

110422



COMMISSIONERS COURT  
COMMUNICATION

REFERENCE NUMBER

PAGE 1 OF

62

DATE: 5/17/2011

9

SUBJECT: APPROVAL OF TAX ABATEMENT - GENERAL MOTORS, ARLINGTON

**COMMISSIONERS COURT ACTION REQUESTED:**

It is requested that the Commissioners Court consider a request for tax abatement from General Motors for the retooling and expansion of the assembly plant in Arlington, and action as noted on the following issues:

1. Approve Tarrant County's participation with the City of Arlington in the abatement of ad valorem taxes on the eligible personal property improvements made by General Motors for retooling of the Arlington assembly plant, for a period of seven (7) years, at a maximum abatement percentage of seventy percent (70%), as set forth in the agreement.
2. Approve the request for variance from Section III(i)(1) of Tarrant County's Tax Abatement Policy which requires the utilization of Tarrant County and Disadvantaged Business Enterprises for a minimum of 25% and 15%, respectively, of the total costs for construction and annual supply and services contracts, and allow for no minimum utilization performance requirements.
3. Approve the attached resolution certifying Tarrant County's agreement to participate with the City of Arlington in the abatement of ad valorem taxes for General Motors and authorize the execution the agreement between Tarrant County and General Motors, LLC.

**BACKGROUND:**

General Motors (GM) is requesting tax abatement on the new personal property value added in the expansion and retooling the Arlington plant for the next generation Sport Utility Vehicle (SUV). Planned improvements include approximately \$13 million in construction costs related to a 107,800 sq. ft. expansion to the facility. GM estimates spending approximately \$241 million for new equipment, modifications and retooling in the Body Shop, Paint Shop and General Assembly areas.

The GM Arlington plant currently produces the Chevrolet Tahoe and Suburban, the GMC Yukon and Yukon XL, and the Cadillac Escalade. Employment at the plant is approximately 2,300 employees, and is projected to increase by at least 110 new full-time employees with the proposed changes. GM Arlington currently supports an average payroll of over \$202.2 million per year, including benefits. Hundreds of additional workers are employed by local supplier companies (Lear, Android, Hagemeyer, etc.) to provide parts/services/etc. for assembly and operational activities at the plant. GM purchases from these local companies are in excess of \$650 million annually.

SUBMITTED BY:	Administrator's Office	PREPARED BY:	Lisa McMillan
		APPROVED BY:	



## COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER: \_\_\_\_\_ DATE: 5/17/2011 PAGE 2 OF 62

General Motors is in the process of deciding which plant will produce its "next generation" SUV. The GM Arlington plant must provide a competitive business case to General Motors in order to guarantee it receives the investment necessary to retool the plant and enable production of the new SUV. To ensure continuation of operations at the Arlington plant, GM Arlington has worked hard to reduce costs and produce vehicles efficiently. They have a good working relationship with the local union and their employees, and are requesting local tax incentives from the City of Arlington and County to help them remain competitive. The City of Arlington has approved a maximum 90% tax abatement for seven (7) years on the business personal property improvements to the property, along with waiving various development and permitting fees.

The attached agreement provides for County participation in tax abatement of eligible personal property improvements at a maximum of 70% for seven (7) years. General Motors requested a change in the abatement term based on the anticipated depreciation schedule for the new personal property to be added. Because the facility expansion is expected to provide minimal additional value to the real property, abatement for the added real property improvements was also eliminated from the tax abatement request. Though GM is expecting to spend the amounts noted above on machinery and equipment in the plant retooling, they are uncertain of how that will translate in actual value added as determined by the Tarrant Appraisal District and requested a lower minimum threshold number.

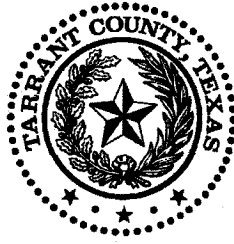
The base abatement percentage starts at 45% of the new value added, requiring construction of the facility expansion and the addition of at least \$100 million in new personal property value by December 31, 2014, and employment of no less than 2,300 jobs on site. An additional 25% abatement can be received with added employment, additional percentage Tarrant County employment, and use of DBE and Tarrant County contractors in construction. The Agreement provides for a reduction in the base abatement percentage in any year that total employment drops below 2,300.

GM has requested a variance from the Tarrant County minimum requirements regarding use of Tarrant County and DBE contractors. General Motors corporate purchasing is done on a global basis and local plants are provided minimal opportunities for establishing local contracts. However, the Arlington plant does spend substantial dollars with local suppliers as noted above.

### **FISCAL IMPACT:**

In 2010, GM paid over \$5.4 million in taxes to all local taxing entities. Just over \$1 million in tax revenues were received by the County and Hospital District (\$544,007-County and \$469,611-Hospital District).

GM Arlington expects to add a minimum of \$100 million of new personal property value by January 1, 2015. The estimated value of a 70% abatement from the County and Hospital District on this amount is approximately \$1.6 million over the seven (7)-year period (\$881,496-County and \$760,948-Hospital District). During the same period, the County and Hospital District taxes collected on the new improvements are estimated at just over \$700,000 (\$377,784-County and \$326,121-Hospital District). In addition, the County and Hospital District will continue to collect property taxes annually on the value of the facility's real property and the existing personal property that remains on site.



## RESOLUTION

### PARTICIPATION IN TAX ABATEMENT GENERAL MOTORS, LLC 2011 TAX ABATEMENT

**WHEREAS**, General Motors, LLC, an entity duly authorized to do business in the State of Texas, and duly acting by and through its authorized officers, (hereafter referred to collectively as "Owner"), plans to expand and retool certain facilities on real property under its ownership, more particularly described in the Abatement Agreement attached hereto and incorporated herein by reference ("Real Property"), located in the City of Arlington; and

**WHEREAS**, the Real Property is located within Tarrant County (the "County"), a political subdivision of the State of Texas, which Real Property is located within the City of Arlington; and

**WHEREAS**, the Real Property and all improvements and tangible personal property thereon, whether now existing or hereinafter to be constructed, are subject to ad valorem taxation by the City of Arlington and the County; and

**WHEREAS**, the Real Property and all improvements thereon are located in Reinvestment Zone Number Thirty-Three in the City of Arlington, a reinvestment zone for the purpose of tax abatement as authorized by Chapter 311 and 312 of the Texas Tax Code, as amended (the "Code"); and

**WHEREAS**, on the 10<sup>th</sup> day of May, 2011, the City Council of the City of Arlington approved a tax abatement agreement as to certain improvements thereon; and

**WHEREAS**, the Tax Abatement Agreement (the "Agreement") between Tarrant County and Owner, provides for the construction and installation of certain improvements consisting of facility expansion and replacement and retooling of equipment for assembly of the next generation truck/sport utility vehicle line, providing an estimated added market value of over \$100,000,000 to be completed by December 31, 2014; and

**WHEREAS**, the Agreement with the Owner is conditioned upon continued operation of the plant and retention of jobs; and

**WHEREAS**, the Commissioners Court has been requested by the Owner to take the steps required pursuant to the Code to permit tax abatement with respect to that portion of the Real Property and the improvements thereon which are subject to the taxing jurisdiction of the County, and has further requested that the County enter in the Agreement; and

**WHEREAS**, the County has approved the Tarrant County Tax Abatement Policy Statement Guidelines and Criteria for granting tax abatement in reinvestment zones in Tarrant County;

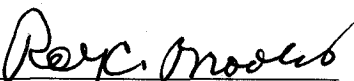
**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED** by the Commissioners Court of Tarrant County, Texas:

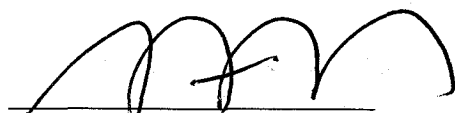
1. That all recitals set forth in the preamble are hereby found to be true and correct;
2. That the Commissioners Court shall have prudently reviewed each tax abatement agreement approved by a municipality having taxing jurisdiction with respect to property located in the County and within a reinvestment zone designated by such municipality; and according to the adopted guidelines and criteria for tax abatement of the County, shall prudently review and consider each proposed County tax abatement agreement providing participation in tax abatement with a municipality; and shall, solely at its discretion, approve those tax abatement agreements that it finds meet all constitutional and statutory criteria and requirements, and which it finds to be in the best interest of the taxpayers and citizens of the County; and
3. That the Commissioners Court hereby finds that the terms and conditions of the Agreement substantially meet its guidelines and criteria; that the Agreement for the abatement of certain County and Hospital District Taxes be and is hereby approved; that the County and its Commissioners Court hereby agree to enter into the Agreements as a party thereto; and the County Judge of the County be and is hereby authorized and directed to execute and deliver said Agreement on behalf of the County and its Commissioners Court, substantially in the form attached hereto, and carry out the terms thereof at the appropriate time(s).

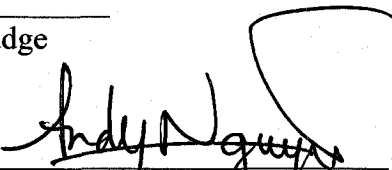
**PASSED AND APPROVED, IN OPEN COURT**, this 17<sup>th</sup> day of May, 2011, through Court Order No. 110422.

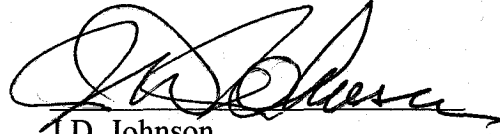
*Absent*

B. Glen Whitley, County Judge

  
Roy C. Brooks  
Commissioner, Precinct 1

  
Gary Fickes  
Commissioner, Precinct 3

  
Andy H. Nguyen  
Commissioner, Precinct 2

  
J.D. Johnson  
Commissioner, Precinct 4

THE STATE OF TEXAS §

**Tax Abatement Agreement**

COUNTY OF TARRANT §

THIS Agreement is executed by and between **GENERAL MOTORS, LLC**, an entity duly authorized to do business in the State of Texas, acting by and through its authorized officer (hereafter referred to as "**OWNER**"), and **TARRANT COUNTY, TEXAS**, acting by and through its County Judge or his designee, (hereafter referred to as "**COUNTY**").

WITNESSETH:

WHEREAS, the Tarrant County Commissioners Court has resolved that the COUNTY may elect to participate in tax abatement

WHEREAS, the Commissioners Court, in accordance with law, has adopted a Policy Statement for Tax Abatement, herein contained as **Exhibit "E"**, which constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the COUNTY; and

WHEREAS, the Premises (as hereafter defined) and the Eligible Property (as hereafter defined) are located in the Reinvestment Zone Number Thirty-Three in the City of Arlington, Texas, established by City Ordinance No. 11-026, being a commercial-industrial reinvestment zone for the purpose of tax abatement as authorized by Chapter 311 and 312 of the Texas Tax Code, as amended; and

WHEREAS, on the 10<sup>th</sup> day of May, 2011, the City Council of the City of Arlington approved and authorized the execution and delivery of a Tax Abatement Agreement (the "Agreement") as to the Eligible Property thereon; and

WHEREAS, OWNER submitted an application for tax abatement to the County concerning the contemplated Improvements to the Premises (the "Application for Tax Abatement"), attached hereto and incorporated herein as **Exhibit "D"**, in order to provide for expansion and retooling of their facility for the production of the next generation truck and/or sport utility vehicle; and

WHEREAS, the Commissioners Court finds that the contemplated use of the Premises, the Eligible Property and the terms of this Agreement are consistent with encouraging development of the Zone in accordance with the purposes for its creation and are in compliance with the Policy Statement and other applicable law;

NOW THEREFORE, the COUNTY and OWNER, for and in consideration of the mutual premises and promises contained herein, do hereby agree, covenant and contract as set forth below:

**I.**  
**Definitions**

- A. "Added Market Value" is defined as the market value of Eligible Property.
- B. "Effective Date" is defined as January 1, 2011.
- C. "Eligible Property" is defined as Personal Property Improvements made for the next generation truck conversion of the Arlington truck assembly facility as described in **Exhibit "A"**, delivered to, installed or placed on the Premises after the Effective Date of this Agreement and through December 31, 2014.
- D. "Job" is defined as a permanent, full-time employment position with General Motors that results in employment on the Premises of at least one thousand, eight hundred and twenty (1,820) hours per position in a year. Part-time positions shall not be included in this definition. Outsourced or contracted positions shall not be included in this definition.
- E. "Personal Property Improvements" are defined as tangible personal property (except inventory or supplies) delivered to, installed or located on the Premises as described in **Exhibit "A"**.
- F. "Premises" are defined as the real property (land and improvements) as described by metes and bounds in **Exhibit "B"** which existed on January 1, 2011, within Reinvestment Zone Number Thirty-Three, that are owned by and operated by OWNER. **Exhibit "B"** is attached hereto and incorporated for all purposes.
- G. "Reinvestment Zone Number Thirty-Three" is defined as the real property located in the City of Arlington and described by City of Arlington Ordinance No. 11-026 (attached hereto as **Exhibit "C"**).
- H. "Real Property Improvements" are defined as improvements to the Premises and shall include buildings, structures or fixtures erected or affixed to land.

**II.**  
**General Provisions**

- A. The Premises are not in an improvement project financed by tax increment bonds.
- B. Neither the Premises nor any of the Improvements covered by this Agreement are owned or leased by any member of the Commissioners Court, or any member of the governing body of any taxing units joining in or adopting this Agreement.

**III.**  
**Improvement Conditions and Requirements**

- A. OWNER shall improve the Premises by (i.) completing the Eligible Property described in **Exhibit "A"** in accordance with this Agreement, and (ii.) completing construction of Real Property Improvements of at least a 100,000 square foot expansion to the facility.

- B. OWNER's completion of the Eligible Property described in **Exhibit "A"** of this Agreement must result in Added Market Value of not less than One Million Dollars (\$1,000,000) not later than January 1, 2013 and result in an additional Added Market Value of not less than Ninety-Nine Million Dollars (\$99,000,000) not later than January 1, 2015, for a total initial value of \$100,000,000. Such value shall be calculated by adding each of the initial values for tax years 2012 through 2015. Initial values shall be calculated by adding each tax years' first year capitalizations (acquired in 2011 through 2014) multiplied by the applicable Tarrant Appraisal District depreciation multiplier. (Example: machinery and equipment capitalized in 2011 through 2014 would be multiplied by the applicable Tarrant Appraisal District depreciation multiplier, the process would be repeated for each class of personal property and added together in total for the applicable tax years to determine the total initial value.)
- C. OWNER will maintain employment of a least 2,300 Jobs on the Premises during the term of the abatement.
- D. OWNER shall operate and maintain on the Premises the Eligible Property described in Exhibit "A" for the duration of this agreement.
- E. All proposed Eligible Property shall conform to the applicable building codes, zoning ordinances and all other ordinances and regulations of the City of Arlington and/or Tarrant County.
- F. OWNER agrees and covenants that it will diligently and faithfully pursue the completion of the Eligible Property. OWNER further covenants and agrees that it will use all reasonable efforts to cause the Eligible Property to be constructed in a good and workmanlike manner and in accordance with all applicable state and local laws and regulations.
- G. The Premises and all Improvements must conform to all applicable state and federal laws and regulations to air pollution and air quality.

#### **IV. Abatement Allowed**

- A. As set forth in this section, tax abatement allowed herein shall be for Tarrant County and Tarrant County Hospital District ad valorem personal property taxes, relative to Added Market Value of the Eligible Property located on the Premises, subject to the following terms and conditions.
- B. If the Improvement Conditions and Requirements set forth in Section III herein are met, COUNTY agrees to exempt from taxation up to seventy percent (70%) of the Added Market Value of the Eligible Property in accordance with the various requirements established by terms of this Agreement and to be calculated as set forth below. The abatement period shall be from tax year beginning January 1, 2013 through and including tax year January 1, 2019.
  - 1. Base Abatement - If OWNER (i.) improves the Premises and adds the required Eligible Property to the Premises as set forth in Section III A. and B., (ii.) maintains employment as set forth in Section III.C., and (iii.) employs Tarrant

County residents for a minimum twenty-five percent (25%) of all Jobs, COUNTY shall exempt from taxation forty-five percent (45%) of the Added Market Value of the Eligible Property. Failure to meet the above requirements for Jobs and Tarrant County resident employment shall be cause for a reduction in the percentage abatement for any year in which the requirements are not met, as set forth in Section IV.B.2.

The exemption may begin in the first year any portion of the Eligible Property is added to the tax roll, but if the Added Market Value requirements as set forth in Section III.B. are not met, the COUNTY may recapture taxes abated in accordance with Article VII of this Agreement.

2. Reduction to Base Abatement - In any year that employment levels do not meet the minimum requirements set forth in Section IV.B.1.(ii.) and (iii.), the COUNTY shall reduce the base abatement percentage for that year as follows:
  - a. If the actual number of Jobs falls below the minimum Jobs requirement, OWNER will receive a one percent (1%) reduction for up to each one percent (1%) deficiency from the minimum Jobs requirement. (Example: One percent (1%) of the minimum Jobs requirement is 23. For total Jobs of 2,299 down to 2,277, the base abatement would be reduced by 1%. For total Jobs of 2,250, which would be 50 Jobs less than the minimum Jobs requirement, the base abatement would be reduced by 3%.)
  - b. If less than twenty-five percent (25%) of all Jobs are filled by Tarrant County residents, OWNER will receive a fifteen percent (15%) reduction.
3. Additional Percentage Abatement - In any year that OWNER is eligible to receive a tax exemption under Sections IV.B.1 and 2, COUNTY agrees to exempt from taxation up to an additional twenty-five percent (25%) of the Added Market Value of the Eligible Improvements in any year that OWNER meets one or more of the additional requirements as follows:
  - a. For total Jobs above 2,300, OWNER will receive an additional one percent (1%) abatement for each 20 jobs added, up to a maximum of fifteen percent (15%) additional abatement.

(Example: A total of 2,342 Jobs would be 42 additional jobs, which would provide for 2% additional abatement; a total of 2,410 Jobs would be 110 additional jobs, which would provide for 5% additional abatement.)
  - b. For employment of Tarrant County residents for more than sixty-five percent (65%) of all Jobs, OWNER will receive an additional 5% abatement.
  - c. For use of Disadvantaged Business Enterprise (as defined in the Tarrant County Tax Abatement Police Guidelines and Criteria attached hereto as **Exhibit "E"**) contractors for greater than twenty percent (20%) of the total Construction Costs of the Real Property Improvements, OWNER will receive an additional five percent (5%) abatement for each year of the term of the abatement.



- d. For use of Tarrant County contractors (defined as a contractor with an office location or business address in Tarrant County) for greater than thirty percent (30%) of the total Construction Costs of the Real Property Improvements, OWNER will receive an additional five percent (5%) abatement for each year of the term of the abatement.

For purposes of this Section, “**Construction Costs**” shall mean site development and building costs, including, without limitation, actual construction costs, signage costs, contractor fees, the costs of supplies and materials, engineering fees, architectural fees and other professional costs, and development and permitting fees expended directly in connection with the construction of the Real Property Improvements.

## V. Reports, Audits and Inspections

- A. Annual Certification and Reports - Pursuant to state law, OWNER shall certify annually to taxing units that OWNER is in compliance with the terms of the tax abatement agreement, and shall provide taxing units with reports and records reasonably necessary to support each year of the agreement, as follows:
  1. Certification - OWNER shall complete and certify a Tax Abatement Certification to be provided by COUNTY for each year of the tax abatement agreement, to be due annually not later than April 30. This certification shall include information supporting job creation and retention requirements, reports on Eligible Property values and costs, a narrative description of the project's progress, and other submittals required by the tax abatement agreement.
  2. Eligible Property Reports - At a minimum, OWNER shall make available on request the following information annually on all Eligible Property for which OWNER seeks tax abatement:
    - a. Property description;
    - b. Asset number;
    - c. Payment date for property located on Premises; and
    - d. Cost.
  3. Eligible Property Reports for Projects in Progress - For projects in progress for which fixed asset numbers have not been assigned, the Eligible Property report shall provide information in sufficient detail to identify the Eligible Property to be installed on the Premises. At a minimum, this information shall include:
    - a. Description of materials, machinery and equipment;
    - b. Vendor name, invoice date, invoice number and invoice amount; and

- c. Payment date for property located on Premises.
- 4. Reports on Equipment Replaced or Removed - Additionally, OWNER agrees to provide COUNTY, on request, information on Eligible Property for which OWNER has received tax abatement and which has been replaced or removed from the Premises. At a minimum, this information shall include:
  - a. Property description;
  - b. Asset number; and
  - c. Approximate date of disposal.
- 5. Report Upon Project Completion - Within one-hundred eighty (180) days of completion of the Eligible Property, OWNER shall provide COUNTY with a final Eligible Property Report that shall describe all Eligible Property for which the owner is granted tax abatement. This report shall be accompanied by the opinion of an independent certified public accountant as to its accuracy and completeness. The report may contemplate a reconciliation of the general ledger to the personal property rendition to satisfy this requirement.
- 6. Additional Reports - Additionally, throughout the term of this agreement, OWNER shall furnish COUNTY any additional records and information reasonably requested to support the reports required by this agreement.
- B. Right to Audit Books and Records - COUNTY shall have the right to audit the books and records related to the Eligible Property and supporting the Eligible Property reports. COUNTY shall notify OWNER in advance in writing of their intent to audit in order to allow OWNER adequate time to make such books and records available.
- C. Inspection - At all times throughout the term of this Agreement, COUNTY and the Tarrant Appraisal District (TAD) shall have reasonable access to the Premises for the purpose of inspecting the Premises to ensure that the Eligible Property is constructed, installed, maintained and operated in accordance with the terms of this Agreement. All inspections shall be conducted in a manner as to not unreasonably interfere with the installation of the Eligible Property or the operation of the Premises. The inspections shall be conducted within a reasonable time period after notice by COUNTY or TAD to OWNER, provided, however, that all inspections shall be made with one (1) or more representative(s) of OWNER present and in accordance with the safety standards of OWNER.

