

16 - 116844



**COMMISSIONERS COURT  
COMMUNICATION**

REFERENCE NUMBER

PAGE 1 OF

97

DATE:

1/14/2014

**SUBJECT: APPROVAL OF A TAX ABATEMENT AGREEMENT WITH HORIZON MILLING, LLC FOR THE EXPANSION AND MODERNIZATION OF ITS MILL FACILITY IN THE CITY OF SAGINAW**

**COMMISSIONERS COURT ACTION REQUESTED:**

It is requested that the Commissioners Court consider action as follows on the request for tax abatement from Horizon Milling, LLC, for expansion and modernization of its flour mill in Saginaw:

1. Approve participation with the City of Saginaw in the abatement of Tarrant County and Tarrant County Hospital District ad valorem taxes on the eligible real and personal property improvements made by Horizon Milling, LLC for expansion, construction and modernization of the mill facility for a period of five (5) years, at a maximum rate of forty percent (40%), as set forth in the attached agreement; and
2. Approve the attached Resolution certifying Tarrant County's agreement to participate in the abatement of ad valorem Tax Abatement Agreement.

**BACKGROUND:**

Horizon Milling, LLC, a division of Cargill, is expanding and modernizing its flour mill facility in Saginaw. The Saginaw plant is one of the largest within Horizon Milling, but also has some of the oldest and least efficient milling units. In order to remain a viable location for Horizon Milling production, the Saginaw plant requires upgrades and renovation. Plans call for the replacement of two existing wheat milling units with a new seven-story, 52,000 sq. ft. mill, increasing capacity and efficiency of the mill operations, and the expansion of flour storage space to the existing mill storage building. Total improvement costs are estimated at over \$38,000,000.00, with approximately \$12 million in real property improvements and \$26 million in new personal property improvements. The company will retain the 84 full-time employees currently working at the mill, and expects to add 5 new full-time positions after the expansion. Current average annual payroll for the Saginaw facility is approximately \$4.5 million.

The City of Saginaw has approved a five (5) year tax abatement providing up to one hundred percent (100%) abatement of real and personal property taxes. The attached tax abatement agreement for the Horizon Milling project provides for County and Hospital District participation in tax abatement at a maximum of forty percent (40%) of new real and personal property value for a period of five (5) years,

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



## COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER: \_\_\_\_\_ DATE: 1/14/2014 PAGE 2 OF 97

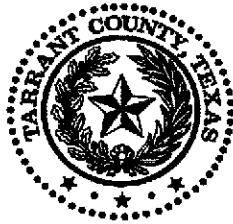
beginning with a base abatement of thirty percent (30%) and providing for up to ten percent (10%) additional abatement for employment and performance-based criteria. To receive a base thirty percent (30%) abatement, Horizon Milling will be required to meet a minimum \$12 million in construction costs, add a minimum of \$26 million in new taxable business personal property to the site, and retain employment of eighty-four (84) full-time jobs. Tax abatement will apply only to that portion of value added over and above the current 2012 real and personal property value on the Tarrant County tax rolls. Up to an additional ten percent (10%) abatement can be incrementally earned for added full-time employment to the site above the current eight-four (84) retained jobs, and for added community commitments in terms of Tarrant County resident employment and use of DBE and Tarrant County construction contracting companies. The total cumulative percentage of ad valorem tax abatement that may be received in any one year is capped at forty percent (40%).

### **FISCAL IMPACT:**

Total new real and personal property value added from this development is estimated at over \$38,000,000.00 (\$12,000,000.00 for real property and \$26,000,000.00 for business personal property). Based on current tax rates, should Horizon Milling earn the maximum tax abatement of forty percent (40%) for all five (5) years on real and personal property values of \$38 million, the project could receive a total five (5) year tax abatement of approximately \$200,640.00 from the County and \$173,201.00 from the Hospital District. Over that same period, the County and Hospital District will receive tax revenues from the unabated portion of the new improvements, as well as the current base value of the land and existing facility. New tax revenues from the unabated portion of new improvements could be up to \$300,960.00 for the County and \$259,801.00 for the Hospital District over the five (5) year tax abatement period.

Expansion and modernization at the Saginaw Horizon Milling facility will enable the mill to remain cost efficient and competitive within Horizons operating structure, ensuring the plant continues to operate and provide local employment in the future.

116844



## RESOLUTION

### PARTICIPATION IN TAX ABATEMENT HORIZON MILLION, LLC, SAGINAW, TEXAS

**WHEREAS**, Horizon Milling, LLC, acting by and through its officers (hereafter referred to collectively as "Owner"), plans to expand and modernize its milling facility on certain real property it owns or plans to own, more particularly described in the Abatement Agreement attached hereto and incorporated herein by reference ("Premises"); and

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

**WHEREAS**, the Premises 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 Saginaw and the County; and

**WHEREAS**, the Premises and all improvements thereon are located in City of Saginaw Tax Abatement Reinvestment Zone No. 2012-11, a reinvestment zone for the purpose of tax abatement as authorized by Chapter 312 of the Texas Tax Code, as amended (the "Code"); and

**WHEREAS**, the City Council of the City of Saginaw has approved a Tax Abatement Agreement as to the Premises and certain improvements thereon; and

**WHEREAS**, the Tax Abatement Agreement (the "Agreement") between Tarrant County and Owner, attached hereto, calls for the construction of a new 52,000 square foot mill and other facility renovation and expansion improvements with an estimated cost upon completion of no less than \$12,000,000 and added personal property with an initial cost of \$26,000,000 by January 1, 2014; and

**WHEREAS**, the Agreement with the Owner is conditioned upon specific investment criteria, continued operation of the facility, the creation and retention of new jobs, and meeting specific Tarrant County and DBE contracting requirements; and

**WHEREAS**, the Commissioners Court has been requested by the Owner to take the steps required pursuant to the Code to permit partial tax abatement with respect to that portion of the Premises 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:

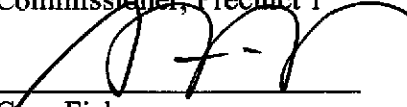
1. That all recitals set forth in the preamble are hereby found to be true and correct;
2. That the Commissioners Court shall have prudently reviewed each tax abatement agreement approved by a municipality having taxing jurisdiction with respect to property located in the County and within a reinvestment 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 County Taxes be and is hereby approved; that the County and its Commissioners Court hereby agree to enter into the Agreement 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).

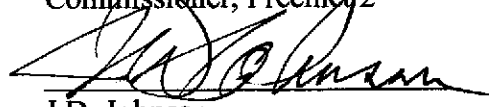
**PASSED AND APPROVED, IN OPEN COURT**, this 14<sup>th</sup> day of January 2014, through Court Order No. 116844.

  
B. Glen Whitley, County Judge

  
Roy C. Brooks  
Commissioner, Precinct 1

  
Andy H. Nguyen  
Commissioner, Precinct 2

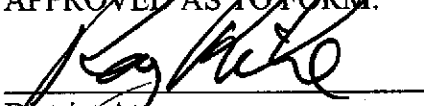
  
Gary Fickes  
Commissioner, Precinct 3

  
J.D. Johnson  
Commissioner, Precinct 4

ATTEST:

  
Melissa K. Adams, Deputy  
County Clerk

APPROVED AS TO FORM:

  
District Attorney

STATE OF TEXAS §

COUNTY OF TARRANT §

**TAX ABATEMENT AGREEMENT**

This **TAX ABATEMENT AGREEMENT** ("**Agreement**") is entered into by and between **TARRANT COUNTY, TEXAS** (the "**County**"), acting by and through its County Judge or his designee, and **HORIZON MILLING, LLC** (the "**Owner**"), a limited liability company in good standing to do business in the State of Texas, acting by and through its authorized officer.

**WHEREAS**, the Commissioners Court of Tarrant County, Texas ("Commissioners Court") has adopted the Tarrant County Tax Abatement Policy, Guidelines and Criteria (the "**Policy Statement**"), attached hereto and incorporated herein as Exhibit "A"; and

**WHEREAS**, the Policy Statement constitutes appropriate "guidelines and criteria" governing tax abatement agreements to be entered into by the County as contemplated by Chapter 312 of the Texas Tax Code, as amended (the "**Code**"); and

**WHEREAS**, on the 17th day of April, 2012, the Saginaw City Council adopted an ordinance establishing City of Saginaw Reinvestment Zone No. 2012-11, and industrial reinvestment zone for tax abatement ("the **Zone**"), as authorized by Chapter 312 of the Code; and

**WHEREAS**, Owner owns certain real property, more particularly described in Exhibit "B" attached hereto and incorporated herein by reference (the "**Premises**"), located totally within the Zone; and

**WHEREAS**, Owner or its assigns plan to construct and install the Required Improvements, as defined in Article I.A. of this Agreement, on the Premises for the operation of a milling facility (the "**Project**");

**WHEREAS**, Owner submitted an application for tax abatement to the County concerning the contemplated use of the Premises (the "**Application for Tax Abatement**"), attached hereto and incorporated herein as Exhibit "C"; and

**WHEREAS**, the Commissioners Court finds that the contemplated use of the Premises, the Required Improvements (as hereinafter defined) 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 premises and the promises contained herein, do hereby contract, covenant and agree as follows:

**I.**  
**OWNER'S COVENANTS**

A. Owner shall construct, install and maintain, or cause to be constructed, installed and maintained, on and within the Premises certain improvements (i) consisting of an approximately 52,000 square foot mill and other facility renovation and expansion improvements having a minimum Construction Cost (as such term is defined below) upon completion of no less than Twelve Million Dollars (\$12,000,000), and (ii) New Taxable Tangible Personal Property having an initial cost of no less than Twenty-Six Million Dollars (\$26,000,000) (the "**Required Improvements**"). The kind, number and location of the Required Improvements are more particularly described in the Application for Tax Abatement, Exhibit "C". Minor variations in the Required Improvements from the description provided in Exhibit "C" shall not be an Event of Default, provided that the conditions in the first sentence of this Section I.A are met and the Required Improvements are used for the purposes and in the manner described in the Application for Tax Abatement. For purposes of this Agreement, "**Construction Costs**" shall mean the following expenditures directly associated with construction of the Required Improvements: site development and construction costs, contractor fees and the costs of supplies and materials; engineering fees; architectural fees; and other professional, development and permitting fees.

B. Owner covenants and agrees that the Completion Date shall occur by January 1, 2014, unless delayed because of Force Majeure, in which case this deadline shall be extended by the number of days comprising the specific Force Majeure (the "**Completion Deadline**"). For purposes of this Agreement, "**Force Majeure**" shall mean an event beyond Owner's reasonable control, including, without limitation, acts of God, fires, strikes, national disasters, wars, terrorism, riots, material or labor restrictions, and unreasonable delays by the City of Saginaw in issuing any permits with respect to the Required Improvements or inspecting any of the Required Improvements, but shall not include construction delays caused due to purely financial matters involving Owner, such as, without limitation, delays in the obtaining of adequate financing. The Required Improvements shall be deemed complete on the date as of which the City of Saginaw has issued a final certificate of occupancy for all Required Improvements (the "**Completion Date**").

C. Owner covenants and agrees that New Taxable Tangible Personal Property having a value of at least Twenty-Six Million Dollars (\$26,000,000) shall be in place on the Premises on or before the Completion Deadline. For purposes of this Agreement, "**New Taxable Tangible Personal Property**" means any personal property that (i) is subject to ad valorem taxation by the County; (ii) is located on the Premises; (iii) is owned or leased by Owner or an Affiliate to whom a portion of the Abatement granted hereunder has been assigned; and (iv) was not located in the County prior to the Effective Date of this Agreement.

D. Owner covenants that the Required Improvements shall be constructed and installed and the Premises shall be used in accordance with the description of the project set forth in Exhibit "C". Owner further covenants that throughout the Term, the Required Improvements shall be operated and maintained for the purposes set forth herein so that the uses of the Premises shall be consistent with the general purposes of encouraging or being in development or redevelopment of the Zone, except as otherwise authorized or modified by this Agreement.

## II. GENERAL PROVISIONS

- A. The County has adopted guidelines and criteria governing tax abatement agreements for the County and may enter into this Agreement containing the terms set forth herein.
- B. The Premises are not an improvement project financed by tax increment bonds.
- C. 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.
- D. This Agreement is subject to rights of holders of outstanding bonds of the County.
- E. A portion or all of the Premises and/or improvements thereon may be eligible for complete or partial exemption from ad valorem taxes, as a result of existing law or future legislation. This Agreement is not to be construed as evidence that such exemptions do not apply to the Premises and/or Required Improvements thereon.

## III. ABATEMENT TERMS AND CONDITIONS

- A. Subject to compliance with the terms and conditions of this Agreement, County hereby grants to Owner a real and personal property tax abatement (collectively, the "Abatement"), as it relates to Tarrant County and Tarrant County Hospital District ad valorem taxes on the Premises, the Required Improvements, and the New Taxable Tangible Personal Property located thereon.
- B. The amount of the Abatement shall be based upon a percentage of the increase in value of the Premises, the Required Improvements, and the New Taxable Tangible Personal Property located thereon over their values on January 1, 2012. The Abatement percentage may range up to a maximum of forty percent (40%) of the increased value annually, and shall be calculated as set forth below:
  - 1. **Base Abatement.** Subject to reduction in accordance with the following terms of this Agreement, a "Base Abatement" value of thirty percent (30%) will be granted if Owner meets the minimum performance requirements as follows:
    - a) The substantial construction and/or installation of the Required Improvements with a construction cost of a minimum of Twelve Million Dollars (\$12,000,000), and New Taxable Tangible Personal Property having a value of at least Twenty-Six Million Dollars (\$26,000,000), by the Completion Deadline, as provided in Article I.;
    - b) The average monthly employment during each calendar year of at least eighty-four (84) full-time jobs that are employees of the Owner and located on the Premises by the end of the first year of the Abatement Term and throughout the remaining term of the Abatement;

c) The employment during each calendar year of Tarrant County residents for a minimum twenty-five percent (25%) of all full-time jobs within the Premises during the term of the Abatement;

d) The expenditure of Supply and Service Expenses (as such term is defined below) of at least (i) fifteen percent (15%) with DBE Contractors, and (ii) twenty-five percent (25%) with Tarrant County Contractors of the total cost of all Supply and Service Expenses per calendar year commencing with the Completion Date and continuing until the expiration of the Abatement Term. As used herein, the term "**Supply and Service Expenses**" shall mean those customary supplies and services purchased by or on behalf of Owner for the operation and maintenance of the Project, the Required Improvements and the other improvements constructed on the Land including, without limitation, office supplies, production equipment and supplies, landscaping services, janitorial services and maintenance services. For purposes of computing the annual Tarrant County Contractors and DBE Contractors percentage of Supply and Service Expenses, those annual supplies and services that are sole source items, or the purchase of which is based on a company wide purchase agreement that is not specific to or controlled by the local division of the company located on the Land, may not be included in computing the total costs of Supply and Service Expenses.

As used herein, the term "**Tarrant County Contractors**" shall mean any corporation, partnership, limited liability company or sole proprietorship maintaining an addressed office within Tarrant County from which it conducts all or a substantial part of its business operations. As used herein, the term "**DBE Contractors**" shall mean contractors who are DBE's, and the term "**DBE**" shall mean:

- i. 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 Section 2161.001 of the Texas Government Code, and as it may be updated.
- ii. 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 Section B.1.f).i. above.
- iii. 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 Section B.1.f).i. above, and in which



minority or women partners have proportionate interest in the control, operation, and management of the partnership affairs.

Dollars spent with DBE Contractors may also count as dollars spent with Tarrant County Contractors for the purposes of Section B.1.e) above if the DBE Contractor is also a Tarrant County Contractor as defined above. Upon Owner's request, the County will advise Owner as to whether any given entity is a Tarrant County Contractor or a DBE Contractor for purposes of this Article III., Section B.1.

Failure to meet the above minimum requirements for employment, Tarrant County resident employment, and use of DBE and Tarrant County Companies for Supply and Service Expenditures 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 B.2. below. Notwithstanding anything to the contrary contained herein, the determination of Owner's compliance with the various employment requirements of this Agreement shall be based on Owner's employment data for December 31 (or another date requested by Owner and reasonably acceptable to the County) of the applicable calendar year, the determination of compliance with the expenditure requirements for the Required Improvements shall be based on spending during the period of time prior to and including the Completion Date of the Required Improvements, and the determination of compliance with the Supply and Service Expenses requirement shall be based on spending for the entire calendar year.

**2. Reduction in Abatement Percentage.** In any year that employment and spending levels do not meet the minimum requirements set forth in Section III.B.1., the Base Abatement percentage for that year shall be reduced as set forth below. Each reduction is separate and individual and may be cumulative in any year.

a) If the actual number of full-time employees falls below the minimum requirement of eighty-four (84) jobs, Owner will receive a one percent (1%) reduction for up to each five (5) job deficiency from the minimum employment requirement for that year. (Example: For total full-time jobs of 79 to 83, the Base Abatement would be reduced by 1%; total jobs of 74 to 78 would provide a 2% reduction.)

b) If less than twenty-five percent (25%) of all full-time jobs are filled by Tarrant County residents, Owner will receive a five percent (5%) reduction for that year.

c) If the expenditure with DBE Contractors in any calendar year is below fifteen percent (15%) of the total annual non-sole source, locally controlled Supply and Service Expenses, then the Base Abatement will be reduced by one percentage point (1%) for each ten percent (10%) deficiency for that year, up to a maximum reduction of five percent (5%). (Example: If Owner has \$100,000 in annual Supply and Service Expenses, \$15,000 is required to be spent with DBE Contractors; actual DBE Contractor spending of between \$13,500 to \$14,999 would provide for a 1% reduction in the Base Abatement percentage.)

d) If the expenditure with Tarrant County Contractors for Supply and Service Expenses in any calendar year is below twenty-five percent (25%) of the total annual Supply and Service Expenses, then the Base Abatement will be reduced by one percentage point (1%) for each ten percent (10%) deficiency for that year, up to a maximum reduction of five percent (5%).

