RESOLUTION NO. 16-R-23

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF ALVIN, TEXAS, ADOPTING THE ECONOMIC DEVELOPMENT POLICY FOR THE CITY OF ALVIN, TEXAS; INCLUDING CRITERIA AND GUIDELINES GOVERNING TAX ABATEMENT, TAX INCREMENT REINVESTMENT ZONES AND ADDITIONAL ECONOMIC INCENTIVES WITHIN THE CITY; AND SETTING FORTH OTHER MATTERS RELATED THERETO.

WHEREAS, the City of Alvin is committed to establishing long-term economic vitality, an essential key to the growth of any community, by responding and preparing for challenges and changes in an environment characterized by ongoing competition for sustained economic advantage and identity; and

WHEREAS, the City of Alvin's intent is to take steps to preserve the historical buildings and facades in the downtown development area, and encourage downtown enhancement reinvigoration, supported by the Comprehensive Master Plan; and

WHEREAS, in an effort to enrich an already substantial diversity of economic activity, the City of Alvin City Council desires to adopt the *Economic Development Policy* attached as Exhibit 1; and

WHEREAS, the City has established criteria and guidelines governing tax abatement within the City pursuant to Chapter 312 of the Tax Code; and

WHEREAS, the City has by ordinance created a tax increment financing reinvestment zone pursuant to Chapter 311 of the Tax Code, and used the tax increments accrued in said zone to construct public improvements intended to spur economic development of the zone; and

WHEREAS, the City has nominated an area of the City for designation by the State, acting through its Department of Commerce, as an enterprise zone pursuant to Chapter 2303, Tex. Gov't Code, the Texas Enterprise Zone Act; and

WHEREAS, Article 3, Section 52-a of the State Constitution, authorizes the Legislature to provide for the creation of programs for the making of loans and grants of public money for the public purposes of development and diversification of the economy of the State; and

WHEREAS, the Legislature, in Chapter 1509, Tex. Gov't Code, has authorized home rule cities to acquire land and buildings for the purpose of leasing the land or improvements thereto to private companies for use in manufacturing or other commercial activity; and

WHEREAS, the Legislature, in Chapter 380 of the Local Government Code, has authorized home rule cities to establish programs for making loans and grants of public money to promote State or local economic activity within their boundaries; and

WHEREAS, Chapter 312 of the Tax Code recommends the City renew its Economic Development Policy every two years as it relates to tax abatement guideline; and

WHEREAS, the City Council has considered the renewal of the Economic Development Policy and deems it in the public interest to authorize this action; and

WHEREAS, Ord. 16-T repealed the prior ordinances that adopted and re-adopted the prior Economic Development Policy for the City of Alvin; and

WHEREAS, the Economic Development Policy for the City of Alvin, Texas is attached hereto as Exhibit "1" (and incorporated herein by reference); and

WHEREAS, this resolution approves and authorizes the adoption of the Economic Policy for the City of Alvin, Texas; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALVIN, TEXAS, THAT:

Section 1. Findings. The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

Section 2. Proceedings. That the Economic Development Policy of the City of Alvin, Texas attached hereto as Exhibit "1" is hereby adopted.

Section 3. Open Meetings. It is hereby officially found and determined that the meeting at which this resolution was passed was open to the public as required and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, *Chapt. 551, Tex. Gov't Code.*

Section 4. Effective Date. The Economic Development Policy of the City of Alvin, Texas shall take effect upon the passage of this resolution.

PASSED AND APPROVED on this the 1 day of September, 2016.

ATTEST:

By: _____
Dixie Roberts, City Clerk

CITY OF ALVIN, TEXAS

By: _____
Paul A. Horn, Mayor

"EXHIBIT 1"

ECONOMIC DEVELOPMENT POLICY
FOR THE CITY OF ALVIN, TEXAS

RE-ADOPTED_____
Via Resolution 16-R-23

I. Criteria and Guidelines Governing Tax Abatement.

A. Definitions.

"Abatement" means the full or partial exemption from ad valorem taxes of certain real property in a reinvestment zone designated by the City for economic development purposes.

"Agreement" means a contract between a property owner or lessee and the City.

"Base Year Value" means the assessed value of eligible property on January 1st of the year of the execution of the tax abatement Agreement, plus the agreed upon value of eligible property improvements made after January 1 but before the execution of the Agreement.

"Deferred Maintenance" means those improvements necessary for continued operation but which do not improve productivity or alter any process technology. Exterior improvements (e.g., painting, installing, repairing, removing or replacing a facade) to the exteriors of buildings in the Downtown Development Area which are designed to improve visual appearance of property are not deferred maintenance.

"Downtown Development Area" is an approximately 22 block area of downtown Alvin as shown by the map and description attached hereto as Exhibit "A".

