

ORDINANCE NO. O-2014-111

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS, RENEWING THE DESIGNATION OF REINVESTMENT ZONE NO. SIX/BROOKSHIRE GROCERY COMPANY FOR COMMERCIAL/ INDUSTRIAL TAX ABATEMENT, CITY OF TYLER, TEXAS; ESTABLISHING THE BOUNDARIES THEREOF; AND OTHER MATTERS RELATING THERETO; ESTABLISHING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, on May 6, 1988, and as amended thereafter, and currently found in City Code Sections 2-30 through 2-32, the Tyler City Council adopted a Tax Abatement Policy; and

WHEREAS, the City Council (The "City") desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by creation of a reinvestment zone for commercial/industrial tax abatement, as authorized by Section 312.201 of the Texas Tax Code; and

WHEREAS, on October 1, 1993, in Ordinance No. 0-93-78, the City Council originally created this Reinvestment Zone; and

WHEREAS, state law (currently Texas Tax Code Sec. 312.203) provides that reinvestment zone designations expire after five years, but may be renewed for periods not to exceed five (5) years; and

WHEREAS, on February 3, 1999, in Ordinance No. 0-99-04, the City Council renewed this Reinvestment Zone for a five-year period; and

WHEREAS, on January 28, 2004, in Ordinance No. 0-2004-8, the City Council renewed this Reinvestment Zone for a five-year period; and

WHEREAS, on October 14, 2009, in Ordinance No. 0-2009-111, the City Council renewed this Reinvestment Zone for a five-year period; and

WHEREAS, on December 10, 2014 the City held a public hearing after publishing notice of such public hearing, and giving written notice to all taxing units overlapping the territory inside the proposed reinvestment zone, at least seven (7) days prior to such hearing; and

WHEREAS, the City at such hearing invited any interested person to appear and contend for or against the renewal of the reinvestment zone, the boundaries of the proposed reinvestment zone, whether all or part of the territory described in the ordinance calling such hearing should be included in such proposed reinvestment zone, and the concept of tax abatement;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS:

PART 1. Definitions.

a. Improvements - Improvements shall include, for the purpose of establishing eligibility under the Tax Abatement Policy, any activity at the location, including but not limited to new construction.

b. **Taxable Real Property** - Taxable real property shall be as defined in the Texas Tax Code and shall not include personal property as defined in said Code, nor shall it include land.

c. **Base Year** - The base year for determining increased value shall be the taxable real property value assessed the year in which the agreement is executed.

PART 2. That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct.

PART 3. That the City, after conducting such hearings and having heard such evidence and testimony, has made the following findings and determinations:

- a. That a public hearing on the adoption of the reinvestment zone has been properly called, held and conducted and that notices of such hearings have been published as required by law and mailed to all taxing units overlapping the territory inside the proposed reinvestment zone; and
- b. That the boundaries of the reinvestment zone should be the area as described in the legal description attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B"; and
- c. That creation of the reinvestment zone for commercial/industrial tax abatement with boundaries as described in Exhibits "A" and "B" will result in benefits to the City and to the land included in the zone after the term of any agreement executed hereunder, and the improvements sought are feasible and practical; and
- d. That the reinvestment zone as defined in Exhibits "A" and "B" meets the criteria for the creation of a reinvestment zone as set forth in Section 312.202 of the Texas Tax Code in that it is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the City; and
- e. That the reinvestment zone as defined in Exhibits "A" and "B" meets the criteria for the creation of a reinvestment zone as set forth in the City of Tyler guidelines and criteria for granting tax abatement in reinvestment zones.

PART 4. That pursuant to Section 312.201 of the Texas Tax Code, the City hereby creates a reinvestment zone for commercial/industrial tax abatement encompassing only the area described by the legal description in Exhibit "A" attached hereto and depicted on the map attached hereto as Exhibit "B", and such reinvestment zone is hereby designated and shall hereafter be designated as Reinvestment Zone No. Six, City of Tyler, Texas.

