

CERTIFICATE OF COUNTY CLERK

THE STATE OF TEXAS §
 §
COUNTY OF MEDINA §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. The Commissioners Court (the *Court*) of Medina County, Texas (the *County*), convened on the 9th day of December, 2024 in special session in the regular meeting place of the Court in the County Courthouse (the *Meeting*), which Meeting was at all times open to the public, the duly constituted officers and members of the Court being as follows:

Keith Lutz	County Judge
Jessica Castiglione	Commissioner, Precinct 1
Larry Sittre	Commissioner, Precinct 2
David Lynch	Commissioner, Precinct 3
Daniel Lawler	Commissioner, Precinct 4

and all of such persons were present at the Meeting, except the following: Larry Sittre, Daniel Lawler thus constituting a quorum. Among other business considered at the Meeting, the attached Order (the *Order*) entitled:

AN ORDER OF THE COMMISSIONERS COURT OF MEDINA COUNTY, TEXAS UPDATING AND ESTABLISHING GUIDELINES AND CRITERIA GOVERNING A PROGRAM OF ECONOMIC DEVELOPMENT FINANCIAL INCENTIVES; AND ORDERING OTHER MATTERS IN CONNECTION THEREWITH

was introduced for the due consideration of the Court. After presentation and discussion of the Order, a motion was made by Commissioner Lynch that the Order be passed and adopted. The motion was seconded by Commissioner Castiglione and carried by the following vote:

3 voted "For" 0 voted "Against" 0 "Abstained"

all as shown in the official Minutes of the Court for the Meeting.

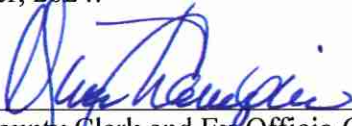
2. The attached Order is a true and correct copy of the original on file in the official records of the County; the duly qualified and acting members of the Court on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Court was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Order would be considered; and the Meeting and deliberation of the aforesaid public business, was open to the public and written notice of said meeting including the subject of the Order, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

[Signature Page Follows]

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the Commissioners Court, this 9th day of December, 2024.



(SEAL OF COMMISSIONERS COURT)



County Clerk and Ex-Officio Clerk of the
Commissioners Court of Medina County, Texas

ORDER NO. 2024-12-09-01

AN ORDER OF THE COMMISSIONERS COURT OF MEDINA COUNTY, TEXAS UPDATING AND ESTABLISHING GUIDELINES AND CRITERIA GOVERNING A PROGRAM OF ECONOMIC DEVELOPMENT FINANCIAL INCENTIVES; AND ORDERING OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Commissioners Court (the *Court*) of Medina County, Texas (the *County*) recognizes the importance of its continued role in local economic development and the protection of the health, safety, and welfare of its inhabitants; and

WHEREAS, article III, section 52-a of the Texas Constitution authorized the Legislature to provide for the creation of programs and the making loans and grants of public money to promote state or local economic development and to stimulate business and commercial activity; and

WHEREAS, pursuant to such constitutional authorization, the Legislature passed Chapter 381, as amended, Texas Local Government Code (*Chapter 381*), which authorizes counties to establish certain economic development programs; and

WHEREAS, the Legislature has also passed Chapter 312, as amended, Texas Tax Code (*Chapter 312* and, together with Chapter 381, *Applicable Law*) that empowers the County to enter into, as an economic incentive, agreements with private parties to abate ad valorem taxes on private investment, subject to certain conditions (including the Court's prior adoption of guidelines and criteria pursuant to which abatements are granted); and

WHEREAS, pursuant to Applicable Law, the County seeks to enhance its economic development efforts by adopting (i) policies and procedures for an economic development program under Chapter 381 and (ii) guidelines and criteria for granting tax abatements under Chapter 312, each of which are satisfied by the policy attached hereto as Exhibit A and incorporated herein for all purposes (such policy, the *Program Policy*); and

WHEREAS, the County hereby determines that its adoption of the Program Policy will promote economic development within the County and that its adoption is in the County's best interest; and

NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF MEDINA COUNTY, TEXAS:

SECTION 1. The Court hereby establishes an economic development program under the provisions of Chapter 381, to be governed by the provisions of the Program Policy. The Program Policy is substantially an extension of a similar program previously adopted and existing by the County. Accordingly, all agreements entered into by the County under Chapter 381 in accordance with a program similar to the program described in the Program Policy are hereby ratified and approved for all purposes.

