



Queen City of the Rio Grande Valley

August 14, 2001

Chief Joe Garza
U.S. Border Patrol-McAllen Sector
2301 S. Main
McAllen, TX 78505

Re: U.S. Border Patrol Sector Project

Dear Chief Garza:

The City of Mercedes would like to formally submit its proposal to your office for consideration. The City of Mercedes feels its proposal offers a comprehensive approach for the U.S. Border Patrol that will result in savings for your agency.

Our proposal utilizes funding from various local, County, State and Federal agencies to reduce the infrastructure cost to the City and the U.S. Border Patrol. Furthermore, Mercedes' central location in the mid-valley and the McAllen Sector will provide substantial savings for the Border Patrol.

The City appreciates your consideration and looks forward to your Sector Headquarters being located in our wonderful community.

If you have any questions, please do not hesitate to contact our offices at (956) 565-3114.

Respectfully,

Miguel Castillo, Jr.
Mayor

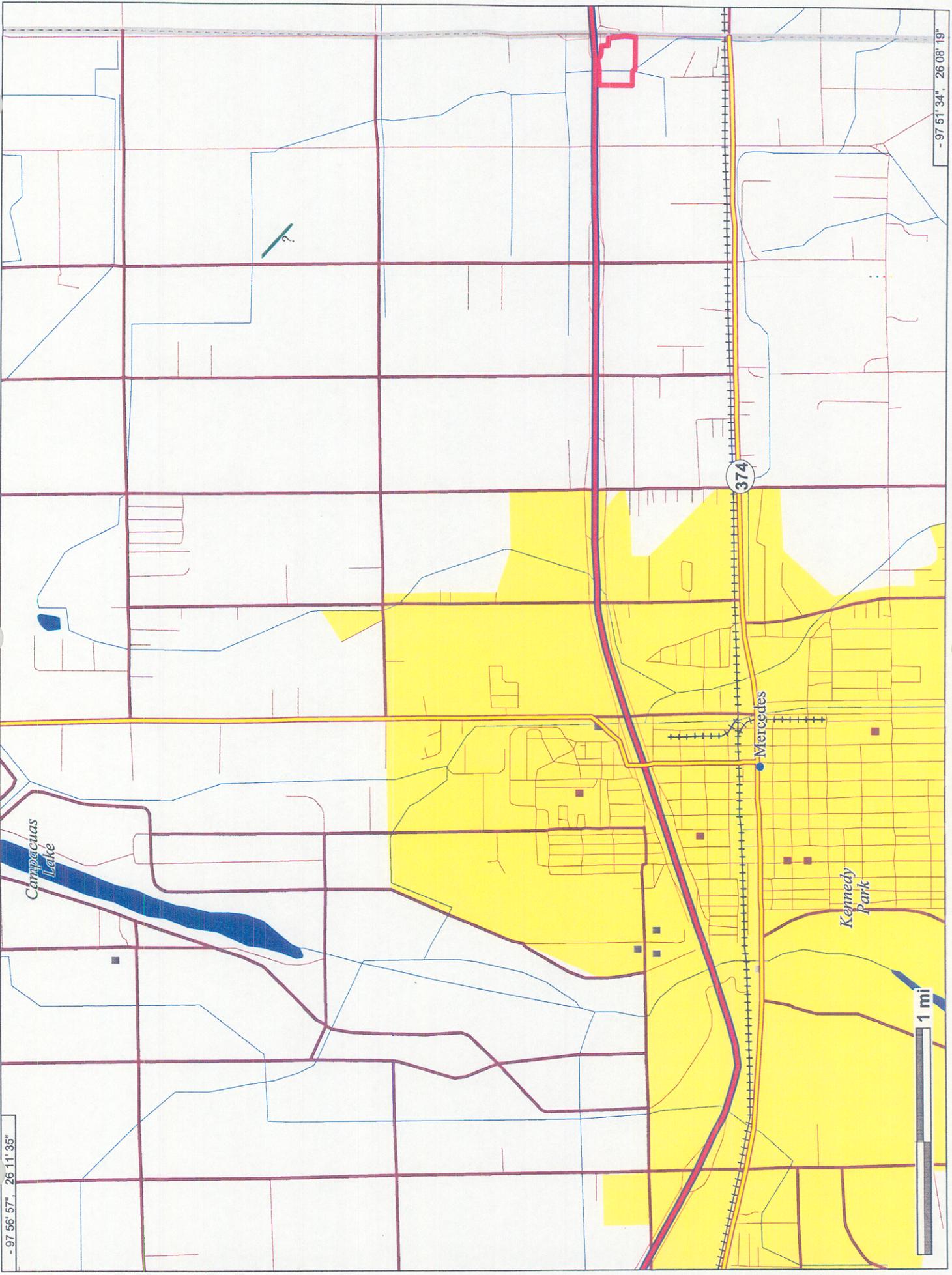
Ernesto S. Silva
City Manager

Cc: Ricardo Garcia, Asst. City Manager
Files

CITY OF MERCEDES

Proposal Highlights for HQ/ Weslaco BP Station site:

- 17 Acres.
- Property for sale, the City will purchase it and then **donate** it to BP.
- City is under contract with Zamora Construction Co. for the purchase of the 17 Acres.
- Additional land available from Zamora Construction Co. for \$27,000.00 per acre.
- Site located on frontage Expressway 83 and Mile 3 East.
- All utilities on site.
- Agricultural, and future commercial area.
- City has contracted and done a Phase I Environmental Study.
- Drainage canal on West and South side of proposed site.
- City has agreement with Magic Valley Electric Cooperative to provide for free all engineering services, overhead/underground lines, poles, security lighting, and labor and materials associated with this type of installation.



