TAX INCREMENT REINVESTMENT ZONE NUMBER THREE BOARD OF DIRECTORS
CITY OF EDINBURG, HIDALGO COUNTY, TEXAS

Location: City of Edinburg
City Hall-Council Chambers
415 West University Dr.
Edinburg, Texas 78539

JUNE 4, 2024
5:45 PM

1. **CALL TO ORDER, ESTABLISH QUORUM**

2. **CERTIFICATION OF PUBLIC NOTICE**

3. **DISCLOSURE OF CONFLICT OF INTEREST**

4. **PUBLIC COMMENTS**
The Tax Increment Reinvestment Zone Number III Board of Directors allows for a specific portion of the Tax Increment Reinvestment Zone Number III Board Meeting to be dedicated to public comments. Public Comments are limited to three (3) minutes. Please note that this public comment period is not interactive. The Tax Increment Reinvestment Zone Number III Board may not respond to public comments. If a resident desires to make a public comment in person, please complete the Public Comments Form which will be located outside of the City Council Chambers and submit the completed form to the City Secretary prior to the commencement of the Tax Increment Reinvestment Zone Number III Board Meeting. We ask for everyone's cooperation in following this procedure.

5. **REGULAR AGENDA ITEMS**

   A. Consider Approval of TIRZ III Board Minutes for the Meeting Held May 16, 2023.

   B. Discuss and Consider Accepting the Independent Accountant's Report on Applying Agreed-Upon Procedures to Costs Reimbursable to Burns Brothers, LTD. (Developer) Dated March 31, 2024, Prepared by McCall Gibson Swedlund Barfoot, PLLC, Certified Public Accountants.

   C. Consider Approving the Hidalgo County Tax Increment Payment of $471,438.46 and the City of Edinburg Tax Increment Payment of $455,244.62 to the Burns Brothers, Ltd. in Connection with Reinvestment Zone Number Three, City of Edinburg, Texas.

6. **ADJOURNMENT**
I hereby certify this Notice of the Tax Increment Reinvestment Zone Number III Board of Directors Meeting was posted in accordance with the Open Meetings Act, at the City Offices of the City of Edinburg, located at the 415 West University entrance outside bulletin board, visible and accessible to the general public during and after regular working hours. This notice was posted on May 31, 2024 at 4:30 p.m.

By: /s Clarice Y. Balderas
Clarice Y. Balderas, City Secretary
City of Edinburg, Texas

Disability Access Statement

Persons with disabilities who plan to attend this meeting and who may need auxiliary aid or services are requested to contact the City Secretary Department at (956) 388-8204 at least two business days prior to the meeting so that appropriate arrangements can be made. The accessible entrance and accessible parking spaces are located at Edinburg City Hall, 415 West University.

CITY OF EDINBURG - TAX INCREMENT REINVESTMENT ZONE NUMBER THREE BOARD OF DIRECTORS

Meeting Date: June 4, 2024

REGULAR AGENDA ITEMS

Agenda Item No: 5.A.

1. **Agenda Item:**

   Consider Approval of TIRZ III Board Minutes for the Meeting Held May 16, 2023.

MINUTES OF THE TAX INCREMENT REINVESTMENT ZONE NUMBER THREE BOARD OF DIRECTORS

CITY OF EDINBURG, HIDALGO COUNTY, TEXAS

Location: Edinburg City Hall-Council Chambers
415 West University Dr.
Edinburg, Texas 78541

MAY 16, 2023

6:00 PM

Mayor Ramiro Garza, Jr. called the meeting to order at 6:00 p.m.

PRESENT:

Ramiro Garza, Jr.	Mayor
David White	Mayor Pro Tem
Daniel "Dan" Diaz	Councilmember
Jason De Leon	Councilmember
Johnny Garcia	Councilmember
Myra L. Ayala	City Manager
Clarice Y. Balderas	City Secretary
Omar Ochoa	City Attorney

ABSENT: None

1. **CALL TO ORDER, ESTABLISH QUORUM**
Mayor Ramiro Garza, Jr. called the meeting to Order and established Quorum with all members of the Board present.

2. **CERTIFICATION OF PUBLIC NOTICE**
Mayor Ramiro Garza, Jr. verified the City Secretary's posting of the City Council meeting and its compliance as required by the Texas Open Meetings Act. The notice was posted on May 12, 2023 at 3:40 p.m.

