

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF JACKSBORO, TEXAS, WHEREBY THE CITY ELECTS TO PARTICIPATE IN COMMERCIAL PROPERTY TAX ABATEMENT; REESTABLISHING THE ADOPTION OF THE POLICY STATEMENT ON COMMERCIAL PROPERTY TAX ABATEMENT INCENTIVES OF THE CITY OF JACKSBORO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council has determined that economic development incentives are a necessary component of the economic viability of the City of Jacksboro; and

WHEREAS, the City Council has determined that commercial property tax abatement will be a useful tool to promote business development and economic growth; and

WHEREAS, the Texas Tax Code, Chapter 312, allows a municipality to adopt guidelines and policy statements for the administration of a commercial property tax abatement program; and

WHEREAS, the City Council desires to reestablish the "Policy Statement on Commercial Property Tax Abatement Incentives"; for the express purpose of participating in commercial property tax abatement; and

WHEREAS, it is necessary that the City Council of the City of Jacksboro adopt and formally approve its commercial property tax abatement guidelines and criteria in order to comply with the Texas Tax Code.

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

SECTION 1. The City Council elects to become eligible to participate in commercial property tax abatement.

SECTION 2. The City Council hereby adopts and approves the commercial property tax abatement guidelines and criteria found in the "Policy Statement on Commercial Property Tax Abatement Incentives" a true and correct copy of which is attached hereto and incorporated herein for all purposes as Exhibit "A".

SECTION 3. The City Council directs that all applications for commercial property tax abatement be administered in accordance with the "Policy Statement on Commercial Property Tax Abatement Incentives".

SECTION 4. These guidelines and criteria are effective for two (2) years from the date of adoption of this Ordinance. The City Council shall review the guidelines and criteria at the end of the two-year period.

SECTION 5. This Ordinance shall take effect immediately upon its passage and approval.

PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF JACKSBORO, TEXAS ON THE 8TH DAY OF JULY, 2024.

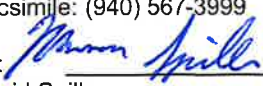
ATTEST:


SHALYN BURRITT
CITY SECRETARY

APPROVED AS TO FORM:

SPILLER & SPILLER

P. O. Drawer 447
Jacksboro, Texas 76458
Telephone: (940) 567-6644
Facsimile: (940) 567-3999

By: 
David Spiller
State Bar No. 18934950
Email: david@spillerlaw.net
Mason Spiller
State Bar No. 24095168
Email: mason@spillerlaw.net
Reid Spiller
State Bar No. 24111067
Email: reid@spillerlaw.net
Attorneys for the City of Jacksboro

CITY OF JACKSBORO



CRAIG FENTER
MAYOR

EXHIBIT "A"



CITY OF JACKSBORO, TEXAS

**POLICY STATEMENT
ON COMMERCIAL
PROPERTY TAX ABATEMENT
INCENTIVES**

**CITY OF JACKSBORO, TEXAS
POLICY STATEMENT ON
COMMERCIAL PROPERTY TAX ABATEMENT INCENTIVES**

I. GENERAL PURPOSE AND OBJECTIVES.

The City of Jacksboro ("City") is committed to the promotion of high quality development in all parts of the City and to an ongoing improvement in the quality of life for its citizens.

Insofar as these objectives are generally served by the enhancement and expansion of the local economy, the City will, on a case-by-case basis, give consideration to providing tax abatement as stimulation for economic development in the City.

It is the policy of the City that consideration will be provided only in accordance with the procedures and criteria outlined in this Policy Statement on Commercial Property Tax Abatement Incentives.

Nothing contained in this document, however, shall imply or suggest that the City is under any obligation to provide tax abatement to any applicant.

II. ABATEMENT AUTHORIZED.

The types of facilities or projects as defined in this Policy may be eligible for abatement if they meet the criteria listed herein. Granting of tax abatement also will require that the Council make a legislative determination that the area meets the criteria for the creation of a reinvestment zone for the property, with certain exceptions.

