

# ***Application for Tax Abatement in Harris County, Texas***

## ***Instructions***

### **General Information**

Applicants and projects must meet the requirements established by the Guidelines and Criteria for Granting Tax Abatement in a Reinvestment Zone Created in Harris County (“The Guidelines”). The Guidelines provide detail on eligible facilities, eligible and ineligible improvements, governing regulations, and economic qualifications. Depending upon the type of proposed facility, an application may also require inclusion of a market study, business plan, or other materials demonstrating that the facility would predominantly serve a market at least 100 miles away from the Harris County region. Conformance with all sections is the basis for determination of initial eligibility and for favorable consideration by Commissioners Court.

Application shall not be considered complete until all required information has been submitted. Harris County reserves the right to request additional information and documentation to complete review of application.

### **Part I Applicant Information**

In addition to the factors outlined in The Guidelines, an additional consideration is an applicant’s financial capacity. Established companies for which public information is available, or a wholly owned subsidiary or operation division of such a company, shall include with the application a copy of the latest annual report to stockholders. Privately-owned and newly-formed companies shall provide a copy of the most recent audited financial statements, documentation of the date and location of incorporation, bank references (including officer name and telephone number), and accountant and attorney references (names of firms and contact telephone numbers). Newly-formed companies shall also furnish a copy of the business plan and substantiation of financing commitments from a lender and/or venture capitalist.

All applicants shall provide information regarding name, title(s), physical and mailing addresses, of the authorized officers who will execute agreement on behalf of applicant (and owner, operator, lessor, lessee, where applicable). All applicants shall include copy of Secretary of State Certificate authorizing the company to conduct business in the State of Texas.

### **Part II Project Information**

*Physical Property Information:* Applicant shall provide detailed information on the proposed project site, to include, physical location address (street number, street name, City, County, Zip Code), key map reference, plat survey with metes & bounds description, identify all taxing entities (including, but not limited to city, school district, college district, etc.), all associated tax accounts, and current site conditions and improvements.

*Proposed Project Information:* Applicant shall submit a detailed description of the project, including but not limited to, purpose of project, intended market, proposed site improvements, indication of new construction or expansion, a detailed line item “Investment Budget” identifying the estimated value and describing the improvements for which abatement is requested, market analyses and studies, business plans, and any other documents demonstrating that the facility is intended to serve a primary market which lies at least 100 miles outside of Harris County.

*Property Ownership or Lease Information:* Applicant shall provide documentation evidencing property ownership (e.g. recorded property title), or purchase option-contract which shall include an opt-out clause for the Applicant in the event a tax abatement is not approved, or lease agreement.

Harris County reserves the right to request additional documentation, as needed.

### **Part III Economic Information**

(For use in completing Part III on page 2 of Application)

***Permanent Job Creation/Retention*** - *The minimum job creation requirement is 25 new positions or the retention of 25 existing positions, to be attained by the end of the third year of the abatement period.* In estimating permanent job creation, include the total number of new jobs created at this site as a result of the new investment as well as known permanent jobs of service contractors required for operation. In determining whether the project qualifies as job retention, provide information documenting that the jobs would be terminated or lost to the Harris County economy but for the abatement.

***Estimated Appraised Value on Site*** - The value on January 1 preceding abatement shall be the value established by the Harris County Appraisal District. Applicant shall indicate on application if the value is estimated due to unknown taxable value or if the taxable value is combined with other properties under a single tax account. *To qualify, the abated properties must be expected to result in an addition to the tax base of at least \$1 million upon completion.* Projections of value should be a "best estimate" based on taxability in Texas. The projection of project values not abated should include personal property and ineligible project-related improvements such as office space in excess of that used for plant administration, housing, etc.

# Application for Tax Abatement

## - Harris County, Texas -

Prior to any public expression of a decision or any commitment (legal or financial) to the proposed project by applicant, a completed original of this application, including supporting documentation of competitive siting, narrative impact statement, and a \$1000.00 application fee (non-refundable) must be submitted to Harris County Department of Economic Equity & Opportunity, 1301 Franklin, Houston, TX 77002. This application will become part of the Tax Abatement Agreement and any knowingly false representations will be grounds for terminating the application and/or voiding the agreement. The County will forward copies to other taxing jurisdictions, as may be required by Texas statute.