3. **Additional Abatement Percentage.** In any year that Owner receives an Abatement percentage of more than zero percent (0%) under Article III., Sections B.1 and B.2., Owner may receive up to an additional ten percentage points (10%) of Abatement, based upon the following criteria, each of which is independent of the other in the determination of additional abatement percentage.

a) For full-time employment above 84 jobs, Owner will receive an additional one percent (1%) abatement for each 1 job added, up to a maximum of 10% additional abatement. (Example: Annual employment of 89 full time jobs = 5 additional jobs = 5% additional abatement)

b) For full-time employment of Tarrant County residents for more than 50% of all full-time jobs at project site, company will receive an additional 3% abatement for that year.

c) For use of DBE Contractors for fifteen percent (15%) or more of total construction contracting costs, Owner will receive an additional three percent (3%) abatement for each year of the Abatement Term.

d) For use of Tarrant County Contractors for twenty-five percent (25%) or more of total construction contracting costs, Owner will receive an additional three percent (3%) abatement for each year of the Abatement Term.

e) The additional abatement under this subsection is capped at ten percent (10%).

C. Owner shall have the right to protest and contest any or all appraisals or assessments of the Premises and/or improvements thereon.

D. This Agreement shall take effect on the date which both the County and Owner have executed this Agreement (the "**Effective Date**") and, unless terminated earlier in accordance with its terms and conditions, shall expire simultaneously upon expiration of the Abatement Term, as defined below (the "**Term**"). The term during which Owner may receive an Abatement shall commence on January 1 of the tax year following the year which the Completion Date has occurred (the "**Beginning Date**") and shall expire on December 31 of the fifth (5th) year after the Beginning Date (the "**Abatement Term**").

E. Failure to achieve the numerical requirements for employment, supply/service contract spending as set forth in this Article III shall not constitute an "Event of Default" as defined in Article V of this Agreement. The cure periods and remedies set forth in Article V related to Events of Default shall therefore not apply, and it is understood and agreed that the result of failure to meet the numerical requirements shall be the reduction in the Abatement percentage for any year in

which the minimum employment and supply/service contracting requirements, as set forth in Article III, Section B, are not met. Within 14 days following notification of reduction in the Abatement, Owner may appeal the percentage reduction to Commissioners Court in writing, providing justification for failure to meet requirements and a strategy for rectification. The decision of the Commissioners Court shall be final.

#### IV. RECORDS, AUDITS AND EVALUATION OF PROJECT

A. County shall have the right to audit the financial and business records of the Owner which relate to the Abatement terms and conditions in order to determine compliance with this Agreement and the correct percentage of abatement. The County shall annually (or such other times deemed appropriate by the County) evaluate the project to insure compliance with this Agreement. On or before April 30<sup>th</sup> of every year during the Abatement Term, Owner shall provide information and documentation which details Owner's compliance with each applicable term of the agreement for the preceding calendar year. Failure to provide this information shall be considered an event of default. The information shall include, but not be limited to, the following:

- (i) The total number of employees who worked on the Premises, the sum of all employee salaries and the number of employees who reside in Tarrant County;
- (ii) The gross dollar amounts of all construction contracts and subcontracts awarded on the Project, and specifying the number and dollar amounts to businesses which are Tarrant County companies and certified DBE companies;
- (iii) The gross dollars amounts spent on supply and service contracts, specifying the number and dollar amounts spent with Tarrant County companies and certified DBE companies;

B. On or before August 1 of the taxable year, the County shall make a decision and rule on the actual annual percentage of tax abatement for the Project, based on the information furnished each year, and shall so notify the Owner. The actual percentage of the abatement for a taxable year is therefore based upon the Owner's performance, as applicable, for the preceding taxable year with regard to the commitment categories as set forth in Article III. Compliance with the employment requirements are to be determined based on the Owner's employment data for the preceding calendar year. Compliance with the contract spending requirements are to be based on spending for the entire preceding calendar year.

C. As a part of the audit process, during normal business hours throughout the Abatement Term, providing at least five (5) business days' prior written notice is given to Owner, the County shall have access to the Premises by County employees for the purpose of inspecting the Premises to ensure that the Required Improvements have been completed and maintained in accordance with the specifications and conditions of this Agreement; provided, however, that Owner shall have the right to accompany County employees on any such inspection and that each such inspection shall be conducted in a manner which does not breach Owner's security procedures and which is least disruptive of Owner's employees and business operations.

**V.  
BREACH**

A. In the event that (i) the Required Improvements for which an abatement has been granted are not completed in accordance with this Agreement; or (ii) the schedule for completion of the Required Improvements as set forth in this Agreement is not satisfied; or (iii) Owner allows its ad valorem real property taxes with respect to the Premises or the project, or its ad valorem taxes with respect to tangible personal property to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of any such ad valorem real property or tangible personal property taxes; or (iv) Owner breaches any of the other terms or conditions of this Agreement, then Owner shall be in default of this Agreement (an "Event of Default"). Should an Event of Default occur, the County shall give Owner written notice of such Event of Default and if Owner has not cured such Event of Default within ninety (90) days of said written notice, this Agreement may be terminated by the County; provided, however, that if such Event of Default is not reasonably susceptible of cure within such ninety (90) day period and Owner has commenced and is pursuing the cure of same, then after first advising Commissioners Court of the efforts to cure same, Owner may utilize an additional ninety (90) days. Time in addition to the foregoing 180 days may be authorized by the Commissioners Court. As liquidated damages for an Event of Default after the expiration of the applicable notice and cure periods, all taxes which otherwise would have been paid to the County for each year when an Event of Default existed, without the benefit of Abatement (after taking into account any applicable exemptions), will become a debt to the County. Such amount may be recovered by the County through adjustments made to Owner's ad valorem property tax appraisal by the Appraisal District, or if not so recovered shall be due, owing and paid to the County within sixty (60) days of the expiration of the above-mentioned applicable cure period(s) as the sole and exclusive remedy of the County, subject to any and all lawful offsets, settlements, deductions, or credits to which owner may be entitled. In the event that such amount is not paid within sixty (60) days of the expiration of the applicable cure period, Owner shall in addition be liable for all penalties and interest on said amount charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Code, as in effect at the time of the payment of such penalties and interest. The parties acknowledge that actual damages in the event of default and termination would be speculative and difficult to determine.

B. Notwithstanding the foregoing paragraph, if the County and Owner mutually determine that the development or use of the Premises or Required Improvements as contemplated herein is no longer appropriate or feasible or that a higher or better use is preferable, the parties may terminate this Agreement by a writing signed by both parties, the period of Abatement shall expire as of the effective date of the termination, there shall be no recapture of amounts previously abated, and neither party shall have any further rights or obligations hereunder.

**VI.  
EFFECT OF SALE, ASSIGNMENT OR LEASE OF PROPERTY**

A. Except as provided herein, the abatement shall vest in Owner and cannot be assigned to a new owner or lessee of all or a portion of the Premises and/or improvements, without the prior consent of the Commissioners Court, which consent shall not be unreasonably withheld provided that the Commissioners Court determines that the proposed assignee is financially capable of meeting the terms and conditions of this Agreement and that the proposed assignee agrees to assume all terms and conditions of this Agreement. Any attempted assignment without such prior

consent shall be grounds for termination of this Agreement and the tax abatement hereunder upon ten (10) days written notice from the County to Owner.

Owner may assign this Agreement and all or any portion of the benefits provided hereunder to an Affiliate without the consent of the County, provided that (i) prior to or contemporaneously with the effectiveness of such assignment, Owner provides the County with written notice of such assignment, which notice shall include the name of the Affiliate and a contact name, address and telephone number, and (ii) the Affiliate agrees in writing to assume all terms and conditions of Owner under this Agreement. For purposes of this Agreement, an "Affiliate" means all entities, incorporated or otherwise, under common control with Owner or controlled by Owner. For purposes of this definition, "control" means fifty percent (50%) or more of the ownership determined by either value or vote.

B. All rights and obligations of Owner and its permitted assigns shall be binding upon and inure to their respective successors and permitted assigns.

## VII. 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:**

Horizon Milling, LLC  
John Barton, Controller  
15407 McGinty Road West, MS 61  
Wayzata, MN 55391

**COUNTY:**

Tarrant County  
County Administrator's Office  
100 E. Weatherford, Suite 404  
Fort Worth, Texas 76196

**WITH COPY TO:**

Cargill, Inc.  
Dean Jacobs, Property Tax Advisor  
PO Box 5626  
Minneapolis, MN 55440-5626

## VIII. COMMISSIONERS COURT AUTHORIZATION

This Agreement was approved and authorized by the Commissioners Court at its meeting on the 26th of November, 2013, through Court Order No. \_\_\_\_\_, authorizing the County Judge to execute this Agreement on behalf of the County.

**IX.**  
**OWNER AUTHORIZATION AND STANDING**

The person executing this Agreement on behalf of Owner represents to the County that all appropriate and necessary action has been taken to authorize said person to do so for and on behalf of the party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement, and that such an authorization is valid and effective on the date hereof.

Owner, and its permitted assignees, as parties 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 court orders, resolutions, or Commissioners Court actions authorizing same and Owner shall be entitled to intervene in said litigation.

**X.**  
**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 the 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 default and curative action, which should be undertaken to cure 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.

**XI.**  
**SEVERABILITY**

In the event any section, subsection, paragraph, sentence, phrase or word of this Agreement 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. In the event that (i) the Abatement Term with respect to any property is longer than allowed by law, or (ii) the Abatement applies to a broader classification of property than is allowed by law, then the Abatement shall be valid with respect to the classification of property abated hereunder, and the portion of the Abatement Term, that is allowed by law.

**XII.**  
**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 District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

**XIII.**  
**RECORDATION OF AGREEMENT**

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

**XIV.  
AMENDMENT**

This Agreement may be modified by the parties hereto to include other provisions which could have originally been included in this Agreement or to delete provisions that were not originally necessary to this Agreement pursuant to the procedures set forth in Title 3, Chapter 312 of the Code.

**XV.  
KNOWING EMPLOYMENT OF UNDOCUMENTED WORKERS**

Owner acknowledges that Chapter 2264 of the Texas Government Code, enacted by House Bill 1196 (80<sup>th</sup> Texas Legislature), effective September 1, 2007, provides for restrictions on the use of certain public subsidies should a company knowingly employ undocumented workers. Per the requirements of this statute, Owner hereby agrees that Owner, and any branch, division or department of Owner, does not and will not knowingly employ an undocumented worker in connection with the Project, as that term is defined in Section 2264.001(4) of the Texas Government Code. In the event that Owner, or any branch, division or department of Owner, is convicted of a violation under 8 U.S.C. Section 1324a(f) in connection with the Project, Owner shall repay the County, within 120 calendar days of written notice from the County, the aggregate amount of Abatement received by Owner under this Agreement, if any, plus simple interest at a rate of four percent (4%) per annum. As per Section 2264.101(c) of the Texas Government Code, Owner is not liable for a violation by a subsidiary, affiliate, or franchisee of Owner, or by a person with whom Owner contracts.

**XVII.  
ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the parties regarding the subject matter contained herein, supersedes any prior understanding or written or oral tax abatement agreements or representations between the parties regarding the matters contained herein, and can be modified only by a written instrument subscribed to by both parties. This Agreement may be executed in multiple counterparts, each of which shall be considered an original for all purposes.

**[SIGNATURE PAGES FOLLOW]**

EXECUTED to be effective as of the latter date of execution by the parties below.

ATTEST:

Melissa K. Brown, Deputy

TARRANT COUNTY, TEXAS

By: B. Glen Whitley  
B. Glen Whitley,  
County Judge

Date: 1-14-14

APPROVED AS TO FORM AND LEGALITY:

[Signature]  
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).*

HORIZON MILLING, LLC

By: John R. Barton  
John Barton  
Controller

ATTEST:

Cheryl J. West

Date: April 14, 2014



STATE OF TEXAS           §  
  §  
COUNTY OF TARRANT   §

BEFORE ME, the undersigned authority, on this day personally appeared B. Glen Whitley, County Judge of Tarrant County, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said Tarrant County, that he was duly authorized to perform the same by appropriate order of the Commissioners Court of Tarrant County and that he executed the same as the act of the said County for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 14<sup>th</sup> day of January 2014.



Kathryn Louise Rotter  
Notary Public in and for the State of Texas

Kathryn Louise Rotter  
Notary's Printed Name

My Commission expires: 11-7-2016

STATE OF Minnesota   §  
  §  
COUNTY OF Hennepin   §

BEFORE ME, the undersigned authority, on this day personally appeared John Barton, in his/~~her~~ capacity as Controller of Horizon Milling, LLC, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was his/~~her~~ act as a duly authorized agent of Horizon Milling, LLC, for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 14 day of April, 2014.



Cheryl J. West  
Notary Public in and for Minnesota

Cheryl J. West  
Notary's Printed Name

My Commission expires: JANUARY 31, 2015

**EXHIBIT "A"**

**Tarrant County Tax Abatement Policy**



## **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.
- (1) **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.

**EXHIBIT "B"**

Premises

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**RESOLUTION NO. 2012-09**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAGINAW, TEXAS, APPROVING TERMS AND CONDITIONS OF A TAX ABATEMENT AGREEMENT BY AND BETWEEN THE CITY OF SAGINAW, TEXAS, AND HORIZON MILLING, LLC (HORIZON MILLING); ESTABLISHING AND PROVIDING A COMMERCIAL/INDUSTRIAL TAX ABATEMENT AND AUTHORIZING ITS EXECUTION BY THE MAYOR; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, pursuant to Ordinance No. 2012-11, the City Council has previously designated an approximately 63.47 acre area within the City of Saginaw as Reinvestment Zone No. 2012-11; and

**WHEREAS**, the City Council has been presented a proposed Tax Abatement Agreement by and between the City of Saginaw, Texas, and Horizon Milling, LLC, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference, governing property located within Reinvestment Zone No. 2012-11; and

**WHEREAS**, the City Council finds that the terms of the Tax Abatement Agreement and the property subject to the Tax Abatement Agreement meet the applicable guidelines and criteria adopted by the City Council pursuant to Section 312.002 of the Texas Tax Code (the "Code"); and

**WHEREAS**, in accordance with Section 312.2041 of the Code, written notice that the City intends to enter into the proposed Tax Abatement Agreement, along with a copy of the proposed Tax Abatement Agreement, were delivered to the presiding officer of the governing body of each affected taxing unit at least seven (7) days before the effective date of this Resolution approving the proposed Tax Abatement Agreement; and

**WHEREAS**, upon full review and consideration of the Tax Abatement Agreement and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions thereof should be approved, and that the Mayor shall be authorized to execute on behalf of the City of Saginaw; and

**WHEREAS**, this Resolution is approved at a regularly scheduled meeting of the City Council of the City of Saginaw.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAGINAW, TEXAS, THAT:**

**SECTION 1.**

The terms and conditions of the Tax Abatement Agreement attached hereto as

Exhibit "A" has been reviewed by the City Council of the City of Saginaw and found to be acceptable and in the best interest of the City of Saginaw and its citizens, and is hereby in all things approved.

**SECTION 2.**


The Mayor is hereby authorized to execute the Tax Abatement Agreement and all other documents in connection therewith, on behalf of the City of Saginaw, substantially according to the terms and conditions set forth in the Agreement.

**SECTION 3.**

This Resolution shall become effective from and after its passage.

**PASSED AND APPROVED IN OPEN SESSION OF THE CITY COUNCIL OF  
THE CITY OF SAGINAW, TEXAS ON THE 17<sup>th</sup> DAY OF APRIL, 2012.**


APPROVED

  
\_\_\_\_\_  
Gary Brinkley, Mayor  
City of Saginaw, Texas

ATTEST:

  
\_\_\_\_\_  
Janice England, City Secretary

APPROVED AS TO FORM AND LEGALITY:

  
\_\_\_\_\_  
Bryn Meredith, Attorney





**STATE OF TEXAS  
CITY OF SAGINAW**

**TAX ABATEMENT AGREEMENT  
BETWEEN THE CITY OF SAGINAW  
AND HORIZON MILLING, LLC**

This Tax Abatement Agreement (this "Agreement") entered into by and between the City of Saginaw, Texas (the "City"), duly acting herein by and through its City Council, and Horizon Milling, LLC, ("Owner"), a corporation in good standing to do business in the State of Texas, duly acting herein by and through its authorized officers.

