



RESOLUTION

PROVIDING THAT BAILEY COUNTY, TEXAS (the" County") ELECTS TO CONTINUE, RENEW, AND EXTEND ITS PRIOR RESOLUTION AND THE TAX ABTEMENT GUIDELINES AND CRITERIA AS AUTHORIZED BY CHAPTER 312 OF THE TEXAS TAX CODE.

WHEREAS, a Texas county may enter into tax abatement agreements authorized by Chapter 312 of the Texas Tax Code (the "code") only if the governing body of such county has previously adopted a resolution stating that the county elects to be eligible to participate in tax abatement and establishes guidelines and criteria;

WHEREAS, the County adopted a resolution on or about June 25, 2017, stating that the County elects to be eligible to participate in tax abatement, and the County desires to continue, renew, and extend such authorization for the County to participate in tax abatements; and

WHEREAS, the County adopted Tax Abatement Guidelines and Criteria on or about June 26, 2017, relating to entering into tax abatements and desires to continue, renew, and extend its Tax Abatement Guidelines and Criteria for participating in tax abatements.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COMMISSIONERS COURT OF BAILEY COUNTY, TEXAS, THAT:

- 1.) The County hereby elects to continue, renew, and extend its authorization to participate in tax abatements in accordance with Chapter 312 of the Code; and
- 2.) The County hereby elects to continue, renew, and extend its Tax Abatement Guidelines and Criteria dated on or about June 26, 2017, for participating tax abatements.

PASSED, APPROVED, AND ADOPTED on 25 day, of November, 2024.

