

TAX ABATEMENT AGREEMENT

STATE OF TEXAS §

CITY OF DONNA §

This Tax Abatement Agreement (“Agreement”) is made and entered into by and between _____ (“Owner”) and the City of Donna (“City”), a political subdivision of the State of Texas, acting by and through the elected members of the City of Donna’s City Commission, for the purposes and considerations stated below:

WITNESSETH:

WHEREAS, the City has complied with the provisions of Chapter 312 of the Texas Tax Code in passing a resolution electing to participate in tax abatement, and in adopting its Guidelines and Criteria for Tax Abatement; and

WHEREAS, the Owner will construct within the Tax Abatement Reinvestment Zone of the City of Donna; and

WHEREAS, the Owner has requested consideration of tax abatement for certain property pursuant to the Texas Tax Code and the City’s Guidelines and Criteria for Tax Abatement; and

NOW THEREFORE, the parties agree as follows:

I. TAX ABATEMENT AUTHORIZED

- A. This Agreement is authorized by the Texas Property Re-development and Tax Abatement Act, Texas Tax Code Chapter 312 by City of Donna Tax Abatement Guidelines and Criteria, and by Ordinance of the City Commission authorizing execution of this Agreement.
- B. Subject to the terms and conditions of this Agreement, the City hereby grants the Owner an abatement of ad valorem taxation as listed in Exhibit “A” less any value of personal property and value presently on the tax roles of the Hidalgo County Appraisal District.
- C. During the period of tax abatement herein authorized, the Owner shall be subject to all City taxation not abated, (including, but not limited to ad valorem taxation on land) except to the extent granted abatement of same by separate agreement, procedure or law.

II. PROPERTY

- A. The estimate of the kind, number and location of the Eligible Property improvements to be located within the investment zone for which taxes will be abated under this Agreement by the City are shown in the attached Exhibit "B".

III. ESTIMATED VALUE OF TAX ABATEMENT

The estimated value of tax abatement granted in this agreement based upon the new improvements made in the Eligible Property based upon the estimated Certified Appraised Value of the Property as of January 1, of each year, based upon the then current property tax rate for the City of Donna assessed valuation.

IV. DEFINITIONS

When used in this Agreement, the term listed below shall have the meaning specified below, unless it is otherwise expressly provided:

Certified Appraised Value means the appraised value of Eligible Property owned or leased by the Owner, as certified by the Hidalgo County Appraisal District as of January 1 of each year in which tax abatement is granted.

V. TERM OF THE AGREEMENT

- A. The period of tax abatement herein authorized shall be for a maximum of three (3) years, beginning on January 1, _____ and continuing until December 31, _____.
- B. The Agreement shall be between the Owner and the City and shall not be transferable to any other persons/owners.

VI. GENERAL REQUIREMENTS

- A. The Owner shall provide access to and hereby authorize inspection of the improvements by employees or authorized representatives of the City. The Owner shall be permitted to attend the inspections.
- B. The Owner shall provide to the Chief Appraiser of the Hidalgo County Appraisal District and Tax Assessor of the City of Donna any and all information necessary for administration of the tax abatement granted herein. Nothing herein shall limit the ability of any party with standing to contest the valuation of Eligible Property.

- C. The Owner shall submit an application for property tax abatement exemption to the appraisal office and the City Tax Assessor each year or as requested by the appraisal office in the form provided in Exhibit "C".
- D. The City and the Owner each represent and warrant that none of the property is subject to tax abatement under this Agreement is owned or lease by a member of the City of Donna's City Commission and Planning and Zoning Commission.

VII. DEFAULT; RECAPTURE OF TAX REVENUE

- A. The following shall constitute events of default by the Owner:
 - (1) Breach of any of the terms or conditions of this Agreement.
- B. Upon an event of default by the Owner, the City shall notify the Owner in writing of the specific default. The Owner shall have thirty (30) days from receipt of this notice in which to cure any such default. If the default cannot reasonably be cured within this thirty (30) day period, and the Owner has diligently pursued such remedies as shall be reasonably necessary to cure such default, then the parties may agree in writing to an extension of the period in which the violation must be cured.
- C. If the Owner fails to cure the default within the time provided as specified in the written notice or any extension, then the City, at its sole option, shall have the right to terminate this Agreement. This notice of termination shall be made by sending written notice to the Owner and shall be effective for all purposes when deposited in the U.S. Mail. Addressed to the Owner postage prepaid, and mailed certified mail, return receipt requested.

VIII. MISCELLANEOUS

- A. This Agreement constitutes the entire Tax Abatement Agreement between the parties, supersedes any prior undertaking or written or oral tax abatement agreements or representations between the parties, and can be modified only by written instrument subscribed to by both parties. Notwithstanding the foregoing provision, this Agreement does not modify, alter, or amend any other agreement or instrument between the City and the Owner relating to matters other than the abatement of ad valorem taxes with respect to the subject property.

- B. Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against any party.
- C. This Agreement is made, and shall be construed and interpreted under the laws of the State of Texas and venue shall lie in Donna, Hidalgo County, Texas.
- D. In the event any provision of this Agreement is illegal, invalid, or unenforceable under present or future laws, then, and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intension of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provisions found to be illegal, invalid or unenforceable.

IN TESTIMONY WHEREOF, witness our hands at the City of Donna, Hidalgo County, Texas.

The City of Donna

By: _____
Mayor, Irene Munoz

Date: _____

Owner:

By: _____

Date: _____

EXHIBIT "A"

TAX YEAR

ELIGIBLE PROPERTY PERCENTAGE ABATEMENT

1 st Year	100%
2 nd Year	66%
3 rd Year	33%

EXHIBIT "B"

LEGAL DESCRIPTION: