

**TEXAS LOCAL GOVERNMENT CODE §381.004
GRANT GUIDELINES AND CRITERIA
FOR GRIMES COUNTY**

ADOPTED MAY 9, 2018

Executive Summary
Grimes County Guidelines and Criteria for Grant Agreements
pursuant to Texas Local Government Code §381.004 (“381
Agreements” herein)

GENERAL

To stimulate business and commercial activity in a county, the Commissioners’ Court of the County may develop and administer a program: (1) for state or local economic development; (2) for small or disadvantaged business development; (3) to stimulate, encourage, and develop business location and commercial activity in the county; (4) to promote or advertise the county and its vicinity or conduct a solicitation program to attract conventions, visitors, and businesses; (5) to improve the extent to which women and minority businesses are awarded county contracts; (6) to support comprehensive literacy programs for the benefit of the county residents; or (7) for the encouragement, promotion, improvement, and application of the arts. Under Texas law, counties that wish to participate in 381 Agreements are required to establish a program for doing so. The attached guidelines and criteria for such a program are effective beginning May 9, 2018. This summary sets forth the basic policy and procedural issues that are detailed in the guidelines and criteria.

MINIMUM REQUIREMENTS

1. Only new buildings and new fixed machinery and equipment with economic lives of at least 15 years are to be considered when determining eligibility for 381 Agreements. Existing items are not to be considered when determining eligibility for 381 Agreements. Items such as inventories, vehicles, and moveable personal property are not to be considered when determining eligibility for 381 Agreements. Also certain types of properties, such as retail business and motels, are not to be considered when determining eligibility for 381 Agreements.
2. A minimum investment of \$5,000,000 in eligible property is required.
3. A minimum of one (1) permanent full time position must be added to the entity’s employee base. Employee numbers will be considered in conjunction with the total annual payroll that the project is expected to generate and the median annual wage for the area as posted by the Texas Workforce Commission.
4. The business must have previously received a grant pursuant to Texas Local Government Code Section 380.001 from the incorporated area wherein the business is located.
5. The business cannot be in a reinvestment zone.

6. The business cannot be currently involved in pending litigation which involves a claim against the business for damages.

TERM AND VALUE

The maximum term for a 381 Agreement is two years. The amount of any grant or grants awarded will be left to the discretion of the Commissioners' Court but in no event shall the total yearly amount of any grant or grants to any one entity exceed the total annual ad valorem taxes paid to Grimes County by such entity in the year preceding the award or awards.

PROCEDURE

1. The applicant shall submit an application to the Precinct Commissioner, with a copy to the Executive Director of the Navasota Grimes County Chamber of Commerce, wherein the property in question is located.
2. Within sixty (60) days of the date the application is submitted to the Precinct Commissioner, the County shall approve or deny the request for a 381 Agreement as an agenda item at a meeting of the Commissioners Court. If approved, a written Agreement between the County and the property owner, consistent with the guidelines and criteria described herein, shall be executed. The project shall be monitored for compliance during the term of the Agreement and shall be subject to default, cancellation and repayment provisions.

PROGRAM FOR GRANTING 381 AGREEMENTS

WHEREAS, the creation and retention of job opportunities that bring new wealth is one of the highest civic priorities; and

WHEREAS, new jobs and investment will benefit the area economy, provide needed opportunities, strengthen the real estate market and generate tax revenue to support local services; and

WHEREAS, the communities within Grimes County must compete with other localities across the nation currently offering inducements to attract jobs and investments; and

WHEREAS, any grants of public money would reduce needed available money unless strictly limited in application to those new and existing industries that bring new wealth to the community; and

WHEREAS, any grants of public money should not have a substantial adverse effect on the competitive position of existing companies operating in Grimes County; and

WHEREAS, grants of public money should not be used to attract those industries that have demonstrated a lack of commitment to protecting our environment, but should be used to encourage projects designed to protect our environment; and

WHEREAS, grants of public money, when offered to attract primary jobs in industries which bring in money from outside a community instead of merely re-circulating dollars within a community, have been shown to be an effective method of enhancing and diversifying an area's economy; and

WHEREAS, Texas law requires counties to establish a program as to eligibility for 381 Agreements prior to awarding any grants of public money; and

WHEREAS, to assure a common, coordinated effort to promote our economic development, any such program should be adopted by the Commissioners Court of Grimes County;

NOW, THEREFORE, BE IT RESOLVED that the Commissioners Court of Grimes County hereby adopts this program for the awarding of grants of public money pursuant to Texas Local Government Code Section 381.004(h) in Grimes County, Texas effective May 9, 2018.

