

South Padre Island
Economic development Corporation
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Development Services
City of South Padre Island
4601 Padre Blvd.
South Padre Island, TX 78597
Office: 956-761-8113
Fax: 956-761-3898
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AN APPLICATION FOR TAX ABATEMENT

Texas Tax Code Sec. 312.003. CONFIDENTIALITY OF PROPRIETARY INFORMATION. Information that is provided to a taxing unit in connection with an application or request for tax abatement under this chapter 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 tax abatement agreement is executed. That information in the custody of a taxing unit after the agreement is executed is not confidential under this section.

Company Name: _____

Address: _____

City: _____ State: _____ ZIP: _____

Principal Contact Name: _____

Title: _____

Mailing Address: _____

City: _____ State: _____ ZIP: _____

Telephone: _____ Fax: _____

E-mail: _____

Existing Information

- 1. Ownership of the Company: Private Public Own Lease
 - a. If leased, indicate lease term: _____ Years Expiration Date: / /
- 2. North American industrial Classification System (NAICS) code: _____
- 3. Type of Business Entity: Sole Proprietorship General Partnership Limited Partnership
 Joint Venture Corporation Other: _____
- 4. The location of the business headquarter: _____
- 5. The Number of Total Workforce:
 - a. Full-time: _____
 - b. Part-time: _____
 - c. Seasonal: _____
- 6. Existing Cameron County Tax Account Numbers:
 - a. Real Property: _____
 - b. Tangible Personal Property: _____

Project Description

- 7. Project Street Address: _____
- 8. Type of the Project: New Construction Expansion or Modernization Lease development or improvement
- 9. Type of the Business: Agribusiness Aviation/Aerospace Biotechnology
 Creative Services Environmental Technology (Clean/Green)
 Finance Information Tech and Security
 Logistics and Distribution Manufacturing
 Telecommunications Retail
 Corporate and Regional Headquarters Tourism
 Other Businesses with a Unique Contribution
- 10. Full-description of the Proposed Project including capital improvements to be undertaken, the use, and the product or services to be produced:

- 11. Benefits to the Community:

Project Valuation

12. The Appraised Value:

Land Value: \$ _____ Date: ____/____/____
 Existing Real Property Value: \$ _____ Date: ____/____/____
 Existing Personal Property Value: \$ _____ Date: ____/____/____

a. Are any of the appraised values described above currently being contested?
 Yes No If yes, please explain: _____

13. The Estimated Improvement Value:

Real Property: \$ _____ Personal Property: \$ _____

Project Job Creation

14. Currently Existing jobs:

Full-time: _____ Part-time: _____

15. Number of new jobs to be created:

| | Full-time | Part-time |
|---------------|-----------|-----------|
| Year 1 (20) | | |
| Year 2 (20) | | |
| Year 3 (20) | | |
| Year 4 (20) | | |
| Year 5 (20) | | |
| Year 6 (20) | | |
| Year 7 (20) | | |
| Year 8 (20) | | |
| Year 9 (20) | | |
| Year 10 (20) | | |

16. Existing Jobs per position classifications:

| | Managerial/Executive | | Professional | | Clerical | | Other | |
|---------------------------------|----------------------|-----------|--------------|-----------|-----------|-----------|-----------|-----------|
| | Full-time | Part-time | Full-time | Part-time | Full-time | Part-time | Full-time | Part-time |
| Existing Jobs | | | | | | | | |
| Salary Range / Min. hourly rate | | | | | | | | |

17. The Project Impact at Full Operations

| | Managerial/Executive | | Professional | | Clerical | | Other | |
|---------------------------------|----------------------|-----------|--------------|-----------|-----------|-----------|-----------|-----------|
| | Full-time | Part-time | Full-time | Part-time | Full-time | Part-time | Full-time | Part-time |
| New Jobs | | | | | | | | |
| Relocated | | | | | | | | |
| Salary Range / Min. hourly rate | | | | | | | | |

18. Describe the recruitment policies for new jobs:

19. Describe the benefits package to be offered to new employees:

20. Describe the investment in training/education that will be made for jobs created:

Project Construction

21. Schedule for undertaking and completing the proposed improvements (MM/YY):

Start date: _____ Completion date: _____

22. Indicate the construction contract amounts for the following:

Facility exterior: _____ Facility interior: _____
 Infrastructure: _____ Other (specify): _____

Other Project Information

23. Has the company or any of its affiliates been cited, currently under investigation, or have litigation pending for any violations of Federal, State, County and/or City laws, codes or ordinances: Yes No

If yes, indicate the nature/status of the violation(s):

24. Please state if the project provides a unique and unequal contribution to the economy, development, redevelopment, tourism or employment opportunities within the City:

25. Has the company received tax abatement before? Yes No

If yes, indicate the granting government entities: _____

Indicate the time period (MM/YY): _____ to _____

Is/was the company in compliance with all terms and conditions: Yes No

26. Is any legal or financial interest in the proposed project presently held by a member of the City of South Padre Island or other City official or employee: Yes No

If yes, name of individual(s): _____

Required Attachments

- I. Company Description – Corporate structure, organization chart, and annual financial statement, etc.
- II. The Location of Existing and Proposed Improvements – Property legal description, location map with all roadways within 250’ of the site, and any other field notes, etc.
- III. A Descriptive List of the Improvements – This list shall include the class life of the improvements based on the Internal Revenue Service Code (Section 168) Modified Accelerated Cost Recovery System.
- IV. A Tax Certificate – This should verify that no taxes are past due on applicant’s property located within the proposed reinvestment zone.

- V. A Disclosure of All Insurance Matters – Any loss and claim information, which shall be provided by the insurer through the applicant.

I certify that I am authorized to sign this application and that the information provided in the application is true and correct. I understand that the information provided here will become an agreement with the City of South Padre Island.

Signature: _____ Date (MM/DD/YY): ____ / ____ / ____

Printed Name: _____

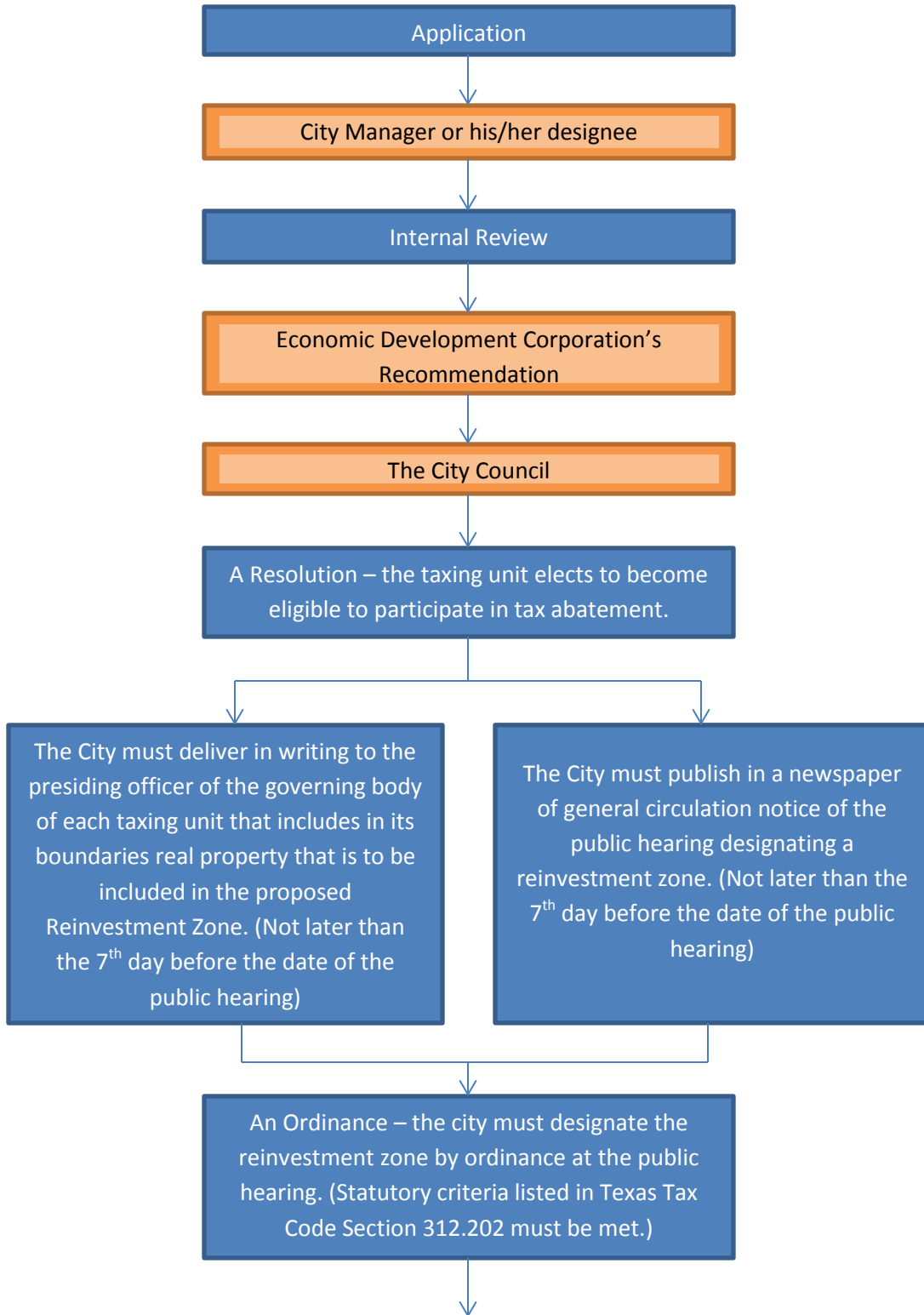
Title: _____

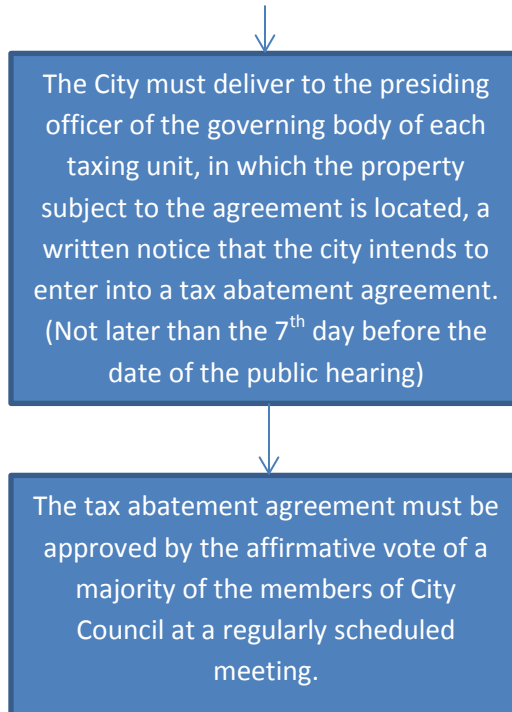
Company Name: _____

Submit one copy of this application and all attachments to:

Development Services
City of South Padre Island
4601 Padre Blvd.
South Padre Island, TX 78597

Procedural Guidelines





Denial of Abatement

A. All eligible applications for tax abatement shall be considered on a case-by-case basis and except for the instances set forth in Paragraph B herein, the decision to approve or deny tax abatement shall be made at the discretion of the City Council in accordance with the City of South Padre Island Policy Statement for Tax Abatement.

B. Provided, however, neither a reinvestment zone nor abatement agreement may be authorized if it is determined that:

1. There would be an adverse impact on the provision of government service or tax base;
2. The applicant has insufficient financial capacity to complete the project;
3. Planned or potential use of the property would constitute a hazard to public safety or health;
4. The proposed project is not unique or does not provide an unequaled contribution to the economy, development, redevelopment, tourism or employment opportunities to the City;
5. The property is located within the TIRZ; or
6. Violation of other codes or laws exists.