## **VI.** **Use of Premises**

The Premises at all times shall be used in a manner that is consistent with the City of Arlington zoning ordinances and consistent with the general purpose of encouraging development within the Reinvestment Zone. Both parties acknowledge that the use of the Premises for the assembly of trucks or automobiles and related activities in accordance with this Agreement is consistent with such purposes.

**VII.**  
**Breach and Recapture**

- A. **Breach** - A breach of this Agreement may result in termination or modification of this Agreement and recapture by COUNTY of taxes which otherwise would have been paid since the execution of this Agreement to COUNTY without the benefit of the Abatement, as set forth in Sections VII(B) and VII(C). Penalty and interest on recaptured taxes will be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas, and such taxes shall become due sixty (60) days following notice of breach and after the expiration of any cure period as provided in Section VII(B). The following conditions shall constitute a breach of this Agreement:
1. OWNER terminates the use of the Premises for the assembly of trucks or automobiles and related activities at any time during the term of the Agreement; or
  2. OWNER fails to meet the Abatement Conditions and Requirements as specified in Section III A., B., D., E., F., or G. above; or
  3. OWNER allows its ad valorem taxes on any property located within Tarrant County owed to COUNTY to become delinquent; or
  4. OWNER fails to comply with the requirements and provisions described in Sections V and XX of this Agreement.
- B. **Notice of Breach** - In the event that COUNTY makes a reasonable determination that OWNER has breached this Agreement, then COUNTY shall give OWNER written notice of such default. OWNER has sixty (60) days following receipt of said written notice to reasonably cure such breach, or this Agreement may be terminated by COUNTY, and recapture of abated taxes may occur. Notice of default shall be in writing and shall be delivered by personal delivery or certified mail to OWNER at its address provided in Section IX of this Agreement. It shall be the duty of COUNTY to determine whether to require recapture and payment of abated taxes and to demand payment of such.
- C. **Recapture** - During the first five (5) years of this Agreement, should OWNER commit a breach of this Agreement according to items A(1), (2) (3) or (4) of this Section VII, and OWNER does not cure as provided in VII.B. above during the cure period, COUNTY may terminate this Agreement and recapture all taxes abated under this Agreement up to the time of breach. During years six (6) through seven (7) of this Agreement, should OWNER commit a breach of this Agreement according to Items A(1), (2), (3) or (4) of this Section VII, COUNTY may terminate this Agreement and recapture taxes abated for the calendar year during which the breach is committed.
- D. **Tax Lien Not Impaired** - It is expressly agreed and acknowledged between the parties to this Agreement that nothing in this Agreement shall be deemed or construed to affect the lien for taxes against the property established by Section 32.01 of the Tax Code of the State of Texas. Such lien shall secure the payment of all taxes, penalties and interest ultimately imposed on the property, including any taxes abated and subject to recapture under this Agreement. Any such lien may be fully enforced pursuant to the provisions of

the Code. For purposes of this Subsection, "property" refers to the Premises and Eligible Property described herein.

**VIII.**  
**Effect of Sale or Lease of Property**

The abatement granted by this Agreement shall not be assignable to any new owner or lessee of all or a portion of the Premises or Eligible Property unless such assignment is approved in writing by the COUNTY.

**IX.**  
**Notice**

All notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail postage prepaid or by hand delivery:

OWNER: General Motors LLC  
2525 East Abram Street  
Arlington, Texas 76010-1346  
Attention: Jim Bellis

General Motors Company – Tax Staff  
Mail Code: 482-C16-B16  
P.O. Box 30  
Detroit, Michigan 48265  
Attn: Troy Kennedy

COUNTY: Tarrant County  
County Administrator's Office  
100 E. Weatherford  
Fort Worth, Texas 76196  
Attention: G.K. Maenius

**X.**  
**Commissioners Court Authorization**

This Agreement was authorized by resolution of the Commissioners Court authorizing the County Judge or his designee to execute this Tax Abatement Agreement on behalf of the COUNTY.

**XI.**  
**Severability**

In the event any section, subsection, paragraph, sentence, phrase or word is held invalid, illegal or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

**XII.**  
**Estoppel Certificate**

Any party hereto may request an estoppel certificate from another party hereto, so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which if requested will be addressed to a subsequent purchaser or assignee of OWNER, shall include, but not necessarily be limited to statements that this Agreement is in full force and effect without default (or if default exists the nature of same), the remaining term of this Agreement, the levels and remaining term of the abatement in effect and such other matters reasonably requested by the party(ies) to receive the certificates.

**XIII.**  
**Owner's Standing**

OWNER, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions or City Council actions authorizing same, and OWNER shall be entitled to intervene in said litigation.

**XIV.**  
**Applicable Law**

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State's District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

**XV.**  
**Indemnification**

It is understood and agreed between the parties that the OWNER, in performing its obligations hereunder, is acting independently, and COUNTY assumes no responsibility or liability to third parties in connection therewith, and OWNER agrees to indemnify and hold harmless COUNTY from any such responsibility or liability. It is further understood and agreed among the parties that COUNTY, in performing its obligations hereunder, is acting independently, and the OWNER assumes no responsibility or liability to third parties in connection therewith, and COUNTY agrees to the extent allowed by law to indemnify and hold harmless OWNER from any such responsibility or liability.

**XVI.**  
**Force Majeure**

It is expressly understood and agreed by the parties to this Agreement that the parties shall not be found in default of this Agreement if any party's failure to meet the requirements of this Agreement is delayed by reason of war, Act of God, fire or other casualty of a similar nature.

**XVII.**  
**No Other Agreement**

This Agreement embodies all of the agreements of the parties relating to its subject matter as specifically set out herein, supersedes all prior understandings and agreements

regarding such subject matter, and may be amended, modified or supplemented only by an instrument or instruments in writing executed by the parties.

**XVIII.**  
**Recordation of Agreement**

A certified copy of this Agreement in recordable form shall be recorded in the Deed Records of Tarrant County, Texas.

**XIX.**  
**Signatories**

This Agreement is effective and binding on those parties that have duly signed below.

**XX.**  
**Procurement of Goods and Services from Tarrant County Businesses and/or Disadvantaged Businesses Enterprises**

OWNER agrees to make all commercially reasonable efforts to satisfy the provisions and requirements as set forth in the Tarrant County Tax Abatement Policy, including those relating to Tarrant County and DBE contracting requirements. The percentage requirements pertain only to those contracts/supply/services that are within the local control of GM Arlington Plant, and does not include contracts/supplies/services that are sole source and/or purchased via a General Motors national contract. OWNER shall complete and submit all information necessary to determine to what extent these contracting percentages were met each year during the abatement period.

**XXI.**  
**Headings**

The headings of this Agreement are for the convenience of reference only and shall not affect in any manner any of the terms and conditions hereof.

**XXII.**  
**Successors and Assigns**

The parties to this Agreement each bind themselves and their successors, executors, administrators and assigns to the other party of this Agreement and to the successors, executors, administrators and assigns of such other party in respect to all covenants of this Agreement.

No successor, executor, administrator or assign is valid in the place of the parties to this Agreement without the written consent of COUNTY and such consent shall not be unreasonably withheld, provided however, the procedures set out in Section VIII, Effect of Sale or Lease of Property, is binding for the assignment situation specifically described in Section VIII. Notwithstanding the foregoing, the OWNER may assign this Agreement to any entity which is an affiliate of OWNER, without the consent of the COUNTY, in which case the benefits and obligations under this Agreement shall apply to the property and premises owned by such assignee. For purposes of the Section, an affiliate shall mean any entity which is related to OWNER through direct or indirect common ownership or control.

**XXIII.**  
**Termination**

This Agreement shall terminate, in accordance with the terms of this Agreement, unless extended by written agreement of the parties or a written instrument signed by all parties evidencing a delay by force majeure; provided however, that the period of abatement may not extend beyond seven (7) years.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written above.

**GENERAL MOTORS, LLC**

BY \_\_\_\_\_  
Signature

\_\_\_\_\_  
Type or Printed Name

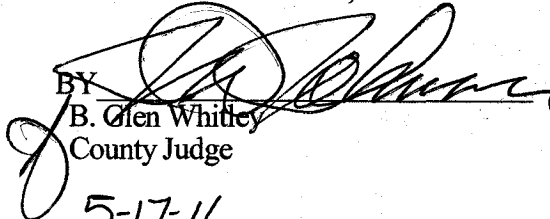
\_\_\_\_\_  
Type or Printed Title

\_\_\_\_\_  
Date

WITNESS:

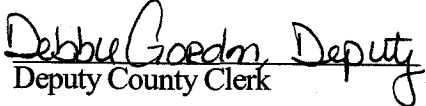
\_\_\_\_\_

**TARRANT COUNTY, TEXAS**

BY   
B. Glen Whitley  
County Judge

5-17-11  
\_\_\_\_\_  
Date

ATTEST:

  
Debbie Goeden, Deputy  
Deputy County Clerk

APPROVED AS TO FORM\*

  
\_\_\_\_\_  
Asst. District Attorney

*\* By law, the District Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our view of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval and should seek review and approval by their own respective attorney (s).*

THE STATE OF §  
COUNTY OF §

**General Motors, LLC**  
**Acknowledgment**

BEFORE ME, the undersigned authority, a Notary Public in and for the State of \_\_\_\_\_, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **GENERAL MOTORS, LLC**, and as the \_\_\_\_\_ thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Notary Public in and for  
The State of \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires

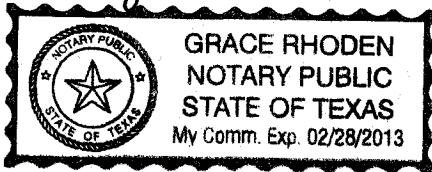
\_\_\_\_\_  
Notary's Printed Name

THE STATE OF TEXAS §  
COUNTY OF TARRANT §

**Tarrant County, Texas**  
**Acknowledgment**

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared ~~B. GLEN WHITLEY~~, <sup>J. D. Johnson, President of Office</sup> known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of **TARRANT COUNTY, TEXAS**, as the County Judge thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 17 day of May, 2011.



2-28-2013  
My Commission Expires

Grace C Rhoden  
Notary Public in and for  
The State of Texas

Grace C. Rhoden  
Notary's Printed Name



**EXHIBIT "A"**

**DESCRIPTION OF ELIGIBLE PERSONAL PROPERTY IMPROVEMENTS**

**GM Arlington Assembly Plant  
Next Generation Truck Project Description**

**Personal Property**

The Next Generation Truck Project includes the following personal property investment to be installed on the Premises:

**BODY SHOP**

- Equipment & tooling changes involving various automated cells
- Conveyor modifications

**PAINT SHOP**

- Robot Refurbishment
- Sealer Cell modifications

**GENERAL ASSEMBLY**

- Brake and Fluid Fill equipment
- Alignment equipment

**EXHIBIT "B"**

**DESCRIPTION OF PREMISES**

**Exhibit "B"**

**(legal description of Premises)**

DESCRIPTION OF THE PREMISES

Being 248.73 acres of land out of the M. Harris Survey, A-704, in the City of Arlington, Tarrant County, Texas, and described as follows:

BEGINNING at an iron in the North line of East Abram Street, 300.0 feet East of the Southeast corner of Parkview Addition, said beginning point being the most Southerly Southwest corner of the General Motors Corp. tract

THENCE N 0° 27' W 349.8 feet to an iron for corner;

THENCE N 89° 52' W 299.6 feet to an iron in the East line of Parkview Addition;

THENCE N 0° 20' 30" W with the East line of Parkview Addition, 918.0 feet to an iron for corner;

THENCE N 0° 42' 30" W with East line of Parkview Addition, 1108.53 feet to an iron in the South right-of-way line of the Texas and Pacific Railway, same being on a curve to the right having a radius of 2753.12 feet and a central angle of 26° 07' 30";

Thence in the Easterly direction with said curve to the right along the South right-of-way line of said railroad, 1255.33 feet to the end of said curve;

Thence S 89° 47' E with the South right-of-way line of said railroad, 2100.0 feet to the beginning of a curve to the right having a radius of 4288.82 feet and a central angle of 5° 15' 30";

Thence in an Easterly direction with said curve to the right along the South right-of-way line of said railroad, 393.48 feet to the end of said curve;

Thence S 84° 33' E with the South right-of-way line of said railroad, 93.3 feet to a point for corner;

Thence S 3° 33' W 20.1 feet to a point for corner;

Thence S 89° 25' E with South right-of-way line of said railroad, 50.2 feet to a point for corner;

Thence S 87° 07' E with the South right-of-way line of said railroad, 79.7 feet to a point for corner;

Thence S 80° 10' E with the South right-of-way line of said railroad, 59.8 feet to a point for corner;

Thence S 89° 06' E with the South right-of-way line of said railroad, 51.3 feet to a point for corner;

Thence S 78° 21' E with the South right-of-way line of said railroad, 59.4 feet to a point for corner;

Thence S 77° 41' E with the South right-of-way line of said railroad, 149.0 feet to a point in the West right-of-way line of State Highway No. 360;

Thence S 0° 05' W with the West right-of-way line of State Highway No. 360, 2148.9 feet to a point on a curve to the right having a radius of 250 feet and a Central angle of 56° 20' 05";

Thence in a Southwesterly direction with said curve to the right, 245.81 feet to the end of said curve;

Thence S 71° 52' W 339.78 feet to a point on a curve to the right having a radius of 1422.4 feet and a central angle of 9° 24' 38";

Thence in a Southwesterly direction with said curve to the right, 233.62 feet to the end of said curve;

Thence S 81° 17' W 242.01 feet to the beginning of a curve to the right having a radius of 2810.79 feet and a central angle of 6° 43' 30";

Thence in a Westerly direction with said curve to the right 330.03 feet to the end of said curve, same being in the North right-of-way line of East Abram Street;

Thence N 88° 29' W 207.59 feet to a point for corner;

Thence N 89° 55' W with the North right-of-way line of East Abram Street, 2428.9 feet to the place of beginning (the "Premises").

**EXHIBIT "C"**

**ORDINANCE # 11-026 CREATING  
REINVESTMENT ZONE NUMBER THIRTY-THREE**

**Ordinance No. 11-026**

**An ordinance establishing Reinvestment Zone Number Thirty-Three; providing this ordinance be cumulative; providing for severability; providing for governmental immunity; providing for injunctions; and becoming effective upon second reading**

**WHEREAS,** the City Council of the City of Arlington, Texas, desires to promote the development or redevelopment of a certain strategic priority area within its jurisdiction by the establishment of Reinvestment Zone Number Thirty-Three for commercial-industrial tax abatement; and

**WHEREAS,** on April 7, 2009, the City Council of the City of Arlington, Texas passed Resolution No. 09-079 authorizing staff, following a briefing to City Council regarding creation of the zone, to give notice required by law to call public hearings relative to creation of reinvestment zones for tax abatement; and

**WHEREAS,** on February 22, 2011, staff briefed City Council on the creation of Reinvestment Zone Number Thirty-Three; and

**WHEREAS,** a public hearing was held at which time interested persons were entitled to speak and present evidence for or against the designation of the property described in Exhibit "A" as Reinvestment Zone Number Thirty-Three, and notice of such public hearing was published in a newspaper of general circulation in the City of Arlington not later than the seventh day before the date of the scheduled hearing; and

**WHEREAS,** the City Council of the City of Arlington has established guidelines and criteria governing tax abatement agreements and has stated that the City elects to become eligible to participate in tax abatement; **NOW THEREFORE,**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON, TEXAS:**

1.

That all of the recitals contained in the preambles of this ordinance are found to be true and are adopted as findings of fact by this governing body and as part of its official record.

2.

The City Council, after conducting a public hearing and having considered all relevant evidence and testimony, has made the following findings and determinations based on such evidence and testimony:

- A. That a public hearing on the designation of Reinvestment Zone Number Thirty-Three has been properly called, held and conducted, and that notice of such hearing was published in accordance with the law; and
- B. That the boundaries of Reinvestment Zone Number Thirty-Three should be the proposed area of land more fully described in the property description attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B"; and
- C. That the improvements sought to be made in Reinvestment Zone Number Thirty-Three are feasible and practical and would be a benefit to the land to be included in the Zone and to the City of Arlington following the expiration of an executed Tax Abatement Agreement; and
- D. That the proposed area of land to be designated Reinvestment Zone Number Thirty-Three is reasonably likely, as a result of this 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, thereby contributing to the economic development of the City of Arlington.

3.

In accordance with State law, the City of Arlington hereby officially creates Reinvestment Zone Number Thirty-Three for commercial-industrial tax abatement, which Zone shall hereafter encompass only that certain area of land more fully described in the property description attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B"; and such Reinvestment Zone shall be officially designated as Tax Abatement Reinvestment Zone Number Thirty-Three of the City of Arlington, Texas.

4.

The designation of Reinvestment Zone Number Thirty-Three of the City of Arlington, Texas shall expire Five (5) years after the effective date of its designation and may be renewed.

5.

This ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Arlington; and this ordinance shall not operate to repeal or affect any of such other ordinances except insofar as the provisions thereof might be



inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

6.

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

7.

All of the regulations provided in this ordinance are hereby declared to be governmental and for the health, safety and welfare of the general public. Any member of the City Council or any City official or employee charged with the enforcement of this ordinance, acting for the City of Arlington in the discharge of his/her duties, shall not thereby render himself/herself personally liable; and he/she is hereby relieved from all personal liability for any damage that might accrue to persons or property as a result of any act required or permitted in the discharge of his/her said duties.

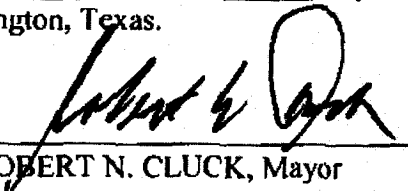
8.

Any violation of this ordinance can be enjoined by a suit filed in the name of the City of Arlington in a court of competent jurisdiction, and this remedy shall be in addition to any penal provision in this ordinance or in the Code of the City of Arlington.

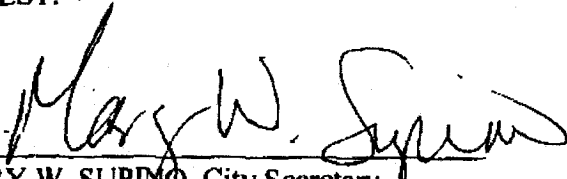
9.

This ordinance shall become effective upon second reading.

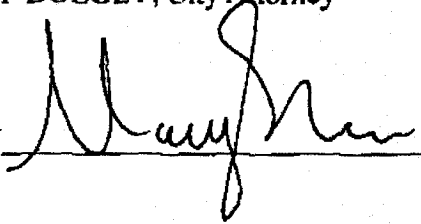
PRESENTED AND GIVEN FIRST READING on the 12th day of April, 2011, at a regular meeting of the City Council of the City of Arlington, Texas; and GIVEN SECOND READING, passed and approved on the 26th day of April, 2011, by a vote of 7 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.

  
ROBERT N. CLUCK, Mayor

ATTEST: -

  
\_\_\_\_\_  
MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:  
JAY DOEGEY, City Attorney

BY   
\_\_\_\_\_

**Exhibit "A"**

**Legal Property Description**

## DESCRIPTION OF THE PREMISES

Being 248.73 acres of land out of the M. Harris Survey, A-704, in the City of Arlington, Tarrant County, Texas, and described as follows:

**BEGINNING** at an iron in the North line of East Abram Street, 300.0 feet East of the Southeast corner of Parkview Addition, said beginning point being the most Southerly Southwest corner of the General Mtrs. Corp. tract

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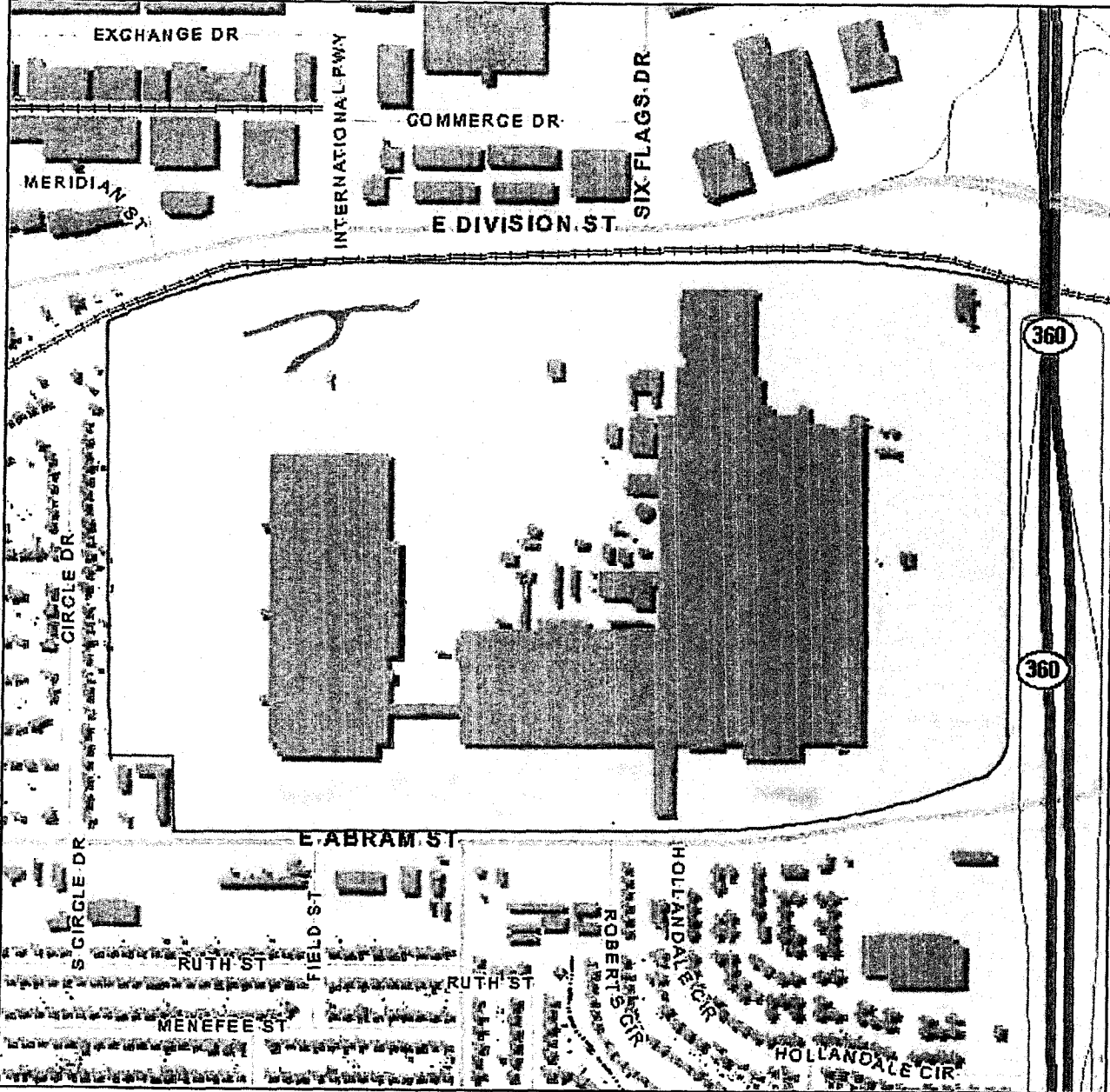
Thence N 89° 55' W with the North right-of-way line of East Abram Street, 2428.9 feet to the place of beginning (the "Premises").