PART 5. That written agreements with property owner(s) located within the zone shall provide the terms regarding duration of exemption and share of taxable real property value from taxation as shown below:

- a. **Duration of Exemption** - _____ (_____) consecutive tax years beginning with and including the January 1, _____ assessment date.

b. Share of taxes abated:

_____ % of taxes on total value of appraised improvements which are added.

PART 6. Pursuant to Texas Tax Code Section 312.205, that written agreements for tax abatement as provided for by Sections 312.204 or 312.211 of the Texas Tax Code shall include provisions for:

- a. Listing the kind, number and location of all proposed improvements of the property;
- b. Access to and inspection of property by City employees to ensure that the improvements or repairs are made according to the specifications and conditions of the agreements;
- c. Limiting the use of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect; and
- d. 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.
- e. Containing each term agreed to by the owner of the property.
- f. Requiring the owner of the property to certify annually to the governing body of each taxing unit that the owner is in compliance with each applicable term of the agreement.
- g. Providing that the City Council may cancel or modify the agreement if the property owner fails to comply with the agreement.

PART 7. If any portion of this ordinance shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof, and the remaining provisions shall remain in full force and effect.

PART 8. That this Ordinance establishing the zone shall take effect immediately upon its adoption.

DULY PASSED AND APPROVED this 10th day of December, A. D., 2014.



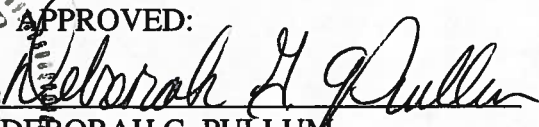
MARTIN HEINES, MAYOR
OF THE CITY OF TYLER, TEXAS

ATTEST:



CASSANDRA BRAGER, CITY CLERK

APPROVED:



DEBORAH G. PULLUM,
CITY ATTORNEY



**EXHIBIT "A" TO ORDINANCE NO. 0-2014-111
REINVESTMENT ZONE NO. 6
RENEWING 0-2009-111 FROM 10/14/09**

**REFERENCE TO TRACTS IN HOME OFFICE PROPERTY
BROOKSHIRE GROCERY COMPANY**

- Tract No. 1:** Being 35.420 acres, a part of the E. B. Lockridge Survey, A-599, Smith County, Texas, described in a Warranty Deed dated March 13, 1968, from W. Dewey Lawrence, Trustee, to Brookshire Grocery Company, recorded in Volume 1259, page 439, Deed Records, Smith County, Texas, reference to which is here made for further description, said land also being known as Lots 1 and 25, Block 1290, on the Tax Maps of the Smith County Appraisal District.
- Tract No. 2:** Being 5.3013 acres, a part of the E. B. Lockridge Survey, A-599, Smith County, Texas, described in a Warranty Deed dated January 6, 1976, from Robert Kinsey, et ux Edna, to Brookshire Grocery Company, recorded in Volume 1560, page 411, Deed Records, Smith County, Texas, reference to which is here made for further description, said land also being known as Lots 2B and 24, Block 1290, on the Tax Maps of the Smith County Appraisal District.
- Tract No. 3:** Being 14.705 acres, a part of the E. B. Lockridge Survey, A-599, Smith County, Texas, described in a Warranty Deed dated September 14, 1977, from The Southwestern Town Lot Corporation to Brookshire Grocery Company, recorded in Volume 1647, page 301, Deed Records, Smith County, Texas, reference to which is here made for further description, said land also being known as Lot 26, Block 1290, on the Tax Maps of the Smith County Appraisal District.
- Tract No. 4:** Being 19.047 acres, a part of the E. B. Lockridge Survey, A-599, Smith County, Texas, described in a Warranty Deed dated November 15, 1989, from W. D. Norton, et ux Janet Ann, to Brookshire Grocery Company, recorded in Volume 2962, page 60, Land Records, Smith County, Texas, reference to which is here made for further description, said land also being known as Lots 27 and 30, Block 1290, on the Tax Maps of the Smith County Appraisal District.
- Tract No. 5:** Being 33.18 acres, a part of the E. B. Lockridge Survey, A-599, Smith County, Texas, described in a Warranty Deed dated May 16, 1991, from Forest Haven Joint Venture, to Brookshire Grocery Company, recorded in Volume 3120, page 326, Land Records, Smith County, Texas, reference to which is here made for further description, said land also being known as Lots 31 and 32, Block 1290, on the Tax Maps of the Smith County Appraisal District.

**EXHIBIT "B" TO ORDINANCE NO. 0-2014-111
 REINVESTMENT ZONE NO. 6
 RENEWING 0-2009-111 FROM 10/14/09**