Baron

County Judge

Mike Slayton

Commissioner Precinct #2

Jim Davis

Commissioner Precinct #4

Absent

Commissioner Precinct #1

Colby

Commissioner Precinct #3

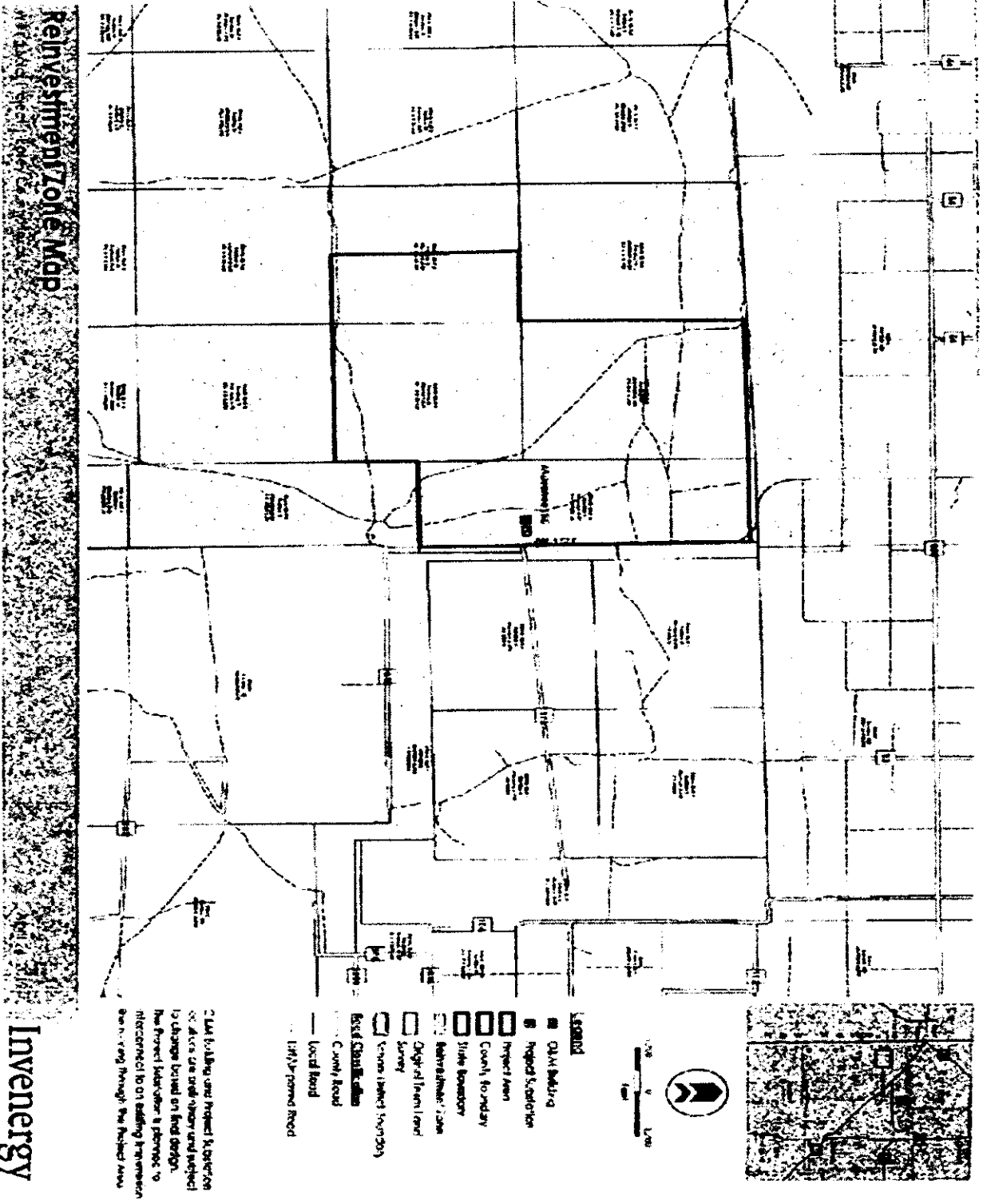
Mary Brink

Attest: County Clerk Chief Deputy

Attachment A

Attached is the Reinvestment Zone created by resolution dated May 24, 2019, duly passed by the County Commissioner Court and referred to as the Bailey-Willing Solar Reinvestment Zone.

See Project Site boundary shown on the attached map.



Invenergy

LOCAL SPENDING AND SUPPORT PLAN

- A.) In connection with the construction and operation of the Improvements in the County, Owner and Owner's prime contractor(s) ("Prime Contractor(s)") responsible for overseeing construction and or operation of the Improvements will use commercially reasonable efforts during the Term to invest at least one million dollars (\$1,000,000) in services, materials and supplies purchased from County individuals and businesses, provided that nothing in this paragraph shall require Owner or the Prime Contractor (s) to use services, material and supplies provided by County residents that are not: (i) of similar quality to those provided by nonresidents; or (ii) made available on terms and/or at prices comparable to those offered by nonresidents. Within ninety (90) days following the COD, Owner shall provide the County with a written report showing the status of spending in the County and its compliance with the requirement set forth in this Local Spending and Support Plan.
- B.) In no event shall Owner or the Prime Contractor discriminate against County residents or businesses in employment or in the purchase of good and services.
- C.) In filling employment vacancies in connection with the Project, Owner and the Prime Contractors(s) will use commercially reasonable efforts to use County labor, provided that nothing in the paragraph shall require Owner or the Prime Contractor to employ County residents who are not: (i) equally or more qualified than nonresident applicants; or (ii) available for employment on terms and/or at salaries comparable to those required by nonresident applicants. Individuals who resided in Bailey County at the time of their initial employment shall be considered "County labor" even if they relocate to a residence outside of the County during their term of employment.
- D.) Owner or the Prime Contractor shall designate a Coordinator of Local Hiring and Services who will act as a liaison between all contractors and any individual or business residing in the County who is interested in obtaining information about (i) employment, or (ii) commercial services or supplies expected to be purchased by a contractor.
- E.) Owner or the Prime Contractor shall hold a job and contracting information session prior to beginning physical construction of the Project at which information will be provided regarding the construction and hiring needs of the Project. Such information also will be provided on a continuing basis through the Coordinator of Local Hiring and Services.
- F.) For every year during the Term, Owner, its contractors, and their respective affiliates will collectively employ in the County at least the requisite number of full time Project employees specified in the Agreement as described in Section XVI(B) of the Agreement.

Attachment C

Owner's Annual Reporting and Compliance Form Pursuant to Section VI(B) of the Agreement, this form shall be submitted by Owner to the County Judge on or before March 31 of each Calendar Year beginning with the first Calendar Year after Owner delivers the Certificate. To the extent that any of the provisions herein conflict with the provisions in the Agreement, the provisions of the Agreement shall control.		
Provision and Description	Compliance Guidelines	Provision Complied With? Yes (date complied with)/No/In Process (include explanation)
<u>Improvements and Reinvestment Zone</u> - Section III(A)	Owner constructed the Improvements on the Site as set forth in Section III(A).	
<u>Improvements and Reinvestment Zone</u> - Section III(C)	Owner commenced construction of the Improvements and the Project achieved Commercial Operations as required by the timelines	
<u>Representations</u> - Section V	Owner has made all required filings with the Office of the Comptroller of Public Accountants and other governmental entities concerning the Agreement. Note: Any filings made during the course of the prior year by Owner which pertain to the Agreement should be listed here At least 24 hours prior to Owner issuing any press release relating to the Project, Owner shall email or fax a copy of such press release to the County. To the extent allowed by law, the County shall maintain the confidentiality of any press release and shall not disclose any information in the press release until such time as such information is made public by Owner.	
<u>Assignment</u> - Section IX	Describe any instances in which the Agreement was duly assigned or transferred in accordance with Section IX of the Agreement.	
<u>Local Spending Plan</u> - Attachment B, Section A	During construction of the Project and within 90 days following the COD, Owner provided the County with a written project summary showing its good faith and commercially reasonable efforts to comply	