"Eligible Facilities" means those new, expanded, or modernized buildings and structures, including fixed machinery and equipment, which are reasonably likely as a result of granting abatement, to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development within the City Eligible Facilities in all commercial/industrial tax abatement reinvestment zones include manufacturing, distribution and storage facilities, office buildings, transportation facilities, and entertainment complex. Additional Eligible Facilities in reinvestment zones established in the Downtown Development Area include retail stores, apartment buildings, restaurants and entertainment facilities (excluding sexually oriented businesses).

"Expansion" means the addition of buildings, structures, machinery, equipment or payroll for purposes of increasing production capacity.

"Facility" means property improvements completed or in the process of construction which together comprise an integral whole.

"Gordon Street Corridor Area" is an area of Alvin as shown by the map and description attached hereto as Exhibit "B". More rightly described as property tracts adjacent to Gordon Street.

"Ineligible Property" means the following types of property which shall be fully taxable and ineligible for tax abatement: land, inventories, supplies, deferred maintenance and property to be rented or leased.

"Manufacturing Facility" means buildings and structures, including fixed machinery and equipment, the primary purpose of which is or will be the manufacturing of tangible goods or materials or the processing of such goods or materials by physical or chemical change.

"Modernization" means a complete or partial demolition of Facilities and the complete or partial reconstruction or installation of a Facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery or equipment, or both. Modernization in the Downtown Development area includes painting of exterior walls, restoring, removing or installing a facade and related exterior improvements designed to visually improve the exterior or a building or block.

"New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with Expansion and Modernization.

"Other Basic Industry" means buildings or structures, including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services, which primarily serve a market outside of the city.

"Productive Life" means the number of years a property improvement is expected to be in service for a facility.

"Regional Distribution Facility" means buildings and structures, including fixed machinery and equipment, used or to be used primarily to receive, store, service, or distribute goods or materials owned by the facility operator where a majority of the goods or services are distributed outside of the city.

"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 the activity at the facility are derived from outside of the city.

"Regional Service Facility" means buildings and structures, including fixed machinery and equipment, used or to be used to service goods where a majority of the goods being serviced originate from outside of the city.

"Research Facility" means buildings and structures, including machinery and equipment, used or to be used primarily for research or experimentation to improve new tangible goods or materials or to improve or develop the production processes thereto.

B. Statement of Purpose.

The City is committed to the promotion of high quality commercial and industrial development in all parts of the City, and in the ongoing improvement of the quality of life for its citizens. Additionally, the purpose of this Economic Development Policy is to promote the retention and expansion of existing businesses in the Downtown Development Area and Gordon Street Corridor and to assist in attracting new business to these areas. Further, it is the City's intent to encourage the rehabilitation and restoration of historic structures in these areas, defined by a building or structure that is at least fifty (50) years old. These objectives may be served by the enhancement and expansion of the local economy. The City will consider granting property tax abatement, on a case-by-case basis, as a stimulus for economic development in accordance with the criteria and guidelines established herein. Nothing herein shall imply or suggest that the City is under any obligation to provide tax abatement to any applicant, that any applicant has a property right or interest in tax abatement, or that the City is precluded from considering other options which may be in the best interest of the City.

C. Designation of Tax Abatement Reinvestment Zones.

The City will consider designating areas within the City limits or extraterritorial jurisdiction of the City as commercial-industrial tax abatement reinvestment zones which meet one or more of the criteria for designation of a reinvestment zone under Section 312.202 of the Tax Code, and where the property owner meets the minimum qualifications to qualify for a tax abatement under Part I.D.2. of this Policy. Designation of an area as a tax abatement reinvestment zone is a prerequisite to entering into a tax abatement agreement with the owner of the property in a particular area. Property located within a City created (and State-approved) Enterprise Zone or within the City's Tax Increment Financing Reinvestment Zone is eligible for consideration for tax abatement agreements without the necessity of separate designation as a tax abatement reinvestment zone.

D. Abatement Authorized.

1. Eligible Facilities. Upon application, the City will consider granting tax abatement on Eligible Facilities as hereinafter provided.

a. Creation of New Value. The City will consider granting tax abatement only for the additional value of Eligible Facilities made subsequent to, and specified in, an abatement agreement between the City and the property owner or lessee, subject to such limitations as the City may require.

b. New and Existing Eligible Facilities. The City will consider granting abatement for new Eligible Facilities and for improvements to existing Eligible Facilities for purposes of Modernization and Expansion.

c. Eligible Property. The City will consider granting abatement to the value of real property improvements (buildings, structures, fixed [permanently attached] machinery and equipment, site improvements, related fixed improvements necessary to the operation and administration of the Facility), and personal property (excluding inventory or supplies) with a Productive Life of ten years or more.

d. Ineligible Property. The following types of property shall remain fully taxable and ineligible for tax abatement: land, supplies, inventory, Deferred Maintenance, property to be rented or leased except as provided in subpart (5) below, and other property which has a Productive Life of less than ten years.

e. Owned/Leased Facilities. If a Leased Facility is granted abatement, the agreement shall be executed with the lessor and the lessee.

