

POPP | HUTCHESON PLLC

The Property Tax Firm

July 21, 2020

VIA EMAIL

Economic Development & Local Government
Data Analysis & Transparency Division
Texas Comptroller of Public Accounts
111 East 17th Street
Austin, Texas 78774

Re: Supplement No. 1 - Application No. 1439, Knippa Independent School District and OCI SunRay LLC

To Whom It May Concern:

Enclosed please find the approved legal description for Tab 16, Description of Reinvestment Zone, for Application No. 1439 for Knippa Independent School District and OCI SunRay, LLC.

Please contact us with questions related to this matter.

Sincerely,
POPP HUTCHESON PLLC



Blas J. Ortiz
Property Tax Incentives Manager

Enclosures

LEGAL DESCRIPTION:



Survey Reinvestment Zone Proposal			
Owner Name	Parcel #	Legal Description	Acres
Gembler Dietrich J III	20329	40336 ABSTRACT 0336 SURVEY 663 2 0	2
Gembler Dietrich J III	20330	40136 ABSTRACT 0336 SURVEY 663 2 15	213
Meyer Lonnie Glenn	20951	ABSTRACT 0610 SURVEY 661 R MILLS PLACE	282
Meyer Lonnie Glenn	19354	40242 ABSTRACT 0242 SURVEY 667 R MILLS PLACE 2 73	2.73
Milam Adam Lee Krippa and Krippa David Michael	20787	40336 ABSTRACT 0336 SURVEY 663 A 300 S-058 30 54	50.34
Milam Adam Lee Krippa and Krippa David Michael	20939	40420 ABSTRACT 0420 SURVEY 665 A 420 S-065 349 46	149.46
Cargil Steve	19353	40242 ABSTRACT 0242 SURVEY 667 S 1/4AMP PAID SPEC ABSTRACT 20 2227 86 34% 61 TO TRUST 4 66% L1 TO GEMBLER JOE JR 409 63	408.69
Cargil Steve	19334	40242 ABSTRACT 0242 SURVEY 667 A-242 S-067 117 56 42	117.58
Cargil Steve	21936	40518 ABSTRACT 0518 SURVEY 669 A 518 S-067 321 2	101.2
Dicke Charles Darwin and Dicke Kyle Landon	19343	40242 ABSTRACT 0242 S-HEVEY 667 A 242 S-067 384 515	164.56
Dicke Louis G Jr	19339	40242 ABSTRACT 0242 SURVEY 667 A-242 S-067 122 22	131.22
Dicke Louis G Jr	19342	40242 ABSTRACT 0242 SURVEY 667 A 242 S-067 2 0	2
Dicke Louis G Jr	19325	40242 ABSTRACT 0242 SURVEY 667 A 242 S-067 53 883	53.883
Dicke Herman William	19341	40242 ABSTRACT 0242 SURVEY 667 A 242 S-067 5-1 11	101.11
Dicke Herman William	19338	40242 ABSTRACT 0242 SURVEY 667 A 242 S-067 70 753	30.75
Logan Emma Elise	19340	40242 ABSTRACT 0242 SURVEY 667 A 242 S-067 87 71	87.71
Total Acres in Reinvestment Zone:			1898.233



Reinvestment Zone Consists in Following Abstracts:		
Abstract Number	Survey Name	Survey Number
463336	Moya, W P	665
463410	Podarmer, A C	665
463242	Hubbard, Z	667
463518	Woodson, B	669



Via Electronic Mail

February 3, 2020

Hon. Judge William Mitchell
Uvalde County Commissioners Court
Courthouse Plaza, Box 3
Uvalde, Texas 788001

Re: Reinvestment Zone

Dear Judge Mitchell & Uvalde County Commissioners Court,

Please accept this letter as a request for the designation of a reinvestment zone for OCI Solar Power, LLC's proposed renewable energy project, Project SunRay. Enclosed for your reference and agenda record is a copy of the requested reinvestment zone boundary map and legal description. It's our understanding that the reinvestment zone can be designated once the County's guidelines and criteria for granting tax abatements is reauthorized by commissioners court.