SECTION 1 DEFINITIONS

- (a) **Grant** means an award of public money awarded to stimulate business and commercial activity.
- (b) **Overlapping Jurisdiction** means any other taxing unit in which the property to be the subject of the abatement is located.
- (c) **Agreement** means a contractual agreement between a property owner and/or lessee and an eligible jurisdiction for the purposes of tax abatement.
- (d) **Base Year Value** means the assessed value of eligible property on January 1 preceding the execution of the Agreement, plus the agreed upon value of eligible property improvements made after January 1 but before the date the Agreement is executed.
- (e) **Base Year Number of Employees** means the number of employees reflected in the owner's application package.
- (f) **Deferred Maintenance** means improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (g) **Economic Life** means the number of years a property improvement is expected to be in service in a facility.
- (h) **Employee** means a person whose employment is both permanent and fulltime, who works for and is an employee of the Owner or an employee of a Contractor, who works a minimum of 1,750 hours per year exclusively within the Zone, who receives industry-standard benefits, and whose employment is reflected in the Owner's (and Contractor's, if applicable) quarterly report filed with the Texas Workforce Commission; but **excluding** any direct contract (seasonal, part-time, and full-time equivalent).
- (i) **New Facility** means a property, previously undeveloped, which is placed into service by means other than or in conjunction with expansion or modernization.
- (j) **Expansion** means the addition of buildings, structures, fixed machinery or equipment for purposes of increasing production capacity.
- (k) **Modernization** means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, or fixed machinery and equipment. Modernization shall include improvements for the proposed purposes of

increasing productivity or updating the technology of fixed machinery or equipment, or both.

- (l) **Facility** means property improvements completed or in the process of construction which together comprise an integral whole.
- (m) **Manufacturing Facility** means buildings and structures, including fixed-in-place 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.
- (n) **Regional Distribution Center Facility** means buildings and structures, including fixed machinery and equipment, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility operator where a majority of the goods are distributed to points at least 100 miles from any part of Grimes County.
- (o) **Regional Service Facility** means buildings and structures, including fixed machinery and equipment, used or to be used to service goods where a majority of the goods being serviced originate at least 100 miles from any part of Grimes County.
- (p) **Research Facility** means building and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
- (q) **Research and Development Facility** means buildings and structures, including fixed-in-place machinery and equipment, used or to be used primarily for research or experimentation to improve or develop current technology in biomedicine, electronics or pre-commercial emerging industries.
- (r) **Other Basic Industry Facility** means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services.

SECTION 2 GRANTS AUTHORIZED

- (a) **Authorized Facility.** A facility may be eligible for a grant if it is a: Manufacturing Facility, Research Facility, Regional Distribution Center Facility, Regional Service Facility, Research and Development Facility or Other Basic Industry.
- (b) **Creation of New Value.** A grant may only be awarded based upon the amount of ad valorem taxes paid for the additional value of eligible real property (including fixed-in-place machinery and equipment) listed in a 381 Agreement

between the County and the property owner, subject to such limitations as the Commissioners Court and state law may require.

- (c) **New and Existing Facilities.** Grants may be awarded based upon the amount of ad valorem taxes paid for new facilities and improvements to existing facilities for purposes of Expansion or Modernization.
- (d) **Eligible Property.** Grants may be awarded based upon ad valorem taxes paid upon the value of buildings, structures, fixed machinery and equipment, and site improvements plus ancillary fixed improvements necessary to the operation and administration of the facility.
- (e) **Ineligible Property.** Grants may not be awarded based upon ad valorem taxes paid upon land; inventories; supplies; tools; office furnishings and equipment, mobile equipment, and other forms of movable personal property; vehicles; vessels; aircraft; single family housing; multi-family housing; hotel and motel accommodations; local, regional or national entertainment centers, retail businesses, facilities primarily devoted to the production, generation or transmission of electricity, deferred maintenance investments; and property with an economic life of less than 15 years.
- (f) **Term of Grant.** The maximum term of grants to any specific entity is two years. The term of grants and the amount of each grant of the term may otherwise vary depending on the overall nature and character of the proposed project.
- (g) **Basic Qualifications for Grants.** To be eligible for one or more grants the relevant planned improvements:
 - 1. Must be shown to involve an investment that will increase the assessed value of the eligible property at least five million dollars (**\$5,000,000**) upon completion of the project.
 - 2. Must be shown to directly create permanent employment for at least one (1) person. Employee numbers shall be considered in conjunction with the total amount of payroll that is expected to be generated and the median annual wage for the area as posted by the Texas Workforce Commission.
 - 3. Must have no serious adverse effect on the citizens of Grimes County, local taxing jurisdictions, or existing businesses that are in competition with the party requesting the grant.
- (h) **Taxability.** During the term of the grant, ad valorem taxes shall be assessed as usual by the Grimes County Appraisal District:
- (i) **Environmental and Worker Safety Qualification.** In determining whether to award a grant, consideration will be given to compliance with all state and federal