2._ Standards for Tax Abatement_

a. Minimum Standards. The City will consider tax abatement only on eligible facilities which meet at least two of the following criteria and that meet the requirements set forth in Part I.D.2.b and c.

(1) The project involves a minimum increase in property value of three-hundred percent (300%) for construction of a new facility, or fifty percent (50%) for expansion of an existing facility, with an overall new investment of at least $1 million in taxable assets. For eligible facilities in any reinvestment zone within the Downtown Development Area, the project must involve either a minimum increase in property value of one-hundred and fifty percent (150%) for construction of a new facility, or twenty-five percent (25%) for expansion or façade improvements of an existing facility, with an overall new investment of at least $50,000 in taxable assets.

(2) The project makes a substantial contribution to redevelopment efforts, special area plans, or strategic economic development programs by enhancing either functional or visual characteristics, e.g., historical structures, traffic circulation, parking facades, materials, signs.

(3) The project has high visibility, image impact, or is of a significantly higher level of development quality.

(4) The project is an area which might not otherwise be developed because of constraints of topography, ownership patterns, site configuration, etc.

(5) The project can serve as a prototype and catalyst for other development of a higher standard.

(6) The project stimulates desired concentrations of employment or commercial activity.

(7) The project generates greater employment than would otherwise be achieved, e.g., commercial/industrial versus manufacturing versus warehousing.

(8) For eligible facilities in any reinvestment zone within the Downtown Development Area, the project improves the aesthetic appearance of the neighborhood, brings new jobs to the Downtown area, increases the availability of public parking, or increases the amount of green space (landscaping).

b. Minimum Required Investment. An applicant requesting tax abatement shall agree as a condition of any tax abatement ultimately approved by the City Council to expend a certain minimum amount of funds on real or personal property improvements, or to create a certain number of jobs, as provided in Exhibit "C". Additional Downtown Development Area incentives are available as depicted in Exhibit "C". Additional Gordon Street Corridor Area incentives are available as depicted in Exhibit "C".

Projects involving an investment in real property in excess of $10,000,000 ($100,000 in the Downtown Development Area, and $250,000 in the Gordon Street Corridor Area) or the creation of more than 175 new full time jobs (25 in the Downtown Development Area and the Gordon Street Corridor Area), or requests for tax abatement for more than 5 years, will be individually negotiated.

If a request for tax abatement is justified on the basis of the purchase and maintenance of eligible personal property or on the creation of jobs, the applicant must agree to maintain the personal property or jobs for a period of not less than twice the period for which tax abatement is granted. For example, if an applicant requests and receives 75% tax abatement for five years based on the purchase and maintenance of eligible personal property, the applicant must agree in the tax abatement agreement, subject to recapture of all abated taxes, to maintain the personal property on the property tax roll for not less than ten years.

Personal property with a useful life of less than ten years is not eligible for tax abatement. Personal property on site prior to the effective date of the tax abatement agreement is not eligible. Supplies and inventory are ineligible for tax abatement under this policy and State law.

As used herein, the creation of jobs refers to the creation of a job paying not less than $10 per hour. To qualify for a level of tax abatement, e.g., 25%, based on the creation of a specific number of jobs, you must commit to hiring the required effective number of employees by the end of year 2 of the agreement. To calculate the effective number of jobs created: (1) calculate the total annual payroll created (based on the number of employees you will hire at various annual salaries); (2) divide this annual payroll by $20,640 (our calculated annual salary for a $10/hr employee); and (3) round this figure to the nearest whole integer.

c. Additional or Enhancement Factors. In addition to the minimum investment or job creation criteria listed in subsection b above, the following factors, among others,

shall be considered in determining whether to grant tax Abatement, and if so, in what percentage of value to be abated and the duration:

(1) value of land and existing improvements, if any;
(2) type and value of proposed improvements;
(3) productive life of proposed improvements;
(4) number of existing jobs to be retained by proposed improvements;
(5) number, salary, and type of new jobs to be created by proposed improvements;
(6) amount of local payroll to be created;
(7) whether the new jobs to be created will be filled by persons residing or projected to reside within the City;
(8) amount of local sales taxes to be generated directly;
(9) the costs, if any, to be incurred by the City to provide facilities or services directly resulting from the new improvements;
(10) the amount of ad valorem taxes to be paid the City during the Abatement period considering the existing values, the percentage of new value abated, the Abatement period, and the projected property value after expiration of the Abatement period;
(11) population growth that occurs directly as a result of new improvements;
(12) the types and value of public improvements, if any, to be constructed and paid for by the applicant seeking Abatement;
(13) the extent to which the proposed improvements compete with existing businesses;
(14) the positive or negative impact on the opportunities of existing businesses;
(15) the attraction of other new businesses to the area;
(16) the overall compatibility with the City's subdivision regulations, and over-all comprehensive plan; and
(17) whether the project is environmentally compatible with the community (no appreciable negative impact on quality-of-life perceptions).

