

**RESOLUTION OF THE  
CITY OF HEARNE**

**A RESOLUTION ADOPTING GUIDELINES AND CRITERIA AND DESIGNATING A  
REINVESTMENT ZONE FOR TEXAS TAX CODE CHAPTER 312 TAX ABATEMENT,  
TEXAS, AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the City of Hearne, Texas (the “City”) desires to promote the development or redevelopment of a geographic area within its jurisdiction by the adoption of guidelines and criteria and the creation of a reinvestment zone as authorized by Chapter 312 of the Texas Tax Code, for the purpose of authorizing a Tax Abatement Agreement; and,

**WHEREAS**, the City desires to encourage the retention or expansion of primary employment and to attract major investment in the City that would be a benefit to property in the reinvestment zone created by the City and that would contribute to the economic development of the City;

**WHEREAS**, on \_\_\_\_\_, 2017, the City Council held a hearing, such date being at least seven (7) days after the date of publication of the notice of such public hearing, and the delivery of written notice to the respective presiding officers of each taxing entity which includes within its boundaries real property that is to be included in the proposed reinvestment zone as described on **EXHIBIT B**; and,

**WHEREAS**, the City Council at such public hearing invited any interested person to appear and speak for or against (1) the adoption of Guidelines and Criteria for tax abatement agreements; (2) the creation of a reinvestment zone, and (3) acceptance of an Application for Tax Abatement by GATX Corporation, for the City to consider entering into a Tax Abatement Agreement with GATX;

**WHEREAS**, the City wishes to:

- (1) Adopt the Guidelines and Criteria attached hereto as **Exhibit A**;
- (2) Create the Reinvestment Zone consisting of the same real property as described on **EXHIBIT B** to be named the GATX Reinvestment Zone; and
- (3) Accept an Application for Tax Abatement by GATX Corporation which shall be included as an Exhibit to the Tax Abatement Agreement and which includes proposed improvements within such Reinvestment Zone.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HEARNE:**

**SECTION 1.** That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

**SECTION 2.** That the Hearne City Council, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on the adoption of Guidelines and Criteria and adoption of the GATX Reinvestment Zone has been properly called, held, and conducted, and that notices of such hearing have been published as required by law and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and,
- (b) That the Guidelines and Criteria attached hereto as **Exhibit A** are consistent with the City's economic development goals and Chapter 312 of the Texas Tax Code;
- (c) That the boundaries of the **GATX Reinvestment Zone** be and, by the adoption of this Resolution, are declared and certified to be, the area described in **EXHIBIT B**;
- (d) That creation of the GATX Reinvestment Zone will result in benefits to the City and to land included in the zone, and that the improvements sought are feasible and practical; and,
- (e) That the GATX Reinvestment Zone with boundaries as described in **EXHIBIT B**, meets the criteria set forth in Texas Tax Code §312.401 for the creation of a reinvestment zone as set forth in Chapter 312 of the Texas Tax Code, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract major investment in the zone that will be a benefit to the property to be included in the reinvestment zone and would contribute to the economic development of the City, Texas.

**SECTION 3.** That the City Council of Hearne, hereby adopts the Guidelines and Criteria attached as **Exhibit A**; creates the GATX Reinvestment Zone under the provisions of Texas Tax Code § 312.401, encompassing the area described by the description in **EXHIBIT A**, and such reinvestment zone is hereby designated and shall hereafter be referred to as the GATX Reinvestment Zone.

**SECTION 4.** That Guidelines and Criteria and the GATX Reinvestment Zone shall take effect upon today's adoption by the City Council and shall remain designated (i) as Guidelines and Criteria for two (2) years and (ii) as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such designations.

**SECTION 5.** That the City is hereby eligible to enter into tax abatement agreements.

**SECTION 6.** That the City accepts the Tax Abatement submitted by GATX Corporation.

**SECTION 7.** That if any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution.

**SECTION 8.** That it is hereby found, determined, and declared that a sufficient notice of the date, hour, place, and subject of the meeting of the City Council, at which this resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, as amended; and that a public hearing was held prior to the designation of such reinvestment zone, and that proper notice of the hearing was published in a newspaper of general circulation in the City; and that, furthermore, such notice was in fact delivered to the presiding officer of any effected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED, AND ADOPTED on this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

**CITY COUNCIL OF HEARNE, TEXAS**

BY: \_\_\_\_\_  
RUBEN GOMEZ  
MAYOR

BY: \_\_\_\_\_  
EMMET AGUIRRE  
MAYOR PRO TEM

BY: \_\_\_\_\_  
MARTHA RUIZ CASTILLEJA  
COUNCIL MEMBER

BY: \_\_\_\_\_  
SHIRLEY HARRIS  
COUNCIL MEMBER

BY: \_\_\_\_\_  
RODERICK JACKSON  
COUNCIL MEMBER

BY: \_\_\_\_\_  
MARGARET SALVAGGIO  
COUNCIL MEMBER

BY: \_\_\_\_\_  
JOHN NARON  
CITY MANAGER

**EXHIBIT A  
CITY OF HEARNE  
GUIDELINES AND CRITERIA**

**EXHIBIT B  
LEGAL DESCRIPTION OF GATX  
REINVESTMENT ZONE**

Insert Legal Description

4. Term and Renewals.

a. The term of this Lease shall be three (3) years, commencing on the \_\_\_\_\_ day of \_\_\_\_\_, 2017 (the "Commencement Date") and ending on the \_\_\_\_\_ day of \_\_\_\_\_, 2020, subject to an initial annual review for service provisions as described herein.

b. So long as Tenant is not in default in any material respect when the primary term or any renewal term expires, Tenant shall have the right to renew this lease for five successive three-year terms, each to commence immediately upon the termination of the preceding term. All of the terms and conditions of the lease shall apply during the renewal term(s) except for the rent amount. After the first three years of the lease term, and at the beginning of each renewal term, the yearly rent will be increased by three percent (3%) per year for each renewal term. That rate will remain in effect for that renewal term with appropriate adjustments to be made to the monthly rent installments provided below.

c. When the annual rent has been recalculated as provided herein, the annual amount will be divided by twelve and the monthly payment will then be the recalculated amount, provided, however, the monthly rent installment will never be less than \$400.00, except for the first 12 months as defined below.

d. This agreement shall be automatically renewed 5 times unless Tenant notifies Landlord notice of its intent to non-renew. Tenant shall notify Landlord at least 90 days, but not more than 180 days, prior to the end of the then current term in the event of non-renewal.

e. This agreement shall be automatically renewed 5 times unless Tenant notifies Landlord notice of its intent to non-renew. Tenant shall notify Landlord at least 90 days, but not more than 180 days, prior to the end of the then current term in the event of non-renewal.

5. Rent.

a. To facilitate the rapid deployment of equipment to service the residents of Hearne, rent shall be \$0 for the first 12 monthly payments.

b. Beginning on the 13<sup>th</sup> month, Tenant will pay Landlord \$4,800.00 per year as rent, subject to adjustment as provided above. Rent shall be paid in initial equal monthly installments of \$400.00 each, in advance, on the first day of the month without demand, at Landlord's offices in Hearne, Robertson County, Texas.

b. Tenant shall pay Landlord a late payment charge equal to five percent (5%) of the rate payment for any payment not paid when due. Any installments not paid when due shall bear interest until paid at the lesser of the rate of two percent (2%) per month or the highest rate permitted by law.

c. If this Lease is terminated at a time other than on the last day of the month, Rent shall be prorated as of the date of termination.