

A RESOLUTION THAT THE COMMISSIONERS COURT OF ATASCOSA COUNTY, TEXAS ELECTS TO ADOPT AN ECONOMIC DEVELOPMENT POLICY, WHICH INCLUDES SETTING OUT GUIDELINES AND CRITERIA FOR TAX ABATEMENT IN ACCORDANCE WITH TEXAS TAX CODE 312.001 ET. SEQ., OTHERWISE KNOWN AS THE PROPERTY REDEVELOPMENT AND TAX ABATEMENT ACT ("ACT"), GOVERNING THE CREATION OF TAX ABATEMENT REINVESTMENT ZONES AND THE EXECUTION OF 312 TAX ABATEMENT AGREEMENTS BY THE COUNTY.

WHEREAS, the enhancement of the local economy is in the best interests of the citizens of Atascosa County; and,

WHEREAS, the creation of specified tax abatement reinvestment zones and the execution of tax abatement agreements will be reasonably likely to contribute to the retention or expansion of primary employment or to attract major investment that would be a benefit to property and would contribute to the economic development of the County of Atascosa; and,

WHEREAS, the Act requires counties to establish local guidelines and criteria for the creation of tax abatement reinvestment zones and the execution of 312 Tax Abatement Agreements; and,

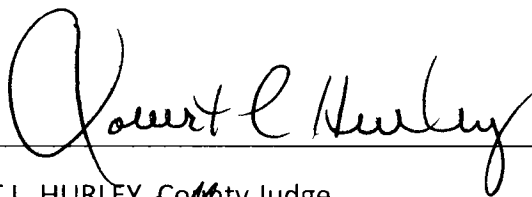
WHEREAS, the Act states that guidelines and criteria are effective for two years unless amended or replaced by a three-fourths (3/4) vote of the governing body.

NOW THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF ATASCOSA COUNTY, TEXAS, THAT:

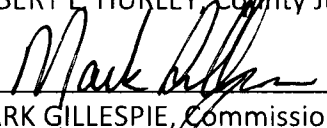
PART 1. The guidelines and criteria outlined in Exhibit "A" of this resolution which govern 312 Tax Abatement Agreements, are hereby adopted by the Atascosa County Commissioners Court and shall remain in effect for two years from the date herein unless amended or repealed by a vote of the Commissioners Court.

PART 2. That this resolution shall take effect immediately from and after its passage.

ADOPTED this the 25th day of March, 2019.



ROBERT L. HURLEY, County Judge



MARK GILLESPIE, Commissioner, Precinct 1



STUART KNOWLTON, Commissioner, Precinct 2

Eliseo Perez
ELISEO PEREZ, Commissioner, Precinct 3

Kennard Riley
KENNARD RILEY, Commissioner, Precinct 4

Attest: Diane Gonzales
Diane Gonzales, County Clerk
Atascosa County, Texas



ATASCOSA ECONOMIC DEVELOPMENT PROGRAM POLICY

1. AUTHORIZATION

A. General Authority. The Atascosa County Commissioners Court (“Commissioners Court”) is authorized to develop and administer a program to stimulate business and commercial activity in Atascosa County (“County”) pursuant to Texas Local Government Code, Chapter 381 and other applicable statutes.

B. Tax Abatement Resolution. The County has adopted a Resolution stating that the County elects to become eligible to participate in tax abatement under both the Texas Local Government Code, Section 381.004(g) and applicable provisions of the Texas Tax Code, and also under Chapter 312 of the Texas Tax Code. Tax Abatement Agreements which are entered into under Texas Local Government Code, Section 381.004(g) (“381 Tax Abatement Agreement”) shall be subject to the requirements of that statute and governed, to the extent practicable, by the provisions of Sections 312.204 , 312.205 , and 312.211 of the Texas Tax Code, as if the Commissioners Court were a governing body of a municipality. Tax Abatement Agreements which are entered into under Texas Tax Code, Chapter 312 (“312 Tax Abatement Agreement”) shall be subject to all requirements of that statute.