	<p>with the requirements set forth in the Local Spending and Support Plan (in the form of Attachment B), which includes all reasonably available local spending information collected by Owner in the ordinary course of business including (among other information):</p> <ul style="list-style-type: none"> • Summary of Local services/materials/supplies purchased within the County • Proof that Owner designated a Coordinator of Local Hiring Services (per Attachment B, Section D) • Proof that Owner used commercially reasonable efforts to utilize the County Labor Force by conducting a job and contracting information session within 30 days of beginning physical construction of the Project (per Attachment B, Section E) • Proof that Owner or its contractors or their respective affiliates have collectively employed at least the requisite number of full time Project employees for every year during the Term (per Section XVI(B) and Attachment B, Section F). 	
<p><u>Local Spending Plan</u> – Attachment B, Section D</p>	<p>Owner or the Prime Contractor designated a Coordinator of Local Hiring Services who acted as a liaison to residents of the County.</p>	
<p><u>Full-time Project Jobs</u> – Section XVI(B) and Attachment B, Section F</p>	<p>For every year during the Term, Owner or its contractors or their respective affiliates have collectively employed at least the requisite number of full-time Project employees as described in Section XVI(B).</p>	

**GUIDELINES AND CRITERIA GOVERNING TAX ABATEMENT FOR PROJECTS IN
DESIGNATED ENTERPRISE & REINVESTMENT ZONES WITHIN BAILEY
COUNTY, TEXAS**

SECTION I. General Purpose:

Bailey County, Texas, is committed to the promotion of high-quality development in all parts of Bailey County, Texas; and to an ongoing improvement in the quality of life for the citizens residing within Bailey County. Bailey County recognizes that these objectives are generally served by enhancement and expansion of the local economy. Bailey County will, on a case-by-case basis, give consideration to providing tax abatement, as authorized by V.T.C.A., Tax Code, Chapter 312, as stimulation for economic development within Bailey County. It is the policy of Bailey County that said consideration will be provided in accordance with the guidelines and criteria herein set forth and in conformity with the Tax Code.

Nothing contained herein shall imply, suggest or be understood to mean that Bailey County is under any obligation to provide tax abatement to any Applicant and attention is called to V.T.C.A., Tax Code, Section 312.002(d). With the above rights reserved all applications for tax abatement will be considered on a case-by-case basis.

SECTION II. Definitions:

As used within these guidelines and criteria, the following words or phrases shall have the following meaning:

1. **Abatement of Taxes:** To exempt from ad valorem taxation all or part of the value of certain Improvements placed on land located in a reinvestment zone designated for economic development purposes as of the date specified in the Tax Abatement Agreement for a period of time not to exceed ten (10) years, pursuant to V.T.C.A., Tax Code, Section 312.007.
2. **Affected Jurisdiction:** Bailey County, Texas.
3. **Abatement Agreement:** (1) A contract between a property owner and Bailey County for the abatement of taxes on qualified property located within the reinvestment zone; or, (2) a contract for the abatement of taxes between Bailey County and a certified air carrier who owns or leases Real Property located within a reinvestment zone or Personal Property or both as authorized by V.T.C.A., Tax Code, Section 312.204(e).
4. **Advanced Technologies:** Advanced manufacturing which requires higher skills and results in higher wages and investment.
5. **Base Year Value:** The assessed value of property eligible for tax abatement as of January 1st preceding the execution of an Abatement Agreement as herein defined, plus the agreed upon value of real and personal property improvements made after January 1st, but before the execution of the agreement.

6. **Distribution Center Facility:** A building or structure including Tangible Personal Property used or to be used primarily to receive, store, service or distribute goods or materials.
7. **Deferred Maintenance:** Means improvements necessary for continued operations which do not improve productivity or alter the process technology.
8. **Expansion of Existing Facilities or Structures:** The addition of buildings, structures, machinery or equipment, and fixed personal property for the purposes of increasing production capacity to a Facility.
9. **Existing Facility or Structure:** A facility as of the date of execution of the Tax Abatement Agreement, located in or on Real Property eligible for tax abatement.
10. **Facility:** The improvements made to Real Property eligible for tax abatement and including the building or structure erected on such Real Property and/or any Tangible Personal Property to be located in or on such property.
11. **Information and Data Center:** Facility used to house computer systems and associated components, such as telecommunications and storage systems. The main purpose of the facility is running applications that handle the core business and operational data of organizations, off-site backups and other informational operations.
12. **Improvements to Real Property or Improvements:** Shall mean the construction, addition to, structural upgrading of, replacement of, or completion of any facility located upon, or to be located upon, Real Property, as herein defined, or any Tangible Personal Property placed in or on said Real Property.
13. **Manufacturing Facility:** A Facility which is or will be used for the primary purpose of the production of goods or materials or the processing or change of goods or materials to a finished product.
14. **Medical Services:** Facilities such as hospitals, specialty hospitals and other like facilities that are classified under North American Industrial Classification System Code 622.
15. **Modernization/Renovation of Existing Facilities:** The replacement or upgrading of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation, and extends the economic life of the facility. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery and equipment, and fixed personal property. It shall not be for the purpose of reconditioning, refurbishing, repairing, or completion of deferred maintenance.
16. **New Facility:** The construction of a Facility on previously undeveloped real property eligible for tax abatement, which was placed into service by means other than or in conjunction with expansion or modernization.
17. **Other Basic Industry:** The buildings and structures including fixed machinery and equipment, and fixed personal property not elsewhere described, used or to be used for the production of products not elsewhere described, used or to be used for the production of products or services which primarily serve a market outside Bailey County and result in the creation of new permanent jobs and bring new wealth into Bailey County.