- 97 56' 57" - 26 11' 35"

- 97 51' 34" - 26 08' 19"

Campacus Lake

Merced

Kennedy Park

374

1 mi

-97 52' 05", 26 09' 44"

-97 51' 25", 26 09' 20"

JO-ED RD

MILE 3

US HWY 83

FRONTAGE RD

City of MERCEDES
17 Acres

500 ft

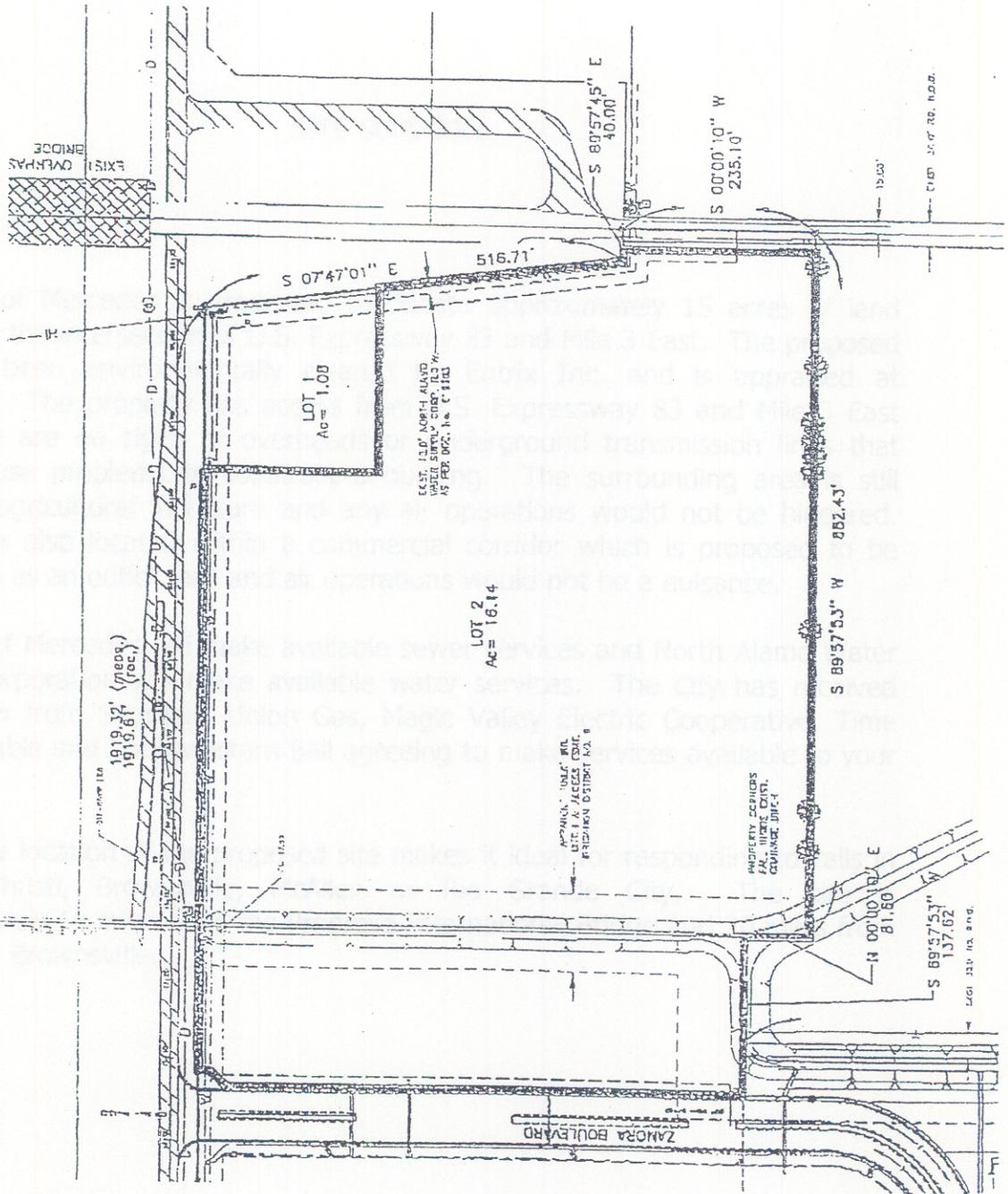


EXHIBIT "B" SITE PLAN







Infrastructure Summary

The City of Mercedes is leveraging its resources to bring the necessary infrastructure improvements to the proposed Border Patrol site and therefore limiting the amount of cost to the U.S. Border Patrol. The City has received approval and is in the process of initiating construction of the sewer system and North Alamo Water Supply Corporation is in the process of interconnecting their water systems with the City to provide adequate fire flows to the site.

