

**THE STATE OF TEXAS**  
**COUNTY OF CAMERON**

§  
§ **CITY OF SAN BENITO**  
§

**INTERLOCAL AGREEMENT**

**I. PARTIES**

**A. Address**

1. THIS INTERLOCAL AGREEMENT (the “Agreement”) is made by and between the **CITY OF SAN BENITO, TEXAS** (hereafter referred to as “CITY”), a Texas General Law City, acting through its City Manager pursuant to Ordinance #2428, passed and approved by the City Commission on January 13, 2009, **CAMERON COUNTY**, a political subdivision of the State of Texas, and **REINVESTMENT ZONE NUMBER ONE, CITY OF SAN BENITO, TEXAS**, a reinvestment zone created by the CITY pursuant to Chapter 311 of the Texas Tax Code, (hereafter referred to as the “ZONE”, as hereafter defined). Collectively, the CITY, CAMERON COUNTY, and ZONE may be referred to as the “Parties”. This Agreement is made pursuant to Chapter 791, Texas Government Code and Chapter 311 of the Texas Tax Code for the participation of CITY and CAMERON COUNTY in the Project (the “Project”).

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

**CITY**

Manuel Lara  
City Manager  
City of San Benito  
401 N. Sam Houston Blvd.  
San Benito, Texas 78586

**COUNTY**

Carlos H. Cascos, CPA  
County Judge  
Cameron County  
1100 E. Monroe Street  
Brownsville, Texas 78520

**With Copy to:**

**ZONE BOARD**

Pete Claudio, Chairman  
Reinvestment Zone Number One,  
City of San Benito, Texas  
401 N. Sam Houston Blvd.  
San Benito, Texas 78586

**B. Index**

In consideration of the covenants set forth herein, and subject to the terms and conditions herein, the CITY, CAMERON COUNTY, and ZONE BOARD hereby agree to the terms and conditions of this Agreement. This Agreement consists of the following sections:

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**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 Administrative Costs for all Participating Taxing Entities are estimated to be Twenty five Thousand (\$25,000) over the life of the zone.

2. “Agreement” means this interlocal Agreement.

3. “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).

4. “CITY” is defined in Article I of this Agreement and includes its successors and assigns.

5. “Participating Taxing Entity” or “Participating Taxing Entities” means, singularly, a taxing unit participating in the ZONE, and collectively, all taxing units participating in the ZONE.

6. “Project Costs” means the items set forth and described in Section 311.002(1), Texas Tax Code (as said Code may be amended from time to time), which are included in the Project Plan for the Project. The Project Costs include public infrastructure improvements and related capital costs including; expansion of the existing sewer and water collection and treatment facilities to support new development, new street and arterial construction, new public safety and municipal facility initiatives, drainage needs that hinder both redevelopment initiatives and new development, economic development incentives, park facilities, acquisition of land for parking and future right of way

7. "Project Plan" means the Final Project and Reinvestment Zone Financing Plan for the ZONE as adopted by the Board of Directors of the Zone on April 20, 2009 and approved by the City Commission of the CITY on May 13, 2009 and attached hereto as Exhibit "A".

8. "Tax Increment" means the total amount of ad valorem taxes levied and collected each year by a 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 means the total amount of ad valorem taxes levied and collected only on behalf of the COUNTY each year.

9. "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, 2009 the year in which the ZONE was designated.

10. "Tax Increment Fund" means the tax increment fund created by the CITY for the deposit of Tax Increments for the ZONE, entitled "Reinvestment Zone Number One, City of San Benito, Texas Tax Increment Fund".

11. "Tax Increment Payment" means the amount of the Tax Increment that a Participating Taxing Entity agrees to deposit annually or semiannually into the Tax Increment Fund in accordance with this Agreement and the Project Plan.

12. "ZONE" means Reinvestment Zone Number One, City of San Benito, Texas, created by the CITY over the Zone Area on January 13, 2009, a description of which is contained in Exhibit "A", attached hereto.

13. "ZONE BOARD" means the Board of Directors of the ZONE.

### **III. BACKGROUND**

A. A Resolution passed and approved by City Council of CITY on April 29, 2008 expressed the CITY'S intent to create a tax increment financing reinvestment zone to support revitalization activities for the ZONE, commonly known as the San Benito Development Project, pursuant to Chapter 311, Texas Tax Code. On January 13, the City Council of CITY passed and approved Ordinance # 2428 which created the ZONE. The ZONE will provide funding for public improvements within the ZONE. The ZONE is projected to terminate on September 1, 2023, unless earlier termination occurs under this Agreement (the "term of the ZONE").

#### **IV. RIGHTS AND OBLIGATIONS OF CAMERON COUNTY**

##### **A. Tax Increment Participation by the COUNTY**

1. Subject to the limitations set out in this Agreement, CAMERON COUNTY agrees to participate in the ZONE by contributing to the Tax Increment Fund One Hundred percent (100%) of its respective Tax Increments each year during the term of this Agreement, beginning with the 2009 tax year.

2. The Parties hereto agree that CAMERON County's contribution to the Tax Increment Fund shall be used to fund public infrastructure improvements to support the development and revitalization efforts in the ZONE, including related Project Costs. Cameron County's contributions to the Tax Increment Fund shall end when it has contributed the maximum total contribution provided for herein, or when it has made contributions, as specified in the Project Plan.

##### **B. Tax Increment Payment**

1. CAMERON COUNTY'S obligation to contribute its Tax Increment Payment to the Tax Increment Fund, as provided in paragraph IV (A) (1) of this Agreement, shall accrue as CAMERON COUNTY collects its Tax Increment. The Parties hereto agree that all real property taxes collected each year by CAMERON COUNTY that are attributable to real property in the ZONE, shall first constitute taxes on the Tax Increment Base and after the total amount of taxes on the Tax Increment Base have been collected, shall then constitute the Tax Increment. CAMERON COUNTY agrees to contribute its Tax Increment Payments to the Tax Increment Fund annually on March 1 {or the first business day thereafter) of each tax year. The amount of each Tax Increment Payment shall be based on the Tax Increments that are received, but which have not been previously deposited, during the annual period preceding each deposit date. The Parties agree that CAMERON COUNTY'S obligation to deposit Tax Increment Payments after September 1, 2023 shall only be for taxes collected and received after such date that are attributable to the time period during which CAMERON COUNTY agreed to participate.

