

RESOLUTION NO. 2-1988

A RESOLUTION DECLARING THAT THE CITY OF ABILENE, TEXAS, ELECTS TO BECOME ELIGIBLE TO PARTICIPATE IN TAX ABATEMENT IN ACCORDANCE WITH THE PROPERTY REDEVELOPMENT AND TAX ABATEMENT ACT.

WHEREAS, the enhancement of the local economy is in the best interest of the citizens of Abilene; and

WHEREAS, the creation of specified tax abatement zones 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 the property and that would contribute to the economic development of the City of Abilene; and

WHEREAS, the Property Redevelopment and Tax Abatement Act requires cities to establish local criteria for the creation of tax abatement zones;

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

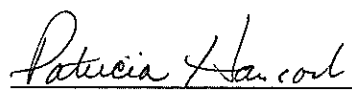
PART 1: That the City of Abilene does hereby elect to become eligible to participate in tax abatement.

PART 2: That the criteria and guidelines outlined in exhibit "A" of this Resolution governing tax abatement agreements are hereby adopted by the City Council of the City of Abilene, Texas.


PART 3: That this Resolution shall take effect immediately from and after its passage.

ADOPTED THE 28th day of January, 1988.

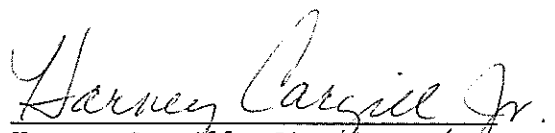
ATTEST:



Patricia Hancock, City Secretary



Dale E. Ferguson, Mayor




Harvey Cargill, City Attorney


EXHIBIT "A"

TAX ABATEMENT POLICY

The Following establishes a tax abatement policy for all taxing entities within the corporate limits of the City of Abilene.

1. Tax abatement benefits shall be available to industrial, manufacturing, distribution, and service facilities currently in Abilene or relocating to Abilene. Tax abatement will not be offered to businesses relocating from a community within the jurisdiction of the participating taxing units if the community executes a reciprocal agreement with the City of Abilene.

2. Tax abatement shall be limited to the increase in the taxable value of real property and then only to the extent that the increase exceeds any reduction in the fair market value of other real property of the owner located within the jurisdiction of the City. Change in appraised values does not qualify for abatement except in the instance where a previously vacant facility is utilized. Value added to the tax roles must come from actual capital expenditures.

6c-4

3. The owner of real property requesting tax abatement within a reinvestment zone shall, prior to the inception of the project(s) subject to an abatement contract, agree to expend a designated sum of money or provide a certain number of jobs as follows:

<u>0 to 5 yrs</u> <u>% of Increased</u> <u>Value to be</u> <u>Abated</u>	<u>6 to 10 yrs</u> <u>% of Increased</u> <u>Value to be</u> <u>Abated</u>	<u>% Abated Is Based On The Greater Of:</u>		<u>No. of New Full-</u> <u>time Permanent</u> <u>Jobs Created</u>
		<u>Capital Cost</u> <u>of Project</u>	<u>OR</u>	
15%	7.5%	150,000 - 1,000,000		15-25
25%	12.5%	1,000,001 - 2,500,000		26-50
50%	25.0%	2,500,001 - 7,500,000		51-75
75%	37.5%	7,500,001 - 10,000,000		76-100
100%	50.0%	10,000,001 - 12,000,000		100-200

Example: Capital investment of \$150,000 with a net job creation of 60 would be eligible for 50% abatement. Primary consideration for abatement in this instance is job creation.

Example: Capital investment of \$8,000,000 with a net job creation of 20 would be eligible for 75% abatement. Primary consideration for abatement in this instance is capital investment.

Projects which exceed a capital investment of \$12,000,000 or create more than 200 jobs will be individually negotiated.

4. The abatement contract shall be for a term of ten (10) years or one-half of the project's useful life, whichever is less.
5. All tax revenue lost as a result of the agreement shall be recaptured if the property owner fails to make improvements as provided by the agreement.
6. A portion of the lost tax revenue shall be recaptured if the owner fails to create the specified number of jobs during the time period specified. The amount of revenue recaptured will be defined in the individual tax abatement contract. Jobs created will be available for a period equal to or greater than the term of the abatement agreement.
7. All individuals/corporations seeking tax abatement shall submit an application to the City of Abilene. The application will include but not be limited to, number of jobs created, proposed capital investment, schedule of improvements, time frame for improvements and site description.

6c-6

8. A committee composed of one (1) member each from the City of Abilene, Taylor County, Wylie ISD, Abilene ISD, and any other taxing unit affected by the specific application being considered shall be formed to recommend the adoption or rejection of all applications. The City Manager or his designee shall serve as staff to the committee. In determining where and how tax abatement will be utilized, the committee will examine the potential return on the public's investment. Return of public investment will be measured in terms of net jobs created, jobs retained, broadening of the tax base, and expansion of the economic base.

9. In accordance with state law, these guidelines are effective for two years from the date adopted. The guidelines may be amended or repealed by a vote of three-fourths of the members of the City Council.

10. If the individual taxing entities offer tax abatement to an owner, then in accordance with state law, a contract will be executed between the various individual taxing units governing the reinvestment zone and the owner. The contract shall specify terms and conditions of the tax abatement.

11. The granting of tax abatement and other development incentives shall be coordinated between the taxing units, the Industrial Foundation, and other organizations that may be designated by the City Council.