18. **Owner:** The record title owner of Real Property or the legal owner of Tangible Personal Property. In the case of land leased from Bailey County or buildings leased from a private party or tax exempt property, the lessee shall be deemed the owner of such leased property together with all improvements and Tangible Personal Property located thereon.
19. **Productive Life:** The number of years a Facility is expected to be in service.
20. **Real Property:** Land on which Improvements are to be made or fixtures placed.
21. **Regional Services Facility:** The buildings and structures, including fixed machinery and equipment, and fixed personal property, used or to be used to service goods.
22. **Reinvestment Zone:** Real Property designated as a Reinvestment Zone under the provisions of V.T.C.A., Tax Code, Section 312.202.
23. **Research Facility:** A Facility used or to be used primarily for research or experimentation to improve or develop new goods and/or services or to improve or develop the production process for such goods and/or services thereto.
24. **Tangible Personal Property:** Any Personal Property, not otherwise defined herein and which is necessary for the proper operation of any type of Facility.

SECTION III. Intent of Criteria and Guidelines:

The Intent of the criteria and guidelines, as herein set forth, is to establish the minimum standards which an applicant for tax abatement must meet in order to be considered for such status by Bailey County.

It is the intent of the Bailey County Commissioners' Court to consider approval or denial of any requests for tax abatement for projects in Bailey County or participation in any tax abatement agreement agreed to and adopted by an incorporated city, which meets the minimum eligibility criteria as set forth in this policy, following the filing of a formal application for tax abatement from the County. As prescribed by Section 312.206 of the Tax Code, the Bailey County Commissioners' Court may approve participation with a municipality in a tax abatement agreement no later than the 90th day after the date the municipal agreement is executed.

SECTION IV. Criteria and Guidelines for Tax Abatement:

Any type of Facility will be eligible for tax abatement consideration provided such Facility meets the following guidelines and criteria:

1. To qualify for Tax Abatement, the company must meet both of the following criteria:
 - a) The modernization or expansion of an existing facility of any type as herein defined or construction of a new facility of any type as herein defined; and
 - b) Be a producer, manufacturer or distributor of goods and services of which 50 percent or more are distributed outside of Bailey County.

2. In addition to the aforementioned, the taxing jurisdiction will consider abatement only if the company meets one of the following criteria:
 - a) One of the following target industries:
 - i) Advanced Technologies and Manufacturing;
 - ii) Value-added Agricultural Production including Food Processing and Machinery;
 - iii) Research and Development;
 - iv) Medical Services (as defined in Section II Definitions);
 - v) Warehouse/Distribution;
 - vi) Corporate Headquarters of a Regional/National Service Center;
 - b) Information and Data Centers; or
 - c) The project is not included as a target industry, but has the potential of generating additional significant economic development opportunities to Bailey County.
3. The company must meet one of the following criteria:
 - a) The project will add at least \$1 million in real property improvements, or \$1 million in new personal property, or new permanent jobs if the facility is a new company to Bailey County; or
 - b) The project will add at least \$500,000 in real property improvements, or \$1 million in new personal property, or new permanent jobs if the facility is an existing company.
4. New or existing facility of any type herein defined, located in a reinvestment zone or upon Real Property eligible for such status will be eligible for consideration for tax abatement status provided that all other criteria and guidelines are satisfied.
5. Improvements to Real Property are eligible for tax abatement status.
6. The following types of Property shall be ineligible for tax abatement status and shall be fully taxed:
 - a) Real Property;
 - b) Inventories or supplies;
 - c) Tools;
 - d) Furnishings and other forms of movable personal property;
 - e) Vehicles;

