

RESOLUTION NO. R24-622

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLAINVIEW, TEXAS ADOPTING GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS AS AUTHORIZED BY CHAPTER 312 OF THE TEXAS TAX CODE.

WHEREAS, Chapter 312 of the Texas Tax Code authorizes the City of Plainview to participate in tax abatement agreements; and

WHEREAS, Chapter 312 of the Texas Tax Code also requires a taxing unit to adopt a resolution establishing guidelines and criteria governing tax abatement agreements; and

WHEREAS, the City Council of the City of Plainview has determined that it is in the public interest to adopt guidelines and criteria to allow the City to consider requests for tax abatements in furthering its economic development goals; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Plainview, Texas that:

SECTION 1: The City of Plainview's Tax Abatement Guidelines and Criteria 2024, attached hereto as Exhibit "A" and made part here for all legal purposes, are hereby approved and adopted as authorized by Chapter 312 of the Texas Tax Code

SECTION 2: The City of Plainview Tax Abatement Guidelines and Criteria 2024 shall remain in effect for a period of two years from the adoption date, at which time it must be readopted.

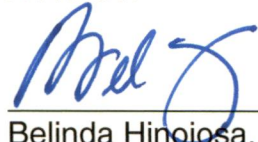
SECTION 3: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 9th day of January, 2024.



Charles Starnes, Mayor

ATTEST:



Belinda Hinojosa, City Secretary

EXHIBIT "A"

CITY OF PLAINVIEW, TEXAS

TAX ABATEMENT

GUIDELINES AND CRITERIA

**CITY OF PLAINVIEW, TEXAS
TAX ABATEMENT
GUIDELINES AND CRITERIA**

**SECTION I
GENERAL PURPOSE**

Chapter 312 of the Texas Tax Code authorizes the City of Plainview ("City") to grant tax abatements to promote and retain high quality development in the City and increase the quality of life for its citizens. To this end, the City will consider providing a tax abatement as a stimulation for economic development. Said consideration will be provided in accordance with the procedures and criteria outlined in this document and nothing herein shall imply or suggest that the City of Plainview is under any obligation to provide tax abatement to any applicant. Tax Abatement Agreements will be recommended only with the completion of the City's General Application for Economic Development Incentives. All such applications shall be considered on a case-by-case basis.

State law requires the taxing jurisdiction to designate a Reinvestment Zone by Ordinance prior to entering into a Tax Abatement Agreement. The City will adhere to all procedural requirements for the establishment of Reinvestment Zones and the entering of Tax Abatement Agreements with property owners. The Tax Abatement Agreements are legally binding documents governing all provisions and requirements between parties.

The State of Texas has designated certain areas of the city with high unemployment as a State Enterprise Zone (Attachment A.) In accordance with Texas Government Code, Chapter 2303 Enterprise Zones, all property located within an enterprise zone is automatically designated as a Tax Abatement reinvestment zone. However, the City reserves the right to designate individual Tax Abatement reinvestment zone overlays when it wishes to grant Tax Abatements on property located in an enterprise zone.

SECTION II ELIGIBILITY CRITERIA

(a) A Tax Abatement can only be granted to persons or entities eligible for a Tax Abatement pursuant to Section 312.204(a) of the Texas Tax Code, which persons or entities must be (i) the owner of taxable real property located in a Tax Abatement reinvestment zone; or (ii) the owner of a leasehold interest in real property located in a Tax Abatement reinvestment zone.

(b) The City takes a broad approach to economic development, therefore agreements will not be limited to any particular industry. Preference will, however, be given to the following:

- i. New manufacturing, industrial and other similar type of industry which provides relatively high wages and employee benefits.
- ii. Improvements to existing facilities for the purpose of modernization or expansion.
- iii. Retention or expansion of an existing, major employer.
- iv. Projects that support and fulfill the goals of existing City master plans.
- v. Housing projects, where eligible.

In general, retail, hospitality, tourism and like businesses will only be considered if the City Council determines that project will make a unique contribution to the economy of Plainview. These types of businesses, however, may be eligible for any other economic benefits under a Chapter 380 agreement with the City of Plainview.

(c) Reinvestment Zone. To be eligible for a tax abatement the owner must own taxable Real Property which is the subject of the tax abatement within a Reinvestment Zone and/or Enterprise Zone designated by City Ordinance and must enter into a written Agreement with the City. Tax abatement amounts and terms shall be determined by the Plainview City Council on a case-by-case basis, however; in no event shall taxes be abated for a term in excess of ten (10) years. A Reinvestment Zone that is a State

Enterprise Zone is designated for the same period in accordance with Texas Government Code, Chapter 2303, Enterprise Zones.

