

2021C03071

INTERLOCAL AGREEMENT
TAX INCREMENT REINVESTMENT ZONE #4

I. PARTIES

A. Address

1. This Interlocal Agreement (the "Agreement") is made by and between the City of Brownsville ("City), Tax Increment Reinvestment Zone Number Four, *Madeira Espiritu Santo Reinvestment Zone*, City of Brownsville, Texas (COB-TIRZ#4), on behalf of the TAX INCREMENT REINVESTMENT ZONE #4, CITY OF BROWNSVILLE, TEXAS, a separate reinvestment zone created by the CITY pursuant to Chapter 311 of the Texas Tax Code ("ZONE"), and Cameron County, a political subdivision of the State of Texas ("County") for participation in the Brownsville Tax Increment Reinvestment Zone Number Four, Madeira Espiritu Santo Reinvestment Zone, City of Brownsville (COB TIRZ#4). Collectively, the City, County, and Zone may be referred to as the "Parties" or singularly as a "Party". This Agreement is made pursuant to Chapter 791, Texas Government Code and Chapter 311 of the Texas Tax Code for the participation of CAMERON COUNTY in the COB TIRZ#4 (sometimes the "Project").
2. The initial addresses of the Parties are listed below. Each Party may designate a different address by giving the other at least ten (10) days prior written notice.

CITY

City Manager
City of Brownsville
City Hall (2nd Floor)
1001 E. Elizabeth Street
Brownsville, TX 78522-0911

CAMERON COUNTY

County Judge
Cameron County
1100 E. Monroe
Brownsville, Texas 78520

With Copy to:

COB TIRZ #4

Chairman(s)
City of Brownsville, Tax Increment Reinvestment Zone #4r, *Madeira Espiritu Santo Reinvestment Zone*, (COB-TIRZ#4)
City of Brownsville, Texas

1001 E. Elizabeth Street
Brownsville, TX 78522-0911

B. Index

In consideration of the covenants set forth in this Agreement, and subject to its terms and conditions as authorized by Chapter 311 of the Texas Tax Code, the COB-TIRZ#4, the City and the County 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:

"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 Sixty Thousand Dollars (60,000) over the life of the zone or no more than \$2,000 per year, in addition to, actual costs.

1. **“Agreement”** means this Interlocal Agreement between the City, COB-TIRZ#4 and the County for the County’s participation in the COB-TIRZ #4 Zone.
2. **“Captured Appraised Value”** for a year means the total taxable value of all real property taxable by the unit and located in a reinvestment zone for that year less the tax increment base of the unit, as defined by Section 311.012(b), Texas Tax Code (and as said Code may be amended from time to time).
3. **“COB-TIRZ#4”** means the City of Brownsville, Tax Increment Reinvestment Zone Number Four, *Madeira Espiritu Santo Reinvestment Zone*, City of Brownsville, Texas (COB-TIRZ#4).
3. **“County”** means Cameron County, Texas.
4. **“Participating Taxing Entity”** or **“Participating Taxing Entities”** means, singularly, a taxing unit participating in the COB-TIRZ#4, and collectively, all taxing units participating in the COB-TIRZ#4.
5. **“Project Costs”** means the expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred listed in the Project Plan for the Project and as defined by Section 311.002(1), Texas Tax Code (as said Code may be amended from time to time).
6. **“Project Plan”** or **“Project Plans”** means singularly the Project Reinvestment Zone and Financing Plan for the COB-TIRZ#4 adopted and approved by the City of Brownsville. The Project Plan for COB-TIRZ#4 is attached hereto as Exhibit “A”.
7. **“Reimbursable Costs”** means that costs incurred by the County in the collection and distribution of the tax increment funds collected on behalf of COB-TIRZ#4.
8. **“Tax Increment”** means the total amount of ad valorem taxes levied and collected each year by and on behalf of a Participating Taxing Entity each year on the Captured Appraised Value of taxable real property in COB-TIRZ#4. Further, with respect to CAMERON COUNTY, this term means the total amount of ad valorem taxes levied and collected only on behalf of CAMERON 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 COB-TIRZ#4 as of January 1, 2021, as certified by the Cameron County Appraisal District. .
10. **“Tax Increment Fund”** means the tax increment fund created by the COB-TIRZ#4 for the deposit of Tax Increments for COB-TIRZ#4.

11. **“Tax Increment Payment”** means the amount of the Tax Increment that a Participating Taxing Entity agrees to deposit annually into the COB-TIRZ#4’s Tax Increment Fund in accordance with this Agreement.
12. **“Term”** shall mean a period of thirty (30) years for the Agreement, beginning on January 1, 2021 and ending on December 31, 2050.
13. **“ZONE BOARD”** means the Board of Directors of the COB-TIRZ#4 appointed in accordance with Section 311.009 of the Texas Tax Code.

All terms defined herein are subject to the requirements contained in Chapter 311, Texas Tax Code.

III. BACKGROUND

- A. On December 1, 2020 and December 8, 2020, the City Commission of the City of Brownsville adopted and approved Ordinance Number 2020-1678, which created and established a Tax Increment Reinvestment Zone #4 (COB-TIRZ#4), pursuant to Chapter 311, Texas Tax Code. The COB-TIRZ#4 may provide funding for eligible project costs within the COB-TIRZ#4 as provided for in Chapter 311 of the Texas Tax Code, as amended. The COB-TIRZ#4 is projected to terminate on December 31, 2050.

IV. RIGHTS AND OBLIGATIONS OF CAMERON COUNTY

A. Tax Increment Participation by CAMERON COUNTY

1. Subject to the terms set out in this Agreement and requirements of Chapter 311, Texas Tax Code, CAMERON COUNTY agrees to participate in the COB-TIRZ#4 by contributing to the COB-TIRZ#4 Tax Increment Fund **sixty percent (60%)** of its Maintenance and Operation Tax Rate levied by the County each year during the term of this Agreement, beginning with the 2021 tax year. This does not include the Interest and Sinking Tax Rate. The total amount of Tax Increment funds obligated to be paid by CAMERON COUNTY over the term of this Agreement shall not exceed the amount stated in Section IV(B)(7), below, unless otherwise provided therein.
2. The Parties hereto agree that CAMERON COUNTY’S contribution to the Tax Increment Fund shall be used to fund project costs to support the development and revitalization efforts as provided in the Project Plan for the COB-TIRZ#4 as allowed under Chapter 311 of the Texas Tax Code as amended. Unless otherwise changed by formal amendment pursuant to Section VI.D of this agreement, CAMERON COUNTY’S contributions to the Tax Increment Fund shall end

when it has contributed its proportionate share, 35.50% of the actual costs of the project, or the maximum total contribution provided for in this Agreement, whichever is less, subject to any early termination as otherwise provided in this Agreement not to extend beyond December 31, 2050, the end date for the County's participation as set forth in Section V.A. in any event. Subject to any limitations of V.T.C.A., Tax Code § 311.014, County tax increment actually paid in excess of its proportionate share of the actual costs of the project shall be returned without delay upon project completion.

B. Tax Increment Payment

1. CAMERON COUNTY'S obligation to contribute its Tax Increment Payments 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 COB-TIRZ#4 shall first constitute taxes on the Tax Increment Base. Subject to the limitations on the County's total participation in the ZONE as set forth in Section IV.A.2, after the total amount of taxes on the Tax Increment Base have been collected, the collected amount shall then constitute the Tax Increment. CAMERON COUNTY agrees to contribute its Tax Increment Payments to the Tax Increment Fund annually upon presentation of an invoice and presentation and approval by the County Commissioners Court of annual report on or after November 1st of each tax year. Such demand for payment will be subject to review and audit by the Cameron County Auditor. The amount of each Tax Increment Payment shall be based on the Tax Increments that are received during the annual period preceding each deposit date. The Parties agree that CAMERON COUNTY'S obligation to deposit Tax Increment Payments after December 31, 2050 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-1) 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 Increments Payment from any tax accounts that are classified as exempt or from any non-Tax Increment revenue sources.

3. The COB-TIRZ#4 shall have five (5) years from the execution of this Agreement in which to commence construction on a project listed in the Project Plan. Failure to begin construction on a project listed in the Project Plan during that period will be considered as a breach of this Agreement and subject to the County's termination of its contribution to the COB-TIRZ#4.
4. The COB-TIRZ#4 and the CITY agree to comply with the approved Project Plan for the ZONE (Exhibit "A") and to apply the County's tax increment payments to the actual costs of the Projects in the COB-TIRZ#4 as provided in the Project Plan. COB-TIRZ#4, and subsequently the City, will keep the County promptly informed as to all changes in the project costs as those costs become known. The COB-TIRZ#4 agrees to provide prior written notice to CAMERON COUNTY of a proposed material change (defined in this context as any change in the boundaries of the ZONE or any 10% or more increase in the Total Project Plan's actual costs to be incurred within the ZONE) to the Project Plan. CITY shall have the right to amend and modify the Project Plan 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 objection(s) or comment(s) by CAMERON COUNTY to the COB-TIRZ#4 will constitute approval of the proposed material change by CAMERON COUNTY. If CAMERON COUNTY provides notice to the COB-TIRZ#4 that it objects to the proposed material change, and the objection(s) and any comment(s), as set out in the notice, is (are) not resolved within 60 calendar days from the date of such notice, CAMERON COUNTY may thereafter discontinue its Tax Increment Payments towards the unapproved proposed material change or changes but shall continue to participate in other projects in the Zone's Project Plans to which there have been no unapproved material changes subject to the other terms of this Agreement. The Parties agree that this paragraph does not permit any increase in the COUNTY'S tax increment payment participation in the ZONE. Any increased participation shall require a formal amendment to this Agreement as set forth in Paragraph IV., B.6 and VI.I below.
5. A. For purposes of this Agreement, a "Material Breach" shall be defined as:
 - i. Amendment of the TIRZ Project Plan, without a joint public hearing and approval undertaken by the participants in the TIRZ, conforming to the requirements of Chapter 311 of the Texas Tax Code, and in a manner which:
 - a. Reduces or increases the geographic area of the zone;
 - b. Increases the amount of bonded indebtedness to be incurred;

- c. Increases or decreases the percentage of a tax increment to be contributed by a taxing unit;
 - d. Increases the total estimated budgeted project costs;
 - e. Designates additional property in the TIRZ to be acquired by any TIRZ participant; or
 - ii. Actions directly attributable to one Party which deprives another Party of its reasonably expected benefits as provided under the TIRZ, with no likelihood of any cure after notice and a time to cure has been granted and undertaken.
- B. The City and County further agree to meet with each other, through their duly-authorized representatives, on at minimum a quarterly basis to see that the objectives of this Agreement are carried out and to address any issues of concern as soon as is reasonably possible.
- C. In the event of a claim of Material Breach of this agreement, each Party agrees to notify the other in writing within 10 business days of said claim. Upon receipt of such notice, authorized representatives from each Party shall meet in person to discuss the claim and attempt to obtain resolution. Should resolution be reached, the non-complaining party shall have the lesser of (1) 60 days; or (2) a reasonable time within which to cure.
- 6. 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.
- 7. Notwithstanding anything in this Agreement to the contrary, CAMERON COUNTY'S total Tax Increment payment to the Tax Increment Fund over the term of this Agreement shall not exceed \$57,650,218.00.

The Parties may agree in writing and pursuant to applicable notice and hearing requirements provided by Chapter 311 of the Texas Tax Code to increase these amounts during the term of this Agreement.

- 8. Details of this arrangement that are not specifically addressed in the agreement are to be consistent with all the exhibits including the "Preliminary Project Plan and Reinvestment Zone Financing Plan" attached herein.

C. Management of the ZONE

1. The COB-TIRZ#4 is the only Participating Taxing Entity with any responsibility for managing or administering the Projects. CAMERON COUNTY may inspect the Project sites 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 ten (10) members, as provided under Section 311.009(a) of the Texas Tax Code with the City of Brownsville appointing seven members and CAMERON COUNTY appointing three members.

D. Expansion of the ZONES

The obligation of CAMERON COUNTY to participate in COB-TIRZ#4 is limited to the description of the ZONE in Exhibit "C" attached hereto. CAMERON COUNTY'S participation shall not extend to the Tax Increment on any additional property added to the ZONE by the COB-TIRZ#4 unless CAMERON COUNTY approves such participation in writing and pursuant to Chapter 311 of the Texas Tax Code.

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 December 31, 2050 unless earlier terminated as provided in this Agreement (the "Agreement Term"). Subject to the terms of this Agreement, CAMERON COUNTY agrees to participate under this Agreement, beginning with the 2021 tax year and ending in accordance with the terms provided in this Agreement. The Parties agree and understand that CAMERON COUNTY'S Tax Increment Payments will not be made after December 31, 2050 except for Tax Increment levies generated during the life of the ZONE but collected after December 31, 2050 subject to the limitations set out in paragraph IV.A.2, of this Agreement.

D. Early Termination

Neither the COB-TIRZ#4 nor the ZONE BOARD shall take any action to terminate the ZONE earlier than the duration of the ZONE as specified in this Agreement, unless the purpose for the ZONE no longer is deemed feasible by the COB-TIRZ#4 and ZONE BOARD.

E. 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 based on the amounts contributed by each Participating Taxing Entity and in accordance with Section 311.014(d) of the Texas Tax Code.

VII.MISCELLANEOUS

A. Understanding

Any and all costs incurred by the COB-TIRZ#4 are not, and shall never become, general obligations or debt of either Party to this Agreement. The eligible project costs incurred by the COB-TIRZ#4 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 Entities, public official, ZONE, or ZONE BOARD if all, or any part of the COB-TIRZ#4's costs are not reimbursed.

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 any 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 Funds. In such a situation, the Parties hereto agree that the Tax Increment Funds shall not refund any prior Tax Increment Payments under this provision of this Agreement.

C. Entire Agreement

The 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 COB-TIRZ#4, the City of Brownsville, and the CAMERON COUNTY Commissioners Court have authority to change or amend this Agreement on behalf of COB-TIRZ#4 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 1 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 seek legal enforcement of any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future or failure of performance.

G. Assignment

This section intentionally left blank. .

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

The Parties agree an amendment to any Project Plan shall not apply to CAMERON COUNTY unless CAMERON COUNTY approves the amendment as provided in this Agreement if such

amendment to any 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 any ZONE set forth in its 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 COB-TIRZ#4 shall conduct or cause to be conducted, at a minimum, an annual audit of the Zone Fund by April 30th of each year during the term of the Agreement, 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. Further, in accordance with Section 311.016 of the Texas Tax Code, COB-TIRZ#4 shall prepare and deliver an annual report to the Cameron County Commissioners' Court no later than January 1st of every year for the duration of the Agreement. No Payments will be made by CAMERON COUNTY unless the Cameron County Commissioners' Court has received the annual report by the COB-TIRZ#4.

L. ZONE Designation

COB-TIRZ#4 represents that its designation of the ZONE meets the criteria of Section 311.005(a), Texas Tax Code, and said designation also complies with Texas Attorney General Opinion No. JC-0152 (December 8, 1999).


IN WITNESS HEREOF, the City of Brownsville, and CAMERON COUNTY have made and executed this Agreement in duplicate originals on this 18th day of May, 2021.