### PART I - APPLICANT INFORMATION

Application Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Company Name: \_\_\_\_\_

Headquarters Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Local Address: \_\_\_\_\_ Zip: \_\_\_\_\_ Annual Sales (\$): \_\_\_\_\_

Local Phone Number: \_\_\_\_\_ State of Incorporation: \_\_\_\_\_ Years in Harris County: \_\_\_\_\_

Local Fax Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

Total Employees Worldwide: \_\_\_\_\_ Texas: \_\_\_\_\_ Harris County at Present: \_\_\_\_\_

*Attach description of Applicant Company, including brief history, corporate structure, financial statement, & annual report, if incorporated in what state corporation is designated with copy of legal documents showing incorporation information, and Secretary of State Certificate authorizing company to conduct business in the State of Texas.*

### PART II - PROJECT INFORMATION

Location Address: \_\_\_\_\_ City: \_\_\_\_\_ Zip: \_\_\_\_\_ Key Map # \_\_\_\_\_

Legal Description\*: \_\_\_\_\_ County: \_\_\_\_\_

School District(s): \_\_\_\_\_ College District: \_\_\_\_\_

All Tax Acct. Numbers: \_\_\_\_\_ NAICS #: \_\_\_\_\_

Project Description:  New Construction  Expansion City (as identified on the Tax Account) \_\_\_\_\_

*\* Attach plat survey, with a metes & bounds description, for project site.*

*Attach statement fully explaining project, describe existing site and all proposed improvements, and provide complete detailed (line item) "Investment Budget" detailing improvements for which abatement is requested.*

### **Section A - Economic Development**

Type of Facility:

- |                                                 |                                                 |                                                  |
|-------------------------------------------------|-------------------------------------------------|--------------------------------------------------|
| <input type="checkbox"/> Manufacturing          | <input type="checkbox"/> Regional Distribution  | <input type="checkbox"/> Regional Service Center |
| <input type="checkbox"/> Regional Entertainment | <input type="checkbox"/> Research & Development | <input type="checkbox"/> Other Basic Industries  |

Describe product or service to be provided and to what purpose: \_\_\_\_\_

*For regional facilities, provide market studies, business plans, or other materials demonstrating that the facility is intended to serve a primary market which lies at least 100 miles outside of Harris County.*

### **Section B - Variance**

Is the applicant seeking a variance to Guidelines?  Yes  No

If "yes" attach letter requesting and justifying the variance, with supplemental information.

**PART III - ECONOMIC INFORMATION**

Construction Estimate:

Start Date \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ Contract Amount \$ \_\_\_\_\_

Completion Date \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_ Peak Construction Jobs \_\_\_\_\_ Construction Man-Years \_\_\_\_\_

If Modernization:

Estimated current economic life of structure \_\_\_\_\_ years

Added economic life from modernization \_\_\_\_\_ years

Permanent Job Creation/Retention in Harris County:

- Current employment: \_\_\_\_\_ Note: For existing Harris County facilities include current employment per each facility in Harris County along with copy of the Texas Workforce Commission "Employer's Annual Report" for the last four quarters.
- Number of Jobs to be Retained: \_\_\_\_\_
- Number of Jobs to be created on or before January 1, 20\_\_ after 3 years from the effective date of the Tax Abatement Agreement: \_\_\_\_\_

<b>Estimated Appraised Value On Site</b>	<b>Land</b>	<b>Improvements</b>	<b>Total</b>
Value on January 1 preceding abatement (Per Harris County Appraisal District Records and Account Number)	\$	\$	\$
Estimated value of new abatable investment: Building		\$	\$
Estimated value of new abatable fixed-in-place Machinery and Equipment		\$	\$
Estimated value not subject to abatement (e.g., Inventory)		\$	\$
Estimated value of property subject to ad valorem tax at end of abatement		\$	\$

**Company Representative Authorized For Contact:**

**Authorized Company Official:**

Name: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Name: \_\_\_\_\_

Telephone #: \_\_\_\_\_

Title: \_\_\_\_\_

E-mail: \_\_\_\_\_

Telephone #: \_\_\_\_\_

E-mail: \_\_\_\_\_

*Narrative*  
*(to Accompany Application)*

**I. Company Information**

- a. Describe the Company's business activities, locations, primary markets, history (when and where incorporated), headquarters location, parent or subsidiary companies in the form of limited partnerships or limited liability companies with a complete diagram showing names, ownership percentages, and which ones will be active and in what capacity concerning this project.
- b. Names of chief officers and information showing legal authorization of those persons qualified to sign on behalf of the company.
- c. Provide copy of annual report or financial statements, as detailed in "Instructions."
- d. Provide documentation evidencing company's registration with and authorization to conduct business in the State of Texas.

