.

### Participant Age





## **FY 25-26 FUNDING PROPOSAL**

*June 27, 2025*

*Prepared by: Felida Villarreal, CPA  
President & CEO*





## **Project Name**

Career Training in High Demand Occupations for Low-Income Mercedes Residents

## **Funding Request**

\$25,000 for fiscal year 10/01/2025 – 9/30/2026

## **Project Details**

At least five Mercedes residents will be supported through VIDA's program model through the fiscal year October 1, 2025 – September 30, 2026. 100% of students assisted with this grant must meet the following eligibility criteria:

1. Participant must be a Mercedes Resident.
2. Participant must be 18 years of age or older.
3. Participant must be eligible to work in the U.S.
4. Participant must be under 250% of the federal poverty guidelines, underemployed, or unemployed.

## **Mission**

VIDA's mission is to empower Rio Grande Valley residents to achieve economic prosperity through market-driven training, resources, and career pathways. Our continued focus includes formulating new institutional relationships in the RGV that simultaneously address employers' needs for skilled workers, while linking the area's unemployed and underemployed with high-skill, high-wage jobs identified in the region. Our vision is to build and sustain a highly skilled and highly educated workforce, which will not only be ready for tomorrow's jobs, but will have an opportunity to live a more prosperous and healthy life.

## **History**

The concept for VIDA began in 1995 with Valley Interfaith, a community-organizing group in the Lower Rio Grande Valley affiliated with the National Industrial Areas Foundation. Valley Interfaith observed a need for education and training to secure family sustaining wage employment, as the region experienced elevated levels of unemployment from many plant closures and layoffs in the textile industry due to foreign competition. Meanwhile, businesses and economic development boards seeking to attract and retain employers in the region reported a need for a more highly skilled and educated workforce. As a result, collaborative efforts between Valley Interfaith and industry leaders sought an opportunity to meet the needs of both Valley residents and employers through the creation of VIDA, a workforce training model committed to providing both economic and social support to low-income residents, to ensure successful completion of post-secondary education training and secure competitive employment. Throughout the years, VIDA has remained relevant and innovative by collaborating with regional institutions of higher education and industry leaders to assess employment needs and align career pathways with local industry demand.

Currently, more than half of our student population enrolls in allied health careers such as registered nursing, licensed vocational nursing, diagnostic medical sonography, occupational therapy, respiratory therapy, radiography, medical billing & coding, surgical technology, and more.

As we continue to recover from the long-term effects of a global pandemic, it is critical to assess and

respond to both the regional and national shortage of healthcare professionals. As a result, VIDA continues to promote training and higher education credentials in the healthcare industry in efforts to enhance health equity across the Rio Grande Valley. The remaining student population pursues training in high demand occupations in fields of study such as STEM, education, social services, finance/accounting, economics, and the skilled trades – all of which provide an opportunity for self-sufficiency and long-term career advancement.

## **Core Services**

VIDA primarily funds training for one-year certificates, two-year associate degrees, or bachelor's level degrees. VIDA provides customized financial assistance for training in fields of allied health, STEM, finance/accounting, economics, education, social services, and specialized trades. In addition, VIDA's program provides intensive case management and weekly counseling services to address academic and social barriers. VIDA counselors become key mentors in the lives of our participants, coaching and guiding them to advance in their appropriate career pathways. VIDA regularly updates the occupational training it supports based on feedback from economic development boards and local employers to ensure students pursue careers in high demand occupations relevant to our economic climate. South Texas College, Texas State Technical College, Texas Southmost College, and UT Rio Grande Valley are VIDA's primary training partners. We collaborate extensively with these institutions for outreach, student support and progress, enhancing career pathways, and more.

In 2024, VIDA served 746 students with an average persistence rate of 91%! 100% of our student population is identified as unemployed, underemployed, or low-income, based on 250% of the Federal Poverty Guidelines. During 2024, a student enrolled as a VIDA participant with average annual earnings of \$11,169 but ultimately graduated and secured employment with average annual earnings of \$52,894. The average age of VIDA participants in 2024 was 27 years old, and 84% of our participants identified as first-generation college students.

Consequently, this demographic faces a multitude of challenges that represent risk factors for college persistence and graduation. Oftentimes, our participants are first-generation college students, lacking a dedicated support system at home, which VIDA addresses with ongoing one-on-one career coaching and mentoring. VIDA recognizes our participants face language barriers and family responsibilities that interfere with successful completion or satisfactory performance of coursework. As a result, VIDA counselors meet regularly with participants on an individualized basis and in group sessions with other VIDA participants to help them overcome prominent challenges such as time management, stress, emotional triggers, conflict resolution, and promote overall mental health. VIDA counselors share extensive knowledge and expertise in fields of psychology, social work, and education, facilitating strong relationships with participants and effectively building bonds of accountability, maintaining our students focused, committed, and encouraged. Moreover, VIDA's customized financial assistance for tuition, textbooks, tools, uniforms, childcare, and transportation further promotes students' full-time enrollment while breaking economic barriers to education success.

VIDA organizes a speaker series of workshops on a monthly basis, in which we collaborate with local industry partners to share their expertise with our participants collectively. For example, our community partner, JP Morgan Chase, hosts financial literacy workshops with VIDA participants as a group to educate them on valuable topics such as banking, lending, credit scores, financial planning, investments, retirement, and more. In turn, VIDA participants develop and enhance life-long skills



for both professional and personal success, learning the importance of fiscal responsibility and personal budgeting. This type of soft skills development model effectively complements the students' traditional classroom coursework to build a more well-rounded individual, better prepared to achieve career success with a competitive and diverse skillset.

## Outcomes & Results

VIDA's outcomes are primarily measured by higher persistence rates, graduation rates, and number of certificates awarded:

1. 85% or more of VIDA participants will graduate from an educational/training program within 150% of their intended program length.
2. 80% or more of VIDA graduates will receive job placement with competitive compensation.
3. 90% or more will persist in their education from year to year.
4. 100% will attend mandatory counseling sessions to ensure program retention.

VIDA has a well-established capacity to track extensive information in a secure, comprehensive, Social Solutions database. Detailed demographic and socioeconomic characteristics are maintained and accessed on a regular basis for reporting and quality control. VIDA measures the academic progress of each participant through grade reports, case notes from the counselors and other program staff, and supportive services received - all of which are documented in Social Solutions. Participants entering employment are tracked for three years post-graduation, and their wages, positions, and employers are reported in the database.

A recent economic impact study conducted by UT - Rio Grande Valley, reports that for every \$1.00 invested in VIDA, there is a return on investment of \$15.69 to the communities we serve. Additionally, the Institute for Women's Policy Research featured VIDA in a report on innovations to address unmet needs in job training programs. The report states: "case management can have the added effect of creating a sense of accountability to the program that increases persistence and completion among trainees. Having a primary point person who participants can go to for advice, support, and to access program resources lead them to feel a greater sense of responsibility or commitment to their program...the relationships that case managers establish with participants create bonds of accountability that enhance participants' chances of success within their programs."



**The City of Mercedes Project Budget**  
**5 Participants/Students**

**Post-Secondary Occupational Training (PSOT):**

*Allied Health, Specialized Trades, STEM, Education, Social Services, Finance/Accounting, & Economics  
Associate Degrees, College/Industry Recognized Certificates, & Bachelor's Degrees*

| BUDGET ITEMS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 10/01/25 – 9/30/26<br>PROJECTED EXPENDITURES |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| <p><b>Curriculum Based – Training Expenses</b></p> <p>South Texas College (STC); University of Texas – Rio Grande Valley (UTRGV); Texas State Technical College (TSTC); Texas Southmost College (TSC); Other</p> <ul style="list-style-type: none"> <li>• Tuition &amp; Fees, Textbooks, Exam Fees, Equipment</li> <li>• Tools, Uniforms, Transportation Assistance, Child Care Assistance, Other</li> </ul> <p><b>Direct Program Services</b><br/> Intensive Career Counseling &amp; Case Management</p> <ul style="list-style-type: none"> <li>• Community Outreach, Profile Assessment, &amp; Aptitude Testing</li> <li>• Peer learning, effective studying skills, &amp; test taking strategies</li> <li>• Soft Skills Training: Guest Speaker Forums, Professional Development Workshops, Financial Literacy, Time Management, Stress Management, Mental Health, etc.</li> <li>• Employability Skills: Conflict Resolution in the Workplace, Resume Writing, Business Etiquette, Job Search, &amp; Interview Preparation</li> <li>• Individualized Career Coaching and Academic Advisement</li> <li>• Individual and Group Counseling Sessions</li> <li>• Job Placement Services &amp; Career Tracking three years post-graduation</li> <li>• Building Accountability - Monitoring Academic Performance and Progress for Intervention and Completion</li> <li>• Direct Program Related Expenses</li> </ul> |                                              |
| Training & Direct Program Expenses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | \$ 21,250                                    |
| General & Administrative Costs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$ 3,750                                     |
| Total Project Budget                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | \$ 25,000                                    |
| <b><i>The City of Mercedes Funding Request</i></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b><i>\$ 25,000</i></b>                      |





RIO GRANDE VALLEY - TX

2415 Mile 6 N

Mercedes, TX 78570

[info@bluebuntinglodge.com](mailto:info@bluebuntinglodge.com)

[bluebuntinglodge.com](http://bluebuntinglodge.com)

# Table of Contents

- Mission Statement
- Business Profile
- Keys to Success
- Location
- Management
- Market Analysis
- Pricing and Competition
- Products and Services



# Mission Statement

Blue Bunting Lodge aims to bring ecotourism revenue to Mercedes by offering what nobody else in the Rio Grande Valley currently does: high-end, entirely private accommodations in a nature preserve setting. We will bridge the gap between wilderness camping and luxury hotels by creating an ecolodge: short-term, fully-furnished luxury rental cabins built with minimal impact on the native habitat. This is a model that attracts high-end tourists around the globe, but does not currently exist in the Rio Grande Valley.

Our target clients are those members of the national/international birding and butterflying community who don't mind spending more for an environmentally-friendly business offering that unique, immersive experience.



# Business Profile

Blue Bunting Lodge will provide the Valley's only high-end lodging in a nature preserve setting and offer nightly rentals of Spanish-style cabins strategically placed on our 10-acre property. Each 435-sf cabin will have all the comforts of home, including one-bedroom, full bath, kitchen and laundry facilities and private outdoor space. The cabins will be well-spaced and screened with vegetation to ensure our guests' privacy. We will offer guided bird and butterfly tours across the Valley, sell lodge merchandise, binoculars and field guides in our gift shop, and showcase/sell artwork by local artists. Our facilities will also include a covered outdoor space that can be rented for photography, weddings, team-building exercises, etc.

The business will create 3 new jobs and bring in a potential \$315K in tourist dollars per year to the City of Mercedes. As the business grows, the number of jobs and tourist dollars brought to the city will grow.





# Keys to Success

- Of paramount importance to both the wildlife and our guests will be embracing a nature preserve atmosphere throughout the property. This is an ecolodge, not a subdivision. Subdivision status triggers requirements which would undermine the intimate, park-like setting our target clients expect from an ecolodge. Those requirements include building extra-wide, paved roads, forcing each cabin to have a separate septic system, and adding the only street lights within half a mile. Not only would all these requirements detract significantly from the ecolodge's appeal to our guests and the wildlife they come to see, they create undue obstacles for our small business. Businesses built on our model (multiple structures on a single lot in a natural setting) exist legally and safely elsewhere in Texas, but not here in the Valley.



# Keys to Success, continued

- At Blue Bunting Lodge, we are in the process of reclaiming 10 acres of farmland, and returning it to its natural state: Tamaulipan thornscrub. This new patch of native forest will have wooded trails, bird feeding stations and butterfly gardens. Even in the early stages of revegetation, we have attracted over 225 species of birds, and 120 species of butterflies, many of them found nowhere else in the U.S. 150,000 ecotourists come to the Rio Grande Valley every year, spending over \$10 million in the hopes of seeing these very creatures. What will bring those tourists and their tourist dollars to us, and Mercedes, is having nature right outside their front door.
- We will be appealing to green tourists by minimizing our impact to the environment. This will include being solar-powered, offering electric car charging, using only environmentally-friendly products, recycling (including composting), and minimizing water usage by landscaping with drought-tolerant native plants.



# I Keys to Success, continued

- Our lodge will also capture some of the Mexican cultural experience by offering our guests Spanish-style cabins with a stucco exterior and tile roof. The interior design of the cabins will also have a Mexican flair, including bold colors and textures, Saltillo tile floors, and Talavera sinks.
- In addition to each cabin's private, outdoor space, we will have a large palapa for outdoor socializing, communal eating, weddings, etc. The palapa will be at the center of the property, nestled into a large butterfly garden.



# Location

- When searching for a location for our business, we chose Mercedes for its centralized position. It is a perfect mid-valley location, offering our guests a single home base from Cameron and Hidalgo Counties. Currently, the only local lodging options catering specifically to birders are in the McAllen metro area.





# Management

Our experience, both personal and professional, makes us the perfect team to bring success to Blue Bunting Lodge.

- In addition to more than a decade's experience working in the hospitality industry, Jeff Bryant owned and operated his own business for 15 years. This included forecasting, and managing budgets as well as maintaining schedules, vendor relationships and providing exemplary customer service to clients. He has also been an avid birder for 35 years, has been traveling to the Rio Grande Valley to bird for over 25 years and has established himself as a subject matter expert in the local birding and butterflying communities.



# Management, continued

- Jeff has already established relationships with naturalists at local State Parks and the National Butterfly Center in Mission. He's also fostered working relationships with many local birding guides. One of the more famous ones, who was on the cover of Texas Monthly Magazine, already features Blue Bunting Lodge in her blog as a local birding hotspot. This networking in the birding community will be invaluable when we are ready to accept guests.
- Roel Garcia has a degree in Business Administration from UT-PA (now UTRGV). He was born and raised in Mercedes and began his career in financial management at several local banks. He then worked for the Texas Legislature creating budgets for state agencies.



# Management, continued

- Roel has earned Project Management Professional Certification (PMP). Over the last 23 years, he has enabled and maintained the health of 9-1-1 services nationwide by coordinating with wireless carriers, other telecommunications companies, government agencies and internal teams.
- Both Roel and Jeff have purchased and maintained several rental properties throughout their careers which included budgeting and tracking of revenues and expenses, as well as advertising vacancies and keeping up with maintenance schedules. Our last business venture was a beach house in Washington State. We designed that home, just as we have designed the Blue Bunting Lodge cabins, specifically to appeal to short-term rentals. Thanks to all our reviews, we know exactly what high-end renters value and how to keep them coming back and recommending us to others.



# Market Analysis

Blue Bunting Lodge's target market is that subset of the birding and butterflying community who are prepared to spend a bit more for an environmentally-friendly business offering our unique, immersive experience. According to a Texas A&M 2011 study, the average Texas Nature Tourist has an income higher than the average South Texas tourist (most with an annual household income above \$50,000) and generally stays for an average of 19 days during their visit. These tourists are coming not only from the U.S. but from all over the world. The COVID lockdowns of recent years actually increased the portion of the population that self-identifies as birders as people searched for a safe, outdoor past time.





# Pricing and Competition

We've reviewed what other lodging outlets that cater to the birding community charge, and factored in the unique experience we will be offering our guests to come up with a sustainable nightly rate for our cabins. While there will always be a place for inexpensive, no-frills accommodations like the Alamo Inn, our personal experience, as well as informal research among visiting birders here in the Valley tells us most are willing to pay more for privacy and updated, upgraded rooms with the convenience of a full kitchen and laundry. Our intended price point of \$175 per night prices us squarely between the only two somewhat comparable local properties: Alamo Inn and the cabin at Peculiar Nest in McAllen. The nearest hotel (the La Quinta on the expressway,) charges a base rate of \$124, without offering private cabins, a serene setting well off the highway, or a private porch from which you might see any of more than 200 bird and 100 butterfly species. Ecolodges we have patronized in other birding hotspots (often in poor countries where cheap lodging abounds) command upwards of \$300/night!



# Products and Services

Millions of Americans, mostly birders, spend over \$17 Billion on wildlife-watching travel within the U.S. every year. The LRGV is one of the three hottest destinations in the country for birders, butterflyers, and the fast-growing ranks of dragonfly enthusiasts. The demand is absolutely there, and we intend to attract our share of those ecotourists, and the dollars they will spend, to Mercedes.

Blue Bunting Lodge will not only be Mercedes' only lodging option catering specifically to ecotourists, but a wildlife-watching spot in its own right. Already we have recorded well over 200 bird species on the property, including some rare enough to attract visiting birders. With our list of 126 butterfly species, we're already on the itinerary for the Butterfly Festival tours in November. Our nature preserve setting with small, well spaced structures and minimal lighting and pavement will give us a competitive advantage over other lodging destinations in the Valley. This park-like setting will bring additional birding and butterfly tours to our property to spend the day exploring the grounds of the Blue Bunting Lodge.



# Products and Services, continued

In addition to lodging, we will also offer expert guide services. Co-owner Jeff Bryant is already a bird guide and official butterfly guide for the RGV Butterfly Festival. While there are many national and international tour agencies offering tours of the LRGV, our edge is that we have a local guide, intimately familiar with the area and in close contact with local birders. This means we know not just where the birds usually are but where the most desired species can be found today.

We will be supporting local businesses when buying our logo merchandise (mugs, shirts, caps, fleece wear) for sale in the gift shop. Our shop will also offer essential birding gear, such as field guides and binoculars. Additionally, we've engaged an artist who has created bird-themed cards and bookmarks for sale and paintings, available for purchase, to adorn the cabin walls.





2052

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Mile 1 1/2 E

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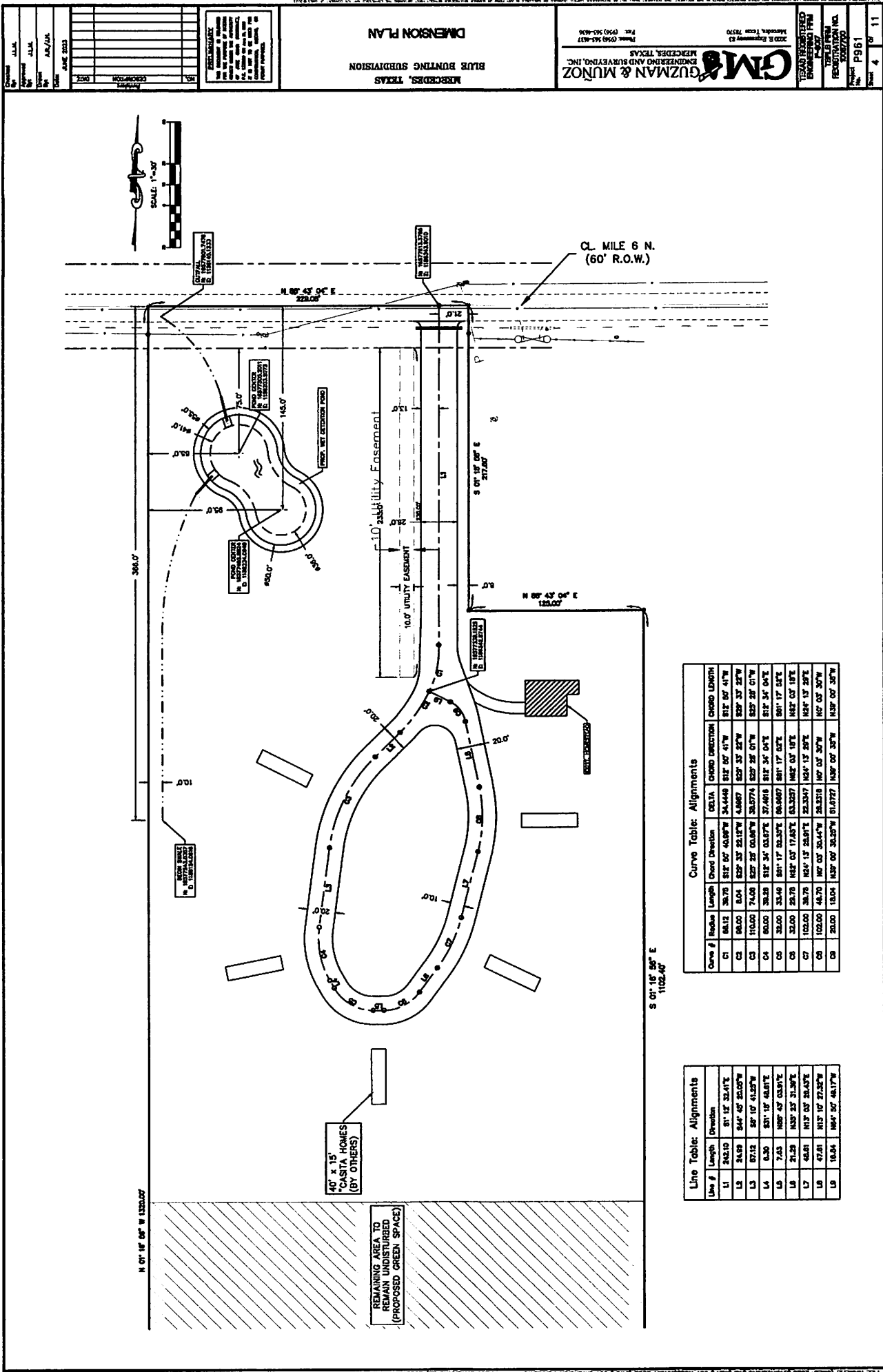
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Curve Table: Alignments

| Curve # | Radius | Length | Chord Direction | DELTA   | CHORD DISTANCE  | CHORD LENGTH |
|---------|--------|--------|-----------------|---------|-----------------|--------------|
| C1      | 66.12  | 39.75  | S 01° 18' 59" E | 34.4449 | S 01° 18' 59" E | 39.75        |
| C2      | 66.00  | 8.04   | S 01° 18' 59" E | 4.8697  | S 01° 18' 59" E | 8.04         |
| C3      | 110.00 | 74.00  | S 01° 18' 59" E | 38.8774 | S 01° 18' 59" E | 74.00        |
| C4      | 80.00  | 33.28  | S 01° 18' 59" E | 27.4618 | S 01° 18' 59" E | 33.28        |
| C5      | 32.00  | 23.49  | S 01° 18' 59" E | 16.8407 | S 01° 18' 59" E | 23.49        |
| C6      | 102.00 | 43.70  | S 01° 18' 59" E | 23.3347 | S 01° 18' 59" E | 43.70        |
| C7      | 102.00 | 13.04  | S 01° 18' 59" E | 51.8727 | S 01° 18' 59" E | 13.04        |
| C8      | 20.00  | 13.04  | S 01° 18' 59" E | 51.8727 | S 01° 18' 59" E | 13.04        |

Line Table: Alignments

| Line # | Length | Direction       |
|--------|--------|-----------------|
| L1     | 242.10 | S 01° 18' 59" E |
| L2     | 24.69  | S 01° 18' 59" E |
| L3     | 57.12  | S 01° 18' 59" E |
| L4     | 0.30   | S 01° 18' 59" E |
| L5     | 7.63   | S 01° 18' 59" E |
| L6     | 21.29  | S 01° 18' 59" E |
| L7     | 48.81  | S 01° 18' 59" E |
| L8     | 47.81  | S 01° 18' 59" E |
| L9     | 10.84  | S 01° 18' 59" E |

**MRCEDES, TEXAS**  
BLUE BUNTING SUBDIVISION  
DIMENSION PLAN

**G.M. GUZMAN & MUÑOZ**  
ENGINEERING AND SURVEYING, INC.  
MCKINNEY, TEXAS  
Phone: (972) 344-4177  
Fax: (972) 344-4150

DATE: JUNE 2023  
BY: JLM  
CHECKED: JLM  
APPROVED: JLM

PROJECT NO. P961  
REVISION NO. 00000000  
JOB NO. 00000000

## Blue Bunting Lodge Projections

Assumptions: Avg of \$100 utilities per unit per month; \$100 per unit in insurance costs; 1 staff personnel at \$12 per hour (\$2,080/mo)

Potential property valuation \$438,000 City Hotel Tax Rate 0.07  
Property Tax Rate 2.8104% Avg spent per person per day 228

Potential property tax \$12,309.55

Mercedes City property tax rate 0.7850%  
Potential Mercedes City property taxes \$3,438.30

Per unit expenses include utilities, insurance, maintenance Monthly net revenue factors in salary for housekeeping services

|               |        | Nightly Rate | # of nts rented | Reservation total | Per unit Expenses | Net total revenue | Monthly net revenue for all units | Total tourism dollars spent locally | Hotel taxes (7%) |
|---------------|--------|--------------|-----------------|-------------------|-------------------|-------------------|-----------------------------------|-------------------------------------|------------------|
| January       | Unit 1 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
|               | Unit 2 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
|               | Unit 3 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
|               | Unit 4 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
|               | Unit 5 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
| Monthly total |        |              |                 |                   |                   |                   | \$14,795.00                       |                                     |                  |
| February      | Unit 1 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
|               | Unit 2 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
|               | Unit 3 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
|               | Unit 4 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
|               | Unit 5 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
| Monthly total |        |              |                 |                   |                   |                   | \$14,795.00                       |                                     |                  |
| March         | Unit 1 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
|               | Unit 2 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
|               | Unit 3 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
|               | Unit 4 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
|               | Unit 5 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
| Monthly total |        |              |                 |                   |                   |                   | \$14,795.00                       |                                     |                  |
| April         | Unit 1 | \$175.00     | 15              | \$2,625.00        | \$300.00          | \$2,325.00        |                                   | \$6,840                             | \$183.75         |
|               | Unit 2 | \$175.00     | 15              | \$2,625.00        | \$300.00          | \$2,325.00        |                                   | \$6,840                             | \$183.75         |
|               | Unit 3 | \$175.00     | 15              | \$2,625.00        | \$300.00          | \$2,325.00        |                                   | \$6,840                             | \$183.75         |
|               | Unit 4 | \$175.00     | 15              | \$2,625.00        | \$300.00          | \$2,325.00        |                                   | \$6,840                             | \$183.75         |
|               | Unit 5 | \$175.00     | 15              | \$2,625.00        | \$300.00          | \$2,325.00        |                                   | \$6,840                             | \$183.75         |
| Monthly total |        |              |                 |                   |                   |                   | \$9,545.00                        |                                     |                  |
| May           | Unit 1 | \$175.00     | 8               | \$1,400.00        | \$300.00          | \$1,100.00        |                                   | \$3,648                             | \$98.00          |
|               | Unit 2 | \$175.00     | 8               | \$1,400.00        | \$300.00          | \$1,100.00        |                                   | \$3,648                             | \$98.00          |
|               | Unit 3 | \$175.00     | 8               | \$1,400.00        | \$300.00          | \$1,100.00        |                                   | \$3,648                             | \$98.00          |
|               | Unit 4 | \$175.00     | 8               | \$1,400.00        | \$300.00          | \$1,100.00        |                                   | \$3,648                             | \$98.00          |
|               | Unit 5 | \$175.00     | 8               | \$1,400.00        | \$300.00          | \$1,100.00        |                                   | \$3,648                             | \$98.00          |
| Monthly total |        |              |                 |                   |                   |                   | \$3,420.00                        |                                     |                  |
| June          | Unit 1 | \$175.00     | 4               | \$700.00          | \$300.00          | \$400.00          |                                   | \$1,824                             | \$49.00          |
|               | Unit 2 | \$175.00     | 4               | \$700.00          | \$300.00          | \$400.00          |                                   | \$1,824                             | \$49.00          |
|               | Unit 3 | \$175.00     | 4               | \$700.00          | \$300.00          | \$400.00          |                                   | \$1,824                             | \$49.00          |
|               | Unit 4 | \$175.00     | 4               | \$700.00          | \$300.00          | \$400.00          |                                   | \$1,824                             | \$49.00          |
|               | Unit 5 | \$175.00     | 4               | \$700.00          | \$300.00          | \$400.00          |                                   | \$1,824                             | \$49.00          |
| Monthly total |        |              |                 |                   |                   |                   | -\$80.00                          |                                     |                  |
| July          | Unit 1 | \$175.00     | 0               | \$0.00            | \$300.00          | -\$300.00         |                                   | \$0                                 | \$0.00           |
|               | Unit 2 | \$175.00     | 0               | \$0.00            | \$300.00          | -\$300.00         |                                   | \$0                                 | \$0.00           |
|               | Unit 3 | \$175.00     | 0               | \$0.00            | \$300.00          | -\$300.00         |                                   | \$0                                 | \$0.00           |
|               | Unit 4 | \$175.00     | 0               | \$0.00            | \$300.00          | -\$300.00         |                                   | \$0                                 | \$0.00           |
|               | Unit 5 | \$175.00     | 0               | \$0.00            | \$300.00          | -\$300.00         |                                   | \$0                                 | \$0.00           |
| Monthly total |        |              |                 |                   |                   |                   | -\$3,580.00                       |                                     |                  |
| August        | Unit 1 | \$175.00     | 0               | \$0.00            | \$300.00          | -\$300.00         |                                   | \$0                                 | \$0.00           |
|               | Unit 2 | \$175.00     | 0               | \$0.00            | \$300.00          | -\$300.00         |                                   | \$0                                 | \$0.00           |
|               | Unit 3 | \$175.00     | 0               | \$0.00            | \$300.00          | -\$300.00         |                                   | \$0                                 | \$0.00           |
|               | Unit 4 | \$175.00     | 0               | \$0.00            | \$300.00          | -\$300.00         |                                   | \$0                                 | \$0.00           |
|               | Unit 5 | \$175.00     | 0               | \$0.00            | \$300.00          | -\$300.00         |                                   | \$0                                 | \$0.00           |
| Monthly total |        |              |                 |                   |                   |                   | -\$3,580.00                       |                                     |                  |
| September     | Unit 1 | \$175.00     | 6               | \$1,050.00        | \$300.00          | \$750.00          |                                   | \$2,736                             | \$73.50          |
|               | Unit 2 | \$175.00     | 6               | \$1,050.00        | \$300.00          | \$750.00          |                                   | \$2,736                             | \$73.50          |
|               | Unit 3 | \$175.00     | 6               | \$1,050.00        | \$300.00          | \$750.00          |                                   | \$2,736                             | \$73.50          |
|               | Unit 4 | \$175.00     | 6               | \$1,050.00        | \$300.00          | \$750.00          |                                   | \$2,736                             | \$73.50          |
|               | Unit 5 | \$175.00     | 6               | \$1,050.00        | \$300.00          | \$750.00          |                                   | \$2,736                             | \$73.50          |
| Monthly total |        |              |                 |                   |                   |                   | \$1,670.00                        |                                     |                  |
| October       | Unit 1 | \$175.00     | 10              | \$1,750.00        | \$300.00          | \$1,450.00        |                                   | \$4,560                             | \$122.50         |
|               | Unit 2 | \$175.00     | 10              | \$1,750.00        | \$300.00          | \$1,450.00        |                                   | \$4,560                             | \$122.50         |
|               | Unit 3 | \$175.00     | 10              | \$1,750.00        | \$300.00          | \$1,450.00        |                                   | \$4,560                             | \$122.50         |
|               | Unit 4 | \$175.00     | 10              | \$1,750.00        | \$300.00          | \$1,450.00        |                                   | \$4,560                             | \$122.50         |
|               | Unit 5 | \$175.00     | 10              | \$1,750.00        | \$300.00          | \$1,450.00        |                                   | \$4,560                             | \$122.50         |
| Monthly total |        |              |                 |                   |                   |                   | \$5,170.00                        |                                     |                  |
| November      | Unit 1 | \$175.00     | 12              | \$2,100.00        | \$300.00          | \$1,800.00        |                                   | \$5,472                             | \$147.00         |
|               | Unit 2 | \$175.00     | 12              | \$2,100.00        | \$300.00          | \$1,800.00        |                                   | \$5,472                             | \$147.00         |
|               | Unit 3 | \$175.00     | 12              | \$2,100.00        | \$300.00          | \$1,800.00        |                                   | \$5,472                             | \$147.00         |
|               | Unit 4 | \$175.00     | 12              | \$2,100.00        | \$300.00          | \$1,800.00        |                                   | \$5,472                             | \$147.00         |
|               | Unit 5 | \$175.00     | 12              | \$2,100.00        | \$300.00          | \$1,800.00        |                                   | \$5,472                             | \$147.00         |
| Monthly total |        |              |                 |                   |                   |                   | \$6,920.00                        |                                     |                  |
| December      | Unit 1 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
|               | Unit 2 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
|               | Unit 3 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
|               | Unit 4 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
|               | Unit 5 | \$175.00     | 21              | \$3,675.00        | \$300.00          | \$3,375.00        |                                   | \$9,576                             | \$257.25         |
| Monthly total |        |              |                 |                   |                   |                   | \$14,795.00                       |                                     |                  |

Net profit \$78,665.00

Total tourist dollars spent locally by our guests \$316,920

Total Hotel Taxes \$8,513.75



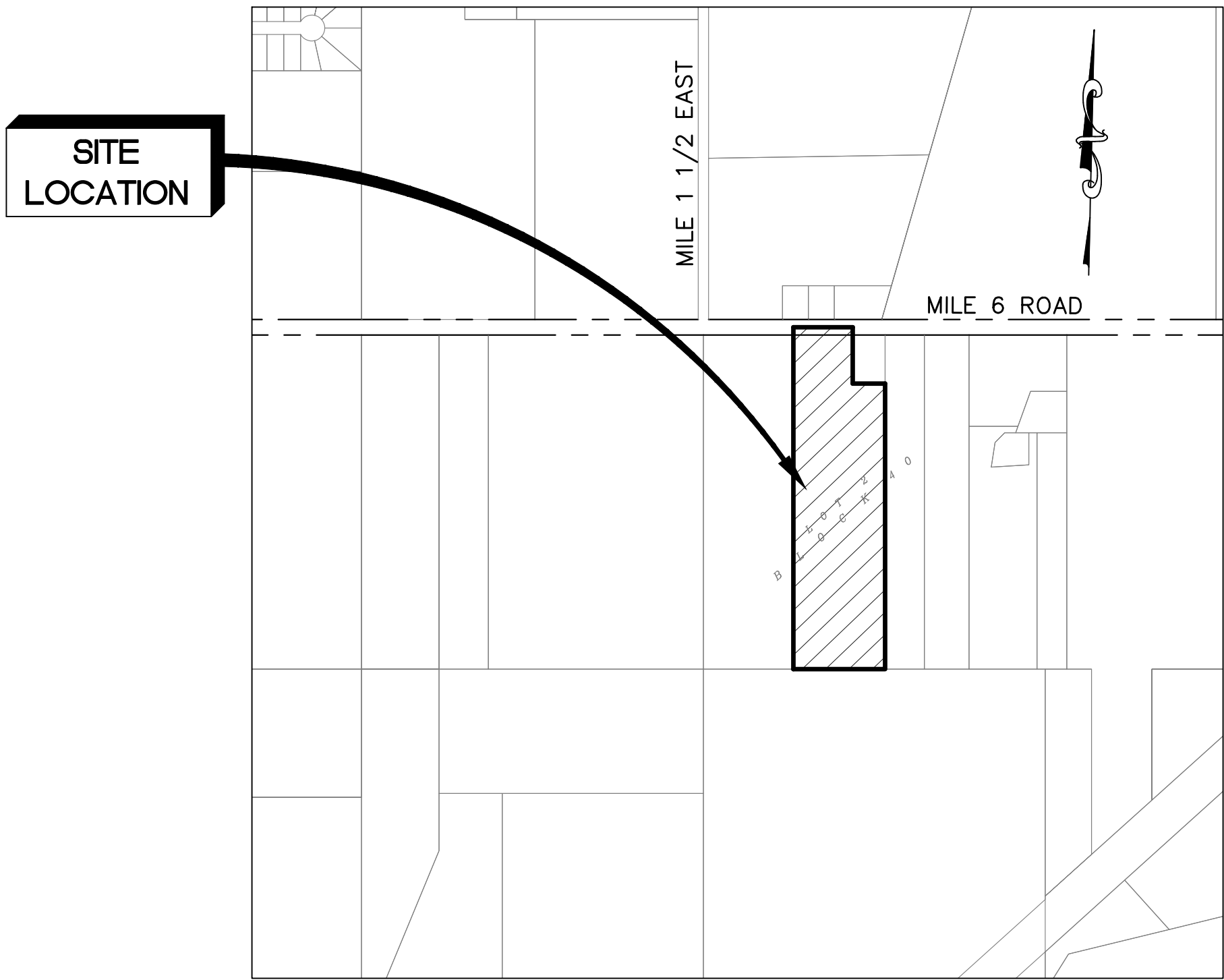
CONSTRUCTION PLANS

FOR

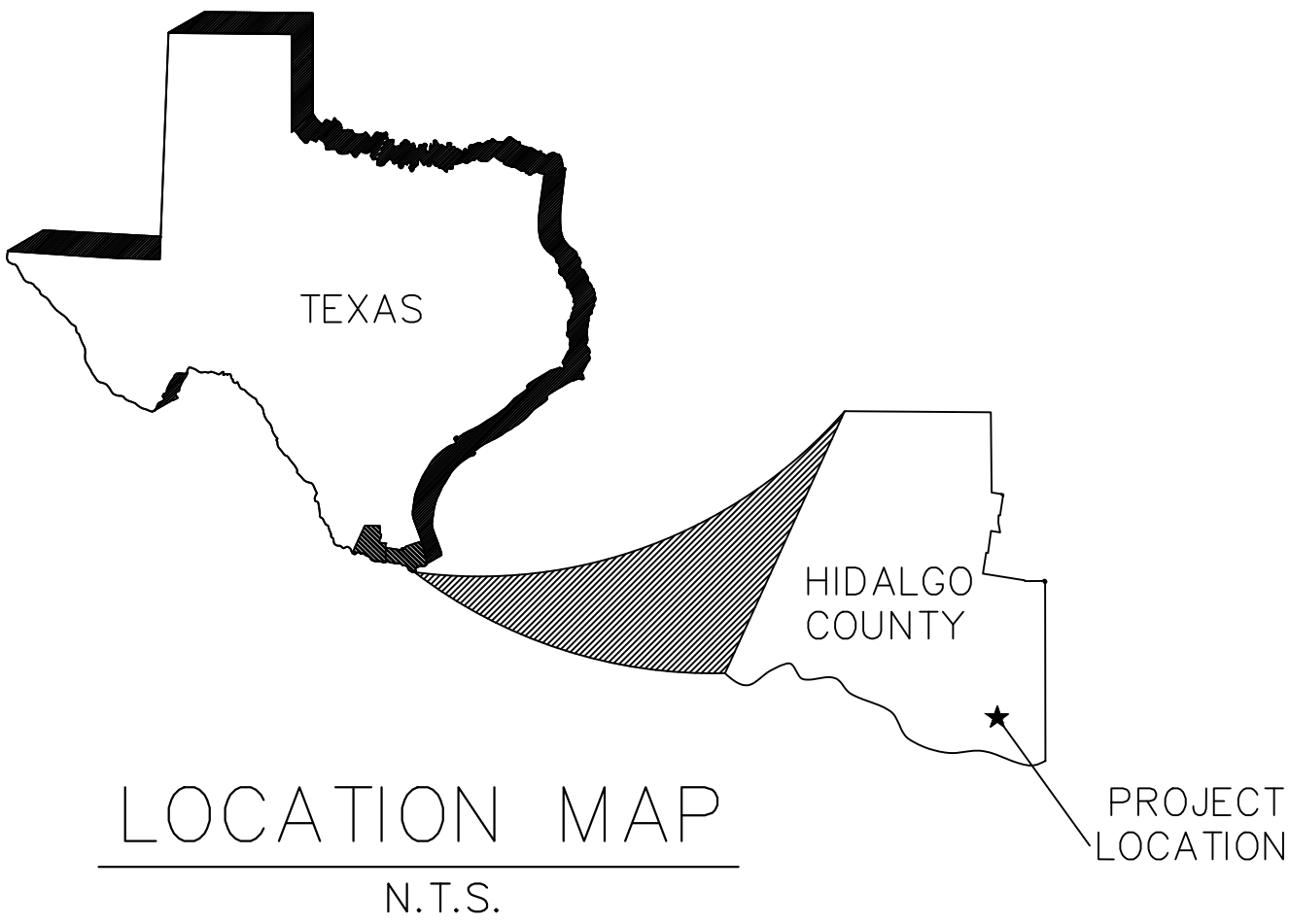
BLUE BUNTING SUBDIVISION

MERCEDES, TEXAS

| PROJECT INDEX |                              |
|---------------|------------------------------|
| Sheet No.     | Description                  |
| 1             | COVER SHEET                  |
| 2             | GENERAL NOTES                |
| 3             | EXISTING SITE CONDITIONS     |
| 4             | DIMENSION PLAN               |
| 5             | PAVING & GRADING PLAN        |
| 6             | UTILITY PLAN                 |
| 7             | EROSION CONTROL PLAN         |
| 8             | EROSION CONTROL PLAN DETAILS |
| 9             | WATER DETAILS                |
| 10            | DRAINAGE DETAILS             |
| 11            | PAVING AND MARKING DEATILS   |



VICINITY MAP:  
1" = 500'



OMAR RODRIGUEZ, P.E.

**PRELIMINARY**  
THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF INTERIM REVIEW UNDER THE AUTHORITY OF JOSE OMAR RODRIGUEZ, P.E. 133529 ON June 21, 2023. IT IS NOT TO BE USED FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES.

DATE

JUNE, 2023



FILE NAME: A:\JUNES-2023\ENGINEERING\SUBDIVISIONS\SUBDIVISIONS\GENERAL NOTES.DWG PLOT DATE: June 28, 2023

GENERAL NOTES:

1. ALL MATERIALS AND CONSTRUCTION PROCEDURES WITHIN THE SCOPE OF THIS PROJECT SHALL COMPLY WITH THE PROJECT GEOTECH REPORT, PROJECT SPECIFICATIONS, THE CURRENT APPLICABLE CITY, COUNTY, AND OR STATE STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION.
2. THE LOCATION OF THE EXISTING UTILITIES SHOWN ON THESE PLANS ARE BASED OF EXISTING RECORD INFORMATION AND FIELD MEASUREMENTS. THE CONTRACTOR SHALL BE REQUIRED TO LOCATE ALL PUBLIC OR PRIVATE UTILITIES. THE CONTRACTOR SHALL CONTACT 1-800-DIG-TESS PRIOR TO CONSTRUCTION. ANY UTILITY CONFLICTS THAT ARISE SHALL BE COMMUNICATED O THE ENGINEER IMMEDIATELY AND PRIOR TO CONSTRUCTION. ANY DAMAGE TO EXISTING UTILITIES SHALL BE THE SOLE RESPONSIBILITY OF THE CONTRACTOR AND THE REPAIR SHALL BE AT CONTRACTORS EXPENSE.
3. THE CONTRACTOR SHALL BE RESPONSIBLE FOR ACQUIRING ALL NECESSARY PERMITS/APPROVALS BEFORE BEGINNING CONSTRUCTION.
4. ALL AREAS DISTURBED BY CONSTRUCTION SHALL BE REVEGETADED. CONTRACTOR SHALL BE RESPONSIBLE FOR ESTABLISHING VEGETATION IN ALL DISTURBED AREAS BY PERIODIC WATERING AS REQUIRED.
5. CONTRACTOR IS RESPONSIBLE FOR RESTORING TO ITS ORIGINAL OR BETTER CONDITION ANY DAMAGE DONE TO EXISTING UTILITIES, FENCES, PAVEMENTS, SIGNAGE OR OTHER ITEMS INTENDED TO REMAIN.
6. ALL SAFETY REQUIREMENTS AND EQUIPMENT AS REQUIRED BY THE MOST CURRENT OSHA STANDARDS SHALL BE OBSERVED AND IMPLEMENTED.
7. IT SHALL BE THE CONTRACTORS RESPONSIBILITY TO REMOVE EXCAVATED SPOILS AND DEBRIS FROM SITE IN A LEGAL MANNER AT CONTRACTORS EXPENSE.

PAVING NOTES:

1. CONTRACTOR SHALL PERFORM PAVEMENT CONSTRUCTION INCLUDING SUBGRADE STABILIZATION IN STRICT ACCORDANCE WITH GEOTECHNICAL REPORT.
2. ALL CONCRETE SHALL BE CLASS 'A' MINIMUM 3,000 PSI CYLINDER CONCRETE STRENGTH AT 28 DAYS, UNLESS OTHERWISE NOTED BY GEOTECHNICAL REPORT OR PLANS.
3. ALL CONCRETE WORK TO BE FORMED UNLESS OTHERWISE APPROVED.
4. ALL EXPOSED CONCRETE WORK TO BE CHAMFERED

STORM SEWER NOTES:

1. CONTRACTOR SHALL BE RESPONSIBLE FOR MAINTAINING TRENCH SAFETY
2. REFERENCE DRAINAGE DETAILS FOR PIPE TRENCH, BEDDING, AND BACKFILL DETAILS.
3. IT IS THE CONTRACTORS RESPONSIBILITY TO ENSURE PROPER SIZE OF STORM MANHOLES/JUNCTION BOXES NEEDED WHERE INDICATED ON PLAN. CONTRACTOR SHALL CONNECT STORM DRAIN PIPE TO JUNCTION BOXES PER MANUFACTURERS SPECIFICATIONS.
4. TOPS OF MANHOLES, JUNCTION BOXES, AND GRATES SHALL BE SET FLUSH WITH FINISHED PAVEMENT OR 3" ABOVE FINISHED GRADE IN UNPAVED AREAS.

SANITARY SEWER NOTES:

1. ALLOWABLE SANITARY SEWER PIPE MATERIAL FOR GRAVITY LINES SHALL BE POLYVINYL CHLORIDE (PVC) OR AS APPROVED BY CITY ENGINEER: - 4-INCH TO 15-INCH: ASTM D-3034, SDR 26
2. MINIMUM SANITARY SEWER SIZE SHALL BE 4-INCH FOR SINGLE SERVICE OR AS REQUIRED BY CITY DESIGN REQUIREMENTS.
3. CHEMICALLY WELDED SANITARY SEWER JOINTS ARE NOT ACCEPTABLE. USE RUBBER GASKETED BELL & SPIGOT SANITARY SEWER JOINTS
4. FOR PUBLIC SANITARY SEWER SYSTEMS, CONTRACTOR SHALL TEST SANITARY SEWER IN ACCORDANCE WITH TCEQ TAC CHAPTER 217.57 INCLUDING LOW PRESSURE AIR TEST AND DEFLECTION TEST.
5. SANITARY FORCEMAIN LINES SHALL BE HYDROSTATICALLY TESTED AT 125 PSI.

WATER LINE NOTES:

1. ALLOWABLE WATER LINE PIPE MATERIAL SHALL BE POLYVINYL CHLORIDE (PVC):
  - 2-INCH TO 3-INCH: SCH 40 OR AS APPROVED BY CITY ENGINEER
  - 4-INCH TO 12-INCH: AWWA C900, CLASS 150 (DR-18)
  - 14-INCH TO 24-INCH : AWWA C905, CLASS 150 (DR-18)
2. ALL WATER LINE FITTINGS FOR PIPE SIZES 4-INCH TO 12-INCH SHALL BE DUCTILE IRON MECHANICAL RESTRAINED JOINTS.
3. WATER LINES SHALL BE BANK-SAND BEDDED AND BACKFILLED IN ACCORDANCE WITH THE LATEST CITY SPECIFICATION AND DETAILS.

SITE PREPARATION AND GRADING NOTES

1. SITE PREPARATION, GRADING, EXCAVATION AND FILL SHALL BE PERFORMED IN ACCORDANCE WITH THE PROJECT GEOTECHNICAL REPORT AND SPECIFICATIONS.
2. ALL ELEVATIONS AND PROPOSED CONTOURS SHOWN ON THE GRADING PLANS REFLECT FINISHED GRADES. THE THICKNESS OF PAVING, BASE, GRASS, TOP-SOIL, ETC., MUST BE CONSIDERED TO OBTAIN SUBGRADE ELEVATIONS.
3. THE CONTRACTOR SHALL VERIFY THE SUITABILITY OF EXISTING AND PROPOSED SITE CONDITIONS INCLUDING GRADES AND DIMENSIONS BEFORE COMMENCEMENT OF CONSTRUCTION. THE ENGINEER SHALL BE NOTIFIED IMMEDIATELY OF ANY DISCREPANCIES.
4. THE CONTRACTOR SHALL REMOVE TOP SOIL, GRASS, TREES, ROOTS, DEBRIS ETC., AND DISPOSE OFFSITE THOSE MATERIALS NOT SUITABLE FOR REUSE AS SPECIFIED IN PLAN DRAWINGS.
5. CONTRACTOR IS RESPONSIBLE FOR ALL COORDINATION WITH TESTING LABORATORY FOR MATERIALS TESTING.
6. THE CONTRACTOR SHALL EXERCISE EXTREME CAUTION IN WORKING NEAR UTILITIES. THE CONTRACTOR IS RESPONSIBLE FOR CONTACTING ALL UTILITY COMPANIES AND ENSURE THAT ALL UTILITIES HAVE BEEN ADEQUATELY LOCATED AND IDENTIFIED.

| LEGEND                                                                                |                                    |
|---------------------------------------------------------------------------------------|------------------------------------|
|    | 1/2" Iron Rod Found                |
|    | 3/4" Iron Rod Found                |
|    | Power Pole                         |
|    | Powerline                          |
|  | Water Meter                        |
|  | Fire Hydrant                       |
|  | Water Valve                        |
|  | Water Line                         |
|  | Storm Drain Manhole                |
|  | San. Sewer Manhole                 |
|  | San. Sewer Line                    |
|  | Telephone Pedestal                 |
|  | Telephone Line                     |
|  | Fiber Optic Line                   |
|  | Street Sign                        |
|  | Guy Wire                           |
|  | San. Sewer Cleanout                |
|  | Tele. Pad                          |
|  | Stop Sign                          |
|  | R.O.W. Line                        |
|  | Prop. San Swr.                     |
|  | Prop. Water Line                   |
|  | Prop. 2" Water Line                |
|  | Prop. 6" Water Line                |
|  | Prop. Strm. Swr. (24" And Smaller) |
|  | Prop. Strm Swr. (30" And Larger)   |
|  | Grate Inlet                        |
|  | Type "A" Inlet                     |
|  | Prop. San Swr. Manhole             |
|  | Prop. Fire Hydrant                 |

Checked By: J.O.R.