Abatement may be granted for new facilities and for existing facilities undergoing improvement for modernization or expansion. Abatement may be extended to the value of the buildings, structures, fixed machinery and equipment and site improvements plus the related office space necessary to the operation and the administration of the facility.

Abatement may be extended to Leased Facilities, provided the land and eligible property are leased to a facility operator whose lease commitment is not less than fifteen (15) years.

As the granting of tax abatement is a discretionary and subjective function, the Council retains the right to refuse to grant tax abatement, even if all the criteria are met.

III. ABATEMENT REVIEW.

Any request for tax abatement shall be reviewed by the City Council of the City of Jacksboro ("City Council"), based upon a recommendation from the Jacksboro Economic Development Corporation (JEDC). The JEDC serves as a recommending body only and the City Council retains all discretionary legislative authority to grant any tax abatement. The City Council's decision shall be based upon an evaluation of the responses to the criteria listed in the Policy, which each applicant will address.

Current State law does not allow school district participation in tax abatement, so no reduction in school ad valorem taxes should be contemplated by the applicant.

IV. DEFINITIONS

- A. Abatement – Means the full or partial exemption from ad valorem taxes of the increase in value of certain real property and tangible personal property located in a reinvestment zone designated by the City of Jacksboro for economic development purposes. The current value of the real property, personal property and any fixed improvements as of the base year shall not be exempted.
- B. Agreement – Means the contractual agreement required to be executed between the owner or lessee of real property and the City of Jacksboro, providing for the terms and conditions of the tax abatement and provisions regarding default and recapture.
- C. Base Year Value – Means the assessed value of eligible property, as certified by the Jack County Appraisal District, on the January 1 preceding the execution of the agreement.
- D. Deferred Maintenance – Means expenditures for improvements and repairs that are necessary for continued operations and which do not improve productivity or alter the process technology.
- E. Existing Facility – Means a facility or business that is proposed for expansion or modernization and that has been in operation for not less than two (2) years within the City or its extraterritorial jurisdiction (ETJ), as evidenced by Jack County property tax records.
- F. Expansion – Means the addition of buildings, structures or fixed machinery or equipment to increase or improve production capacity.
- G. Facility – Means property improvements completed or in the process of construction.
- H. Hotel – Means a commercial structure which provides overnight accommodations to travelers and which contains 50 rooms or more.
- I. Manufacturing Facility – Means buildings and structures including fixed machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- J. Modernization – Means complete or partial demolition of a Facility and the complete or partial reconstruction or installation of a Facility of similar or expanded production capacity. Modernization may result from the construction, alteration or installation of buildings, structures and fixed machinery and equipment, or both.
- K. New Facility – Means property previously undeveloped which is placed into service for manufacturing, industry, assembly, distribution, commercial, warehouse or retail purposes.

V. CRITERIA FOR TAX ABATEMENT INCENTIVES

A. New Facility.

The following threshold criteria shall be used to determine the basis for Tax Abatement Incentives that may be granted by the City Council for a New Facility. The evaluation of an application is based upon the following criteria. The applicant should address all of the following criteria in its application.