---

**Exhibit "B"**

**Map**

### Reinvestment Zone #33



**BASEMAP**

- Hospitals
- Public Schools**
- Elementary School
- Junior High School
- Senior High School
- Municipal Boundary
- Lake Arlington
- Roads**

- Freeway
- Arterial
- Collector
- Residential
- Access Road
- Ramp
- Park Property



**DISCLAIMER:** This data has been compiled by the city of Arlington using various official and unofficial sources. Although every effort was made to ensure the accuracy of the data, no such guarantee is given or implied.

Map scale: 1: 9017



**EXHIBIT "D"**

**APPLICATION FOR TAX ABATEMENT**





*Arlington Assembly*

General Motors LLC  
Arlington Assembly  
2525 E. Abram  
Arlington, TX 76010-1346

February 8, 2011

Ms. Lisa McMillan  
Economic Development Coordinator  
Tarrant County Administrators Office  
100 E. Weatherford, Suite 404  
Fort Worth, TX 76196-0609

Re: General Motors LLC - Application for Tax Abatement

Dear Ms. McMillan:

The General Motors - Arlington Assembly Plant respectfully requests the participation of Tarrant County with the City of Arlington in providing tax abatements on \$254.6 million of investment for expansion and improvements to retool the facility for production of next generation trucks, as outlined in the attached "Application for Tax Abatement". This project will enable the plant to retain and grow our existing employment level.

Additional information required by the County will be provided on request to Mr. Troy Kennedy, U.S. Property Tax Manager. He can be reached at 313-665-4054 or [troy.d.kennedy@gm.com](mailto:troy.d.kennedy@gm.com). We look forward to your consideration and favorable action on this request for tax abatement.

Sincerely,

A handwritten signature in black ink that reads "Jim Bellis".

Jim Bellis  
Controller  
GM - Arlington Assembly



# Tarrant County

## Application for Tax Abatement/Reinvestment Zone

### I. APPLICANT INFORMATION

Applicant/Property Owner: General Motors LLC  
Company/Project Name: Next Generation Truck Program  
Mailing Address: 2525 E. Abram Street, Arlington, TX 76010  
Telephone: 817-652-2248 Fax: 817-652-2180

Applicant's Representative for contact regarding abatement request:

Name and Title: Troy Kennedy - U.S. Property Tax Manager  
Mailing Address: Mail Code: 482 C16 B16, P.O. Box 300, Detroit, MI 48265  
Telephone: 313-665-4054 Fax: 313-665-4125 E-mail: troy.d.kennedy@gm.com

### II. PROPERTY AND PROJECT DESCRIPTION

Address and legal description of property to be considered for Tax Abatement/Reinvestment Zone: 2525 E. Abram Street, Arlington, TX

Project Description: see above

Description of activities, products, or services produced and/or provided at project location: manufacture motor vehicles

Current Assessed Value: Real Property: \$ 40,000,000 Personal Property: \$ 12,672,272

Estimated start date of construction/site improvements: 2011-03

Projected date of occupancy/commencement of operations at project site: 2013-03

Please indicate dates for phases if applicable: Equipment Installation 2012-03

Location of existing company facilities: 2525 E. Abram Street, Arlington, TX 76010

Requested level of Tax Abatement: 100% of eligible property for 10 years.

Explain why tax abatement is necessary for the success of this project. Include business pro-formas or other information to substantiate your request. This project supports the general purpose and objectives of the Tarrant County Tax Abatement Policy.

### III. PROJECTED VALUE OF IMPROVEMENTS

Estimated Value of Real Property Improvements \$ TBD

Estimated Value of Personal Property Improvements \$ TBD

Will any infrastructure improvements (roads, drainage, etc.) be requested of Tarrant County for this project?

Yes  No

If yes, describe requested infrastructure improvements: **n/a**

Detail any direct benefits to Tarrant County as a result of this project (i.e., inventory tax, etc.): **Favorable tax abatement will enhance the overall business case for this program and the project will generate sales tax and various other incomes to the benefit of local taxing jurisdictions.**

#### IV. EMPLOYMENT IMPACT AT PROJECT LOCATION

##### A. NEW EMPLOYMENT (NOTE: THIS PROJECT WILL ENABLE THE RETENTION OF 2,324 EMPLOYEES)

Projected number of new jobs created as a result of the proposed improvements:

Full-time  Part-Time

Provide types of jobs created and average salary levels: **Vehicle Assemblers, \$52,000/year**

Start date and annual payroll of new permanent positions (if positions to be phased in, provide figures for each phase year): **2013 - 02**

Percentage of new jobs too be filled be Tarrant County residents: **0%**

Number of employees transferring from other company locations: **CM hiring practices are subject to provisions of the UAW-GM National and Local Labor Agreements (TBD)**

##### B. CONSTRUCTION RELATED EMPLOYMENTS

Projected number of construction related jobs: **150**

Estimated total construction payroll: \$ **Estimated up to \$6 million**

Commitment as to percentage of construction dollars to be spent with Tarrant County contractors or subcontractors: **See Attached Exhibit A%**

Commitment as to percentage & total dollars of construction contracts to be awarded to DBE: **See Attached Exhibit A%**

##### C. CURRENT COMPANY/PROJECT LOCATION EMPLOYMENT

Current Number of Employees: Full-time **2,324** Part-time **33**

Average annual payroll: \$ **202.2 million total payroll including benefits**

Detail on workforce diversity – percentage breakdown of current employees by gender and ethnicity: **As of 12/31/09: Male (74%), Female (26%), Caucasian (45%), African-American (40%), Hispanic (14%), Asian (0%)**

##### D. COMPANY SPONSORED HEALTH CARE BENEFITS ARE AVAILABLE

Full-time Employees  Part-time Employees  Employee Dependents  Not Available

Average monthly employee cost for health care benefits: Individual: \$ **see below** Family: \$ **see below**

Other employee benefits provided or offered: **CM offers a competitive, comprehensive health care and overall compensation/benefits package to it's workforce.**

**V. LOCAL BUSINESS & DISADVANTAGED BUSINESS ENTERPRISES (DBE) IMPACT**

Estimated amount of annual supply and services expenses: \$ See Attached Exhibit A

Detail any supply/services expenses that are sole source: See Attached Exhibit A

Percentage of total supplier/services expenses committed to Tarrant County businesses: See Attached Exhibit A

Percentage of total supplier and services expenses committed to DBE: See Attached Exhibit A%

**VI. ENVIRONMENTAL IMPACT OF PROJECT**

Indicate if development, construction, equipment, distribution methods, and/or operational processes may impact the environment in the following areas, attach detail if necessary:

- Air Quality  Water Quality  Solid Waste Disposal  Storm/Water Runoff   
Floodplain/Wetlands  Noise levels  Other (specify)  See Attached Exhibit B

Provide detail on existing and new fleet vehicles, specifying types of vehicles, quantities and fuel used (gasoline, diesel, LP gas, CNG, etc.): See Attached Exhibit B

**VII. ADDITIONAL INFORMATION (TO BE ATTACHED)**

- Letter addressing Economic Qualifications and additional criteria for abatement, Section III (h) and (i) of Tarrant County Tax Abatement Policy
- Descriptive list and value of real and personal property improvements
- Plat/Map of Project Location
- Project Time Schedule
- Owner's policy regarding use of disadvantaged Business Enterprises
- Owner's policy addressing regional air quality/non-attainment status (use of alternative fuels, employee trip reduction, etc.) and plan for participation in regional Ozone Action Program
- Tax Certificate showing property taxes paid for most recent year

Note: City of Arlington Abatement Application and Exhibits attached.

**VIII. CERTIFICATION**

Upon receipt of a completed application, Tarrant County may require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.\*

I certify the information contained in this application (including all attachments) to be true and correct to the best of my knowledge. I further certify that I have read the "Tarrant County Tax Abatement Policy" and agree to comply with the guidelines and criteria stated therein.



Signature

Chief Tax Officer

Title

Victoria McInnis

Printed Name

February 7, 2011

Date

Return completed application and attachments to:

Economic Development Coordinator

Tarrant County Administrator's Office

100 E. Weatherford Street, Suite 404

Fort Worth, Texas 76196-0609

You may also forward an electronic copy of the completed report to:

[lmcmillan@tarrantcounty.com](mailto:lmcmillan@tarrantcounty.com)

Please note that if you do submit this form electronically, you must also submit an original hard copy of the report to the above stated physical address for proper filing and review.

For assistance call: (817) 884-2643

\* As per Section IV (f) of the Tarrant County Tax Abatement Policy Guidelines and Criteria, this application must be filed prior to commencement of construction or installation of improvements in order to be eligible for County tax abatement.



*Arlington Assembly*

General Motors LLC  
Arlington Assembly  
2525 E. Abram  
Arlington, TX 76010-1346

February 8, 2011

Exhibit A

Ms. Lisa McMillan  
Economic Development Coordinator  
Tarrant County Administrators Office  
100 E. Weatherford, Suite 404  
Fort Worth, TX 76196-0609

Dear Ms. McMillan:

This letter is intended to supplement General Motors' application for tax abatement with respect to Section V - Local Business & Disadvantaged Business Enterprise (DBE) Impact.

It will be very difficult for the GM Arlington Plant to meet the specific percentages in the Tarrant County Abatement Policy relating to purchasing transactions with Tarrant County Businesses and Disadvantaged Enterprises. As you know, GM's purchasing activities are conducted on a global basis. While this enables the company to procure materials competitively, individual plants such as Arlington are afforded minimal opportunities for establishing local contracts.

Although it will be difficult to achieve 25% of our expenditures with Tarrant County businesses, we currently do significant business within the County. For example, Lear Corporation provides the seats for our vehicles at an annual cost of \$614.7 million. Additionally, Android Industries operates from two locations in the County to sequence production parts to our assembly line at an annual cost of over \$35 million. Further, Hagemeyer, located here in Arlington, provides all of our daily indirect materials, supplies and services at an annual cost of over \$24 million. GM purchases from Tarrant County businesses continue to be significant.

The Abatement Policy also requests 15% of our spending be with Disadvantaged Business Enterprises. Again, our Global Purchasing & Supply Chain organization prepares the contracts for our various suppliers. Hagemeyer (noted above), has a contractual obligation to apply best efforts to seek low cost suppliers and to direct 5% of total purchases to Minority suppliers. GM has and continues to work very closely with Hagemeyer in an effort to increase minority supplier participation while working to improve our overall cost structure. GM will continue in good faith to encourage Hagemeyer to obtain competitive Minority supplier contracts. For reference, in 2010, GM and its suppliers spent \$2.6 billion on direct purchases from certified minority companies.

At this time, per Section IV (h), General Motors respectfully requests a deviation from Section III (i)(1) concerning use of DBE and Tarrant County businesses. The project will, however, provide for some utilization of DBE and Tarrant County businesses for construction and future supply and service contracts. GM is committed to working with our supplier partners to identify and obtain DBE contracts that meet cost and quality criteria to increase our participation in this area.

I hope this detail helps in understanding our business situation and our request for a deviation from the provisions of the policy. General Motors' appreciates the County's support and your assistance in this matter. If additional information is required, please contact me at 817-652-2248 or [james.c.bellis@gm.com](mailto:james.c.bellis@gm.com).

Sincerely,

Jim Bellis  
Controller  
GM - Arlington Assembly

## **GENERAL MOTORS-ARLINGTON, TEXAS ENVIRONMENTAL**

### **Local Air Quality:**

GM Arlington operates three thermal oxidizers to destroy all the vapors from its automated prime, base coat, and clear coat painting operations; including the curing ovens which follow the automated application processes.

100% of GM Arlington's vehicles are equipped with onboard refueling vapor recovery.

GM Arlington provides several programs which improve local air quality:

- On-site training, educational, and meeting facilities to reduce travel
- On-site drivers license renewal, local event registration, cell phone sign-up, and other services
- Staggered 1st shift "off" and 2nd shift "on" times to reduce traffic congestion
- Shift times that allow commuters to miss the peak traffic jam hours in DFW
- Preferred parking close to the entrances for motorcycle riders
- Telecommuting and leveraging for people to cover several GM sites from one location
- The most fuel-efficient full size SUVs available
- Hybrid SUV products

### **Beyond Compliance: Community**

GM Arlington supports local environmental interests by participating in:

- Arlington City Council's Citizen's Environmental Committee
- Arlington Chamber of Commerce's Environmental Subcommittee
- Tarrant County's Local Emergency Planning Committee
- North Central Texas Council of Governments' Clean Air programs
- State public hearings on environmental issues
- On-site environmental training programs for new State and Federal inspectors
- TCEQ Clean Texas program
- City of Arlington Green Team

Based on a determination by the U.S. Environmental Protection Agency, most 2010 model year GM trucks meet standards that are at least as stringent as the Federal Clean Fuel Vehicle Low Emission Vehicle (LEV) standards.

## **GM Arlington Assembly Plant Next Generation Truck Project Description**

The Next Generation Truck Project includes a 107,800 square foot expansion to the existing Body Shop building. In addition, new machinery, equipment and special tooling will be installed to retool the facility for the manufacture and assembly of trucks. This project in the amount of \$254.6 million includes the following investment:

### **Body Shop**

- Building Expansion
- Equipment and tooling changes involving various automated cells
- Conveyor modifications

### **Paint Shop**

- Robot refurbishment
- Sealer Cell modifications

### **General Assembly**

- Brake and Fluid Fill equipment
- Alignment equipment



**GM Arlington Assembly Plant  
Next Generation Truck Project Timing**

**2011 - Q3**      Start Building Expansion

**2012 - Q3**      Begin Equipment Installation

**2013 - Q3**      Start of Production

**TAX STATEMENT 2010**

**STATEMENT DATE: 02/01/2011**  
**ACCOUNT: 00001182080**

**LEGAL: HARRIS, M ADDITION**  
**BLK \* LOT 1A1**

**OWNER: GENERAL MOTORS CO**  
**PARCEL ADDRESS: 0002525 E ABRAM ST**  
**EXEMPTION CODES: AB001**

**PIDN: 17260 1A1**  
**ACRES: 248.778**

LAND VALUE	IMPROVEMENT VAL	APPRAISED VALUE				
4,975,560	35,024,440	40,000,000				
TAXING ENTITIES	EXEMPTION AMOUNT	TAXABLE VALUE	TAX RATE PER \$100	BASE TAX	PENALTY & INTEREST	
ARLINGTON CITY	0	40,000,000	0.648000	259200.00	0.00	
TARRANT COUNTY	0	40,000,000	0.264000	105600.00	0.00	
T C HOSPITAL	0	40,000,000	0.227897	91158.80	0.00	
T C COLLEGE	0	40,000,000	0.137640	55056.00	0.00	
ARLINGTON ISD	0	40,000,000	1.335000	534000.00	0.00	
<b>SUBTOTAL</b>				<b>1,045,014.80</b>	<b>0.00</b>	
<b>PRIOR YEARS</b>				<b>0.00</b>		
<b>TOTAL AMOUNT DUE</b>				<b>0.00</b>		

*This top portion and your canceled check will serve as your receipt.*

*^ Detach on perforation and return this portion with your check payable to:*

**BETSY PRICE**  
**PO BOX 961018**  
**FORT WORTH, TX 76161-0018**  
**817/884-1100**

**TOTAL AMOUNT DUE**  
**\$0.00**

**^^ AMOUNT DUE ON RECEIPT ^^**

**OWNER: GENERAL MOTORS CO**  
**PIDN: 17260 1A1**

**DELINQUENT DATE: 02/01/2011**

**ACCOUNT: 00001182080 2010**

**GENERAL MOTORS CO**  
**200 RENAISSANCE CTR**  
**DETROIT, MI 48243-1300**

IF PAID IN	AMOUNT DUE
MAR 0%	0.00
APR 0%	0.00
MAY 0%	0.00
JUN 0%	0.00
JUL 0%	0.00
AUG 0%	0.00

**TAX STATEMENT 2010**

STATEMENT DATE: 02/01/2011

LEGAL: BUSINESS PERSONAL PROPERTY

ACCOUNT: 00013565427

FID ADDCH 8/2  
USMO-ARLINGTON ASSY

OWNER: GENERAL MOTORS LLC  
PARCEL ADDRESS: 0002525 E ABRAM ST  
EXEMPTION CODES: FP001 AB001 PC001

PIDN: P  
ACRES: 0

APPRaised VALUE					
212,893,534					
TAXING ENTITIES	EXEMPTION AMOUNT	TAXABLE VALUE	TAX RATE PER \$100	BASE TAX	PENALTY & INTEREST
ARLINGTON CITY	52,659,360	160,234,174	0.648000	1038317.45	0.00
TARRANT COUNTY	46,829,964	166,063,570	0.264000	438407.82	0.00
T C HOSPITAL	46,829,964	166,063,570	0.227897	378453.89	0.00
T C COLLEGE	41,927,307	170,966,227	0.137640	235317.91	0.00
ARLINGTON ISD	41,927,307	170,966,227	1.335000	2282399.13	0.00
SUBTOTAL				4,372,896.20	0.00
PRIOR YEARS				0.00	
<b>TOTAL AMOUNT DUE</b>				<b>0.00</b>	

*\$30 mil inventory*

This top portion and your canceled check will serve as your receipt.