2. PURPOSE AND METHOD

A. General Purpose. Atascosa County is committed to the promotion and retention of high quality development in all parts of the County and to an ongoing improvement in the quality of life for its citizens. Insofar as the enhancement and expansion of the local economy generally serves these objectives, the County will, on a case-by-case basis, give consideration to providing certain incentives to private sector businesses that will make a measurable difference in achieving economic growth and development. This Policy is intended to establish guidelines and criteria under which the County may develop and administer a program to stimulate business and commercial activity. The adoption of this Policy does not in any way limit the discretion of the Commissioners Court to decide whether to enter into a specific agreement.

B. Term. The Atascosa County Commissioners Court has directed that this Policy be reviewed every two (2) years to include a report with the resulting effects. Based on that review, this Policy will be modified, renewed, or eliminated.

C. Limitations. The adoption of these guidelines and criteria does not limit the discretion of the Commissioners Court to decide whether to enter into a specific agreement nor does it create any contract or other legal right in any Applicant to have the Commissioners Court consider a specific Application or request.

3. DEFINITIONS

A. “Abatement” means the full or partial release from payment of Ad Valorem Taxes on certain real and tangible personal property under this Policy.

- B. “ACAD”** means the Atascosa Central Appraisal District.
- C. “Ad Valorem Taxes/Taxation”** means those property taxes assessed by County on real and tangible personal property located within Atascosa County, Texas.
- D. “Agreement”** means a contractual agreement between a property owner and/or lessee (and lessor) and Atascosa County, granting or pertaining to an Incentive under this Policy, including any contract entered into under this Policy.
- E. “Agreement Funds”** means all money paid to or abated for a Company pursuant to the terms of an Agreement entered into under this Policy.
- F. “Applicant”** means the authorized representative of a firm, party, entity, or organization who requests in writing the consideration of an Incentive under this Policy.
- G. “Application”** means the Atascosa County Economic Development Incentive Application Package attached hereto.
- H. “Company”** means the authorized individual or business entering into an Agreement with County under this Policy.
- I. “Effective Year Value”** means the value assessed by County for the purposes of Atascosa County Ad Valorem Taxes on Eligible Property for the tax year including the effective date of the Agreement. The effective date of an Agreement shall be the date on which all parties have executed the Agreement.
- J. “Eligible Property”** means certain real property and tangible personal property including buildings, structures, fixed machinery and equipment, fixed personal property, site improvements, plus office space and related fixed improvements necessary to the operation and administration of a facility.
- K. “Employee”** means a person: whose employment is permanent, full-time, and non-seasonal; and who is employed by the Company for a minimum of 1,750 hours per year; and whose employment is reflected in a company generated and certified payroll report or other documentation of employment acceptable to the County.
- L. “Incentive”** means the benefit granted under an Agreement entered into pursuant to this Policy and applicable statutes.
- M. “Payment Year Value”** means the value assessed by the ACAD for the purpose of the payment of Atascosa County Ad Valorem Taxes on Eligible Property for any tax year included in an Agreement, not including the tax year in which an Agreement was made effective.
- N. “Project”** means the proposed development as specifically described by Company in the Application/request for incentives and the Agreement.
- O. “Property”** means the land (real property) on which the Project will be developed.

P. “**Rebate**” means the rebate of Ad Valorem Taxes paid by a Company on Eligible Property pursuant to the terms of a Rebate Agreement.

4. INCENTIVES

By decision of the Atascosa County Commissioners Court, Incentives are limited to tax Abatement and Rebate at this time.

A. Abatement. The Commissioners Court may grant exemption from Ad Valorem Taxes on Eligible Property on the condition that a Company make specific improvements or repairs and meet other requirements as set forth under this Policy and the terms of an Agreement.

(i) Reinvestment Zone.

(a) When entering into an Abatement Agreement pursuant to Chapter 381 of the Texas Local Government Code -a 381 Tax Abatement Agreement- the Commissioners Court will designate a Reinvestment Zone pursuant to Section 312.201 of the Texas Tax Code, or will utilize a Reinvestment Zone created by another taxing entity. Where designation of a Reinvestment Zone is not practicable, the Commissioners Court will review and evaluate the Property utilizing the criteria for establishing a Reinvestment Zone and make a determination that the Property substantially meets the guidelines for establishing a Reinvestment Zone.

