

ORDINANCE #2009-01

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FARMERSVILLE, TEXAS, DESIGNATING REINVESTMENT ZONE #2009-01 FOR COMMERCIAL-INDUSTRIAL TAX ABATEMENT IN THE CITY OF FARMERSVILLE, TEXAS; ESTABLISHING THE BOUNDARIES THEREOF; APPROVING THE TERMS AND CONDITIONS OF COMMERCIAL-INDUSTRIAL TAX ABATEMENT AGREEMENTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, The City Council of the City of Farmersville, Texas (herein the "City") desires to promote the development or redevelopment of certain contiguous geographic areas within its jurisdiction by the creation of a reinvestment zone for commercial/industrial tax abatement, as authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code, as amended; and

WHEREAS, on the 13th day of January, 2009, a public hearing was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing and the delivery of written notice to all taxing entities within its boundaries regarding the real property that is to be included in the proposed reinvestment zone, as required by Section 312.201(d) of the Texas Tax Code; and

WHEREAS, the City at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone and whether all or part of the territory described should be included in the proposed reinvestment zone, and any concerns regarding the offering of tax abatement incentives; and

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, supporting and relating to the creation of the zone, and no opponents of the reinvestment zone appeared to contest the creation of the reinvestment zone;

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

Section 1: The facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct factual and legislative findings of the City, and are fully incorporated into the body of this ordinance..

Section 2: Definitions.

- (a) *Improvements* - Improvements shall include any activity at the location, including but not limited to new construction.
- (b) *Taxable Real Property* - Taxable real property shall be as defined in the Texas Tax Code and shall not include personal property as defined in said Code.

- (c) *Base Year* - The base year for determining increased value shall be the taxable real property value assessed the year in which the agreement is executed.
- (d) *Personal Property* - Personal property shall be as defined in the Texas Tax Code and shall include all equipment, office furnishings, and inventory, and other items contained within the confines of the reinvestment zone.

Section 3: The City, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) The public hearing regarding adoption of the reinvestment zone has been properly called, held, and conducted, and that notices of such hearings have been published at least seven (7) days before the hearing in a newspaper of general circulation within the Town, and mailed to all taxing units overlapping the territory inside the proposed reinvestment zone at least seven (7) days prior to the hearing; and
- (b) The boundaries of the reinvestment zone should be and include the area described in attached "Exhibit A" and depicted on the map attached hereto as "Exhibit B"; and
- (c) The creation of the proposed zone with boundaries as described in "Exhibit A" and "Exhibit B" will result in benefits to the City and to land included in the zone, and that the improvements sought are feasible and practical; and
- (d) That the investment zone as defined in "Exhibit A" and as depicted in "Exhibit B" meets the criteria for the creation of a reinvestment zone as set forth in Section 312.202(a) of the Texas Tax Code in that it is "reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the City"; and
- (e) The reinvestment zone as defined in "Exhibit A" and depicted in "Exhibit B" meets the City's policy of Guidelines and Criteria for the creation of a tax abatement zone and eligible for tax abatement.

Section 4: Pursuant to the property Redevelopment and Tax Abatement Act, Section 312.201 of the Texas Tax Code, as amended, the City hereby creates a reinvestment zone for commercial-industrial tax abatement encompassing only the territory described in "Exhibit A" and depicted in "Exhibit B" and such reinvestment zone is hereby designated and shall hereafter be referred to as Reinvestment Zone #2009-01 of the City of Farmersville, Texas.

Section 5: The zone shall take effect on January 13, 2009 and shall remain designated as a commercial/industrial reinvestment zone for a period of five (5) years from the date of such designation. The expiration of the designation does not affect an existing tax abatement agreement. Prior to or upon the date of expiration, the City Council may renew such designation for additional successive period(s) not exceeding five (5) years each; provided no agreement may be extended beyond ten (10) years from the date of the original agreement.