2. Any delinquent deposit of a Tax Increment Payment under this Agreement by CAMERON COUNTY shall be administered as provided in Section 311.013(c) of the Texas Tax Code (or its successor provision). The Parties expressly agree that CAMERON COUNTY shall not owe any penalty or interest on Tax Increments that have been levied, but not received by CAMERON COUNTY. In addition, CAMERON COUNTY shall not be obligated to contribute its Tax Increment Payment from any non-Tax Increment revenue sources.

3. The CITY and ZONE BOARD agrees to comply with the Project Plan. The CITY agrees to provide prior written notice to CAMERON COUNTY of a proposed material change (by which is meant any change that would constitute a substantial change to the scope of the work or substantial increase in the costs incurred) to the Project Plan. CITY shall have the right to amend and modify the Project Plan and without providing prior written notice to CAMERON COUNTY so long as such amendment or modification does not constitute a material change. CAMERON COUNTY shall have a period of 30 business days from the date of receipt of such notice of a material change to provide comment(s) and objection(s) to the proposed change. The absence of written objections or comments by CAMERON COUNTY to the CITY will constitute approval of the proposed material change by CAMERON COUNTY. If CAMERON COUNTY provides written notice to the CITY that it objects to the proposed material change, and the objection, as set out in the notice, is not resolved within 45 business days from the date of such notice and the CITY approves such material change, then CAMERON COUNTY may thereafter discontinue its Tax Increment Payments and terminate its participation in the ZONE.

4. If the CITY materially breaches this Agreement, then CAMERON COUNTY may provide written notice to the CITY, Developer, and ZONE Board stating its intent to terminate its participation in the ZONE and detailing its objection(s) or concern(s). If the objection and/or concerns as set out in the notice is not resolved within 60 business days from the date of such notice, then CAMERON COUNTY may discontinue its Tax Increment Payments and terminate its participation in the ZONE.

5. Except for contributing its respective Tax Increment Payments to the Tax Increment Fund as set out in this Agreement, CAMERON COUNTY shall not have any obligation or responsibility for any costs or expenses associated with the development of the ZONE or the implementation of the Project Plan, including, without limitation, any obligation to pay or repay any debt.

6. Notwithstanding anything herein to the contrary, the CITY'S total Tax Increment Payment to the Tax Increment Fund over the term of the ZONE shall not exceed; nine million five hundred thirty eight thousand dollars (\$9,538,000) in the aggregate. Notwithstanding anything herein to the contrary, CAMERON COUNTY'S total Tax Increment Payment to the Tax Increment Fund over the term of the ZONE shall not exceed; four million three hundred eight thousand nine hundred thirty dollars (\$4,308,930) in the aggregate.

### **C. Management of the ZONE**

1. The CITY is the only Participating Taxing Entity with any responsibility for managing or administering the Project. CAMERON COUNTY may inspect the Project site and review Project plans and drawings at times and intervals, which will not interfere with ongoing operations.

2. The ZONE BOARD shall be composed of five (5) members, as provided under Section 311.009(a) of the Texas Tax Code. CITY shall appoint the ZONE BOARD members; however, CAMERON COUNTY shall have the right to have one individual appointed to the ZONE BOARD as provided by statute.

### **D. Expansion of the ZONE**

The obligation of CAMERON COUNTY to participate in the ZONE is limited to the description of the ZONE in Exhibit "A" attached hereto. CAMERON COUNTY'S participation shall not extend to the Tax Increment on any additional property added to the ZONE by the CITY unless CAMERON COUNTY approves in writing such participation.

## **V. TERM AND TERMINATION**

### **A. Agreement Term and Termination**

This Agreement shall become effective as of the last date of execution by the Parties hereto, and shall remain in effect until September 1, 2023, unless earlier terminated as provided herein (the "Agreement Term"). Subject to the terms of this Agreement, CAMERON COUNTY agrees to participate under this Agreement, beginning with the 2009 tax year and ending in accordance with the terms provided herein. The Parties agree and understand that CAMERON

COUNTY'S Tax Increment Payments will not be made after September 1, 2023 except for Tax Increment payments generated during the life of the Zone but collected after September 1, 2023 as set out in paragraph IV. A. 2, of this Agreement.

**B. Early Termination**

Neither CITY nor the ZONE BOARD shall take any action to terminate the ZONE earlier than the duration of the ZONE as specified herein.

**C. Disposition of Tax Increments**

Upon expiration or termination of the ZONE, 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.

**VII. MISCELLANEOUS**

**A. Understanding**

Any and all costs incurred by the CITY are not, and shall never become general obligations or debt of CAMERON COUNTY. The eligible public improvement infrastructure costs incurred by the CITY shall be payable solely from the Tax Increment Fund in the manner and priority provided in this Agreement. There shall also be no recourse against any Participating Taxing Entity, public official, ZONE, or ZONE BOARD if all or part of the City's costs are not reimbursed. It is recognized by the ZONE BOARD that the Project Plan does not forecast sufficient tax revenues to reimburse the City for all its estimated contributions or costs.

**B. Severability**

1. 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, provided that such invalidity does not materially prejudice any Party hereto in its respective rights and obligations contained in the valid terms, covenants, or conditions hereof.



2. In the event any term, covenant, or condition shall be held invalid and said invalidity substantially impairs a material right of a Participating Taxing Entity or the ZONE BOARD, then this Agreement shall be void as to that Participating Taxing Entity and that Participating Taxing Entity shall have no further obligation to contribute any future Tax Increment Payments to the Tax Increment Fund. In such a situation, the Parties hereto agree that the Tax Increment Fund shall not refund any prior Tax Increment Payments under this provision of this Agreement.

### **C. Entire Agreement**

This Agreement merges the prior negotiations and understandings of the Parties hereto and embodies the entire agreement of the Parties.

### **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 Commissioners of CITY and only the County Commissioners have authority to approve a change or amendment to this Agreement on behalf of CITY or CAMERON COUNTY, respectively.

### **E. Notices**

All notices required or permitted hereunder shall be in writing and shall be deemed delivered the earlier of (i) when actually received or, (ii) on the third day following deposit in a United States Postal Service post office or receptacle with proper postage affixed (certified mail, return receipt requested) 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.