laws designed to protect human health, welfare and the environment (“environmental laws”) that are applicable to all facilities in the State of Texas owned or operated by the owner of the facility or lessee, its parent, subsidiaries and, if a joint venture or partnership, every member of the joint venture or partnership (“applicants”). Consideration may also be given to compliance with environmental and worker safety laws by applicants at other facilities within the United States.

- (j) Other requirements to receive a grant or grants, the business requesting such:
 - 1. must have previously received a grant pursuant to Texas Local Government Code Section 380.001 from the incorporated area wherein the business is located;
 - 2. cannot be in a reinvestment zone; and
 - 3. cannot be currently involved in pending litigation which involves a claim against the business for damages.

SECTION 3 APPLICATION

- (a) **Timely Application:** Any current or potential owner of taxable property in Grimes County must request a grant or grants by filing a complete 381 Agreement Application (in the form shown in Addenda #1) with the Precinct Commissioner in the precinct wherein the property is located, with a copy to the Executive Director of the Navasota Grimes County Chamber of Commerce, prior to the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion or new facility. The County shall not enter into a 381 Agreement if it finds that the Application was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion or new facility.
- (b) The application form must contain the following:
 - 1. A descriptive list of the proposed improvements relevant to which a grant is or grants are to be considered, including type, number, economic life, cost and location.
 - 2. A time schedule for undertaking and completing the proposed improvements.
 - 3. A map or plat and a metes and bounds legal description of the property.
 - 4. The estimated number of jobs that will be retained and/or created.

5. The estimated number of jobs that will be held by Grimes County residents.
 6. The estimated annual payroll.
 7. Financial or other information, as the Commissioners Court may deem appropriate for evaluating the financial status or other characteristics of the applicant.
- (c) After the Application is filed, but before the public hearing concerning the Agreement is held, the applicant shall meet with a review committee composed of the following members: the county judge, the county commissioner in whose precinct the proposed project will be located, the Executive Director of the Navasota Grimes County Chamber of Commerce and the County Auditor. The committee shall serve in a review and advisory capacity to the Commissioners Court in matters regarding 381 Agreements.

SECTION 4 MEETING AND APPROVAL

- (a) The Commissioners Court may not adopt an order approving a 381 Agreement until it has held an open meeting regarding such.
- (b) In order to enter into 381 Agreement, the Commissioners Court must find that the terms of the proposed Agreement meet the guidelines set out herein. A 381 Agreement shall not be authorized if it is determined that:
1. The Application was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion or new facility; or
 2. There would be a substantial adverse effect on the provision of any taxing unit's budget, tax base or service capacity; or
 3. The applicant has insufficient financial capacity or business ability; or
 4. The planned or potential use of the property would constitute a hazard to public safety, health or morals; or
 5. There would be a violation of local, state or federal laws; or
 6. The grant would have a serious adverse effect on existing businesses in competition with the party requesting the grant.
- (c) The Commissioners Court shall either approve or disapprove the 381 Agreement no later than sixty (60) days from the filing of the Application. The Precinct

Commissioner shall notify the applicant in writing by certified mail return receipt requested of approval or disapproval. If disapproved, a County Commissioners Court member may request a second review, in which case a new application and hearing shall be required.

- (d) Requests for variances from the provisions of the guidelines herein may be made in written form and submitted with the application. Such requests shall include a complete description and explanation of the circumstances which prompt the applicant to request a variance. The approval process for a variance shall be identical to that for a standard application and may be supplemented by such additional information as deemed necessary by the Commissioners Court.

