

STATE OF TEXAS

AN ORDINANCE OF THE CITY COUNCIL OF CITY OF SEGUIN, TEXAS, AUTHORIZING THE CITY'S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (ACT), PROVIDING TAX INCENTIVES, DESIGNATING A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES, AND NOMINATING STRUCTURAL METALS, INC. TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT & TOURISM THROUGH THE ECONOMIC DEVELOPMENT BANK AS AN ENTERPRISE PROJECT

WHEREAS, the City Council of the **City of Seguin, Texas** (City) desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises and to provide employment to residents from an enterprise zone; and

WHEREAS, the project or activity is not located in an area designated as an enterprise zone; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Act, **Structural Metals, Inc.** has applied to the City for designation as an enterprise project; and

WHEREAS, at the election of City Council, certain local incentives are available to **Structural Metals, Inc.** as a qualified business that will create a higher level of employment, economic activity and stability; and

WHEREAS, a public hearing to consider this order was held by the City Council on **February 20, 2018**.

NOW THEREFORE BE IT ORDAINED by the City Council of Seguin, Texas:

Section 1. That it nominates **Structural Metals, Inc.** for enterprise project status.

Section 2. That the following local incentives, at the election of the City Council, are or will be made available to the nominated project or activity of the qualified business:

- a) The City may establish a reinvestment zone and abate taxes on the increase in value of real property improvements and eligible personal property for up to 10 years for qualifying projects under the requirements of the City's Tax Abatement Policy. The level of abatement shall be based upon capital investment, and the extent to

which the business receiving the abatement creates jobs for qualified employees, in accordance with the Tax Abatement Policy and with qualified employee being defined by the Act.

- b) The City may provide business and industrial development services, including:
 - 1) Local sales tax refund;
 - 2) Tax abatements;
 - 3) Economic development sales tax (4A) contribution;
 - 4) Chapter 380 tax rebates for qualifying projects that significantly enhance the City's tax base as provided in the City's policy;
 - 5) Establishment of a Tax Increment Reinvestment Zone;
 - 6) Freeport exemption;
 - 7) Creation of stream-lined permitting and problem resolution centers or ombudsmen;
 - 8) Promotion and marketing services;
 - 9) Other tax deferrals, tax refunds or tax incentives;
 - 10) Low-interest loans for business;
 - 11) Use of surplus school buildings or other underutilized publicly owned facilities as small-business incubators;
 - 12) Provision of publicly owned land for development purposes; or
- c) The City may provide regulatory relief to businesses, including:
 - 1) Zoning changes or variances;
 - 2) Exemptions from unnecessary building code requirements, impact fees, or inspection fees; or
 - 3) Streamlined permitting.
- d) The City may provide enhanced municipal services to businesses, including:
 - 1) Improved police and fire protection; or
 - 2) Institution of community crime prevention programs; or
 - 3) Special public transportation routes or reduced fares.
- e) The City may provide improvements in community facilities, including:
 - 1) Capital improvements in water and sewer facilities;
 - 2) Road repair;
 - 3) Creation or improvement of parks; or
 - 4) Creation of other venues, such as museums, conference centers, etc.

- f) The City may provide improvements to housing, including:
 - 1) Low-interest loans for housing rehabilitation, improvement, or new construction; or
 - 2) Transfer of abandoned housing to individuals or community groups.
- g) The City, in partnership with other regional entities, may provide job training and employment services to businesses, including:
 - 1) Job training and employment services;
 - 2) Retraining programs;
 - 3) Literacy and employment skills programs;
 - 4) Vocational education; or
 - 5) Customized job training.

Section 3. That any enterprise zone areas created within the City are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.

Section 4. That it directs and designates the Director of Economic Development as the City's liaison to communicate and negotiate with the Governor's Office, Economic Development and Tourism (EDT) through the Economic Development Bank and enterprise project(s) and to oversee zone activities and communications with qualified businesses and other entities in an enterprise zone or affected by an enterprise project.

Section 5. That it finds that **Structural Metals, Inc.** meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

- a) **Structural Metals, 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, 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 **Structural Metals, 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 EDT and terminate five (5) years thereafter.

Section 7. That the provisions of this order are severable and the invalidity of any part of this order will not affect the validity of the remainder of the order.

PASSED AND APPROVED this 20th day of February, 2018.

PASSED AND ADOPTED this the 27th day of February, 2018.

Don Keil, Mayor

Attest:

Naomi Manski, City Secretary

Approved as to form:

Andy Quittner, City Attorney