3. **DISCLOSURE OF CONFLICT OF INTEREST**
City Attorney Omar Ochoa stated under State Law a conflict of interest exists if a Councilmember or a certain member of that Councilmember's family has a qualifying financial interest in any agenda item. Members with a conflict of interest cannot participate in the discussion nor vote on that agenda item.

   City Attorney Omar Ochoa asked Mayor and Councilmembers if there were any known conflicts of interest to disclose at that time.

   There were no conflicts of interest presented.

4. **REGULAR AGENDA ITEMS**

   Omar Ochoa, City Attorney, stated there is generally a Public Comments section that allows public comments on any agenda items. There not being a section on the agenda Mr. Ochoa recommends the Council allow for public comment before any action is taken.

Mayor Ramiro Garza, Jr. asked that a Public Comment section be added to the agenda for future meetings.

Mayor Ramiro Garza, Jr. stated this meeting is in the Tax Increment Reinvestment Zone an area of the city that is designated for redevelopment, in this case TIRZ III, which is the area known as La Sienna on Monte Cristo and Highway 281.

Mayor Ramiro Garza, Jr. opened the meeting for Public Comments.

Fern McClaugherty: Ms. McClaugherty asked for an explanation of the benefits of this to the city and what it is they do.

Taylor Craimer, Director of Citizens Against Sexualizing of Children: Mr. Craimer stated CASC is not anti LGBTQ, there is no money collect and no politics are discussed. CASC assembles a municipal county and ISD meetings for public comment. CASC will address sexually inappropriate contents, situations children are being exposed to and advocate for zero tolerance of avertedly sexually content for children. CASC is all about action, all you need to is show up at meetings and sign up for Public Comments to tell your local community CASC is paying attention and will not tolerate any sexual contact aimed towards children. He anyone that is against sexualizing children is welcomed to join. Mr. Craimer was present because on February 19, 2023 the Landmark on Tower, a restaurant in Alamo hosted an LGTBQ-plus youth fundraiser. This was presented as STEP (South Texas Equality Project) it was a drag show for kids. He said was called Amor es Amor the flyer for the event had a drag queen in lingerie licking his leather gloves right next to the words kids' games. At the event, they had toddlers tipping the drag queens; it was a striptease with toddlers participating as if they were at a strip club. This is inappropriate for children, why are young impressionable children being shown this as the LGBTQ-plus culture. Where are the LGBTQ doctors, lawyers, and scientist he said this event was not about education or culture it is sexual content aimed at children. The role models of LGBTQ-plus are showing children, drag queens dancing for strangers for dollar bills. Again, this sexual content aimed at children, he said now that everyone is aware of STEP and what they do; ask yourselves does STEP represent the values of the City of Edinburg. Mr. Craimer stated this is not how children are treated here in the Rio Grande Valley, and now you know CASC will be watching.

There were no further public comments at this time.

A. Consider approval of TIRZ III Board minutes for the meeting held on July 19, 2022.

MOTION: Councilmember Daniel "Dan" Diaz to Approve TIRZ III Board minutes for the meeting held on July 19, 2022.
SECOND: Councilmember Johnny Garcia
There was no discussion.

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:
AYES: Mayor Ramiro Garza, Jr., Mayor Pro Tem David White, Councilmember Daniel “Dan” Diaz, Councilmember Jason De Leon, and Councilmember Johnny Garcia
NAYS: None
ABSENT: None
ABSTAIN: None
The motion to Approve carried.

B. Discuss and consider accepting the Independent Account’s Report on Applying Agreed-Upon Procedures to Costs Reimbursable to Burns Brother, Ltd. (Developer) dated March 31, 2023, prepared by McCall Gibson Swedlund Barfoot, PLLC, Certified Public Accountants.

MOTION: Mayor Pro Tem David White to Approve the Independent Account’s Report on Applying Agreed-Upon Procedures to Costs Reimbursable to Burns Brother, Ltd. (Developer) dated March 31, 2023, prepared by McCall Gibson Swedlund Barfoot, PLLC, Certified Public Accountants.
SECOND: Councilmember Johnny Garcia

There was discussion. Nelda Ramirez, Assistant City Manager, stated the Tax Increment Reinvestment Zone was created in 2008 for La Sienna Development (Burns Brother Development) to develop a distressed area to spur development north of Edinburg between Monte Cristo Road and Davis Road along frontage Highway 281. An undeveloped piece of property, the TIRZ was created to spur the development that it is now a big residential area with commercial lots fronting Monte Cristo Road and frontage. She said the tax payments before the Council for approval to be reimbursed back to the developer who put all the infrastructure costs to develop that whole area.