**II. Site Control**

- a. If company owns the proposed property for abatement, include documents evidencing ownership such as recorded deed or title to property, title insurance policy.
- b. If company is leasing property, attach copy of lease. Please note that the lease contract shall include a provision allowing the applicant to terminate lease agreement without penalty, in the event a tax abatement is not granted by Harris County.
- c. If company is purchasing property, attach copy of deed or executed contract-option to purchase. Please note that the option-contract to purchase shall include a provision whereby the applicant may terminate contract-option to purchase without penalty, in the event a tax abatement is not granted by Harris County.

**III. Project Description**

- a. Facts about the proposed site (acreage, cost, location, ownership, survey).
- b. Type and value of proposed improvements (construction budget in line item form, list of fixed in place equipment to be included in the project).
- c. Project timeline – construction start date and end date.
- d. 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. Further, include history of environmental compliance by company as required in Guidelines and Criteria.
- e. All other governmental assistance/incentives being requested or already approved for the project, (e.g. Industrial Development Bonds, Smart Jobs Funds).

**IV. Jobs**

- a. Provide information on current level of employment per each facility located in Harris County, including: (1) physical address of each facility, (2) current payroll, and (3) breakdown of current employment by zip code. Attach a copy of the Texas Workforce Commission "Employer's Quarterly Report" for the last four quarters and other supporting documentation evidencing actual employment level at time of application submission.
- b. Provide information on the projected full-time job creation associated with the project, including: (1) new employee needs; e.g. skilled vs. non-skilled, level of education, experience, etc; (2) proposed pay scale; (3) any training which the company will provide to its new employees; (4) upward mobility opportunities, career tracks, etc. available to less educated and experienced workers; and (5) if this is a consolidation of existing Harris County facilities, information on number of "new hires" vs. "transfers."
- c. Provide information on construction jobs to be created by project.

**V. Tax Abatement and Comparative Site Selection Analysis**

Provide reasons for seeking abatement. Include any special considerations. **State how project will benefit the community where it will be located.** If requesting any variances, please provide the justification for the request.

Additionally, provide detailed information on alternative site considerations and incentives being offered the company. State who the company has visited with outside of Harris County concerning tax abatement in another county, state, or country and provide copies of any letters of intent from the ones offering incentive.

Further, provide a comprehensive and comparative site selection analysis substantiating request for tax abatement in Harris County. The report shall include analysis of key site selection criteria deemed essential for the company’s operation, recruitment and retention of talent, and intended market to deliver goods and/or services. The analysis, at a minimum shall include information on how the tax abatement, if granted, would benefit the company, what would be the estimated net cost savings achieved per each location considered, information on location characteristics (e.g. transportation needs, utility needs, infrastructure needs, input resources, etc.) deemed essential and/or beneficial to the company’s operation and retention of talent, and description of the intended market. Following is a sample outline the applicant may consider when developing the site selection comparative analysis report:

1. *Business and Operating Conditions*: describe accessibility to customers, suppliers, and connectivity and transportation requirements; describe workforce requirements; describe utility and infrastructure requirements; and describe regulatory/permitting environment.
2. *Geographically Variable Costs*: describe per each site workforce wages, salaries, and benefits; taxes (income, ad valorem, customs/duties, fees); real estate (land/sites); improvements; lease; utilities; logistics; and incentives to include description of variable cost offsets; inflation.
3. *Real Estate/Site*: current site conditions, needed improvements, availability of site, does the site fit the needs of the project, expandability, infrastructure, terms and conditions of lease contract, or option-contract to purchase, schedule.
4. *Risks*: describe potential natural disaster risks, political risks, social/safety risks, local economic status and currency, schedule.