SECTION 5 AGREEMENT

To approve a request for a 381 Agreement, the Commissioners Court shall, upon a majority vote at an open meeting, formally approve an order (as shown in Addenda #3) and execute an Agreement (as shown in Addenda #2) with the owner of the facility. The Agreement shall:

- (a) Specify the minimum amount of investment in eligible improvements;
- (b) Specify the base year value;
- (c) Specify the base number of employees;
- (d) Specify the minimum number of jobs that will be created;
- (e) Specify the commencement date and the termination date of any grant or grants;
- (f) Specify the year and the grant amount for each year in the grant period;
- (g) Describe the proposed use of the facility; nature of construction, time schedule, map or plat, property description and a list of the kind, number and location of all proposed improvements to the property;
- (h) Provide that employees and/or designated representatives of Grimes County shall have access to the facility to insure that the improvements are being made according to the specifications and conditions of the Agreement and to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after giving a minimum of 24 hours notice in a manner as to not unreasonably interfere with the construction or operation of the facility. All inspections will be made with one or more representatives of the company and in accordance with company safety standards;

- (i) Require that the owner shall furnish to Grimes County the following: accounting, financial or asset information, as required by the Grimes County Auditor, necessary to accurately identify and appraise the assets subject to the 381 Agreement;
- (j) Provide for repayment of any grant or grants if the owner fails to make the improvements as provided by the Agreement or otherwise violates any of the terms and conditions of the Agreement;
- (k) Provide that the Commissioners Court may cancel or modify the Agreement if the property owner fails to comply with the Agreement;
- (l) Require that the owner of the property certify annually to the County that the owner is in compliance with each applicable term of the Agreement and furnish the information confirming the total number of employees as of December 31 of the preceding year;
- (m) Limit the uses of the property consistent with the general purpose of encouraging economic development during the period that the grants are in effect; and
- (n) Contain each term agreed to by the owner of the property.

SECTION 6 DEFAULT

The following shall constitute default on the part of the owner:

- (a) The owner fails to substantially complete the improvements or facility in accordance with plans and specifications submitted; or
- (b) The facility is completed and begins producing products or services, but subsequently discontinues producing products or services for any reason except fire, explosion or other casualty, accident or natural disaster for a period of 180 consecutive days during the grant period; or
- (c) The owner makes any misrepresentation in the Application or in the Agreement that is false or misleading in any material respect; or
- (d) The owner fails to create employment for the number of employees specified in the Agreement; or
- (e) The owner fails to make the minimum required investment; or
- (f) The owner allows its ad valorem taxes owed the county or overlapping jurisdictions to become delinquent; or

- (g) The owner fails to provide the county's designated representatives access to the facility, or fails to provide an employee or company representative to accompany the county's designated representative during inspection of the facility, or fails to provide each year the accounting, financial or asset information necessary for the identification and appraisal of the property subject to the grant(s); or
- (h) The owner violates any of the terms and conditions contained in the Agreement.

In the event the County declares a default, the County shall notify the owner of the default in writing, certified mail return receipt requested, and if such default is not cured within sixty (60) days from the date such notice is delivered, the Agreement shall be terminated; provided however, that in the case of a default that for causes beyond the owner's reasonable control, cannot with reasonable due diligence be cured within the 60 day period, the cure period may be extended if the owner within 10 days of receipt of the notice of default, (1) advises the County of the owner's intention to institute all steps necessary to cure such default; and (2) institutes and completes with reasonable dispatch all steps necessary to cure such default.

SECTION 7 REPAYMENT

- (a) If the facility is completed and begins producing products or services, but subsequently discontinues producing products or services for any reason except for fire, explosion, or other casualty, accident, or natural disaster for a period of 180 consecutive days during the grant period, then the Agreement shall terminate and so shall the grant(s) for the calendar year during which the facility no longer produces for the 180th consecutive day. Any grant(s) for that calendar year already paid by the County to the company or individual shall be repaid immediately to the County by the company or individual. Furthermore, all grants by the County for all calendar years prior to the year in which the facility no longer produced for the 180th consecutive day, will become a debt to the County and shall become due and payable to the County within sixty (60) days of the date the notice of default is delivered. Any amounts due the County remaining unpaid for more than sixty (60) days shall incur interest at the rate of ten percent (10%) per annum.
- (b) If the company or individual is in default according to the terms and conditions of its Agreement during the grant period for any reason other than that described in Sec 7. (a), the Agreement shall terminate and so shall the grants for the calendar year during which the default occurred. The grants for that calendar year shall be repaid to the County immediately. Furthermore, all grants which were granted by the County for all calendar years prior to the year in which the default occurred will become a debt to the taxing unit and shall become due and payable to the County within sixty (60) days of the date the notice of default is delivered. Any amounts due the County remaining unpaid for more than sixty (60) days shall incur interest at the rate of ten percent (10%) per annum.