City of Brownsville, Texas



Juan "Trey" Mendez, III, Mayor

Cameron County, Texas



Eddie Treviño, Jr., County Judge

Attested By:

Laure Morgan

Laure Morgan, City Secretary

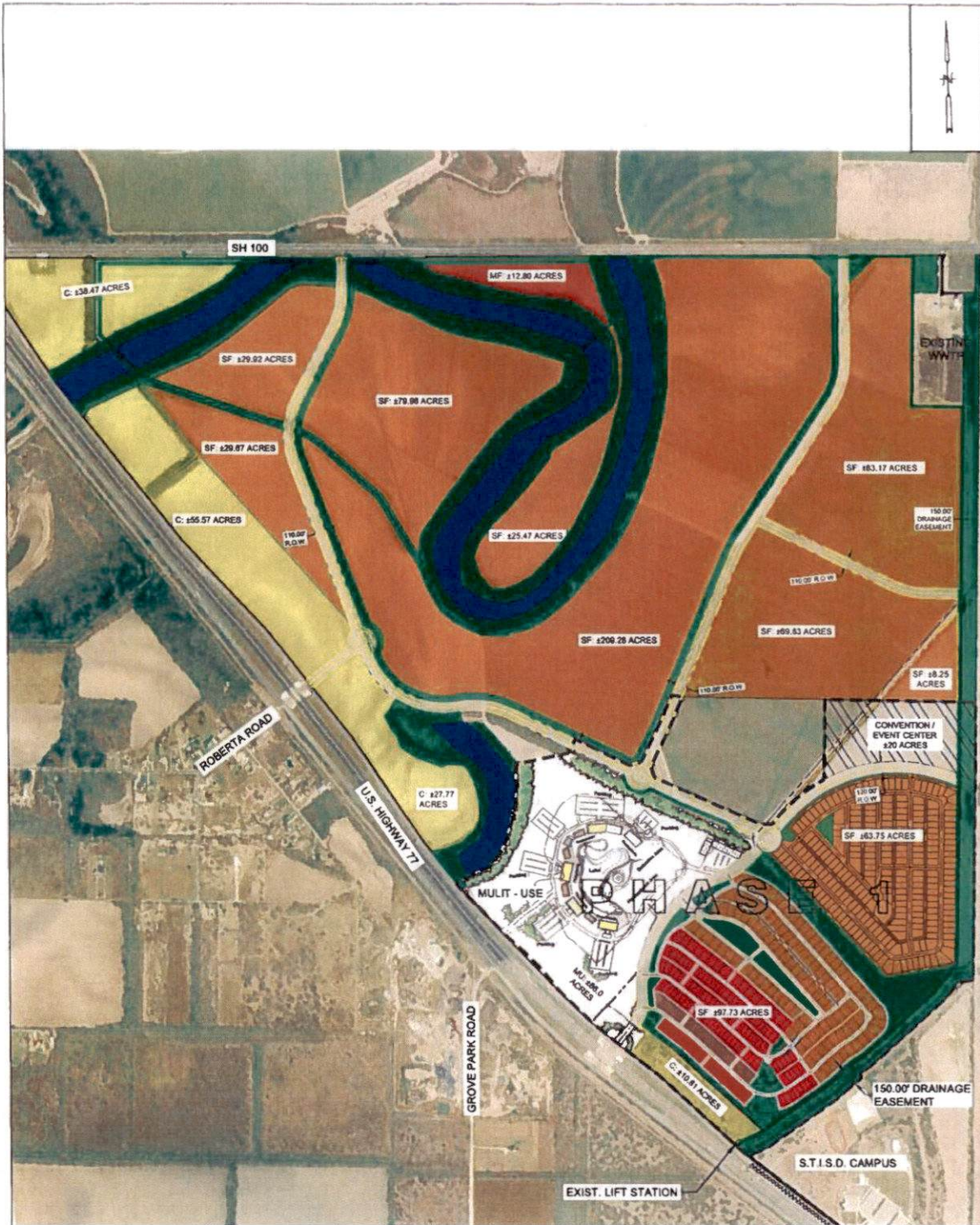


Attested By:

Sylvia Garza-Perez

Sylvia Garza-Perez, County Clerk





Areas	
Commercial	11 Acres
Mult Use	86 Acres
Quad Plex	7 Acres
Town Homes	6 Acres
Garden Homes	23 Acres
Single Family 80' x 130'	50 Acres
Single Family 60' x 120'	62 Acres
Convention / Event Center	20 Acres
Green Space / Thoroughfare W / Hike & Bike	55 Acres
Total Phase I	320 Acres

LEGEND	
	PARK / GREEN SPACE / HIKE & BIKE
	THOROUGHFARE R.O.W.
	COMMERCIAL
	EXISTING WATER FEATURES
	CONVENTION / EVENT CENTER
	GARDEN HOMES
	SINGLE FAMILY
	MULTI - FAMILY
	TOWN HOMES
	MULTI - USE

FERRIS, FLINN & MEDINA LLC

ENGINEERS SURVEYORS

1405 N. STUART PLACE ROAD
HARLINGEN, TEXAS 78552

PHONE 0561 344-2234 FAX 0561 344-1023

TEXAS BOARD OF PROFESSIONAL LAND SURVEYING
FIRM REGISTRATION NO. 100270-00

TEXAS BOARD OF PROFESSIONAL ENGINEERS
FIRM REGISTRATION NO. F-387

**MADEIRA PROPERTY
± 1,330 ACRE PDD
(PHASE 1)**

FILE: 025-006

SHEET: 1 OF 1

DATE: 12-10-2019

SCALE: 1" = 1000'

**TAX INCREMENT REINVESTMENT ZONE (TIRZ)
NUMBER FOUR, CITY OF BROWNSVILLE, TEXAS**

MADEIRA ESPIRITU SANTO TIRZ

**PRELIMINARY PROJECT PLAN AND REINVESTMENT ZONE FINANCING
PLAN**

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I. Introduction

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

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

The City of Brownsville has created three Zones to date. Zone #1, Santander TIRZ, a thirty year zone, created to support and enable the development of approximately 200 + acres of land into a mixed use residential and commercial development, It is in its 15th year of development, and has seen a steady increase in development after experiencing the downturn in the Nation's economy, and negative impact on development all over Texas, particularly in the RGV. Over the last five years, development has increased and generation of tax incremental revenues is growing. The Developer has financed slightly less than \$7 million in infrastructure and capital improvements since creation of the zone, and is being reimbursed pursuant to a reimbursement agreement.

Zone #2, created to facilitate the redevelopment of Amigoland Mall, became mired in a legal battle between that Zone's developer and the US Department of Homeland Security, and was suspended by the City Commission as the developer focused on addressing losses caused by the construction of the border wall. The zone was never utilized for its intended purpose.

Zone #3, in Downtown Brownsville was recently created, is getting organized, and will focus on redevelopment of certain areas of Downtown Brownsville.

Executive Summary

A. Madeira Properties Ltd., the owner and developer of the land, proposes development of and improvements to approximately 1,330 acres in the proposed zone. As reflected in the attached map exhibits, the parcel of land is located at the intersection of US Hwy 77 and Tx Hwy 100. Except for a strip of land adjacent to Hwy 77, the majority of the acreage to be included in the Zone is outside the current City limits. The rest is in the Brownsville ETJ and will be petitioned for annexation into the City, if the TIRZ is created.

Map 1 depicts the location of the Proposed Tax Increment Reinvestment Zone No. 4, including the proposed annexation area, in context of the surrounding environment.

Based on discussions with the City Staff, the owner/developer has engaged a land planner to recommend modifications to the original development plan, and add a more diverse, yet market sensitive list of residential housing options for development in the initial phases of the reinvestment zone. The updated residential development plan now provides initially for two types of single family residential development with price points ranging from and average of \$200K to \$400+K, and includes quadruplex

developments, townhome developments, garden home developments, and a multifamily residential options, intended generate a distinct overall development, unique as a master planned development to Brownsville and Cameron County.

B. Madeira Properties, LTD, is requesting that the City of Brownsville and Cameron County, Texas ("the County") participate in the tax increment financing zone to help fund public infrastructure improvements, municipal facilities, green spaces and public amenities, and places of public assembly, and to enable the TIRZ to provide reimbursements pursuant to approved reimbursement agreement(s) for approved costs within the zone. The duration of the zone is projected to be thirty (30) years, with the zone being in existence through calendar year 2051. The last year's payment will be made in 2052.

C. The Cost of the Project, including public infrastructure improvements and related capital costs for the project, impact fees, estimated developer (or bond) interest, an public park facilities as amenities, drainage, detention; creation costs, and costs for administration of the zone is estimated to total \$325.3 Million, including costs for a proposed public Arena. Total zone reimbursable costs including the proposed Arena development are estimated to be \$197.1 Million. The developer is requesting the TIRZ reimburse the costs of public infrastructure and public amenities including major thoroughfare development costs, drainage and detention, the major trunk lines and conveyance for water and sanitary sewer, and those public amenities and facilities that the developer finances. Standard development costs related to the residential development will be financed by the Developer without reimbursement.

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

D. The Project will be a master planned development that will see construction of infrastructure and amenities to support the development an estimated 2,899 units of single family development, an estimated 750+ units of multifamily housing, mixed use commercial developments of varying sizes including a convenience store/gas stations, a grocery stores, flex retail-office facilities, a business park, and several medical facility developments including a proposed hospital.

E. The public infrastructure and capital costs associated with the development will be financed with private capital. It is the intent of the Developer to enter into an agreement with the Zone / Redevelopment Authority to receive reimbursement for investments made in the public facilities from revenues generated by the TIRZ.

II. PROJECT PLAN

A. Overview

Tax increments generated within the zone will provide the financing needed to undertake the public improvements in an area of the City which would not otherwise be developed into a master planned community due to the high cost of development. This development will help increase area population, job creation, trade and tourism, additional revenues to the City and County general funds, and promote the economic development of the City of Brownsville and Cameron County.

The Project Plan in this Part II and the Reinvestment Zone Financing Plan in Part III (collectively the "Project Plan and Reinvestment Zone Financing Plan") provide for the funding of streets , sidewalks, sewer, drainage, detention, parks and open space, and other public facilities that will be dedicated to the City or County, as well as associated engineering fees, legal fees, financial advisory fees. creation,

interest, and administration costs.

1) Single Family Residential

Residential development in the Zone is contemplated to begin in the latter half of 2021, with the construction of approximately 200 homes in year one of the two year initial phase of development, and continue at a steady pace, generating approximately 150 units per year over an estimated 18 year period. The updated residential development plan now provides initially for two types of single family residential development with price points ranging from and average of \$200K to \$400+K, and includes quadraplex developments, townhome developments, garden home developments, and a multifamily residential options, intended generate a distinct overall development, unique as a master planned development to Brownsville and Cameron County. After the initial phase is completed; the planned development will be a total estimated lot count as of this date is 2,899 single family lots. Market conditions and demand will influence final decisions on development over time Please refer to Swantner Report Exhibit to this plan for detail on proposed residential development by property type and phase.

2) Roadway infrastructure.

Residential streets will consist of 32' back to back HMAC streets within a 50' wide Right-of-Way. Primary / Secondary Arterial will include 4 lane divided HMAC roads (30' back to back) within a 110'/120' wide Right-of -Way. The median and parkway will be landscaped. All Arterial Roads will serve as Utility Corridors and include electrical distribution, water transmission and trunk storm sewer systems.

3) Parks and Open Space

The proposed development will include the development of parks and green spaces to serve as public amenities for all the residents of Brownsville. The amenities will also include hike/bike trails. These green spaces will generally follow the existing drain ditches and include a 10' wide concrete hike & bike trail with landscaping utilizing the existing tree canopies. Additionally, these green spaces will serve as drainage corridors and include shallow drainage swales and trunk storm sewer systems.

4) Municipal Facilities

The Finance Plan budget will support the development of an Arena to host conventions and large public gatherings. It is also contemplated that 10-15 acres of land may be set aside to enable the construction of educational facilities to service the development/ area. The TIRZ will also assist with financing costs associated with Police, Fire, and EMS facilities.

5) Commercial

The development plans include a myriad of commercial components. The development plan/strategy includes mixed use commercial developments of varying sizes including convenience store/gas stations, a grocery stores, flex retail-office facilities, a business park, and several medical facility developments including a proposed hospital.

III. REINVESTMENT ZONE FINANCING PLAN

A. Introduction

The Reinvestment Zone Financing Plan (the " Financing Plan") addresses funding for

identified public improvements on the Project, to be located at the intersection of Texas Hwy 100 and US Hwy 77.

The Zone will include the development of an estimated 2,899 units of single family housing, and mixed use commercial facilities. It will also include the development of supporting public facilities. Duration of the zone is anticipated to be 30 years, will take affect January 1 ,2021, and be in existence through Tax Year 2051. The development of the project will be performed by the Developer, directly, or through the sale of land to experienced builders/developers.

B. Public Infrastructure

The public infrastructure improvements, related project costs, and including places of public assembly are expected to cost a minimum of \$ 194 Million, and will be financed primarily with private capital, and reimbursed partially by the Zone pursuant to an agreement with the Developer from tax incremental revenues generated as a result of the tax base expansion in the Zone. A summary of those costs is provided in the Zone budget. Refer to Table 1 for estimated cost to be financed by the TIRZ.

C. Plan of Finance

1. Taxable value of the land in the proposed zone as captured by the Cameron County Appraisal District for Tax Year 2020 totals \$732,266. The property value is based on an Agricultural Exemption. Value is anticipated to grow to an estimated \$1,368,028,452 by Tax Year 2051.

2) Taxing Units

It is contemplated that both the City of Brownsville and Cameron County will participate with 50% of the respective current approved tax rates. Currently those rates total \$0.7006 for the City and \$0.4369 for Cameron County. At 50%, the City would allocate \$0.3503, and the County would allocate \$0.2185. Schedule C in the Exhibits reflects the valuation assumptions based on development over time. Schedule D in Exhibits reflects the estimate revenues generate by each jurisdiction over time.

3) TIRZ Bonds

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

4) Economic Feasibility

A build-out schedule and tax revenue analysis was prepared by Calderon Economic Development Strategies, LLC, as part of the preliminary assessment of the Zone. The schedule in that analysis constitutes the economic feasibility study and demonstrates that it is feasible to finance the Zone Project Costs set forth in this Plan. Further, Swantner Real Estate Valuation Services also prepared a report estimating the values of the future developments by product type.

Table 1 - Project Costs

Madeira Espiritu Santo TIRZ Project Costs (1)	
Ditch Ecvation	\$4,950,000
Convention Center Complex	\$33,528,375 ⁽²⁾
Police, Fire, EMS facilities	\$3,315,875
Major Arterials and Alleyways	\$10,489,691
Utilities, Drainage, Detention, Landscaping, Fire loop, and road cost to support Mixed Use Development Acreage	\$2,530,000
Utilities, Drainage, Detention, Landscaping, Fire loop, and road cost to support Commercial Development Acreage	\$1,472,500
Large diameter waterlines, Storage tank, WWTP Expansion, Forcemain Lines, Lift Stations	\$22,070,000
Hike/Bike trails, Green belt, Landscaping, Greenspaces/ decorative lighting/ municipal drainage	\$46,433,680
Engineering/Permitting/Land Planning/ Architectural/Creation, Contingencies	\$30,081,694
Subtotal	\$154,871,615
Administration	\$4,250,000
Financing (3)	\$35,000,000
Total	\$194,121,615
1 Costs are estimated based on current pricing. Actual costs will be reimbursed based on verified and audited expenditures. Possible reductions in water sewer utilities may be realized by agreement between PUB and East Rio Hondo Water. If an agreement is approved by PUB or East Rio Hondo Water to pay for specific utility costs, those costs will be eliminated from the plan and not subject to reimbursement.	
2 Total estimated cost is \$120MM, with other financing coming from a myriad of other sources.	
3 Financing costs are estimated. Actual costs will be based on market financing rates at the time bonds/notes are approved / sold.	

Legal Compliance / Chapter 311, Texas Tax Code

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

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

Surrounding Land Uses: Land surrounding the proposed Zone is largely underdeveloped and outside the Brownsville City limits. The aerial view shown in Map 2 shows surrounding land uses.

Proposed Land Use: As stated above, the proposed land uses will accommodate the development of construction of infrastructure to support the development over 2,899 units of single family development, an estimated 750+ units of multifamily housing, mixed use commercial developments of varying sizes including a convenience store/gas station, grocery stores, flex retail-office facilities, a business park, and several medical facility developments including a proposed hospital.

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

All construction will be done in conformance with existing building code regulations of the City of Brownsville. There are no proposed changes of any city development ordinances, master plans, or building codes.

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

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

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

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

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

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

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

These details are described throughout the Plan, including but not limited to roadway construction, stormwater conveyance and management systems, water, wastewater improvements, municipal facilities, sidewalks, lighting, signage, trails, park and greenspace improvements, and landscaping enhancements. Municipal facilities funded by the TIRZ will be done so in coordination with the City. County facilities funded by the TIRZ will be done so in coordination with the County. The cost of proposed improvements is detailed in Table 1.

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

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

The City and the Zone find that the development plan is feasible. as projected Estimated revenues will generate approximately 70% of the total project costs. This is subject to the development time line and buildout being met by the developers. Market value growth may increase the revenues beyond forecasted amounts. Schedules C and D constitute incremental revenue estimates for this Plan.

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

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

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

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

City contribution = \$0.3503/\$100; County Contribution = \$0.2185/\$100 of assessed valuation. Both participation rates represent 50% of the approved tax rates for the jurisdictions.

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

As of January 2020, the current certified appraised value of taxable real property in the proposed zone is \$743,312.

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

It is projected that taxable property values in the Zone will increase to approximately \$1.368 Billion by 2051. Schedules C and D shows the annual captured value of these increases in property value during the existence of the Zone.

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

The zone as proposed would terminate on December 31, 2051. The Zone may terminate at an earlier time designated by subsequent ordinance, or at such time, subsequent to the issuance of proposed revenue bonds, notes or other obligations, if any, that all project costs, bonds, and interest on bonds have been paid in full.