Each Eligible Facility shall be reviewed on its merits utilizing the factors provided above. After such review, abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

3._ Abatement barred in certain circumstances.__

Neither a reinvestment zone nor an abatement agreement shall be authorized, if the City Council determines that:

a. there would be a substantial adverse effect on the provision of government service or tax base;

b. the applicant has insufficient financial capacity to meet the requirements of the proposed abatement agreement;

c. planned or potential use of the property would constitute a hazard to public safety, health, or morals;

d. approval of a reinvestment zone or abatement agreement would violate State or Federal laws or regulations; or

e. there exists any other valid reason for denial deemed appropriate by the City.

4._ Property_subject_to_Taxation. From the execution of an Abatement Agreement to the end of the effective abatement period under the Agreement, taxes shall be payable as follows:

a. the value of ineligible property (Part I.D.1.d.) shall be fully taxable;

b. the base year value of existing eligible property as determined each year shall be fully taxable;

c. the additional value of new eligible property shall be taxed in the manner and for the period provided for in the Abatement Agreement; and

d. the additional value of new, eligible property shall be fully taxable at the end of the Abatement period.

5._ Application_for_Tax_Abatement._

a. Any present or potential owner of taxable property within the City of Alvin may request the creation of a reinvestment zone and a tax abatement agreement by filing a written request with the City Clerk. The application shall then be forwarded to the City Manager or his designee for review. After processing the application, the City Manager shall make a recommendation to the City Council of the City for final disposition.

b. The request shall include, among other things, the following: (i) a general description of the project, including the purpose and an explanation of the improvements as well as how the project will meet these guidelines and criteria; (ii) expansion or new improvements which will be a part of the facility; (iii) a descriptive list of the improvements which will be part of the Facility; (iv) a map showing the location of the property, all roadways within 500 feet of the site and all existing land uses within 500 feet of the site [a complete legal description shall be provided if the property is described by metes and bounds]; and (v) a time schedule for undertaking and completing the planned improvements. In the case of modernization, 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. The application form shall require such financial and other information as the city deems appropriate for evaluating the financial capacity of and other factors regarding the applicant.

c. Prior to the adoption of an ordinance designating a reinvestment zone, the City shall hold a public hearing on the designation. Notice shall be given as provided by §312.201, Tax Code, i.e., (1) written notice to the presiding officer of the governing body of each taxing unit which includes within its boundaries real property that is to be included in the proposed reinvestment zone, such notice to be given not later than the seventh (7th) day before the public hearing; and (2) publication in a newspaper of general circulation within the City not later than the seventh (7th) day before the public hearing.

d. The City shall not establish a reinvestment zone for the purpose of Abatement if it finds that the request for the abatement was filed after the commencement of construction of a New Facility, or alteration, Modernization, Expansion of an existing Facility.

e. Information that is provided to the City in connection with an application or request for tax abatement and that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which tax abatement is sought is confidential and not subject to public disclosure until the Abatement Agreement is executed.

6._ Tax_Abatement_Agreements_

a. After preliminary approval of an application for tax abatement, the City shall formally pass a resolution authorizing an Agreement with the owner (and lessee, where applicable) of the Facility, which Agreement shall include, but not be limited to:

(1) The kind, number, and location of all proposed improvements of the property;

(2) A provision for access to and authorize inspection of the property by municipal employees to ensure that the improvements or repairs are made according to the specifications and conditions of the Agreement;

(3) Limits for the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period the property tax exemptions are in effect;

(4) A provision for recapturing property tax revenue lost as a result of the Agreement if the owner of the property fails to make the improvements or repairs as provided by the Agreement;

(5) Each term agreed to by the owner of the property;

(6) A requirement that the owner of the property annually certify to the governing body of each taxing unit that the owner is in compliance with each applicable

term of the Agreement and provide documentation sufficient to allow the City to verify compliance;

(7) A provision that the City Council may cancel or modify the Agreement if the property fails to comply with the Agreement or the owner fails to provide the documentation necessary to allow the City to determine compliance with the agreement;

(8) The percentage of value to be abated each year; and

(9) The commencement date and the termination date of Abatement.

b. The City shall give notice as provided by the Tax Code, i.e., written notice to the presiding officer of the governing body of each taxing unit in which the property to be subject to the agreement is located, no later than the seventh day before the date the City Council considers approval of a tax abatement agreement.

c. To be effective, a tax abatement agreement must be approved by the affirmative vote of a majority of the members of the City Council at a regularly scheduled meeting of the City Council.

d. Agreements shall normally be approved or disapproved within sixty (60) days from the date the applicant filed a properly completed application for tax abatement with the City Manager.