Mayor Ramiro Garza, Jr. stated this independent audit is required before an approval or before a decision is made.

Nelda Ramirez stated it is an independent audit required under the agreement. An independent auditor audits all the improvements made by the Burns Brothers and all of the costs they put in to the project. The Burns Brothers submit it to the City, and the City summited it to the County for their tax payment and reimbursement to the developer.

Mayor Ramiro Garza, Jr. stated these are improvements that have already been made and the City is reimbursing based on the new value of that area. Mayor Garza asked for the value of the property when the TIRZ was created and the current.

Nelda Ramirez stated there was a property value base line established back in 2008, so anything above that is what is considered reimbursed based on the infrastructure costs. She said the base value started at $2.4 million and has now grown to over $73 million.

Councilmember Daniel "Dan" Diaz asked for an explanation of a TIRZ for the record and for those who do not know what a TIRZ is and that it is not a tax increase.

Nelda Ramirez stated when a property is zoned a Tax Increment Reinvestment Zone, the developer approaches the City with a development plan for what is usually a distressed area. She said this property was quite large, and it did not have infrastructure, such as drainage, infrastructure, or roads in place. The developer was willing to commit a large investment to develop the property to attract development in north Edinburg. The zone was created by assessing the properties that will be included in the zone. Ms. Ramirez said the entire area was included in the zone to be created and the tax value was frozen. Anything above that $2.4 million base value is what was considered an incremental value for reimbursement over a 30-year period and is based on taxes collected for that property.

Councilmember Daniel "Dan" Diaz stated in other words instead of those property taxes going to the city, they go to the developer to pay for what they spurred to develop that area. The audit is just to verify what they spent on the infrastructure so they can be reimbursed.

Mayor Ramiro Garza, Jr. stated both the City and the County are part of this TIRZ, He asked if the County considered the audit.

Nelda Ramirez stated the County approved the audit that morning.

Mayor Ramiro Garza, Jr. called for a vote.
RECORD OF VOTE:
AYES: Mayor Ramiro Garza, Jr., Mayor Pro Tem David White, Councilmember Daniel "Dan" Diaz, Councilmember Jason De Leon, and Councilmember Johnny Garcia
NAYS: None
ABSENT: None
ABSTAIN: None
The motion to Approve carried.

C. Consider approving the Hidalgo County tax increment payment of $352,506.19 and the City of Edinburg tax increment payment of $374,632.22 to the Burns Brothers, Ltd. In connection with Reinvestment Zone Number Three, City of Edinburg, Texas.

MOTION: Councilmember Daniel "Dan" Diaz to Approve the Hidalgo County tax increment payment of $352,506.19 and the City of Edinburg tax increment payment of $374,632.22 to the Burns Brothers, Ltd. In connection with Reinvestment Zone Number Three, City of Edinburg, Texas.
SECOND: Councilmember Johnny Garcia

There was discussion. Nelda Ramirez, Assistant City Manager, stated they will be reimbursed up to $12 million. At this point, it is a little over $10.5 million of total investment, and this is year 15 of 30.

RECORD OF VOTE:

AYES: Mayor Ramiro Garza, Jr., Mayor Pro Tem David White, Councilmember Daniel "Dan" Diaz, Councilmember Jason De Leon, and Councilmember Johnny Garcia
NAYS: None
ABSENT: None
ABSTAIN: None
The motion to Approve carried.

5. ADJOURNMENT

MOTION: Councilmember Daniel "Dan" Diaz, to Adjourn the meeting.
SECOND: Councilmember Johnny Garcia

Mayor Ramiro Garza, Jr. called for a vote.

RECORD OF VOTE:
AYES: Mayor Ramiro Garza, Jr., Mayor Pro Tem David White, Councilmember Jason De Leon, and Councilmember Johnny Garcia
NAYS: None
ABSENT: Councilmember Daniel "Dan" Diaz
ABSTAIN: None
The motion to Approve carried.

Mayor Ramiro Garza, Jr. Adjourned the meeting at 6:15 pm.

