

THE STATE OF TEXAS §

COUNTY OF TARRANT §

Tax Abatement Agreement
Arlington Commons - Phase 1B

THIS TAX ABATEMENT AGREEMENT, ARLINGTON COMMONS - PHASE 1B (the "Agreement") is executed by and between **ARLINGTON COMMONS, LLC**, an entity duly authorized to do business in the State of Texas, acting by and through its authorized officer (hereafter referred to as "**OWNER**"), and **TARRANT COUNTY, TEXAS**, acting by and through its County Judge or his designee, (hereafter referred to as "**COUNTY**").

WITNESSETH:

WHEREAS, the Tarrant County Commissioners Court has resolved that the COUNTY may elect to participate in tax abatement and has adopted a Policy Statement for Tax Abatement, which constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the COUNTY; and

WHEREAS, the Premises (as hereafter defined) and the Eligible Property (as hereafter defined) are located in the Reinvestment Zone Number Forty-One in the City of Arlington, Texas, established by City Ordinance No. 14-071, and renewed by City Ordinance No. 18-052, being a commercial-industrial reinvestment zone for the purpose of tax abatement as authorized by Chapter 312 of the Texas Tax Code, as amended; and

WHEREAS, on the 7th day of September 2021, the City Council of the City of Arlington approved and authorized the execution and delivery of a Tax Abatement Agreement as to the Eligible Property thereon; and

WHEREAS, OWNER has requested participation in tax abatement from the County concerning the contemplated Improvements to the Premises, in order to continue redevelopment and replacement of former deteriorating apartment complexes along East Lamar Boulevard with a new multi-year, phased, mix-use multi-family development, as set forth in the Application for Tax Abatement, attached hereto as **Exhibit "C"**; and

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

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

I.
Definitions

- A. "Added Market Value" is defined as the market value of Eligible Property on the Premises above the Base Year Value, as set forth by the Tarrant Appraisal District.
- B. "Base Year Value" is defined as the tax year 2015 taxable value of the Premises in Reinvestment Zone Number Forty-One on January 1, 2015, as finally determined by the Tarrant Appraisal District.
- C. "Effective Date" is defined as the date of final signature executing this Agreement.
- D. "Eligible Property" is defined as Real Property Improvements as described in **Exhibit "A"**, constructed, erected, installed or affixed to the Premises after the Effective Date of this Agreement and through December 31, 2030. **Exhibit "A"** is attached hereto and incorporated for all purposes.
- E. "Job" is defined as a permanent, full-time employment position that results in employment on the Premises of at least three (3) new positions.
- F. "Premises" are defined as the real property (land only) located at 1806 Van Buren Drive as described in **Exhibit "B"**, which existed on January 1, 2015, within Reinvestment Zone Number Forty-One, that are owned by OWNER. **Exhibit "B"** is attached hereto and incorporated for all purposes.
- G. "Real Property Improvements" are defined as improvements to the Premises, as described in **Exhibit "A"**, and shall include buildings, structures or fixtures erected or affixed to the Premises.
- H. "Reinvestment Zone Number Forty-One" is defined as the real property located in the City of Arlington and described by City of Arlington Ordinance No. 14-071 and Ordinance No. 18-052, attached hereto as **Exhibit "D"**.

II.
General Provisions

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

III.
Improvement Conditions and Requirements

- A. OWNER shall improve the Premises by completing the Eligible Property improvements in accordance with this Agreement.

- B. OWNER shall provide for the completion of the Real Property Improvements described in **Exhibit "A"** of this Agreement not later than December 31, 2030, resulting in an Added Taxable Value above the Base Year Value ("Added Value") of at least Seven Million Dollars (\$7,000,000) for the tax year beginning January 1 after the issuance of the certificate of occupancy for the eligible property, as determined by the Tarrant Appraisal District.
- C. OWNER will create and maintain employment of a least three (3) Jobs on the Premises not later than December 31, 2030. Jobs from any of the Arlington Commons Phases 1A, 1B, 1C, 1D and 2 Projects can be used to meet the jobs requirement, as long as Jobs from another Phase were not already used to meet the minimum Jobs requirement for another Phase (Example: If Phases 1A, 1B, and 1C are operational, cumulative employment of no less than nine (9) Jobs is required).
- D. OWNER shall maintain on the Premises the Eligible Property for the duration of this Agreement as Multi-Family Apartments with accessory uses and amenities under license and regulations as required by the City of Arlington.
- E. All proposed Eligible Property shall conform to the applicable building codes, zoning ordinances and all other ordinances and regulations of the City of Arlington and/or Tarrant County.
- F. OWNER agrees and covenants that it will diligently and faithfully pursue the completion of the Eligible Property. OWNER further covenants and agrees that it will use all reasonable efforts to cause the Eligible Property to be constructed in a good and workmanlike manner and in accordance with all applicable state and local laws and regulations.

IV. **Abatement Allowed**

- A. As set forth in this section, tax abatement allowed herein shall be for Tarrant County and Tarrant County Hospital District ad valorem real property taxes, relative to Added Value of the Eligible Property located on the Premises, subject to the following terms and conditions.
- B. If the Improvement Conditions and Requirements set forth in Section III herein are met, COUNTY agrees to exempt from taxation i) up to seventy percent (70%) of the Added Value as it relates to Tarrant County ad valorem real property taxes and, ii) up to fifty percent (50%) of Added Value as it relates to Tarrant County Hospital District ad valorem real property taxes, in accordance with the various requirements established by terms of this Agreement and to be calculated as set forth below. The abatement period shall be for a ten (10) year period from the tax year beginning January 1 after the issuance of the certificate of occupancy for the Eligible Property.
 - 1. Abatement - If OWNER (i.) improves the Premises and adds the required Eligible Property to the Premises as set forth in Section III. A., B., and D., (ii.) maintains employment as set forth in Section III.C., and (iii.) employs Tarrant County residents for a minimum twenty-five percent (25%) of all Jobs, COUNTY shall exempt from taxation seventy percent (70%) of the Added Value of the Eligible Property for Tarrant County ad valorem real property taxes

and fifty percent (50%) of the Added Value of the Eligible Property for Tarrant County Hospital District ad valorem real property taxes. Failure to meet the above requirements for Jobs and Tarrant County resident employment shall be cause for a reduction in the percentage abatement for any year in which the requirements are not met, as set forth in Section IV.B.2.

2. Reduction to Abatement Percentage - In any year that employment levels do not meet the minimum requirements set forth in Section IV.B.1.(ii.) and (iii.), the COUNTY shall reduce the base abatement percentage for that year as follows:
 - a. If the actual number of Jobs falls below the minimum Jobs requirement, OWNER will receive a five percent (5%) reduction.
 - b. If less than twenty-five percent (25%) of all Jobs are filled by Tarrant County residents, OWNER will receive a five percent (5%) reduction.

V.

Reports, Audits and Inspections

- A. Annual Certification, Evaluation and Reports - Pursuant to state law, OWNER shall certify annually to taxing units that OWNER is in compliance with the terms of the tax abatement agreement, and shall provide taxing units with reports and records reasonably necessary to support each year of the agreement, as follows:
 1. Certification - OWNER shall complete and certify a Tax Abatement Evaluation report to be provided by COUNTY for each year of the tax abatement agreement, to be due annually not later than April 30. This certification shall include information supporting job creation and retention requirements, reports on Eligible Property values and costs, a narrative description of the project's progress, and other submittals required by the tax abatement agreement.
 2. Additional Reports - Additionally, throughout the term of this agreement, OWNER shall furnish COUNTY any additional records and information reasonably requested to support the reports required by this Agreement.
- B. Right to Audit Books and Records - COUNTY shall have the right to audit the books and records related to the Eligible Property and supporting the Eligible Property reports. COUNTY shall notify OWNER in advance in writing of their intent to audit in order to allow OWNER adequate time to make such books and records available.
- C. Inspection - At all times throughout the term of this Agreement, COUNTY and the Tarrant Appraisal District (TAD) shall have reasonable access to the Premises for the purpose of inspecting the Premises to ensure that the Eligible Property is constructed, installed, maintained and operated in accordance with the terms of this Agreement. All inspections shall be conducted in a manner as to not unreasonably interfere with the installation of the Eligible Property or the operation of the Premises. The inspections shall be conducted within a reasonable time period after notice by COUNTY or TAD to OWNER, provided, however, that all inspections shall be made with one (1) or more representative(s) of OWNER present and in accordance with the safety standards of OWNER.

VI.
Use of Premises

The Premises at all times shall be used in a manner that is consistent with the City of Arlington zoning ordinances and consistent with the general purpose of encouraging development within the Reinvestment Zone. Both parties acknowledge that the use of the Premises as a multi-family development is in accordance with this Agreement and is consistent with such purposes.

VII.
Breach and Recapture

- A. Breach - A breach of this Agreement may result in termination of this Agreement and recapture by COUNTY of any taxes which otherwise would have been paid to COUNTY without the benefit of the Abatement during the breach period, as set forth in Sections VII.B. Penalty and interest on recaptured taxes will be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas, and such taxes shall become due sixty (60) days following notice of breach and after the expiration of any cure period as provided in Section VII(B). The following conditions shall constitute a breach of this Agreement:
1. The Premises are abandoned by OWNER by ceasing to operate the Eligible Property as multi-family for a consecutive period of at least six (6) months at any time during the term of the abatement or operating at an occupancy rate below thirty-three percent (33%) for a consecutive period of six months or more in abatement years five (5) through ten (10).
 2. OWNER fails to meet the Abatement Conditions and Requirements as specified in Section III. A., B., D., E., or F. herein; or
 3. OWNER allows its ad valorem taxes on any property located within Tarrant County owed to COUNTY, including Tarrant County Hospital District, to become delinquent; or
 4. OWNER fails to comply with the requirements and provisions described in Sections V and XX of this Agreement.
- B. Notice of Breach - In the event that COUNTY makes a reasonable determination that OWNER has breached this Agreement, then COUNTY shall give OWNER written notice of such default. OWNER has sixty (60) days following receipt of said written notice to reasonably cure such breach, or this Agreement may be terminated by COUNTY, and recapture of abated taxes may occur. Notice of default shall be in writing and shall be delivered by personal delivery or certified mail to OWNER at its address provided in Section IX of this Agreement. It shall be the duty of COUNTY to determine whether to require recapture and payment of abated taxes and to demand payment of such.
- C. Tax Lien Not Impaired - It is expressly agreed and acknowledged between the parties to this Agreement that nothing in this Agreement shall be deemed or construed to affect the lien for taxes against the property established by Section 32.01 of the Tax Code of the

State of Texas. Such lien shall secure the payment of all taxes, penalties and interest ultimately imposed on the property, including any taxes abated and subject to recapture under this Agreement. Any such lien may be fully enforced pursuant to the provisions of the Code. For purposes of this Subsection, "property" refers to the Premises and Eligible Property described herein.

VIII.
Effect of Sale or Lease of Property

The abatement granted by this Agreement shall not be assignable to any new owner or lessee of all or a portion of the Premises or Eligible Property unless such assignment is approved in writing by the Commissioners Court of the COUNTY, and such approval shall not be unreasonably withheld. Assignment to related entities where THE NEHEMIAH, LLC is the general partner or managing member shall be expressly allowed without Commissioners Court approval, provided notification of such assignment is made in writing to COUNTY.

IX.
Notice

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

OWNER: Arlington Commons Lands, LLC
 835 E. Lamar Blvd. #254
 Arlington, Texas 76011
 Attention: Robert H. Kembel

WITH A COPY TO: Barry R. Knight
 Attorney at Law
 3521 Rankin Street
 Dallas, Texas 75205

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

X.
Commissioners Court Authorization

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

XI.
Severability

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

XII.
Estoppel Certificate

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

XIII.
Owner's Standing

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

XIV.
Applicable Law

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

XV.
Indemnification

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT THE OWNER IS NOT AN AGENT, SERVANT OR EMPLOYEE OF THE COUNTY. OWNER AGREES TO PROTECT, DEFEND AND INDEMNIFY COUNTY FROM ANY AND ALL CLAIMS ARISING FROM OWNER'S DEVELOPMENT OF THE PROPERTY MADE THE SUBJECT MATTER OF THIS AGREEMENT FOR ALL CLAIMS, ACTIONS, CAUSES OF ACTION INCLUDING LAWSUITS UNLESS SAID CLAIM, ACTION OR LAWSUIT AROSE SOLELY FROM THE WRONGFUL OR NEGLIGENT ACT OF AN AGENT SERVANT OR EMPLOYEE OF THE COUNTY. THE PARTIES EXPRESSLY AGREE THAT THIS INDEMNIFICATION CLAUSE SHOULD BE INTERPRETED AS BROADLY AS POSSIBLE, AND EXPRESSLY INCLUDES COSTS, ATTORNEY'S FEES AND EXPENSES INCURRED BY THE COUNTY IN DEFENDING ANY CLAIM, ACTION, CAUSE OF ACTION OR LAWSUIT.