EXHIBIT 1

Metes and Bounds

BEING A 1330.35 ACRE TRACT of land comprised of the following tracts:

Tract 1) 1222.12 Acres out of a 1282.657 Acre Tract conveyed to Madeira Properties, Ltd., by deed filed 3 December 2002 and recorded in Volume 8551, Page 124, Official Records of Cameron County, Texas, and

Tract 2) 108.23 Acre Tract conveyed as a 108.45 Acre Tract recorded in Volume 10235, Page 167, Official Records of Cameron County, Texas; being out of Share 1, Espiritu Santo Grant, Cameron County, Texas; said 1330.35 Acre Tract being more particularly described by metes and bounds as follows:

COMMENCING at the intersection of the East boundary of Share 1 being the same East line of what is commonly known as the "Noriega Tract" and the South Right of way line of State Highway 100 (Having 138 Feet of Right of way) and being on the West boundary of Block 63, San Carlos Estates, recorded in Volume 8, Page 37, Map Records of Cameron County, Texas from which a 1/2 inch iron rod found bears South 53 Deg. 19 Min. 05 Sec. West a distance of 1.76 feet, for the Northeast corner and **POINT OF BEGINNING** of the tract herein described; (Having coordinate values of X = 1296926.365, Y = 16554676.803 based on the Texas State Plane Coordinate System, South Zone, NAD 83):

- 1) **THENCE** along the East boundary of Share 1, being the West boundary of San Carlos Estates, South 07 Deg. 12 Min. 17 Sec. West at distance of 3500.00 feet past the North corner of the 108.23 Acre Tract, at a distance of 3774.45 feet, past the southeast corner of the 108.23 Acre Tract, a total distance of 7415.70 feet to a point, for the southeast corner of the tract herein described;
- 2) **THENCE** South 89 Deg. 34 Min. 17 Sec. West a distance of 152.67 feet to a point within the banks of a drain ditch, for a corner of the tract herein described;
- 3) **THENCE** within the banks of the existing drain ditch, South 43 Deg. 29 Min. 49 Sec. West a distance of 215.42 feet to a point, for a corner of the tract herein described;
- 4) **THENCE** within the banks of the existing drain ditch, South 53 Deg. 57 Min. 13 Sec. West a distance of 1000.60 feet to a point, for a corner of the tract herein described;
- 5) **THENCE** within the banks of the existing drain ditch, South 61 Deg. 28 Min. 34 Sec. West a distance of 168.16 feet to a point, for a corner of the tract herein described;
- 6) **THENCE** within the banks of the existing drain ditch, South 22 Deg. 47 Min. 53 Sec. East a distance of 42.18 feet to a point from which an iron rod found bears North 76 Deg. 40 Min. 02 Sec. West a distance of 1.19 feet and being the North corner of a 43.68 Acre Tract conveyed to the Board of Trustees of the South Texas independent School District, recorded in Volume 18354, Page 47, Official Records of Cameron County, Texas, for a corner of the tract herein described;
- 7) **THENCE** along the approximate south bank of the existing drain ditch, South 54 Deg. 49 Min. 28 Sec. West a distance of 335.66 feet to a point from which an iron rod found bears North 71 Deg. 53 Min. 02 Sec. West a distance of 1.17 feet, for a corner of the tract herein described;

- 8) **THENCE** South 61 Deg. 09 Min. 03 Sec. West a distance of 873.22 feet to a point from which an iron rod found bears North 82 Deg. 37 Min. 23 Sec. West a distance of 1.08 feet, for a corner of the tract herein described;
- 9) **THENCE** South 72 Deg. 31 Min. 03 Sec. West a distance of 207.72 feet to a point from which an iron rod found bears North 06 Deg. 04 Min. 29 Sec. West a distance of 0.40 feet and being on the East Right of way of U.S. Expressway 77/83 for the South corner of the tract herein described;
- 10) **THENCE** along the East right of way of U.S. Expressway 77/83, North 41 Deg. 19 Min. 56 Sec. West a distance of 1213.45 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set, for a corner of the tract herein described;
- 11) **THENCE** continuing along the East right of way of U.S. Expressway 77/83, North 45 Deg. 43 Min. 57 Sec. West a distance of 561.67 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set, for a corner of the tract herein described;
- 12) **THENCE** continuing along the East right of way of U.S. Expressway 77/83 and along said curve to the right, having a radius of 5280.00 feet, an arc length of 770.47 feet, through a central angle of 08 Deg. 21 Min. 39 Sec., with a chord bearing of North 41 Deg. 33 Min. 07 Sec. West and a chord distance of 769.79 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set, for a corner of the tract herein described;
- 13) **THENCE** continuing along the East right of way of U.S. Expressway 77/83, North 37 Deg. 22 Min. 18 Sec. West a distance of 1365.58 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set, for a corner of the tract herein described;
- 14) **THENCE** continuing along the East right of way of U.S. Expressway 77/83, North 32 Deg. 15 Min. 22 Sec. West a distance of 683.57 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set, for a corner of the tract herein described;
- 15) **THENCE** continuing along the East right of way of U.S. Expressway 77/83, North 27 Deg. 51 Min. 22 Sec. West a distance of 1303.46 feet to an iron rod found, for a corner of the tract herein described;
- 16) **THENCE** continuing along the East right of way of U.S. Expressway 77/83, North 32 Deg. 15 Min. 22 Sec. west a distance of 1400.00 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set, for a corner of the tract herein described;
- 17) **THENCE** continuing along the East right of way of U.S. Expressway 77/83, North 36 Deg. 51 Min. 27 Sec. West a distance of 1246.62 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set, for a corner of the tract herein described;
- 18) **THENCE** continuing along the East right of way of U.S. Expressway 77/83, North 32 Deg. 15 Min. 22 Sec. west a distance of 2053.37 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set, for a corner of the tract herein described;
- 19) **THENCE** continuing along the East right of way of U.S. Expressway 77/83, North 27 Deg. 26 Min. 42 Sec. west a distance of 956.68 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set, for a corner of the tract herein described;

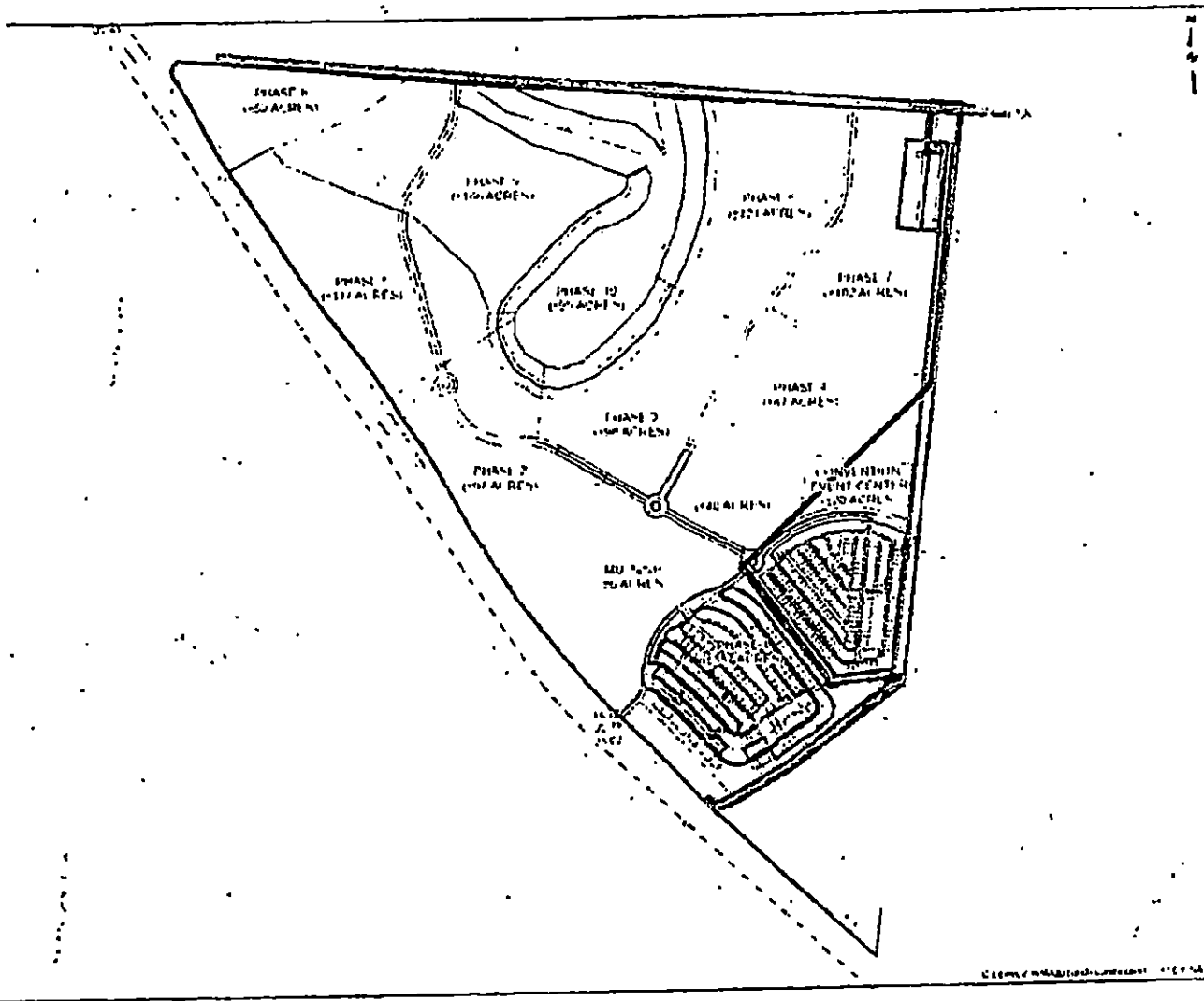
- 20) **THENCE** continuing along the East right of way of U.S. Expressway 77/83, North 32 Deg. 14 Min. 52 Sec. West a distance of 380.82 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set on the corner clip of State Highway 100, for a corner of the tract herein described;
- 21) **THENCE** along the corner clip of State Highway 100, North 27 Deg. 44 Min. 38 Sec. East a distance of 184.12 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set on the South Right of way of State Highway 100, for the Northwest corner of the tract herein described;
- 22) **THENCE** along the south right of way of State Highway 100, North 89 Deg. 22 Min. 38 Sec. East a distance of 93.70 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set, for a corner of the tract herein described;
- 23) **THENCE** continuing along the south right of way of State Highway 100, South 84 Deg. 00 Min. 11 Sec. East a distance of 2204.07 feet to a point, for a corner of the tract herein described;
- 24) **THENCE** continuing along the south right of way of State Highway 100, South 05 Deg. 59 Min. 50 Sec. West a distance of 10.00 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set, from where a 1/2 inch iron rod found bears South 78 Deg. 43 Min. 15 Sec. East a distance of 0.57 feet, for a corner of the tract herein described;
- 25) **THENCE** continuing along the south right of way of State Highway 100, South 84 Deg. 00 Min. 31 Sec. East a distance of 2200.00 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set, for a corner of the E tract herein described;
- 26) **THENCE** continuing along the south right of way of State Highway 100, North 05 Deg. 59 Min. 49 Sec. East a distance of 10.00 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set, from which a 1/2 inch iron rod found bears North 69 Deg. 08 Min. 52 Sec. West a distance of 3.11 feet, for a corner of the tract herein described;
- 27) **THENCE** continuing along the south right of way of State Highway 100, South 84 Deg. 00 Min. 11 Sec. East a distance of 0.43 feet past a 1/2 inch iron rod found, a total distance of 1799.90 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set, for a corner of the tract herein described;
- 28) **THENCE** continuing along the south right of way of State Highway 100, South 78 Deg. 17 Min. 33 Sec. East a distance of 100.50 feet to a point, for a corner of the tract herein described;
- 29) **THENCE** continuing along the south right of way of State Highway 100, South 84 Deg. 00 Min. 11 Sec. East a distance of 100.00 feet to a point, for a corner of the tract herein described;
- 30) **THENCE** continuing along the south right of way of State Highway 100, South 89 Deg. 42 Min. 49 Sec. East a distance of 100.50 feet to a point, for a corner of the tract herein described;
- 31) **THENCE** continuing along the south right of way of State Highway 100, South 84

Deg. 00 Min. 10 Sec. East a distance of 3114.17 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set, for a corner of the tract herein described:

- 32) **THENCE** leaving the south right of way of State Highway 100, South 07 Deg. 12 Min. 40 Sec. West a distance of 380.26 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set, for a corner of the tract herein described;
- 33) **THENCE** North 84 Deg. 00 Min. 20 Sec. West a distance of 243.20 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set, for a corner of the tract herein described;
- 34) **THENCE** South 07 Deg. 12 Min. 17 Sec. West at a distance of 809.48 feet past a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set for reference, a total distance of 1150.36 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set, for a corner of the tract herein described;
- 35) **THENCE** South 82 Deg. 47 Min. 43 Sec. East a distance of 511.11 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set, for a corner of the tract herein described;
- 36) **THENCE** North 07 Deg. 12 Min. 17 Sec. East at a distance of 340.90 feet past a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set for reference, a total distance of 1161.16 feet to a 1/2 inch iron rod with plastic cap stamped MEDINA 5719 set on the South boundary of a 3.0 Acre tract conveyed to Valley Pipeline by deed recorded in Volume 303, Page 238, Deed Records of Cameron County, Texas, for a corner of the tract herein described;
- 37) **THENCE** along the South boundary of the 3.0 Acre Tract, South 84 Deg. 00 Min. 20 Sec. East a distance of 110.03 feet to a point being the Southwest corner of a 0.38 Acre Tract conveyed to Martha M. Russel, recorded in volume 291, Page S67, deed Records of Cameron County, Texas, for a corner of the tract herein described;
- 38) **THENCE** along the West boundary of the 0.38 Acre Tract, North 07 Deg. 12 Min. 17 Sec. East a distance of 380.25 feet to a point on the South right of way of State Highway No. 100, for a corner of the tract herein described;
- 39) **THENCE** along the South right of way of State Highway No. 100, South 84 Deg. 00 Min. 10 Sec. East a distance of 40.00 feet to the **POINT OF BEGINNING**: Containing 1330.35 Acres of land within these metes and bounds.

Basis of bearing as per the Texas State Plane Coordinate System, South Zone, NAD 83.
All dimensions are in feet and decimals thereof.

Jose D. Medina, R.P.L.S. Registered Professional Land Surveyor No. 5719 26
August 2013 FERRIS & FLINN, LLC ENGINEERS SURVEYORS



Map No. 100000-100

Brownsville TIRZ #1

c-o-s
 Carl Calderon
 3000 North Loop West, Suite 1000
 Houston, Texas 77027
 713.774.8888

Brownsville TIRZ #1
Madera Espiritu Santo TIRZ
 City of Brownsville
 Cameron County Texas

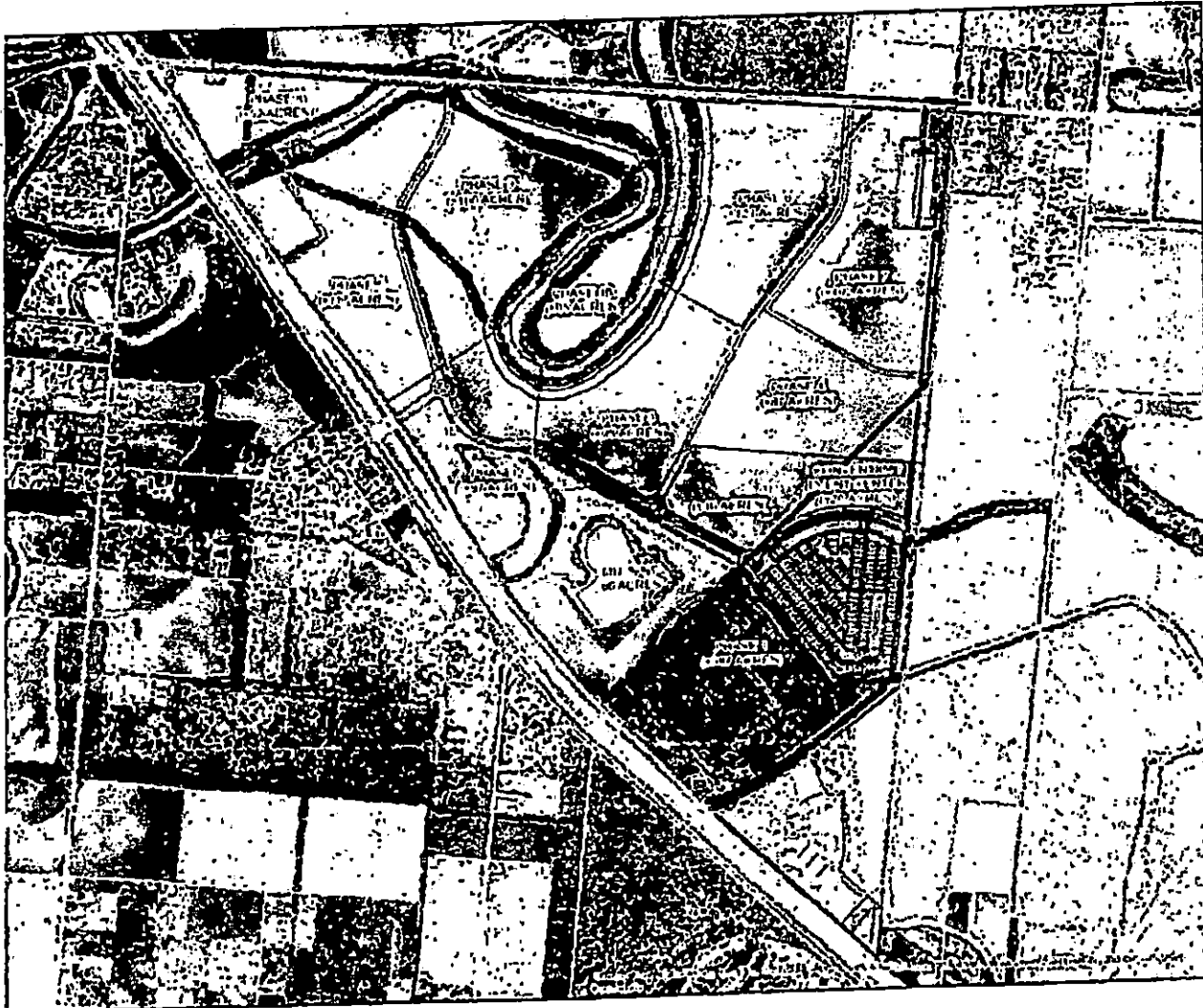
Scale 1" = 100'