7._ Recapture_of_Abated_Taxes_Upon_Default._

a. In the event that the company or individual:

(1) allows its ad valorem taxes owed the City to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest, or

(2) violates any of the terms and conditions of the Abatement Agreement, and fails to cure during the Cure Period hereinafter described, then

the Agreement may be terminated, and the company or individual whose Agreement is terminated shall repay, as liquidated damages, all taxes previously abated by virtue of the Agreement to the City within thirty (30) days of the termination, with interest not to exceed the highest lawful rate.

b. Should the City determine that the company or individual is in default according to the terms and conditions of its Agreement, the City shall notify the company or individual of such default 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 may be terminated.

8._ Administration._

a. The Chief Appraiser of the Brazoria County Appraisal District will 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 Appraiser with such information as may be necessary for the Abatement. Once value has been established, the Chief Appraiser will notify the City of the amount of the assessment.

b. An abatement agreement shall stipulate that employees or designated representatives of the City 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 representatives of the company or individual and in accordance with its safety standards.

c. Upon completion of construction, the designated representative of the City shall annually evaluate each Facility receiving Abatement to insure compliance with the agreement, and a formal report shall then be made to the City Council of Alvin regarding the findings of the evaluation.

9._ Assignment_of_Tax_Abatement_Agreements._

Abatement may be transferred and assigned by the holder to a new owner or lessee of the same Facility upon the approval by resolution of the City 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 the City. No assignment or transfer shall be approved if the parties to the existing Agreement, the new owner or new lessee, are liable to any jurisdiction for outstanding taxes or other obligations. Approval of assignments will not be unreasonably withheld.

10._Sunset_Provision._

These tax abatement criteria and guidelines are effective upon the date of their adoption and will remain in force for two years, unless amended by three-quarters vote of the City Council, at which time all reinvestment zones and tax abatement agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on that review, the criteria and guidelines may be modified, renewed or eliminated.

II._Availability of Tax Increment Reinvestment Zones for Public Improvements._

A._Existence_of_Tax_Increment_Reinvestment_Zones._

The City of Alvin has previously created Tax Increment Reinvestment Zones. To be designated as a Tax Increment Reinvestment Zone (TIRZ), an area must meet the criteria established for reinvestment zones under Section 311.005 of the Tax Code. Designation of an area of the City as an enterprise zone under Chapter 2303, Tex. Gov't Code, as amended from time to time, the Texas Enterprise Zone Act, qualifies an area automatically for designation as a tax increment financing reinvestment zone.

B. Development agreements.

The City will consider entering into development agreements with the owners of property within a TIRZ where construction of a public improvement(s), e.g., a street, sewer or water line, bridge, railroad spur, or drainage project, using tax increment funds is likely to result in the significant expansion or modernization of an existing facility, the construction of a major new facility, the creation of a significant number of new jobs, or otherwise accomplishes one of the major goals of Chapter 311 of the Tax Code. The City Council may by ordinance or resolution, with the advice and recommendation of the Board of Directors of a Tax Increment Reinvestment Zone may establish minimum criteria for consideration of development agreements.

III. Additional Economic Incentives within the City

A. Designation of Enterprise Zone.

The City of Alvin has an area of the City designated as an enterprise zone by the State of Texas, acting through its Department of Commerce, under Chapter 2303, Tex. Gov't Code, as amended from time to time (the Texas Enterprise Zone Act). As having an approved area designated as an enterprise zone by the State, the City will consider granting several types of economic incentives with the enterprise zone.

1. Sales and use tax refunds.

a. Minimum qualifications. To encourage development of the Enterprise Zone, the City will consider granting sales and use tax rebates to businesses within the Enterprise Zone which:

(1) meet the definition of "qualified businesses" for purposes of the Texas Enterprise Zone Act;

(2) meet the qualifications for, and receive designation by the State as an enterprise project as an enterprise project as provided for in the Texas Enterprise Zone Act.

b. Eligible taxes. The City may agree to a refund of its sales and use taxes paid by qualified business designated as an enterprise project on the purchase, lease, or rental of equipment or machinery for use in an enterprise zone or on the purchase of material for use in remodeling, rehabilitating, or constructing a structure in the Enterprise Zone.

c. Agreement required. The City will, by development agreement, consider refunding up to one-half (1/2) of the eligible sales and use tax paid by a qualified business and enterprise project for a period of up to two (2) years.

d. Documentation required. A qualified business and enterprise project entitled to a refund of sales and use tax under this Section by agreement shall pay the entire amount of State and local sales and use taxes at the time of purchase. A qualified business and enterprise project entitled to a refund of sales and use tax by agreement may request a refund once each year in writing. A qualified business and enterprise project entitled to a refund of sales and use tax by agreement must provide documentation necessary to support a refund claim in a form prescribed by the City's Director of Finance.