WHEREAS, the City has adopted a resolution stating that it elects to be eligible to participate in tax abatement; and

WHEREAS, on the 6th day of March, 2012 the City passed Resolution No. 2012-07 amending the City of Saginaw Tax Abatement Policy Statement ("Policy Statement"), attached hereto and incorporated herein as Exhibit "A"; and

WHEREAS, the Policy Statement constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the City as contemplated by the Texas Tax Code, as amended (the "Code"); and

WHEREAS, on the 17<sup>th</sup> day of April, 2012 the City passed Ordinance No. 2012-11 (the "Ordinance") establishing City of Saginaw Reinvestment Zone No. 2012-11, City of Saginaw, Texas, an industrial reinvestment zone for tax abatement (the "Zone"), as authorized by Title 3, Chapter 312 Subchapter C, of the Code; and

WHEREAS, Owner owns certain real property, more particularly described in Exhibit "B" attached hereto and incorporated herein by references (the "Premises"), located totally within the Zone; and

WHEREAS, on the 5th day of March, 2012, the Owner submitted a completed application for tax abatement with the various attachments to the City concerning the contemplated use of the Premises (the "Application for Tax Abatement"), attached hereto as Exhibit "C" and incorporated herein by reference, and

WHEREAS, the contemplated use of the Premises, the Required Improvements (as hereinafter defined) to the Premises as set forth in this Agreement, and the other terms hereof are consistent with encouraging development of said Zone in accordance with the purposes for its creation and are in compliance with the Policy Statement and the Resolution and similar guidelines and criteria adopted by the City and all applicable law, and

WHEREAS, the City finds that the terms of this Agreement, and the Premises and Required Improvements, meet the applicable guidelines and criteria heretofore adopted by the City, which are set forth in the Policy Statement; and

WHEREAS, written notice that the City intends to enter into this Agreement, along with a copy of this Agreement has been furnished, in the manner and by the time

prescribed by the Code, to the presiding officers of the governing bodies of each of the taxing units in which the premises is located.

NOW, THEREFORE, the City and the Owner for and in consideration of the Premises and promises contained herein, do hereby contract, covenant and agree as follows:

**I REQUIRED IMPROVEMENTS**

A. As a consideration precedent to tax abatement pursuant hereto, Owner shall construct, or cause to be constructed, within the Premises. Improvements ("Required Improvements"):

(i) consisting of site building construction, machinery and equipment for production, distribution of final product(s) and related uses, and

(ii) having a cost on completion of at least Thirty Eight Million Seven Hundred Thousand Dollars (\$38,700,000.00) of real property improvements including machinery and equipment. Owner intends to develop the Required Improvements generally in accordance with the specifications submitted by the Owner in Exhibit "C", and the "Application for Tax Abatement". The kind, number and location of the Required Improvements are more particularly described in the Application. As long as the conditions in the first sentence of this Paragraph A are met and the Required Improvements are used for the purposes and in the manner described in the Application, variations in the Required Improvements from the description provided in the Application shall not be an Event of Default.

B. As a condition precedent to tax abatement pursuant hereto, Owner shall commence construction of the Required Improvements on or before September 30, 2012 and shall substantially complete all of the Required Improvements within twelve (12) months; provided that Owner shall have such additional time to complete the improvements as may be required in the event of "force majeure", if the Owner is diligently and faithfully pursuing completion of the Improvements. For this purpose, "force majeure" shall mean any contingency or cause beyond the reasonable control of Owner, including, without limitations, acts of God, or the public enemy, war, riot, civil commotion, insurrection, government or de facto government action (unless caused by acts or omissions of Owner), fires, explosions, or floods, and strikes.

C. As a condition precedent to tax abatement pursuant hereto, the Required Improvements shall be constructed and the Premises shall be substantially constructed/improved in accordance with the description of the project set forth in the Application for Tax Abatement and Owner shall use its best efforts to comply with and satisfy in all material respects all of the provisions and requirements for the project as set forth in the Application for Tax Abatement, including but not limited to:

- (i) the project description and location;
- (ii) the activities to be performed;
- (iii) the eligibility criteria for the project;

D. As a condition of tax abatement pursuant hereto, and part of Owner's obligations under Paragraph D, Owner shall retain in connection with the operation or the production and related facilities located on the Premises a minimum of seventy (70) full-time jobs. These seventy (70) full time jobs shall be retained in the City of Saginaw during the entire duration of the Agreement. If prevailing conditions make it impossible for Owner to meet the requirements of this paragraph, Owner shall explain the reasons for the Owner's failure to meet such requirements and shall propose a recommended course of rectification. If the City finds that such failure was justified, the City may modify the requirements of this paragraph.

E. Owner covenants that:

- (i) as of the date of this Agreement, there are existing Improvements on the Premises, which shall not be considered part of the Required Improvements; except to the extent such improvements are identified in Exhibit "B", and
- (ii) all Required Improvements and any other improvements made to the Premises shall comply with all applicable Ordinances and Codes; and
- (iii) construction of the Improvements will be in accordance with all applicable federal, state and local laws and regulations. As a condition of tax abatement pursuant hereto, the Required Improvements shall be continuously operated and maintained throughout the term of the abatement for the purposes set forth herein so that the uses of the Premises shall be consistent with the general purposes of encouraging development or redevelopment of the Zone, except as otherwise authorized or modified by this Agreement.

## II. GENERAL PROVISIONS

A. The City has adopted guidelines and criteria governing tax abatement agreements for the City such that it can enter this Agreement containing the terms set forth herein.

B. Procedures followed by the City conform to the requirements of the Code and Policy Statement, and have been and will be undertaken in coordination with Owner's corporate, public employee and business relations requirements.

C. The Premises are not in an improvement project financed by tax increment bonds.

D. Neither the Premises nor any of the Improvements covered by this Agreement are owned or leased by any member of the Saginaw City Council, or any member of the governing body of any taxing units joining in or adopting this Agreement.

E. This Agreement is subject to rights of holders of outstanding bonds of the City.

F. A portion or all of the Premises and/or Improvements may be eligible for complete or partial exemption from ad valorem taxes, as a result of existing law or future legislation. This Agreement is not to be construed as evidence that no such exemptions apply to the Premises and/or Improvements.

### **III. ABATEMENT TERMS AND CONDITIONS**

A. The City hereby grants a tax abatement ("Abatement") to the Owner relative to:

(i) the eligible Improvements on the premises.

B. The value of the Abatement on the Improvements shall be the following portion of the increase in value of the Improvements on the Premises over their value on January 1, 2012 (as ultimately established upon termination of appropriate proceedings), the year in which this Agreement is executed: Year One – 100%; Year Two – 100%; Year Three – 100%; Year Four – 100%; Year Five – 100%.

C. Owner shall have the right to protest and contest any or all appraisals or assessments of the Premises and/or Improvements.

D. The term of the Abatement (the "Term") shall begin on January 1<sup>st</sup> of the year following completion of the required Improvements (the "Beginning Date") and, unless sooner terminated as herein provided, shall end on December 31<sup>st</sup> immediately preceding the fifth (5th) anniversary of the Beginning Date: providing however, that the beginning date may not be greater than two (2) years after the effective date of this Agreement. The effective date shall be the date of mutual execution of this Agreement.

### **IV. RECORDS, AUDITS AND EVALUATION OF PROJECT**

A. The City shall have the right to review the financial condition of the project to determine compliance with this Agreement. The City shall annually (or other such times deemed appropriate by the City) evaluate the project to insure compliance with this Agreement. Owner shall provide information to the City on a Form provided by the City for the evaluation. The information shall include, but not be limited to, the following:

(i) the number and dollar amounts of all construction contracts and subcontracts awarded on the project;

(ii) the total number of employees who work on the premises and their gross salaries. These jobs shall be reported in job classifications appropriate to the employees (to be provided annually)

(iii) the gross dollars spent on supplier and professional service contracts (to be provided semi-annually);

(iv) the dollar amount of contracts awarded to Disadvantaged Business Enterprises (to be provided annually);

(v) if the dollars or percentages do not equal the original or City modified requirements of this Agreement, the Owner shall explain the reason for the failure to meet the requirements and state a recommended course for rectification.

B. During normal office hours throughout the Term of this Agreement, providing 24 hour notice is given to the Owner, the City shall have reasonable access to the Premises by City employees for the purpose of inspecting the Premises and the Required Improvements or repairs are made in accordance with the specifications and conditions of this Agreement and to verify that the conditions of this Agreement are being complied with, provided that such inspection shall not interfere with the Owner's normal business operations and shall be subject to Owner's reasonable confidentiality requirements - except where disclosure is required pursuant to the Texas Public Information Act, Chapter 552 of the Texas Government Code - and Owner's reasonable safety requirements.

## V. TERMINATION OF AGREEMENT

A. In the event:

- (i) the Required Improvements for which an abatement has been granted are not completed in accordance with this Agreement or with the guidelines and criteria adopted by the City in the Policy Statement to govern this Agreement; or
- (ii) the schedule of Improvements listed in Paragraph B of Article I of this Agreement is not satisfied; or
- (iii) Owner allows its ad valorem real property taxes with respect to Premises or Improvements, or its ad valorem taxes with respect to the tangible personal property, owed to the City to become delinquent and fails to timely and properly follow legal procedures for protest and/or contest of any such ad valorem real property or tangible personal property taxes, or
- (iv) Owner breaches any of the other terms or conditions of this Agreement, then the Owner shall be in default of this Agreement (an

"Event of Default"). In the event that an Event of Default occurs, the City shall give Owner written notice of such Event of Default and if Owner has not cured such Event of Default within sixty (60) days of said written notice, this Agreement may be terminated by the City; provided, however, that if such Event of Default is not reasonably susceptible of cure within the sixty (60) day period and Owner has commenced and is pursuing the cure of same, then after first advising the City of Owner's efforts to cure same, Owner may utilize an additional sixty (60) days. The City may authorize time in addition to the foregoing one hundred and eighty (120) days. As liquidated damages for an Event of Default after the expiration of the applicable notice and cure periods, all taxes which otherwise would have been paid to the City for each year when an Event of Default existed, without benefit of Abatement (after taking into account any applicable exemptions), and penalties and interest thereon charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Code, as in effect at the time of the payment of such penalties and interest, for each such year for which such taxes were abated, will become a debt to the City. Such amount shall be due, owing and paid to the City within sixty (60) days of the expiration of the above-mentioned applicable cure period(s) as the sole and exclusive remedy of the City, subject to any and all lawful offsets, settlements, deductions, or credits to which owner may be entitled. The parties acknowledge that actual damages in the event of default and termination would be speculative and difficult to determine. Consequently, upon such termination, neither party shall have any further rights, duties, obligations or liabilities hereunder, except for Owner's obligation to pay to the City the previously abated taxes, with penalties and interest, as provided in this Article V (A).

B. Notwithstanding the foregoing paragraph, if the City and Owner mutually determine that the development or use of the Premises or Required Improvements as contemplated herein is no longer appropriate or feasible or that a higher or better use is preferable, the parties may terminate this Agreement by a written notice signed by both parties, the period of Abatement shall expire as of the effective date of the termination, there shall be no recapture of amounts previously abated, and neither party shall have further rights or obligations hereunder.

#### **VI. EFFECT OF SALE, ASSIGNMENT OR LEASE OF PROPERTY**

The Abatement shall vest in the Owner and cannot be assigned to a new owner or lessee of all or a portion of the Premises and/or Improvements, and any such assignment shall be grounds for termination of this Agreement and the tax abatement hereunder upon ten (10) days notice from the City to the Owner.

**VII. 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:** Horizon Milling, LLC  
P O Box 5626  
Minneapolis, MN 55440-5626

**WITH A COPY TO:** Cargill Law  
c/o Horizon Milling Attorney  
PO Box 5624  
Minneapolis, MN 5540-5624

**CITY:** City Manager  
City of Saginaw  
P. O. Box 79070  
Saginaw, Texas 76179

**WITH A COPY TO:** Saginaw City Attorney  
c/o Taylor, Olson, Adkins, Sralla & Elam, L.L.P.  
6000 Western Place  
Suite 200  
Fort Worth, Texas 76107

**VIII. CITY COUNCIL AUTHORIZATION**

This Agreement was authorized by the Saginaw City Council at its meeting on the 17<sup>th</sup> day of April 2012. Mayor Gary Brinkley is authorized to execute this Agreement on behalf of the City.

**IX. CORPORATE AUTHORIZATION**

This Agreement was entered into by, pursuant to authority granted by its Board of Directors, whereby one or more officers are authorized to execute this Agreement on behalf of Horizon Milling., LLC.

**X. SEVERABILITY**

In any 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. In the event that:

- (i) the Term of Abatement with respect to any property is longer than allowed by law, or
- (ii) the Abatement applies to a broader classification of property than is allowed by law, then the Abatement shall be held valid with respect to the classification of property abated hereunder, and the portion of the Term, that is allowed by law.

#### **XI. 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 the Owner, shall include, but not be limited to, statements that this Agreement is in full force and effect without default (or if default exists the nature of default and curative action, which should be undertaken to cure same), the remaining term of the Abatement in effect, and such other matters reasonably requested by the party (ies) to receive the certificates.

#### **XII. OWNER 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 resolutions, or City actions authorizing same and Owner shall be entitled to intervene in said litigation.

#### **XIII. 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.

#### **XIV. RECORDATION OF AGREEMENT**

A certified copy of this Agreement in recordable form shall be recorded in the Deed Records of Tarrant County, Texas by Owner with certified copy returned to the City.

#### **XV. BENEFIT OF AGREEMENT**

Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any person other than the Owner or the City any right, remedy or claim, legal or equitable, under reason of any provision hereof. The covenants, representations and agreements of the Owner set forth herein are made solely and exclusively as a condition



precedent to the availability of tax abatement hereunder and the only consequence that shall result from an Event of Default are those set forth in Article V hereof.

**XVI. AMENDMENT**

This Agreement may be modified by the parties hereto to include other provisions which could have originally been included in this Agreement or to delete provisions that were not originally necessary to this Agreement pursuant to the procedures set forth in Title 3, Chapter 312 of the Code.

PASSED AND APPROVED IN OPEN SESSION OF THE CITY COUNCIL OF THE CITY OF SAGINAW, TEXAS ON THE 17<sup>th</sup> DAY OF APRIL 2012.

APPROVED:

John R. Barton  
John Barton, Controller,  
Horizon Milling, LLC

State of MINNESOTA  
County of HENNEPIN

Before me, a notary public in and for said County and State personally appeared John Barton, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposed and consideration therein expressed.

GIVEN UNDER MY HAND and seal of office this 25<sup>th</sup> day of April, 2012.

Nicole Bethany Masaitis  
NOTARY PUBLIC  
My Commission Expires 1/31/16

Seal 

APPROVED AS TO FORM AND LEGALITY:

Bryn Meredith  
Bryn Meredith, City Attorney

APPROVED:


Gary Brinkley  
Gary Brinkley, Mayor  
City of Saginaw

State of Texas  
County of Tarrant

Before me, a notary public in and for said County and State personally appeared Mayor Gary Brinkley, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed

GIVEN UNDER MY HAND and seal office this 17<sup>th</sup> day of April, 2012.

Jance K. England  
NOTARY PUBLIC  
My Commission Expires 12-4-12

Seal 

# **EXHIBIT "A"**

## **RESOLUTION NO. 2012-07**

### **A RESOLUTION ADOPTING GUIDELINES AND CRITERIA FOR TAX ABATEMENT AGREEMENTS WITHIN THE CITY OF SAGINAW; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, economic development through the creation of a new industry and expansion of existing industry that results in new wealth and/or job opportunities is important for the well being and health of the local economy; and

**WHEREAS**, the City of Saginaw must compete with other localities throughout the United States currently offering tax incentives to attract new facilities and plant modernization projects; and

**WHEREAS**, the abatement of property taxes, when offered to attract businesses which bring in money from outside a community instead of merely recirculating dollars within a community, has been shown to be an effective method of enhancing and diversifying an area's economy; and

**WHEREAS**, Chapter 312 of the Texas Tax Code (the "Code") requires any eligible taxing jurisdiction to establish Guidelines and Criteria as to eligibility for tax abatement agreements prior to granting of any future tax abatement or creation of a reinvestment zone; and

**WHEREAS**, the City Council has previously adopted appropriate guidelines for the grant of a tax abatement or creation of a reinvestment zone; and

**WHEREAS**, the Section 312.002(c) of the Code provides that "[t]he guidelines and criteria adopted under this section are effective for two years from the date adopted;" and

**WHEREAS**, the City Council now desires to adopt the readopt the City of Saginaw tax abatement Guidelines and Criteria; and

**WHEREAS**, these Guidelines and Criteria shall not be construed as implying or suggesting the City of Saginaw is under obligation to provide tax abatement or other incentives to any applicant; and all applicants shall be considered on a case-by-case basis.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAGINAW, TEXAS:**

#### **SECTION 1.**

The City Council hereby establishes the guidelines and criteria governing property tax abatement agreements as set forth on Exhibit "A" to this resolution as the City of Saginaw Tax Abatement Guidelines and Criteria.

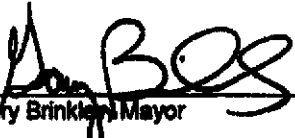
**SECTION 2.**

The guidelines and criteria shall be effective for two (2) years from the date of adoption, specifically March 6, 2012 through March 4, 2014, and may only be amended or repealed by a three-fourths vote of the City Council.

**SECTION 3.**

This resolution shall be in full force and effect from and after its passage and it is so resolved.