XVI.
Force Majeure

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

XVII.
No Other Agreement

This Agreement embodies all of the agreements of the parties relating to its subject matter as specifically set out herein, supersedes all prior understandings and agreements regarding such subject matter, and may be amended, modified or supplemented only by an instrument or instruments in writing executed by the parties.

XVIII.
Recordation of Agreement

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

XIX.
Signatories

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

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

OWNER agrees to make all commercially reasonable efforts to satisfy the provisions and requirements as set forth in the Tarrant County Tax Abatement Policy, attached hereto as **Exhibit "E"**, including those relating to Tarrant County and DBE contracting requirements. The percentage requirements pertain only to those contracts/supply/services that are within the local control of OWNER, and do not include contracts/supplies/services that are sole source. OWNER shall complete and submit all information necessary to determine to what extent these contracting percentages were met each year during the abatement period.

XXI.
Headings

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

XXII.
Termination

This Agreement shall terminate, in accordance with the terms of this Agreement, unless extended by written agreement of the parties or a written instrument signed by all parties evidencing a delay by force majeure; provided however, that the period of abatement may not extend beyond ten (10) years.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date indicated below, effective as of the later of such dates.

ARLINGTON COMMONS LANDS, LLC
a Texas Limited Liability Company
By its member: **The Nehemiah, LLC**
a Texas Limited Liability Company

BY _____
Robert H. Kembel
Manager of The Nehemiah, LLC

Date _____

WITNESS:

Printed Name:

TARRANT COUNTY, TEXAS

BY _____
B. Glen Whitley
County Judge

Date _____

ATTEST:

APPROVED AS TO FORM:

Deputy County Clerk

Criminal District Attorney's Office*

** By law, the Criminal District Attorney's Office may only approve contracts for its clients. We reviewed this document as to form from our client's legal perspective. Other parties may not rely on this approval. Instead those parties should seek contract review from independent counsel.*

THE STATE OF § ARLINGTON COMMONS LAND, LLC
COUNTY OF § Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **ROBERT H. KEMBEL**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **ARLINGTON COMMONS LANDS, LLC**, an entity duly authorized to do business in the State of Texas, and as the **Manager of The Nehemiah, LLC**, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2022.

Notary Public in and for
The State of _____

My Commission Expires

Notary's Printed Name

THE STATE OF TEXAS § TARRANT COUNTY, TEXAS
COUNTY OF TARRANT § Acknowledgment

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2022.

Notary Public in and for
The State of Texas

My Commission Expires

Notary's Printed Name

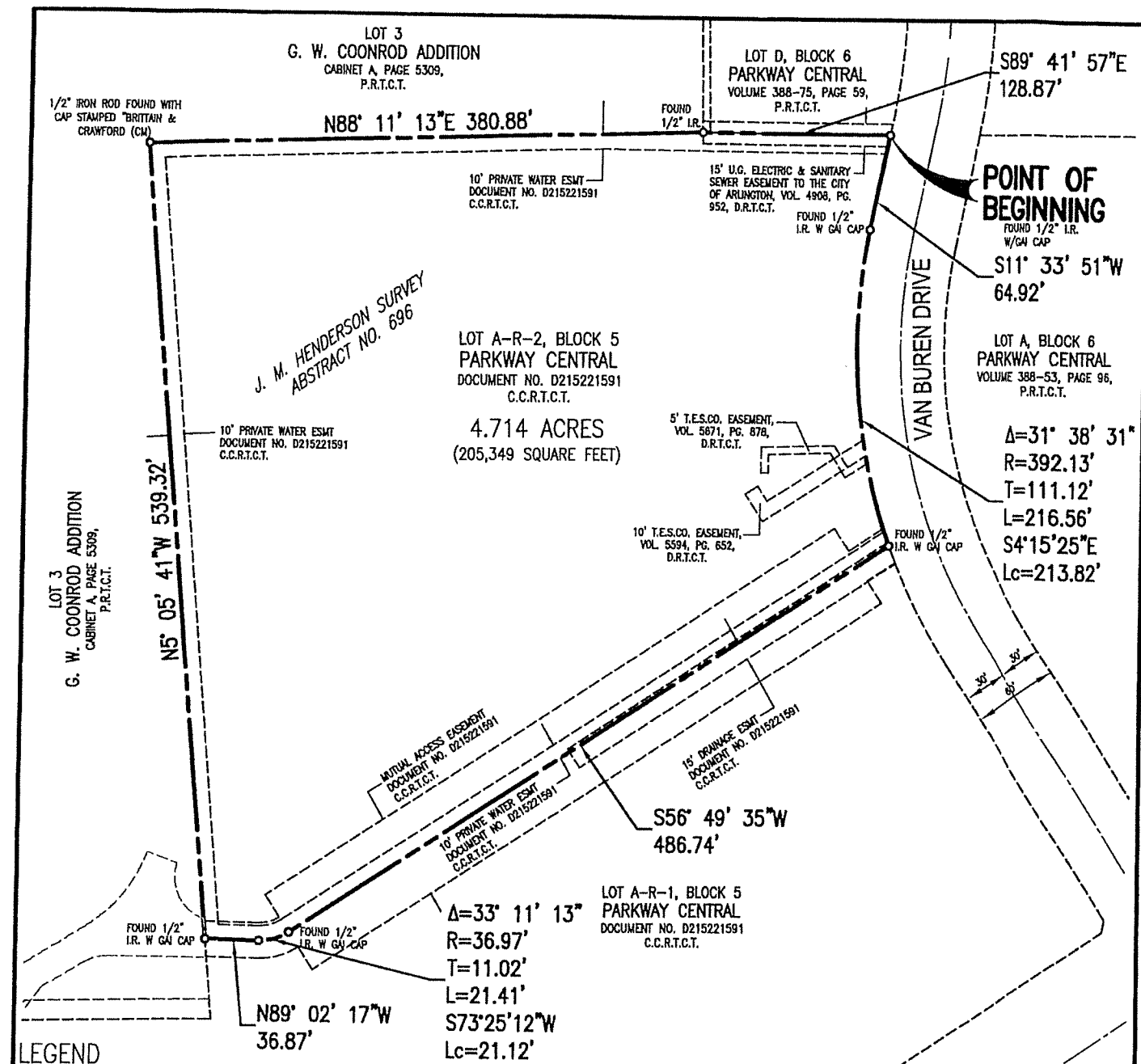
EXHIBIT "A"

**ELIGIBLE PROPERTY IMPROVEMENTS
PHASE 1B PROJECT**

Phase 1B of a multi-family redevelopment project to include the construction of a new structure comprised of at least 300 multi-family units, onsite leasing facility and resident amenities. Construction of the Phase 1B Project with a total minimum capital investment of \$100,000 per multi-family unit in overall project costs.

EXHIBIT "B"

PREMISES - LEGAL PROPERTY DESCRIPTION



LEGEND

C.C.R.T.C.T. = COUNTY CLERK RECORDS, TARRANT COUNTY, TEXAS
D.R.T.C.T. = DEED RECORDS, TARRANT COUNTY, TEXAS

BASIS OF BEARING IS NORTH AMERICAN DATUM
OF 1983 (NAD-83) STATE PLANE COORDINATE
SYSTEM, TEXAS NORTH CENTRAL ZONE.

BOUNDARY EXHIBIT

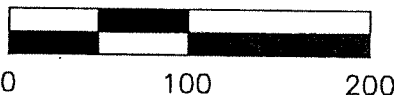
BEING A 4.714 ACRE (205,349 SQ.FT.) TRACT OF LAND
ARLINGTON COMMONS LANDS, LLC.

DOCUMENT No. D214029205, COUNTY CLERK RECORDS, TARRANT COUNTY, TEXAS
SITUATED IN JOHN M. HENDERSON SURVEY, ABSTRACT NO. 696, TARRANT COUNTY, TEXAS



Graham Associates, Inc.
CONSULTING ENGINEERS & PLANNERS
600 SIX FLAGS DRIVE, SUITE 500
ARLINGTON, TEXAS 76011 (817) 640-8535
TBPE FIRM: F-1191/TBPLS FIRM: 101538-00

GRAPHIC SCALE 1"=100'



DRAWN BY: GAI

DATE: 11/30/2018

PROJECT NO.: XX

SHEET 1 OF 2

XX.01

BOUNDARY EXHIBIT

Being a 4.714 acre tract of land situated in the John M. Henderson Survey, Abstract No. 696, Tarrant County, Texas and being all of Lot A-R-2, Block 5, Parkway Central, an addition to the City of Arlington, as recorded in Document No D215221591, County Clerk Records, Tarrant County, Texas Records, and being conveyed by deed to Arlington Commons Lands, LLC, as recorded in Document No. D214029205, County Clerk Records, Tarrant County, Texas, and being more particularly described as follows:

BEGINNING at a found 1/2 inch iron rod with a "Graham Assoc. Inc." (GAI) cap, said point being the northeast corner of said Lot A-R-2, and being in the existing west right-of-way line of Van Buren Drive (having a 60' R.O.W.)

THENCE South $11^{\circ}33'51''$ West, along said existing west right-of-way line, a distance of 64.92 feet to a found 1/2 inch iron rod with (GAI) cap for corner, for the beginning of a tangent curve to the left having a radius of 392.13 feet, a central angle of $31^{\circ}38'31''$, and a long chord which bears South $04^{\circ}15'25''$ East, 213.82 feet;

THENCE continuing along said existing west right-of-way line, and along said tangent curve to the left, an arc distance of 216.56 feet to a found 1/2 inch iron rod with (GAI) cap for corner, said point being the south east corner of said Lot A-R-2;

THENCE South $56^{\circ}49'35''$ West, leaving said existing west right-of-way line, and along the south line of said Lot A-R-2, a distance of 486.74 feet to a found 1/2 inch iron rod with (GAI) cap for corner, for the beginning of a tangent curve to the right having a radius of 36.97 feet, a central angle of $33^{\circ}11'13''$, and a long chord which bears South $73^{\circ}25'12''$ West, 21.12 feet;

THENCE continuing along said south line, and along said tangent curve to the right, an arc distance of 21.41 feet to a found 1/2 inch iron rod with (GAI) cap for corner;

THENCE North $89^{\circ}02'17''$ West, continuing along said south line, a distance of 36.87 feet to a found 1/2 inch iron rod with (GAI) cap for corner, said point being the southwest corner of said Lot A-R-2;

THENCE North $05^{\circ}05'41''$ West, leaving said south line, and along the west line of said Lot A-R-2, a distance of 539.32 feet to a found 1/2 inch iron rod with Britton & Crawford cap for corner, said point being the northwest corner of said Lot A-R-2;

THENCE North $88^{\circ}11'13''$ East, leaving said west line and along the north line of said Lot A-R-2, a distance of 380.88 feet to a found 1/2 inch iron rod with (GAI) cap for corner,

THENCE South $89^{\circ}41'57''$ East, continuing along said north line, a distance of 128.87 feet to the POINT OF BEGINNING and CONTAINING 205,349 square feet, 4.714 acres of land, more or less.

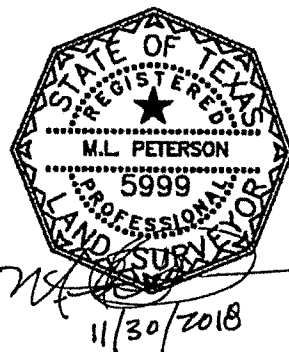


EXHIBIT "C"

APPLICATION FOR TAX ABATEMENT



Tarrant County

Application for Tax Abatement/Reinvestment Zone

I. APPLICANT INFORMATION

Applicant/Property Owner: Arlington Commons IV, LLC.