0 0.1 0.2 0.3 0.4

Miles

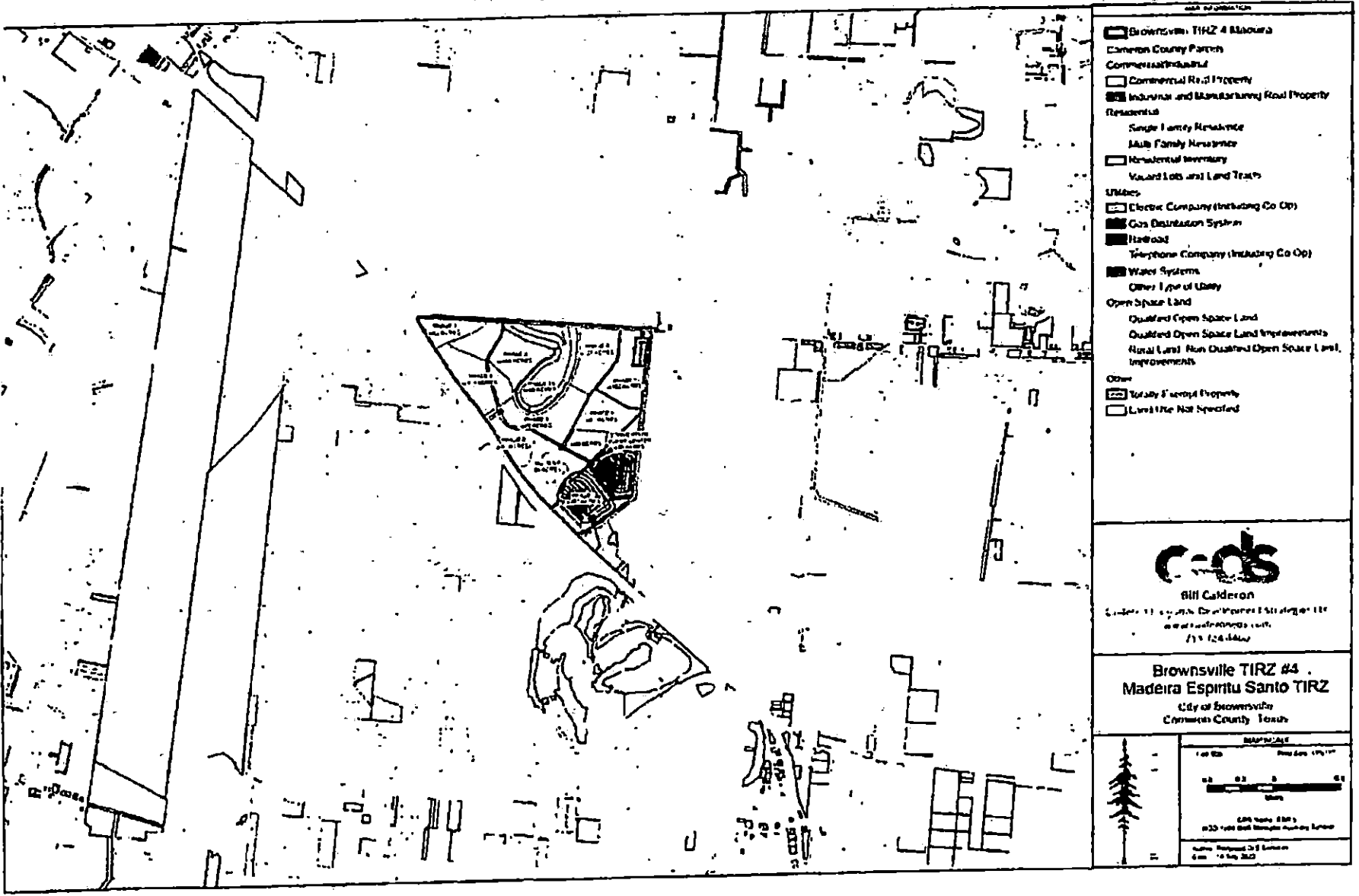
Date: 10/10/2017
 Time: 10:00 AM

Map 1 - Boundary



<p>Brownsville TIRZ #4</p>	
<p>Full Certification <small>... 1997</small></p>	
<p>Brownsville TIRZ #4 Madrera Espiritu Santo TIRZ City of Brownsville Cameron County, Texas</p>	
	<p>Scale: 1" = 100'</p>
	<p>City of Brownsville City Engineer Date: 10/15/03</p>

Map 2 — Aerial Map



- DATE OF PREPARATION
- Brownsville TIRZ #4 Madera
 - Cameron County Parish
 - Commercial/Industrial
 - Commercial Retail Property
 - Industrial and Manufacturing Real Property
 - Residential
 - Single Family Residence
 - Multi Family Residence
 - Municipal Inventory
 - Vacant Lots and Land Tracts
 - Utilities
 - Electric Company (Including Co Op)
 - Gas Distribution System
 - Railroad
 - Telephone Company (Including Co Op)
 - Water Systems
 - Other Type of Utility
 - Open Space Land
 - Qualified Open Space Land
 - Qualified Open Space Land Improvements
 - Rural Land Non Qualified Open Space Land Improvements
 - Other
 - Vacant Property
 - Land Title Not Specified

c-o-b

Bill Calderon
 1201 N. 10th Street, Suite 111
 Brownsville, TX 77801
 (361) 724-1444

Brownsville TIRZ #4
Madera Espiritu Santo TIRZ
 City of Brownsville
 Cameron County Texas

SCALE

1 inch = 100 feet
 1:12500

0 0.2 0.4 0.6 0.8 1.0
 Miles

COP No. 2201
 2025 Year Built Municipal Planning Survey

Author: Prepared by Bill Calderon
 Date: 10 July 2025

Schedules

Real Property Tax Revenue			
	Participation Percentage	Tax Rate	Retained by Jurisdiction at 50% Arena Set aside
City of Brownsville	50%	0.70061	\$ 68,790,114
Cameron County	50%	0.43690	\$ 42,896,605
Estimated Real Property Tax Revenue By Jurisdiction (1)			\$ 17,187,529
City of Brownsville			\$ 10,724,151
Cameron County			\$ 27,821,660
Real Property Tax Revenue Attributable to Project			\$ 139,608,399

Revenue analysis for Madeira Espritu Santo Tirz
 Brownsville TIRZ - 50% Participation by Taking Jurisdictions for 30 years
 40% retained by the Jurisdiction; 10% set aside for Arena project costs
 Participation Summary and Revenue Estimates

11/21/2020

City of Brownsville Estimated Sales Tax Impact	4A	\$	7,522,500	4B	\$7,522,500	General Fund	\$45,135,000
% reimbursed by TIRZ							
Total Development Costs excluding Arena			\$163,329,788.00				
Total Arena costs			\$33,528,375.00				
Total TIRZ Project costs			\$196,858,163.00				

SCHEDULE A

Madeira Espirito Santo TIRZ
Residential Buildout Schedule (In Thousands)

Phases	1		1		2		2		3		3		4		4	
	2022		2023		2024		2025		2026		2027		2028		2029	
	Homes	Value	Homes	Value	Homes	Value	Homes	Value	Homes	Value	Homes	Value	Homes	Value	Homes	Value
Phase I Residential Project Values (In Thousands)																
Single Family Detached High	54	\$21,600	54	\$14,850												
Single Family Detached Low	29	\$ 0,525	29	\$ 5,800												
Garden Lots	31	\$ 6,200	31	\$ 6,200												
Town Homes	20	\$ 2,800	20	\$ 2,400												
Quad Plexes	4	\$ 2,400	4	\$ 2,200												
Garden Apartments	64	\$ 6,639	64	\$ 5,639												
Remaining Phases 2-9					96	\$ 16,800	96	\$16,800	96	\$16,800	96	\$16,800	96	\$16,800	96	\$16,800
Small Lot					35	\$ 7,000	35	\$ 7,000	35	\$ 7,000	35	\$ 7,000	35	\$ 7,000	35	\$ 7,000
Medium Lot					25	\$ 8,750	25	\$ 9,375	25	\$ 9,375	25	\$ 9,375	25	\$ 9,375	25	\$ 9,375
Large Lot																
Total Home Sales	202		202		156		156		156		156		156		156	
Total Captured Value		\$46,164		\$38,089		\$32,550		\$33,175		\$33,175		\$33,175		\$33,175		\$33,175
Cumulative Captured Value		\$46,164		\$84,253		\$116,803		\$149,978		\$183,153		\$216,328		\$249,503		\$282,678

Note

1. Captured value is presented in thousands of dollars.

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SCHEDULE B

Madeira Espirito Santo TIRZ
Commercial Buildout Schedule (In Thousands)

Commercial Project Values	2022		2023		2024		2025		2026		2027		2028		2029	
	Units or square foot	Value	Units or square foot	Value	Units or square foot	Value	Units or square foot	Value	Units or square foot	Value	Units or square foot	Value	Units or square foot	Value	Units or square foot	Value
Convenience Stores/Gas/ Carwashes (2)	80	\$ 4,680			90	\$ 12,510	80	\$ 4,680	390	\$24,803			220	\$35,744	220	\$35,744
Grocery Store Plus/ And Grocery Store Shaded Cir (2)									270	\$35,744						
Power Centers (4)							21	\$ 3,293	21	\$ 3,293	21	\$ 3,293	21	\$ 3,293	21	\$ 3,293
Flex retail-Office (13 tracts)							17	\$ 4,458	17	\$ 4,458	17	\$ 4,458	17	\$ 4,458	17	\$ 4,458
Business Park										\$80,770					20	\$ 2,960
Hospital/ Medical Office								\$ 1,617		\$ 1,617		\$ 1,617		\$ 1,617		\$ 1,617
Medical Office/ Office supporting medical								\$ 7,930								
Hotel																
Total Captured Value		\$4,680		\$0		\$12,510		\$21,978		\$150,685		\$9,358		\$45,112		\$46,072
Cumulative Captured Value		\$4,680		\$4,680		\$17,190		\$39,168		\$189,853		\$189,221		\$244,333		\$282,405

5 2030		5 2031		6 2032		6 2033		7 2034		7 2035		8 2036		8 2037		9 2038		2039	
Homes	Value	Homes	Value	Homes	Value	Homes	Value	Homes	Value	Homes	Value	Homes	Value	Homes	Value	Homes	Value	Homes	Value

96	\$ 16,800	96	\$ 16,800	96	\$ 16,800	96	\$ 16,800	96	\$ 16,800	96	\$ 16,800	96	\$ 16,800	96	\$ 16,800	96	\$ 16,800	96	\$ 16,800
35	\$ 7,000	35	\$ 7,000	35	\$ 7,000	35	\$ 7,000	35	\$ 7,000	35	\$ 7,000	35	\$ 7,000	35	\$ 7,000	35	\$ 7,000	35	\$ 7,000
25	\$ 9,375	25	\$ 9,375	25	\$ 9,375	25	\$ 9,375	25	\$ 9,375	25	\$ 9,375	25	\$ 9,375	25	\$ 9,375	25	\$ 9,375	25	\$ 9,375

156		156		156		156		156		156		156		156		156		156	
	\$33,175		\$33,175		\$33,175		\$33,175		\$33,175		\$33,175		\$33,175		\$33,175		\$33,175		\$33,175
	\$315,852.50		\$349,028		\$382,203		\$415,378		\$448,553		\$481,728		\$514,903		\$548,078		\$581,253		\$614,428

20

2030		2031		2032		2033		2034		2035		2036		2037					
Units or square feet	Value	Units or square feet	Value	Units or square feet	Value	Units or square feet	Value	Units or square feet	Value	Units or square feet	Value	Units or square feet	Value	Units or square feet	Value				
21.0	\$ 3,293	220.0	\$35,744	21.0	\$ 3,293	21.0	\$ 3,293	21.0	\$ 3,293	21.0	\$ 3,293	21.0	\$ 3,293	21.0	\$ 3,293				
17.8	\$ 4,458	17.6	\$ 4,458	17.6	\$ 4,458	17.6	\$ 4,458												
20.0	\$ 7,960																		
	\$ 1,617		\$ 1,617		\$ 1,617		\$ 1,617		\$ 1,617										
	\$ 12,328		\$45,112		\$9,368		\$9,368		\$4,910		\$3,293		\$3,293		\$3,293				
	\$304,733		\$349,845		\$359,213		\$368,581		\$373,491		\$376,784		\$380,077		\$383,370				

SCHEDULE C

Projected Assessed Valuations

Tax Roll	Cumulative City Residential Valuation	Cumulative Commercial Valuation	City Projected Taxable Valuation	Cumulative County Residential Valuation	County Cumulative Commercial Valuation	County Projected Taxable Valuation
Jan 1	Valuation	Valuation	Valuation	Valuation	Valuation	Valuation
2022	\$ 46,163,750	\$ 4,680,000	50,843,750	\$ 46,163,750	\$ 4,680,000	\$ 50,843,750
2023	\$ 84,252,500	\$ 4,680,000	88,932,500	\$ 84,252,500	\$ 4,680,000	\$ 88,932,500
2024	\$ 116,802,500	\$ 17,190,000	133,992,500	\$ 116,802,500	\$ 17,190,000	\$ 133,992,500
2025	\$ 149,977,500	\$ 39,168,000	189,145,500	\$ 149,977,500	\$ 39,168,000	\$ 189,145,500
2026	\$ 183,152,500	\$ 189,853,000	373,005,500	\$ 183,152,500	\$ 189,853,000	\$ 373,005,500
2027	\$ 216,327,500	\$ 199,221,000	415,548,500	\$ 216,327,500	\$ 199,221,000	\$ 415,548,500
2028	\$ 249,502,500	\$ 244,333,000	493,835,500	\$ 249,502,500	\$ 244,333,000	\$ 493,835,500
2029	\$ 282,677,500	\$ 292,405,000	575,082,500	\$ 282,677,500	\$ 292,405,000	\$ 575,082,500
2030	\$ 315,852,500	\$ 304,733,000	620,585,500	\$ 315,852,500	\$ 304,733,000	\$ 620,585,500
2031	\$ 349,027,500	\$ 349,845,000	698,872,500	\$ 349,027,500	\$ 349,845,000	\$ 698,872,500
2032	\$ 382,202,500	\$ 359,213,000	741,415,500	\$ 382,202,500	\$ 359,213,000	\$ 741,415,500
2033	\$ 415,377,500	\$ 368,581,000	783,958,500	\$ 415,377,500	\$ 368,581,000	\$ 783,958,500
2034	\$ 448,552,500	\$ 373,491,000	822,043,500	\$ 448,552,500	\$ 373,491,000	\$ 822,043,500
2035	\$ 481,727,500	\$ 376,784,000	858,511,500	\$ 481,727,500	\$ 376,784,000	\$ 858,511,500
2036	\$ 514,902,500	\$ 380,077,000	894,979,500	\$ 514,902,500	\$ 380,077,000	\$ 894,979,500
2037	\$ 548,077,500	\$ 383,370,000	931,447,500	\$ 548,077,500	\$ 383,370,000	\$ 931,447,500
2038	\$ 581,252,500	\$ 392,954,250	974,206,750	\$ 581,252,500	\$ 392,954,250	\$ 974,206,750
2039	\$ 614,427,500	\$ 402,778,106	1,017,205,606	\$ 614,427,500	\$ 402,778,106	\$ 1,017,205,606
2040	\$ 629,788,188	\$ 412,847,559	1,042,635,746	\$ 629,788,188	\$ 412,847,559	\$ 1,042,635,746
2041	\$ 645,532,892	\$ 423,168,748	1,068,701,640	\$ 645,532,892	\$ 423,168,748	\$ 1,068,701,640
2042	\$ 661,671,214	\$ 433,747,967	1,095,419,181	\$ 661,671,214	\$ 433,747,967	\$ 1,095,419,181
2043	\$ 678,212,995	\$ 444,591,666	1,122,804,661	\$ 678,212,995	\$ 444,591,666	\$ 1,122,804,661
2044	\$ 695,168,320	\$ 455,706,457	1,150,874,777	\$ 695,168,320	\$ 455,706,457	\$ 1,150,874,777
2045	\$ 712,547,528	\$ 467,099,119	1,179,646,647	\$ 712,547,528	\$ 467,099,119	\$ 1,179,646,647
2046	\$ 730,361,216	\$ 478,776,597	1,209,137,813	\$ 730,361,216	\$ 478,776,597	\$ 1,209,137,813
2047	\$ 748,620,246	\$ 490,746,012	1,239,366,258	\$ 748,620,246	\$ 490,746,012	\$ 1,239,366,258
2048	\$ 767,335,752	\$ 503,014,662	1,270,350,414	\$ 767,335,752	\$ 503,014,662	\$ 1,270,350,414
2049	\$ 786,519,146	\$ 515,590,029	1,302,109,175	\$ 786,519,146	\$ 515,590,029	\$ 1,302,109,175
2050	\$ 806,182,125	\$ 528,479,779	1,334,661,904	\$ 806,182,125	\$ 528,479,779	\$ 1,334,661,904
2051	\$ 826,336,678	\$ 541,691,774	1,368,028,452	\$ 826,336,678	\$ 541,691,774	\$ 1,368,028,452