**PASSED AND APPROVED THIS 6<sup>th</sup> DAY OF March, 2012.**

  
\_\_\_\_\_  
Gary Brinkley, Mayor

ATTEST:

  
\_\_\_\_\_  
Janice England, City Secretary

EFFECTIVE: March 6, 2012

APPROVED AS TO FORM AND LEGALITY:

  
\_\_\_\_\_  
Bryn Meredith, City Attorney



**CITY OF SAGINAW, TEXAS**

**TAX ABATEMENT POLICY - GUIDELINES AND CRITERIA**

**Section 1**

**DEFINITIONS**

- a) **"Abatement"** means the full or partial exemption from ad valorem taxes of certain improvements to real property in a reinvestment zone designated for economic development purposes.
- b) **"Agreement"** means a contractual agreement between a property owner and/or lessee and an eligible jurisdiction for the purposes of tax abatement.
- c) **"Base Year Value"** means the assessed value of eligible property on January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1 but before the execution of the agreement.
- d) **"Deferred Maintenance"** means improvements necessary for continued operations, which do not improve productivity or alter the process technology.
- e) **"Economic Life"** means the number of years a property improvement is expected to be in service in a facility.
- f) **"Eligible Jurisdiction"** means the City of Saginaw, the Eagle Mountain-Saginaw Independent School District, Tarrant County, or other special taxing districts that levy ad valorem taxes upon and provide services to property located within a proposed or existing reinvestment zone.
- g) **"Expansion"** means the addition of buildings, structures, fixed machinery or equipment for purposes of increasing production capacity.

- b) **"Facility"** means property improvements completed or in the process of construction which together comprise an integral whole.
- i) **"Manufacturing Facility"** means buildings, structures, fixed machinery or equipment, 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.
- j) **"Modernization"** means the upgrading of existing facilities, which increased the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration, or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purposes of reconditioning, refurbishing or repairing.
- k) **"New Facility"** means a property previously undeveloped, which is placed in service, by means other than or in conjunction with expansion or modernization.
- l) **"Other Basis Industry"** means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services, from which a majority of revenues generated by activity at the facility are derived from outside Tarrant County.
- m) **"Regional Distribution Center Facility"** means buildings and structures including fixed machinery and equipment, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility, from which a majority of the revenues generated by activity at the facility are derived from outside Tarrant County.
- n) **"Regional Entertainment/Tourism Facility"** means buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment and/or tourism related services, from which a majority of revenues generated by activity at the facility are derived from outside Saginaw.
- o) **"Regional Retail Facility"** means buildings and structures including fixed machinery and equipment, used or to be used to provide retail services from which a majority of revenues generated by activity at the facility are derived from outside Saginaw.
- p) **"Regional Service Facility"** means buildings and structures, including fixed machinery and equipment, used or to be used to provide a service from which a majority of revenues generated by activity at the facility are derived from outside Tarrant County.

- q) **"Reinvestment Zone"** means an area designated as such for the purposes of tax abatement as authorized by the City in accordance with The Property Tax Code Annotated Chapter 312.201 et seq., the Property Redevelopment and Tax Abatement Act" (of Subchapter B), as amended.
- r) **"Research Facility"** means buildings and structures, including fixed machinery and equipment used or to be used primarily for research and experimentation to improve or develop new tangible goods or materials or to improve or develop the production process thereof.
- s) **"Regional Health Care Facility"** means buildings and structures, including fixed machinery and equipment, used or to be used to provide health care services, from which a majority of revenues generated by activity at the facility are derived from outside Saginaw.

## Section 2

### ABATEMENT AUTHORIZED

- a) **Authorized Facility.** A facility may be eligible for abatement if it is a:
- Regional Health Care Facility
  - Manufacturing Facility
  - Research Facility
  - Regional Distribution Center Facility
  - Regional Service Facility
  - Regional Entertain/Tourism Facility
  - Regional Retail Facility
  - Other Basic Industry
- b) **Authorized Date.** A facility shall be eligible for tax abatement if it has applied for such abatement prior to the commencement of construction, provided, that such facility meets the criteria granting tax abatement in reinvestment zones created in the City of Saginaw pursuant to the guidelines and criteria adopted by the City Council.
- c) **Creation of New Value.** Abatement may only be granted for the additional value of eligible property improvements made subsequent to and listed in an abatement agreement between the City of Saginaw and the property owner and/or lessee, subject to such limitations as the City Council may require.
- d) **New and Existing Facilities.** Abatement may be granted to new facilities and improvements to existing facilities for purposes of modernization and expansion.

- e) **Eligible Property.** Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility.
- f) **Ineligible Property.** The following classes of property shall be fully taxable and ineligible for abatement:
- Land
  - Inventories
  - Supplies
  - Furnishings or other forms of movable personal property
  - Vehicles, vessels or aircraft
  - Deferred maintenance investments
  - Residential property
  - Property that is associated with any activity that is illegal under federal, state or local law
  - Property owned or used by the State of Texas or its political subdivisions
  - Property owned by any organization which is owned, operated or directed by a political subdivision of the State of Texas
- g) **Leased Facilities.** If an authorized facility eligible for tax abatement is leased, the agreement shall be executed with both the lessor and the lessee.
- h) **Value and Term of Abatement.** Abatement shall be granted effective with the January 1 valuation date immediately following the date of execution of the agreement. The value and term of abatement on new eligible property shall be determined as follows:

The value of the abatement shall be equal to 500 percent (500%) of investment by the business in eligible property described in Section 2(e), above. The City Council or its designated representative, shall work with the applicant, prior to the execution of an abatement agreement, to determine the exact schedule for the abatement.

The exact schedule of the abatement shall be selected by the applicant under one of the below alternatives:

- a) 50% of the value of eligible property shall be abated in each of the ten (10) years of the abatement agreement, or;
- b) the applicant can select an abatement schedule, not to exceed 100% in any single year, which better meets the financial objectives of the company.

Under no circumstances shall the value of the abatement exceed one-hundred percent (100%) of the value of eligible property in a single year and the duration of an abatement agreement shall not exceed ten (10) years or one-half (1/2) the economic life of the eligible property, whichever is less.

1) **Economic Qualification.** In order to be eligible to receive tax abatement the applicant must meet the following qualifications.

1) For a new facility (with the exception of a regional retail or regional entertainment/tourism facility), be reasonably expected to invest not less than two million, five hundred thousand dollars (\$2,500,000) in the facility (including both eligible and ineligible property) within three (3) years from the commencement of construction and be expected to create employment for not less than ten (10) persons associated with the production of goods and services at the authorized facility on a full-time permanent basis in the City of Saginaw and/or Tarrant County. The employment of these persons must be accomplished by the completion of the third year of operations based on the below schedule:

Year 1	50%
Year 2	25%
Year 3	25%

2) For an expanded or modernized facility (excluding regional retail facilities), be reasonably expected to invest not less than one million, five hundred thousand dollars (\$1,500,000) in the facility (including both eligible and ineligible property) within three (3) years from the commencement of construction and be expected to create or retain employment for not less than ten (10) persons associated with the production of goods and services at the authorized facility on a full-time, permanent basis in the City of Saginaw and/or Tarrant County. The employment of these persons must be accomplished by the completion of the third year of operations based on the below schedule:

Year 1	50%
Year 2	25%
Year 3	25%

3) For regional retail and regional entertainment/tourism facilities, be reasonably expected to invest not less than ten million dollars (\$10,000,000) in the facility (including both eligible and ineligible property) within three (3) years from the commencement of construction, and be expected to create or retain employment for not less than seventy-five (75) persons associated with the operation of the



authorized facility on a full-time, permanent basis in the City of Saginaw and/or Tarrant County. The employment of these persons must be accomplished by the completion of the third year of operations based on the below schedule:

Year 1	50%
Year 2	25%
Year 3	25%

- 3) Two or more part-time, permanent employees totaling an average of not less than forty (40) hours per week, may be considered as one (1) full-time, permanent employee.
  - 4) Companies seeking to qualify for tax abatement on the basis of job retention shall document that without the creation of a reinvestment zone and/or tax abatement, the company will either reduce or cease operation.
  - 5) Not be expected to solely and primarily have the effect of transferring employment from one part of the City of Saginaw to another.
- j) **Taxability.** From the execution of the abatement agreement to the end of the agreement period, taxes shall be payable as follows:
- 1) the value of ineligible property as provided in Section 2(f), shall be fully taxable.
  - 2) the base year value of existing eligible property as determined each year shall be fully taxable, and
  - 3) the additional value of new eligible property shall be taxable in the manner described in Section 2(h).
- k) **Conflict of Interest.** Property that is in a reinvestment zone and that is owned or leased by a member of the governing body or the Planning and Zoning Commission of the City of Saginaw shall be excluded from property tax abatement.

### Section 3

#### APPLICATION

- a) Any present or potential property owner of taxable property in Saginaw may request the creation of a reinvestment zone and tax abatement by filing a writing request with the Mayor or his/her designated representative.

- b) **The application shall consist of a completed application form accompanied by the following:**
- 1) **A general written description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken.**
  - 2) **A descriptive list of the improvements that will be a part of the facility.**
  - 3) **A map and property description - including a plat, re-plat or proposed plat of the property.**
  - 4) **A time schedule for undertaking and completing the planned improvements.**
  - 5) **A check payable to the City of Saginaw in the amount of \$250.00 for filing fees.**
  - 6) **Such financial and other information as deemed appropriate by the City for purposes of evaluating the application.**
- c) **Upon receipt of a completed application the Mayor, or his/her designated representative, shall notify, in writing, the presiding officer of the governing body of each affected jurisdiction. Before acting upon the application, the City Council shall through public hearing, afford the applicant, designated representatives of any affected taxing jurisdiction and the general public opportunity to show cause why the abatement should or should not be granted. Notice of public hearing shall be clearly identified on a City Council Agenda to be posted in accordance with the Texas property Redevelopment and Tax Abatement Act and the Texas Open Meetings Act.**
- d) **After receipt of an application for creation of a reinvestment zone and application for tax abatement, the City Council, or its designee, shall prepare a feasibility study setting out the impact of the proposed reinvestment zone and tax abatement. The feasibility study shall include, but not be limited to jobs created, an estimate of the economic impact of the creation of the zone and the abatement of taxes and the cost/benefit to the City.**
- e) **A request for a reinvestment zone for the purpose of tax abatement shall not be granted if the City Council finds that the request for abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed expansion, modernization or new facility authorized as eligible under these guidelines.**

- f) **Variance.** Request for variance from provisions of these guidelines may be made in written form to the Mayor, or his/her designated representative, provided, however, that the term and value of abatement described in Section 2(h) may not be increased. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4) vote of the governing body.

#### Section 4

#### PUBLIC HEARING

- a) Should any affected jurisdiction be able to show cause in the public hearing why the grant of abatement will have a substantial adverse effect on its bonds, tax revenue, service capacity or the provision of services, that showing shall be reason for the City to deny any designation of the reinvestment zone, the grant of abatement, or both.
- b) Neither a reinvestment zone nor an abatement agreement shall be authorized if it is determined:
- 1) there would be a substantial adverse effect on the provision of government services or tax base,
  - 2) the applicant has insufficient financial capacity,
  - 3) planned or potential use of the property would constitute a hazard to public safety, health or morals, or,
  - 4) planned or potential use of the property violates other codes or laws.
- c) After holding a public hearing, providing notice thereof and considering all of the evidence presented, the City Council may designate a reinvestment zone. The designation of a reinvestment zone must precede the approval of an agreement and may only be made after the City Council finds: that the improvements sought are feasible and would be of benefit to the zone after expiration of the agreement and that the zone meets one of the applicable criteria for reinvestment zones. The findings shall be noted in the minutes of the meeting at which they are made. The designation of the zone must be made by ordinance.

**Section 5**

**AGREEMENT**

- a) After approval, the City shall formally pass a resolution and execute an agreement with the owner of the facility and/or lessee, which shall include the following:
- 1) Estimated value to be abated and the base year value.
  - 2) Percent of value to be abated each year as provided for in Section 2(h) above.
  - 3) The commencement and termination dates of the abatement.
  - 4) The proposed use of the facility, nature of the construction, time schedule for construction and commencement of operations, map, property description, and improvements as listed in the application under Section 3(b).
  - 5) Contractual obligations in the event of default, violation of terms and conditions, delinquent taxes, recapture, administration and assignment as provided for in Section 2(a), 2(h), 6, 7 and 8 or other provisions that may be required for conformity to state law, and
  - 6) Amount of investment in and average number of jobs associated with the facility during the abatement period.
- b) Such agreement shall normally be executed within 60 days after the applicant has forwarded all necessary information and documentation for evaluation of the application to the City of Saginaw.

**Section 6**

**RECAPTURE**

- a) In the event that the facility is completed and begins producing goods and/or services, but subsequently discontinues such production for any reason excepting fire, explosion or other casualty or accident or natural disaster for a period of one (1) year during the abatement period, then the agreement shall terminate and so shall the abatement of taxes for the calendar year during which the facility no longer produces. The taxes otherwise abated for the calendar year shall be paid the City within sixty (60) days from the date of termination.

- b) **Should the City determine that the company or individual is in default according to the terms and conditions of the abatement agreement, the City shall notify the company or individual, in writing, at the address stated in the agreement, and if such non-compliance is not resolved within sixty (60) days from the date of such notice, then the agreement shall be terminated.**
- c) **In the event that the company or individual:**
  - 1) **Allows its ad valorem taxes owed the City or other affected jurisdiction to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or**
  - 2) **Violates any of the terms and conditions of the abatement agreement and fails to resolve such violations within sixty (60) days from the date of written notice of such violation(s).**

**The agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.**

#### **Section 7**

#### **ADMINISTRATION**

- a) **The Chief Appraiser of the County shall, as a normal consequence of his/her duties 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, including the number of new or retained employees associated with the facility. Once the value has been established, the Chief Appraiser shall notify the affected jurisdictions, which levy taxes of the amount of the assessment.**
- b) **The agreement shall stipulate that employees and/or designated representatives of the City will have access to the reinvestment zone during the term of the abatement agreement to inspect the facility to determine if the company or individual is in compliance with the terms and conditions of the abatement agreement. All inspections will be made only after notification of not less than twenty-four (24) hours and will only be conducted in such manner as not to unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one (1) or more representatives of the company or individual present and in accordance with the company's safety standards.**

- c) Upon completion of construction, the City shall annually evaluate each facility receiving abatement to ensure compliance with this agreement and report possible violations to the City Council and City Attorney. Abatements approved under previously authorized tax abatement agreements will be monitored for compliance relative to the agreement under which the abatement was approved.
- d) All proprietary information required by the City for purposes of monitoring compliance by a company with the terms and conditions of an abatement agreement shall be considered confidential.

#### Section 8

#### ASSIGNMENT

Abatement may not be transferred and assigned by the holder to a new owner or lessee of the same facility.

#### Section 9

#### SEVERABILITY AND LIMITATION

In the event that any section, clause, sentence, paragraph or any part of these Guidelines and Criteria shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such invalidity shall not affect, impair, or invalidate the remainder of these Guidelines and Criteria.

#### Section 10

#### SUNSET PROVISIONS

These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, unless amended by three-quarters vote of the City Council of the City of Saginaw, at which time all reinvestment zones and Tax Abatement agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria may be modified, renewed, or eliminated.



**City of Saginaw, Texas**  
**Application for Tax Abatement**

**FILING INSTRUCTIONS**

This application must be filed prior to the commencement of construction or the installation of equipment associated with the project for which the abatement is being sought. This filing acknowledges that the applicant has read and understands the Guidelines and Criteria for Granting Tax Abatement, approved by the Saginaw City Council on March 8, 2012.

This application shall become a part of any tax abatement agreement or contract executed between the applicant and the City of Saginaw. Knowingly false representations therein shall be grounds for voiding such agreement or contract.