### **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, and 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**

Except for the CITY'S right to assign and delegate this Agreement and the performance of obligations to the ZONE BOARD, no Party shall assign this Agreement at law or otherwise without the prior written consent of the other Parties and no Party shall delegate any portion of its performance under this Agreement without the written consent of the other Parties. All Parties to this Agreement understand and recognize that only the City Commission of CITY and only the County Commissioners of COUNTY have authority to approve a delegation or assignment (of any kind) of this Agreement on behalf of CITY or CAMERON COUNTY, respectively.

### **H. Successors**

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

### **I. Project Plan**

CAMERON COUNTY acknowledges that it was permitted to review and comment upon the Project Plan before it was submitted to City Council for CITY approval. The Parties agree an amendment to the Project Plan shall not apply to CAMERON COUNTY unless CAMERON COUNTY approves the amendment as provided herein if such amendment to the Project Plan (i) has the effect of directly or indirectly increasing the percentage or amount of Tax Increment to be contributed by CAMERON COUNTY to the Tax Increment Fund; or (ii) increases or reduces the geographical area of the ZONE set forth in the Project Plan.

**J. No Waiver of Immunity**

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

**K. Access to Financial Information**

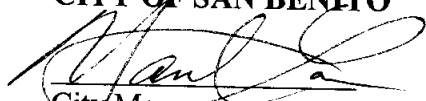
The ZONE BOARD agrees to conduct or to cause to be conducted, at a minimum, an annual audit, a copy of which will be provided to CAMERON COUNTY. Furthermore, each Party to this Agreement shall have reasonable access to financial information and audit reports regarding the operation of the ZONE, contribution of Tax Increment Payments to the Tax Increment Fund, and expenditures from the Tax Increment Fund for Project Costs. In addition, CITY agrees, during the term of this Agreement, to prepare and deliver an annual report to CAMERON COUNTY in accordance with Section 311.016, Texas Tax Code.

**L. ZONE Designation**

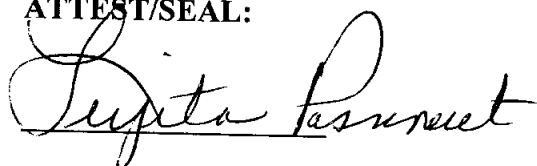
CITY represents that its designation of ZONE meets the criteria of Section 311.005(a), Texas Tax Code, and that said designation also complies with Texas Attorney General Opinion No. JC-0152 (December 8, 1999).

IN WITNESS HEREOF, the CITY OF SAN BENITO; the COUNTY OF CAMERON; AND REINVESTMENT ZONE NUMBER ONE, CITY OF SAN BENITO, TEXAS have made and executed this Agreement in triplicate originals on this 9th day July of 2009.

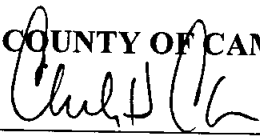
**CITY OF SAN BENITO**

  
City Manager

ATTEST/SEAL:



**COUNTY OF CAMERON**

  
Carlos H. Cascos, CPA  
County Judge

ATTEST/SEAL:

  
Joe G. Rivera  
County Clerk



**Exhibit A**  
**City of San Benito Tax Increment Reinvestment Zone # 1**  
**Project Plan**

**Exhibit B**  
**City of San Benito Tax Increment Reinvestment Zone # 1**  
**Creation Ordinance**

ORDINANCE 2428

DESIGNATING AN AREA KNOWN AS THE CITY OF SAN BENITO DEVELOPMENT PROJECT AS A TAX INCREMENT REINVESTMENT ZONE; DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; PROVIDING FOR AN EFFECTIVE DATE AND TERMINATION DATE FOR THE ZONE; NAMING THE ZONE "REINVESTMENT ZONE NUMBER ONE CITY OF SAN BENITO; AND ESTABLISHING A TAX INCREMENT FUND

WHEREAS, the City Commission (the "Commission") of the City of San Benito, Texas (the "City") desires to support development and redevelopment in the City to be funded in whole or in part, through the creation of a Tax Increment Reinvestment Zone (the "Zone"), as hereinafter more specifically defined and named and with boundaries as hereinafter provided, pursuant to the provisions of the Tax Increment Financing Act 9(the "Act"), Texas Tax Code, Chapter 311; and

WHEREAS, the City indicated its intent to create the Zone through Resolution # 2008-4 on April 29, 2008; and

WHEREAS, THE Project will support financing of costs associated with the construction of public improvements related to several possible development and redevelopment projects, which may include (i) Street Reconstruction, (ii) Waste Water System Enhancements, (iii) Right-of-Way, Parking and Park Acquisition, (iv) Drainage Improvements, (v) New Municipal Facilities, (vi) New Arterial Streets, (vii) New Collector Streets, (viii) Airport Property Improvements, (ix) Utility Relocation, (x) and Park Enhancements; and

WHEREAS, pursuant to the Act, the City may designate a contiguous geographical area within the City; and

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

WHEREAS, A Public Hearing was held on December 16, 2008 in the City Commission Chambers, City Hall to consider the creation of a Tax Increment Reinvestment Zone for the Project and its respective benefits to the City and to property in the proposed Zone; and

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

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN BENITO:  
SECTION 1. DESIGNATING THE AREA AS A REINVESTMENT ZONE. The area described in Section 2. below and more commonly referred to as the "San Benito Development Project" and officially assigned the name as designated in Section 5. below (which reinvestment zone so described, named and designated is hereinafter referred to as the "Zone", is hereby designated as a Tax Increment Reinvestment Zone.

**SECTION 2. DESCRIPTION OF THE BOUNDARIES OF THE REINVESTMENT ZONE.** Attached hereto as Exhibit "A", which is incorporated herein by reference for all purposes is a Cameron County Appraisal District Map with the parcels, area and boundaries of the Zone outlined in red.

**SECTION 3. CREATION AND COMPOSITION OF A BOARD OF DIRECTORS FOR THE ZONE.** There is hereby created a Board of Directors (the "Board") for the Zone, with all the rights powers and duties as provided by the Act to such Boards or by action of the City Council. Pursuant to Section 311.009(a) of the Texas Tax Code the Board shall consist of not less than five (5) and not more than fifteen (15) members.