The City has also completed expansion of its Water Treatment Plant and construction of a 750,000 gallon elevated storage tank in anticipation this area would be developed commercially. Furthermore, the County of Hidalgo and Cameron have designed and are in the process of expanding Mile 3 East and Mile 2 ½ East while the Texas Department of Transportation will be widening Business 83 and U.S. Expressway 83. The Hidalgo County Drainage District has provided a \$250,000 grant to the City for the installation of drainage boxes across the proposed site.

Finally, the City with the assistance of the agencies listed in Attachment "A" will be expending over \$23 million in infrastructure improvements at no cost to the U.S. Border Patrol making this site ideal for your project.

ATTACHMENT "A"

Multi-Agency Participation

City of Mercedes	\$ 500,000
Rio Grande Valley Empowerment	1,200,000
Hidalgo County	300,000
Cameron County	20,000
Economic Development Admin.	1,600,000
Texas Water Development Board	3,000,000
North Alamo Water Supply Corp.	40,000
Mercedes Industrial Foundation	435,000
Mercedes Economic Development Corp.	300,000
Hidalgo County Drainage District	250,000
Texas Department of Transportation	<u>23,000,000</u>
Total	\$30,765,000

NORTH ALAMO WATER SUPPLY CORPORATION

420 S. Doolittle Rd., Edinburg, Texas 78539

TEL (956) 383-1618

FAX (956) 383-1372

BOARD MEMBERS

Leonard Camarillo, District 1
Duane Wills, District 1
Michael England, District 2

OFFICERS

Dennis Goldsberry, President
Steve Krenek, Vice President
Glen R. Jeske, Secretary

BOARD MEMBERS

Manuel Garcia, District 2
Ray Yeary, District 3
Derrick Swanberg, District 3

Charles Browning, General Manager

August 15, 2001

Mr. Ernesto Silva
City Manager
City of Mercedes
P.O. Box 837
Mercedes, Texas 78570

RE: South Texas Factory Stores Subdivision, Located at Mile 3 East and Expressway 83.

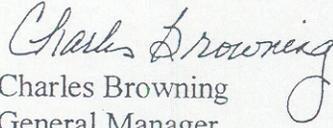
Dear Mr. Silva:

The North Alamo Water Supply Corporation (Corporation) is the potable water service provider to the above named subdivision and location. Currently, the Corporation has an 8" water line located on the north side of the subject property between Mile 2 1/2 East and Mile 3 East. Within the next two weeks, the Corporation will commence the construction of additional water line improvements that will enhance the flows and pressures to this area.

I understand that the I.N.S. - Border Patrol is considering relocating to this location. Please let me know if I can be of any assistance to the City in being the successful bidder for this project. This agency's relocation to this area will be a great benefit to the whole area, and we are supportive of the City's efforts.

Please call me if you need additional information.

Sincerely,


Charles Browning
General Manager

MVEC

A Touchstone Energy Partner
The Power of Human Connections



Magic Valley Electric Cooperative, Inc.

R. G. Merett, Manager

August 17, 2001

Earnesto Silva
City of Mercedes
P.O. Box 837
Mercedes, TX 78570

Dear Mr. Silva,

Magic Valley Electric Cooperative, Inc. is certified by the Public Utility Commission of Texas, to provide electric service for the proposed Factory Outlet Store project, located at Expressway 83 and Mile 3 East Road, in Mercedes, TX.

MVEC is prepared to provide services to this retail development and can provide the following.

Three-phase electric service to include:

- Engineering services.
- Overhead lines / Underground lines.
- Poles.
- Pad Mount Transformers.
- Secondary Metering.
- Security Lighting.
- All labor and materials associated with this type of installation.

All services are subject to the Cooperative's rates and Line Extension Policy.

Any questions concerning our services can be forwarded to me or Randy Bell, MVEC Division Engineer, at (956) 565-2451 ext. 2591. I look forward to working with you on this project.

Sincerely,

Brad Bierstedt
Business Development Manager



Zamora Development Group

Commercial, Industrial and Real Estate Development

1014 E. Harrison • Harlingen, Texas 78550
956-423-7750 • Fax 956-423-3613 • 1-800-524-9145

August 23, 2001

Sent Via Fax #: 956-565-8592

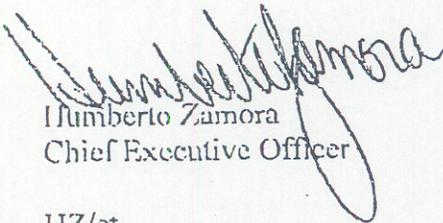
Mr. Ernest Silva
City Manager
City of Mercedes
400 S. Ohio
Mercedes, Texas 78570

Dear Mr. Silva:

We would just like to assure you that we do have control of an additional five (5) or more acres located adjacent to the present property under contract with the Mercedes Industrial Foundation, and agree to offer this as an addition to the original purchase agreement at the same price per acre.