An original and two (2) copies of this application and attachments shall be submitted to:

City of Saginaw  
Director of Economic Development  
P. O. Box 79070  
Saginaw, TX 78179

**APPLICANT INFORMATION**

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone/Fax: \_\_\_\_\_

Contact Person/Title \_\_\_\_\_

Type of Business      Corporation      \_\_\_\_\_

Partnership      \_\_\_\_\_

Sole Proprietorship      \_\_\_\_\_

**APPLICANT INFORMATION (cont.)**

Primary Activity: Manufacturing \_\_\_\_\_ Research \_\_\_\_\_ Distribution \_\_\_\_\_ Health \_\_\_\_\_  
Service \_\_\_\_\_ Tourism/Entertainment \_\_\_\_\_ Retail \_\_\_\_\_ Other \_\_\_\_\_

Annual Sales at time of application: \$ \_\_\_\_\_

Number of Full-Time Employees at time of application: \_\_\_\_\_

Number of Permanent Part-Time Employees at time of application: \_\_\_\_\_

**PROJECT INFORMATION**

Type: Manufacturing \_\_\_\_\_ Research \_\_\_\_\_ Distribution \_\_\_\_\_ Health \_\_\_\_\_  
Service \_\_\_\_\_ Tourism Entertainment \_\_\_\_\_ Retail \_\_\_\_\_ Other \_\_\_\_\_

*\*Note: Applicant must provide evidence that a majority of the revenues generated by this facility are from sources outside the City of Saginaw and Tarrant County.*

Type of Improvement: New Facility \_\_\_\_\_ Expansion \_\_\_\_\_ Modernization \_\_\_\_\_

Total Value of Improvements: \$ \_\_\_\_\_

Date to Commence Construction: \_\_\_\_\_

Date to Complete Construction: \_\_\_\_\_

Peak Construction Workforce: \_\_\_\_\_

Total New Permanent Employment: \_\_\_\_\_

Total New Part-Time Employment: \_\_\_\_\_

Total Jobs Retained (modernization): \_\_\_\_\_

*\* Note: Applicant must provide evidence that the company would reduce or cease operations within the City of Saginaw if not for the proposed modernization.*

**PUBLIC SERVICE REQUIREMENTS**

Volume of Treated Water Required: \_\_\_\_\_ Gallons/Day

Volume of Effluent to be Treated: \_\_\_\_\_ Gallons/Day

Est. number of school age children (K-12): \_\_\_\_\_



**OTHER ABATEMENT AGREEMENTS**

Does the applicant have other in-place abatement agreements: Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, with what municipalities and in which state(s): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Has the applicant made application for abatement of the value of real property improvements associated with this project to any other taxing jurisdiction:

Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please provide the following information on each pending application:

Name of Jurisdiction: \_\_\_\_\_  
Date of application: \_\_\_\_\_  
Date of Public Hearing: \_\_\_\_\_  
Action Taken (if any): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ATTACHMENTS**

The City Council may not review an application until the below information is provided:

- (A) A written description of the proposed use and the general nature and extent of the new improvement(s), expansion or modernization to be undertaken.
- (B) A description (including estimated costs) of each improvement that will be a part of the facility.
- (C) A map and plat or proposed plat of the facility location and property description (including current ownership).
- (D) A time schedule for undertaking and completing the planned improvements.
- (E) Financial information for the most recent two (2) years of operations or other information as requested by the City, for which such information is available.

**ASSURANCES**

- (1) The information provided above is complete and accurate.
- (2) I have received and read a copy of the **Guidelines and Criteria for Granting Tax Abatement** in the City of Saginaw dated March 6, 2012, and I understand the terms and conditions under which tax abatement agreements in the City of Saginaw may be executed.
- (3) I understand that employees and/or the designated representative of the City shall have access to the facility during the period of the abatement agreement to determine if the company is in compliance with the terms and conditions of the agreement.
- (4) I understand that failure to comply with the terms and conditions of the abatement agreement may result in the recapture by the City of any and all taxes previously in the current year of the abatement agreement.
- (5) I understand that participation in an abatement agreement does not remove any obligation to satisfy all codes and ordinances issued by the City or any other affected jurisdiction that may be in effect and applicable at the time this project is implemented.

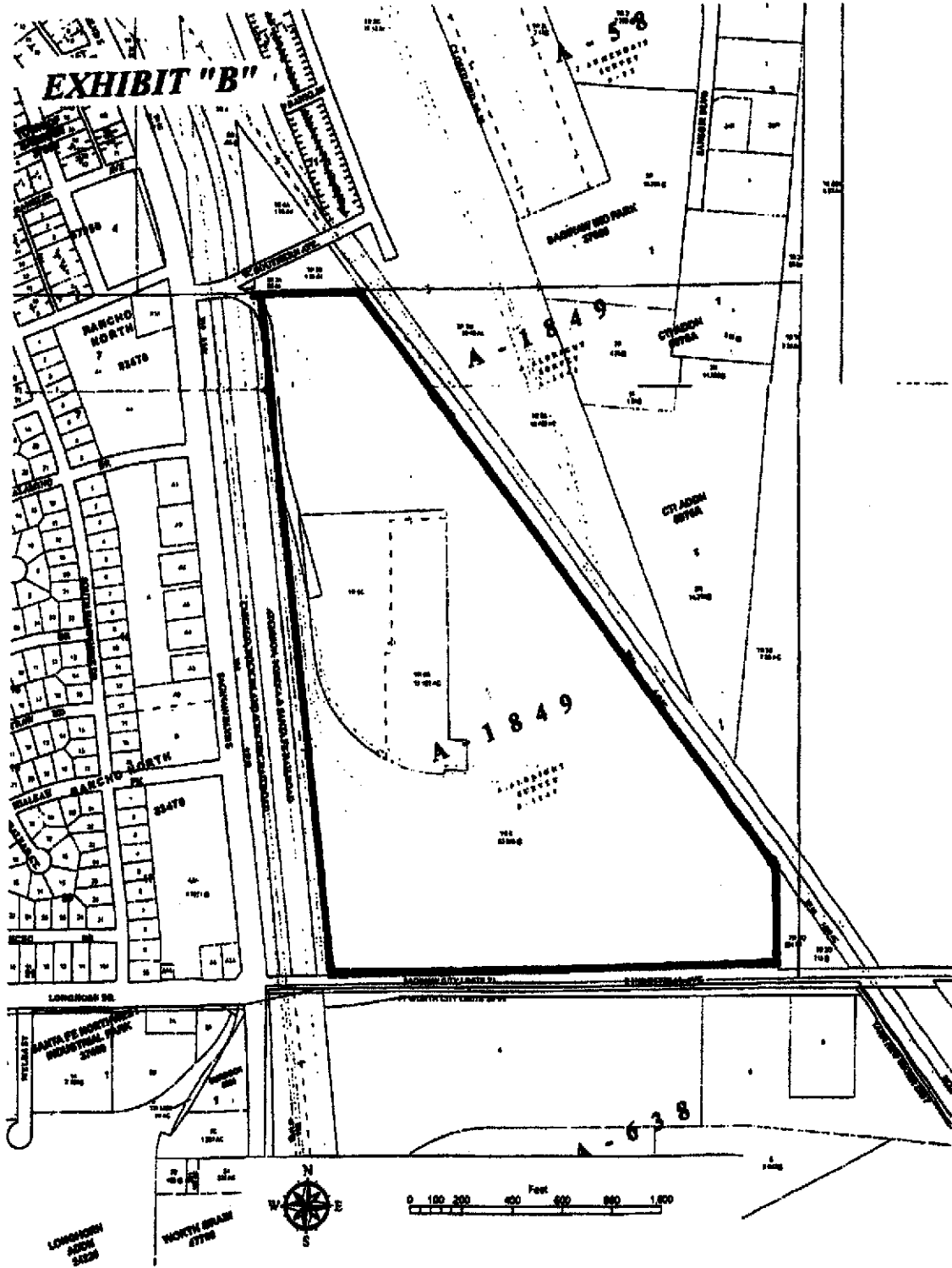
\_\_\_\_\_  
**Signature of Authorized Officer/Title**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Name of Authorized Office (Type or Print)**

\_\_\_\_\_  
**Title (Type or Print)**

# EXHIBIT "B"



# EXHIBIT "C"



March 2, 2012

Via First Class Mail

Mr. Mark White  
Director of Economic Development  
City of Saginaw  
P.O. Box 79070  
Saginaw, Texas 76179

**RE: Application for Tax Abatement  
Horizon Milling, LLC**

Mr. White,

By way of the enclosed application, Horizon Milling, LLC is respectfully requesting the City of Saginaw to consider granting a property tax exemption for a proposed expansion and modernization project of the Saginaw flour mill facility. This project, if completed, will bring the Saginaw mill in line with modern milling equipment, greater efficiency, and more storage capacity to enable it to compete in an ever increasing competitive marketplace. In addition, this significant investment will bring in hundreds of construction jobs, builds a foundation for the long term viability of the Saginaw operation, and will retain good jobs.

I hope you find the enclosed information sufficient for the Councils review, but should you or the Council need any additional data, please let me know and I'll do my best to accommodate your request.

Thanks for your time and consideration. Have a great day.

Best Regards,

Dean R. Jacobs, CMI  
Property Tax Advisor  
Cargill, Inc.  
(952) 742-6444  
[Dean\\_jacobs@cargill.com](mailto:Dean_jacobs@cargill.com)

**CITY OF SAGINAW  
COMMUNITY DEVELOPMENT**

**MAR 05 2012**

RECEIVED BY:

Enclosure

Cargill, Incorporated  
15407 McGinty Road West  
Wayzata, MN 55391-2300

Cargill, Incorporated  
P.O. Box 5026  
Minneapolis, MN 55440-5026

Tel 952-742-6444  
Fax 952-742-6414  
[dean\\_jacobs@cargill.com](mailto:dean_jacobs@cargill.com)



**City of Saginaw, Texas**  
**Application for Tax Abatement**  
CITY OF SAGINAW  
COMMUNITY DEVELOPMENT

MAR 05 2012

RECEIVED BY:

W. Johnson

**FILING INSTRUCTIONS**

This application must be filed prior to the commencement of construction or the installation of equipment associated with the project for which the abatement is being sought. This filing acknowledges that the applicant has read and understands the Guidelines and Criteria for Granting Tax Abatement, approved by the Saginaw City Council on March 2, 2010.

This application shall become a part of any tax abatement agreement or contract executed between the applicant and the City of Saginaw. Knowingly false representations therein shall be grounds for voiding such agreement or contract.

An original and two (2) copies of this application and attachments shall be submitted to:

City of Saginaw  
Director of Economic Development  
P. O. Box 76070  
Saginaw, TX 76179

**APPLICANT INFORMATION**

Company Name: HORIZON MILLING, LLC  
Address: P.O. BOX 5626  
MINNEAPOLIS, MN 55440-5626  
Phone/Fax: 952-742-6444  
Contact Person/Title: DEAN R. JACOBS, PROPERTY TAX MGR.  
Type of Business      Corporation      X  
                                 Partnership      \_\_\_\_\_  
                                 Sole Proprietorship      \_\_\_\_\_

**APPLICANT INFORMATION (cont.)**

Primary Activity: Manufacturing  Research \_\_\_\_\_ Distribution \_\_\_\_\_ Health \_\_\_\_\_  
Service \_\_\_\_\_ Tourism/Entertainment \_\_\_\_\_ Retail \_\_\_\_\_ Other \_\_\_\_\_

Annual Sales at time of application: \$ CONFIDENTIAL

Number of Full-Time Employees at time of application: 82

Number of Permanent Part-Time Employees at time of application: 0

**PROJECT INFORMATION**

Type: Manufacturing  Research \_\_\_\_\_ Distribution \_\_\_\_\_ Health \_\_\_\_\_  
Service \_\_\_\_\_ Tourism Entertainment \_\_\_\_\_ Retail \_\_\_\_\_ Other \_\_\_\_\_

\*Note: Applicant must provide evidence that a majority of the revenues generated by this facility are from sources outside the City of Saginaw and Tarrant County.

Type of Improvement: New Facility \_\_\_\_\_ Expansion  Modernization

Total Value of Improvements: \$ 38.7 million (cost)

Date to Commence Construction: SEPT. 30, 2012

Date to Complete Construction: AUGUST 1, 2013 DJ

Peak Construction Workforce: 150 - 200 +

Total New Permanent Employment: -

Total New Part-Time Employment: -

Total Jobs Retained (modernization): 70

\* Note: Applicant must provide evidence that the company would reduce or cease operations within the City of Saginaw if not for the proposed modernization.

**PUBLIC SERVICE REQUIREMENTS**

Volume of Treated Water Required: N/A Gallons/Day

Volume of Effluent to be Treated: N/A Gallons/Day

Est. number of school age children (K-12): N/A

**OTHER ABATEMENT AGREEMENTS**

Does the applicant have other in-place abatement agreements: Yes X No     

If yes, with what municipalities and in which state(s): NEWTON, KS

\_\_\_\_\_  
\_\_\_\_\_

Has the applicant made application for abatement of the value of real property improvements associated with this project to any other taxing jurisdiction:

Yes      No X

If yes, please provide the following information on each pending application:

Name of Jurisdiction: \_\_\_\_\_

Date of application: \_\_\_\_\_

Date of Public Hearing: \_\_\_\_\_

Action Taken (if any): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_


**ATTACHMENTS**

The City Council may not review an application until the below information is provided:

- (A) A written description of the proposed use and the general nature and extent of the new improvement(s), expansion or modernization to be undertaken.
- (B) A description (including estimated costs) of each improvement that will be a part of the facility.
- (C) A map and plat or proposed plat of the facility location and property description (including current ownership).
- (D) A time schedule for undertaking and completing the planned improvements.
- (E) Financial information for the most recent two (2) years of operations or other information as requested by the City, for which such information is available.

**ASSURANCES**

- (1) The information provided above is complete and accurate.
- (2) I have received and read a copy of the Guidelines and Criteria for Granting Tax Abatement in the City of Saginaw dated March 2, 2010, and I understand the terms and conditions under which tax abatement agreements in the City of Saginaw may be executed.
- (3) I understand that employees and/or the designated representative of the City shall have access to the facility during the period of the abatement agreement to determine if the company is in compliance with the terms and conditions of the agreement.
- (4) I understand that failure to comply with the terms and conditions of the abatement agreement may result in the recapture by the City of any and all taxes previously in the current year of the abatement agreement.
- (5) I understand that participation in an abatement agreement does not remove any obligation to satisfy all codes and ordinances issued by the City or any other affected jurisdiction that may be in effect and applicable at the time this project is implemented.

 _____ Signature of Authorized Officer/Title	<u>3-1-2012</u> _____ Date
<u>JOHN BARTON</u> _____ Name of Authorized Office (Type or Print)	<u>CONTROLLER, VP</u> _____ Title (Type or Print)

4



Application for Tax Abatement  
City of Saginaw, Texas

Applicant: Horizon Milling, LLC

SUPPORTING EVIDENCE FOR PROJECT INFORMATION SECTION (Page2)

The following graph indicates that approximately 80% of the flour produced at the Saginaw plant is sold to customers outside of Tarrant County; it would follow then that a majority of the revenue generated at this facility is from sources outside the City of Saginaw and Tarrant County.

Horizon Milling Sales by County and State  
Saginaw, TX Facility

Rank	County	State	% of Total Production	Cumulative Total %
1	Dallas	TX	38.1%	38.1%
2	Tulsa	OK	10.3%	48.4%
3	Travis	TX	7.5%	55.9%
4	Taylor	TX	5.8%	61.7%
5	Gwinnett	GA	5.6%	67.3%
6	Bell	TX	3.7%	71.2%
7	Cobb	GA	3.6%	74.8%
8	Tarrant	TX	3.5%	78.1%
9	Harris	TX	3.2%	81.3%
10	Bexar	TX	2.6%	83.9%

Horizon Milling's current Saginaw, TX flour mill is at a disadvantage relative to our competitors in the markets we serve, as well as compared to our upgraded internal assets. The flour milling operations are antiquated, inefficient in labor and energy, require on-going excessive repair & maintenance, and most importantly, lag significantly in product yielding capabilities. As an organization, Horizon Milling has made difficult decisions over the years to shut down other mills that were in similar disadvantaged competitive positions such as Topeka, KS, Wellington, KS, Port Colburn, ON, Springfield, IL, Jacksonville, FL, and Buffalo, NY. Horizon Milling is making this significant capital investment to modernize the flour milling operations which would position our Saginaw, TX mill to be one of the most competitive points

**Application for Tax Abatement  
City of Saginaw, Texas**

**Applicant: Horizon Milling, LLC**

of origin in the markets we serve for the extended future. Without this upgrade, Horizon Milling will likely be forced to replace this mill in the future with one in another location that can more competitively serve the market. By way of this significant investment in Saginaw, Horizon Milling is doing all it can to remain competitive and build for a long term future at this facility.

Application for Tax Abatement  
City of Saginaw, Texas

Applicant: Horizon Milling, LLC

#### ATTACHMENT A

The Saginaw plant is one of the largest and most complex facilities within Horizon Milling, but it also has some of the oldest (circa 1930's) and least efficient milling units. The general nature of the project is to replace two existing hard wheat milling units with two new units, thereby increasing milling capacity and efficiency. Cleaning house equipment will be upgraded and/or replaced as required to meet capacity and reliability standards. Flour storage space will also be expanded to accommodate increased volume and improve operational efficiency. To ensure that this project does not result in any customer interruptions or costly supply chain arbitrage, a new processing building will be built to house the new milling equipment. To make room for this new addition (and future expansion area), there will be some demolition of existing structures.

The old milling equipment will be removed and sold for scrap, while the building will remain and possibly be re-used as either storage space or maintenance.

Application for Tax Abatement  
City of Saginaw, Texas

Applicant: Horizon Milling, LLC

ATTACHMENT B

The project has the following projected costs:

Mill Equipment	26,500,000	Two new mills Electrical & Peripheral Equipment Power supply Mechanical and electric install, Engineering, Automation
Mill, Bins, Pilings, Elevator	<u>12,200,000</u>	See building descriptions below
Total of New Improvements	38,700,000	

Building Descriptions:

Mill - The mill process building will be of slip form concrete construction, approximately 90 feet x 60 feet, plus appendages. The building will be seven stories tall, with the highest elevation reaching 120 feet. The new mill building will have a total gross building area of 51,198 square feet.

Temper Bin - This building will be a flour storage addition to the existing A&B mill storage building. Like the process mill building, this will be a slip form concrete building, approximately 16.5 feet x 30 feet, and approximately 112 feet in height. The gross building area will be approximately 377 square feet.

Chlorine Room - A one story, tilt-up concrete building, with a gross building area of 354 square feet. It will reach a height of 15 feet, 4 inches.