SECTION 2. The Court hereby authorizes the County's participation in tax abatement under Chapter 312 and, in connection with such authorization, hereby approves the Program Policy as guidelines and criteria for participation in tax abatement under Chapter 312.

SECTION 3. The recitals contained in the preamble hereof are hereby found to be true and correct, and such recitals are hereby made a part of this Order for all purposes and are adopted as a part of the judgment and findings of the Court.

SECTION 4. All Orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Order are hereby repealed to the extent of such conflict, and the provisions of this Order shall be and remain controlling as to the matters resolved herein.

SECTION 5. This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 6. If any provision of this Order or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Order and the application of such provision to other persons and circumstances shall nevertheless be valid, and this Court hereby declares that this Order would have been enacted without such invalid provision.

SECTION 7. It is officially found, determined, and declared that the meeting at which this Order is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Order, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 8. This Order shall be in force and effect from and after its final passage, and it is so resolved.

* * * *

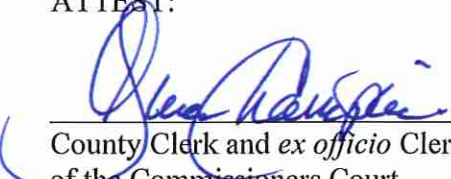
PASSED AND ADOPTED on the 9th day of December, 2024.

MEDINA COUNTY, TEXAS



County Judge

ATTEST:



County Clerk and *ex officio* Clerk
of the Commissioners Court

(COUNTY SEAL)



EXHIBIT A
PROGRAM POLICY

**MEDINA COUNTY, TEXAS ECONOMIC DEVELOPMENT PROGRAM
UNDER
CHAPTER 381, TEXAS LOCAL GOVERNMENT CODE
AND
CHAPTER 312, TEXAS TAX CODE**

The Commissioners Court (the *Court*) of Medina County, Texas (the *County*) is committed to the promotion of quality development in all parts of the County and to an ongoing improvement in the quality of life for its citizens. Insofar as these objectives are generally served by the enhancement and expansion of the local economy, the County will consider provision of incentives as a stimulation for economic development and development with criteria and guidelines that are in excess of the criteria and guidelines otherwise required by applicable law in the County. It is the policy of the County that said consideration will be provided in accordance with the guidelines, procedures and criteria outlined herein (together, the *Program*); provided, however, that nothing herein specified shall imply or suggest that the County is under obligation to provide any incentive to any applicant. All parties submitting applications pursuant hereto and compliant herewith shall be considered by the County on a case-by-case basis. This Program is established for making loans and grants of public money and providing County personnel and services to promote local economic development and to stimulate business and commercial activity in the County under and pursuant to Chapter 381 of the Texas Local Government Code, as amended (*Chapter 381*), and as guidelines and criteria of the type described in, and approval of which serves as a condition precedent to the County's entering into tax abatement agreements under, Chapter 312 of the Texas Tax Code, as amended (*Chapter 312* and, together with Chapter 381, *Applicable Law*).

ARTICLE I. ECONOMIC INCENTIVES

The economic incentives listed below are illustrative only. The County may offer a combination of some or all of the examples below based upon specific projects.

- (a) Sales tax reimbursement.
- (b) Property tax reimbursement.
- (c) Property tax abatement.
- (d) Waiver or rebate of permit, license, impact and other fees.
- (e) Loans.
- (f) Grants.

ARTICLE II. APPLICATION PROCEDURE

- (a) *Who May Apply.* Any present or potential owner or lessee of taxable property in the County (each, an *Applicant*) may submit an application (an *Application*), whether in writing or verbal (so long as, if verbal, the pertinent application provisions are memorialized in a hereinafter-defined Agreement), for economic incentives conforming to the requirements herein. Economic incentives, if granted, shall be memorialized in the form of a written agreement (an *Agreement*) entered into between the County and the Applicant and minimally including provisions consistent with the requirements of this Program.