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BETSY PRICE  
PO BOX 961018  
FORT WORTH, TX 76161-0018  
817/884-1100

**TOTAL AMOUNT DUE**  
**\$0.00**

^^ AMOUNT DUE ON RECEIPT ^^

OWNER: GENERAL MOTORS LLC  
PIDN: P

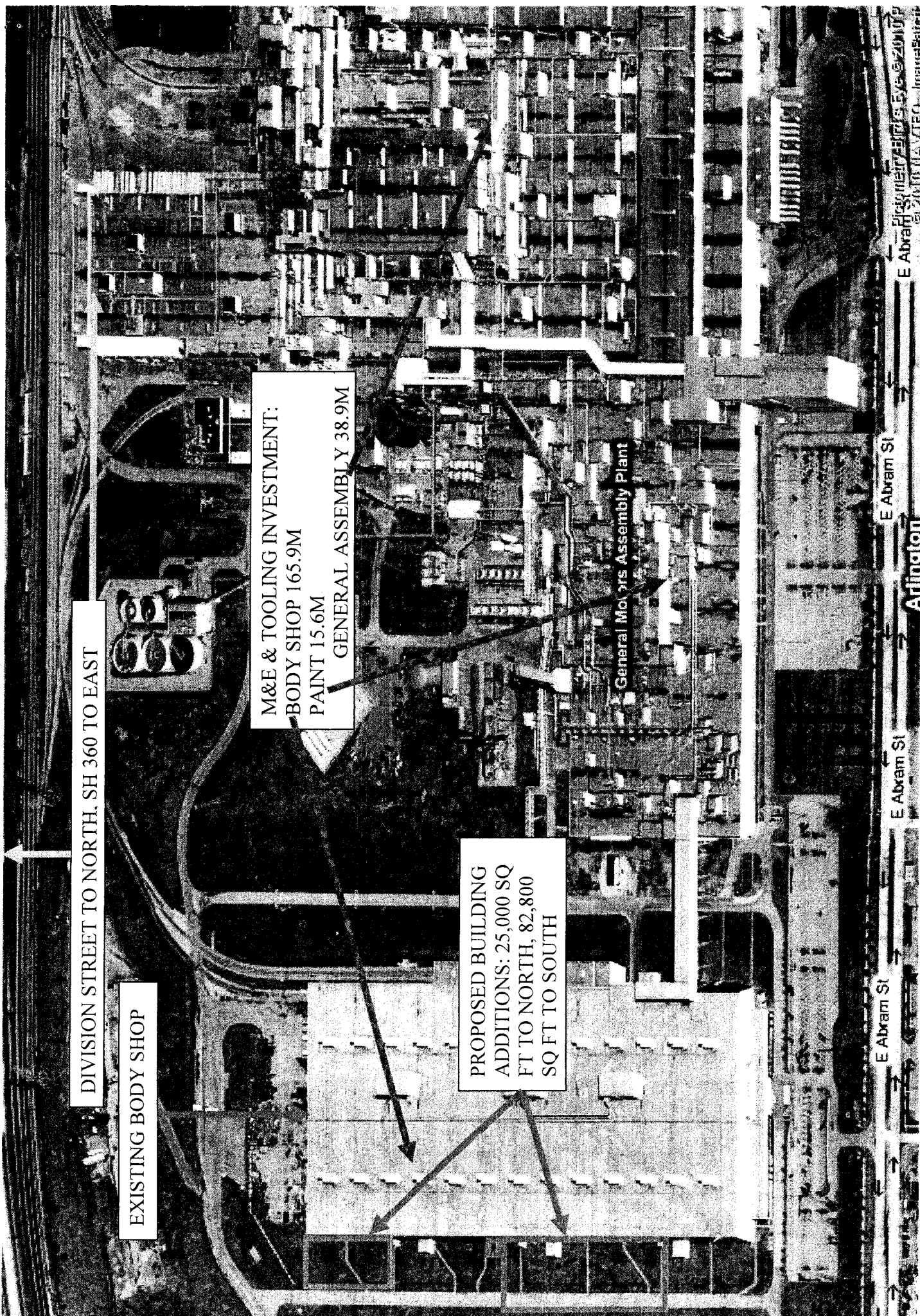
DELINQUENT DATE: 02/01/2011

ACCOUNT: 00013565427 2010

GENERAL MOTORS LLC  
TAX STAFF MC 482-C14-C66  
PO BOX 300  
DETROIT, MI 48265-3000

*369*  
*319*

IF PAID IN	AMOUNT DUE
MAR 0%	0.00
APR 0%	0.00
MAY 0%	0.00
JUN 0%	0.00
JUL 0%	0.00
AUG 0%	0.00



DIVISION STREET TO NORTH, SH 360 TO EAST

EXISTING BODY SHOP

M&E & TOOLING INVESTMENT:  
BODY SHOP 165.9M  
PAINT 15.6M  
GENERAL ASSEMBLY 38.9M

PROPOSED BUILDING  
ADDITIONS: 25,000 SQ  
FT TO NORTH, 82,800  
SQ FT TO SOUTH

General Motors Assembly Plant

E Abram St

E Abram St

E Abram St

Arlington



## APPLICATION FOR INCENTIVES

### Applicant Information

1. Beneficiary of Incentives General Motors LLC – Arlington Assembly  
Property Owner , Business Owner , Leaseholder  (check all that apply)  
Mailing address General Motors LLC, MC482-C16-B16, P.O. Box 300, Detroit, MI 48265  
Telephone 313-665-4054 Fax 313-665-4125  
Cell Phone \_\_\_\_\_ Email troy.d.kennedy@gm.com
  
2. Contact Information Troy D. Kennedy  
Title U. S. Property Tax Manager  
Mailing address Same as Above  
Telephone Same as Above Fax Same as Above  
Cell Phone Same as Above Email Same as Above  
Relationship to Beneficiary: Same as above , Authorized Representative \_\_\_\_\_
  
3. Property address 2525 E. Abrams Street, Arlington, TX 76010
  
4. Property legal description (metes & bounds) See Attached Exhibit A
  
5. Attach a **complete** description of the project including: See Attached Exhibit B
  - A. Method of financing - Cash
  - B. Primary business activity at this site – Vehicle Assembly
  - C. Complete description of all land uses – Vehicle Mfg & Assy; Nat Gas Production (3<sup>rd</sup> Party)
  - D. Time schedule for completion of improvements – See Attached Exhibit C
  - E. NAICS Industry Code - 336111
  - F. Descriptive list of improvements
    1. Size 107,800 sq. ft. (see Exhibit E)
    2. Cost of construction \$13.5 Million (Additions)
    3. Value of Personal Property
      - a. Inventory \$28.5 Million (Total Facility (2010 Actual))  
What percent is eligible for Freeport Exemption (exported from Texas within 175 days) 78 % (2010 Actual)
      - b. Equipment, machinery, furnishings, etc. M&E \$67.3M (incl \$13.5 M for real property), Special Tooling \$173.8M, Total \$254.6M (including \$13.5M Building)
  - G. What taxable sales will be generated at this location \$ TBD per year
  
6. These documents **must** be submitted prior to the City staff's review of the application:
  - Property tax statement from the County Tax Office – See Attached Exhibit D
  - Plat/map of project location – See Attached Exhibit E
  
7. Level of abatement requested 100% 10 Years on  Real Property or  Business Personal Property
  
8. Describe, in detail, all other incentives sought from the City- other economic incentives, fee waivers, fast-track plans review, etc. – General Motors will also pursue fee waivers and fast-track plans review as well as permit fee reductions/eliminations. GM will also apply for Training Funds and other incentives from the State of Texas.



9. Estimated taxable value of property improvements: Real TBD Personal TBD  
*Estimated taxable value is the value of the improvements on January 1 of the year after the improvements are made.*

10. Job Creation & Retention:

Number of Full Time Equivalent Jobs	Avg. Annual, Monthly or Hourly Wage	Benefits Provided	# of Positions Created	# of Positions Retained
Executive	*	Health Care, Workers Compensation, Vacation, etc.		
Professional	*	Health Care, Workers Compensation, Vacation, etc.		
Managerial	*	Health Care, Workers Compensation, Vacation, etc.		
Administrative	*	Health Care, Workers Compensation, Vacation, etc.		
General Labor	*	Health Care, Workers Compensation, Vacation, etc.	110	
Other				
Total *2324	\$58,300/year	Health Care, Workers Compensation, Vacation, etc.	110	2,324

\* For confidentiality purposes, the above numbers are shown in total.

11. Infrastructure improvements/modifications sought: N/A

12. Will application be made to Tarrant County?  Yes  No  
*If yes, please contact Tarrant County Administrator's Office (817-884-2643) for separate application*

13. On an attachment, describe why incentives are necessary for the success of this project and, how the improvements will benefit the property at the conclusion of the incentives (Include any documentation necessary to substantiate your request and if any other locations are under consideration). Refer to Cover Letter

14. I am authorized to sign this application for incentives and to certify through my signature below that the business for whom I am authorized to sign, or a branch, division, or department of the business, does not and will not knowingly employ an undocumented worker. If, after receiving an incentive or a "public subsidy" as defined in Government Code § 2264.001(3), the business or a branch, division, or department of the business, is convicted of a violation under 8 U.S.C. § 1324a(f), the business shall repay the amount of the incentive or the public subsidy with interest, at the rate and according to the other terms provided by an agreement required under Government Code § 2264.053, not later than the 120th day after the date the City notifies the business of the violation.

I certify that the information contained herein is true and correct.

  
 Name Victoria McInnis

February 7, 2011  
 Date

Chief Tax Officer  
 Title (Must be signed by a corporate officer with signature authority)



This application must be completed and returned for consideration prior to the submission of an application for a building permit or the issuance of a certificate of occupancy, whichever comes first. Upon receipt of this application, the City of Arlington shall require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.

An electronic copy of this application is available. For more information, please call (817) 459-6112

Completed requests should be submitted to:

*City Manager's Office  
City of Arlington, M/S 03-0310  
P.O. Box 90231  
Arlington, TX 76004-0231*

## DESCRIPTION OF THE PREMISES

Being 248.73 acres of land out of the M. Harris Survey, A-704, in the City of Arlington, Tarrant County, Texas, and described as follows:

BEGINNING at an iron in the North line of East Abram Street, 300.0 feet East of the Southeast corner of Parkview Addition, said beginning point being the most Southerly Southwest corner of the General Mtrs. Corp. tract

THENCE N 0° 27' W 349.8 feet to an iron for corner;

THENCE N 89° 52' W 299.6 feet to an iron in the East line of Parkview Addition;

THENCE N 0° 20' 30" W with the East line of Parkview Addition, 918.0 feet to an iron for corner;

THENCE N 0° 42' 30" W with East line of Parkview Addition, 1108.53 feet to an iron in the South right-of-way line of the Texas and Pacific Railway, same being on a curve to the right having a radius of 2753.12 feet and a central angle of 26° 07' 30";

Thence in an Easterly direction with said curve to the right along the South right-of-way line of said railroad, 1255.33 feet to the end of said curve;

Thence S 89° 47' E with the South right-of-way line of said railroad, 2100.0 feet to the beginning of a curve to the right having a radius of 4288.82 feet and a central angle of 5° 15' 30";

Thence in an Easterly direction with said curve to the right along the South right-of-way line of said railroad, 393.48 feet to the end of said curve;

Thence S 84° 33' E with the South right-of-way line of said railroad, 93.3 feet to a point for corner;

Thence S 3° 33' W 20.1 feet to a point for corner;

Thence S 89° 25' E with South right-of-way line of said railroad, 50.2 feet to a point for corner;

Thence S 87° 07' E with the South right-of-way line of said railroad, 79.7 feet to a point for corner;



Thence S 80° 10' E with the South right-of-way line of said railroad, 59.8 feet to a point for corner;

Thence S 89° 06' E with the South right-of-way line of said railroad, 51.3 feet to a point for corner;

Thence S 78° 21' E with the South right-of-way line of said railroad, 59.4 feet to a point for corner;

Thence S 77° 41' E with the South right-of-way line of said railroad, 149.0 feet to a point in the West right-of-way line of State Highway No. 360;

Thence S 0° 05' W with the West right-of-way line of State Highway No. 360, 2148.9 feet to a point on a curve to the right having a radius of 250 feet and a central angle of 56° 20' 05";

Thence in a Southwesterly direction with said curve to the right, 245.81 feet to the end of said curve;

Thence S 71° 52' W 339.78 feet to a point on a curve to the right having a radius of 1422.4 feet and a central angle of 9° 24' 38";

Thence in a Southwesterly direction with said curve to the right, 233.62 feet to the end of said curve;

Thence S 81° 17' W 242.01 feet to the beginning of a curve to the right having a radius of 2810.79 feet and a central angle of 6° 43' 30";

Thence in a Westerly direction with said curve to the right 330.03 feet to the end of said curve, same being in the North right-of-way line of East Abram Street;

Thence N 88° 29' W 207.59 feet to a point for corner;

Thence N 89° 55' W with the North right-of-way line of East Abram Street, 2428.9 feet to the place of beginning (the "Premises").

**EXHIBIT "E"**

**TARRANT COUNTY TAX ABATEMENT POLICY AND GUIDELINES**



## **TARRANT COUNTY**

### **TAX ABATEMENT POLICY GUIDELINES AND CRITERIA**

#### **I. GENERAL PURPOSE AND OBJECTIVES**

**As authorized under Chapter 312 of the Texas Tax Code, Tarrant County has established this policy so as to work in concert with other taxing authorities as part of an overall publicly supported incentive program designed to create job opportunities that bring new economic advantages or strengthen the current economic base of our community.**

**It is the intent of the Commissioners Court to consider approval or denial of any request for tax abatement for projects in unincorporated Tarrant 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 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. Further it is the intent of Tarrant County that the County will not approve nor join an abatement agreement that provides one Tarrant County city a competitive advantage over another Tarrant County city seeking the same project or encourages an applicant to move from one Tarrant County city to another, unless such agreement is agreeable to both such incorporated cities and both parties have indicated their approval in writing to Tarrant County.**

**In the case where the property is located within a municipality's extraterritorial jurisdiction, the municipality shall be the initiating taxing entity unless expressly deferred to the County. For those areas within Tarrant County that are not located within the boundaries of an incorporated municipality and a municipality has deferred to the County or in unincorporated areas not located in a municipality's extraterritorial jurisdiction, the guidelines and criteria contained in this policy will be applied by the Commissioners Court when considering the establishment of a reinvestment zone and the adoption of an abatement agreement.**

#### **II. DEFINITIONS**

- (a) "Abatement" means the full or partial exemption from ad valorem taxes of certain real and/or personal property in a reinvestment zone designated for economic development purposes.**

- (b) **"Eligible Jurisdiction"** means Tarrant County and any municipality, school district, college district, or other entity, which is located in Tarrant County, that levies ad valorem taxes upon and provides services to property located within the proposed or existing reinvestment zone.
- (c) **"Agreement"** means a contractual agreement between a property owner and/or lessee and an eligible jurisdiction for the purposes of tax abatement.
- (d) **"Base Year Value"** means the assessed value of the applicant's real and personal property located in a designated reinvestment zone on January 1 of the year of the execution of the agreement, plus the agreed upon value of real and personal property improvements made after January 1, but before the execution of the agreement.
- (e) **"Economic Life"** means the number of years a property improvement is expected to be in service in a facility.
- (f) **"Deferred Maintenance"** means improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (g) **"Disadvantaged Business Enterprise (DBE)"** means:
  - (1) a corporation formed for the purpose of making a profit and at least 51 percent of all classes of the shares of stock or other equitable securities of which are owned by one or more persons who are socially or economically disadvantaged because of their identification as members of certain groups that have been subject to racial or ethnic prejudice or cultural bias without regard to their qualities as individuals or capabilities as a business, and whose ability to compete in the free enterprise system is impaired due to diminished opportunities to obtain capital and credit as compared to others in the same line of business who are not socially disadvantaged. "DBE" includes the State of Texas definition of historically underutilized businesses (HUBs) as defined in Texas Government Code 407.101 and as it may be updated.
  - (2) a sole proprietorship formed for the purpose of making a profit that is owned, operated, and controlled exclusively by one or more persons described in paragraph (1);
  - (3) a partnership that is formed for the purpose of making a profit in which 51 percent of the assets and interest in the partnership is owned by one or more persons described by paragraph (1), and in which minority or women partners have proportionate interest in the control, operation, and management of the partnership affairs.

- (h) **"Expansion"** means the addition of buildings, structures, fixed machinery and equipment, and fixed personal property for the purposes of increasing production capacity.
- (i) **"Facility"** means property improvements completed or in the process of construction which together comprise an integral whole.
- (j) **"Fixed Machinery and Equipment and/or Personal Property"** means tangible machinery, equipment, or personal property that is securely placed or fastened and stationary within a building or structure, or which is movable but remains at and is used solely at the project site.
- (k) **"Manufacturing Facility"** means buildings and structures, including fixed machinery and equipment, and fixed personal property, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (l) **"Modernization"** means the replacement and 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.
- (m) **"New Facility"** means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (n) **"Other Basic Industry"** means 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 or services which primarily serve a market outside Tarrant County [or the Fort Worth Consolidated Metropolitan Statistical Area] and result in the creation of new permanent jobs and bring new wealth in to Tarrant County.
- (o) **"Regional Distribution Center Facility"** means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility operator.
- (p) **"Non-Manufacturing Facilities"** means buildings and structures, used to service and/or house individuals on a permanent or temporary basis.
- (q) **"Regional Service Facility"** means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used to service goods.

- (r) **“Reinvestment Zone”** is an area designated as such for the purpose of tax abatement as authorized by Chapter 312 of the Texas Tax Code.
- (s) **“Regional Entertainment Facility”** means buildings and structures, including machinery and equipment, used or to be used to provide entertainment through the admission of the general public where the majority of the users reside at least 100 miles from its location in the County.
- (t) **“Regional Retail Facility”** means buildings and structures including fixed machinery and equipment used or to be used to provide retail services from which a large portion of the revenues generated by the activity at the facility are derived from users outside the County.
- (u) **“Research Facility”** means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

### **III. ABATEMENT AUTHORIZED**

- (a) **Authorized Facility.** A facility may be eligible for abatement if it is a Manufacturing Facility, a Research Facility, a Regional Distribution Center Facility, A Regional Service Facility, a Regional Entertainment Facility, Regional Retail Facility, a Non-Manufacturing Facility, or Other Basic Industry as defined. The economic life of a facility and any improvements must exceed the life of the abatement agreement.
- (b) **Creation of New Value.** Abatement may be only granted for the additional value of eligible property improvements made subsequent to and listed in an abatement agreement between the County and the property owner and lessee, subject to such limitations as Commissioners Court may require.
- (c) **New and Existing Facilities.** Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- (d) **Eligible Property.** Abatement may be extended to the value above the Base Year Value of buildings, structures, fixed machinery and equipment, fixed personal property, and site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility.
- (e) **Ineligible Property.** The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; private aircraft; deferred maintenance investments; property to be rented or leased except as provided in Section 3 (f); also, any property included in the calculation of base year value as defined.

- (f) **Owned/Leased Facilities.** If a leased facility is granted abatement the agreement shall be executed with the lessor and the lessee.
- (g) **Value and Term of Abatement.** Abatement shall be granted effective with the execution of the agreement. The value of the abatement will be determined based on the merits of the project, including, but not limited to, total capital investment value and added employment. Up to one hundred percent of the value of new eligible properties may be abated for a total term of abatement not to exceed ten years. However, a project must provide an extraordinary economic benefit to the County to be considered for a one hundred percent abatement.
- (h) **Economic Qualification.** In order to be eligible for designation as a County reinvestment zone and/or receive County tax abatement, the planned improvement:
- (1) for new businesses, must be reasonably expected to produce a minimum added value of Five Million Dollars (\$5,000,000) in real and personal property to Tarrant County and create and sustain a minimum of 25 new full-time jobs.
  - (2) for expansions or modernizations of existing businesses, must be reasonably expected to produce a minimum added value of Three Million Dollars (\$3,000,000) in real and personal property improvements to Tarrant County, and sustain existing employment levels.
  - (3) must not be expected to solely or primarily have the effect of transferring employment from one part of Tarrant County to another without a majority vote of approval from the Commissioners Court.
  - (4) must be necessary for expansion and/or modernization because the capacity cannot be provided efficiently utilizing existing improved property when reasonable allowance is made for necessary improvements.
  - (5) the above investment and employment minimums may be waived at the discretion of the Commissioners Court for projects located in Federal or State designated Enterprise Zones.
- (i) **Additional Criteria For Abatement.** To be eligible for abatement, the project must be expected to meet the specific goals and requirements as noted below. If a company is unable to meet the minimum requirements of this section, a variance must be requested with a detailed explanation as to the circumstances that preclude the company from meeting the minimum requirements.
- (1) **Use of DBE and Tarrant County Businesses.** The project must provide for the utilization of Disadvantaged Business Enterprises for a minimum of 15% of the total costs for construction contracts and annual supply and service contracts.

Additionally, the project must provide for the utilization of Tarrant County businesses for a minimum of 25% of the total costs for construction contracts and annual supply and services contracts.

- (2) **Tarrant County Employment.** The company must hire Tarrant County residents for a minimum of 25% of the new full time jobs to be created by the project. Residents, for the purpose of this policy, are those employees who reside in Tarrant County, whether through relocation or existing residency.
  - (3) **Environmental Impacts.** Environmental impact information must be provided, noting any anticipated impacts of the project on the environment, including, but not limited to, water quality, storm water and runoff, floodplain and wetlands, solid waste disposal, noise levels, and air quality. Additionally, the company must provide a written company policy on air quality mitigation, the company's plan for participation in the region's Ozone Action Program, and a report of employer assistance in encouraging alternative commute programs and employee trip reductions. For companies new to the region, the above policies and plan must be completed and presented within the first year of the abatement.
  - (4) **Employee Benefits.** The company must offer a health benefit plan to its full-time employees at a rate that is reasonable to the majority of its employees and which allows access to the plan by the employees' dependents. For additional consideration, the company may provide information on other employee benefits provided, such as retirement/pension programs and subsidies for education, job-training, transportation assistance and child/elderly care.
- (j) **Taxability.** From the execution of the abatement to the end of the agreement period taxes shall be payable as follows:
- (1) The value of ineligible property as provided in Section III (e) shall be fully taxable;
  - (2) The base year value of existing eligible property shall be fully taxable, as well as the value of any existing personal property currently on the tax rolls in Tarrant County that is either moved to a new abated location or is replaced due to modernization or expansion.
  - (3) The additional value of new eligible property shall be taxable in the manner and for the period provided for in the abatement agreement, subject to the terms described in Section III (g); and
  - (4) The additional value of new eligible property shall be fully taxable at the end of the abatement period.



#### **IV. APPLICATION**

- (a) Any present or potential owner of taxable property in Tarrant County may request the creation of a reinvestment zone and/or tax abatement by filing a written request with the County Judge.**
- (b) The application shall consist of a completed application form including, but not limited to: a general description of the new improvements to be undertaken; a descriptive list of the improvements for which an abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and property description; a time schedule for undertaking and completing the proposed improvements; employment and contract information; the location of existing company locations in Tarrant County and the surrounding counties and the expected number of transferring employees; details of the environmental impacts of the project, and employee benefit information. In the case of modernization a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application.**
- (c) All applications for creation of reinvestment zones or abatements shall incorporate a feasibility study estimating the economic effect of the proposed reinvestment zone and tax abatement on Tarrant County, other eligible participating jurisdictions, and the applicant.**
- (d) Upon receipt of a completed application for creation of a reinvestment zone, the County Judge shall notify in writing and provide a copy of the application to the presiding officer of the governing body of each eligible jurisdiction.**
- (e) Upon receipt of a completed application and/or request to participate with a municipality in an abatement agreement, Tarrant County Administrator's Office must review and provide recommendation to the Commissioners Court within 30 days and before the public hearing.**
- (f) The County shall not establish a reinvestment zone, nor participate in an abatement, if it finds that the application for County reinvestment zone/tax abatement was filed after the commencement of construction, alteration, or installation of improvements related to the proposed modernization, expansion or new facility.**
- (g) Variance. Request for variance from the provisions of this policy must be made in written form to the County Judge and submitted with the application for abatement, provided, however, the total duration of an abatement shall in no instance exceed ten years. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Request for variance must**

be approved by a majority vote of the Commissioners Court.

