



ORDINANCE NO. 3542

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FARMERS BRANCH, TEXAS, AUTHORIZING THE CITY OF FARMERS BRANCH TO PARTICIPATE IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE ("ACT"), IDENTIFYING TAX INCENTIVES, DESIGNATING A LIAISON FOR COMMUNICATION WITH THE INTERESTED PARTIES, AND NOMINATING TDINDUSTRIES, INC. TO THE OFFICE OF THE GOVERNOR, ECONOMIC DEVELOPMENT AND TOURISM ("OOGEDT") THROUGH THE ECONOMIC DEVELOPMENT BANK ("BANK") AS AN ENTERPRISE PROJECT ("PROJECT"); AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Farmers Branch, Texas (the "City"), desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas of the City and to provide employment to residents of such areas; and

WHEREAS, the Project is located in the City's jurisdiction in an area not designated as an enterprise zone; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Act, TDIndustries, Inc. has applied to the City for designation as an Enterprise Project; and

WHEREAS, a public hearing to consider this ordinance will be held by the City Council of the City of Farmers Branch, Texas, on November 6, 2018.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FARMERS BRANCH, TEXAS, THAT:

SECTION 1. The City nominates TDIndustries, Inc. for Enterprise Project status.

SECTION 2. The local incentives identified and summarized briefly in the attached Exhibit "A", at the election of the governing body, are or will be made available to nominated Projects in the City of Farmers Branch.

SECTION 3. The enterprise zone areas within the City are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.

SECTION 4. The City of Farmers Branch City Council directs and designates the Director of Economic Development and Tourism, or his designee, as the City's liaison to communicate and negotiate with the OOGEDT through the Bank and Enterprise Project(s) and to oversee enterprise zone activities and communications with qualified businesses and other entities in an enterprise zone or affected by an Enterprise Project.

SECTION 5. The City finds that TDIndustries, Inc. meets the criteria for designation as an Enterprise Project under Chapter 2303, Subchapter F of the Act on the following grounds:

- (a) TDIndustries, Inc. is a “qualified business” under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site within the governing body’s jurisdiction, located outside of an enterprise zone, and at least thirty-five percent (35%) of the business’ new employees will be residents of an enterprise zone or economically disadvantaged individuals or veterans; and
- (b) There has been and will continue to be a high level of cooperation between public, private and neighborhood entities in the area; and
- (c) The designation of TDIndustries, Inc. as an Enterprise Project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

SECTION 6. The Enterprise Project shall take effect on the date of designation of the Enterprise Project by the Office of the Governor, Economic Development and Tourism through the Economic Development Bank and terminate five (5) years after the date of designation.

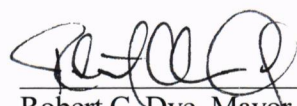
SECTION 7. This Ordinance shall take effect from and after its passage as the law and charter in such case provides.

DULY PASSED BY THE CITY COUNCIL OF THE CITY OF FARMERS BRANCH, TEXAS, ON THE 6th OF NOVEMBER, 2018.

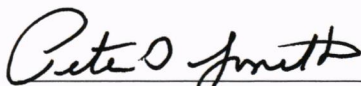
ATTEST:


Amy Piukana, City Secretary

APPROVED:


Robert C. Dye, Mayor

APPROVED AS TO FORM:


Peter G. Smith, City Attorney
(PGS:10-18-18:TM 103543)

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EXHIBIT "A"

	Name of Incentive	Description of Incentive	Availability
1	Local Sales and Use Tax Refunds	The City may allow sales and use tax refunds	Citywide - On Case By Case Basis
2	Tax Abatement	Property tax abatement	Citywide - On Case By Case Basis
3	Tax Increment Financing	Tax Increment Financing	Citywide
4	Freeport Exemption	Triple Freeport Exemption	Citywide
5	Property Tax Rebate	Real or Personal Property Tax Rebate	Citywide
6	Relocation Incentives for Employees	Up to \$1,000 per Employee of a Newly Relocated Business that Purchase a Home in Farmers Branch	Citywide
7	Improved Fire and Police Protection	Safety and protection of City residents.	Citywide
8	Community Crime Prevention Programs	Crimestoppers, House Watch Program, Community Watch Program, etc..	Citywide
9	Special Public Transportation Routes or Reduced Fares	DART Paratransit Services and Reduced Fares	Citywide
10	Capital Improvements In Water and Sewer Facilities	The City may provide resources for a capital implement plan related to water and sewer service	Citywide
11	Road Repair	The City is responsible for maintaining and repairing public streets and alleys inside City limits.	Citywide
12	Creation or Improvement of Parks	Maintain parks and promote healthy lifestyle for City residents.	Citywide
13	Low Interest loans for Housing Rehabilitation or New Construction	Incentives to Encourage the Purchase of New Homes or the Renovations of Existing Homes	Citywide
14	Low Interest Loans for Business	Low Interest Loans for Business	Citywide - On Case By Case Basis
15	Provision of Publicly Owned Land for Development Purposes	Sell or Exchange Land Without Competitive Bidding and At or Below Market Value	Citywide - On Case By Case Basis
16	Promotion and Marketing Services	Industrial Development Corporation and Chamber of Commerce.	Citywide
17	Job Training and Employment Services	Offered through Brookhaven College	Citywide
18	Retraining Program	Offered through Brookhaven College	Citywide
19	Literacy and Employment Skills Services	Offered through Brookhaven College	Citywide
20	Vocational Education	Offered through Brookhaven College	Citywide
21	Customized Job Training	Offered through Brookhaven College	Citywide
22	Zoning Changes or Variances	Regulatory Relief	Citywide
23	Exemptions from unnecessary building code requirements, impact fees, or inspection fees	Regulatory Relief	Citywide