(b) When entering into an Abatement Agreement pursuant to Chapter 312 of the Texas Tax Code -a 312 Tax Abatement Agreement- the Commissioners Court must designate a Reinvestment Zone. If an area does not include an area in the taxing jurisdiction of a municipality, the Commissioners Court may proceed to designate a Reinvestment Zone pursuant to 312.401 of the Texas Tax Code, and other applicable provisions, if (1) the Commissioners Court provides notice of a public hearing which is published in a newspaper having general circulation in the County and such notice is delivered in writing to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in the proposed Reinvestment Zone; (2) the Commissioners Court holds a public hearing where interested persons are allowed to speak and present evidence for or against the designation; and (3) the Commissioners Court finds that the designation would contribute to the retention or expansion of primary employment or would attract major investment in the zone that would be a benefit to the Property and would contribute to the economic development of the County.

(c) The designation of a Reinvestment Zone expires five (5) years after the date of the designation and may be renewed for periods not to exceed five (5) years. Expiration of a Reinvestment Zone will not affect existing Agreements.

(ii) Notice. The Commissioners Court shall deliver to the presiding officer of the governing body (or other designated officer or employee) of each taxing unit in which the property being considered for an Abatement Agreement is located, a written notice that the County intends to enter into an Agreement not later than the seventh (7th) day before the date on which the County will enter into the Agreement. Such notice shall include a copy of the proposed Agreement.

B. Rebate. The Commissioners Court may grant Company a payment of a percentage of the difference between the Ad Valorem Taxes paid by the Company on the Effective Year Value and the Ad Valorem Taxes assessed and/or paid on the Payment Year Value reflecting the improvements made by the Company pursuant to an Agreement and this Policy. The percentage amount will be determined by the Commissioners Court to be derived from the Project as presented by the Company in its Application and other criteria as set forth under this Policy.

C. Amount. A Company may be granted a Rebate on or Abatement of Ad Valorem Taxes as follows:

<u>Investment Amount</u>	<u>Abatement/Rebate Amount</u>
Less than \$25,000,000	-0-
Between \$25,000,000 to \$49,999,999	not to exceed 25%
Between \$50,000,000 to \$74,999,000	not to exceed 35%
Between \$75,000,000 to \$99,999,000	not to exceed 50%
More than \$100,000,000	such percentage deemed appropriate by the Atascosa County Commissioners Court, but not to exceed 80%

An Abatement Agreement approved by an affirmative vote of the majority of the Commissioners Court in a regularly scheduled meeting may authorize a percentage other than as set forth above.

In no event shall the County consider or grant a request for tax Abatement or Rebate in an amount over eighty percent (80%).

D. Rebate/Abatement- Base. The Rebate/Abatement of real property shall be based upon the extent that the value for the year of Rebate/Abatement included in an Agreement exceeds the value of the year in which the Agreement is executed. The Rebate/Abatement of tangible personal property located on the real property in each year is limited to tangible property other than that tangible personal property that was located on the real property at any time before the Agreement term, and other than inventory or supplies.

5. REQUIREMENTS AND CRITERIA FOR EVALUATION

A. General Requirements

(i) An Agreement entered into under this Policy shall require a finding by the Commissioners Court that the terms of the Agreement and any property subject to the Agreement meet applicable guidelines and criteria set forth in this Policy and that the development of a Project will result in substantial financial benefit to Atascosa County. Accordingly, a Company requesting an Incentive must be able to show in it's Application a clear demonstration of public purpose and economic benefit through advancement of the County's economic goals which include expanding the tax base, creating quality jobs, and increasing private capital investment in the community.

(ii) In order to be eligible to receive Incentives, Company must be current on all County taxes and any other obligations of the County. Requests for Incentives will not be considered for an Applicant with which the County is currently involved in litigation or has, within the last four (4) years, been involved in litigation. Requests for Incentives will not be considered for an Applicant involved in a pending claim with the County or with which there has been past unsatisfactory contractual performance.

(iii) To be eligible to receive Incentives, Eligible Property must either be owned by the Company seeking the Incentive, or, in the event that the Company has leased such property, such lease must be presented along with the Application and must be for a term greater than or equal to the requested term of an Agreement, and must also contain a provision indicating the obligation of the Company to pay all Ad Valorem Taxes, either directly or indirectly.

