

**ORDINANCE NO. O-2013-29**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS, DESIGNATING A CERTAIN AREA AS REINVESTMENT ZONE NO. TWELVE (TAZZA PRONTO) FOR COMMERCIAL/INDUSTRIAL TAX ABATEMENT, CITY OF TYLER, TEXAS; ESTABLISHING THE BOUNDARIES THEREOF AND OTHER MATTERS RELATING THERETO; ESTABLISHING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.**

**WHEREAS**, on May 6, 1988, and as amended thereafter, and currently found in City Code Sections 2-30 through 2-32, the Tyler City Council adopted a Tax Abatement Policy; and

**WHEREAS**, the City Council (the "City") desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by creation of a reinvestment zone for commercial/industrial tax abatement, as authorized by Texas Property Tax Code Section 312.201; and

**WHEREAS**, state law (currently Texas Property Tax Code Section 312.203) provides that reinvestment zone designations expire after five years, unless renewed; and

**WHEREAS**, the City authorized staff to set a public hearing before the City concerning this matter; and

**WHEREAS**, the City held such public hearing after publishing notice of such public hearing, and giving written notice to all taxing units overlapping the territory inside the proposed reinvestment zone at least seven (7) days prior to such hearing; and

**WHEREAS**, the City at such hearing invited any interested person, or his/her attorney, to appear and contend for or against the boundaries of the proposed reinvestment zone, whether all or part of the territory described in the ordinance calling such hearing should be included in such proposed reinvestment zone, and the concept of tax abatement; and

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS:**

**PART 1. Definitions.**

a) **Improvements** - Improvements shall include, for the purpose of establishing eligibility under the Tax Abatement Policy, any activity at the location, including but not limited to new construction.

b) **Taxable Real Property** – The term “taxable real property” shall be defined in the Texas Property Tax Code and said definition shall not include personal property as defined in said Code, nor shall the definition include land.

c) Base Year - The base year for determining increased value shall be the taxable real property value assessed the year in which the agreement is executed.

**PART 2.** That the facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct.

**PART 3.** That the City, after conducting such hearings and having heard such evidence and testimony, has made the following findings and determinations based on the testimony presented to it:

a) That a public hearing on the adoption of the reinvestment zone has been properly called, held and conducted and that notices of such hearings have been published as required by law and mailed to all taxing units overlapping the territory inside the proposed reinvestment zone; and

b) That the boundaries of the reinvestment zone should be the area as described in the maps attached hereto as Exhibits "A-1" and "A-2", and as depicted on the aerial map attached hereto as Exhibit "B"; and

c) That creation of the reinvestment zone for commercial/industrial tax abatement with boundaries as described in Exhibits "A-1", "A-2" and "B" will result in benefits to the City and to the land included in the zone after the term of any agreement executed hereunder, and the improvements sought are feasible and practical; and

d) That the reinvestment zone as defined in Exhibits "A-1", "A-2" and "B" meets the criteria for the creation of a reinvestment zone as set forth in Texas Property Tax Code Section 312.202 in that it is "reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the City"; and

e) That the reinvestment zone as defined in Exhibits "A-1", "A-2" and "B" meets the criteria for the creation of a reinvestment zone as set forth in the City of Tyler guidelines and criteria for granting tax abatement in reinvestment zones.

**PART 4.** That pursuant to Texas Property Tax Code Section 312.201, the City hereby creates a reinvestment zone for commercial/industrial tax abatement encompassing only the area described in Exhibits "A-1" and "A-2" attached hereto and depicted on the aerial map attached hereto as Exhibit "B", and such reinvestment zone is hereby designated and shall hereafter be designated as Reinvestment Zone No. Twelve, City of Tyler, Texas. Exhibit "C" attached hereto is hereby incorporated herein.

**PART 5.** That the City Manager is hereby authorized to execute all written tax abatement agreements authorized under State law, this Ordinance, and any other applicable City ordinances.