Note:

- 1 Includes 2.5% annual appreciation after buildout in 2039
- 2 The City and County do not offer homestead exemptions

SCHEDULE D

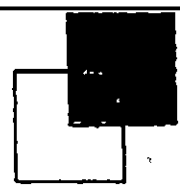
Madeira Espiritu Santo TIRZ
Projected Property Tax Revenues

	Tax Year	Coll. Year	100 % of City Tax Rate	98% City Tax Collection	50 % City TIRZ Participation	50 % City Retained Tax Revenue	100% of County Tax Rate	98% County Tax Collection	50 % County TIRZ Participation	50 % County Retained Tax Revenue	Total TIRZ Tax Revenues Available	Cumulative Tax Revenue Available
1	2022	2023	\$ 0.7006	\$ 349,094	\$ 174,547	\$ 174,547	\$ 0.4369	\$ 217,690	\$ 108,845	\$ 108,845	\$ 283,392	\$ 283,392
2	2023	2024	\$ 0.7006	\$ 610,611	\$ 305,306	\$ 305,306	\$ 0.4369	\$ 380,769	\$ 190,385	\$ 190,385	\$ 495,690	\$ 779,082
3	2024	2025	\$ 0.7006	\$ 919,993	\$ 459,997	\$ 459,997	\$ 0.4369	\$ 573,696	\$ 286,848	\$ 286,848	\$ 746,845	\$ 1,525,927
4	2025	2026	\$ 0.7006	\$ 1,298,674	\$ 649,337	\$ 649,337	\$ 0.4369	\$ 809,836	\$ 404,918	\$ 404,918	\$ 1,054,255	\$ 2,580,182
5	2026	2027	\$ 0.7006	\$ 2,561,059	\$ 1,280,529	\$ 1,280,529	\$ 0.4369	\$ 1,597,042	\$ 798,521	\$ 798,521	\$ 2,079,050	\$ 4,659,232
6	2027	2028	\$ 0.7006	\$ 2,853,159	\$ 1,426,580	\$ 1,426,580	\$ 0.4369	\$ 1,779,192	\$ 889,596	\$ 889,596	\$ 2,316,176	\$ 6,975,408
7	2028	2029	\$ 0.7006	\$ 3,390,678	\$ 1,695,339	\$ 1,695,339	\$ 0.4369	\$ 2,114,382	\$ 1,057,191	\$ 1,057,191	\$ 2,752,530	\$ 9,727,938
8	2029	2030	\$ 0.7006	\$ 3,948,521	\$ 1,974,260	\$ 1,974,260	\$ 0.4369	\$ 2,462,245	\$ 1,231,123	\$ 1,231,123	\$ 3,205,383	\$ 12,933,321
9	2030	2031	\$ 0.7006	\$ 4,260,945	\$ 2,130,472	\$ 2,130,472	\$ 0.4369	\$ 2,657,069	\$ 1,328,534	\$ 1,328,534	\$ 3,459,007	\$ 16,392,328
10	2031	2032	\$ 0.7006	\$ 4,798,464	\$ 2,399,232	\$ 2,399,232	\$ 0.4369	\$ 2,992,259	\$ 1,496,129	\$ 1,496,129	\$ 3,895,361	\$ 20,287,689
11	2032	2033	\$ 0.7006	\$ 5,090,564	\$ 2,545,282	\$ 2,545,282	\$ 0.4369	\$ 3,174,409	\$ 1,587,204	\$ 1,587,204	\$ 4,132,486	\$ 24,420,175
12	2033	2034	\$ 0.7006	\$ 5,382,665	\$ 2,691,332	\$ 2,691,332	\$ 0.4369	\$ 3,356,559	\$ 1,678,279	\$ 1,678,279	\$ 4,369,612	\$ 28,789,787
13	2034	2035	\$ 0.7006	\$ 5,644,157	\$ 2,822,078	\$ 2,822,078	\$ 0.4369	\$ 3,519,621	\$ 1,759,811	\$ 1,759,811	\$ 4,581,889	\$ 33,371,676
14	2035	2036	\$ 0.7006	\$ 5,894,546	\$ 2,947,273	\$ 2,947,273	\$ 0.4369	\$ 3,675,761	\$ 1,837,881	\$ 1,837,881	\$ 4,785,154	\$ 38,156,830
15	2036	2037	\$ 0.7006	\$ 6,144,936	\$ 3,072,468	\$ 3,072,468	\$ 0.4369	\$ 3,831,901	\$ 1,915,950	\$ 1,915,950	\$ 4,988,418	\$ 43,145,248
16	2037	2038	\$ 0.7006	\$ 6,395,325	\$ 3,197,663	\$ 3,197,663	\$ 0.4369	\$ 3,988,040	\$ 1,994,020	\$ 1,994,020	\$ 5,191,683	\$ 48,336,931
17	2038	2039	\$ 0.7006	\$ 6,688,911	\$ 3,344,455	\$ 3,344,455	\$ 0.4369	\$ 4,171,116	\$ 2,085,558	\$ 2,085,558	\$ 5,430,014	\$ 53,766,945
18	2039	2040	\$ 0.7006	\$ 6,984,141	\$ 3,492,071	\$ 3,492,071	\$ 0.4369	\$ 4,355,218	\$ 2,177,609	\$ 2,177,609	\$ 5,669,680	\$ 59,436,624
19	2040	2041	\$ 0.7006	\$ 7,158,745	\$ 3,579,372	\$ 3,579,372	\$ 0.4369	\$ 4,464,099	\$ 2,232,049	\$ 2,232,049	\$ 5,811,422	\$ 65,248,046
20	2041	2042	\$ 0.7006	\$ 7,337,713	\$ 3,668,857	\$ 3,668,857	\$ 0.4369	\$ 4,575,701	\$ 2,287,851	\$ 2,287,851	\$ 5,956,707	\$ 71,204,753
21	2042	2043	\$ 0.7006	\$ 7,521,156	\$ 3,760,578	\$ 3,760,578	\$ 0.4369	\$ 4,690,094	\$ 2,345,047	\$ 2,345,047	\$ 6,105,625	\$ 77,310,378
22	2043	2044	\$ 0.7006	\$ 7,709,185	\$ 3,854,593	\$ 3,854,593	\$ 0.4369	\$ 4,807,346	\$ 2,403,673	\$ 2,403,673	\$ 6,258,265	\$ 83,568,643
23	2044	2045	\$ 0.7006	\$ 7,901,915	\$ 3,950,957	\$ 3,950,957	\$ 0.4369	\$ 4,927,530	\$ 2,463,765	\$ 2,463,765	\$ 6,414,722	\$ 89,983,366
24	2045	2046	\$ 0.7006	\$ 8,099,463	\$ 4,049,731	\$ 4,049,731	\$ 0.4369	\$ 5,050,718	\$ 2,525,359	\$ 2,525,359	\$ 6,575,090	\$ 96,558,456
25	2046	2047	\$ 0.7006	\$ 8,301,949	\$ 4,150,975	\$ 4,150,975	\$ 0.4369	\$ 5,176,986	\$ 2,588,493	\$ 2,588,493	\$ 6,739,467	\$ 103,297,923
26	2047	2048	\$ 0.7006	\$ 8,509,498	\$ 4,254,749	\$ 4,254,749	\$ 0.4369	\$ 5,306,410	\$ 2,653,205	\$ 2,653,205	\$ 6,907,954	\$ 110,205,877
27	2048	2049	\$ 0.7006	\$ 8,722,235	\$ 4,361,118	\$ 4,361,118	\$ 0.4369	\$ 5,439,071	\$ 2,719,535	\$ 2,719,535	\$ 7,080,653	\$ 117,286,530
28	2049	2050	\$ 0.7006	\$ 8,940,291	\$ 4,470,146	\$ 4,470,146	\$ 0.4369	\$ 5,575,047	\$ 2,787,524	\$ 2,787,524	\$ 7,257,669	\$ 124,544,200
29	2050	2051	\$ 0.7006	\$ 9,163,799	\$ 4,581,899	\$ 4,581,899	\$ 0.4369	\$ 5,714,424	\$ 2,857,212	\$ 2,857,212	\$ 7,439,111	\$ 131,983,311
30	2051	2052	\$ 0.7006	\$ 9,392,893	\$ 4,696,447	\$ 4,696,447	\$ 0.4369	\$ 5,857,284	\$ 2,928,642	\$ 2,928,642	\$ 7,625,089	\$ 139,608,399
				\$ 171,975,285	\$ 85,987,643	\$ 85,987,643		\$ 107,241,513	\$ 53,620,757	\$ 53,620,757	\$ 139,608,399	

Swantner Land Use Residential Development Detail by phase

Swantner Real Estate Valuation Services, LLC

Valuations, Brokerage, Decision Analytics

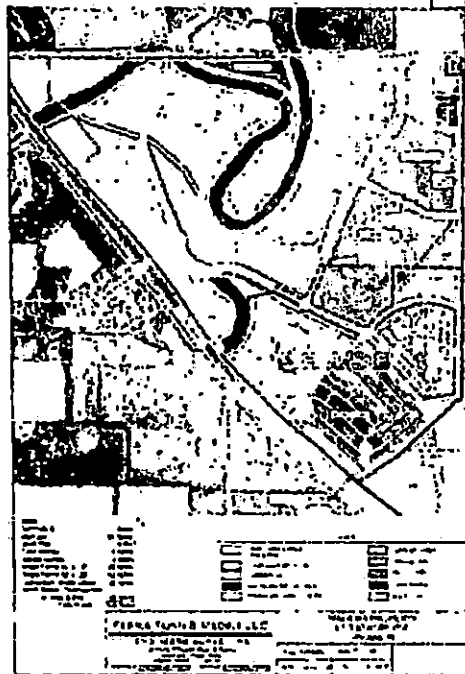


Consulting Report

Madera Partners
1,330.35 Acres
Raw Land located at the Southeasterly Corner of Expressway 77/83 and State Highway 100
Brownsville, Texas

Prepared For
Dennis M. Sanchez, P.C.
Sanchez, Whittington & Wood, LLC
3505 Boca Chica Boulevard, Suite 100
Brownsville, Texas 78521-4064

Consulting Date
January 10, 2020



Swantner Real Estate Valuation Services, LLC

Valuations, Brokerage, Decision Analytics

2905 Central Boulevard, Suite B
Brownsville, Texas 78520
Telephone: (956) 542-3950
Email: pat@swantnerrealestate.com

January 10, 2020

Dennis M. Sanchez, P.C.
Sanchez, Whittington & Wood, LLC
3505 Boca Chica Boulevard, Suite 100
Brownsville, Texas 78521-4046

Regarding: ad valorem tax base creation values for Maderia Partners 1,330.35 Acres at southeast corner of Expressway 77/83 and State Highway 100

Dear Mr. Sanchez:

As requested, I have completed tax base value estimates for Maderia Partners.

Report Purpose, Use and Users:

The purpose of the report was to develop an opinion of ad valorem tax base values created by the future development of Santander Properties, LTD. The intended use of the report is for creation of a Tax Increment Reinvestment Zone (TIRZ) by Cameron County for loan origination. The intended users are Maderia Partners and assigns.

Hypothetical Conditions:

All of Maderia Partners 1,330.35 acres are developed to their highest and best use.

Extraordinary Assumptions and Limiting Conditions:

1. I am assuming a master development plan will be approved by the City of Brownsville allowing a multi-use, multi-phased development of the 1,330.35 acres to the highest and best uses forecast in the following report. I reserve the right to change my ad valorem tax base creation values should this assumption prove to be incorrect.
2. The appraiser makes no representations, opinions or judgments regarding the subject property's compliance or non-compliance with the American Disability Act. 1.
3. The opinion of the appraiser is based on information obtained as of the date of the appraisal. The appraiser expressly reserves the right to amend or alter the appraiser's opinion as to the market value of the subject property based on information or documents obtained or discovered after the date of the appraisal.
4. The client is directed to the "Addenda" for additional Assumptions and Limiting Conditions.

Ad Valorem Tax Values Created by Future Development

My opinion of the ad valorem tax base values created by the future development of Madera Partners 1,330.35 acres as of the January 10, 2020 consulting date is as follows:

Madera Properties

Ad Valorem Tax Base Value Creation Summary File

1,330.35 acres

Swantner Real Estate Valuation Services, LLC

Consulting Date:

3/20/2018

Property	Tract	Projected Use	Size (Ac)	Tax Base	
				Value Created	Timing
Madera Residential	Ph1	Madera SF Residential	98	\$61,350,000	1-2 yrs
	Ph2	Madera SF Residential	81	\$55,330,000	3-4 yrs
	Ph3	Madera SF Residential	81	\$55,330,000	5-8 yrs
	Ph4	Madera SF Residential	81	\$55,330,000	7-8 yrs
	Ph5	Madera SF Residential	81	\$55,330,000	9-10 yrs
	Ph6	Madera SF Residential	81	\$55,330,000	11-12 yrs
	Ph7	Madera SF Residential	81	\$55,330,000	13-14 yrs
	Ph8	Madera SF Residential	81	\$55,330,000	15-16 yrs
	Ph9	Madera SF Residential	82	\$55,330,000	17-18 yrs
	1	Garden Apartments	9.375	\$13,237,031	1-3 yrs
	2	Garden Apartments	9.375	\$13,237,031	1-3 yrs
	3	Garden Apartments	9.375	\$13,237,031	1-3 yrs
	4	Garden Apartments	9.375	\$13,237,031	4-6 yrs
	5	Garden Apartments	9.375	\$13,237,031	4-6 yrs
	6	Garden Apartments	9.375	\$13,237,031	4-6 yrs
	Madera Commercial	1	Convenience Stores with Gasoline	3.00	\$4,680,000
2		Convenience Stores with Gasoline	3.00	\$4,680,000	4-6 yrs
1		Hotel	3.00	\$7,930,000	1-3 yrs
1		Grocery Store Plus	10.00	\$12,510,000	3-5 yrs
2		Grocery Store Shadowed Center	19.00	\$24,803,580	3-5 yrs
1		Town-Lifestyle-Power Centers	25.25	\$35,744,746	3-5 yrs
2		Town-Lifestyle-Power Centers	25.25	\$35,744,746	5-7 yrs
3		Town-Lifestyle-Power Centers	25.25	\$35,744,746	7-9 yrs
4		Town-Lifestyle-Power Centers	25.25	\$35,744,746	9-11 yrs
1		Flex Retail-Office	2.87	\$3,028,263	4-8 yrs
2	Flex Retail-Office	2.87	\$3,293,881	5-7 yrs	
3	Flex Retail-Office	2.87	\$3,293,881	6-8 yrs	
4	Flex Retail-Office	2.87	\$3,293,881	7-8 yrs	
5	Flex Retail-Office	2.87	\$3,293,881	8-10 yrs	
6	Flex Retail-Office	2.87	\$3,293,881	9-11 yrs	
7	Flex Retail-Office	2.87	\$3,293,881	10-12 yrs	
8	Flex Retail-Office	2.87	\$3,293,881	11-13 yrs	
9	Flex Retail-Office	2.87	\$3,293,881	12-13 yrs	
10	Flex Retail-Office	2.87	\$3,293,881	13-15 yrs	

11	Flex Retail-Office	2.87	\$3,293,881	14-16 yrs
12	Flex Retail-Office	2.87	\$3,293,881	15-17 yrs
13	Flex Retail-Office	2.87	\$3,293,881	16-18 yrs
1	Logistics/Research Business Park	3.00	\$4,458,642	2-4 yrs
2	Logistics/Research Business Park	3.00	\$4,458,642	2-4 yrs
3	Logistics/Research Business Park	3.00	\$4,458,642	2-4 yrs
4	Logistics/Research Business Park	3.00	\$4,458,642	5-7 yrs
5	Logistics/Research Business Park	3.00	\$4,458,642	5-7 yrs
6	Logistics/Research Business Park	3.00	\$4,458,642	5-7 yrs
7	Logistics/Research Business Park	3.00	\$4,458,642	8-8 yrs
8	Logistics/Research Business Park	3.00	\$4,458,642	8-9 yrs
9	Logistics/Research Business Park	3.00	\$4,458,642	8-9 yrs
1	Hospital with Medical Office Building	22.00	\$80,770,000	5-7 yrs
1	Medical Office/Non-Medical Office	1.50	\$1,617,640	4-6 yrs
2	Medical Office/Non-Medical Office	1.50	\$1,617,640	4-6 yrs
3	Medical Office/Non-Medical Office	1.50	\$1,617,640	4-6 yrs
4	Medical Office/Non-Medical Office	1.50	\$1,617,640	7-9 yrs
5	Medical Office/Non-Medical Office	1.50	\$1,617,640	7-9 yrs
6	Medical Office/Non-Medical Office	1.50	\$1,617,640	7-9 yrs
7	Medical Office/Non-Medical Office	1.50	\$1,617,640	10-12 yrs
8	Medical Office/Non-Medical Office	1.50	\$1,617,640	10-12 yrs
9	Medical Office/Non-Medical Office	1.50	\$1,617,640	10-12 yrs
10	Medical Office/Non-Medical Office	1.50	\$1,617,640	10-12 yrs

Total All Tax Base Properties	1043.56	\$860,623,783
Community Services Acreage	22.50	
School	19.75	
Special Events Center	20.00	
Resaca-Greenbelt-Streets	199.55	
Water Treatment/Lift Station	25.00	

Total Acreage 1330.36

Thank you for this opportunity to be of service. If I can be of further service please call on me.