- f) Aircraft;
 - g) Housing;
 - h) Boats;
 - i) Hotel accommodations;
 - j) Motel accommodations;
 - k) Retail businesses;
 - l) Property owned by the State of Texas or any State agency;
 - m) Property owned or leased by a member of the governing body of Bailey County that did not have an active tax abatement in place before becoming a member of the governing body; and
 - n) Property owned at the time of execution of the Tax Abatement Agreement.
7. In order for a Facility to qualify for abatement, the following conditions must apply:
- a) The owner or leaseholder of real property must make eligible improvements to the real property; and
8. In the case of lessees, the leaseholder must have a lease commitment of the greater of five (5) years or the length of the tax abatement. In reinvestment zones, the amount and term of abatement shall be determined on a case-by-case basis, however, in no event shall taxes be abated for a term in excess of ten (10) years, pursuant to V.T.C.A., Tax Code, Section 312.204. The amount of the taxable value of Improvements to be abated and the term of the abatement shall be determined by the Bailey County Commissioners' Court. In all cases where the property for which tax abatement is applied is outside of the city limits of a municipality, but within the County of Bailey, except that a reinvestment zone that is a state enterprise zone is designated for the same period as a state enterprise zone as provided by Chapter 2303, Government Code. The authority of all other taxing units shall be as set forth in V.T.C.A., Tax Code, Section 312.206.
- In enterprise zones, the governing body of each taxing jurisdiction may execute a written agreement with the owner of the property. The agreement may, but is not required to, contain terms that are identical to those contained in the agreement with the municipality, county, or both, whichever applies, and the only terms for the agreement that may vary are the portion of the property that is to be exempt from taxation under the agreement and the duration of the agreement.
9. No property shall be eligible for tax abatement unless such property is located in a reinvestment zone in accordance with V.T.C.A., Tax Code, Section 312.202 and the tax abatement application is filed with the taxing jurisdiction before construction begins.
10. Notwithstanding any of the requirements set forth in Section IV Subsection 3, the Bailey County Commissioners' Court upon the affirmative vote of a majority of its members may vary any of the above requirements when it is demonstrated by the applicant for Tax Abatement that variation is in the best interest of Bailey County to do so and will enhance the economic development of Bailey County. By way of example only and not by limitation the Bailey County

Commissioners' Court may consider the following or similar terms in determining whether a variance shall be granted:

- a) That the increase in productivity of the Facility will be substantial and hence directly benefit the economy.
- b) That the increase of goods or services produced by the Facility will be substantial and directly benefit the economy.
- c) That the employment maintained at the Facility will be increased.
- d) That the waiver of the requirement will contribute and provide for the retention of existing jobs within Bailey County.
- e) Any other evidence tending to show a direct economic benefit to Bailey County.

11. Taxability:

- a) The portion of the value of Improvements to be abated shall be abated in accordance with the terms and provisions of a Tax Abatement Agreement executed between Bailey County and the owner of the Real Property and/or Tangible Personal Property, (which agreement shall be) in accord with the provisions of V.T.C.A., Tax Code, Section 312.205.
- b) All ineligible property, if otherwise taxable as herein described, shall be fully taxed.

12. The Bailey County Commissioners' Court shall have total discretion as to whether tax abatement is to be granted. Such discretion, as herein retained, shall be exercised on a case-by-case basis. The adoption of these guidelines and criteria by the Bailey County Commissioners' Court does not:

- a) Limit the discretion of the governing body to decide whether to enter into a specific Tax Abatement Agreement;
- b) Limit the discretion of the governing body to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement; or
- c) Create any property, contract, or other legal right in any person to have the governing body consider or grant a specific application or request for tax abatement.

13. The burden to demonstrate that an application for tax abatement should be granted shall be upon the Applicant. Bailey County shall have full authority to request any additional information from the Applicant that Bailey County deems necessary to assist it in considering such application.

SECTION V. Criteria and Guidelines for Creation of Reinvestment Zone:

1. No Property shall be eligible for tax abatement unless such property is located in a reinvestment zone designated as such in accordance with V.T.C.A., Tax Code, Section 312.201, 312.202, and 312.401. To be designated as a reinvestment zone an area must meet one of the following:
 - a) Substantially arrest or impair the sound growth of the county creating the zone, delay the provision of housing accommodations, or constitute an economic or social liability and be a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of:
 1. A substantial number of substandard, slum, deteriorated, or deteriorating structures;
 2. The predominance of defective or inadequate sidewalks or streets;
 3. Faulty size, adequacy, accessibility or usefulness of lots;
 4. Unsanitary or unsafe conditions;
 5. The deterioration of site or other improvements;
 6. Tax or special assessment delinquency exceeding the fair market value of the land;
 7. Defective or unusual conditions of title;
 8. Conditions that endanger life or property by fire or other cause; or
 9. Any combination of these factors:
 - a) Be predominantly open and, because of obsolete platting, deterioration of structures or site improvements, or other factors, substantially impair or arrest the sound growth of a municipality or county;
 - b) Be in a federally assisted new community located in a home rule municipality or in an area immediately adjacent to a federally assisted new community located in a home rule municipality;
 - c) Be located entirely in an area that meets the requirements for federal assistance under Section 119 of the Housing and Community Development Act of 1974 (42 U.S.C. Section 5318);
 - d) Encompass signs, billboards, or other outdoor advertising structures designated by the governing body of Bailey County for relocation, reconstruction, or removal for the purpose of enhancing the physical environment of the County, which the legislature declares to be a public purpose; or
 - e) Be 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 County.