2. Waiver of permit fees.

By resolution, the City Council may adopt a policy to waive certain building, permit, license or development fees to qualified businesses which have been designated as enterprise projects within the Enterprise Zone.

B. Other economic incentives within the City.

1. Pursuant to authority delegated by the Legislature to cities under Chapter 380 of the Local Government Code, and as authorized by Article 3, Section 52-a of the Texas Constitution and the City Charter, the City will consider making loans or grants of public funds or property, or the selling or leasing City property at or below the fair market value of said property, to promote State or local economic development and to stimulate business and commercial activity within the City, provided that the applicant meets the minimum requirements established by the City Council.

2. Upon application, the City may consider one or more of the following economic tools to encourage economic development:

   (a) The City may purchase tracts of land in the City to encourage economic development if it determines that assembly of smaller tracts into larger tracts will promote the sale or development of property over the long term. The City may also purchase land to sell or lease to a qualified business in the City, if it determines that a qualified business meets the minimum requirements for additional incentives set out below.

   (b) As further authorized by Section 2303.513, Tex. Gov't Code, as amended from time to time, the City may sell or lease City-owned property to private developers, if the City Council determines that the property is not needed for any other public purpose, and that sale of the property to a private developer will result in capital improvements or the creation of new jobs within the City. The City will generally sell or lease public property at its fair market value, but will consider making a one-time grant to an applicant, or selling or leasing property at less than fair market value. To qualify for

additional incentive, a qualified business must agree to the following minimum investment in both improvements to real property (new construction or expansion of existing facility) and the creation of jobs set forth in the table of Exhibit "D". The amount of the grant is set forth in Exhibit "D".

C. Additional economic incentives in Downtown Development Area.

1. Pursuant to authority delegated by the Legislature to cities under Chapter 380 of the Local Government Code, and as authorized by Article 3, Section 52-a of the Texas Constitution, the City will consider making loans or grants of public funds or property, or the selling or leasing City property at or below the fair market value of said property, to promote State or local economic development and to stimulate business and commercial activity in the Downtown Development Area, as shown on Exhibit "A", provided that the applicant meets the minimum requirements established by the City Council.

2. Upon application, the City of Alvin will consider one or more of the following economic tools to encourage economic development in the Downtown Development Area:

   (a) The City may purchase tracts of land in the Downtown Development Area to encourage economic development if it determines that assembly of smaller tracts into larger tracts will promote the sale or development of property over the long term. The City may also purchase land to sell or lease to a qualified business in the Downtown Development Area, if it determines that a qualified business meets the minimum requirements for additional incentives set out below.

   (b) As further authorized by Section 2303.513, Tex. Gov't Code, as amended from time to time, the City may sell or lease City-owned property to private developers, if the City Council determines that the property is not needed for any other public purpose, and that sale of the property to a private developer will result in capital improvements or the creation of new jobs in the Downtown Development Area. The City will generally sell or lease public property at its fair market value, but will consider making a one-time grant to an applicant, or selling or leasing property at less than fair market value. To qualify for additional incentive, a qualified business must agree to the following minimum investment in both improvements to real property (new construction or expansion of existing facility) and the creation of jobs set forth in the table of Exhibit "E". The amount of the grant is set forth in Exhibit "E".

3. In order for a proposal to be considered for the Additional Incentives under this Part III, an applicant is required to submit a Business Plan detailing sufficient information to evaluate the development and the opportunities for success. A development agreement will establish performance standards for the applicant and will provide clauses that insure the return of monetary or real incentives granted for a project in the event that the project is not undertaken within a specified time or the applicant does not comply with the performance standards or terms of the agreement.

