

116759

12



**COMMISSIONERS COURT
COMMUNICATION**

REFERENCE NUMBER

PAGE 1 OF

6

DATE: 12/10/2013

**SUBJECT: APPROVAL OF AMENDMENT NO. 1 TO THE 2012 TAX ABATEMENT
AGREEMENT WITH BELL HELICOPTER TEXTRON INC.**

***** CONSENT AGENDA *****

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court approve Amendment No. 1 to the Tax Abatement Agreement (the "Amendment") with Bell Helicopter Textron Inc. in order to extend the completion deadline for construction and installation of minimum real and personal property improvements for Phase II from December 31, 2013 to June 30, 2014 and it is further requested that Commissioners Court approve the Resolution certifying Tarrant County's agreement to participate in the Amendment and authorizing the County Judge, or his designee, to execute the Amendment document.

BACKGROUND:

On February 7, 2012, through Court Order #112139, Tarrant County approved participation with the City of Fort Worth in tax abatement for Bell Helicopter for the construction, renovation, and installation of various real and personal improvements in multiple phases for the consolidation and renovation of its facilities in Fort Worth. The Agreement requires Bell Helicopter to spend a minimum of \$235 million in construction and installation of real and personal property improvements on the site by December 31, 2015. The Agreement provides for Tarrant County's participation in tax abatement at a maximum of seventy percent (70%) of new real and personal property value for a period of ten (10) years.

Bell Helicopter completed the required minimum \$21 million investment for Phase I improvements by the December 31, 2012 Phase I completion date. However, as a result of recent labor, relocation and operational issues associated with the consolidation and renovation improvements planned for Phase II of the project, Bell Helicopter has experienced delays in completing the required Phase II property improvements at the site. Thus, Bell Helicopter has requested that the County consider amending the Tax Abatement Agreement to provide a six (6) month extension of the completion deadline for construction and installation of all required Phase II real and personal property improvements, amending the Phase II completion date from December 31, 2013 to June 30, 2014.

FISCAL IMPACT:

The approval of the Amendment to the Tax Abatement Agreement will have no impact on the total amount of overall investment made in the project.

SUBMITTED BY:	Administrator's Office	PREPARED BY:	Lisa McMillan
		APPROVED BY:	

116759
STATE OF TEXAS §

COUNTY OF TARRANT §

**AMENDMENT NO. 1 TO TAX ABATEMENT AGREEMENT
BETWEEN TARRANT COUNTY AND
BELL HELICOPTER TEXTRON INC.**

This **AMENDMENT NO. 1 TO TAX ABATEMENT AGREEMENT BETWEEN TARRANT COUNTY AND BELL HELICOPTER TEXTRON INC.** ("Amendment") is entered into by and between **TARRANT COUNTY, TEXAS** (the "County"), acting by and through its County Judge or designee, and **BELL HELICOPTER TEXTRON INC.** ("Owner"), a Delaware corporation duly authorized to do business in the State of Texas, acting by and through its authorized officer.

The County and Owner hereby agree that the following statements are true and correct and constitute the basis upon which the County and Owner have entered into this Amendment:

A. The County and Owner previously entered into that certain Tax Abatement Agreement, approved by the Tarrant County Commissioners Court on February 7, 2012, through Court Order No.112139 (the "Agreement"). The Agreement requires Owner to expend at least Two-Hundred Thirty Five Million Dollars (\$235,000,000) to construct, renovate, and install various real and personal improvements in multiple phases in the consolidation of its facilities (the "**Eligible Property**") on the Premises subject to Abatement, as more specifically set forth in the Agreement. In return, Owner will be eligible to receive a ten (10)-year Abatement of up to seventy percent (70%) on the Eligible Property. The Agreement requires specific investment amounts be made in phases by set completion dates, with all required Eligible Property investment being made by December 31, 2015.

B. The Owner completed the required investment of Eligible Property improvements for Phase I by the required December 31, 2012 completion date. Due to unforeseen delays, the Owner is unable to complete the required Eligible Property improvements for operations consolidation, facility renovations, and equipment installation required in Phase II by the December 31, 2013 completion date. The Owner has requested that the completion date for Phase II Eligible Property improvement investment be extended to June 30, 2014. Because of the economic and other public benefits that will accrue from completion of these required improvements, the County is willing to amend the Agreement to accommodate Owner's requests.

C. This Amendment is authorized under § 312.208 of the Texas Tax Code because (i) the provisions of this Amendment could have been included in the original Agreement and (ii) this Amendment has been entered into following the same procedure in which the Agreement was approved and executed.

NOW, THEREFORE, the County and Owner, for and in consideration of the terms and conditions set forth herein, do hereby contract, covenant and agree as follows:

1. Section IV.B.2.a.ii. of the Agreement (Completion of Phases of Eligible Property Investment) is hereby amended to read as follows:

For Phase II, additional investment, above the amounts required in Phase I, of at least Five Million Dollars (\$5,000,000.00) in Construction Costs for Eligible Real Property Improvements and at least Thirty-Two Million (\$32,000,000.00) in initial cost of Eligible Personal Property Improvements, must be expended by June 30, 2014. Failure to meet these minimum additional investment requirements for Phase II shall result in the reduction of the Base Abatement percentage by a separate fifteen percent (15%) for the remainder of the term of the Agreement. For purposes of the expenditures for Eligible Real Property Improvements and Eligible Personal Property Improvements, the requirements for each will be met if the cumulative amounts expended during this phase and the prior phase equal or exceed the cumulative requirements for this phase and the prior phase.

