City of Texas City
Tax Abatement Guidelines
2017

SECTION 1. Purpose. Chapter 312 of the Texas Tax Code allows, but does not obligate or require, the City to grant a tax abatement on the value added to a particular property on account of a specific development project that meets the eligibility requirements set forth in this policy. In order for the City to participate in tax abatement, the City is required to establish guidelines and criteria governing tax abatement agreements. This policy is intended to set forth those guidelines and criteria for persons or entities interested in receiving a tax abatement from the City. This policy shall expire two (2) years from the date pursuant to Sec.312.002(c) of the Texas Tax Code.

SECTION 2. Adoption of Recitals. The City Commission of the City of Texas City, Texas, hereby adopts the recitals of this Ordinance as outlined above.

SECTION 3. Eligibility Election. Pursuant to the provisions of Section 312.002(a) of the Texas Tax Code, the City of Texas City, Texas previously elected to become eligible to participate in tax abatement by Resolution 14-078 which was considered and adopted at a properly notice public meeting occurring on October 16, 2014.

SECTION 4. Projects Eligible for Tax Abatement. To be eligible for tax abatement under this policy, an industrial development project must meet all of the following minimum tax abatement application criteria:

i. Must contribute a minimum capital investment of $100,000.00 to the proposed project;

ii. Must be eligible to conduct business or otherwise operate in the State of Texas;

iii. Must be located in the corporate limits of the City of Texas City;

iv. Must complete a Tax Abatement Application in form approved by the City Commission;

v. Must tender to the City any and all fees required by the Tax Abatement Application Form, as may be amended by the City Commission; and

vi. Must require of its plant managers and employees receiving the top twenty-five percent of compensation at the plant to reside within the City of Texas City or within the extra territorial jurisdiction (ETJ) as defined by the City; and

vii. Must tender to the City a current and active Texas Direct Payment Permit or, in the alternative, obtain a Texas Direct Payment Permit from the Texas Comptroller of Public Accounts for the direct payment of sales and use tax associated with the construction of improvements associated with the proposed project, and where applicable, shall require its contractors and subcontractors to also file for, or present such permit to the City for the direct payment of sales and use tax associated with the construction of improvements associated with the proposed project.

viii. The City may grant a Specific Residency Waiver to a specific plant manager or employee upon receiving an application submitting the request and upon the showing of a specific need. The City may negotiate waivers of the residency requirements in any actual Abatement Agreement approved by the City.
SECTION 5. Duration and Abatement Percentages. The duration of any specific tax abatement and the percentage of tax abatement shall be negotiated between the Applicant and the City on a case-by-case basis and codified in a Tax Abatement Agreement that meets the requirements of Chapter 312 of the Texas Tax Code and the terms and conditions as set by the City Commission.

SECTION 6. Severability. In the event that one or more of the provisions contained in this Resolution is for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability of this Resolution shall be construed as if such invalid, illegal or unenforceable provision has never been contained herein, but shall not affect the remaining provisions of this Ordinance, which shall remain in full force and effect.
APPLICATION FOR PROPERTY TAX ABATEMENT
CITY OF TEXAS CITY, TEXAS
(INDUSTRY)

APPLICATION INSTRUCTIONS

If an Applicant’s proposed development qualifies for Tax Abatement pursuant to the initial eligibility criteria established by the City Commission of the City of Texas City, Texas (“City”), as may be amended, the Applicant for Tax Abatement must complete an Application for Property Tax Abatement and submit it, along with all required attachments (collectively the “Application”), to the City Secretary. The Application will become part of any subsequent tax abatement agreement, if approved, and any knowingly false representations by the Applicant or its representatives will be grounds to void or otherwise terminate any tax abatement agreement based on the information contained herein or other agreement authorized and executed in conjunction with a tax abatement agreement. The Applicant must verify that the property subject to the tax abatement is located within the corporate limits of the City of Texas City, Texas (“City”).

APPLICATION FEE

Upon the Applicant’s submission of the Application, the Applicant must also pay an non-refundable application fee. The application fee and payment terms for industry related tax abatements shall be determined by the City (“Application Fee”).

DISCLOSURE

The City Commission retains the sole authority to approve or deny any Tax Abatement Agreement and is under no obligation to approve any Application or proposed Tax Abatement Agreement.

The City Commission’s adoption of tax abatement guidelines and criteria does not (1) limit the City Commission’s discretion to decide whether to enter into a specific tax abatement agreement; (2) limit the City Commission’s discretion to delegate to its employees the authority to determine whether or not the City Commission should consider a particular application or request for tax abatement; or (3) create any property, contractual, or other legal right of the applicant, person, or entity to have the City Commission consider or grant a specific tax abatement application.

