

THE STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

MUNICIPAL SERVICES COSTS AGREEMENT

This Municipal Services Costs Agreement ("Agreement") is made and entered into by and among the **CITY OF MISSION, TEXAS**, a municipal corporation and home-rule city of the State of Texas, principally situated in Hidalgo County, acting by and through its governing body, the City Council (the "City"); **REINVESTMENT ZONE NUMBER ONE, CITY OF MISSION, TEXAS**, a reinvestment zone created by the City pursuant to Chapter 311, Texas Tax Code (the "Zone"); and the Mission Redevelopment Authority, a not-for-profit local government corporation organized and existing under the laws of the State of Texas (the "Authority"). For the purposes of this Agreement, the City, the Zone, and the Authority are referred to singularly as "Party" and collectively as "the Parties." It is the intention of the Parties to this Agreement to set forth, in writing, the terms and conditions of their understanding and agreement regarding the payment of municipal services costs.

WITNESSETH:

WHEREAS, by Ordinance No. 2683, the City Council of the City of Mission, Texas (the "City Council") created a Tax Increment Reinvestment Zone within the Zone (the "TIRZ"), and appointed the TIRZ Board; and

WHEREAS, the TIRZ Board adopted a Project Plan and Reinvestment Zone Financing Plan (the "Project and Financing Plan"), and submitted the final Project and Financing Plan to the City Council for approval; and

WHEREAS, the City Council approved the Project and Financing Plan pursuant to Ordinance No. 2758; and

WHEREAS, the City authorized the creation of the Authority to aid, assist with, and act on behalf of the City in the performance of the City's governmental and proprietary functions with respect to the common good and general welfare of the City and its neighboring areas; and

WHEREAS, the City, the TIRZ, and the Authority entered into that certain Agreement dated August 12, 2003, and approved by the City pursuant to Ordinance No. 2768 (the "Mission Agreement"), pursuant to which the City and the TIRZ contracted with the Authority to administer the TIRZ and granted the Authority the power to engage in activities related to the acquisition and development of land, to construct and improve infrastructure in the City, to enter into development agreements with developers and/or builders in the City, and to issue, sell, or deliver bonds, notes, or other obligations in accordance with the terms of the Mission Agreement; and

WHEREAS, the Texas Tax Code provides that the TIRZ may enter into agreements as the TIRZ Board considers it necessary or convenient to implement the Project and Financing Plan and to achieve its purposes; and

WHEREAS, Section 311.010(i) of the Texas Tax Code permits the Authority, on behalf of the TIRZ, to contract with the City to pay the incremental costs of providing municipal services incurred as a result of the creation of the Zone or the development or redevelopment of the land in

the Zone, regardless of whether the costs of those services are identified in the Plan; and

WHEREAS, as a result of the creation of the Zone and the development or redevelopment of the land in the Zone, the City is incurring an incremental increase in the costs of providing certain municipal services ("Incremental Service Costs"); and

WHEREAS, the City will examine its records and financial data on an annual basis to determine the Incremental Service Costs and will use such information to calculate annually the Incremental Service Costs, if any, in accordance with Section 311.010(i) of the Texas Tax Code; and

WHEREAS, the City, the Zone, and the Authority desire to enter into this Agreement for fiscal year 2025 to provide for the payment of the Incremental Service Costs to be paid from Available Authority Revenues (as defined in Article II of this Agreement) that are derived from the City's portion of the tax increment deposited into the TIRZ Fund and paid to the Authority pursuant to the Tri-Party Agreement;

NOW, THEREFORE, in consideration of the mutual covenants, agreements, and benefits to the parties named herein, it is agreed as follows:

I. GENERAL TERMS

A. Incorporation of Recitals. The recitals to this Agreement are hereby incorporated for all purposes.

B. Definitions. All capitalized terms shall have the meaning as defined herein, or, if not defined herein, shall have the meaning as defined in the Mission Agreement.

C. Singular and Plural. Words used herein in the singular, where the context so permits, also include the plural and vice versa. The definitions of words in the singular herein also apply to such words when used in the plural where the context so permits and vice versa.