Company/Project Name: Arlington Commons Phase 1B

Mailing Address: 835 E. Lamar Blvd # 175

Telephone: (214) 499-4654

Fax: N/A

Applicant's Representative for contact regarding abatement request:

Name and Title: Robert Kembel, Manager of The Nehemiah LLC, (Member of Arlington Commons IV, LLC); Robin van Werkhoven, Director of Multifamily Development for The Nehemiah Company.

Mailing Address: 835 E. Lamar Blvd # 175

Telephone: (214) 499-4654; (682) 553-0474

Fax: N/A

E-mail: rkembel@tncdev.com; rvanwerkhoven@tncdev.com

II. PROPERTY AND PROJECT DESCRIPTION

Address and legal description of property to be considered for Tax Abatement/Reinvestment Zone: The Address for the property to be considered for Tax Abatement/Reinvestment Zone is 1806 Van Buren Drive, Arlington, TX 76011. The Legal description of the property can be found in "Exhibit A" attached hereto.

Project Description: The project consists of the redevelopment of an old and deteriorated apartment community into 4-story wrap structure with structured parking and containing 300 apartment units, onsite leasing facility and resident amenities.

Description of activities, products, or services produced and/or provided at project location: Multifamily Apartments units for rent.

Current Assessed Value: **Real Property:** Estimated at \$513,352 (vacant land) **Personal Property:** \$ N/A

Estimated start date of construction/site improvements:

- The environmental remediation and demolition activities completed in 2015.
- Phase 1A & 1C of Arlington commons were completed in 2018 and 2021 respectively
- Phase 1B (this application) construction activities & site improvements are expected to commence in 1st quarter 2025.

Projected date of occupancy/commencement of operations at project site: The projected date of occupancy is early 2027. Project is expected to be complete by end of 2027.

Please indicate dates for phases if applicable: N/A

Location of existing company facilities: 2201 E Lamar Blvd #115, Arlington, TX 76006

Requested level of Tax Abatement: 70% from Tarrant Co. & 50% from Hospital Dist **of eligible property for Ten (10) years.**

Explain why tax abatement is necessary for the success of this project. Include business pro-formas or other information to substantiate your request. Without the tax abatement the project returns are below the acceptable market capital requirements

III. PROJECTED VALUE OF IMPROVEMENTS

Estimated Value of Real Property Improvements We estimate the total value of real property improvements for Arlington Commons Phase 1B to be approximately \$45,000,000

Estimated Value of Personal Property Improvements \$ N/A

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

Yes ☐ No ☒

If yes, describe requested infrastructure improvements: N/A

Detail any direct benefits to Tarrant County as a result of this project (i.e., inventory tax, etc.): N/A

IV. EMPLOYMENT IMPACT AT PROJECT LOCATION

A. NEW EMPLOYMENT

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

Full-time 7 **Part-Time** None

Provide types of jobs created and average salary levels:

Title	No. of Positions	Hours Per Week	Annual Salary	Total Payroll	
Property Manager	1	40	\$75,000	\$75,000	
Assistant Manager	1	40	\$49,000	\$49,000	
Leasing Consultant	2	40	\$38,500	\$77,000	Plus Commission
Maintenance Supervisor	1	40	\$56,000	\$56,000	
Assistant Maintenance Supervisor	1	40	\$41,000	\$41,000	
Grounds Keeper	1	40	\$31,100	\$31,100	
Total:	7	280	\$47,014	\$329,100	

TOTAL PROPOSED ANNUAL PAYROLL: \$ 329,100

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

Percentage of new jobs too be filled be Tarrant County residents: minimum of 25%

Number of employees transferring from other company locations: N/A

B. CONSTRUCTION RELATED EMPLOYMENTS

Projected number of construction related jobs: TBD

Estimated total construction payroll: TBD

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

Commitment as to percentage & total dollars of construction contracts to be awarded to DBE: We will apply best efforts to awards at least 15% to DBE Contractors

C. CURRENT COMPANY/PROJECT LOCATION EMPLOYMENT

Current Number of Employees: Company - Full-time: 43, Part-time: 10

At the project – None. Refer to new employment section for employment at project once complete

Average annual payroll: \$ 5,000,000

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

The Nehemiah Company, the Sponsor for the proposed development currently employs 53 individuals incl its affiliates. The demographic breakdown of current employees by gender and ethnicity is as follows:

	Male	Female	Total	%
White:	16	17	33	62%
African American:	2	2	4	8%
Hispanic:	3	9	12	23%
Asian:	3	1	4	8%
Total	24	29	53	100%
%	45%	55%	100%	

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:** \$ \$90/mo **Family:** \$ Included

Other employee benefits provided or offered:

Employer paid:

- Medical Insurance – Employer covers ~\$1,000/mo Employee portion starts at \$90/mo but varies depending on coverage selected
- Dental and Vision insurance coverage for employee and family included available
- Accidental Death & dismemberment
- Short-term & Long-term disability insurance
- Company sponsored 401K with 100% employer match up to 3% of compensation, an additional 50% match between 3% and 5% of compensation.

Other voluntary (employee paid) benefit available:

- FSA & HSA health spending accounts
- Critical illness indemnity plans
- Hospital indemnity plan
- Accident indemnity plan
- Other cafeteria plans

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

Estimated amount of annual supply and services expenses: TBD

Detail any supply/services expenses that are sole source: TBD

Percentage of total supplier/services expenses committed to Tarrant County businesses: target minimum 25%

Percentage of total supplier and services expenses committed to DBE: target minimum 15%

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.): N/A

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 (DOES NOT APPLY)
- ☒ Tax Certificate showing property taxes paid for most recent year

VIII. CERTIFICATION

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

I certify the information contained in this application (including all attachments) to be true and correct to the

best of my knowledge. I further certify that I have read the "Tarrant County Tax Abatement Policy" and agree to comply with the guidelines and criteria stated therein.

Signature

Title

Managing Member

Printed Name

Date

Robert Kembel

2-15-2022

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

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.

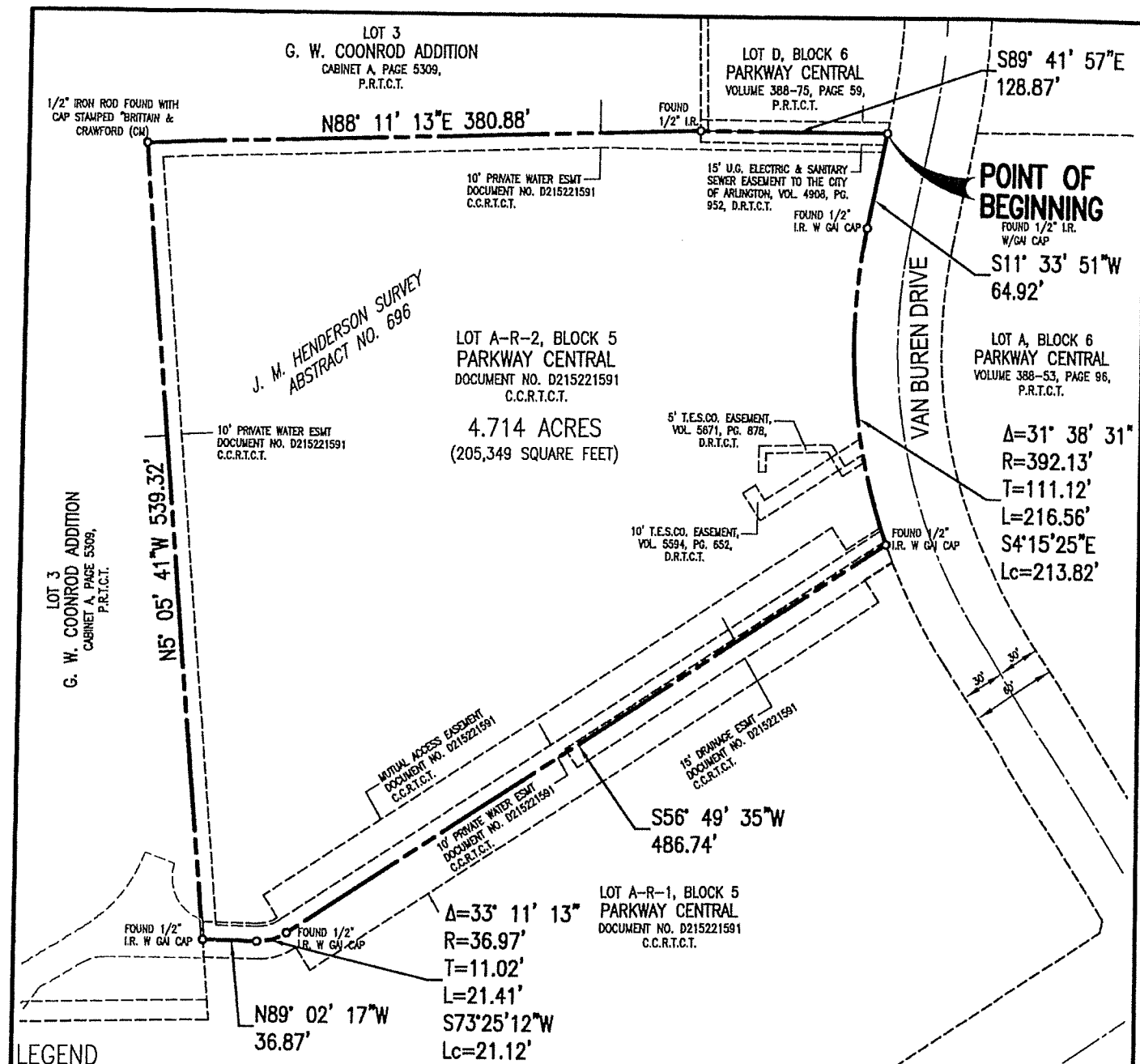
For assistance call: (817) 884-2643

* 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.

Exhibit A

VII. ADDITIONAL INFORMATION

- Plat/Map of Project Location
- The Legal description of the property to be considered for the Tax Abatement is located at 1806 Van Buren Drive, Arlington, TX 76011



LEGEND

C.C.R.T.C.T. = COUNTY CLERK RECORDS, TARRANT COUNTY, TEXAS
D.R.T.C.T. = DEED RECORDS, TARRANT COUNTY, TEXAS

BASIS OF BEARING IS NORTH AMERICAN DATUM OF 1983 (NAD-83) STATE PLANE COORDINATE SYSTEM, TEXAS NORTH CENTRAL ZONE.

BOUNDARY EXHIBIT

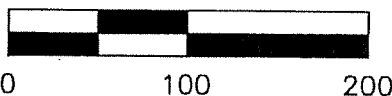
BEING A 4.714 ACRE (205,349 SQ.FT.) TRACT OF LAND
ARLINGTON COMMONS LANDS, LLC.

DOCUMENT No. D214029205, COUNTY CLERK RECORDS, TARRANT COUNTY, TEXAS
SITUATED IN JOHN M. HENDERSON SURVEY, ABSTRACT NO. 696, TARRANT COUNTY, TEXAS



Graham Associates, Inc.
CONSULTING ENGINEERS & PLANNERS
600 SIX FLAGS DRIVE, SUITE 500
ARLINGTON, TEXAS 76011 (817) 640-8535
TBPE FIRM: F-1191/TBPLS FIRM: 101538-00

GRAPHIC SCALE 1"=100'



DRAWN BY: GAI

DATE: 11/30/2018

PROJECT NO.: XX

SHEET 1 OF 2

XX.01

BOUNDARY EXHIBIT

Being a 4.714 acre tract of land situated in the John M. Henderson Survey, Abstract No. 696, Tarrant County, Texas and being all of Lot A-R-2, Block 5, Parkway Central, an addition to the City of Arlington, as recorded in Document No D215221591, County Clerk Records, Tarrant County, Texas Records, and being conveyed by deed to Arlington Commons Lands, LLC, as recorded in Document No. D214029205, County Clerk Records, Tarrant County, Texas, and being more particularly described as follows:

BEGINNING at a found 1/2 inch iron rod with a "Graham Assoc. Inc." (GAI) cap, said point being the northeast corner of said Lot A-R-2, and being in the existing west right-of-way line of Van Buren Drive (having a 60' R.O.W.)