(iv) Incentives will be considered for both new facilities and structures as well as the expansion of existing facilities and structures. However, in order for expansion to qualify for an Incentive, Company must be able to demonstrate that such expansion will add substantial value to the Ad Valorem Tax base.

(v) Requests for Incentives will not be considered if, prior to the submission of an Application, the Project is already substantially underway or has been completed. For purposes of this Policy, “substantially underway” shall mean that any of the following have occurred:

- (a) Demolition, site preparation, or installation of infrastructure has begun;
- (b) A building permit, not related to mitigating an environmental hazard, has been issued;
- (c) Construction has begun; or
- (d) Any type of relocation, including inventory and equipment, to the Project site has commenced.

(vi) Property that is owned or leased by a person who is a member of the Commissioners Court (or staff of such a member) is not eligible for an Incentive under this Policy. Accordingly, a Company must warrant that none of the Property is owned or leased by a member of the Commissioners Court or their staff.

(vii) Company must be able to show financial stability and a capacity to complete the Project. Documentation showing factors such as Company’s liquidity, solvency, operating efficiency, and profitability must be included for Commissioners Court review.

B. Requirements With Discretionary Elements. While the following elements will be considered necessary to any Agreements entered into under this Policy, the Commissioners Court may, at its sole discretion, limit or waive the extent to which each is applied.

(i) **Minimum Capital Investment.** To be eligible to receive an Incentive under this Policy, a Company’s new capital investment shall be no less than twenty-five million dollars (\$25,000,000.00). The purchase price of Property will not be included in this total capital investment amount.

(ii) **New Job Creation.** Project will provide new, permanent full –time, non-seasonal jobs. While there is no absolute minimum as to the number of new jobs created, increased incentive levels will be considered for Projects hiring at least fifty (50) new, permanent, full-time Employees.

C. Additional Criteria for Consideration. When considering approval and determining maximum incentive amounts for a Project, the Commissioners Court may also consider the following criteria.

- (i) Environmental attractiveness
- (ii) Commitment to clean air initiatives
- (iii) Size of Property involved in the Project

- (iv) Use of innovative design practices, including esthetic considerations
- (v) Diversification of economy
- (vi) Additional community improvement, including the following:
 - (a) Employee benefits including offer of group coverage or contribution to health benefits in a dollar amount that provides meaningful opportunity for workers to purchase coverage for themselves and all family members.
 - (b) Employee wage or salary equal to or greater than the current Atascosa Average County Wage as computed by the Bureau of Labor statistics.
 - (c) Willingness to recruit and hire locally and to promote the local community workforce from within.
 - (d) Company contribution to education, training and/or career development activities for current and potential Employees in the community.
 - (e) Company commitment to community participation in the form of volunteer work, school mentoring, and contributions to local schools, particularly to fund programs related to job training.
 - (f) Contributions to the community such as infrastructure for transportation, utilities, and health and emergency services.

6. APPLICATION PROCESS

A. Application Package. In order to be eligible for Incentives, the Atascosa County Economic Development Incentive Application Package must be completed in its entirety with three (3) copies submitted to the appropriate County Representative, being the county commissioner in whose precinct the Property that is the subject of the Application is located. A Complete Application Package shall include the following:

- i. A complete Application (attached hereto); and
- ii. A non-refundable check in the amount of \$500.00 payable to Atascosa County to reimburse the County the reasonable cost of proposal evaluation.

Atascosa County may request additional information as a part of the application process as deemed necessary in order to fully evaluate the Application/request.

Information that is provided in the Application for an Abatement Agreement entered into under 312 of the Texas Tax Code is confidential and not subject to public disclosure until the Abatement Agreement is fully executed, at which time that information in the custody of the County is no longer confidential.

B. Review. The appropriate County Representative, upon notification to the Atascosa County Attorney's Office, shall submit a request for closed session to follow a regularly scheduled session of the Atascosa County Commissioners Court, in order to review and discuss an Application/request. Upon review and discussion, the Commissioners Court shall, by majority vote, either: (i) deny the Application/request; or (ii) grant the request pending negotiation of an Agreement and direct the County Attorney's Office to enter into negotiations for such Agreement; or (iii) request additional information from Company in order to make a decision. A closed session shall comply with all provisions of Chapter 551, Subchapter E, of the Texas Government Code. Any final action, decision, or vote on a matter deliberated in a closed session may only be made in an open meeting that is held in compliance with the notice provisions of Chapter 551. The attendance of a representative of the Company may be required.

