

CITY OF CRANDALL, TEXAS

RESOLUTION NO. 08042025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRANDALL, TEXAS, ADOPTING TAX ABATEMENT GUIDELINES AND CRITERIA; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, Chapter 312 of the Texas Tax Code authorizes the City of Crandall, Texas, to participate in tax abatement agreements; and

WHEREAS, the City of Crandall, Texas, has previously elected to participate in tax abatement agreements pursuant to Chapter 312 of the Texas Tax Code, as amended, and intends to continue to participate in said tax abatements; and

WHEREAS, the City of Crandall, Texas, will, on a case-by-case basis, give consideration to the granting of property tax incentives to eligible commercial, and industrial development projects; and

WHEREAS, the City Council of the City of Crandall, Texas, is of the opinion that the City of Crandall, Texas, should establish these guidelines and criteria, a copy of which is attached hereto as *Exhibit A*, governing tax abatement agreements for the City.

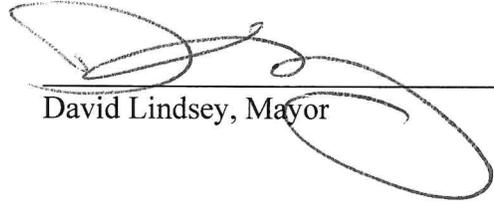
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CRANDALL, TEXAS, AS FOLLOWS:

Section 1. That the foregoing recitals are hereby found to be true and correct legislative findings of the City of Crandall, Texas, and are fully incorporated into the body of this resolution.

Section 2. The City Council hereby establishes and adopts the “Policy Statement for Tax Abatements” attached hereto as *Exhibit A*, as its tax abatement guidelines and criteria. These adopted tax abatement guidelines and criteria are effective for two (2) years from passage of this Resolution.

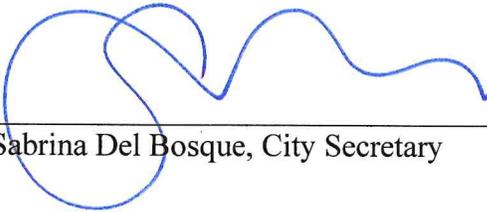
Section 3. This Resolution shall become effective from and after its passage.

DULY RESOLVED by the City Council of the City of Crandall, Texas on this the 4th day of August 2025.



David Lindsey, Mayor

ATTEST:



Sabrina Del Bosque, City Secretary



Exhibit A

Policy Statement for Tax Abatements

City of Crandall, Texas

I. GENERAL PURPOSE AND OBJECTIVES.

The Crandall City Council 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. The purpose of the program is to provide an incentive for current and future property owners and leaseholders to invest in the City of Crandall and provide increased job opportunities in the city thereby contributing to responsible economic growth of the city.

Insofar as these objectives are generally served by the enhancement and expansion of the local economy, the Crandall City Council will, on a case-by-case basis, give consideration to providing tax abatements as stimulation for economic development in the city. It is the policy of the Crandall City Council that said consideration will be provided in accordance with the procedures and criteria outlined in this document.

Nothing herein shall imply or suggest that the Crandall City Council is under any legal or equitable obligation to provide any incentive to any applicant. All applicants for tax abatements shall be considered on an individual and case-by-case basis. The Crandall City Council has final approval or disapproval of any application, at its discretion. Crandall City Council has the option of having terms in any abatement agreement differ from the terms in an abatement agreement with the initiating city. Crandall City Council will exercise that option at its discretion.

II. CRITERIA/GUIDELINES/FORMULA.

(a) Abatement Authorized.

- (1) Authorized Facility/Project. All types of facilities or projects will be eligible for abatement if they meet the criteria set forth in this policy.
- (2) The City Council may grant tax abatement to the owner of taxable real property located in a reinvestment zone, but that is not in an improvement project financed by tax increment bonds, to exempt from taxation a portion of the value of the real property or of tangible personal property, or both, for a period not to exceed ten years, on the condition that the owner of the property make specific improvements to the property subject to the guidelines and criteria set out herein.
- (3) The City Council may grant tax abatement to the owner of a leasehold interest in tax-exempt real property that is located in a reinvestment zone, but that is not in an improvement project financed by tax increment bonds, to exempt a portion of the value of property subject to ad valorem taxation, including the leasehold interest, improvements, or tangible personal property located on the real property, for a period not to exceed ten years, on the condition that the owner of the leasehold interest make specific improvements to the property subject to the guidelines and criteria set out herein.
- (4) Creation of New Value Abatement may only be granted for the additional value

resulting from improvements to eligible property made subsequent to and specified in an abatement agreement between the Crandall City Council and the property owner, subject to such limitations as Crandall City Council may require.