- (b) *Eligible Property.* Economic incentives may be granted for or in connection with the following property:
1. new, expanded or modernized buildings and structures, machinery and equipment, and site improvements;
 2. residential, commercial, industrial, and mixed-use development with development restrictions that are more restrictive than would otherwise be required under applicable law or that are otherwise unlikely to occur without provision of economic incentive;
 3. delivery of necessary or enhanced public infrastructure;
 4. other tangible items necessary to the operation and administration of the property or project; and
 5. all other real and tangible personal property permitted by Applicable Law.
- (c) *Ineligible Property.* The following type of property is explicitly ineligible for receipt of economic incentives:
1. Tangible personal property located on the real property at any time before the period covered by the Agreement; and
 2. Property that is owned or leased by a member of the Court.
- (d) *Grant and Abatement Limits.* Taxes on real property may be abated or be used as the source of grants only to the extent the property's value for a given year exceeds its value for the year in which the applicable Agreement is executed. Abatement or the source of payment of grants shall only be available for ad valorem taxes levied by the County for purposes other than payment of debt service on its outstanding indebtedness.
- (e) *Application Provisions.* Any Application shall minimally include the following information:
1. information showing how the property or project meets the requirements of the criteria outlined in Article III of this Program;
 2. a map and description of the property or project;
 3. a time schedule for completing the property or project; and
 4. the estimated taxable value or range of values of the property or project.
- (f) *Agreement Costs.* If an Application is approved, the County costs of negotiating and entering into an Agreement are the responsibility of and shall be paid by the Applicant at the time the Applicant and the County enter into an Agreement.
- (g) *Consideration of Application.* An Applicant shall submit a completed Application to the Office of the County Judge, who shall present the application to the Court for its consideration. The Court, in its sole discretion, shall decide whether to approve or deny an Application.
- (h) *Application Approval; Agreement Execution.* If the Court determines that an Application has met the specifications of the Program and that endowment of economic incentives and entry into an Agreement is in the best interests of the County and its residents, the Court shall instruct

County staff and consultants to commence negotiation of an Agreement for presentation to and consideration by the Court at a future meeting (which shall occur as expeditiously as practicable).

Provided that requisite conditions precedent specified by Applicable Law have been satisfied, the Court may, at a regular meeting thereof and by resolution or order, authorize the County's entering into an Agreement and direct the County to execute the presented and approved Agreement as the act and deed, on behalf of, and for the benefit of the County.

- (i) *Denial of Application.* If the Court denies or declines an Application or finds the Application deficient of the requirements of this Program or Applicable Law, it shall do so by vote at a regular meeting. A failure to receive a motion or a second to any motion to consider a denial or decline of an Application shall serve as constructive action evidencing the Court's intent to deny or decline a presented Application.
- (j) *Confidentiality.* To the extent permitted by law, information that is provided to the County in connection with an Application or request for economic incentives under this Program and that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which economic incentives are sought is confidential and not subject to public disclosure until execution of an Agreement.
- (k) *Effect of Error of Variance in Application Procedure.* Except where not allowed by Applicable Law, the County may waive Application procedures or grant procedural variances to this Program as deemed appropriate.

ARTICLE III. CRITERIA FOR AUTHORIZING ECONOMIC INCENTIVES

- (a) *Minimum Requirements.* To bestow economic incentives and enter into an Agreement, the Court must find by majority vote that the Applicant's property or project would promote local economic development and stimulate business and commercial activity in the County.
- (b) *Criteria.* In determining whether to bestow economic incentives and enter into an Agreement, the Court shall consider the following factors (among any others the Court deems appropriate in connection with its consideration of any Application):
 - 1. the current value of land and existing improvements, if any;
 - 2. the type, value, and purpose of proposed improvements, if any;
 - 3. the productive life of proposed improvements, if any;
 - 4. the impact of proposed improvements and any other proposed expenditures on existing jobs;
 - 5. the number and type of new jobs, if any, to be created by proposed improvements and expenditures;
 - 6. any costs to be incurred by the County, if any, to provide facilities or services directly resulting from the new improvements;
 - 7. the types and values of public improvements and infrastructure, if any, to be made by the Applicant;