Should you have any additional questions, please feel free to contact me at 800-524-9145.

Respectfully,



Humberto Zamora
Chief Executive Officer

HZ/ct



Zamora Development Group

Commercial, Industrial and Real Estate Development

1014 E. Harrison • Harlingen, Texas 78550
956-423-7750 • Fax 956-423-3613 • 1-800-524-9145

August 10, 2001

COPY

Copy for
MIF Members
8/14/01
Meeting

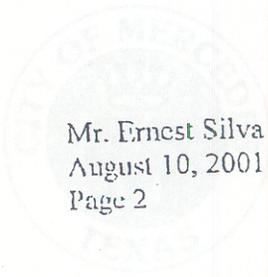
Mr. Ernest Silva
City Manager
City of Mercedes
400 S. Ohio Street
Mercedes, Texas 78570

Dear Mr. Silva:

Please be informed that the intent of this correspondence is to conclude negotiations on the purchase of 16 acres by the City of Mercedes for the submittal to the United States Border Patrol.

Understanding that after three negotiation meetings, the final agreements of the purchase are as follows:

1. Title Policy will be with the title company of choice selected by the City of Mercedes.
2. The City of Mercedes will pay \$27,000 per acre, one thousand five hundred dollars below appraised value of \$28,5000.
3. Mr. Zamora will provide the normal closing cost of a seller.
4. Mr. Zamora shall authorized the new United States Border Patrol facility the exclusive use of the following items, at no cost only if the facility is build in Mercedes, Texas.
 - a. A 320-foot tall antenna, located in Harlingen, Texas. This antenna can be used by the Mercedes facility for any Border Patrol function it may deem appropriate. Border Patrol facilities not located in Mercedes will be charged a fee for service. The antenna cost Pinewood Construction \$520,000 to erect and bring into an operational mode.



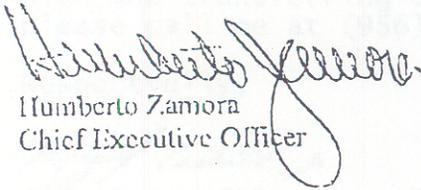
Mr. Ernest Silva
August 10, 2001
Page 2

Queen City of the Rio Grande Valley

- b. "As Build" construction plans of the existing Harlingen United States Border Patrol project, will be offered directly to the Border Patrol to use in any way or method helpful. Many of the designs, details or specifications used in Harlingen can be replicated or improved in the Mercedes facility. Humberto Zamora, as owner of the facility hereby authorizes the USBP full authority or permission to use the existing plans at no cost. Pinewood Construction paid approximately \$486,000 to the Architect for the plans.
- c. Humberto Zamora will also provide the existing preliminary plans designed for the United States Border Patrol Gun Range Project. The design was developed through the participation of Border Patrol Gun Range experts, Casswell Experts, and several visits to sites having similar gun ranges. Humberto Zamora spend approximately \$15,000 in the development of the final gun range design.

It should be understood that time is of the essence in closing this real estate transaction. Should you have any additional questions or concerns, please feel free to contact our office at 800-524-9145.

Respectfully,


Humberto Zamora
Chief Executive Officer

HZ/et

Cc: Juan Gonzalez
Legal Council for City of Mercedes


Ernesto S. Silva
City Manager

Mercedes City Commission
Ricardo Garcia, Asst. City Mgr.
Juan E. Gonzalez, City Attorney



Queen City of the Rio Grande Valley

September 4, 2001

Joe Garza, Chief Patrol Agent
U.S. Border Patrol - McAllen Sector
2301 S. Main
McAllen, TX 78503

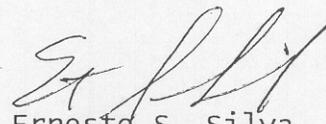
Dear Chief Garza:

As of August 31, 2001 the City of Mercedes completed the purchase of 16.4 acres for the proposed U.S. Border Patrol site. The City is prepared to transfer the acreage to the U.S. Border Patrol if the site is selected.

Please contact us once your decision is made so we may proceed with the transferring of the property. If you have any questions, please call me at (956) 565-3261.