**PART 6.** That written agreements with property owner(s) located within the zone shall provide the terms regarding duration of exemption and share of taxable real property value from taxation as shown below:

a) Duration of Exemption - \_\_\_\_\_ (\_\_\_\_) consecutive tax years beginning with and including the January 1, 2\_\_\_\_\_, assessment date.

b) Share of taxes abated:

\_\_\_\_\_ % of taxes on total value of appraised improvements which are abated.

**PART 7.** That written agreements for tax abatement as provided for by Texas Property Tax Code Section 312.205 shall include provisions for:

a) Listing the kind, number, and location of all proposed improvements of the property;

b) Access to and inspection of property by municipal employees to ensure that the improvements or repairs are made according to the specifications and conditions of the agreements;

c) Limiting the use of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect; and

d) Recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided by the agreement;

e) Containing terms agreed to by the owner of the property;

f) Requiring the owner of the property to certify annually to the governing body of each taxing unit that the owner is in compliance with each applicable term of the agreement; and

g) Providing that the governing body of the municipality may cancel or modify the agreement if the property owner fails to comply with the agreement.

**PART 8.** If any portion of this ordinance shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof.

**PART 9.** That the zone shall take effect immediately upon its adoption.

**PASSED AND APPROVED** this 10th day of April, A. D., 2013.

*Barbara Bass*  
BARBARA BASS, MAYOR  
OF THE CITY OF TYLER, TEXAS

ATTEST:

*Cassandra Brager*  
CASSANDRA BRAGER, CITY CLERK



APPROVED:

*Gary C. Landers*  
GARY C. LANDERS, CITY ATTORNEY

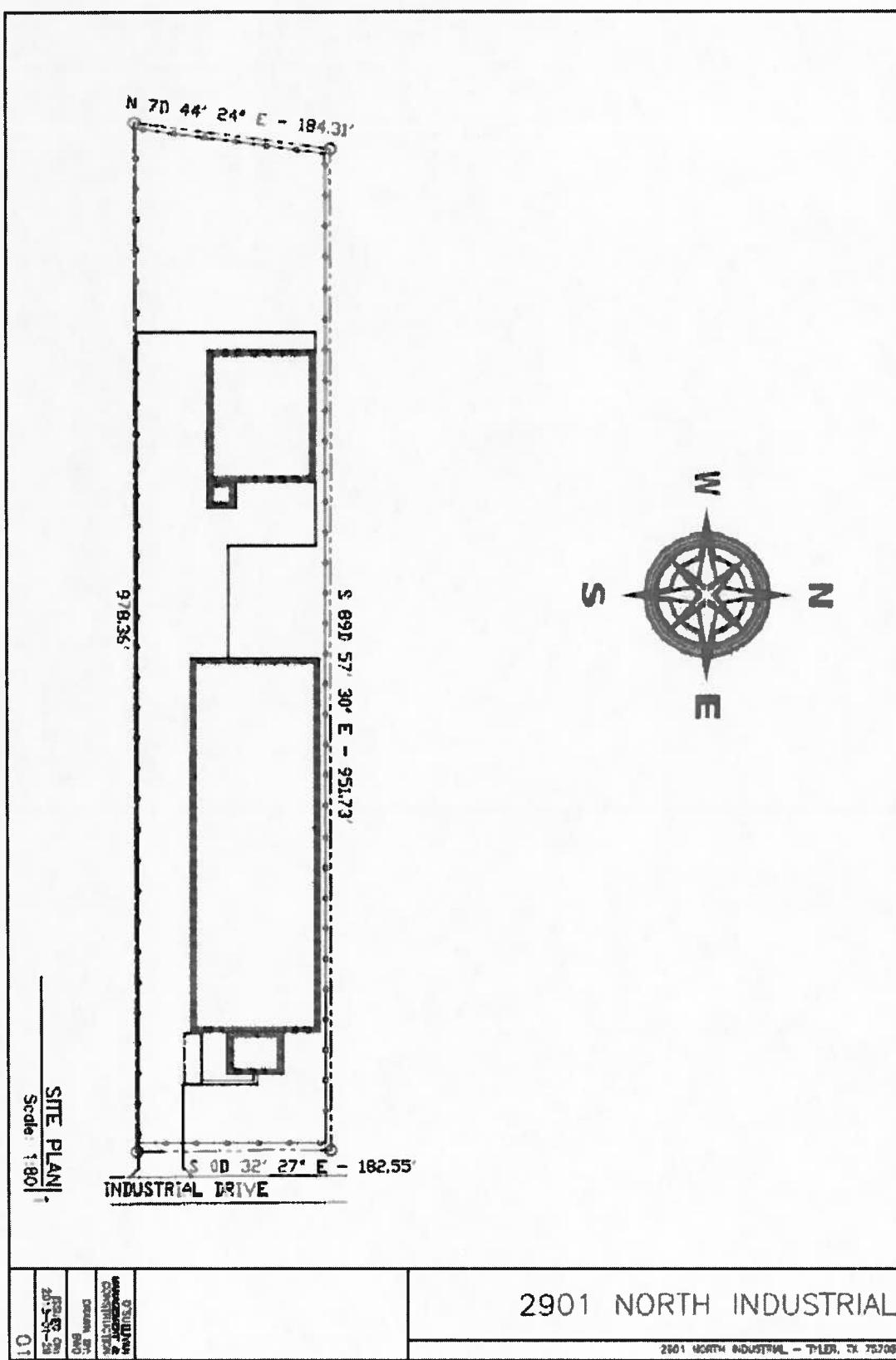
ORDINANCE NO. O-2013-29  
Exhibit "A-1"