(d) A tax abatement may only be granted for the additional value of eligible property improvements made subsequent to and specific in an abatement agreement between the City and the Property Owner, subject to any limitations the City may require.

(e) The cost of City services required for the development should not exceed the amount of taxes generated if an abatement is provided. All development must conform to the City of Plainview's Code of Ordinances as well as applicable state and federal laws.

(f) Owned/Leased Facilities: If a leased facility is granted tax abatement, the Agreement shall be executed by both the lessor and the lessee. The leaseholder must have a lease commitment of at least five (5) years and make eligible improvements to the Real Property.

(g) Economic Qualifications: The following criteria govern the eligibility for each type of business. In order to receive designation as a Reinvestment Zone and be eligible for a tax abatement from the City, at least two of the following must be met:

- i) Create five (5) new full-time jobs on a permanent basis for the business. Average annual salary and benefit availability will be an important component for determining eligibility. The planned improvement must not have the effect of transferring employment from one part of Hale County to another.
- ii) Retain at least (5) full-time jobs on a permanent basis for the business. These jobs must be high paying and include benefits.
- iii) The business must be a producer, manufacturer, or distributor of goods and services primarily distributed outside Hale County.
- iv) The total expenditure for the construction of eligible improvements must exceed \$500,000.
- v) The City Council reserves the right to consider alternative or additional

factors at its discretion.

(h) In no case will the City grant a Tax Abatement for any project in which a building permit application has been filed with the City. In addition, the City will not abate taxes on the value of real or Tangible Personal Property for any period of time prior to the year of execution of a Tax Abatement Agreement with the City.

SECTION III APPLICATION

All requests for tax abatement will include a subjective and qualitative review of the proposal's ability to address the criteria. The City Council may consider other factors in deliberating the application at its discretion.

(a) An application must be filed with the City Manager of the City of Plainview, Texas, or their designee, prior to the commencement of any construction, alteration, or installation of any improvements related to the proposed project.

(b) The application may be altered from time to time at the discretion of the City Manager. The application will be available from the City of Plainview or the Plainview Hale County Economic Development Corporation.

(c) The application form requires such financial and other information as the City of Plainview considers appropriate for evaluating the financial capacity and other factors of the applicant. The City reserves the right to request additional information as it deems necessary to effectively evaluate the applicant.

(d) After receipt of a completed and signed application, the City Manager and/or their designee shall first review the application for accuracy and completeness. Once complete, they will review the application to determine if it qualifies for abatement under the terms of the guidelines and criteria.

(e) The City may perform an economic analysis for any project to determine the impact the project will have on the City. The analysis will be made before an economic development incentive is offered to the applicant.

(f) The City Council shall not establish a Reinvestment Zone or enter into a Tax Abatement Agreement if it finds that the request for abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed new facility, expansion, or modernization or if the applicant deliberately provided false or misleading information that is material to the application.

(g) The tax abatement applicant shall have the burden to demonstrate that tax abatement should be granted.

SECTION VI AGREEMENT

After approval of a tax abatement application within a designated Reinvestment Zone and a required public hearing, the City of Plainview City Council shall formally pass a resolution and execute a Tax Abatement Agreement with the owner of the facility and/or lessee as required in the Texas Tax Code, Chapter 312. The City Council may impose any conditions in a Tax Abatement Agreement that the Council deems necessary to promote the purposes of these guidelines. Not later than the seventh day before the City enters into a tax abatement agreement, a Notice of intent to enter into a tax abatement agreement shall be delivered to the presiding officer of the governing body of each of the taxing units in which the property to be subject to the agreement is located. The Notice must include a copy of the proposed Tax Abatement Agreement. A Notice is presumed delivered when placed in the mail, postage paid, and properly addressed to the appropriate presiding officer. The failure to deliver the Notice does not affect the validity of the agreement.

SECTION VIII ADMINISTRATION

(a) Annual Evaluation: On the anniversary of the Effective Date of the Agreement, the applicant must provide to the City a detailed report verifying continued compliance with the conditions of the tax abatement agreement.