CITY OF EDINBURG - TAX INCREMENT REINVESTMENT ZONE NUMBER THREE BOARD OF DIRECTORS

Meeting Date: June 4, 2024

REGULAR AGENDA ITEMS

Agenda Item No: 5.B.

1. **Agenda Item:**

   Discuss and Consider Accepting the Independent Accountant's Report on Applying Agreed-Upon Procedures to Costs Reimbursable to Burns Brothers, LTD. (Developer) Dated March 31, 2024, Prepared by McCall Gibson Swedlund Barfoot, PLLC, Certified Public Accountants.

CITY OF EDINBURG, TEXAS

LOCAL GOVERNMENT CORPORATION

REPORT ON APPLYING AGREED-UPON PROCEDURES TO

COSTS REIMBURSABLE TO

BURNS BROTHERS, LTD. (DEVELOPER)

MARCH 31, 2024

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

TABLE OF CONTENTS

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

13100 Wortham Center Drive
Suite 235
Houston, Texas 77065-5610
(713) 462-0341
Fax (713) 462-2708

P.O. Box 29584
Austin, Texas 78755-5126
(512) 610-2209
E-Mail: mgsb@mgsbpllc.com
www.mgsbpllc.com

March 31, 2024

Board of Directors
City of Edinburg, Texas
Local Government Corporation
Hidalgo County, Texas

Independent Accountant's Report
on Applying Agreed-Upon Procedures

We have performed the procedures enumerated below, which were agreed to by the Board of Directors of the City of Edinburg, Texas, Local Government Corporation (the "LGC") on the invoices and schedules submitted by Burns Brothers, Ltd. (the "Developer") as of March 31, 2024. These procedures were performed solely to assist the LGC in determining the amount to be reimbursed to the Developer involved and to facilitate the preparation of a comparison of the actual costs incurred with the approved costs as documented on Exhibit C in the Economic Development Agreement.

This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The appropriateness of the procedures is solely the responsibility of the Board of Directors of the LGC. This report may not be suitable for any other purpose. Consequently, we make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. The procedures performed are summarized as follows:

A. We inspected certain schedules and supporting invoices submitted by the Developer in substantiation of the costs to be reimbursed. Our inspection included all documentation supporting items, amounts, and proof of payment for which reimbursement is requested. In addition, we inspected all agreements provided to us relative to the reimbursement request.

B. We prepared schedules to calculate interest and verified the Developer's interest rate in accordance with the terms of the Economic Development Agreement.

C. We prepared a reimbursement report for the benefit of the LGC, including the accountant's report and schedule of amounts reimbursable to the Developer, and have compared the amounts for approved costs with the actual reimbursable costs to complete the projects.

The attached Schedule A titled "Schedule of Costs Reimbursable to Burns Brothers, Ltd. (Developer)", sets forth their reimbursable costs. This reimbursement is in accordance with the terms and conditions of the Economic Development Agreement by and among the City of Edinburg, Texas, Hidalgo County, City of Edinburg, Texas Local Government Corporation and Burns Brothers, Ltd. dated June 17, 2008.

We previously finalized our Agreed-Upon Procedures report dated June 1, 2009, for reimbursement in the amount of $10,487,707.16, which included interest of $1,214,820.31. Our Agreed-Upon Procedures report dated March 1, 2011, was finalized in the amount of $10,917,579.13, which included interest of $1,580,155.20. The report dated March 16, 2012, showed a reimbursable amount due of $10,988,939.03, which included interest of $1,639,015.10. The April 15, 2013, report showed the reimbursable amount as $11,016,869.94, which included interest of $1,666,946.01. On June 15, 2014, we updated the reimbursable amount due to $11,021,415.36, including interest of $1,671,491.43 through June 15, 2014. The March 31, 2015, report showed the reimbursable amount as $10,908,750.64, which included interest of $1,518,826.71. On May 31, 2016, we updated the reimbursable amount due to $10,774,887.07, which included interest totaling $1,384,963.14. We updated the reimbursable amount as of February 28, 2017, to $10,567,204.04, which included interest of $1,177,280.11. The January 31, 2018, report showed the reimbursable amount as $10,325,145.76, which included interest of $935,221.83. The February 28, 2019, report showed the reimbursable amount as $10,033,543.00, which included interest of $643,619.07. The January 31, 2020, report showed the reimbursable amount as $9,694,046.39, which included interest of $304,122.46. The March 31, 2021, report showed the reimbursable amount as $9,517,834.32, which included interest of $127,910.39. The March 31, 2022, report showed the reimbursable amount as $8,662,768.79, which included interest of $23,904.80. The March 31, 2023, report showed the reimbursable amount as $8,122,969.16, which included interest of $28,054.98.