SECTION 8 ADMINISTRATION

The Precinct Commissioner in the precinct which the relevant property is located and the Executive Director of the Navasota Grimes County Chamber of Commerce shall annually submit to the Commissioners Court a written report indicating the following for each property owner receiving a grant: (1) the value of the property including a statement from the status of completion of the project contemplated; (2) the grant(s) for the current year; (3) a schedule showing the years and estimated amount of grants remaining; (4) the amount of taxes paid on the property for the prior year; (5) reported number of employees; (6) the reported percentage of employees residing in Grimes County; and (7) any other information pertaining to compliance related issues. The Precinct Commissioner, acting on behalf of the Commissioners' Court, shall perform all duties related to the collection of amounts due the County and interest resulting from default as provided for in Sec. 7 (a) and Sec 7 (b).

SECTION 9 ASSIGNMENT

A 381 Agreement may be assigned to a successor or lessee of a facility with the written consent of the Commissioners Court, which consent shall not be unreasonably withheld. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in the Agreement. Any assignment of a 381 Agreement shall be to an entity that continues the same improvements to the property (except to the extent such improvements have been completed), and continues the same use of the facility as stated in the original Agreement with the initial applicant. No assignment shall be approved if the assignor or the assignee is indebted to the County for past due ad valorem taxes or other obligations.

SECTION 10 SUNSET PROVISION

These Guidelines and Criteria are **effective May 9, 2018**, and will remain in force **until May 9, 2023**, at which time all grants created pursuant to these provisions will be reviewed by the County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria may be modified, renewed, or eliminated.

SECTION 11 SEVERABILITY CLAUSE AND REPEALER

- (a) In the event any section, paragraph, subdivision, clause, phrase, provision, sentence or part of this order shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Order as a whole or any part or provision hereof other than the

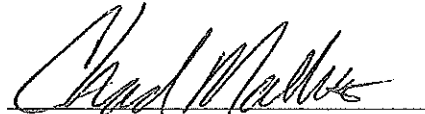
part declared to be invalid or unconstitutional; and the Commissioners Court of Grimes County declares that it would have passed each and every part of the same notwithstanding the omissions of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

- (b) All orders or parts of such orders in conflict herewith are, to the extent of such conflict, hereby repealed.

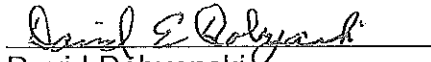
Executed this the 11th day of May, 2018.



Joe Fauth, III
County Judge



Chad Mallett
Commissioner Precinct #1



David Dobyanski
Commissioner Precinct #2



Barbara Walker
Commissioner Precinct #3



Phillip Cox
Commissioner Precinct #4

ATTEST:



David Pasket
County Clerk

ADDENDA #1
GRIMES COUNTY
381.004 AGREEMENT APPLICATION

GRIMES COUNTY TEMPLATE FOR NARRATIVE LETTER

INTRODUCTION OF THE COMPANY

1. Generally describe the company's business activities, primary markets, locations, and history.
2. Summarize the company's key financial indicators or provide condensed financial statements.

REASONS FOR REQUESTING THE GRANT

1. Include any special circumstances.
2. Attach a schedule indicating the requested term of grants and the amount of grants for each year.
3. If requesting any variances, identify the variances and provide justification for the request.

DESCRIBE THE PROJECT

1. Facts about the site such as acreage and location.
2. General description of proposed improvements.
3. Estimate the minimum amount of investment anticipated.
4. Construction start date and completion date.
5. Provide a statement concerning anticipated environmental impacts.

EMPLOYMENT INFORMATION

1. Specify minimum number of jobs to be retained and/or created.
2. Specify minimum percentage of jobs that will be held by Grimes County residents.
3. Specify minimum total annual payroll.
4. Describe the nature of the job positions that will be retained/ created.

OTHER

1. Provide any other information that explains the nature and operations of the proposed facility.
2. Generally describe any anticipated economic benefits, other than job retention/creation, that the facility will bring to Grimes County.
3. Describe how the project will stimulate business and commercial activity in the County including how the project may:
 - (a) impact state or local economic development;
 - (b) impact small or disadvantaged business development;
 - (c) impact stimulate, encourage, and develop business location and commercial activity in the county;

- (d) promote or advertise the county and its vicinity or conduct a solicitation program to attract conventions, visitors, and businesses;
- (e) improve the extent to which women and minority businesses are awarded county contracts;
- (f) support comprehensive literacy programs for the benefit of the county residents; or
- (g) encourage, promote, or improve the arts.