Each taxing unit other than the City that levies taxes on real property in the Zone may appoint one member to the Board. A unit may waive its right to appoint a member. The City shall appoint the remaining directors.

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

**SECTION 4. EFFECTIVE DATE AND TERMINATION DATE OF THE ZONE.** The Zone shall take effect on January 13, 2009 and continue until its termination date of December 31, 2024 unless otherwise terminated earlier as a result of payment in full of all project costs, tax increment bonds, if any, including interest on said bonds as authorized or permitted by law.

**SECTION 5 ASSIGNING A NAME TO THE ZONE.** The Tax Increment Reinvestment Zone created hereby is assigned the name of "REINVESTMENT ZONE NUMBER ONE, CITY OF SAN BENITO, TEXAS."

**SECTION 6. TAX INCREMENT BASE.** The tax increment base for the Zone is the total assessed value of all real property taxable by the City and located in the Zone, determined as of January 1, 2009, the year in which the Zone was designated as a Reinvestment Zone (the "Tax Increment Base").

**SECTION 7. ESTABLISHMENT OF A TAX INCREMENT FUND.** There is hereby created and established in the depository bank of the City, a fund to be called the "REINVESTMENT ZONE NUMBER ONE, CITY OF SAN BENITO, TEXAS TAX INCREMENT FUND" (HEREIN CALLED THE "Tax Increment Fund"). Money in the Tax Increment Fund, from whatever source, may be disbursed from the Tax Increment Fund, invested, and paid as permitted by the Act or by any agreements entered into pursuant to the Act, or as otherwise authorized by law.

**SECTION 8. FINDINGS.** The City hereby finds and declares that (a) improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City; and (b) the Zone meets the requirements of 311.005 of the Act, being that the Zone area is predominantly open, and because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impairs or arrests the sound growth of the City and

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

1. the proposed zone is a contiguous geographical area located wholly within the City limits of San Benito;
2. less than ten percent (10% ) of the property in the proposed Zone is used for residential purposes, as the term "residential" is defined in Section 311.006(d) of the Act;
3. the total appraised value of the taxable real property in the proposed Zone or in existing reinvestment zones, if any, does not exceed fifteen per cent (15%) of the total appraised value of taxable real property in the City and in industrial districts, if any, created by the City;
4. the proposed Zone does not contain more than fifteen percent (15%) of the total appraised value of real property taxable by Cameron County and the San Benito Independent School District and
5. development or redevelopment within the boundaries of the proposed Zone will not occur solely through private investment in the reasonably foreseeable future.

SECTION 9. DESIGNATION OF A SECTION 311.005(a) ZONE. The Zone is designated pursuant to Section 311.005(a) of the Act.

SECTION 10. SEVERABILITY. If any of the provisions of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstance shall nevertheless be valid, as if such invalid provisions had never appeared herein, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision

SECTION 11. The Zone shall take effect immediately upon passage of this Ordinance, pursuant to Section 311.004(3) of the Act

Passed and approved this 13<sup>th</sup> day of January, 2009

  
JOE H. HERNANDEZ, MAYOR

ATTEST:

  
LUPITA PASSEMENT, CITY SECRETARY



**PROJECT PLAN  
AND FINANCING PLAN  
FOR**

**Reinvestment Zone Number One**

**City of SAN BENITO, Texas**

**SAN BENITO Development Program**

**April 8, 2009**

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### **EXHIBITS**

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

## SECTION I – EXECUTIVE SUMMARY

### Overview of Plan

The City of San Benito Tax Increment Reinvestment Zone (“TIRZ”) Number One represents an important opportunity for the City of San Benito in partnership with Cameron County to promote and encourage construction of mixed use industrial, commercial, office warehouse, retail, food service, lodging and resort facilities, market rate and affordable single family and multi-family housing and destination recreational facilities, in areas of the City that have significant and varied impediments to development.

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

The creation of the TIRZ will provide the following benefits:

1. Funding for necessary public improvements associated with needed development and redevelopment in the city.
2. Replace low value existing land uses with high value commercial, industrial, single and multi-family land uses.
3. Offer employment opportunities and reduce commuting time for San Benito and Cameron County residents.
4. Help to balance population growth in Cameron County.
5. Provide a more efficient use of existing city and county services and infrastructure.
6. Help to address structural imbalances in the San Benito economy and housing market.

The proposed TIRZ is comprised of vacant land throughout the City of San Benito. Also included within the TIRZ boundaries are the public rights of way and the associated ally ways of Barbara, Betty, Kilgore Dr., Whalen Rd., Whitewing Dr., Peacock Dr., Mockingbird St., Pintail St., Helen Moore Rd., Barber Dr., Timothy, Turner Rd., Zillock Rd., Comfort Dr., Rita Dr., Kirk, J & B Dr., Comfort Dr., Utex Dr., Dancy, Industrial Way, Amistad Dr., Falcoln Blvd., Anzalduas, Ratliff, Doral, Laredo, La Gloria, Carlos, Franklin, San Patricio, Woodford, Chapman, Avon Buena Vida, Naranja, Puente, Sombra, Lee, Jackson, Coke, Wentz, Elizabeth, Fannin, Lincoln, National Cir. Justice Cir., United Cir., Victory Cir., Allegiance Cir., Liberty Cir., Republic Cir., Freedom Cir., Washington, Independence., S & N Sam Houston Blvd., Bowie, Travis., Arlington, Ballenger, Ebony St., Yost Rd., Jante, Alexis Cir., McCullough, Genessee, Purvis, Edwards, De Zavalla, Deaf Smith, Hermia, Jay, Gene Moody, Cash, Columbus, Audrey, Palomita, Elvia, La Hermosa, 1<sup>st</sup> through 8<sup>th</sup> St., Ebano, Rio Grande, Fresnos St., Line M Rd., Parkway, Imperial Rd., King Dr., Queen Dr. Royal Ln., Colorado Dr., Lovaca, Brazos, Sabine, San Jacinto, Stephanie Ln., Maggie Dr., Leita Dr., Landa Dr., Mayfield Rd., Norma Lee, Shafer Rd., Ebony, Ash, China, Railroad St., Live Oak Cir., Sunrise Blvd., Mimosa, Cir., Sabal Cir., Oscar Williams Rd., Russell Ln., Hunter’s Trail, Menard Dr., LaSalle, Hunter’s Ridge, Scott Brown, Woolam Rd., La Palma, 77 Sunset Strip, Combes, Chapa St. Ruenes St., Paseo Union, Lozano Ln., Nave, Palo Rosa, Centro, Encino, Caboa,