2. For purposes of this Section, federally assisted new community is a federally assisted area:
 - a) That has received or will receive assistance in the form of loan guarantees under Title X of the National Housing Act (12 U.S.C., Section 1749aa et seq); and,
 - b) A portion of which has received grants under Section 107(a)(1) of the Housing and Community Development Act of 1974, as amended.
3. The governing body of a county, as required, as required by V.T.C.A., Tax Code, Section 312.401, shall hold a public hearing on the designation of an area within its jurisdiction as a reinvestment zone. Notice of the hearing shall be clearly identified on the Bailey County Commissioners' Court agenda at least thirty (30) days prior to the hearing, pursuant to V.T.C.A., Tax Code, Section 312.207.

Prior to entering into a tax abatement agreement the Bailey County Commissioners' Court may, at its option, hold a public hearing at which interested persons shall be entitled to speak and present written materials for or against the approval of the tax abatement agreement, pursuant to V.T.C.A., Tax Code, Section 312.401.

4. As prescribed by V.T.C.A., Tax Code, Section 312.201, no later than the seventh (7th) day before the date set for the above public hearing notice of such hearing shall be:
 - a) Published in a newspaper having general circulation in Bailey County.
 - b) Delivered in writing to the presiding officer of the governing body of each taxing unit that includes in its boundaries Real Property that is to be included in the reinvestment zone.
5. At the conclusion of the hearing described in Subparagraph 3 above, the governing body shall enter its findings as follows:
 - a) That the Applicant or Owner has or has not met their burden as hereinabove set forth; and/or
 - b) That the improvements sought are or are not feasible and practical.
 - c) That the proposed improvements sought will or will not be a benefit to the land to be included in the reinvestment zone and to Bailey County after the expiration of an agreement entered into under V.T.C.A., Tax Code, Section 312.401.
6. An application for the creation of a reinvestment zone shall not be granted unless Bailey County enters affirmative findings to Subparagraphs a, b, and c of Subsection 5 above set forth.
7. At the conclusion of the public hearing herein required and upon the affirmative finding of Bailey County as required by Subsection 6 above set forth, Bailey County may designate a reinvestment zone in accordance with the provisions of V.T.C.A., Tax Code, Section 312.401.
8. The designation of a reinvestment zone expires five (5) years after the date of the designation and may be renewed for periods not to exceed five (5) years, except that a reinvestment zone that is a state enterprise zone is designated for the same period as a state enterprise zone as provided by Chapter 2303, Government Code. The expiration of the designation does not affect an existing Tax Abatement Agreement made in accordance with V.T.C.A., Tax Code, Section 312.401 and 312.203.

9. Designation of an area as an enterprise zone under the Texas Enterprise Zone Act, Chapter 2303, Subchapter C, Texas Government Code, constitutes designation of the area as a reinvestment zone under Subchapter C of the Property Redevelopment and Tax Abatement Act without further hearing or other procedural requirements other than those provided by the Texas Enterprise Zone Act, Chapter 2303, Subchapter C, Texas Government Code.

SECTION VI. Tax Abatement Agreement:

1. After the creation of a reinvestment zone as hereinabove authorized a Tax Abatement Agreement may be executed between the Owner and Bailey County. A Tax Abatement Agreement shall:
 - a) Establish and set forth the Base Year assessed value of the property for which tax abatement is sought.
 - b) Provide that the taxes paid on the base year assessed value shall not be abated as a result of the execution of said Tax Abatement Agreement.
 - c) Provide that ineligible property as subscribed in Section IV, Subsection 6, hereinabove shall be fully taxed.
 - d) Provide for the exemption of Improvements in each year covered by the Agreement only to the extent the value of such Improvements for each such year exceeds the value for the year in which the Agreement is executed.
 - e) Fully describe and list the kind, number and location of all of the Improvements to be made in or on the Real Property.
 - f) Set forth the estimated value of all Improvements to be made in or on the Real Property.
 - g) Clearly provide that tax abatement shall be granted only to the extent:
 1. The Improvements to Real Property increase the value of the Real Property for the year in which the Tax Abatement Agreement is executed; and
 2. That the Tangible Personal Property improvements to Real Property were not located on the Real Property prior to the execution of the Tax Abatement Agreement.
 - h) Provide for the portion of the value of the Improvements to Real Property of Improvements to be abated. This determination is to be made consistent with the provisions of Section IV, Subsection 6, of these guidelines and criteria as hereinabove set forth.
 - i) Provide for the commencement date and the termination date. In no event shall said dates exceed a period of ten (10) years, pursuant to V.T.C.A., Tax Code, Section 312.007.
 - j) Describe the type and proposed use of the Improvements to Real Property or Improvements including:
 1. The type of facility.