Tazza Pronto  
2901 N. Industrial Avenue  
Tracts 45, 45.2, and 45A. Abstract A1062 H Wall  
Block 0777A, Lot/Space 3 & 3A  
4.0 Acres



ORDINANCE NO. O-2013-29

Exhibit "A-2"



**ORDINANCE NO. O-2013-29**  
**Exhibit "B"**

**Tazza Pronto Proposed Location  
2901 N. Industrial Avenue**



ORDINANCE NO. O-2013-29  
Exhibit "C"

Exhibit C

TAZZA PRONTO  
2901 N INDUSTRIAL AVENUE

PROPOSED PLANT, OFFICE AND EQUIPMENT INVESTMENT

One Production Line without roasting equipment included

|   |                   |
|---|-------------------|
| Carton Unit (CAMA) - Equipment                          | 1,221,220         |
| CAMA S&H  | 17,550            |
| <u>Total CAMA</u>                                       | <u>1,238,770</u>  |
| Filter/Capsule/Fill/Seal (GIMA) - Equipment             | 1,956,825         |
| GIMA Installation & Training                            | 163,613           |
| GIMA S&H  | 45,292            |
| UL Compliance 595 machine (optional)                    | 45,500            |
| <u>Total GIMA</u>                                       | <u>2,211,230</u>  |
| <br>Total GIMA & CAMA Equipment (installed)             | <br>3,450,000     |
| <br>Coffee Silos  | <br>78,000        |
| Grinder   | 559,772           |
| Flavoring   | 110,000           |
| Valve Applicator  | 554,796           |
| Mold - Cup  | 302,968           |
| Mold - Filter   | 450,000           |
| Packaging Processing (from silos and flavoring to GIMA) | 191,077           |
| Testing Equipment                                       | 130,000           |
| Installations and Training                              | 336,387           |
| Racking system to accommodate raw ingredients           | 149,000           |
| Racking system to accommodate finished goods            | <u>80,000</u>     |
|   | <u>2,942,000</u>  |
| <br>Total Investment Cost (first packaging line)        | <br>6,392,000     |
| <br>Five lines to be installed by December 2015         | <br><u>x 5</u>    |
| <br>Office Update Expense                               | <br><u>40,000</u> |
|   | <br>32,000,000    |

In the event production machinery is acquired by Quality Cup Systems, LLC, to be used in the production of Tazza Pronto single-serve cups, and that machinery is temporarily located at another Tyler facility, and that machinery is then moved from its temporary location to the facility at 2901 North Industrial Avenue, Tyler, Texas, then that machinery is to be included in the abatement, up to the total abatement amount of \$32 million.