C. Nothing herein shall imply or suggest that the City of South Padre Island is under any obligation or duty to provide tax abatement to any eligible applicant, or that any applicant has an entitlement to tax abatement except as may be determined on a case-by-case basis by the City Council.

Sec. 312.202. CRITERIA FOR REINVESTMENT ZONE.

- (a) To be designated as a reinvestment zone under this subchapter, an area must:
- (1) substantially arrest or impair the sound growth of the municipality creating the zone, retard 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:
 - (A) a substantial number of substandard, slum, deteriorated, or deteriorating structures;
 - (B) the predominance of defective or inadequate sidewalks or streets;
 - (C) faulty size, adequacy, accessibility, or usefulness of lots;
 - (D) unsanitary or unsafe conditions;
 - (E) the deterioration of site or other improvements;
 - (F) tax or special assessment delinquency exceeding the fair value of the land;
 - (G) defective or unusual conditions of title;
 - (H) conditions that endanger life or property by fire or other cause; or
 - (I) any combination of these factors;
 - (2) 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 the municipality;
 - (3) 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;
 - (4) 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);
 - (5) encompass signs, billboards, or other outdoor advertising structures designated by the governing body of the municipality for relocation, reconstruction, or removal for the purpose of enhancing the physical environment of the municipality, which the legislature declares to be a public purpose; or
 - (6) 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 municipality.
- (b) For purposes of this section, a federally assisted new community is a federally assisted area:
- (1) 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
 - (2) a portion of which has received grants under Section 107 of the Housing and Community Development Act of 1974 (42 U.S.C. Section 5307) made pursuant to the authority created by that section for grants in behalf of new communities assisted under Title VII of the Housing and Urban Development Act of 1970 or Title IV of the Housing and Urban Development Act of 1968 or in behalf of new community projects assisted under Title X of the National Housing Act (12 U.S.C. Section 1749aa et seq.).

Taxability

From the execution of the abatement agreement to the end of the agreement period, taxes shall be payable as follows:

- A. The value of ineligible property shall be fully taxable;
- B. The base year value property shall be fully taxable;
- C. The additional value of eligible property shall be taxed in the manner and for the period provided for in the abatement agreement; and
- D. The additional value of eligible property shall be fully taxable at the end of the abatement period, and in subsequent tax years.