Charlotte, Carlos, Elva, Franklin, Diana, Julian, Sombra, Corral, Hidalgo, Diaz, Juarez, Juanita, Rosita, Maria, Ernertins, Panchita, Lolita, Virginia, Helena, Florencia, Marion, Sarita, Juan, Zaragoza, Carol, Bravo, Morelos, Montezuma, Stenger, Hollingsworth, Commerce, Perkins, Rogers, Hull, Earling, Francisco Modero, Rockefeller, Whitney, Dohety, Winchel, Yoakum, Winchell, Biddle, Spears, Freddy Fender, Resaca Dr., 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, Pecan Camino Real, Camino Blvd., Mesquite, Palm St., Candlestick, Wick, Wax, Edgewater Circle, Easy St., Comfort Ln., Rowson, Palo Blanco, Hinkley, Agar Ln., Garrison, Sullivan Ln, Frost Ln., Dimmick St., Crescent Dr., North Shore, Ben Lora Ln., Park Ave., Crawford Ave., Lakeview North, Meadow Brook, Resaca Shores, Lakeview South, Roberts, Paloma, Chachalaca, Swanson, Brooks, Powers, Landrum, Robertson, Batts, Heywood, Hicks, Adele, Frances, Rose, Otho, Reagan, Crockett. Dick Dowling, Austin, Bonham, Milam, Granjeno, Elena, Stookey Rd., Adams, Jefferson, Williams, Downs. Mae Dr., Line 17 Rd., Scoggins Dr., Resaca Vista, Schnieder, Megan Ave., Dana , Connie, Carmalita, Forrest, Victoria, Gause, Elena, K.C., Poinciana, Grenada, Madrid, Sevilla Ln., Suzanne, Hibiscus, Retama, Palmero, Garcia's Ct., Lantanna Circle, Southwind Ln., MRG Dr., Lasby Park, Terrace Dr., Cesar Gonzalez Pkwy., Corona Crescent, Violeta, Camelia, Bella Vista, Iris, and Magnolia. The following City Parks are included within the Tax Increment Reinvestment Zone boundaries; Heavin Amphitheater, Dick Welch Park, Falligant Park, Heavin (Resaca Trail) Park, Kennedy Park, La Hermosa Park, Landrum Park, Plaza De San Benito, Stookey (San Benito Municipal) Park, Sullivan Park, Veterans Park Pavilion and the Municipal Swimming Pool.

### **Development Goals and Objectives**

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

- Provide commercial and industrial opportunities for developers and companies seeking commercial building sites through the extension and expansion of the sewer systems including lift stations.
- Provide for new commercial, and residential opportunities through the extension of new connector and arterial streets.
- Begin to address the need for expanded housing opportunities for San Benito residents and San Benito workers who have to commute to work.
- Provide employment opportunities to service increasing population growth within the City of San Benito and surrounding Cameron County.
- Solve long-range storm drainage issues that affect the City and it's residents.
- Enhance the quality of life within the City and Cameron County through Economic Development Incentives.
- Provide for funds for the reconstruction of City Streets that impede redevelopment or new development.

- Provide funds for historic preservation and reconstruction of the downtown area.
- Provide funds for the acquisition of future right of way for streets and arterials, land for public parking in the downtown area and for future parks.

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

### **Planned Private Development**

The City of San Benito TIRZ Development Program includes;

Phase 1	2009-2010	\$15,675,000	Commercial/Multi-family
Phase 1a	2009-2010	\$2,250,000	Single Family
Phase 2	2011	\$5,250,000	Commercial
Phase 2b	2011	\$6,750,000	Single Family
Phase 3	2012	\$1,500,000	Commercial
Phase 3a	2012	\$6,750,000	Single Family
Phase 4	2013	\$6,250,000	Commercial
Phase 4a	2013	\$6,750,000	Single Family
Phase 5	2014	\$10,000,000	Commercial
Phase 5a	2014	\$6,750,000	Single Family
Phase 5b	2014	12,500,000	Multi-Family
Phase 6	2015	\$10,250,000	Commercial
Phase 6a	2015	\$6,750,000	Single Family
Phase 7	2016	\$13,250,000	Commercial
Phase 7a	2016	\$6,750,000	Single Family
Phase 8	2017	\$10,250,000	Commercial
Phase 9	2018	\$1,500,000	Commercial
Phase 10	2019	\$6,250,000	Commercial
Phase 11	2020	\$10,250,000	Commercial
Phase 12	2021	\$10,250,000	Commercial

The total private investment is expected to be in excess of \$ 155,925,000.

The projected values of future commercial development is based upon an analysis of the 2006 and 2007 and 2008 building permits issued by the City of San Benito. Single and multi-family development is projected at levels that begin to meet the needs of the existing population base and the additional need projected from future economic development within the Zone

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

## Planned Public Improvements

The public improvements enumerated in the Project Plan, with an estimated cost of \$48,250,000 provide for the sewer system enhancements including lift station improvements, funds for street reconstruction and utility relocation, funds for the extension of arterial and collector streets to improve public safety and fire flow, funds for the purchase of right-of-way, parks and parking, funds for drainage improvements, and park enhancements and new municipal facilities. The public improvements planned for the City of the San Benito district are designed to help meet the long-term needs to secure and insure growth and investment in the City and Cameron County.

## Planned Public Construction

The City of San Benito TIRZ Development Program includes;

Begin Construction	2011
Property Acquisition & Parking Improvements	\$ 3,800,000
Utility Relocation	\$ 2,000,000
Sewer System Enhancement	\$ 3,500,000
Street Reconstruction	\$ 8,000,000
Right of Way Acquisition	\$ 2,600,000
New Arterial and Collector Streets	\$ 6,000,000
Historic Preservation	\$ 3,250,000
Drainage Improvements	\$ 2,000,000
Municipal Facilities	
Fire Station	\$ 3,700,000
Muuseum	\$ 1,400,000
Airport Property Improvements	\$ 4,000,000
Sewer and Water Distribution Enhancements	\$ 4,000,000
Park Improvements	\$ 1,500,000
Economic Development Incentives	\$ 2,500,000
<b>Total Costs</b>	<b>\$ 48,250,000</b>

The TIRZ Financing Plan provides for tax increment allowable expenses in the approximate amount of \$ 13,846,931. The Reinvestment Zone Financing Plan provides for incremental financing and predicts revenues for the City of San Benito TIRZ District.