Application for Tax Abatement  
City of Saginaw, Texas

Applicant: Horizon Milling, LLC

**ATTACHMENT C**

Property Ownership: Horizon Milling, LLC  
Horizon Milling, LLC is a joint venture between Cargill, Inc. and Cenex Harvest States. The venture was formed in 2002.

Property Address: 401 East Industrial Avenue  
Saginaw, Texas

Parcel Account Number: 04301064

Map Number: 2042-428

Property Description: ALBRIGHT, ALEXANDER F SURVEY  
A 1849 TR 6  
63.4699 ACRES

Please refer to attached maps for parcel and construction area locations.

**ATTACHMENT D**

The planned start of new construction is March 30, 2012

The planned start-up date for the new mill is April 1, 2013

**ATTACHMENT E**

As the flour milling industry is a highly competitive industry, with tight profit margins and proprietary processes, Horizon Milling respectfully requests that the City Council review this application without requiring our disclosure of confidential operational financial information. Your understanding and consideration is much appreciated.

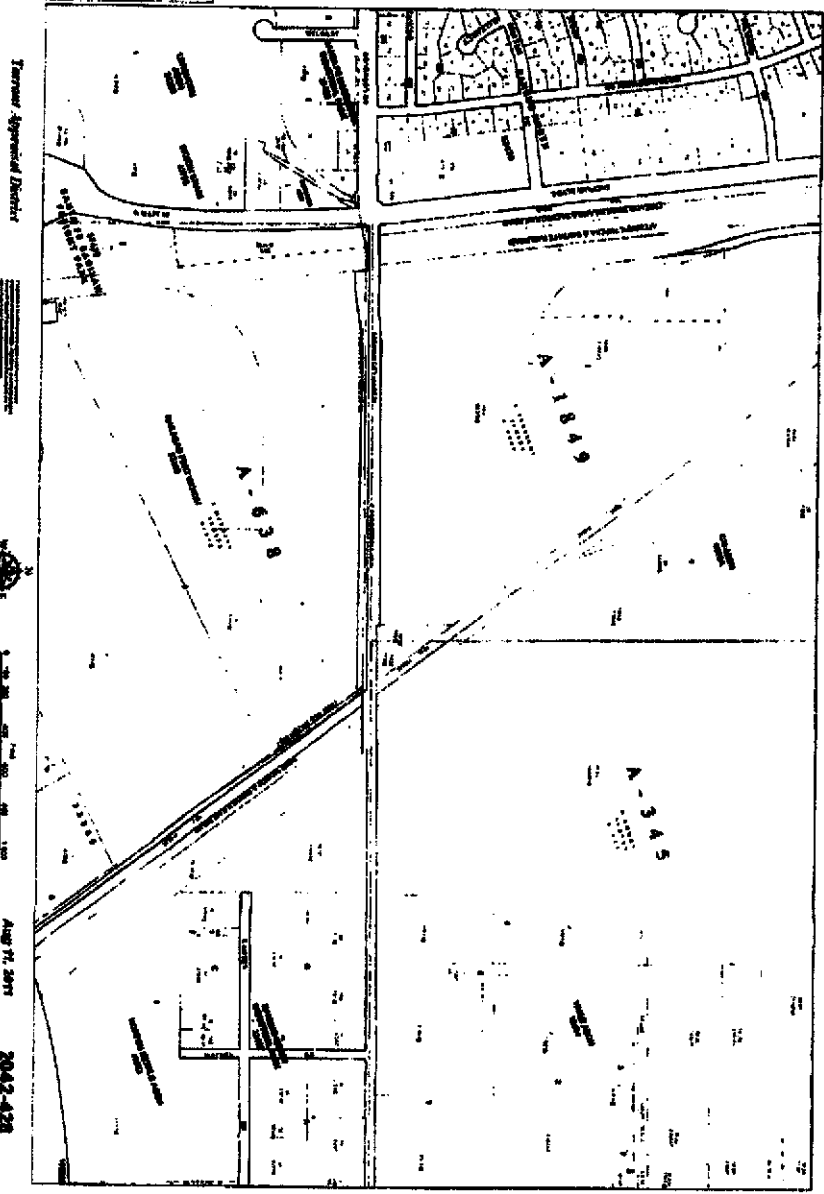


Google Earth Pro

feet 1000  
meters 400

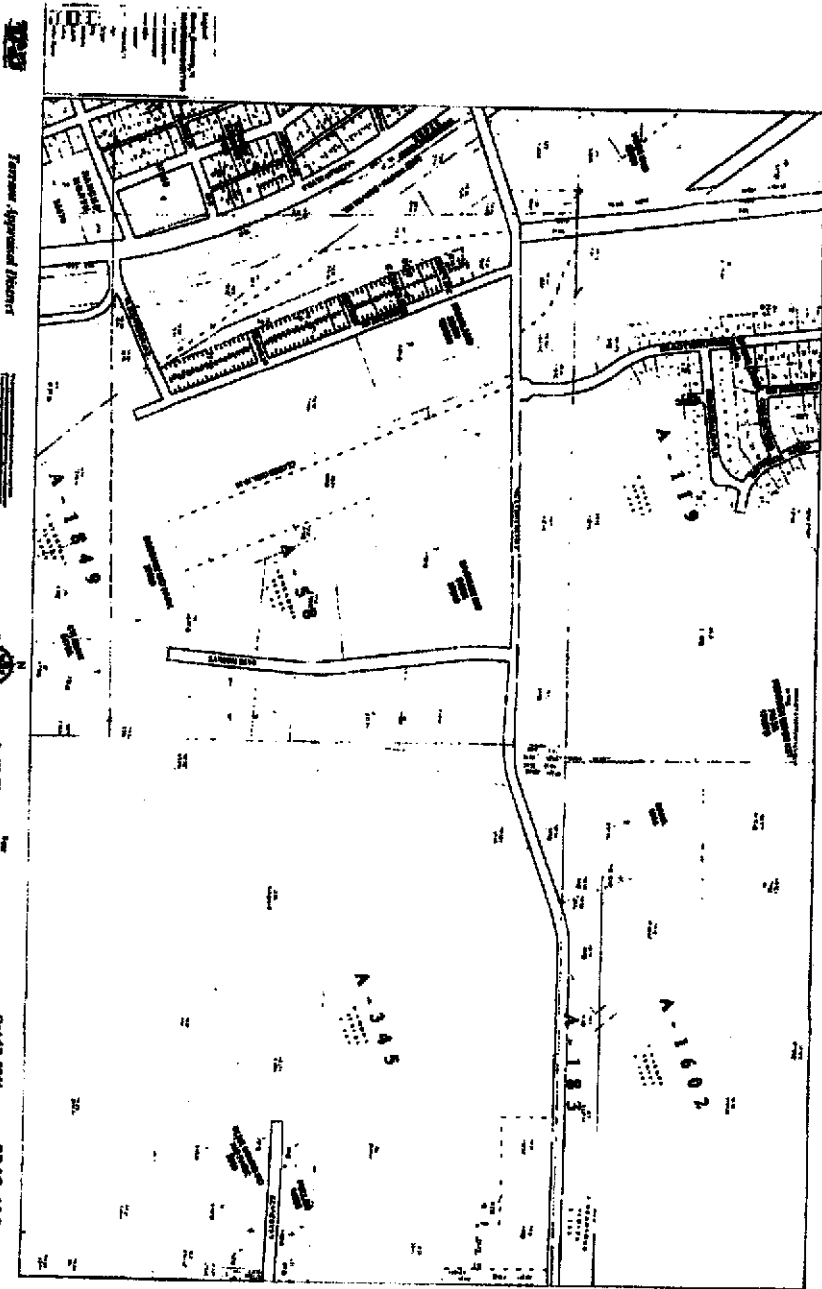


1942  
Tanner Appraisal District



Aug 71 2011

2042-428



Zoning Approval District

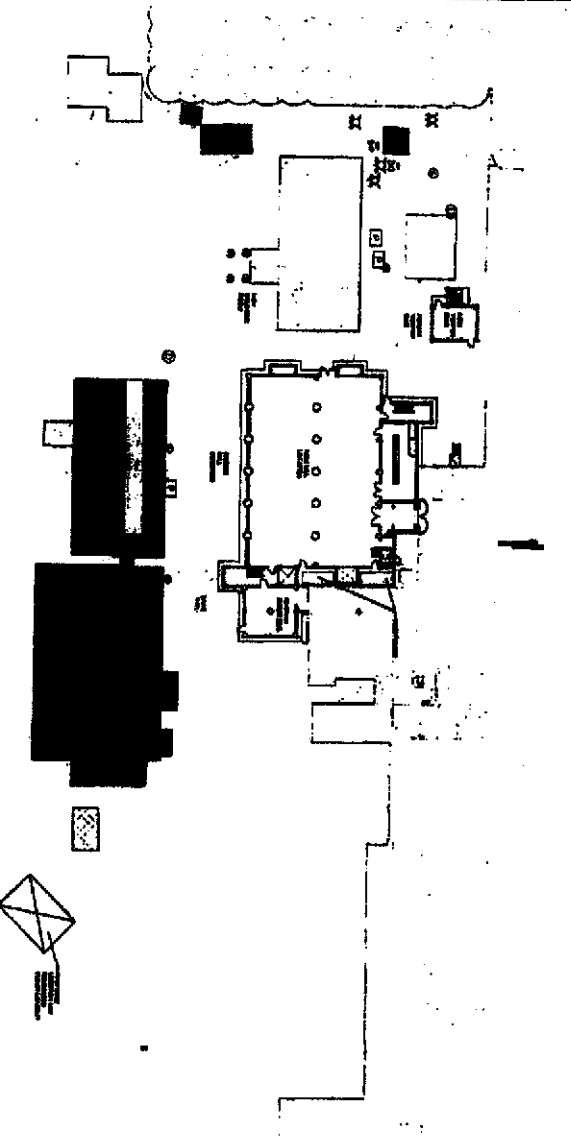


0-100 200 300 400 500 600 700 800 900 1000

2002-432



**PROPOSED SITE PLAN**



**HORIZON MILLING**  
 ALUMINUM MILLING

NO.	DESCRIPTION	DATE	BY
1	ISSUED FOR BIDDING	10/15/11	J. W. [unclear]
2	REVISED	10/15/11	J. W. [unclear]
3	REVISED	10/15/11	J. W. [unclear]
4	REVISED	10/15/11	J. W. [unclear]
5	REVISED	10/15/11	J. W. [unclear]
6	REVISED	10/15/11	J. W. [unclear]
7	REVISED	10/15/11	J. W. [unclear]
8	REVISED	10/15/11	J. W. [unclear]
9	REVISED	10/15/11	J. W. [unclear]
10	REVISED	10/15/11	J. W. [unclear]

**BID DOCUMENT**  
 NEW YORK GOVERNMENT



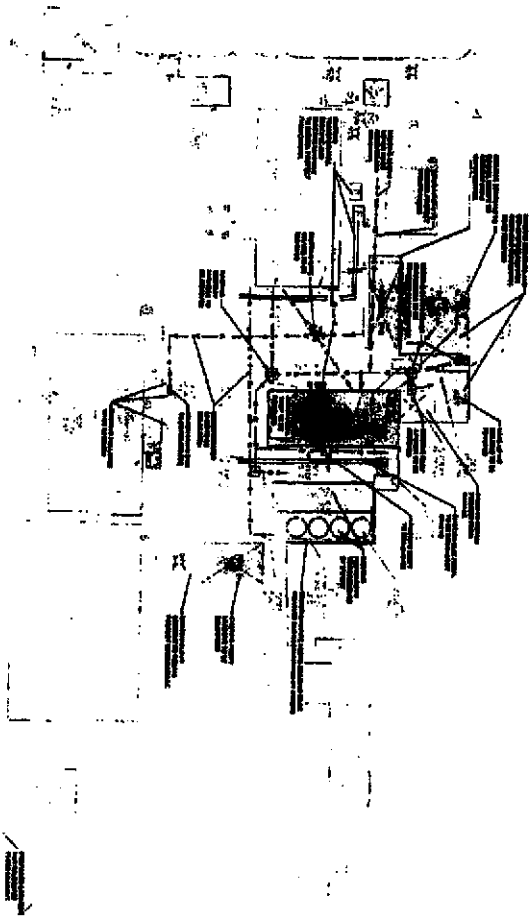
**GENERAL NOTES**

1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE NEW YORK STATE DESIGN SPECIFICATIONS FOR HIGHWAY BRIDGES AND STRUCTURES.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.
3. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AND UTILITIES AT ALL TIMES.
4. ALL MATERIALS AND WORKMANSHIP SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE ENGINEER.
5. THE CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTING ALL EXISTING UTILITIES AND STRUCTURES.
6. ALL DIMENSIONS SHALL BE AS SHOWN UNLESS OTHERWISE NOTED.
7. THE CONTRACTOR SHALL MAINTAIN A RECORD OF ALL CHANGES AND REVISIONS.
8. ALL WORK SHALL BE COMPLETED WITHIN THE SPECIFIED TIME FRAME.
9. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY INSURANCE AND BONDS.
10. ALL WORK SHALL BE COMPLETED IN ACCORDANCE WITH THE CONTRACT DOCUMENTS.

- LEGEND**
- 1. [Symbol] EXISTING
  - 2. [Symbol] PROPOSED
  - 3. [Symbol] [unclear]
  - 4. [Symbol] [unclear]
  - 5. [Symbol] [unclear]
  - 6. [Symbol] [unclear]
  - 7. [Symbol] [unclear]
  - 8. [Symbol] [unclear]
  - 9. [Symbol] [unclear]
  - 10. [Symbol] [unclear]



EXISTING CONDITIONS AND REMOVALS PLAN



Legend box containing symbols and corresponding text for the drawing.

Legend box containing symbols and corresponding text for the drawing.

**GENERAL NOTES**

- 1. ALL WORK SHALL BE IN ACCORDANCE WITH THE SPECIFICATIONS AND CONDITIONS OF CONTRACT.
- 2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS.
- 3. THE CONTRACTOR SHALL PROTECT ALL EXISTING UTILITIES AND STRUCTURES NOT TO BE REMOVED.
- 4. ALL REMOVALS SHALL BE DONE IN ACCORDANCE WITH LOCAL, STATE, AND FEDERAL REGULATIONS.
- 5. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AND PUBLIC AREAS.
- 6. ALL DEBRIS FROM REMOVALS SHALL BE PROPERLY DISPOSED OF AT AN APPROVED LOCATION.
- 7. THE CONTRACTOR SHALL MAINTAIN ADEQUATE SAFETY BARRIERS AND WARNING SIGNS THROUGHOUT THE PROJECT.
- 8. ALL WORK SHALL BE COMPLETED WITHIN THE SPECIFIED TIME FRAME.
- 9. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY INSURANCE COVERAGE.
- 10. ALL MATERIALS AND METHODS OF CONSTRUCTION SHALL BE APPROVED BY THE ARCHITECT.

**LEGEND**

- 1. EXISTING WALL
- 2. EXISTING WINDOW
- 3. EXISTING DOOR
- 4. EXISTING CEILING
- 5. EXISTING FLOOR
- 6. EXISTING ROOF
- 7. EXISTING UTILITY
- 8. EXISTING STRUCTURE
- 9. EXISTING LANDSCAPE
- 10. EXISTING SITE

**BID DOCUMENT**  
NOT FOR CONSTRUCTION

NO.	DESCRIPTION	DATE	BY
1	ISSUED FOR BIDDING	10/15/2023	J. SMITH
2	REVISION	10/20/2023	J. SMITH
3	REVISION	11/05/2023	J. SMITH
4	REVISION	11/15/2023	J. SMITH



**HORIZON MILLING**  
ARCHITECTURAL FIRM



MARY LOUISE GARCIA

COUNTY CLERK



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

LISA NEWSON  
PO BOX 79070  
SAGINAW, TX 76179

Submitter: LISA NEWSON

**DO NOT DESTROY**  
**WARNING - THIS IS PART OF THE OFFICIAL RECORD.**

Filed For Registration: 5/7/2012 4:03 PM

Instrument #: D212109551

A

45

PGS

\$188.00

By: \_\_\_\_\_

*Mary Louise Garcia*

D212109551

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY  
BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Prepared by: MGSALAZAR

**EXHIBIT "C"**

**Abatement Application**



# Tarrant County Application for Tax Abatement/Reinvestment Zone

## I. APPLICANT INFORMATION

**Applicant/Property Owner:** Horizon Milling, LLC  
**Company/Project Name:** Mill Expansion & Modernization  
**Mailing Address:** 401 East Industrial Avenue, Saginaw, TX  
**Telephone:** 817-847-3400                      **Fax:**

**Applicant's Representative for contact regarding abatement request:**

**Name and Title:** Dean R. Jacobs, Property Tax Advisor, Cargill, Inc  
**Mailing Address:** PO Box 5626, Minneapolis, MN 55440-5626  
**Telephone:** 952-742-6444      **Fax:** 952-367-1689      **E-mail:** dean\_jacobs@cargill.com

## II. PROPERTY AND PROJECT DESCRIPTION

**Address and legal description of property to be considered for Tax Abatement/Reinvestment Zone:**  
401 East Industrial Avenue, Saginaw, TX; Parcel Number: 04301064; ALBRIGHT, ALEXANDER F SURVEY, A 1849 TR 6, 63.4699 ACRES

**Project Description:** Removing outdated milling equipment; build new mill house, add two new flour mills, add to existing storage capacity, remove some existing structures to allow for new mill tower.