Respectfully,

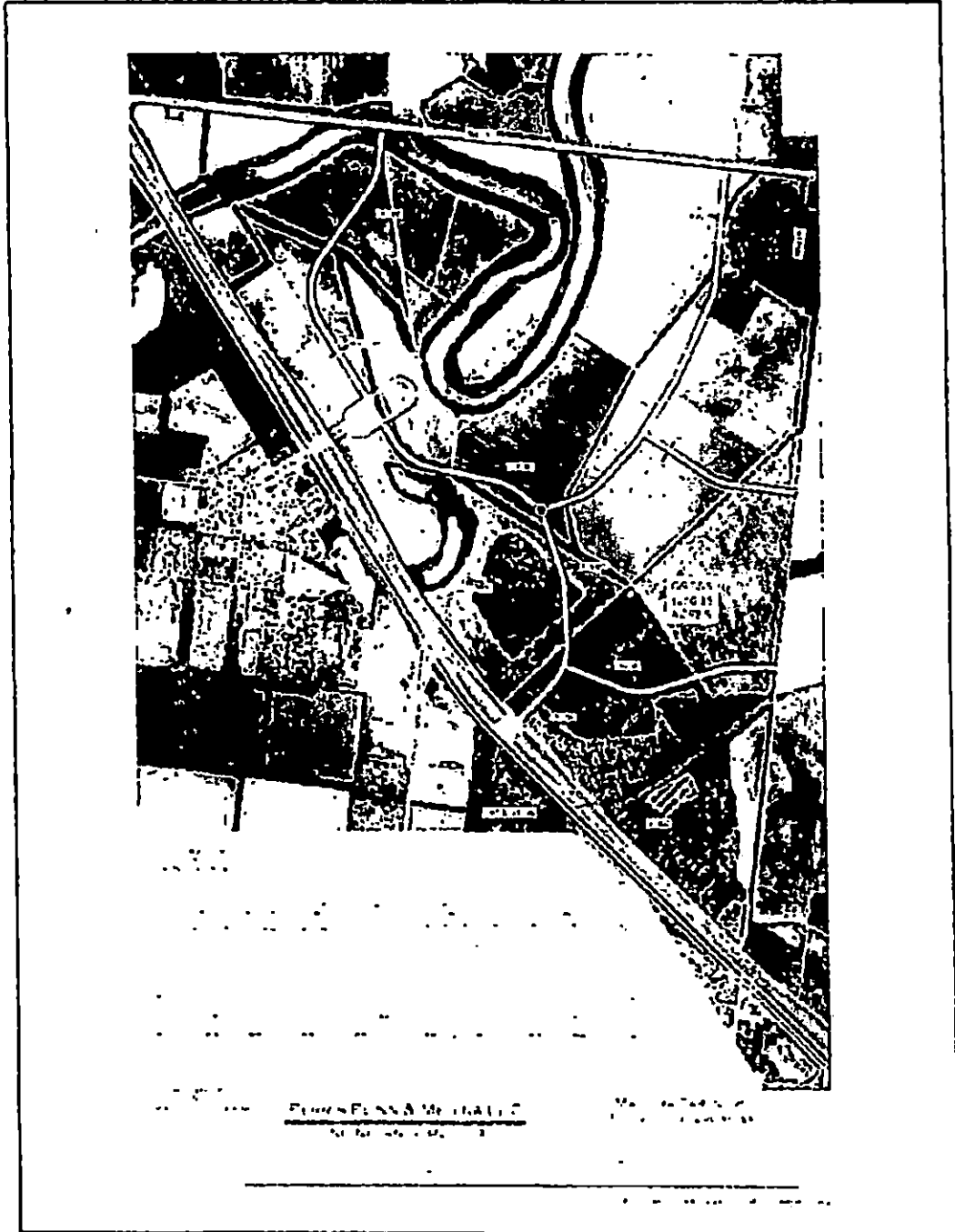
William P. Swantner, MAI

Note: this letter must remain attached with the report, which contains 81 pages including related exhibits, in order for the value opinion to be considered valid.

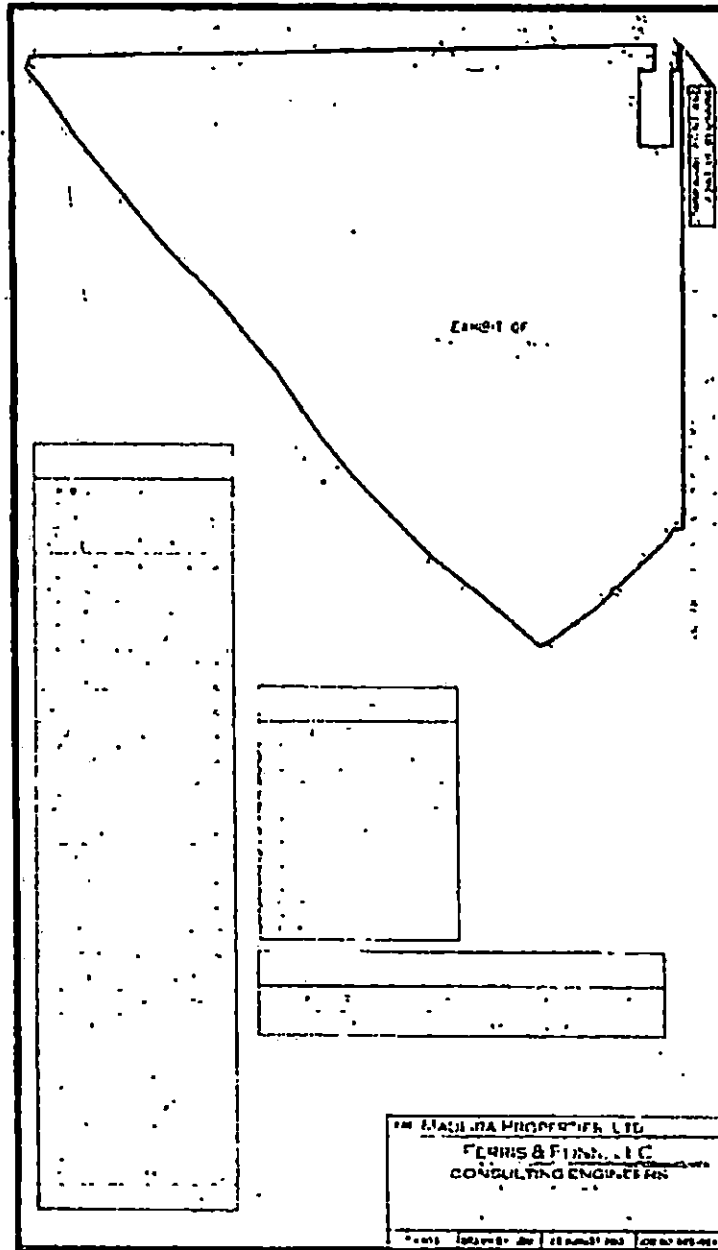
ADDENDA

Exhibits

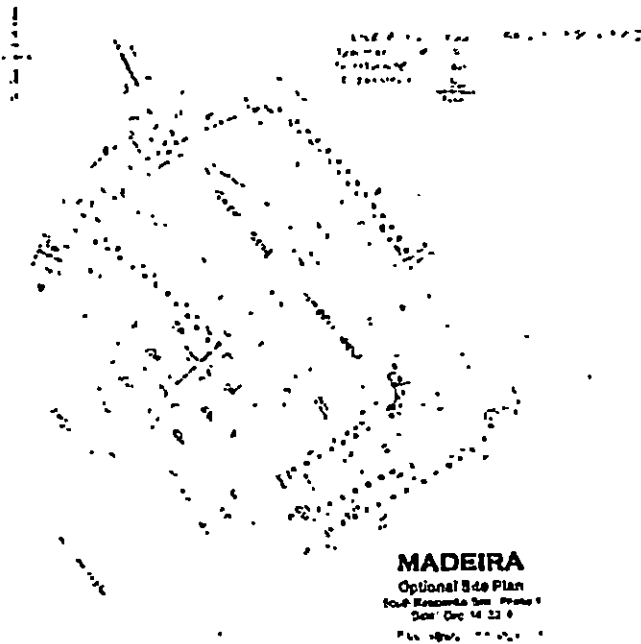
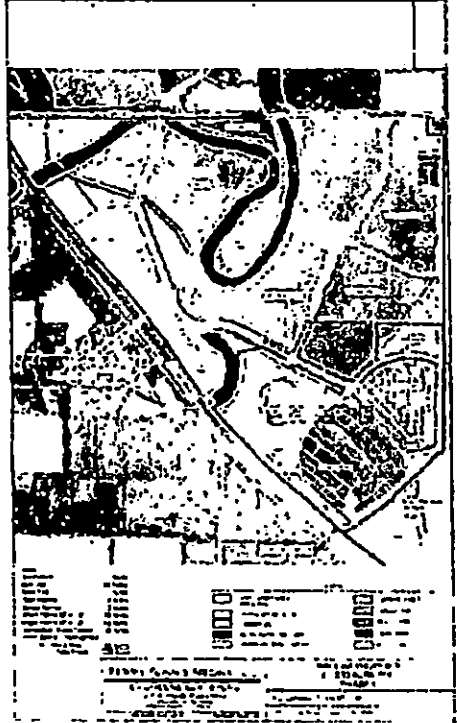
Aerial



Ad Valorem Tax Base Value Created when developed: \$864,513,721.



Development Master Plan



Land Use Plan

Maderia: SEC Expressway 77/83 and SH 100

1,330.35 acres

Use		Acres
Multi-Family Dwelling		56.25
Detached Single Family Residential		747.05
Regional Retail Cluster		102.00
Commercial/Retail Community Services		110.25
School		22.50
Special Events Center		19.75
Medical Facilities		20.00
Convenience Store with Gasoline Pumps (2)		22.00
Resaca-GreenBelt-Streets	15%	6.00
Water Treatment/Lift Station		199.55
		25.00
	Total:	1,330.35 Acres

Madera Partners Residential

Detached Single Family Residential

Tract	Projected Use	Size (Ac)	Tax Base	Timing
			Value Created	
Ph1	Madera SF Residential	88	\$81,350,000	1-2 yrs
Ph2	Madera SF Residential	81	\$55,330,000	3-4 yrs
Ph3	Madera SF Residential	81	\$55,330,000	5-6 yrs
Ph4	Madera SF Residential	81	\$55,330,000	7-8 yrs
Ph5	Madera SF Residential	81	\$55,330,000	9-10 yrs
Ph6	Madera SF Residential	81	\$55,330,000	11-12 yrs
Ph7	Madera SF Residential	81	\$55,330,000	13-14 yrs
Ph8	Madera SF Residential	81	\$55,330,000	15-16 yrs
Ph9	Madera SF Residential	82	\$55,330,000	17-18 yrs

Tax Base Value Created: \$503,990,000

Housing Market Segmentation: Madera Partners 747 Acres

MLS: Houses, Sold, 7-22-14 forward, multiple segments

Segment	Low	High	Average	Median	# Transactions	% of Total	Low	High	Average	Median	# Transactions	% of Total	Low	High	Average	Median	# Transactions	% of Total	Low	High	Average	Median	# Transactions	% of Total
50 to \$81,250	\$15,000	\$80,000	\$59,583	\$64,000	175	27%	\$15,000	\$81,250	\$51,250	\$119,867	458	22%	\$15,000	\$81,250	\$51,250	\$119,867	458	22%	\$15,000	\$81,250	\$51,250	\$119,867	458	22%
\$81,250 to \$110,000	\$110,000	\$147,500	\$128,283	\$129,000	162	25%	\$110,000	\$147,500	\$117,500	\$195,000	49	15%	\$110,000	\$147,500	\$117,500	\$195,000	49	15%	\$110,000	\$147,500	\$117,500	\$195,000	49	15%
\$110,000 to \$147,500	\$147,500	\$197,500	\$166,706	\$163,000	49	7%	\$147,500	\$197,500	\$175,000	\$267,000	42	7%	\$147,500	\$197,500	\$175,000	\$267,000	42	7%	\$147,500	\$197,500	\$175,000	\$267,000	42	7%
\$147,500 to \$197,500	\$197,500	\$275,000	\$229,658	\$229,000	42	7%	\$197,500	\$275,000	\$229,658	\$267,000	42	7%	\$197,500	\$275,000	\$229,658	\$229,000	42	7%	\$197,500	\$275,000	\$229,658	\$229,000	42	7%
\$197,500 to \$275,000	\$275,000	\$350,000	\$338,858	\$315,000	16	2%	\$275,000	\$350,000	\$312,500	\$358,858	16	2%	\$275,000	\$350,000	\$312,500	\$358,858	16	2%	\$275,000	\$350,000	\$312,500	\$358,858	16	2%
\$275,000 plus	\$350,000	\$525,000	\$445,19	\$445,19	107	107%	\$350,000	\$525,000	\$445,19	\$445,19	107	107%	\$350,000	\$525,000	\$445,19	\$445,19	107	107%	\$350,000	\$525,000	\$445,19	\$445,19	107	107%
Total	\$15,000	\$512,500	\$192,867	\$192,867	858	100%	\$15,000	\$512,500	\$192,867	\$192,867	858	100%	\$15,000	\$512,500	\$192,867	\$192,867	858	100%	\$15,000	\$512,500	\$192,867	\$192,867	858	100%

Madera's segmentation begins at the upper 1/3 of the \$81,250 to \$110,000 segment and ends with the highest income segment. This can be used to estimate Madera's market potential given the targeted segments. The resulting weighted average housing price of \$155,445 was used to calibrate the projected detached single family average housing values.

Madera SF Residential, Phase 1, Projected Tax Base Value

Swantner Real Estate Valuation Services, LLC

General Information

Madera SF Residential is a proposed residential community with multiple price segments. Lot inventory includes lots designed for detached units with 3 lot categories; All stratification of detached homes averaged to a single price point.

Project Timing

Current Date 1/10/2020
 Construction start 1/10/2020
 Construction period 6 months
 Absorption start date 7/1/2020
 Sell-out period 36 months or 69 lots per month

Site Characteristics

Units 276
 Size(Ac) 98
 Units/Ac 2.82

Lot Inventory by Size Category

	Projected Lot Prices	Total Lots	Regular Lots	Cul-de-Sac Lots	Lot %	Avg Lot Size(SF)	Avg Lot Front Feet
Quadplex Lots	\$60,000	8	8	0	0	17,222	140
Townhome Lots	\$20,000	40	40	0	0	3,000	25
Garden Lots	\$75,000	82	54	8	0	4,000	50
SF Detached	\$45,000	58	51	7	0	10,400	60
SF Detached	\$65,000	158	92	11	0	10,400	60
Total		276	250	26	0		
%		100.0%	90.6%	9.4%	0.0%		

Subdivision Site Amenities

Privacy wall with a-garage and land marking
 Underground utilities (water, sewer, gas, and electric)
 Underground phone, cable TV
 Asphalt paved interior roads, concrete curb, public roads
 Streetlights, a car wash, and open space

Subdivision Common Amenities

None

Marketing Concept

Target Price Range for Home and Lot

Lot Category	Lot Size SF +/-	Home Size SF +/-	Home Price Range		
			Low	Average	High
	17,222	1,200 (14,000)	\$500,000	\$550,000	\$600,000
	3,000	1,300	\$190,000	\$120,000	\$140,000
	6,000	1,800	\$140,000	\$175,000	\$200,000
	8,450	3,500	\$175,000	\$200,000	\$225,000
	10,400	3,500	\$200,000	\$275,000	\$400,000
Total Ad Valorem Tax Base Value Creation:					
\$61,350,000					
\$222,252.61					

Madera SF Residential, Phase 2: Projected Tax Base Value

Swantner Real Estate Valuation Services, LLC

General Information

Madera SF Residential is a proposed residential community with multiple price segments. Lot inventory includes lots designed for detached units with 3 lot categories, full stratification of detached homes averaged to a single price point.