8. an estimate of the amount of ad valorem property taxes and sales and use taxes to be paid to the County after expiration of the proposed Agreement;
9. the impact on the business opportunities of existing businesses and the attraction of new businesses to the area, if any;
10. whether the Applicant's proposed facility or improvement or modernization is an industry which is new to the County; and
11. the impact upon the County's infrastructure (including the use of County services).

ARTICLE IV. FORMAT FOR AGREEMENT

(a) *Required Provisions.* If the Court makes findings consistent with the requirements and criteria of Section II herein, it may execute an Agreement with the Applicant. Any Agreement shall include at least the following provisions:

1. the kind, number and location of all proposed improvements of the property or project;
2. provisions allowing for reasonable access to the property or project for initial and intermittent inspection purposes by County employees or designated representatives to ensure improvements are made in compliance with the Agreement;
3. provisions limiting the use of the property or project consistent with the general purpose of encouraging development or redevelopment of the area during the period of the incentive;
4. provisions for recapturing property tax revenue lost, net of any payments in lieu of taxation actually paid by the owner, as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided in the Agreement;
5. each term agreed to by the recipient of the economic incentives;
6. if a tax abatement is bestowed, a requirement that the abatement recipient certify its compliance with the Agreement annually to each taxing unit that is party to the Agreement;
7. if a tax abatement is bestowed, a provision minimally providing that the abatement shall only relate to ad valorem taxes levied for purposes other than payment of debt service on County indebtedness; and
8. provisions allowing the County to cancel or modify the Agreement if the recipient fails to comply with the Agreement.

(b) *Optional Provisions.* An Agreement may also contain any or all of the following items, in addition to any others deemed appropriate by the Court:

1. the estimated taxable value or range of values for which taxes are to be abated;
2. the percent of value to be abated each year;
3. the commencement and termination dates of the abatement;
4. the proposed use of the property;
5. a time schedule, map, and property description;

6. contractual obligations in the event of default or violation of terms or conditions;
 7. the size of investment and number of temporary and permanent jobs involved, if any; and
 8. provisions for dispute resolution.
- (c) *Duration and Portion of Abatement (if any)*. A tax abatement agreement granted by the Court shall be limited to the taxes generated within the subject development, up to, but not exceeding, any duration as permitted under Applicable Law and up to, but not exceeding, one hundred percent (100%) of County ad valorem property taxes levied for purposes other than payment of debt service on County indebtedness, and up to one hundred percent (100%) of County sales taxes imposed and collected within a proposed development. At any time before the expiration of an Agreement, the parties thereto may agree to modify such Agreement (in which case the same procedural prerequisites for original approval of the Agreement apply to modification of such Agreement)
- (d) *Grants*. The County is authorized to approve, as part of an Agreement, grants to the extent and in the manner determined by the Court (as authorized by its approval of an Agreement that includes a grant component) to be in the best interests of the residents of the County and that is otherwise compliant with the provisions of this Program.

ARTICLE V. GENERAL PROVISIONS

- (a) This Program in no way requires the County to enter into any specific Agreement. The County maintains the discretion to reject any Application as it deems appropriate.
- (b) The County intends to administer this Program through its personnel and consultants, but may contract with the federal government, the state, a political subdivision of the state, a nonprofit organization, or any other entity for the administration of a program as authorized by Applicable Law.
- (c) To the extent permitted by Applicable Law, the County may accept contributions, gifts, or other resources to develop and administer this Program.

ARTICLE VI. SUNSET AND AMENDMENT OF GUIDELINES AND CRITERIA

These guidelines and criteria are effective upon the date of their adoption and will remain in force until the earlier to occur of their modification or the second anniversary of their adoption by the Court.

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