Please contact us with questions regarding this matter. We appreciate your support.

SINCERELY,

A handwritten signature in blue ink, appearing to read "James Scott", is written over a horizontal line.

James Scott
Senior Project Development Manager
OCI Sol LLC

Enclosures

OCI SOLAR POWER LLC



MINUTES

BE IT REMEMBERED that on the 23rd day of March, 2020, the Honorable Commissioners Court of Uvalde County, Texas convened in the Commissioners Courtroom of the Uvalde County Courthouse. The following members were in attendance:

William R. Mitchell, *County Judge*
Randy Scheide, *Commissioner Pct. #1*
Mariano Pargas Jr., *Commissioner Pct. #2*
Jerry W. Bates, *Commissioner Pct. #3*
Ronnie Garza, *Commissioner Pct. #4*
John Dodson, *County Attorney*
Valerie Del Toro Romero, *County Clerk and Ex-Officio Clerk of
the Commissioner's Court*

Also present were: *County Treasurer* Joni Deorsam, *Tax Assessor-Collector* Rita C. Verstuyft, *County Auditor* Alice Chapman and *Road Administrator* Dee Kirkpatrick.

Absent:

1. Consider and act upon call to order, invocation and pledge of allegiance:

The Honorable William R. Mitchell called the meeting of March 23, 2020 to order at 10 AM followed with the invocation led by Minister Chris Potter of the Church of Christ in Concan, Texas, then Judge Mitchell continued with the Pledge of Allegiance to the United States flag and Texas Pledge of Allegiance.

2. Consider and act upon approval of minutes:

Motion by Commissioner Bates to approve the minutes of March 9, 2020.
Seconded by Commissioner Pargas.
Motion carried (4-0).

3. Consider and act upon public hearing concerning proposed guidelines and criteria for granting tax abatement in reinvestment zones:

County Attorney John Dodson outlined the revised and proposed guidelines and criteria for granting a tax abatement in reinvestment zones as allowed by statute. The Court opened the public hearing for discussion at 10:08 AM. A public participation form was received from Louis G. Dicke, Jr., Barbara Gemblar, Steve Cargil and Diana Olvedo-Karau. Each individual was allowed three minutes to address the Court. Louise G. Dicke, Jr. withdrew his request and Steve Cargil provided the Court copies of an example referred to as Payment in Lieu of Taxes (PILOT) for consideration. The Court closed the public hearing at 10:16 AM.

No action taken.

4. Consider and act upon adoption of guidelines and criteria for granting tax abatement in reinvestment zone:

The revised and proposed Uvalde County guidelines and criteria for granting a tax abatement in reinvestment zones were reviewed and considered by the Court for approval.

Motion by Commissioner Bates to approve the recommended guidelines and criteria for granting tax abatement in reinvestment zones.

Seconded by Commissioner Garza.

Motion carried (4-0). See Attached Exhibit A.

5. Consider and act upon request of OCI for designation of reinvestment zone for solar project:

OCI Solar Power, LLC submitted to the Court a request for consideration of a proposed renewable energy project referred to as the Sunray Reinvestment Zone Proposal including 1898.233 total acres located in the south central (Knippa) area of Uvalde County to be designated a reinvestment zone for OCI Solar Power, LLC. A map of the proposed zone and a legal description of the property is attached. Representatives from OCI Solar Power, LLC did not appear before the Court to outline their request. Commissioner Scheide requested action be taken on information provided to the Court from a written request dated February 3, 2020 received from OCI Solar Power, LLC.

Motion by Commissioner Bates to approve request of OCI Solar Power, LLC.

Seconded by Commissioner Scheide.

Motion carried (3-1) with Commissioner Pargas voting no. See Attached Exhibit B.