Section 6: To be considered eligible for execution of an agreement for tax abatement, a proposed commercial/industrial project shall:

- (a) Be located entirely within the designated zone;
- (b) Provide a breakdown of the types and numbers of local jobs along with total annual payroll that will be created;
- (c) Have a minimum expenditure of \$500,000.00 for the proposed improvements or repairs;
- (d) Describe project environmental impacts upon beginning operations to include air, water, noise, and such other matters as may be required by the "City;"
- (e) Not include property that is owned or leased by a member of the City Council of the City of Farmersville, Texas, or by a member of the City's Planning and Zoning Commission;
- (f) Conform to all requirements of the City's zoning ordinance and all other applicable laws and regulations;
- (g) Conform to all other requirements of the City of Farmersville Tax Abatement Policies and Guidelines as adopted May 11, 2001 or as adopted subsequently.

Section 7: Written agreements under Section 312.205 of the Texas Tax Code with the property owner(s) located within the Tax Abatement Zone shall include, but not be limited to, the following provisions:

- (a) Terms regarding the duration of exemption and share of eligible taxable real and personal property value from taxation;
- (b) A listing of the kind, number, location, and costs of all proposed improvements of the property;
- (c) A statement that access to the project shall be provided to allow for inspection by City inspectors and officials and such other governmental personnel reasonably deemed necessary to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement.
- (d) Limiting the use of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect.

- (e) That property tax revenue lost as a result of the tax abatement agreement will be recaptured by the City if the owner of the property fails to make the improvements as provided by the agreement.

Section 8: If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance.

Section 9: It is hereby found, determined and declared that a sufficient notice of the date, hour, place, and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times as required by the Texas Open Meetings Act, Section 551.001, et seq. of the Texas Government Code, and that a public hearing was held prior to the designation of such reinvestment zone and that proper notice was in fact delivered to the presiding officer of any affected taxing entities as prescribed by the Property Redevelopment and Tax abatement Act, as amended.

Section 10: This Ordinance shall take effect immediately from and after its passage by the City Council of the City of Farmersville.

PASSED AND APPROVED on the 13th day of January, 2009 by the City Council of the City of Farmersville, Texas.

APPROVED:

Donald C. Smith, Mayor

ATTEST:

Eddie Sims, City Secretary

“EXHIBIT A”
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Eastern Area: Beginning at the NE corner of CR 653 and US 380 north to CR 655, SW to the Collin/Hunt County line to a point one half mile north of US 380, south to a point one-half mile south of Hwy 380, west on a line parallel to US 380 to FM 547, north to US 380, east to point of beginning at CR 653.

Central Area: Beginning at the SW corner of Main Street and Farmersville Parkway south to the NW corner of Main Street and Santa Fe Street, west to the NW corner of Santa Fe Street and Johnson Street, south to the NW corner of Haislip, west to the NW corner of Hamilton Street; northwest on a line drawn from the Haislip/Hamilton Street corner to the NE corner of Hwy 78 and Raymond Street, northeast to the SE corner of Hwy 78 and Farmersville Parkway, east to the place of beginning at the SW corner of Main Street

Western Area: Beginning at the northeast corner of Hwy 380 and CR 560, north to a point one half mile north of Hwy 380, east on a line parallel to HWY 380 to CR 611/612, south to the right angle in CR 611, east along CR 611 (also known as Old McKinney Road) to Hwy 78, southwest along Hwy 78 to the corner of CR 606/607, northwest to the right angle turn in CR 607, northeast along CR 607 to Hwy 380, west along Hwy 380 to place of beginning.

Southern Area: Beginning at County Road 606/607 and Hwy 78 southeast one-half mile on a line drawn to the intersection of CR 558 and the Kansas City RR, south and SW on a line one half mile east of and parallel to Hwy 78 to Lake Lavon, west to a point one half mile west of Hwy 78, north and northeast on a line parallel to Hwy 78 to CR 606, east point of beginning on Hwy 78