C. Negotiation. After the approval of a general concept by the Commissioners Court and permission to enter negotiations, the County Attorney's Office will negotiate and prepare an Agreement with the Company in conformity with this Policy and applicable statute. The County will make all reasonable efforts to negotiate an Agreement in a timely manner and submit same for final approval by the Commissioners Court.

D. Public Hearing on Reinvestment Zone. As previously noted in this Policy, the Commissioners Court may not adopt a resolution creating a Reinvestment Zone until it has held a public hearing at which interested parties are entitled to speak and present evidence for or against the designation. Notice of the hearing shall be provided in accordance with all applicable provisions of the Texas Tax Code.

E. Final Agreement. Any Agreement proposed under this Policy shall only be approved by an affirmative vote of the majority of the members at a regularly scheduled meeting of the Commissioners Court.

7. AGREEMENT

Requirements for any Agreement entered into pursuant to this Policy include, but are in no way limited to, the following:

A. Waiver and/or Modification of Requirements. The Commissioners Court retains the right to waive or modify any of the requirements of this Policy, with the exception of the General Requirements set forth under Section 5(A) herein and those requirements set forth in statute which cannot be waived, by approving terms in an Agreement entered into under this Policy that differ from the Policy when the County determines that the waiver and/or modification is: i) necessary in order to serve the public interest; ii) will allow an Agreement which will continue to meet the intent of the Policy; and iii) will not violate any applicable statutory requirements.

B. Leased Property. Any Agreement covering leased Property is to be executed by both the lessor (owner) and the lessee (Company) of the land on which a Project is located, provided that the term of the lease is equal to or exceeds the term of the Agreement.

C. Refund/Recapture. In the event that a Company either i) allows its ad valorem taxes owed to any local taxing entity to become delinquent and fails to timely and properly follow the legal procedures for their protest/contest; or ii) is in default according to the terms and conditions of this Policy or an Agreement and fails to cure within the time period allowed; or iii) if the Rebate/Abatement portion of the Agreement is ruled invalid by a court of competent jurisdiction, the Agreement then may be terminated and all Agreement Funds previously paid to Company or abated from payment by Company shall be refunded to County no later than sixty (60) days after termination.

D. Access. An Agreement entered into under this Policy must provide for access and authority for County employees to enter the Property and inspect to ensure that the improvements or repairs are made according to the term of the Agreement and that Company is in compliance with all other provisions of the Agreement. Representatives of the Company may accompany the County during such inspections. Any inspection shall be preceded by twenty-four (24) hours notice to the Company and shall be conducted so as to not interfere with the business operations of the Company. County shall be able to continue making inspections throughout the term of the Agreement and all Agreements must provide for inspection at least once annually.

E. Term. Agreement terms shall be as set forth in the specific Agreement entered into under this Policy. The payment term under an Agreement for Rebate shall not exceed a period of twenty (20) years. The abatement term under an Agreement for Abatement shall not exceed a period of ten (10) years.

F. Compliance with Law. The development of any Project under an Agreement pursuant to this Policy shall be done in a manner which meets all applicable Federal, State, County and City laws, codes, ordinances, rules and regulations and permit requirements.

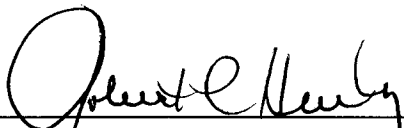
G. Reports. Company shall provide such report(s) as determined necessary by County in an Agreement to document and ensure compliance with terms of the Agreement. Such reports shall be submitted to the Atascosa County Judge on April 30th of each year during the term of the Agreement. The County will have the right to monitor and audit findings in all reports as necessary to confirm compliance with the terms of this Policy and the Agreement. Company will certify the authenticity and accuracy of each report submitted under the Agreement and shall also certify that the Company is in compliance with all applicable terms of the Agreement.