## **Section II – Project Plan**

### **Background**

On April 29, 2008 the City Commission of the City of San Benito approved a “Resolution of Intent” to consider the creation of the City of San Benito TIRZ through Ordinance # 2008-4. On January 13, 2009, the City Commission approved Ordinance 2428 authorizing the creation of the TIRZ and Ordinance # 2429 appointing a Board of Directors for the Zone.

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

- CAMERON County Commissioners Court December 9, 2008.
- CAMERON County Commissioners Court December 16, 2008
- San Benito Independent School District on November 11, 2008

### **Program Concepts**

The City of San Benito TIRZ District represents an important opportunity for the City of San Benito in partnership with Cameron County to develop a viable long-range revitalization plan for areas of the City, which have lacked a wide range of commercial, and single and multi-family housing opportunities. New commercial/retail/food service/office warehouse/industrial and lodging construction are the key components of the revitalization plan. Increased employment opportunities for San Benito and surrounding county and community residents will be enhanced through the development and redevelopment activity within the Zone.

### **Development Goals and Objectives**

The planned public improvements within the City of San Benito TIRZ District will insure the future of the City as a viable option as companies look to expand or relocate. The addition of lodging facilities will complement the destination tourism, hunting and fishing industries.

### **Description of District**

The City of San Benito TIRZ District is located throughout the City. It uses a series of major through-fares and city street right-of-ways to connect the various properties within the Zone. The market value of property within the Zone is \$13,987,720, however, the total assessed value of the property in the Zone, the Base Value of the Zone, is \$5,197,070 per the Cameron County Appraisal District. The primary difference between the market value and the assessed value is agricultural use. The City of San Benito TIRZ zone includes approximately 727.926 acres of public and privately held land surrounding the City as shown on the Exhibit “A”

## **Existing Uses and Conditions**

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

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

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

1. the proposed zone is a contiguous geographical area located wholly within the City limits of San Benito;
2. less than ten percent (10%) of the property in the proposed Zone is used for residential purposes, as the term "residential" is defined in Section 311.006(d) of the Act;
3. the total appraised value of the taxable real property in the proposed Zone or in existing reinvestment zones, if any, does not exceed fifteen per cent (15%) of the total appraised value of taxable real property in the City and in industrial districts, if any, created by the City;
4. the proposed Zone does not contain more than fifteen percent (15%) of the total appraised value of real property taxable by Cameron County and the San Benito Independent School District,
5. development or redevelopment within the boundaries of the proposed Zone will not occur solely through private investment in the reasonably foreseeable future.

## **City of San Benito TIRZ Zoning**

Properties within the Zone are currently zoned; A-O agriculture and open space, SF-1 Single-family residential, C-1 Commercial and Restricted Business and C-2 Commercial and General Retail Business. Future properties within the Zone will be rezoned from A-O to SF-1, C-1, C-2 and MF Multifamily Residential, OP Office Professional and Administrative. LI Light Industrial and PDD Planned Development District.

## **Proposed Public Improvements**

### **SEWER SYSTEM ENHANCEMENTS**

As the City has grown lift stations and sewer trunk lines that were installed prior to the growth have proved to be inadequate to service existing growth and preclude new growth from occurring. The City needs to upgrade lift stations that in times of maximum usage cannot handle existing flow. The City has large tracts of undeveloped land on all of its major arterials including US Hwy 83 that would become available for commercial development with the extension of sewer trunk lines and the enhancement of the lift station capabilities.



## PROPERTY ACQUISITION (PARKING)

Businesses in the downtown area of the City suffer from a lack of parking. The City owns one parking lot, which is often full. The City will use TIRZ funds for either the purchase of additional land or for the construction of a 3 level parking facility on the existing City property.

## STREET RECONSTRUCTION

Recent population growth and an expanded commuter workforce have increased the demands on city infrastructure, specifically streets. Included within the boundaries of the Zone are all of the existing City Streets. Many of the streets (i.e. Shafer Road) were built when the community was primarily agricultural and are inadequate to service the present population of the City. As the City grows these streets will serve as a significant impediment to that growth. Other City streets were built prior to the City enhancing and strengthening its building codes and need to be replaced with modern street sections including sidewalks, curbs and drains.

## RIGHT-OF-WAY ACQUISITION AND NEW ARTERIAL AND COLLECTOR STREETS

For public safety, fire protection and the maintenance of fire flow within the water system the City needs to improve the connectivity of its street system. The older areas of the City are constructed on a grid system but as newer areas have developed they have tended to be self contained. This limits the ability of the police and fire department to travel through these developments to areas surrounding them and limits connections in the water trunk lines serving the surrounding areas.

## HISTORIC PRESERVATION

The City, to enhance its reputation as a place where visitors to the Valley have a reason to visit, needs to upgrade many of its traditional "downtown" buildings. While the use of the building may change, i.e. Post Office to City Hall, the exteriors and streetscapes need to be restored. The City intends to keep the traditional "downtown" area pedestrian friendly through enhanced parking initiatives and, landscaping initiatives. The preservation of the building facades will serve to attract a more visitor/tourist friendly retail base.

## DRAINAGE IMPROVEMENTS

While the City does not routinely flood it does have specific drainage problems. Curbs, gutters and drainage facilities, to be constructed, as part of the street reconstruction program will improve drainage considerably on both the east and west sides of the City. Drainage structures need to be built to facilitate the removal of storm water the accumulates routinely whenever there is heavy rainfall.

## MUNICIPAL FACILITIES

The City needs to construct an additional fire station at some point in the near future. TIRZ funds will be available for both the acquisition of land and for the construction of the building. A new museum for the City has been in the planning stages for some time. The location would be in the closed San Benito Middle School Building, a historically significant building. \$1,400,000 has been budgeted for the museum.