**V. PUBLIC HEARINGS AND APPROVAL**

- (a) For projects in unincorporated Tarrant County, the Commissioners Court may not adopt a resolution designating a County reinvestment zone until it has held a public hearing at which interested persons are entitled to speak and present evidence for or against the designation. Notice of the hearing shall be clearly identified on the Commissioners Court agenda at least 30 days prior to the hearing. The presiding officers of eligible jurisdictions shall be notified in writing at least 15 days prior to the hearing.
- (b) Prior to entering into a tax abatement agreement the 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.
- (c) In order to enter into a tax abatement agreement, the Commissioners Court must find that the terms of the proposed agreement meet these Guidelines and Criteria and that:
  - (1) there will be no substantial adverse affect on the provision of the jurisdiction's service or tax base: and
  - (2) the planned use of the property will not constitute a hazard to public safety, health or morals.
- (d) Any application requesting a variance under Section IV (g) shall be approved by a majority vote of the Commissioners Court. No application which deviates from the requirements of these Guidelines and Criteria shall be approved unless accompanied by a request for variance as provided under Section IV (g).

**VI. AGREEMENT**

- (a) After approval the County shall formally pass a resolution and execute an agreement with the owner of the facility and lessee as required. The Court Order shall include:
  - (1) estimated value of real and personal property to be abated and the base year value;
  - (2) percent of value to be abated each year as provided in Section III (g);
  - (3) the commencement date and the termination date of abatement;
  - (4) the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provide in Section IV (b);

- (5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in Sections III (a), III (e), III (g) VII, VIII, and IX, or other provisions that may be required for uniformity or by state law, and;
- (6) a statement of the facility owner's policy regarding Disadvantaged Business Enterprises (DBEs), and the estimated dollar amount and percentage of total contracts to be awarded to DBEs for construction, professional services, purchases of equipment and supplies and other services required for the abated improvements;
- (7) amount of investment and average number of jobs involved; and
- (8) an assessment of the environmental impacts of the project, including a statement of the owner's policy addressing regional air quality and information on the use of alternative fuels in fleet vehicles.
- (9) a statement indicating the provision of a health care benefit plan for employees and dependents.

Such agreement shall normally be executed within 60 days after the applicant has forwarded all necessary information and documentation to the County.

- (b) Participation in tax abatement agreements with municipalities requires additional information to be included in the Court Order approving the agreement, as follows:
  - (1) a copy of the agreement between the applicant and municipality shall be attached and made apart of the Court Order for all purposes;
  - (2) authorization for the County Judge to execute a signatory page on behalf of the Commissioners Court which shall be attached and made part of the original agreement.

## **VII. RECAPTURE**

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.

#### **VIII. ADMINISTRATION**

- (a) **The Chief Appraiser of the County shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the chief Appraiser shall notify the affected jurisdictions which levies taxes of the amount of the assessment.**
- (b) **The agreement shall stipulate that employees and/or designated representatives of the County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.**
- (c) **Upon completion of construction the County and/or the jurisdiction creating the reinvestment zone shall annually (or at such other times as deemed appropriate by the Commissioners Court) evaluate each facility receiving abatement to ensure compliance with the agreement and report possible violations to the contract and agreement to the Commissioners Court and the District Attorney. On or before April 30th of every year during the life of the abatement agreement, the company or individual receiving the abatement shall complete and file a Tax Abatement Evaluation Report, along with other required written documentation, detailing and certifying the abatement recipient's compliance with the terms of the abatement agreement. Failure to provide information requested in the compliance evaluation by the prescribed deadline may result in taxes abated in the prior year being due and payable. The company or individual receiving a tax abatement shall provide information to the County for the evaluation which shall include, but not be limited to, the following:**

  - (1) **the number and dollar amounts of all construction contracts and subcontracts awarded on the project;**
  - (2) **the total number of employees of the company, their gross salaries, and the number of employees residing in Tarrant County and their gross salaries, reported in job classifications appropriate to the employee;**
  - (3) **the gross dollars spent on supplier and professional service contracts, indicating the amounts by contract awarded and performed by Tarrant County business and individuals;**

- (4) the dollar amount of contracts awarded to Disadvantaged Business Enterprises;
- (5) detail of actions taken to mitigate any adverse environmental impacts of the project, if applicable; and
- (6) should the dollars, percentages, or actions not meet the original or modified requirements of the abatement agreement, a statement shall be provided explaining the reason for the failure to meet the requirements and a recommended course of rectification.

#### **IX. ASSIGNMENT**

Tax abatement agreements may be assigned to a new owner or lessee of the facility with the written consent of the Commissioners Court, which consent shall not be unreasonably withheld. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in the agreement. Any assignment of a tax abatement agreement shall be to an entity that contemplates the same improvements or repairs to the property, except to the extent such improvements or repairs have been completed. No assignment shall be approved if the assignor or the assignee are indebted to the County for ad valorem taxes or other obligations.

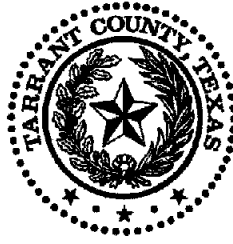
#### **X. SUNSET PROVISION**

These Guidelines and Criteria are effective on January 1 of the year following the date of their adoption and will remain in force for two years, at which time all reinvestment zones and tax abatement contracts created pursuant to its provisions will be reviewed by the County to determine whether the goals have been achieved. Based on that review, the guidelines and Criteria will be modified, renewed or eliminated. These Guidelines and Criteria may be amended by Commissioners Court at any time during their effective period.

**SURE**<sup>TM</sup>

T E C H N O L O G I E S  
B Y A L P H A C O R P ®

110422



## RESOLUTION

### PARTICIPATION IN TAX ABATEMENT GENERAL MOTORS, LLC 2011 TAX ABATEMENT

**WHEREAS**, General Motors, LLC, an entity duly authorized to do business in the State of Texas, and duly acting by and through its authorized officers, (hereafter referred to collectively as "Owner"), plans to expand and retool certain facilities on real property under its ownership, more particularly described in the Abatement Agreement attached hereto and incorporated herein by reference ("Real Property"), located in the City of Arlington; and

**WHEREAS**, the Real Property is located within Tarrant County (the "County"), a political subdivision of the State of Texas, which Real Property is located within the City of Arlington; and

**WHEREAS**, the Real Property and all improvements and tangible personal property thereon, whether now existing or hereinafter to be constructed, are subject to ad valorem taxation by the City of Arlington and the County; and

**WHEREAS**, the Real Property and all improvements thereon are located in Reinvestment Zone Number Thirty-Three in the City of Arlington, a reinvestment zone for the purpose of tax abatement as authorized by Chapter 311 and 312 of the Texas Tax Code, as amended (the "Code"); and

**WHEREAS**, on the 10<sup>th</sup> day of May, 2011, the City Council of the City of Arlington approved a tax abatement agreement as to certain improvements thereon; and

**WHEREAS**, the Tax Abatement Agreement (the "Agreement") between Tarrant County and Owner, provides for the construction and installation of certain improvements consisting of facility expansion and replacement and retooling of equipment for assembly of the next generation truck/sport utility vehicle line, providing an estimated added market value of over \$100,000,000 to be completed by December 31, 2014; and

**WHEREAS**, the Agreement with the Owner is conditioned upon continued operation of the plant and retention of jobs; and

**WHEREAS**, the Commissioners Court has been requested by the Owner to take the steps required pursuant to the Code to permit tax abatement with respect to that portion of the Real Property and the improvements thereon which are subject to the taxing jurisdiction of the County, and has further requested that the County enter in the Agreement; and

**WHEREAS**, the County has approved the Tarrant County Tax Abatement Policy Statement Guidelines and Criteria for granting tax abatement in reinvestment zones in Tarrant County;

**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED** by the Commissioners Court of Tarrant County, Texas:

1. That all recitals set forth in the preamble are hereby found to be true and correct;
2. That the Commissioners Court shall have prudently reviewed each tax abatement agreement approved by a municipality having taxing jurisdiction with respect to property located in the County and within a reinvestment zone designated by such municipality; and according to the adopted guidelines and criteria for tax abatement of the County, shall prudently review and consider each proposed County tax abatement agreement providing participation in tax abatement with a municipality; and shall, solely at its discretion, approve those tax abatement agreements that it finds meet all constitutional and statutory criteria and requirements, and which it finds to be in the best interest of the taxpayers and citizens of the County; and
3. That the Commissioners Court hereby finds that the terms and conditions of the Agreement substantially meet its guidelines and criteria; that the Agreement for the abatement of certain County and Hospital District Taxes be and is hereby approved; that the County and its Commissioners Court hereby agree to enter into the Agreements as a party thereto; and the County Judge of the County be and is hereby authorized and directed to execute and deliver said Agreement on behalf of the County and its Commissioners Court, substantially in the form attached hereto, and carry out the terms thereof at the appropriate time(s).

**PASSED AND APPROVED, IN OPEN COURT**, this 17<sup>th</sup> day of May, 2011, through Court Order No. 110422.

Absent  
B. Glen Whitley, County Judge

Roy C. Brooks  
Roy C. Brooks  
Commissioner, Precinct 1

Andy H. Nguyen  
Andy H. Nguyen  
Commissioner, Precinct 2

Gary Fickes  
Gary Fickes  
Commissioner, Precinct 3

J.D. Johnson  
J.D. Johnson  
Commissioner, Precinct 4



THE STATE OF TEXAS §

Tax Abatement Agreement

COUNTY OF TARRANT §

THIS Agreement is executed by and between **GENERAL MOTORS, LLC**, an entity duly authorized to do business in the State of Texas, acting by and through its authorized officer (hereafter referred to as "**OWNER**"), and **TARRANT COUNTY, TEXAS**, acting by and through its County Judge or his designee, (hereafter referred to as "**COUNTY**").

WITNESSETH:

WHEREAS, the Tarrant County Commissioners Court has resolved that the COUNTY may elect to participate in tax abatement

WHEREAS, the Commissioners Court, in accordance with law, has adopted a Policy Statement for Tax Abatement, herein contained as **Exhibit "E"**, which constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the COUNTY; and

WHEREAS, the Premises (as hereafter defined) and the Eligible Property (as hereafter defined) are located in the Reinvestment Zone Number Thirty-Three in the City of Arlington, Texas, established by City Ordinance No. 11-026, being a commercial-industrial reinvestment zone for the purpose of tax abatement as authorized by Chapter 311 and 312 of the Texas Tax Code, as amended; and

WHEREAS, on the 10<sup>th</sup> day of May, 2011, the City Council of the City of Arlington approved and authorized the execution and delivery of a Tax Abatement Agreement (the "Agreement") as to the Eligible Property thereon; and

WHEREAS, OWNER submitted an application for tax abatement to the County concerning the contemplated Improvements to the Premises (the "Application for Tax Abatement"), attached hereto and incorporated herein as **Exhibit "D"**, in order to provide for expansion and retooling of their facility for the production of the next generation truck and/or sport utility vehicle; and

WHEREAS, the Commissioners Court finds that the contemplated use of the Premises, the Eligible Property and the terms of this Agreement are consistent with encouraging development of the Zone in accordance with the purposes for its creation and are in compliance with the Policy Statement and other applicable law;

NOW THEREFORE, the COUNTY and OWNER, for and in consideration of the mutual premises and promises contained herein, do hereby agree, covenant and contract as set forth below:

**I.**  
**Definitions**

- A. "Added Market Value" is defined as the market value of Eligible Property.
- B. "Effective Date" is defined as January 1, 2011.
- C. "Eligible Property" is defined as Personal Property Improvements made for the next generation truck conversion of the Arlington truck assembly facility as described in **Exhibit "A"**, delivered to, installed or placed on the Premises after the Effective Date of this Agreement and through December 31, 2014.
- D. "Job" is defined as a permanent, full-time employment position with General Motors that results in employment on the Premises of at least one thousand, eight hundred and twenty (1,820) hours per position in a year. Part-time positions shall not be included in this definition. Outsourced or contracted positions shall not be included in this definition.
- E. "Personal Property Improvements" are defined as tangible personal property (except inventory or supplies) delivered to, installed or located on the Premises as described in **Exhibit "A"**.
- F. "Premises" are defined as the real property (land and improvements) as described by metes and bounds in **Exhibit "B"** which existed on January 1, 2011, within Reinvestment Zone Number Thirty-Three, that are owned by and operated by OWNER. **Exhibit "B"** is attached hereto and incorporated for all purposes.
- G. "Reinvestment Zone Number Thirty-Three" is defined as the real property located in the City of Arlington and described by City of Arlington Ordinance No. 11-026 (attached hereto as **Exhibit "C"**).
- H. "Real Property Improvements" are defined as improvements to the Premises and shall include buildings, structures or fixtures erected or affixed to land.

**II.**  
**General Provisions**

- A. The Premises are not in an improvement project financed by tax increment bonds.
- B. Neither the Premises nor any of the Improvements covered by this Agreement are owned or leased by any member of the Commissioners Court, or any member of the governing body of any taxing units joining in or adopting this Agreement.

**III.**  
**Improvement Conditions and Requirements**

- A. OWNER shall improve the Premises by (i.) completing the Eligible Property described in **Exhibit "A"** in accordance with this Agreement, and (ii.) completing construction of Real Property Improvements of at least a 100,000 square foot expansion to the facility.

- B. OWNER's completion of the Eligible Property described in **Exhibit "A"** of this Agreement must result in Added Market Value of not less than One Million Dollars (\$1,000,000) not later than January 1, 2013 and result in an additional Added Market Value of not less than Ninety-Nine Million Dollars (\$99,000,000) not later than January 1, 2015, for a total initial value of \$100,000,000. Such value shall be calculated by adding each of the initial values for tax years 2012 through 2015. Initial values shall be calculated by adding each tax years' first year capitalizations (acquired in 2011 through 2014) multiplied by the applicable Tarrant Appraisal District depreciation multiplier. (Example: machinery and equipment capitalized in 2011 through 2014 would be multiplied by the applicable Tarrant Appraisal District depreciation multiplier, the process would be repeated for each class of personal property and added together in total for the applicable tax years to determine the total initial value.)
- C. OWNER will maintain employment of a least 2,300 Jobs on the Premises during the term of the abatement.
- D. OWNER shall operate and maintain on the Premises the Eligible Property described in Exhibit "A" for the duration of this agreement.
- E. All proposed Eligible Property shall conform to the applicable building codes, zoning ordinances and all other ordinances and regulations of the City of Arlington and/or Tarrant County.
- F. OWNER agrees and covenants that it will diligently and faithfully pursue the completion of the Eligible Property. OWNER further covenants and agrees that it will use all reasonable efforts to cause the Eligible Property to be constructed in a good and workmanlike manner and in accordance with all applicable state and local laws and regulations.
- G. The Premises and all Improvements must conform to all applicable state and federal laws and regulations to air pollution and air quality.

**IV.**  
**Abatement Allowed**

- A. As set forth in this section, tax abatement allowed herein shall be for Tarrant County and Tarrant County Hospital District ad valorem personal property taxes, relative to Added Market Value of the Eligible Property located on the Premises, subject to the following terms and conditions.
- B. If the Improvement Conditions and Requirements set forth in Section III herein are met, COUNTY agrees to exempt from taxation up to seventy percent (70%) of the Added Market Value of the Eligible Property in accordance with the various requirements established by terms of this Agreement and to be calculated as set forth below. The abatement period shall be from tax year beginning January 1, 2013 through and including tax year January 1, 2019.
  - 1. Base Abatement - If OWNER (i.) improves the Premises and adds the required Eligible Property to the Premises as set forth in Section III A. and B., (ii.) maintains employment as set forth in Section III.C., and (iii.) employs Tarrant

County residents for a minimum twenty-five percent (25%) of all Jobs, COUNTY shall exempt from taxation forty-five percent (45%) of the Added Market Value of the Eligible Property. Failure to meet the above requirements for Jobs and Tarrant County resident employment shall be cause for a reduction in the percentage abatement for any year in which the requirements are not met, as set forth in Section IV.B.2.

The exemption may begin in the first year any portion of the Eligible Property is added to the tax roll, but if the Added Market Value requirements as set forth in Section III.B. are not met, the COUNTY may recapture taxes abated in accordance with Article VII of this Agreement.

2. Reduction to Base Abatement - In any year that employment levels do not meet the minimum requirements set forth in Section IV.B.1.(ii.) and (iii.), the COUNTY shall reduce the base abatement percentage for that year as follows:
  - a. If the actual number of Jobs falls below the minimum Jobs requirement, OWNER will receive a one percent (1%) reduction for up to each one percent (1%) deficiency from the minimum Jobs requirement. (Example: One percent (1%) of the minimum Jobs requirement is 23. For total Jobs of 2,299 down to 2,277, the base abatement would be reduced by 1%. For total Jobs of 2,250, which would be 50 Jobs less than the minimum Jobs requirement, the base abatement would be reduced by 3%.)
  - b. If less than twenty-five percent (25%) of all Jobs are filled by Tarrant County residents, OWNER will receive a fifteen percent (15%) reduction.
3. Additional Percentage Abatement - In any year that OWNER is eligible to receive a tax exemption under Sections IV.B.1 and 2, COUNTY agrees to exempt from taxation up to an additional twenty-five percent (25%) of the Added Market Value of the Eligible Improvements in any year that OWNER meets one or more of the additional requirements as follows:
  - a. For total Jobs above 2,300, OWNER will receive an additional one percent (1%) abatement for each 20 jobs added, up to a maximum of fifteen percent (15%) additional abatement.

(Example: A total of 2,342 Jobs would be 42 additional jobs, which would provide for 2% additional abatement; a total of 2,410 Jobs would be 110 additional jobs, which would provide for 5% additional abatement.)
  - b. For employment of Tarrant County residents for more than sixty-five percent (65%) of all Jobs, OWNER will receive an additional 5% abatement.
  - c. For use of Disadvantaged Business Enterprise (as defined in the Tarrant County Tax Abatement Police Guidelines and Criteria attached hereto as Exhibit "E") contractors for greater than twenty percent (20%) of the total Construction Costs of the Real Property Improvements, OWNER will receive an additional five percent (5%) abatement for each year of the term of the abatement.

- d. For use of Tarrant County contractors (defined as a contractor with an office location or business address in Tarrant County) for greater than thirty percent (30%) of the total Construction Costs of the Real Property Improvements, OWNER will receive an additional five percent (5%) abatement for each year of the term of the abatement.

For purposes of this Section, "**Construction Costs**" shall mean site development and building costs, including, without limitation, actual construction costs, signage costs, contractor fees, the costs of supplies and materials, engineering fees, architectural fees and other professional costs, and development and permitting fees expended directly in connection with the construction of the Real Property Improvements.

## V.

### Reports, Audits and Inspections

- A. Annual Certification and Reports - Pursuant to state law, OWNER shall certify annually to taxing units that OWNER is in compliance with the terms of the tax abatement agreement, and shall provide taxing units with reports and records reasonably necessary to support each year of the agreement, as follows:
  1. Certification - OWNER shall complete and certify a Tax Abatement Certification to be provided by COUNTY for each year of the tax abatement agreement, to be due annually not later than April 30. This certification shall include information supporting job creation and retention requirements, reports on Eligible Property values and costs, a narrative description of the project's progress, and other submittals required by the tax abatement agreement.
  2. Eligible Property Reports - At a minimum, OWNER shall make available on request the following information annually on all Eligible Property for which OWNER seeks tax abatement:
    - a. Property description;
    - b. Asset number;
    - c. Payment date for property located on Premises; and
    - d. Cost.
  3. Eligible Property Reports for Projects in Progress - For projects in progress for which fixed asset numbers have not been assigned, the Eligible Property report shall provide information in sufficient detail to identify the Eligible Property to be installed on the Premises. At a minimum, this information shall include:
    - a. Description of materials, machinery and equipment;
    - b. Vendor name, invoice date, invoice number and invoice amount; and

- c. Payment date for property located on Premises.
- 4. Reports on Equipment Replaced or Removed - Additionally, OWNER agrees to provide COUNTY, on request, information on Eligible Property for which OWNER has received tax abatement and which has been replaced or removed from the Premises. At a minimum, this information shall include:
  - a. Property description;
  - b. Asset number; and
  - c. Approximate date of disposal.
- 5. Report Upon Project Completion - Within one-hundred eighty (180) days of completion of the Eligible Property, OWNER shall provide COUNTY with a final Eligible Property Report that shall describe all Eligible Property for which the owner is granted tax abatement. This report shall be accompanied by the opinion of an independent certified public accountant as to its accuracy and completeness. The report may contemplate a reconciliation of the general ledger to the personal property rendition to satisfy this requirement.
- 6. Additional Reports - Additionally, throughout the term of this agreement, OWNER shall furnish COUNTY any additional records and information reasonably requested to support the reports required by this agreement.
- B. Right to Audit Books and Records - COUNTY shall have the right to audit the books and records related to the Eligible Property and supporting the Eligible Property reports. COUNTY shall notify OWNER in advance in writing of their intent to audit in order to allow OWNER adequate time to make such books and records available.
- C. Inspection - At all times throughout the term of this Agreement, COUNTY and the Tarrant Appraisal District (TAD) shall have reasonable access to the Premises for the purpose of inspecting the Premises to ensure that the Eligible Property is constructed, installed, maintained and operated in accordance with the terms of this Agreement. All inspections shall be conducted in a manner as to not unreasonably interfere with the installation of the Eligible Property or the operation of the Premises. The inspections shall be conducted within a reasonable time period after notice by COUNTY or TAD to OWNER, provided, however, that all inspections shall be made with one (1) or more representative(s) of OWNER present and in accordance with the safety standards of OWNER.

## VI. Use of Premises

The Premises at all times shall be used in a manner that is consistent with the City of Arlington zoning ordinances and consistent with the general purpose of encouraging development within the Reinvestment Zone. Both parties acknowledge that the use of the Premises for the assembly of trucks or automobiles and related activities in accordance with this Agreement is consistent with such purposes.