APPLICATION FOR 381 AGREEMENT WITH GRIMES COUNTY

Step 1:	Applicant:			
	Mailing Address:			
	City:	State:	Zip:	Telephone:
Step 2:	Contact Person or Agent:			
	Mailing Address:			
	City:	State:	Zip:	Telephone:
Step 3:	PROPERTY INFORMATION			
	Owner's Name:			
	Owner's Mailing Address:			
	City:	State:	Zip:	Telephone:
	Physical Location:			
	Legal Description:			Grimes CAD PID#:
Step 4:	TAXING UNIT INFORMATION			
	List the taxing units in which the site for the proposed abatement is located:			
	Is the site located within the extraterritorial jurisdiction of a municipality?		<input type="checkbox"/> YES <input type="checkbox"/> NO	
Step 5:	GENERAL PROJECT DATA			
	Indicate use: <input type="checkbox"/> Manufacturing <input type="checkbox"/> Research & Development <input type="checkbox"/> Other Basic Industry			
	Indicate nature of project: <input type="checkbox"/> New <input type="checkbox"/> Expansion <input type="checkbox"/> Modernization			
	Attach a detailed description of the type, number, and location of the proposed improvements.			
What is the economic life of the proposed improvements?				

	SPECIFIC PROJECT DATA	
Step 6:	Estimated project construction dates: Beginning: ____/____/____ Completed: ____/____/____	
	Estimated minimum values of the following property components:	
	New Buildings and Structures:	\$
	New Fixed Machinery and Equipment:	\$
	Total	\$
	EMPLOYMENT DATA	
Step 7:	What is the base number of employees?	
	What is the minimum number of new employee positions that the proposed project will create?	
	What is the minimum number of existing employee positions that the new project will retain?	
	What is the minimum percentage of new employee positions that will be filled by Grimes County residents?	
	What is the minimum percentage of retained employee positions that will be held by Grimes County residents?	
	What is the minimum annual payroll for new employee positions that the proposed project will create?	
	What is the minimum annual payroll for retained positions?	
	ADDITIONAL INFORMATION	
Step 8:	Will costs be incurred by Grimes County to provided additional services directly resulting from the proposed project?	<input type="checkbox"/> YES <input type="checkbox"/> NO
	Will the proposed project compete with existing businesses to the detriment of those businesses and the local economy?	<input type="checkbox"/> YES <input type="checkbox"/> NO
	Other than additional or retained employment, will the proposed project stimulate business and commercial activity in Grimes County? <input type="checkbox"/> YES <input type="checkbox"/> NO (If yes, attach a detailed explanation.)	
	Estimate amount of value that will be subject to pollution control tax exemption:	\$
Step 9:	The applicant understands that the Grimes County Commissioners Court will approve or disapprove applicant's request for a grant or grants, in its sole discretion, based on information contained herein, and on any other information made available to the Commissioners Court. Applicant states that the information contained herein is true and correct and complete, and if the request is approved, applicant is willing to execute a 381 Agreement as required by Grimes County. It is further agreed and understood by applicant that the information contained in this application that qualifies as confidential will be reviewed and kept confidential.	
	Applicant's Printed Name:	Title:
	Signature:	Date:

ADDENDA #2
GRIMES COUNTY 381 AGREEMENT

AGREEMENT

This Agreement, which is made pursuant to Texas Local Government Code 381.004, ("Agreement") is made and entered into by and between Grimes County, Texas (the "County"), a county of the State of Texas, and _____, a corporation d/b/a _____ (_____).

RECITALS

_____ desires to _____ participate in a project in the County and to participate in the economic development program established by the County.

The County desires to establish the economic development program outlined herein and offer grant(s) to _____ to locate the establishment in the County.

The County is authorized by §381.004, Texas Local Government Code, to stimulate business and commercial activity in the County, and may develop and administer a program for local economic development, and may make grants of public money for such purposes. The County is authorized to enter Agreements for such grants ("381 Agreements").

_____ will make a minimum investment of \$5,000,000 in eligible property. The location and description of the location of the investment are contained in Exhibit "A" attached hereto. The description of the project which will result in the investment of eligible property is contained in Exhibit "B" attached hereto.

Only new buildings and new fixed machinery and equipment with economic lives of at least 15 years are to be considered when determining eligibility for 381 Agreements. Existing items are not to be considered when determining eligibility for 381 Agreements. Items such as inventories, vehicles, and moveable personal property are not to be considered when determining eligibility for 381 Agreements. Also certain types of properties, such as retail business and motels, are not to be considered when determining eligibility for 381 Agreements.