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

**Current Assessed Value:** Real Property: \$ 3,512,429    Personal Property: \$ 13,811,661

**Estimated start date of construction/site improvements:** August 1, 2012

**Projected date of occupancy/commencement of operations at project site:** August 1, 2013

Please indicate dates for phases if applicable:

**Location of existing company facilities:** Current Location; 401 East Industrial Avenue, Saginaw, TX

**Requested level of Tax Abatement:** 100% of eligible property for 5 years.

**Explain why tax abatement is necessary for the success of this project. Include business pro-formas or other information to substantiate your request. The tax abatements, in this case, are significant to the financial analysis in calculating the return on investment, which is significant in comparison to other options. Due to the competitive nature of the industry (low margins), Horizon Milling would like to reserve disclosure of sensitive financial analysis related to this project.**

## III. PROJECTED VALUE OF THE PROJECT

Estimated Value of Real Property Improvements \$ 7,300,000

Estimated Value of Personal Property Improvements \$ 32,600,000

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

Yes  No

If yes, describe requested infrastructure improvements:

Detail any direct benefits to Tarrant County as a result of this project (i.e., inventory tax, etc.): This project, first and foremost, helps to keep this flour mill as a competitive and viable operation, which employs people, provides for an increased property and inventory tax base, and helps to maintain Tarrant County as a regional supplier of agricultural products and services.

#### IV. EMPLOYMENT IMPACT AT PROJECT LOCATION

##### A. NEW EMPLOYMENT

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

Full-time 5 Part-Time 0

Provide types of jobs created and average salary levels: Accounting Associate, Project Manager, Production Supervisor II, Project Mgmt, Engineer, EHS Coordinator. Average salary of \$76,700 per year, per new employee  
Start date and annual payroll of new permanent positions (if positions to be phased in, provide figures for each phase year): Summer 2012

Percentage of new jobs to be filled by Tarrant County residents: 20%

Number of employees transferring from other company locations: 4

##### B. CONSTRUCTION RELATED EMPLOYMENTS

Projected number of construction related jobs: 200+

Estimated total construction payroll: \$ 10,900,000

Commitment as to percentage of construction dollars to be spent with Tarrant County contractors or subcontractors: 10%

Commitment as to percentage & total dollars of construction contracts to be awarded to DBE: To Be Determined

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

Current Number of Employees: Full-time 84 Part-time 0

Average annual payroll: \$ 4,495,000

Detail on workforce diversity – percentage breakdown of current employees by gender and ethnicity:

Gender: 71 Males (84.5%), 13 Females (15.5%)

Ethnicity: Alaskan Indian/Native (1.2%); Asian (2.4%); African America (16.7%); Hispanic/Latino (25%); White/Caucasian (54.8%)

**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: \$ 125.00 Family: \$ 303.00

Other employee benefits provided or offered: Dental and Vision Coverage; 401K & Profit Sharing; Defined Benefit Pension Plan; Accident/Sickness coverage; Life Insurance Coverage; Wellness Reimbursements.

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

Estimated amount of annual supply and services expenses: \$ To Be Determined

Detail any supply/services expenses that are sole source: To Be Determined

Percentage of total supplier/services expenses committed to Tarrant County businesses: To be determined

Percentage of total supplier and services expenses committed to DBE: To Be Determined

**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)

Provide detail on existing and new fleet vehicles, specifying types of vehicles, quantities and fuel used (gasoline, diesel, LP gas, CNG, etc.): Not Applicable

**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

**VIII. CERTIFICATION**

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

Controller, AVP

Title

John Barton

Printed Name

7/17/12

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.



**Tarrant County, Texas  
Application for Tax Abatement/Reinvestment Zone**

**Applicant: Horizon Milling, LLC**

**Application Attachments under Section VII**

- 1. Letter of Economic Qualifications and additional criteria - See attached Letter**
- 2. Descriptive List of Real and Personal Property Improvements**

<b>Real Property</b>	<b>\$ 9,372,600</b>	<b>Mill, Bins, Pilings, Elevator See Descriptions Below</b>
<b>Personal Property</b>	<b><u>\$ 32,632,000</u></b>	<b>Two (2) new mills; Electrical and Peripheral Equipment; Power Supply; Mechanical and Electrical Installation; Engineering; Automation</b>
<b>Total of New Improvements: \$ 42,004,600</b>		

**Building Descriptions:**

**Mill - The mill process building will be of slip form concrete construction, approximately 90 feet x 60 feet, plus appendages. The building will be seven stories tall, with the highest elevation reaching 120 feet. Each floor will be 7,314 square feet in size, for a total gross building area of 51,198 square feet. A 468 square foot penthouse will be on top of the building.**

**Temper Bin - This building will be a flour storage addition to the existing A&B mill storage building. Like the process mill building, this will be a slip form concrete building, approximately 16.5 feet x 30 feet, and approximately 112 feet in height. The gross building area will be approximately 377 square feet.**

**Chlorine Room - A one story, tilt-up concrete building, with a gross building area of 354 square feet. It will reach a height of 15 feet, 4 inches.**

- 3. Plat/Map of Project Location - See attached plat maps**

**4. Project Time Schedule:**

**Estimated Construction Start: August 1, 2012**

**Estimated Construction Completion: August 1, 2013**

**Tarrant County, Texas  
Application for Tax Abatement/Reinvestment Zone**

**Applicant: Horizon Milling, LLC**

**Application Attachments under Section VII**

- 5. Owner's Policy Regarding DBE's - See attached policy statement**
- 6. Owner's Policy Regarding Environment, Health & Safety - See attached policy statement**
- 7. Tax Certificate For Current Year Taxes - See attached Property Tax Record from Tarrant County Tax WebSite**



July 11, 2012

Tarrant County Commissioner's Court  
c/o Economic Development Coordinator  
100 East Weatherford, Suite 404  
Fort Worth, Texas 76196-0609

**RE: Letter of Economic Qualification  
Horizon Milling, LLC**

Honorable Commission Members,

Horizon Milling, LLC has respectfully submitted an application for tax abatement for a plant modernization and expansion project to be completed at the Saginaw, Texas facility. As required under Section VII, we hereby submit this letter to address the requirements under Section III (h) and (i).

**(h) Economic Qualification**

(2) This project is classified as an expansion and modernization of the existing facility. Based on the cost of the machinery and equipment, and the scope of the real property improvements, we feel certain that the value added for property tax purposes will easily exceed the minimum three million dollar threshold. The personal property, which is reported at cost, will exceed \$20,000,000.

In addition, this project will sustain the current employment level of 84 full time jobs; this project will not eliminate existing jobs.

(3) There will not be any employment transfers from one plant to another within Tarrant County.

(4) As stated briefly within the application, this project is necessary to increase needed milling capacity and storage because the current facility cannot efficiently and economically grow with the region and customer base. The milling equipment has reached its economic and physical life expectancy and must be replaced. To ensure that the mill continues to meet current demand, a new mill tower will need to be built to house the new mill equipment.

**(i) Additional Criteria for Abatement**

(1) As for the use of Disadvantage Business Enterprises (DBE), we were initially unable to determine what specific Tarrant County businesses were classified as eligible DBE's. Based on a list of potentially classified firms just recently obtained, we are working with the general contractor to see if there are opportunities to utilize these businesses in the project. If so, Horizon Milling will amend the application to note such awards.

Due to the nature of the type of facility we are building, which is classified as a food processing facility, and due to the high regulatory requirements for such facilities from OSHA, EPA, FDA, USDA, and BRC, Horizon

Cargill, Incorporated  
15407 McGinty Road West  
Wayzata, MN 55391-2399

Cargill, Incorporated  
P.O. Box 5826  
Minneapolis, MN 55440-5626

Tel 952-742-8444  
Fax 952-742-8414  
dean\_jacobs@cargill.com



Milling only included a few highly specialized contractors in the bid-letting process. These companies are experienced with our combination of specifications and property type. There was one local company invited to bid on the project, but they scored low in the evaluation process due to their safety record. We have an understanding, however, that the awarded contractor will typically source much of their construction labor locally. At this time, we estimate a budget of \$10.9 million in construction related labor, of which approximately 10% will be locally sourced.

(2) This project will generate 5 new full time positions. Of that, one person, or 20%, is a current resident of Tarrant County. It is probable that a majority of the other new employees will reside in Tarrant County.

(3) The only noted environmental impact as a result of this project will be related to air quality. Horizon Milling had to recently undergo a new application for their air quality emissions permit, the results of which indicated that the current operation meets the required guidelines, and that the new operation will further reduce emissions.

The current and future milling processes will not utilize any commercial, or process refrigeration units. The office has air conditioning units, and the future MCC rooms will have central air conditioning. Therefore, it is not applicable for Horizon Milling to have an Ozone Action Program.

Horizon Milling, when feasible, attempts to reduce their greenhouse gas footprint by utilizing technology and automated control systems to reduce/optimize the plants electrical energy consumption. All electrical motors at the Saginaw mill have a "Premium" designated efficiency rating.

Once the Saginaw expansion/modernization project is completed, its processes and daily operating functions will be consistent with Cargill's Environment, Health & Safety goals, and our social responsibility commitments. See policy statement attached.

(4) All full time Horizon Milling employees are offered a health benefit plan, at a reasonable rate. The plan does allow access for employees' dependant family members as well. Horizon Milling also offers retirement plans, subsidies for education, and job-training.

If there is any additional information the Commission requires related to any of these subjects, Horizon Milling would be glad to provide upon request. On behalf of Horizon Milling, we thank you all for your time and consideration of our application.

Best Regards,

Dean R. Jacobs, CMI  
Property Tax Advisor

Cargill, Inc.

(952) 742-6444

[Dean\\_jacobs@cargill.com](mailto:Dean_jacobs@cargill.com)

Cargill, Incorporated  
15407 McGinty Road West  
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[dean\\_jacobs@cargill.com](mailto:dean_jacobs@cargill.com)

# JIGSAW SAGINAW MILL UPGRADE

TO SERVE

## HORIZON MILLING

SAGINAW, TX



LOCATION MAP



DRAWING INDEX		
SHEET NO.	TITLE	DATE
1	TITLE SHEET / SHEET INDEX	
2	ARCHITECTURAL	
3	FOUNDATION - FLOOR PLAN	
4	FOUNDATION - ROOF PLAN	
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**BID DOCUMENT**  
NOT FOR CONSTRUCTION

NO.	DATE	DESCRIPTION
1	10/15/20	ISSUED FOR BID
2	11/10/20	ISSUED FOR BID
3	12/15/20	ISSUED FOR BID
4	01/15/21	ISSUED FOR BID
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99	12/15/28	ISSUED FOR BID
100	01/15/29	ISSUED FOR BID

**HORIZON MILLING**  
FORMER FOODS AFFILIATE



NOTED: DIMENSIONS PROVIDED ON 1/4" X 1/4" SHEETS AT HALF SCALE.  
GENERAL CONTRACTOR TO PROVIDE ALL MATERIALS AND LABOR FOR THE WORK SHOWN HEREIN.  
FOR MORE INFORMATION, CONTACT THE ARCHITECT AT THE ADDRESS LISTED BELOW.

PLS  
 COUNTY OF TARRANT  
 TARRANT COUNTY, TEXAS

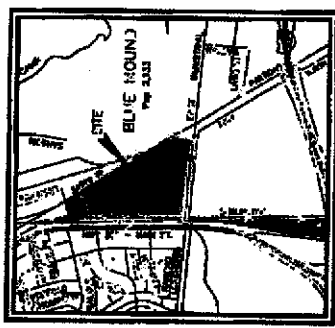
STATE OF TEXAS  
 COUNTY OF TARRANT  
 I, the undersigned, being a duly qualified and authorized officer of the County of Tarrant, Texas, do hereby certify that the following is a true and correct copy of the original plat as filed in the public records of this County, Texas, on this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

PLAT NO. \_\_\_\_\_  
 BOOK \_\_\_\_\_ PAGE \_\_\_\_\_  
 THE PLAT WAS FILED FOR RECORD IN THE PUBLIC RECORDS OF THIS COUNTY, TEXAS, ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 19\_\_\_\_.

FILED IN THE PUBLIC RECORDS OF THIS COUNTY, TEXAS, ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 19\_\_\_\_.

NOTARIAL CERTIFICATE OF \_\_\_\_\_  
 COUNTY CLERK OF TARRANT COUNTY, TEXAS

THIS PLAT FILED IN INSTRUMENT NO. \_\_\_\_\_ DATE \_\_\_\_\_ 2018



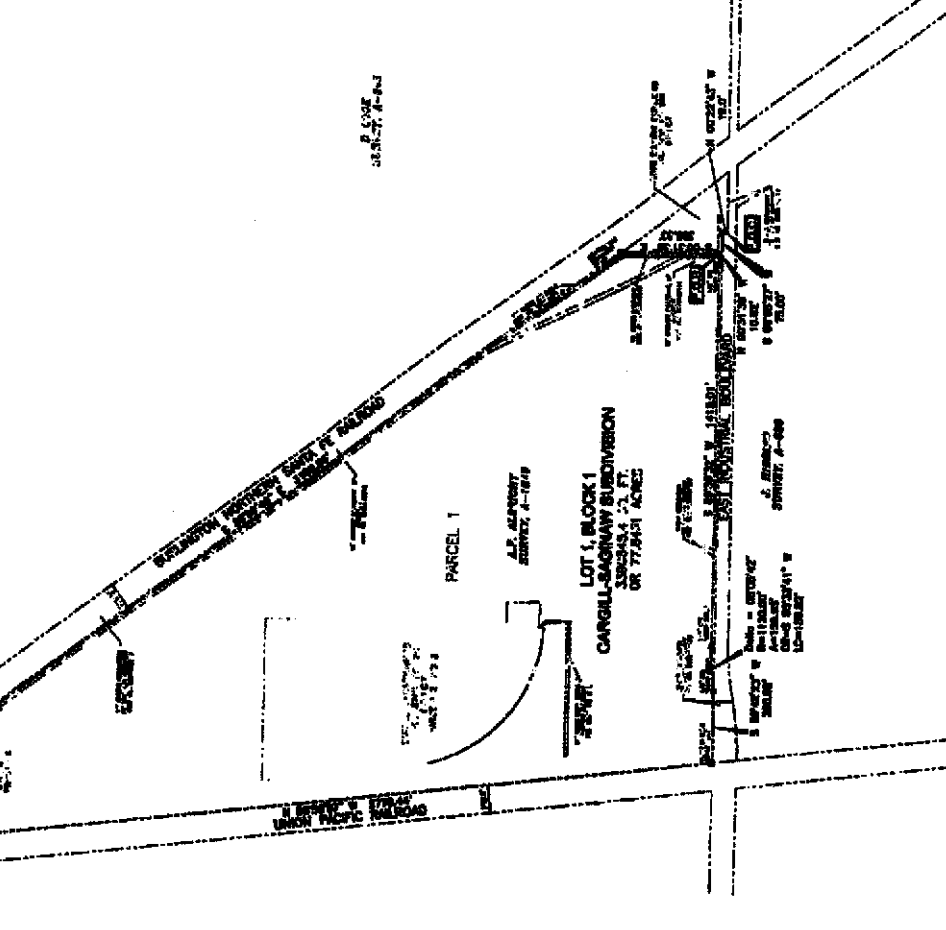
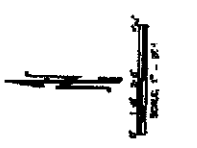
TRIMBLE MAP  
 MTS

TO THE CITY OF TARRANT  
 FROM THE COUNTY CLERK OF TARRANT COUNTY, TEXAS

THE CITY OF TARRANT HAS REVIEWED THE PLAT AND HAS DETERMINED THAT THE PLAT IS IN ACCORDANCE WITH THE PLAT ACT AND THE PLAT IS CORRECT AND COMPLETE.