Approved By: J.O.R.

Drawn By: J.H.

Date: JUNE 2023

|           |             |  |  |  |  |  |  |
|-----------|-------------|--|--|--|--|--|--|
| Revision: | DATE        |  |  |  |  |  |  |
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MERCEDES, TEXAS

BLUE BUNTING SUBDIVISION

GENERAL NOTES



GUZMAN & MUÑOZ  
ENGINEERING AND SURVEYING, INC.  
MERCEDES, TEXAS

2020 E. Expressway 83  
Mercedes, Texas 78570

Phone: (956) 565-4637  
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TEXAS REGISTERED  
ENGINEERING FIRM  
F-8017

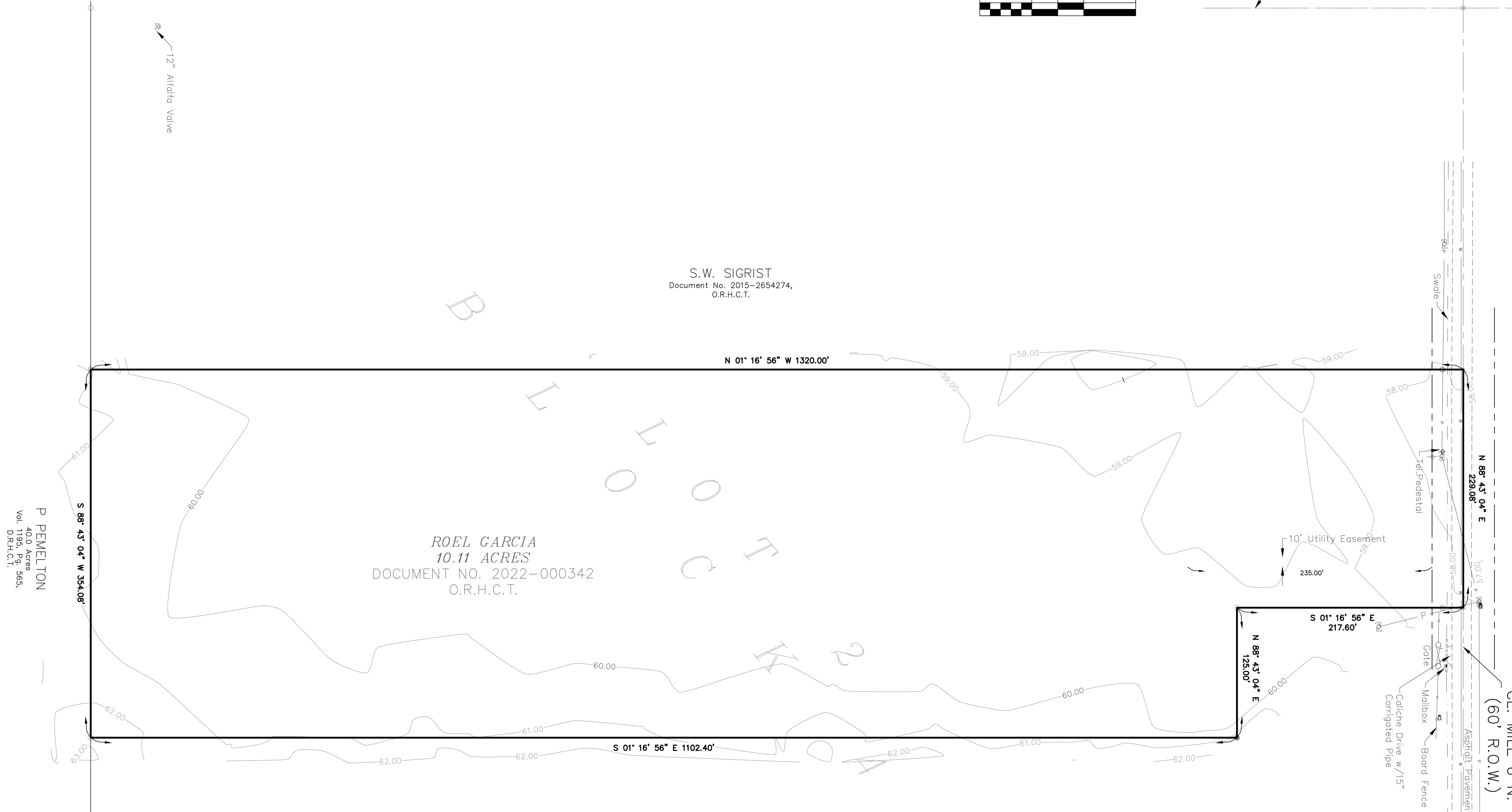
TBPLS FIRM  
REGISTRATION NO.  
10087700

Project No. P-961

Sheet 2 Of 11

Page 120 of 254





|                     |             |
|---------------------|-------------|
| Checked By: J.L.M.  |             |
| Approved By: J.L.M. |             |
| Drawn By: A.R./J.H. |             |
| Date: JUNE 2023     |             |
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**MERCEDES, TEXAS  
BLUE BUNTING SUBDIVISION  
EXISTING SITE CONDITIONS**

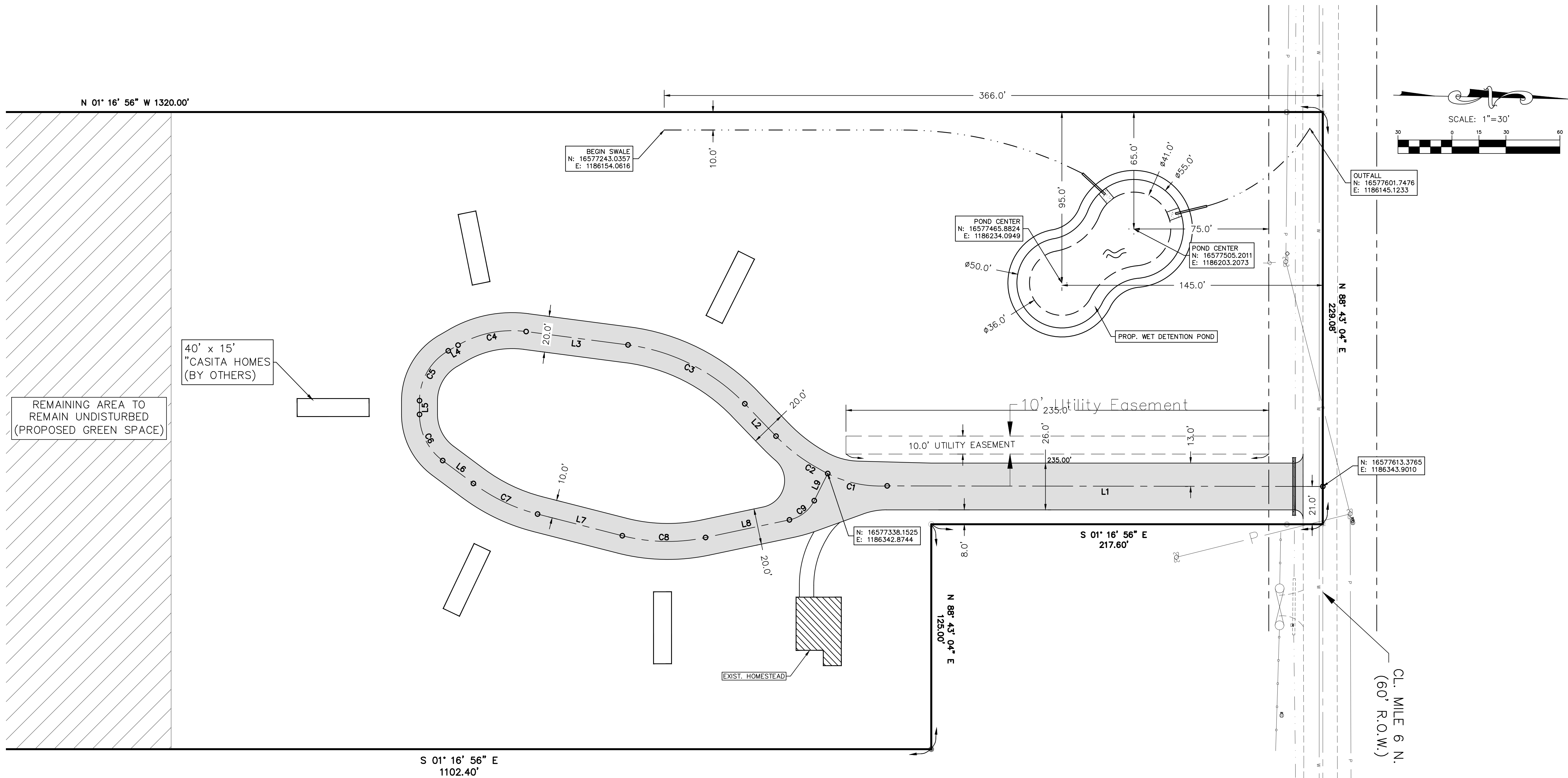
**GMI**  **GUZMAN & MUÑOZ**  
ENGINEERING AND SURVEYING, INC.  
MERCEDES, TEXAS

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REGISTRATION NO.  
10087700**

|             |      |    |    |
|-------------|------|----|----|
| Project No. | P961 |    |    |
| Sheet       | 3    | Of | 11 |





| Line Table: Alignments |        |                  |
|------------------------|--------|------------------|
| Line #                 | Length | Direction        |
| L1                     | 242.10 | S1° 12' 32.41"E  |
| L2                     | 24.99  | S44° 45' 20.05"W |
| L3                     | 57.12  | S6° 10' 41.28"W  |
| L4                     | 6.30   | S31° 18' 48.61"E |
| L5                     | 7.63   | N88° 43' 03.91"E |
| L6                     | 21.29  | N35° 23' 31.39"E |
| L7                     | 48.61  | N13° 03' 26.43"E |
| L8                     | 47.61  | N13° 10' 27.32"W |
| L9                     | 16.84  | N64° 50' 49.17"W |

| Curve Table: Alignments |        |        |                  |         |                 |               |  |
|-------------------------|--------|--------|------------------|---------|-----------------|---------------|--|
| Curve #                 | Radius | Length | Chord Direction  | DELTA   | CHORD DIRECTION | CHORD LENGTH  |  |
| C1                      | 66.12  | 39.75  | S12° 50' 40.99"W | 34.4449 | S12° 50' 41"W   | S12° 50' 41"W |  |
| C2                      | 98.00  | 8.04   | S29° 33' 22.12"W | 4.6987  | S29° 33' 22"W   | S29° 33' 22"W |  |
| C3                      | 110.00 | 74.06  | S25° 28' 00.66"W | 38.5774 | S25° 28' 01"W   | S25° 28' 01"W |  |
| C4                      | 60.00  | 39.26  | S12° 34' 03.67"E | 37.4916 | S12° 34' 04"E   | S12° 34' 04"E |  |
| C5                      | 32.00  | 33.49  | S61° 17' 52.35"E | 59.9687 | S61° 17' 52"E   | S61° 17' 52"E |  |
| C6                      | 32.00  | 29.78  | N62° 03' 17.65"E | 53.3257 | N62° 03' 18"E   | N62° 03' 18"E |  |
| C7                      | 102.00 | 39.76  | N24° 13' 28.91"E | 22.3347 | N24° 13' 29"E   | N24° 13' 29"E |  |
| C8                      | 102.00 | 46.70  | N0° 03' 30.44"W  | 26.2316 | N0° 03' 30"W    | N0° 03' 30"W  |  |
| C9                      | 20.00  | 18.04  | N39° 00' 38.25"W | 51.6727 | N39° 00' 38"W   | N39° 00' 38"W |  |

[illegible]

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**MERCEDES, TEXAS**  
**BLUE BUNTING SUBDIVISION**  
**DIMENSION PLAN**

**GMI** GUZMAN & MUÑOZ  
ENGINEERING AND SURVEYING, INC.  
MERCEDES, TEXAS

2020 E. Expressway 83  
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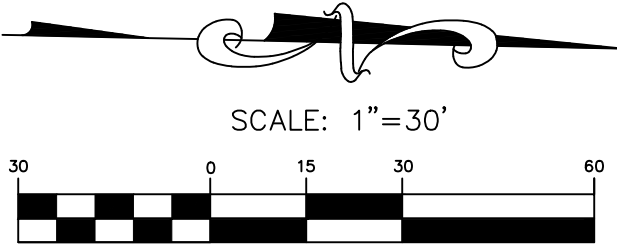
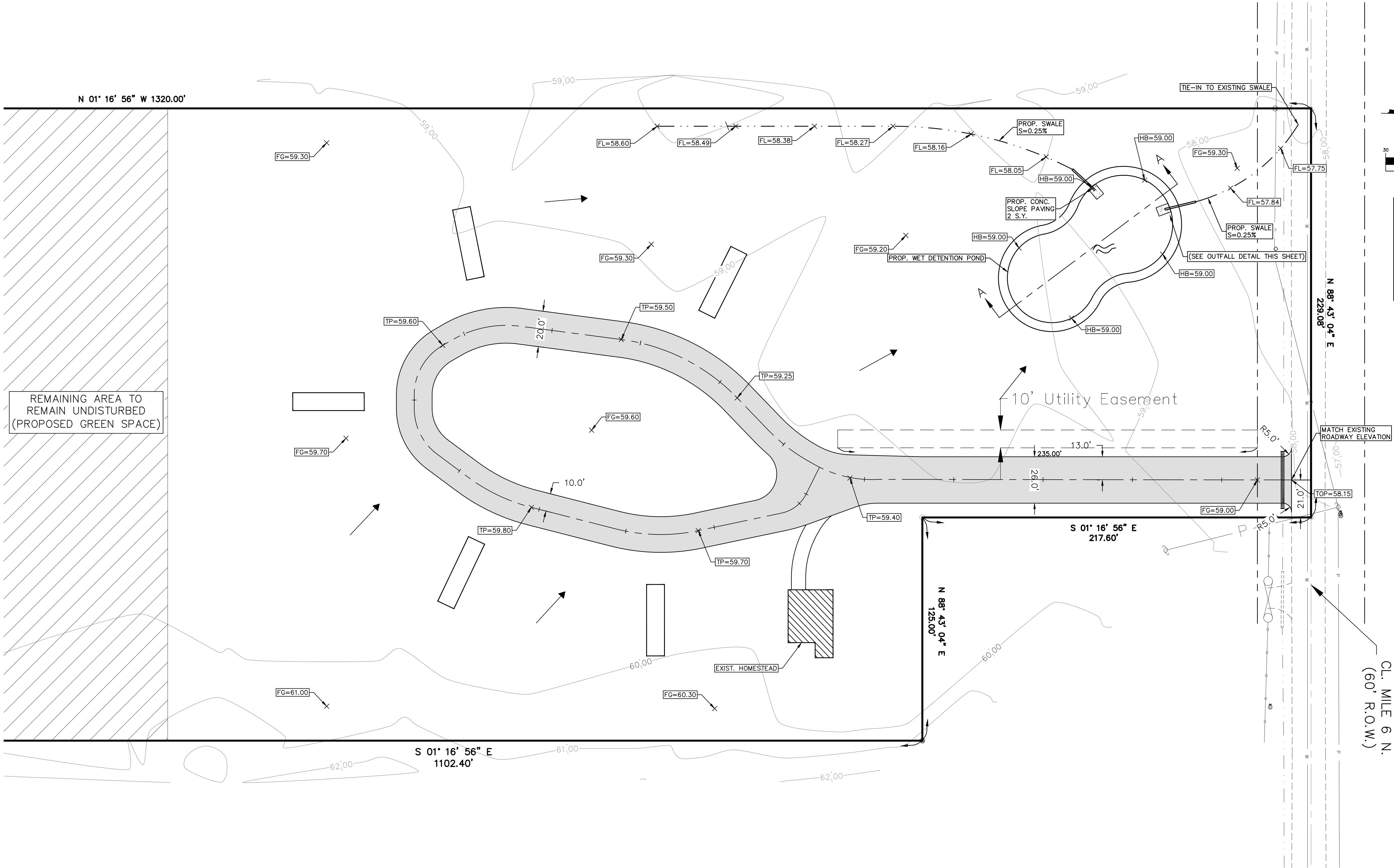
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Project No. P961

Sheet 4 Of 11



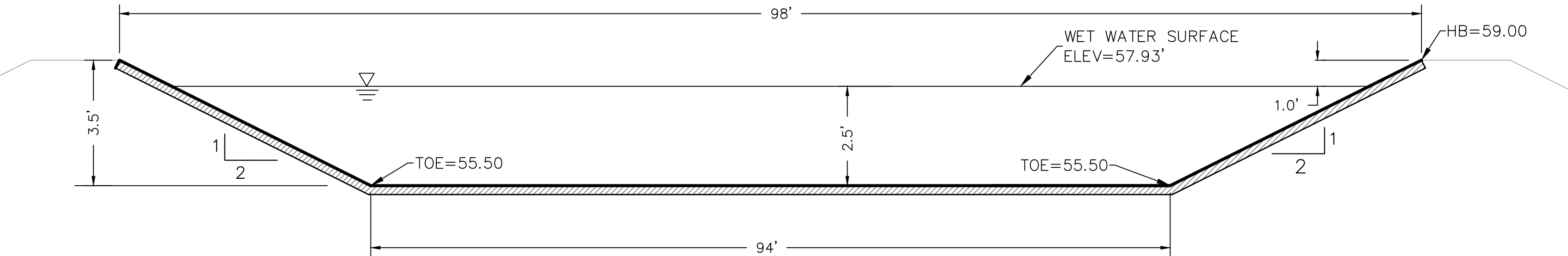
FILE NAME: Z:\GMS-2023\ENGINEERING\HID\MER\P961 ROELGARCIA SUB\DWG\P961 GRADING PLAN.DWG PLOT DATE: June 23, 2023



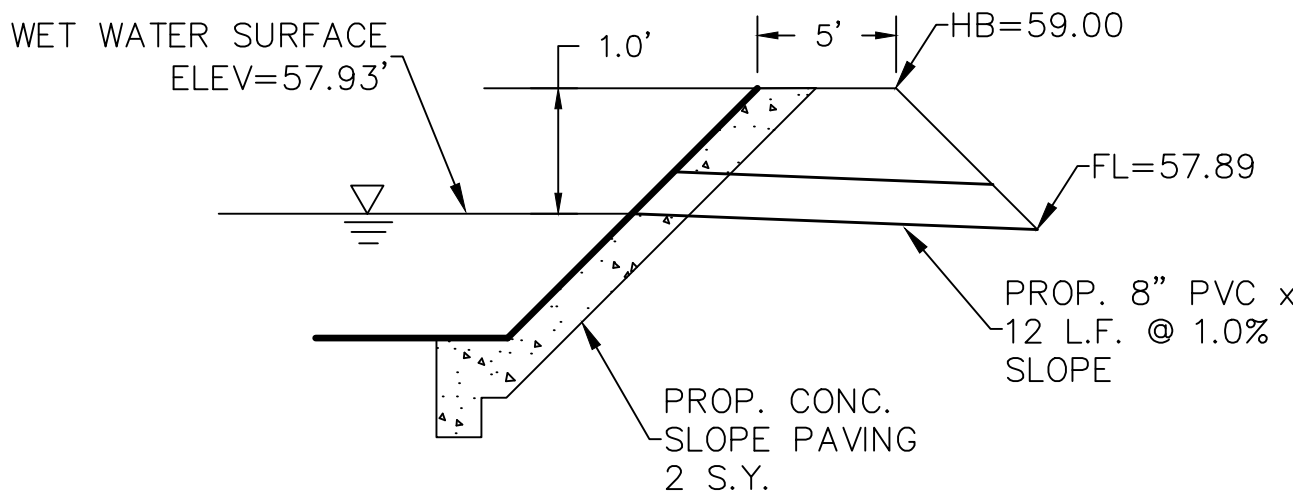
| LEGEND |                                       |
|--------|---------------------------------------|
| FG     | FINISHED GRADE                        |
| FL     | FLOW LINE                             |
| TP     | TOP OF PAVEMENT                       |
| HB     | HIGH BANK                             |
| →      | PROP. SHEET FLOW PATH                 |
|        | HOT MIXED ASPHALTIC CONCRETE PAVEMENT |

| VOLUME SUMMARY      |           |
|---------------------|-----------|
| REQUIRED DETENTION= | 3,763 CF  |
| PROVIDED DETENTION= | 3,839 CF  |
| TOTAL EXCAVATION=   | 13,438 CF |

REMAINING AREA TO  
REMAIN UNDISTURBED  
(PROPOSED GREEN SPACE)



CROSS SECTION  
A-A  
NOT TO SCALE



OUTFALL DETAIL  
NOT TO SCALE

|              |           |
|--------------|-----------|
| Checked By:  | J.L.M.    |
| Approved By: | J.L.M.    |
| Drawn By:    | A.R./J.H. |
| Date:        | JUNE 2023 |

| REVISION | DATE | DESCRIPTION |
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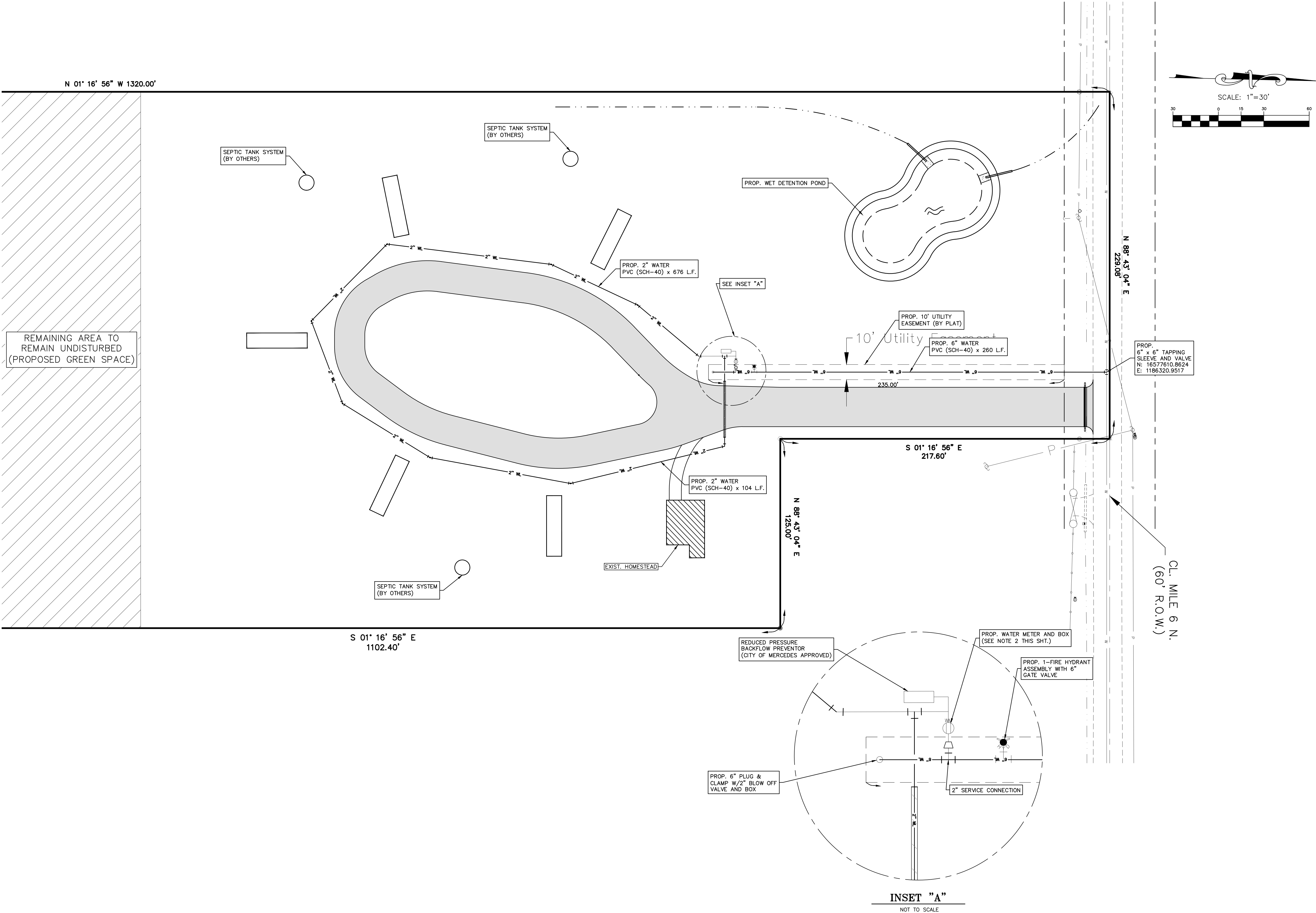
MERCEDES, TEXAS  
BLUE BUNTING SUBDIVISION  
PAVING + GRADING PLAN

**GM GUZMAN & MUÑOZ**  
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|                                                |
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| TBPLS FIRM<br>REGISTRATION NO.<br>10087700     |
| Project No. P961                               |
| Sheet 5 Of 11                                  |





|                     |      |
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| Approved By: J.L.M. |      |
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**MERCEDES, TEXAS**

**BLUE BUNTING SUBDIVISION**

**UTILITY PLAN**

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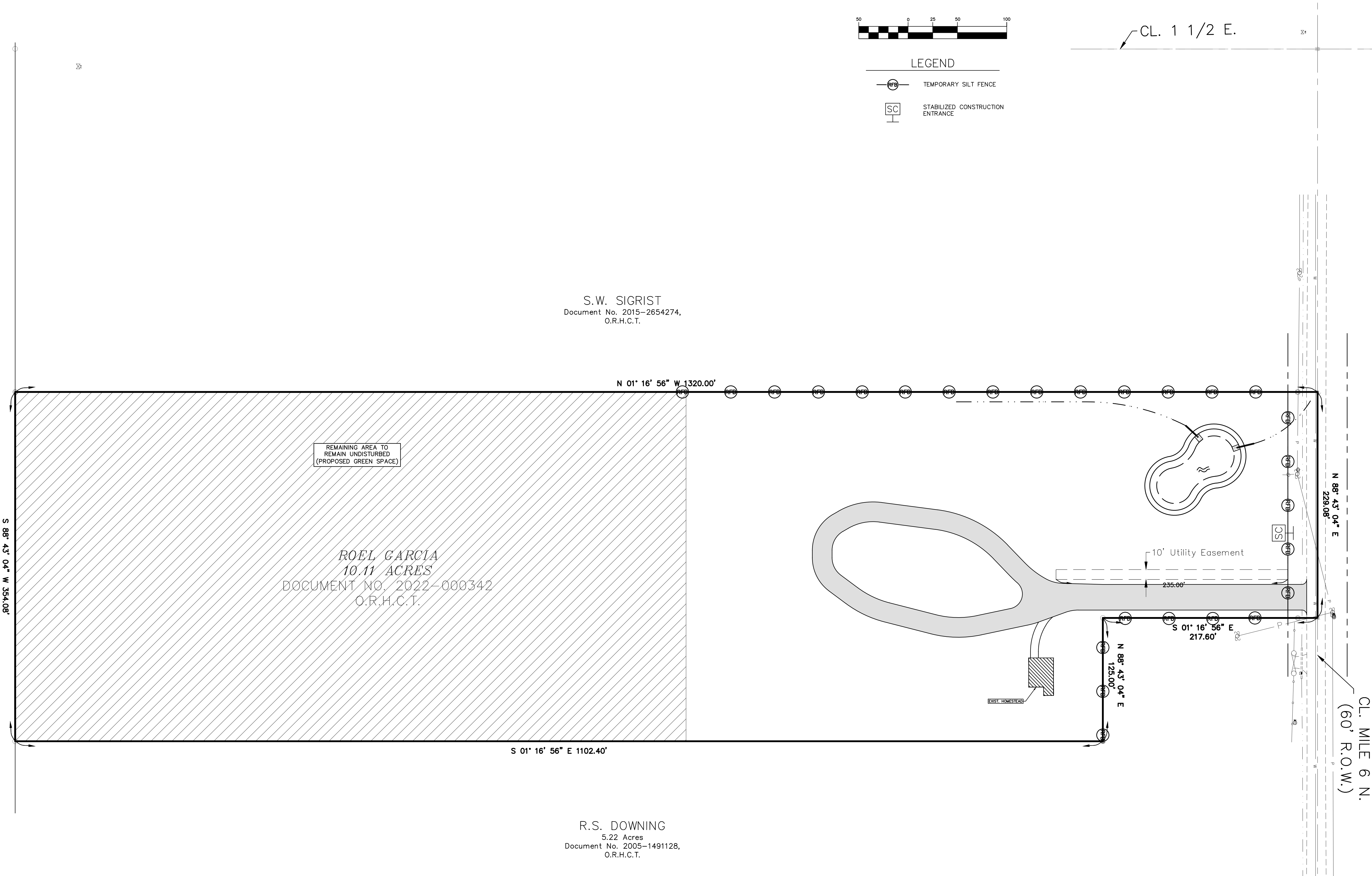
TBPLS FIRM  
REGISTRATION NO.  
10087700

Project No. **P961**

Sheet **6** Of **11**



P PEMELTON  
40.0 Acres  
Vol. 1195, Pg. 565,  
D.R.H.C.T.



|                     |      |
|---------------------|------|
| Checked By: J.L.M.  |      |
| Approved By: J.L.M. |      |
| Drawn By: A.R./J.H. |      |
| Date: JUNE 2023     |      |
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MERCEDES, TEXAS

BLUE BUNTING SUBDIVISION

EROSION CONTROL PLAN

**GM** GUZMAN & MUÑOZ  
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MERCEDES, TEXAS

Phone: (956) 565-4637  
Fax: (956) 565-4636

2020 E. Expressway 83  
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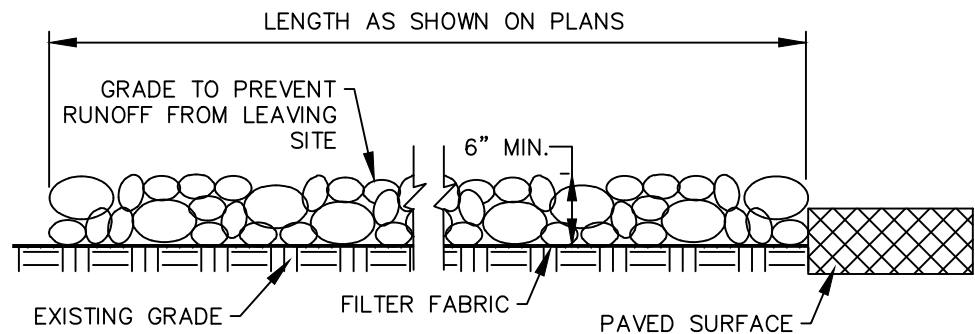
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REGISTRATION NO.  
10087700

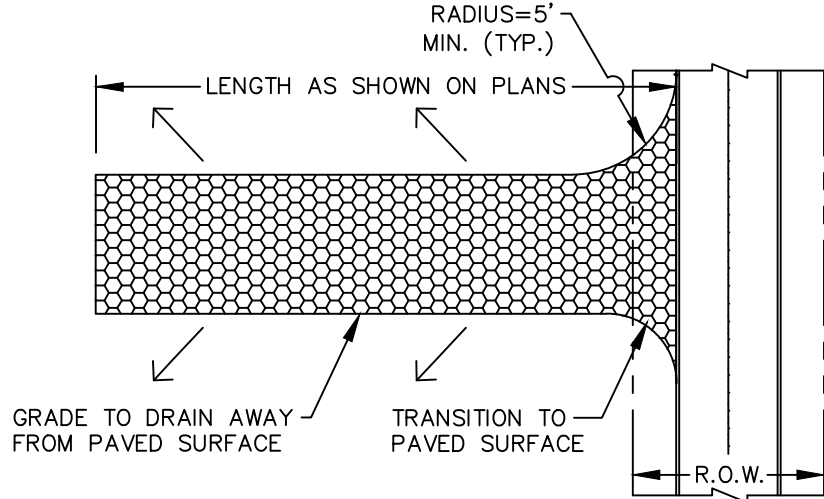
Project No. P961

Sheet 7 Of 11





PROFILE VIEW



PLAN VIEW

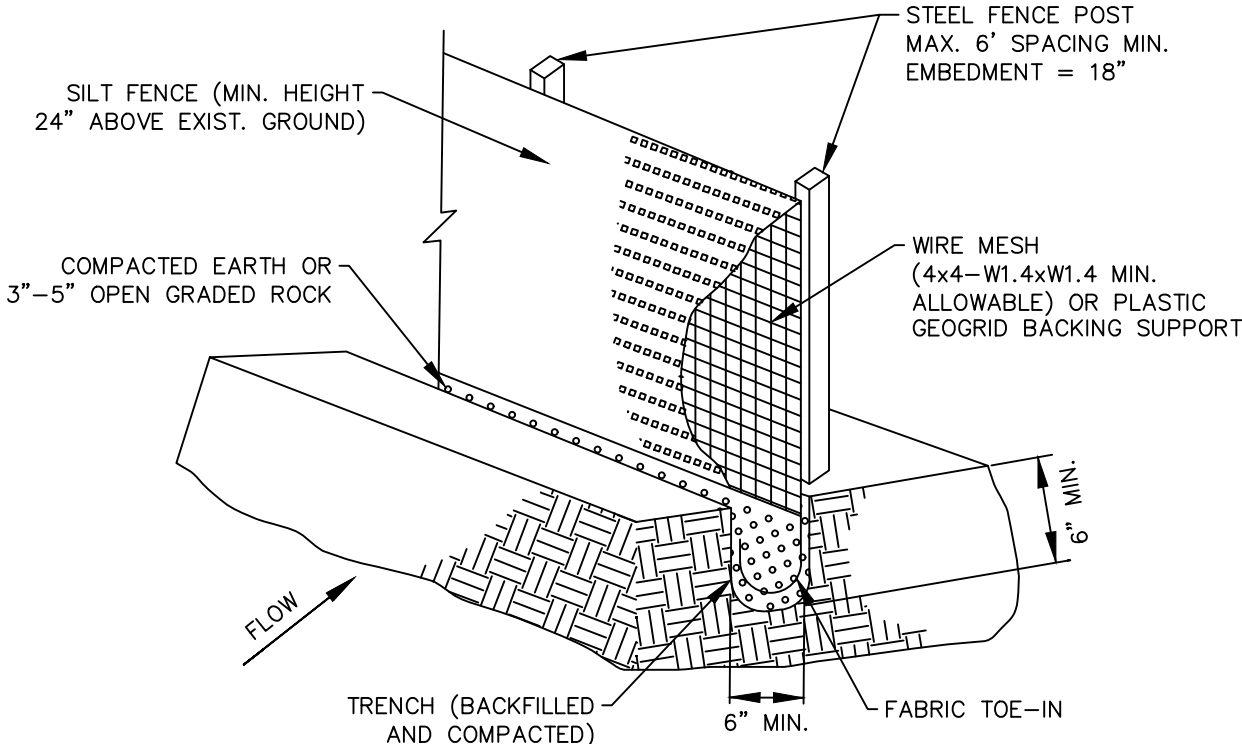
| MINIMUM EXIT DIMENSIONS  |                    |                     |
|--------------------------|--------------------|---------------------|
| DISTURBED AREA           | MIN. WIDTH OF EXIT | MIN. LENGTH OF EXIT |
| < 1 ACRE                 | 15 FEET            | 20 FEET             |
| ≥ 1 ACRE<br>BUT < 5 ACRE | 25 FEET            | 50 FEET             |
| ≥ 5 ACRES                | 30 FEET            | 50 FEET             |

STABILIZED CONSTRUCTION ENTRANCE GENERAL NOTES:

- LIMIT SITE ACCESS TO ONE ROUTE DURING CONSTRUCTION, IF POSSIBLE; TWO ROUTES FOR LINEAR AND LARGER PROJECTS.
- PREVENT TRAFFIC FROM AVOIDING OR SHORTCUTTING THE FULL LENGTH OF THE CONSTRUCTION EXIT BY INSTALLING BARRIERS. BARRIERS MAY CONSIST OF SILT FENCE, CONSTRUCTION SAFETY FENCING, OR SIMILAR BARRIERS.
- DESIGN THE ACCESS POINT(S) TO BE AT THE UPSLOPE SIDE OF THE CONSTRUCTION SITE. DO NOT PLACE CONSTRUCTION ACCESS AT THE LOWEST POINT ON THE CONSTRUCTION SITE.
- STABILIZED CONSTRUCTION EXITS ARE TO BE CONSTRUCTED SUCH THAT DRAINAGE ACROSS THE EXIT IS DIRECTED TO A CONTROLLED, STABILIZED OUTLET ONSITE WITH PROVISIONS FOR STORAGE, PROPER FILTRATION, AND REMOVAL OF WASH WATER.
- THE EXIT MUST BE SLOPED AWAY FROM THE PAVED SURFACE SO THAT STORM WATER FROM THE SITE DOES NOT DISCHARGE THROUGH THE EXIT ONTO ROADWAYS.
- MINIMUM WIDTH OF EXIT SHALL BE 15 FEET.
- THE CONSTRUCTION EXIT MATERIAL SHALL BE A MINIMUM THICKNESS OF 6 INCHES. THE STONE OR RECYCLED CONCRETE USED SHALL BE 3-5 INCHES IN SIZE WITH LITTLE OR NO FINES.
- THE GEO-TEXTILE FABRIC MUST MEET THE FOLLOWING CRITERIA:
  - TENSILE STRENGTH, ASTM D4632 TEST METHOD FOR GRAB BREAKING LOAD AND ELONGATION OF GEO-TEXTILES, 300 LBS.
  - PUNCTURE STRENGTH, ASTM D4833 TEST METHOD FOR INDEX PUNCTURE RESISTANCE OF GEO-TEXTILES, GEO-MEMBRANES, AND RELATED PRODUCTS, 120 LBS.
  - MULLEN BURST RATING, ASTM D3786 STANDARD TEST METHOD FOR HYDRAULIC BURSTING STRENGTH OF TEXTILE FABRICS-DIAPHRAM BURSTING STRENGTH TESTER METHOD, 600 PSI.
  - APPARENT OPENING SIZE, ASTM D4751 TEST METHOD FOR DETERMINING APPARENT OPENING SIZE OF A GEO-TEXTILE, U.S. SIEVE NO. 40 MAX.)
- WHEN NECESSARY, VEHICLES SHALL BE CLEANED TO REMOVE SEDIMENT PRIOR TO ENTRANCE ONTO PUBLIC ROADWAY. WHEN WASHING IS REQUIRED, IT SHALL BE DONE ON AN AREA STABILIZED WITH CRUSHED CRUSHED STONE WITH DRAINAGE FLOWING AWAY FROM BOTH THE STREET AND THE STABILIZED ENTRANCE. ALL SEDIMENT SHALL BE PREVENTED FROM ENTERING ANY STORM DRAIN, DITCH OR WATERCOURSE USING APPROVED METHODS.
- THE ENTRANCE SHALL BE MAINTAINED IN A CONDITION WHICH WILL PREVENT TRACKING OR FLOWING OF SEDIMENT ONTO PAVED SURFACES. THIS MAY REQUIRE PERIODIC TOP DRESSING WITH ADDITIONAL STONE AS CONDITIONS DEMAND. ALL SEDIMENT SPILLED, DROPPED, OR TRACKED ONTO PAVED SURFACES MUST BE REMOVED IMMEDIATELY.

1 STABILIZED CONSTRUCTION ENTRANCE/EXIT

N.T.S.



ISOMETRIC VIEW

SILT FENCE NOTES;

- STEEL POSTS WHICH SUPPORT THE SILT FENCE SHALL BE INSTALLED WITH A SLIGHT ANGLE TOWARD THE ANTICIPATED RUNOFF SOURCE. POST MUST BE EMBEDDED A MINIMUM OF 18".
- THE TOE OF THE SILT FENCE SHALL BE TRENCHED IN WITH A SPADE OR MECHANICAL TRENCHER, SO THAT THE DOWNSLOPE FACE OF THE TRENCH IS FLAT AND PERPENDICULAR TO THE LINE OF FLOW. WHERE FENCE CANNOT BE TRENCHED IN WEIGHT FABRIC FLAP WITH WASHED GRAVEL ON UPHILL SIDE, AS NECESSARY, TO PREVENT FLOW UNDER FENCE.
- THE TRENCH MUST BE A MINIMUM OF 6 INCHES DEEP AND 6 INCHES WIDE TO ALLOW FOR THE SILT FENCE FABRIC TO BE LAID IN THE GROUND AND BACKFILLED.
- SILT FENCE SHOULD BE SECURLY FASTENED TO EACH STEEL SUPPORT POST OR TO BACKING SUPPORT, WHICH IS IN TURN ATTACHED TO THE STEEL FENCE POST. FABRIC SHALL OERLAP AT ABUTTING ENDS A MINIMUM OF 3 FEET AND SHALL BE JOINED SUCH THAT NO BYPASS OR LEAKAGE OCCURS.
- INSPECTION SHALL BE MADE WEEKLY OR AFTER EACH RAINFALL. REPAIR OR REPLACEMENT SHALL BE MADE PROMPTLY AS NEEDED.
- SILT FENCE SHALL BE REMOVED WHEN THE SITE IS COMPLETELY STABILIZED AS NOT TO BLOCK OR IMPEDE STORM FLOW OR DRAINAGE.
- ACCUMULATED SILT SHALL BE REMOVED WHEN IT REACHES A DEPTH OF 6 INCHES. THE SILT SHALL BE DISPOSED OF IN AN APPROVED SITE AND IN SUCH A MANNER AS TO NOT CONTRIBUTE TO ADDITIONAL SILTATION.

2 TEMPORARY SILT FENCE

N.T.S.

|              |           |
|--------------|-----------|
| Checked By:  | J.O.R.    |
| Approved By: | J.O.R.    |
| Drawn By:    | J.H.      |
| Date:        | JUNE 2023 |
| Revision:    | DATE      |
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MERCEDES, TEXAS  
BLUE BUNTING SUBDIVISION  
EROSION CONTROL DETAILS

**GM** GUZMAN & MUÑOZ  
ENGINEERING AND SURVEYING, INC.  
MERCEDES, TEXAS

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2020 E. Expressway 83  
Mercedes, Texas 78570

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ENGINEERING FIRM  
F-8017

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REGISTRATION NO.  
10087700

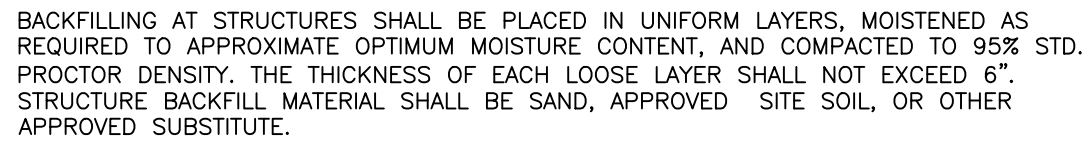
Project No. P-961

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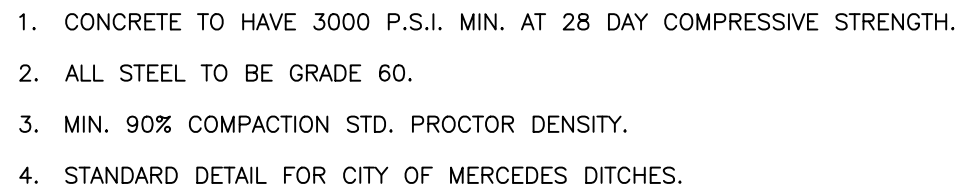








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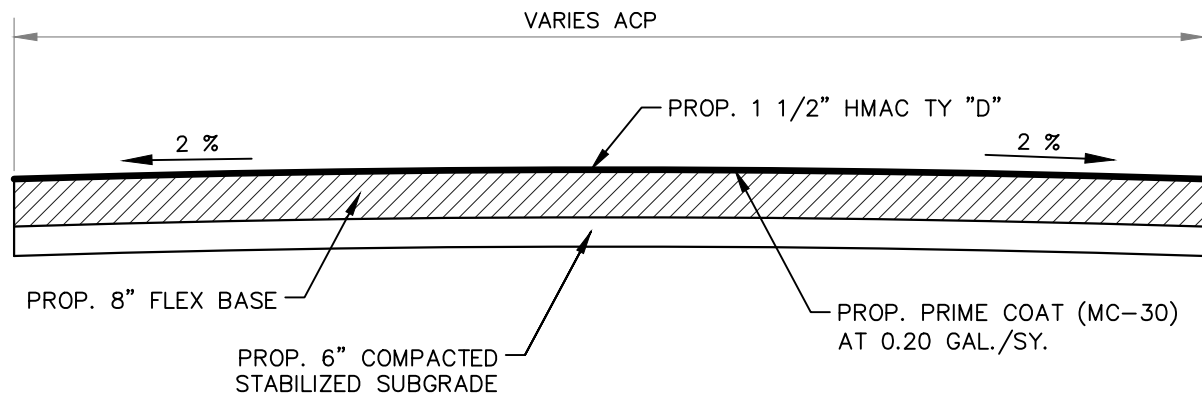
**MERCEDES, TEXAS  
BLUE BUNTING SUBDIVISION**

## DRAINAGE DETAILS

|             |    |      |    |
|-------------|----|------|----|
| Project No. |    | P961 |    |
| Sheet       | 10 | Of   | 11 |

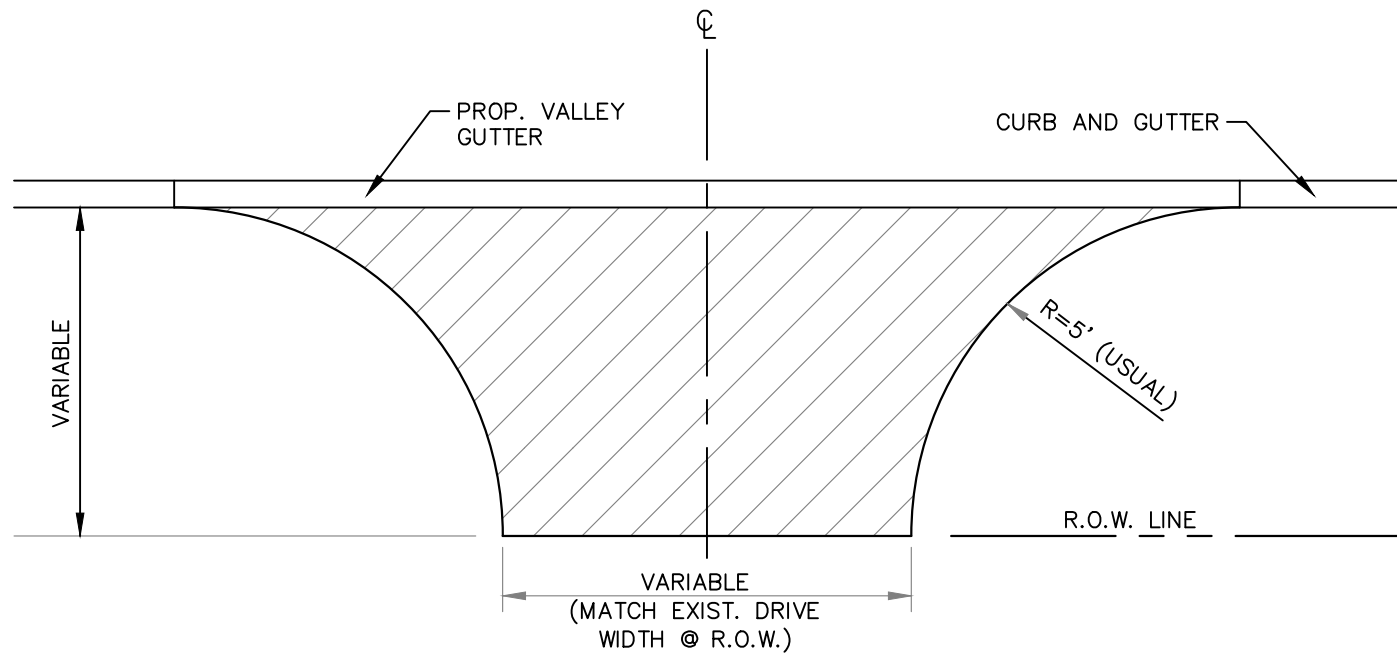


FILE NAME: A:\JUNES-2023\ENGINEERING\JUNES\0981 - RELEGARDA SUBDIVISION\0981 PAVING - MARSHAL DEATHS.DWG PLOT DATE: JUN 23, 2023



PROP. PAVEMENT CROSS-SECTION  
PRIVATE ROAD

N.T.S.