**VII.**  
**Breach and Recapture**

- A. **Breach** - A breach of this Agreement may result in termination or modification of this Agreement and recapture by COUNTY of taxes which otherwise would have been paid since the execution of this Agreement to COUNTY without the benefit of the Abatement, as set forth in Sections VII(B) and VII(C). Penalty and interest on recaptured taxes will be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas, and such taxes shall become due sixty (60) days following notice of breach and after the expiration of any cure period as provided in Section VII(B). The following conditions shall constitute a breach of this Agreement:
1. OWNER terminates the use of the Premises for the assembly of trucks or automobiles and related activities at any time during the term of the Agreement; or
  2. OWNER fails to meet the Abatement Conditions and Requirements as specified in Section III A., B., D., E., F., or G. above; or
  3. OWNER allows its ad valorem taxes on any property located within Tarrant County owed to COUNTY to become delinquent; or
  4. OWNER fails to comply with the requirements and provisions described in Sections V and XX of this Agreement.
- B. **Notice of Breach** - In the event that COUNTY makes a reasonable determination that OWNER has breached this Agreement, then COUNTY shall give OWNER written notice of such default. OWNER has sixty (60) days following receipt of said written notice to reasonably cure such breach, or this Agreement may be terminated by COUNTY, and recapture of abated taxes may occur. Notice of default shall be in writing and shall be delivered by personal delivery or certified mail to OWNER at its address provided in Section IX of this Agreement. It shall be the duty of COUNTY to determine whether to require recapture and payment of abated taxes and to demand payment of such.
- C. **Recapture** - During the first five (5) years of this Agreement, should OWNER commit a breach of this Agreement according to items A(1), (2) (3) or (4) of this Section VII, and OWNER does not cure as provided in VILB. above during the cure period, COUNTY may terminate this Agreement and recapture all taxes abated under this Agreement up to the time of breach. During years six (6) through seven (7) of this Agreement, should OWNER commit a breach of this Agreement according to Items A(1), (2), (3) or (4) of this Section VII, COUNTY may terminate this Agreement and recapture taxes abated for the calendar year during which the breach is committed.
- D. **Tax Lien Not Impaired** - It is expressly agreed and acknowledged between the parties to this Agreement that nothing in this Agreement shall be deemed or construed to affect the lien for taxes against the property established by Section 32.01 of the Tax Code of the State of Texas. Such lien shall secure the payment of all taxes, penalties and interest ultimately imposed on the property, including any taxes abated and subject to recapture under this Agreement. Any such lien may be fully enforced pursuant to the provisions of

the Code. For purposes of this Subsection, "property" refers to the Premises and Eligible Property described herein.

**VIII.**  
**Effect of Sale or Lease of Property**

The abatement granted by this Agreement shall not be assignable to any new owner or lessee of all or a portion of the Premises or Eligible Property unless such assignment is approved in writing by the COUNTY.

**IX.**  
**Notice**

All notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail postage prepaid or by hand delivery:

OWNER:       General Motors LLC  
                  2525 East Abram Street  
                  Arlington, Texas 76010-1346  
                  Attention: Jim Bellis

                  General Motors Company – Tax Staff  
                  Mail Code: 482-C16-B16  
                  P.O. Box 30  
                  Detroit, Michigan 48265  
                  Attn: Troy Kennedy

COUNTY:       Tarrant County  
                  County Administrator's Office  
                  100 E. Weatherford  
                  Fort Worth, Texas 76196  
                  Attention: G.K. Maenius

**X.**  
**Commissioners Court Authorization**

This Agreement was authorized by resolution of the Commissioners Court authorizing the County Judge or his designee to execute this Tax Abatement Agreement on behalf of the COUNTY.

**XI.**  
**Severability**

In the event any section, subsection, paragraph, sentence, phrase or word is held invalid, illegal or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.



**XII.**  
**Estoppel Certificate**

Any party hereto may request an estoppel certificate from another party hereto, so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which if requested will be addressed to a subsequent purchaser or assignee of OWNER, shall include, but not necessarily be limited to statements that this Agreement is in full force and effect without default (or if default exists the nature of same), the remaining term of this Agreement, the levels and remaining term of the abatement in effect and such other matters reasonably requested by the party(ies) to receive the certificates.

**XIII.**  
**Owner's Standing**

OWNER, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions or City Council actions authorizing same, and OWNER shall be entitled to intervene in said litigation.

**XIV.**  
**Applicable Law**

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State's District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

**XV.**  
**Indemnification**

It is understood and agreed between the parties that the OWNER, in performing its obligations hereunder, is acting independently, and COUNTY assumes no responsibility or liability to third parties in connection therewith, and OWNER agrees to indemnify and hold harmless COUNTY from any such responsibility or liability. It is further understood and agreed among the parties that COUNTY, in performing its obligations hereunder, is acting independently, and the OWNER assumes no responsibility or liability to third parties in connection therewith, and COUNTY agrees to the extent allowed by law to indemnify and hold harmless OWNER from any such responsibility or liability.

**XVI.**  
**Force Majeure**

It is expressly understood and agreed by the parties to this Agreement that the parties shall not be found in default of this Agreement if any party's failure to meet the requirements of this Agreement is delayed by reason of war, Act of God, fire or other casualty of a similar nature.

**XVII.**  
**No Other Agreement**

This Agreement embodies all of the agreements of the parties relating to its subject matter as specifically set out herein, supersedes all prior understandings and agreements

regarding such subject matter, and may be amended, modified or supplemented only by an instrument or instruments in writing executed by the parties.

**XVIII.**  
**Recordation of Agreement**

A certified copy of this Agreement in recordable form shall be recorded in the Deed Records of Tarrant County, Texas.

**XIX.**  
**Signatories**

This Agreement is effective and binding on those parties that have duly signed below.

**XX.**  
**Procurement of Goods and Services from Tarrant County Businesses and/or Disadvantaged Businesses Enterprises**

OWNER agrees to make all commercially reasonable efforts to satisfy the provisions and requirements as set forth in the Tarrant County Tax Abatement Policy, including those relating to Tarrant County and DBE contracting requirements. The percentage requirements pertain only to those contracts/supply/services that are within the local control of GM Arlington Plant, and does not include contracts/supplies/services that are sole source and/or purchased via a General Motors national contract. OWNER shall complete and submit all information necessary to determine to what extent these contracting percentages were met each year during the abatement period.

**XXI.**  
**Headings**

The headings of this Agreement are for the convenience of reference only and shall not affect in any manner any of the terms and conditions hereof.

**XXII.**  
**Successors and Assigns**

The parties to this Agreement each bind themselves and their successors, executors, administrators and assigns to the other party of this Agreement and to the successors, executors, administrators and assigns of such other party in respect to all covenants of this Agreement.


No successor, executor, administrator or assign is valid in the place of the parties to this Agreement without the written consent of COUNTY and such consent shall not be unreasonably withheld, provided however, the procedures set out in Section VIII, Effect of Sale or Lease of Property, is binding for the assignment situation specifically described in Section VIII. Notwithstanding the foregoing, the OWNER may assign this Agreement to any entity which is an affiliate of OWNER, without the consent of the COUNTY, in which case the benefits and obligations under this Agreement shall apply to the property and premises owned by such assignee. For purposes of the Section, an affiliate shall mean any entity which is related to OWNER through direct or indirect common ownership or control.

**XXIII.**  
**Termination**

This Agreement shall terminate, in accordance with the terms of this Agreement, unless extended by written agreement of the parties or a written instrument signed by all parties evidencing a delay by force majeure; provided however, that the period of abatement may not extend beyond seven (7) years.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written above.

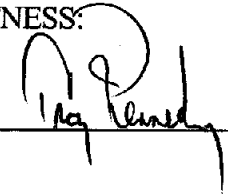
**GENERAL MOTORS, LLC**

BY   
Signature

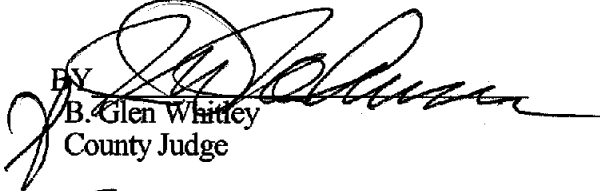
Victoria McInnis  
Type or Printed Name

Chief Tax Officer  
Type or Printed Title

9/23/11  
Date

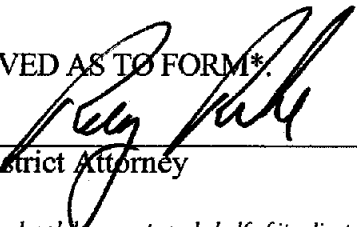
WITNESS:  


**TARRANT COUNTY, TEXAS**

BY   
B. Glen Whitley  
County Judge

5-17-11  
Date

ATTEST:  
Debbie Gordon Deputy  
Deputy County Clerk

APPROVED AS TO FORM\*  
  
Asst. District Attorney

*\* By law, the District Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our view of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval and should seek review and approval by their own respective attorney (s).*

THE STATE OF §  
COUNTY OF §

General Motors, LLC  
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of \_\_\_\_\_, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **GENERAL MOTORS, LLC**, and as the \_\_\_\_\_ thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 23<sup>rd</sup> day of September, 2011.

SHERRY G. SUTTON  
NOTARY PUBLIC, STATE OF MI  
COUNTY OF WAYNE  
MY COMMISSION EXPIRES Dec 3, 2016  
ACTING IN COUNTY OF

Sherry G. Sutton  
Notary Public in and for  
The State of Michigan

My Commission Expires \_\_\_\_\_

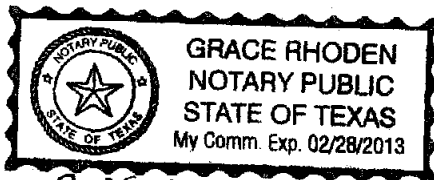
Sherry G. Sutton  
Notary's Printed Name

THE STATE OF TEXAS §  
COUNTY OF TARRANT §

Tarrant County, Texas  
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared ~~B. GLEN WHITLEY~~, <sup>W.D. Johnson, President</sup> known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of **TARRANT COUNTY, TEXAS**, as the County Judge thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 17 day of May, 2011.



2-28-2013  
My Commission Expires

Grace C Rhoden  
Notary Public in and for  
The State of Texas

Grace C Rhoden  
Notary's Printed Name

**EXHIBIT "A"**

**DESCRIPTION OF ELIGIBLE PERSONAL PROPERTY IMPROVEMENTS**

**GM Arlington Assembly Plant  
Next Generation Truck Project Description**

**Personal Property**

The Next Generation Truck Project includes the following personal property investment to be installed on the Premises:

**BODY SHOP**

- Equipment & tooling changes involving various automated cells
- Conveyor modifications

**PAINT SHOP**

- Robot Refurbishment
- Sealer Cell modifications

**GENERAL ASSEMBLY**

- Brake and Fluid Fill equipment
- Alignment equipment

**EXHIBIT "B"**  
**DESCRIPTION OF PREMISES**

**Exhibit "B"**

**(legal description of Premises)**

DESCRIPTION OF THE PREMISES

Being 248.73 acres of land out of the M. Harris Survey, A-704, in the City of Arlington, Tarrant County, Texas, and described as follows:

BEGINNING at an iron in the North line of East Abram Street, 300.0 feet East of the Southeast corner of Parkview Addition, said beginning point being the most Southerly Southwest corner of the General Motors Corp. tract

THENCE N 0° 27' W 349.8 feet to an iron for corner;

THENCE N 89° 52' W 299.6 feet to an iron in the East line of Parkview Addition;

THENCE N 0° 20' 30" W with the East line of Parkview Addition, 918.0 feet to an iron for corner;

THENCE N 0° 42' 30" W with East line of Parkview Addition, 1108.53 feet to an iron in the South right-of-way line of the Texas and Pacific Railway, same being on a curve to the right having a radius of 2753.12 feet and a central angle of 26° 07' 30";

Thence in the Easterly direction with said curve to the right along the South right-of-way line of said railroad, 1255.33 feet to the end of said curve;

Thence S 89° 47' E with the South right-of-way line of said railroad, 2100.0 feet to the beginning of a curve to the right having a radius of 4288.82 feet and a central angle of 5° 15' 30";

Thence in an Easterly direction with said curve to the right along the South right-of-way line of said railroad, 393.48 feet to the end of said curve;

Thence S 84° 33' E with the South right-of-way line of said railroad, 93.3 feet to a point for corner;

Thence S 3° 33' W 20.1 feet to a point for corner;

Thence S 89° 25' E with South right-of-way line of said railroad, 50.2 feet to a point for corner;

Thence S 87° 07' E with the South right-of-way line of said railroad, 79.7 feet to a point for corner;



Thence S 80° 10' E with the South right-of-way line of said railroad, 59.8 feet to a point for corner;

Thence S 89° 06' E with the South right-of-way line of said railroad, 51.3 feet to a point for corner;

Thence S 78° 21' E with the South right-of-way line of said railroad, 59.4 feet to a point for corner;

Thence S 77° 41' E with the South right-of-way line of said railroad, 149.0 feet to a point in the West right-of-way line of State Highway No. 360;

Thence S 0° 05' W with the West right-of-way line of State Highway No. 360, 2148.9 feet to a point on a curve to the right having a radius of 250 feet and a Central angle of 56° 20' 05";

Thence in a Southwesterly direction with said curve to the right, 245.81 feet to the end of said curve;

Thence S 71° 52' W 339.78 feet to a point on a curve to the right having a radius of 1422.4 feet and a central angle of 9° 24' 38";

Thence in a Southwesterly direction with said curve to the right, 233.62 feet to the end of said curve;

Thence S 81° 17' W 242.01 feet to the beginning of a curve to the right having a radius of 2810.79 feet and a central angle of 6° 43' 30";

Thence in a Westerly direction with said curve to the right 330.03 feet to the end of said curve, same being in the North right-of-way line of East Abram Street;

Thence N 88° 29' W 207.59 feet to a point for corner;

Thence N 89° 55' W with the North right-of-way line of East Abram Street, 2428.9 feet to the place of beginning (the "Premises").

**EXHIBIT "C"**

**ORDINANCE # 11-026 CREATING  
REINVESTMENT ZONE NUMBER THIRTY-THREE**

**Ordinance No. 11-026**

**An ordinance establishing Reinvestment Zone Number Thirty-Three; providing this ordinance be cumulative; providing for severability; providing for governmental immunity; providing for injunctions; and becoming effective upon second reading**

**WHEREAS,** the City Council of the City of Arlington, Texas, desires to promote the development or redevelopment of a certain strategic priority area within its jurisdiction by the establishment of Reinvestment Zone Number Thirty-Three for commercial-industrial tax abatement; and

**WHEREAS,** on April 7, 2009, the City Council of the City of Arlington, Texas passed Resolution No. 09-079 authorizing staff, following a briefing to City Council regarding creation of the zone, to give notice required by law to call public hearings relative to creation of reinvestment zones for tax abatement; and

**WHEREAS,** on February 22, 2011, staff briefed City Council on the creation of Reinvestment Zone Number Thirty-Three; and

**WHEREAS,** a public hearing was held at which time interested persons were entitled to speak and present evidence for or against the designation of the property described in Exhibit "A" as Reinvestment Zone Number Thirty-Three, and notice of such public hearing was published in a newspaper of general circulation in the City of Arlington not later than the seventh day before the date of the scheduled hearing; and

**WHEREAS,** the City Council of the City of Arlington has established guidelines and criteria governing tax abatement agreements and has stated that the City elects to become eligible to participate in tax abatement; **NOW THEREFORE,**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON, TEXAS:**

1.

That all of the recitals contained in the preambles of this ordinance are found to be true and are adopted as findings of fact by this governing body and as part of its official record.

2.

The City Council, after conducting a public hearing and having considered all relevant evidence and testimony, has made the following findings and determinations based on such evidence and testimony:

- A. That a public hearing on the designation of Reinvestment Zone Number Thirty-Three has been properly called, held and conducted, and that notice of such hearing was published in accordance with the law; and
- B. That the boundaries of Reinvestment Zone Number Thirty-Three should be the proposed area of land more fully described in the property description attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B"; and
- C. That the improvements sought to be made in Reinvestment Zone Number Thirty-Three are feasible and practical and would be a benefit to the land to be included in the Zone and to the City of Arlington following the expiration of an executed Tax Abatement Agreement; and
- D. That the proposed area of land to be designated Reinvestment Zone Number Thirty-Three is reasonably likely, as a result of this 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, thereby contributing to the economic development of the City of Arlington.

3.

In accordance with State law, the City of Arlington hereby officially creates Reinvestment Zone Number Thirty-Three for commercial-industrial tax abatement, which Zone shall hereafter encompass only that certain area of land more fully described in the property description attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B"; and such Reinvestment Zone shall be officially designated as Tax Abatement Reinvestment Zone Number Thirty-Three of the City of Arlington, Texas.

4.

The designation of Reinvestment Zone Number Thirty-Three of the City of Arlington, Texas shall expire Five (5) years after the effective date of its designation and may be renewed.

5.

This ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Arlington; and this ordinance shall not operate to repeal or affect any of such other ordinances except insofar as the provisions thereof might be

inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

6.

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

7.

All of the regulations provided in this ordinance are hereby declared to be governmental and for the health, safety and welfare of the general public. Any member of the City Council or any City official or employee charged with the enforcement of this ordinance, acting for the City of Arlington in the discharge of his/her duties, shall not thereby render himself/herself personally liable; and he/she is hereby relieved from all personal liability for any damage that might accrue to persons or property as a result of any act required or permitted in the discharge of his/her said duties.

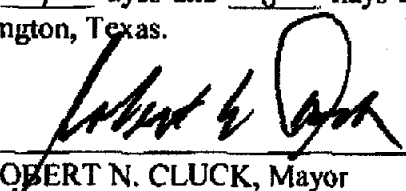
8.

Any violation of this ordinance can be enjoined by a suit filed in the name of the City of Arlington in a court of competent jurisdiction, and this remedy shall be in addition to any penal provision in this ordinance or in the Code of the City of Arlington.

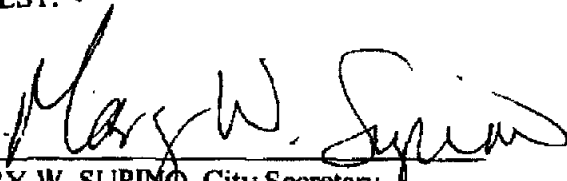
9.

This ordinance shall become effective upon second reading.

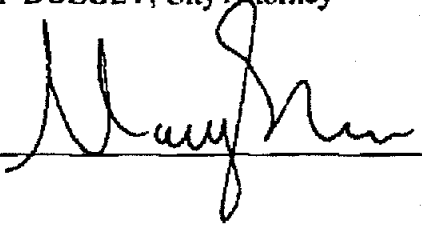
PRESENTED AND GIVEN FIRST READING on the 12th day of April, 2011, at a regular meeting of the City Council of the City of Arlington, Texas; and GIVEN SECOND READING, passed and approved on the 26th day of April, 2011, by a vote of 7 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.

  
ROBERT N. CLUCK, Mayor

ATTEST: -

  
\_\_\_\_\_  
MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:  
JAY DOEGEY, City Attorney

BY   
\_\_\_\_\_

---

**Exhibit "A"**

**Legal Property Description**

## DESCRIPTION OF THE PREMISES

Being 248.73 acres of land out of the M. Harris Survey, A-704, in the City of Arlington, Tarrant County, Texas, and described as follows:

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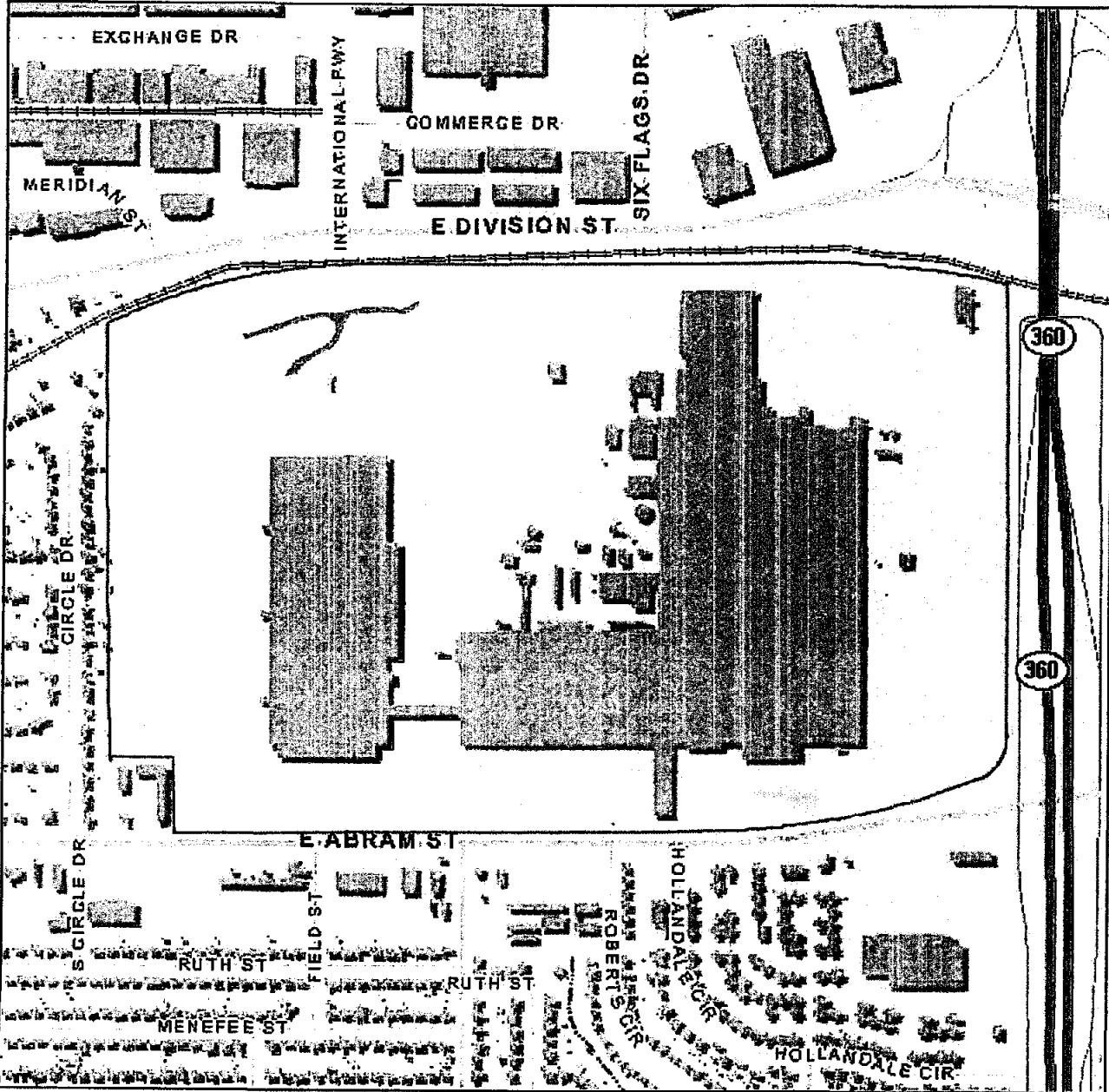
Thence N 89° 55' W with the North right-of-way line of East Abram Street, 2428.9 feet to the place of beginning (the "Premises").