2. Whether the Improvements are for a new facility, modernization of a facility, or expansion of a facility.
 3. The nature of the construction, proposed timetable of completion, a map or drawings of the Improvements above mentioned.
 4. The amount of investment and the commitment for the creation of new jobs.
 5. A list containing the kind, number and location of all proposed Improvements.
 6. Any other information required by Bailey County.
- k) Provide a legal description of the Real Property upon which Improvements are to be made.
 - l) Provide access to and authorize inspection of the Real Property or Improvements by employees of Bailey County to ensure Improvements are made according to the specifications and conditions of the Tax Abatement Agreement.
 - m) Provide for the limitation of the uses of the Real Property or Improvements consistent with the general purpose of encouraging development or redevelopment of the zone during the period covered by the Tax Abatement Agreement.
 - n) Provide the contractual obligations in the event of default by owner, violation of the terms or conditions by owner, recapturing property tax revenue in the event owner defaults or otherwise fails to make Improvements as provided in said Tax Abatement Agreement, and any other provision as may be required or authorized by Texas state law.
 - o) Contain each term agreed to by the owner of the property.
 - p) Require the owner of the property to certify annually to the governing body of the taxing unit that the owner is in compliance with each applicable term of the Agreement.
 - q) Provide that the Bailey County Commissioners' Court may cancel or modify the Agreement if the property owner fails to comply with the Agreement.
 - r) Provide that it is the responsibility of the owner to notify Bailey County within ten (10) days of any significant changes in the Real Property or Improvements, including any relocation.
2. Not later than the seventh (7th) day before Bailey County (as required by V.T.C.A., Tax Code, Section 312.2041) enters into an agreement for tax abatement under V.T.C.A., Tax Code, Sections 312.204 and 312.402, the Bailey County Commissioners' Court or a designated officer or employee, thereof shall deliver to the presiding officer of the governing body of each of the taxing units in which the property to be subject to the agreement is located, a written notice that Bailey County, intends to enter into the agreement. The notice must include a copy of the proposed Tax Abatement Agreement.
 3. A notice, as above described in Subparagraph 2, is presumed delivered when placed in the mail, postage paid and properly addressed to the appropriate presiding officer. A notice properly addressed and sent by registered or certified mail for which a return receipt is received by the sender is considered to have been delivered to the addressee.

4. Failure to deliver the notice does not affect the validity of the Agreement.

SECTION VII. Application:

1. Any present owner of taxable property located within Bailey County may apply for tax abatement by filing an application with the Bailey County Judge, when the Real Property or Tangible Personal Property for which abatement is sought is located within Bailey County.
2. The application shall consist of a completed application form accompanied by the following:
 - a) A general description of the Improvements to be undertaken.
 - b) A descriptive list of the Improvements for which tax abatement is requested.
 - c) A list of the kind, number and location of all proposed Improvements of the Real Property Facility or Existing Facility.
 - d) A map indicating the approximate location of Improvements on the Real Property Facility or Existing Facility together with the location of any or all Existing Facilities located on the Real Property or Facility.
 - e) A list of any and all Tangible Personal Property presently existing on the Real Property or located in an Existing Facility.
 - f) A proposed time schedule for undertaking and completing the proposed Improvements.
 - g) A general description stating whether the proposed Improvements are in connection with:
 1. the modernization of a facility (of any type herein defined); or,
 2. construction of a new facility (of any type herein defined); or,
 3. expansion of a facility (of any type herein defined); or,
 4. any combination of the above.
 - h) A statement of the additional value to the Real Property or Facility as a result of the proposed Improvements.
 - i) A statement of the assessed value of the Real Property, Facility or Existing Facility for the Base Year.
 - j) Information concerning the number of new jobs that will be created or information concerning the number of existing jobs to be retained as result of the Improvements undertaken.
 - k) Any other information which Bailey County deems appropriate for evaluating the financial capacity of the applicant and compatibility of the proposed Improvements with these guidelines and criteria.
 - l) Information that is provided to Bailey County in connection with an application or request

for tax abatement and which describes the specific processes or business activity 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 Tax Abatement Agreement is executed. Information in the custody of Bailey County after the Agreement is executed is not confidential. (V.T.C.A., Tax Code, Section 312.003).