THENCE South $11^{\circ}33'51''$ West, along said existing west right-of-way line, a distance of 64.92 feet to a found 1/2 inch iron rod with (GAI) cap for corner, for the beginning of a tangent curve to the left having a radius of 392.13 feet, a central angle of $31^{\circ}38'31''$, and a long chord which bears South $04^{\circ}15'25''$ East, 213.82 feet;

THENCE continuing along said existing west right-of-way line, and along said tangent curve to the left, an arc distance of 216.56 feet to a found 1/2 inch iron rod with (GAI) cap for corner, said point being the south east corner of said Lot A-R-2;

THENCE South $56^{\circ}49'35''$ West, leaving said existing west right-of-way line, and along the south line of said Lot A-R-2, a distance of 486.74 feet to a found 1/2 inch iron rod with (GAI) cap for corner, for the beginning of a tangent curve to the right having a radius of 36.97 feet, a central angle of $33^{\circ}11'13''$, and a long chord which bears South $73^{\circ}25'12''$ West, 21.12 feet;

THENCE continuing along said south line, and along said tangent curve to the right, an arc distance of 21.41 feet to a found 1/2 inch iron rod with (GAI) cap for corner;

THENCE North $89^{\circ}02'17''$ West, continuing along said south line, a distance of 36.87 feet to a found 1/2 inch iron rod with (GAI) cap for corner, said point being the southwest corner of said Lot A-R-2;

THENCE North $05^{\circ}05'41''$ West, leaving said south line, and along the west line of said Lot A-R-2, a distance of 539.32 feet to a found 1/2 inch iron rod with Britton & Crawford cap for corner, said point being the northwest corner of said Lot A-R-2;

THENCE North $88^{\circ}11'13''$ East, leaving said west line and along the north line of said Lot A-R-2, a distance of 380.88 feet to a found 1/2 inch iron rod with (GAI) cap for corner,

THENCE South $89^{\circ}41'57''$ East, continuing along said north line, a distance of 128.87 feet to the POINT OF BEGINNING and CONTAINING 205,349 square feet, 4.714 acres of land, more or less.

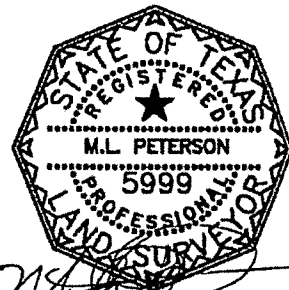


Exhibit B.1

VII. ADDITIONAL INFORMATION

- Arlington Commons Project Summary including:
 - Descriptive list and value of real and personal property improvements
 - Project Time Schedule
 - Proposed Site Plan

Arlington Common Project Summary

February 15, 2022

Request:

- Tax Abatement — 10-year term for each phase of project development
- Five separate agreements for each of Five (5) Phases
- Each phase to commence within 3 years of the prior phase. The table below shows project start & completions dates as well as tax abatement start dates.
- City abatement at 90%, County abatement at 70%; Hospital District at 50%

Project Scope:

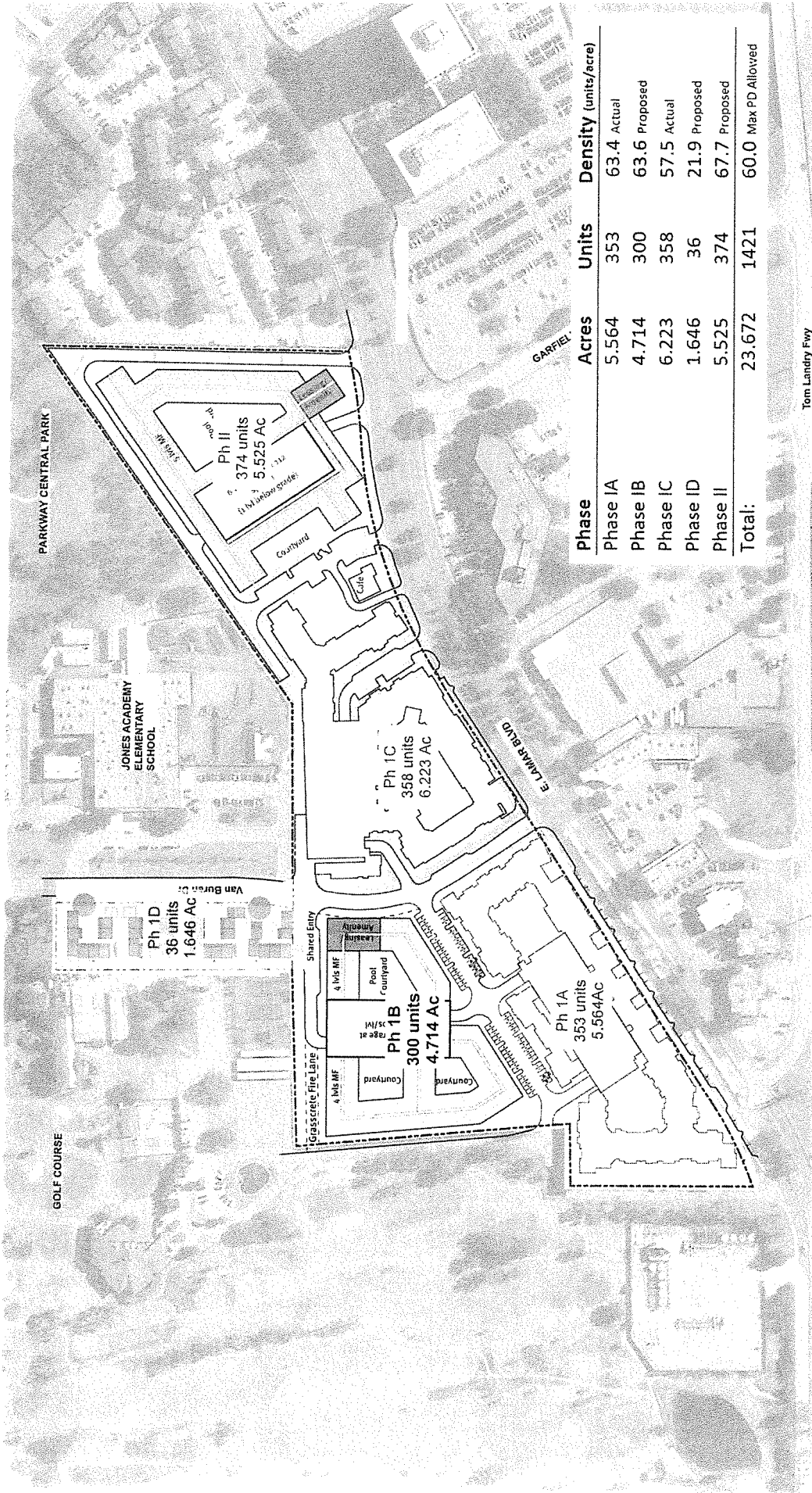
- Redevelopment of three (3) sub-standard apartment complexes on approx. 23.56 acres along E. Lamar Blvd.
- New construction of approx. 1,421 Class A apartments with full amenities at an estimated value of \$106,000 to \$166,500 per unit
- Redevelopment required demolition and asbestos remediation. Asbestos Abatement and demolition for the three complexes was completed in 2015.
- Developer worked with Arlington ISD on improvements to Roquemore Elementary, now Jones Academy of Fine Arts and Dual Language, and with the City of Arlington on improvements to the Median Park and along Lamar Blvd

Improvement Costs, Schedule, and Incentive Value:

Improvement Costs, Schedule, and Incentive Value:

Phase	No. Units	Start		Start Abatement	Hard Construction		Estim. Abated Taxes (over 10 years)		
		Constructon	Completion		Cost	Cost/Unit	City 90%	Cnty 70%	HD 50%
Phase 1A	353	Jan 2016	Jun 2018	January 1, 2019	\$37,500,000	\$106,232	\$2,176,200	\$666,800	\$427,300
Phase 1C	358	Mar 2019	Nov 2021	January 1, 2022	\$43,000,000	\$120,112	\$2,495,400	\$764,500	\$490,000
Phase 1D *	36	May 2022	Dec 2023	January 1, 2024	\$6,000,000	\$166,667	\$334,700	\$96,200	\$67,300
Phase II *	374	July 2022	Dec 2024	January 1, 2025	\$55,000,000	\$147,059	\$3,068,000	\$881,700	\$617,000
Phase 1B *	300	Jan 2025	Dec 2027	January 1, 2028	\$45,000,000	\$150,000	\$2,510,200	\$721,400	\$505,000
Total Initial Project:	1,421	Jan 2016	Dec 2027	Varies	\$186,500,000	\$131,246	\$10,584,500	\$3,130,600	\$2,106,600

* Estimated figures



N

0°

100'

200'

400'

SITE PLAN

01

12.02.2020

Arlington Commons Ph 1B Arlington, TEXAS



A FIRM WITH A VIBRANT
 & EXCITING CULTURE
 RECOGNIZED FOR
 ELEVATED DESIGN



Exhibit B.2

VII. ADDITIONAL INFORMATION

- Letter addressing Economic Qualifications and additional criteria or abatement, Section III (h) and (i) of Tarrant County Tax Abatement Policy

ARLINGTON COMMONS IV, LLC

835 E Lamar Blvd N 175
Arlington, Texas 76011

February 15, 2022

Mrs. Maegan P. South
Economic Development Manager
Tarrant County Administration
100 E. Weatherford, Suite 404
Fort Worth, Texas 76196

Re: Arlington Commons IV, LLC. Letter addressing Economic Qualifications and additional criteria for abatement, Section III (h) and (i) of Tarrant County Tax Abatement Policy

Mrs. South,

Arlington Commons IV, LLC. is committed to use it's best efforts to comply Economic Qualifications and additional criteria for abatement, Section III (h) and (i) of Tarrant County Tax Abatement Policy.

Please refer to the table below:

Economic Qualifications		Comments
III.h.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.	Project Complies –Construction value estimated at \$45,000,000
III.h.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.	Not Applicable
III.h.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.	Project Complies- Project expected to add 7 new jobs
III.h.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.	Project Complies – Previous apartments on site were demolished in 2015
Additional Criteria		Comments
III.i.1	<u>Use of DBE and Tarrant County Business.</u> The project must provide for the utilization of Disadvantaged Business	Project Will Comply

	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.	
III.i.2	<u>Tarrant County Employment</u> 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.	Project will Comply
III.i.3	<u>Environmental Impacts.</u> 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.	Project includes a lounge for rideshare pick-up including a dedicated rideshare pick-up spot. EV Chargers located in the garage for residents. Encourage onsite employees to live on-site by offering a rental discount.
III.i.4	<u>Employee Benefits.</u> 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.	Project Will Comply

Please let us know if you have any questions regarding the matters outlined in this letter.

Very truly yours,

ARLINGTON COMMONS IV, LLC,
a Texas limited liability company

By: 

Robin van Werkhoven
Director of MF Development

Exhibit B.3

VII. ADDITIONAL INFORMATION

- Owner's policy regarding use of disadvantaged Business Enterprises

ARLINGTON COMMONS IV, LLC

835 E Lamar Blvd N 175

Arlington, Texas 76011

February 15, 2022

Mrs. Maegan P. South
Economic Development Manager
Tarrant County Administration
100 E. Weatherford, Suite 404
Fort Worth, Texas 76196

Re: Arlington Commons IV, LLC. policy regarding use of disadvantaged Business Enterprises

Mrs. South,

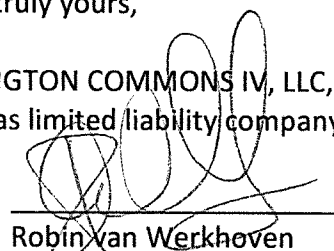
Arlington Commons IV, LLC. is committed to use it's best efforts to provide for the utilization of Disadvantaged Business Enterprises for a minimum of 15% of the total costs for construction contracts and annual supply and service contracts.

Please let us know if you have any questions regarding the matters outlined in this letter.