- (5) New and Existing Facilities Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- (6) Eligible Property Abatement may be extended to the value of buildings, structures, fixtures, inventories, machinery, equipment and site improvements plus that office space necessary to the operation and administration of the facility.
- (7) Ineligible Property. The following types of property shall be fully taxable and ineligible for abatement: land; supplies; tools; furnishings and other forms of moveable personal property; vehicles; vessels; aircraft; housing; hotel accommodations; deferred maintenance investments; property which has a useful life of less than ten (10) years; property owned or used by the State of Texas or its political subdivision or by any organization owned, operated or directed by a political subdivision of the State of Texas.
- (8) Leased Facilities. In order for a facility to qualify for abatement, the land and eligible property must be owned by the same individual or company and leased to a facility operator whose lease commitment is at least ten (10) years.
- (9) Expansion of Existing Facility/Business. A facility or business that has been in operation for one (1) year or more and meets the other requirements as set forth in this policy will be eligible for the same amount of tax abatement as set forth in the formula set out in Section II.

(b) Objective/Subjective Factors.

- (1) Economic Qualification/Objective Factors. In order to be eligible to receive a tax abatement the proposed project will be evaluated by the following objective factors:

(A) Employment Impact

How many jobs will be created? What

will the total annual payroll be?

(B) Fiscal Impact

How much real and personal property value will be added to the tax roll?

How much direct sales tax will be generated?

What infrastructure construction would be required?

The project must be at least \$1,000,000 that will be added to the tax rolls.

(Project includes both real and personal property)

(C) Community Impact

What type of pollutants, if any, will be created by the project?

Project can serve as a prototype and catalyst for other development of higher standard.

Must not have a primary effect of transferring jobs within the city.

Property has high visibility, image impact, or is of a significantly higher level of development.

(2) Subjective Factors: In addition to the objective criteria, several additional considerations must be evaluated.

- (A) Is project sponsor a local company?
- (B) What types and values of public improvements, if any, will be made by the applicant?
- (C) Does, or can, the project meet all relevant zoning, subdivision and other legal requirements?
- (D) Does the project provide particular benefit to an area of the City targeted for revitalization?
- (E) Will the project substantially increase the business opportunities of existing local suppliers and contractors?
- (F) Will the project compete with existing businesses to the detriment of the local economy?
- (G) Does the project pose any negative environmental, operational, visual or other impacts (i.e., pollution, noise, traffic congestion, etc.)?
- (H) Project is an area which might not otherwise be developed because of constraints of topography, ownership patterns, site configuration, etc.?
- (I) What impact will the project have on other taxing entities?
- (J) How will this project affect existing businesses/industries?

(c) **Formula.** Once a determination has been made that a tax abatement should be offered, projects will be evaluated based upon total project costs as stated in the above policy. Tax abatements will apply to property as stated in this Policy Statement. Abatements only **apply to the maintenance and operations portion of Crandall total tax rate.** The value and term of the abatement will be determined by referencing the tables below as a guide; additional proposals for abatement (outside the scope of these tables) may be submitted for consideration:

- (1) Facility/Project Adding at least \$10,000,000.00 to Tax Rolls and creating a minimum of twenty-five (25) jobs:

| <u>YEARS OF ABATEMENT</u> | <u>PERCENTAGE OF ABATEMENT</u> |
|---------------------------|--------------------------------|
| Year 1 | 60% |
| Year 2 | 50% |
| Year 3 | 40% |
| Year 4 | 30% |
| Year 5 | 20% |
| Year 6 | 10% |
| Year 7 | 10% |
| | <u>220%</u> |

- (2) Facility/Project adding at least \$5,000,000.00 to the tax rolls but less than \$10 Million and creating a minimum of fifteen (10) jobs:

| <u>YEARS OF ABATEMENT</u> | <u>PERCENTAGE OF ABATEMENT</u> |
|---------------------------|--------------------------------|
| Year 1 | 50% |
| Year 2 | 40% |
| Year 3 | 30% |
| Year 4 | 20% |
| Year 5 | 10% |
| | <u>150%</u> |

- (3) Facility/Project adding at least \$3,000,000.00 to the tax rolls but less than \$5 Million and creating a minimum of ten (5-10) jobs.

| <u>YEARS OF ABATEMENT</u> | <u>PERCENTAGE OF ABATEMENT</u> |
|---------------------------|--------------------------------|
| Year 1 | 50% |
| Year 2 | 40% |
| Year 3 | 30% |
| Year 4 | 20% |
| Year 5 | 10% |
| | <u>150%</u> |

Abatements on all facility/projects (both real and personal property) are open to negotiation up to the state law limits of 100% per year for ten (10) years. The number of years and/or percentage of abatements can be decided at the discretion of the City Council on an individual basis. Maximum years of abatement will not exceed the maximum number of years permitted by state law.