1. A breakdown of the number of jobs that the project is creating and the estimated annual payroll, in sufficient detail that wages per employee can be analyzed. Generally, the Council expects not less than ten (10) new jobs to be created.
2. Statement of whether the project will result in the transferring of jobs within Jack County, or if the jobs created by the project will be new in the County.
3. The type of fixtures and equipment (including inventory) necessary to serve the Facility that will have an ad valorem taxable status at the Facility within two (2) years from the commencement of construction.
4. Analysis of how the project complies with all relevant zoning requirements.
5. Statement that the project is an industrial, manufacturing, assembly, distribution, commercial, hotel, warehouse use or related facility or any uses allowed under Vernon's Annotated Civil Statutes Article 5190.6, Section 4B (Development Corporation Act).
6. Analysis of the following issues related to anticipated fiscal impact.
 - a. The real and personal property value that will be added to the tax roll. Any increase in additional value less than \$500,000 will be considered ineligible for abatement.
 - b. The amount of direct sales tax that will be generated by the Facility.
 - c. The dollar amount of infrastructure construction that will be required to serve the project.
 - d. The approximate dollar amount of roadway or water/wastewater impact fees and other planning/permit/utility and other fees that will be paid by the City.
 - e. The approximate fiscal impact the project will have on other taxing entities.
7. Analysis of the following issues related to anticipated community impact.
 - a. The type of pollutants, if any, that will be created by the project. Include environmental, operational, visual, noise and traffic pollution.
 - b. Statement of other offices or branches of applicant's business.
 - c. An analysis of how the project will serve as a prototype and catalyst for other development of a high standard.
 - d. The types and values of public improvements, if any, that will be made by the applicant.
 - e. Whether the project will directly compete with existing businesses.
 - f. Analyze any other effect on other existing area businesses and industries.

8. Additional Factors. In addition to the above listed criteria, the City Council will evaluate several additional factors. The applicant should address these where possible.
 - a. What types of public improvements and services (water/wastewater main extensions, streets, drainage), additional services (police, fire) are required and the contribution towards costs that will be required of the City, if any.
 - b. Whether the project is in an area which would not otherwise be developed because of constraints of topography, ownership patterns or site configuration.
 - c. Whether the project will have a high visibility, image impact or is of significantly higher level of developments than the surrounding property development.
 - d. Whether the project is located in or otherwise providing a benefit to a particular area of the City targeted for revitalization.

B. Existing Facility Expansions.

The City of Jacksboro recognizes the importance of existing business expansions and business retention as a key element in the economic development of the City. Therefore, different criteria for incentive eligibility have been adopted for business expansion. To be eligible for abatement as an expanded business enterprise, the project must meet the following criteria at a minimum.

1. The business must have been in existence in the City for not less than two (2) years.
2. The project must create ten (10) or more jobs by the end of the abatement period.
3. The expansion must result in the addition of a minimum of \$500,000 in assessed value within the first year of the abatement.
4. The project must also meet the applicable criteria as stated previously in Section IV for New Projects and applicant must complete the application as required by Section IV.

VI. INELIGIBLE PROPERTY.

The following types of property shall be ineligible for abatement under this Policy.

- A. Land
- B. Inventories
- C. Supplies
- D. Tools
- E. Furnishings and other forms of moveable personal property
- F. Vehicles, Vessels, and Aircraft
- G. Housing
- H. Deferred maintenance investments
- I. Property which has a useful life of less than fifteen (15) years
- J. Expansion of utilities system, oil well drilling and exploration and mineral reserves.
- K. Property owned or used by the State of Texas or its political subdivisions or by an organization owned, operated or directed by a political subdivision of the State of Texas or property owned or leased by a member of the City Council, a member of the City's Planning & Zoning Commission, Board of Zoning Adjustment, or Jacksboro Economic Development Corporation and/or a member of the County Commissioner' Court.

VII. TYPES OF INCENTIVES.

It is the intent of the City of Jacksboro to evaluate the offering of tax abatement incentives on a case-by-case basis. This individualized design of a total incentive package is intended to allow maximum flexibility in addressing the unique concerns of each applicant while enabling the City to better respond to the changing needs of the community.

NEWLY CREATED VALUE	MAXIMUM NUMBER OF YEARS FOR ABATEMENT	MAXIMUM VALUE OF ABATEMENT PER YEAR
\$3 million +	5 years	80%
\$2 million - \$2,999,999	4 years	60%
\$500,000 - \$1,999,999	2 years	50%

Abatements may be granted for terms from two (2) years to five (5) years yet may be extended to the limits as specified by State law. Abatements of greater than five (5) years may be considered only if it can be clearly demonstrated that the economic impact to the community will be substantially greater than \$3 million. However, abatement periods in excess of five (5) years must be approved by a three-quarter vote of the full City Council.

VIII. APPLICATION PROCEDURES

Any person applying for Tax Abatement Incentives will be required to comply with an application procedure. Once the application has been completed and submitted to the City, the application will be reviewed by City Staff as an initial review and analysis and then to the City Council for review and consideration.

The City Council may request a presentation from the applicant regarding the proposed project. The City Council must approve the project for the abatement to be granted.

IX. RECAPTURE

- A. Should the City determine that the company or individual is in default according to the terms and conditions of its Agreement, the City shall notify the company or individual of such default in writing at the address stated in the Agreement, and if such is not cured within sixty (60) days from the date of the notice ("Cure Period"), then the Agreement shall be terminated.
- B. In the event that the company or individual (1) allows its ad valorem taxes owed the City to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or (2) violates any of the terms or conditions of the Abatement Agreement and fails to cure during the Cure Period, the Agreement then may be terminated by the City and all taxes previously abated by virtue of the Agreement will be recaptured and paid within thirty (30) days of the termination.

X. ASSIGNMENT

Tax Abatement Agreements may be transferred and assigned by the holder to a new owner or lessee of the same Facility upon the approval by resolution of the City Council subject to the financial capacity of the assignee and provided that all conditions and obligations in the Abatement Agreement are guaranteed by the execution of a new contractual Agreement with the City. No assignment or transfer shall be approved if the parties to the existing Agreement, the new owner or new lessee, are liable to any jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably withheld.

XI. DURATION OF GUIDELINES AND CRITERIA

This Policy Statement on Tax Abatement Incentives is effective upon the date of its adoption and will remain in force for two (2) years, unless amended by the Council, at which time it will be reviewed by the City Council of Jacksboro. As part of the review of this Policy Statement, each reinvestment zone and Tax Abatement Agreement shall be reviewed to determine whether the goals of the abatement program have been achieved or indicate that the guidelines and criteria should be modified, renewed or eliminated.

XII. ABATEMENT AGREEMENT PROVISIONS

The City of Jacksboro will have performance standards to ensure that the qualified applicant is adhering to the Tax Abatement Incentive Policy and the terms of any individualized tax abatement agreement. Every agreement for tax abatement incentives shall include the following provisions, which shall not be considered an exhaustive or all inclusive list.

- A. Include a list of the kind, number and location of all proposed improvements to the property.
- B. Provide access to an authorized inspection of the property by each taxing unit to ensure compliance with the agreement.
- C. Limit the use of the property consistent with the City's development goals.
- D. Provide for recapturing property tax revenues that are lost if the owner fails to make the improvements and/or create the required number of jobs as provided by the agreement.
- E. Include each term that was agreed upon with the property owner and require the owner to annually certify compliance with the terms of the agreement to each taxing unit.
- F. Allow each taxing unit to cancel or modify the agreement if the property owner fails to comply with the terms of the agreement.

XIII. REPORT TO STATE COMPTROLLER

For each reinvestment zone established and tax abatement agreement executed, the Chief Appraiser is required to deliver a report to the Texas Comptroller's Office describing the guidelines, criteria, the reinvestment zone, terms of the agreement and any other information as may be required. Such reports to be submitted by July 1st of the year following the designation of a zone or execution of an abatement agreement.

Updated February 12, 2013

Updated September 21, 2015

Updated April 13, 2020

Updated August 9, 2021

Updated July 8, 2024

**CITY OF JACKSBORO
COMMERCIAL PROPERTY TAX ABATEMENT
APPLICATION**

Upon the filing of this application the Applicant acknowledges its familiarity and obligation to conform with the guidelines and criteria for property tax abatement as set forth in Ordinance O-04-2024, dated June 24, 2024. This application will become part of any subsequent property tax abatement agreement and any knowingly false representations by the Applicant will be grounds to void or otherwise terminate any tax abatement agreement based on the information contained herein or other agreement authorized and executed in conjunction with a tax abatement agreement. The Applicant should ensure that property subject to the abatement lies within the corporate limits of the City of Jacksboro, Texas.