Project Timing

Current Date: 1/10/2020
 Construction start: 1/10/2020
 Construction period: 8 months
 Absorption start date: 7/1/2020
 Sell-out period: 36 months or 8.9 lots per month

Site Characteristics

Units	Size(Ac)	Units/Ac
312	81	3.85

Lot Inventory by Size Category

	Projected Lot Prices	Total Lots	Regular Lots	Cul-de-Sac Lots	Lake Lots	Avg Lot Size(SF)	Avg. Lot Front Feet
Small lots	\$30,000	192	168	24	0	6,600	60
Mid-size lots	\$37,500	70	60	10	0	9,600	80
Large lots	\$70,000	50	30	10	0	15,000	100
Total		312	268	44	0		
%		100.0%	85.9%	14.1%	0.0%		

Subdivision Site Amenities

Privacy wall with signage and landscaping
 Underground utilities (water, sewer, gas, and electric)
 Underground phone, cable
 TV
 Asphalt paved interior roads, concrete curb, public roads
 Streetlights, water retention, and open space

Subdivision Common Amenities

None

Marketing Concept

Target Price Range for Home and Lot

Lot Category	Lot Size SF±	Home Size SF±	Home Price Range		
			Low	Average	High
	6,600	1,600	\$125,000	\$140,000	\$150,000
	9,600	2,000	\$190,000	\$210,000	\$225,000
	15,000	3,500	\$225,000	\$275,000	\$400,000+
			Total Ad Valorem Tax Base Value Creation:		
				\$55,330,000	\$177,339.74

Maderia SF Residential, Phase 3, Projected Tax Base Value

Swantner Real Estate Valuation Services, LLC

General Information

Maderia SF Residential is a proposed residential community with multiple price segments. Lot inventory includes lots designed for detached units with 3 lot categories, full stratification of detached homes averaged to a single price point

Project Timing

Current Date.	1/10/2020
Construction start	1/10/2020
Construction period	6 months
Absorption start date	7/1/2020
Sell-out period.	36 months or 89 lots per month

Site Characteristics

Units	312
Size(Ac)	81
Units/Ac	3.85

Lot Inventory by Size Category

	Projected	Total	Regular	Cul-de-Sac	Lake	Avg Lot	Avg. Lot
	Lot Prices	Lots	Lots	Lots	Lots	Size(SF)	Front Feet
Small lots	\$30,000	192	168	24	0	6,600	60
Mid-size lots	\$37,500	70	60	10	0	9,600	80
Large lots	\$70,000	50	30	20	2	15,000	100
Total		312	268	44	0		
%		100.0%	85.9%	14.1%	0.0%		

Subdivision Site Amenities

Privacy wall with signage and landscaping

Underground utilities (water, sewer, gas, and electric)

Underground phone, cable

TV

Asphalt paved interior roads, concrete curb public roads

Streetlights, water retention, and open space

Subdivision Common Amenities

None

Marketing Concept

Target Price Range for Home and Lot

Lot Category	Lot Size SF +/-	Home Size SF +/-	Home Price Range		
			Low	Average	High
	6,600	1,600	\$125,000	\$140,000	\$150,000
	9,600	2,000	\$190,000	\$210,000	\$225,000
	15,000	3,500	\$225,000	\$275,000	\$400,000+
			Total Ad Valorem Tax Base Value		
			Creation:		
			\$55,330,000		
			\$177,339.74		

Madera SF Residential, Phase 4, Projected Tax Base Value

Swantner Real Estate Valuation Services, LLC

General Information

Madera SF Residential is a proposed residential community with multiple price segments. Lot inventory includes lots designed for detached units with 3 lot categories, full stratification of detached homes averaged to a single price point.

Project Timing

Current Date.	1/10/2020
Construction start.	1/10/2020
Construction period	6 months
Absorption start date	7/1/2020
Self-out period	36 months or 8.9 lots per month

Site Characteristics

Units	Size(Ac)	Units/Ac
312	81	3.85

Lot Inventory by Size Category

	Projected Lot Prices	Total Lots	Regular Lots	Cul-de-Sac Lots	Lake Lots	Avg Lot Size(SF)	Avg. Lot Front Feet
Small lots	\$30,000	192	168	24	0	6,600	60
Mid-size lots	\$37,500	70	60	10	0	9,600	80
Large lots	\$70,000	50	40	10	0	15,000	100
Total		312	268	44	0		
%		100.0%	85.9%	14.1%	0.0%		

Subdivision Site Amenities

- Privacy wall with signage and landscaping
- Underground utilities (water, sewer, gas, and electric)
- Underground phone cable
- TV
- Asphalt paved interior roads, concrete curb, public roads
- Streetlights, water retention, and open space

Subdivision Common Amenities

None

Marketing Concept

Target Price Range for Home and Lot

Lot Category	Lot Size SF +/-	Home Size SF +/-	Home Price Range		
			Low	Average	High
	6,600	1,600	\$125,000	\$140,000	\$150,000
	9,600	2,000	\$190,000	\$210,000	\$225,000
	15,000	3,500	\$225,000	\$275,000	\$400,000+
Total Ad Valorem Tax Base Value Creation:				\$55,330,000	
				\$177,339.74	

Madera SF Residential, Phase 5, Projected Tax Base Value

Swantner Real Estate Valuation Services, LLC

General Information

Madera SF Residential is a proposed residential community with multiple price segments. Lot inventory includes lots designed for detached units with 3 lot categories, full stratification of detached homes averaged to a single price point.

Project Timing

Current Date: 1/10/2020
 Construction start: 1/10/2020
 Construction period: 6 months
 Absorption start date: 7/1/2020
 Sell-out period: 36 months or 8-9 lots per month

Site Characteristics

Units	Size(Ac)	Units/Ac
312	81	3.85

Lot Inventory by Size Category

	Projected Lot Prices	Total Lots	Regular Lots	Cul-de-Sac Lots	Lake Lots	Avg Lot Size(SF)	Avg. Lot Front Foot
Small lots	\$30,000	192	168	24	0	6,600	60
Mid-size lots	\$37,500	70	60	10	0	9,600	80
Large lots	\$70,000	50	40	10	0	15,000	100
Total		312	268	44	0		
%		100.0%	85.9%	14.1%	0.0%		

Subdivision Site Amenities

Privacy wall with signage and landscaping
 Underground utilities (water, sewer, gas, and electric)
 Underground phone, cable
 TV
 Asphalt paved interior roads, concrete curb, public roads
 Streetlights, water retention, and open space

Subdivision Common Amenities

None

Marketing Concept

Target Price Range for Home and Lot

Lot Category	Lot Size SF +/-	Home Size SF +/-	Home Price Range		
			Low	Average	High
	6,600	1,600	\$125,000	\$140,000	\$150,000
	9,600	2,000	\$190,000	\$210,000	\$225,000
	15,000	3,500	\$225,000	\$275,000	\$400,000+
			Total Ad Valorem Tax Base Value Creation:		
				\$55,330,000	\$177,339.74

Madera SF Residential, Phase 6, Projected Tax Base Value

Swantner Real Estate Valuation Services, LLC

General Information

Madera SF Residential is a proposed residential community with multiple price segments. Lot inventory includes lots designed for detached units with 3 lot categories; full stratification of detached homes averaged to a single price point.

Project Timing

Current Date	1/10/2020
Construction start	1/10/2020
Construction period	6 months
Absorption start date	7/1/2020
Sell-out period	35 months or 8.9 lots per month

Site Characteristics

Units	Size(Ac)	Units/Ac
312	81	3.85

Lot Inventory by Size Category

	Projected	Total	Regular	Cul-de-Sac	Lake	Avg Lot	Avg. Lot
	Lot Prices	Lots	Lots	Lots	Lots	Size(SF)	Front Feet
Small lots	\$30,000	192	168	24	0	6,600	60
Mid-size lots	\$37,500	70	60	10	0	9,600	80
Large lots	\$70,000	50	40	10	0	15,000	100
Total		312	268	44	0		
%		100.0%	85.9%	14.1%	0.0%		

Subdivision Site Amenities

- Privacy wall with signage and landscaping
- Underground utilities (water, sewer, gas, and electric)
- Underground phone, cable
- TV
- Asphalt paved interior roads, concrete curb, public roads
- Streetsights, water retention, and open space

Subdivision Common Amenities

None

Marketing Concept

Target Price Range for Home and Lot

Lot Category	Lot Size SF +/-	Home Size SF +/-	Home Price Range		
			Low	Average	High
	6,600	1,600	\$125,000	\$140,000	\$150,000
	9,600	2,000	\$190,000	\$210,000	\$225,000
	15,000	3,500	\$225,000	\$275,000	\$400,000+
Total Ad Valorem Tax Base Value Creation:			\$55,330,000	\$177,339.74	

Madera SF Residential, Phase 7, Projected Tax Base Value

Swantner Real Estate Valuation Services, LLC

General Information

Madera SF Residential is a proposed residential community with multiple price segments. Lot inventory includes lots designed for detached units with 3 lot categories, full stratification of detached homes averaged to a single price point.

Project Timing

Current Date	1/10/2020
Construction start	1/10/2020
Construction period	6 months
Absorption start date	7/1/2020
Set-out period	36 months or 8-9 lots per month

Site Characteristics

Units	Size(Ac)	Units/Ac
312	81	3.85

Lot Inventory by Size Category

	Projected	Total	Regular	Cul-de-Sac	Lake	Avg Lot	Avg. Lot
	Lot Prices	Lots	Lots	Lots	Lots	Size(SF)	Front Foot
Small lots	\$30,000	192	168	24	0	6,600	60
Mid-size lots	\$37,500	70	60	10	0	9,600	80
Large lots	\$70,000	50	40	10	0	15,000	100
Total		312	268	44	0		
%		100.0%	85.9%	14.1%	0.0%		

Subdivision Site Amenities

- Privacy wall with signage and landscaping
- Underground utilities (water, sewer, gas, and electric)
- Underground phone, cable
- TV
- Asphalt paved interior roads, concrete curb, public roads
- Streetlights, water retention, and open space

Subdivision Common Amenities

None

Marketing Concept

Target Price Range for Home and Lot

Lot Category	Lot Size SF +/-	Home Size SF +/-	Home Price Range		
			Low	Average	High
	6,600	1,600	\$125,000	\$140,000	\$190,000
	9,600	2,000	\$180,000	\$210,000	\$225,000
	15,000	3,500	\$225,000	\$275,000	\$400,000+
			Total Ad Valorem Tax Base Value Creation:		
				\$55,330,000	
				\$177,339.74	

Madera SF Residential, Phase 8, Projected Tax Base Value

Swantner Real Estate Valuation Services, LLC

General Information

Madera SF Residential is a proposed residential community with multiple price segments. Lot inventory includes lots designed for detached units with 3 lot categories; full stratification of detached homes averaged to a single price point

Project Timing

Current Date: 1/10/2020
 Construction start: 1/10/2020
 Construction period: 6 months
 Absorption start date: 7/1/2020
 Sell-out period: 36 months or 89 lots per month

Site Characteristics

Units	Size(Ac)	Units/Ac
312	81	3.85

Lot Inventory by Size Category

	Projected Lot Prices	Total Lots	Regular Lots	Cul-de-Sac Lots	Lake Lots	Avg Lot Size(SF)	Avg. Lot Front Feet
Small lots	\$30,000	192	168	24	0	6,600	80
Mid-size lots	\$37,500	70	60	10	0	9,600	80
Large lots	\$70,000	50	40	10	0	15,000	100
Total		312	268	44	0		
%		100.0%	85.9%	14.1%	0.0%		

Subdivision Site Amenities

Privacy wall with signage and landscaping
 Underground utilities (water, sewer, gas, and electric)
 Underground phone, cable
 TV
 Asphalt paved interior roads, concrete curb, public roads
 Streetlights, water retention, and open space

Subdivision Common Amenities

None

Marketing Concept

Target Price Range for Home and Lot

Lot Category	Lot Size SF +/-	Home Size SF +/-	Home Price Range		
			Low	Average	High
	6,600	1,800	\$125,000	\$140,000	\$150,000
	9,600	2,000	\$190,000	\$210,000	\$225,000
	15,000	3,500	\$225,000	\$275,000	\$400,000+
			Total Ad Valorem Tax Base Value Creation:		
				\$55,330,000	\$177,339.74

Madera SF Residential, Phase 9, Projected Tax Base Value

Swantner Real Estate Valuation Services, LLC

General Information

Madera SF Residential is a proposed residential community with multiple price segments. Lot inventory includes lots designed for detached units with 3 lot categories; full stratification of detached homes averaged to a single price point

Project Timing

Current Date: 1/10/2020
 Construction start: 1/10/2020
 Construction period: 6 months
 Absorption start date: 7/1/2020
 Sell-out period: 36 months or 8.9 lots per month

Site Characteristics

Units	Size(Ac)	Units/Ac
312	62	3.80

Lot Inventory by Size Category

	Projected	Total	Regular	Cul-de-Sac	Lake	Avg Lot	Avg. Lot
	Lot Prices	Lots	Lots	Lots	Lots	Size(SF)	Front Feet
Small lots	\$30,000	192	168	24	0	6,600	60
Mid-size lots	\$37,500	70	60	10	0	9,600	80
Large lots	\$70,000	50	40	10	0	15,000	100
Total		312	268	44	0		
%		100.0%	85.9%	14.1%	0.0%		

Subdivision Site Amenities

Privacy wall with signage and landscaping
 Underground utilities (water, sewer, gas, and electric)
 Underground phone, cable
 TV
 Asphalt paved interior roads, concrete curb, public roads
 Streetlights, water retention, and open space

Subdivision Common Amenities

None

Marketing Concept

Target Price Range for Home and Lot

Lot Category	Lot Size SF +/-	Home Size SF +/-	Home Price Range		
			Low	Average	High
	6,600	1,600	\$125,000	\$140,000	\$150,000
	9,600	2,000	\$190,000	\$210,000	\$225,000
	15,000	3,500	\$225,000	\$275,000	\$400,000+
Total Ad Valorem Tax Base Value Creation:			\$55,330,000	\$177,339,74	

Multi-Family Residential

<u>Property</u>	<u>Tract</u>	<u>Projected Use</u>	<u>Size (Ac)</u>	<u>Tax Base Value Created</u>	<u>Timing</u>
	1	Garden Apartments	9.375	\$13,237,031	1-3 yrs
	2	Garden Apartments	9.375	\$13,237,031	1-3 yrs
	3	Garden Apartments	9.375	\$13,237,031	1-3 yrs
	4	Garden Apartments	8.375	\$13,237,031	4-6 yrs
	5	Garden Apartments	9.375	\$13,237,031	4-6 yrs
	6	Garden Apartments	9.375	\$13,237,031	4-6 yrs

Tax Base Value Created: \$79,422,186

Madera Residential

Interior Acreage
Total Acreage: 56.25 Acres
Number of Tracts: 6 Tracts

Tax Base Value Created For: Tract 5
Tract Size: 9.375 Acres
Zoning (expected equivalent): Apartment District, Area H
Expected Use: Multi-Family
Building Class: Class A
Project Density: 13.5 Units/Acre
Number of Units: 127 Units
Average Unit Size: 800 SF
Projected Cost Per Unit: \$85,000 Unit
Common Amenities Cost Per Unit: \$7,500 Unit
Land Cost: Per SF \$3.75 \$1,530,000

Ad Valorem Tax Base Value Creation: \$13,237,031

Madera Residential

Interior Acreage
Total Acreage: 56.25 Acres
Number of Tracts: 6 Tracts

Tax Base Value Created For: Tract 6
Tract Size: 9.375 Acres
Zoning (expected equivalent): Apartment District, Area H
Expected Use: Multi-Family
Building Class: Class A
Project Density: 13.5 Units/Acre
Number of Units: 127 Units
Average Unit Size: 800 SF
Projected Cost Per Unit: \$85,000 Unit
Common Amenities Cost Per Unit: \$7,500 Unit
Land Cost: Per SF \$3.75 \$1,530,000

Ad Valorem Tax Base Value Creation: \$13,237,031

Madera Residential**Interior Acreage**

Total Acreage: 56.25 Acres
Number of Tracts: 6 Tracts

Tax Base Value Created For: Tract 1
Tract Size: 9.375 Acres
Zoning (expected equivalent): Apartment District, Area H
Expected Use: Multi-Family
Building Class: Class A
Project Density: 13.5 Units/Acre
Number of Units: 127 Units
Average Unit Size: 800 SF
Projected Cost Per Unit: \$85,000 Unit
Common Amenities Cost Per Unit: \$7,500 Unit
Land Cost: Per SF \$3.75 \$1,530,000