**VI. Local Business Competition**

- a. List any competition or similar businesses in the area.
- b. Describe how an abatement will impact competition with other similar businesses in the area.

**VII. Market Creation:** Please provide information on how this project would attract new business?

**APPLICATION WILL NOT BE CONSIDERED COMPLETE UNTIL  
ALL REQUIRED INFORMATION HAS BEEN SUBMITTED**

# Checklist

## Contents of Complete Application Package for Harris County Tax Abatement

Applicants and projects must meet the requirements established by the Guidelines and Criteria for Granting Tax Abatement in a Reinvestment Zone Created in Harris County (“The Guidelines”), facilities, eligible and ineligible improvements, terms and economic qualifications. Conformance with all sections is the basis for determination of initial eligibility and for favorable consideration by Commissioners Court. As detailed in The Guidelines, these components comprise a “Completed Application.”

1. **Harris County Application Form** – Original signed by company officer with an application fee of \$1000.00 (non-refundable) check or money order attached made to Harris County Department of Economic Equity & Opportunity.
2. **Narrative** – Completed in accordance with template at end of application.
3. **Investment Budget** – a line item budget detailing components and costs of the real property improvements and fixed-in-place improvements for which tax abatement is requested, including type, number, economic life, and eligibility for a tax exemption granted by the Texas Commission on Environmental Quality (“TCEQ”) (if known).
4. **Plat survey and metes & bounds description** – Also, “Key Map” reference.
5. **Project timeline** – Schedule for constructing proposed improvements.
6. **Ten-year environmental and worker safety compliance history** – all facilities located within the State of Texas and owned in whole or in part by applicants, per The Guidelines, Section 2(i), “Environmental and Worker Safety Qualification”.
7. **A copy of a passed inspection report issued by Harris County Pollution Control Services**, including non-compliance issues identified.
8. **Evaluation of competing locations** – pursuant to The Guidelines, Section 1(e), “Competitively-Sited Project”, include **statement of reason(s) why the requested tax abatement is necessary to ensure that proposed project is built in Harris County** (i.e., documentation supporting assertion that “but for” a tax abatement, the stated project could not be constructed in Harris County).
9. **Quarterly report(s) filed with the Texas Workforce Commission** – for the immediately preceding last four quarters, documenting the current number of permanent full-time employees and the separate quarterly report(s) of full-time Contractor(s)-provided employees, as applicable.
10. **Financial information** –
  - **Publicly traded company:** (including wholly owned subsidiary or operation division): most recent annual report to stockholders.
  - **Privately-owned company:** most recent audited financial statements, documentation of the date and location of incorporation, bank references (including officer name and telephone number), and accountant and attorney references (names of firms and contact telephone numbers).

- ***New venture:*** Business plan and financing commitment from lender and/or venture capitalist; plus bank references (including officer name and telephone number), accountant and attorney references (firms and contact telephone numbers).
- 11. ***Certification by Harris County Tax Assessor-Collector*** that all tax accounts, including non-project related tax accounts, within Harris County are paid on a current basis.
- 12. ***Purchase Contract, if applicable.*** Must include under Special Provisions a contingency clause stating abatement applicant/purchaser has applied for tax abatement from Harris County whereby abatement applicant may terminate such contract without penalty or loss of earnest money, in the event that Harris County does not grant a tax abatement.
- 13. ***Lease Agreement, if applicable.*** For a facility to be leased the applicant shall provide with the application the name and address of the lessor and a draft copy of the proposed lease, or option contract. In the event a lease or option contract has already been executed with owner of site, the document must include a provision whereby abatement applicant may terminate such contract without penalty or loss of earnest money, in the event that Harris County does not grant a tax abatement.
- 14. ***Equal Employment Opportunity Policy.*** If the applicant does not have a written equal employment policy at the time of application, applicant must provide County with a written plan for adoption of such policy, to be completed and provided to the County prior to any Agreement being executed. NO Agreement will be entered into until the copy of the policy is provided to County.
- 15. ***Human Resource Benefits Policy*** including family leave and paid sick leave policies.
- 16. ***MWBE (Minority/Women-owned Businesses and Enterprises) Utilization Policy or Commitment,*** if available.
- 17. ***Fair Chance Hiring and Workforce Development Policy,*** if available.