Very truly yours,

ARLINGTON COMMONS IV, LLC,
a Texas limited liability company

By:



Robin van Werkhoven
Director of MF Development

EXHIBIT "D"

**CITY OF ARLINGTON ORDINANCES NO. 14-071 AND NO. 18-052,
CREATING & RENEWING REINVESTMENT ZONE NUMBER FORTY-ONE**

THE STATE OF TEXAS §
 § **Tax Abatement Agreement – Phase IB**
COUNTY OF TARRANT §

THIS TAX ABATEMENT AGREEMENT – PHASE IB (“Agreement”) is executed by and between **ARLINGTON COMMONS LANDS, LLC**, a Texas limited liability company, acting by and through its authorized officer (hereafter referred to as “**OWNER**”), and the **CITY OF ARLINGTON, TEXAS**, a home-rule city and municipal corporation of Tarrant County, Texas, acting by and through its City Manager or his designee, (hereafter referred to as “**CITY**”).

WITNESSETH:

- WHEREAS, the City Council of CITY has resolved that the CITY may elect to participate in tax abatements; and
- WHEREAS, the City Council of CITY, in accordance with the law, has adopted a Policy Statement for Tax Abatements; and
- WHEREAS, prior to executing this Agreement, the CITY has adopted a Policy Statement consistent with this Agreement; and
- WHEREAS, the Policy Statement constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the CITY; and
- WHEREAS, the City Council passed Ordinance No. 14-071 establishing Reinvestment Zone Number Forty-One in the City of Arlington, Texas, being a commercial-industrial reinvestment zone for tax abatement as authorized by Texas Tax Code Chapters 311 and 312 (hereafter referred to as “the Code”); and
- WHEREAS, the City Council passed Ordinance No. 18-052 renewing Reinvestment Zone Number Forty-One; and
- WHEREAS, the use of the Premises (as hereafter defined), the Eligible Property (as hereafter defined), and the other terms hereof are consistent with encouraging development within Reinvestment Zone Number Forty-One, and are in compliance with the Policy Statement and the Ordinance and similar guidelines and criteria adopted by CITY and all applicable law; and
- WHEREAS, the City Council finds that the terms of this Agreement meet applicable guidelines and criteria adopted by the City Council; and
- WHEREAS, a copy of this Agreement has been furnished, in the manner prescribed by the Code, to the presiding officers of the governing bodies of each of the

taxing units in which the Premises to be subject to the Agreement is located; and

WHEREAS, the City Council finds that it is in the public interest to provide the tax abatement; NOW THEREFORE,

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

I. Definitions

- A. “Added Taxable Value” is defined as the value of the Eligible Property and Premises above the Base Year Value, as appraised by the Tarrant Appraisal District.
- B. “Base Year Value” is defined as the tax year 2015 taxable value of the Premises in Reinvestment Zone Number Forty-One, on January 1, 2015, as finally determined by Tarrant Appraisal District.
- C. “Eligible Property” is defined as real property improvements as provided in **Exhibit “A”** erected or affixed to the Premises after this Agreement is signed and through December 31, 2030. **Exhibit “A”** is attached hereto and incorporated herein for all purposes.
- D. “Premises” are defined as the real property (land only) located at 1806 Van Buren Drive and, described in **Exhibit “B”**, which existed on January 1, 2015, in Reinvestment Zone Number Forty-One, that is owned by OWNER. **Exhibit “B”** is attached hereto and incorporated herein for all purposes.
- E. “Reinvestment Zone Number Forty-One” is defined as the real property located in the City of Arlington and described by City of Arlington Ordinances No.14-071 and No. 18-052, attached hereto as **Exhibit “C”**.

II. General Provisions

- A. The Premises are not in an improvement project financed by tax increment bonds.
- B. The Premises are not owned or leased by any member of the City Council or any member of the Planning and Zoning Commission of CITY.
- C. It is acknowledged and agreed by the parties that the completion of the Eligible Property is consistent with the purposes of encouraging development or redevelopment of the Reinvestment Zone.

III.
Improvement Conditions and Requirements

- A. OWNER shall improve the Premises by completing the Eligible Property on or before December 31, 2030. Completion shall be demonstrated by obtaining all final requisite certificates of occupancy for the Eligible Property.
- B. OWNER's completion of the Eligible Property of this Agreement must result in Added Taxable Value above the Base Year Value ("Added Value") of at least \$7,000,000 the tax year beginning January 1 after the issuance of the certificate of occupancy for the Eligible Property as finally determined by the Tarrant Appraisal District ("TAD").
- C. OWNER shall maintain the Eligible Property on the Premises for the term of this Agreement and at all times maintain a Multi-Family License as required by Article XIV of the Uniform Housing Code Chapter of the Code of the City of Arlington.
- D. OWNER shall at all times maintain the Premises in accordance with the Declaration of Maintenance Covenants attached hereto as **Exhibit "D"** and incorporated herein for all purposes.
- E. Eligible Property shall at all times conform to the applicable building codes, zoning ordinances, and all other ordinances and regulations or laws.
- F. OWNER shall not allow the ad valorem taxes owed to CITY on any property owned by OWNER and located within the City of Arlington to become delinquent beyond the last day they can be paid without assessment of penalty.
- G. OWNER shall not fail to render for taxation any property located within the City of Arlington.
- H. OWNER covenants and certifies that OWNER does not and will not knowingly employ an undocumented worker as that term is defined by section 2264.001(4) of the Texas Government Code. In accordance with section 2264.052 of the Texas Government Code, if OWNER is convicted of a violation under 8 U.S.C. Section 1324a(f), OWNER shall repay to the CITY the full amount of taxes abated under Section IV of this Agreement, plus 10% per annum from the date the abatement was made. Repayment shall be paid within 120 days after the date following such conviction that OWNER receives notice of violation from the CITY as provided by 2264.101(c) of the Texas Government Code. OWNER shall not be liable for a violation by a subsidiary, affiliate, or franchisee of OWNER or by a person with whom OWNER contracts.

IV.
Abatement Allowed

- A. If the Improvement Conditions and Requirements set forth in Section III are met, CITY agrees to exempt from taxation ninety percent (90%) of the Added Taxable Value. The exemption shall be for a ten (10) year period from the tax year beginning January 1 after the issuance of the certificate of occupancy for the Eligible Property.

V.
Reports, Audits, and Inspections

- A. Annual Certification and Reports - Pursuant to state law, OWNER shall certify annually to taxing units that OWNER is in compliance with the terms of the Agreement and shall provide taxing units with reports and records reasonably necessary to support each year of the Agreement, as follows:
1. Certification -- OWNER shall complete and certify a tax abatement certification to be provided by CITY for each year of the Agreement, to be due annually not later than April 1. This certification shall include reports on Eligible Property values and costs, a narrative description of the project's progress, and other submittals required by the Agreement.
 2. Additional Reports -- Additionally, throughout the term of this Agreement, OWNER shall furnish CITY any additional records and information reasonably requested to support the reports required by this Agreement.
- B. Right to Audit Books and Records - CITY shall have the right to audit the books and records related to the Eligible Property and supporting the Eligible Property reports. CITY shall notify OWNER in advance in writing of their intent to audit in order to allow OWNER adequate time to make such books and records available.
- C. Inspection - At all times throughout the term of this Agreement, CITY and TAD shall have reasonable access to the Premises for the purpose of inspecting the Premises to ensure that the Eligible Property is constructed, installed, maintained, and operated in accordance with the terms of this Agreement. All inspections shall be conducted in a manner as to not unreasonably interfere with the installation and operation of the Eligible Property on the Premises. The inspections shall be conducted within a reasonable time period after notice by CITY or TAD to OWNER, provided, however, that all inspections shall be made with one (1) or more representative(s) of OWNER present and in accordance with the safety standards of OWNER.

VI.
Use of Premises

The Premises at all times shall be used in a manner that is consistent with CITY's zoning ordinances as well as any other laws, and in a manner consistent with the general purpose of encouraging development within Reinvestment Zone Number Forty-One.

VII.
Breach and Recapture

- A. **Breach** - A breach of this Agreement may result in termination of this Agreement. The following conditions shall constitute a breach of this Agreement:
1. The Premises are abandoned by OWNER by ceasing to operate the Eligible Property as multi-family for a consecutive period of at least six months or operating at an occupancy rate below 33% for a consecutive period of six months or more in abatement years 5-10; or
 2. OWNER fails to complete and adhere to the OWNER's Improvement Conditions and Requirements as specified in Article III above; or
 3. OWNER fails to comply with the reporting or inspection requirements described in Article V of this Agreement.
- B. **Notice of Breach** - In the event that CITY makes a reasonable determination that OWNER has breached this Agreement then CITY shall give OWNER written notice of such breach. OWNER shall have 60 days following receipt of said written notice to reasonably cure such breach or this Agreement may be terminated by CITY. Notice of default shall be in writing and shall be delivered by personal delivery or certified mail, return receipt requested, to OWNER at the addresses provided in Article VIII of this Agreement.
- C. **Tax Lien Not Impaired** - It is expressly agreed and acknowledged between the parties to this Agreement that nothing in this Agreement shall be deemed or construed to affect the lien for taxes against the property established by Section 32.01 of the Tax Code of the State of Texas. Such lien shall secure the payment of all taxes, penalties and interest ultimately imposed on the property, including any taxes abated and subject to recapture under this Agreement. Any such lien may be fully enforced pursuant to the provisions of the Code.

VIII.
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, return receipt requested, postage prepaid, or by hand delivery:

DEVELOPER: Arlington Commons Lands, LLC
Attention: Robert H. Kembel
835 E. Lamar Blvd., #254
Arlington, Texas 76011

WITH A Barry R Knight
COPY TO: Attorney at Law
3521 Rankin Ave.
Dallas, Texas 75205

CITY: City of Arlington
Attention: Economic Development Manager
P.O. Box 90231
Arlington, Texas 76004-3231

Any party may change the address and add additional parties to whom notice will be sent by giving the other parties written notice in the manner provided in this Article.

IX.
City Council Authorization

This Agreement was authorized by resolution of the City Council authorizing the City Manager or his designee to execute this Agreement on behalf of the CITY.

X.
Severability

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

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 a subsequent purchaser or assignee of OWNER, shall include, but not necessarily be limited to, statements that this Agreement is in full force and effect without default (or if default exists the nature of same), the remaining term of this Agreement, the levels and remaining term of the abatement in effect and such other matters reasonably requested by the party(ies) to receive the certificates.

XII.
OWNER's Standing

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

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.
Indemnification

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

XV.
Force Majeure

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

XVI.
No Other Agreement

This Agreement embodies all of the agreements of the parties relating to its subject matter as specifically set out herein, supersedes all prior understandings and agreements regarding such subject matter, and may be amended, modified, or supplemented only by an instrument or instruments in writing executed by the parties.

XVII.
Recordation of Agreement

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

XVIII.
Procurement of Goods and Services from Arlington Businesses and/or Historically Underutilized Businesses

In performing this Agreement, OWNER agrees to use diligent efforts to purchase all goods and services from Arlington or Tarrant County businesses whenever such goods and services are comparable in availability, quality and price.

As a matter of policy with respect to CITY projects and procurements, CITY also encourages the use, if applicable, of qualified contractors, subcontractors, and suppliers where at least fifty-one percent (51%) of the ownership of such contractor, subcontractor, or supplier is vested in racial or ethnic minorities or women. In the selection of subcontractors, suppliers, or other persons or organizations proposed for work on this Agreement, the OWNER agrees to consider this policy and to use their reasonable and best efforts to select and employ such companies and persons for work on this Agreement.

XIX.
Headings

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

XX.
Successors and Assigns

The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. It is intended by the parties hereto that this Agreement may be assigned by OWNER to a successor owner only with prior written approval of the City Council, which approval will not be unreasonably withheld or delayed. Assignment to related entities where The Nehemiah, LLC is the general partner or managing member shall be expressly allowed without City Council approval.

XXI.
Counterparts

This Agreement may be executed in any number of counterparts, each of which may be executed by any one or more of the parties hereto, but all of which shall constitute one instrument, and shall be binding and effective when all of the parties hereto have executed at least one counterpart.

XXII.
No Third-Party Beneficiaries

For purposes of this Agreement, including its intended operation and effect, the parties specifically agree that: (1) the Agreement only affects matters/disputes between the parties to this Agreement, and is in no way intended by the parties to benefit or otherwise affect any third person or entity, notwithstanding the fact that such third person or entity may be in a contractual relationship with CITY or OWNER or both; and (2) the terms of this Agreement are not intended to release, either by contract or operation of law, any third person or entity from obligations owing by them to either CITY or OWNER.