6. Consider and act upon declaration of local disaster for public health emergency:

An Executive Order Declaration of Local Disaster for Public Health Emergency pursuant to section 418.108(a) of the Texas Government Code outlining a novel coronavirus now designated SARS-CoV2 which causes the disease COVID-19 has spread through the world and has now been declared a pandemic by the World Health Organization. The state of disaster requires that certain emergency protective measures be taken pursuant to the Texas Disaster Act of 1975 relating to Emergency Management and Public Health. The Court approved the executive order dated March 17, 2020 valid for seven days signed by Uvalde County Judge William R. Mitchell and extended this order for an additional thirty days.

Motion by Commissioner Garza to approve and extend Executive Order Declaration of Local Disaster for Public Health Emergency.

Seconded by Commissioner Pargas.

Motion carried (4-0). See Attached Exhibit C.

7. Consider and act upon granting 2020 historic tax incentives to qualifying properties:

Director of Planning and Development Susan Anderson with the City of Uvalde requested consideration of a list of properties inspected by the City of Uvalde and recommended approval of these properties for the 2020 Historic Tax Incentive. The County of Uvalde, together with the City of Uvalde, grant a 25% tax exemption pursuant to the Texas Property

Tax Code, Section 11.24 on improvements of the assessed property tax value. Structures are required to be listed in the National Historical Register or Recorded Texas Historical Landmarks. Applicants are required to apply on a yearly basis and must meet the maintenance and eligibility requirements. The following is a list of addresses considered:

201 North Getty Street (Rexall)
218 North Getty Street (Benson House)
300 South Getty Street (Donut Palace)
301 South Getty Street (Coca Cola)
103-114 North East Street (Leader News)
116 & 122 North East Street (Kessler Courtyard)
127 North West Street (Evans Law)
109 East Nopal Street (Hair & Nail Studio)
100 East Main Street (Local Landmark)

Motion by Commissioner Pargas to approve the properties listed for a historic tax incentive.
Seconded by Commissioner Bates.

Motion carried (4-0). See Attached Exhibit D

8. Consider and act upon approving Constable 3 Racial Profiling Report status:

Texas Code of Criminal Procedure §2.132 requires the chief administrator of an agency, regardless of whether the administrator is elected, employed or appointed to submit an annual report of the information collected relating to motor vehicle stops in which a ticket, warning or arrest is made as a result of those stops, including information relating to the race or ethnicity of the individual detained. The Court reviewed and approved a racial profiling exempt report submitted by Constable Pct. 3 Jimmy Magnum.

Motion by Commissioner Bates to approve racial profiling report.

Seconded by Commissioner Garza.

Motion carried (4-0)

9. Consider and act upon Road Administrators report:

Road Administrator Dee Kirkpatrick informed the Court that work was completed on the two sinkhole repairs at the Fairplex and the department is patching holes and cutting brush throughout the county.

No action taken.

10. Consider and act upon line item budget amendments:

No amendments were presented to the court for consideration at this time.

No action was taken.

11. Consider and act upon payment of bills:

Motion by Commissioner Garza to approve payment of bills.
Seconded by Commissioner Bates.
Motion carried (4-0).

12. Consider and act upon approval of monthly reports:

Monthly reports on file for review in the office of the Uvalde County Clerk were presented for approval.
Motion by Commissioner Bates to approve monthly reports.
Seconded by Commissioner Pargas.
Motion carried (4-0).

13. Consider and act upon payroll approval:

Motion by Commissioner Bates to approve payroll.
Seconded by Commissioner Garza.
Motion carried (4-0).

14. Consider and act upon resolutions and proclamations:

The Court approved resolutions in honor of the memory of the following individuals:

Armando Castillo †
Shirley Cooper †
Carolyn Ridout †
Anna Rivera †
Raul Samarripa †

With no further business, the meeting of March 23, 2020 was adjourned.

Exhibits identified under a specific agenda item are included as supporting documentation of the action taken by the Uvalde County Commissioners Court and are placed after the minutes and before the last page titled Commissioners Court Order.

**GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS
IN REINVESTMENT ZONES
FOR
UVALDE COUNTY, TEXAS**

I. PURPOSE

Uvalde County hereinafter referred to as "County", is committed to the promotion of quality development in all parts of the community and to improving the quality of life for its citizens. In order to help meet these goals, the County will consider recommending tax phase-in, which includes the designation of reinvestment zones, application for tax abatements and entering into tax abatement agreements, to stimulate growth and development. It is the intent of the County, that such incentives will be provided in accord with the procedures and criteria outlined in this document. However, nothing in these Guidelines and Criteria shall imply or suggest being construed to imply or suggest that tax entities are under any obligation to provide any incentives to any applicant. All such applicants for tax phase-in incentives shall be considered on an individual basis for both the qualification for abatement and the amount of any abatement.

II. DEFINITIONS

The attached Glossary is a list of words with their definitions that are found in this document, and the Glossary is incorporated herein by reference.

III. GUIDELINES AND CRITERIA

In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement as a minimum must meet the following:

(a) Be an Authorized Facility. A facility may be eligible for abatement if it is a(n):

- Aquaculture/Agriculture Facility,
- Distribution Center Facility,
- Manufacturing Facility,
- Office Building,
- Regional Entertainment/Tourism Facility,
- Research Facility,
- Regional Service Facility,
- Historic Building in designated area,
- Wind Energy Facility,
- Solar Energy Facility
- Residential Commercial Property, or
- Other Basic Industry.

(b) The project must add at least \$100,000 in taxable value to the property.

In consideration of the request for designation as a reinvestment zone and to receive tax abatement, the following factors will also be considered:

- (1) Jobs. The projected new jobs created including the number of jobs, the retention of existing jobs, the type of jobs, the average payroll, the total payroll and the number of local persons hired.
- (2) Fiscal Impact. The amount of real and personal property value that will be added to the tax roll for both eligible and ineligible property, the amount of direct sales tax that will be generated, the infrastructure improvements by the County that will be required by the facility, the infrastructure improvements made by the facility, and the compatibility of the project with the County's master plan for development.
- (3) Community Impact.
 - The pollution, if any, as well as other negative environmental impacts affecting the health and safety of the community that will be created by the project;
 - The revitalization of a depressed area;
 - The business opportunities of existing local vendors;
 - The alternative development possibilities for proposed site;
 - The impact on other taxing entities; and/or
 - Whether the improvement is expected to solely or primarily have the effect of transferring employment from one part of Uvalde County to another.

IV. ABATEMENT AUTHORIZED

- (a) Authorized Date. A facility shall be eligible for tax abatement if it has applied for such abatement prior to the commencement of construction; provided, that such facility meets the criteria granting tax abatement in reinvestment zones created in Uvalde County pursuant to these Guidelines and Criteria for a period not to exceed ten years.
- (b) Creation of New Value. Abatement may only be granted for the additional value of eligible property improvements made subsequent to the filing of an application for tax abatement and specified in the abatement agreement between the County and the property owner or lessee (and lessor if required pursuant to IV (E), subject to such limitations as the Guidelines and Criteria may require.
- (c) New and Existing Facilities. Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion. If the modernization project includes facility replacement, the abated value shall be the value of the new unit(s) less the value of the old unit(s).

- (d) Eligible Property. Abatement may be extended to the value of the following: new, expanded or modernized buildings and structures, fixed machinery and equipment, site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility, and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code.
- (e) Ineligible Property. The following types of property shall be fully taxable and ineligible for abatement:
- Base value of real estate as valued by the appraisal district in the year immediately preceding abatement,
 - Animals,
 - Inventories,
 - Supplies
 - Tools,
 - Furnishings and other forms of moveable personal property,
 - Vehicles,
 - Vessels,
 - Aircraft,
 - Housing or residential property (except residential commercial property built for resale),
 - Hotel/motels,
 - Fauna,
 - Flora,
 - Retail facilities,
 - Property to be rented or leased except as provided in Part IV(f),
 - Any improvements including those to produce, store or distribute natural gas or fluids that are not integral to the operation of the facility,
 - Property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas.
- (f) Owned/Leased Facilities. If a leased facility is granted an abatement, the agreement shall be executed with the lessor and lessee.
- (g) Value and Term of Abatement. Abatement shall be granted effective with the January 1 valuation date immediately following the date of execution of the agreement. The value of new eligible properties shall be abated according to the approved agreement between applicant and the governing body. The governing body, in its sole discretion, shall determine the amount of any abatement.