Exhibit "A" Downtown Development Area

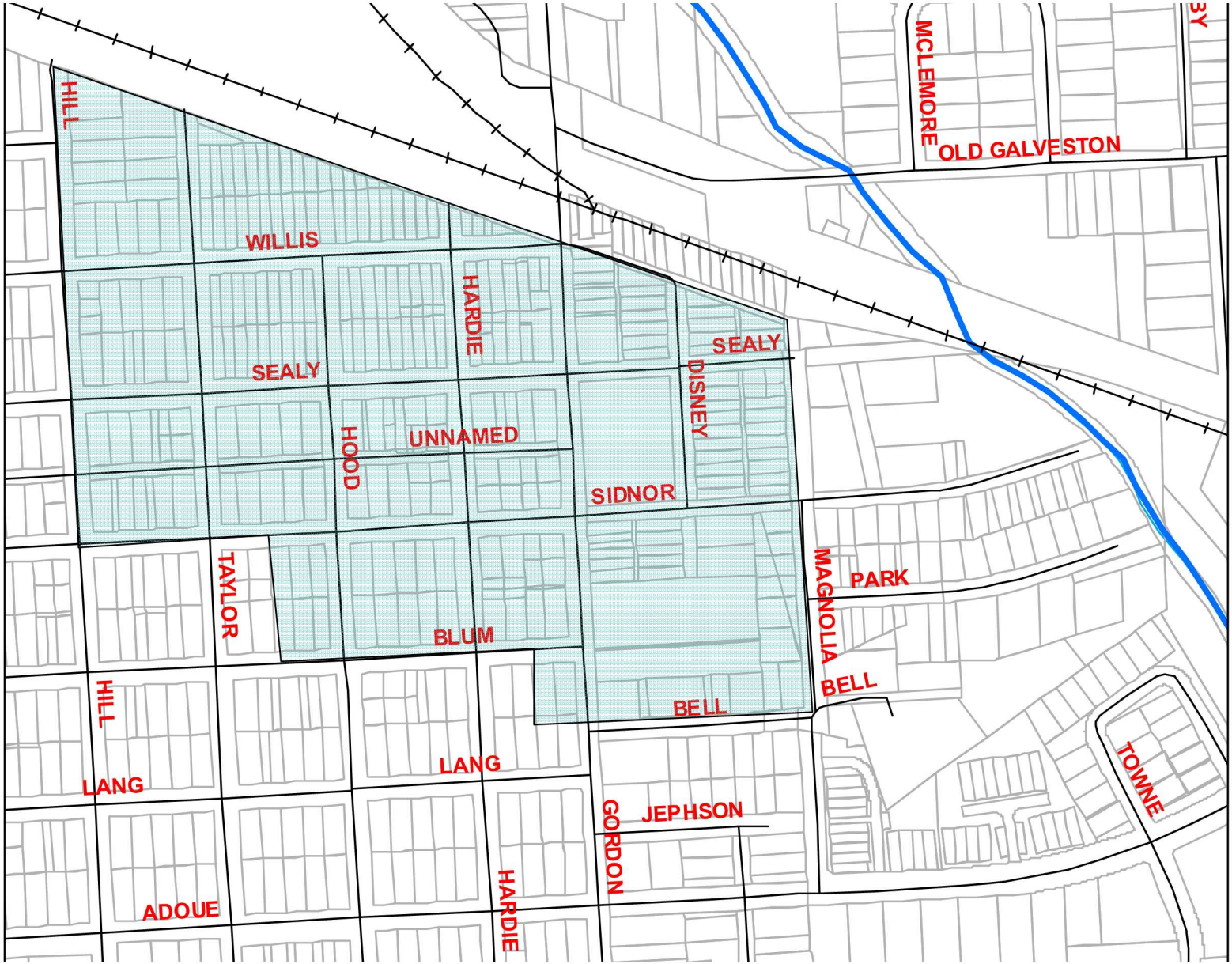

Exhibit "B" Gordon Street Corridor

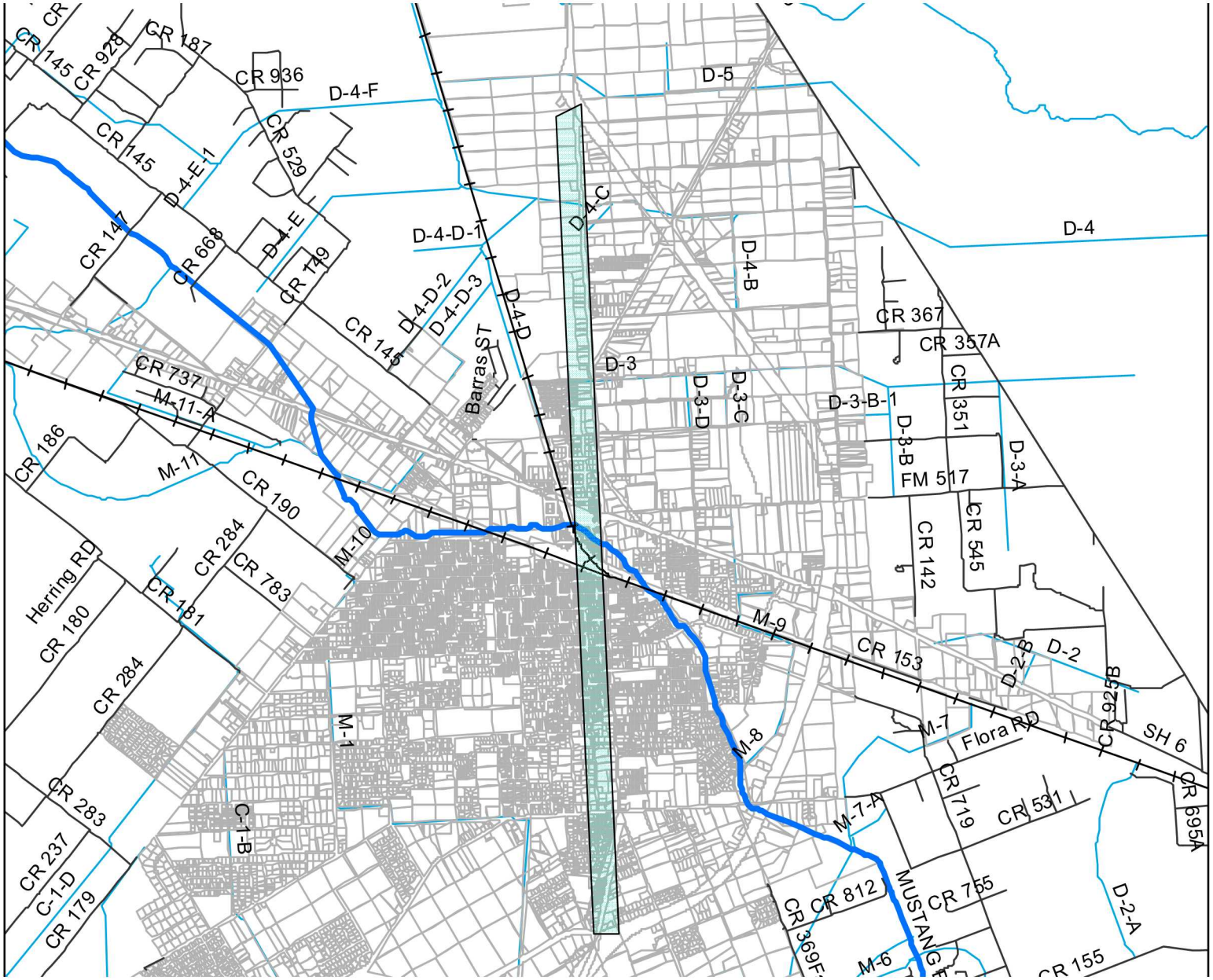

Exhibit "C"

Minimum Eligible Property Improvements and Minimum Job Creation Table	10 - Jobs	25 - Jobs	50 - Jobs	75 - Jobs	100 - Jobs	125 - Jobs	150 - Jobs	175 - Jobs	200 - Jobs	225 - Jobs
$1MM - Eligible Property	55%	60%	65%	70%	75%	80%	85%	90%	95%	100%
$2MM - Eligible Property	60%	65%	70%	75%	80%	85%	90%	95%	100%	100%
$3MM - Eligible Property	65%	70%	75%	80%	85%	90%	95%	100%	100%	100%
$4MM - Eligible Property	70%	75%	80%	85%	90%	95%	100%	100%	100%	100%
$5MM - Eligible Property	75%	80%	85%	90%	95%	100%	100%	100%	100%	100%
$6MM - Eligible Property	80%	85%	90%	95%	100%	100%	100%	100%	100%	100%
$7MM - Eligible Property	85%	90%	95%	100%	100%	100%	100%	100%	100%	100%
$8MM - Eligible Property	90%	95%	100%	100%	100%	100%	100%	100%	100%	100%
$9MM - Eligible Property	95%	100%	100%	100%	100%	100%	100%	100%	100%	100%
$10MM - Eligible Property	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Downtown Development Area Minimum Eligible Property Improvements and Minimum Job Creation/Retention Table	5 - Jobs	25 - Jobs
$50,000 - Eligible Property	75%	100%
$100,000 - Eligible Property	100%	100%