II. INCREMENTAL SERVICE COSTS

The City, the Zone, and the Authority hereby agree that the Incremental Service Costs for the Zone shall be as set forth on **Exhibit A**. The Zone and the Authority hereby agree that the Authority shall pay to the City within thirty (30) days from the date this Agreement becomes effective the Incremental Service Costs for the fiscal year 2025 Budget, from Available Authority Revenues, as defined in this Agreement. For all subsequent fiscal years, such payments shall be due on May 1 of the applicable fiscal year.

III. AVAILABLE AUTHORITY REVENUES

The Authority's payment of the Incremental Service Costs is subject to and conditioned upon the Authority having Available Authority Revenues, as defined in this Agreement, sufficient to pay the Incremental Service Costs. "Available Authority Revenues" are Authority Revenues available to the Authority in the Authority's Surplus Fund, derived from the City's portion of Tax Increment deposited into the TIRZ Fund, after 1) payment of all principal, all interest, and all paying agent and registrar charges on the Bonds and Notes and other obligations of the Authority, now or hereafter issued at the respective times and in the respective amounts as fixed and

prescribed in the resolution or resolutions pursuant to which the Bonds or Notes or other obligations are now or hereafter issued by the Authority; 2) payments on other Authority Obligations with Developer/Builders as required by the Development Agreements now or hereafter entered into with such Developer/Builders; and 3) payments for other Project Costs to be paid pursuant to existing contracts with consultants or other contractors, permitted by the Mission Agreement and the Chapter 311 of the Texas Tax Code. If the Authority does not have Available Authority Revenues in its Surplus Fund to pay all of the Incremental Service Costs, then the Authority shall pay a portion of the Incremental Service Costs in the amount of the Available Authority Revenues. The amount of any unpaid Incremental Service Costs shall accrue annually and become due and payable at such time as Available Authority Revenues are sufficient to pay all or a portion of such accrued and unpaid Incremental Service Costs.

IV. PERIOD OF AGREEMENT

This Agreement is effective on the Countersignature Date as shown in the signature page of this Agreement and remains in effect until the later of December 31, 2031 or all of the obligations set forth on **Exhibit A** are complete.

V. NOTICES

All notices or payments required or permitted hereunder shall be in writing and shall be deemed delivered on the earlier of the following dates: the date of actual receipt or 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 herein below or at such other address as the receiving Party may have theretofore prescribed by written notice to the sending Party.

Addresses for notice shall be as follows:

If to the City:	City Manager City of Mission, Texas 1201 E. 8th Mission, Texas 78572
If to the Authority:	Executive Director Mission Redevelopment Authority 801 N. Bryan Road Mission, Texas 78572
If to the Zone:	Executive Director Reinvestment Zone Number One 801 N. Bryan Road Mission, Texas 78572

VI. LEGAL CONSTRUCTION

If any part of this Agreement is for any reason found to be unenforceable, all other parts remain enforceable unless the result materially prejudices the other party.

VI. SOLE AGREEMENT

This instrument contains the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any modifications concerning these instruments shall be of no force and effect excepting a subsequent modification in writing, signed by all parties.

[SIGNATURE PAGES FOLLOW]

IN TESTIMONY OF WHICH, this Agreement, in multiple originals, each having equal force has been executed on behalf of the Parties hereto as follows, to-wit:

IN WITNESS WHEREOF, the Parties hereto have caused this Reimbursement Agreement to be duly executed as of the _____ day of _____, 2025.

MISSION REDEVELOPMENT AUTHORITY

By: _____
Chairman

ATTEST:

Secretary

**REINVESTMENT ZONE NUMBER ONE, CITY
OF MISSION, TEXAS**

By: _____
Chairman

ATTEST:

Secretary

CITY OF MISSION, TEXAS

By: _____
Norie Gonzalez Garza, Mayor

ATTEST:

Anna Carrillo, City Secretary

Exhibit A

Fiscal Year	Amount
2025	\$600,000
2026	\$650,000
2027	\$700,000
2028	\$750,000
2029	\$800,000
2030	\$850,000