_____ will create a minimum of one (1) permanent full time position which must be added to the entity's employee base. Employee numbers will be considered in conjunction with the total annual payroll that the project is expected to generate and the median annual wage for the area as posted by the Texas Workforce Commission.

_____ will have previously received a grant pursuant to Texas Local Government Code Section 380.001 from the incorporated area wherein the business is located.

_____ will not be in a reinvestment zone.

_____ will not be currently involved in pending litigation which involves a claim against the business for damages.

The County has determined that funding an economic development program contained in this Agreement promotes legitimate interests of the County by stimulating business and commercial activity in the County.

NOW THEREFORE, in consideration of the foregoing and the covenants, agreements, representations, and warranties hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and _____ agree as follows:

AGREEMENTS

Section 1. Recitals

The recitals set forth above are incorporated herein by reference, as if fully set forth.

Section 2. County Requirements

In consideration of _____'s agreement to participate in a project within the County and to perform the other acts hereinafter described, the County agrees:

(a) to award grant(s) to _____ in the amounts and in the years described in Exhibit "C" hereto such grant amounts being the equivalent to the stated percentage(s) of ad valorem taxes paid by _____ on eligible property in the previous year.

Section 3. _____ Requirements

In consideration of the County agreeing to perform the foregoing, _____ agrees:

(a) _____ will make a minimum investment of \$5,000,000 in eligible property.

(b) Only new buildings and new fixed machinery and equipment with economic lives of at least 15 years are to be considered when determining eligibility for this Agreement. Existing items are not to be considered when determining eligibility for this Agreement. Items such as inventories, vehicles, and moveable personal property are not to be considered when determining eligibility for this Agreement. Also certain

types of properties, such as retail business and motels, are not to be considered when determining eligibility for this Agreement.

(d) _____ will create a minimum of one (1) permanent full time position which must be added to the entity's employee base. Employee numbers will be considered in conjunction with the total annual payroll that the project is expected to generate and the median annual wage for the area as posted by the Texas Workforce Commission.

(e) _____ will have previously received a grant pursuant to Texas Local Government Code Section 380.001 from the incorporated area wherein the business is located.

(f) _____ will not be in a reinvestment zone.

(g) _____ will not be currently involved in pending litigation which involves a claim against the business for damages.

Section 4. Repayment/Termination

In the event that _____ begins producing goods or services on the Property, but subsequently discontinues producing goods or services for any reason, excepting fire, explosion or other casualty or accident or natural disaster or other event beyond the reasonable control of _____ for a period of 180 days during the term of this Agreement, then in such event this Agreement shall terminate. The burden shall be upon _____ to prove to the satisfaction of the County that the discontinuance of producing goods or services was as a result of fire, explosion, or other casualty or accident or natural disaster or other event beyond the control of _____. In the event _____ meets this burden and the County is satisfied that the discontinuance of the production of goods or services was the result of events beyond the control of _____, then _____ shall have a period of one (1) year in which to resume the production of goods and services. In the event that _____ fails to resume the production of goods or services within one (1) year, then this Agreement shall terminate. The one (1) year time period, hereinabove mentioned, shall commence upon written notification from the County to _____.

In the event that _____ allows ad valorem taxes on property or business personal property taxes owed to the County to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest, then in such event this Agreement shall terminate.

In the event that _____ relocates the business to a location outside Grimes County, then in such event, this Agreement shall terminate after thirty (30) days written notice by the County to _____.

In accordance with Chapter 2264, Texas Government Code, _____ certifies that _____, or a branch, division, or department of _____ does not and will not knowingly employ an undocumented worker. _____ further certifies that in the event that _____, or a branch, division, or department of _____ is convicted of a violation under 8 U.S.C. Section 1324a(f), _____ shall repay all amounts previously paid to _____ by the County pursuant to this Agreement, with interest, at the rate and according to the other terms provided herein. Such a conviction shall be a default, and shall cause this Agreement to terminate.

In the event that the County determines that _____ is in default of any of the terms or conditions contained in this Agreement, then in such event the County shall give _____ thirty (30) days written notice to cure such default. Except as otherwise provided in this section, in the event such default is not cured to the satisfaction of the County within the thirty (30) day notice period, then this Agreement will terminate.