NOTE:

USE 5" THICKNESS FOR CONCRETE DRIVEWAY  
(WITH 6"x 6"x 6 GAUGE WIRE MESH)

USE 1 1/2" HMAc & 6" CALICHE FOR ASPHALT  
DRIVEWAY.

USE 8" REWORKED CALICHE FOR CALICHE DRIVEWAY

PLAN OF PRIVATE DRIVEWAYS

N.T.S.

|                     |  |
|---------------------|--|
| Checked By: J.O.R.  |  |
| Approved By: J.O.R. |  |
| Drawn By: J.H.      |  |
| Date: JUNE 2023     |  |

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|-------------|------|
| Revision:   | DATE |
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| NO.         |      |

**PRELIMINARY**

THIS DOCUMENT IS RELEASED FOR THE PURPOSE OF INTERIM REVIEW UNDER THE AUTHORITY OF JOSE OMAR RODRIGUEZ, P.E. 133529 ON June 21, 2023. IT IS NOT TO BE USED FOR CONSTRUCTION, BIDDING, OR PERMIT PURPOSES.

**MERCEDES, TEXAS**

**BLUE BUNTING SUBDIVISION**

**PAVING AND MARKING DEATILS**

**GM**

**GUZMAN & MUÑOZ**

ENGINEERING AND SURVEYING, INC.

MERCEDES, TEXAS

2020 E. Expressway 83  
Mercedes, Texas 78570

Phone: (956) 565-4637  
Fax: (956) 565-4636

|                                                |          |
|------------------------------------------------|----------|
| TEXAS REGISTERED<br>ENGINEERING FIRM<br>F-8017 |          |
| TBPLS FIRM<br>REGISTRATION NO.<br>10087700     |          |
| Project No.                                    | P961     |
| Sheet                                          | 11 Of 11 |



**Management Items**

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**DATE:** August 19, 2025  
**FROM:** Armando Villela, Parks Director  
**ITEM:** **Discussion and possible action to Approval of appointment(s) of Members to the Keep Mercedes Beautiful Committee**

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**BACKGROUND INFORMATION:** At our most recent meeting on July 21, 2025, Keep Mercedes Beautiful approved two new member applications. We are confident that these new members will contribute meaningfully to our ongoing efforts to enhance our community. As we continue to take on new projects, having more helping hands will be a valuable asset to our mission. The applicants are Ms. Brittany Jones and Mr. Francisco Zamora Jr.

**BOARD REVIEW/CITIZEN FEEDBACK:** On July 21, Keep Mercedes Beautiful unanimously approved the new member applications.

**ALTERNATIVES/OPTIONS:**

**FISCAL IMPACT:** (Total Costs)

**Proposed Expenditure/(Revenue):**  
\$

**Account Number(s):**

**Finance Review by:** Not Applicable

**LEGAL REVIEW:** Not Applicable

**ATTACHMENTS:**

None

**STAFF RECOMMENDATION:** We recommend approval of new members Ms. Brittany Jones and Mr. Francisco Zamora Jr.

**DATE:** August 19, 2025  
**FROM:** Denisse Hernandez, Interim Planning Director  
**ITEM:** **Discussion and possible action to Approval of First Reading of Ordinance 2025-24 amending Building Related Fees Ordinance**

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**BACKGROUND INFORMATION:** The Planning Department has review and update the City's permit fee schedule to reflect current operational costs, improve compliance, and ensure equitable application of fees. The proposed ordinance establishes updated permit fees (such as the Right-of-Way excavation permit, Business License, Manufacture Home Parks, and Building Permit Flat Fees), adds penalties for work that commences without the required permit in order to promote compliance with City regulations, and creates an emergency inspection fee to recover the costs associated with expedited inspection services. In addition, the ordinance updates contractor permit fee regulations to ensure clarity, enforceability, and consistency with current practices, and clarifies refund provisions and guidelines for permit extensions. These amendments are intended to make the permitting process fair, efficient, and financially sustainable while upholding public safety standards.

**BOARD REVIEW/CITIZEN FEEDBACK:**

**ALTERNATIVES/OPTIONS:**

**FISCAL IMPACT:** (Total Costs)

**Proposed Expenditure/(Revenue):**  
\$

**Account Number(s):**

**Finance Review by:** Not Applicable

**LEGAL REVIEW:** Not Applicable

**ATTACHMENTS:**

1. ORDINANCE NO-BUILDING FEES

**STAFF RECOMMENDATION:** Approve the ordinance amending Ordinance No. 2012-01 to update permit fees, establish penalties, create an emergency inspection fee, and update related permitting regulations.

## ORDINANCE NO. 2025-24

**AN ORDINANCE OF THE CITY OF MERCEDES, TEXAS, AMENDING ORDINANCE NO. 2012-01; AMENDING THE CITY OF MERCEDES CODE OF ORDINANCES, APPENDIX, ARTICLE 4; ESTABLISHING UPDATED PERMIT FEES; ADDING PENALTIES FOR WORK COMMENCING PRIOR TO ISSUANCE OF A PERMIT; ESTABLISHING AN EMERGENCY INSPECTION FEE; UPDATING REGULATIONS FOR CONTRACTOR PERMIT FEES; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEALER; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Commission of the City of Mercedes, Texas, finds that it is necessary to periodically review and update the City's permit fee schedule to reflect current costs of services and to ensure fair and equitable application of such fees; and

**WHEREAS**, the City Commission further finds that commencing construction or other regulated work without first obtaining the required permits undermines public safety, compliance, and enforcement, and that penalties should be established to deter such actions; and

**WHEREAS**, the City Commission recognizes the need for an emergency inspection fee to recover costs associated with providing expedited inspection services outside of normal scheduling; and

**WHEREAS**, the City Commission also finds that the regulations concerning contractor permit fees should be updated to ensure they are consistent, enforceable, and reflective of current administrative practices; and

**WHEREAS**, the City Commission has determined that these amendments are necessary and proper to protect the public health, safety, and welfare of the residents of Mercedes, Texas;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF MERCEDES, COUNTY OF HIDALGO, STATE OF TEXAS, THAT:**

### **SECTION I. BUILDING AND CONSTRUCTION PERMIT FEES.**

(a) Schedule of fees. The following fees shall be charged for the work shown. Other fees may be required under other ordinances. In the event that a permit is to be issued for work not shown below, a fee shall be charged based upon a category of work shown which most nearly resembles the work intended. The permit fees listed may be doubled if work is started prior to the permit being issued.

(1) Building permit fees.

(A) Base residential building permit fees.

| Residential Building Permit Fee - Based on Square Feet |                             |
|--------------------------------------------------------|-----------------------------|
| 0-1,200 sq. ft.                                        | \$0.30 cents per square ft. |
| 1,201 - 2,000 sq. ft.                                  | \$0.30 cents per square ft. |
| 2001 sq. ft. and up                                    | \$0.30 cents per square ft. |

- A nonrefundable plan review of \$150.00 shall be assessed to all residential building permit applications at time of submittal.

- (B) Base commercial building permit fees. Commercial building permit fees charged, including Multifamily, for: New construction, additions, alterations, remodels and repairs of a building, shall be based on the current International Code Council building schedule of valuation amounts per square foot of improvement adopted every year.

| Construction Value                     | Fee                                                                                |
|----------------------------------------|------------------------------------------------------------------------------------|
| <b>\$0 and up to \$2,000</b>           | <b>\$65.00</b>                                                                     |
| <b>\$2,001 and up to \$25,000</b>      | <b>\$66.00 for 1st \$2,000<br/>Plus \$13.25 ea. addtl. \$1,000 or fraction</b>     |
| <b>\$25,001 and up to \$50,000</b>     | <b>\$367.25 first \$25,000<br/>Plus \$10.25 ea. addtl. \$1,000 or fraction</b>     |
| <b>\$50,001 and up to \$100,000</b>    | <b>\$605.25 first \$50,000<br/>Plus \$7.25 ea. addtl. \$1,000 or fraction</b>      |
| <b>\$100,001 and up to \$500,000</b>   | <b>\$932.25 first \$100,000<br/>Plus \$5.25 ea. addtl. \$1,000 or fraction</b>     |
| <b>\$500,001 and up to \$1,000,000</b> | <b>\$3,032.25 first \$500,000<br/>Plus \$5.25 ea. addtl. \$1,000 or fraction</b>   |
| <b>more than \$1,000,000</b>           | <b>\$5,263.25 first \$1,000,000<br/>Plus \$3.25 ea. addtl. \$1,000 or fraction</b> |

\*A nonrefundable plan review fee shall be assessed to all commercial and multifamily building (three or more dwelling units in a building), single, and two-family residential building permit applications at the time of submittal. A building permit application is not considered received until the plan review fee has been paid. The nonrefundable plan review fee shall be assessed at 35% of the building permit fee

(2) Contractor permit fees.

- (A) There shall be a license registration fee of one hundred and fifty dollars (\$150.00) for all ~~electrical, plumbing, and mechanical~~ contractors conducting business in the city except for **electrical, plumbing, and mechanical contractors as per Texas Occupations Code, Section 1301.551(g).**

- (B) There shall be a renewal fee of one hundred dollars (\$100.00). ~~for all electrical, plumbing, and mechanical contractors conducting business in the city.~~

(3) Demolition permit fees.

|                                                  |                           |
|--------------------------------------------------|---------------------------|
| 0 to 1,000 sq. ft.                               | \$100.00 + inspection fee |
| Plus for every addtl. 500 sq. over 1,000 sq. ft. | \$20.00                   |
| Inspection fee                                   | \$25.00                   |
| Reinspection fee                                 | \$50.00                   |

(4) Mechanical permit fees. Applies to new or alterations/addition to existing systems

|                                                                             |         |
|-----------------------------------------------------------------------------|---------|
| Base permit fee                                                             | \$45.00 |
| Reinspection                                                                | \$50.00 |
| Heating, ventilation, ductwork, air-conditioning and refrigeration systems: |         |
| 1 ton basis for the first 4 tons (each)                                     | \$6.00  |
| Each ton between 4 and 10 tons                                              | \$3.00  |
| Each ton above 10 tons                                                      | \$1.50  |
| All boilers (based on BTU input)                                            |         |
| 33,000 BTU to 165,000 BTU                                                   | \$5.00  |
| 1650,001 BTU to 330,000 BTU                                                 | \$10.00 |
| 330,001 BTU to 1,165,000 BTU                                                | \$15.00 |
| 1,165,000 BTU to 3,300,000 BTU                                              | \$20.00 |
| Over 3,300,001 BTU                                                          | \$25.00 |
| Emergency inspections:                                                      |         |
| Requested with less than ½ day's notice:                                    | \$30.00 |
| Inspections requested for after 4:30 p.m.:                                  | \$80.00 |

(5) Plumbing permit fees.

- (A) Base permit fee: \$45.00.
- (B) Reinspection fee: \$50.00.
- (C) Each plumbing fixture: \$5.00.
- (D) Floor drain or trap: \$12.00.
- (E) Water heater: \$6.00.
- (F) Installation/repairs of water piping: \$12.00.
- (G) Repair/alt. of drainage or vent piping: \$12.00.
- (H) Vacuum breakers or backflow device
- (I) Installed after install of piping: \$3.00.
- (J) Irrigation/sprinkler system: \$50.00.
- (K) Grease trap: \$25.00.
- (L) Septic tank: \$25.00.
- (M) Emergency inspections:
  - 1. Requested with less than ½ day's notice: \$30.00
  - 2. Inspections requested for after 4:30 p.m.: \$80.00

(6) Gas permit fees.

(A) Base permit fee: \$45.00.

(B) Reinspection fee: \$50.00.

(C) Gas line test: \$30.00.

(D) Gas line repair: \$10.00.

(E) Emergency inspections:

1. Requested with less than ½ day's notice: \$30.00

2. Inspections requested for after 4:30 p.m.: \$80.00

(7) Electrical permit fees.

(A) Base permit fee: \$45.00.

(B) Reinspection fee: \$50.00.

(C) New meter service: \$25.00.

(D) Replace/upgrade meter service: \$20.00.

(E) Reconnect (Residential): \$35.00.

(F) Reconnect (Commercial): \$60.00.

(G) Temporary pole fee: \$15.00.

(H) Working clearance: \$35.00.

(I) Each circuit: \$4.00.

(J) Each motor: \$2.50.

(K) Each sign or decorative light: \$2.50.

(L) Each 220-volt fixture: \$2.50.

(M) Each outlet/light switch: \$0.40.

(N) Emergency inspections:

1. Requested with less than ½ day's notice: \$30.00

2. Inspections requested for after 4:30 p.m.: \$80.00

(8) RES-Check compliance report fees.

(A) Review of RES-check compliance report (Residential): \$20.00.

(B) Review of RES-check compliance report (Nonresidential): \$50.00.



(9) Certificate of occupancy fee. Excludes single-family.

|                       |          |
|-----------------------|----------|
| 0-1,999 sq. ft.       | \$75.00  |
| 2,000 - 4,999 sq. ft. | \$150.00 |
| 5,000 - 7,999 sq. ft. | \$250.00 |
| Over 8,000 sq. ft.    | \$400.00 |

(10) Building permits flat fees:

- (A) Carport: \$150.00
- (B) Deck: \$150.00
- (C) Fence: \$50.00
- (D) Full Remodel: \$300.00
- (E) General Repairs: \$150.00
- (F) Residential re-roof: \$200.00
- (G) Storage Shed: \$50.00
- (H) Residential swimming pool: \$350.00
- (I) Foundations: \$150.00

(11) Administrative fees.

- (A) Reprint of any lost permits: \$30.00.
- (B) Lien processing (any type): \$85.00.
- (C) Conditional use permit: \$200.00.
- (D) Conditional use renewal: \$25.00.
- (E) Rezone: \$300.00.
- (F) Variance: \$250.00.
- (G) Building code variances: \$100.00.
- (H) Business licenses: \$100.00.
- (I) Business licenses renewal: \$80.00
- (J) Subdivision plat fee: \$600, plus a \$30 per lot fee.
- (K) Plat filing fee
  - 1. \$100.00 (10 acres or less).
  - 2. \$150.00 (10 - 50 acres).
  - 3. \$250.00 (50+ acres).

- (L) Replat filing fee: \$250.00.
- (M) Preconstruction conference: \$100.00.
- (N) Materials testing fee: 3.5% of construction cost.
- (O) Development inspection fee: 3% of construction cost.
- (P) Multi-page questionnaire: \$150.00.
- (Q) Zoning verification letter: \$15.00

(R) Letter of compliance: \$15.00

(S) Permit extension: The fee for a permit extension shall be calculated based on the percentage of construction completion as determined by the Building Official.

(12) Health inspections/Code enforcement fees. All health inspections fees are charged yearly and includes quarterly inspections.

- (A) Restaurants/convenience/grocery: \$250.00.
- (B) Bars/lounges: \$250.00.
- (C) Meat and seafood: \$250.00.
- (D) Tortillerias: \$250.00.
- (E) Day-care and group homes: \$250.00.
- (F) Mowing fees per lot up to 1/2 acre plus \$50.00 every 1/2 acre or less there after: \$250.00.

(13) Vendor fees.

- (A) Produce vendors (3 months consecutively): \$100.00.
- (B) Holiday vendors (1-14 days): \$25.00 per day.
- (C) Mobile food vendors (3 months consecutively): \$100.00.
- (D) Event permit: \$75.00 + \$15.00 per booth.
- (E) Benefit fundraiser permit: \$50.00.
- (F) Nonprofit fundraiser permit: \$25.00 (tax exempt certificate).
- (G) Carnival/circus operating permit: \$500.00.
- (H) Carnival set-up inspection fee: \$100.00.

(14) Penalties, work commencing prior to permit issued.

(A) First Violation: Double permit fees

(B) Second and subsequent violations: Four times the permit fee

(C) Other violations (ex. No inspections, concealing work, occupancy without a final, license or registration violation, other code violations as adopted. Each fee is per

occurrence or incidence, per day until corrected.): Any person who commences or proceeds with work for which a permit is required under this Code prior to obtaining such permit shall be subject to a fee equal to twice the amount otherwise specified. Payment of said doubled fee shall not relieve the violator from the obligation to fully comply with all provisions of this Code, nor shall it preclude the imposition of any other civil, administrative, or criminal penalties authorized herein.

**(15) Fee for Expedited Permit Processing**

- (A) Residential expedited permit: \$35.00
- (B) Commercial expedited permit: \$45.00
- (C) New residential construction: 10% of permit fee
- (D) New commercial construction: 10% of permit fee
- (E) Expedited permit for any other permit or license: \$40.00

**(16) Refunds**

- (A) No refund shall be issued unless work has not commenced, the permit remains valid and unexpired, and a written request for refund is submitted. All refunds shall be subject to the approval of the Chief Building Official and the Planning Director. Refunds shall be issued excluding the review application fee, which is non-refundable.
- (b) Investigation fee. Any person who commences any work on any building or structure; or any electrical, gas, plumbing, or mechanical system before obtaining the necessary permits shall be subject to an investigation fee equal to the fee included in the permit fee schedule. The investigation fee shall be in addition to the regular permit fee.
- (1) Contractor registration. It shall be unlawful for any person who is not registered by the city as a sign, concrete, electrical, plumbing, mechanical, irrigations, house moving, fuel tank installer, maintenance worker for apartments (plumbing/mechanical), or general contractor to secure a permit as provided for in this code, except that homeowners may obtain permits to perform work at a residence for which they have a homestead tax exemption and in which they live.
  - (2) Method of registration. To register with the city as a contractor, application shall be made in writing on forms furnished by the building official for that purpose along with the registration fee as required in this section.
  - (3) Contractor registration renewal. Every contractor registration provided for in this code shall expire one year following the date of its issuance and shall be renewed by the building official upon application and upon the payment to the city of the required renewal fee.
- (c) The Planning Director is hereby authorized to establish fees for items, services, or permits not expressly listed in this ordinance when demand or request for such items, services, or permits arises. In cases where no specific permit fee is established for a commercial property, the permit fee shall be calculated based on the total project cost estimate.

**SECTION II. SIGN CONTRACTOR'S LICENSE.**

A license fee in the amount of **\$100.00** shall be assessed for each license to engage in the business of erecting, maintaining, or replacing signs or advertising structures.

### **SECTION III. SIGN PERMIT.**

The applicant for a sign permit shall tender the required fee according to the following schedule:

| <b>Valuation of Sign</b>     | <b>Fee</b>                                                                             | <b>Fee if Electrified</b> |
|------------------------------|----------------------------------------------------------------------------------------|---------------------------|
| <b>\$0.00 - \$100.00</b>     | \$5.00                                                                                 | <b>\$25.00</b>            |
| <b>\$101.00 - \$500.00</b>   | \$10.00                                                                                | <b>\$30.00</b>            |
| <b>\$501.00 - \$1,000.00</b> | \$15.00                                                                                | <b>\$45.00</b>            |
| <b>Over \$1,000.00</b>       | <b>\$15.00 plus \$5.00 for each additional \$1,000.00 valuation or portion thereof</b> | <b>Add \$35.00</b>        |

### **SECTION IV. MOBILE HOME OR TRAVEL TRAILER PARK LICENSE.**

- (a) The annual license fee for each mobile home and/or travel trailer park shall be ~~twenty-five dollars (\$25.00)~~ **two-hundred and fifty dollars (\$250.00)** per year or fraction thereof.
- (b) The fee for the transfer for such license shall be ~~five dollars (\$5.00)~~ **two-hundred and fifty dollars (\$250.00)**.

**SECTION V. CONSTRUCTION, PLACEMENT AND EXCAVATION IN RIGHTS-OF-WAY.**

| Permit Fee Schedule                |                        |                                                                                               |
|------------------------------------|------------------------|-----------------------------------------------------------------------------------------------|
| Permit application fee             | Construction Sq. Ft.   | Fee                                                                                           |
| Excavation/Construction on Sq. Ft. | 0–999                  | \$150.00                                                                                      |
|                                    | 1,000–4,999            | <del>\$20.00</del> \$150.00 for 1st 1,000<br>Plus \$4.00 per each addtl. 1,000 or fraction    |
|                                    | 5,000–9,999            | <del>\$290.00</del> \$467 for 1st 5,000<br>Plus \$4.00 per each addtl. 1,000 or fraction      |
|                                    | 10,000–49,999          | <del>\$500.00</del> \$805 for 1st 10,000<br>Plus \$4.00 per each addtl. 1,000 or fraction     |
|                                    | 50,000 [sic] and above | <del>\$1,700.00</del> \$2,737 for 1st 50,000<br>Plus \$4.00 per each addtl. 1,000 or fraction |
| Expedited application fee          | Additional \$40.00     |                                                                                               |
| Permit application fee             | Boring LF              | Fee                                                                                           |
|                                    | 0–299                  | \$150.00                                                                                      |
|                                    | 300–1,499              | \$150.00 for 1st 300<br>Plus \$4.00 per each addtl. 100 or fraction                           |
|                                    | 1,500–3,499            | \$467.00 for 1st 1,500<br>Plus \$4.00 per each addtl. 100 or fraction                         |
|                                    | 3,500–14,999           | \$805.00 for 1st 3,500<br>Plus \$4.00 per each addtl. 100 or fraction                         |
|                                    | 15,000 and above       | \$2,737.00 for 1st 15,000<br>Plus \$4.00 per each addtl. 100 or fraction                      |

| Street and Sidewalk Damage Fee Schedule                                                                                  |          |              |                 |                 |
|--------------------------------------------------------------------------------------------------------------------------|----------|--------------|-----------------|-----------------|
|                                                                                                                          | Type     | None Fee     | >5 Yrs. Old     | >10 Yrs. Old    |
| For altering, changing, breaking or destroying any hard-surfaced or concrete finished sidewalk, curb, gutter or driveway | Sidewalk | \$2/sqr. ft. | \$2.00/sqr. ft. | \$0.75/sqr. ft. |
|                                                                                                                          | Driveway | \$2/sqr. ft. | \$2.25/sqr. ft. | \$1.00/sqr. ft. |

|                                                                                   | Type   | <5 Yrs. Old                                                                                                                                         | <7 [ <del>&gt;5</del> ] Yrs. Old <10 Yrs. Old | >10 Yrs. Old    |
|-----------------------------------------------------------------------------------|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------|
| For constructing, altering, changing, breaking or destroying any street or avenue | Street | \$6.00/sqr. ft.                                                                                                                                     | \$3.00/sqr. ft.                               | \$2.00/sqr. ft. |
|                                                                                   | Alley  | The city does not pave alleys. However, if caliche or millings are present in the alley, a fee of \$0.75/sqr. ft. will be charged to the permittee. |                                               |                 |

## SECTION VI. Landscaping business fees.

Business permit: \$100.00 per year.

### 2. SEVERABILITY PROVISION

By the adoption of this ordinance, should there be any word, sentence, phrase, and/or expression that may be deemed by a court of competent jurisdiction to be invalid, or legally deleted from the content of his ordinance, it is declared that the remaining portion or portions of this ordinance shall remain fully enabled, active and in full force.

### 3. CUMULATIVE PROVISION

Should there be any existing ordinance, regulation, policy, and/or guideline that may be in conflict with the established regulations of this zoning ordinance, whether in whole or in part, the terms of this ordinance shall be controlling and override any such existing conflict.

### 4. PUBLICATION DATE

Once adopted, the City secretary shall as soon as practicable, forward the caption of this coning ordinance to be published in a newspaper of local circulation.

**READ, DISCUSSED, AND APPROVED ON THIS THE 19TH DAY OF AUGUST IN THE YEAR OF OUR LORD, 2025.**

**1st Reading: August 19, 2025**

**2nd Reading: September 2, 2025**

**CITY OF MERCEDES:**

**Oscar D. Montoya, Mayor**



**ATTEST:**

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**Joselynn Castillo**  
**City Secretary**

**APPROVED AS TO FORM:**

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**Martie Garcia Vela**  
**City Attorney**

**ORDINANCE NO. 2024-22**

**AN ORDINANCE APPROVING THE ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF MERCEDES, THE TAX INCREMENT REINVESTMENT ZONE #2, CITY OF MERCEDES, AND OLIVAREZ ORGANIZATION, LLC; AUTHORIZING EXECUTION OF THE AGREEMENT, AND VARIOUS PROVISIONS RELATED TO THE FOREGOING SUBJECT.**

**WHEREAS**, the City Council of the City of MERCEDES, by adoption of Ordinance No. 2024-22 created Reinvestment Zone Number Two, City of MERCEDES, Texas; and

**WHEREAS**, the Board of Directors of the Reinvestment Zone #2 has approved and recommended approval of the Economic Development Reimbursement Agreement (the “The Agreement”) attached hereto for the development of public infrastructure within said Zone, providing certain reimbursements to OLIVAREZ ORGANIZATION, LLC (the “Developer”) for investments the Developer will make in the TIRZ #2, City of MERCEDES; and

**THEREFORE; BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MERCEDES, TEXAS;**

**Section 1.** That the findings contained in the preamble of this Ordinance are declared to be true and correct and are hereby adopted as part of this Ordinance.

**Section 2.** That Council does hereby find the proposed project cost reimbursements for investments in public infrastructure by the Developer are consistent with the Zone’s Project Plan and Reinvestment Zone financing plan, and are in conformance with the City’s planned development, and also conforms to the requirements set forth in Chapter 311, Texas Tax Code.

**Section 3.** That the Economic Development Reimbursement Agreement attached hereto for Reinvestment Zone Number #2, City of MERCEDES, Texas is hereby approved.

**INTRODUCED AND APPROVED** on the first reading this 5th day of August, 2025.

**APPROVED AND PASSED** on the second reading this 19th day of August, 2025.

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Oscar D. Montoya Sr., Mayor

ATTEST:

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Joselynn Castillo, City Secretary

## ECONOMIC DEVELOPMENT AGREEMENT

**THIS ECONOMIC DEVELOPMENT AGREEMENT** (this “**Agreement**”) is by and among the CITY OF MERCEDES, Texas, a political subdivision of the State of Texas (the “**City**”), TAX INCREMENT REINVESTMENT ZONE NO. 2, CITY OF MERCEDES, TEXAS, a reinvestment zone created by the City pursuant to Chapter 311, Texas Tax Code (“**TIRZ #2**”), OLIVAREZ ORGANIZATION, LLC, a Texas limited liability corporation, both Jointly the Developer (the “**the Developer**”), is entered into on this \_\_\_\_ day of August, 2025 (the “**Effective Date**”). The City, the Developer, and TIRZ #2 may be individually referred to herein as “**Party**” and collectively as the “**Parties**.”

### RECITALS AND FINDINGS

WHEREAS, the Developer owns and is proposing to develop one half of a certain tract of land currently known as Subdivision 16, totaling approximately 78.5 acres, excluding Rights of Way to be improved, in the City’s ETJ (the “**Project Site**”), which is one of two development parcels of land located in TIRZ #2, as shown on the property map contained in **Exhibit A** attached hereto and incorporated herein for all purposes (the “**Property**”), and desires to construct and develop certain residential developments on the entirety of the Property (the “**Project**”); and,

WHEREAS, the City, pursuant to Chapter 311, Texas Tax Code as amended, has : (a) created a tax increment reinvestment zone over the entire Property to facilitate the development of the land, (b) provide certain agreed upon reimbursements to the Developer for the Project funded by the Developer, and (c) seek and approve a participation agreement with the County for participation in the TIRZ #2;

WHEREAS, the City of Mercedes, Texas (the “**City**”) has agreed to participate in tax increment funding for TIRZ #2 by contributing to the tax increment fund for TIRZ #2 seventy percent (70%) of approved *Ad Valorem* Tax Rate each year until December 31, 2059, as set forth in Ordinance No. 2024-22, creating TIRZ #2 City of Mercedes; and,

WHEREAS, Hidalgo County, Texas (the “**County**”) is considering participating in tax increment funding for TIRZ #2 by contributing to the tax increment fund for TIRZ #2 fifty percent (50%) of its Maintenance and Operation Tax Rate , as will be memorialized in that certain Inter-local Agreement Tax Increment Reinvestment Zone #2, to be approved by and between the County and the City, (the “**TIRZ#2 Inter-local Agreement**”); and,

WHEREAS, while portions of the Property may be sold or conveyed to third parties, the Developer shall be responsible for the overall development of the Project and all portions of the Property shall be included under this Agreement;

WHEREAS, the Board of Directors for TIRZ #2 (the “**TIRZ Board**”) and the City Council for the City of Mercedes (the “**City Council**”) each approved and adopted the Project Plan and Reinvestment Zone Financing Plan for TIRZ #2, dated August 5, 2025, (the “**TIRZ Plan**”);

WHEREAS, the Parties desire to provide for the development and financing of the projects set forth below to implement the TIRZ Plan;

WHEREAS, the City Council of the City of Mercedes has found and determined that the construction of the Project will provide the benefit of serving the public interest and welfare and enhancing the economic stability and growth of the City, contribute to the expansion of the City’s tax base, increase mobility by construction of road ways and related infrastructure, facilitate the development of raw land into a master-planned mixed use development;

WHEREAS, the Project is consistent with the City’s economic development objectives to increase taxable property values and taxes in the residential areas of the Project;

WHEREAS, the City agrees to provide financial and development assistance to the Developer through utilization of the TIRZ;

WHEREAS, the TIRZ Board shall possess all powers necessary to implement and monitor the TIRZ Plan as the City Council considers advisable, including without limitation, the submission of an Annual Reimbursement Report [defined in Article III, Section 4(f)];

WHEREAS, the Parties hereto have agreed that the TIRZ #2 shall be responsible for verifying the Developer’s ongoing compliance with the requirements set forth in this Agreement necessary to obtain City payments as detailed herein;

WHEREAS, the Developer have agreed to petition the City for annexation of the land within the TIRZ, and also finance certain agreed upon infrastructure improvements, to develop the master planned mixed use project, and satisfy and comply with certain terms and conditions;

WHEREAS, the Parties agree that the provisions of this Agreement substantially advance a legitimate interest of the City;

WHEREAS, the Parties desire to cooperate in the development of the Project, on the terms and conditions contained herein;

NOW, THEREFORE, for and in consideration of the promises and the mutual agreements set forth herein, the Parties hereby agree as follows:

## **ARTICLE I DEFINITIONS**

- I. “**Affiliate**” means, as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such Person or is a director

or officer of such Person or of an Affiliate of such Person.

- II. **“Annual Payment(s)”** means the periodic payments of Tax Increment Revenue made to the Developer as provided herein, and as set forth in Chapter 311, Texas Tax Code.
- III. **“Base Value”** shall mean the taxable value of the property located within the Property as of January 1, 2024, which amount is deemed to be \$3,083,165;
- IV. **“Captured Appraised Value”** means the total appraised ad valorem value of all real property taxable by the City and located in the Property as of January 1 of any year less the Base Tax.
- V. **“The Developer Interest”** means interest accrued on the actual public improvement costs paid by the Developer at a per annum rate equal to 8.5%. the Developer Interest shall accrue from the later of (i) the Effective Date of this Agreement for all expenditures made related to the creation of the TIRZ #2 or (ii) the date of actual payment by the Developer for expenditures made after the TIRZ #2 creation, and shall continue until such time the Developer receives full payment for the Project Costs (defined in Section 2(a)).
- VI. **“Person”** means any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.
- VII. **“Local Government Corporation”** means a tax exempt not for profit entity created pursuant to Chapter 431, Texas Transportation Code, and authorized by the City through the approval of an agreement to manage the TIRZ on the City’s behalf, and also serve as the debt facility mechanism should the City consent to the sale of tax exempt bonds to finance the Developer reimbursements or other project costs.
- VIII. **“Project Manager”** means the Developer for a project by the Developer or the City for a project by the City.
- XI. **“Tax Increment”** means funds from the amount of ad valorem taxes levied and collected by the City on the Captured Appraised Value of real property located within the Property.
- X. **“Tax Increment Revenue”** means all (i) tax incremental revenues levied and collected from taxable incremental value in the TIRZ #2 x the current City approved *Ad Valorem* Tax Rate x .70, for thirty four (34) years (the duration of the TIRZ #2) and payable to the Developer under this Agreement and (ii) tax incremental revenues levied and collected from the taxable incremental value in

the TIRZ #2 x the current County approved *Ad Valorem* Tax Rate, as set forth in the inter-local agreement approved by both the City and the County for thirty four (34) years (the duration of the TIRZ #2) and payable to the Developer under this Agreement.

- XI. “**Term**” means a term of thirty four (34) years during which the annual Tax Increment Revenue and annual Captured Appraised Value of the Property is calculated and the resulting Annual Payment is disbursed by the City.
- XII. “**Reimbursable Project Costs**” means all costs set forth in Table I—Project Plan and Reinvestment Zone Financing Plan for TIRZ #2 and in **Exhibit B** of this Agreement, which costs are currently estimated to be \$91,262,781.

## ARTICLE II THE PROJECT

- 1. Development of the Project. The Project is to be constructed in two phases consisting of residential development and limited multifamily development, each phase must be in accordance with the Developer’s Master Plan, and as reflected in the project plan and the approved City Plat.
- 2. Project Costs & Improvements for Subdivision 16.
  - (a) One half of the TIRZ #2 improvements set forth in **Exhibit B**, related to Subdivision 16, and including 1/4 of the estimated Interest costs, and 1/4 of the TIRZ administration costs, as set forth in the TIRZ #2 project plan attached hereto and incorporated herein for all purposes (collectively, the “**Project Improvements**”) , together with the costs of the construction of such Project Improvements including, without limitation, all costs incurred in connection with obtaining governmental approvals, certificates, and permits and all costs of engineering, testing and inspection required in connection with the construction of the improvements, and including the costs of creation of the Zone shall be referred to herein as the “**Project Costs**.”, currently estimated to be \$21,053,228 including estimated interest.
  - (b) The Developer shall design, permit and construct the public roads as approved by the City and shall dedicate them, as such, to the City upon their completion. All such public roads accepted by the City shall thereafter be owned and maintained by the City.
  - (c) The Developer shall construct and install all reasonable and necessary traffic control devices (including signs) within the Project as required by the City, the County or other appropriate Party with jurisdiction. All such traffic control devices (including

signs) shall thereafter be operated and maintained by the City, the County or other appropriate Party with jurisdiction.

- (d) In the event that City and the Developer mutually agree to the elimination or modification of any improvement listed as a component of the Project Costs, then the Parties may mutually agree, in writing, to modify, eliminate, amend or re-apportion the Project Costs in question.
- 3. Cost of Improvements to be Funded by the Developer. Unless otherwise agreed to by the Parties in writing, the Developer shall promptly pay (or cause to be paid) all Project Costs of constructing the Project Improvements including, without limitation: (i) all costs of design, engineering, materials, labor, construction, permitting, testing and inspection, arising in connection with the construction of the Project Improvements (except for those items which may be contested in good faith by The Developer); (ii) all payments arising under any contracts entered into for the construction of the Project Improvements (except for those items which may be contested in good faith by The Developer); (iii) land costs for land dedicated as public rights of way at fair market value; (iv) all financing costs and fees associated with the Project Improvements, including legal fees. The City *shall not be liable* to any contractor, engineer, attorney, material man, laborer, or other party employed by or on behalf of the Developer, its affiliates or designees, as the case may be, in connection with the construction of the Project Improvements.

### ARTICLE III PUBLIC FINANCIAL CONTRIBUTION

- 1. City Payments to The Developer.
  - (a) In consideration of the City entering into this Agreement and providing for Annual Payments to the Developer under the terms and conditions set forth herein, as further described in more detail throughout this Agreement, the Developer agrees that it, along with its affiliates and any of the Developer's current or future successors or assigns to the Project Site, in whole or in part, shall design, permit and construct the Project Improvements in accordance with the City or County codes, as applicable.
  - (b) The Annual Payments made by the City to the Developer shall be paid solely from the *ad valorem* tax incremental revenues collected in the TIRZ #2 for the prior tax year, and including any prior year reconciliations. Each Annual Payment shall be an amount equal to the total Tax Increment Revenue collected based on the following formula: (i) for the City-- Prior Tax Year Certified Taxable Value, Less Base Value / \$100 x the Current City Tax Rate x 70% and (ii) for the County—all Incremental Revenues remitted by the County to the City pursuant to the TIRZ #2 Interlocal Agreement. The Annual Payments shall be paid annually to The Developer by the City no later than June 1, beginning in the first calendar year after The Developer receives



its first acceptance by the City of the completion of the Project Improvements in the first subdivision platted, improved and completed by The Developer and continuing each year thereafter until the earlier of: (i) the date the City has fully paid all Reimbursable Project Costs and the Developer Interest to the Developer or Lender (defined below), as applicable, in an amount currently estimated to be \$21,053,228 (1/2 of development costs for Subdivision 16), including estimated interest payments, and as reflected in Table 1, Project Plan and Reinvestment Finance Plan, and as computed pursuant to Section II, 2 (a) of this agreement, or (i) the completion of the Term of TIRZ #2. The total reimbursement will be based on actual expenditures for approved project costs based on an independent audit.

- (c) The Developer may assign revenues received pursuant to this Agreement to a lender to collateralize a loan to further the development within the TIRZ, subject to the consent of the City, which consent shall not be unreasonably withheld. The terms of any borrowing shall be exclusively determined by negotiation between the Developer and the Lender.
- 2. Annual Payment Administration. The Parties hereby agree and consent that all Annual Payments shall be paid directly by the City to the Developer or, if applicable, a Local Government Corporation (LGC) created to managed the TIRZ on behalf of the City. Once any Annual Payment (or portion thereof) is delivered by the City to the Developer, or the LGC, the City shall have no further obligation to the Developer as it relates to the annual tax incremental revenues. Total payment to The Developer shall be based on the total audited costs of the Developer for those Project Costs as reflected in Table One of the Zone's approved Project Plan, as may be amended from time to time.
- 3. Project Quality. As consideration for City's obligation to pay the Developer, the Developer agrees to construct the Project to the standard of quality as required by the City and the County for typical infrastructure constructed in residential and commercial projects.
- 4. Process for Project Development and Distribution of The Developer Reimbursement Requests.
  - (a) Before initiating each phase of the Project, the Developer shall make a presentation to the TIRZ Board. Such presentation shall specify: (i) the phase to be initiated, (ii) the estimated cost to design and construct such phase, including any Project Costs, and (iii) the estimated time to complete such phase.
  - (b) Periodically, and no less than twice a year, the Developer shall provide reports regarding the progress of construction of the Project Improvements and the Developer's payment of Project Costs. The Developer shall allow the City and/or TIRZ Board reasonable access to the Project for inspections during all phases of construction.
  - (c) Upon completion of construction of the public infrastructure, any applicable interest in the real property upon which the public improvement is constructed shall be conveyed to

the City or other public entity responsible for operation and maintenance of such completed work, and the City will accept the same upon the completion thereof in accordance with approved plans and specifications. The Developer shall, at its own costs and expense, maintain or cause to be maintained, the completed work until acceptance by the City, as evidenced by written acceptance by the appropriate City administrator, and for one (1) year after said acceptance.

- (d) The Developer will work with the TIRZ/ Redevelopment Authority administrator to have an independently prepared agreed upon procedures report (AUP) of the Developer reimbursable project costs this this Agreement and costs in the approved project plan and reinvestment zone financing plan prepared for submission to the Board of Directors of the TIRZ for approval.
- (e) Upon approval of the Reimbursement Report by the TIRZ Board for the particular Project phase(s) completed at that time, the reimbursements shall become an obligation of the TIRZ and shall be payable from the available funds or bonds in accordance with t h i s Agreement.
- (f) The Developer agrees that imputed administration costs in the amount of up to five percent (5%) of the Annual Payment may be retained by the City, and deduction from the Annual Payment made by the City to the Developer (the "**Administrative Costs**").

#### ARTICLE IV MISCELLANEOUS PROVISIONS

- 1. Default; Remedies.
  - (a) Unless otherwise provided herein, any Party to this Agreement that believes that the other Party to this Agreement has defaulted in the performance of any condition, term, or obligation owed to that Party under this Agreement shall within twenty (20) business days after discovery of said default, give written notice of the default to the defaulting Party, specifying in detail the provision or provisions of this Agreement that have allegedly been breached and what specific action must be taken to cure or correct the default. Should the Party receiving the notice fail to commence action to correct the default within thirty days, and/or thereafter fail to diligently pursue the completion of the action to correct the default, the Party giving the notice of default may declare the defaulting Party in default. In addition to any other right or remedy available to the Parties under this Agreement, in the event that a Party is declared in default, the complaining Party shall have the right (but not the obligation), in its sole discretion, to exercise its rights with regards to mandamus, specific performance or mandatory or permanent injunction to require the Party alleged to have defaulted or breached to perform.
  - (b) In the event that the Developer is in default, the City shall not be obligated to make Annual Payment(s), or any portion thereof, to the Developer unless and until the

default has been cured to the reasonable satisfaction of the City. In the event that the Developer fails to: (i) diligently pursue the completion of the action to correct the default as determined in the City's reasonable discretion, on the timeline established by the City Council; and (ii) such default remains on going six (6) months from the date of the cure deadline established by the City Council pursuant to this section, this Agreement may be terminated or suspended.

- (c) Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Section or pursuant to the provisions of any other Section of this Agreement will constitute an election of remedies; and all remedies set forth in this Agreement will be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the Parties has the affirmative obligation to mitigate its damages in the event of a default by the other Party.
  - (d) Notwithstanding anything in this Agreement which is or may appear to be to the contrary, if the performance of any covenant or obligation to be performed hereunder by any party, except for a delay in payment of the Annual Payment, is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending or threatened litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions [such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures, or tornadoes], labor action, strikes or similar acts) or pandemics, including without limitation, Covid 19, the time for such performance shall be extended by the amount of time of such delay ("**Force Majeure**").
- 2. Separate Status. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in their respective businesses or otherwise, nor shall it cause them to be considered joint ventures or members of any joint enterprise.
  - 3. Construction and Interpretation.
    - (a) Whenever required by the context of this Agreement, (i) the singular shall include the plural, and vice versa, and the masculine shall include the feminine and neuter genders, and vice versa, and (ii) use of the words "including", "such as", or words of similar import, when following any general term, statement or matter, shall not be construed to limit such statement, term or matter to specific terms, whether or not language of non- limitation, such as "without limitation", or "but not limited to", are used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest scope of such statement, term or matter.

- (b) The captions preceding the text of each article and section of this Agreement are included only for convenience of reference. Captions shall be disregarded in the construction and interpretation of this Agreement. Capitalized terms are also selected only for convenience of reference and do not necessarily have any connection to the meaning that might otherwise be attached to such term in a context outside of this Agreement.
- (c) This Agreement may be executed in several counterparts; each of which shall be deemed an original. The signatures to this Agreement may be executed and notarized on separate pages, and when attached to this Agreement shall constitute one (1) complete document.

4. **Indemnification ; Errors, Omissions, Negligent Acts, Legal Fees**

**The Developer shall save and hold harmless the City of Mercedes, and its officers and employees, the City's Tax Increment Reinvestment Zone directors and employees, and it's authorized and overlayed Local Government Corporation directors and employees from all claims and liability due to activities of itself, its agents, or employees, performed under this contract and which are caused by or result from error, omission, or negligent act of the Developer or of any person employed by the Developer. Such indemnity shall include but not limited to, attorney fees which may be incurred by the City of Mercedes in litigation or otherwise resisting said claim or liabilities which may be imposed on the City as a result of such activities by the Developer, their agents, or employees.**

- 5(a) Actions Performable. The Parties agree that all actions to be performed under this Agreement are performable solely in City of Mercedes, Texas.
- (b) Assignability. Performance by the Developer and TIRZ #2 under the terms and conditions of this Agreement are deemed personal and, as such, any attempt to convey, assign or transfer those duties and obligations without the prior written approval and consent by the City are void except for (i) assignments and partial assignments of this Agreement by the Developer to any Affiliate of the Developer, which are expressly permitted, (ii) assignments and partial assignments of this Agreement by the Developer to third parties to whom the Developer has sold land within the Project and provided written notice to the City and TIRZ #2 of same, and (iii) Collateral Assignments [defined in Article V below] and Security Agreements [defined in Article V below] of this Agreement to Lender and other security interests granted under the Loan Documents for the benefit of Lender, which are all expressly permitted hereunder.
- (c) Severability. If any provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction, the entire Agreement shall not be void; but the remaining provisions shall continue in effect as nearly as possible in accordance with the original intent of the Parties.

- (d) Complete Agreement. This Agreement represents the complete agreement of the Parties with respect to the subject matter hereof and supersedes all prior written and oral matters related to this Agreement. Any amendment to this Agreement must be in writing and signed by all Parties hereto or permitted or approved assignees.
- (e) Exhibits. All exhibits attached to this Agreement are incorporated herein by reference and expressly made part of this Agreement as if copied verbatim.
- (f) Notice. Any notice or demand, which either the City or the Developer is required to or may desire to serve upon the other, must be in writing, and shall be sufficiently served if (i) personally delivered, (ii) sent by registered or certified mail, postage prepaid, or (iii) sent by commercial overnight carrier, and addressed to:

If to the City:

City of Mercedes, Texas  
Attn: City Manager  
400 S. Ohio Street  
Mercedes, Texas 78570

If to the Developer:

Olivarez Organization LLC  
ATTN: Joe Olivarez  
P.O. Box 1667  
614 N. Texas Blvd  
Weslaco, Tx 78596

If to the TIRZ:

Bill Calderon  
Calderon Economic Development Strategies LLC  
5523 Spellman Road  
Houston, Texas 77096

or such other address or addresses which any Party may be notified in writing by any other Party to this Agreement.

Such notice shall be deemed to have been served (a) five (5) business days after the date such notice is deposited and stamped by the United States Postal Service, except when lost, destroyed, improperly addressed or delayed by the United States Postal Service, or (b) upon receipt in the event of personal service, or (c) the first business day after the date of deposit with an overnight courier, except when lost, destroyed, improperly addressed or delayed by the courier, or (d) the date of receipt by facsimile (as reflected by electronic confirmation); provided, however, that

should such notice pertain to the change of address to any of the Parties hereto, such notice shall be deemed to have been served upon receipt thereof by the Party to whom such notice is given.

(g) Force Majeure. The Parties agree that the obligations of each Party shall be subject to Force Majeure.

(h) Forum Selection. This Agreement and the relationship between the Parties hereto shall be governed and interpreted under the laws of Texas without regard to any conflict of laws provision. Venue for any suit arising out of any relationship between the Parties hereto shall exclusively be the appropriate court in the City of Mercedes, Texas. The Parties specifically consent to and waive any objections to, in personam jurisdiction in City of Mercedes, Texas.

6. Effective Date. This Agreement shall be binding and take effect only upon all Parties signatures hereto, attachment of all required exhibits, and receipt by the City of a fully executed copy hereof. For the purposes of timetables provided in this Agreement, the Effective Date shall be the date first above written.

7. Preamble. The findings of fact, recitations and provisions set forth in the preamble to this Agreement are true and are adopted and made a part of the body of this Agreement, binding the Parties hereto, as if the same were fully set forth herein.

8. Representations. The City and TIRZ #2 represent and warrant to the Developer that the City and TIRZ #2 are duly authorized and empowered to enter into this Agreement, subject to the terms and conditions contained herein, and have the legal right to reimburse the Developer as provided in this Agreement. The Developer represents and warrants to the City and TIRZ #2 that it has the right to enter into this Agreement and is a proper party to this Agreement.

9. Signature Warranty Clause. The signatories to this Agreement represent and warrant that they have the right to execute this Agreement on behalf of the City, TIRZ #2, and the Developer, respectively.

10. Legal Contest. This Agreement is entered into in accordance with applicable law as understood by the Developer, the TIRZ #2, and the City. In the event any part, provision or paragraph thereof shall become unenforceable by reason of judicial decree or determination the Parties hereto mutually agree to the extent possible to ensure that all other provisions of this Agreement, including the intent of this Agreement be honored and performed.

11. Conflicts with Ordinances. The Parties agree that any City and/or TIRZ #2 ordinance, or regulation by any other agency over which the City and/or TIRZ #2 has control, whether heretofore or hereafter adopted, that addresses matters that are covered by this Agreement shall not be enforced by the City and/or TIRZ #2, and that the provisions of this Agreement govern development of the Property and supersede any ordinance or regulation heretofore or hereafter adopted regarding the matters discussed herein.

12. Survival. The covenants and agreements of the Parties set forth in this Agreement shall terminate and expire upon of earlier of (i) when the City, on behalf of itself and the County, has paid all Reimbursement Project Costs and the Developer Interest to the Developer, or (ii) December 31, 2059; provided, that the Developer's obligation to indemnify and hold harmless the City and TIRZ #2 shall survive the termination and expiration of this Agreement.