## SEWER AND WATER DISTRIBUTION ENHANCEMENTS

As arterials and collector streets are extended utilities will need to be installed in the rights of way of the new streets. Additionally as utilities are extended into vacant property located throughout the City larger service and trunk lines will need to replace existing lines. The availability of sewer and water are two vital components of economic development and the attracting of businesses that complement the existing population base.

## PARK ENHANCEMENTS

Having parks large enough to support organized youth sports and activities is a key component in the raising of well-rounded and grounded children. The addition of park areas that are large enough to support organized activities will be done in conjunction with and as a joint venture with the San Benito ISD. Other park enhancements will be designed for City and County residents but also with area visitors in mind. A concerted effort to have a park system, a historic downtown and a museum system that will attract and hold visitors is a long-range goal of the City.

## AIRPORT PROPERTY IMPROVEMENTS

The City has entertained several proposals for redevelopment of the City airport property. In order to facilitate that development the City will need to construct additional streets for access to the grounds, extend water and sewer lines to the property and participate in other public improvements to the property

## ECONOMIC DEVELOPMENT

The City of San Benito and Cameron County will not have the ability to abate taxes as an economic development tool in the Zone. Chapter 311 of the tax code allows for economic development to be an allowable expense.

The planned improvements are designed to begin to meet the long-term needs to secure growth and investment in San Benito and western Cameron County.

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

The Tax Increment Reinvestment Zone may from time to time purchase historic structures located throughout the City completely or partially renovate them, resell the properties and return the sales proceeds to the Tax Increment Fund

### **SECTION III - Project Feasibility**

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

1. Financial feasibility
2. Market feasibility.

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

Market feasibility addresses issues relating to product absorption, type of product, and demand. The existing economic base is expected to increase due to new commercial opportunities that will be generated through the business expansion that is a result of the \$5,000,000 in commercial and residential building permits issued by the City of San Benito in 2007 and 2008. Additionally developers and builders have approached the City with preliminary plans for which they will be pulling permits in 2009 and 2010. The funding of the sewer and water extensions will insure that permits will be able to be issued to these builders and developers. The enhanced lift station capabilities on Fm 509 will fuel significant retail and multi-family growth in that area.

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

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

### **Tax Increment Financing**

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

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

### **Financing Plan**

The Reinvestment Zone Financing Plan developed by the City provides that potentially \$13,846.931 of public improvements will be paid for with TIF funds. The Reinvestment Zone Financing Plan also projects incremental funds for financing and revenues for the City of San Benito TIRZ. It is not anticipated that tax increment funds in an amount to fully reimburse the City for all approved project costs will be generated over the projected life of the Zone

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

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

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

## Development Schedule And Assumptions

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

Begin Construction	2011
Property Acquisition & Parking Improvements	\$ 3,800,000
Utility Relocation	\$ 2,000,000
Sewer System Enhancement	\$ 3,500,000
Street Reconstruction	\$ 8,000,000
Right of Way Acquisition	\$ 2,600,000
New Arterial and Collector Streets	\$ 6,000,000
Historic Preservation	\$ 3,250,000
Drainage Improvements	\$ 2,000,000
Municipal Facilities	
Fire Station	\$ 3,700,000
Muuseum	\$ 1,400,000
Airport Property Improvements	\$ 4,000,000
Sewer and Water Distribution Enhancements	\$ 4,000,000
Park Improvements	\$ 1,500,000
Economic Development Incentives	\$ 2,500,000
<b>Total Costs</b>	<b>\$ 48,250,000</b>

## Financial Assumptions

No tax rate changes have been factored into the financial pro forma's for the District. All projections assume that taxable appraised value and tax rates will remain unchanged. It has also been assumed that the taxing entities will continue to collect tax revenues at the same rate and that homestead and other exemption rates will remain unchanged. The finance plan assumes a collection rate of 97.5% because 70% of the new development will be in the form of commercial construction, the long-term lenders who do the permanent financing for these types of projects generally require

proof that the taxes are current. Residential projects that receive incentive financing will have, as a term of the assistance, to have property taxes included in the mortgage payments. The Board acknowledges that in any given year the taxes collected may fall short of the 97.5% but over the life of the project most of those back taxes will be paid in future years.

# City of San Benito Project Review

## City of San Benito - TIF Reinvestment Zone # One

### Summary Fact Sheet

April 8, 2009

Plan of Finance

Estimated Site Area	727.926	Acres
Estimated Base Value (2009)	\$5,093,207	

Project:

Phase 1	2009-2010	\$15,675,000	Commercial/Multi-family
Phase 1a	2009-2010	\$2,250,000	Single Family
Phase 2	2011	\$5,250,000	Commercial
Phase 2b	2011	\$6,750,000	Single Family
Phase 3	2012	\$1,500,000	Commercial
Phase 3a	2012	\$6,750,000	Single Family
Phase 4	2013	\$6,250,000	Commercial
Phase 4a	2013	\$6,750,000	Single Family
Phase 5	2014	\$10,000,000	Commercial
Phase 5a	2014	\$6,750,000	Single Family
Phase 5b	2014	12,500,000	Multi-Family
Phase 6	2015	\$10,250,000	Commercial
Phase 6a	2015	\$6,750,000	Single Family
Phase 7	2016	\$13,250,000	Commercial
Phase 7a	2016	\$6,750,000	Single Family
Phase 8	2017	\$10,250,000	Commercial
Phase 9	2018	\$1,500,000	Commercial
Phase 10	2019	\$6,250,000	Commercial
Phase 11	2020	\$10,250,000	Commercial
Phase 12	2021	\$10,250,000	Commercial

Totals

	\$100,675,000	Commercial
	\$12,500,000	Multi-Family
	\$42,750,000	Single Family

Assumptions

Captured Value		\$	155,925,000
Growth Factor			0.00%
Collection Rate			97.50%
Estimated Total TIF Revenues		\$	13,846,931
Estimated TIF Life			15 Years