In the current report, we have calculated additional interest due from March 31, 2023, to March 31, 2024, less one payment made by both the County and City to the Developer. We have revised the total reimbursable amount as of March 31, 2024, including the unpaid amount from prior reports, to $7,433,441.01, which includes accrued but unpaid interest totaling $31,433.18. The following changes were made to the original schedule:

1. We previously reviewed actual interest costs submitted by Developer for our reports. The financing agreement stipulates that interest is to be reimbursed at the lesser of the actual rate incurred by the Developer in connection with indebtedness incurred for project costs or 6.00% per annum. The Developer provided documentation to indicate their actual borrowing rates. On October 22, 2014, a Modification and Extension Agreement was executed that lowered the interest rate to 0.5%. We calculated interest on the original amount of $9,272,886.85 at 6% to be $1,214,820.31. We added additional invoices and updated interest for 2009 at 3%. We calculated interest on the total due from 2010 through March 1, 2011, at 1.5%, resulting in an increase of $365,334.89, bringing the total interest due to $1,580,155.20 on March 1, 2011. Interest was updated in the March 16, 2012, report to $1,639,015.10. Interest was updated in the April 15, 2013, report to $1,666,946.01 after interest payments of $123,845.26 were applied. The June 15, 2014, update included interest of $1,671,491.43 after interest payments of $159,142.29 were applied. Interest was updated in the March 31, 2015, report to $1,518,826.71 after interest payments were applied. The May 31, 2016, update included interest of $1,384,963.14 after interest payments of $188,659.56 were applied. We calculated interest through February 28, 2017, and applied payments, bringing the total interest due to $1,177,280.11. We calculated interest through January 31, 2018, and applied payments, bringing the total interest due to $935,221.83. We calculated interest through February 28, 2019, and applied payments, bringing the total interest due to $643,619.07. We calculated interest through January 31, 2020, and applied payments, bringing the total interest due to $304,122.46. We calculated interest through March 31, 2021, and applied payments, bringing the total interest due to $127,910.39. We calculated interest through March 31, 2022, and applied payments, bringing the total interest due to $23,904.80. We calculated interest through March 31, 2023, and applied payments, bringing the total interest due to $28,054.98.

2. In the current report, we calculated interest due from March 31, 2023, to March 31, 2024, at the Developer's 0.5% borrowing rate, resulting in an increase of $37,612.39. We reduced the interest balance from combined payments made under the agreement in the amount of $374,632.22 on May 19, 2023, and in the amount of $352,506.19 on May 26, 2023, bringing the total interest due as of March 31, 2024, to $31,433.18.

Schedule B compares the actual reimbursable costs due the Developer with Exhibit C of the Economic Development agreement and an estimate of the cost to complete the projects for the LGC.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion on the aforementioned reimbursable costs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Board of Directors and is not intended to be and should not be used by anyone other than this specified party. However, this report is a matter of public record and its distribution is not limited. This report should not be associated with the presentation of any financial data of the LGC except to comply with filing requirements as required by the respective agreements.

We appreciate this opportunity to be of service to you.

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

2024 La Sienna AUP

CITY OF EDINBURG, TEXAS
LOCAL GOVERNMENT CORPORATION
SCHEDULE OF COSTS
REIMBURSABLE TO BURNS BROTHERS, LTD. (DEVELOPER)
MARCH 31, 2024

(SEE ACCOMPANYING DISCLAIMER OF OPINION AND
EXPLANATION OF AGREED-UPON PROCEDURES PERFORMED)

DESCRIPTION	TOTAL REIMBURSABLE COST	INTEREST ACCRUED*	TOTAL REIMBURSABLE
Total due from March 31, 2023 Report	$ 8,094,914.18	$ 28,054.98	$ 8,122,969.16
Additional Interest Calculated from March 31, 2023 to March 31, 2024 on Total Amount Due *	-	37,610.26	37,610.26
Less Principal Paid	692,906.35	-	692,906.35
Less Interest Paid	-	34,232.06	34,232.06
TOTAL AMOUNT PAYABLE TO BURNS BROTHERS, LTD. AS OF MARCH 31, 2024	$ 7,402,007.83	$ 31,433.18	$ 7,433,441.01