13. Amendment. Any term of this Agreement may be amended or waived only by an instrument in writing and signed by all Parties hereto. Notwithstanding the foregoing, so long as a Lender or its successors or assigns have any liens and/or security interest covering the Property and/or this Agreement, including without limitation, by a Deed of Trust [defined Article V (1) below] covering all or a portion of the Property, and/or a Security Agreement and/or Collateral Assignment covering this Agreement and/or the Other Agreements [defined in Article V (1) below], there shall be no amendments, revisions or corrections to this Agreement without the prior written consent of Lender, which may be withheld in the Lender's sole discretion.

14. Time and Business Days. Time is of the essence for the performance of any obligation under this Agreement. If any date or period for performance provided for herein ends on a Saturday, Sunday, or legal holiday of the City of Mercedes, Texas, then the applicable date or period will be extended to the first day following such Saturday, Sunday, or legal holiday. A business day is defined herein as any day that is not a Saturday, Sunday or legal holiday of the City of Mercedes, Texas.

**[SIGNATURE PAGES FOLLOW]**



IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in multiple copies, each of equal dignity, as of the date and year set forth on the first page hereof.

**City of Mercedes, TEXAS**

BY: \_\_\_\_\_  
OSCAR MONTOYA, MAYOR

Date: \_\_\_\_\_

**TAX INCREMENT REINVESTMENT ZONE NO.  
TWO, City of Mercedes, TEXAS,**

a reinvestment zone created by the City of Mercedes, Texas  
pursuant to Chapter 311 of the Texas Tax Code

BY: \_\_\_\_\_  
Chairman of the Board of Directors

Date: \_\_\_\_\_

Olivarez Organization LLC  
P.O. Box 1667  
614 N. Texas Blvd  
Weslaco, Tx 78596

By: \_\_\_\_\_  
Joe Olivarez,

### CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS           §  
COUNTY OF HIDALGO    §

This instrument was acknowledged before me by OSCAR MONTOYA, Mayor, for the City of Mercedes, Texas, a municipal corporation of the State of Texas, on behalf of said corporation, this \_\_\_\_\_ day of JANUARY, 2025.

\_\_\_\_\_  
Notary Public, State of Texas

### CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS           §  
COUNTY OF HIDALGO    §

This instrument was acknowledged before me by OSCAR MONTOYA Chairman of the Board of Directors, for Tax Increment Reinvestment Zone No. TWO, City of Mercedes, Texas, a reinvestment zone created by the City of Mercedes, Texas pursuant to Chapter 311 of the Texas Tax Code, on behalf of said reinvestment zone, this \_\_\_\_\_ day of JANUARY, 2025

\_\_\_\_\_  
Notary Public, State of Texas

### ACKNOWLEDGMENT

STATE OF TEXAS           §  
COUNTY OF HIDALGO    §

This instrument was acknowledged before me on JANUARY \_\_\_\_\_, 2025 by JOE OLIVAREZ AS \_PRESIDENT OF OLIVAREZ ORGANIZATION, a Texas limited liability corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

EXHIBIT A

PROPERTY MAP

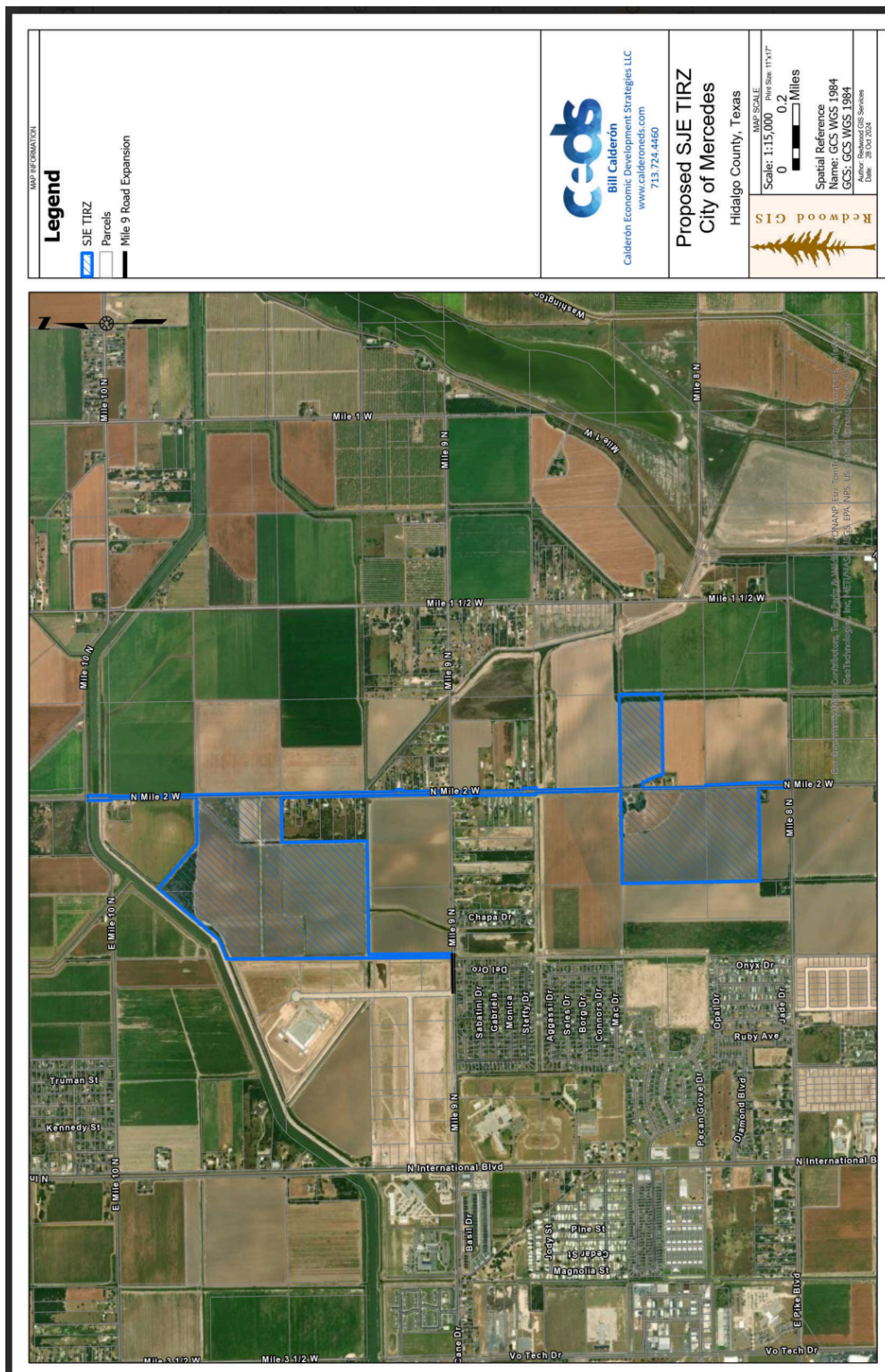


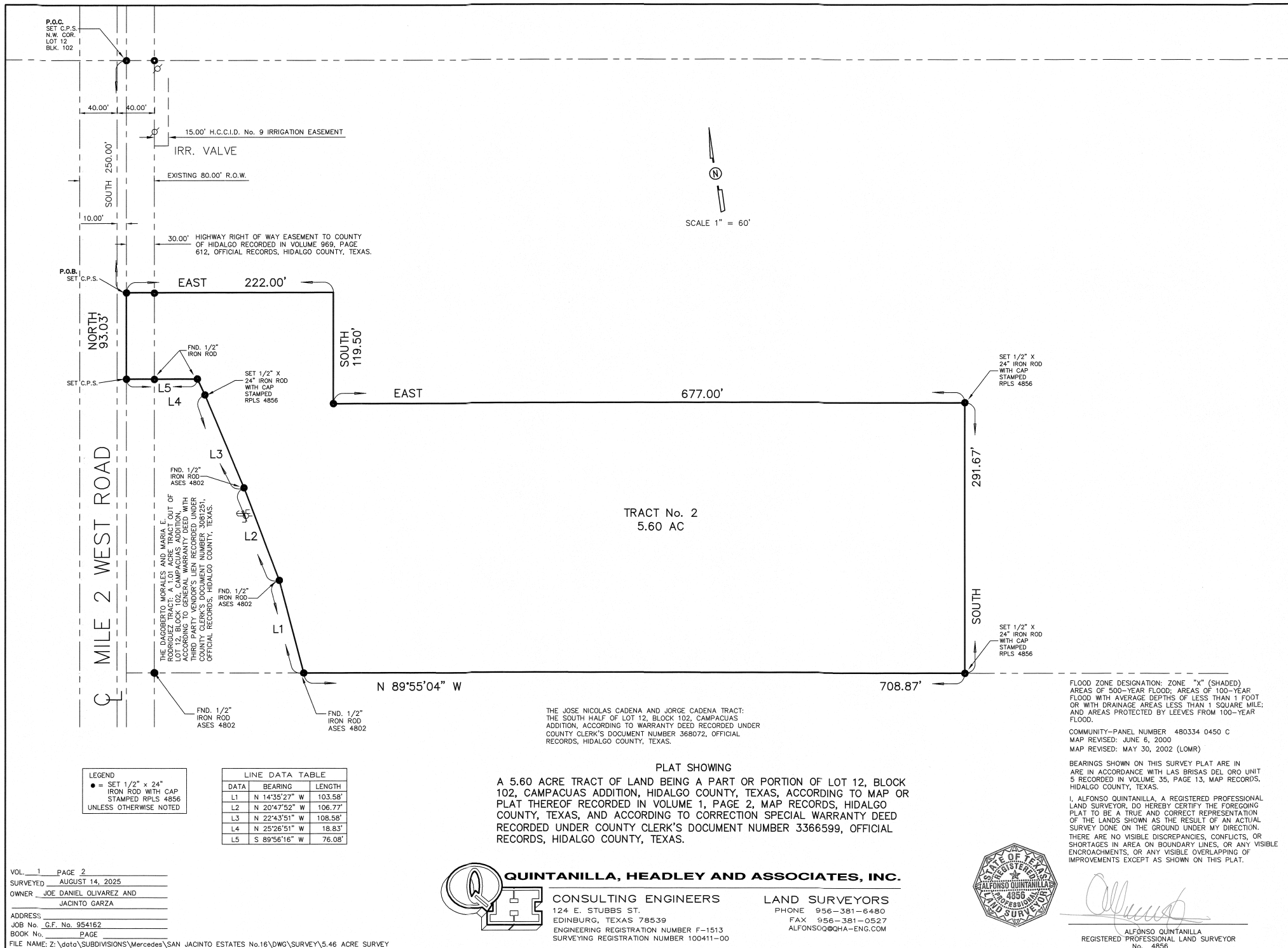
EXHIBIT B  
List of Improvements and Eligible TIRZ Project Costs

| Mercedes TIRZ #2 – Reimbursable Project Costs |                     |                     |  |  |             |
|-----------------------------------------------|---------------------|---------------------|--|--|-------------|
| Category                                      | Subdivision #12 (1) | Subdivision #16 (1) |  |  | Total       |
| ROW for Roads/ drainage                       | \$871,354           | \$463,146           |  |  | \$1,334,500 |
| Surveys/ topos, staking +                     | \$186,400           | \$173,680           |  |  | \$360,080   |
| Engineering                                   | \$914,428           | \$1,029,500         |  |  | \$1,943,928 |
| Offsite Water Distribution System             |                     | \$1,537,300         |  |  | \$1,537,300 |
| Water Lines                                   | \$1,706,400         | \$2,034,985         |  |  | \$3,741,385 |
| Water supply corp dev fees                    | \$467,570           | \$355,000           |  |  | \$822,570   |
| Sanitary Sewer                                | \$2,826,800         | \$4,763,342         |  |  | \$7,590,142 |
| AEP Electrical                                | \$150,000           | \$320,000           |  |  | \$470,000   |
| Irrigation Line removal                       | \$30,000            | \$14,000            |  |  | \$44,000    |
| Subdivision Road                              | \$5,538,764         | \$4,363,660         |  |  | \$9,902,424 |
| Erosion mitigation                            | \$146,520           | \$66,300            |  |  | \$212,820   |
| Drainage/detention                            | \$2,579,485         | \$1,535,056         |  |  | \$4,114,541 |
| Fencing/landscaping in public POW             | \$973,800           | \$551,300           |  |  | \$1,525,100 |
| Dev. Fees/ Subdivision Adm.                   | \$26,840            | \$26,840            |  |  | \$53,680    |
| Tap Fees                                      | \$51,300            |                     |  |  | \$51,300    |

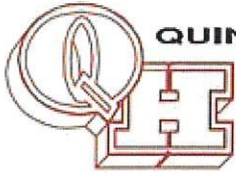
|                                                                                                                                                                              |  |              |              |  |              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------|--------------|--|--------------|
| <b>County Inspection / Utility Fees</b>                                                                                                                                      |  | \$8,000      | \$12,000     |  | \$20,000     |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>Inspection/testing</b>                                                                                                                                                    |  | \$654,348    | \$588,400    |  | \$1,242,748  |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>City Park Fees</b>                                                                                                                                                        |  | \$235,500    | \$152,500    |  | \$388,000    |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>Public Road improvements</b>                                                                                                                                              |  | \$1,500,000  |              |  | \$1,500,000  |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>Creation Costs</b>                                                                                                                                                        |  |              |              |  | \$120,000    |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>Interest Carry (2)</b>                                                                                                                                                    |  |              |              |  | \$40,000,000 |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>Project administration -7 years (3)</b>                                                                                                                                   |  | \$2,800,000  | \$2,800,000  |  | \$5,600,000  |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>Contingency</b>                                                                                                                                                           |  | \$1,858,815  | \$1,319,448  |  | \$3,178,263  |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>Chapter 380 project funding</b>                                                                                                                                           |  |              |              |  | \$3,000,000  |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>TIRZ / RA Administration (4)</b>                                                                                                                                          |  |              |              |  | \$2,500,000  |
|                                                                                                                                                                              |  |              |              |  |              |
| <b>Total</b>                                                                                                                                                                 |  | \$23,526,324 | \$22,106,457 |  | \$91,252,781 |
|                                                                                                                                                                              |  |              |              |  |              |
|                                                                                                                                                                              |  |              |              |  |              |
| (1) Projected costs are best estimates based on today's cost. Actual reimbursement of these items will be based on independently audited actual costs.                       |  |              |              |  |              |
| (2) Interest paid will depend on a) audited amounts paid for project costs while payments are "as you go, or on the capital cost for tax exempt bonds when sold.             |  |              |              |  |              |
| (3) Project cost will finance admin management of multiple contractors involved in both the residential project and the public road improvements undertaken by the Developer |  |              |              |  |              |
| (4) Redevelopment Authority management including legal, bookkeeping, auditing, and RA/Zone managing                                                                          |  |              |              |  |              |

Exhibit C—

Boundary description for 1/2 of Subdivision 16 to be developed by Olivarez Organization







**QUINTANILLA, HEADLEY AND ASSOCIATES, INC.**

**Consulting Engineers ★ Land Surveyors**

Engineering Firm Registration No. F-1513  
Surveying Firm Registration No. 100411-00  
Municipal & County Projects ★ Subdivisions ★ Surveys  
124 E. Stubbs, Edinburg, Texas 78538  
Phone 956/381-6480 Fax 956/381-0527

**METES AND BOUNDS**

A 5.60 ACRE TRACT OF LAND BEING A PART OR PORTION OF LOT 12, BLOCK 102, CAMPACUAS ADDITION, HIDALGO COUNTY, TEXAS, ACCORDING TO THE PLAT OR MAP THEREOF RECORDED IN VOLUME 1, PAGE 2, MAP RECORDS HIDALGO COUNTY, TEXAS, AND ACCORDING TO CORRECTION SPECIAL WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3366599, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS, REFERENCE TO WHICH IS HERE MADE FOR ALL PURPOSES AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

BEGINNING AT A COTTON PICKER SPINDLE SET ON THE WEST LINE OF LOT 12 AND WITHIN THE RIGHT OF WAY OF MILE 2 WEST ROAD FOR THE NORTHWEST CORNER OF THIS TRACT, SAID SPINDLE BEARS SOUTH, 250.00 FEET FROM THE NORTHWEST CORNER OF LOT 12.

THENCE; EAST, PASSING A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET AT 30.00 FEET FOR THE EAST RIGHT OF WAY LINE OF MILE 2 WEST ROAD, A TOTAL DISTANCE OF 222.00 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN EXTERIOR CORNER OF THIS TRACT.

THENCE; SOUTH, A DISTANCE OF 119.50 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; EAST, A DISTANCE OF 677.00 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE NORTHEAST CORNER OF THIS TRACT.

THENCE; SOUTH, A DISTANCE OF 291.67 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET ON THE NORTH LINE OF THE JOSE NICOLAS CADENA AND JORGE CADENA TRACT (THE SOUTH HALF OF LOT 12, BLOCK 102, CAMPACUAS ADDITION, ACCORDING TO WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 368072, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) FOR THE SOUTHEAST CORNER OF THIS TRACT.

THENCE; N 89°55'04" W, ALONG THE NORTH LINE OF THE JOSE NICOLAS CADENA AND JORGE CADENA TRACT, A DISTANCE OF 708.87 FEET TO A 1/2" IRON ROD WITH CAP STAMPED ASES 4802 FOR THE SOUTHEAST CORNER OF THE DAGOBERTO MORALES AND MARIA E. RODRIGUEZ TRACT (A 1.01 ACRE TRACT OF LAND OUT OF LOT 12, BLOCK 102, CAMPACUAS ADDITION, ACCORDING TO GENERAL WARRANTY DEED WITH THIRD PARTY'S VENDOR'S LIEN RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3081251, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) AND THE SOUTHWEST CORNER OF THIS TRACT.

A 5.60 AC TR OF LAND BEING A PART OR PORTION OF LOT 12, BLOCK 102  
CAMPACUAS ADDITION

Page 1 of 2

THENCE; N 14°35'27" W, ALONG THE EAST LINE OF THE DAGOBERTO MORALES AND MARIA E. RODRIGUEZ TRACT, A DISTANCE OF 103.58 FEET TO A 1/2" IRON ROD WITH CAP STAMPED ASES 4802 FOUND FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; N 20°47'52" W, ALONG THE EAST LINE OF THE DAGOBERTO MORALES AND MARIA E. RODRIGUEZ TRACT, A DISTANCE OF 106.77 FEET TO A 1/2" IRON ROD WITH CAP STAMPED ASES 4802 FOUND FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; N 22°43'51" W, ALONG THE EAST LINE OF THE DAGOBERTO MORALES AND MARIA E. RODRIGUEZ TRACT, A DISTANCE OF 108.58 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; N 25°26'51" W, ALONG THE EAST LINE OF THE DAGOBERTO MORALES AND MARIA E. RODRIGUEZ TRACT, A DISTANCE OF 18.83 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID TRACT AND AN INTERIOR CORNER OF THIS TRACT.

THENCE; S 89°56'16" W, ALONG THE NORTH LINE OF THE DAGOBERTO MORALES AND MARIA E. RODRIGUEZ TRACT, PASSING A 1/2" IRON ROD FOUND AT 46.08 FEET FOR THE EAST RIGHT OF WAY LINE OF MILE 2 WEST ROAD, A TOTAL DISTANCE OF 76.08 FEET TO A COTTON PICKER SPINDLE SET ON THE WEST LINE OF LOT 12 AND WITHIN THE RIGHT OF WAY OF MILE 2 WEST ROAD FOR THE NORTHWEST CORNER OF SAID TRACT AND THE MOST SOUTHERLY NORTHWEST CORNER OF THIS TRACT.

THENCE; NORTH, ALONG THE WEST LINE OF LOT 12 AND WITHIN THE RIGHT OF WAY OF MILE 2 WEST ROAD, A DISTANCE OF 93.03 FEET TO THE POINT OF BEGINNING AND CONTAINING 5.60 ACRES OF LAND MORE OR LESS.

BEARINGS ARE IN ACCORDANCE WITH LAS BRISAS DEL ORO UNIT 5, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 35, PAGE 13, MAP RECORDS, HIDALGO COUNTY, TEXAS.

I, ALFONSO QUINTANILLA, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THE ABOVE METES AND BOUNDS TO BE TRUE AND CORRECT, AND TO BE THE REPRESENTATION AND RESULT OF AN ACTUAL SURVEY DONE ON THE GROUND UNDER MY DIRECTION.

DATE PREPARED: AUGUST 14, 2025

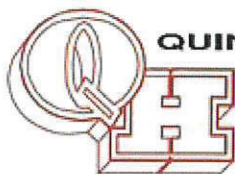
  
ALFONSO QUINTANILLA  
REGISTERED PROFESSIONAL  
LAND SURVEYOR No. 4856



A 5.60 AC TR OF LAND BEING A PART OR PORTION OF LOT 12, BLOCK 102  
CAMPACUAS ADDITION

Page 2 of 2





**QUINTANILLA, HEADLEY AND ASSOCIATES, INC.**

**Consulting Engineers ★ Land Surveyors**

Engineering Firm Registration No. F-1513  
Surveying Firm Registration No. 100411-00  
Municipal & County Projects ★ Subdivisions ★ Surveys  
124 E. Stubbs, Edinburg, Texas 78539  
Phone 361/381-8480 Fax 361/381-0527

**METES AND BOUNDS**

A 30.72 ACRE TRACT OF LAND BEING A PART OR PORTION OF LOTS 9 AND 16, BLOCK 115, CAMPACUAS ADDITION, HIDALGO COUNTY, TEXAS, ACCORDING TO THE PLAT OR MAP THEREOF RECORDED IN VOLUME 1, PAGE 2, MAP RECORDS HIDALGO COUNTY, TEXAS, AND ACCORDING TO CORRECTION SPECIAL WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3366599, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS, REFERENCE TO WHICH IS HERE MADE FOR ALL PURPOSES AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

BEGINNING AT A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET ON THE WEST RIGHT OF WAY OF MILE 2 WEST ROAD (ACCORDING TO RIGHT OF WAY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 1945603, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) FOR THE NORTHEAST CORNER OF THIS TRACT, SAID ROD BEARS WEST, 50.00 FEET AND SOUTH 1,105.00 FEET FROM THE NORTHEAST CORNER OF LOT 9.

THENCE; SOUTH, ALONG THE WEST RIGHT OF WAY LINE OF MILE 2 WEST ROAD, A DISTANCE OF 214.92 FEET TO A 1/2" IRON ROD WITH CAP STAMPED TEDSI FOUND ON THE COMMON LINE OF LOTS 9 AND 16 FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; ALONG THE WEST RIGHT OF WAY LINE OF MILE 2 WEST ROAD (ACCORDING TO RIGHT OF WAY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 1945602, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) AND THE ARC OF A CURVE TO THE LEFT (CURVE DATA: DELTA = 02°23'52", RADIUS = 11,499.00 FEET), A DISTANCE OF 481.21 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN EXTERIOR CORNER OF THIS TRACT.

THENCE; ALONG THE WEST RIGHT OF WAY LINE OF MILE 2 WEST ROAD AND THE ARC OF A CURVE TO THE RIGHT (CURVE DATA: DELTA = 03°36'16", RADIUS = 11,419.00 FEET), A DISTANCE OF 344.17 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHEAST CORNER OF THE SAMUEL GUADALUPE NIETO TRACT (A 0.55 OF AN ACRE TRACT OF LAND OUT OF LOT 16, BLOCK 115, CAMPACUAS ADDITION, ACCORDING TO GIFT DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 2715752, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) AND THE SOUTHEAST CORNER OF THIS TRACT.

THENCE; S 89°57'30" W, ALONG THE NORTH LINE OF THE SAMUEL GUADALUPE NIETO TRACT AND THE NORTH LINE OF THE GOLD LANTERN, LLC TRACT (A 14.075 ACRE TRACT OF LAND OUT OF LOT 16, BLOCK 115, CAMPACUAS ADDITION, ACCORDING TO WARRANTY DEED WITH VENDOR'S LIEN RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3369257, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS), A DISTANCE OF 1,289.43 FEET TO A 1/2" IRON ROD FOUND ON THE WEST LINE OF

A 30.72 AC TR OF LAND BEING A PART OR PORTION OF LOTS 9 AND 16, BLOCK 115  
CAMPACUAS ADDITION

LOT 16 FOR THE NORTHWEST CORNER OF THE GOLD LANTERN, LLC TRACT AND THE SOUTHWEST CORNER OF THIS TRACT.

THENCE; NORTH, ALONG THE WEST LINE OF LOTS 9 AND 16, A DISTANCE OF 1,131.67 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE NORTHWEST CORNER OF THIS TRACT.

THENCE; S 67°29'24" E, A DISTANCE OF 115.08 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN EXTERIOR CORNER OF THIS TRACT.

THENCE; S 62°15'37" E, A DISTANCE OF 100.21 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; EAST, A DISTANCE OF 1,075.35 FEET TO THE POINT OF BEGINNING AND CONTAINING 30.72 ACRES OF LAND MORE OR LESS.

BEARINGS ARE IN ACCORDANCE WITH LAS BRISAS DEL ORO UNIT 5, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 35, PAGE 13, MAP RECORDS, HIDALGO COUNTY, TEXAS.

I, ALFONSO QUINTANILLA, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THE ABOVE METES AND BOUNDS TO BE TRUE AND CORRECT, AND TO BE THE REPRESENTATION AND RESULT OF AN ACTUAL SURVEY DONE ON THE GROUND UNDER MY DIRECTION.

DATE PREPARED: AUGUST 14, 2025

  
ALFONSO QUINTANILLA  
REGISTERED PROFESSIONAL  
LAND SURVEYOR No. 4856





SET 1/2" X 24" IRON ROD WITH CAP STAMPED RPLS 4856

S 67°29'24" E

115.08'

S 62°15'37" E

100.21'

EAST

1075.35'

SOUTH

1105.00'

1131.67'

LOT 9

LOT 16

SOUTH

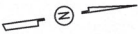
214.92'

P.O.C.  
N.E. COR.  
LOT 9  
BLK. 115

THE COUNTY OF HIDALGO TRACT: A 1.5152 ACRE TRACT OUT OF LOT 9, BLOCK 115, CAMPACUAS ADDITION, ACCORDING TO RIGHT OF WAY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 1945602, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS.

THE COUNTY OF HIDALGO TRACT: A 0.7897 OF AN ACRE TRACT OUT OF LOT 16, BLOCK 115, CAMPACUAS ADDITION, ACCORDING TO RIGHT OF WAY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 1945602, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS.

SCALE 1" = 100'



LOT 15, BLOCK 115, CAMPACUAS ADDITION  
RECORDED IN VOLUME 1, PAGE 2, MAP  
RECORDS, HIDALGO COUNTY, TEXAS.

NORTH

IRON ROD

S 89°57'30" W

1289.43'

THE GOLD LANTERN, LLC TRACT: A 14.079 ACRE TRACT OUT OF LOT 15, BLOCK 115, CAMPACUAS ADDITION, ACCORDING TO WARRANT DEED WITH VENDOR'S LIEU, ACCORDING TO COUNTY CLERK'S DOCUMENT NUMBER 3369257, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS.

THE SAMUEL GUADALUPE NIETO TRACT: A 0.55 OF AN ACRE TRACT OUT OF LOT 16, BLOCK 115, CAMPACUAS ADDITION, ACCORDING TO GIFT DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 2715752, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS.

- LEGEND
- ← = GUY WIRE
  - = POWER POLE
  - 田 = WATER METER
  - = SIGN
  - ⊕ = SERVICE POLE
  - ⊖ = TEL PED
  - ⊗ = IRRIGATION VALVE

| CURVE DATA |           |           |             |              |               |
|------------|-----------|-----------|-------------|--------------|---------------|
| CURVE      | Δ         | RADIUS    | ARCH LENGTH | CHORD LENGTH | CHORD BEARING |
| 1          | 02°23'52" | 11489.00' | 481.21'     | 481.18'      | S 07°11'14" E |
| 2          | 03°36'16" | 11419.00' | 344.17'     | 344.16'      | S 07°30'57" E |

FLOOD ZONE DESIGNATION: ZONE "X" (SHADED)  
AREAS OF 500-YEAR FLOOD: AREAS OF 100-YEAR FLOOD OR GREATER AREAS OF LESS THAN 100-YEAR FLOOD OR GREATER AREAS OF THIS SOURCE ARE, AND AREAS PROTECTED BY LEVEES FROM 100-YEAR FLOOD.

COMMUNITY-PANEL NUMBER: 480334 0450 C  
MAP REVISED: JUNE 6, 2000  
MAP REVISED: MAY 20, 2002 (LDMR)

1/8 MILE 8 NORTH ROAD

IRON ROD  
R/O  
C.P.S.

IRON ROD  
R/O  
C.P.S.

BEARINGS SHOWN ON THIS SURVEY PLAT ARE IN ACCORDANCE WITH LAS BRISAS DEL ORO UNIT HIDALGO COUNTY, TEXAS.

PLAT SHOWING  
A 30.72 ACRE TRACT OF LAND OUT OF LOTS 9 AND 16, BLOCK 115, CAMPACUAS ADDITION, HIDALGO COUNTY, TEXAS, ACCORDING TO MAP OR PLAT THEREOF RECORDED IN VOLUME 1, PAGE 2, MAP RECORDS, HIDALGO COUNTY, TEXAS, AND ACCORDING TO CORRECTION SPECIAL WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3366599, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS.

VOL. 1 PAGE 2  
SURVEYED AUGUST 14, 2025  
OWNER  
ADDRESS  
JOB No. G.F. No. 954162  
PAGE  
FILE NAME: Z:\data\SUBDIVISIONS\Mercedas SAN JACINTO ESTATES No.16\DWG\SURVEY\30.72



QUINTANILLA, HEADLEY AND ASSOCIATES, INC.  
CONSULTING ENGINEERS  
124 E. 37th ST.  
EDINBURG, TEXAS 78838  
PHONE 361-1111  
FAX 361-1111  
SURVEYING REGISTRATION NUMBER 100411-00

LAND SURVEYORS  
PHONE 956-281-6480  
FAX 956-281-6527  
ALFONSO@QUINTANILLA-HEADLEY.COM



REGISTERED PROFESSIONAL LAND SURVEYOR  
ALFONSO QUINTANILLA  
No. 4856

**ORDINANCE NO. 2025-25**

**AN ORDINANCE APPROVING THE ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE CITY OF MERCEDES, THE TAX INCREMENT REINVESTMENT ZONE #2, CITY OF MERCEDES, AND SAN JACINTO ENTERPRISES, LLC; AUTHORIZING EXECUTION OF THE AGREEMENT, AND VARIOUS PROVISIONS RELATED TO THE FOREGOING SUBJECT.**

**WHEREAS**, the City Council of the City of MERCEDES, by adoption of Ordinance No. 2024-22 created Reinvestment Zone Number One, City of MERCEDES, Texas; and

**WHEREAS**, the Board of Directors of the Reinvestment Zone Number One has approved and recommended approval of the Economic Development Reimbursement Agreement (the “The Agreement”) attached hereto for the development of public infrastructure within said Zone, providing certain reimbursements to SAN JACINTO ENTERPRISES, LLC (the “Developer”) for investments the Developer will make in the TIRZ #2, City of MERCEDES; and

**THEREFORE; BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MERCEDES, TEXAS;**

Section 1. That the findings contained in the preamble of this Ordinance are declared to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. That Council does hereby find the proposed project cost reimbursements for investments in public infrastructure by the Developer are consistent with the Zone’s Project Plan and Reinvestment Zone financing plan, and are in conformance with the City’s planned development, and also conforms to the requirements set forth in Chapter 311, Texas Tax Code.

Section 3. That the Economic Development Reimbursement Agreement attached hereto for Reinvestment Zone Number #2, City of MERCEDES, Texas is hereby approved.

**INTRODUCED AND APPROVED** on the first reading this 19th day of August, 2025.

**APPROVED AND PASSED** on the second reading this 2<sup>nd</sup> day of September, 2025.

---

Oscar D. Montoya Sr., Mayor

ATTEST:

---

Joselynn Castillo, City Secretary

## ECONOMIC DEVELOPMENT AGREEMENT

**THIS ECONOMIC DEVELOPMENT AGREEMENT** (this “**Agreement**”) is by and among the CITY OF MERCEDES, Texas, a political subdivision of the State of Texas (the “**City**”), TAX INCREMENT REINVESTMENT ZONE NO. 2, CITY OF MERCEDES, TEXAS, a reinvestment zone created by the City pursuant to Chapter 311, Texas Tax Code (“**TIRZ #2**”), and SAN JACINTO ENTERPRISES, a Texas limited liability company (the “**Developer**”), is entered into on this \_\_\_\_ day of JANUARY 2025 (the “**Effective Date**”). The City, the Developer, and TIRZ #2 may be individually referred to herein as “**Party**” and collectively as the “**Parties**.”

## RECITALS AND FINDINGS

WHEREAS, Developer owns and is proposing to develop a certain tract of land currently known as Subdivision 12, totaling approximately 127.44 acres, excluding Rights of Way to be improved, in the City’s ETJ (the “**Project Site**”), and also co-owns and is proposing to develop one half of known a tract of land known as Subdivision 16, totaling approximately 78.5 acres which is one of two development parcels of land located in TIRZ #2, as shown on the property map contained in **Exhibit A** attached hereto and incorporated herein for all purposes (the “**Property**”), and desires to construct and develop certain residential developments on the entirety of the Property (the “**Project**”); and,

WHEREAS, the City, pursuant to Chapter 311, Texas Tax Code as amended, has : (a) created a tax increment reinvestment zone over the entire Property to facilitate the development of the land, (b) provide certain agreed upon reimbursements to Developer for the Project funded by the Developer, and (c) seek and approve a participation agreement with the County for participation in the TIRZ #2;

WHEREAS, the City of Mercedes, Texas (the “**City**”) has agreed to participate in tax increment funding for TIRZ #2 by contributing to the tax increment fund for TIRZ #2 seventy percent (70%) of approved *Ad Valorem* Tax Rate each year until December 31, 2059, as set forth in Ordinance No. 2024-22, creating TIRZ #2 City of Mercedes; and,

WHEREAS, Hidalgo County, Texas (the “**County**”) is considering participating in tax increment funding for TIRZ #2 by contributing to the tax increment fund for TIRZ #2 fifty percent (50%) of its Maintenance and Operation Tax Rate , as will be memorialized in that certain Inter-local Agreement Tax Increment Reinvestment Zone #2, to be approved by and between the County and the City, (the “**TIRZ#2 Inter-local Agreement**”); and,

WHEREAS, while portions of the Property may be sold or conveyed to third parties, Developer shall be responsible for the overall development of the Project and all portions of the Property shall be included under this Agreement;



WHEREAS, the Board of Directors for TIRZ #2 (the “**TIRZ Board**”) and the City Council for the City of Mercedes (the “**City Council**”) each approved and adopted the Project Plan and Reinvestment Zone Financing Plan for TIRZ #2, dated August 5, 2025, (the “**TIRZ Plan**”);

WHEREAS, the Parties desire to provide for the development and financing of the projects set forth below to implement the TIRZ Plan;

WHEREAS, the City Council of the City of Mercedes has found and determined that the construction of the Project will provide the benefit of serving the public interest and welfare and enhancing the economic stability and growth of the City, contribute to the expansion of the City’s tax base, increase mobility by construction of road ways and related infrastructure, facilitate the development of raw land into a master-planned mixed use development;

WHEREAS, the Project is consistent with the City’s economic development objectives to increase taxable property values and taxes in the residential areas of the Project;

WHEREAS, the City agrees to provide financial and development assistance to the Developer through utilization of the TIRZ;

WHEREAS, the TIRZ Board shall possess all powers necessary to implement and monitor the TIRZ Plan as the City Council considers advisable, including without limitation, the submission of an Annual Reimbursement Report [defined in Article III, Section 4(f)];

WHEREAS, the Parties hereto have agreed that the TIRZ #2 shall be responsible for verifying the Developer’s ongoing compliance with the requirements set forth in this Agreement necessary to obtain City payments as detailed herein;

WHEREAS, the Developer has agreed to petition the City for annexation of the land within the TIRZ, and also finance certain agreed upon infrastructure improvements, to develop the master planned mixed use project, and satisfy and comply with certain terms and conditions;

WHEREAS, the Parties agree that the provisions of this Agreement substantially advance a legitimate interest of the City;

WHEREAS, the Parties desire to cooperate in the development of the Project, on the terms and conditions contained herein;

NOW, THEREFORE, for and in consideration of the promises and the mutual agreements set forth herein, the Parties hereby agree as follows:

## **ARTICLE I DEFINITIONS**

- I. “**Affiliate**” means, as to any Person, any other Person that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such Person or is a director or officer of such Person or of an Affiliate of such Person.
- II. “**Annual Payment(s)**” means the periodic payments of Tax Increment Revenue made to Developer as provided herein, and as set forth in Chapter 311, Texas Tax Code.
- III. “**Base Value**” shall mean the taxable value of the property located within the Property as of January 1, 2024, which amount is deemed to be \$3,083,165;
- IV. “**Captured Appraised Value**” means the total appraised ad valorem value of all real property taxable by the City and located in the Property as of January 1 of any year less the Base Tax.
- V. “**Developer Interest**” means interest accrued on the actual public improvement costs paid by the Developer at a per annum rate equal to 8.5%. Developer Interest shall accrue from the later of (i) the Effective Date of this Agreement for all expenditures made related to the creation of the TIRZ #2 or (ii) the date of actual payment by the Developer for expenditures made after the TIRZ #2 creation, and shall continue until such time the Developer receives full payment for the Project Costs (defined in Section 2(a)).
- VI. “**Person**” means any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.
- VII. “**Local Government Corporation**” means a tax exempt not for profit entity created pursuant to Chapter 431, Texas Transportation Code, and authorized by the City through the approval of an agreement to manage the TIRZ on the City’s behalf, and also serve as the debt facility mechanism should the City consent to the sale of tax exempt bonds to finance developer reimbursements or other project costs.
- VIII. “**Project Manager**” means the Developer for a project by Developer or the City for a project by the City.
- XI. “**Tax Increment**” means funds from the amount of ad valorem taxes levied and collected by the City on the Captured Appraised Value of real property located within the Property.
- X. “**Tax Increment Revenue**” means all (i) tax incremental revenues levied and collected from taxable incremental value in the TIRZ #2 x the current City approved *Ad Valorem* Tax Rate x .70, for thirty four (34) years (the duration of the

TIRZ #2) and payable to the Developer under this Agreement and (ii) tax incremental revenues levied and collected from the taxable incremental value in the TIRZ #2 x the current County approved *Ad Valorem* Tax Rate, as set forth in the inter-local agreement approved by both the City and the County for thirty four (34) years (the duration of the TIRZ #2) and payable to the Developer under this Agreement.

- XI. **"Term"** means a term of thirty four (34) years during which the annual Tax Increment Revenue and annual Captured Appraised Value of the Property is calculated and the resulting Annual Payment is disbursed by the City.
- XII. **"Reimbursable Project Costs"** means all costs set forth in Table I—Project Plan and Reinvestment Zone Financing Plan for TIRZ #2 and in **Exhibit B** of this Agreement, which costs are currently estimated to be \$91,252,781

## ARTICLE II THE PROJECT

- 1. Development of the Project. The Project is to be constructed in two phases consisting of residential development and limited multifamily development, each phase must be in accordance with the Developer's Master Plan, and as reflected in the project plan and the approved City Plat.
- 2. Project Costs & Improvements for Subdivision 12, and 1/2 of Subdivision 16.
  - (a) All of the TIRZ #2 improvements set forth in **Exhibit B**, related to Subdivision 12, and including 3/4s of the estimated Interest costs, and 3/4 of the TIRZ administration costs, as set forth in the TIRZ #2 project plan attached hereto and incorporated herein for all purposes (collectively, and 1/2 of the project costs set forth in Exhibit B for Subdivision 16, the **"Project Improvements"**), together with the costs of the construction of such Project Improvements including, without limitation, all costs incurred in connection with obtaining governmental approvals, certificates, and permits and all costs of engineering, testing and inspection required in connection with the construction of the improvements, and including the costs of creation of the Zone shall be referred to herein as the **"Project Costs."**
  - (b) The Developer shall design, permit and construct the public roads as approved by the City and shall dedicate them, as such, to the City upon their completion. All such public roads accepted by the City shall thereafter be owned and maintained by the City.
  - (c) The Developer shall construct and install all reasonable and necessary traffic control devices (including signs) within the Project as required by the City, the County or

other appropriate Party with jurisdiction. All such traffic control devices (including signs) shall thereafter be operated and maintained by the City, the County or other appropriate Party with jurisdiction.

- (d) In the event that City and Developer mutually agree to the elimination or modification of any improvement listed as a component of the Project Costs, then the Parties may mutually agree, in writing, to modify, eliminate, amend or re-apportion the Project Costs in question.
- 3. Cost of Improvements to be Funded by the Developer. Unless otherwise agreed to by the Parties in writing, the Developer shall promptly pay (or cause to be paid) all Project Costs of constructing the Project Improvements including, without limitation: (i) all costs of design, engineering, materials, labor, construction, permitting, testing and inspection, arising in connection with the construction of the Project Improvements (except for those items which may be contested in good faith by Developer); (ii) all payments arising under any contracts entered into for the construction of the Project Improvements (except for those items which may be contested in good faith by Developer); (iii) land costs for land dedicated as public rights of way at fair market value; (iv) all financing costs and fees associated with the Project Improvements, including legal fees. The City *shall not be liable* to any contractor, engineer, attorney, material man, laborer, or other party employed by or on behalf of the Developer, its affiliates or designees, as the case may be, in connection with the construction of the Project Improvements.

### **ARTICLE III PUBLIC FINANCIAL CONTRIBUTION**

- 1. City Payments to Developer.
  - (a) In consideration of the City entering into this Agreement and providing for Annual Payments to the Developer under the terms and conditions set forth herein, as further described in more detail throughout this Agreement, the Developer agrees that it, along with its affiliates and any of Developer's current or future successors or assigns to the Project Site, in whole or in part, shall design, permit and construct the Project Improvements in accordance with the City or County codes, as applicable.
  - (b) The Annual Payments made by the City to the Developer shall be paid solely from the *ad valorem* tax incremental revenues collected in the TIRZ #2 for the prior tax year, and including any prior year reconciliations. Each Annual Payment shall be an amount equal to the total Tax Increment Revenue collected based on the following formula: (i) for the City-- Prior Tax Year Certified Taxable Value, Less Base Value / \$100 x the Current City Tax Rate x 70% and (ii) for the County—all Incremental Revenues remitted by the County to the City pursuant to the TIRZ #2 Interlocal Agreement. The Annual Payments shall be paid annually to Developer by the City no

later than June 1, beginning in the first calendar year after Developer receives its first acceptance by the City of the completion of the Project Improvements in the first subdivision platted, improved and completed by Developer and continuing each year thereafter until the earlier of: (i) the date the City has fully paid all Reimbursable Project Costs and Developer Interest to the Developer or Lender (defined below), as applicable, in an amount currently estimated to be \$64,579,552, including estimated interest payments, and as reflected in Table 1, Project Plan and Reinvestment Finance Plan, and as computed pursuant to Section II, 2 (a) of this agreement, or (i) the completion of the Term of TIRZ #2. The total reimbursement will be based on actual expenditures for approved project costs based on an independent audit.

- (c) The Developer may assign revenues received pursuant to this Agreement to a lender to collateralize a loan to further the development within the TIRZ, subject to the consent of the City, which consent shall not be unreasonably withheld. The terms of any borrowing shall be exclusively determined by negotiation between the developer and the Lender.
- 2. Annual Payment Administration. The Parties hereby agree and consent that all Annual Payments shall be paid directly by the City to the Developer or, if applicable, a Local Government Corporation (LGC) created to managed the TIRZ on behalf of the City. Once any Annual Payment (or portion thereof) is delivered by the City to the Developer, or the LGC, the City shall have no further obligation to the Developer as it relates to the annual tax incremental revenues. Total payment to Developer shall be based on the total audited costs of the Developer for those Project Costs as reflected in Table One of the Zone's approved Project Plan, as may be amended from time to time.
- 3. Project Quality. As consideration for City's obligation to pay Developer, the Developer agrees to construct the Project to the standard of quality as required by the City and the County for typical infrastructure constructed in residential and commercial projects.
- 4. Process for Project Development and Distribution of Developer Reimbursement Requests.
  - (a) Before initiating each phase of the Project, the Developer shall make a presentation to the TIRZ Board. Such presentation shall specify: (i) the phase to be initiated, (ii) the estimated cost to design and construct such phase, including any Project Costs, and (iii) the estimated time to complete such phase.
  - (b) Periodically, and no less than twice a year, the Developer shall provide reports regarding the progress of construction of the Project Improvements and the Developer's payment of Project Costs. The Developer shall allow the City and/or TIRZ Board reasonable access to the Project for inspections during all phases of construction.
  - (c) Upon completion of construction of the public infrastructure, any applicable interest in the real property upon which the public improvement is constructed shall be conveyed to

the City or other public entity responsible for operation and maintenance of such completed work, and the City will accept the same upon the completion thereof in accordance with approved plans and specifications. The Developer shall, at its own costs and expense, maintain or cause to be maintained, the completed work until acceptance by the City, as evidenced by written acceptance by the appropriate City administrator, and for one (1) year after said acceptance.

- (d) Developer will work with the TIRZ/ Redevelopment Authority administrator to have an independently prepared agreed upon procedures report (AUP) of developer reimbursable project costs this this Agreement and costs in the approved project plan and reinvestment zone financing plan prepared for submission to the Board of Directors of the TIRZ for approval.
- (e) Upon approval of the Reimbursement Report by the TIRZ Board for the particular Project phase(s) completed at that time, the reimbursements shall become an obligation of the TIRZ and shall be payable from the available funds or bonds in accordance with t h i s Agreement.
- (f) Developer agrees that imputed administration costs in the amount of up to five percent (5%) of the Annual Payment may be retained by the City, and deduction from the Annual Payment made by the City to the Developer (the "**Administrative Costs**").

#### **ARTICLE IV**

##### **MISCELLANEOUS PROVISIONS**

- 1. Default; Remedies.
  - (a) Unless otherwise provided herein, any Party to this Agreement that believes that the other Party to this Agreement has defaulted in the performance of any condition, term, or obligation owed to that Party under this Agreement shall within twenty (20) business days after discovery of said default, give written notice of the default to the defaulting Party, specifying in detail the provision or provisions of this Agreement that have allegedly been breached and what specific action must be taken to cure or correct the default. Should the Party receiving the notice fail to commence action to correct the default within thirty days, and/or thereafter fail to diligently pursue the completion of the action to correct the default, the Party giving the notice of default may declare the defaulting Party in default. In addition to any other right or remedy available to the Parties under this Agreement, in the event that a Party is declared in default, the complaining Party shall have the right (but not the obligation), in its sole discretion, to exercise its rights with regards to mandamus, specific performance or mandatory or permanent injunction to require the Party alleged to have defaulted or breached to perform.
  - (b) In the event that the Developer is in default, the City shall not be obligated to make Annual Payment(s), or any portion thereof, to the Developer unless and until the

default has been cured to the reasonable satisfaction of the City. In the event that the Developer fails to: (i) diligently pursue the completion of the action to correct the default as determined in the City's reasonable discretion, on the timeline established by the City Council; and (ii) such default remains on going six (6) months from the date of the cure deadline established by the City Council pursuant to this section, this Agreement may be terminated or suspended.

- (c) Except as otherwise set forth herein, no action taken by a Party pursuant to the provisions of this Section or pursuant to the provisions of any other Section of this Agreement will constitute an election of remedies; and all remedies set forth in this Agreement will be cumulative and non-exclusive of any other remedy either set forth herein or available to any Party at law or in equity. Each of the Parties has the affirmative obligation to mitigate its damages in the event of a default by the other Party.
  - (d) Notwithstanding anything in this Agreement which is or may appear to be to the contrary, if the performance of any covenant or obligation to be performed hereunder by any party, except for a delay in payment of the Annual Payment, is delayed as a result of circumstances which are beyond the reasonable control of such Party (which circumstances may include, without limitation, pending or threatened litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions [such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures, or tornadoes], labor action, strikes or similar acts) or pandemics, including without limitation, Covid 19, the time for such performance shall be extended by the amount of time of such delay ("**Force Majeure**").
- 2. Separate Status. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in their respective businesses or otherwise, nor shall it cause them to be considered joint ventures or members of any joint enterprise.
  - 3. Construction and Interpretation.
    - (a) Whenever required by the context of this Agreement, (i) the singular shall include the plural, and vice versa, and the masculine shall include the feminine and neuter genders, and vice versa, and (ii) use of the words "including", "such as", or words of similar import, when following any general term, statement or matter, shall not be construed to limit such statement, term or matter to specific terms, whether or not language of non- limitation, such as "without limitation", or "but not limited to", are used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest scope of such statement, term or matter.



- (b) The captions preceding the text of each article and section of this Agreement are included only for convenience of reference. Captions shall be disregarded in the construction and interpretation of this Agreement. Capitalized terms are also selected only for convenience of reference and do not necessarily have any connection to the meaning that might otherwise be attached to such term in a context outside of this Agreement.
- (c) This Agreement may be executed in several counterparts; each of which shall be deemed an original. The signatures to this Agreement may be executed and notarized on separate pages, and when attached to this Agreement shall constitute one (1) complete document.

