

RESOLUTION NO. 37-1996

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TAYLOR COUNTY, TEXAS, AUTHORIZING AN AMENDMENT TO THE AGREEMENT FOR TAX ABATEMENT BETWEEN THE CITY OF ABILENE; EULA INDEPENDENT SCHOOL DISTRICT; TAYLOR COUNTY; WEST CENTRAL TEXAS MUNICIPAL WATER DISTRICT ("TAXING ENTITIES"), AND BANDAG, INC. DATED JUNE 13, 1991.

WHEREAS, on January 28, 1989, City Council elected to offer tax abatement in accordance with the Texas Property Redevelopment and Tax Abatement Act as an incentive to industry coming into or expanding in Abilene, and adopted a tax abatement policy; and,

WHEREAS, on June 13, 1991, City Council approved Ordinance No. 20-1991, authorizing the designation of Tax Abatement Reinvestment Zone No. Five (otherwise known as 4750 FM 18) and an Agreement for Tax Abatement with Bandag, Inc.; and,

WHEREAS, the Agreement for Tax Abatement executed by the Taxing Entities requires Bandag, Inc. to make a minimum capital investment of \$500,000 and take all reasonable steps to create at least 25 new jobs in Tax Abatement Reinvestment Zone No. Five by June 13, 1996; and,

WHEREAS, Bandag, Inc. invested over \$11.7 million in Tax Abatement Reinvestment Zone No. Five and has created 3 jobs as a result of a plant expansion in 1991; and,

WHEREAS, Bandag, Inc. invested in new technology, equipment and building improvements which allowed it to increase production without significantly increasing jobs; and,

WHEREAS, the Agreement for Tax Abatement indicates the option of termination as well as possible repayment of the abated property taxes if the City determines that Bandag, Inc. has failed to create the stipulated number of jobs; and,

WHEREAS, rather than penalize Bandag, Inc. for failing to create the stipulated number of jobs, the City wishes instead to recognize Bandag, Inc. for its significant capital investment since 1991 and its relationship with the Abilene community since 1971.

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

- PART 1. The Agreement for Tax Abatement executed June 13, 1991, by the City of Abilene; Eula Independent School District; Taylor County; West Central Texas Municipal Water District; and Bandag, Inc. be amended wherever necessary to eliminate the requirement of job creation. All other terms of the original Agreement shall remain unchanged. This amendment shall not affect any future expansions at the Bandag, Inc. Abilene plant.

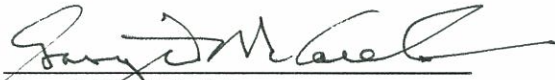
PART 2. The City Manager is hereby authorized to execute on behalf of City Council all amendment documents.

ADOPTED this 24th day of October, 1996.

ATTEST:



Jo Moore, City Secretary



Gary McCaleb, Mayor

APPROVED:



City Attorney