

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 a 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:**
- | | |
|--|--------------------------------------|
| <input type="checkbox"/> Sole Proprietor | <input type="checkbox"/> DBA |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Corporation |
| <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> 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

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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:** _____

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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:** (choose all that apply)
- Warehouse
 - Manufacturing
 - Research & Development
 - Regional Distribution
 - Regional Service Center
 - General Office Building(s)
 - Other

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

- PROJECT TYPE:** (choose all that apply)
- New Facility or Structure
 - Expansion of Existing Facility or Structure
 - Modernization of Existing Facility or Structure
 - Other

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.*

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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:

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

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):