4. **Indemnification ; Errors, Omissions, Negligent Acts, Legal Fees**

**The Developers shall save and hold harmless the City of Mercedes, and its officers and employees, the City's Tax Increment Reinvestment Zone directors and employees, and it's authorized and overlayed Local Government Corporation directors and employees from all claims and liability due to activities of itself, its agents, or employees, performed under this contract and which are caused by or result from error, omission, or negligent act of the Developers or of any person employed by the Developers. Such indemnity shall include but not limited to, attorney fees which may be incurred by the City of Mercedes in litigation or otherwise resisting said claim or liabilities which may be imposed on the City as a result of such activities by the Developers, their agents, or employees.**

- 5 (a) Actions Performable. The Parties agree that all actions to be performed under this Agreement are performable solely in City of Mercedes, Texas.
- (b) Assignability. Performance by Developer and TIRZ #2 under the terms and conditions of this Agreement are deemed personal and, as such, any attempt to convey, assign or transfer those duties and obligations without the prior written approval and consent by the City are void except for (i) assignments and partial assignments of this Agreement by Developer to any Affiliate of Developer, which are expressly permitted, (ii) assignments and partial assignments of this Agreement by Developer to third parties to whom the Developer has sold land within the Project and provided written notice to the City and TIRZ #2 of same, and (iii) Collateral Assignments [defined in Article V below] and Security Agreements [defined in Article V below] of this Agreement to Lender and other security interests granted under the Loan Documents for the benefit of Lender, which are all expressly permitted hereunder.
- (c) Severability. If any provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction, the entire Agreement shall not be void; but the remaining provisions shall continue in effect as nearly as possible in accordance with the original intent of the Parties.

- (d) Complete Agreement. This Agreement represents the complete agreement of the Parties with respect to the subject matter hereof and supersedes all prior written and oral matters related to this Agreement. Any amendment to this Agreement must be in writing and signed by all Parties hereto or permitted or approved assignees.
- (e) Exhibits. All exhibits attached to this Agreement are incorporated herein by reference and expressly made part of this Agreement as if copied verbatim.
- (f) Notice. Any notice or demand, which either the City or the Developer is required to or may desire to serve upon the other, must be in writing, and shall be sufficiently served if
  - (i) personally delivered, (ii) sent by registered or certified mail, postage prepaid, or (iii) sent by commercial overnight carrier, and addressed to:

If to the City:

City of Mercedes, Texas  
Attn: City Manager  
400 S. Ohio Street  
Mercedes, Texas 78570

If to the Developer:

San Jacinto Enterprises  
ATT: Mr. Jacinto Garza  
2100 W. Expressway 83  
Mercedes Texas 78570

If to the TIRZ:

Bill Calderon  
Calderon Economic Development Strategies LLC  
5523 Spellman Road  
Houston, Texas 77096

or such other address or addresses which any Party may be notified in writing by any other Party to this Agreement.

Such notice shall be deemed to have been served (a) five (5) business days after the date such notice is deposited and stamped by the United States Postal Service, except when lost, destroyed, improperly addressed or delayed by the United States Postal Service, or (b) upon receipt in the event of personal service, or (c) the first business day after the date of deposit with an overnight

courier, except when lost, destroyed, improperly addressed or delayed by the courier, or (d) the date of receipt by facsimile (as reflected by electronic confirmation); provided, however, that should such notice pertain to the change of address to any of the Parties hereto, such notice shall be deemed to have been served upon receipt thereof by the Party to whom such notice is given.

(g) Force Majeure. The Parties agree that the obligations of each Party shall be subject to Force Majeure.

(h) Forum Selection. This Agreement and the relationship between the Parties hereto shall be governed and interpreted under the laws of Texas without regard to any conflict of laws provision. Venue for any suit arising out of any relationship between the Parties hereto shall exclusively be the appropriate court in the City of Mercedes, Texas. The Parties specifically consent to and waive any objections to, in personam jurisdiction in City of Mercedes, Texas.

6. Effective Date. This Agreement shall be binding and take effect only upon all Parties signatures hereto, attachment of all required exhibits, and receipt by the City of a fully executed copy hereof. For the purposes of timetables provided in this Agreement, the Effective Date shall be the date first above written.

7. Preamble. The findings of fact, recitations and provisions set forth in the preamble to this Agreement are true and are adopted and made a part of the body of this Agreement, binding the Parties hereto, as if the same were fully set forth herein.

8. Representations. The City and TIRZ #2 represent and warrant to the Developer that the City and TIRZ #2 are duly authorized and empowered to enter into this Agreement, subject to the terms and conditions contained herein, and have the legal right to reimburse the Developer as provided in this Agreement. The Developer represents and warrants to the City and TIRZ #2 that it has the right to enter into this Agreement and is a proper party to this Agreement.

9. Signature Warranty Clause. The signatories to this Agreement represent and warrant that they have the right to execute this Agreement on behalf of the City, TIRZ #2, and Developer, respectively.

10. Legal Contest. This Agreement is entered into in accordance with applicable law as understood by the Developer, the TIRZ #2, and the City. In the event any part, provision or paragraph thereof shall become unenforceable by reason of judicial decree or determination the Parties hereto mutually agree to the extent possible to ensure that all other provisions of this Agreement, including the intent of this Agreement be honored and performed.

11. Conflicts with Ordinances. The Parties agree that any City and/or TIRZ #2 ordinance, or regulation by any other agency over which the City and/or TIRZ #2 has control, whether heretofore or hereafter adopted, that addresses matters that are covered by this Agreement shall not be enforced by the City and/or TIRZ #2, and that the provisions of this Agreement govern

development of the Property and supersede any ordinance or regulation heretofore or hereafter adopted regarding the matters discussed herein.

12. Survival. The covenants and agreements of the Parties set forth in this Agreement shall terminate and expire upon of earlier of (i) when the City, on behalf of itself and the County, has paid all Reimbursement Project Costs and Developer Interest to the Developer, or (ii) December 31, 2059; provided, that the Developer's obligation to indemnify and hold harmless the City and TIRZ #2 shall survive the termination and expiration of this Agreement.

13. Amendment. Any term of this Agreement may be amended or waived only by an instrument in writing and signed by all Parties hereto. Notwithstanding the foregoing, so long as a Lender or its successors or assigns have any liens and/or security interest covering the Property and/or this Agreement, including without limitation, by a Deed of Trust [defined Article V (1) below] covering all or a portion of the Property, and/or a Security Agreement and/or Collateral Assignment covering this Agreement and/or the Other Agreements [defined in Article V (1) below], there shall be no amendments, revisions or corrections to this Agreement without the prior written consent of Lender, which may be withheld in the Lender's sole discretion.

14. Time and Business Days. Time is of the essence for the performance of any obligation under this Agreement. If any date or period for performance provided for herein ends on a Saturday, Sunday, or legal holiday of the City of Mercedes, Texas, then the applicable date or period will be extended to the first day following such Saturday, Sunday, or legal holiday. A business day is defined herein as any day that is not a Saturday, Sunday or legal holiday of the City of Mercedes, Texas.

**[SIGNATURE PAGES FOLLOW]**

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in multiple copies, each of equal dignity, as of the date and year set forth on the first page hereof.

**City of Mercedes, TEXAS**

BY: \_\_\_\_\_  
OSCAR MONTOYA, MAYOR

Date: \_\_\_\_\_

**TAX INCREMENT REINVESTMENT ZONE NO.  
TWO, City of Mercedes, TEXAS,**

a reinvestment zone created by the City of Mercedes, Texas  
pursuant to Chapter 311 of the Texas Tax Code

BY: \_\_\_\_\_  
Chairman of the Board of Directors

Date: \_\_\_\_\_

**SAN JACINTO ENTERPRISES**  
a Texas limited liability company

By: \_\_\_\_\_  
Jacinto, Garza, President

### CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS           §  
COUNTY OF HIDALGO   §

This instrument was acknowledged before me by OSCAR MONTOYA, Mayor, for the City of Mercedes, Texas, a municipal corporation of the State of Texas, on behalf of said corporation, this \_\_\_\_\_ day of JANUARY, 2025.

\_\_\_\_\_  
Notary Public, State of Texas

### CORPORATE ACKNOWLEDGMENT

STATE OF TEXAS           §  
COUNTY OF HIDALGO   §

This instrument was acknowledged before me by OSCAR MONTOYA Chairman of the Board of Directors, for Tax Increment Reinvestment Zone No. TWO, City of Mercedes, Texas, a reinvestment zone created by the City of Mercedes, Texas pursuant to Chapter 311 of the Texas Tax Code, on behalf of said reinvestment zone, this \_\_\_\_\_ day of JANUARY, 2025

\_\_\_\_\_  
Notary Public, State of Texas

### ACKNOWLEDGMENT

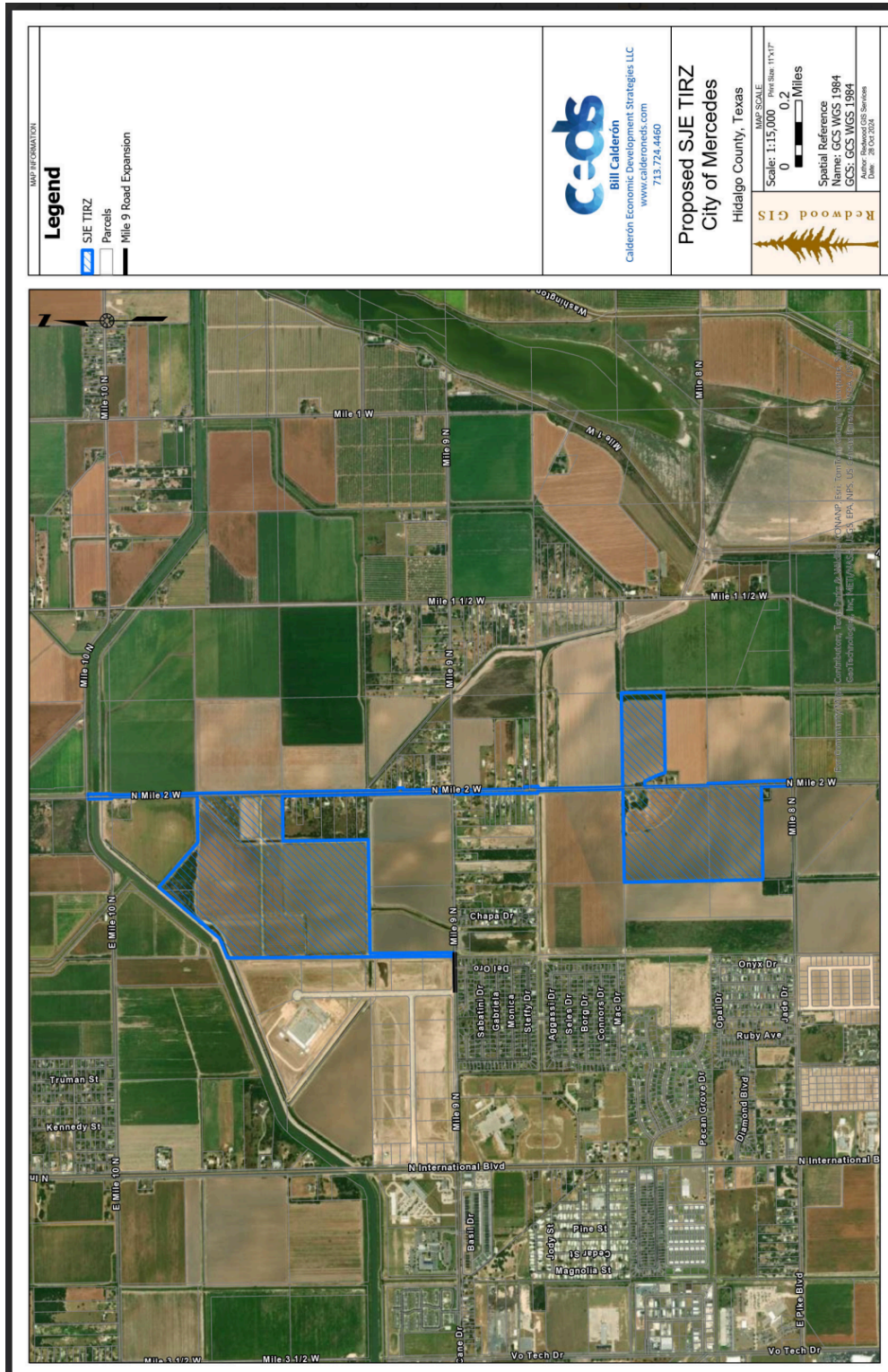
STATE OF TEXAS           §  
COUNTY OF HIDALGO   §

This instrument was acknowledged before me on JANUARY \_\_\_\_\_, 2025 by JACINTO GARZA, as the PRESIDENT, SAN JACINTO ENTERPRISES, a Texas limited liability company, on behalf of said limited liability company.

\_\_\_\_\_  
Notary Public, State of Texas

# EXHIBIT A

## PROPERTY MAP





**EXHIBIT B**  
List of Improvements and Eligible TIRZ Project Costs

| Mercedes TIRZ #2—Reimbursable Project Costs |                     |                     |  |  |             |
|---------------------------------------------|---------------------|---------------------|--|--|-------------|
| Category                                    | Subdivision #12 (1) | Subdivision #16 (1) |  |  | Total       |
| ROW for Roads/ drainage                     | \$871,354           | \$463,146           |  |  | \$1,334,500 |
| Surveys/ topos, staking +                   | \$186,400           | \$173,680           |  |  | \$360,080   |
| Engineering                                 | \$914,428           | \$1,029,500         |  |  | \$1,943,928 |
| Offsite Water Distribution System           |                     | \$1,537,300         |  |  | \$1,537,300 |
| Water Lines                                 | \$1,706,400         | \$2,034,985         |  |  | \$3,741,385 |
| Water supply corp dev fees                  | \$467,570           | \$355,000           |  |  | \$822,570   |
| Sanitary Sewer                              | \$2,826,800         | \$4,763,342         |  |  | \$7,590,142 |
| AEP Electrical                              | \$150,000           | \$320,000           |  |  | \$470,000   |
| Irrigation Line removal                     | \$30,000            | \$14,000            |  |  | \$44,000    |
| Subdivision Road                            | \$5,538,764         | \$4,363,660         |  |  | \$9,902,424 |
| Erosion mitigation                          | \$146,520           | \$66,300            |  |  | \$212,820   |
| Drainage/detention                          | \$2,579,485         | \$1,535,056         |  |  | \$4,114,541 |
| Fencing/landscaping in public POW           | \$973,800           | \$551,300           |  |  | \$1,525,100 |
| Dev. Fees/ Subdivision Adm.                 | \$26,840            | \$26,840            |  |  | \$53,680    |
| Tap Fees                                    | \$51,300            |                     |  |  | \$51,300    |

|                                                                                                                                                                              |  |                     |                     |  |                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------|---------------------|--|---------------------|
| <b>County Inspection / Utility Fees</b>                                                                                                                                      |  | \$8,000             | \$12,000            |  | \$20,000            |
|                                                                                                                                                                              |  |                     |                     |  |                     |
| <b>Inspection/testing</b>                                                                                                                                                    |  | \$654,348           | \$588,400           |  | \$1,242,748         |
|                                                                                                                                                                              |  |                     |                     |  |                     |
| <b>City Park Fees</b>                                                                                                                                                        |  | \$235,500           | \$152,500           |  | \$388,000           |
|                                                                                                                                                                              |  |                     |                     |  |                     |
| <b>Public Road improvements</b>                                                                                                                                              |  | \$1,500,000         |                     |  | \$1,500,000         |
|                                                                                                                                                                              |  |                     |                     |  |                     |
| <b>Creation Costs</b>                                                                                                                                                        |  |                     |                     |  | \$120,000           |
|                                                                                                                                                                              |  |                     |                     |  |                     |
| <b>Interest Carry (2)</b>                                                                                                                                                    |  |                     |                     |  | \$40,000,000        |
|                                                                                                                                                                              |  |                     |                     |  |                     |
| <b>Project administration -7 years (3)</b>                                                                                                                                   |  | \$2,800,000         | \$2,800,000         |  | \$5,600,000         |
|                                                                                                                                                                              |  |                     |                     |  |                     |
| <b>Contingency</b>                                                                                                                                                           |  | \$1,858,815         | \$1,319,448         |  | \$3,178,263         |
|                                                                                                                                                                              |  |                     |                     |  |                     |
| <b>Chapter 380 project funding</b>                                                                                                                                           |  |                     |                     |  | \$3,000,000         |
|                                                                                                                                                                              |  |                     |                     |  |                     |
| <b>TIRZ / RA Administration (4)</b>                                                                                                                                          |  |                     |                     |  | \$2,500,000         |
|                                                                                                                                                                              |  |                     |                     |  |                     |
| <b>Total</b>                                                                                                                                                                 |  | <b>\$23,526,324</b> | <b>\$22,106,457</b> |  | <b>\$91,252,781</b> |
|                                                                                                                                                                              |  |                     |                     |  |                     |
|                                                                                                                                                                              |  |                     |                     |  |                     |
| (1) Projected costs are best estimates based on today's cost. Actual reimbursement of these items will be based on independently audited actual costs.                       |  |                     |                     |  |                     |
| (2) Interest paid will depend on a) audited amounts paid for project costs while payments are "as you go, or on the capital cost for tax exempt bonds when sold.             |  |                     |                     |  |                     |
| (3) Project cost will finance admin management of multiple contractors involved in both the residential project and the public road improvements undertaken by the Developer |  |                     |                     |  |                     |
| (4) Redevelopment Authority management including legal, bookkeeping, auditing, and RA/Zone managing                                                                          |  |                     |                     |  |                     |

Exhibit C—Boundary Description for Subdivision 12 and 1/2 of Subdivision 16







**QUINTANILLA, HEADLEY AND ASSOCIATES, INC.**

**Consulting Engineers ★ Land Surveyors**

Engineering Firm Registration No. F-1513  
Surveying Firm Registration No. 100411-00  
Municipal & County Projects ★ Subdivisions ★ Surveys  
124 E. Stubbs, Edinburg, Texas 78539  
Phone 956/381-6480 Fax 956/381-0527

**METES AND BOUNDS**

A 13.41 ACRE TRACT OF LAND BEING A PART OR PORTION OF LOT 12, BLOCK 102, CAMPACUAS ADDITION, HIDALGO COUNTY, TEXAS, ACCORDING TO THE PLAT OR MAP THEREOF RECORDED IN VOLUME 1, PAGE 2, MAP RECORDS HIDALGO COUNTY, TEXAS, AND ACCORDING TO CORRECTION SPECIAL WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3366599, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS, REFERENCE TO WHICH IS HERE MADE FOR ALL PURPOSES AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

BEGINNING AT A COTTON PICKER SPINDLE SET WITHIN THE RIGHT OF WAY OF MILE 2 WEST ROAD FOR THE NORTHWEST CORNER OF LOT 12 AND THE THE NORTHWEST CORNER OF THIS TRACT.

THENCE; EAST, ALONG THE NORTH LINE OF LOT 12, PASSING A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET AT 30.00 FEET FOR THE EAST RIGHT OF WAY LINE OF MILE 2 WEST ROAD, A TOTAL DISTANCE OF 1,320.00 FEET TO A POINT FOR THE NORTHEAST CORNER OF LOT 12 AND THE NORTHEAST CORNER OF THIS TRACT.

THENCE; SOUTH, ALONG THE EAST LINE OF LOT 12, A DISTANCE OF 661.78 FEET TO A POINT FOR THE NORTHEAST CORNER OF THE JOSE NICOLAS CADENA AND JORGE CADENA TRACT (THE SOUTH HALF OF LOT 12, BLOCK 102, CAMPACUAS ADDITION, ACCORDING TO WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 368072, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) AND THE SOUTHEAST CORNER OF THIS TRACT.

THENCE; N 89°55'04" W, ALONG THE NORTH LINE OF THE JOSE NICOLAS CADENA AND JORGE CADENA TRACT, A DISTANCE OF 421.00 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE SOUTHWEST CORNER OF THIS TRACT.

THENCE; NORTH, A DISTANCE OF 291.67 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; WEST, A DISTANCE OF 677.00 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN EXTERIOR CORNER OF THIS TRACT.

THENCE; NORTH, A DISTANCE OF 119.50 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN INTERIOR CORNER OF THIS TRACT.

A 7.35 AC TR OF LAND BEING A PART OR PORTION OF LOT 12, BLOCK 102  
CAMPACUAS ADDITION

Page 1 of 2

THENCE; WEST, PASSING A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET AT 192.00 FEET FOR THE EAST RIGHT OF WAY LINE OF MILE 2 WEST ROAD, A TOTAL DISTANCE OF 222.00 FEET TO A COTTON PICKER SPINDLE SET ON THE WEST LINE OF LOT 12 AND WITHIN THE RIGHT OF WAY OF MILE 2 WEST ROAD FOR THE MOST SOUTHERLY NORTHWEST CORNER OF THIS TRACT.

THENCE; NORTH, ALONG THE WEST LINE OF LOT 12 AND WITHIN THE RIGHT OF WAY OF MILE 2 WEST ROAD, A DISTANCE OF 250.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 13.41 ACRES OF LAND MORE OR LESS.

BEARINGS ARE IN ACCORDANCE WITH LAS BRISAS DEL ORO UNIT 5, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 35, PAGE 13, MAP RECORDS, HIDALGO COUNTY, TEXAS.

I, ALFONSO QUINTANILLA, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THE ABOVE METES AND BOUNDS TO BE TRUE AND CORRECT, AND TO BE THE REPRESENTATION AND RESULT OF AN ACTUAL SURVEY DONE ON THE GROUND UNDER MY DIRECTION.

DATE PREPARED: AUGUST 14, 2025



ALFONSO QUINTANILLA  
REGISTERED PROFESSIONAL  
LAND SURVEYOR No. 4856





SCALE 1" = 100'

MILE 2 WEST ROAD

P.O.B.  
SET C.P.S.  
N.W. COR.  
LOT 12  
BLK. 102

10.00'  
SET 1/2" X 24"  
IRON ROD WITH  
CAP STAMPED  
RPLS 4856

36" GATE WELL  
IRR. VALVE  
WITH 36" FIBERGLASS  
STANDPIPE

EAST

1320.00'

IRR. VALVE  
WITH 24" CSP

3.5' CONC. STAND PIPE

UNABLE TO SET FALL  
INSIDE CONCRETE CANAL  
N.E. COR.  
LOT 12  
BLK. 102

STEEL IRRIGATION LINE

GATE VALVE

40.00'

NORTH 250.00'

40.00'

15.00' H.C.C.I.D. No. 9 IRRIGATION EASEMENT

IRR. VALVE

EXISTING 80.00' R.O.W.

30.00' H.C.C.I.D. No. 9  
IRRIGATION EASEMENT  
CENTER ON PIPELINE

30.00' HIGHWAY RIGHT OF WAY EASEMENT TO COUNTY OF HIDALGO  
RECORDED IN VOLUME 969, PAGE 612, OFFICIAL RECORDS,  
HIDALGO COUNTY, TEXAS.

WEST 222.00'

NORTH 119.50'

TRACT No. 1  
13.41 ACRES

WEST

677.00'

SET 1/2" X 24"  
IRON ROD WITH  
CAP STAMPED  
RPLS 4856

SET 1/2" X 24"  
IRON ROD WITH  
CAP STAMPED  
RPLS 4856

NORTH 291.67'

661.78'

LOT 11, BLOCK 102, CAMPACUAS ADDITION  
RECORDED IN VOLUME 1, PAGE 2, MAP  
RECORDS, HIDALGO COUNTY, TEXAS.

SOUTH

EXIST. 20' ELEVATED  
CONCRETE CANAL

80.00' CANAL  
AND DRAINAGE  
DITCH EASEMENT

UNABLE TO SET FALL  
INSIDE CONCRETE CANAL

N 89°55'04" W  
421.00'

SET 1/2" X 24"  
IRON ROD WITH  
CAP STAMPED  
RPLS 4856

FND. 1/2"  
IRON ROD

THE JOSE NICOLAS CADENA AND JORGE CADENA  
TRACT: THE SOUTH HALF OF LOT 12, BLOCK  
102, CAMPACUAS ADDITION, ACCORDING TO  
WARRANTY DEED RECORDED UNDER COUNTY  
CLERK'S DOCUMENT NUMBER 368072, OFFICIAL  
RECORDS, HIDALGO COUNTY, TEXAS.

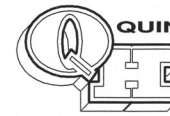
LEGEND  
● = SET 1/2" X 24"  
IRON ROD WITH CAP  
STAMPED RPLS 4856  
UNLESS OTHERWISE NOTED

FLOOD ZONE DESIGNATION: ZONE "X" (SHADED)  
AREAS OF 500-YEAR FLOOD; AREAS OF 100-YEAR  
FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT  
OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE;  
AND AREAS PROTECTED BY LEVEES FROM 100-YEAR  
FLOOD.

COMMUNITY-PANEL NUMBER 480334 0450 C  
MAP REVISED: JUNE 6, 2000  
MAP REVISED: MAY 30, 2002 (LOMR)

BEARINGS SHOWN ON THIS SURVEY PLAT ARE IN  
ACCORDANCE WITH LAS BRISAS DEL ORO UNIT  
5 RECORDED IN VOLUME 35, PAGE 13, MAP RECORDS,  
HIDALGO COUNTY, TEXAS.

I, ALFONSO QUINTANILLA, A REGISTERED PROFESSIONAL  
LAND SURVEYOR, DO HEREBY CERTIFY THE FOREGOING  
PLAT TO BE A TRUE AND CORRECT REPRESENTATION  
OF THE LANDS SHOWN AS THE RESULT OF AN ACTUAL  
SURVEY DONE ON THE GROUND UNDER MY DIRECTION.  
THERE ARE NO VISIBLE DISCREPANCIES, CONFLICTS, OR  
SHORTAGES IN AREA ON BOUNDARY LINES, OR ANY VISIBLE  
ENCROACHMENTS, OR ANY VISIBLE OVERLAPPING OF  
IMPROVEMENTS EXCEPT AS SHOWN ON THIS PLAT.



QUINTANILLA, HEADLEY AND ASSOCIATES, INC.

CONSULTING ENGINEERS

124 E. STUBBS ST.  
EDINBURG, TEXAS 78539  
ENGINEERING REGISTRATION NUMBER F-1513  
SURVEYING REGISTRATION NUMBER 100411-00

LAND SURVEYORS

PHONE 956-381-6480  
FAX 956-381-0527  
ALFONSO@QHA-ENG.COM



*Alfonso Quintanilla*

ALFONSO QUINTANILLA  
REGISTERED PROFESSIONAL LAND SURVEYOR  
No. 4856

VOL. 1 PAGE 2  
SURVEYED AUGUST 14, 2025  
OWNER  
ADDRESS  
JOB No. G.F. No. 954162  
BOOK No. PAGE  
FILE NAME: Z:\data\SUBDIVISIONS\Mercedes\SAN JACINTO ESTATES No.16\DWG\SURVEY\13.41 SURVEY





QUINTANILLA, HEADLEY AND ASSOCIATES, INC.

**Consulting Engineers ★ Land Surveyors**

Engineering Firm Registration No. F-1513  
Surveying Firm Registration No. 100411-00  
Municipal & County Projects ★ Subdivisions ★ Surveys  
124 E. Stubbs, Edinburg, Texas 78539  
Phone 356/381-6480 Fax 356/381-6527

**METES AND BOUNDS**

A 32.01 ACRE TRACT OF LAND BEING A PART OR PORTION OF LOT 9, BLOCK 115, CAMPACUAS ADDITION, HIDALGO COUNTY, TEXAS, ACCORDING TO THE PLAT OR MAP THEREOF RECORDED IN VOLUME 1, PAGE 2, MAP RECORDS HIDALGO COUNTY, TEXAS, AND ACCORDING TO CORRECTION SPECIAL WARRANTY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 3366599, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS, REFERENCE TO WHICH IS HERE MADE FOR ALL PURPOSES AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

BEGINNING AT A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET ON THE NORTH LINE OF LOT 9 AND ON THE WEST RIGHT OF WAY OF MILE 2 WEST ROAD (ACCORDING TO RIGHT OF WAY DEED RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 1945603, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) FOR THE NORTHEAST CORNER OF THIS TRACT, SAID ROD BEARS WEST, 50.00 FEET FROM THE NORTHEAST CORNER OF LOT 9.

THENCE; SOUTH, ALONG THE WEST RIGHT OF WAY LINE OF MILE 2 WEST ROAD, A DISTANCE OF 1,105.00 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE SOUTHEAST CORNER OF THIS TRACT.

THENCE; WEST, A DISTANCE OF 1,075.35 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE SOUTHWEST CORNER OF THIS TRACT.

THENCE; N 62°15'37" W, A DISTANCE OF 100.21 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR AN INTERIOR CORNER OF THIS TRACT.

THENCE; S 67°29'24" W, A DISTANCE OF 115.08 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET ON THE WEST LINE OF LOT 9 FOR THE MOST NORTHERLY SOUTHWEST CORNER OF THIS TRACT.

THENCE; NORTH, ALONG THE WEST LINE OF LOT 9, A DISTANCE OF 1,014.30 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHWEST CORNER OF LOT 9 AND THE NORTHWEST CORNER OF THIS TRACT.

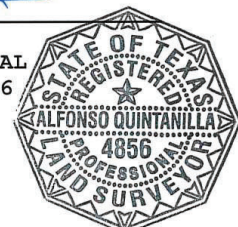
THENCE; EAST, ALONG THE NORTH LINE OF LOT 9, A DISTANCE OF 1,270.35 FEET TO THE POINT OF BEGINNING AND CONTAINING 32.01 ACRES OF LAND MORE OR LESS.

BEARINGS ARE IN ACCORDANCE WITH LAS BRISAS DEL ORO UNIT 5, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 35, PAGE 13, MAP RECORDS, HIDALGO COUNTY, TEXAS.

I, ALFONSO QUINTANILLA, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THE ABOVE METES AND BOUNDS TO BE TRUE AND CORRECT, AND TO BE THE REPRESENTATION AND RESULT OF AN ACTUAL SURVEY DONE ON THE GROUND UNDER MY DIRECTION.

DATE PREPARED: AUGUST 14, 2025

ALFONSO QUINTANILLA  
REGISTERED PROFESSIONAL  
LAND SURVEYOR No. 4856





**DEPARTMENT:** Mercedes Recreation Center

**MONTHLY REPORT:** June & July 2025

**Report Summary:**

This report tracks membership, programs and project activities for the Recreation Center for the month.

**Registration for membership conducted year-round:**

Fall Program: Registrations start date Aug. 1, 2025

Fall Program: Aug. 2025 - May 2026

After-school At Risk Programs - Weekly Program Mon. - Fri. 3:30pm - 6:00pm

Summer Program: Registration start date May 1, 2025

Summer Program: June & July 2025

Weekly Program Mon. - Thurs. 8:00am - 5:00pm

**Mercedes Recreation Center Program Registration Numbers: June & July**

|                                           | June        | July    |
|-------------------------------------------|-------------|---------|
| • After-School Membership Registration    | N/A         | N/A     |
| • Membership Daily Attendance             | 70 - 90     | 65 - 70 |
| • Youth Soccer League Registration        | 150         | N/A     |
| • CO-ED Volleyball Leagues Registration   | 80          | 80      |
| • Youth Fall Baseball League Registration | PENDING     | PENDING |
| • Summer Program Registration             | 115         | 90      |
| • Total Registration                      | 435 members |         |

### **Rec Staff Training & Meetings:**

- **Meeting w/ Recreational Leaders - Summer Program**
  - Members Safety / Incident Report Documentation 6/4
  - Staff, Supervisor & Director Communication Meeting 6/5
  - Members Supervision / Work Attendance & Punctual 7/2
  - Cleaning Detail & Communication 7/9

### **Projects/Maintenance Work Orders & Special Task:**

- **Meeting w/ Parks Director - Armando Villela**
  - Youth & Adult Leagues - Donna / La Feria / Mercedes 6/13 & 7/17
    - Youth Fall Baseball League
    - Follow-up meeting in La Feria 7/24
- **Public Works - Work Order submitted:**
  - Dome Facility**
    - Dome Parking Lot Photocells Warranty Work (**Pending**)
  - Rec Facility**
    - Gym Door Latch 6/3
    - Portable Building 6/25
    - Bumper Tables 7/8
    - Water Fountain Outlet 7/18
    - Ceiling Vents 7/21
    - Ceiling Tiles 7/22
  - Pool Facility**
    - Pump Filters #1 - #4 Cleaning 6/20 & 6/21
    - Pump Room Breaker 7/9
    - Grass Landscape - Parks 7/18
- **Rec & Dome Center - AC Units:**
  - Pump #1 & #3 PVC Lines 6/12
  - Dome A/C Filters 6/5 & 7/15
  - Rec A/C Filters 6/6 & 7/16



### **Swimming Pool Projects/Maintenance:**

- **Mercedes Public Pool - Public Hours - Pool Rental - Swimming Lessons**
  - Public Pool Hours Wed. - Fri 3pm - 6p & Sat. 1pm - 5pm
  - June & July Totals: Daily Attendance 678 - Pool Parties 215 - Swimming Lessons 55
- **Swimming Pool Maintenance - Daily/Monthly Equipment Inspections**
  - Facility maintenance - pool vacuuming, netting & clean skimmers - **Daily**
  - Motor & filter pumps inspection - **Daily**
  - Test pool water levels - **Daily** / Leslie's Pool water testing - **Weekly**
  - Inspection - pumps, check valves, chlorinators, gauges & filters - **Daily**
  - Backwash filters - **Monthly**
  - Facility landscaping / grass cutting / chemical room inventory - **Monthly**
  - Pool filters - disassembled & cleaned - **Quarterly**

### **Community:**

- **RGV FOOD BANK**
  - June Food-Drive Dome Site 6/11
  - July Food-Drive Dome Site 7/9
- **Dome Shelter**
  - Chemistry Road Show Texas A&M 6/2
  - Sister City Presentation Ramos Arizpe 6/6
  - Job Fair Set-up & Walk-through 7/15
  - Job Fair 9am - 12pm Event 7/16
- **City of Mercedes**
  - City Commission Meeting 6/3
  - Department Budget Meeting 6/4
  - Department Head Meeting 6/5
  - City Commission Meeting - Tues. 7/15
  - Department Budget Review Meeting 7/15
  - Department Head Meeting - Fri. 7/18

### **Summer Program:**

- **Registration**
  - Program Start: July 1<sup>st</sup> / Location 701 Mathis St.
  - Mon. - Thurs. 8am - 5pm
  - Monthly Fee: \$70.00 per individual

### **Out-Reach Programs:**

- **Out-reach Agency Programs**
  - Behavioral Solutions
  - AgriLife Texas A&M
  - Mercedes Library
  - Miss Mercedes Laci Silva
- **MISD Nutrition Program - Summer Meals**
  - Program Start June 2<sup>nd</sup>
  - Weekly: Monday thru Thursday
  - Breakfast 9am - 9:30am / Lunch 12pm - 12:30pm
  - Number of Total Meals Served: **June & July - Breakfast 1288 / Lunch 1821**
  - Program End July 10<sup>th</sup> : **Total Meals Served 3,109**
- **Foster Grandparent Senior Corps Program**
  - 2 Volunteer Foster Grandparents
  - Monday - Thursday 8:00am - 5:00pm
  - Program Coordinator Meeting 7/22

### **Adult Leagues:**

- **CO-ED Volleyball**
  - 80 Participants
  - League Play - Season Start 5/9
  - League Play - Season End 7/11
  - League Tournament Play 7/18
  - Dome Facility 6pm - 8:30pm

### **Youth Leagues:**

- **Soccer League**
  - 150 Members Registered
  - CO-ED Ages 5 – 12 years
  - 23 Teams Mercedes / Donna
  - Season Play June 9th
  - Mon. - Thurs. 6pm - 8:30pm

## Recreation Center Programs:

- **Programs Attendance: June**

| <u>Program/Activites Desciption</u>       | <u>Week 1</u> | <u>Week 2</u> | <u>Week 3</u> | <u>Week 4</u> | <u>Total</u> |
|-------------------------------------------|---------------|---------------|---------------|---------------|--------------|
| Membership Daily Attendance               | 289           | 280           | 217           | 280           | 1066         |
| MISD Food Program Meals Breakfast / Lunch | 205/252       | 168/242       | 102/173       | 156/238       | 631/905      |
| Game-room                                 | 240           | 260           | 190           | 240           | 930          |
| Computers                                 | 175           | 200           | 160           | 180           | 715          |
| PS4 Room                                  | 240           | 225           | 175           | 220           | 860          |
| Arts & Crafts                             | 90            | 88            | 75            | 110           | 363          |
| Sports & Fitness / Out-door Activities    | 275           | 280           | 217           | 280           | 1052         |
| Out-Reach Summer Programs                 | 115           | 105           | 120           | 110           | 450          |
| Youth League - Soccer Games               | N/A           | N/A           | 170           | 220           | 390          |
| Adult League - COED Volleyball Games      | 140           | 140           | 60            | 60            | 400          |

- **Programs Attendance: July**

| <u>Program/Activites Desciption</u>       | <u>Week 1</u> | <u>Week 2</u> | <u>Week 3</u> | <u>Week 4</u> | <u>Total</u> |
|-------------------------------------------|---------------|---------------|---------------|---------------|--------------|
| Membership Daily Attendance               | 265           | 250           | 246           | 267           | 1028         |
| MISD Food Program Meals Breakfast / Lunch | 165/241       | 162/217       | 246           | 267           | 330/971      |
| Game-room                                 | 240           | 230           | 220           | 230           | 920          |
| Computers                                 | 180           | 180           | 175           | 180           | 715          |
| PS4 Room                                  | 210           | 185           | 190           | 190           | 775          |
| Arts & Crafts                             | 110           | 90            | 110           | 110           | 420          |
| Sports & Fitness / Out-door Activities    | 265           | 250           | 246           | 267           | 1028         |
| Out-Reach Summer Programs                 | 90            | 65            | 108           | 227           | 490          |
| Youth League - Soccer Games               | Weather       | 270           | 220           | 220           | 710          |
| Adult League - COED Volleyball Games      | N/A           | 60            | 60            | N/A           | 120          |

## **Mission Statement**

Mercedes Recreation Center, in conjunction with the City of Mercedes, is responsible for the development and implementation of youth programs for youth that reside in the City of Mercedes. The Recreation Center is a Non-Profit Organization for Youth age 6 to 18, which are targeted for programs that will increase pro-social behavior. These programs include recreation activities, community service events/projects, youth leadership programs and cultural events.

## **Mercedes Recreation Center**

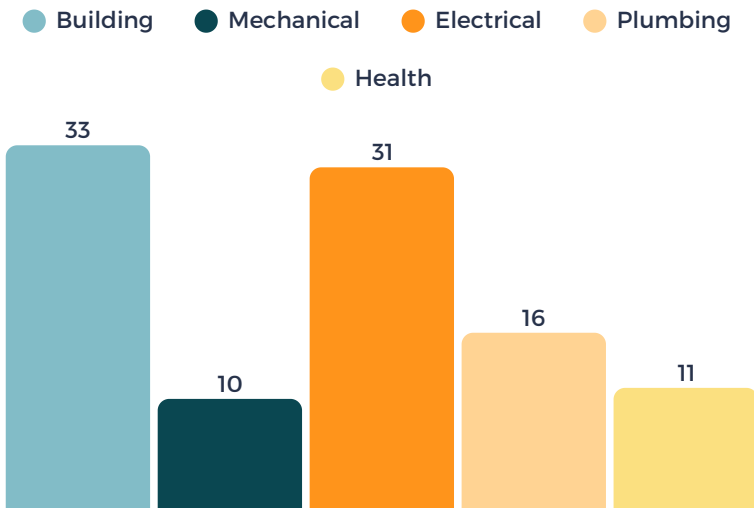
**“Impacting the youth in our community”**



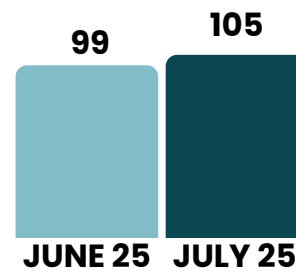


## DEVELOPMENT ACTIVITY (JULY 2025)

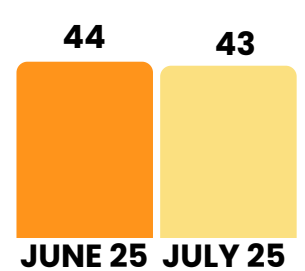
### PERMITS ISSUED



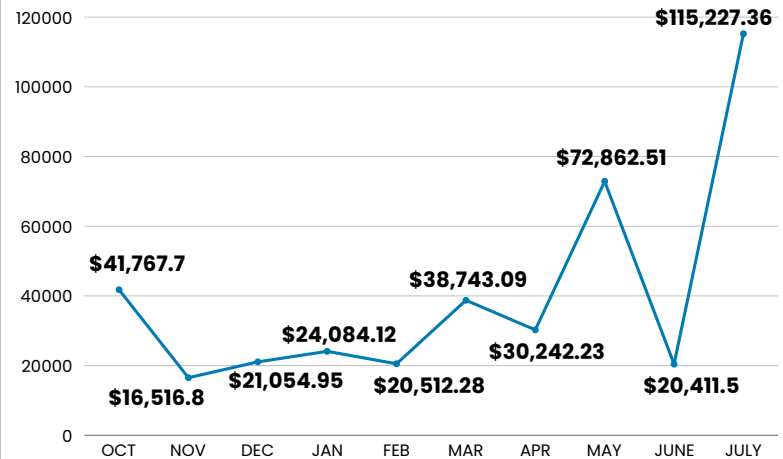
### Building Inspections



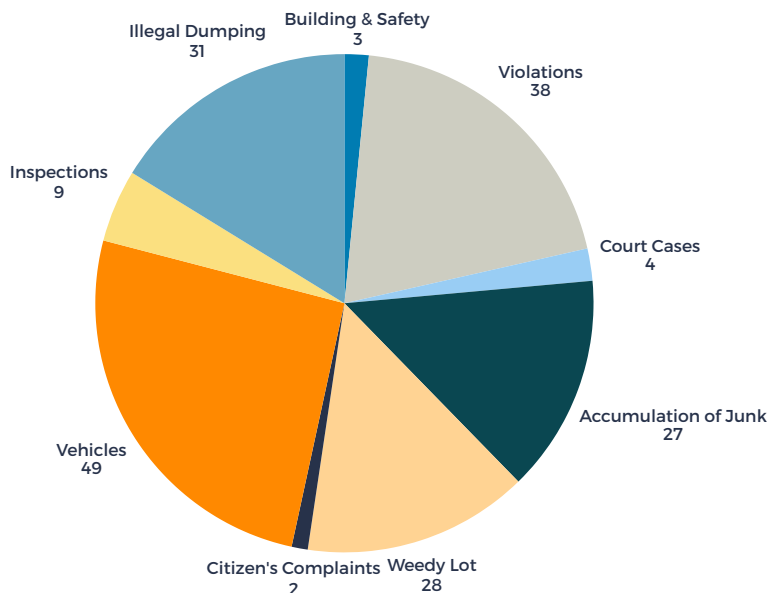
### Plan Reviews



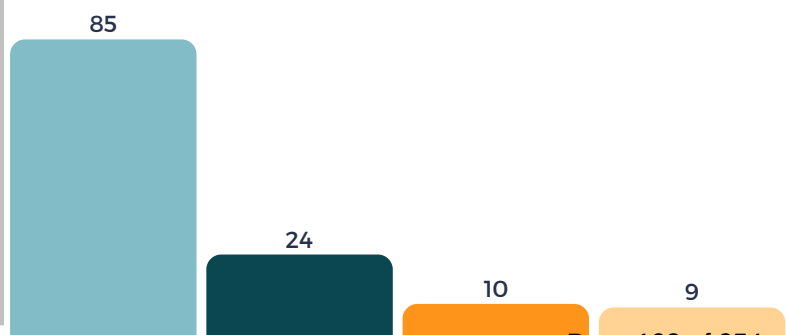
### DEPARTMENT REVENUE



### CODE ENFORCEMENT ACTIVITY (JULY 2025)



### Garage Sales, Event Permits, Contractor's License, Business License



\*includes both new and renewal licenses

## ACTIVITY (FY 23-24 VS YTD)

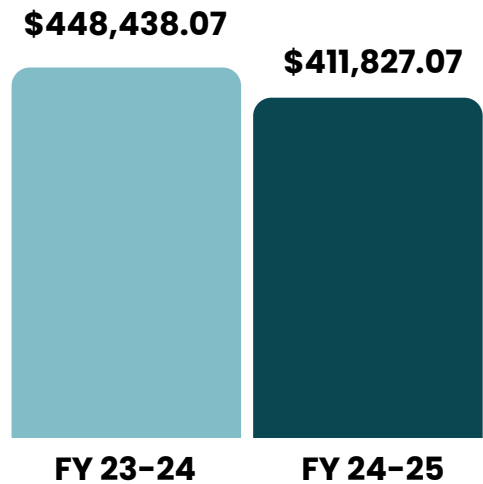
### PERMITS ISSUED

|                              | FY 23-24 | YTD   |
|------------------------------|----------|-------|
| New Residential Construction | 141      | 131   |
| Commercial Construction      | 8        | 16    |
| Other Permits                | 1,447    | 1,112 |

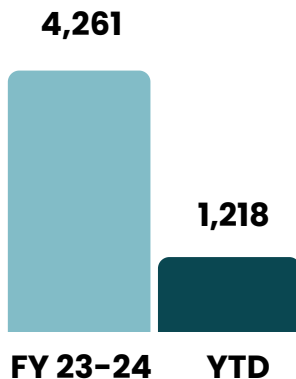
Residential & Commercial include: Building, Mechanical, Electrical, and Plumbing

Other Permits: Repairs, Remodel, Re-roof, Driveway, Carport, Fences, ROW, Irrigation, Mechanical, Electrical, Plumbing, Meter reset, Moving a Building, Solar Panel, Storage Shed