* Interest is calculated in accordance with the Economic Development Agreement terms at the actual borrowing rate incurred by Developer

CITY OF EDINBURG, TEXAS
LOCAL GOVERNMENT CORPORATION

SCHEDULE COMPARING ACTUAL REIMBURSABLE COSTS
WITH EXHIBIT C OF THE ECONOMIC DEVELOPMENT AGREEMENT
MARCH 31, 2024

(SEE ACCOMPANYING DISCLAIMER OF OPINION AND
EXPLANATION OF AGREED-UPON PROCEDURES PERFORMED)

DESCRIPTION	ENGINEERING ESTIMATE EXHIBIT C	REIMBURSABLE COSTS TO BURNS BROTHERS, LTD. 2009-2013	REIMBURSABLE COSTS TO BURNS BROTHERS, LTD. 2014-2023	REIMBURSABLE COSTS TO BURNS BROTHERS, LTD. 2024	ESTIMATED ADDITIONAL COST TO COMPLETE	TOTAL ACTUAL COSTS TO DATE AND ESTIMATED ADDITIONAL COST TO COMPLETE	ACTUAL OVER (UNDER) ESTIMATE	% VARIANCE OVER (UNDER) ESTIMATE
DEVELOPMENT COSTS								
NON-REGIONAL								
South Section								
Water	$ 1,522,250	$ 342,585	$ -	$ -	$ 1,179,665	$ 1,522,250	$ -	0.00%
Wastewater	1,415,661	314,305			1,101,356	1,415,661	-	0.00%
Storm	1,657,479	263,353			1,394,126	1,657,479	-	0.00%
Paving	2,312,242	1,018,324			1,293,918	2,312,242	-	0.00%
SUBTOTAL	$ 6,907,632	$ 1,938,567	$ -	$ -	$ 4,969,065	$ 6,907,632	$ -	
North Section								
Water	$ 1,522,250	$ -	$ -	$ -	$ 1,522,250	$ 1,522,250	$ -	0.00%
Wastewater	1,415,661				1,415,661	1,415,661	-	0.00%
Storm	1,657,479				1,657,479	1,657,479	-	0.00%
Paving	3,136,973				3,136,973	3,136,973	-	0.00%
SUBTOTAL	$ 7,732,363	$ -	$ -	$ -	$ 7,732,363	$ 7,732,363	$ -	
TOTAL NON-REGIONAL	**$ 14,639,995**	**$ 1,938,567**	**$ -**	**$ -**	**$ 12,701,428**	**$ 14,639,995**	**$ -**	
REGIONAL/COMMERCIAL								
Major Roadways (South)								
Water, Sewer, Storm and Paving	$ 3,422,307	$ 2,583,043	$ -	$ -	$ 839,264	$ 3,422,307	$ -	0.00%
Regional Offsite	472,133	211,650			260,483	472,133	-	0.00%
Regional Detention Parkways (South)	4,233,870	1,502,851			2,731,019	4,233,870	-	0.00%
SUBTOTAL	$ 8,128,310	$ 4,297,544	$ -	$ -	$ 3,830,766	$ 8,128,310	$ -	
Major Roadways (North)								
Water, Sewer, Storm and Paving	$ 2,854,842	$ -	$ -	$ -	$ 2,854,842	$ 2,854,842	$ -	0.00%
Regional Offsite	262,066				262,066	262,066	-	0.00%
Regional Detention Parkways (North)	992,855				992,855	992,855	-	0.00%
SUBTOTAL	$ 4,109,763	$ -	$ -	$ -	$ 4,109,763	$ 4,109,763	$ -	
Engineering Fees	$ 1,835,711	2,342,680	$ -	$ -	$ -	$ 2,342,680	$ 506,969	28.00%
Land Paving/Development Fees	1,000,000	325,017	40,000		634,983	1,000,000	-	0.00%
Landscaping/Walkways	1,000,000	393,616			606,384	1,000,000	-	0.00%
12" Waterline Interconnector North								
Alamo Water Supply	240,000	52,500			187,500	240,000	-	0.00%
Elevated Storage Tank	3,000,000				3,000,000	3,000,000	-	0.00%
SUBTOTAL	$ 7,075,711	$ 3,113,813	$ 40,000	$ -	$ 4,428,867	$ 7,582,680	506,969	
TOTAL REGIONAL/COMMERCIAL	**$ 19,313,784**	**$ 7,411,357**	**$ 40,000**	**$ -**	**$ 12,369,396**	**$ 19,820,753**	**$ 506,969**	
Developer Interest	$ -	$ 1,877,784	$ 600,359	$ 37,610	$ -	$ 2,515,753	$ 2,515,753	100.00%
Less: Principal and Interest Payments	-	210,838	3,534,259	727,138	-	4,472,235	4,472,235	100.00%
TOTAL	**$ 33,953,779**	**$ 11,016,870**	**$ (2,893,900)**	**$ (689,528)**	**$ 25,070,824**	**$ 32,504,266**	**$ (1,449,513)**	