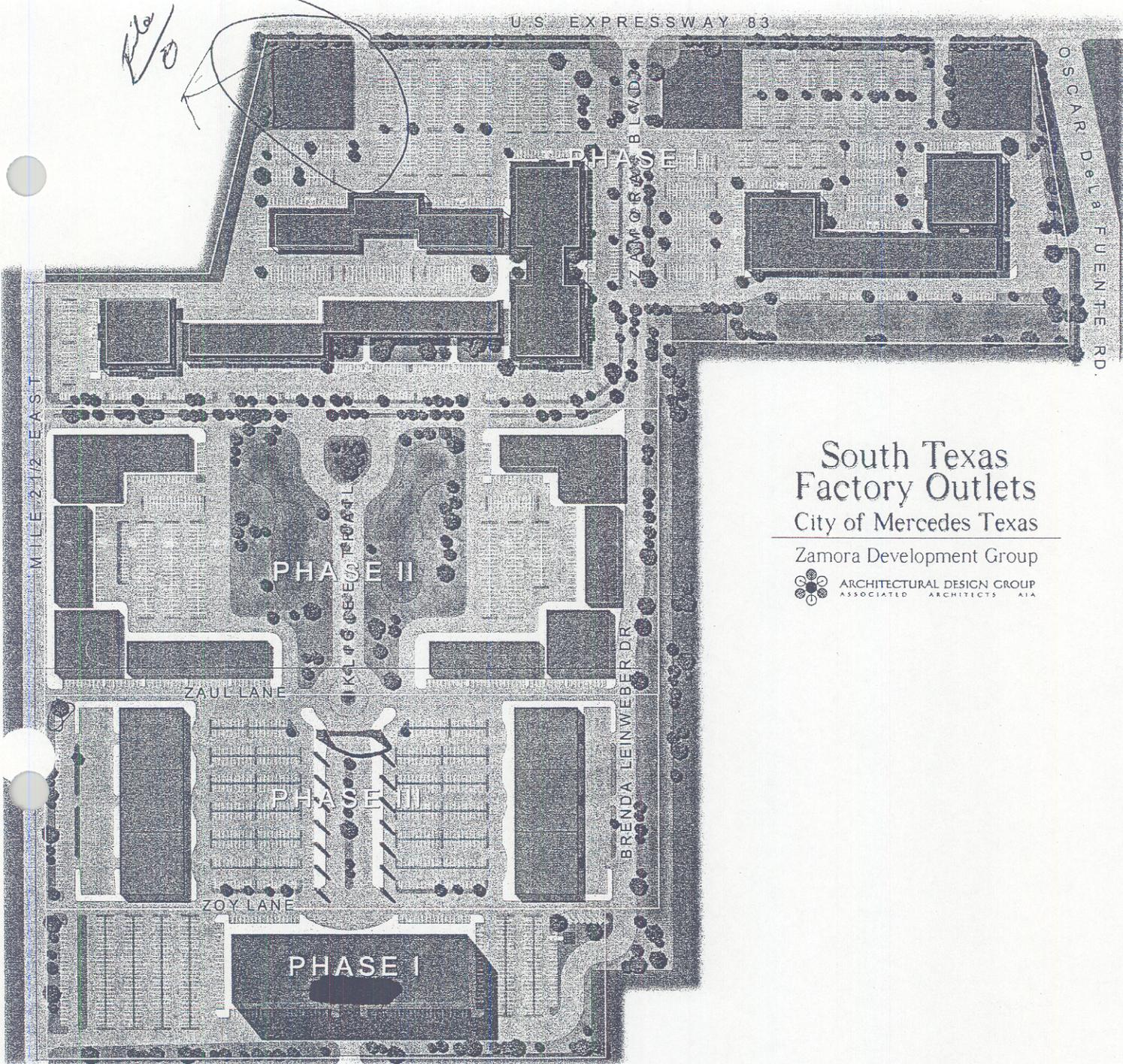
Respectfully,


Miguel Castillo, Jr.
Mayor


Ernesto S. Silva
City Manager

Cc: Mercedes City Commission
Ricardo Garcia, Asst. City Mgr.
Juan E. Gonzalez, City Attorney
Files

File
10



South Texas Factory Outlets

City of Mercedes Texas

Zamora Development Group

ARCHITECTURAL DESIGN GROUP
ASSOCIATED ARCHITECTS AIA

ENVIRONMENTAL ASSESSMENT OF
103 ACRE TRACT
US EXPRESSWAY 83 / MILE 3 EAST
HILDAGO COUNTY, TEXAS

Prepared for:

ZAMORA DEVELOPMENT GROUP
Harlingen, Texas

Prepared by:

ENTRIX, Inc.
Houston, Texas

Project No. 139901

August 1998

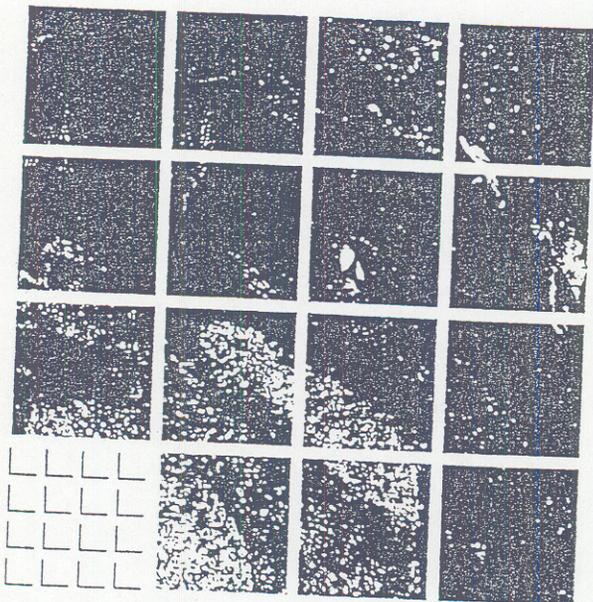


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Figure 2-1 Site Location Map - 103 acre tract