H. Assignment. An Agreement may be assigned to a new Company only with the prior written approval of County. Company may assign to a subsidiary corporation or other affiliate organization without approval of County, so long as Company shall remain responsible and obligated to County for its performance of its obligations under the Agreement. Written notice of an assignment shall be provided to the County prior to the assignment. No assignment shall be approved if the assignor or assignee is indebted to County for Ad Valorem Taxes or other obligations.

I. Amendment. Amendment of any Agreement under this Policy can only be made by written instrument signed by all parties. The term of a Tax Abatement Agreement cannot be amended to extend beyond ten (10) years from the date of the original Agreement.

Application of this Policy will be implemented as of the date of adoption set forth below.

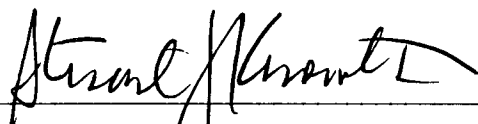
Adopted by the Commissioners Court of Atascosa County on the 25th day of March 2019.



ROBERT L. HURLEY, County Judge



MARK GILLESPIE, Commissioner, Precinct 1



STUART KNOWLTON, Commissioner, Precinct 2

Eliseo Perez

ELISEO PEREZ, Commissioner, Precinct 3

Kennard Riley

KENNARD RILEY, Commissioner, Precinct 4

Attest: *Diane Gonzales*

Diane Gonzales, County Clerk

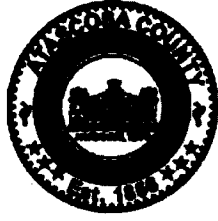
Atascosa County, Texas



Approved:

Siobhan Karger Mullen

Siobhan Karger Mullen, Assistant County Attorney



Atascosa County Economic Development Incentive Application

The Economic Development Incentive Application is intended for internal Atascosa County economic development analysis and efforts will be made to restrict circulation of information included on the form to appropriate employees of the County. Please note that the Texas Public Information Act provides that information collected, assembled, or maintained by the County under a law or ordinance or in connection with the transaction of official business is generally considered to be public information. However, the Texas Public Information Act does provide that information relating to economic development negotiations with a business prospect is withheld from disclosure unless and until an agreement is reached.

Contact Information

Legal Name of Company: _____

Company's Authorized Representative:

Name: _____

Title: _____

Phone: _____

Fax: _____

Email: _____

Mailing Address: _____

Business Description (please describe below or attach to application)

List other business locations

Project Information

Project Description (please describe below or attach to application) Please include a list of the improvements and property for which Incentives are requested.

Project Location

(Please attach a plat depicting the Property along with a metes and bounds description and total acreage)

Approximate Construction Start Date: _____

Approximate Completion Date: _____

Is Project to be completed in phases? Y/ N

If Project will be completed in phases, please give a timeline as to each phase, including approximate construction start date and completion date.

Approximate Capital Investment: _____

Current Ad Valorem Tax Value of Property: _____

Estimated Increase in Ad Valorem Tax Value
After Completion of Project: _____

Is the Project located on leased Property? Y/ N

If leased, who is the owner of the leased Property?

Please list all current parcel identification numbers from the ACAD.

Employment

Anticipated Number of New Employee Jobs Created: _____

Approximate Number of Jobs to be filled by Atascosa Residents:

Job Creation Schedule

Year	Existing Jobs	New Jobs	Total Jobs
Total			

Expected Average Salary for a New Employee: _____

Expected Median Salary for a New Employee: _____

Minimum Hourly Salary for a New Employee: _____

Job Category	Jobs employed by Company	Contract Jobs	Average Annual Wage	Percentage Locally Hired
Executive				
Supervisor				
Professional				
Administrative				
Entry Level				

Is the Company considering other locations? If yes, please list below.

Does the Company make a contribution towards health care benefits for employees? Y/N

Please describe (or attach) your employee benefit package. Please include any training, education and/or employee advancement programs.

Additional Benefits to Community

Please describe (or attach) any charitable, volunteer or community outreach programs in which the Company is involved, or plans to become involved, in Atascosa County.

Specific Request you would like considered and any additional comments you would like to communicate to the Atascosa County Commissioners Court for consideration of an Incentive

To the best of my knowledge, the information in this Atascosa County Economic Development Incentive Application is true and correct, as evidenced by my signature below.

Signature: _____

(Printed Name)

(Title)

Date: _____