CITY OF EDINBURG - TAX INCREMENT REINVESTMENT ZONE NUMBER THREE BOARD OF DIRECTORS

Meeting Date: June 4, 2024

REGULAR AGENDA ITEMS

Agenda Item No: 5.C.

1. Agenda Item:

Consider Approving the Hidalgo County Tax Increment Payment of $471,438.46 and the City of Edinburg Tax Increment Payment of $455,244.62 to the Burns Brothers, Ltd. in Connection with Reinvestment Zone Number Three, City of Edinburg, Texas.

EXHIBIT A

2023-2024 Edinburg TIRZ No. 3 - La Sienna Payment

Tax Increment Reinvestment Zone (TIRZ) Payment Calculation	Edinburg TIRZ No. 3 Calculation 2018	Edinburg TIRZ No. 3 Calculation 2019	Edinburg TIRZ No. 3 Calculation 2020	Edinburg TIRZ No. 3 Calculation 2021	Edinburg TIRZ No. 3 Calculation 2022	Edinburg TIRZ No. 3 Calculation 2023	Total
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD))						$ 113,665,574.00	
(Multiplied by) Hidalgo County Current (GHD) Tax Rate (.575/100)						0.00575	
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ						**$ 653,577.05**	
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD))						$ 113,665,574.00	
(*Less*) Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)						$ 2,491,556.00	
Captured Appraised Value						**$ 111,174,018.00**	
Captured Appraised Value						$ 111,174,018.00	
(*multiplied by*) Contribution Rate (The lesser of actual tax year M&O rate or rate specified on agreement) (.5127/100)						0.005127	
Tax Levy Due to TIRZ						**$ 569,989.19**	
TIRZ Collections (for February 1, 2023 through January 31, 2024) as per Collections Reports provided by Hidalgo County Tax Office						$ 542,786.41	
(*divided*) GHD Actual Tax Levy for all Real Property tax accounts located within the TIRZ						$ 653,577.05	
Percent Collected of Actual Levy						**83.0486%**	
Tax Levy Due to TIRZ						$ 569,989.19	
(*Multiplied by*) Percent Collected of Actual Levy						83.0486%	
						$ 473,367.89	
(Less) Administrative Cost						$ (252.57)	
(Less) Adjustments **							
2023-2024 TIRZ PAYMENT AMOUNT	**$ -**					**$ 473,115.32**	**$ 473,115.32**

** Adjustments are made in order to prevent an overpayment; the adjustment limits payments to 100% allowable TIRZ levy; adjustments are made for county taxes that are delinquent for more than five years pursuant to section IV.B.9