Appendices

- Appendix A - Site Photographs
- Appendix B - Aerial Photographs
- Appendix C - EDR Database

4.0 CONCLUSIONS

ENTRIX was retained by the Zamora Development Group Inc. to perform an environmental assessment of a 103 acre tract of undeveloped property located on US Expressway 83 and Mile 3 East Road in Hidalgo County, Texas. The Subject Property was inspected by ENTRIX personnel on August 10, 1998, in an effort to identify potential environmental issues that may exist due to current or past activities conducted on or near the Subject Property. In association with the site inspection, the assessment included regulatory agency records review and inquiry, and related historical research.

This assessment has revealed no evidence of recognized environmental conditions in connection with the Subject Property. *

In preparing this report, ENTRIX has reviewed historical records, conducted interviews with certain private and public officials, and conducted an on-site visual inspection of the property. ENTRIX has examined and relied upon documents referenced in the report and has relied on oral statements made by certain individuals. ENTRIX has not conducted an independent examination of the facts contained in referenced materials and statements. ENTRIX has assumed the genuineness of the documents and that the information provided in documents or statements is true and accurate. ENTRIX has prepared this report in a professional manner, using that degree of skill and care exercised for similar projects under similar conditions by reputable and competent environmental consultants. ENTRIX shall not be responsible for conditions or consequences arising from relevant facts that were concealed, withheld, or not fully disclosed at the time the report was prepared. ENTRIX also notes that the facts and conditions referenced in this report may change over time and the conclusions and recommendations set forth herein are applicable only to the facts and conditions as described at the time of this report. ENTRIX believes the conclusions stated herein to be factual, but no guarantee is made or implied.

This report has been prepared for the benefit of Zamora Development Group, Inc. The information contained in this report, including all exhibits and attachments, may not be used by any other party without the express written consent of ENTRIX, Inc.

BP SITE EVALUATION

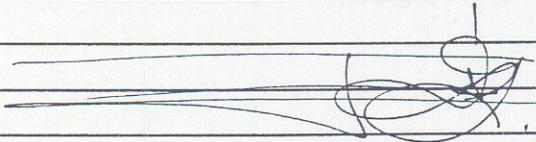
SITE No: Mercedes by: F.G. Lopez BPA	Importance	Rating	Value	Remarks:
Site size	1.00	6.00	6.00	17 Acres.
Conflicts with MW transmission	0.85	10.00	8.50	
Conflicts with MW tower height	0.85	10.00	8.50	
Willingness of owner to sell	0.90	10.00	9.00	City owned.
Environmental clean up	0.70	8.00	5.60	
Compatibility with neighborhood	0.95	10.00	9.50	future new development.
Conflicts with Air Ops traffic	0.85	10.00	8.50	
Site terrain and drainage	0.75	10.00	7.50	
Shape of property	0.60	10.00	6.00	rectangular.
Vehicular traffic and circulation patterns	0.90	8.00	7.20	frontage Hwy 83
Soil conditions	0.90		0.00	
Availability of Water	0.95	10.00	9.50	on site already.
Availability of Sewer	0.95	10.00	9.50	" " "
Availability of Power	0.95	10.00	9.50	" " "
Availability of Gas	0.95	10.00	9.50	
Availability of Communications	0.80	10.00	8.00	
Threatened or endangered species	1.00	8.00	8.00	
Conditions of existing access roads	0.90	10.00	9.00	
Demolition cost (existing site improvements)	0.00	10.00	0.00	
Land cost	0.90	10.00	9.00	
Location with respect to border	0.75	8.00	6.00	
Location with respect to other USBP facilities	1.00	10.00	10.00	
Ability to purchase additional acreage	0.50	8.00	4.00	available.

SITE SCORE:

168.30

Comments: Site on frontage Expwy 83. Extra land available on South side for \$27,000.00 / Acre.

Utilities on site. Drainage canal on West side of property. All surrounding area is undeveloped at this time.



2 / 13 / 01

F.G. Lopez 3/28/01



Queen City of the Rio Grande Valley

September 17, 2001

Joe Garza, Chief Patrol Leader
U.S. Border Patrol - McAllen Sector
2301 S. Main
McAllen, Texas 78503

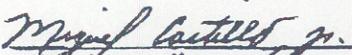
Dear Chief Garza:

Attached is a site plan of the proposed outlet mall with two areas for your consideration when selecting a site for the U.S. Border Patrol Sector Complex and U.S. Border Patrol Station Complex. The plan illustrates Site "A" as approximately 15 acres for the proposed U.S. Border Patrol Sector Complex and Site "B" as 25 acres for the U.S. Border Patrol Station and the U.S. Border Patrol Firing Range Training Facility.