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EXHIBIT "A"

	Name of Incentive	Description of Incentive	Availability
24	Streamlined Permitting	Regulatory Relief	Citywide
25	Transfer of Abandoned Housing to Individuals or Community Groups	Incentives to Encourage the Development of New Homes or the Renovations of Existing Homes for individuals or Community Groups	Citywide
26	Use of Surplus school buildings or other underutilized publicly owned facilities as small business incubators	Business and Industrial Development Services	Citywide
27	Creation of Special One-Stop Permitting and Problem Resolution Center or Ombudsmen	Business and Industrial Development Services	Citywide
NEW	Chapter 380 Agreement	Chapter 380 Agreement	Citywide



GOVERNOR GREG ABBOTT
ECONOMIC DEVELOPMENT & TOURISM

February 26, 2019

Mr. John Land
Director of Economic Development & Tourism
City of Farmers Branch
13000 William Dodson Parkway
Farmers Branch, Texas 75234

SUBJECT: **TDIndustries, Inc.** Enterprise Project Application

Dear Mr. Land:

We have reviewed and hereby approve a Texas enterprise project designation for the application submitted on behalf of TDIndustries, Inc. (Project) by the City of Farmers Branch, pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code (Act) and the Enterprise Zone Program Rules (Rules) promulgated by the Governor's Office of Economic Development and Tourism (EDT).

In conformance with the Act, EDT has hereby affirmatively determined that Project (a) complies with criteria set forth in the Act and Rules, and (b) is in furtherance of the public purposes of the Act. EDT hereby designates TDIndustries, Inc. as a Single Enterprise Project. The designation is effective from December 4, 2018 until December 5, 2023 unless it is determined that the Project is no longer in compliance with requirements set forth in the Act and the Rules.

State sales and use taxes paid at the qualified business site, and new jobs created up to 90 business days prior to the designation date of December 4, 2018 are eligible for benefit. This allows the Project to gain benefit for activity from July 26, 2018 through December 5, 2023. In addition, the Project may submit the paperwork for benefits up to 18 months following the date the designation expires, no later than June 5, 2025 for activities during the designation period.

The qualified business site, 13850 Diplomat Drive, Farmers Branch, Texas 75234, is not located in an enterprise zone, and 35 percent of the Project's new employees are required to be economically disadvantaged individuals, enterprise zone residents, or veterans. The tax identification number under which this designation is approved is 3-20-3321639-4.

The maximum number of jobs to be included in any calculation for a state sales and use tax refund for the enterprise project is stated under Jobs Allocated. The company has made the following commitments in its application for the enterprise project designation:

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Mr. John Land
February 26, 2019

Capital Investment:	<u>\$5,845,000</u>
Jobs to be Created for Benefit:	<u>0</u>
Jobs to be Retained for Benefit:	<u>318</u>
Total Jobs for Benefit:	<u>318</u>
Job Baseline:	<u>318</u>
Jobs Allocated for Project Designation:	<u>500</u>

Use this number on all correspondence and documentation regarding your Project: **EP1175-120318-FB**

For information regarding applying for benefits (sales and use tax refund) under this program, contact the Texas Comptroller of Public Accounts (CPA). The CPA contact person is Sofia Chaparro at 512-463-2844. This Single Enterprise Project designation will be eligible to receive a refund of up to \$2,500 per qualified job. The amount of capital investment will determine the number of jobs for which benefit can be received. The Project will be assessed a refund for jobs created and/or retained for the category of capital investment expended to that date. Once additional capital investment is expended, the Project may be eligible for additional refunds, up to the maximum amount of \$1,250,000. All refund claims are subject to verification by the auditor.

By statute, the nominating body shall monitor the qualified business to determine whether the Project has followed through on any commitments or goals made by it or on its behalf in the designation application. This evaluation may occur on the date on which a certificate of occupancy is issued or at the completion of the enterprise project designation period. The nominating body shall then submit a report of its findings to the bank and the comptroller.

Please note, any changes in respect to the legal name or organizational structure of TDIndustries, Inc. may result in the need for either a Name Change or an Assignment Change request to be submitted to EDT. The aforementioned changes which affect an original designation must be reported in a complete and timely manner to prevent any issues with overall program compliance and when applying for benefits through the CPA.

If you have any questions, please contact EDT by phone at 512-936-0250 or by e-mail at EnterpriseZone@gov.texas.gov.

Sincerely,



Bryan Daniel
Executive Director
Economic Development & Tourism

cc: Sofia Chaparro – Comptroller
Melissa Munoz – Ryan, LLC
Evelyn Henry Miller – TDIndustries, Inc.

BD: cn