Gordon Street Corridor Area Minimum Eligible Property Improvements and Minimum Job Creation/Retention Table	5 - Jobs	25 - Jobs
$100,000 - Eligible Property	75%	100%
$250,000 - Eligible Property	100%	100%

Exhibit "D"

Other Economic Incentives within the City

Real Property Improvements	Job Creation	Value of grant, or value of reduction in lease payments or sale price
Not less than $7.5 million	Not less than 125 new jobs	Not to exceed $100,000
Not less than $15 million	Not less than 250 new jobs	Not to exceed $200,000
Not less than $22.5 million	Not less than 375 new jobs	Not to exceed $300,000
Not less than $30 million	Not less than 500 new jobs	Not to exceed $400,000
Not less than $37.5 million	Not less than 625 new jobs	Not to exceed $500,000

Exhibit "E"

Additional Incentives in the Downtown Development Area within the City

Real Property Improvements	Job Creation	Value of grant, or value of reduction in lease payments or sale price
Not less than $70,000	Not less than 3 new jobs	Not to exceed $6,000
Not less than $100,000	Not less than 5 new jobs	Not to exceed $8,000
Not less than $175,000	Not less than 10 new jobs	Not to exceed $10,000
Not less than $225,000	Not less than 15 new jobs	Not to exceed $15,000
Not less than $300,000	Not less than 20 new jobs	Not to exceed $18,000