Tax Increment Reinvestment Zone (TIRZ) Payment Calculation	Auditor's Edinburg TIRZ No. 3 Calculation 2018	Auditor's Edinburg TIRZ No. 3 Calculation 2019	Auditor's Edinburg TIRZ No. 3 Calculation 2020	Auditor's Edinburg TIRZ No. 3 Calculation 2021	Auditor's Edinburg TIRZ No. 3 Calculation 2022	Auditor's Edinburg TIRZ No. 3 Calculation 2023	Total
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD))	$ 41,055,343.00	$ 46,248,334.00	$ 50,493,701.00	$ 57,880,799.00	$ 75,221,040.00	$ 112,949,741.00	
(Multiplied by) Hidalgo County Current (GHD) Tax Rate (.5750/100)	0.0058	0.00575	0.00575	0.00575	0.00575	0.00575	
GHD Actual Tax Levy for all real property tax accounts located within the TIRZ	**$ 238,120.99**	**$ 265,927.92**	**$ 290,338.78**	**$ 332,814.59**	**$ 432,520.98**	**$ 649,461.01**	
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD))	$ 41,055,343.00	$ 46,248,334.00	$ 50,493,701.00	$ 57,880,799.00	$ 75,221,040.00	$ 112,949,741.00	
(*Less*) Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)	$ 2,491,556.00	$ 2,491,556.00	$ 2,491,556.00	$ 2,491,556.00	$ 2,491,556.00	$ 2,491,556.00	
Captured Appraised Value	**$ 38,563,787.00**	**$ 43,756,778.00**	**$ 48,002,145.00**	**$ 55,389,243.00**	**$ 72,729,484.00**	**$ 110,458,185.00**	
Captured Appraised Value	$ 38,563,787.00	$ 43,756,778.00	$ 48,002,145.00	$ 55,389,243.00	$ 72,729,484.00	$ 110,458,185.00	
(*multiplied by*) Contribution Rate (The lesser of actual tax year M&O rate or rate specified on agreement) (.5127/100)	0.005100	0.005036	0.005043	0.005127	0.005127	0.005126	
Tax Levy Due to TIRZ	**$ 196,675.31**	**$ 220,359.13**	**$ 242,074.82**	**$ 283,980.65**	**$ 372,884.06**	**$ 566,208.66**	
TIRZ Collections (for February 1, 2023 through January 31, 2024) as per Collections Reports provided by Hidalgo County Tax Office	$ -	$ -	$ -	$ 2,331.97	$ 40,127.17	$ 501,075.21	
(*divided*) GHD Actual Tax Levy for all Real Property tax accounts located within the TIRZ	$ 238,120.99	$ 265,927.92	$ 290,338.78	$ 332,814.59	$ 432,520.98	$ 649,461.01	
Percent Collected of Actual Levy	**0.0000%**	**0.0000%**	**0.0000%**	**0.7007%**	**9.2775%**	**77.1525%**	
Tax Levy Due to TIRZ	$ 196,675.31	$ 220,359.13	$ 242,074.82	$ 283,980.65	$ 372,884.06	$ 566,208.66	
(*Multiplied by*) Percent Collected of Actual Levy	0.0000%	0.0000%	0.0000%	0.7007%	9.2775%	77.1525%	
	$ -			$ 1,989.85	$ 34,594.32	$ 436,844.14	
(Less) Administrative Cost	$ -	$ -	$ -	$ -	$ -	$ -	
(Less) Adjustments **	$ -			$ (1,989.85)	$ -	$ -	
2023-2024 TIRZ PAYMENT AMOUNT	**$ -**	**$ -**	**$ -**	**$ -**	**$ 34,594.32**	**$ 436,844.14**	**$ 471,438.46**

** Adjustments are made in order to prevent an overpayment; the adjustment limits payments to 100% allowable TIRZ levy; adjustments are made for county taxes that are delinquent for more than five years pursuant to section IV.B.9 *** $ 1,676.86

*** City/County Payment Calculation Variance

FY 23/24 Annual Payment - TIRZ #3

	2020	2021	2022	2023	Total
TIRZ #3 (100% Committed M&O Rate)	0.5200	0.5200	0.5042	0.5089	
City's Actual M&O Rate	0.5826	0.5447	0.5042	0.5089	
TIRZ #3 (% of Total M&O Collections)	89.26%	95.47%	100.00%	100.00%	
Total M&O Collections in Zone #3	$ (29.13)	$ 2,100.12	$ 34,965.79	$ 439,332.14	**$ 476,368.92**
Total Collections for TIRZ #3	**$ (26.00)**	**$ 2,004.89**	**$ 34,965.79**	**$ 439,332.14**	**$ 476,276.82**
Net Taxable Value	50,717,300	58,621,635	76,349,620	113,744,119	
Base Value	(2,491,556)	(2,491,556)	(2,491,556)	(2,491,556)	
Captured Value	48,225,744	56,130,079	73,858,064	111,252,563	
TIRZ #3 Captured Value % of Net Taxable Value	**95.09%**	**95.75%**	**96.74%**	**97.81%**	
Total Captured Value Collections for TIRZ #3	$ (24.72)	$ 1,919.68	$ 33,824.73	$ 429,708.60	**$ 465,428.29**

Calculated Payment:	$ 465,428.29
*Overpayment FY 22-23	(10,183.67)
Payment FY 23-24	**$ 455,244.62**

*Calculation error due to a missing formula in last year's payment calculation. JA 05/30/2024