### Projected Value of New Tax Increment

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

Year	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7	Phase 8	Phase 9	Phase 10	Phase 11	Phase 12	Total
2009	17,925,000												17,925,000
2010		12,000,000											12,000,000
2011			8,250,000										8,250,000
2012				13,000,000									13,000,000
2013					29,250,000								29,250,000
2014						17,000,000							17,000,000
2015							20,000,000						20,000,000
2016								10,250,000					10,250,000
2017									1,500,000				1,500,000
2018										6,250,000			6,250,000
2019											10,250,000		10,250,000
2020												10,250,000	10,250,000
	17,925,000	12,000,000	8,250,000	13,000,000	29,250,000	17,000,000	20,000,000	10,250,000	1,500,000	6,250,000	10,250,000	10,250,000	155,925,000



**Schedule of Projected Income From Value of New Tax Increment**

**San Benito- TIF Reinvestment Zone**

**Projected Tax Increment Revenue**

Tax Increment Zone				City of San Benito				Cameron County					
Beginning Assessed Value	Annual Value of New Development	Projected Year-End Assessed Value	Projected Captured Value	Captured Taxable Value	Tax Rate Contribution	Tax Increments		Captured Taxable Value	Tax Rate Contribution	Tax Increments		Combined TIF Collections	Fiscal Year Ending
5,093,207		5,093,207		-	0.680195			-	0.307288				2009
5,093,207	17,925,000	23,018,207	17,925,000	17,925,000	0.680195	118,877		17,925,000	0.307288	53,704			2010
23,018,207	12,000,000	35,018,207	29,925,000	29,925,000	0.680195	198,460		29,925,000	0.307288	89,657		172,581	2011
35,018,207	8,250,000	43,268,207	38,175,000	38,175,000	0.680195	253,173		38,175,000	0.307288	114,375		288,117	2012
43,268,207	13,000,000	56,268,207	51,175,000	51,175,000	0.680195	339,388		51,175,000	0.307288	153,323		367,547	2013
56,268,207	29,250,000	85,518,207	80,425,000	80,425,000	0.680195	533,371		80,425,000	0.307288	240,958		492,711	2014
85,518,207	17,000,000	102,518,207	97,425,000	97,425,000	0.680195	646,113		97,425,000	0.307288	291,891		774,329	2015
102,518,207	20,000,000	122,518,207	117,425,000	117,425,000	0.680195	778,751		117,425,000	0.307288	351,812		938,004	2016
122,518,207	10,250,000	132,768,207	127,675,000	127,675,000	0.680195	846,728		127,675,000	0.307288	382,522		1,130,563	2017
132,768,207	1,500,000	134,268,207	129,175,000	129,175,000	0.680195	856,676		129,175,000	0.307288	387,016		1,229,250	2018
134,268,207	6,250,000	140,518,207	135,425,000	135,425,000	0.680195	898,125		135,425,000	0.307288	405,741		1,243,692	2019
140,518,207	10,250,000	150,768,207	145,675,000	145,675,000	0.680195	966,102		145,675,000	0.307288	436,451		1,303,866	2020
150,768,207	10,250,000	161,018,207	155,925,000	155,925,000	0.680195	1,034,079		155,925,000	0.307288	467,160		1,402,553	2021
161,018,207		161,018,207	155,925,000	155,925,000	0.680195	1,034,079		155,925,000	0.307288	467,160		1,501,240	2022
161,018,207		161,018,207	155,925,000	155,925,000	0.680195	1,034,079		155,925,000	0.307288	467,160		1,501,240	2023
					0.680195	1,034,079		-	0.307288	467,160		1,501,239	2024
Annual Growth Factors Years 2008-2009 Thereafter				\$ 155,925,000	Participation Level	\$ 9,538,000	100%	\$ 4,308,930	Participation Level	\$ 4,308,930	100%	13,846,931	
Combined Compound Growth Rate				0.00%	Tax Rate Growth Factor	0.00%	0.00%	Tax Rate Growth Factor	Tax Rate Growth Factor	0.00%	0.00%		
					Tax Rate Collection Factor	97.50%	97.50%	Tax Rate Collection Factor	Tax Rate Collection Factor	97.50%	97.50%	\$ 13,846,931	



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

**San Benito - TIF REINVESTMENT ZONE**

Fiscal Year Ending	TIF Revenue	Cumulative TIF Revenues
2008		
2009		
2010	172,581	172,581
2011	288,117	460,698
2012	367,547	828,245
2013	492,711	1,320,956
2014	774,329	2,095,285
2015	938,004	3,033,289
2016	1,130,563	4,163,852
2017	1,229,250	5,393,101
2018	1,243,692	6,636,793
2019	1,303,866	7,940,659
2020	1,402,553	9,343,212
2021	1,501,240	10,844,452
2022	1,501,240	12,345,691
2023	1,501,239	13,846,931

## Project Budget

Begin Construction	2011
Property Acquisition & Parking Improvements	\$ 3,800,000
Utility Relocation	\$ 2,000,000
Sewer System Enhancement	\$ 3,500,000
Street Reconstruction	\$ 8,000,000
Right of Way Acquisition	\$ 2,600,000
New Arterial and Collector Streets	\$ 6,000,000
Historic Preservation	\$ 3,250,000
Drainage Improvements	\$ 2,000,000
Municipal Facilities	
Fire Station	\$ 3,700,000
Muuseum	\$ 1,400,000
Airport Property Improvements	\$ 4,000,000
Sewer and Water Distribution Enhancements	\$ 4,000,000
Park Improvements	\$ 1,500,000
Economic Development Incentives	\$ 2,500,000
<b>Total Costs</b>	<b>\$ 48,250,000</b>

### Financial Feasibility

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

### Conclusions

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

The success of the City of San Benito TIRZ District project plan will encourage other mixed-use commercial/industrial/retail/lodging and market rate residential and affordable housing. The new residential population base; will support an expanding retail base, will supplement the existing job market, will attract additional private development into the City of San Benito and Western Cameron County and will serve to stabilize and enhance future property values.

**Board of Directors of Tax Increment Reinvestment Zone Number One, City of San Benito**

- 1. Pete Claudio      Chairman**
- 2. David A. Garza   CAMERON County**
- 3. Bill Elliott        City of San Benito**
- 4. Ricardo Morado   City of San Benito**
- 5. Jesus Hernandez   City of San Benito**

**Exhibit A**  
**Map of Zone Properties**

## Exhibit B

### TIRZ REQUIREMENTS

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

#### **Project Plan**

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

#### **Financing Plan**

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



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