The facilities would have direct access to U.S. Expressway 83 and U.S. Business 83 via a private road located within both proposed sites. If the U.S. Border Patrol selected both sites, there could be a savings of over \$3 million to the U.S. Border Patrol, not to mention the training complex becomes more viable considering Mercedes' central location in the Valley.

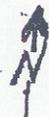
If you have any questions, please do not hesitate to contact us at (956) 565-3261.

Respectfully,


Miguel Castillo, Jr., Mayor


Ernesto S. Silva, City Manager

Enclosure



U.S. Expressway 83

Tribal Land

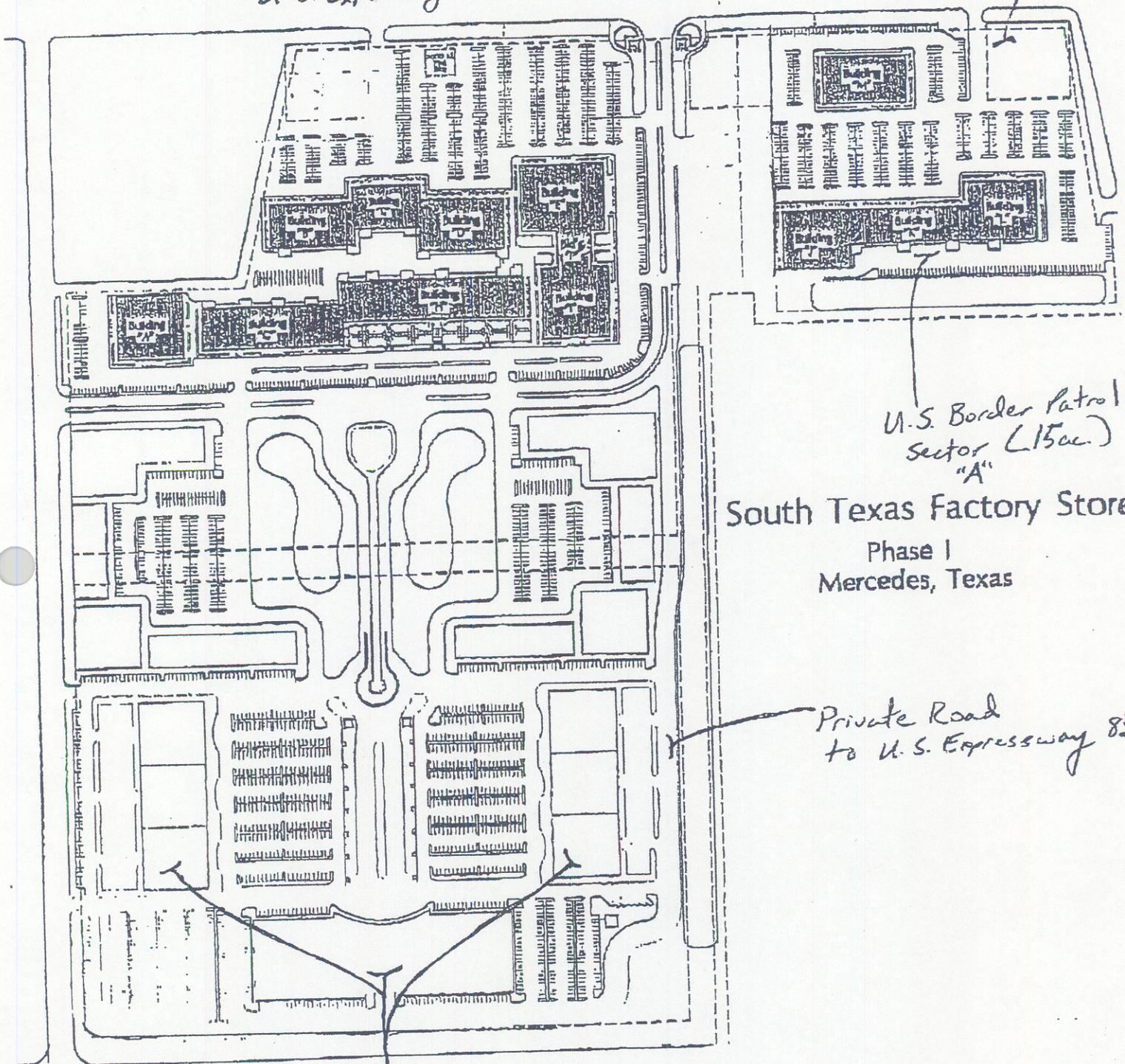
U.S. Border Patrol Sector (15ac) "A"

South Texas Factory Store Phase I Mercedes, Texas

Private Road to U.S. Expressway 83

Bus. 83

U.S. Border Patrol Station / Firing Range (25ac) "B"