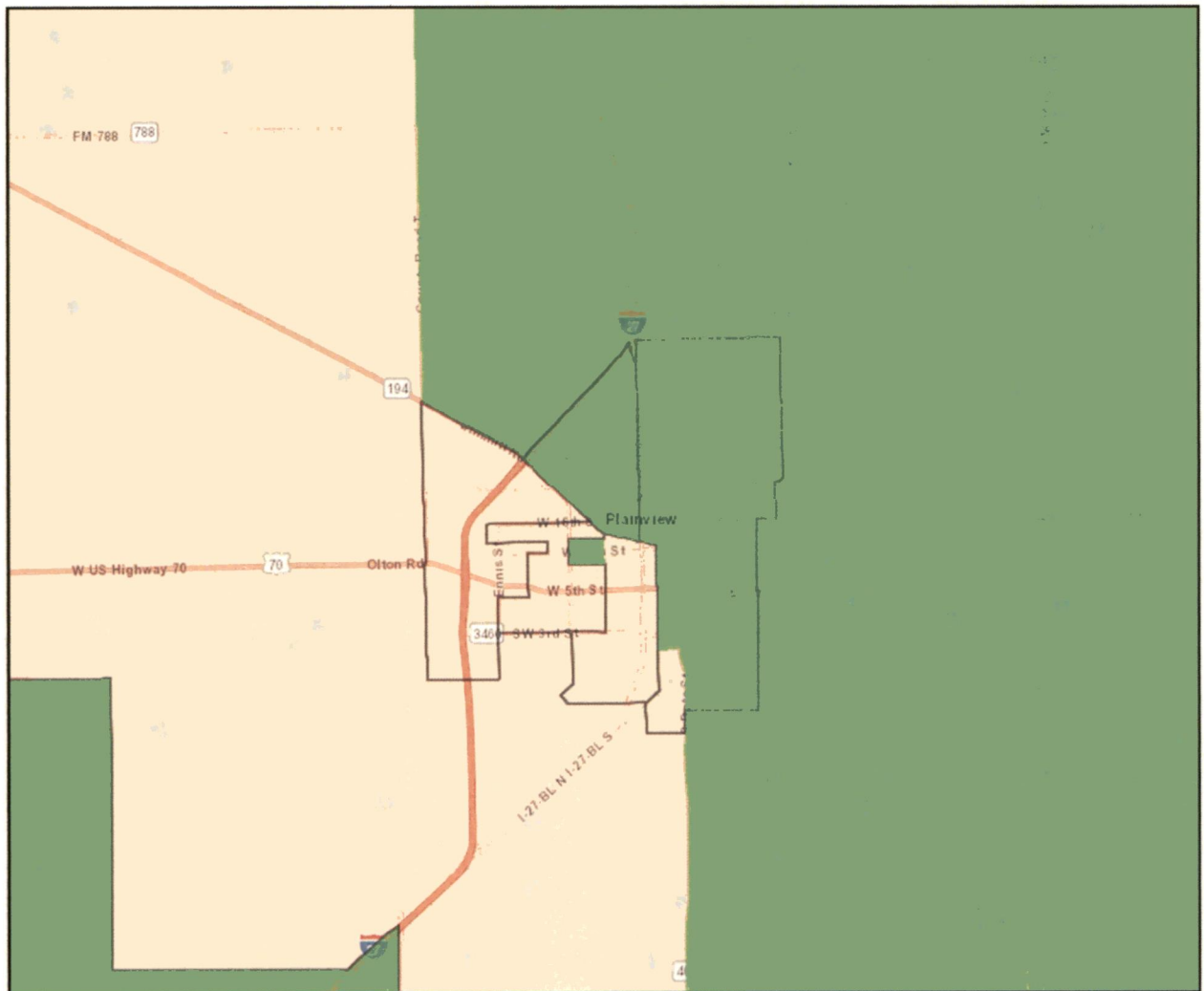
(b) The City reserves the right to request additional documentation that will demonstrate compliance with the tax abatement agreement.

(c) Tax abatement agreements will provide for recapture of abated property taxes in the event that the company or individual allows its ad valorem taxes owed to the City to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or violates any of the terms and conditions of this agreement.

SECTION XII SUNSET PROVISION

These "**Guidelines and Criteria**" are effective for two years from the date adopted. During that period, the "Guidelines and Criteria" may be amended or repealed by the Plainview City Council upon $\frac{3}{4}$ vote of the members of the governing body.

Attachment A
Panhandle Area State Enterprise Zone Map



Source: Texas Economic Development and Tourism Office