XXIII.
Remedies

No right or remedy granted herein or reserved to the parties is exclusive of any right or remedy herein by law or equity provided or permitted; but each shall be cumulative of every right or remedy given hereunder. No covenant or condition of this Agreement may be waived without consent of the parties. Forbearance or indulgence by either party shall not constitute a waiver of any covenant or condition to be performed pursuant to this Agreement.

XXIV.
Termination

This Agreement shall terminate, in accordance with the terms of this Agreement, unless extended by written agreement of the parties or a written instrument signed by all parties evidencing a delay by force majeure; however, in no event shall the abatement exceed 10 years.

IN WITNESS WHEREOF, each party has caused this Agreement to be executed on the date indicated below, effective as of the later of such dates.

**ARLINGTON COMMONS LANDS,
LLC**
a Texas Limited Liability Company
By its member: The Nehemiah, LLC
a Texas Limited Liability Company

BY _____
Robert H. Kembel
Manager of The Nehemiah, LLC
Date _____

WITNESS:

CITY OF ARLINGTON, TEXAS

BY _____
JIM PARAJON
Deputy City Manager
Date _____

ATTEST:

ALEX BUSKEN, City Secretary

APPROVED AS TO FORM:
TERIS SOLIS, City Attorney

BY _____

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

ARLINGTON COMMONS LANDS, LLC
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **ROBERT H. KEMBEL**, Manager of The Nehemiah, LLC, a Texas limited liability company, member of ARLINGTON COMMONS LANDS, LLC, a Texas limited liability company, known to me (or proved to me on the oath of _____ or through _____ (*description of identity card or other document*) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of **ARLINGTON COMMONS LANDS, LLC**, an entity duly authorized to do business in the State of Texas, and as the **Manager of The Nehemiah, LLC**, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2021.

Notary Public in and for
The State of Texas

My Commission Expires

Notary's Printed Name

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

CITY OF ARLINGTON, TEXAS
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **JIM PARAJON**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of the **CITY OF ARLINGTON, TEXAS**, a municipal corporation of Tarrant County, Texas, and as the **Deputy City Manager** thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2021.

Notary Public in and for
The State of Texas

My Commission Expires

Notary's Printed Name

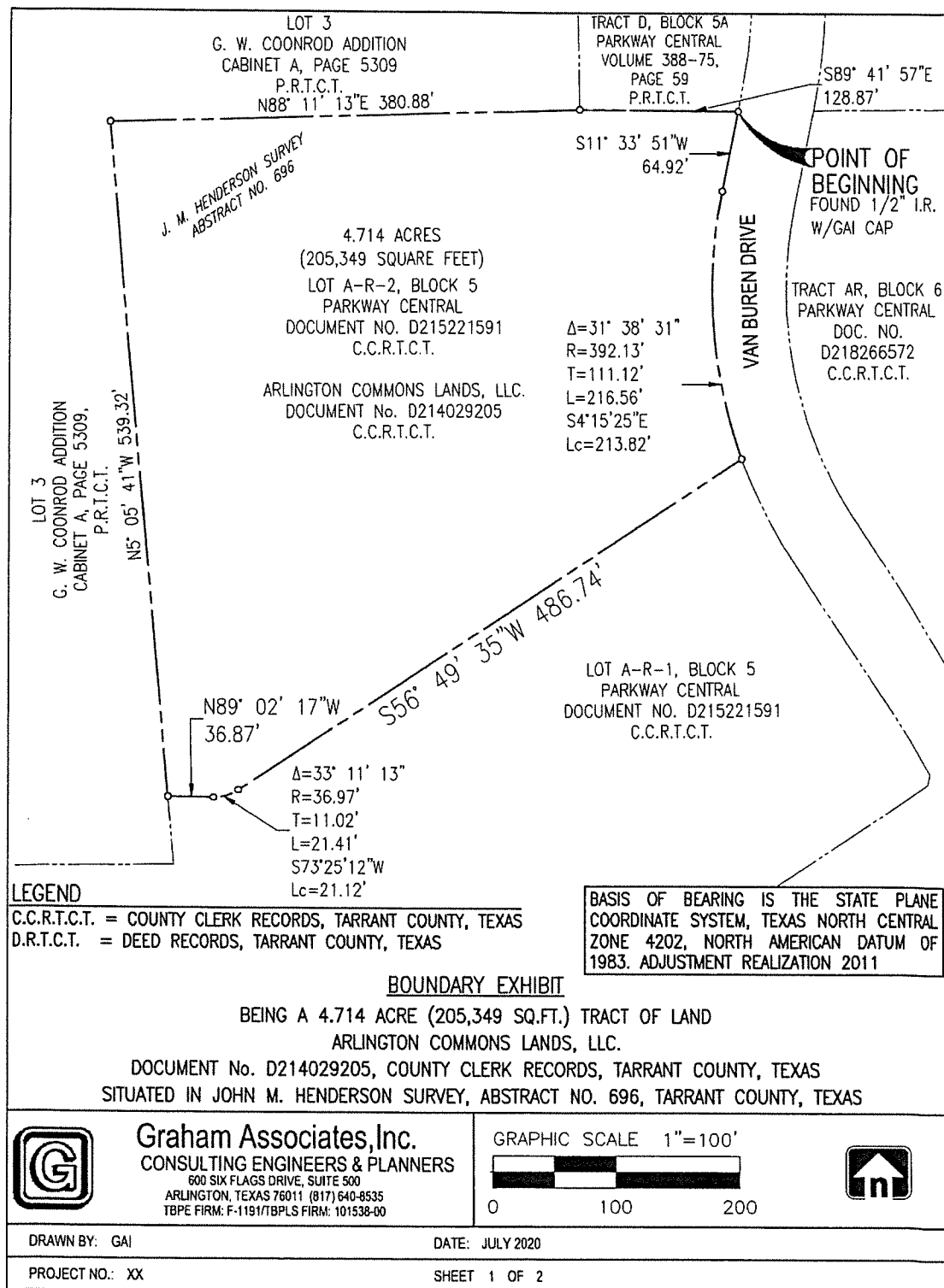
Exhibit “A”

ELIGIBLE PROPERTY- Phase I-B Project

Phase IB of a multi-family redevelopment project to include the construction of new multi-family facility comprised of at least 300 multi-family units and a structured parking garage. Construction of the Phase IB Project with a total minimum capital investment of \$100,000 per multi-family unit in overall project costs.

Exhibit "B"

PREMISES - Legal Property Description



BOUNDARY EXHIBIT

Being a 4.714 acre tract of land situated in the John M. Henderson Survey. Abstract No. 696, Tarrant County, Texas and being all of Lot A-R-2, Block 5, Parkway Central, as recorded in Document No D215221591. County Clerk Records, Tarrant County, Texas, and being conveyed by deed to Arlington Commons Lands, LLC, as recorded in Document No. D214029205. County Clerk Records, Tarrant County, Texas, and being more particularly described as follows:

BEGINNING at a found 1/2 inch iron rod with a cap stamped "Graham Assoc Inc"(GAI), being the northeast corner of said Lot A-R-2, being the southeast corner Tract D, Block 5, Parkway Central, as recorded in Volume 388-75, Page 59, Plat Records, Tarrant County, Texas, and being in the existing west right-of-way line of Van Buren Drive (having a 60 foot Right-of-Way):

THENCE South $11^{\circ}33'51''$ West, along said existing west right-of-way line, a distance of 64.92 feet to a found 1/2 inch iron rod with "GAI" cap, for the beginning of a tangent curve to the left having a radius of 392.13 feet, a central angle of $31^{\circ}38'31''$, and a long chord which bears South $04^{\circ}15'25''$ East, 213.82 feet:

THENCE continuing along said existing west right-of-way line, and along said tangent curve to the left, an arc length of 216.56 feet to a found 1/2 inch iron rod with "GAI" cap, being the north corner of Lot A-R-1, Block 5, Parkway Central, as recorded in Document No D21 5221 591, County Clerk Records, Tarrant County, Texas:

THENCE South $56^{\circ}49'35''$ West, leaving said existing west right-of-way line, and along the north line of said Lot A-R-1, a distance of 486.74 feet to a found 1/2 inch iron rod with "GAI" cap, for the beginning of a tangent curve to the right having a radius of 36.97 feet, a central angle of $33^{\circ}11'13''$, and a long chord which bears South $73^{\circ}25'12''$ West, 21.12 feet:

THENCE continuing along said north line, and along said tangent curve to the right, an arc length of 21.41 feet to a found 1/2 inch iron rod with "GAI" cap;

THENCE North $89^{\circ}02'17''$ West, a distance of 36.87 feet to a found 1/2 inch iron rod with "GAI" cap:

THENCE North $05^{\circ}05'41''$ West, leaving said north line, a distance of 539.32 feet to a found 1/2 inch iron rod with Britton & Crawford cap;

THENCE North $88^{\circ}11'13''$ East, a distance of 380.88 feet to a found 1/2 inch iron rod with "GAI" cap, being in the southwest corner of said Tract D.

THENCE South $89^{\circ}41'57''$ East, along said south line of said Tract D, a distance of 128.87 feet to the POINT OF BEGINNING and CONTAINING 205.349 square feet, 4.714 acres of land, more or less.

Exhibit “C”

**Ordinance 14-071
Creating
Reinvestment Zone Forty- One**

**Ordinance 18-052
Renewing
Reinvestment Zone Forty- One**

Ordinance No. 14-071

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

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

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

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

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

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

1.

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

2.

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

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

3.

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

4.

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

5.

This ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Arlington; and this ordinance shall not operate to repeal or affect any of such other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

6.

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

7.

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

8.

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

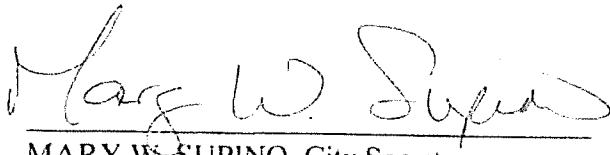
9.

This ordinance shall become effective upon second reading.

PRESENTED AND GIVEN FIRST READING on the 4th day of November, 2014, at a regular meeting of the City Council of the City of Arlington, Texas; and GIVEN SECOND READING, passed and approved on the 18th day of November, 2014, by a vote of 7 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington. *If Q.*

ROBERT N. CLUCK, Mayor

ATTEST:

A handwritten signature in cursive script, appearing to read "Mary W. Supino", written over a horizontal line.

MARY W. SUPINO, City Secretary

ASTO FORM:

APPROVE y City Attorney
JAYDOEG

BY

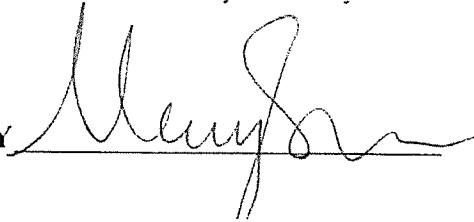
A handwritten signature in cursive script, appearing to read "Henry", written over a horizontal line.

Exhibit "A"

LEGAL DESCRIPTION ARLINGTON COMMONS LANDS

Arlington Common Lands is the sole owner of a 24.528 acre tract of land situated in the J. M. Henderson Survey. Abstract No. 696 and being all of Lot A-R, Block 5 of Parkway Central, an addition to the City of Arlington, according to plat filed for record in Volume 388-61, Page 1, Plat Records, Tarrant County, Texas (PRTCT), a portion of Lot D, Block 6 of Parkway Central, an addition to the City of Arlington, Tarrant County, Texas as recorded in Volume 388-75, Page 59 (PRTCT), a portion of Van Buren Drive (a variable 60.00 feet wide public right-of-way), all of Lot A, Block 6 of Parkway Central, an addition to the City of Arlington, according to plat filed for record in Volume 388-53, Page 96, Plat Records, Tarrant County, Texas (PRTCT), all of Lot B, Block 6 of Parkway Central, an addition to the City of Arlington, according to plat filed for record in Volume 388-61, Page 96, Plat Records, Tarrant County, Texas (PRTCT) and being more particularly described by metes and bounds as follows:

BEGINNING at a found 1/2 inch iron rod for corner, said point being at a 1/2 inch iron rod found with a cap stamped "GAI" for the Southwesterly corner of *said* Lot A-R, Block 5.