Ad Valorem Tax Base Value Creation: \$13,237,031

Madera Residential**Interior Acreage**

Total Acreage: 56.25 Acres
Number of Tracts: 6 Tracts

Tax Base Value Created For: Tract 2
Tract Size: 9.375 Acres
Zoning (expected equivalent): Apartment District, Area H
Expected Use: Multi-Family
Building Class: Class A
Project Density: 13.5 Units/Acre
Number of Units: 127 Units
Average Unit Size: 800 SF
Projected Cost Per Unit: \$85,000 Unit
Common Amenities Cost Per Unit: \$7,500 Unit
Land Cost: Per SF \$3.75 \$1,530,000

Ad Valorem Tax Base Value Creation: \$13,237,031

Madera Residential**Interior Acreage**

Total Acreage: 56.25 Acres
Number of Tracts: 6 Tracts

Tax Base Value Created For: Tract 3
Tract Size: 9.375 Acres
Zoning (expected equivalent): Apartment District, Area H
Expected Use: Multi-Family
Building Class: Class A
Project Density: 13.5 Units/Acre
Number of Units: 127 Units
Average Unit Size: 800 SF
Projected Cost Per Unit: \$85,000 Unit
Common Amenities Cost Per Unit: \$7,500 Unit
Land Cost: Per SF \$3.75 \$1,530,000








Ad Valorem Tax Base Value Creation: \$13,237,031

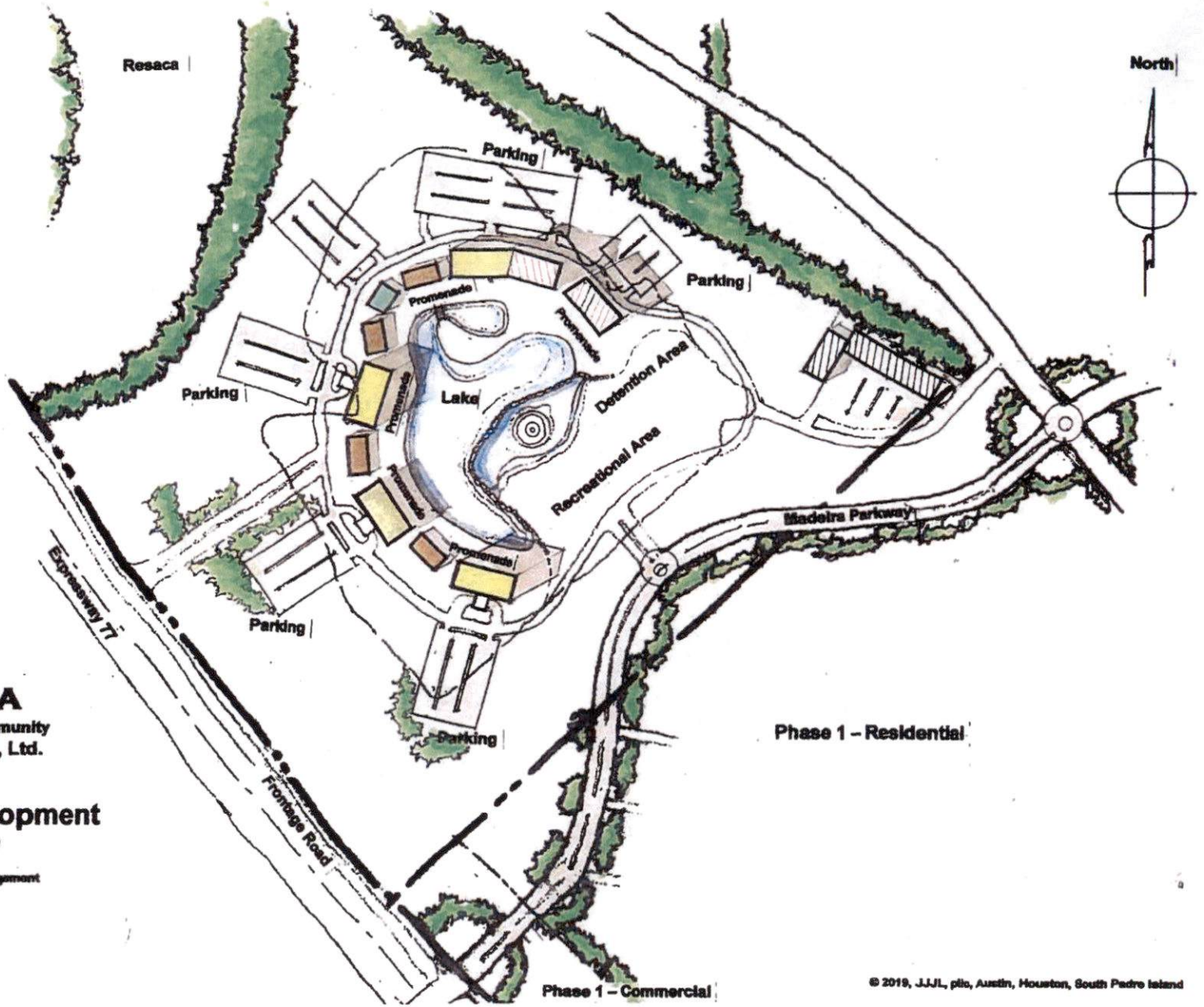
Madera Residential**Interior Acreage**

Total Acreage: 56.25 Acres
Number of Tracts: 6 Tracts

Tax Base Value Created For: Tract 4
Tract Size: 9.375 Acres
Zoning (expected equivalent): Apartment District, Area H
Expected Use: Multi-Family
Building Class: Class A
Project Density: 13.5 Units/Acre
Number of Units: 127 Units
Average Unit Size: 800 SF
Projected Cost Per Unit: \$85,000 Unit
Common Amenities Cost Per Unit: \$7,500 Unit
Land Cost: Per SF \$3.75 \$1,530,000

Ad Valorem Tax Base Value Creation: \$13,237,031

- Retail 
- Hotel-Hospitality 
- Office 
- Entertainment 
- Dining/Food 
- Services 
- Retail @ 1st Level,
Apartments &
Condos Above 



MADEIRA
 A Master Planned Community
 Madeira Properties, Ltd.

Preliminary
Mixed Use Development
 November 1, 2019
 JJJL, pllc
 Architecture, Planning, Management

ORDINANCE NO. 2020-1678

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF BROWNSVILLE, TEXAS DESIGNATING A GEOGRAPHIC AREA WITHIN THE CITY OF BROWNSVILLE AS A REINVESTMENT ZONE FOR TAX INCREMENT FINANCING PURPOSES PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE TO BE KNOWN AS TAX INCREMENT REINVESTMENT ZONE NUMBER FOUR, CITY OF BROWNSVILLE; DESCRIBING THE BOUNDARIES OF THE ZONE; CREATING A BOARD OF DIRECTORS FOR THE ZONE; ESTABLISHING A TAX INCREMENT FUND FOR THE ZONE; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE CREATION OF THE ZONE; PROVIDING A DATE FOR THE TERMINATION OF THE ZONE; PROVIDING THAT THE ZONE TAKE EFFECT IMMEDIATELY UPON PASSAGE OF THE ORDINANCE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR PUBLICATION; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the City of Brownsville, Texas (the "City"), pursuant to the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, (the "Act") may designate a geographic area within the City as a tax increment reinvestment zone if the area satisfies the requirements of the Act; and,

WHEREAS, the Act provides that the governing body of a municipality by ordinance may designate a geographic area that is in the corporate limits or extra-territorial jurisdiction of the municipality to be a reinvestment zone if the governing body determines that development or redevelopment would not occur solely through private investment in the reasonably foreseeable future; and,

WHEREAS, the City Commission desires to promote the development of a certain geographic area in the City, which is more specifically described as being 1,340 Acres of land more or less as depicted and described on the attached Exhibit "A" and incorporated herein, through the creation of a new reinvestment zone as authorized by and in accordance with the Act; and,

WHEREAS, pursuant to and required by the Act, the City has prepared a *Preliminary Reinvestment Zone Project and Financing Plan for the Madeira Espiritu Santo Reinvestment Zone, City of Brownsville*, attached as Exhibit "B" (hereinafter referred to as the "Preliminary Project and Finance Plan"); and,

WHEREAS, notice of the public hearing on the creation of the zone was published on November 24, 2020, in The Brownsville Herald, a newspaper of general circulation in the city of Brownsville, which date is before the seventh (7th) day before the public hearing held on December 1, 2020; and,

WHEREAS, at the public hearing on December 1, 2020, interested persons were allowed to speak for or against the creation of the zone, its boundaries, or the concept of tax increment financing, and owners of property in the zone were given a reasonable opportunity to protest the

inclusion of their property in the zone; the public hearing was held in full accordance with Section 311.003(c) of the Act; and,

WHEREAS, evidence was received and presented at the public hearing in favor of the creation of the zone; and,

WHEREAS, after all comments and evidence, both written and oral, were received by the City Commission, the public hearing was closed on December 1, 2020; and,

WHEREAS, the City has taken all actions required to create the zone including, but not limited to, all actions required by the home-rule Charter of the City, the Act, the Texas Open Meetings Act, and all other laws applicable to the creation of the zone; and,

WHEREAS, the percentage of the property in the zone, excluding property that is publicly owned, that is currently used for residential purposes is less than thirty (30) percent; and,

WHEREAS, a Preliminary Project and Finance Plan has been prepared for the zone.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF BROWNSVILLE, TEXAS:

Section 1. The facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct:

Section 2. The City Commission, after conducting the above described hearing and having heard the evidence and testimony presented at the hearing, has made the following findings and determined based on the evidence and testimony presented to it:

- (a) That the public hearing on creation of the zone has been properly called, held, and conducted and that notice of such hearing has been published as required by law.
- (b) That the proposed 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.
- (c) That the zone meets the criteria and requirements of the Act because the zone substantially arrests and impairs the sound growth of the City, retards the provision of housing accommodations, constitutes an economic and social liability and is a menace to the public health, safety, morals, and welfare in its present condition and use because of the presence of:
 1. a substantial number of substandard, deteriorated, and deteriorating structures;
 2. the predominance of defective or inadequate sidewalk and street layout; and
 3. the deterioration of site or other improvements.
- (d) That the zone is a geographic area located partially within the corporate limits of the City of Brownsville;
- (e) That less than thirty percent (30%) of the property in the zone, excluding property that is publicly owned, is used for residential purposes;

- (f) That the total appraised value of taxable real property in the zone, and in existing reinvestment zones of the City, does not exceed twenty five percent (25%) of the total appraised value of taxable real property in the City and in industrial districts created by the City; and
- (g) That development or redevelopment of the property within the boundaries of the zone will not occur solely through private investment in the reasonably foreseeable future.

Section 3. That the City, acting under the provisions of the Act, does hereby designate as a reinvestment zone, and create and designate a reinvestment zone over the area more specifically described as being 1,340 Acres of land more or less as depicted and described on the attached Exhibit "A" and incorporated herein to promote the development of the area. The reinvestment zone shall hereafter be named for identification as City of Brownsville, Tax Increment Reinvestment Zone Number Four, *Madeira Espiritu Santo Reinvestment Zone*, City of Brownsville, Texas ("TIRZ #4").

Section 4. That there is hereby created a Board of Directors for TIRZ #4, which shall consist of 9 (9) members, plus any members appointed by the participating taxing jurisdictions. Positions One through Seven on the Board of Directors shall be reserved for the City. Additional 2 positions (2) positions shall be reserved for Cameron County. Any participating taxing jurisdiction entitled to appoint a director shall be assigned a Board position number in the order the appointment is received by the City. Failure of any taxing unit to appoint a director as provided herein, shall be deemed a waiver of the right to appoint a director.

Each member of the City Commission shall nominate one person to serve on the Board of Directors for Positions One through Seven. The initial directors to the Board of Directors of TIRZ #4 shall be appointed by resolution or ordinance of the City or participating taxing jurisdiction(s) within ninety (90) days of the passage of this Ordinance or the date they became a participating taxing jurisdiction, whichever is sooner. An increase in the number of Board of Directors shall be accomplished by resolution or Ordinance of the City, but shall not exceed a total of eleven (11) members. All members of the Board of Directors shall meet eligibility requirement as set forth in Chapter 311 of the Act.

The directors appointed to odd-numbered positions shall be appointed for a two-year term, beginning on the effective date of this Ordinance, while the directors appointed to even-numbered positions shall be appointed to a one-year term, beginning on the effective date of this Ordinance. All subsequent appointments shall be for two-year terms. A vacancy on the Board of Directors is filled for the unexpired term by appointment of the governing body of the taxing unit that appointed the director who served in the vacant position. Each year the City Commission shall annually designate one (1) member of the Board of Directors to serve as chairman for a one (1) year term that begins on January 1st of the following year. The Board of Directors shall elect from its members a vice chairman to preside in the absence of the chairman or when there is a vacancy in the office of the chairman. The Board of Directors may elect other officers as it considers appropriate.

The Board of Directors shall make recommendations to the City Commission concerning the administration, management and operation of TIRZ #4. The Board of Directors shall

prepare or cause to be prepared and adopt a project plan and a reinvestment zone financing plan for TIRZ #4, and shall submit such plans to the City Commission for its approval. The City hereby authorizes the Board of Directors to exercise all of the City's powers necessary to administer, manage or operate TIRZ #4 and to prepare the project plan and reinvestment zone financing plan, including the power to employ consultants, legal counsel and financial advisors, or enter into any reimbursement agreements with consultants, legal counsel and financial advisors payable solely from the Tax Increment Fund established pursuant to Section 7 of this Ordinance, subject to the approval of the City Manager or his designee, that may be reasonably necessary or convenient to assist the Board of Directors in the administration, management or operation of TIRZ #4 and the preparation of the project plan and reinvestment zone financing plan. Notwithstanding the foregoing, the Board of Directors shall not be authorized to issue bonds, impose taxes or fees, exercise the power of eminent domain, or give final approval to the project plan and reinvestment zone financing plan. The Board of Directors of TIRZ #4 may not exercise any power granted to the City by Section 311.008 of the Act without additional authorization from the City.

Section 5. That TIRZ #4 shall take effect immediately upon the passage and approval of this Ordinance, and termination of the operation of TIRZ #4 shall occur on December 31, 2050, or at an earlier time designated by subsequent ordinance, or at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, and the interest on the bonds, have been paid in full.

Section 6. That the Tax Increment Base of the City or any other taxing unit participating in TIRZ #4 is the total appraised value of all real property taxable by the City or other taxing unit participating in TIRZ #4 and located in TIRZ #4, determined as of January 1, 2020, the year in which TIRZ #4 is designated as a reinvestment TIRZ #4 (the "Tax Increment Base"). Taxable value as certified by the Cameron County Appraisal District for tax year 2020 totals \$732,266.

Section 7. That there is hereby created and established a Tax Increment Fund for TIRZ #4 which may be divided into subaccounts as authorized by subsequent ordinances. All Tax Increments, as defined below, shall be deposited in the Tax Increment Fund. The Tax Increment Fund and any subaccount shall be maintained at the depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. The annual Tax Increment shall equal the percentage of the tax increment, as defined by Section 311.012(a) of the Act that each participating taxing jurisdiction unit, other than the City, which levies real property taxes in TIRZ #4 has elected to dedicate to the Tax Increment Fund under agreement with the City, plus fifty percent (50%) of the City's portion of the tax increment, as defined by Section 311.012(a) of the Act, less any amounts that are to be allocated from the Tax Increment pursuant to the Act. All revenues from the sale of any tax increment bonds, notes, or other obligations hereafter issued by the City for the benefit of TIRZ #4, if any; revenues from the sale of property acquired as part of the project plan and reinvestment TIRZ #4 financing plan, if any; and other revenues to be used in TIRZ #4 shall be deposited into the Tax Increment Fund. Prior to termination of TIRZ #4, money shall be disbursed from the Tax Increment Fund only to pay project costs, as defined by the Act, for TIRZ #4, to satisfy the claims of holders of tax increments bonds or notes issued for TIRZ #4, or to pay obligations incurred pursuant to agreements entered into to implement the project plan and reinvestment TIRZ #4 financing plan and achieve their purposes pursuant to Section 311.010(b) of

the Act.

Section 8. That should any section, clause or provision of this ordinance be declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of this ordinance or any other ordinance of the City as a whole or any part thereof, other than the part so declared invalid.

Section 9. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Commission at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at City Hall for the time required by law preceding this meeting, as required by the Open Meetings Law, Texas Government Code, Chapter 551, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof have been discussed, considered and formally acted upon. The City Commission further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 10. That this Ordinance shall take effect immediately upon its adoption and publication in accordance with and as provided by Section 311.004(a)(3) of the Act and the City's Charter.

INTRODUCED at a public hearing on December 1, 2020. Passed at First Reading on December 1, 2020. PASSED at Second and Final Reading and ADOPTED, APPROVED and ENACTED on December 8, 2020.

BY: _____
Juan "Trey" Mendez
Mayor

ATTEST: _____
Griselda Rosas
City Secretary

EXHIBIT "A" MADEIRA PROPERTY MAP

**EXHIBIT "B" PRELIMINARY PROJECT
PLAN**

**EXHIBIT "C" PRELIMINARY FINANCE
PLAN**