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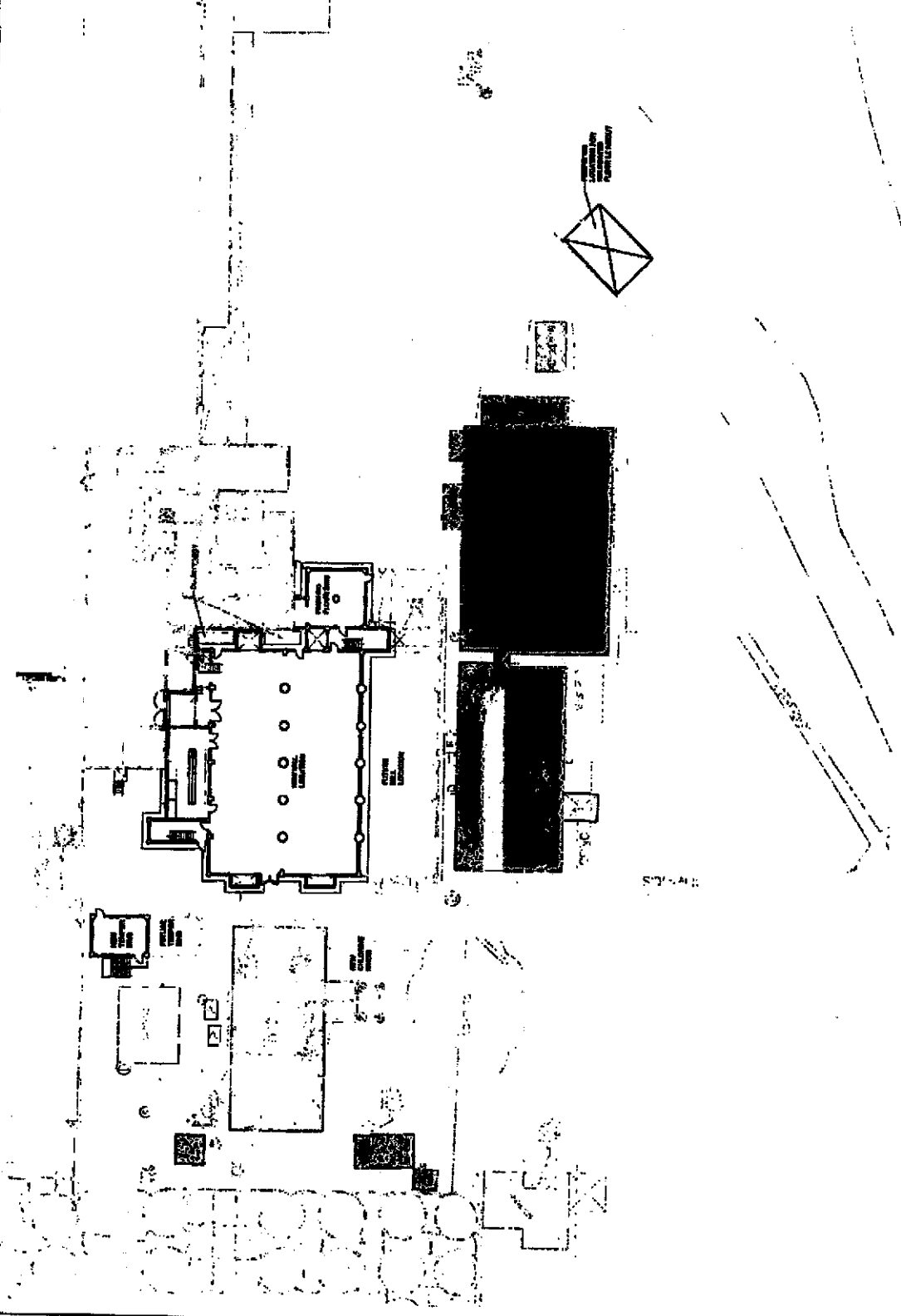
THIS PLAT FILED IN INSTRUMENT NO. \_\_\_\_\_ DATE \_\_\_\_\_ 2018

**GENERAL NOTES**

1. ALL DIMENSIONS ARE UNLESS OTHERWISE SPECIFIED.
2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE SPECIFIED.
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**LEGEND**

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- 6. 14" CONCRETE
- 7. 16" CONCRETE
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- 19. 40" CONCRETE
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- 30. 62" CONCRETE
- 31. 64" CONCRETE
- 32. 66" CONCRETE
- 33. 68" CONCRETE
- 34. 70" CONCRETE
- 35. 72" CONCRETE
- 36. 74" CONCRETE
- 37. 76" CONCRETE
- 38. 78" CONCRETE
- 39. 80" CONCRETE
- 40. 82" CONCRETE
- 41. 84" CONCRETE
- 42. 86" CONCRETE
- 43. 88" CONCRETE
- 44. 90" CONCRETE
- 45. 92" CONCRETE
- 46. 94" CONCRETE
- 47. 96" CONCRETE
- 48. 98" CONCRETE
- 49. 100" CONCRETE



**1. PROPOSED SITE PLAN**



**HORIZON MILLING**  
A CORNELL FOODS COMPANY

NOTES DRAWINGS PRINTED ON 11x17 SHEETS AT HALF SCALE

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**BID DOCUMENT  
NOT FOR CONSTRUCTION**

PROJECT NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_ OF \_\_\_\_\_  
DATE \_\_\_\_\_

DATE \_\_\_\_\_  
BY \_\_\_\_\_  
CHKD. \_\_\_\_\_

PROJECT NO. \_\_\_\_\_  
SHEET NO. \_\_\_\_\_ OF \_\_\_\_\_  
DATE \_\_\_\_\_

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BY \_\_\_\_\_  
CHKD. \_\_\_\_\_

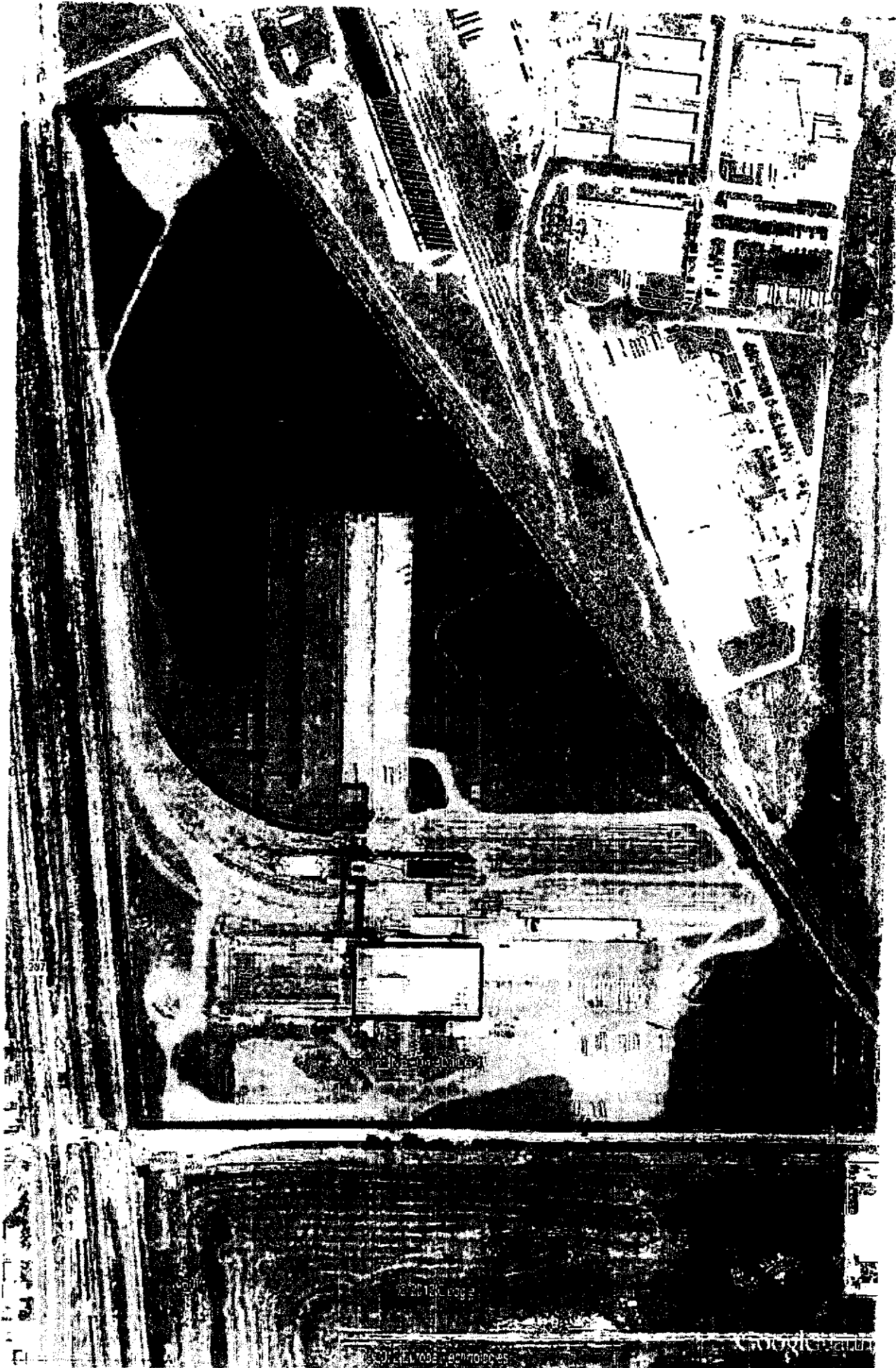
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Google Earth

feet 1000  
meters 400







**Gregory R. Page**  
Chief Executive Officer  
PO Box 5724  
Minneapolis, MN 55440-5724



October 2008

### Policy Statement on Supplier Diversity

At Cargill, we recognize we are a stronger company when we tap the power of diversity. We have increased our commitment to purchase from diverse, small business enterprises that are certified as minority-owned and women-owned by providing an equal opportunity to bid to meet our procurement needs. We want our supplier base to reflect the communities in which our employees and customers live and work.

We seek diverse suppliers who can provide competitive pricing, quality products or services and technical support for our businesses. We are also looking for diverse suppliers who have the capacity to meet our needs, and who can increase efficiency through innovation, technology and low-cost sourcing.

While today we already work with more than 3,000 diverse suppliers, we continue to expand our efforts to collaborate with diverse supplier partners, especially in large, sustainable supply contracts and business development opportunities. For Cargill, supplier diversity is a strategic business imperative, and it is, simply, good business.

If you are a certified diverse supplier and wish to be considered for procurement opportunities with Cargill, please register with us at: [www.cargillsupplierdiversity.com](http://www.cargillsupplierdiversity.com).

Note: Registration does not guarantee contract and/or business development opportunities



## ENVIRONMENT, HEALTH AND SAFETY POLICY

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Cargill's policy is to conduct all business activities in a manner that protects the environment and the health and safety of our employees, contractors, customers, and communities.

**Environment.** Cargill will comply with all applicable environmental requirements, prevent pollution, and continually improve performance on criteria relevant to its businesses and operations.

**Health and Safety.** Cargill will comply with all applicable occupational health and safety, process safety, and product safety requirements, continually improve performance on criteria relevant to its businesses and operations, and insist that all work, however urgent, be done safely.

A handwritten signature in cursive script, appearing to read "Greg Page", written over a horizontal line.

**Greg Page**  
*President and Chief Executive Officer*

A handwritten signature in cursive script, appearing to read "LaRaye Osborne", written over a horizontal line.

**LaRaye Osborne**  
*Vice President, Environment, Health and Safety*

# Property Tax Record

[New Search](#)

Account: 00004301064  
 APD: A1849 6  
 Location: 0000401E INDUSTRIAL AVE  
 Legal: ALBRIGHT, ALEXANDER F SURVEY  
 A 1849 TR 6  
 '04301064'  
 Owner: CARGILL INC  
 ATTN TAX DEPT  
 PO BOX 5626  
 MINNEAPOLIS MN 55440-5626

Acres: 63.085  
 Yr Built: 0  
 Frozen Yr: NONE  
 Frozen Amt: \$0.00  
 Sq Ft: 0  
 Def. Start: NONE  
 Def. End: NONE  
 Roll: R

2011 Values  
 Land 1333491  
 Improvement 1835622  
 2011 Exemptions  
 Overlapping District Accounts

Click on the e-Statement button to view Total Tax Due.

Click on the e-Payment button to make a credit card or eCheck payment.

[Current Period](#)   [All years](#)   [Tax Estimator](#)   [e-Payment](#)   [e-Statement](#)

Year	Unit	Levy Amount	Amount Paid	Levy Due	Penalty	Interest	Col Penalty	Total Due	Receipt Date
2011	021	15,211.74	15,211.74	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	220	8,366.46	8,366.46	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	224	7,222.31	7,222.31	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	225	4,721.03	4,721.03	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	918	48,487.43	48,487.43	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011 Totals		84,008.97	84,008.97	0.00	0.00	0.00	0.00	0.00	

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100 E. Weatherford, Fort Worth, Texas 76196, 817- 884-1111

Please send questions and comments regarding this website to [webmaster@tarrantcounty.com](mailto:webmaster@tarrantcounty.com).

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# Property Tax Record

[New Search](#)

Account: 00004301080  
 APD: A1849 68 20  
 Location: 00006015 SAGINAW BLVD  
 Legal: ALBRIGHT, ALEXANDER F SURVEY  
 A 1849 TR 68  
 68-6C ABS 1849  
 \*04301080\*  
 Owner: CARGILL INC  
 ATTN TAX DEPT  
 PO BOX 5626  
 MINNEAPOLIS MN 55440-5626

Acres: 11.512  
 Yr Built: 0  
 Frozen Yr: NONE  
 Frozen Amt: \$0.00  
 Sq Ft: 0  
 Def. Start: NONE  
 Def. End: NONE  
 Roll: R

2011 Values  
 Land 243341  
 Improvement 85095  
 2011 Exemptions  
 Overlapping District Accounts

Click on the e-Statement button to view Total Tax Due.

Click on the e-Payment button to make a credit card or eCheck payment.

[Current Month](#)

[All years](#)

[Tax Estimator](#)

[e-Payment](#)

[e-Statement](#)

Year	Unit	Levy Amount	Amount Paid	Levy Due	Penalty	Interest	Col Penalty	Total Due	Receipt Date
2011	021	1,576.49	1,576.49	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	220	867.07	867.07	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	224	748.50	748.50	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	225	489.27	489.27	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	918	5,025.07	5,025.07	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011 Totals		8,706.40	8,706.40	0.00	0.00	0.00	0.00	0.00	

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# Property Tax Record

[New Search](#)

Account: 00005693616  
 APD: A 58 2B  
 Location: 0000000W SOUTHERN AVE  
 Legal: ARMENDARIS, JUAN SURVEY  
 A 68 TR 2B  
 \*05893616\*  
 Owner: CARGILL INC  
 ATTN TAX DEPT  
 PO BOX 5626  
 MINNEAPOLIS MN 55440-5626

Acres: 1.860  
 Yr Built: 0  
 Frozen Yr: NONE  
 Frozen Amt: \$0.00  
 Sq Ft: 0  
 Def. Start: NONE  
 Def. End: NONE  
 Roll: R

2011 Values  
 Land 14880  
 2011 Exemptions  
 Overlapping District Accounts

Click on the e-Statement button to view Total Tax Due.

Click on the e-Payment button to make a credit card or eCheck payment.

[Current status](#) [All years](#) [Tax Estimator](#) [e-Payment](#) [e-Statement](#)

Year	Unit	Levy Amount	Amount Paid	Levy Due	Penalty	Interest	Col Penalty	Total Due	Receipt Date
2011	021	71.42	71.42	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	220	39.28	39.28	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	224	33.91	33.91	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	225	22.17	22.17	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	918	227.66	227.66	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	Totals	394.44	394.44	0.00	0.00	0.00	0.00	0.00	

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# Property Tax Record

[New Search](#)

Account: 00008395241  
 APD: P  
 Location: 0000401E INDUSTRIAL AVE  
 Legal: BUSINESS PERSONAL PROPERTY  
 SEE 11435801  
 Owner: CARGILL INC  
 ATIN TAX DEPT  
 PO BOX 5626  
 MINNEAPOLIS MN 55440-5626

Acres: 0.000  
 Yr Built: 0  
 Frozen Yr: NONE  
 Frozen Amt: \$0.00  
 Sq Ft: 0  
 Def. Start: NONE  
 Def. End: NONE  
 Roll: P

2011 Values  
 Personal 1733783  
 2011 Exemptions  
 Overlapping District Accounts

Click on the e-Statement button to view Total Tax Due.

Click on the e Payment button to make a credit card or eCheck payment.

[CURRENT STATUS](#)

[All years](#)

[Tax Estimator](#)

[e-Payment](#)

[e-Statement](#)

Year	Unit	Levy Amount	Amount Paid	Levy Due	Penalty	Interest	Col Penalty	Total Due	Receipt Date
2011	021	8,322.16	8,322.16	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	220	4,577.19	4,577.19	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	224	3,951.24	3,951.24	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	225	2,582.82	2,582.82	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	818	26,526.88	26,526.88	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	Totals	45,960.29	45,960.29	0.00	0.00	0.00	0.00	0.00	

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# Property Tax Record

[New Search](#)

Account: 00011435801  
 APD: P  
 Location: 0000401E INDUSTRIAL AVE  
 Legal: HORIZON MILLING LLC  
 BUSINESS PERSONAL PROPERTY  
 SEE 08385241  
 Owner: HORIZON MILLING LLC  
 ATTN: TAX DEPT  
 PO BOX 5626  
 MINNEAPOLIS MN 55440-5626

Acres: 0.000  
 Yr Built: 0  
 Frozen Yr: NONE  
 Frozen Amt: \$0.00  
 Sq Ft: 0  
 Def. Start: NONE  
 Def. End: NONE  
 Roll: P

2011 Values  
 Personal 29094362  
 2011 Exemptions  
 FP001 5179813  
 Overlapping District Accounts

Click on the e-Statement button to view Total Tax Due.

Click on the e-Payment button to make a credit card or eCheck payment.

[Current status](#)

[All years](#)

[Tax Estimator](#)

[e-Payment](#)

[e-Statement](#)

Year	Unit	Levy Amount	Amount Paid	Levy Due	Penalty	Interest	Col Penalty	Total Due	Receipt Date
2011	021	114,789.84	114,789.84	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	220	63,134.41	63,134.41	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	224	54,500.54	54,500.54	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	225	35,625.50	35,625.50	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	918	365,892.60	365,892.60	0.00	0.00	0.00	0.00	0.00	1/30/2012
2011	Totals	633,942.89	633,942.89	0.00	0.00	0.00	0.00	0.00	

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100 E. Weatherford, Fort Worth, Texas 76195 817-884-1111

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