

RESOLUTION NO. 2021-007

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONT BELVIEU, TEXAS, PROVIDING FOR ELIGIBILITY TO PARTICIPATE IN TAX ABATEMENT, MAKING CERTAIN FINDINGS OF FACT, AND ADOPTING GUIDELINES AND CRITERIA FOR TAX ABATEMENT AGREEMENTS FOR THE CITY OF MONT BELVIEU IN ACCORDANCE WITH CHAPTER 312 OF THE TEXAS TAX CODE; PROVIDING AN EFFECTIVE DATE; AND PROVIDING FOR SEVERABILITY.

WHEREAS, pursuant to Chapter 312 of the Texas Tax Code, the City must elect to become eligible to participate in tax abatement; and

WHEREAS, pursuant to Chapter 312 of the Texas Tax Code, certain tax abatement guidelines and criteria are necessary prior to the creation of a reinvestment zone and prior to entering into a tax abatement agreement; and

WHEREAS, in accordance with subsection 312.002(c-1) of the Texas Tax Code, a public hearing to consider this Resolution was held by the City Council on May 10, 2021; and

WHEREAS, in accordance with subsection 312.002(c-2) of the Texas Tax Code, the guidelines and criteria adopted by this Resolution shall be posted on the City's website; and

WHEREAS, the prior tax abatement guidelines and criteria established by the City of Mont Belvieu expired on May 14, 2020; and

WHEREAS, the City Council of the City of Mont Belvieu finds and determines that the guidelines and criteria as hereinafter set out are in the best interest of the City of Mont Belvieu to encourage certain types of development to the exclusion of others; and

WHEREAS, the City Council of the City of Mont Belvieu reaffirms its absolute discretion to reject any application for tax abatement, regardless of whether the application meets the guidelines and criteria as herein stated; and

WHEREAS, the City Council of the City of Mont Belvieu finds and determines that it should consider application for tax abatement and enter into tax abatement agreements which provide for tax abatements under criteria established by other taxing entities without city participation.

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

Section 1. All of the facts recited in the preamble to this Resolution are hereby found by the City Council to be true and correct and are incorporated by reference herein and expressly made a part hereof, as if copied herein verbatim.

Section 2. Eligibility Election.

That pursuant to the provisions of Section 312.002(a) of the Texas Tax Code, the City of Mont Belvieu does hereby elect to become eligible to participate in tax abatement and hereby adopts the following tax abatement guidelines and criteria pursuant to Section 312.002:

Section 2.01 - Location

The property subject to the abatement must be located within the city limits of the City of Mont Belvieu, Texas. Eligible businesses shall include any business duly authorized to operate in the State of Texas.

Section 2.02 - Eligible Value

Eligible activities for which tax abatement may be granted shall include the lesser of either the additional assessed value over the base year value or actual investment resulting from construction of acquisition of fixed assets.

Section 2.03 - Tax Abatement Formula

The tax abatement shall not exceed five (5) years, beginning on January 1st after the signing of the tax abatement agreement. The standard abatement formula that may be permitted in any abatement agreement shall be:

- a) Years one (1), two (2), and three (3) will be at one hundredpercent (100%) abatement.
- b) Year four (4) will be at seventy-five percent (75%) abatement.
- c) Year five (5) will be at fifty percent (50%) abatement.
- d) In year six (6), the abatement expires and all taxes are paid.

Section 2.04 - Variance.

The City Council reserves the right to offer different terms in furtherance of the public interest. Conditions which justify non-standard terms and

percentages of abatement include projects over Ten Million Dollars (\$10,000,000.00) of value, over twenty (20) new proposed jobs created or public infrastructure contributions.

Section 2.05 - Other Taxing Entities.

The City may consider an application for abatement when entering into a tax abatement agreement which provides for no abatement to be granted by the City, but which provides for an abatement to be granted by other taxing entities to the extent of the limitations provided under their guidelines and criteria.

Section 2.06 - Applicability to Certain Property.

Except for property described by Section 312.211(a) of the Texas Tax Code, tax abatement shall be available for both new facilities and structures and for the expansion or modernization of existing facilities and structures.

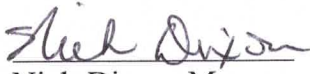
Section 3. Severability.

In the event that one or more of the provisions contained in this Resolution shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability of this Resolution shall be construed as if such invalid, illegal or unenforceable provision has never been contained herein, but shall not affect the remaining provisions of this Resolution, which shall remain in full force and effect.

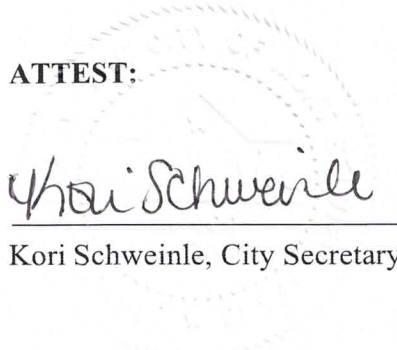
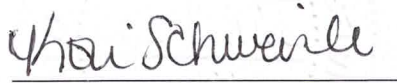
Section 4. Effective Date.

This Ordinance shall be and become effective immediately upon its adoption.

PASSED AND APPROVED on this the 10th day of May, 2021.


Nick Dixon, Mayor

ATTEST:



Kori Schweinle, City Secretary