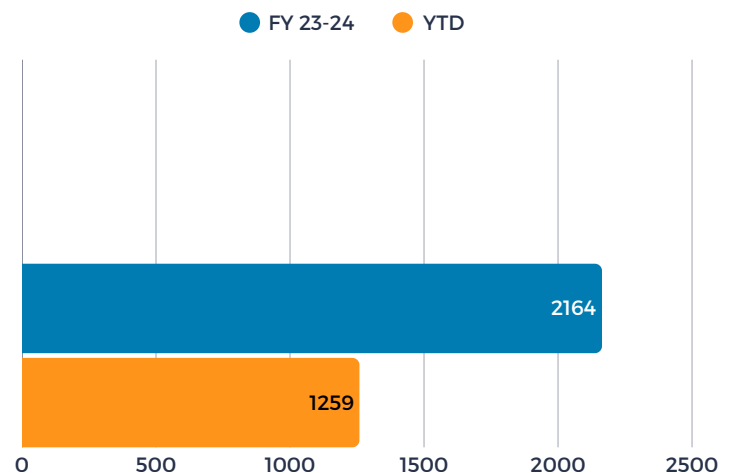
### REVENUE



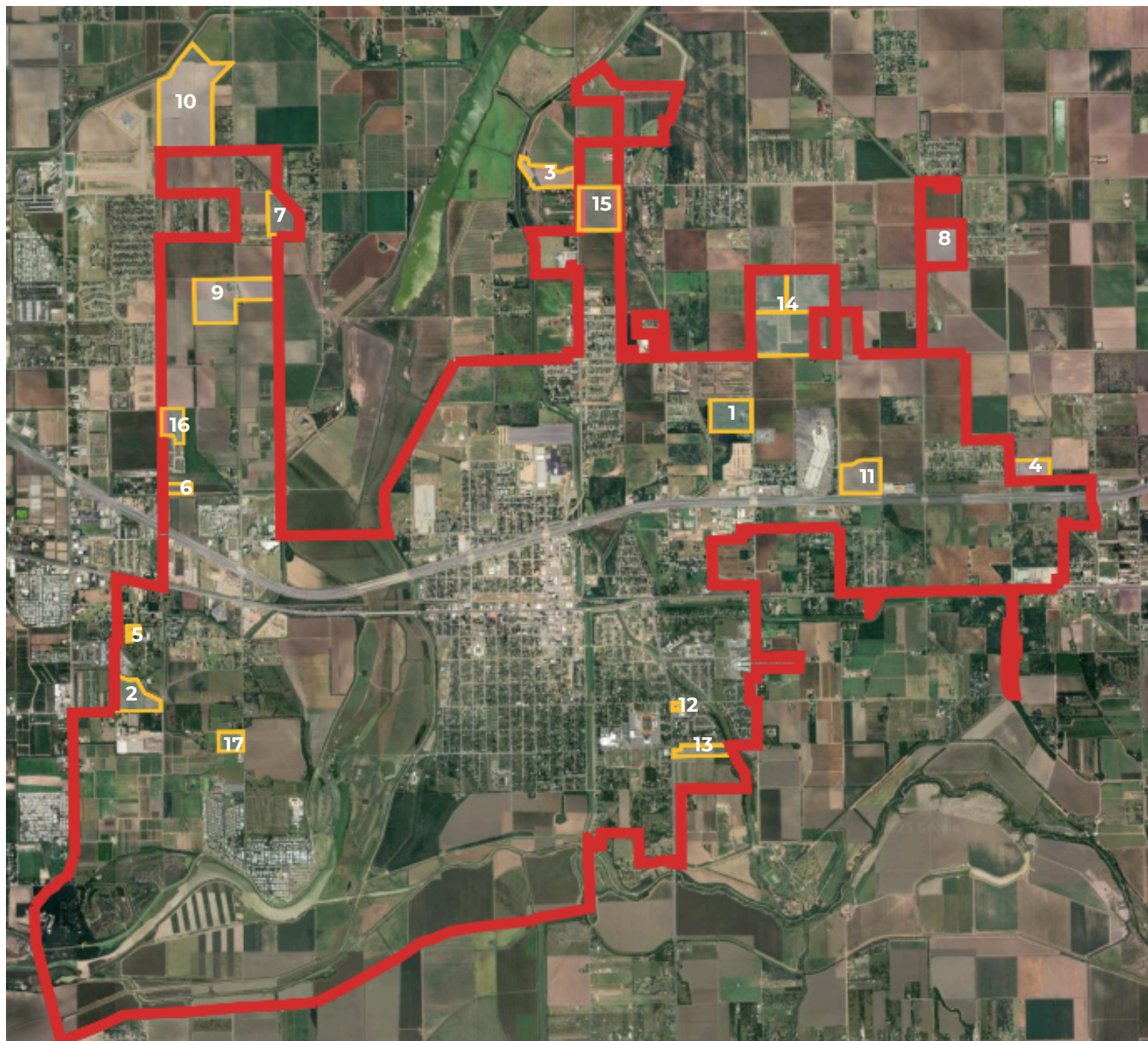
### Building Inspections



### Total of Permits Issued



# SUBDIVISIONS



# SUBDIVISIONS

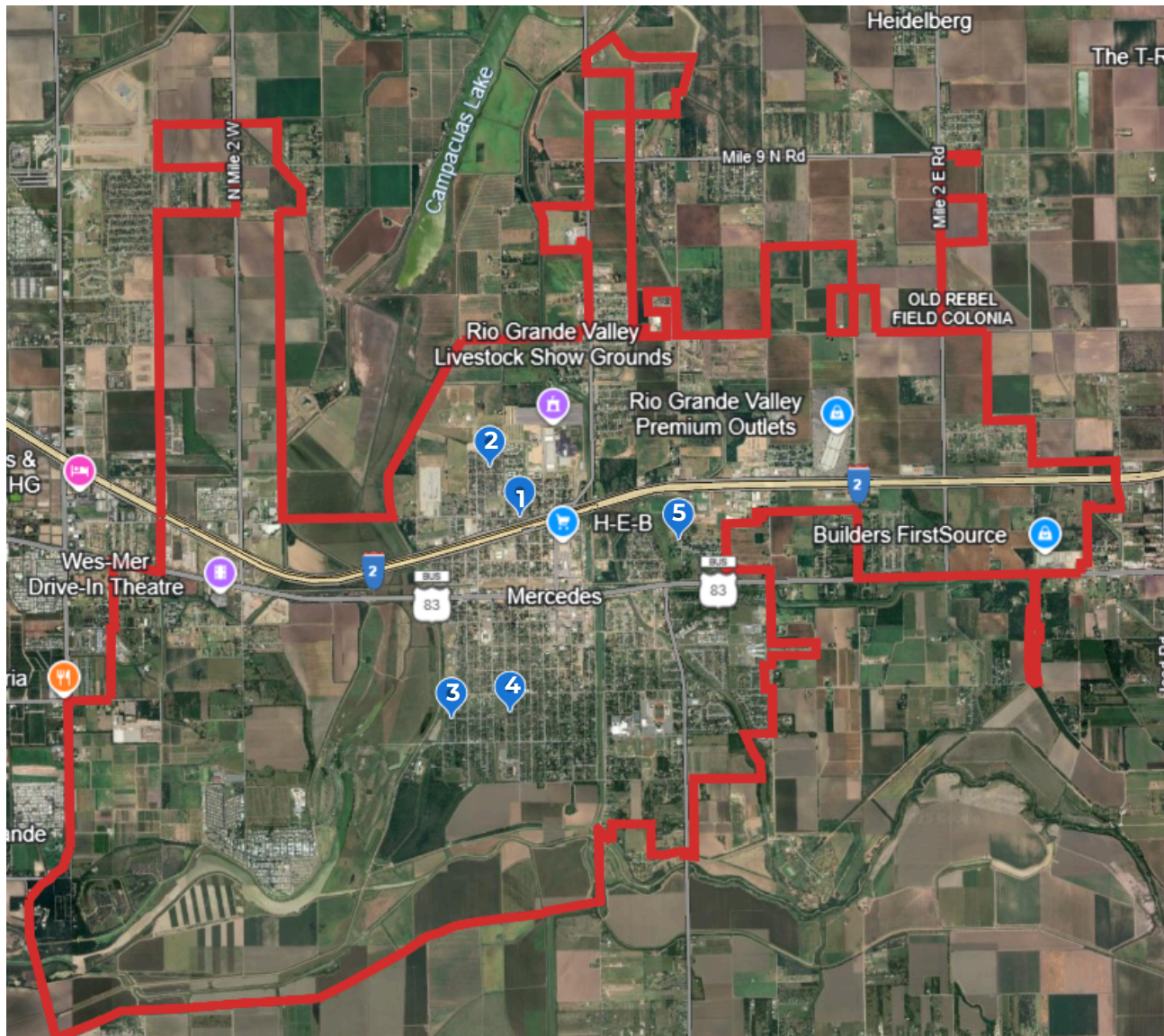
|    | Subdivision                | Location                                                                 | Acres  | Number of lots | Status                                                                         | Type                         |
|----|----------------------------|--------------------------------------------------------------------------|--------|----------------|--------------------------------------------------------------------------------|------------------------------|
| 1  | Stable Estates             | 1 Mile N of Express way 83 on Mile 1 E. West of Mile 1 E/South of Mile 8 | 22.76  | 96             | Finalizing Construction                                                        | Multi-Family & Town Houses   |
| 2  | Camino de Verdad Ph 2      | FM 1015 & Camino de Verdad                                               |        | 63             | Completed Construction                                                         | Single Family                |
| 3  | Los Prados Ph 1            | 2 Mile N of Exp 83 on FM 49. NW corner of Fm 491/Mile 9 North            | 9.09   | 48             | Under Construction                                                             | Single Family                |
| 4  | Mirasol Country Estates    | East Side of Mile 2 1/2 East and North of Expwy                          | 59     | 19             | Under Construction                                                             | Single Family                |
| 5  | Camino Heights             | S Mile 2 1/2 W and Camino Real Viejo                                     | 2.93   | 22             | Interlocal Agreement Approved by Weslaco, Waiting for revised plans            | Single Family                |
| 6  | Red Stone                  | Mile 2 1/2 and north of Expressway 83                                    | 6.0    | 20             | Waiting for Subdivision Plans, Finalizing Buyout with North Alamo Water Supply | Single Family                |
| 7  | Las Cabanas                | Mile 9 North and between Mile 2 W & Mile 1 1/2 W                         | 24.90  | 73             | Pre-Construction Stage, Finalizing Lift Station                                | Single Family                |
| 8  | North Valley Village       | East side of Mile 2 East and south of Mile 8 North Rd                    | 40     | 193            | Pending Sewer Extension, On Hold                                               | Single Family                |
| 9  | San Jacinto Estates No. 12 | N of Mile 9 N and between Mile 2 1/2 W & Mile 2 W                        | 127.44 | 332            | Obtain Preliminary Approval                                                    | Single Family & Multi-Family |
| 10 | San Jacinto Estates No. 16 | Mile 8 N and Mile 2 W                                                    | 81.73  | 319            | Obtain Preliminary Approval                                                    | Single Family                |

# SUBDIVISIONS

|    | Subdivision            | Location                                          | Acres  | Number of lots | Status                               | Type                         |
|----|------------------------|---------------------------------------------------|--------|----------------|--------------------------------------|------------------------------|
| 11 | Shops at Mercedes Ph I | Hwy 83 Frontage next to the Outlets               | 30     | 7              | Under Construction                   | Commercial                   |
| 12 | Dollar General         | Rio Rico and 10th St (1000 Rio Rico Rd)           | 1.74   | 1              | Completed Construction               | Commercial                   |
| 13 | Hacienda Olivia Ph 4   | E Rio Rico Rd and N of Hacienda Olivia Ph 1       | 13.80  | 117            | Rezone, Waiting for Subdivision Plat | Single Family/Town House     |
| 14 | Corona De Cristo       | Mile 8 N Rd and Mile 1 E Rd                       | 126.83 | 530            | TIRZ Process                         | Single Family & Multi-Family |
| 15 | Rodeo Estates          | Mile 8 and Fm 491                                 | 40.00  | 211            | Pre-Development                      | Single Family & Commercial   |
| 16 | Villa Del Lago         | Mile 2 ½ West and South of Mile 8 N               | 14.83  | 42             | Under Review                         | Multi-Family                 |
| 17 | Palladium Energy       | Mile 2 West Road and North of Camino De Verdad Rd | 10.56  | 2              | Waiting for revised plans            | Light Industrial             |



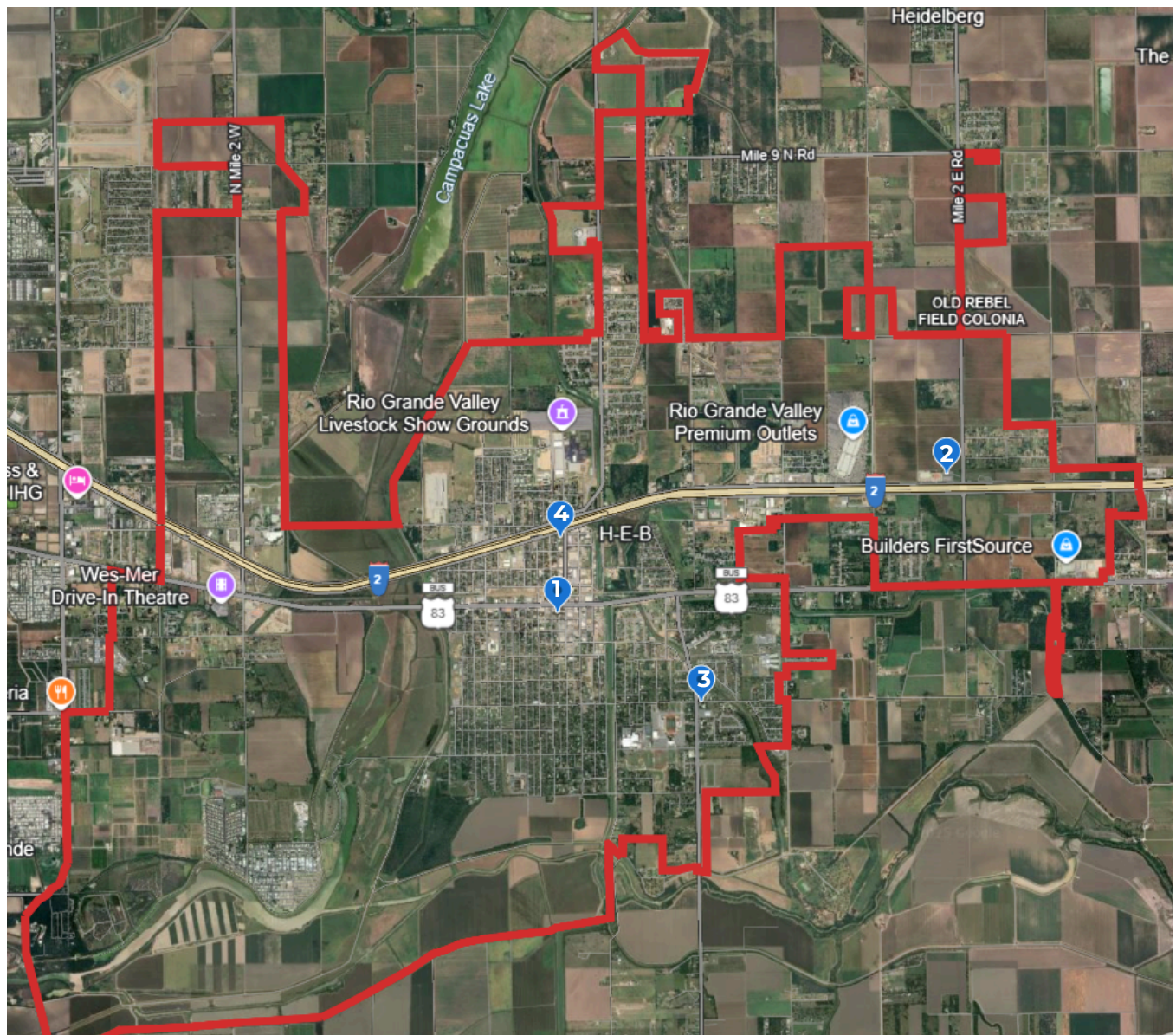
# NEW RESIDENTIAL CONSTRUCTION



|   | Project Address   | Type          | Sq Ft | Subdivision                |
|---|-------------------|---------------|-------|----------------------------|
| 1 | 637 Anaquitas St  | Single-Family | 1,185 | Garden Park                |
| 2 | 910 N Indiana Ave | Single Family | 1,367 | Garden Park Subdivision    |
| 3 | 1216 Maryland Ave | Single Family | 1,207 | Remera Addition            |
| 4 | 1136 S Washington | Single Family | 1,466 | Mercedes Original Townsite |
| 5 | 315 Dawson Rd     | Single Family | 2,730 | C.F. Newmann               |



# NEW COMMERCIAL CONSTRUCTION/BUSINESSES



|   | Business                         | Project Address              | Type of Business | Status                  |
|---|----------------------------------|------------------------------|------------------|-------------------------|
| 1 | Black Veil Tattoos               | 423 W 3 <sup>rd</sup> St     | Tattoo Shop      | Business License Issued |
| 2 | Lavender Loft Events Center, LLC | 7013 E Expressway 83 Suite D | Event Center     | Business License Issued |
| 3 | Dollar General                   | 800 E 10 <sup>th</sup> St    | Store            | Business License Issued |
| 4 | Flutter Beauty LLC               | 336 N Texas Ave              | Beauty Salon     | Business License Issued |

# Health & Code Enforcement

## Health & Code Enforcement Inspections, July

|                             | July 2025 |
|-----------------------------|-----------|
| Code Compliance Inspections | 178       |
| Citations Issued            | 7         |
| Health Inspections          | 6         |

## Health Inspections Results, July 2025

| Business Name                   | Business Type | Address                    | Pass/Fail |
|---------------------------------|---------------|----------------------------|-----------|
| Wendy's                         | Restaurant    | 8001 E Expressway 83 Ste B | Pass      |
| Dollar General                  | Store         | 800 E 10 <sup>th</sup> St  | Pass      |
| Mama Maria's Restaurant         | Restaurant    | 735 W 2 <sup>nd</sup> St   | Pass      |
| Sonic Drive In                  | Restaurant    | 620 E 2 <sup>nd</sup> St   | Pass      |
| Lavender Loft Events Center LLC | Event Center  | 7013 E Expressway 83 Ste D | Pass      |
| Easy Learning Preschool 2       | Day Care      | 502 S Texas Ave            | Pass      |



# Memo

**To:** Alberto Perez, City Manager  
**From:** Marisol Vidales, Library Director & Historic Preservation Officer  
**CC:** Patricio Avila, Assistant City Manager  
**Date:** August 07, 2025  
**Re:** Library Department Monthly Report

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Attached you will find the Library Department's monthly statistical report, please let me know if you have any questions regarding the information. Also, Library Staff participated in the following meetings, training, and events during the month of July 2025.

## Meetings

- Attended the City Commission meeting. (7/01) – Michelle Muniz
- Met with Insignia ILS Admins to prepare for upcoming Cataloger Supervisor Workshop. (7/02) – Mary Jane Hernandez
- Met with Javier from A-1 Facility Services to discuss the quotes for the new projects we want to work on. (7/02) – Michelle Muniz
- Held virtual Cataloger Supervisor Workshop for Hidalgo County Libraries. (7/03) – Mary Jane Hernandez
- Attended the annual Safety Rally Luncheon hosted by Waste Connections. (7/03) – All Staff (except for Marisol Vidales & Tristan Garza)
- Department Head Meeting. (7/07) – Marisol Vidales
- Presented the HCLS 2024 Year in Review at Hidalgo County Commissioner's Court. (7/08) – Marisol Vidales
- Met with City Manager & Finance to go over window restoration & national register nomination pricing. Received approval to move forward with both items. (7/08) – Marisol Vidales
- Met with City PIO to go over everything that is needed for the job fair. (7/08) – Marisol Vidales
- Met with PIO at the Dome to go over the layout in person for the job fair. (7/09) – Marisol Vidales

- Monthly meeting with Insignia representative, Nadia Butt, to go over items we still need revised. (7/09) – Marisol Vidales & Michelle Muniz
- MHM Site Visit for current grant evaluation, what further funding is needed, how funding is going for libraries in general, & a library tour. (7/09) – Marisol Vidales, Michelle Muniz, Anthony Cardenas, & Tristan Garza
- Attended the Broadband Development Office's Digital Opportunity Advisory Group monthly meeting. (7/10) – Marisol Vidales
- Attended the MHM Community Investments – RGV Convening. (7/10) – Michelle Muniz & Tristan Garza
- Attended the Food Distribution event. (7/09) – Frank Rivas
- Met with Gabriel Ozuna to discuss the Graham building, prepared for the National Register applications, and the window restorations for the Irrigation building. (7/15) – Marisol Vidales
- Met with Dr. Samuel Garcia regarding tote bags, books, ceremony on Friday, and Creative Writing Workshop. (7/15) – Marisol Vidales
- Met with Dr. Garcia from the University of Michigan and Dr. Mez Perez from UT at El Paso to discuss the ongoing grant partnership and the next steps. (7/15) – Marisol Vidales & Michelle Muniz
- Met with Finance Department & City Manager to go over the library budget requests and make necessary cuts. (7/15) – Marisol Vidales
- Met with MHPC member to accept a donation for our Texas Room & to discuss the fact that she will be moving & eventually leaving the Commission. (7/15) – Marisol Vidales
- Attended City Commission. (7/15) – Marisol Vidales
- Met with Lorriane from Brand Geniuz to discuss what videos or reels the library would need, including café, online orders for the café, & cloudLibrary. (7/16) – Marisol Vidales
- Library Programming meeting with Children's Department. (7/17) – Frank Rivas, Briana Carrillo, Michelle Muniz, & Marisol Vidales
- Met with Dept Head to discuss the dates of the tree lighting & Winter Wonderland. (7/17) – Marisol Vidales
- Met with Dept. Heads again to discuss the dates, the times, the installation of the tree, etc. It was determined that no tree lighting would occur in order to use all resources for Winter Wonderland. The tree will be lit ceremonially at Winter Wonderland. (7/17) – Marisol Vidales
- Attended the Dept. Head meeting. (7/18) – Marisol Vidales & Michelle Muniz
- Attended the HCLS meeting in Hidalgo. (7/18) – Marisol Vidales
- Walk through of Dome for the Earth X Space event with Dr. Samuel Garcia. (7/18) – Marisol Vidales
- As HPO, met with Juan Velez on the National Register Nomination applications for both the old City Hall building and the American Rio Grande Land & Irrigation building. (7/18) – Marisol Vidales & Michelle Muniz
- As HPO, met with Jonas Valerio and Season, his assistant, to discuss what would be needed for work to begin on the Irrigation building, confirmed with City Administration that everything was clear for them to start on Monday. (7/18) – Marisol Vidales & Michelle Muniz

- Met with Hilda Molina, Elsa Public Library Director, to review the events that occurred at the HCLS meeting in Hidalgo and the next steps in determining the ILS. (7/21) – Marisol Vidales & Michelle Muniz
- Discussed the Hand in Nature programming for the month of August. (7/21) – Marisol Vidales & Daniela Alejo
- As HPO, met with Juan Velez & Gabriel Ozuna regarding the National Register nominations. Toured both buildings, took photographs, interviewed a Mercedes resident, and discussed what else is still needed. (7/22) – Marisol Vidales
- Met with Dr. Cantus, Dr. Garcia, Mark Antonio, & Lupe Casares regarding the unveiling of the exhibit and the program. (7/22) – Marisol Vidales & Michelle Muniz
- Met with Finance Director to discuss current and upcoming budget in relation to salaries. (7/24) – Marisol Vidales
- Met with Library Board Member, Diane Roman-Goldsberry, to discuss art classes in the Fall, future exhibitions, changing the Gallery 434 committee, & the departure of the Assistant Library Director. (7/24) – Marisol Vidales
- Met with Insignia owner and customer service rep to discuss pricing for next calendar year and training for global admins. (7/24) – Marisol Vidales, Michelle Muniz, & Mary Jane Hernandez
- As HPO, met with Roberto Hinojosa to discuss the next meeting date for MHPC, if the property had already sold, the grant reimbursements for preservation, and his continued interest in the ARGLIC building. (7/24) – Marisol Vidales
- Met with City Manager & Finance Director to discuss the salary of the Assistant Library Director. (7/24) – Marisol Vidales
- Met with Niche Academy to go over the product and cost of Niche Academy based on service population. (7/24) – Marisol Vidales & Michelle Muniz
- Met with members of the cataloging committee to make a global change to the OPAC so that the call number does not appear on the Basic Info and a patron would have to select the item to check availability. There are over 800,000 records that need to be modified. (7/25) – Mary Jane Hernandez
- Met with the City PIO to discuss the Space X Earth event and the City involvement required. Also, briefly discussed National Night Out & Halloween events & what budget is used for. (7/31) – Marisol Vidales
- Met with morning shift staff to discuss the upcoming changes to the dress code in order for them to have time to purchase the necessary items for work. (7/31) – Marisol Vidales
- Met with a patron to discuss volunteering & hosting adult crafting classes and the possibility of doing a fundraiser for an animal shelter and the process involved for that. She will return in January. (7/31) – Marisol Vidales
- As HPO, met with Gabriel Ozuna to discuss the panes being installed in the ARGLIC windows as well as progress on the Hidalgo County CLG program. (7/31) – Marisol Vidales
- Met with Kate Horan, McAllen Public Library Director, to discuss the Integrated Library System and presenting the figures to the County prior to our HCLS meeting. Insisted that a vote cannot be made at our next meeting due to us not meeting with the County previously. Informed us that McAllen & Edinburg are the larger libraries and they will be asking for funding for their ILS. (7/31) – Marisol Vidales & Michelle Muniz

- Met with Yenni Espinosa, HCLS President & Mission Library Director, to discuss the conversation with McAllen and all the possible scenarios. Agreed we need all the proposals and pricing to make a rational presentation to the County. (7/31) – Marisol Vidales & Michelle Muniz
- Discussed potential capital grant & potential renovations for the Children’s Department. (7/31) – Marisol Vidales, Michelle Muniz, & Frank Rivas

## **Trainings**

- Trained on purchase order requisitions, ODP and Amazon orders, and started training on MHM grant reports. (7/22-7/25) – Marisol Vidales
- ITRT Tech Chat: Teaching Media Literacy to Teens (7/31) – Frank Rivas

## **Events/Programming**

### **Adult Programming**

- Spanish Class by Kathy Suarez (7/02 – 2 students; 7/09 - 2 students; 7/16 – 2 students; 7/23 – 2 students; 7/30 – 2 students)
- Crochet Club (7/02 – 3 teens & 9 adults; 7/16 – 2 teens & 14 adults)
- Texas A&M Health Class (7/08 – 8 adults; 7/10 – 14 adults; 7/15 – 15 adults; 7/17 – 14 adults; 7/22 – 15 adults; 7/24 – 13 adults; 7/29 – 14 adults; 7/31 – 14 adults)
- Financial Literacy Class (7/21 – 6 adults)
- Delta Independent Living (7/22 – 26 adults)
- Adult Craft Day (7/24 – 3 adults)

### **Teen Programming**

- Tween Computer Class (7/29 – 15 students; 7/30 – 12 students; 7/31 – 12 students)

### **Children's Programming**

- ReadRover Reader RGV (7/09 – 3 children & 1 adult)
- Movie & Craft Day (7/10 – 8 children & 6 adults)
- Story & Craft with author Tessie Ledezma (10 children & 9 adults)
- Hidalgo County Puppet Show (7/14 – 10 children & 5 adults)
- Reading w/Royalty (7/16 – 18 children & 15 adults)
- Harry Potter’s Birthday Celebration (7/31 – 26 children & 8 adults)

### **Outreach**

- REC Center Story & Craft (7/02 – 28 children & 1 adult; 7/09 – 18 children & 4 adults; 7/16 – 23 children & 3 adults; 7/23 – 14 children & 3 adults; 7/30 – 24 children & 1 adult)
- MISD ACE Program (7/10 – 29 children & 8 adults)
- Chick-Fil-A Cow Day Event (7/16 – 79 children & 60 adults)



- Valley Oak Tree Learning Center (7/18 – 11 children & 1 adult; 7/25 – 18 children & 2 adults)

## Events

- Ground Breaking Ceremony (7/03) – Frank Rivas
- Food Distribution (7/14) – Frank Rivas
- Creative Bits Ceremony for Poetry submissions (7/18 – 5 teens & 9 adults)

## Café

- 5 visits, 6 items sold, \$21.34 in sales (7/04)
- 89 visits, 86 items sold, \$430.20 in sales (7/07 – 7/11)
- 119 visits, 87 items sold, \$407.66 in sales (7/14 – 7/18)
- 50 visits, 70 items were sold, \$287.40 in sales (7/21 – 7/25)
- 70 visits, 63 items sold, \$271.36 in sales (7/28 – 7/31)
  - Total sales \$ 1,423.60 and 312 items sold

## Marketing

- Created 165 social media posts for the library and 12 for the Café
- Posted 11 stories for the library
- Answered 8 library DMs
- Designed 22 original flyers and 2 newsletters
- Updated the website 13 times

## Highlight of the Month

Had our first Creative Writing Workshop taught by local award-winning author Rosa Esthela Mora. Mrs. Mora received an award from the International Impact Book Awards Gala and received an honorable mention at the International Latino Book Awards. Our event was a two-day event and we had a total of 12 students on our first day & 11 students on the second day. Mrs. Mora inspired each student with her own personal journey, wisdom, and creative energy. A second highlight would be our Tween Computer Classes that were held at the end of the month. We had a great turnout for our 3-day tween digital learning classes. A total of 15 children learned about Internet Safety, Keyboarding, and how to use AI responsibly.

## Special Mention

The Benton Institute for Broadband & Society published an article on our Library back in January of this year. We recently found out about it in July and wanted to share this exciting news. We are proud to have our work talked about and are honored that we will be featured in their Human Infrastructure of Broadband Project publication.

Dr. Hector P. Garcia Memorial Library Statistical Report

Jul-25

| Circulation                     | 2025  | 2024  |
|---------------------------------|-------|-------|
| Check-Outs & Renewals:          | 746   | 896   |
| Year to Date Total:             | 5,007 | 7,352 |
| In-House Book Circulation:      | 213   | 327   |
| Year to Date Total:             | 1,155 | 2,276 |
| In-House Magazine Circulation:  | 14    | 18    |
| Year to Date Total:             | 228   | 532   |
| In-House Newspaper Circulation: | 20    | 31    |
| Year to Date Total:             | 217   | 434   |
| New Borrowers:                  | 29    | 33    |
| Year to Date Total:             | 349   | 291   |

| Digital Resources       | 2025  | 2024  |
|-------------------------|-------|-------|
| cloudLibrary Checkouts: | 319   | 200   |
| Year to Date Total:     | 1,965 | 2,208 |
| NewsStand Checkouts:    | 293   | 516   |
| Year to Date Total:     | 3,272 | 4,271 |
| Biblio+ Views:          | 71    | 118   |
| Year to Date Total:     | 1,103 | 1,012 |

| Interlibrary Loans (ILL's) | 2025 | 2024 |
|----------------------------|------|------|
| Items Requested:           | 26   | 123  |
| Year to Date Total:        | 238  | 944  |
| Items Sent:                | 10   | 78   |
| Year to Date Total:        | 140  | 522  |

| Book & Media Donations | 2025 | 2024 |
|------------------------|------|------|
| Donations Received:    | 25   | 2    |
| Year to Date Total:    | 177  | 279  |
| Donations Selected:    | 22   | 2    |
| Year to Date Total:    | 62   | 53   |

| Assistance             | 2025  | 2024  |
|------------------------|-------|-------|
| Reference By Phone:    | 101   | 189   |
| Year to Date Total:    | 999   | 2,225 |
| Reference In-Person:   | 118   | 261   |
| Year to Date Total:    | 1,175 | 1,730 |
| Directional By Phone:  | 134   | 0     |
| Year to Date Total:    | 1,361 | 0     |
| Directional In-Person: | 218   | 0     |
| Year to Date Total:    | 1,602 | 0     |

| Library Service     | 2025   | 2024   |
|---------------------|--------|--------|
| Digital Assistance: | 135    | 108    |
| Year to Date Total: | 1,291  | 1,245  |
| Fax Assistance:     | 64     | 49     |
| Year to Date Total: | 575    | 550    |
| Copy Assistance:    | 92     | 141    |
| Year to Date Total: | 1,089  | 1,385  |
| Scan Assistance:    | 15     | 9      |
| Year to Date Total: | 101    | 143    |
| Print Outs:         | 1,918  | 1,980  |
| Year to Date Total: | 16,692 | 18,916 |

| Computer Sessions      | 2025   | 2024   |
|------------------------|--------|--------|
| Adult Lab Sessions:    | 1,204  | 458    |
| Year to Date Total:    | 8,381  | 3,989  |
| Juvenile Lab Sessions: | 303    | 58     |
| Year to Date Total:    | 1,973  | 620    |
| WiFi:                  | 2,108  | 2,098  |
| Year to Date Total:    | 19,399 | 20,521 |

| Meeting Room Sessions | 2025 | 2024 |
|-----------------------|------|------|
| Sessions:             | 86   | 76   |
| Year to Date Total:   | 639  | 649  |

| Technical Services  | 2025  | 2024 |
|---------------------|-------|------|
| New Items Added:    | 71    | 101  |
| Year to Date Total: | 1,729 | 919  |
| Items Processed:    | 85    | 68   |
| Year to Date Total: | 782   | 643  |
| Items Withdrawn:    | 29    | 23   |
| Year to Date Total: | 347   | 721  |
| Items Recataloged:  | 6     | 85   |
| Year to Date Total: | 301   | 307  |
| Items Repaired:     | 3     | 2    |
| Year to Date Total: | 26    | 111  |

Dr. Hector P. Garcia Memorial Library Statistical Report

Jul-25

| Adult Programming     | 2025 | 2024 |
|-----------------------|------|------|
| Adult Events:         | 17   | 10   |
| Year to Date Total:   | 113  | 82   |
| Adults in Attendance: | 168  | 104  |
| Year to Date Total:   | 869  | 751  |

| Teen Programming     | 2025 | 2024 |
|----------------------|------|------|
| Teen Events:         | 6    | 6    |
| Year to Date Total:  | 11   | 9    |
| Teens in Attendance: | 49   | 69   |
| Year to Date Total:  | 74   | 107  |

| Children's Programming  | 2025  | 2024  |
|-------------------------|-------|-------|
| Children Events:        | 6     | 7     |
| Year to Date Total:     | 59    | 57    |
| Children in Attendance: | 75    | 63    |
| Year to Date Total:     | 1,205 | 1,102 |
| Adults in Attendance:   | 44    | 24    |
| Year to Date Total:     | 676   | 130   |

| Family Place                     | 2025  | 2024 |
|----------------------------------|-------|------|
| Early Learning Space Total:      | 115   | 0    |
| Year to Date Total:              | 1,025 | 0    |
| Workshop Children in Attendance: | 0     | 0    |
| Year to Date Total:              | 13    | 0    |
| Workshop Adults in Attendance:   | 0     | 0    |
| Year to Date Total:              | 14    | 0    |

| Toddler Programming     | 2025 | 2024 |
|-------------------------|------|------|
| Children Events:        | 0    | 0    |
| Year to Date Total:     | 0    | 0    |
| Children in Attendance: | 0    | 0    |
| Year to Date Total:     | 0    | 0    |
| Adults in Attendance:   | 0    | 0    |
| Year to Date Total:     | 0    | 0    |

| General Programming       | 2025  | 2024  |
|---------------------------|-------|-------|
| Events:                   | 0     | 1     |
| Year to Date Total:       | 16    | 14    |
| Toddlers in Attendance:   | 0     | 0     |
| Year to Date Total:       | 0     | 0     |
| Children in Attendance:   | 0     | 0     |
| Year to Date Total:       | 228   | 0     |
| Teens in Attendance:      | 0     | 0     |
| Year to Date Total:       | 0     | 0     |
| Adults in Attendance:     | 0     | 0     |
| Year to Date Total:       | 415   | 19    |
| Total General Programing: | 0     | 9     |
| Year to Date Total:       | 2,645 | 1,852 |

| Outreach Programming    | 2025  | 2024  |
|-------------------------|-------|-------|
| Events:                 | 9     | 5     |
| Year to Date Total:     | 33    | 25    |
| Toddlers in Attendance: | 0     | 0     |
| Year to Date Total:     | 0     | 0     |
| Children in Attendance: | 244   | 87    |
| Year to Date Total:     | 1,179 | 904   |
| Teens in Attendance:    | 0     | 0     |
| Year to Date Total:     | 0     | 0     |
| Adults in Attendance:   | 83    | 0     |
| Year to Date Total:     | 549   | 594   |
| General Attendance:     | 0     | 0     |
| Year to Date Total:     | 558   | 1,253 |

| Reading Programs       | 2025 | 2024 |
|------------------------|------|------|
| Toddler Reading Logs:  | 0    | 0    |
| Children Reading Logs: | 0    | 0    |
| Teen Reading Logs:     | 0    | 0    |
| Adult Reading Logs:    | 0    | 0    |
| Total:                 | 0    | 0    |

| Volunteer Hours     | 2025     | 2024     |
|---------------------|----------|----------|
| Total:              | 82.50    | 252.00   |
| Year to Date Total: | 1,966.50 | 1,910.25 |

Dr. Hector P. Garcia Memorial Library Statistical Report

Jul-25

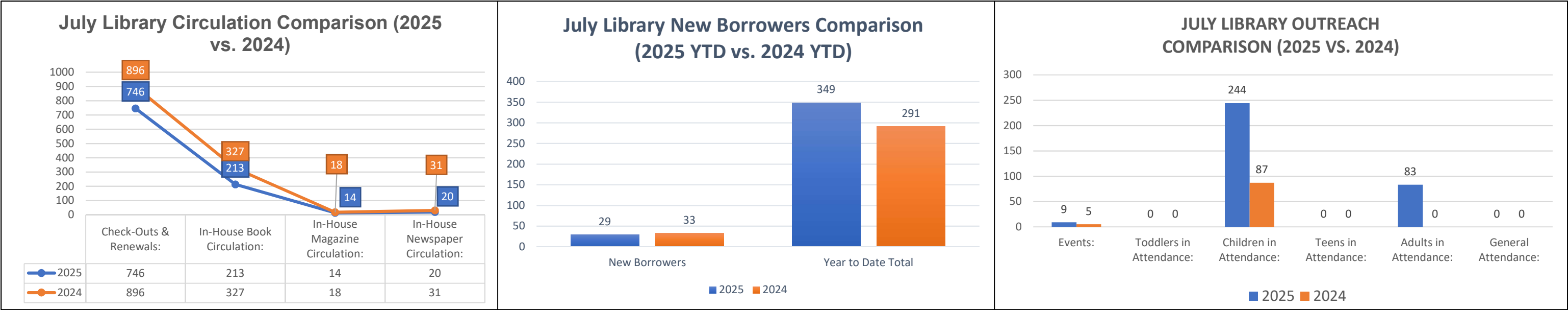
| Curbside Services        | 2025 | 2024 |
|--------------------------|------|------|
| Curbside Café:           | 6    | 0    |
| Year to Date Total:      | 9    | 35   |
| Curbside Circulation:    | 0    | 2    |
| Year to Date Total:      | 1    | 8    |
| Curbside Crafts:         | 0    | 0    |
| Year to Date Total:      | 0    | 0    |
| Curbside Other Services: | 0    | 2    |
| Year to Date Total:      | 10   | 17   |

| Library Visits      | 2025   | 2024   |
|---------------------|--------|--------|
| Visits:             | 2,949  | 2,254  |
| Year to Date Total: | 27,492 | 26,218 |

| Café Visits         | 2025  | 2024  |
|---------------------|-------|-------|
| Visits:             | 339   | 434   |
| Year to Date Total: | 3,892 | 4,738 |

| Café Sales          | 2025         | 2024         |
|---------------------|--------------|--------------|
| Net Sales:          | \$ 1,302.73  | \$ 1,851.66  |
| Year to Date Total: | \$ 14,208.42 | \$ 16,698.02 |
| Sales Tax:          | \$ 104.23    | \$ 153.04    |
| Year to Date Total: | \$ 1,163.39  | \$ 1,373.58  |

| Social Media        | 2025  | 2024  |
|---------------------|-------|-------|
| Library Posts:      | 165   | 154   |
| Year to Date Total: | 1,268 | 1,266 |
| Library DMs:        | 8     | 7     |
| Year to Date Total: | 71    | 69    |
| Cafe Posts:         | 12    | 15    |
| Year to Date Total: | 233   | 179   |
| Café DMs:           | 0     | 0     |
| Year to Date Total: | 0     | 2     |
| City Posts:         | 0     | 70    |
| Year to Date Total: | 403   | 503   |
| City DMs:           | 0     | 10    |
| Year to Date Total: | 94    | 113   |
| Videos Created:     | 0     | 6     |
| Year to Date Total: | 6     | 60    |
| Website Updates:    | 13    | 22    |
| Year to Date Total: | 103   | 208   |
| HCLS Posts:         | 0     | 0     |
| Year to Date:       | 23    | 9     |
| Stories:            | 11    | 0     |
| Year to Date Total: | 114   | 0     |
| Flyers:             | 22    | 0     |
| Year to Date Total: | 304   | 0     |



# The Mercedes Library Exemplifies a Vital Effort to Promote Digital Independence

Submitted on January 22, 2025

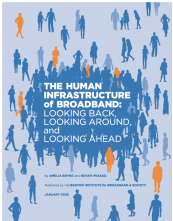


Wednesday, January 22, 2025

## Digital Beat

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### The Mercedes Library Exemplifies a Vital Effort to Promote Digital Independence



(<https://www.benton.org/publications/human-infrastructure>) *Following up on the release of The Human Infrastructure of Broadband: Looking Back, Looking Around, and Looking Ahead* (<https://www.benton.org/publications/human-infrastructure>), we are providing examples of core, complementary, and coalition models for digital equity work. This series of organizational profiles delve deeply into how these programs work, the problems they are best suited to solve, the populations they are best suited to reach, and the support they need to succeed. Learn more about the Human Infrastructure of Broadband Project (<https://www.benton.org/human-infrastructure-broadband>).

In a 2023 newsletter, the Mercedes Library team featured a success story about a student. At the start of a course, the student was hesitant to learn anything other than basic computer skills. He expressed great eagerness to return to the workforce, so he was more than willing to do what it took to learn his way around a computer. Following his participation, he managed to get a job with AARP, utilizing his newly acquired computer skills to show his competency and ability to do the work required of him.

*We had a middle-aged man who spent his entire life in blue-collar work who attended our basic course. He had recently retired and was interested in working for AARP, an organization that he had never imagined being able to work for. After moving through the basic course, he then took the advanced course! Once he completed all the courses, he worked on his résumé and got his dream job at AARP.*

—Digital Navigator, Mercedes Library

## History and Context

The Dr. Hector P. Garcia Memorial Library in Mercedes, Texas provides free public internet access via 26 adult computers and 10 children's computers, as well as to patrons who use their own devices to access the internet through the library's Wi-Fi connection. The library also offers laptops and internet hotspots to be checked out to community residents. Digital navigation and skills building align with the library's mission "to inform, educate, and entertain through a variety of formats with the purpose of strengthening our community." Because the library aims to serve the entire community, its computer classes are open to everyone, but library staff report that older adults are most likely to sign up. The community of more than 16,000 residents is majority Hispanic (92 percent). Services are offered in English and Spanish and are available through office hours, by appointment, and through classes.



As a core information services provider, the Mercedes Library has a long history of providing technology support services. However, the services were never formalized or systematic until funding was secured in 2021. Early digital navigation services involved library staff supporting patrons with computer and technology needs when requested. Digital navigators always provided this service on an individualized, ad hoc basis. The Mercedes Library leadership discovered the opportunity to increase its digital navigation services by pursuing more funding for the library. In 2021, the team found a grant opportunity through the Texas State Library and Archives Commission that would support digital navigation classes. The library applied for the opportunity and was awarded the funds from the State of Texas. With these funds, the library could hire two part-time digital navigators, both current library team members, and they began to develop formal digital navigation courses.

Based on other library needs and the part-time funding for the work, the digital navigators still needed formal training for these roles. The team was fortunate to have staff members who were credentialed in information technology—one with a B.S. in IT and the other pursuing a degree in IT—and were familiar with the library's community members and services. The digital navigators engaged in self-paced learning modules that they sought out independently to prepare for their new roles as course facilitators. Once trained, the digital navigators began offering technology support by providing computer courses, conducting one-on-one tech support appointments, and providing devices when needed.

## Services

The Mercedes Library provides various technology support services to its library patrons. The leading service is the technology support classes, offered since 2021 to diverse community patrons as young as 18 and up to 88 years old. The courses are offered over five-week durations, twice a week, in two-hour-long sessions. Participants can sign up online or with library staff in person or over the phone. First-time participants are asked to sign up for the Basic Computer Class and, subsequently, can move through the more advanced courses. The Basic Computer Class covers computer basics; the advanced courses include programming support, including topics such as MS Office basics and Google Docs training. Some other courses are available to help participants with using their smartphones. The team designed courses to support participants' digital independence by building on their growing knowledge over time. Upon course completion, participants receive certificates.

Beyond course offerings, the two digital navigators support customers with one-on-one technology support and device access. One-on-one technology support services help patrons complete online job applications, set up electronic devices, pay bills, schedule doctor appointments, and perform other online tasks. Patrons also have access to select digital devices when needed. The team provides access to Chromebooks for students studying computer science and internet access hotspots for students. Hotspots are offered for temporary support to students for yearlong durations.

These services can be requested by walk-in library patrons or via appointment but are not limited to being provided exclusively within library spaces. To increase reach to community members with limited access to the library, in-home customer support services are available. Given the limited capacity of the small library and digital navigation teams to support in-home visits, the team desires more community partnerships to boost connection to non-library users.

## Key Partners

The Mercedes Library has yet to have any active partnerships to support its digital navigation services, and the team attributes this to its limited capacity for relationship building. The team mentions that a couple of local churches have been working on relationships with the library but that the efforts to foster relationships have been a challenge, illustrating a need that many small library teams must address to boost their digital navigation service reach.

## What We Can Learn

### Adaptability Is Essential to Ensure Quality Participation

The program team recognized early that the course design did not accommodate the participants' availability. The original courses were held for three hours twice a week over 12 weeks. The team noticed a decline in attendance with this format, so it adjusted to a shorter format with two-hour courses twice a week over five weeks. Patrons have been more present and more engaged and have completed these shorter-format classes. This adjustment also has benefited the course instructors, who have found the shorter formats more manageable.

Another adaptation was the addition of more advanced courses so that essential-course attendees could continue their learning. This adaptive approach has enabled the team to better support attendees and guide them toward digital independence.

## **Small Libraries Need Support to Prioritize Formal Digital Navigation Services**

Digital navigation services require time and capacity, both of which are limited in small libraries with limited staff. Library leadership and staff are actively involved in various roles, managing the library and engaging the community. The Mercedes Library director is involved in managing the library and in historic preservation, marketing, event management, and other tasks for the City of Mercedes. Digital navigators are also engaged in various roles within the library. Such active, widespread engagement makes prioritizing digital navigation challenging for any library team member. The current digital navigators at the Mercedes Library are tasked with other areas of need, and, at times, participants may not receive support quickly.

## **Funding Is Essential for Small Libraries**

Small libraries like the Mercedes Library have limited funding sources. Mercedes's financial needs led it to digital navigation courses. However, due to limited funding, the leadership team hired the digital navigators for part-time work initially, and the library director expressed concern that they are underpaid for their services. The library may not be able to continue this work once these digital navigators leave, as Mercedes cannot recruit competitively for these roles. Beyond proper compensation, staffing and marketing are also activities that require funding.

## **Providing Services Only in Library Spaces Limits Reach**

The Mercedes Library team has limited capacity to support digital navigation services outside the library. Still, leadership wants to move services into the community more regularly to support non-library users. They express excitement about the individuals they have reached so far. Still, they recognize that many of these individuals are library regulars. As a small library pursuing multiple goals concurrently, the organization seeks to boost digital independence in its community while bringing in more library users. It is considering strategies to increase its reach, as marketing efforts are limited to flyers and word of mouth. Community-based services may help expand offerings.

## **Partnerships Require Relationship Building, Which Demands Ongoing Staff Time**

One specific way to boost reach is through community partnerships. The library leadership team has discussed connecting with new community partners. The initial connection may be easy, but it must be coupled with maintaining new relationships, which takes time and development that the leadership team struggles to manage. Reflecting on their limited time and capacity, they have found that this need was often overshadowed by larger ones, including daily library operations, seeking funding, and staying connected with the City of Mercedes's needs and priorities. Balancing these diverse needs with a small staff has been described as a significant challenge for expanding the reach and impact of the digital navigation program.

## **Device Access and Digital Navigation Services Should Exist Concurrently**

The library leadership team recognizes that digital navigation services and device access are interconnected needs. They highlight this need while expressing concern that there are limited device access services at the Mercedes Library and that there have been customers who were unable to access devices when they needed them. The leadership team emphasizes that this is a need that must be continually funded, as digital navigation services are less valuable if patrons do not have access to the devices they need at home.

## **Looking Ahead**

While grants provide funding to start digital navigation programs, this funding approach is not sustainable. Since beginning its digital navigation program in 2021, the Mercedes Library team has secured three separate grants from (1) the State of Texas, (2) the Ladd & Katherine Hancher Library Foundation, and (3) Methodist Healthcare Ministries. The team works hard to ensure that the program maintains funding. Team members emphasize the importance of securing permanent funding to maintain this service in the long term.

Currently, staffing is minimal at the Mercedes Library; only two members of staff are full-time, funded digital navigators. Small staffing limits the team's capacity to develop this program beyond its current reach. Team members feel that sustaining this program requires increasing its reach, and they need more staff designated for this specific support. This outreach need coexists with the need for more funding and more partnerships, which the library could pursue with more intention and staff support.

Reaching beyond regular library users via community-based outreach is required to build this program. Current marketing strategies have been effective, including digital advertising, flyers, social media, and word of mouth. However, the team wants to do more targeted advertising. Some suggestions include buying newspaper advertisements to reach older adults and engaging in more door-to-door community outreach activities. These activities would involve more staffing and funding, both associated with program sustainability.

The library director envisions continued expansion and adaptation of the program, with partnerships, ongoing funding, and consistent staffing. The emphasis is on making digital literacy accessible, especially for underserved populations. Thinking about the future, the team anticipates that technology will continue to grow and that tech support needs will vastly change and increase as new products arise. The team will need to continue to adapt to emerging technology needs (e.g., artificial intelligence products) and develop courses that address those needs. Continual adaptation is also connected directly to retaining digital navigation staff who will deliver these services.

In conclusion, the Mercedes Library's digital navigation program exemplifies a vital effort to promote digital independence within the community. While the initiative has achieved significant milestones since its inception in 2021, challenges such as funding, staffing limitations, and the need for broader community outreach remain. To fully realize its potential, the library is focusing on cultivating partnerships, adapting to emerging technology needs, and securing consistent funding to ensure that all community members can access and use digital tools.