Queen City of the Rio Grande Valley

September 14, 2001

Joe Garza, Chief Patrol Leader
U.S. Border Patrol – McAllen Sector
2301 S. Main
McAllen, Texas 78503

Dear Mr. Garza,

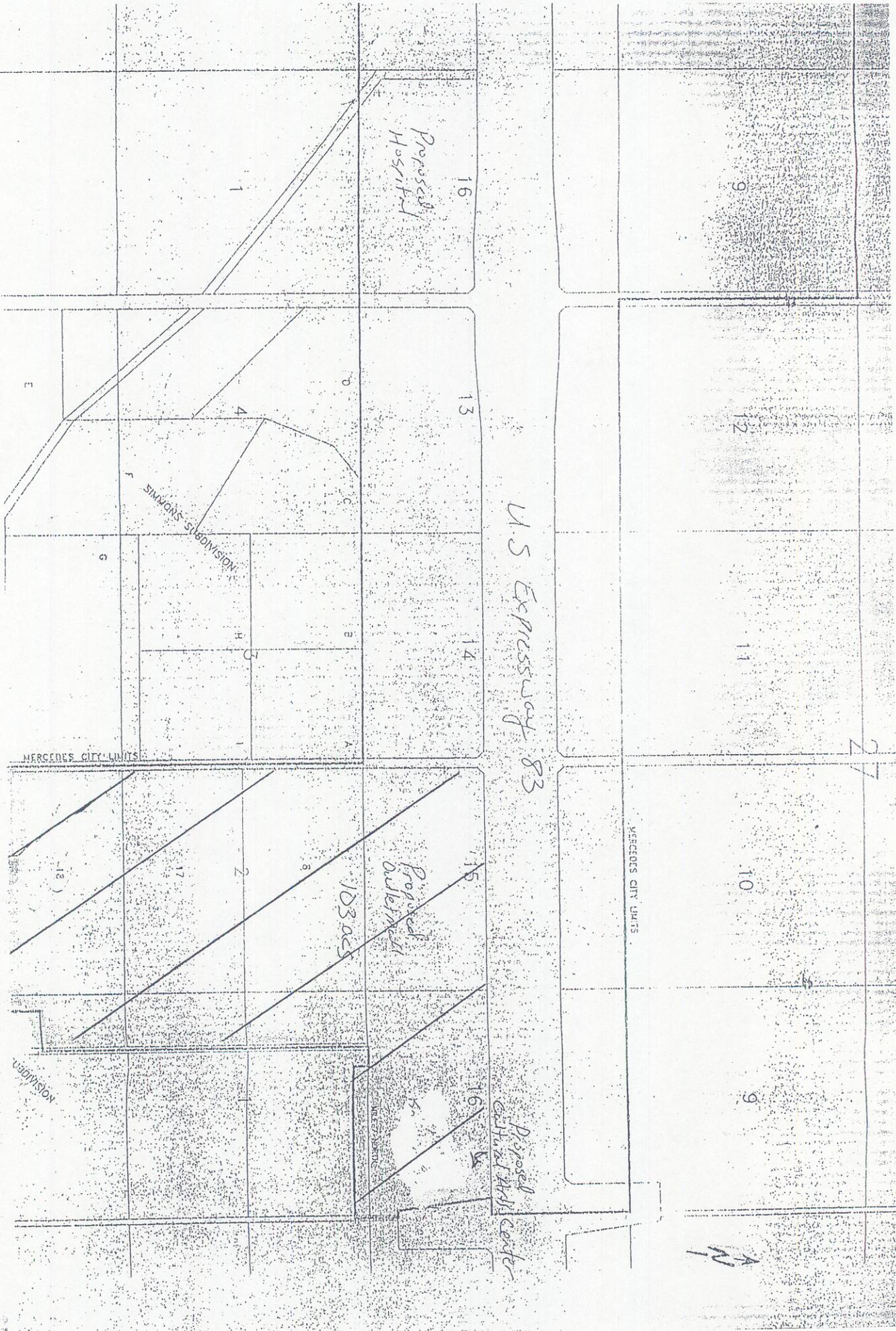
We would like to reiterate the City of Mercedes commitment to provide approximately 15 acres for the U.S. Border Patrol Sector Complex at the intersection of Mile 3 East and U.S. Expressway 83. If the site is not selected for the Sector Complex, the City of Mercedes would appreciate any consideration you may give the site for the U.S. Border Patrol Mid-Valley Station.

Furthermore, the enclosed maps also illustrate two additional sites available if the proposed site mentioned above is not selected. As you know, the City of Mercedes feels strongly the U.S. Border Patrol sector and Mid-Valley Station should be accommodated at the proposed outlet mall if your agency so desires.

Respectfully,


Miguel Castillo, Jr., Mayor


Ernesto S. Silva, City Manager



U.S. Expressway 83

Proposed Hospital

Proposed Outlet

103005

Proposed City Hall Center

MERCEDDES CITY LIMITS

MERCEDDES CITY LIMITS

MERCEDDES CITY LIMITS