---

**Exhibit "B"**

**Map**

### Reinvestment Zone #33



**BASEMAP**

- Hospitals
- Public Schools

- Elementary School
- Junior High School
- Senior High School

- Municipal Boundary
- Lake Arlington
- Roads

- Freeway
- Arterial
- Collector
- Residential
- Access Road
- Ramp
- Park Property



DISCLAIMER: This data has been compiled by the city of Arlington using various official and unofficial sources. Although every effort was made to ensure the accuracy of the data, no such guarantee is given or implied.

Map scale: 1: 9017



**EXHIBIT "D"**

**APPLICATION FOR TAX ABATEMENT**



*Arlington Assembly*

General Motors LLC  
Arlington Assembly  
2525 E. Abram  
Arlington, TX 76010-1346

February 8, 2011

Ms. Lisa McMillan  
Economic Development Coordinator  
Tarrant County Administrators Office  
100 E. Weatherford, Suite 404  
Fort Worth, TX 76196-0609

Re: General Motors LLC - Application for Tax Abatement

Dear Ms. McMillan:

The General Motors - Arlington Assembly Plant respectfully requests the participation of Tarrant County with the City of Arlington in providing tax abatements on \$254.6 million of investment for expansion and improvements to retool the facility for production of next generation trucks, as outlined in the attached "Application for Tax Abatement". This project will enable the plant to retain and grow our existing employment level.

Additional information required by the County will be provided on request to Mr. Troy Kennedy, U.S. Property Tax Manager. He can be reached at 313-665-4054 or [troy.d.kennedy@gm.com](mailto:troy.d.kennedy@gm.com). We look forward to your consideration and favorable action on this request for tax abatement.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Bellis", is written over the typed name.

Jim Bellis  
Controller  
GM - Arlington Assembly



# Tarrant County

## Application for Tax Abatement/Reinvestment Zone

### I. APPLICANT INFORMATION

Applicant/Property Owner: **General Motors LLC**  
 Company/Project Name: **Next Generation Truck Program**  
 Mailing Address: **525 E Abram Street Arlington TX 76010**  
 Telephone: **817-665-2238** Fax: **817-665-2230**

Applicant's Representative for contact regarding abatement request:

Name and Title: **Lloyd Kennedy, US Property Tax Manager**  
 Mailing Address: **Mail Code: 482-019 Bldg P.O. Box 6111 Dalton MA 01928**  
 Telephone: **313-665-4054** Fax: **313-665-4125** E-mail: **lloyd.kennedy@gm.com**

### II. PROPERTY AND PROJECT DESCRIPTION

Address and legal description of property to be considered for Tax Abatement/Reinvestment Zone: **525 E Abram Street Arlington TX 76010**

Project Description: **Truck Program**

Description of activities, products, or services produced and/or provided at project location: **Manufacturing**

Current Assessed Value: Real Property: \$ **0.000.000** Personal Property: \$ **12,072,270**

Estimated start date of construction/site improvements: **2011-08**

Projected date of occupancy/commencement of operations at project site: **2012-04**

Please indicate dates for phases if applicable: **Equipment Installation 2012-08**

Location of existing company facilities: **525 E Abram Street Arlington TX 76010**

Requested level of Tax Abatement: **100%** of eligible property for **10** years.

Explain why tax abatement is necessary for the success of this project. Include business pro-formas or other information to substantiate your request. **This project supports the general business and development of the County Tax Abatement Zone.**

### III. PROJECTED VALUE OF IMPROVEMENTS

Estimated Value of Real Property Improvements \$ **0.00**

Estimated Value of Personal Property Improvements \$ **0.00**

Will any infrastructure improvements (roads, drainage, etc.) be requested of Tarrant County for this project?

Yes  No

If yes, describe requested infrastructure improvements: **N/A**

Detail any direct benefits to Tarrant County as a result of this project (i.e., inventory tax, etc.): **Abatement will enhance the overall business case for this program and the project will generate sales tax and various other incomes to the benefit of local taxing jurisdictions.**

#### IV. EMPLOYMENT IMPACT AT PROJECT LOCATION

##### A. NEW EMPLOYMENT (NOTE: THIS PROJECT WILL ENABLE THE RETENTION OF 2,324 EMPLOYEES)

Projected number of new jobs created as a result of the proposed improvements:

Full-time  Part-Time

Provide types of jobs created and average salary levels: **Assembly jobs \$2,000/yr**

Start date and annual payroll of new permanent positions (if positions to be phased in, provide figures for each phase year): **01/2010**

Percentage of new jobs too be filled be Tarrant County residents: **100%**

Number of employees transferring from other company locations: **GM hiring practices and strict provisions of the UAW-GM National and Local Labor Agreements (NED)**

##### B. CONSTRUCTION RELATED EMPLOYMENTS

Projected number of construction related jobs: **30**

Estimated total construction payroll: \$ **Estimated \$1.6 million**

Commitment as to percentage of construction dollars to be spent with Tarrant County contractors or subcontractors: **Estimated 100%**

Commitment as to percentage & total dollars of construction contracts to be awarded to DBE: **Estimated 100%**

##### C. CURRENT COMPANY/PROJECT LOCATION EMPLOYMENT

Current Number of Employees: Full-time  Part-time

Average annual payroll: \$ **\$2.2 million total payroll including benefits**

Detail on workforce diversity – percentage breakdown of current employees by gender and ethnicity: **12/31/09: Male (74%), Female (26%), Caucasian (75%), African American (10%), Hispanic (12%), Asian (3%)**

##### D. COMPANY SPONSORED HEALTH CARE BENEFITS ARE AVAILABLE

Full-time Employees  Part-time Employees  Employee Dependents  Not Available

Average monthly employee cost for health care benefits: Individual: \$ **12.00** Family: \$ **24.00**

Other employee benefits provided or offered: **GM offers a competitive, comprehensive health care and overall compensation/benefits package to its workforce.**

**V. LOCAL BUSINESS & DISADVANTAGED BUSINESS ENTERPRISES (DBE) IMPACT**

Estimated amount of annual supply and services expenses: \$ **See Attached Exhibit A**

Detail any supply/services expenses that are sole source: **See Attached Exhibit B**

Percentage of total supplier/services expenses committed to Tarrant County businesses: **See Attached Exhibit C**

Percentage of total supplier and services expenses committed to DBE: **See Attached Exhibit D** %

**VI. ENVIRONMENTAL IMPACT OF PROJECT**

Indicate if development, construction, equipment, distribution methods, and/or operational processes may impact the environment in the following areas, attach detail if necessary:

- Air Quality  Water Quality  Solid Waste Disposal  Storm/Water Runoff   
Floodplain/Wetlands  Noise levels  Other (specify)  **See Attached Exhibit E**

Provide detail on existing and new fleet vehicles, specifying types of vehicles, quantities and fuel used (gasoline, diesel, LP gas, CNG, etc.): **See Attached Exhibit F**

**VII. ADDITIONAL INFORMATION (TO BE ATTACHED)**

- Letter addressing Economic Qualifications and additional criteria for abatement, Section III (h) and (i) of Tarrant County Tax Abatement Policy
- Descriptive list and value of real and personal property improvements
- Plat/Map of Project Location
- Project Time Schedule
- Owner's policy regarding use of disadvantaged Business Enterprises
- Owner's policy addressing regional air quality/non-attainment status (use of alternative fuels, employee trip reduction, etc.) and plan for participation in regional Ozone Action Program
- Tax Certificate showing property taxes paid for most recent year

Note: City of Arlington Abatement Application and Exhibits attached.



**VIII. CERTIFICATION**

Upon receipt of a completed application, Tarrant County may require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.\*

I certify the information contained in this application (including all attachments) to be true and correct to the best of my knowledge. I further certify that I have read the "Tarrant County Tax Abatement Policy" and agree to comply with the guidelines and criteria stated therein.



Signature

Chief Tax Officer

Title

Victoria McInnis

Printed Name

February 7, 2011

Date

Return completed application and attachments to:

Economic Development Coordinator  
Tarrant County Administrator's Office  
100 E. Weatherford Street, Suite 404  
Fort Worth, Texas 76196-0609

You may also forward an electronic copy of the completed report to:

[lmcmillan@tarrantcounty.com](mailto:lmcmillan@tarrantcounty.com)

Please note that if you do submit this form electronically, you must also submit an original hard copy of the report to the above stated physical address for proper filing and review.

For assistance call: (817) 884-2643

\* As per Section IV (f) of the Tarrant County Tax Abatement Policy Guidelines and Criteria, this application must be filed prior to commencement of construction or installation of improvements in order to be eligible for County tax abatement.



*Arlington Assembly*

General Motors LLC  
Arlington Assembly  
2525 E. Abram  
Arlington, TX 76010-1346

February 8, 2011

Exhibit A

Ms. Lisa McMillan  
Economic Development Coordinator  
Tarrant County Administrators Office  
100 E. Weatherford, Suite 404  
Fort Worth, TX 76196-0609

Dear Ms. McMillan:

This letter is intended to supplement General Motors' application for tax abatement with respect to Section V - Local Business & Disadvantaged Business Enterprise (DBE) Impact.

It will be very difficult for the GM Arlington Plant to meet the specific percentages in the Tarrant County Abatement Policy relating to purchasing transactions with Tarrant County Businesses and Disadvantaged Enterprises. As you know, GM's purchasing activities are conducted on a global basis. While this enables the company to procure materials competitively, individual plants such as Arlington are afforded minimal opportunities for establishing local contracts.

Although it will be difficult to achieve 25% of our expenditures with Tarrant County businesses, we currently do significant business within the County. For example, Lear Corporation provides the seats for our vehicles at an annual cost of \$614.7 million. Additionally, Android Industries operates from two locations in the County to sequence production parts to our assembly line at an annual cost of over \$35 million. Further, Hagemeyer, located here in Arlington, provides all of our daily indirect materials, supplies and services at an annual cost of over \$24 million. GM purchases from Tarrant County businesses continue to be significant.

The Abatement Policy also requests 15% of our spending be with Disadvantaged Business Enterprises. Again, our Global Purchasing & Supply Chain organization prepares the contracts for our various suppliers. Hagemeyer (noted above), has a contractual obligation to apply best efforts to seek low cost suppliers and to direct 5% of total purchases to Minority suppliers. GM has and continues to work very closely with Hagemeyer in an effort to increase minority supplier participation while working to improve our overall cost structure. GM will continue in good faith to encourage Hagemeyer to obtain competitive Minority supplier contracts. For reference, in 2010, GM and its suppliers spent \$2.6 billion on direct purchases from certified minority companies.

At this time, per Section IV (h), General Motors respectfully requests a deviation from Section III (i)(1) concerning use of DBE and Tarrant County businesses. The project will, however, provide for some utilization of DBE and Tarrant County businesses for construction and future supply and service contracts. GM is committed to working with our supplier partners to identify and obtain DBE contracts that meet cost and quality criteria to increase our participation in this area.

I hope this detail helps in understanding our business situation and our request for a deviation from the provisions of the policy. General Motors' appreciates the County's support and your assistance in this matter. If additional information is required, please contact me at 817-652-2248 or [james.c.bellis@gm.com](mailto:james.c.bellis@gm.com).

Sincerely,

Jim Bellis  
Controller  
GM - Arlington Assembly

## **GENERAL MOTORS-ARLINGTON, TEXAS ENVIRONMENTAL**

### **Local Air Quality:**

GM Arlington operates three thermal oxidizers to destroy all the vapors from its automated prime, base coat, and clear coat painting operations; including the curing ovens which follow the automated application processes.

100% of GM Arlington's vehicles are equipped with onboard refueling vapor recovery.

GM Arlington provides several programs which improve local air quality:

- On-site training, educational, and meeting facilities to reduce travel
- On-site drivers license renewal, local event registration, cell phone sign-up, and other services
- Staggered 1st shift "off" and 2nd shift "on" times to reduce traffic congestion
- Shift times that allow commuters to miss the peak traffic jam hours in DFW
- Preferred parking close to the entrances for motorcycle riders
- Telecommuting and leveraging for people to cover several GM sites from one location
- The most fuel-efficient full size SUVs available
- Hybrid SUV products

### **Beyond Compliance: Community**

GM Arlington supports local environmental interests by participating in:

- Arlington City Council's Citizen's Environmental Committee
- Arlington Chamber of Commerce's Environmental Subcommittee
- Tarrant County's Local Emergency Planning Committee
- North Central Texas Council of Governments' Clean Air programs
- State public hearings on environmental issues
- On-site environmental training programs for new State and Federal inspectors
- TCEQ Clean Texas program
- City of Arlington Green Team

Based on a determination by the U.S. Environmental Protection Agency, most 2010 model year GM trucks meet standards that are at least as stringent as the Federal Clean Fuel Vehicle Low Emission Vehicle (LEV) standards.

## **GM Arlington Assembly Plant Next Generation Truck Project Description**

The Next Generation Truck Project includes a 107,800 square foot expansion to the existing Body Shop building. In addition, new machinery, equipment and special tooling will be installed to retool the facility for the manufacture and assembly of trucks. This project in the amount of \$254.6 million includes the following investment:

### **Body Shop**

- Building Expansion
- Equipment and tooling changes involving various automated cells
- Conveyor modifications

### **Paint Shop**

- Robot refurbishment
- Sealer Cell modifications

### **General Assembly**

- Brake and Fluid Fill equipment
- Alignment equipment

**GM Arlington Assembly Plant  
Next Generation Truck Project Timing**

**2011 - Q3**      Start Building Expansion

**2012 - Q3**      Begin Equipment Installation

**2013 - Q3**      Start of Production

**TAX STATEMENT 2010**

STATEMENT DATE: 02/01/2011  
 ACCOUNT: 00001182080

LEGAL: HARRIS, M ADDITION  
 BLK \* LOT 1A1

OWNER: GENERAL MOTORS CO  
 PARCEL ADDRESS: 0002525 E ABRAM ST  
 EXEMPTION CODES: AB001

PIDN: 17260 1A1  
 ACRES: 248.778

LAND VALUE	IMPROVEMENT VAL	APPRAISED VALUE				
4,975,560	35,024,440	40,000,000				
TAXING ENTITIES	EXEMPTION AMOUNT	TAXABLE VALUE	TAX RATE PER \$100	BASE TAX	PENALTY & INTEREST	
ARLINGTON CITY	0	40,000,000	0.648000	259200.00	0.00	
TARRANT COUNTY	0	40,000,000	0.264000	105600.00	0.00	
T C HOSPITAL	0	40,000,000	0.227897	91158.80	0.00	
T C COLLEGE	0	40,000,000	0.137640	55056.00	0.00	
ARLINGTON ISD	0	40,000,000	1.335000	534000.00	0.00	
SUBTOTAL				1,045,014.80	0.00	
PRIOR YEARS				0.00		
<b>TOTAL AMOUNT DUE</b>				<b>0.00</b>		

This top portion and your canceled check will serve as your receipt.

^ Detach on perforation and return this portion with your check payable to:

BETSY PRICE  
 PO BOX 961018  
 FORT WORTH, TX 76161-0018  
 817/884-1100

**TOTAL AMOUNT DUE**  
**\$0.00**

^^ AMOUNT DUE ON RECEIPT ^^

OWNER: GENERAL MOTORS CO  
 PIDN: 17260 1A1

DELINQUENT DATE: 02/01/2011

ACCOUNT: 00001182080 2010

GENERAL MOTORS CO  
 200 RENAISSANCE CTR  
 DETROIT, MI 48243-1300

IF PAID IN	AMOUNT DUE
MAR 0%	0.00
APR 0%	0.00
MAY 0%	0.00
JUN 0%	0.00
JUL 0%	0.00
AUG 0%	0.00

**TAX STATEMENT 2010**

STATEMENT DATE: 02/01/2011

LEGAL: BUSINESS PERSONAL PROPERTY

ACCOUNT: 00013565427

FID ADDCH 8/2  
USMO-ARLINGTON ASSY

OWNER: GENERAL MOTORS LLC  
PARCEL ADDRESS: 0002525 E ABRAM ST  
EXEMPTION CODES: FP001 AB001 PC001

PIDN: P  
ACRES: 0

TAXING ENTITIES	EXEMPTION AMOUNT	TAXABLE VALUE	TAX RATE PER \$100	BASE TAX	PENALTY & INTEREST
ARLINGTON CITY	52,659,360	160,234,174	0.648000	1038317.45	0.00
TARRANT COUNTY	46,829,964	166,063,570	0.264000	438407.82	0.00
T C HOSPITAL	46,829,964	166,063,570	0.227897	378453.89	0.00
T C COLLEGE	41,927,307	170,966,227	0.137640	235317.91	0.00
ARLINGTON ISD	41,927,307	170,966,227	1.335000	2282399.13	0.00
SUBTOTAL				4,372,896.20	0.00
PRIOR YEARS				0.00	
<b>TOTAL AMOUNT DUE</b>				<b>0.00</b>	

*\$30 mil inventory*

This top portion and your canceled check will serve as your receipt.

^ Detach on perforation and return this portion with your check payable to:

BETSY PRICE  
PO BOX 961018  
FORT WORTH, TX 76161-0018  
817/884-1100

**TOTAL AMOUNT DUE**  
**\$0.00**

^^ AMOUNT DUE ON RECEIPT ^^

OWNER: GENERAL MOTORS LLC  
PIDN: P

DELINQUENT DATE: 02/01/2011

ACCOUNT: 00013565427 2010

GENERAL MOTORS LLC  
TAX STAFF MC 482-C14-C66  
PO BOX 300  
DETROIT, MI 48265-3000

*369*  
*319*

IF PAID IN	AMOUNT DUE
MAR 0%	0.00
APR 0%	0.00
MAY 0%	0.00
JUN 0%	0.00
JUL 0%	0.00
AUG 0%	0.00







## APPLICATION FOR INCENTIVES

### Applicant Information

1. Beneficiary of Incentives General Motors LLC – Arlington Assembly  
Property Owner , Business Owner , Leaseholder  (check all that apply)  
Mailing address General Motors LLC, MC482-C16-B16, P.O. Box 300, Detroit, MI 48265  
Telephone 313-665-4054 Fax 313-665-4125  
Cell Phone \_\_\_\_\_ Email troy.d.kennedy@gm.com
  
2. Contact Information Troy D. Kennedy  
Title U. S. Property Tax Manager  
Mailing address Same as Above  
Telephone Same as Above Fax Same as Above  
Cell Phone Same as Above Email Same as Above  
Relationship to Beneficiary: Same as above , Authorized Representative \_\_\_\_\_
  
3. Property address 2525 E. Abrams Street, Arlington, TX 76010
  
4. Property legal description (metes & bounds) See Attached Exhibit A
  
5. Attach a **complete** description of the project including: See Attached Exhibit B
  - A. Method of financing - Cash
  - B. Primary business activity at this site – Vehicle Assembly
  - C. Complete description of all land uses – Vehicle Mfg & Assy; Nat Gas Production (3<sup>rd</sup> Party)
  - D. Time schedule for completion of improvements – See Attached Exhibit C
  - E. NAICS Industry Code - 336111
  - F. Descriptive list of improvements
    1. Size 107,800 sq. ft. (see Exhibit E)
    2. Cost of construction \$13.5 Million (Additions)
    3. Value of Personal Property
      - a. Inventory \$28.5 Million (Total Facility (2010 Actual))  
What percent is eligible for Freeport Exemption (exported from Texas within 175 days) 78 % (2010 Actual)
      - b. Equipment, machinery, furnishings, etc. M&E \$67.3M (incl \$13.5 M for real property), Special Tooling \$173.8M, Total \$254.6M (including \$13.5M Building)
  - G. What taxable sales will be generated at this location \$ TBD per year
  
6. These documents **must** be submitted prior to the City staff's review of the application:
  - Property tax statement from the County Tax Office – See Attached Exhibit D
  - Plat/map of project location – See Attached Exhibit E
  
7. Level of abatement requested 100% 10 Years on  Real Property or  Business Personal Property
  
8. Describe, in detail, all other incentives sought from the City- other economic incentives, fee waivers, fast-track plans review, etc. – General Motors will also pursue fee waivers and fast-track plans review as well as permit fee reductions/eliminations. GM will also apply for Training Funds and other incentives from the State of Texas.



9. Estimated taxable value of property improvements: Real TBD Personal TBD  
*Estimated taxable value is the value of the improvements on January 1 of the year after the improvements are made.*

10. Job Creation & Retention:

Number of Full Time Equivalent Jobs	Avg. Annual, Monthly or Hourly Wage	Benefits Provided	# of Positions Created	# of Positions Retained
Executive	*	Health Care, Workers Compensation, Vacation, etc.		
Professional	*	Health Care, Workers Compensation, Vacation, etc.		
Managerial	*	Health Care, Workers Compensation, Vacation, etc.		
Administrative	*	Health Care, Workers Compensation, Vacation, etc.		
General Labor	*	Health Care, Workers Compensation, Vacation, etc.	110	
Other				
Total *2324	\$58,300/year	Health Care, Workers Compensation, Vacation, etc.	110	2,324

\* For confidentiality purposes, the above numbers are shown in total.