The abatement may be extended through an initial agreement and a subsequent agreement as may be required to comply with state law regarding the term of the reinvestment zone.

- (h) Construction in Progress. If a qualifying facility has not been placed in service as of January 1 following execution of the abatement agreement, the taxpayer may apply for a one-year extension of the term of abatement. Said extension must be applied for prior to the end of the calendar year in which the abatement agreement is executed.
- (i) Taxability. From the execution of the abatement contract to the end of the agreement period, taxes shall be payable as follows:
 - (1) The value of ineligible property as provided in Part IV (e) shall be fully taxable.
 - (2) The base year value of existing eligible property as determined each year shall be fully taxable.
 - (3) The additional value of new eligible property shall be taxable in the manner described in Part IV(g)

V. APPLICATION FOR TAX ABATEMENT

- (a) Any present or potential owner of lessee of taxable property in Uvalde County may request the creation of reinvestment zone and tax abatement by filing written request with either the County or applicable taxing entity.
- (b) The application shall consist of a completed application form accompanied by:
 - (1) A general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to the undertaken;
 - (2) A descriptive list of the improvements which will be a part of the facility;
 - (3) A map and property description or a site plan;
 - (4) A time schedule for undertaking and completing the planned improvements;
 - (5) In the case of modernizing existing facilities, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application; and,
 - (6) The application form may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors of the applicant.

- (7) The application submitted to Uvalde County shall be accompanied by a non-refundable application fee of \$1,000.00 payable to the Uvalde County Clerk.
- (c) Upon receipt of a completed application, the jurisdiction receiving such application shall notify in writing the presiding officer of the legislative body of each affected jurisdiction. Before acting upon the application, the jurisdiction receiving such application shall through public hearings afford the applicant and the designated representative of any affected jurisdiction the opportunity to show cause why the abatement should or should not be granted. Notice of public hearings shall be clearly identified on an agenda of the legislative body of the jurisdiction receiving such application to be posted at least seventy-two (72) hours prior to the hearing.
- (d) The jurisdiction receiving the application shall approve or disapprove the application for tax abatement within sixty (60) days after receipt of the application. The presiding officer of the legislative body of the jurisdiction receiving such application shall notify the applicant of the approval or disapproval promptly thereafter.
- (e) A request for a reinvestment zone for the purpose of abatement shall not be granted if the jurisdiction receiving the application finds that the request for the abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization expansion of new facility.
- (f) Variance. Requests for variance from the provisions of Subsections (a) through (e) of Part V may be made in written form to the presiding officer of the jurisdiction receiving the application. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4) vote of the governing body of the affected jurisdiction as provided in State Statutes.

VI. PUBLIC HEARING

- (a) Should any affected jurisdiction be able to show cause in the public hearing why the granting of abatement will have a substantial adverse effect on its bonds, tax revenue, service incapacity or the provision of service, that showing shall be reason for the jurisdiction receiving the application to deny the granting of ad valorem tax abatement.
- (b) Neither a reinvestment zone nor an abatement agreement shall be authorized if it is determined that:

- (1) There would be a substantial adverse affect on the provision of a government service or tax base of an affected jurisdiction.
- (2) The applicant has insufficient financial capacity.
- (3) Planned or potential use of the property would constitute a hazard to public safety, health or morals.
- (4) Planned or potential use of the property violates other governmental codes or laws.