2. Capitalized terms used but not identified in this Amendment shall have the same meanings assigned to them in the Agreement.
3. Except as otherwise specifically amended in this Amendment, the Agreement shall remain in full force and effect.
4. This Amendment contains the final written expression of the County and Owner with respect to the subject matter hereof. This Amendment may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

EXECUTED as of the last date indicated below:

[SIGNATURES IMMEDIATELY FOLLOW ON NEXT TWO (2) PAGES]

TARRANT COUNTY:

*APPROVED AS TO FORM:

By: B. Glen Whitley
B. Glen Whitley
County Judge

By: Ray Rike
Ray Rike
Assistant District Attorney

Date: 12-10-13

ATTEST:

By: Debbie Gordon Deputy
Deputy County Clerk

Court Order No. 116759

** By law, the District Attorney's Office may only approve contracts for its clients. We reviewed this document from our client's legal perspective. Other parties may not rely on this approval. Instead those parties should seek contract review from independent counsel.*

STATE OF TEXAS §
COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, on this day personally appeared **B. Glen Whitley**, County Judge of the **TARRANT COUNTY, TEXAS**, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of **TARRANT COUNTY**, that he was duly authorized to perform the same by appropriate resolution of the Tarrant County Commissioners Court and that he executed the same as the act of **TARRANT COUNTY** for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 10th day of December, 2013.

Kathryn Louise Rotter
Notary Public in and for
the State of Texas
Kathryn Louise Rotter
Notary's Printed Name



BELL HELICOPTER TEXTRON, INC.

By: *[Signature]*
Name: *Al Vetere*
Title: *Chief Financial Officer*
Date: *12/19/13*

ATTEST:

By: *[Signature]*
Name: *Brian Chase*
Title: *Director, Public Affairs*

STATE OF *Texas* §

COUNTY OF *Tarrant* §

BEFORE ME, the undersigned authority, on this day personally appeared *Al Vetere*, *Chief Financial Officer* of **BELL HELICOPTER TEXTRON, INC.**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of **BELL HELICOPTER TEXTRON, INC.**

GIVEN UNDER MY HAND AND SEAL OF OFFICE this *19th* day of *December*, 201*3*.

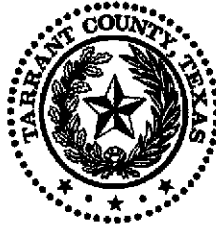
Debbie Yeager
Notary Public in and for
the State of *Texas*

Debbie Yeager
Notary's Printed Name



DEBBIE YEAGER
Notary Public
STATE OF TEXAS
My Comm. Exp. June 29, 2017





**AMENDMENT NO. 1 TO THE 2012 TAX ABATEMENT AGREEMENT
BETWEEN TARRANT COUNTY AND BELL HELICOPTER TEXTRON INC.**

WHEREAS, on February 7, 2012, through Court Order No.112139, the Tarrant County Commissioners Court approved participation in a Tax Abatement Agreement (the "Agreement") with Bell Helicopter Textron Inc., for construction, renovation, and installation of various real and personal improvements in multiple phases for the consolidation and renovation of its facilities in Fort Worth; and

WHEREAS, due to recent labor, relocation and operational issues associated with the consolidation and renovation improvements planned for Phase II of the project, Bell Helicopter Textron Inc. has experienced delays in completing the required Phase II property improvements at the site; and


WHEREAS, the Commissioners Court has been requested by Bell Helicopter Textron Inc. to amend the Agreement by extending the completion deadline for the required Phase II minimum real and personal property improvements from December 31, 2013 to June 30, 2014; and

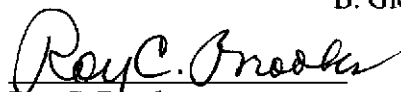
WHEREAS, the requested amendment will have no impact on the total amount of overall investment made in the project;

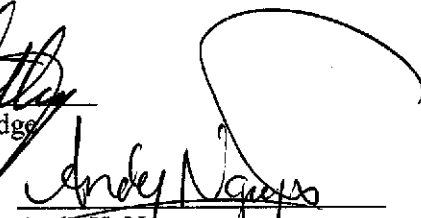
NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Commissioners Court of Tarrant County, Texas:

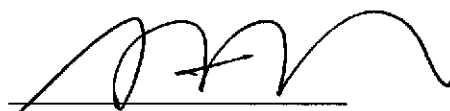
1. That the Tax Abatement Agreement adopted by Court Order No.112139 is hereby amended as set forth in the attached Amendment No. 1 to the Tax Abatement Agreement Between Tarrant County and Bell Helicopter Textron Inc.
2. That except as hereby amended, the provisions of the Tax Abatement Agreement adopted by Court Order No. 112139 shall remain unchanged.

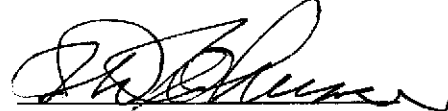
PASSED AND APPROVED, IN OPEN COURT, this 10th day of December 2013.


 B. Glen Whitley, County Judge


 Roy C. Brooks
 Commissioner, Precinct 1


 Andy H. Nguyen
 Commissioner, Precinct 2


 Gary Fickes
 Commissioner, Precinct 3


 J.D. Johnson
 Commissioner, Precinct 4