CONFIDENTIALITY

Pursuant to Texas Tax Code Sec. 312.003, information the Applicant provides to the City in connection with its application or request for a tax abatement under Chapter 312 of the Texas Tax Code that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which the Applicant seeks a tax abatement is confidential and not subject to public disclosure until the tax abatement agreement is executed. The Applicant’s information in the custody of the City after the agreement is executed is not confidential under this section.
APPLICANT INFORMATION

APPLICATION DATE: __________________________

COMPANY NAME: ____________________________________________________________

COMPANY’S HEADQUARTERS ADDRESS: ____________________________________________

CITY: _____________________________ STATE: __________ ZIP: _______________________

TELEPHONE: _______________________________ FAX: _______________________________

COMPANY’S LOCAL ADDRESS: ______________________________________________________

CITY: _____________________________ STATE: __________ ZIP: _______________________

LOCAL TELEPHONE: _______________ LOCAL FAX: _______________________________

BUSINESS ENTITY: □ Sole Proprietor □ DBA
□ Partnership □ Corporation
□ Limited Liability Company □ Other

If “PARTNERSHIP,” please explain in detail applicant’s partnership structure:

_________________________________________________________________________

_________________________________________________________________________

_________________________________________________________________________

If “DBA” or “OTHER,” please explain in detail the applicant’s business entity structure:

_________________________________________________________________________

_________________________________________________________________________

_________________________________________________________________________

State of Incorporation: ____________________________ Years in Galveston County? _________

Is the Applicant authorized to do business in the state of Texas? □ YES □ NO

Has the Applicant ever filed for bankruptcy? □ YES □ NO

(continued on next page)
If “YES”, please explain in detail the applicant's bankruptcy history including but not limited to dates and bankruptcy court(s) having jurisdiction over any bankruptcy proceedings.

REGISTERED AGENT:

REGISTERED AGENT NAME: ________________________________________________________

BUSINESS / FIRM: _____________________________________________________________

AGENT’S ADDRESS: ___________________________________________________________

CITY: _______________ STATE: _________ ZIP: ________________

TELEPHONE: _______________ EMAIL: ____________________________________________

COMPANY REPRESENTATIVE AUTHORIZED FOR APPLICANT:

NAME: ________________________________________________________________

TITLE: ________________________________________________________________

ADDRESS: _____________________________________________________________

CITY: _______________ STATE: _________ ZIP: ________________

TELEPHONE: _______________ EMAIL: __________________________________________

(continued on next page)
AUTHORIZED COMPANY OFFICIAL:

NAME: ____________________________________________________________

TITLE: ____________________________________________________________

ADDRESS: ____________________________________________________________________________

CITY: ________________________ STATE: ___________ ZIP: ________________________

TELEPHONE: ________________________ EMAIL: ____________________________________________

AUTHORIZED SIGNATURE ON BEHALF OF APPLICANT: ________________________________

BY SIGNING THIS APPLICATION, THE APPLICANT AND ITS AUTHORIZED COMPANY OFFICIAL REPRESENT TO THE CITY OF TEXAS CITY, TEXAS THAT THE INFORMATION CONTAINED HEREIN IS TRUTHFUL, ACCURATE, AND CORRECT. THE APPLICANT AND ITS AUTHORIZED COMPANY OFFICIAL FURTHER UNDERSTAND THAT ANY CHANGES TO THE INFORMATION CONTAINED HEREIN REQUIRE THE APPLICANT OR ITS AUTHORIZED COMPANY OFFICIAL TO NOTIFY THE CITY OF TEXAS CITY, TEXAS WITHIN THIRTY (30) DAYS.

PROJECT INFORMATION

PROJECT CATEGORY: □ Warehouse  □ Manufacturing  □ Research & Development  □ Regional Distribution  □ Regional Service Center  □ General Office Building(s)  □ Other

(choose all that apply)

If “OTHER,” please describe in detail the type of project or facility:

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

PROJECT TYPE: □ New Facility or Structure  □ Expansion of Existing Facility or Structure  □ Modernization of Existing Facility or Structure  □ Other

(choose all that apply)
Please describe in detail the products or services to be provided by Project:

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PROJECT LOCATION:

PHYSICAL ADDRESS: ____________________________________________

CITY: __________________________ STATE: __________ ZIP: __________

MAILING ADDRESS: ____________________________________________

CITY: __________________________ STATE: __________ ZIP: __________

PROJECT LEGAL DESCRIPTION:

________________________________________________________________________

________________________________________________________________________

Is the Applicant the owner of the real property where the Project will be located? □ YES □ NO

If “NO,” does the Applicant have an executed lease for the real property where the Project will be located? □ YES □ NO

* Please submit a map, survey or plat of the project’s legal description with the application.

TAX ACCOUNT NUMBERS: __________________________ NAICS #: ____________

REINVESTMENT ZONE INFORMATION:

Is the Project already located in a tax reinvestment zone? □ YES □ NO

If “YES”, identify the jurisdiction and state the date the tax reinvestment zone was created?