THENCE North 00°11'11" West, a distance of 393.17 feet to a point for corner;

THENCE North 89°04'55" East, a distance of 132.51 feet to a point for corner;

THENCE North 05°05'41" West, a distance of 593.53 feet to a point for corner;

THENCE North 88°11'13" East, a distance of 380.88 feet to a point for corner;

THENCE North 01°06'10" West, a distance of 505.86 feet to a point for corner;

THENCE North 89°32'21" East, a distance of 142.55 feet to a point for corner;

THENCE South 01°01'09" East, a distance of 402.62 feet to a for the beginning of a tangent curve to the right having a radius of 423.50 feet, a central angle of 12°35'00", and a long chord which bears South 05°16'21" West, 92.82 feet;

THENCE along said curve to the right, an arc distance of 93.01 feet to a point for corner;

THENCE South 11°33'51" West, a distance of 12.86 feet to a point for corner;

THENCE North 89°27'51" East, a distance of 61.36 feet to a point for corner;

THENCE North 89°27'51" East, a distance of 375.00 feet to a point for corner;

THENCE North 54°18'04" East, a distance of 935.26 feet to a point for corner;

THENCE South $00^{\circ}22'23''$ West, a distance of 663.44 feet to a for the beginning of a curve to the right having a radius of 1269.86 feet and a central angle of $9^{\circ}31'59''$ and a long chord which bears South $81^{\circ}56'21''$ West, 211.04 feet;

THENCE along said curve to the right an arc distance of 211.28 feet to a for the beginning of a reverse curve to the left having a radius of 1041.05 feet, a central angle of $23^{\circ}32'44''$, and a long chord which bears South $73^{\circ}09'17''$ West, 424.81 feet;

THENCE along said curve to the left, an arc distance of 427.81 feet to a for the beginning of a compound curve to the left, having a radius of 1127.24 feet and a central angle of $6^{\circ}07'07''$, and a long chord which bears South $59^{\circ}37'24''$ West, 120.32 feet;

THENCE along said curve to the left an arc distance of 120.38 feet to a point for corner;

THENCE South $56^{\circ}33'51''$ West, a distance of 314.56 feet to a point for corner;

THENCE South $56^{\circ}33'51''$ West, a distance of 60.00 feet to a point for corner;

THENCE South $56^{\circ}33'51''$ West, a distance of 685.00 feet to a for the beginning of a tangent curve to the right having a radius of 786.70 feet, a central angle of $14^{\circ}20'10''$, and a long chord which bears South $63^{\circ}43'56''$ West, 196.33 feet;

THENCE along said curve to the right, an arc distance of 196.84 feet to a for the POINT OF BEGINNING and CONTAINING 1,068,480 square feet, 24.528 acres of land, more or less.

Exhibit "B"

Map

IS BELIEF IN

Parkway - 0.11 mi.

UNCOLN DE

SECRET

4 100

VAN BUREN DR

VAN BUREN GR

LAMAR BLV

5. ANALYSIS

30

$$\sum_{i,j} \sum_{a:} \sum_{w} \sum_{v} \sum_{z} \sum_{x} \sum_{y} \sum_{t} \sum_{s} \sum_{r} \sum_{q} \sum_{p} \sum_{o} \sum_{n} \sum_{m} \sum_{l} \sum_{k} \sum_{j} \sum_{i} \sum_{h} \sum_{g} \sum_{f} \sum_{e} \sum_{d} \sum_{c} \sum_{b} \sum_{a}$$

N COOPER ST

4.75

Ordinance No. 18-052

An ordinance re-designating and renewing Reinvestment Zone Number Forty-One; providing this ordinance be cumulative; providing for severability; providing for governmental immunity; providing for injunctions; and becoming effective upon second reading

WHEREAS, on November 18, 2014, City Council of the City of Arlington, Texas approved Ordinance 14-071 approving the creation of Reinvestment Zone Number Forty-One for commercial-industrial tax abatement; and

WHEREAS, the City Council of the City of Arlington, Texas, desires to continue to promote the development or redevelopment of a certain area within its jurisdiction by the re-designation and renewal of Reinvestment Zone Number Forty-One for commercial-industrial tax abatement; and

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

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

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

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

1.

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

2.

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

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

3.

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

4.

The re-designation and renewal of Reinvestment Zone Number Forty-One of the City of Arlington, Texas shall expire five (5) years after the effective date of its re-designation and renewal.

5.

This ordinance shall be and is hereby declared to be cumulative of **all** other ordinances of the City of Arlington; and this ordinance shall not operate to repeal or

affect any of such other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

6.

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

7.

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

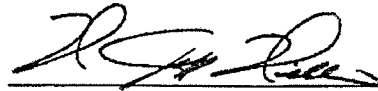
8.

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

9.

This ordinance shall become effective upon second reading.

PRESENTED AND GIVEN FIRST READING on the 21st day of August, 2018, at a regular meeting of the City Council of the City of Arlington, Texas; and GIVEN SECOND READING, passed and approved on the 4th day of September, 2018, by a vote of 8 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.



W. JEFF WILLIAMS, Mayor

ATTEST:


ALEX BUSKEN, City Secretary

APPROVED AS TO FORM:
TERIS SOLI, City Attorney

BY

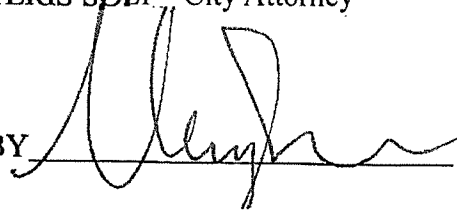


Exhibit "A"

LEGAL DESCRIPTION ARLINGTON COMMONS LANDS

Arlington Commons Lands is the sole owner of a 24.528 acre tract of land situated in the J.M. Henderson Survey, Abstract No. 696 and being all of Lot A-R, Block 5 of Parkway Central, an addition to the City of Arlington, according to plat filed for record in Volume 388-61, Page 1, Plat Records, Tarrant County, Texas (PRTCT), a portion of Lot D, Block 6 of Parkway Central, an addition to the City of Arlington, Tarrant County, Texas as recorded in Volume 388-75, Page 59 (PRTCT), a portion of Van Buren Drive (a variable 60.00 feet wide public right-of-way), all of Lot A, Block 6 of Parkway Central, an addition to the City of Arlington, according to plat filed for record in Volume 388-53, Page 96, Plat Records, Tarrant County, Texas (PRTCT), all of Lot B, Block 6 of Parkway Central, an addition to the City of Arlington, according to plat filed for record in Volume 388-61, Page 96, Plat Records, Tarrant County, Texas (PRTCT) and being more particularly described by metes and bounds as follows:

BEGINNING at a found 1/2 inch iron rod for corner, said point being at a 1/2 inch iron rod found with a cap stamped "GAI" for the Southwesterly corner of said Lot A-R, Block 5.

THENCE North 00°11'11" West, a distance of 393.17 feet to a point for corner;

THENCE North 89°04'55" East, a distance of 132.51 feet to a point for corner;

THENCE North 05°05'41" West, a distance of 593.53 feet to a point for corner;

THENCE North 88°11'13" East, a distance of 380.88 feet to a point for corner;

THENCE North 01°06'10" West, a distance of 505.86 feet to a point for corner;

THENCE North 89°32'21" East, a distance of 142.55 feet to a point for corner;

THENCE South 01°01'09" East, a distance of 402.62 feet to a for the beginning of a tangent curve to the right having a radius of 423.50 feet, a central angle of 12°35'00", and a long chord which bears South 05°16'21" West, 92.82 feet;

THENCE along said curve to the right, an arc distance of 93.01 feet to a point for corner;

THENCE South 11°33'51" West, a distance of 12.86 feet to a point for corner;

THENCE North 89°27'51" East, a distance of 61.36 feet to a point for corner;

THENCE North $89^{\circ}27'51''$ East, a distance of 375.00 feet to a point for corner;

THENCE North $54^{\circ}18'04''$ East, a distance of 935.26 feet to a point for corner;

THENCE South $00^{\circ}22'23''$ West, a distance of 663.44 feet to a for the beginning of a curve to the right having a radius of 1269.86 feet and a central angle of $9^{\circ}31'59''$ and a long chord which bears South $81^{\circ}56'21''$ West, 211.04 feet;

THENCE along said curve to the right an arc distance of 211.28 feet to a for the beginning of a reverse curve to the left having a radius of 1041.05 feet, a central angle of $23^{\circ}32'44''$, and a long chord which bears South $73^{\circ}09'17''$ West, 424.81 feet;

THENCE along said curve to the left, an arc distance of 427.81 feet to a for the beginning of a compound curve to the left, having a radius of 1127.24 feet and a central angle of $6^{\circ}07'07''$, and a long chord which bears South $59^{\circ}37'24''$ West, 120.32 feet;

THENCE along said curve to the left an arc distance of 120.38 feet to a point for corner;

THENCE South $56^{\circ}33'51''$ West, a distance of 314.56 feet to a point for corner;

THENCE South $56^{\circ}33'51''$ West, a distance of 60.00 feet to a point for corner;

THENCE South $56^{\circ}33'51''$ West, a distance of 685.00 feet to a for the beginning of a tangent curve to the right having a radius of 786.70 feet, a central angle of $14^{\circ}20'10''$, and a long chord which bears South $63^{\circ}43'56''$ West, 196.33 feet;

THENCE along said curve to the right, an arc distance of 196.84 feet to a for the POINT OF BEGINNING and CONTAINING 1,068,480 square feet, 24.528 acres of land, more or less.

Exhibit "B"

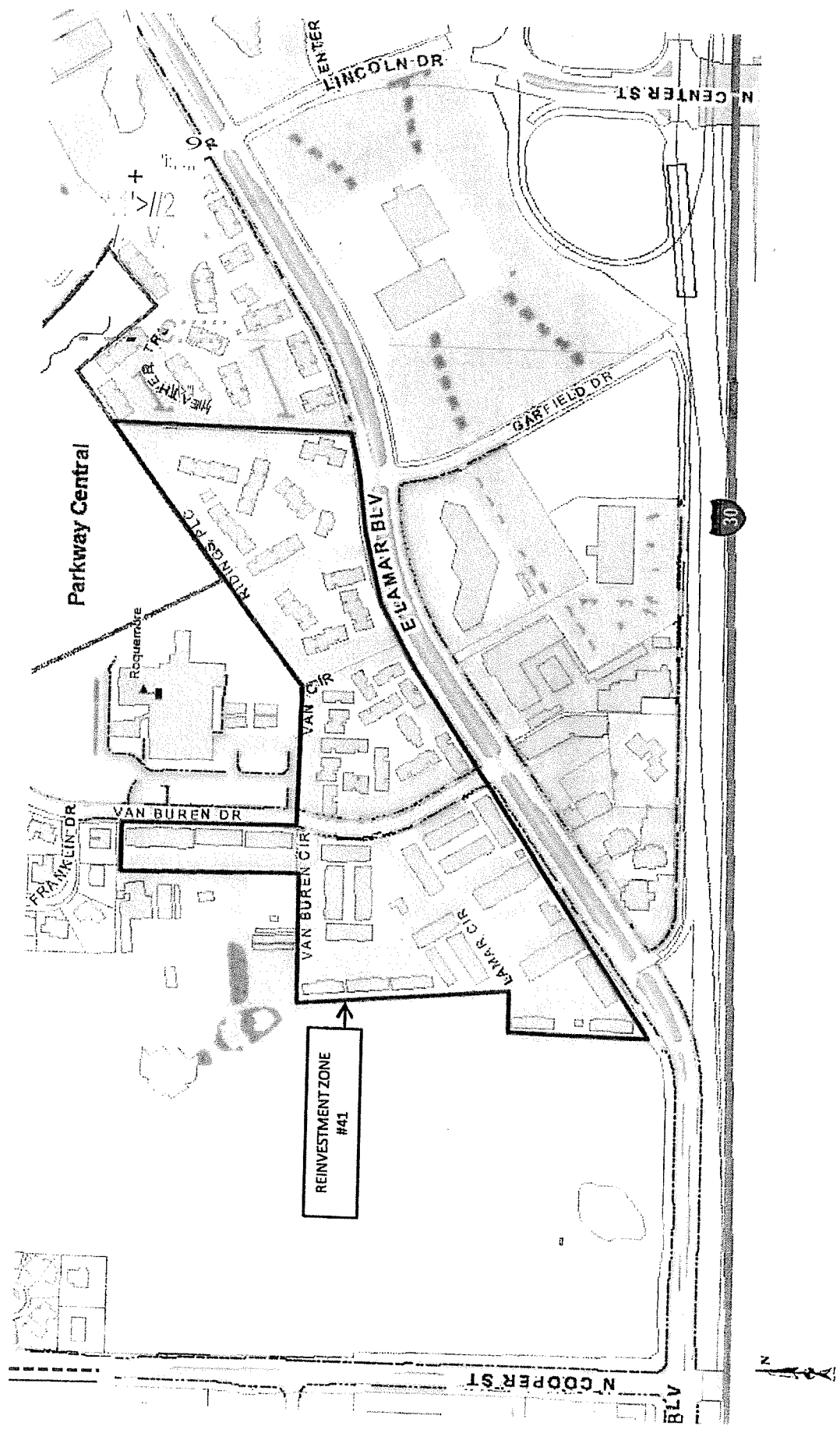


Exhibit "B"
Declaration of Maintenance Covenants

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DECLARATION OF MAINTENANCE COVENANTS

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

THIS DECLARATION OF MAINTENANCE COVENANTS (this "**Declaration**") is made this _____ day of _____, 2021 (the "**Effective Date**"), by ARLINGTON COMMONS LANDS, LLC ("**Declarant**"),

RECITALS:

A. Declarant is the owner of that certain real property located within the City of Arlington, Texas, described in **Exhibit A** attached hereto (the "**Land**").