VII. AGREEMENT

- (a) After approval of the tax abatement application, the County shall formally pass a resolution and execute an agreement with the owner and/or lessee of the facility which shall include:
 - (1) Estimated value to be abated and the base year value.
 - (2) Percent of value to be abated each year as provided in Part IV (g) of these Guidelines and Criteria.
 - (3) The commencement date and the termination date of abatement.
 - (4) The proposed use of the facility, nature of construction, time schedule for undertaking and completing the planned improvements, map, property description and improvements list as provided in Part V of these Guidelines and Criteria.
 - (5) Contractual obligations in the event of default, violation of terms or conditions, delinquent taxes recapture, administration and assignment as provided herein and other provisions that may be required for uniformity or by state law.
 - (6) Amount of investment and/or average number of jobs involved for the period of abatement.
 - (7) Said contract shall meet all the requirements of Texas Tax Code Sec. 312et seq.
- (b) Such agreement shall be executed within thirty (30) days after the later of the date applicant has forwarded all necessary information to the jurisdiction receiving the application or the date of the approval of the application.
- (c) Each affected jurisdiction shall make its own determination of abatement which shall not bind any other affected jurisdiction.

VIII. RECAPTURE

- (a) In the event that the facility is completed and begins producing product or service, but subsequently discontinues producing product or service for any reason excepting fire, explosion or other casualty or accident or natural disaster for a period of more than one (1) year during the abatement period, then the agreement shall terminate and so shall the abatement of taxes for the calendar year during which the agreement is terminated. The taxes otherwise abated for that calendar year shall be paid to each affected jurisdiction within the County within sixty (60) days from the date of termination.
- (b) Should the jurisdiction establishing a reinvestment zone and signing a tax abatement agreement determine that a company or individual is in default according to the terms and conditions of its agreement, the jurisdiction shall notify the company or individual in writing at the address stated in the agreement, and if such is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement shall be terminated. Further, it will be a default under a tax abatement granted pursuant to these Guidelines and Criteria if the owner of the eligible property subject to the abatement is delinquent in paying and undisputed taxes to any taxing authority in Uvalde County, Texas.
- (c) In the event that the company or individual:
 - (1) allows its ad valorem taxes owed the County or an affected jurisdiction to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or
 - (2) violates any of the terms and conditions of the abatement agreement and fails to cure same during the Cure Period;

The agreement shall be terminated, and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.

IX. ADMINISTRATION

- (a) The Chief Appraiser of the Uvalde County Appraisal District shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for abatement, including the number of new or retained employees associated with the facility. Once value has been established, the Chief Appraiser shall notify the affected jurisdictions which levy taxes on the amount of the assessment.

- (b) The agreement shall stipulate that employees and/or designated representatives of the jurisdiction establishing the reinvestment zone and entering into a tax abatement agreement will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All County inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.
- (c) Upon completion of construction the jurisdiction establishing the reinvestment zone and entering into a tax abatement agreement shall annually evaluate each facility and report possible violations of the contract and/or agreement to each affected jurisdiction.
- (d) All proprietary information acquired by an affected jurisdiction for purposes of monitoring compliance with the terms and conditions of an abatement agreement shall be considered confidential.
- (e) Timely comply with all rules and deadlines as required by the Chief Appraiser of the Uvalde County Appraisal and State law.

X. ASSIGNMENT

- (a) Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the prior approval by resolution of each affected jurisdiction, subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with each affected jurisdiction. Failure to obtain said approval prior to any assignment shall be a cause for default of the agreement and be subject to the provisions of section VIII of these guidelines.
- (b) The contractual agreement with the new owner or lessee shall not exceed the termination date of the abatement agreement with the original owner and/or lessee.
- (c) No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to any affected jurisdiction for outstanding taxes or other obligations.
- (d) Approval shall not be unreasonably withheld.

XI. SUNSET PROVISION

- (a) These Guidelines and Criteria are effective March 23, 2020 and will remain in force for two (2) years, at which time all reinvestment zones and tax abatement contracts created pursuant hereto will be reviewed by each affected jurisdiction to determine whether the goals have been achieved. Based on that review, these Guidelines and Criteria may be modified, renewed or eliminated, providing that such actions shall not affect existing contracts.
- (b) These Guidelines and Criteria do not amend any existing Industrial District Contracts or agreements with the owners of real property in areas deserving of specific attention as agreed by the affected jurisdiction.
- (c) Prior to the date for review, as defined above, these Guidelines and Criteria may be modified by a three-fourths (3/4) vote of the affected taxing authorities, as provided for under the laws of the State of Texas.