---

*Written by: Shelli Golson-Mickens*

#### **More in this Series:**

- At the Denver Public Library, People Skills are the Most Important Quality When Choosing Digital Navigators (<https://www.benton.org/blog/denver-public-library-people-skills-are-most-important-quality-when-choosing-digital-navigators>)
- The Mercedes Library Exemplifies a Vital Effort to Promote Digital Independence (<https://www.benton.org/blog/mercedes-library-exemplifies-vital-effort-promote-digital-independence>)
- How Everyone On Navigates Change to Deliver Digital Equity (<https://www.benton.org/blog/how-everyone-navigates-change-deliver-digital-equity>)
- Free Geek, Devices, and Digital Equity (<https://www.benton.org/blog/free-geek-devices-and-digital-equity>)
- Mass General Brigham Understands that Digital Equity Supports Health Equity (<https://www.benton.org/blog/mass-general-brigham-understands-digital-equity-supports-health-equity>)
- Northwest Center Engages Community, Advances Digital Skills (<https://www.benton.org/blog/northwest-center-engages-community-advances-digital-skills>)
- The Cuyahoga Metropolitan Housing Authority Leans Into Collaboration (<https://www.benton.org/blog/cuyahoga-metropolitan-housing-authority-leans-collaboration>)
- North Carolina Community College System Brings the Classroom to the Learners (<https://www.benton.org/blog/north-carolina-community-college-system-brings-classroom-learners>)
- Digital Connect Makes Digital Navigation Approachable (<https://www.benton.org/blog/digital-connect-makes-digital-navigation-approachable>)
- Black Churches 4 Digital Equity: Community Anchors and Committed Advocates (<https://www.benton.org/blog/black-churches-4-digital-equity-community-anchors-and-committed-advocates>)
- Seattle's Equity-Based Approach (<https://www.benton.org/blog/seattles-equity-based-approach>)
- The Kūpuna Collective: A Public Health Coalition Advancing Digital Equity (<https://www.benton.org/blog/kupuna-collective-impact>)
- What We Know About the Human Infrastructure of Broadband (<https://www.benton.org/blog/what-we-know-about-human-infrastructure-broadband>)
- The Human Infrastructure of Broadband: Looking Back, Looking Around, and Looking Ahead (<https://www.benton.org/publications/human-infrastructure>)

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 ([https://twitter.com/home?status=Read%20the%20latest%20Benton.org%20newsletter%20at%20http%3A//benton.org/node/\[nid\]](https://twitter.com/home?status=Read%20the%20latest%20Benton.org%20newsletter%20at%20http%3A//benton.org/node/[nid]))



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(<https://www.addtoany.com/share#url=https%3A%2F%2Fwww.benton.org%2Fblog%2Fmercedes-library-exemplifies-vital-effort-promote-digital-independence&title=The%20Mercedes%20Library%20Exemplifies%20a%20Vital%20Effort%20to%20Promote%20Digital%20Independence>)

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## CONTACT

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1041 Ridge Rd, Unit 214  
Wilmette, IL 60091

# PRESS RELEASE



## BEST CONTEMPORARY FICTION AWARD

The 2025 International Impact Book Awards  
July 26, 2025  
Phoenix, Arizona.

Local award-winning author and speaker **Rosa Esthela Mora** attended the Oscars of the book awards, The International Impact Book Awards Gala, in July in Phoenix, Arizona, where her novel **Becoming Sofia Bosco** was awarded best Contemporary Fiction (coming-of-age). Last October, Rosa Esthela Mora received an honorable mention as the best romance novel for her book **The Sofia Bosco Effect** in Los Angeles, California, by the International Latino Book Awards.

 [rosaesthelaamora@gmail.com](mailto:rosaesthelaamora@gmail.com)

 [www.rosaesthelaamora.com](http://www.rosaesthelaamora.com)

 956-330-5773

 McAllen, TX



**To: Alberto Perez, City Manager**

**CC: Mayor / City Commission**

**From: Armando Villela, Parks Director**

**Date: 8/08/2025**

**Subject: Monthly Report Parks**

This month our Parks Crew continues to make strides to improving the overall productivity and efficiency of our efforts. We currently have (2) vacancies in the department but continue to strive to complete the general maintenance of our various facilities and areas of responsibilities, while addressing other needs within our Parks. Some of the goals accomplished this month are as follows but not limited to:

### **Mercedes HEB Park**

- We recently completed the removal of the old playground at HEB Park. We had a playground vendor inspect the entire playground, and he recommended removal. The cost to repair the playground was higher than the cost to purchase a new one the same size. We chose to remove the equipment to avoid any injuries, and will plan for the replacement or installation of new equipment in the future.





### **Mercedes HEB Park**

- We recently purchased and reinstalled chains and swings at HEB Park. We are making repairs to the two swing bays that are still safe to use. The third will be removed due to safety concerns. We also reused the playground barrier from the playground that was removed, and purchased the remainder to enclose the swing bay and back fill with Kiddie Cushion mulch for safety compliance. The community has already begun to use the swings.



- We also removed a third swing bay that was no longer safe to use. We also removed some broken park benches that were irreparable and also unsafe to our Park users. We are working on ordering new benches and picnic tables for our facilities.



### **Mercedes S.M Hinojosa Park**

- Parks staff recently re-place the broken swings at Hinojosa Park as well. We continue to repair, remove, or replace broken components and playground equipment throughout all our Mercedes Parks facilities.



### **Mercedes Florida St Sidewalk Project**

- Parks staff recently removed a large rotted tree that was obstructing the new sidewalk project along Florida St near the Tenth St intersection. The tree was directly in the path where the new sidewalk is to be installed. Parks staff cut the tree down, hauled away debris, and stump grinded the remaining tree stump.



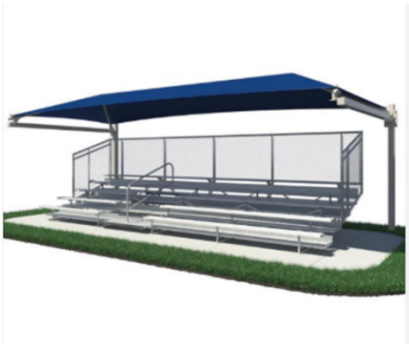
## **Mercedes Saladino Park/Goza Park**

- We recently repaired two 2" water breaks at Saladino Park, and one at Goza Park. We are currently working on getting our water systems functional at all our facilities. These were much needed to install drip irrigation for the pollinator gardens that were installed at our neighborhood parks through KMB grant funding.



## **Collier Park Shade Structures**

- **Update: We have received a PO for the installation and have submitted a work order to #811 for dig test. The contractor should be starting installation in the coming days.**



- ***Basketball Court Mercedes Dome:*** We are currently working on installing lights in the covered basketball area for play in the evenings. We have already equipped the shelter with electrical service and are awaiting the proposal to install three LED lamps for outdoor play. We hope to establish an outdoor 3v3 league in the future to be played on the newly renovated court. This lighting project is expected to begin June 23, 2025.





# Mercedes Fire Department

July 2025

## Monthly Report

*"Through dedicated, professional members, the Mercedes Fire Department EMS care for and protects the lives and property of our community through incident response, comprehensive training, public education and fire prevention."*



Fire Chief/EMC  
Javier Campos Jr.

Mercedes Fire Department  
105 N. Ohio Ave  
956-565-7755

# 2025 July

## Mercedes Fire Incidents

Count of Total Fire Incidents

Count of Incidents

74

---

Average Dispatch to Arrival Time

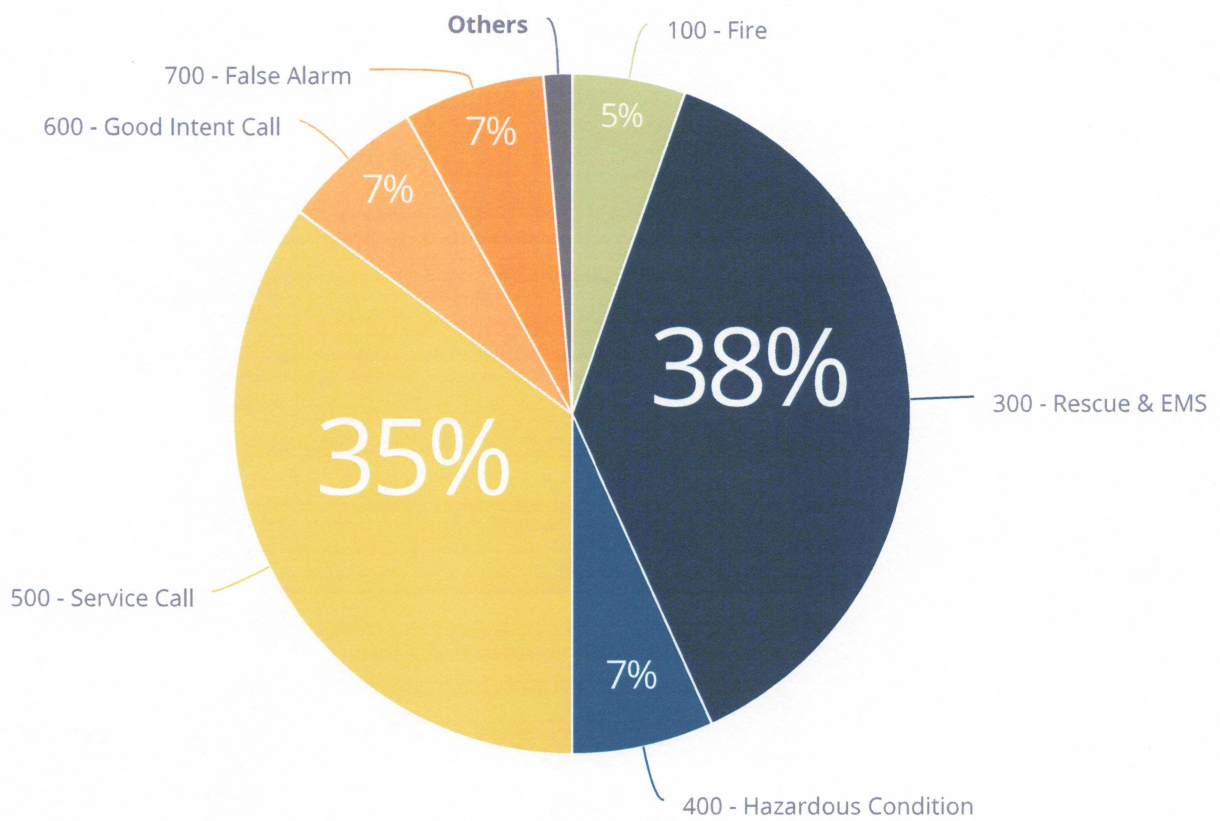
Average Response Time Alarm To Arrival

7m:57s

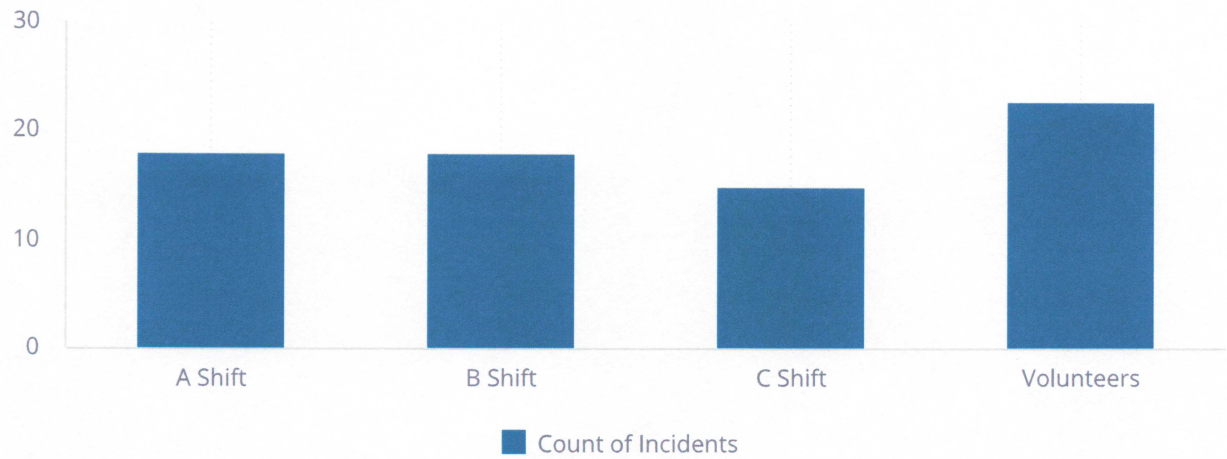
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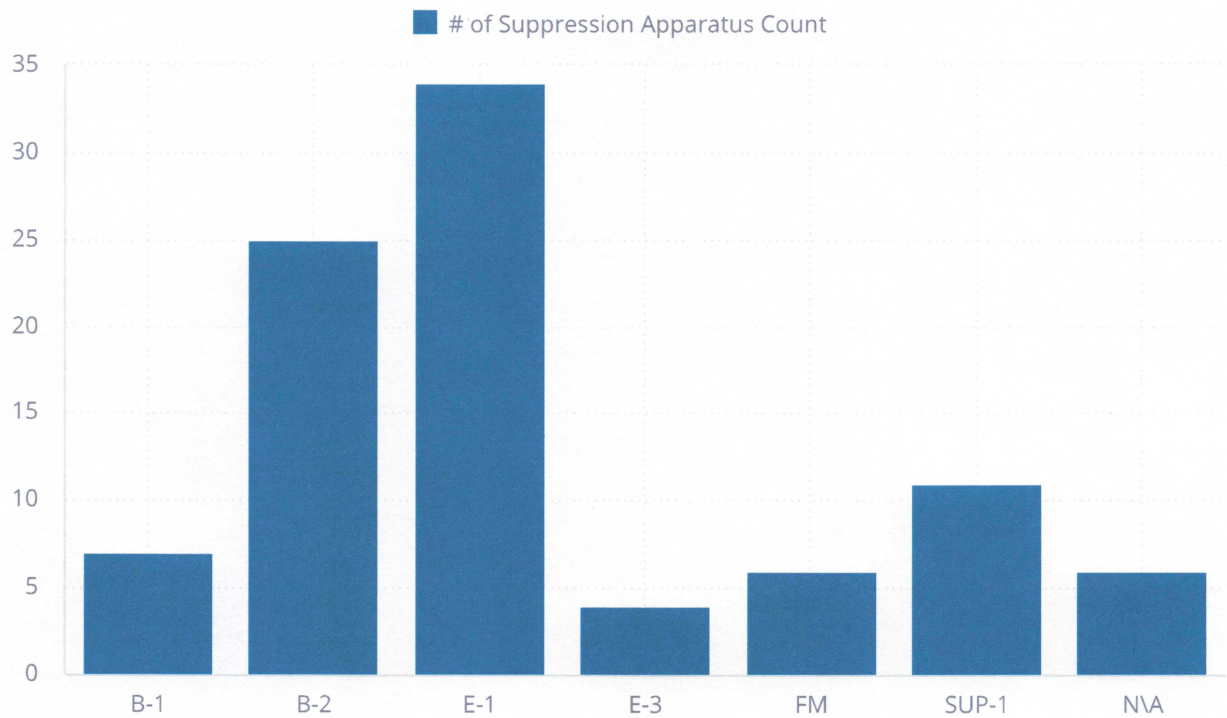
Percentage of Incident Type Group



Incident Count by Shift



Total Count Per Unit



## Count of Incidents by Type

| Incident Type                                    | Count of Incidents |
|--------------------------------------------------|--------------------|
| Alarm system sounded due to malfunction          | 1                  |
| Animal problem                                   | 2                  |
| Animal problem, other                            | 21                 |
| Animal rescue                                    | 1                  |
| Authorized controlled burning                    | 1                  |
| Brush or brush-and-grass mixture fire            | 1                  |
| Cooking fire, confined to container              | 1                  |
| Dispatched & canceled en route                   | 2                  |
| False alarm or false call, other                 | 4                  |
| Gas leak (natural gas or LPG)                    | 3                  |
| Lightning strike (no fire)                       | 1                  |
| Medical assist, assist EMS crew                  | 16                 |
| Motor vehicle accident with injuries             | 3                  |
| Motor vehicle accident with no injuries.         | 8                  |
| Motor vehicle/pedestrian accident (MV Ped)       | 1                  |
| No incident found on arrival at dispatch address | 1                  |
| Outside rubbish, trash or waste fire             | 1                  |
| Passenger vehicle fire                           | 1                  |
| Power line down                                  | 2                  |
| Public service assistance, other                 | 1                  |
| Smoke or odor removal                            | 1                  |
| Smoke scare, odor of smoke                       | 1                  |
| Count of Incidents                               | 73                 |



# 2025 EMS Incidents

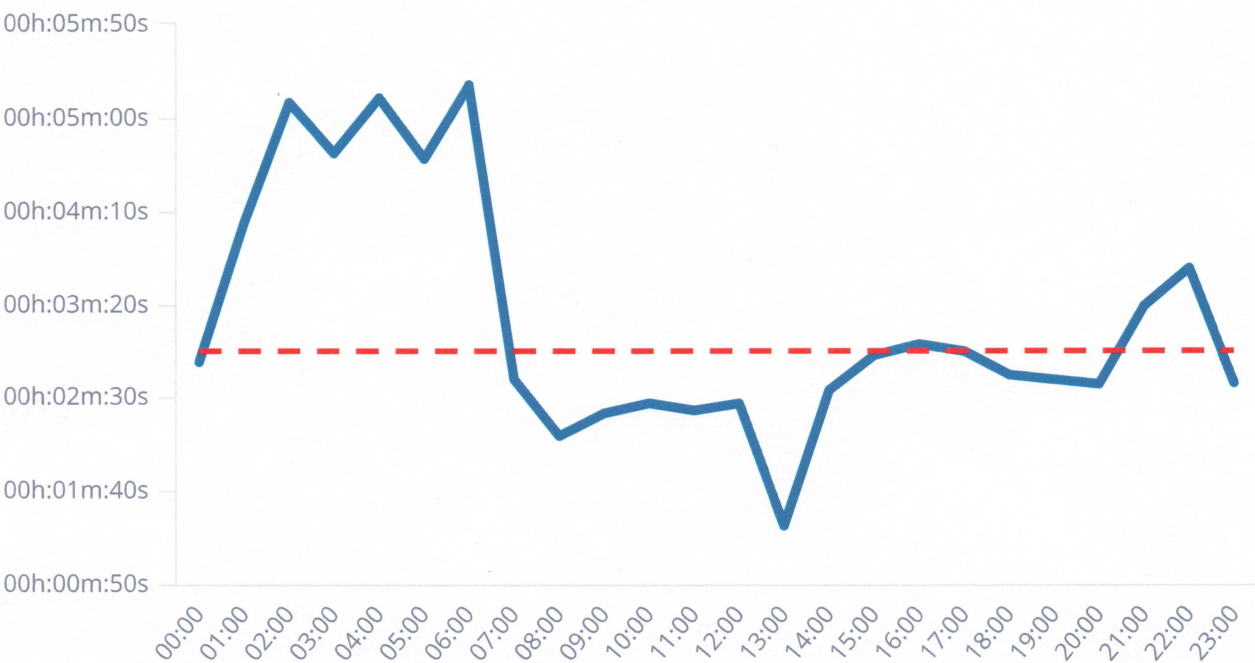
Total Responses

Total Responses  
**247**

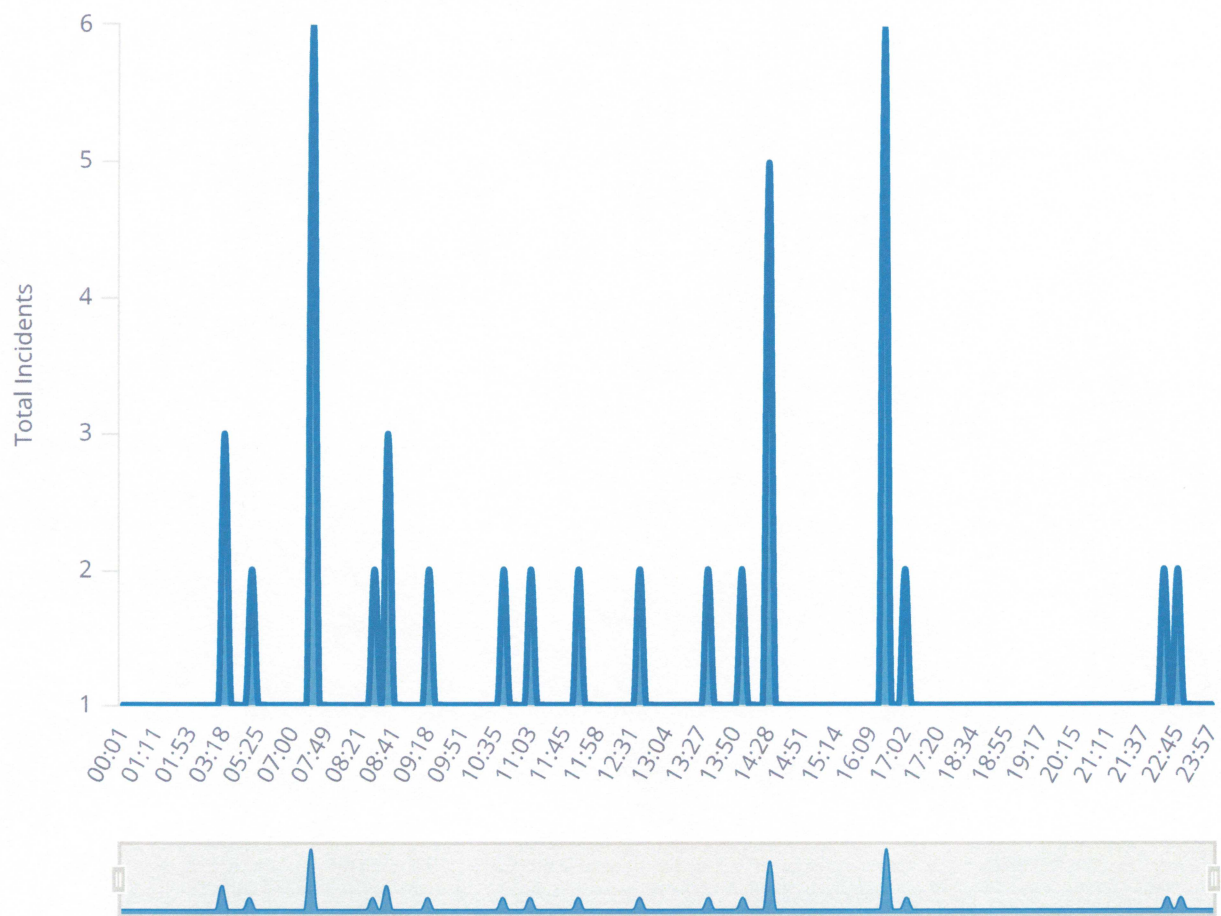
Average Chute Time

Average Chute Time  
**02m:55s**  
% Chute Time < 4min **85%**

Average Chute Time by Hour of Day



Call Volume by Hour



Aggregation of Total Incidents by Shift

| Shift   | Total Incidents |  |
|---------|-----------------|--|
|         | 07/2025         |  |
| A Shift | 66              |  |
| B Shift | 75              |  |
| C Shift | 65              |  |

Aggregation of Total Incidents by Unit Contribution

| Unit  | Contribution to Total Incidents |             |
|-------|---------------------------------|-------------|
|       | 07/2025                         | Grand Total |
| E-1   | 0.49%                           | 0.49%       |
| MED-1 | 7.28%                           | 7.28%       |
| MED-2 | 20.87%                          | 20.87%      |
| MED-3 | 57.28%                          | 57.28%      |
| MED-4 | 13.59%                          | 13.59%      |
| SUP-1 | 0.49%                           | 0.49%       |

**CITY SECRETARY'S OFFICE  
2025 ANNUAL REPORT**

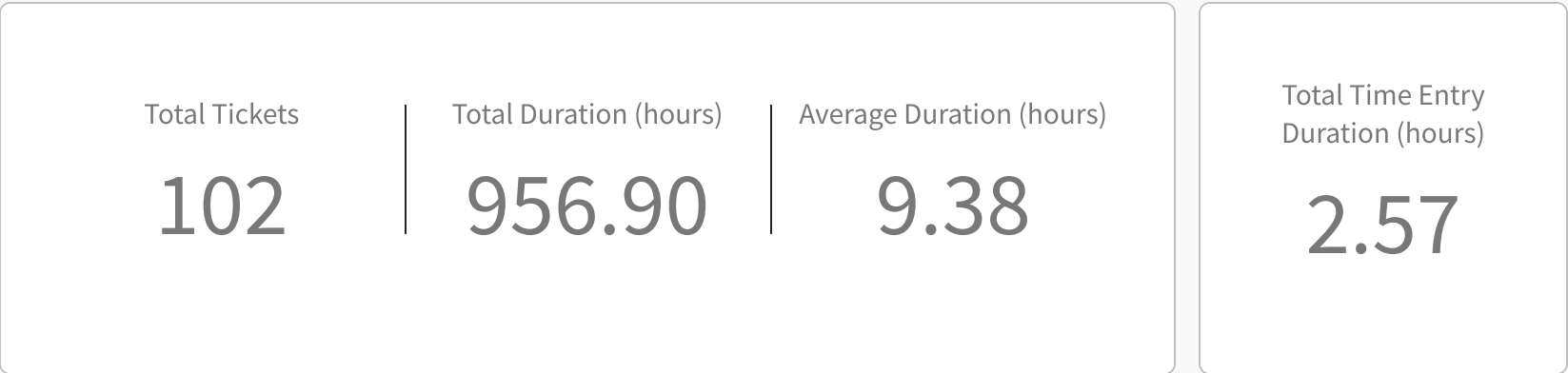
| TYPE                    | JAN. | FEB. | MAR. | APR. | MAY. | JUN. | JUL. | AUG. | SEPT. | OCT. | NOV. | DEC. | YTD<br>Total |
|-------------------------|------|------|------|------|------|------|------|------|-------|------|------|------|--------------|
| <b>CITY SECRETARY</b>   |      |      |      |      |      |      |      |      |       |      |      |      |              |
| Agenda                  |      |      |      |      |      |      |      |      |       |      |      |      |              |
| Reg./Special/Wkshp      | 2    | 2    | 2    | 2    | 3    | 3    | 2    |      |       |      |      |      | 16           |
| Minutes                 |      |      |      |      |      |      |      |      |       |      |      |      |              |
| Reg./Special            | 1    | 2    | 2    | 2    | 3    | 3    | 2    |      |       |      |      |      | 15           |
| Ordinances              | 2    | 2    | 2    | 2    | 5    | 0    | 5    |      |       |      |      |      | 18           |
| Resolutions             | 4    | 2    | 6    | 0    | 2    | 2    | 2    |      |       |      |      |      | 18           |
| Contracts               | 3    | 0    | 0    | 1    | 0    | 1    | 6    |      |       |      |      |      | 11           |
| Bids                    | 0    | 0    | 1    | 0    | 0    | 1    | 0    |      |       |      |      |      | 2            |
| <b>PERMITS</b>          |      |      |      |      |      |      |      |      |       |      |      |      |              |
| Sound/Dance             | 4    | 3    | 1    | 3    | 6    | 12   | 3    |      |       |      |      |      | 32           |
| TABC                    | 0    | 0    | 0    | 2    | 0    | 1    | 0    |      |       |      |      |      | 3            |
| <b>VITAL STATISTICS</b> |      |      |      |      |      |      |      |      |       |      |      |      |              |
| Filling w. State        | 6    | 8    | 8    | 8    | 4    | 7    | 2    |      |       |      |      |      | 43           |
| Issuing Birth           | 27   | 40   | 30   | 35   | 22   | 27   | 33   |      |       |      |      |      | 214          |
| Issuing Death           | 4    | 4    | 3    | 1    | 1    | 0    | 0    |      |       |      |      |      | 13           |
| <b>RISK MANAGEMENT</b>  |      |      |      |      |      |      |      |      |       |      |      |      |              |
| Vehicle Claims          | 2    | 2    | 4    | 3    | 2    | 1    | 3    |      |       |      |      |      | 17           |
| Liability Claims        | 1    | 2    | 1    | 0    | 2    | 0    | 1    |      |       |      |      |      | 7            |
| <b>OPEN RECORDS</b>     |      |      |      |      |      |      |      |      |       |      |      |      |              |
| Received                | 35   | 32   | 26   | 29   | 18   | 26   | 33   |      |       |      |      |      | 199          |
| Responded               | 31   | 30   | 22   | 26   | 12   | 25   | 26   |      |       |      |      |      | 172          |
| <b>HUMAN RESOURCES</b>  |      |      |      |      |      |      |      |      |       |      |      |      |              |
| New Hires               | 5    | 2    | 1    | 6    | 0    | 4    | 4    |      |       |      |      |      | 22           |
| Resignations            | 5    | 1    | 1    | 0    | 6    | 2    | 8    |      |       |      |      |      | 23           |
| Retirements             | 6    | 2    | 1    | 2    | 0    | 4    | 2    |      |       |      |      |      | 17           |
| Workers Comp            | 0    | 1    | 2    | 2    | 1    | 0    | 0    |      |       |      |      |      | 6            |

Significant Comments:

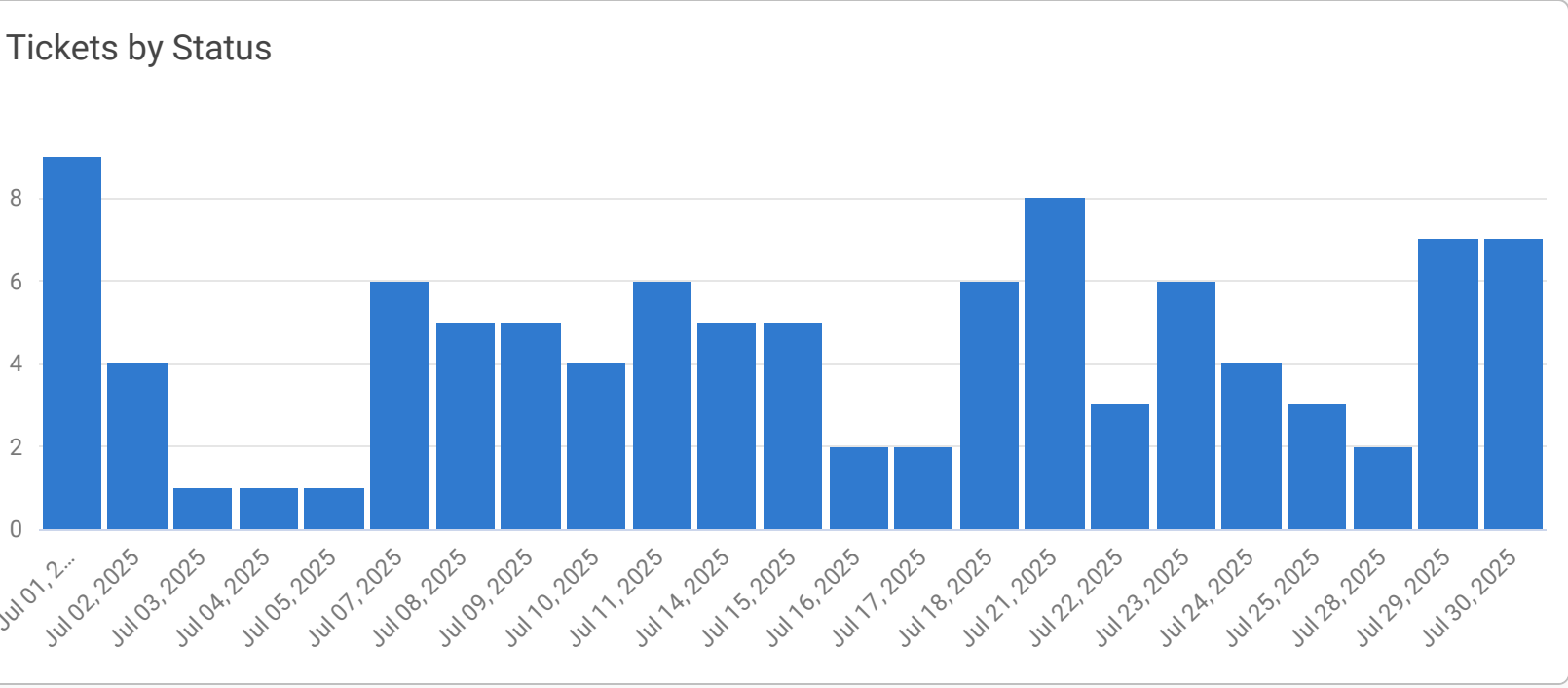
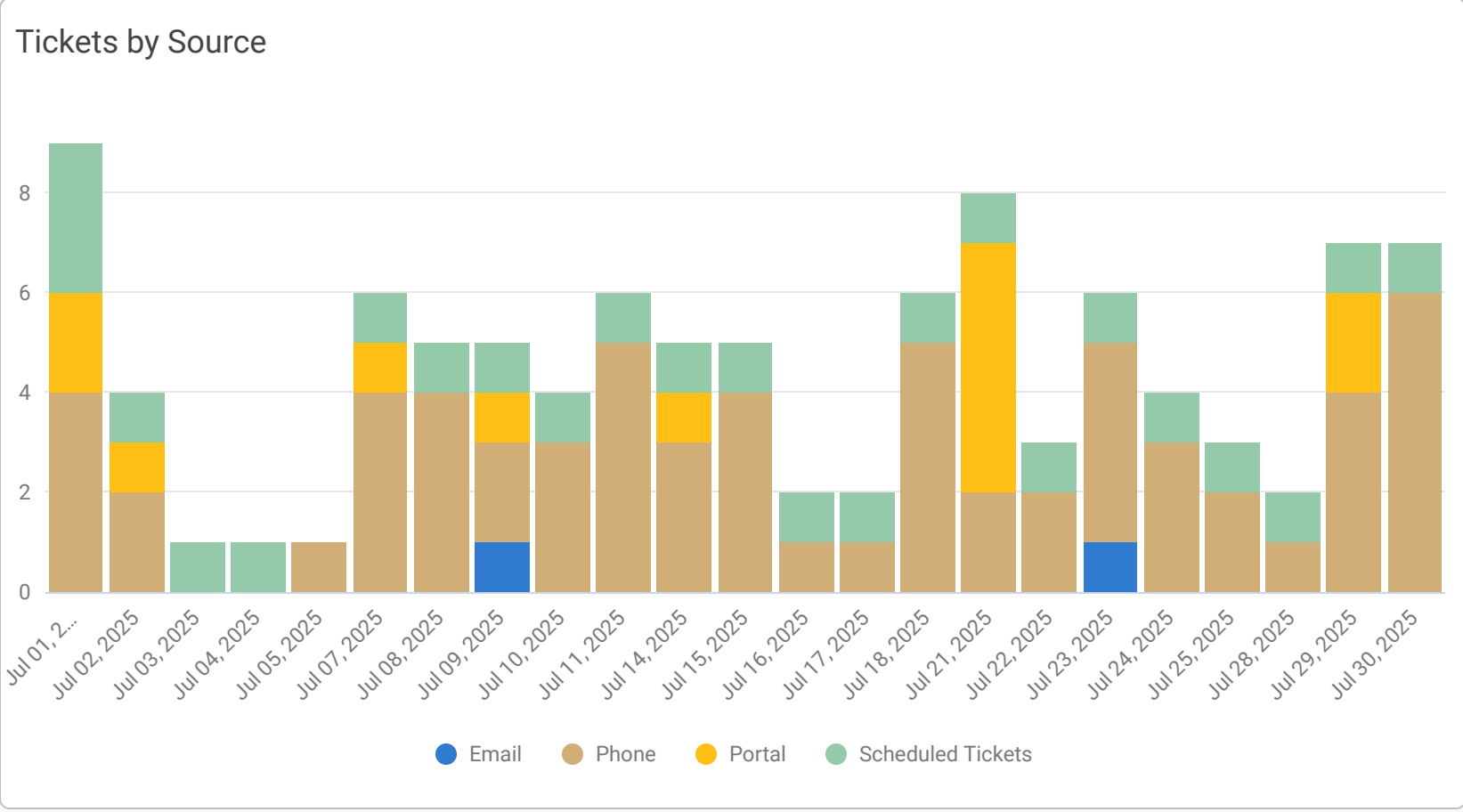
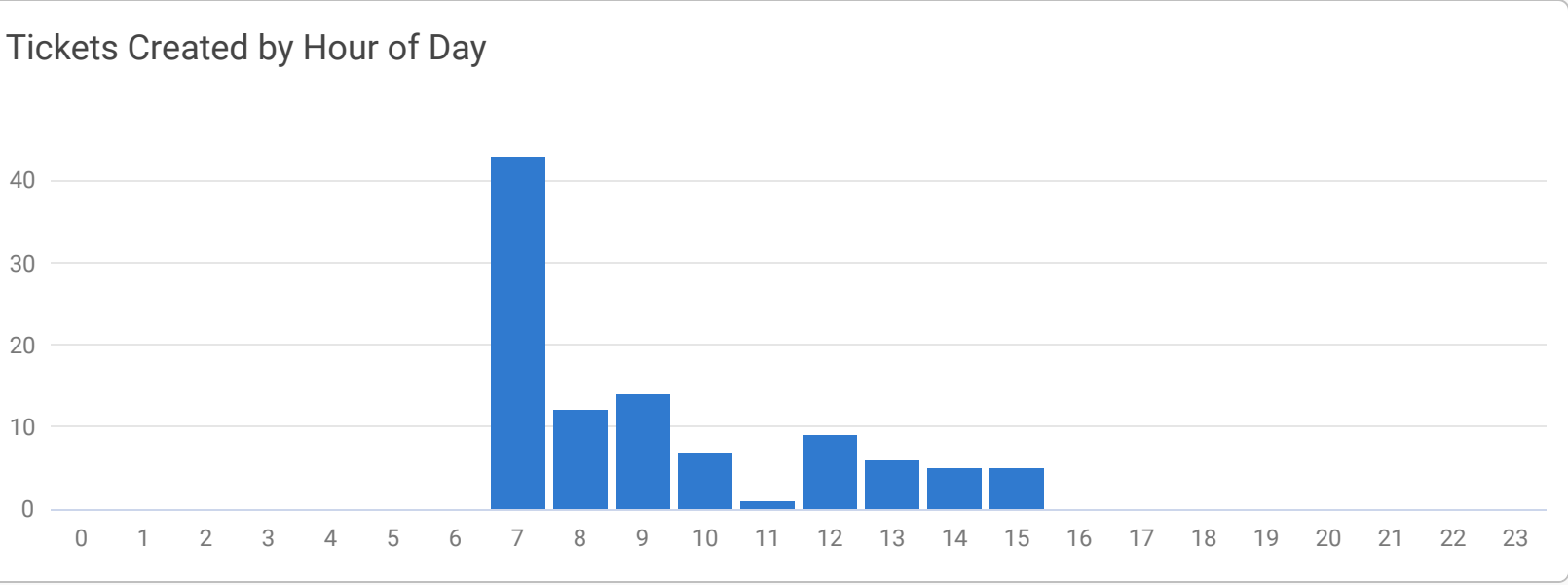
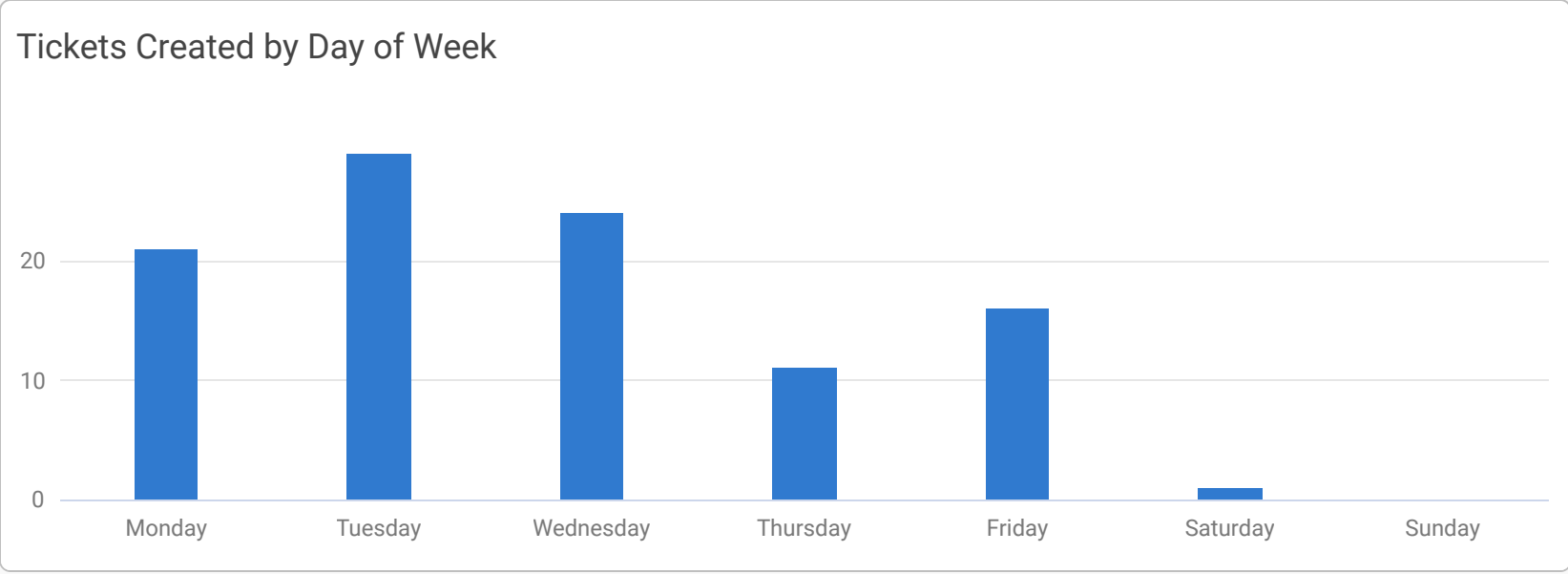
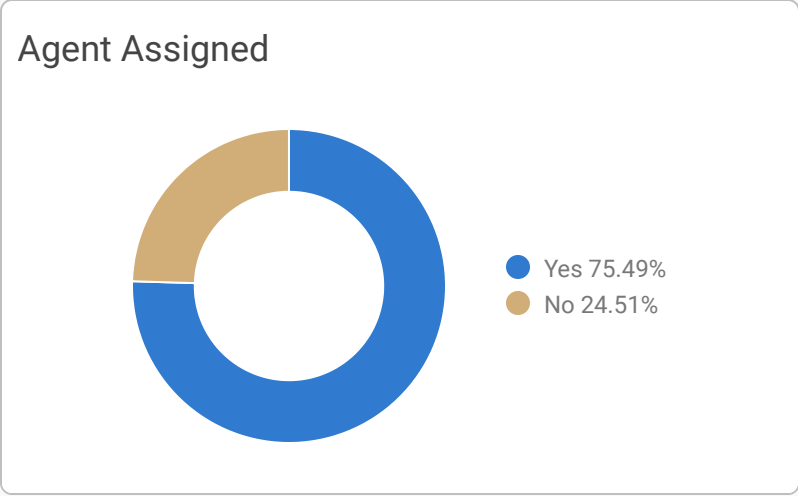
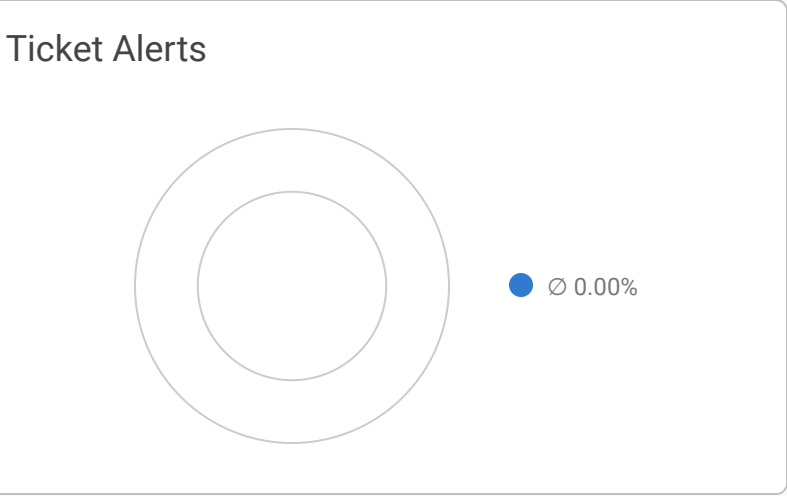
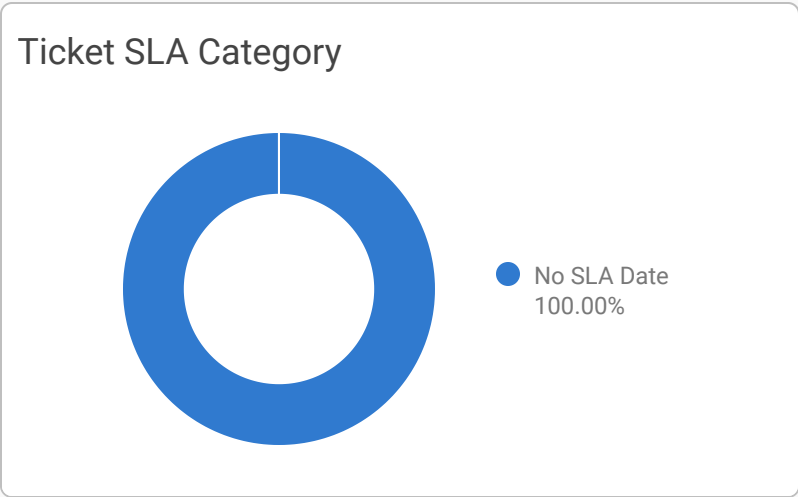
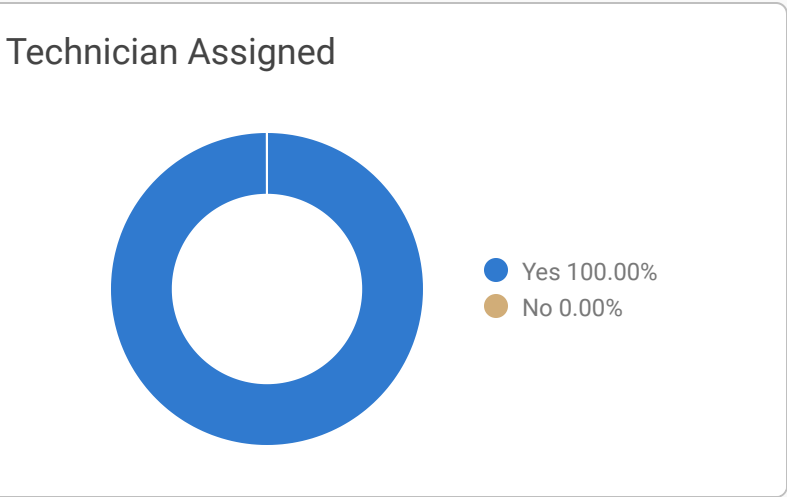


Ticketing summary

Date Filter is from 2025/07/01 until 2025/07/31    Ticket Status is not Merged



| AI Auto-Tags |                                                       |                               |
|--------------|-------------------------------------------------------|-------------------------------|
|              | Tag Name                                              | Number of Tags <span>▼</span> |
| 1            | Security / Security Alerts and Threats                | 22                            |
| 2            | System / Windows / Login - Password Reset             | 13                            |
| 3            | System / Windows / User Account Creation and Setup    | 6                             |
| 4            | Network / Onboarding - Offboarding User               | 6                             |
| 5            | Application / Application usability & setup           | 6                             |
| 6            | Application / Application usability & setup           | 6                             |
| 7            | Application / Application usability & setup           | 5                             |
| 8            | Network / Accessibility                               | 5                             |
| 9            | Hardware / Printing Device                            | 3                             |
| 10           | Network / Configuration Change                        | 2                             |
| 11           | Hardware / Damaged - Faulty                           | 2                             |
| 12           | Hardware / Equipment orders and installations         | 2                             |
| 13           | Application / Printing usage & setup                  | 2                             |
| 14           | Printer / Printing Usage & Setup                      | 2                             |
| 15           | Printer / Printing Usage & Setup                      | 1                             |
| 16           | Security / Virus, Malware, Phishing Attack            | 1                             |
| 17           | Network / Remote Access & Permissions                 | 1                             |
| 18           | Printer / Printing Usage & Setup                      | 1                             |
| 19           | Printer / Printing Usage Setup                        | 1                             |
| 20           | Application / Access & Permissions                    | 1                             |
| 21           | Application / Printing usage & setup                  | 1                             |
| 22           | Application / Usability & Setup                       | 1                             |
| 23           | Hardware / Cable - Power - Battery                    | 1                             |
| 24           | Application / Application usability & setup           | 1                             |
| 25           | Application / Email Management, Delivery and Settings | 1                             |
| 26           | Application / Install - Uninstall - Update            | 1                             |
| 27           | Hardware / New Hardware - Retire Hardware             | 1                             |
| 28           | Network / Internet and Phone Connectivity Issues      | 1                             |
| 29           | License / License and Subscription Management         | 1                             |
| 30           | Maintenance / Backup and Service Maintenance          | 1                             |



Customer tickets overview

Date Filter is from 2025/07/01 until 2025/07/31    Ticket Status is not Merged

Total Tickets

102

Total Ticket Duration (hours)

956.90

Average Ticket Duration (hours)

9.38

6

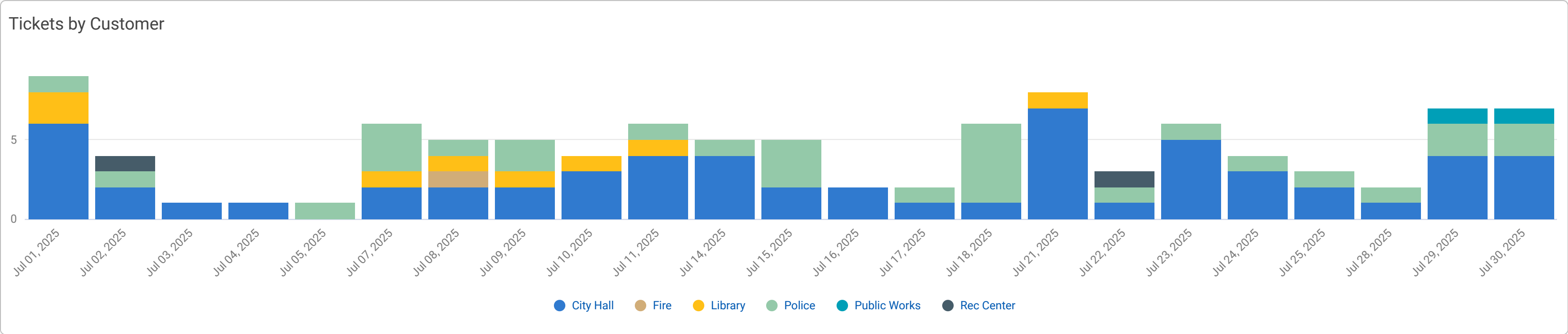
Number of Customers

102

Ticket Volume Per Customer

Ticket SLA Category

No SLA Date  
100.00%



| Customer Overview |                     |                               |                                 |                                     |                  |              |
|-------------------|---------------------|-------------------------------|---------------------------------|-------------------------------------|------------------|--------------|
| Site name         | Number of tickets ▾ | Total Ticket Duration (hours) | Average Ticket Duration (hours) | Average First Response Time (hours) | Number of alerts | Exceeded SLA |
| City Hall         | 60                  | 546.91                        | 9.12                            | 6.00                                | 0                | 0            |
| Police            | 29                  | 57.98                         | 2.00                            | 1.30                                | 0                | 0            |
| Library           | 8                   | 338.39                        | 42.30                           | 36.24                               | 0                | 0            |
| Rec Center        | 2                   | 6.92                          | 3.46                            | 3.46                                | 0                | 0            |
| Public Works      | 2                   | 6.67                          | 3.34                            | 3.33                                | 0                | 0            |
| Fire              | 1                   | 0.03                          | 0.03                            | 0.03                                | 0                | 0            |

Technician overview

Date Filter is from 2025/07/01 until 2025/07/31    Ticket Status is not Merged

Number of tickets

102

Total Ticket Duration (hours)

956.90

Average Ticket Duration (hours)

9.38

6.88

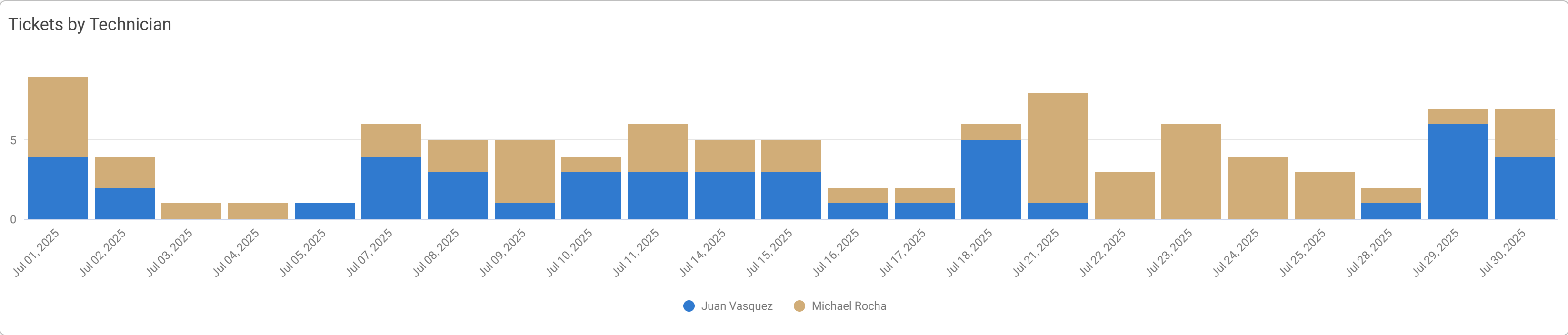
Average First Response Time (h...