The date of termination as that term is used in this subsection shall, in every instance, be the 30th day after the day the County sends notice of default, in the mail and to the address shown in this Agreement to _____. Should the default be cured by _____ within the thirty (30) day notice period, _____ shall be responsible for so advising the County and obtaining a release from the notice of default from the County, failing in which, the Agreement remains terminated.

In every case of termination set forth above: (1) the County shall determine in its sole discretion whether default has occurred by _____ in the terms and conditions of this Agreement; (2) _____ will forfeit any and all grants it has not previously received under this Agreement; (3) _____ will be liable to the County for repayment of any grants previously provided to _____ under the terms of this Agreement. _____ hereby grants an assignment in any property owned by _____ to the County as security for the repayment of any grants.

Section 5. Certification of Compliance by _____

On or before March 1 of each year that this Agreement is in effect, _____ shall certify in writing to the County its compliance with all provisions of this Agreement. Such certification shall include any and all documentation establishing that _____ has met the annual employment requirement for

the previous year and that all taxes related to its personal and real property in the County have been paid in full as required by law. The County, at any reasonable time, shall have the right to review any and all records of _____ related to the provisions of this Agreement.

Section 6. Term

This Agreement shall be effective for a period of _____ years from its effective date, unless otherwise terminated in accordance with another section of this Agreement.

Section 7. Entire Agreement

This Agreement contains the entire agreement between the County and _____ with respect to the transactions contemplated herein. This Agreement may be amended, altered, or revoked only by written instrument signed by the County and _____.

Section 8. Successors and Assigns

This Agreement shall be binding on and inure to the benefit of the parties, their respective successors and assigns. _____ may assign all or part of its rights and obligations hereunder only upon prior written approval of the County, which approval shall not be unreasonably withheld or delayed.

Section 9. Notices

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses or at such addresses provided by the parties in writing hereafter:

_____: President, _____ Corporation

County: County Judge
P.O. Box 160
Anderson, TX 77830

Section 10. Interpretation

Regardless of the actual drafter of this Agreement, this Agreement shall in the event of dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against either party.

Section 11. Applicable Law

This Agreement is made and shall be construed and interpreted under the laws of the State of Texas and exclusive venue shall lie in Grimes County, Texas.

Section 12. Severability

In the event that 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 intention 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 provision found to be illegal, invalid, or unenforceable.

Section 13. Mutual Assistance

County and _____ agree to do all things necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the _____ day of _____, 20____.

THE COUNTY OF GRIMES

ATTEST:

County Judge

County Clerk

_____ CORP.

ATTEST:

President

Printed Name:
Title:

State of Texas)
)
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, known to me to be the County Judge of the County of Grimes, Texas.

Notary Public
My Commission Expires:_____

State of Texas)
)
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, known to me to be the President of the _____ Corporation.

Notary Public
My Commission Expires:_____

EXHIBIT "A"

Plat or Map
and
Metes and Bounds Description of Property

EXHIBIT "B"

Descriptive List of Project

1. Nature of construction: _____
2. Projected commencement date for construction: _____
3. Projected completion date for construction: _____
4. Description, number and location of proposed improvements: _____

EXHIBIT "C"

Schedule of Grants

Year

Percentage of Previous Years' Ad
Valorems on Eligible Property

ADDENDA #3
GRIMES COUNTY ORDERS AND NOTICES

**ORDER APPROVING 381 APPLICATION AND AGREEMENT
FOR (COMPANY NAME)**

WHEREAS, the Commissioner's Court of Grimes County has conducted a public hearing considering the Application of _____ for a grant of public money; and

WHEREAS, the Application of _____ for a grant of public money meets requirements contained in the county's program for grants; and

WHEREAS, approval of a grant or grants for _____ would stimulate business and commercial activity in Grimes County; and

WHEREAS, the planned use of the property would not constitute a hazard to public safety, health or morals, or otherwise adversely affect the citizens of Grimes County; and

WHEREAS, the Commissioners' Court of Grimes County and _____ wish to enter into an Agreement pursuant to Texas Local Government Code Section 381.004;

THEREFORE, BE IT ORDERED that we the Commissioner's Court of Grimes County, having met in open session on this the _____ day of _____, 20____ with a quorum present, and upon a majority vote, do hereby approve the Application and Agreement with _____ for a grant or grants of public money as set forth in the Agreement executed this date by the Grimes County Judge as the representative for the Grimes County Commissioners' Court and by an authorized representative of _____.

County Judge

ATTEST:

County Clerk

AGENDA ITEM

- (1) Discuss and take action regarding approval of the Application and Agreement for a grant or grants of public money to _____.