

ORDINANCE NO. 6-2004

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, ORDAINING THE CITY'S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (ACT), PROVIDING TAX INCENTIVES, DESIGNATING A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES, AND NOMINATING DMA DEVELOPMENT COMPANY, LLC TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT & TOURISM (EDT) THROUGH THE ECONOMIC DEVELOPMENT BANK (BANK) AS AN ENTERPRISE PROJECT (PROJECT).

WHEREAS, the City Council of the City of Abilene, Texas (City) desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas of the city and to provide employment to residents of such area; and,

WHEREAS, the project or activity is located in an area designated as an enterprise zone; and,

WHEREAS, the City adopted Ordinance No. 43-1997 on 9-25-97 designating three enterprise zones, which were subsequently approved by EDT's predecessor agency. They are Enterprise Zone Nos. EZ232-111397-AW, EZ241-012998-AC, and EZ244-022098-AE approved 11-13-97, 1-29-98 and 2-20-98, respectively, and due to expire 9-1-05. The City requests these zones remain in effect until the original expiration date; and,

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Act, DMA Development Company, LLC has applied to the City for designation as an enterprise project; and,

WHEREAS, the City finds that DMA Development Company, LLC meets the criteria for tax relief and other incentives adopted by the City on the grounds that it will be located at the qualified business site, will create a higher level of employment, economic activity and stability; and,

WHEREAS, City Council approved the first reading of the ordinance on March 25, 2004 and a public hearing to consider the second reading and final approval of the ordinance will be held by the City Council on April 22, 2004.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS THAT:

- PART 1: This Ordinance supersedes and replaces Ordinance No. 43-1997 adopted by the Abilene City Council on September 25, 1997, following a public hearing.
- PART 2: The City nominates DMA Development Company, LLC for enterprise project status.

PART 3: The following local incentives, at the election of the governing body, are or will be made available to the nominated project or activity of the qualified business:

- a) The City may abate taxes on the increase in value of real property improvements and eligible personal property that locate in a designated enterprise zone. The level of abatement shall be based upon the extent to which the business receiving the abatement creates jobs and invests capital in the zone. All abatement agreements will be executed in accordance with the City of Abilene's Tax Abatement Policy adopted by the Abilene City Council on February 12, 2004, which allows abatement for a retail business only if the business is located in one of the enterprise zones or development areas. The policy also allows an additional 5-10% abatement, as individually negotiated with total abatement not to exceed 100%, for any business (other than retail) located in a zone;
- b) The City may give priority to the zone for the receipt of Community Development Block Grant money;
- c) The City may waive building permit fees for projects in the zone;

PART 4: The enterprise zone areas within the City are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.

PART 5: The City of Abilene City Council directs and designates its Assistant City Manager for Economic Development as the City's liaison to communicate and negotiate with the EDT through the Bank and enterprise project(s) and to oversee zone activities and communications with qualified businesses and other entities in an enterprise zone or affected by an enterprise project.

PART 6: The City finds that DMA Development Company, LLC meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

- (a.) DMA Development Company, LLC is a "qualified business" under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site located in an enterprise zone in the governing body's jurisdiction and at least twenty-five percent (25%) of the business' new employees will be residents of an Enterprise Zone or economically disadvantaged individuals; and
- (b.) There has been and will continue to be a high level of cooperation between public, private, and neighborhood entities in the area; and

(c.) The designation of DMA Development Company, LLC as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

PART 7: The enterprise project shall take effect on the date of designation of the enterprise project by EDT and terminate five (5) years after the date of designation.

PART 8: This ordinance shall take effect from and after its passage as the law and charter in such case provides.

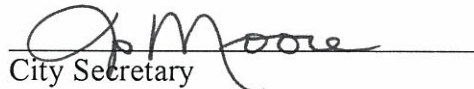
PASSED ON FIRST READING the 25th day of March, 2004.

PASSED ON SECOND AND FINAL READING this 22 day of April, 2004.



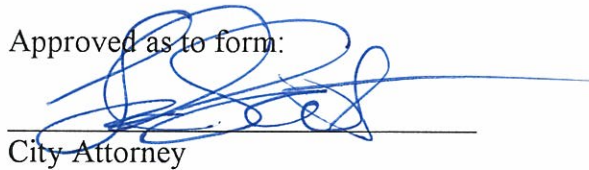
Mayor

Attest:



City Secretary

Approved as to form:



City Attorney