9.38

Average Resolution Time (hours)

Ticket SLA Category

No SLA Date  
100.00%

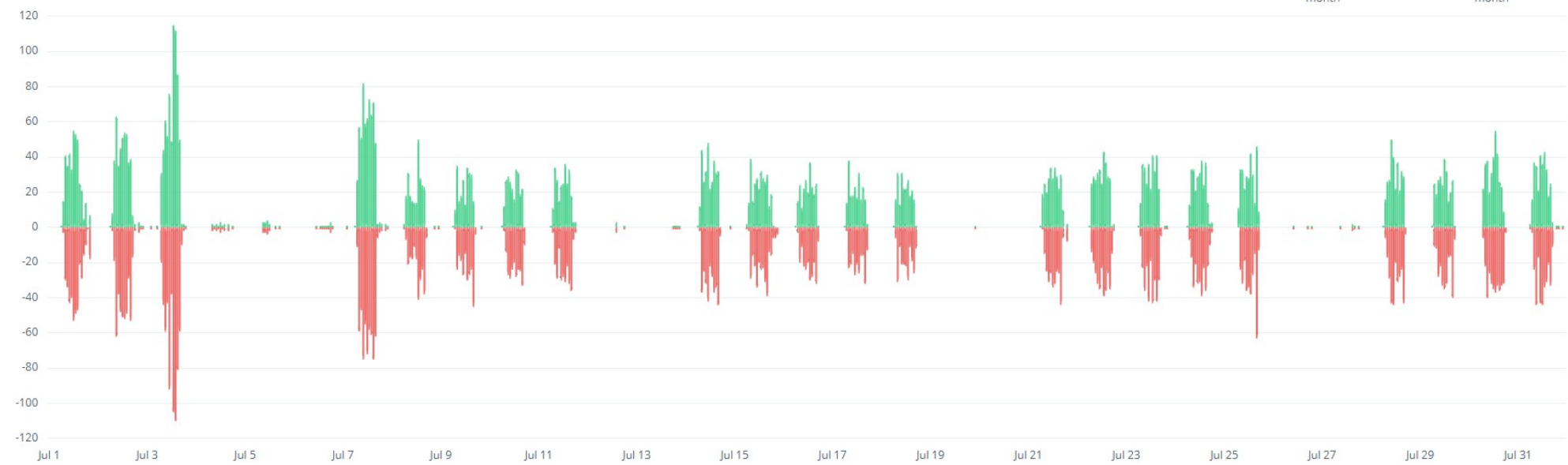


| Technician Overview |                 |                      |                               |                                 |                                     |                                |                                     |                                      |                                   |
|---------------------|-----------------|----------------------|-------------------------------|---------------------------------|-------------------------------------|--------------------------------|-------------------------------------|--------------------------------------|-----------------------------------|
|                     | Technician name | Number of tickets  ▾ | Total Ticket Duration (hours) | Average Ticket Duration (hours) | Average First Response Time (hours) | Number of Tickets Exceeded SLA | Number of tickets closed within SLA | Number of tickets closed outside SLA | Number of open tickets within SLA |
| 1                   | Michael Rocha   | 56                   | 555.25                        | 9.92                            | 7.01                                | 0                              | 0                                   | 0                                    | 0                                 |
| 2                   | Juan Vasquez    | 46                   | 401.65                        | 8.73                            | 6.71                                | 0                              | 0                                   | 0                                    | 0                                 |

Traffic

In <sup>?</sup>  
**7,100**  
↑ 2% from previous month

Out <sup>?</sup>  
**6,963**  
↑ 2% from previous month



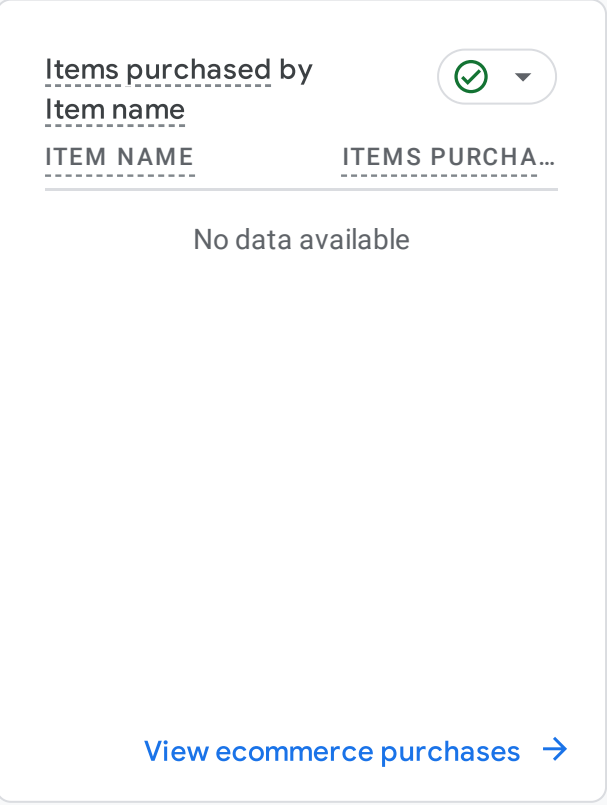
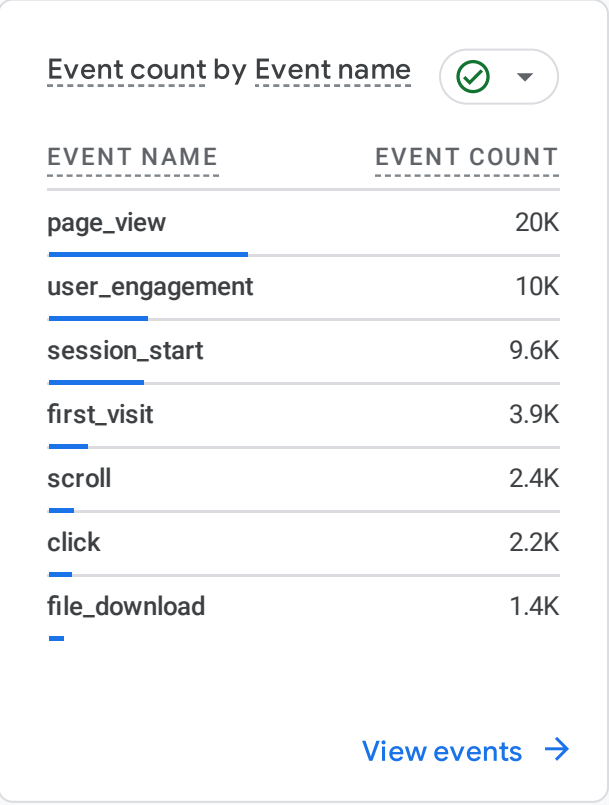
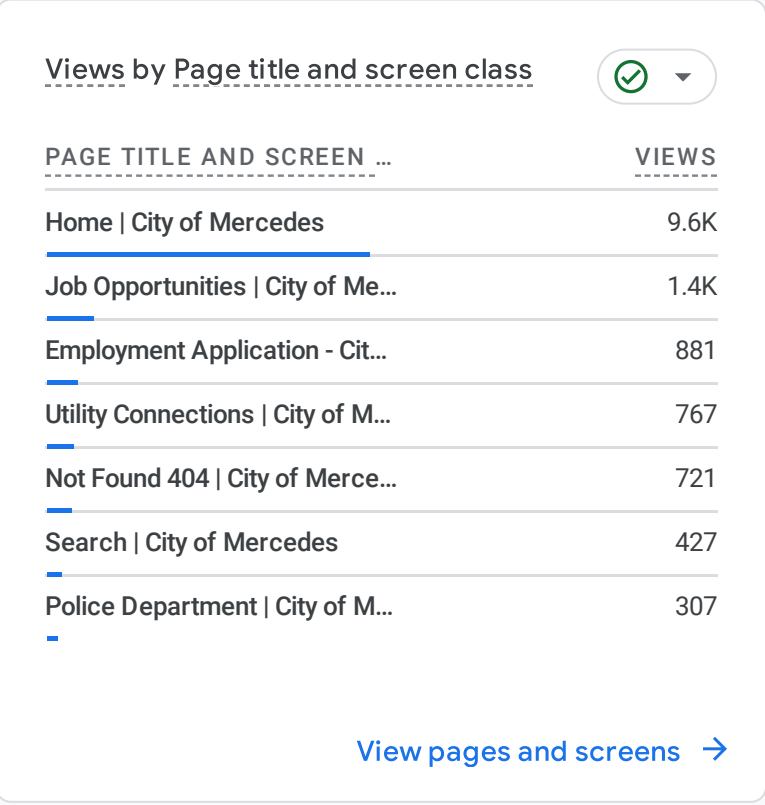
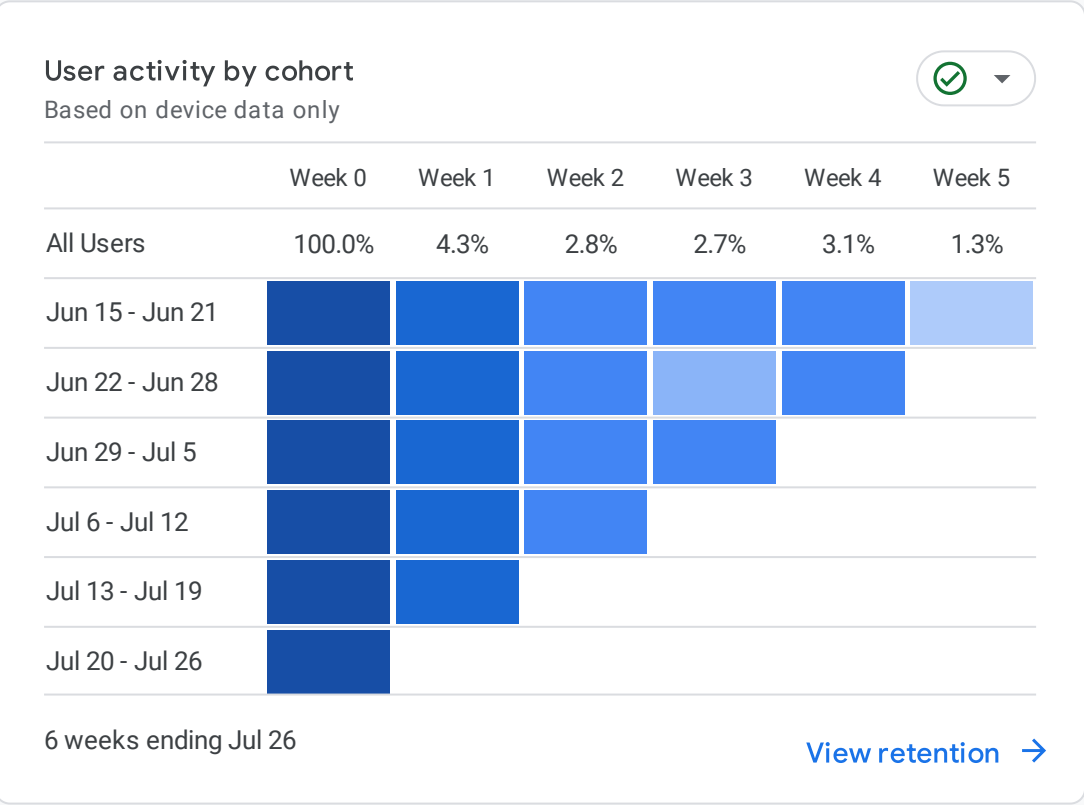
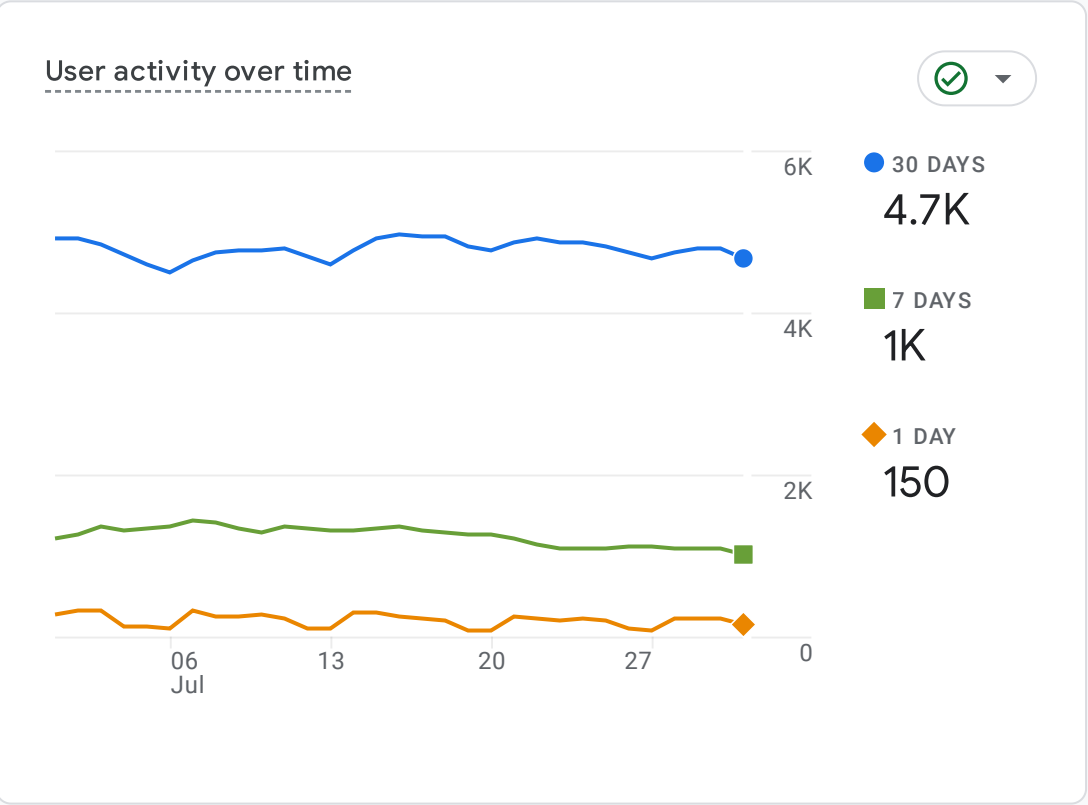
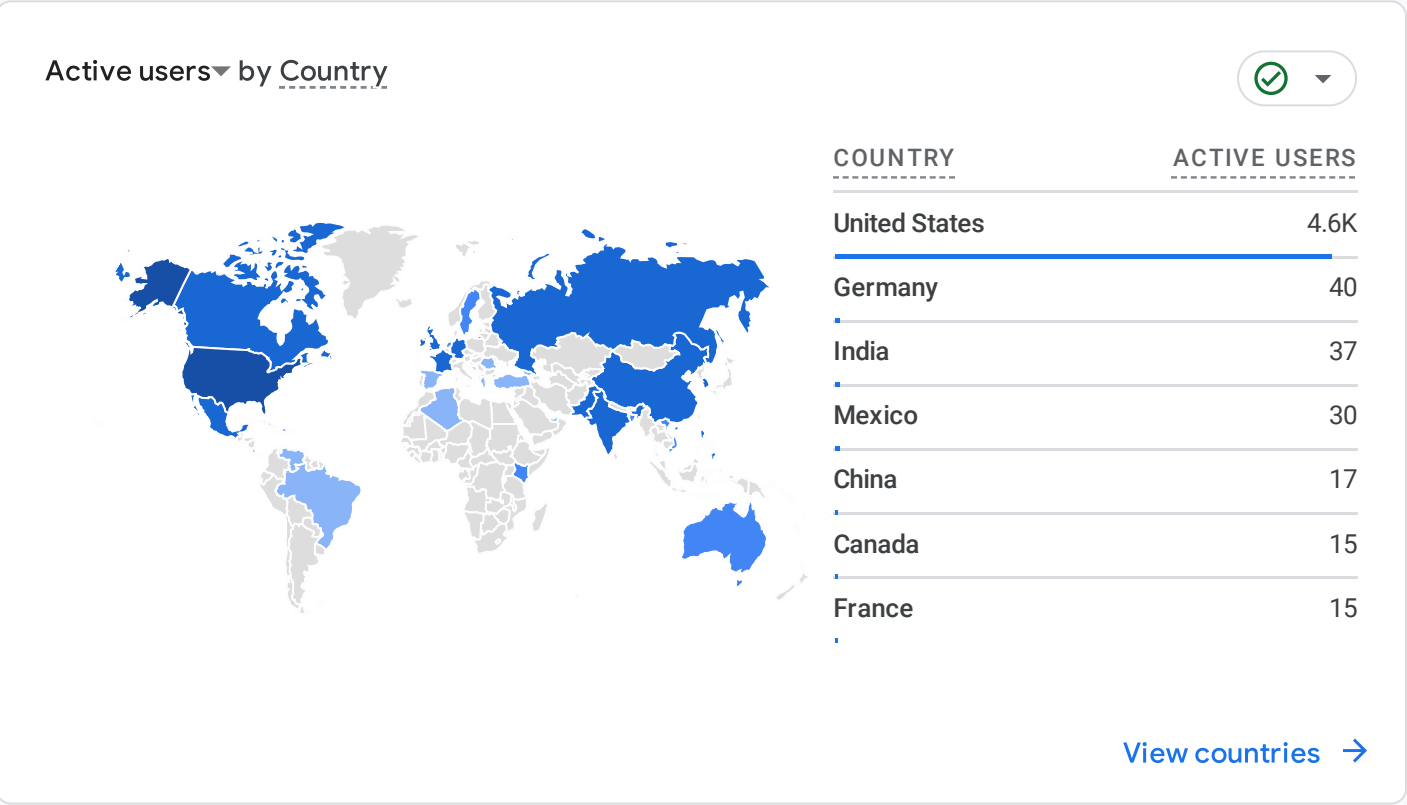
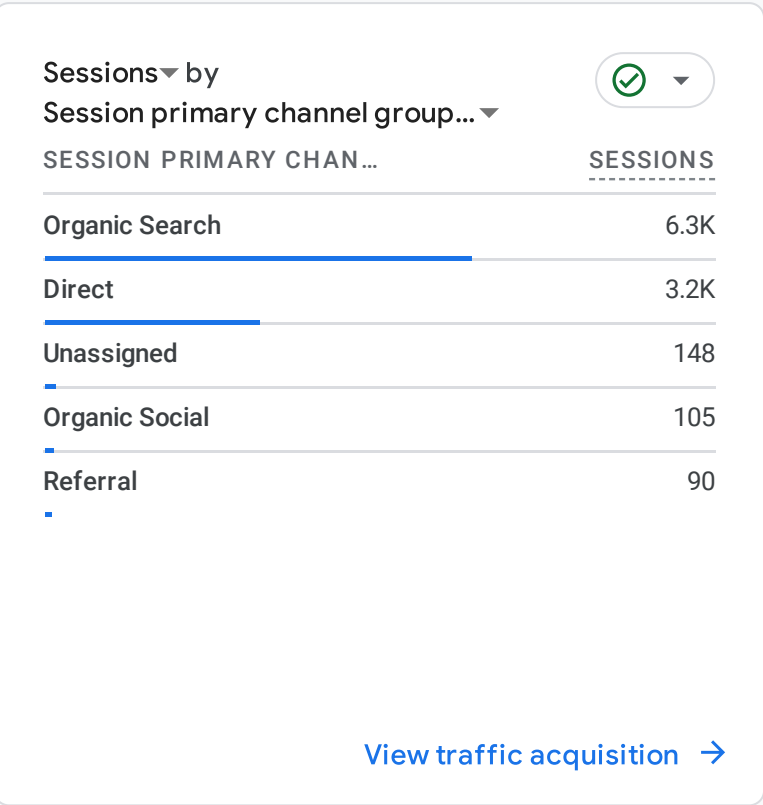
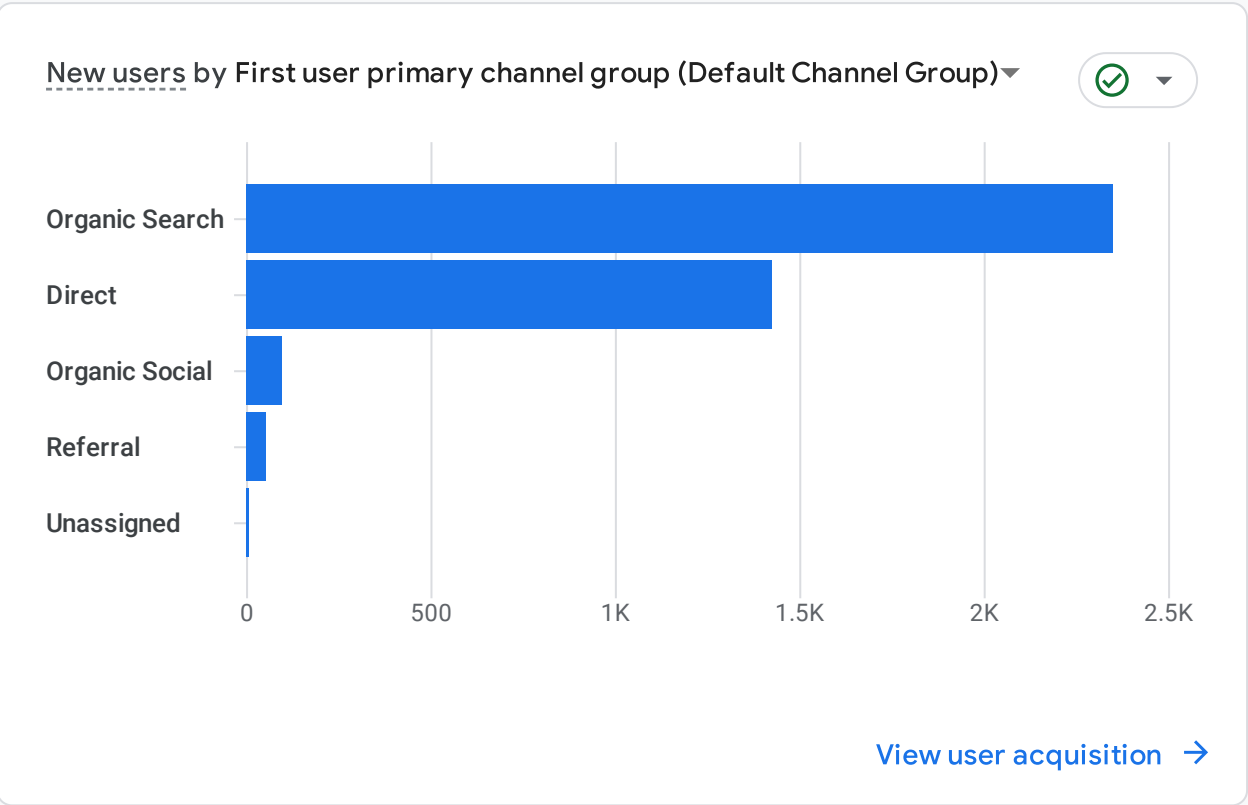
All Users

Add comparison

Custom

Jul 1 - Jul 31, 2025

Reports snapshot





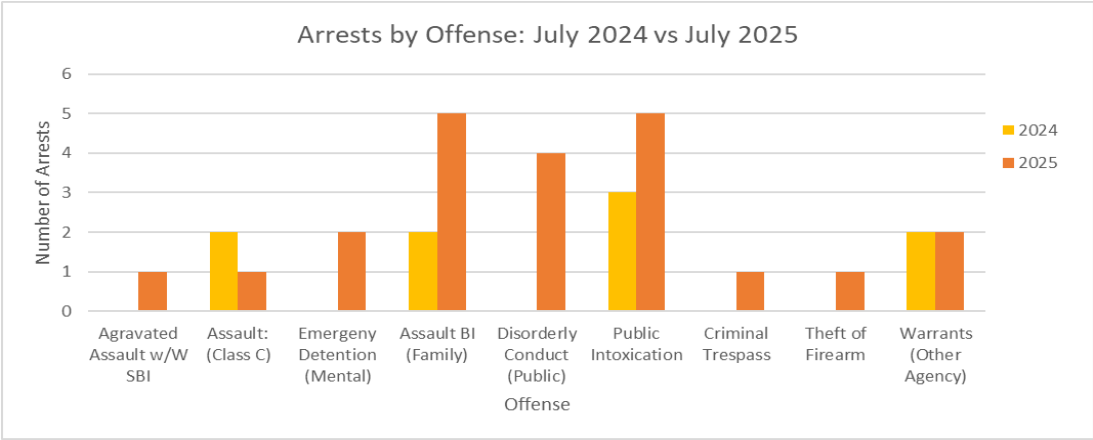
# July 2025 Monthly Report

## 1. Summary Overview

This monthly report outlines notable activity for the Mercedes Police Department during July 2025, including a statistical comparison with July 2024. Key metrics include CAD call volume, arrests by offense, and officer productivity data.

## 2. Arrests by Offense (July Comparison)

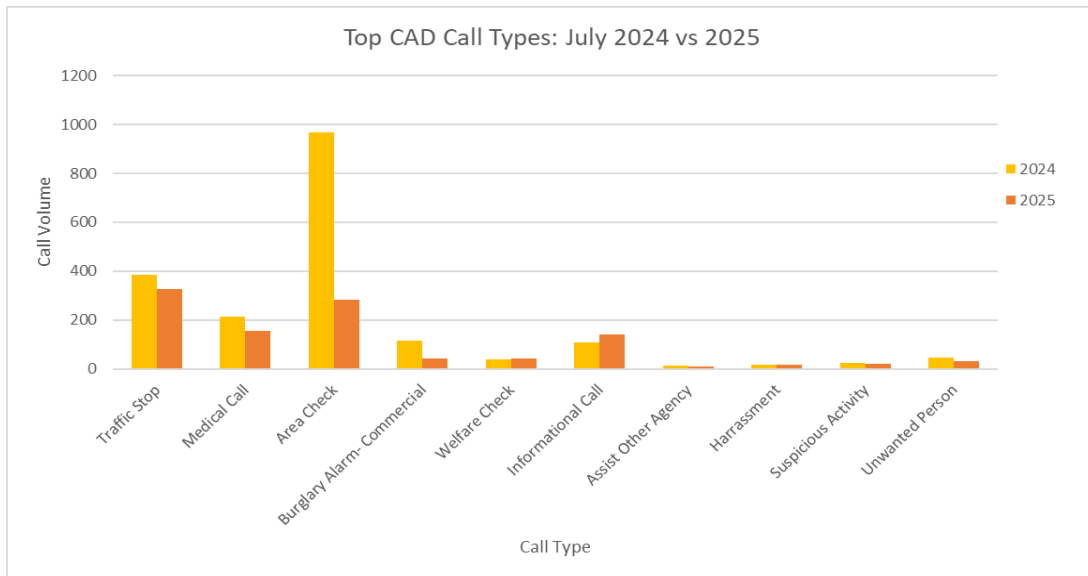
Below is a comparison of arrests made in July 2024 and July 2025. Overall, July 2025 showed increases in public intoxication, criminal trespass, warrants, and assault cases. Notably, the number of arrests for public intoxication and assault causing bodily injury (Family Violence) nearly doubled.



## 3. Top CAD Call Types (July Comparison)

The chart below compares top CAD call categories for July 2024 and July 2025. While there was a significant decrease in area checks, there were notable increases in informational calls, assist other agency calls, and harassment complaints.





#### 4. Command Staff Notes and Talking Points

- Increase in enforcement activity: Public intoxication arrests rose from 3 to 5.
- Officer-initiated calls such as traffic stops decreased (383 to 327), indicating more proactive policing.
- Warrant arrests stayed the same (2 to 2). Patrol officers showed better collaboration with external agencies.
- Suggest highlighting DWI and trespass trends for community awareness.

#### 5. Recommendations

1. Continue targeting high-frequency with visibility patrols.
2. Leverage success in warrant enforcement by enhancing regional information sharing.

The month of July 2025 saw a **high volume of proactive patrols** and **community response calls**, particularly in traffic enforcement, medical response, and public safety concerns. Dispatchers coordinated effectively with patrol, fire, and EMS units to address priority incidents while managing routine service calls. The Mercedes Police Department remains committed to rapid response, safety, and transparency in all dispatch operations.

The Dispatch Division received and managed 1,764 calls in July 2025. Below is a breakdown of notable incident categories and public safety responses:

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### High-Volume Call Categories

| Call Type                    | Number of Calls |
|------------------------------|-----------------|
| Traffic Stops                | 327             |
| Area Checks                  | 284             |
| Medical Calls                | 157             |
| Information Calls            | 139             |
| Burglary Alarms – Commercial | 44              |
| Accident (No Injuries)       | 22              |
| Reckless Vehicles            | 43              |
| Welfare Checks               | 43              |
| Verbal Disputes              | 22              |
| Nuisance/Noise Complaints    | 27              |

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## **Traffic-Related Activity**

- Accidents with Injuries: 13
- Accidents without Injuries: 22
- Hit and Runs: 9
- Stalled Vehicles: 41
- Traffic Hazards: 20
- Reckless Driving Reports: 43

## **Criminal & Public Safety Incidents**

- Assaults (Occurred/Just Occurred): 6
  - Domestic Disturbance (Occurred): 2
  - Criminal Mischief: 7
  - Thefts (Already Occurred): 26
  - Burglary Alarms (All Types): 54
  - Unwanted Person: 31
  - Intoxicated Driver: 4
  - Suicide/Suicide Attempts: 0
- 

## **Animal-Related Calls**

- Animal Problems (Non-Vicious): 30
  - Animal Bites (Dog/Other): 1
  - Vicious Animals: 1
  - Animal Rescues: 11
  - Livestock in Roadway: 3
- 

## **Fire & Utility Assistance**

- Fire Alarm/Box Alarm Calls: 12
  - Fire Investigations: 5
  - Grass/Structure Fires: 3
  - Water Line Breaks: 16
  - Downed Power Lines: 1
-

## Other Notable Incidents

- **Missing Juveniles:** 13
- **Harassment Reports:** 18
- **Suspicious Activity (Person/Vehicle):** 65
- **Unwanted Persons:** 31
- **Bee Calls & Attacks:** 15
- **Warrant Services:** 0
- **Suicidal Subjects:** 0
- **Wave Downs:** 11

In July 2025, the Dispatch Division managed a high volume of calls involving traffic-related incidents and criminal offenses. Coordination with CID and Patrol resulted in numerous arrests and cleared warrants. Dispatchers also supported missing persons investigations and warrant entry processes efficiently.

### 1. Wreckers Dispatched

- **Total Wrecker Calls:** 22  
Wreckers were dispatched primarily due to accidents, abandoned vehicles, and impound needs.  
**Most Common Locations:** Frontage Rd, Expressway corridors, and school zones.

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### 2. Traffic Accidents

- **Total Accidents Dispatched:** 25  
Highest volume of incidents occurred along:
  - **E/W Expressway 83**
  - **Dawson Rd / Vermont Ave Intersections**  
Multiple-accident dates: **July 1, July 13, July 23 and July 25.**

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### 3. Stolen Vehicles Entered

- **Total Entered:** 1
  - Incident involved a stolen vehicle from residential areas.

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#### 4. CID Warrants Entered

- **Total Warrants Entered into TCIC/NCIC: 4**
  - Charges included Assault (Bodily Injury), Theft of firearm, and Theft > 2500<30000.

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#### 5. Warrants Cleared

- **Total Cleared Warrants: 6**
  - Offenses included Aggravated Assault, Theft Firearm, Unlawful use of criminal instrument.

#### 6. Arrests

- **Total Arrests for the Month: 22**
  - **Top Offenses:**
    - Public Intoxication (4)
    - Assault (3)
    - Criminal Mischief / Theft (3)
    - DWI & Other Warrants (3)
    - Possession of Control Substance (4)
  - Multiple arrests stemmed from CID investigations and patrol response to public calls.

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#### 7. Criminal Trespass Warnings Entered

- **Total CTWs Entered: 6**
  - Locations included businesses and residential areas with recurring disturbances.

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#### 8. Missing Persons

- **Total Cases Entered: 4**
  - Individuals ranged in age from **13-15**.
  - All cases were entered into TCIC/NCIC and actively investigated.

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## **Mercedes Police Department- Administration (July 2025)**

### **I. Meetings Attended**

Throughout July, the Administration Division participated in several key meetings to support interagency coordination, budget planning, community safety initiatives, and strategic projects.

- **7/2 – STPCA Executive Board Meeting (TBA):** Chief Francisco Sanchez attended to discuss current trends and mutual aid support with state and federal partners regarding border security and regional enforcement priorities.
- **7/3 – DWI No Refusal Press Conference (HCDA):** Provided updates on department initiatives and public safety metrics during the 4<sup>th</sup> of July Holiday Weekend.
- **7/7 – Department Head Meeting (Library)-** Collaborated with other department heads to align on citywide service objectives and operational coordination.
- **7/7 – Vehicle Forfeiture Inventory (Public Works)**
- **7/9 – Back to School Bash 1<sup>st</sup> Meeting (Llano Grande)**
- **7/10 – City of Mercedes- Fleet Planning Meeting (City Hall)**
- **7/15 – PD Seized Vehicle Inventory Overview & 3<sup>rd</sup> Street Project (Police Department)-** Lt. Orlando Diaz met with City Secretary Joselynn Castillo to go over the Police Department vehicles inventory.
- **7/15 – City Commissioners Meeting (City Hall)-** Provided updates in department initiatives and public safety metrics.
- **7/16 – FY25-26 Budget Review- PD 2<sup>nd</sup> Meeting (City Hall Break Room)-** Reviewed departmental budget proposals and capital expenditure needs with Finance and City Management.
- **7/17 – TCIC Compliance Revisions-** Lt. Diaz met with Dispatchers Kayla Gomez and Octaviano Rodriguez to review the TCIC Audit.
- **7/17 – Christmas Committee Meeting for Tree Lighting/ Winter Wonderland**
- **7/18 – Head Department Meeting (Library)-** Collaborated with other department heads to align on citywide service objectives and operational coordination.
- **7/21 – Court Payment Systems Meeting (Police Department)-** Admin. Met with ad comp representatives to go over the court payment systems.
- **7/22 – GT Distributors and 5.11 (Police Department)-** Admin. Met with uniform distributors to discuss Summer Uniform Products.
- **7/23 – Operation Stone Garden Grant (Weslaco Border Patrol)-** Lt. Diaz attended to have an update on security operations.
- **7/24 – Leadership Academy Presentation w/ MISD Admin. (UTRGV Center for Innovation and Commercialization)**
- **7/25 – Safeware South Texas Technology Demo (Mission FD)**
- **7/25 – American Sentinel Meeting (Mercedes PD)-** Lt. Orlando Diaz attended meeting to get information about the services American Sentinel offers for the Surveillance Towers.



- **7/30- Back to School Bash** (Llano Grande Event Center)- Sgt. Cuba attended to better prepare for the 3<sup>rd</sup> Annual Back to School Bash Event.

## II. Trainings Completed

Officers and staff completed both mandatory and advanced trainings to ensure operational readiness and legal compliance.

- **ALERRT Level 1 (7/7 – 7/8)**- Chief Francisco Sanchez, Sgt. Juan Cuba, Lt. Orlando Diaz, Investigators and Patrol Officers attended this training to follow the state training requirements.
  - **Sex Offender Registration Training (7/16)**- Officer Joseph Trevino, Roy Rocha and Inv. Felipe Sanchez attended this training to be certified to better assist citizens with their registration.
  - **Command Staff Leadership Series- (7/28-8-1)**- Chief Francisco Sanchez attended at College Station this training to fulfill the state requirements necessary to maintain his license as Chief of Police
  - **TCOLE# 41501 SBLE Introductory Training (7/29-8/1)**- Officers Zenaida Hernandez and Sergio Flores attended training to obtain better ways to keep schools safe.
  - **TCOLE# 41502 SBLE Intermediary Training (7/28-7/31)**- Officer Roy Rocha attended training to obtain effective strategies when working with school and community partners.
  - **TCOLE# 41505 SBLE Master Training (7/8-7/11)**- Sgt. Alejandro Bocanegra attended training to obtain better practices in case of an emergency with the school district.
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## III. Community Events & Outreach

Public-facing events focused on recruitment, community partnership, and crime prevention education.

- **7/9 – City of Mercedes Food Drive (Dome)**-
- **7/16 – Chick-Fil-A Cow Appreciation Bash (Mercedes Chick-Fil-A)**- Officers attended and interacted with citizens.
- **7/16 – Job Fair (Dome)**- Staff participated on this event for the community to inform about the hiring process on the department.
- **7/23 – Police Academy Recruitments (LRGVDC & STC)**
- **7/30- Blood Drive (City Hall)**- Officers participated by donating blood on a drive event hosted by the City Hall staff.
- **7/31 – Alton PD Safe Kids Injury Prevention Event-** (Sylvia Vela Park)- Investigators Ileana Granados and Andrew Gonzalez attended to engage with the community by providing safety tips to the community of Alton.

## **IV. Interviews Conducted**

Conducted pre-employment assessments for sworn positions:

- **7/31 John P. Ellis:** Interviewed for entry-level police officer position.

Candidate completed the oral board phase and are pending background review.

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## **V. Financial Submissions to Finance Department**

Administration submitted the following invoices, payment requests, purchase orders and reimbursements to the Finance Department for processing in July:

- **7/3:** Purchase Order request for American Sentinel (25-39474)- Labor and installation for Tower 3.
- **7/9:** Payment request to 3GS, LLC for system-related services.
- **7/9:** Purchase Order request for Amazon Capital Services (25-39485)- School Supplies for the Back to School Bash event)
- **7/9:** Travel and Training for Roy Rocha (SBLE Intermediary Training)
- **7/9:** Purchase Order request for Bill Bunton (25-39481)- Tail light for Unit 513.
- **7/17:** Purchase Order request for Payne Weslaco Ford (25-39513)- Diagnostic Flood Fee for unit 503.
- **7/17:** Purchase Orders for Payne Collision Center (25-39514 & 25-39516) Deductible for Unit 518 & 520)
- **7/22:** Payment Request to Enterprise FM for Monthly fleet lease agreement.
- **7/22:** Purchase Order request for Copy Plus (25-39526)- Ticket Cards and QR Codes for Patrol Officers.
- **7/22:** Multiple invoices submitted including American Sentinel (Surveillance Tower), Bill Bunton (Tail Light for Unit 513).
- **7/22:** Purchase Order request for Galls, LLC (25-39533)- Uniforms for new hire officers.
- **7/23:** Payment requests to City of Weslaco (Animal Control Division).
- **7/23.** Multiple invoices submitted including Amazon Capital Services (School Supplies), Payne Weslaco Ford (Unit 503 Diagnostic Fee).
- **7/23:** Purchase Order request for O'Reilly Auto Parts (25-39536)- Water Pump for Unit 400.
- **7/23:** Purchase Order request for Southern Tire Mart (25-39538)- Tires for Unit 513.

## **VI. Building Maintenance & Fixtures**

Administration met with the city contractors to discuss the following fixtures to the Police Department building.

- **7/17 Fixtures of Gun Lockers-** Sustainable Security Solutions rep. Freddy Gonzalez came to PD Building to fix a couple of Gun Lockers.
- **7/17 Pole Camera Demonstrations-** Toughdog did a camera demonstration to PD Administration.
- **7/22 19059 Mercedes PD Renovations** Ongoing A/C and Ventilation Issues Walkthrough (Police Department)- Admin. Met with TriGen Directors to do a building walkthrough and discuss the ventilation issues.
- **7/25 A139- AV Plumbing Fixture Appointment-** Plumbers revised the Jail Cells restrooms to fix the sewage and break outage of the toilets.

### **Animal Control (July 2025)**

During the month of **July 2025**, the Animal Control Division handled a total of **61 service calls**, responding to a wide range of animal-related issues within the city limits. Calls included stray animals, cruelty investigations, dead animal removal, and wildlife concerns

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#### **Key Statistics**

##### **Activity**

|                               |    |
|-------------------------------|----|
| Total Intakes (to shelter)    | 61 |
| Dead Animal Pickups           | 10 |
| Possums Removed (Relocated)   | 6  |
| Animal Cruelty Investigations | 0  |
| Animal Bites Investigated     | 0  |

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#### **Animal Cruelty Investigations - One case was investigated this month, including:**

- **Welfare Checks** due to resident complaints.
  - One case involved 2 dogs inside a chicken coop, which was referred to CID.
  - Contacted owners and resolved issue and tied dogs properly.
- 

#### **Animal Bite Incident**

- On **July 0** dog bites were reported.
-

**Possum Removal - Animal Control responded to six possum-related calls, all involving:**

- Possums trapped in residential yards.
  - Animals were safely relocated to a designated release site.
  - One case included a **resident requesting code enforcement assistance** for a neighboring abandoned property contributing to the problem.
- 

**Dead Animal Pickups**

- **26 dead animals** (including dogs and possums) were picked up throughout the city.
  - Locations included **Maryland Ave, S Missouri Ave, and Loretta St.**
  - All carcasses were transported to CCS for proper disposal.
- 

**Animal Running at Large - The majority of the month's activity centered on loose and stray animals, including:**

- **Over 61 dogs and puppies** were picked up citywide and transported to the **Weslaco shelter**.
  - Areas with frequent activity included: **S Virginia Ave, N Baseline Rd, Mesquite Dr, Indiana Ave, and FM 491.**
  - One case involved **nine puppies and an adult dog** at a single residence.
  - A few calls involved **non-aggressive pit bulls and loose ducks.**
- 

**General Observations**

- **High volume of stray and loose dog pickups** indicates a continued need for public education on pet containment
- Ongoing coordination with **Code Enforcement** is needed for nuisance wildlife and property-related complaints.
- Animal Control continues to monitor and address **repeat locations and problem areas.**

Throughout the month of **July 2025**, the Mercedes Police Department's Education Resource Officers (EROs) remained actively engaged with Mercedes ISD in various safety, security, and youth engagement efforts. Officers supported **campus security**, attended **district events**, and assisted in **community policing efforts** as needed.

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| Date(s) | Event | Location/Details |
|---------|-------|------------------|
|---------|-------|------------------|

|                   |               |                                                                                                         |
|-------------------|---------------|---------------------------------------------------------------------------------------------------------|
| <b>July 28-29</b> | Football Camp | Officers maintained a visible presence and supported MISD staff during student arrivals and dismissals. |
|-------------------|---------------|---------------------------------------------------------------------------------------------------------|

|                |               |                                                                                  |
|----------------|---------------|----------------------------------------------------------------------------------|
| <b>July 30</b> | Freshman Camp | Sgt. Alejandro Bocanegra had a table set up and handed out Informative material. |
|----------------|---------------|----------------------------------------------------------------------------------|

|                |             |                                                                                  |
|----------------|-------------|----------------------------------------------------------------------------------|
| <b>July 31</b> | Senior Camp | Sgt. Alejandro Bocanegra had a table set up and handed out Informative material. |
|----------------|-------------|----------------------------------------------------------------------------------|

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### **Sergeant Notes:**

- **Officer Sergio Flores** on approved **vacation leave** from **June 23 to July 7, 2025**.
  - Remaining officers adjusted schedules to ensure ongoing coverage of all school-related duties and summer programs.
  - EROs collaborated closely with the **Safe Schools Program** and **MISD staff** to ensure the safety of students and staff attending **ACE and Summer School Programs**.
  - When available, officers assisted **patrol operations** with city-wide calls and routine patrols during low-activity school hours.
- 

### **MISD Academic Calendar Update:**

The MISD Board of Trustees approved revisions to the 2025–2026 academic calendar, including:

- **New start date:** Wednesday, August 13, 2025
- **Last day of school:** Thursday, May 28, 2026
- **Graduation:** Friday, May 29, 2026
- Calendar now includes **175 instructional days** and additional **professional learning days** for teachers, as per updates from the 89th Texas Legislative Session.

Month of July have been working alongside Campus Admin. To discuss ideas and ways to have a smooth transition in beginning of School Year starting August 13, 2025.

The ERO team remains aligned with MISD leadership to adjust officer coverage in accordance with the new calendar and upcoming events.

EROs have been working alongside Patrol by responding to calls of service.



### **Municipal Court (July 2025)**

**During the month of July 2025, the Mercedes Municipal Court processed a total of 129 citations. Below is a breakdown of the most frequently cited offenses:**

| <b>Violation</b>                               | <b>Total Citations</b> |
|------------------------------------------------|------------------------|
| No Driver's License                            | 14                     |
| Failure to Maintain Financial Responsibility   | 30                     |
| Speeding (Above Posted Limit)                  | 46                     |
| Reckless Driving                               | 2                      |
| Public Intoxication                            | 4                      |
| Theft                                          | 1                      |
| Expired Registration                           | 2                      |
| Open Container In Vehicle                      | 3                      |
| Ran Red Light                                  | 4                      |
| Assault- Family Violence                       | 2                      |
| Disorderly Conduct                             | 2                      |
| Possession of Drug Paraphernalia               | 3                      |
| Other (various municipal/city code violations) | 16                     |

## Dismissals

- **Total Citations Dismissed:** 13
- **Total Amount Dismissed:** \$2,592.60
- All dismissed citations have a **\$0.00 remaining balance.**

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## Court Revenue

| Recipient                      | Amount             |
|--------------------------------|--------------------|
| City of Mercedes               | \$8,657.03         |
| State of Texas                 | \$5,699.60         |
| <b>Total Revenue Collected</b> | <b>\$14,356.63</b> |

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## Court Hearings & Proceedings

- **Total Cases (Dockets) Heard:** 21
- **Requests for Counsel (Class C Misdemeanors):** 0
- **Arrest Warrants Issued:** None
- **Capiases Pro Fine Issued:** None
- **Search Warrants / Emergency Hearings / Peace Bonds:** None
- **Magistrate Warnings, Orders, or Trials Conducted:** None
- **Fines Waived for Indigency:** \$0.00
- **Community Service or Jail Credit Cases:** None reported