XII. SEVERABILITY AND LIMITATIONS

- (a) In the event that any section, clause, sentence, paragraph or any part of these Guidelines and Criteria shall for any reason, be adjudged by any court of competent jurisdiction to be invalid, such invalidity shall not affect, impair, or invalidate the remainder of these Guidelines and Criteria.
- (b) Property that is in a reinvestment zone that is owned or leased by the following cannot benefit from a tax abatement:
 - (1) A member of the governing body of a municipality or by a member of a planning board or commission of the municipality; or
 - (2) A member of the commissioner's court or a member of a planning board or commission of the County is excluded from property tax abatement.
- (c) If these Guidelines and Criteria have omitted any mandatory requirements of the applicable tax abatement laws of the State of Texas, then such requirements are hereby incorporated as a part of this Guideline Statement.

GLOSSARY

- (a) "Abatement" means the full or partial exemption from ad valorem taxes of certain real property in a reinvestment zone designated by the County or a City for economic development purposes.
- (b) "Aquaculture/Agriculture Facility" means buildings, structures and major earth structure improvements, including fixed machinery and equipment, the primary purpose of which is of food and/or fiber products in commercially marketable quantities
- (c) "Affected jurisdiction" means Uvalde County and any municipality, or school district, the majority of which is located in Uvalde County that levies ad valorem taxes upon and/or provides services to property located within the proposed or existing reinvestment zone designated by Uvalde County or any municipality.
- (d) "Agreement" means a contractual agreement between a property owner and/or lessee and the affected jurisdiction for the purpose of tax abatement.
- (e) "Base year value" means the assessed value of eligible property on January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1 but before the filing of an application for tax abatement.
- (f) "Deferred maintenance" means improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (g) "Distribution Center Facility" means building and structures, including machinery and equipment, used or to be primarily to receive, store, service or distribute goods or materials owned by the facility, from which a majority of revenues generated by activity at the facility are derived from outside Uvalde County.
- (h) "Expansion" means the addition of buildings, structures, machinery or equipment for purposes of increasing production capacity.
- (i) "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.
- (j) "Manufacturing Facility" means buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (k) "Modernization" means the upgrading and or replacement of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or

equipment. It shall not be for the purpose of reconditioning, refurbishing or repairing.

- (l) "New Facility" means improvements to real estate previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (m) "New Job(s)" means a newly created employment position on a full-time permanent basis. Two or more part-time permanent employees totaling an average of not less than 40 hours per week may be considered as one full-time permanent employee.
- (n) "Office Building" means a new office building.
- (o) "Other Basic Industry" means buildings and structures, including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which serve a market primarily outside the County and results in the creation of new permanent jobs and new wealth in the County.
- (p) "Regional Entertainment/Tourism Facility" means buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment and/or tourism related services, from which a majority of revenues generated by activity at the facility are derived from outside Uvalde County.
- (q) "Research Facility" means buildings and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
- (r) "Residential Commercial Property" means a minimum of five single family dwellings, constructed in a single subdivision, constructed for immediate resale and does not include property constructed for rental.
- (s) "Regional Service Facility" means buildings and structures, including fixed machinery and equipment, used or to be used to provide a service from which a majority of revenues generated by activity at the facility are derived from outside Uvalde County.
- (t) "Energy Facility" means buildings and structures, including but not limited to wind energy generating turbines, solar energy panels, electric transmission lines, electric power substations, electrical gathering equipment, communications systems and roads, fixed machinery and equipment, used or to be used to provide electrical energy.

Adopted by the Uvalde County Commissioners Court on this the 23rd day of March, 2020.



William R. Mitchell

WILLIAM R. MITCHELL
UVALDE COUNTY JUDGE

FILED

This 23 day of March A.D. 2020

at 1:07 o'clock PM

VALERIE DEL TORO ROMERO
County Clerk, Uvalde County, Texas

By: Valerie Del Toro Romero
Uvalde County Clerk