B. Declarant intends to make certain improvements to the Land, including the construction of approximately ____ apartment units (such improvements together with the Land, the "**Property**").

C. Declarant would like to impose certain maintenance covenants on the Property to ensure that the Property will be kept in a condition that is consistent with certain standards held by both Declarant and The City of Arlington, Texas (the "**City**").

DECLARATION:

NOW, THEREFORE, Declarant does hereby declare that the Property shall be held, transferred, sold, conveyed, and occupied subject to the following covenants, which shall run with title to the Land.

1. **Maintenance Covenants**. The following covenants shall apply to the Property as of the Effective Date and will remain in full force and effect until the expiration of the Term (as defined herein). Absent written approval from the City manager or its designee, any owner or operator of the Property shall adhere to the following maintenance obligations:

- a. All landscaping must be kept in a clean and orderly condition consistent with other Class A developments within the City of Arlington, Texas, and (ii) the conditions and requirements of project's approved plans including landscaping and screening must be kept in quality condition. Any landscaping deemed to be dying or in a state of distress must be replaced within sixty (60) days of occurrence or notification from the City.

- b. All driveways, garages, parking areas, carports, and other vehicular infrastructure must be kept in a clean and orderly condition consistent with other Class A developments within the City of Arlington, Texas. Any of these items that become damaged or in need of repair, such as restriping or pavement repair, either through owner determination or upon notification from the City must be replaced or repaired to conditions consistent with other Class A developments within the City of Arlington within ninety (90) days of notification. At a minimum the parking areas shall be restriped once every seven (7) years;
- c. All painted or stained exterior materials (*e.g.*, siding, wood, stucco, etc.) on the Property must be re-painted or re-stained as often as necessary to maintain a look consistent with new Class A developments within The City of Arlington, Texas, but in no event less than once every ten (10) years;
- d. The Property must be kept reasonably clear of all trash and debris in a manner consistent with other Class A developments within The City of Arlington, Texas;
- e. All trash and recycling facilities on the Property must be kept in a clean and orderly condition consistent with other Class A developments within The City of Arlington, Texas; and
- f. Repairs to any Critical Damage (defined below) must commence within a commercially reasonable time not to exceed sixty (60) days. "Critical Damage" means any significant damage that is visible from a right-of-way or that materially affects the integrity or performance of (i) exterior facades, fencing, and lighting, (ii) mechanical and structural systems (*e.g.*, mechanical, electrical, plumbing, retaining walls, building roofs, load-bearing building systems, and parking), or (iii) any necessary security features (*e.g.*, access controlled gates, perimeter fencing, etc.).

2. **Effect of Maintenance Covenants.** The maintenance obligations referenced in this Declaration are intended to impose heightened maintenance standards on owners and operators of the Property. This Declaration is not intended to, nor shall be interpreted to, mitigate, waive, replace, or otherwise affect any maintenance obligations already imposed by the City as of the Effective Date or as may be adopted by the City under future ordinance(s). In the event of a conflict between this Declaration and any present or future Ordinance established by the City affecting the Property, the more restrictive provision(s) shall prevail.

3. **Third-Party Beneficiary.** The provisions of this Declaration are for the benefit of Declarant and, as an intended third-party beneficiary to this Declaration, the City. Accordingly, the City shall have the right to enforce the provisions of this Declaration.

4. **Binding on Successors.** The obligations in this Declaration shall be covenants running with the Land and shall bind and inure to the benefit and burden of Declarant and its respective successors and permitted assigns, and all future owners and operators of the Property, until the expiration of the Term. A copy of this Declaration shall be provided by Declarant to any future

owner or operator of the Property.

5. **Violation Corrections.** Any violation of the obligations referenced in this Declaration may be enforced by Declarant or City, who shall give written notice thereof to the owner of the Property, describing in reasonable detail the nature of the violation. The owner of the Property shall have sixty (60) days within which to cure such violation. If the violation is not cured within sixty (60) days, then the party or parties entitled to enforce such restriction may exercise any and all remedies available under law or equity, including without limitation the right to seek injunctive and declaratory relief. The failure at any time to enforce the terms of this Declaration, whether violations are known or not, shall not constitute a waiver or estoppel of the right to do so at a later time.

6. **Term.** The obligations in this Declaration shall continue in full force and effect for twenty five (25) years and, thereafter, will automatically renew for successive periods of ten (10) years unless terminated by a written, recorded document countersigned by the City and the then-current owner of the Property.

7. **Waiver of Restrictions.** Notwithstanding anything herein to the contrary, Declarant grants to City manager, or its designee, the exclusive right to waive or grant a variance of any restriction in response to a specific request therefor, which waiver or variance would be conditioned upon, and effective only upon, a signed written instrument, executed by the City manager or its designee and recorded in the official public records for real property in Tarrant County, Texas. Any waiver or variance granted under this Section 7 shall be limited to the specific request for which such waiver or variance was granted and shall in no instance be deemed to constitute a future waiver of any restriction set forth in this Declaration.

8. **Amendment and Early Termination.** This Declaration may be amended, modified, or terminated prior to the end of the Term only with a written, recorded document countersigned by the City and the then-current owner of the Property.

9. **Notices.** Any notice, demand or request required or permitted hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) personal service; (b) certified mail; (c) facsimile or electronic email (provided that a copy is also sent by the manner described in the preceding clause (b)), or (d) registered or certified, first class U.S. mail, return receipt requested.

If to Declarant:

Arlington Commons Lands, LLC
Attention: Robert H. Kembel
835 E. Lamar Blvd. #254
Arlington, Texas 76011

If to City:

City of Arlington
Attention: City Manager

**101 W. Abram Street
Arlington, Texas 76010**

10. **Governing Law**. These Covenants shall be construed and governed under the internal laws of the State of Texas, without regarding to any conflicts of law analysis.

11. **Terminology and Captions**. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine, or neuter shall each include the masculine, feminine, and neuter. All section headings, captions, and titles used in this Declaration are intended solely for convenience of reference and shall not enlarge, limit, or otherwise effect that which is set forth in any of the paragraphs, sections, or articles hereof.

12. **Severability**. If any part or provision of this Declaration shall be declared invalid, by judgment or court order, the same shall not affect any other provisions of this Declaration and such remaining portions of this Declaration shall remain in full force and effect. The court shall rewrite and enforce any such invalid provision to make it enforceable in a manner to as closely match the original intent of the parties as possible.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Declaration of Maintenance Covenants as of the Effective Date

DECLARANT:

ARLINGTON COMMONS LANDS, LLC,
A Texas limited liability company

By: The Nehemiah, LLC,
A Texas limited liability company,
Its Member

By: _____
Robert H. Kembel, Manager

THE STATE OF TEXAS

COUNTY OF TARRANT

This instrument was acknowledged before me on _____, 2021, by Robert H. Kembel, Manager of The Nehemiah, LLC, member of Arlington Commons Lands, LLC, on behalf of said limited liability company.

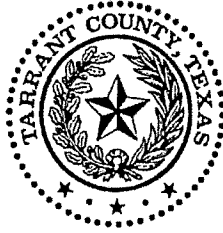
(S E A L)

Name: _____

Notary Public, State of Texas.

EXHIBIT “E”

TARRANT COUNTY TAX ABATEMENT POLICY AND GUIDELINES



TARRANT COUNTY

TAX ABATEMENT POLICY GUIDELINES AND CRITERIA

I. GENERAL PURPOSE AND OBJECTIVES

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

It is the intent of the Commissioners Court to consider approval or denial of any request for tax abatement for projects in unincorporated Tarrant County or participation in any tax abatement agreement agreed to and adopted by an incorporated city, which meets the minimum eligibility criteria as set forth in this policy, following the filing of a formal application for tax abatement from the County. As prescribed by Section 312.206 of the Tax Code, the Commissioners Court may approve participation with a municipality in a tax abatement agreement no later than the 90th day after the date the municipal agreement is executed. Further it is the intent of Tarrant County that the County will not approve nor join an abatement agreement that provides one Tarrant County city a competitive advantage over another Tarrant County city seeking the same project or encourages an applicant to move from one Tarrant County city to another, unless such agreement is agreeable to both such incorporated cities and both parties have indicated their approval in writing to Tarrant County.

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

II. DEFINITIONS

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

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

- (h) **"Expansion"** means the addition of buildings, structures, fixed machinery and equipment, and fixed personal property for the purposes of increasing production capacity.
- (i) **"Facility"** means property improvements completed or in the process of construction which together comprise an integral whole.
- (j) **"Fixed Machinery and Equipment and/or Personal Property"** means tangible machinery, equipment, or personal property that is securely placed or fastened and stationary within a building or structure, or which is movable but remains at and is used solely at the project site.
- (k) **"Manufacturing Facility"** means buildings and structures, including fixed machinery and equipment, and fixed personal property, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (l) **"Modernization"** means the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation, and extends the economic life of the facility. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery and equipment, and fixed personal property. It shall not be for the purpose of reconditioning, refurbishing, repairing, or completion of deferred maintenance.
- (m) **"New Facility"** means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (n) **"Other Basic Industry"** means buildings and structures including fixed machinery and equipment, and fixed personal property not elsewhere described, used or to be used for the production of products or services which primarily serve a market outside Tarrant County [or the Fort Worth Consolidated Metropolitan Statistical Area] and result in the creation of new permanent jobs and bring new wealth in to Tarrant County.
- (o) **"Regional Distribution Center Facility"** means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility operator.
- (p) **"Non-Manufacturing Facilities"** means buildings and structures, used to service and/or house individuals on a permanent or temporary basis.
- (q) **"Regional Service Facility"** means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used to service goods.

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

III. ABATEMENT AUTHORIZED

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

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

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

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

IV. APPLICATION

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

be approved by a majority vote of the Commissioners Court.

V. PUBLIC HEARINGS AND APPROVAL

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

VI. AGREEMENT

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

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

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

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

VII. RECAPTURE

Commissioners Court reserves the right to review compliance for full or partial recapture in the event that the applicant fails to perform in "good faith." If a project is not completed as specified in the tax abatement agreement, the County has the right to cancel the abatement agreement and abated taxes shall become due to the County and other affected taxing units as provided by law. If any of the provisions contained in the tax abatement agreement, i.e., employment, amount of investment, etc., are not met, the County shall have the right to reduce or cancel the abatement agreement. If a project granted a tax abatement ceases to operate or is no longer in conformance with the tax abatement agreement, the agreement shall not be in

effect for the period of time during which the project is not operating or is not in conformance.

VIII. ADMINISTRATION

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

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

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

IX. ASSIGNMENT

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

X. SUNSET PROVISION

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