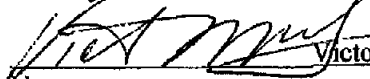
11. Infrastructure improvements/modifications sought: N/A

12. Will application be made to Tarrant County?  Yes  No  
*If yes, please contact Tarrant County Administrator's Office (817-884-2643) for separate application*

13. On an attachment, describe why incentives are necessary for the success of this project and, how the improvements will benefit the property at the conclusion of the incentives (Include any documentation necessary to substantiate your request and if any other locations are under consideration). Refer to Cover Letter

14. I am authorized to sign this application for incentives and to certify through my signature below that the business for whom I am authorized to sign, or a branch, division, or department of the business, does not and will not knowingly employ an undocumented worker. If, after receiving an incentive or a "public subsidy" as defined in Government Code § 2264.001(3), the business or a branch, division, or department of the business, is convicted of a violation under 8 U.S.C. § 1324a(f), the business shall repay the amount of the incentive or the public subsidy with interest, at the rate and according to the other terms provided by an agreement required under Government Code § 2264.053, not later than the 120th day after the date the City notifies the business of the violation.

I certify that the information contained herein is true and correct.

  
 Name Victoria McInnis  
 Date February 7, 2011

Chief Tax Officer  
 Title (Must be signed by a corporate officer with signature authority)



This application must be completed and returned for consideration prior to the submission of an application for a building permit or the issuance of a certificate of occupancy, whichever comes first. Upon receipt of this application, the City of Arlington shall require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.

An electronic copy of this application is available. For more information, please call (817) 459-6112

Completed requests should be submitted to:

*City Manager's Office  
City of Arlington, M/S 03-0310  
P.O. Box 90231  
Arlington, TX 76004-0231*

## DESCRIPTION OF THE PREMISES

Being 248.73 acres of land out of the M. Harris Survey, A-704, in the City of Arlington, Tarrant County, Texas, and described as follows:

BEGINNING at an iron in the North line of East Abram Street, 300.0 feet East of the Southeast corner of Parkview Addition, said beginning point being the most Southerly Southwest corner of the General Mtrs. Corp. tract

THENCE N 0° 27' W 349.8 feet to an iron for corner;

THENCE N 89° 52' W 299.6 feet to an iron in the East line of Parkview Addition;

THENCE N 0° 20' 30" W with the East line of Parkview Addition, 918.0 feet to an iron for corner;

THENCE N 0° 42' 30" W with East line of Parkview Addition, 1108.53 feet to an iron in the South right-of-way line of the Texas and Pacific Railway, same being on a curve to the right having a radius of 2753.12 feet and a central angle of 26° 07' 30";

Thence in an Easterly direction with said curve to the right along the South right-of-way line of said railroad, 1255.33 feet to the end of said curve;

Thence S 89° 47' E with the South right-of-way line of said railroad, 2100.0 feet to the beginning of a curve to the right having a radius of 4288.82 feet and a central angle of 5° 15' 30";

Thence in an Easterly direction with said curve to the right along the South right-of-way line of said railroad, 393.48 feet to the end of said curve;

Thence S 84° 33' E with the South right-of-way line of said railroad, 93.3 feet to a point for corner;

Thence S 3° 33' W 20.1 feet to a point for corner;

Thence S 89° 25' E with South right-of-way line of said railroad, 50.2 feet to a point for corner;

Thence S 87° 07' E with the South right-of-way line of said railroad, 79.7 feet to a point for corner;

Thence S 80° 10' E with the South right-of-way line of said railroad, 59.8 feet to a point for corner;

Thence S 89° 06' E with the South right-of-way line of said railroad, 51.3 feet to a point for corner;

Thence S 78° 21' E with the South right-of-way line of said railroad, 59.4 feet to a point for corner;

Thence S 77° 41' E with the South right-of-way line of said railroad, 149.0 feet to a point in the West right-of-way line of State Highway No. 360;

Thence S 0° 05' W with the West right-of-way line of State Highway No. 360, 2148.9 feet to a point on a curve to the right having a radius of 250 feet and a central angle of 56° 20' 05";

Thence in a Southwesterly direction with said curve to the right, 245.81 feet to the end of said curve;

Thence S 71° 52' W 339.78 feet to a point on a curve to the right having a radius of 1422.4 feet and a central angle of 9° 24' 38";

Thence in a Southwesterly direction with said curve to the right, 233.62 feet to the end of said curve;

Thence S 81° 17' W 242.01 feet to the beginning of a curve to the right having a radius of 2810.79 feet and a central angle of 6° 43' 30";

Thence in a Westerly direction with said curve to the right 330.03 feet to the end of said curve, same being in the North right-of-way line of East Abram Street;

Thence N 88° 29' W 207.59 feet to a point for corner;

Thence N 89° 55' W with the North right-of-way line of East Abram Street, 2428.9 feet to the place of beginning (the "Premises").

**EXHIBIT "E"**

**TARRANT COUNTY TAX ABATEMENT POLICY AND GUIDELINES**



## **TARRANT COUNTY**

### **TAX ABATEMENT POLICY GUIDELINES AND CRITERIA**

#### **I. GENERAL PURPOSE AND OBJECTIVES**

As authorized under Chapter 312 of the Texas Tax Code, Tarrant County has established this policy so as to work in concert with other taxing authorities as part of an overall publicly supported incentive program designed to create job opportunities that bring new economic advantages or strengthen the current economic base of our community.

It is the intent of the Commissioners Court to consider approval or denial of any request for tax abatement for projects in unincorporated Tarrant 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 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. Further it is the intent of Tarrant County that the County will not approve nor join an abatement agreement that provides one Tarrant County city a competitive advantage over another Tarrant County city seeking the same project or encourages an applicant to move from one Tarrant County city to another, unless such agreement is agreeable to both such incorporated cities and both parties have indicated their approval in writing to Tarrant County.

In the case where the property is located within a municipality's extraterritorial jurisdiction, the municipality shall be the initiating taxing entity unless expressly deferred to the County. For those areas within Tarrant County that are not located within the boundaries of an incorporated municipality and a municipality has deferred to the County or in unincorporated areas not located in a municipality's extraterritorial jurisdiction, the guidelines and criteria contained in this policy will be applied by the Commissioners Court when considering the establishment of a reinvestment zone and the adoption of an abatement agreement.

#### **II. DEFINITIONS**

- (a) "Abatement" means the full or partial exemption from ad valorem taxes of certain real and/or personal property in a reinvestment zone designated for economic development purposes.

- (b) **"Eligible Jurisdiction" means Tarrant County and any municipality, school district, college district, or other entity, which is located in Tarrant County, that levies ad valorem taxes upon and provides services to property located within the proposed or existing reinvestment zone.**
- (c) **"Agreement" means a contractual agreement between a property owner and/or lessee and an eligible jurisdiction for the purposes of tax abatement.**
- (d) **"Base Year Value" means the assessed value of the applicant's real and personal property located in a designated reinvestment zone on January 1 of the year of the execution of the agreement, plus the agreed upon value of real and personal property improvements made after January 1, but before the execution of the agreement.**
- (e) **"Economic Life" means the number of years a property improvement is expected to be in service in a facility.**
- (f) **"Deferred Maintenance" means improvements necessary for continued operations which do not improve productivity or alter the process technology.**
- (g) **"Disadvantaged Business Enterprise (DBE)" means:**
  - (1) **a corporation formed for the purpose of making a profit and at least 51 percent of all classes of the shares of stock or other equitable securities of which are owned by one or more persons who are socially or economically disadvantaged because of their identification as members of certain groups that have been subject to racial or ethnic prejudice or cultural bias without regard to their qualities as individuals or capabilities as a business, and whose ability to compete in the free enterprise system is impaired due to diminished opportunities to obtain capital and credit as compared to others in the same line of business who are not socially disadvantaged. "DBE" includes the State of Texas definition of historically underutilized businesses (HUBs) as defined in Texas Government Code 407.101 and as it may be updated.**
  - (2) **a sole proprietorship formed for the purpose of making a profit that is owned, operated, and controlled exclusively by one or more persons described in paragraph (1);**
  - (3) **a partnership that is formed for the purpose of making a profit in which 51 percent of the assets and interest in the partnership is owned by one or more persons described by paragraph (1), and in which minority or women partners have proportionate interest in the control, operation, and management of the partnership affairs.**



- (h) **"Expansion"** means the addition of buildings, structures, fixed machinery and equipment, and fixed personal property for the purposes of increasing production capacity.
- (i) **"Facility"** means property improvements completed or in the process of construction which together comprise an integral whole.
- (j) **"Fixed Machinery and Equipment and/or Personal Property"** means tangible machinery, equipment, or personal property that is securely placed or fastened and stationary within a building or structure, or which is movable but remains at and is used solely at the project site.
- (k) **"Manufacturing Facility"** means buildings and structures, including fixed machinery and equipment, and fixed personal property, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (l) **"Modernization"** means the replacement and 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.
- (m) **"New Facility"** means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (n) **"Other Basic Industry"** means 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 or services which primarily serve a market outside Tarrant County [or the Fort Worth Consolidated Metropolitan Statistical Area] and result in the creation of new permanent jobs and bring new wealth in to Tarrant County.
- (o) **"Regional Distribution Center Facility"** means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility operator.
- (p) **"Non-Manufacturing Facilities"** means buildings and structures, used to service and/or house individuals on a permanent or temporary basis.
- (q) **"Regional Service Facility"** means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used to service goods.

- (r) **“Reinvestment Zone”** is an area designated as such for the purpose of tax abatement as authorized by Chapter 312 of the Texas Tax Code.
- (s) **“Regional Entertainment Facility”** means buildings and structures, including machinery and equipment, used or to be used to provide entertainment through the admission of the general public where the majority of the users reside at least 100 miles from its location in the County.
- (t) **“Regional Retail Facility”** means buildings and structures including fixed machinery and equipment used or to be used to provide retail services from which a large portion of the revenues generated by the activity at the facility are derived from users outside the County.
- (u) **“Research Facility”** means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

### **III. ABATEMENT AUTHORIZED**

- (a) **Authorized Facility.** A facility may be eligible for abatement if it is a Manufacturing Facility, a Research Facility, a Regional Distribution Center Facility, A Regional Service Facility, a Regional Entertainment Facility, Regional Retail Facility, a Non-Manufacturing Facility, or Other Basic Industry as defined. The economic life of a facility and any improvements must exceed the life of the abatement agreement.
- (b) **Creation of New Value.** Abatement may be only granted for the additional value of eligible property improvements made subsequent to and listed in an abatement agreement between the County and the property owner and lessee, subject to such limitations as Commissioners Court may require.
- (c) **New and Existing Facilities.** Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- (d) **Eligible Property.** Abatement may be extended to the value above the Base Year Value of buildings, structures, fixed machinery and equipment, fixed personal property, and site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility.
- (e) **Ineligible Property.** The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; private aircraft; deferred maintenance investments; property to be rented or leased except as provided in Section 3 (f); also, any property included in the calculation of base year value as defined.

- (f) **Owned/Leased Facilities.** If a leased facility is granted abatement the agreement shall be executed with the lessor and the lessee.
- (g) **Value and Term of Abatement.** Abatement shall be granted effective with the execution of the agreement. The value of the abatement will be determined based on the merits of the project, including, but not limited to, total capital investment value and added employment. Up to one hundred percent of the value of new eligible properties may be abated for a total term of abatement not to exceed ten years. However, a project must provide an extraordinary economic benefit to the County to be considered for a one hundred percent abatement.
- (h) **Economic Qualification.** In order to be eligible for designation as a County reinvestment zone and/or receive County tax abatement, the planned improvement:
- (1) for new businesses, must be reasonably expected to produce a minimum added value of Five Million Dollars (\$5,000,000) in real and personal property to Tarrant County and create and sustain a minimum of 25 new full-time jobs.
  - (2) for expansions or modernizations of existing businesses, must be reasonably expected to produce a minimum added value of Three Million Dollars (\$3,000,000) in real and personal property improvements to Tarrant County, and sustain existing employment levels.
  - (3) must not be expected to solely or primarily have the effect of transferring employment from one part of Tarrant County to another without a majority vote of approval from the Commissioners Court.
  - (4) must be necessary for expansion and/or modernization because the capacity cannot be provided efficiently utilizing existing improved property when reasonable allowance is made for necessary improvements.
  - (5) the above investment and employment minimums may be waived at the discretion of the Commissioners Court for projects located in Federal or State designated Enterprise Zones.
- (i) **Additional Criteria For Abatement.** To be eligible for abatement, the project must be expected to meet the specific goals and requirements as noted below. If a company is unable to meet the minimum requirements of this section, a variance must be requested with a detailed explanation as to the circumstances that preclude the company from meeting the minimum requirements.
- (1) **Use of DBE and Tarrant County Businesses.** The project must provide for the utilization of Disadvantaged Business Enterprises for a minimum of 15% of the total costs for construction contracts and annual supply and service contracts.

Additionally, the project must provide for the utilization of Tarrant County businesses for a minimum of 25% of the total costs for construction contracts and annual supply and services contracts.

- (2) **Tarrant County Employment.** The company must hire Tarrant County residents for a minimum of 25% of the new full time jobs to be created by the project. Residents, for the purpose of this policy, are those employees who reside in Tarrant County, whether through relocation or existing residency.
  - (3) **Environmental Impacts.** Environmental impact information must be provided, noting any anticipated impacts of the project on the environment, including, but not limited to, water quality, storm water and runoff, floodplain and wetlands, solid waste disposal, noise levels, and air quality. Additionally, the company must provide a written company policy on air quality mitigation, the company's plan for participation in the region's Ozone Action Program, and a report of employer assistance in encouraging alternative commute programs and employee trip reductions. For companies new to the region, the above policies and plan must be completed and presented within the first year of the abatement.
  - (4) **Employee Benefits.** The company must offer a health benefit plan to its full-time employees at a rate that is reasonable to the majority of its employees and which allows access to the plan by the employees' dependents. For additional consideration, the company may provide information on other employee benefits provided, such as retirement/pension programs and subsidies for education, job-training, transportation assistance and child/elderly care.
- (j) **Taxability.** From the execution of the abatement to the end of the agreement period taxes shall be payable as follows:
- (1) The value of ineligible property as provided in Section III (e) shall be fully taxable;
  - (2) The base year value of existing eligible property shall be fully taxable, as well as the value of any existing personal property currently on the tax rolls in Tarrant County that is either moved to a new abated location or is replaced due to modernization or expansion.
  - (3) The additional value of new eligible property shall be taxable in the manner and for the period provided for in the abatement agreement, subject to the terms described in Section III (g); and
  - (4) The additional value of new eligible property shall be fully taxable at the end of the abatement period.

#### **IV. APPLICATION**

- (a) Any present or potential owner of taxable property in Tarrant County may request the creation of a reinvestment zone and/or tax abatement by filing a written request with the County Judge.**
- (b) The application shall consist of a completed application form including, but not limited to: a general description of the new improvements to be undertaken; a descriptive list of the improvements for which an abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and property description; a time schedule for undertaking and completing the proposed improvements; employment and contract information; the location of existing company locations in Tarrant County and the surrounding counties and the expected number of transferring employees; details of the environmental impacts of the project, and employee benefit information. In the case of modernization a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application.**
- (c) All applications for creation of reinvestment zones or abatements shall incorporate a feasibility study estimating the economic effect of the proposed reinvestment zone and tax abatement on Tarrant County, other eligible participating jurisdictions, and the applicant.**
- (d) Upon receipt of a completed application for creation of a reinvestment zone, the County Judge shall notify in writing and provide a copy of the application to the presiding officer of the governing body of each eligible jurisdiction.**
- (e) Upon receipt of a completed application and/or request to participate with a municipality in an abatement agreement, Tarrant County Administrator's Office must review and provide recommendation to the Commissioners Court within 30 days and before the public hearing.**
- (f) The County shall not establish a reinvestment zone, nor participate in an abatement, if it finds that the application for County reinvestment zone/tax abatement was filed after the commencement of construction, alteration, or installation of improvements related to the proposed modernization, expansion or new facility.**
- (g) Variance. Request for variance from the provisions of this policy must be made in written form to the County Judge and submitted with the application for abatement, provided, however, the total duration of an abatement shall in no instance exceed ten years. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Request for variance must**

be approved by a majority vote of the Commissioners Court.

**V. PUBLIC HEARINGS AND APPROVAL**

- (a) For projects in unincorporated Tarrant County, the Commissioners Court may not adopt a resolution designating a County reinvestment zone until it has held a public hearing at which interested persons are entitled to speak and present evidence for or against the designation. Notice of the hearing shall be clearly identified on the Commissioners Court agenda at least 30 days prior to the hearing. The presiding officers of eligible jurisdictions shall be notified in writing at least 15 days prior to the hearing.
- (b) Prior to entering into a tax abatement agreement the 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.
- (c) In order to enter into a tax abatement agreement, the Commissioners Court must find that the terms of the proposed agreement meet these Guidelines and Criteria and that:
  - (1) there will be no substantial adverse affect on the provision of the jurisdiction's service or tax base: and
  - (2) the planned use of the property will not constitute a hazard to public safety, health or morals.
- (d) Any application requesting a variance under Section IV (g) shall be approved by a majority vote of the Commissioners Court. No application which deviates from the requirements of these Guidelines and Criteria shall be approved unless accompanied by a request for variance as provided under Section IV (g).

**VI. AGREEMENT**

- (a) After approval the County shall formally pass a resolution and execute an agreement with the owner of the facility and lessee as required. The Court Order shall include:
  - (1) estimated value of real and personal property to be abated and the base year value;
  - (2) percent of value to be abated each year as provided in Section III (g);
  - (3) the commencement date and the termination date of abatement;
  - (4) the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provide in Section IV (b);

- (5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in Sections III (a), III (e), III (g) VII, VIII, and IX, or other provisions that may be required for uniformity or by state law, and;
- (6) a statement of the facility owner's policy regarding Disadvantaged Business Enterprises (DBEs), and the estimated dollar amount and percentage of total contracts to be awarded to DBEs for construction, professional services, purchases of equipment and supplies and other services required for the abated improvements;
- (7) amount of investment and average number of jobs involved; and
- (8) an assessment of the environmental impacts of the project, including a statement of the owner's policy addressing regional air quality and information on the use of alternative fuels in fleet vehicles.
- (9) a statement indicating the provision of a health care benefit plan for employees and dependents.

Such agreement shall normally be executed within 60 days after the applicant has forwarded all necessary information and documentation to the County.

- (b) Participation in tax abatement agreements with municipalities requires additional information to be included in the Court Order approving the agreement, as follows:
  - (1) a copy of the agreement between the applicant and municipality shall be attached and made part of the Court Order for all purposes;
  - (2) authorization for the County Judge to execute a signatory page on behalf of the Commissioners Court which shall be attached and made part of the original agreement.

## **VII. RECAPTURE**

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.

### **VIII. ADMINISTRATION**

- (a) The Chief Appraiser of the County shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the chief Appraiser shall notify the affected jurisdictions which levies taxes of the amount of the assessment.**
- (b) The agreement shall stipulate that employees and/or designated representatives of the County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.**
- (c) Upon completion of construction the County and/or the jurisdiction creating the reinvestment zone shall annually (or at such other times as deemed appropriate by the Commissioners Court) evaluate each facility receiving abatement to ensure compliance with the agreement and report possible violations to the contract and agreement to the Commissioners Court and the District Attorney. On or before April 30th of every year during the life of the abatement agreement, the company or individual receiving the abatement shall complete and file a Tax Abatement Evaluation Report, along with other required written documentation, detailing and certifying the abatement recipient's compliance with the terms of the abatement agreement. Failure to provide information requested in the compliance evaluation by the prescribed deadline may result in taxes abated in the prior year being due and payable. The company or individual receiving a tax abatement shall provide information to the County for the evaluation which shall include, but not be limited to, the following:**

  - (1) the number and dollar amounts of all construction contracts and subcontracts awarded on the project;**
  - (2) the total number of employees of the company, their gross salaries, and the number of employees residing in Tarrant County and their gross salaries, reported in job classifications appropriate to the employee;**
  - (3) the gross dollars spent on supplier and professional service contracts, indicating the amounts by contract awarded and performed by Tarrant County business and individuals;**



- (4) the dollar amount of contracts awarded to Disadvantaged Business Enterprises;
- (5) detail of actions taken to mitigate any adverse environmental impacts of the project, if applicable; and
- (6) should the dollars, percentages, or actions not meet the original or modified requirements of the abatement agreement, a statement shall be provided explaining the reason for the failure to meet the requirements and a recommended course of rectification.

#### **IX. ASSIGNMENT**

Tax abatement agreements may be assigned to a new owner or lessee of the facility with the written consent of the Commissioners Court, which consent shall not be unreasonably withheld. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in the agreement. Any assignment of a tax abatement agreement shall be to an entity that contemplates the same improvements or repairs to the property, except to the extent such improvements or repairs have been completed. No assignment shall be approved if the assignor or the assignee are indebted to the County for ad valorem taxes or other obligations.

#### **X. SUNSET PROVISION**

These Guidelines and Criteria are effective on January 1 of the year following the date of their adoption and will remain in force for two years, at which time all reinvestment zones and tax abatement contracts created pursuant to its provisions will be reviewed by the County to determine whether the goals have been achieved. Based on that review, the guidelines and Criteria will be modified, renewed or eliminated. These Guidelines and Criteria may be amended by Commissioners Court at any time during their effective period.