An original copy of this application should be submitted to:
City of Jacksboro
C/O Building Official
112 W. Belknap Street
Jacksboro, TX 76458

SECTION I

PROPERTY INFORMATION

Property Owner: _____ Telephone #: _____

Mailing Address: _____

Property Owner's Representative: _____ Telephone #: _____

Mailing Address: _____

Property Address (physical) _____

Property Legal Description: JCAD

Parcel # _____ Lot _____ Block _____ Addition _____

Survey _____ Abstract _____

Located within: ☐ City of Jacksboro _____ ☐ Jacksboro ETJ

- Attach location map or aerial map showing proposed site

COMPANY INFORMATION

Company Name: _____

Entity Type: ☐ Corporation ☐ Partnership ☐ LLC ☐ Series LLC ☐ Proprietorship ☐ Other

If "Other" please specify: _____

PROJECT INFORMATION

Type of Facility:

- ☐ Warehousing and Distribution ☐ Manufacturing ☐ Research ☐ Regional Entertainment and Recreation
☐ General Office Buildings ☐ Industrial Repair and Service Centers ☐ Industrial Supplies and Parts
☐ Commercial Strip Developments ☐ Retail and Wholesale Distribution of Food ☐ Restaurants ☐ Motels and Hotels
☐ Other (please describe): _____

Description of Project:

Describe product(s) or service(s) to be provided:

Project Description: Attach statement fully explaining the proposed project, including a description of the existing site and improvements, and provide a list of improvements and fixed machinery and equipment for which tax abatement is requested.

() New Plant () Expansion () Modernization () Other If "Other," please describe:

Date of projected occupation of project/initiation of operations: _____

ECONOMIC INFORMATION :

Construction Estimates:

Start Month/Year: ____/____ Construction Man-Years: ____

Completion Date: ____/____ Peak Construction Jobs: ____

If Modernization:

Estimated Economic Life of Existing Plant: ____ Years

Added Economic Life from Modernization: ____ Years

Permanent Employment Estimates (PTE's):

Current Employment: ____ Number of Shifts Per Day: ____

Number of Jobs ____ Retained or ____ Created

Number of Jobs at Start/Opening: ____ Number of Jobs 3 Years into Operation ____

SECTION II

Fiscal Impact:

Estimated Appraised Value on Site:

	Personal Property	Improvements	Land
Taxable Value as of January 1st of the Year Preceding the Proposed Tax Abatement Agreement (Current Taxable Value)	\$	\$	\$
Estimated Taxable Value to be added to the tax rolls	\$	\$	\$
Total Value of Project Upon Completion (includes Personal Property and Project Improvement not subject to Proposed Tax Abatement Agreement)	\$	\$	\$

Community Impact:

Is the project compatible with the City's Zoning Ordinance? (relevant zoning checklists are required to be attached)

() Yes

() No

What adverse environmental impact will be created by the project: _____

OTHER TAX ABATEMENTS:

Has the Applicant requested a tax abatement for this project from another taxing jurisdiction?

Yes () No ()

If "Yes," please provide the following: 1.) Name of taxing jurisdiction(s) and contact(s) for same.

2.) Date for each application.

3.) Past or scheduled public hearing dates.

4.) Past or scheduled dates of consideration by a public entity.

5.) Copy of any letters of intent to grant an abatement (attach to application).

COMPANY REPRESENTATIVE TO BE CONTACTED :

Printed Name: _____ Title: _____

Address: _____ Telephone: _____

COMPANY AUTHORIZED SIGNATURE

Date

Signature of Company Official

Printed Name and Title of Company Official