- m) Bailey County shall determine if the property described in said application is within a designated reinvestment zone. If Bailey County determines that the property described is not within a current reinvestment zone, then they shall so notify the Applicant and said application shall then be considered both as an application for the creation of a reinvestment zone and a request for tax abatement to be effective after the zone is created.
- n) A statement certifying that the business or a branch, division, or department of the business, does not and will not knowingly employ an undocumented worker.

SECTION VIII. Default Options

1. In the event that the applicant, owner or lessee has entered into a Tax Abatement Agreement to make Improvements as defined in Section IV above, but fails to undertake or complete such Improvements; fails to create all or a portion of the new jobs provided by the Tax Abatement Agreement; or is in default of any of the terms or conditions contained in the Tax Abatement Agreement; then in such event Bailey County shall give the Applicant, owner or lessee sixty (60) days' notice of such failure. The Applicant, owner or lessee shall demonstrate to the satisfaction of Bailey County that the Applicant, owner or lessee has commenced to cure such failure within the sixty (60) days above mentioned. In the event the Applicant, owner or lessee fails to demonstrate affirmative action to cure the failure, Bailey County shall have three options:
 - (a) Bailey County may renegotiate the Agreement with the applicant, owner or lessee, in which case the then current Bailey County Guidelines and Criteria Governing Tax Abatement within Bailey County shall apply to the new Agreement; or
 - (b) Bailey County may determine that good cause exists to cancel the Agreement and all abatement of taxes shall terminate immediately; or
 - (c) Bailey County may terminate the Agreement and recapture taxes abated under Section IX. Recapture.
2. In any of the three (3) options in Subparagraph 1 above, Bailey County shall determine whether default has occurred by the Applicant, Owner or Lessee in the terms and conditions of the Tax Abatement Agreement and shall so notify any other jurisdictions known to Bailey County to have entered into a Tax Abatement Agreement with the Applicant, Owner or Lessee.

SECTION IX. Recapture

1. The Bailey County Commissioners' Court reserves the right to review compliance for full or partial recapture in the event that the Applicant fails to perform in "good faith." If a project is not completed as specified in the Tax Abatement Agreement, the County has the right to cancel the abatement agreement and abated taxes shall become due to the County and other affected taxing units as provided by law.

If any of the provisions contained in the Tax Abatement Agreement, i.e., employment, amount of investment, etc., are not met, the County shall have the right to reduce or cancel the abatement agreement. If a project granted a tax abatement ceases to operate or is no longer in conformance with the tax abatement agreement, the agreement shall not be in effect for the period of time during which the project is not operating or is not in conformance.

SECTION X. Miscellaneous:

1. Any notice required to be given by these criteria or guidelines shall be given in the following manner:
 - a) To the Applicant, Owner or Lessee: written notice shall be sent to the address appearing on the Tax Abatement Agreement.
 - b) To Bailey County: written notice shall be sent to the address appearing on the Tax Abatement Agreement.
2. The Chief Appraiser of the Bailey County Appraisal District shall annually assess the Real and Personal Property comprising the reinvestment zone. Each year, the applicant, owner or lessee receiving tax abatement shall furnish the Chief Appraiser with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser shall notify Bailey County.
- 3.
4. Upon the completion of Improvements made to any type of Facility as set forth in these criteria and guidelines a designated employee or employees of Bailey County shall have access to the Facility to ensure compliance with the Tax Abatement Agreement.
5. A Tax Abatement Agreement may be assigned to a new owner but only after written consent has been obtained from Bailey County.
6. These guidelines and criteria are effective upon the date of their adoption by Bailey County and shall remain in force for two (2) years, pursuant to V.T.C.A., Tax Code, Section 312.002. At the end of the two-year period these guidelines and criteria may be readopted, modified, amended or rewritten as the conditions may warrant.
7. In the event of a conflict between these guidelines and criteria and V.T.C.A., Tax Code, Chapter 312, the Tax Code shall prevail and these guidelines and criteria interpreted accordingly.
8. The guidelines and criteria once adopted by Bailey County may be amended or repealed by a majority vote of the Bailey County Commissioners' Court during the two-year term in which these guidelines and criteria are effective.

Adopted this the 9 day of December 2024.

Basil Nash
Basil Nash, Bailey County Judge

Gary Don Gartin
Gary Don Gartin, Commissioner, Pct. 1

Absent
Cody Black, Commissioner, Pct. 3

Mike Slayden
Mike Slayden, Commissioner, Pct. 2

Jim Daniel
Jim Daniel, Commissioner, Pct. 4

ATTEST:
Irene Espinoza
Irene Espinoza
Bailey County Clerk

APPROVED AS TO FORM:
Michaela E. Kee
Michaela E. Kee
Bailey County Attorney