________________________________________________________________________

If “NO,” does the Applicant have a metes and bounds survey of the real property for the necessary reinvestment zone? □ YES □ NO

* Please submit a map of the proposed reinvestment zone with the application, if applicable.

(continued on next page)
OTHER TAX ABATEMENTS:

Does Applicant intend on seeking tax abatement from Galveston county? □ YES □ NO

Does Applicant intend on seeking a Chapter 313 Property Value Limitation Agreement with a school district? □ YES □ NO

SCHOOL DISTRICT(S): __________________________________________________________
__________________________________________________________________________

PRIOR TAX ABATEMENT INFORMATION:

Has the Applicant previously received tax abatement from the City? □ YES □ NO

If “YES”, date(s) tax abatement agreement(s) executed? ____________________________
__________________________________________________________________________
__________________________________________________________________________

Has the Applicant already requested a tax abatement or property value limitation for this Project from another taxing jurisdiction? □ YES □ NO
If “YES”, please provide the following information:

1. Name of each taxing jurisdiction & contact? __________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

2. Date(s) for each tax abatement application: __________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

3. Date(s) for upcoming public hearing(s) relating to tax abatement application(s)? 
   __________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

4. Date each tax abatement agreement was considered by another taxing jurisdiction? 
   __________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
5. Date each tax abatement agreement executed?

______________________________________________

______________________________________________

Has applicant included copies of its previous tax abatement applications or prior agreements with this application? □ YES □ NO

If “NO”, does the Applicant agree to supplement its application with copies of its previous tax abatement applications or agreements? □ YES □ NO

If “NO,” please describe in detail why not?

______________________________________________

______________________________________________

Has any taxing jurisdiction issued the Applicant a letter of intent (LOI) to enter into a tax abatement? □ YES □ NO

If “YES”, identify the jurisdiction issuing the LOI: ______________________________________

Has applicant included copies of its LOIs with this application? □ YES □ NO

If “NO”, does the Applicant agree to supplement its application with copies of its LOIs? □ YES □ NO

If “NO,” please describe in detail why not?

______________________________________________

______________________________________________

ECONOMIC INFORMATION

What year does the Applicant request tax abatement begin? ________________________________

How many years does the Applicant request tax abatement to continue? ________________________________ (10 year maximum)

CONSTRUCTION ESTIMATES:

Start Month/Year: _____ / _____ Contract Amount $______________________________

Completion Date: _____ / _____ Peak Construction Jobs: _____ Construction Man-Years: _____
IF MODERNIZATION:

Estimated current economic life of existing structure: _____ years
Added economic life from modernization: _____ years

PERMANENT JOB CREATION AND RETENTION OF EXISTING PERMANENT JOBS IN GALVESTON COUNTY?

Current employment: _____
Jobs to be retained: _____
Jobs to be created after three (3) years from contract inception: _______ at Jan. 1, 20__

TEXAS CITY RESIDENCY REQUIREMENTS:

Does the Applicant agree to require its senior executive employees, project managers, and other employees receiving compensation in the top 25th percentile to relocate to the City of Texas City or its extraterritorial jurisdiction?

☐ YES  ☐ NO
If “NO,” explain why not: _____________________________________________________________
_________________________________________________________________________________

Stated appraised value on site:

<table>
<thead>
<tr>
<th>STATED APPRAISED VALUE ON SITE</th>
<th>LAND</th>
<th>IMPROVEMENTS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value as of January 1st preceding abatement (per Galveston County Appraisal District Records and Account Number)</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Stated value of new abatable investment (Buildings)</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Stated value of new abatable fixed and in place machinery and equipment</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Stated value not subject to abatement (e.g. inventory)</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Stated value of property subject to ad valorem tax at end of abatement</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

DIRECT TAX PAYMENT PERMIT: (Minimum of $800,000.00 annually in taxable items required)

Does the Applicant agree to obtain a Texas Direct Payment Permit from the Texas Comptroller in conjunction with the Applicant’s construction of its Project?

☐ YES  ☐ NO
If “NO,” explain why not: _____________________________________________________________
_________________________________________________________________________________
PAYMENTS IN LIEU OF TAXES (PILOTs):

Is the Applicant willing to participate in payments in lieu of taxes to the City to offset the tax abatement? □ YES □ NO

VARIANCE:

Is the Applicant seeking a variance to the tax abatement guidelines? □ YES □ NO

If “YES”, attach a letter requesting and justifying the basis for the variance along with any other supplemental information that may be relevant to your request.

________________________________________________________________________________
________________________________________________________________________________

FOR INTERNAL USE ONLY

APPLICATION RECEIVED ON: __________________________
APPLICATION RECEIVED BY: __________________________ TITLE: _____________________
APPLICATION FEE RECEIVED ON: ______________________
TAX ABATEMENT TERMS APPROVED (subject to execution of tax abatement agreement):

________________________________________________________________________________
________________________________________________________________________________