III. PROCEDURAL GUIDELINES.

Any person, organization or corporation desiring that Crandall City City Council consider providing tax abatement to encourage location or expansion of operations within the area designated by the location or expansion of operations within the area designated by the City shall be required to comply with the following procedural guidelines. Nothing within these guidelines shall imply or suggest that Crandall City City Council is under any obligation to provide tax abatement or rebate in any amount or value to any applicant.

IV. UNDOCUMENTED WORKERS PROVISION.

Section 2264.051 of the Texas Government Code requires the Applicant to provide within the tax abatement application a statement certifying that the business, or a branch, division, or department of the business, does not and will not knowingly employ an undocumented worker. Further, the tax abatement agreement will contain a provision specifying the rate and terms of the payment of interest should the business be convicted of knowingly employing an undocumented worker, in violation of 8 U.S.C. Section 1324a(f).

V. DEFAULT AND RECAPTURE.

- (a) In the event of a default of any term or condition of the application for tax abatement by the applicant or the applicant's successor or assignee of the applicant, the City Council shall have the right to terminate any agreement and cease the abatement of taxes. Taxes based on the appraised value of the subject property with improvements will be due and payable for the year in which tax abatement is terminated.
- (b) In the event that the facility is completed and begins producing products or services, but subsequently ceases to produce products or services for any reason (except for acts of God, war, riot, strike, or natural catastrophe), then the tax abatement shall terminate and no amount of taxes shall be abated for any calendar year during which the facility does not produce goods and services.
- (c) In the event that the applicant fails to pay ad valorem taxes owed to Crandall City or any other taxing entity located in the city when due, or violates any of the terms or conditions of the tax abatement policy; or is in default with any other city-sponsored program; then the city shall have the right to terminate the tax abatement, in which event, taxes based on the full value of the subject property with all improvements shall be immediately due and payable, including any amount of taxes abated during the calendar year in which the termination occurs and any amount of taxes abated during prior years.
- (d) In the event that the applicant, during the abatement period and for a period of four years following the abatement period, ceases to operate the facility for which abatement was granted, or moves the facility for which abatement was granted to a location outside Crandall City, the City Council shall have the right to capture taxes abated during any previous years.

PRELIMINARY APPLICATION STEPS

1. Applicant shall complete the attached "Application for Tax Abatement."
2. Applicant shall address all criteria questions outlined in Section II(b) above in letter format.
3. Applicant shall prepare a plat showing the precise location of the property, all roadways within 500 feet of the site, and all existing land uses and zoning within 500 feet of the site.
4. If the property is described by metes and bounds, a complete legal description shall be provided.
5. Applicant shall complete all forms and submit them to the City Judge's Office.

APPLICATION REVIEW STEPS

6. All information in the application package detailed above will be reviewed for completeness and accuracy. Additional information may be requested as needed.
7. The complete application package will be distributed to each member of the Crandall City Council and to each taxing entity. Applicant shall allow the city reasonable access to review and audit any records related to information provided in the application. Any additional information, if necessary, may be requested from the Applicant and must be submitted timely in accordance with the deficiency notice.
8. The application shall be set on the city's next available agenda following compliance with all notice and public hearing requirements of Chapter 312 of the Texas Tax Code.
9. A Tax Abatement agreement shall be provided to the Applicant for their review and execution prior to it being placed on the City Council's agenda for approval.

CONSIDERATION OF THE APPLICATION/AGREEMENT

10. If permitted by the Open Meetings Act, some of the deliberation concerning the application may be discussed by City Council and staff in executive session.
11. Any and all tax abatement agreements must be approved by the City Council in open session pursuant to the notice/posting/and public hearing requirements of Chapter 312 of the Texas Tax Code.

**APPLICATION FOR
ECONOMIC DEVELOPMENT INCENTIVES**

1. Property Owner: _____

Mailing Address: _____

Phone Address: () _____

E-Mail Address: _____

2. Project Sponsor: _____

Mailing Address: _____

Phone Address: () _____

E-mail Address: _____

3. Applicant's Rep.: _____

Mailing Address: _____

Phone Address: () _____

E-Mail Address: _____

4. Property Address: _____

Legal Description:
(Provide attachment if by metes and bounds)

5. Located Within: _____
_____ Crandall City

6. Description of Project: _____

7. Date(s) projected for occupation of project/initiation of operations: _____

8. Narrative Response to Section II(b) of Policy Statement for Tax Abatement:

9. I hereby certify that _____ (name of business), or any branch, division, or department of the business, does not and will not knowingly employ an undocumented worker.

SIGNATURE(S)

APPLICANT(S): _____ DATE _____

PRINT NAMES (s): _____

TITLES: _____

Date of Application: _____

Person Accepting Application: _____

Date of Approval: _____