

111921



**COMMISSIONERS COURT  
COMMUNICATION**

REFERENCE NUMBER

PAGE 1 OF

59

DATE:

1/10/2012

**SUBJECT: APPROVAL OF TAX ABATEMENT - GENERAL MOTORS STAMPING  
FACILITY, CITY OF ARLINGTON**

**COMMISSIONERS COURT ACTION REQUESTED:**

It is requested that the Commissioners Court consider a request for tax abatement from General Motors for the location and construction of a new Stamping Facility in Arlington, and action as noted on the following issues:

1. Approve Tarrant County's participation with the City of Arlington in the abatement of ad valorem taxes on the eligible real and personal property improvements made by General Motors for construction and equipping of a new Stamping Facility, for a period of ten (10) years, at a maximum abatement percentage of seventy percent (70%), as set forth in the agreement.
2. Approve the request for variance from Section III(i)(1) of Tarrant County's Tax Abatement Policy which requires the utilization of Tarrant County and Disadvantaged Business Enterprises for a minimum of twenty-five percent (25%) and fifteen percent (15%), respectively, of the total costs for construction and annual supply and services contracts, and allow for no minimum utilization performance requirements.
3. Approve the attached resolution certifying Tarrant County's agreement to participate with the City of Arlington in the abatement of ad valorem taxes for General Motors and authorize the execution the agreement between Tarrant County and General Motors, LLC.

**BACKGROUND:**

General Motors is requesting tax abatement on an estimated \$200 million in real and personal property improvement costs to construct and equip a new contiguous Stamping Facility on the grounds of the current General Motors (GM) Arlington manufacturing plant. These improvements include approximately \$68 million in construction costs related to a 225,000 to 300,000 square foot building and an estimated \$132 million in personal property investment for press equipment and dies for the facility. The Stamping Facility will manufacture the metal exterior skin for the vehicles produced at the Arlington Plant, such as the doors, hood, top, etc., that are currently being stamped at other locations in the United States and shipped to Arlington.

SUBMITTED BY: Administrator's Office

PREPARED BY: Lisa McMillan

APPROVED BY:



## COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER: \_\_\_\_\_ DATE: 1/10/2012 PAGE 2 OF 59

The GM Arlington plant has undergone several expansions and modernization over the past decades, the last of which began this year with the \$254 million retooling of the Arlington plant for the next generation Sport Utility Vehicle. The plant currently produces the Chevrolet Tahoe and Suburban, the GMC Yukon and Yukon XL, and the Cadillac Escalade. Last year, the plant produced 280,000 vehicles. Employment at the plant is approximately 2,400 employees. The addition of the Stamping Facility will provide for an estimated 180 new jobs. GM Arlington currently supports an average payroll of over \$202.2 million per year, including benefits at the main plant. Hundreds of additional workers are employed by local supplier companies (Lear, Android, Hagemeyer, etc.) to provide parts/services/etc. for assembly and operational activities at the plant. General Motors purchases from these local companies are in excess of \$650 million annually.

General Motors could build the new contiguous Stamping Facility at the Arlington Plant site, or continue stamping and shipping the parts from other locations in the country. The City of Arlington has approved a maximum ninety percent (90%) tax abatement for ten (10) years on the real and personal property improvements to the property, along with waiving various development and permitting fees.

The attached agreement provides for County participation in tax abatement at a maximum of seventy percent (70%) for ten (10) years, with similar terms as our most recent tax abatement with General Motors earlier this year. The base abatement percentage starts at forty-five percent (45%) of the new value added, requiring construction of the new facility at a cost of at least \$65 million, completion of the facility by December 31, 2014, an added investment of at least \$120 million in business personal property, and employment of 180 jobs at the new facility.

Up to twenty-five percent (25%) in additional abatement can be received with added employment, additional percentage Tarrant County employment, and use of DBE and Tarrant County contractors in construction. Additionally, in any year that total employment at the Stamping Facility drops below 180 jobs, the base abatement percentage will be reduced proportionally.

General Motors is requesting a variance from the Tarrant County minimum requirements regarding use of Tarrant County and DBE contractors. General Motors corporate purchasing is done on a global basis and local plants are provided minimal opportunities for establishing local contracts. However, the Arlington plant does spend substantial dollars with local suppliers as noted above.

### **FISCAL IMPACT:**

In 2010, General Motors paid over \$5.4 million in taxes to all local taxing entities. Just over \$1 million in tax revenues were received by the County and Hospital District (\$544,007.00 - County; \$469,611.00 - Hospital District).

General Motors expects to invest over \$200 million in the new facility, machinery and equipment by December 31, 2014. As shown on the attached spreadsheet, the estimated value of a seventy percent (70%) abatement from the County and Hospital District could reach \$3.8 million over the ten (10) year period (\$2,040,931.00 - County; \$1,761,826.00 - Hospital District), depending on the actual market value that the Tarrant Appraisal District places on the facility and equipment once constructed. During the same period, new County and Hospital District taxes collected on the new improvements could be over \$1.6 million (\$874,685.00 - County; \$755,068.00 - Hospital District).

THE STATE OF TEXAS §

COUNTY OF TARRANT §

**Tax Abatement Agreement**

THIS Agreement is executed by and between **GENERAL MOTORS, LLC**, an entity duly authorized to do business in the State of Texas, acting by and through its authorized officer (hereafter referred to as "**OWNER**"), and **TARRANT COUNTY, TEXAS**, acting by and through its County Judge or his designee, (hereafter referred to as "**COUNTY**").

WITNESSETH:

WHEREAS, the Tarrant County Commissioners Court has resolved that the **COUNTY** may elect to participate in tax abatement

WHEREAS, the Commissioners Court, in accordance with law, has adopted a Policy Statement for Tax Abatement, herein contained as **Exhibit "F"**, which constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the **COUNTY**; and

WHEREAS, the Premises (as hereafter defined) and the Eligible Property (as hereafter defined) are located in the Reinvestment Zone Number Thirty-Four in the City of Arlington, Texas, established by City Ordinance No. 12-001, being a commercial-industrial reinvestment zone for the purpose of tax abatement as authorized by Chapter 311 and 312 of the Texas Tax Code, as amended; and

WHEREAS, on the 3<sup>rd</sup> day of January, 2012, the City Council of the City of Arlington approved and authorized the execution and delivery of a Tax Abatement Agreement (the "Agreement") as to the Eligible Property thereon; and

WHEREAS, **OWNER** submitted an application for tax abatement to the County concerning the contemplated Improvements to the Premises (the "Application for Tax Abatement"), attached hereto and incorporated herein as **Exhibit "E"**, in order to provide for construction of a new stamping facility contiguous to the existing General Motors Plant, and the installation of stamping presses, dies and related equipment; and

WHEREAS, the Commissioners Court finds that the contemplated use of the Premises, the Eligible Property and the terms of this Agreement are consistent with encouraging development of the Zone in accordance with the purposes for its creation and are in compliance with the Policy Statement and other applicable law;

NOW THEREFORE, the **COUNTY** and **OWNER**, for and in consideration of the mutual premises and promises contained herein, do hereby agree, covenant and contract as set forth below:

**I.**  
**Definitions**

- A. "Added Market Value" is defined as the market value of Eligible Property on the Premises above the Base Year Value.
- B. "Base Year Value" is defined as the tax year 2012 taxable value of real and personal property located on the Premises in Reinvestment Zone Number Thirty-Four on January 1, 2012, as finally determined by the Tarrant Appraisal District.
- C. "Construction Costs" is defined as site development and building costs, including, without limitation, actual construction costs, signage costs, contractor fees, the costs of supplies and materials, engineering fees, architectural fees and other professional costs, and development and permitting fees expended directly in connection with the construction of the Real Property Improvements.
- D. "Effective Date" is defined as January 1, 2012.
- E. "Eligible Property" is defined as Real Property Improvements and Personal Property Improvements made for construction and operation of the new stamping facility as described in Exhibits "A" and "B", constructed, delivered to, installed or placed on the Premises after the Effective Date of this Agreement and through December 31, 2014.
- F. "Job" is defined as a permanent, full-time employment position with General Motors that results in employment on the Premises of at least one thousand, eight hundred and twenty (1,820) hours per position in a year. Part-time positions shall not be included in this definition. Outsourced or contracted positions shall not be included in this definition.
- G. "Personal Property Improvements" are defined as tangible personal property (except inventory or supplies) delivered to, installed or located on the Premises as described in Exhibit "A".
- H. "Premises" are defined as the real property (land and improvements) as described by metes and bounds in Exhibit "C" which existed on January 1, 2012, within Reinvestment Zone Number Thirty-Four, that are owned by and operated by OWNER. Exhibit "C" is attached hereto and incorporated for all purposes.
- I. "Real Property Improvements" are defined as improvements to the Premises, as described in Exhibit "B", and shall include buildings, structures or fixtures erected or affixed to the Premises.
- J. "Reinvestment Zone Number Thirty-Four" is defined as the real property located in the City of Arlington and described by City of Arlington Ordinance No. 12-001 (attached hereto as Exhibit "D").

**II.**  
**General Provisions**

- A. The Premises are not in an improvement project financed by tax increment bonds.

- B. Neither the Premises nor any of the Improvements covered by this Agreement are owned or leased by any member of the Commissioners Court, or any member of the governing body of any taxing units joining in or adopting this Agreement.

### **III.**

#### **Improvement Conditions and Requirements**

- A. OWNER shall improve the Premises by (i.) completing the Eligible Real and Personal Property Improvements described in Exhibits "A" and "B" in accordance with this Agreement.
- B. OWNER shall provide for the completion of the Eligible Personal Property described in Exhibit "A" of this Agreement not later than January 1, 2015, at a cumulative initial cost of not less than One-Hundred Twenty Million Dollars (\$120,000,000).
- C. OWNER shall provide for the completion of the Eligible Real Property Improvements described in Exhibit "B" of this Agreement not later than January 1, 2014, having a minimum Construction Cost upon completion of not less than Sixty-Five Million Dollars (\$65,000,000). Alternatively, Section III. B. and C. shall be deemed to be met if total cumulative Construction Cost and Eligible Personal Property initial cost combined total \$185,000,000 not later than January 1, 2015.
- D. OWNER will create and maintain employment of a least 180 Jobs on the Premises not later than December 31, 2014.
- E. OWNER shall operate and maintain on the Premises the Eligible Property described in Exhibits "A" and "B" for the duration of this agreement.
- F. All proposed Eligible Property shall conform to the applicable building codes, zoning ordinances and all other ordinances and regulations of the City of Arlington and/or Tarrant County.
- G. OWNER agrees and covenants that it will diligently and faithfully pursue the completion of the Eligible Property. OWNER further covenants and agrees that it will use all reasonable efforts to cause the Eligible Property to be constructed in a good and workmanlike manner and in accordance with all applicable state and local laws and regulations.
- H. The Premises and all Improvements must conform to all applicable state and federal laws and regulations to air pollution and air quality.

### **IV.**

#### **Abatement Allowed**

- A. As set forth in this section, tax abatement allowed herein shall be for Tarrant County and Tarrant County Hospital District ad valorem real and personal property taxes, relative to Added Market Value of the Eligible Property located on the Premises, subject to the following terms and conditions.
- B. If the Improvement Conditions and Requirements set forth in Section III herein are met, COUNTY agrees to exempt from taxation up to seventy percent (70%) of the Added

Market Value of the Eligible Property in accordance with the various requirements established by terms of this Agreement and to be calculated as set forth below. The abatement period shall be from tax year beginning January 1, 2014 through and including tax year January 1, 2023.

1. Base Abatement - If OWNER (i.) improves the Premises and adds the required Eligible Property to the Premises as set forth in Section III A., B. and C., (ii.) maintains employment as set forth in Section III.D., and (iii.) employs Tarrant County residents for a minimum twenty-five percent (25%) of all Jobs, COUNTY shall exempt from taxation forty-five percent (45%) of the Added Market Value of the Eligible Property. Failure to meet the above requirements for Jobs and Tarrant County resident employment shall be cause for a reduction in the percentage abatement for any year in which the requirements are not met, as set forth in Section IV.B.2.

The exemption may begin prior to full completion and installation of the Eligible Property, but if the minimum cost requirements as set forth in Section III.B. and C. are not met, the COUNTY may recapture taxes abated in accordance with Article VII of this Agreement.

2. Reduction to Base Abatement - In any year that employment levels do not meet the minimum requirements set forth in Section IV.B.1.(ii.) and (iii.), the COUNTY shall reduce the base abatement percentage for that year as follows:
  - a. If the actual number of Jobs falls below the minimum Jobs requirement, OWNER will receive a one percent (1%) reduction for up to each twenty (20) Job deficiency from the minimum Jobs requirement.  
  
(Example: For total Jobs of 179 down to 160, the base abatement would be reduced by 1%. For total Jobs of 130, which would be 50 Jobs less than the minimum Jobs requirement, the base abatement would be reduced by 3%.)
  - b. If less than twenty-five percent (25%) of all Jobs are filled by Tarrant County residents, OWNER will receive a five percent (5%) reduction.
3. Additional Percentage Abatement - In any year that OWNER is eligible to receive a tax exemption under Sections IV.B.1 and 2, COUNTY agrees to exempt from taxation up to an additional twenty-five percent (25%) of the Added Market Value of the Eligible Improvements in any year that OWNER meets one or more of the additional requirements as follows:
  - a. For total Jobs above 180, OWNER will receive an additional three percent (3%) abatement for each ten (10) Jobs added, up to a maximum of fifteen percent (15%) additional abatement.  
  
(Example: A total of 200 Jobs would be 20 additional jobs, which would provide for 6% additional abatement; a total of 233 Jobs would be 53 additional jobs, which would provide for 15% additional abatement.)

- b. For employment of Tarrant County residents for more than fifty percent (50%) of all Jobs, OWNER will receive an additional 5% abatement.
- c. For use of Disadvantaged Business Enterprise (as defined in the Tarrant County Tax Abatement Police Guidelines and Criteria attached hereto as Exhibit "F") contractors for greater than twenty percent (20%) of the total Construction Costs of the Real Property Improvements, OWNER will receive an additional five percent (5%) abatement for each year of the term of the abatement.
- d. For use of Tarrant County contractors (defined as a contractor with an office location or business address in Tarrant County) for greater than thirty percent (30%) of the total Construction Costs of the Real Property Improvements, OWNER will receive an additional five percent (5%) abatement for each year of the term of the abatement.

**V.**

**Reports, Audits and Inspections**

- A. **Annual Certification and Reports** - Pursuant to state law, OWNER shall certify annually to taxing units that OWNER is in compliance with the terms of the tax abatement agreement, and shall provide taxing units with reports and records reasonably necessary to support each year of the agreement, as follows:
  - 1. **Certification** - OWNER shall complete and certify a Tax Abatement Certification to be provided by COUNTY for each year of the tax abatement agreement, to be due annually not later than April 30. This certification shall include information supporting job creation and retention requirements, reports on Eligible Property values and costs, a narrative description of the project's progress, and other submittals required by the tax abatement agreement.
  - 2. **Eligible Property Reports** - At a minimum, OWNER shall make available on request the following information annually on all Eligible Property for which OWNER seeks tax abatement:
    - a. Property description;
    - b. Asset number;
    - c. Payment date for property located on Premises; and
    - d. Cost.
  - 3. **Eligible Property Reports for Projects in Progress** - OWNER shall provide County, upon request, information on projects in progress for which fixed asset numbers have not been assigned. The report shall provide information in sufficient detail to identify the Eligible Property to be installed on the Premises. At a minimum, this information shall include:
    - a. Description of materials, machinery and equipment;
    - b. Vendor name, invoice date, invoice number and invoice amount; and
    - c. Payment date for property located on Premises.

4. Reports on Equipment Replaced or Removed - Additionally, OWNER agrees to provide COUNTY, on request, information on Eligible Property for which OWNER has received tax abatement and which has been replaced or removed from the Premises. At a minimum, this information shall include:
    - a. Property description;
    - b. Asset number; and
    - c. Approximate date of disposal.
  5. Report Upon Project Completion - Within one-hundred eighty (180) days of completion of the Eligible Property, OWNER shall provide COUNTY with a final Eligible Property Report that shall describe all Eligible Property for which the owner is granted tax abatement. This report shall be accompanied by the opinion of an independent certified public accountant as to its accuracy and completeness. The report may contemplate a reconciliation of the general ledger to the personal property rendition to satisfy this requirement.
  6. Additional Reports - Additionally, throughout the term of this agreement, OWNER shall furnish COUNTY any additional records and information reasonably requested to support the reports required by this agreement.
- B. Right to Audit Books and Records - COUNTY shall have the right to audit the books and records related to the Eligible Property and supporting the Eligible Property reports. COUNTY shall notify OWNER in advance in writing of their intent to audit in order to allow OWNER adequate time to make such books and records available.
- C. Inspection - At all times throughout the term of this Agreement, COUNTY and the Tarrant Appraisal District (TAD) shall have reasonable access to the Premises for the purpose of inspecting the Premises to ensure that the Eligible Property is constructed, installed, maintained and operated in accordance with the terms of this Agreement. All inspections shall be conducted in a manner as to not unreasonably interfere with the installation of the Eligible Property or the operation of the Premises. The inspections shall be conducted within a reasonable time period after notice by COUNTY or TAD to OWNER, provided, however, that all inspections shall be made with one (1) or more representative(s) of OWNER present and in accordance with the safety standards of OWNER.

## VI. Use of Premises

The Premises at all times shall be used in a manner that is consistent with the City of Arlington zoning ordinances and consistent with the general purpose of encouraging development within the Reinvestment Zone. Both parties acknowledge that the use of the Premises for a stamping facility and related activities in accordance with this Agreement is consistent with such purposes.

## VII. Breach and Recapture

- A. Breach - A breach of this Agreement may result in termination or modification of this Agreement and recapture by COUNTY of taxes which otherwise would have been paid since the execution of this Agreement to COUNTY without the benefit of the



Abatement, as set forth in Sections VII(B) and VII(C). Penalty and interest on recaptured taxes will be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas, and such taxes shall become due sixty (60) days following notice of breach and after the expiration of any cure period as provided in Section VII(B). The following conditions shall constitute a breach of this Agreement:

1. OWNER terminates the use of the Premises as a stamping facility and related activities at any time during the term of the Agreement; or
2. OWNER fails to meet the Abatement Conditions and Requirements as specified in Section III A., B., C., E., F., G. or H. herein; or
3. OWNER allows its ad valorem taxes on any property located within Tarrant County owed to COUNTY to become delinquent; or
4. OWNER fails to comply with the requirements and provisions described in Sections V and XX of this Agreement.

B. Notice of Breach - In the event that COUNTY makes a reasonable determination that OWNER has breached this Agreement, then COUNTY shall give OWNER written notice of such default. OWNER has sixty (60) days following receipt of said written notice to reasonably cure such breach, or this Agreement may be terminated by COUNTY, and recapture of abated taxes may occur. Notice of default shall be in writing and shall be delivered by personal delivery or certified mail to OWNER at its address provided in Section IX of this Agreement. It shall be the duty of COUNTY to determine whether to require recapture and payment of abated taxes and to demand payment of such.

C. Recapture - During the first five (5) years of this Agreement, should OWNER commit a breach of this Agreement according to items A(1), (2) (3) or (4) of this Section VII, and OWNER does not cure as provided in VII.B. above during the cure period, COUNTY may terminate this Agreement and recapture all taxes abated under this Agreement up to the time of breach. During years six (6) through ten (10) of this Agreement, should OWNER commit a breach of this Agreement according to Items A(1), (2), (3) or (4) of this Section VII, COUNTY may terminate this Agreement and recapture taxes abated for the calendar year during which the breach is committed.

D. Tax Lien Not Impaired - It is expressly agreed and acknowledged between the parties to this Agreement that nothing in this Agreement shall be deemed or construed to affect the lien for taxes against the property established by Section 32.01 of the Tax Code of the State of Texas. Such lien shall secure the payment of all taxes, penalties and interest ultimately imposed on the property, including any taxes abated and subject to recapture under this Agreement. Any such lien may be fully enforced pursuant to the provisions of the Code. For purposes of this Subsection, "property" refers to the Premises and Eligible Property described herein.

**VIII.**  
**Effect of Sale or Lease of Property**

The abatement granted by this Agreement shall not be assignable to any new owner or lessee of all or a portion of the Premises or Eligible Property unless such assignment is approved in writing by the COUNTY.

**IX.**  
**Notice**

All notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail postage prepaid or by hand delivery:

OWNER:       General Motors LLC  
                  2525 East Abram Street  
                  Arlington, Texas 76010-1346  
                  Attention: Finance Manager

                  General Motors Company – Tax Staff  
                  Mail Code: 482-C16-B16  
                  P.O. Box 300  
                  Detroit, Michigan 48265  
                  Attn: Troy Kennedy

COUNTY:       Tarrant County  
                  County Administrator's Office  
                  100 E. Weatherford  
                  Fort Worth, Texas 76196  
                  Attention: G.K. Maenius

**X.**  
**Commissioners Court Authorization**

This Agreement was authorized by resolution of the Commissioners Court authorizing the County Judge or his designee to execute this Tax Abatement Agreement on behalf of the COUNTY.

**XI.**  
**Severability**

In the event any section, subsection, paragraph, sentence, phrase or word is held invalid, illegal or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

**XII.**  
**Estoppel Certificate**

Any party hereto may request an estoppel certificate from another party hereto, so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which if requested will be addressed to a subsequent purchaser or assignee of OWNER, shall

include, but not necessarily be limited to statements that this Agreement is in full force and effect without default (or if default exists the nature of same), the remaining term of this Agreement, the levels and remaining term of the abatement in effect and such other matters reasonably requested by the party(ies) to receive the certificates.

**XIII.**  
**Owner's Standing**

OWNER, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions or City Council actions authorizing same, and OWNER shall be entitled to intervene in said litigation.

**XIV.**  
**Applicable Law**

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State's District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

**XV.**  
**Indemnification**

It is understood and agreed between the parties that the OWNER, in performing its obligations hereunder, is acting independently, and COUNTY assumes no responsibility or liability to third parties in connection therewith, and OWNER agrees to indemnify and hold harmless COUNTY from any such responsibility or liability. It is further understood and agreed among the parties that COUNTY, in performing its obligations hereunder, is acting independently, and the OWNER assumes no responsibility or liability to third parties in connection therewith, and COUNTY agrees to the extent allowed by law to indemnify and hold harmless OWNER from any such responsibility or liability.

**XVI.**  
**Force Majeure**

It is expressly understood and agreed by the parties to this Agreement that the parties shall not be found in default of this Agreement if any party's failure to meet the requirements of this Agreement is delayed by reason of war, Act of God, fire or other casualty of a similar nature.

**XVII.**  
**No Other Agreement**

This Agreement embodies all of the agreements of the parties relating to its subject matter as specifically set out herein, supersedes all prior understandings and agreements regarding such subject matter, and may be amended, modified or supplemented only by an instrument or instruments in writing executed by the parties.

**XVIII.**  
**Recordation of Agreement**

A certified copy of this Agreement in recordable form shall be recorded in the Deed Records of Tarrant County, Texas.

**XIX.**  
**Signatories**

This Agreement is effective and binding on those parties that have duly signed below.

**XX.**  
**Procurement of Goods and Services from Tarrant County Businesses and/or Disadvantaged Businesses Enterprises**

OWNER agrees to make all commercially reasonable efforts to satisfy the provisions and requirements as set forth in the Tarrant County Tax Abatement Policy, including those relating to Tarrant County and DBE contracting requirements. The percentage requirements pertain only to those contracts/supply/services that are within the local control of GM Arlington Plant, and does not include contracts/supplies/services that are sole source and/or purchased via a General Motors national contract. OWNER shall complete and submit all information necessary to determine to what extent these contracting percentages were met each year during the abatement period.

**XXI.**  
**Headings**

The headings of this Agreement are for the convenience of reference only and shall not affect in any manner any of the terms and conditions hereof.

**XXII.**  
**Successors and Assigns**

The parties to this Agreement each bind themselves and their successors, executors, administrators and assigns to the other party of this Agreement and to the successors, executors, administrators and assigns of such other party in respect to all covenants of this Agreement.

No successor, executor, administrator or assign is valid in the place of the parties to this Agreement without the written consent of COUNTY and such consent shall not be unreasonably withheld, provided however, the procedures set out in Section VIII, Effect of Sale or Lease of Property, is binding for the assignment situation specifically described in Section VIII. Notwithstanding the foregoing, the OWNER may assign this Agreement to any entity which is an affiliate of OWNER, without the consent of the COUNTY, in which case the benefits and obligations under this Agreement shall apply to the property and premises owned by such assignee. For purposes of the Section, an affiliate shall mean any entity which is related to OWNER through direct or indirect common ownership or control.

**XXIII.**  
**Termination**

This Agreement shall terminate, in accordance with the terms of this Agreement, unless extended by written agreement of the parties or a written instrument signed by all parties evidencing a delay by force majeure; provided however, that the period of abatement may not extend beyond ten (10) years.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written above.

**GENERAL MOTORS, LLC**

BY \_\_\_\_\_  
Victoria McInnis  
Chief Tax Officer

\_\_\_\_\_  
Date

WITNESS:

\_\_\_\_\_

**TARRANT COUNTY, TEXAS**

BY \_\_\_\_\_  
B. Glen Whitley  
County Judge

\_\_\_\_\_  
Date

ATTEST:

APPROVED AS TO FORM\*:

\_\_\_\_\_  
Deputy County Clerk

\_\_\_\_\_  
Asst. District Attorney

*\* By law, the District Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our view of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval and should seek review and approval by their own respective attorney (s).*

**EXHIBIT "A"**

**DESCRIPTION OF ELIGIBLE PERSONAL PROPERTY IMPROVEMENTS**

**EXHIBIT "B"**

**DESCRIPTION OF ELIGIBLE REAL PROPERTY IMPROVEMENTS**

**EXHIBIT "C"**  
**DESCRIPTION OF PREMISES**



**Exhibit "C"**

**(Legal description of Premises)**

**DESCRIPTION OF THE PREMISES**

Being a tract of land situated in the M. Harris Survey, Abstract Number 704, Tarrant County, Texas, and being a portion of Lot 1-A, M. Harris Addition, an addition to the City of Arlington, Texas, according to the plat thereof recorded in Volume 388-88, Page 49, Plat Records of Tarrant County, Texas, and being more particularly described as follows:

Commencing at a 1" iron pipe found for the most northerly southwest corner of the said Lot 1-A, M. Harris Addition, same being the northwest corner of the Harris Acres Addition, an addition to the City of Arlington, Texas, according to the plat thereof recorded in Volume 388-32, Page 34, Plat Records of Tarrant County, Texas;

THENCE North 00° 21' 22" West, a distance of 918.00 with the west line of said Lot 1-A, M. Harris Addition to an angle point in the west line of said Lot 1-A, M. Harris Addition;

THENCE North 00° 43' 27" West, with the west line of said Lot 1-A, M. Harris Addition, a distance of 244.60 feet to an angle point from whence a 3/8 inch iron rod found for the southeast corner of Lot 26, Block 10, of Parkview Addition, an addition to the City of Arlington, Texas, according to the plat thereof recorded in Volume 388-N, Page 3, Plat Records of Tarrant County, Texas, bears North 00° 43' 27" West, a distance of 342.24 feet;

THENCE East, departing the west line of said Lot 1-A, M. Harris Addition, a distance of 366.28 feet to a 1/2 inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for the Point of Beginning of the herein described tract;

THENCE North, a distance of 250.00 feet to a 1/2 inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner;

THENCE North 27° 41' 38" East, a distance of 422.16 feet to a 1/2 inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner;

THENCE North 55° 43' 22" East, a distance of 104.41 feet to a 5/8 inch iron rod found for the southwest corner of the GM Drill Site Gas Well Permit as reflected on the Site and Utilities plan Sheet D-1, dated 10/07/2011 prepared by Mycoskie and McInnis and Associates;

**THENCE North 73° 25' 37" East, with the south line of said GM Drill Site Gas Well Permit tract, a distance of 375.27 feet (plan 375.00 feet) to a 5/8 inch iron rod found for corner;**

**THENCE North 85° 27' 23" East, with the south line of said GM Drill Site Gas Well Permit tract, a distance 243.27 feet to a ½ inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner from whence a 5/8 inch iron rod for the southeast corner of said GM Drill Site Gas Well Permit tract bears North 85° 27' 23" East, 61.73 feet;**

**THENCE South 80° 22' 56" East, departing said GM Drill Site Gas Well Permit tract, a distance of 223.89 feet to a ½ inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner;**

**THENCE South a distance of 521.51 feet to a ½ inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner;**

**THENCE West, passing the northeast corner of the existing Body Shop Building at a distance of 170.00 feet, continuing with the north line of said Body Shop Building a total distance of 725.40 to the northwest corner of said Body Shop Building;**

**THENCE South, a distance of 250.00 with the west line of said Body Shop Building to the northeast corner of the Body Shop Building Addition (currently under construction);**

**THENCE West, departing said Body Shop Building and with the north line of said Body Shop Building Addition, passing at a distance of 150.00 feet the northwest corner of said Body Shop Building Addition, continuing for a total distance of 380.00 feet to the Point of Beginning and containing 13.6307 acres (593,753 square feet) of land, more or less.**

Ordinance No. 12-001

**An ordinance establishing Reinvestment Zone Number Thirty-Four; providing this ordinance be cumulative; providing for severability; providing for governmental immunity; providing for injunctions; and becoming effective upon second reading**

**WHEREAS,** the City Council of the City of Arlington, Texas, desires to promote the development or redevelopment of a certain strategic priority area within its jurisdiction by the establishment of Reinvestment Zone Number Thirty-Four for commercial-industrial tax abatement; and

**WHEREAS,** on April 7, 2009, the City Council of the City of Arlington, Texas passed Resolution No. 09-079 authorizing staff, following a briefing to City Council regarding creation of the zone, to give notice required by law to call public hearings relative to creation of reinvestment zones for tax abatement; and

**WHEREAS,** on November 1, 2011, and again on November 15, 2011, staff briefed City Council on the creation of Reinvestment Zone Number Thirty-Four; and

**WHEREAS,** a public hearing was held at which time interested persons were entitled to speak and present evidence for or against the designation of the property described in Exhibit "A" as Reinvestment Zone Number Thirty-Four, and notice of such public hearing was published in a newspaper of general circulation in the City of Arlington not later than the seventh day before the date of the scheduled hearing; and

**WHEREAS,** the City Council of the City of Arlington has established guidelines and criteria governing tax abatement agreements and has stated that the City elects to become eligible to participate in tax abatement; **NOW THEREFORE,**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON, TEXAS:**

1.

That all of the recitals contained in the preambles of this ordinance are found to be true and are adopted as findings of fact by this governing body and as part of its official record.

2.

The City Council, after conducting a public hearing and having considered all relevant evidence and testimony, has made the following findings and determinations based on such evidence and testimony:

- A. That a public hearing on the designation of Reinvestment Zone Number Thirty-Four has been properly called, held and conducted, and that notice of such hearing was published in accordance with the law; and
- B. That the boundaries of Reinvestment Zone Number Thirty-Four should be the proposed area of land more fully described in the property description attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B"; and
- C. That the improvements sought to be made in Reinvestment Zone Number Thirty-Four are feasible and practical and would be a benefit to the land to be included in the Zone and to the City of Arlington following the expiration of an executed Tax Abatement Agreement; and
- D. That the proposed area of land to be designated Reinvestment Zone Number Thirty-Four is reasonably likely, as a result of this designation, to contribute to the retention or expansion of primary employment or to attract major investment in the Zone that would be a benefit to the property, thereby contributing to the economic development of the City of Arlington.

3.

In accordance with State law, the City of Arlington hereby officially creates Reinvestment Zone Number Thirty-Four for commercial-industrial tax abatement, which Zone shall hereafter encompass only that certain area of land more fully described in the property description attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B"; and such Reinvestment Zone shall be officially designated as Tax Abatement Reinvestment Zone Number Thirty-Four of the City of Arlington, Texas.

4.

The designation of Reinvestment Zone Number Thirty-Four of the City of Arlington, Texas shall expire Five (5) years after the effective date of its designation and may be renewed.

5.

This ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Arlington; and this ordinance shall not operate to repeal or affect any of such other ordinances except insofar as the provisions thereof might be

inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

6.

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

7.

All of the regulations provided in this ordinance are hereby declared to be governmental and for the health, safety and welfare of the general public. Any member of the City Council or any City official or employee charged with the enforcement of this ordinance, acting for the City of Arlington in the discharge of his/her duties, shall not thereby render himself/herself personally liable; and he/she is hereby relieved from all personal liability for any damage that might accrue to persons or property as a result of any act required or permitted in the discharge of his/her said duties.

8.

Any violation of this ordinance can be enjoined by a suit filed in the name of the City of Arlington in a court of competent jurisdiction, and this remedy shall be in addition to any penal provision in this ordinance or in the Code of the City of Arlington.

9.

This ordinance shall become effective upon second reading.

PRESENTED AND GIVEN FIRST READING on the 13th day of December, 2011, at a regular meeting of the City Council of the City of Arlington, Texas; and GIVEN SECOND READING, passed and approved on the 3rd day of January, 2012, by a vote of 7 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.

---

ROBERT N. CLUCK, Mayor

**Exhibit "A"**

**Legal Property Description**

## DESCRIPTION OF THE PREMISES

Being a tract of land situated in the M. Harris Survey, Abstract Number 704, Tarrant County, Texas, and being a portion of Lot 1-A, M. Harris Addition, an addition to the City of Arlington, Texas, according to the plat thereof recorded in Volume 388-88, Page 49, Plat Records of Tarrant County, Texas, and being more particularly described as follows:

Commencing at a 1" iron pipe found for the most northerly southwest corner of the said Lot 1-A, M. Harris Addition, same being the northwest corner of the Harris Acres Addition, an addition to the City of Arlington, Texas, according to the plat thereof recorded in Volume 388-32, Page 34, Plat Records of Tarrant County, Texas;

THENCE North  $00^{\circ} 21' 22''$  West, a distance of 918.00 with the west line of said Lot 1-A, M. Harris Addition to an angle point in the west line of said Lot 1-A, M. Harris Addition;

THENCE North  $00^{\circ} 43' 27''$  West, with the west line of said Lot 1-A, M. Harris Addition, a distance of 244.60 feet to an angle point from whence a  $3/8$  inch iron rod found for the southeast corner of Lot 26, Block 10, of Parkview Addition, an addition to the City of Arlington, Texas, according to the plat thereof recorded in Volume 388-N, Page 3, Plat Records of Tarrant County, Texas, bears North  $00^{\circ} 43' 27''$  West, a distance of 342.24 feet;

THENCE East, departing the west line of said Lot 1-A, M. Harris Addition, a distance of 366.28 feet to a  $1/2$  inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for the Point of Beginning of the herein described tract;

THENCE North, a distance of 250.00 feet to a  $1/2$  inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner;

THENCE North  $27^{\circ} 41' 38''$  East, a distance of 422.16 feet to a  $1/2$  inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner;

THENCE North  $55^{\circ} 43' 22''$  East, a distance of 104.41 feet to a  $5/8$  inch iron rod found for the southwest corner of the GM Drill Site Gas Well Permit as reflected on the Site and Utilities plan Sheet D-1, dated 10/07/2011 prepared by Mycoskie and McInnis and Associates;

THENCE North  $73^{\circ} 25' 37''$  East, with the south line of said GM Drill Site Gas Well Permit tract, a distance of 375.27 feet (plan 375.00 feet) to a  $5/8$  inch iron rod found for corner;

THENCE North  $85^{\circ} 27' 23''$  East, with the south line of said GM Drill Site Gas Well Permit tract, a distance 243.27 feet to a  $1/2$  inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner from whence a  $5/8$  inch iron rod for the southeast corner of said GM Drill Site Gas Well Permit tract bears North  $85^{\circ} 27' 23''$  East, 61.73 feet;

**THENCE South 80° 22' 56" East, departing said GM Drill Site Gas Well Permit tract, a distance of 223.89 feet to a ½ inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner;**

**THENCE South a distance of 521.51 feet to a ½ inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner;**

**THENCE West, passing the northeast corner of the existing Body Shop Building at a distance of 170.00 feet, continuing with the north line of said Body Shop Building a total distance of 725.40 to the northwest corner of said Body Shop Building;**

**THENCE South, a distance of 250.00 with the west line of said Body Shop Building to the northeast corner of the Body Shop Building Addition (currently under construction);**

**THENCE West, departing said Body Shop Building and with the north line of said Body Shop Building Addition, passing at a distance of 150.00 feet the northwest corner of said Body Shop Building Addition, continuing for a total distance of 380.00 feet to the Point of Beginning and containing 13.6307 acres (593,753 square feet) of land, more or less.**







*Tax Staff*

General Motors Company  
Tax Staff  
Mail code: 462-C16-816  
PO Box 300  
Detroit, MI 48265-3000  
USA

November 9, 2011

November 9, 2011

**Ms. Lisa McMillan**  
Economic Development Coordinator  
Tarrant County Administrators Office  
100 E. Weatherford, Suite 404  
Fort Worth, TX 76196-0609

**General Motors LLC - Application for Tax Abatement**

Dear Ms. McMillan:

The General Motors - Arlington Assembly Plant respectfully requests the participation of Tarrant County with the City of Arlington in providing tax abatements on \$200 million of investment to construct and equip a contiguous stamping facility as outlined in the attached "Application for Tax Abatement".

We appreciate your thoughtful consideration and respectfully request your favorable action on this request for tax abatement. Feel free to contact me if there are any questions on 313.665.4054.

Very truly yours,

**Troy D. Kennedy**  
US Property Tax Manager

# Tarrant County Application for Tax Abatement/Reinvestment Zone

## I. APPLICANT INFORMATION

**Applicant/Property Owner:** [REDACTED]  
**Company/Project Name:** [REDACTED]  
**Mailing Address:** [REDACTED]  
**Telephone:** [REDACTED]      **Fax:** [REDACTED]

**Applicant's Representative for contact regarding abatement request:**  
**Name and Title:** [REDACTED]  
**Mailing Address:** [REDACTED]  
**Telephone:** [REDACTED]      **Fax:** [REDACTED]      **E-mail:** [REDACTED]

## II. PROJECT AND PROPERTY DESCRIPTION

**Address and legal description of property to be considered for Tax Abatement/Reinvestment Zone:** [REDACTED]

**Project Description:** [REDACTED]

**Description of activities, products, or services produced and/or provided at project location:** [REDACTED]

**Current Assessed Value:** Real Property: \$ [REDACTED]      Personal Property: \$ [REDACTED]

**Estimated start date of construction/site improvements:** [REDACTED]

**Projected date of occupancy/commencement of operations at project site:** [REDACTED]

*Please indicate dates for phases if applicable:* [REDACTED]

**Location of existing company facilities:** [REDACTED]

**Requested level of Tax Abatement:** [REDACTED] % of eligible property for [REDACTED] years.

**Explain why tax abatement is necessary for the success of this project. Include business pro-formas or other information to substantiate your request.** [REDACTED]

## III. ESTIMATED VALUE OF IMPROVEMENTS

**Estimated Value of Real Property Improvements \$** [REDACTED]

**Estimated Value of Personal Property Improvements \$** [REDACTED]

**Will any infrastructure improvements (roads, drainage, etc.) be requested of Tarrant County for this project?**

Yes  No

If yes, describe requested infrastructure improvements: [REDACTED]

Detail any direct benefits to Tarrant County as a result of this project (i.e., inventory tax, etc.): [REDACTED]  
[REDACTED]  
[REDACTED]

**D. EMPLOYMENT RELATED PROJECT INFORMATION**

**A. NEW EMPLOYMENT (NOTE: THIS PROJECT WILL ENABLE THE RETENTION OF 2,324 EMPLOYEES)**

Projected number of new jobs created as a result of the proposed improvements:

Full-time up in 180 or more Part-Time [REDACTED]

Provide types of jobs created and average salary levels: [REDACTED]

Start date and annual payroll of new permanent positions (if positions to be phased in, provide figures for each phase year): [REDACTED]

Percentage of new jobs to be filled by Tarrant County residents:  $\frac{1}{3}$ %

Number of employees transferring from other company locations: [REDACTED]  
[REDACTED]

**B. CONSTRUCTION RELATED EMPLOYMENTS**

Projected number of construction related jobs: [REDACTED]

Estimated total construction payroll: \$ [REDACTED]

Commitment as to percentage of construction dollars to be spent with Tarrant County contractors or subcontractors: [REDACTED]%

Commitment as to percentage & total dollars of construction contracts to be awarded to DBE: [REDACTED]  
[REDACTED]%

**C. CURRENT COMPANY/PROJECT LOCATION EMPLOYMENT**

Current Number of Employees: Full-time [REDACTED] Part-time [REDACTED]

Average annual payroll: \$ [REDACTED]

Detail on workforce diversity - percentage breakdown of current employees by gender and ethnicity:

**D. COMPANY SPONSORED HEALTH CARE BENEFITS ARE AVAILABLE**

Full-time Employees  Part-time Employees  Employee Dependents  Not Available

Average monthly employee cost for health care benefits: Individual: \$ [REDACTED] Family: \$ [REDACTED]

Other employee benefits provided or offered: [REDACTED]  
[REDACTED]

**V. SUPPLIER & SERVICE EXPENSES (DBE/Minority)**

Estimated amount of annual supply and services expenses: \$ [REDACTED]

Detail any supply/services expenses that are sole source: [REDACTED]

Percentage of total supplier/services expenses committed to Tarrant County businesses: [REDACTED]

Percentage of total supplier and services expenses committed to DBE: [REDACTED]%

**VI. ENVIRONMENTAL IMPACT**

Indicate if development, construction, equipment, distribution methods, and/or operational processes may impact the environment in the following areas, attach detail if necessary:

- Air Quality  Water Quality  Solid Waste Disposal  Storm/Water Runoff
- Floodplain/Wetlands  Noise levels  Other (specify)  [REDACTED]

Provide detail on existing and new fleet vehicles, specifying types of vehicles, quantities and fuel used (gasoline, diesel, LP gas, CNG, etc.): [REDACTED]

**VII. ABATEMENT REQUIREMENTS FOR ABATEMENT**

- Letter addressing Economic Qualifications and additional criteria for abatement, Section III (h) and (i) of Tarrant County Tax Abatement Policy
- Descriptive list and value of real and personal property improvements (exhibit B1)
- Plat/Map of Project Location (Exhibit E)
- Project Time Schedule (exhibit C)
- Owner's policy regarding use of disadvantaged Business Enterprises (exhibit A)
- Owner's policy addressing regional air quality/non-attainment status (use of alternative fuels, employee trip reduction, etc.) and plan for participation in regional Ozone Action Program (exhibit B)
- Tax Certificate showing property taxes paid for most recent year (exhibit D)

Note: City of Arlington Abatement Application and Exhibits attached.

**VIII. CERTIFICATION**

Upon receipt of a completed application, Tarrant County may require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.\*

I certify the information contained in this application (including all attachments) to be true and correct to the best of my knowledge. I further certify that I have read the "Tarrant County Tax Abatement Policy" and agree to comply with the guidelines and criteria stated therein.



Signature

Chief Tax Officer

Title

Victoria McInnis

Printed Name

November 9, 2011

Date

Return completed application and attachments to:

Economic Development Coordinator  
Tarrant County Administrator's Office  
100 E. Weatherford Street, Suite 404  
Fort Worth, Texas 76196-0609

You may also forward an electronic copy of the completed report to:

[jmcmillen@tarrantcounty.com](mailto:jmcmillen@tarrantcounty.com)

Please note that if you do submit this form electronically, you must also submit an original hard copy of the report to the above stated physical address for proper filing and review.

For assistance call: (817) 884-2643

\* As per Section IV (f) of the Tarrant County Tax Abatement Policy Guidelines and Criteria, this application must be filed prior to commencement of construction or installation of improvements in order to be eligible for County tax abatement.



**Tax Staff**

General Motors Company  
Tax Staff  
Mail code 452-C16-816  
PO Box 300  
Detroit, MI 48235-3000  
USA

November 9, 2011

Exhibit A

Ms. Lisa McMillan  
Economic Development Coordinator  
Tarrant County Administrators Office  
100 E. Weatherford, Suite 404  
Fort Worth, TX 76196-0609

Dear Ms. McMillan:

This letter is intended to supplement General Motors' application for tax abatement with respect to Section V - Local Business & Disadvantaged Business Enterprise (DBE) Impact.

It will be very difficult for the GM Arlington Plant to meet the specific percentages in the Tarrant County Abatement Policy relating to purchasing transactions with Tarrant County Businesses and Disadvantaged Enterprises. As you know, GM's purchasing activities are conducted on a global basis. While this enables the company to procure materials competitively, individual plants such as Arlington are afforded minimal opportunities for establishing local contracts.

Although it will be difficult to achieve 25% of our expenditures with Tarrant County businesses, we currently do significant business within the County. For example, Lear Corporation provides the seats for our vehicles annually costing over \$600 million. Additionally, Android Industries operates from two locations in the County to sequence production parts to our assembly line at an annual cost of over \$35 million. Further, Hagemeyer, located here in Arlington, provides all of our daily indirect materials, supplies and services at an annual cost of over \$24 million. GM purchases from Tarrant County businesses continue to be significant.

The Abatement Policy also requests 15% of our spending be with Disadvantage Business Enterprises. Again, our Global Purchasing & Supply Chain organization prepares the contracts for our various suppliers. Hagemeyer (noted above), has a contractual obligation to apply best efforts to seek low cost suppliers and to direct 5% of total purchases to Minority suppliers. GM has and continues to work very closely with Hagemeyer in an effort to increase minority supplier participation while working to improve our overall cost structure. GM will continue in good faith to encourage Hagemeyer to obtain competitive Minority supplier contracts. For reference, in 2010, GM and its suppliers spent \$2.6 billion on direct purchases from certified minority companies.

At this time, per Section IV (h), General Motors respectfully requests a deviation from Section III (1)(1) concerning use of DBE and Tarrant County businesses. The project will, however, provide for some utilization of DBE and Tarrant County businesses for construction and future supply and service contracts. GM is committed to working with our supplier partners to identify and obtain DBE contracts that meet cost and quality criteria to increase our participation in this area.

I hope this detail helps in understanding our business situation and our request for a deviation from the provisions of the policy. General Motors' appreciates the County's support and your assistance in this matter. If additional information is required, please contact me on 313.665.4054.

Very truly yours,

Troy D. Kennedy  
US Property Tax Manager

## **GENERAL MOTORS-ARLINGTON, TEXAS ENVIRONMENTAL**

### **Local Air Quality:**

**GM Arlington operates three thermal oxidizers to destroy all the vapors from its automated prime, base coat, and clear coat painting operations; including the curing ovens which follow the automated application processes.**

**100% of GM Arlington's vehicles are equipped with onboard refueling vapor recovery.**

**GM Arlington provides several programs which improve local air quality:**

- **On-site training, educational, and meeting facilities to reduce travel**
- **On-site drivers license renewal, local event registration, cell phone sign-up, and other services**
- **Staggered 1st shift "off" and 2nd shift "on" times to reduce traffic congestion**
- **Shift times that allow commuters to miss the peak traffic jam hours in DFW**
- **Preferred parking close to the entrances for motorcycle riders**
- **Telecommuting and leveraging for people to cover several GM sites from one location**
- **The most fuel-efficient full size SUVs available**
- **Hybrid SUV products**

### **Beyond Compliance: Community**

**GM Arlington supports local environmental interests by participating in:**

- **Arlington City Council's Citizen's Environmental Committee**
- **Arlington Chamber of Commerce's Environmental Subcommittee**
- **Tarrant County's Local Emergency Planning Committee**
- **North Central Texas Council of Governments' Clean Air programs**
- **State public hearings on environmental issues**
- **On-site environmental training programs for new State and Federal inspectors**
- **TCEQ Clean Texas program**
- **City of Arlington Green Team**

**Based on a determination by the U.S. Environmental Protection Agency, most 2010 model year GM trucks meet standards that are at least as stringent as the Federal Clean Fuel Vehicle Low Emission Vehicle (LEV) standards.**



**GM Arlington Assembly Plant  
Contiguous Stamping Plant Addition Project Timing**

<b>2012 - Q2</b>	<b>Start Building Expansion</b>
<b>2012 - Q3</b>	<b>Begin Equipment Installation</b>
<b>2013 - Q3</b>	<b>Phased Production commencement</b>
<b>2014-Q4</b>	<b>Construction completion</b>

**TAX STATEMENT 2010**

STATEMENT DATE: 02/04/2011

LEGAL: BUSINESS PERSONAL PROPERTY

ACCOUNT: 00013565427

FID ADDCH 6/2  
USMO-ARLINGTON ASSY

OWNER: GENERAL MOTORS LLC  
PARCEL ADDRESS: 0002525 E ABRAHAM ST  
EXEMPTION CODES: FF001 AB001 PC001

PIDN: P  
ACRES: 0

APPRaised VALUE 212,063,834					
TAKING ENTITIES	EXEMPTION AMOUNT	TAXABLE VALUE	TAX RATE PER \$100	BASE TAX	PENALTY & INTEREST
ARLINGTON CITY	52,899,380	160,234,174	0.648000	1038317.46	0.00
TARRANT COUNTY	46,829,884	166,063,670	0.284000	438407.62	0.00
T C HOSPITAL	46,829,884	166,063,670	0.227897	378463.89	0.00
T C COLLEGE	41,927,307	170,968,227	0.137640	238317.91	0.00
ARLINGTON ISD	41,927,307	170,968,227	1.395000	2282368.13	0.00
SUBTOTAL				4,372,588.20	0.00
PRIOR YEARS				0.00	
<b>TOTAL AMOUNT DUE</b>				<b>0.00</b>	

This top portion and your canceled check will serve as your receipt.

\* Detach on perforation and return this portion with your check payable to:

BETSY PRICE  
PO BOX 981818  
FORT WORTH, TX 76181-8018  
817/884-1188

**TOTAL AMOUNT DUE**  
**\$0.00**

AMOUNT DUE ON RECEIPT \*\*

OWNER: GENERAL MOTORS LLC  
PIDN: P

DELINQUENT DATE: 08/01/2011

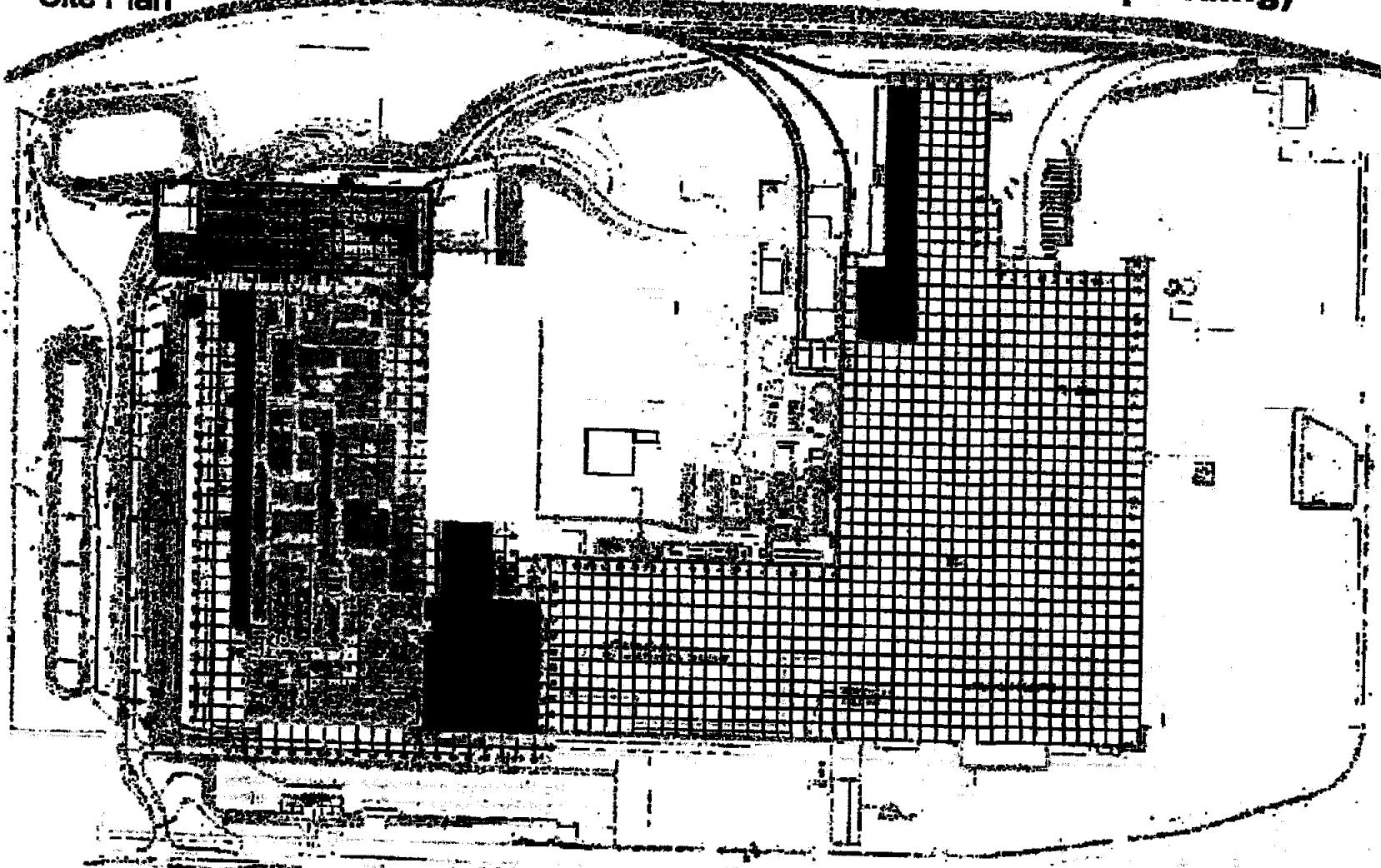
ACCOUNT: 00013565427 2010

GENERAL MOTORS LLC  
TAX STAFF MC 482-C14-C66  
PO BOX 300  
DETROIT, MI 48265-3000

PAID IN		AMOUNT DUE
MAR	0%	0.00
APR	0%	0.00
MAY	0%	0.00
JUN	0%	0.00
JUL	0%	0.00
AUG	0%	0.00

# Arlington Contiguous Stamping – (final location & size pending)

## Site Plan



7

Exhibit E

**EXHIBIT "F"**

**TARRANT COUNTY TAX ABATEMENT POLICY AND GUIDELINES**



## **TARRANT COUNTY**

### **TAX ABATEMENT POLICY GUIDELINES AND CRITERIA**

#### **I. GENERAL PURPOSE AND OBJECTIVES**

**As authorized under Chapter 312 of the Texas Tax Code, Tarrant County has established this policy so as to work in concert with other taxing authorities as part of an overall publicly supported incentive program designed to create job opportunities that bring new economic advantages or strengthen the current economic base of our community.**

**It is the intent of the Commissioners Court to consider approval or denial of any request for tax abatement for projects in unincorporated Tarrant County or participation in any tax abatement agreement agreed to and adopted by an incorporated city, which meets the minimum eligibility criteria as set forth in this policy, following the filing of a formal application for tax abatement from the County. As prescribed by Section 312.206 of the Tax Code, the Commissioners Court may approve participation with a municipality in a tax abatement agreement no later than the 90th day after the date the municipal agreement is executed. Further it is the intent of Tarrant County that the County will not approve nor join an abatement agreement that provides one Tarrant County city a competitive advantage over another Tarrant County city seeking the same project or encourages an applicant to move from one Tarrant County city to another, unless such agreement is agreeable to both such incorporated cities and both parties have indicated their approval in writing to Tarrant County.**

**In the case where the property is located within a municipality's extraterritorial jurisdiction, the municipality shall be the initiating taxing entity unless expressly deferred to the County. For those areas within Tarrant County that are not located within the boundaries of an incorporated municipality and a municipality has deferred to the County or in unincorporated areas not located in a municipality's extraterritorial jurisdiction, the guidelines and criteria contained in this policy will be applied by the Commissioners Court when considering the establishment of a reinvestment zone and the adoption of an abatement agreement.**

#### **II. DEFINITIONS**

- (a) "Abatement" means the full or partial exemption from ad valorem taxes of certain real and/or personal property in a reinvestment zone designated for economic development purposes.**

- (b) **"Eligible Jurisdiction"** means Tarrant County and any municipality, school district, college district, or other entity, which is located in Tarrant County, that levies ad valorem taxes upon and provides services to property located within the proposed or existing reinvestment zone.
- (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 the applicant's real and personal property located in a designated reinvestment zone on January 1 of the year of the execution of the agreement, plus the agreed upon value of real and personal property improvements made after January 1, but before the execution of the agreement.
- (e) **"Economic Life"** means the number of years a property improvement is expected to be in service in a facility.
- (f) **"Deferred Maintenance"** means improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (g) **"Disadvantaged Business Enterprise (DBE)"** means:
- (1) a corporation formed for the purpose of making a profit and at least 51 percent of all classes of the shares of stock or other equitable securities of which are owned by one or more persons who are socially or economically disadvantaged because of their identification as members of certain groups that have been subject to racial or ethnic prejudice or cultural bias without regard to their qualities as individuals or capabilities as a business, and whose ability to compete in the free enterprise system is impaired due to diminished opportunities to obtain capital and credit as compared to others in the same line of business who are not socially disadvantaged. "DBE" includes the State of Texas definition of historically underutilized businesses (HUBs) as defined in Texas Government Code 407.101 and as it may be updated.
  - (2) a sole proprietorship formed for the purpose of making a profit that is owned, operated, and controlled exclusively by one or more persons described in paragraph (1);
  - (3) a partnership that is formed for the purpose of making a profit in which 51 percent of the assets and interest in the partnership is owned by one or more persons described by paragraph (1), and in which minority or women partners have proportionate interest in the control, operation, and management of the partnership affairs.

- (h) **"Expansion"** means the addition of buildings, structures, fixed machinery and equipment, and fixed personal property for the purposes of increasing production capacity.
- (i) **"Facility"** means property improvements completed or in the process of construction which together comprise an integral whole.
- (j) **"Fixed Machinery and Equipment and/or Personal Property"** means tangible machinery, equipment, or personal property that is securely placed or fastened and stationary within a building or structure, or which is movable but remains at and is used solely at the project site.
- (k) **"Manufacturing Facility"** means buildings and structures, including fixed machinery and equipment, and fixed personal property, 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.
- (l) **"Modernization"** means the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation, and extends the economic life of the facility. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery and equipment, and fixed personal property. It shall not be for the purpose of reconditioning, refurbishing, repairing, or completion of deferred maintenance.
- (m) **"New Facility"** means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (n) **"Other Basic Industry"** means buildings and structures including fixed machinery and equipment, and fixed personal property not elsewhere described, used or to be used for the production of products or services which primarily serve a market outside Tarrant County [or the Fort Worth Consolidated Metropolitan Statistical Area] and result in the creation of new permanent jobs and bring new wealth in to Tarrant County.
- (o) **"Regional Distribution Center Facility"** means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility operator.
- (p) **"Non-Manufacturing Facilities"** means buildings and structures, used to service and/or house individuals on a permanent or temporary basis.
- (q) **"Regional Service Facility"** means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used to service goods.

- (r) **"Reinvestment Zone"** is an area designated as such for the purpose of tax abatement as authorized by Chapter 312 of the Texas Tax Code.
- (s) **"Regional Entertainment Facility"** means buildings and structures, including machinery and equipment, used or to be used to provide entertainment through the admission of the general public where the majority of the users reside at least 100 miles from its location in the County.
- (t) **"Regional Retail Facility"** means buildings and structures including fixed machinery and equipment used or to be used to provide retail services from which a large portion of the revenues generated by the activity at the facility are derived from users outside the County.
- (u) **"Research Facility"** means building and structures, including fixed machinery and equipment, and fixed personal property, 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.

### **III. ABATEMENT AUTHORIZED**

- (a) **Authorized Facility.** A facility may be eligible for abatement if it is a Manufacturing Facility, a Research Facility, a Regional Distribution Center Facility, A Regional Service Facility, a Regional Entertainment Facility, Regional Retail Facility, a Non-Manufacturing Facility, or Other Basic Industry as defined. The economic life of a facility and any improvements must exceed the life of the abatement agreement.
- (b) **Creation of New Value.** Abatement may be only granted for the additional value of eligible property improvements made subsequent to and listed in an abatement agreement between the County and the property owner and lessee, subject to such limitations as Commissioners Court may require.
- (c) **New and Existing Facilities.** Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- (d) **Eligible Property.** Abatement may be extended to the value above the Base Year Value of buildings, structures, fixed machinery and equipment, fixed personal property, and site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility.
- (e) **Ineligible Property.** The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; private aircraft; deferred maintenance investments; property to be rented or leased except as provided in Section 3 (f); also, any property included in the calculation of base year value as defined.



- (f) **Owned/Leased Facilities.** If a leased facility is granted abatement the agreement shall be executed with the lessor and the lessee.
- (g) **Value and Term of Abatement.** Abatement shall be granted effective with the execution of the agreement. The value of the abatement will be determined based on the merits of the project, including, but not limited to, total capital investment value and added employment. Up to one hundred percent of the value of new eligible properties may be abated for a total term of abatement not to exceed ten years. However, a project must provide an extraordinary economic benefit to the County to be considered for a one hundred percent abatement.
- (h) **Economic Qualification.** In order to be eligible for designation as a County reinvestment zone and/or receive County tax abatement, the planned improvement:
- (1) for new businesses, must be reasonably expected to produce a minimum added value of Five Million Dollars (\$5,000,000) in real and personal property to Tarrant County and create and sustain a minimum of 25 new full-time jobs.
  - (2) for expansions or modernizations of existing businesses, must be reasonably expected to produce a minimum added value of Three Million Dollars (\$3,000,000) in real and personal property improvements to Tarrant County, and sustain existing employment levels.
  - (3) must not be expected to solely or primarily have the effect of transferring employment from one part of Tarrant County to another without a majority vote of approval from the Commissioners Court.
  - (4) must be necessary for expansion and/or modernization because the capacity cannot be provided efficiently utilizing existing improved property when reasonable allowance is made for necessary improvements.
  - (5) the above investment and employment minimums may be waived at the discretion of the Commissioners Court for projects located in Federal or State designated Enterprise Zones.
- (i) **Additional Criteria For Abatement.** To be eligible for abatement, the project must be expected to meet the specific goals and requirements as noted below. If a company is unable to meet the minimum requirements of this section, a variance must be requested with a detailed explanation as to the circumstances that preclude the company from meeting the minimum requirements.
- (1) **Use of DBE and Tarrant County Businesses.** The project must provide for the utilization of Disadvantaged Business Enterprises for a minimum of 15% of the total costs for construction contracts and annual supply and service contracts.

Additionally, the project must provide for the utilization of Tarrant County businesses for a minimum of 25% of the total costs for construction contracts and annual supply and services contracts.

- (2) **Tarrant County Employment.** The company must hire Tarrant County residents for a minimum of 25% of the new full time jobs to be created by the project. Residents, for the purpose of this policy, are those employees who reside in Tarrant County, whether through relocation or existing residency.
  - (3) **Environmental Impacts.** 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. Additionally, the company must provide a written company policy on air quality mitigation, the company's plan for participation in the region's Ozone Action Program, and a report of employer assistance in encouraging alternative commute programs and employee trip reductions. For companies new to the region, the above policies and plan must be completed and presented within the first year of the abatement.
  - (4) **Employee Benefits.** The company must offer a health benefit plan to its full-time employees at a rate that is reasonable to the majority of its employees and which allows access to the plan by the employees' dependents. For additional consideration, the company may provide information on other employee benefits provided, such as retirement/pension programs and subsidies for education, job-training, transportation assistance and child/elderly care.
- (j) **Taxability.** From the execution of the abatement to the end of the agreement period taxes shall be payable as follows:
- (1) The value of ineligible property as provided in Section III (e) shall be fully taxable;
  - (2) The base year value of existing eligible property shall be fully taxable, as well as the value of any existing personal property currently on the tax rolls in Tarrant County that is either moved to a new abated location or is replaced due to modernization or expansion.
  - (3) The additional value of new eligible property shall be taxable in the manner and for the period provided for in the abatement agreement, subject to the terms described in Section III (g); and
  - (4) The additional value of new eligible property shall be fully taxable at the end of the abatement period.

#### **IV. APPLICATION**

- (a) Any present or potential owner of taxable property in Tarrant County may request the creation of a reinvestment zone and/or tax abatement by filing a written request with the County Judge.**
- (b) The application shall consist of a completed application form including, but not limited to: a general description of the new improvements to be undertaken; a descriptive list of the improvements for which an abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and property description; a time schedule for undertaking and completing the proposed improvements; employment and contract information; the location of existing company locations in Tarrant County and the surrounding counties and the expected number of transferring employees; details of the environmental impacts of the project, and employee benefit information. In the case of modernization a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application.**
- (c) All applications for creation of reinvestment zones or abatements shall incorporate a feasibility study estimating the economic effect of the proposed reinvestment zone and tax abatement on Tarrant County, other eligible participating jurisdictions, and the applicant.**
- (d) Upon receipt of a completed application for creation of a reinvestment zone, the County Judge shall notify in writing and provide a copy of the application to the presiding officer of the governing body of each eligible jurisdiction.**
- (e) Upon receipt of a completed application and/or request to participate with a municipality in an abatement agreement, Tarrant County Administrator's Office must review and provide recommendation to the Commissioners Court within 30 days and before the public hearing.**
- (f) The County shall not establish a reinvestment zone, nor participate in an abatement, if it finds that the application for County reinvestment zone/tax abatement was filed after the commencement of construction, alteration, or installation of improvements related to the proposed modernization, expansion or new facility.**
- (g) Variance. Request for variance from the provisions of this policy must be made in written form to the County Judge and submitted with the application for abatement, provided, however, the total duration of an abatement shall in no instance exceed ten years. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Request for variance must**

be approved by a majority vote of the Commissioners Court.

**V. PUBLIC HEARINGS AND APPROVAL**

- (a) For projects in unincorporated Tarrant County, the Commissioners Court may not adopt a resolution designating a County reinvestment zone until it has held a public hearing at which interested persons are entitled to speak and present evidence for or against the designation. Notice of the hearing shall be clearly identified on the Commissioners Court agenda at least 30 days prior to the hearing. The presiding officers of eligible jurisdictions shall be notified in writing at least 15 days prior to the hearing.
- (b) Prior to entering into a tax abatement agreement the Commissioners Court may, at its option, hold a public hearing at which interested persons shall be entitled to speak and present written materials for or against the approval of the tax abatement agreement.
- (c) In order to enter into a tax abatement agreement, the Commissioners Court must find that the terms of the proposed agreement meet these Guidelines and Criteria and that:
  - (1) there will be no substantial adverse affect on the provision of the jurisdiction's service or tax base; and
  - (2) the planned use of the property will not constitute a hazard to public safety, health or morals.
- (d) Any application requesting a variance under Section IV (g) shall be approved by a majority vote of the Commissioners Court. No application which deviates from the requirements of these Guidelines and Criteria shall be approved unless accompanied by a request for variance as provided under Section IV (g).

**VI. AGREEMENT**

- (a) After approval the County shall formally pass a resolution and execute an agreement with the owner of the facility and lessee as required. The Court Order shall include:
  - (1) estimated value of real and personal property to be abated and the base year value;
  - (2) percent of value to be abated each year as provided in Section III (g);
  - (3) the commencement date and the termination date of abatement;
  - (4) the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provide in Section IV (b);

- (5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in Sections III (a), III (c), III (g) VII, VIII, and IX, or other provisions that may be required for uniformity or by state law, and;
- (6) a statement of the facility owner's policy regarding Disadvantaged Business Enterprises (DBEs), and the estimated dollar amount and percentage of total contracts to be awarded to DBEs for construction, professional services, purchases of equipment and supplies and other services required for the abated improvements;
- (7) amount of investment and average number of jobs involved; and
- (8) an assessment of the environmental impacts of the project, including a statement of the owner's policy addressing regional air quality and information on the use of alternative fuels in fleet vehicles.
- (9) a statement indicating the provision of a health care benefit plan for employees and dependents.

Such agreement shall normally be executed within 60 days after the applicant has forwarded all necessary information and documentation to the County.

- (b) Participation in tax abatement agreements with municipalities requires additional information to be included in the Court Order approving the agreement, as follows:
  - (1) a copy of the agreement between the applicant and municipality shall be attached and made apart of the Court Order for all purposes;
  - (2) authorization for the County Judge to execute a signatory page on behalf of the Commissioners Court which shall be attached and made part of the original agreement.

## **VII. RECAPTURE**

Commissioners Court reserves the right to review compliance for full or partial recapture in the event that the applicant fails to perform in "good faith." If a project is not completed as specified in the tax abatement agreement, the County has the right to cancel the abatement agreement and abated taxes shall become due to the County and other affected taxing units as provided by law. If any of the provisions contained in the tax abatement agreement, i.e., employment, amount of investment, etc., are not met, the County shall have the right to reduce or cancel the abatement agreement. If a project granted a tax abatement ceases to operate or is no longer in conformance with the tax abatement agreement, the agreement shall not be in

effect for the period of time during which the project is not operating or is not in conformance.

#### **VIII. ADMINISTRATION**

- (a) **The Chief Appraiser of the County shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the chief Appraiser shall notify the affected jurisdictions which levies taxes of the amount of the assessment.**
  
- (b) **The agreement shall stipulate that employees and/or designated representatives of the County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.**
  
- (c) **Upon completion of construction the County and/or the jurisdiction creating the reinvestment zone shall annually (or at such other times as deemed appropriate by the Commissioners Court) evaluate each facility receiving abatement to ensure compliance with the agreement and report possible violations to the contract and agreement to the Commissioners Court and the District Attorney. On or before April 30th of every year during the life of the abatement agreement, the company or individual receiving the abatement shall complete and file a Tax Abatement Evaluation Report, along with other required written documentation, detailing and certifying the abatement recipient's compliance with the terms of the abatement agreement. Failure to provide information requested in the compliance evaluation by the prescribed deadline may result in taxes abated in the prior year being due and payable. The company or individual receiving a tax abatement shall provide information to the County for the evaluation which shall include, but not be limited to, the following:**
  - (1) **the number and dollar amounts of all construction contracts and subcontracts awarded on the project;**
  
  - (2) **the total number of employees of the company, their gross salaries, and the number of employees residing in Tarrant County and their gross salaries, reported in job classifications appropriate to the employee;**
  
  - (3) **the gross dollars spent on supplier and professional service contracts, indicating the amounts by contract awarded and performed by Tarrant County business and individuals;**



## **RESOLUTION**

### **PARTICIPATION IN TAX ABATEMENT GENERAL MOTORS STAMPING FACILITY TAX ABATEMENT**

**WHEREAS**, General Motors, LLC, an entity duly authorized to do business in the State of Texas, and duly acting by and through its authorized officers, (hereafter referred to collectively as "Owner"), plans to construct and equip a new stamping facility on real property under its ownership, more particularly described in the Abatement Agreement attached hereto and incorporated herein by reference ("Real Property"), located in the City of Arlington; and

**WHEREAS**, the Real Property is located within Tarrant County (the "County"), a political subdivision of the State of Texas, which Real Property is located within the City of Arlington; and

**WHEREAS**, the Real Property and all improvements and tangible personal property thereon, whether now existing or hereinafter to be constructed, are subject to ad valorem taxation by the City of Arlington and the County; and

**WHEREAS**, the Real Property and all improvements thereon are located in Reinvestment Zone Number Thirty-Four in the City of Arlington, a reinvestment zone for the purpose of tax abatement as authorized by Chapter 311 and 312 of the Texas Tax Code, as amended (the "Code"); and

**WHEREAS**, on the 3<sup>rd</sup> day of January, 2012, the City Council of the City of Arlington approved a tax abatement agreement as to certain improvements thereon; and

**WHEREAS**, the Tax Abatement Agreement (the "Agreement") between Tarrant County and Owner, provides for the construction and installation of certain improvements consisting of a stamping facility and stamping presses, dies and related equipment, at an estimated cost of over \$200,000,000 to be completed by December 31, 2015; and

**WHEREAS**, the Agreement with the Owner is conditioned upon construction and continued operation of the facility and the addition of new jobs; and

**WHEREAS**, the Commissioners Court has been requested by the Owner to take the steps required pursuant to the Code to permit tax abatement with respect to that portion of the Real Property and the improvements thereon which are subject to the taxing jurisdiction of the County, and has further requested that the County enter in the Agreement; and

**WHEREAS**, the County has approved the Tarrant County Tax Abatement Policy Statement Guidelines and Criteria for granting tax abatement in reinvestment zones in Tarrant County;

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

1. That all recitals set forth in the preamble are hereby found to be true and correct;
2. That the Commissioners Court shall have prudently reviewed each tax abatement agreement approved by a municipality having taxing jurisdiction with respect to property located in the County and within a reinvestment zone designated by such municipality; and according to the adopted guidelines and criteria for tax abatement of the County, shall prudently review and consider each proposed County tax abatement agreement providing participation in tax abatement with a municipality; and shall, solely at its discretion, approve those tax abatement agreements that it finds meet all constitutional and statutory criteria and requirements, and which it finds to be in the best interest of the taxpayers and citizens of the County; and
3. That the Commissioners Court hereby finds that the terms and conditions of the Agreement substantially meet its guidelines and criteria; that the Agreement for the abatement of certain County and Hospital District Taxes be and is hereby approved; that the County and its Commissioners Court hereby agree to enter into the Agreements as a party thereto; and the County Judge of the County be and is hereby authorized and directed to execute and deliver said Agreement on behalf of the County and its Commissioners Court, substantially in the form attached hereto, and carry out the terms thereof at the appropriate time(s).

**PASSED AND APPROVED, IN OPEN COURT**, this 10<sup>th</sup> day of January, 2012, through Court Order No. \_\_\_\_\_.

\_\_\_\_\_  
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



(BASED ON MAXIMUM ABATEMENT AMOUNT)

**For a Maximum  
70% Abatement**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
<b>Est Depreciated Value</b>	148,000,000	137,200,000	127,600,000	119,200,000	110,800,000	103,600,000	97,600,000	91,600,000	86,800,000	82,000,000	1,104,400,000
<b>Amount Abated (70%)</b>	103,600,000	96,040,000	89,320,000	83,440,000	77,560,000	72,520,000	68,320,000	64,120,000	60,760,000	57,400,000	773,080,000
<b>Taxable Value</b>	44,400,000	41,160,000	38,280,000	35,760,000	33,240,000	31,080,000	29,280,000	27,480,000	26,040,000	24,600,000	331,320,000
<b>County Taxes Abated</b>	273,504	253,546	235,805	220,282	204,758	191,453	180,365	169,277	160,406	151,536	2,040,931
<b>Hospital District Taxes Abated</b>	236,101	218,872	203,558	190,157	176,757	165,271	155,699	146,128	138,470	130,813	1,761,826
<b>County Revenue</b>	117,216	108,662	101,059	94,406	87,754	82,051	77,299	72,547	68,746	64,944	874,685
<b>Hospital District Revenue</b>	101,186	93,802	87,239	81,496	75,753	70,830	66,728	62,626	59,344	56,063	755,068

New Market Value Added Estimate for Stamping Facility: \$40,000,000  
New Value Added Estimate for Depreciable Equipment/Machinery: \$120,000,000



COMMISSIONERS COURT  
COMMUNICATION

REFERENCE NUMBER

PAGE 1 OF

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DATE:

1/10/2012

111921

SUBJECT: APPROVAL OF TAX ABATEMENT - GENERAL MOTORS STAMPING  
FACILITY, CITY OF ARLINGTON

**COMMISSIONERS COURT ACTION REQUESTED:**

It is requested that the Commissioners Court consider a request for tax abatement from General Motors for the location and construction of a new Stamping Facility in Arlington, and action as noted on the following issues:

1. Approve Tarrant County's participation with the City of Arlington in the abatement of ad valorem taxes on the eligible real and personal property improvements made by General Motors for construction and equipping of a new Stamping Facility, for a period of ten (10) years, at a maximum abatement percentage of seventy percent (70%), as set forth in the agreement.
2. Approve the request for variance from Section III(i)(1) of Tarrant County's Tax Abatement Policy which requires the utilization of Tarrant County and Disadvantaged Business Enterprises for a minimum of twenty-five percent (25%) and fifteen percent (15%), respectively, of the total costs for construction and annual supply and services contracts, and allow for no minimum utilization performance requirements.
3. Approve the attached resolution certifying Tarrant County's agreement to participate with the City of Arlington in the abatement of ad valorem taxes for General Motors and authorize the execution the agreement between Tarrant County and General Motors, LLC.

**BACKGROUND:**

General Motors is requesting tax abatement on an estimated \$200 million in real and personal property improvement costs to construct and equip a new contiguous Stamping Facility on the grounds of the current General Motors (GM) Arlington manufacturing plant. These improvements include approximately \$68 million in construction costs related to a 225,000 to 300,000 square foot building and an estimated \$132 million in personal property investment for press equipment and dies for the facility. The Stamping Facility will manufacture the metal exterior skin for the vehicles produced at the Arlington Plant, such as the doors, hood, top, etc., that are currently being stamped at other locations in the United States and shipped to Arlington.

SUBMITTED BY: Administrator's Office

PREPARED BY: Lisa McMillan

APPROVED BY:



## COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER: \_\_\_\_\_

DATE: 1/10/2012

PAGE 2 OF \_\_\_\_\_

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The GM Arlington plant has undergone several expansions and modernization over the past decades, the last of which began this year with the \$254 million retooling of the Arlington plant for the next generation Sport Utility Vehicle. The plant currently produces the Chevrolet Tahoe and Suburban, the GMC Yukon and Yukon XL, and the Cadillac Escalade. Last year, the plant produced 280,000 vehicles. Employment at the plant is approximately 2,400 employees. The addition of the Stamping Facility will provide for an estimated 180 new jobs. GM Arlington currently supports an average payroll of over \$202.2 million per year, including benefits at the main plant. Hundreds of additional workers are employed by local supplier companies (Lear, Android, Hagemeyer, etc.) to provide parts/services/etc. for assembly and operational activities at the plant. General Motors purchases from these local companies are in excess of \$650 million annually.

General Motors could build the new contiguous Stamping Facility at the Arlington Plant site, or continue stamping and shipping the parts from other locations in the country. The City of Arlington has approved a maximum ninety percent (90%) tax abatement for ten (10) years on the real and personal property improvements to the property, along with waiving various development and permitting fees.

The attached agreement provides for County participation in tax abatement at a maximum of seventy percent (70%) for ten (10) years, with similar terms as our most recent tax abatement with General Motors earlier this year. The base abatement percentage starts at forty-five percent (45%) of the new value added, requiring construction of the new facility at a cost of at least \$65 million, completion of the facility by December 31, 2014, an added investment of at least \$120 million in business personal property, and employment of 180 jobs at the new facility.

Up to twenty-five percent (25%) in additional abatement can be received with added employment, additional percentage Tarrant County employment, and use of DBE and Tarrant County contractors in construction. Additionally, in any year that total employment at the Stamping Facility drops below 180 jobs, the base abatement percentage will be reduced proportionally.

General Motors is requesting a variance from the Tarrant County minimum requirements regarding use of Tarrant County and DBE contractors. General Motors corporate purchasing is done on a global basis and local plants are provided minimal opportunities for establishing local contracts. However, the Arlington plant does spend substantial dollars with local suppliers as noted above.

### **FISCAL IMPACT:**

In 2010, General Motors paid over \$5.4 million in taxes to all local taxing entities. Just over \$1 million in tax revenues were received by the County and Hospital District (\$544,007.00 - County; \$469,611.00 - Hospital District).

General Motors expects to invest over \$200 million in the new facility, machinery and equipment by December 31, 2014. As shown on the attached spreadsheet, the estimated value of a seventy percent (70%) abatement from the County and Hospital District could reach \$3.8 million over the ten (10) year period (\$2,040,931.00 - County; \$1,761,826.00 - Hospital District), depending on the actual market value that the Tarrant Appraisal District places on the facility and equipment once constructed. During the same period, new County and Hospital District taxes collected on the new improvements could be over \$1.6 million (\$874,685.00 - County; \$755,068.00 - Hospital District).

THE STATE OF TEXAS §

**Tax Abatement Agreement**

COUNTY OF TARRANT §

THIS Agreement is executed by and between **GENERAL MOTORS, LLC**, an entity duly authorized to do business in the State of Texas, acting by and through its authorized officer (hereafter referred to as "**OWNER**"), and **TARRANT COUNTY, TEXAS**, acting by and through its County Judge or his designee, (hereafter referred to as "**COUNTY**").

WITNESSETH:

WHEREAS, the Tarrant County Commissioners Court has resolved that the COUNTY may elect to participate in tax abatement

WHEREAS, the Commissioners Court, in accordance with law, has adopted a Policy Statement for Tax Abatement, herein contained as Exhibit "F", which constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the COUNTY; and

WHEREAS, the Premises (as hereafter defined) and the Eligible Property (as hereafter defined) are located in the Reinvestment Zone Number Thirty-Four in the City of Arlington, Texas, established by City Ordinance No. 12-001, being a commercial-industrial reinvestment zone for the purpose of tax abatement as authorized by Chapter 311 and 312 of the Texas Tax Code, as amended; and

WHEREAS, on the 3<sup>rd</sup> day of January, 2012, the City Council of the City of Arlington approved and authorized the execution and delivery of a Tax Abatement Agreement (the "Agreement") as to the Eligible Property thereon; and

WHEREAS, OWNER submitted an application for tax abatement to the County concerning the contemplated Improvements to the Premises (the "Application for Tax Abatement"), attached hereto and incorporated herein as Exhibit "E", in order to provide for construction of a new stamping facility contiguous to the existing General Motors Plant, and the installation of stamping presses, dies and related equipment; and

WHEREAS, the Commissioners Court finds that the contemplated use of the Premises, the Eligible Property and the terms of this Agreement are consistent with encouraging development of the Zone in accordance with the purposes for its creation and are in compliance with the Policy Statement and other applicable law;

NOW THEREFORE, the COUNTY and OWNER, for and in consideration of the mutual premises and promises contained herein, do hereby agree, covenant and contract as set forth below:

**I.**  
**Definitions**

- A. "Added Market Value" is defined as the market value of Eligible Property on the Premises above the Base Year Value.
- B. "Base Year Value" is defined as the tax year 2012 taxable value of real and personal property located on the Premises in Reinvestment Zone Number Thirty-Four on January 1, 2012, as finally determined by the Tarrant Appraisal District.
- C. "Construction Costs" is defined as site development and building costs, including, without limitation, actual construction costs, signage costs, contractor fees, the costs of supplies and materials, engineering fees, architectural fees and other professional costs, and development and permitting fees expended directly in connection with the construction of the Real Property Improvements.
- D. "Effective Date" is defined as January 1, 2012.
- E. "Eligible Property" is defined as Real Property Improvements and Personal Property Improvements made for construction and operation of the new stamping facility as described in Exhibits "A" and "B", constructed, delivered to, installed or placed on the Premises after the Effective Date of this Agreement and through December 31, 2014.
- F. "Job" is defined as a permanent, full-time employment position with General Motors that results in employment on the Premises of at least one thousand, eight hundred and twenty (1,820) hours per position in a year. Part-time positions shall not be included in this definition. Outsourced or contracted positions shall not be included in this definition.
- G. "Personal Property Improvements" are defined as tangible personal property (except inventory or supplies) delivered to, installed or located on the Premises as described in Exhibit "A".
- H. "Premises" are defined as the real property (land and improvements) as described by metes and bounds in Exhibit "C" which existed on January 1, 2012, within Reinvestment Zone Number Thirty-Four, that are owned by and operated by OWNER. Exhibit "C" is attached hereto and incorporated for all purposes.
- I. "Real Property Improvements" are defined as improvements to the Premises, as described in Exhibit "B", and shall include buildings, structures or fixtures erected or affixed to the Premises.
- J. "Reinvestment Zone Number Thirty-Four" is defined as the real property located in the City of Arlington and described by City of Arlington Ordinance No. 12-001 (attached hereto as Exhibit "D").

**II.**  
**General Provisions**

- A. The Premises are not in an improvement project financed by tax increment bonds.

- B. Neither the Premises nor any of the Improvements covered by this Agreement are owned or leased by any member of the Commissioners Court, or any member of the governing body of any taxing units joining in or adopting this Agreement.

**III.**  
**Improvement Conditions and Requirements**

- A. OWNER shall improve the Premises by (i.) completing the Eligible Real and Personal Property Improvements described in Exhibits "A" and "B" in accordance with this Agreement.
- B. OWNER shall provide for the completion of the Eligible Personal Property described in Exhibit "A" of this Agreement not later than January 1, 2015, at a cumulative initial cost of not less than One-Hundred Twenty Million Dollars (\$120,000,000).
- C. OWNER shall provide for the completion of the Eligible Real Property Improvements described in Exhibit "B" of this Agreement not later than January 1, 2014, having a minimum Construction Cost upon completion of not less than Sixty-Five Million Dollars (\$65,000,000). Alternatively, Section III. B. and C. shall be deemed to be met if total cumulative Construction Cost and Eligible Personal Property initial cost combined total \$185,000,000 not later than January 1, 2015.
- D. OWNER will create and maintain employment of a least 180 Jobs on the Premises not later than December 31, 2014.
- E. OWNER shall operate and maintain on the Premises the Eligible Property described in Exhibits "A" and "B" for the duration of this agreement.
- F. All proposed Eligible Property shall conform to the applicable building codes, zoning ordinances and all other ordinances and regulations of the City of Arlington and/or Tarrant County.
- G. OWNER agrees and covenants that it will diligently and faithfully pursue the completion of the Eligible Property. OWNER further covenants and agrees that it will use all reasonable efforts to cause the Eligible Property to be constructed in a good and workmanlike manner and in accordance with all applicable state and local laws and regulations.
- H. The Premises and all Improvements must conform to all applicable state and federal laws and regulations to air pollution and air quality.

**IV.**  
**Abatement Allowed**

- A. As set forth in this section, tax abatement allowed herein shall be for Tarrant County and Tarrant County Hospital District ad valorem real and personal property taxes, relative to Added Market Value of the Eligible Property located on the Premises, subject to the following terms and conditions.
- B. If the Improvement Conditions and Requirements set forth in Section III herein are met, COUNTY agrees to exempt from taxation up to seventy percent (70%) of the Added

Market Value of the Eligible Property in accordance with the various requirements established by terms of this Agreement and to be calculated as set forth below. The abatement period shall be from tax year beginning January 1, 2014 through and including tax year January 1, 2023.

1. **Base Abatement** - If OWNER (i.) improves the Premises and adds the required Eligible Property to the Premises as set forth in Section III A., B. and C., (ii.) maintains employment as set forth in Section III.D., and (iii.) employs Tarrant County residents for a minimum twenty-five percent (25%) of all Jobs, COUNTY shall exempt from taxation forty-five percent (45%) of the Added Market Value of the Eligible Property. Failure to meet the above requirements for Jobs and Tarrant County resident employment shall be cause for a reduction in the percentage abatement for any year in which the requirements are not met, as set forth in Section IV.B.2.

The exemption may begin prior to full completion and installation of the Eligible Property, but if the minimum cost requirements as set forth in Section III.B. and C. are not met, the COUNTY may recapture taxes abated in accordance with Article VII of this Agreement.

2. **Reduction to Base Abatement** - In any year that employment levels do not meet the minimum requirements set forth in Section IV.B.1.(ii.) and (iii.), the COUNTY shall reduce the base abatement percentage for that year as follows:

- a. If the actual number of Jobs falls below the minimum Jobs requirement, OWNER will receive a one percent (1%) reduction for up to each twenty (20) Job deficiency from the minimum Jobs requirement.

(Example: For total Jobs of 179 down to 160, the base abatement would be reduced by 1%. For total Jobs of 130, which would be 50 Jobs less than the minimum Jobs requirement, the base abatement would be reduced by 3%.)

- b. If less than twenty-five percent (25%) of all Jobs are filled by Tarrant County residents, OWNER will receive a five percent (5%) reduction.

3. **Additional Percentage Abatement** - In any year that OWNER is eligible to receive a tax exemption under Sections IV.B.1 and 2, COUNTY agrees to exempt from taxation up to an additional twenty-five percent (25%) of the Added Market Value of the Eligible Improvements in any year that OWNER meets one or more of the additional requirements as follows:

- a. For total Jobs above 180, OWNER will receive an additional three percent (3%) abatement for each ten (10) Jobs added, up to a maximum of fifteen percent (15%) additional abatement.

(Example: A total of 200 Jobs would be 20 additional jobs, which would provide for 6% additional abatement; a total of 233 Jobs would be 53 additional jobs, which would provide for 15% additional abatement.)

- b. For employment of Tarrant County residents for more than fifty percent (50%) of all Jobs, OWNER will receive an additional 5% abatement.
- c. For use of Disadvantaged Business Enterprise (as defined in the Tarrant County Tax Abatement Police Guidelines and Criteria attached hereto as Exhibit "F") contractors for greater than twenty percent (20%) of the total Construction Costs of the Real Property Improvements, OWNER will receive an additional five percent (5%) abatement for each year of the term of the abatement.
- d. For use of Tarrant County contractors (defined as a contractor with an office location or business address in Tarrant County) for greater than thirty percent (30%) of the total Construction Costs of the Real Property Improvements, OWNER will receive an additional five percent (5%) abatement for each year of the term of the abatement.

**V.**

**Reports, Audits and Inspections**

- A. **Annual Certification and Reports** - Pursuant to state law, OWNER shall certify annually to taxing units that OWNER is in compliance with the terms of the tax abatement agreement, and shall provide taxing units with reports and records reasonably necessary to support each year of the agreement, as follows:
  - 1. **Certification** - OWNER shall complete and certify a Tax Abatement Certification to be provided by COUNTY for each year of the tax abatement agreement, to be due annually not later than April 30. This certification shall include information supporting job creation and retention requirements, reports on Eligible Property values and costs, a narrative description of the project's progress, and other submittals required by the tax abatement agreement.
  - 2. **Eligible Property Reports** - At a minimum, OWNER shall make available on request the following information annually on all Eligible Property for which OWNER seeks tax abatement:
    - a. Property description;
    - b. Asset number;
    - c. Payment date for property located on Premises; and
    - d. Cost.
  - 3. **Eligible Property Reports for Projects in Progress** - OWNER shall provide County, upon request, information on projects in progress for which fixed asset numbers have not been assigned. The report shall provide information in sufficient detail to identify the Eligible Property to be installed on the Premises. At a minimum, this information shall include:
    - a. Description of materials, machinery and equipment;
    - b. Vendor name, invoice date, invoice number and invoice amount; and
    - c. Payment date for property located on Premises.



4. Reports on Equipment Replaced or Removed - Additionally, OWNER agrees to provide COUNTY, on request, information on Eligible Property for which OWNER has received tax abatement and which has been replaced or removed from the Premises. At a minimum, this information shall include:
    - a. Property description;
    - b. Asset number; and
    - c. Approximate date of disposal.
  5. Report Upon Project Completion - Within one-hundred eighty (180) days of completion of the Eligible Property, OWNER shall provide COUNTY with a final Eligible Property Report that shall describe all Eligible Property for which the owner is granted tax abatement. This report shall be accompanied by the opinion of an independent certified public accountant as to its accuracy and completeness. The report may contemplate a reconciliation of the general ledger to the personal property rendition to satisfy this requirement.
  6. Additional Reports - Additionally, throughout the term of this agreement, OWNER shall furnish COUNTY any additional records and information reasonably requested to support the reports required by this agreement.
- B. Right to Audit Books and Records - COUNTY shall have the right to audit the books and records related to the Eligible Property and supporting the Eligible Property reports. COUNTY shall notify OWNER in advance in writing of their intent to audit in order to allow OWNER adequate time to make such books and records available.
- C. Inspection - At all times throughout the term of this Agreement, COUNTY and the Tarrant Appraisal District (TAD) shall have reasonable access to the Premises for the purpose of inspecting the Premises to ensure that the Eligible Property is constructed, installed, maintained and operated in accordance with the terms of this Agreement. All inspections shall be conducted in a manner as to not unreasonably interfere with the installation of the Eligible Property or the operation of the Premises. The inspections shall be conducted within a reasonable time period after notice by COUNTY or TAD to OWNER, provided, however, that all inspections shall be made with one (1) or more representative(s) of OWNER present and in accordance with the safety standards of OWNER.

## VI. Use of Premises

The Premises at all times shall be used in a manner that is consistent with the City of Arlington zoning ordinances and consistent with the general purpose of encouraging development within the Reinvestment Zone. Both parties acknowledge that the use of the Premises for a stamping facility and related activities in accordance with this Agreement is consistent with such purposes.

## VII. Breach and Recapture

- A. Breach - A breach of this Agreement may result in termination or modification of this Agreement and recapture by COUNTY of taxes which otherwise would have been paid since the execution of this Agreement to COUNTY without the benefit of the

Abatement, as set forth in Sections VII(B) and VII(C). Penalty and interest on recaptured taxes will be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas, and such taxes shall become due sixty (60) days following notice of breach and after the expiration of any cure period as provided in Section VII(B). The following conditions shall constitute a breach of this Agreement:

1. OWNER terminates the use of the Premises as a stamping facility and related activities at any time during the term of the Agreement; or
  2. OWNER fails to meet the Abatement Conditions and Requirements as specified in Section III A., B., C., E., F., G. or H. herein; or
  3. OWNER allows its ad valorem taxes on any property located within Tarrant County owed to COUNTY to become delinquent; or
  4. OWNER fails to comply with the requirements and provisions described in Sections V and XX of this Agreement.
- B. Notice of Breach - In the event that COUNTY makes a reasonable determination that OWNER has breached this Agreement, then COUNTY shall give OWNER written notice of such default. OWNER has sixty (60) days following receipt of said written notice to reasonably cure such breach, or this Agreement may be terminated by COUNTY, and recapture of abated taxes may occur. Notice of default shall be in writing and shall be delivered by personal delivery or certified mail to OWNER at its address provided in Section IX of this Agreement. It shall be the duty of COUNTY to determine whether to require recapture and payment of abated taxes and to demand payment of such.
- C. Recapture - During the first five (5) years of this Agreement, should OWNER commit a breach of this Agreement according to items A(1), (2) (3) or (4) of this Section VII, and OWNER does not cure as provided in VII.B. above during the cure period, COUNTY may terminate this Agreement and recapture all taxes abated under this Agreement up to the time of breach. During years six (6) through ten (10) of this Agreement, should OWNER commit a breach of this Agreement according to Items A(1), (2), (3) or (4) of this Section VII, COUNTY may terminate this Agreement and recapture taxes abated for the calendar year during which the breach is committed.
- D. Tax Lien Not Impaired - It is expressly agreed and acknowledged between the parties to this Agreement that nothing in this Agreement shall be deemed or construed to affect the lien for taxes against the property established by Section 32.01 of the Tax Code of the State of Texas. Such lien shall secure the payment of all taxes, penalties and interest ultimately imposed on the property, including any taxes abated and subject to recapture under this Agreement. Any such lien may be fully enforced pursuant to the provisions of the Code. For purposes of this Subsection, "property" refers to the Premises and Eligible Property described herein.

**VIII.**  
**Effect of Sale or Lease of Property**

The abatement granted by this Agreement shall not be assignable to any new owner or lessee of all or a portion of the Premises or Eligible Property unless such assignment is approved in writing by the COUNTY.

**IX.**  
**Notice**

All notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail postage prepaid or by hand delivery:

OWNER:           General Motors LLC  
                    2525 East Abram Street  
                    Arlington, Texas 76010-1346  
                    Attention: Finance Manager

  General Motors Company – Tax Staff  
  Mail Code: 482-C16-B16  
  P.O. Box 300  
  Detroit, Michigan 48265  
  Attn: Troy Kennedy

COUNTY:         Tarrant County  
                    County Administrator's Office  
                    100 E. Weatherford  
                    Fort Worth, Texas 76196  
                    Attention: G.K. Maenius

**X.**  
**Commissioners Court Authorization**

This Agreement was authorized by resolution of the Commissioners Court authorizing the County Judge or his designee to execute this Tax Abatement Agreement on behalf of the COUNTY.

**XI.**  
**Severability**

In the event any section, subsection, paragraph, sentence, phrase or word is held invalid, illegal or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

**XII.**  
**Estoppel Certificate**

Any party hereto may request an estoppel certificate from another party hereto, so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which if requested will be addressed to a subsequent purchaser or assignee of OWNER, shall

include, but not necessarily be limited to statements that this Agreement is in full force and effect without default (or if default exists the nature of same), the remaining term of this Agreement, the levels and remaining term of the abatement in effect and such other matters reasonably requested by the party(ies) to receive the certificates.

**XIII.**  
**Owner's Standing**

OWNER, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions or City Council actions authorizing same, and OWNER shall be entitled to intervene in said litigation.

**XIV.**  
**Applicable Law**

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State's District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

**XV.**  
**Indemnification**

It is understood and agreed between the parties that the OWNER, in performing its obligations hereunder, is acting independently, and COUNTY assumes no responsibility or liability to third parties in connection therewith, and OWNER agrees to indemnify and hold harmless COUNTY from any such responsibility or liability. It is further understood and agreed among the parties that COUNTY, in performing its obligations hereunder, is acting independently, and the OWNER assumes no responsibility or liability to third parties in connection therewith, and COUNTY agrees to the extent allowed by law to indemnify and hold harmless OWNER from any such responsibility or liability.

**XVI.**  
**Force Majeure**

It is expressly understood and agreed by the parties to this Agreement that the parties shall not be found in default of this Agreement if any party's failure to meet the requirements of this Agreement is delayed by reason of war, Act of God, fire or other casualty of a similar nature.

**XVII.**  
**No Other Agreement**

This Agreement embodies all of the agreements of the parties relating to its subject matter as specifically set out herein, supersedes all prior understandings and agreements regarding such subject matter, and may be amended, modified or supplemented only by an instrument or instruments in writing executed by the parties.

**XVIII.**  
**Recordation of Agreement**

A certified copy of this Agreement in recordable form shall be recorded in the Deed Records of Tarrant County, Texas.

**XIX.**  
**Signatories**

This Agreement is effective and binding on those parties that have duly signed below.

**XX.**  
**Procurement of Goods and Services from Tarrant County Businesses and/or Disadvantaged Businesses Enterprises**

OWNER agrees to make all commercially reasonable efforts to satisfy the provisions and requirements as set forth in the Tarrant County Tax Abatement Policy, including those relating to Tarrant County and DBE contracting requirements. The percentage requirements pertain only to those contracts/supply/services that are within the local control of GM Arlington Plant, and does not include contracts/supplies/services that are sole source and/or purchased via a General Motors national contract. OWNER shall complete and submit all information necessary to determine to what extent these contracting percentages were met each year during the abatement period.

**XXI.**  
**Headings**

The headings of this Agreement are for the convenience of reference only and shall not affect in any manner any of the terms and conditions hereof.

**XXII.**  
**Successors and Assigns**

The parties to this Agreement each bind themselves and their successors, executors, administrators and assigns to the other party of this Agreement and to the successors, executors, administrators and assigns of such other party in respect to all covenants of this Agreement.

No successor, executor, administrator or assign is valid in the place of the parties to this Agreement without the written consent of COUNTY and such consent shall not be unreasonably withheld, provided however, the procedures set out in Section VIII, Effect of Sale or Lease of Property, is binding for the assignment situation specifically described in Section VIII. Notwithstanding the foregoing, the OWNER may assign this Agreement to any entity which is an affiliate of OWNER, without the consent of the COUNTY, in which case the benefits and obligations under this Agreement shall apply to the property and premises owned by such assignee. For purposes of the Section, an affiliate shall mean any entity which is related to OWNER through direct or indirect common ownership or control.

**XXIII.**  
**Termination**

This Agreement shall terminate, in accordance with the terms of this Agreement, unless extended by written agreement of the parties or a written instrument signed by all parties evidencing a delay by force majeure; provided however, that the period of abatement may not extend beyond ten (10) years.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written above.

**GENERAL MOTORS, LLC**

BY \_\_\_\_\_

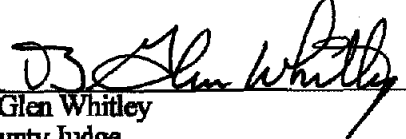
Victoria McInnis  
Chief Tax Officer

\_\_\_\_\_  
Date

WITNESS:  
  
\_\_\_\_\_

**TARRANT COUNTY, TEXAS**

BY \_\_\_\_\_

  
B. Glen Whitley  
County Judge

11/10/12  
\_\_\_\_\_  
Date

ATTEST:

  
Deputy County Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Asst. District Attorney

*\* By law, the District Attorney's Office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our view of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval and should seek review and approval by their own respective attorney (s).*

THE STATE OF § General Motors, LLC  
COUNTY OF § Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of \_\_\_\_\_, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **GENERAL MOTORS, LLC**, and as the \_\_\_\_\_ thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Notary Public in and for  
The State of \_\_\_\_\_

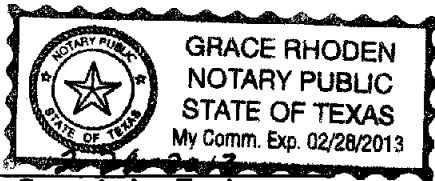
\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary's Printed Name

THE STATE OF TEXAS § Tarrant County, Texas  
COUNTY OF TARRANT § Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **B. GLEN WHITLEY**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of **TARRANT COUNTY, TEXAS**, as the County Judge thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 10<sup>th</sup> day of January, 2012.



\_\_\_\_\_  
My Commission Expires

Grace C. Rhoden  
Notary Public in and for  
The State of Texas

Grace C. Rhoden  
Notary's Printed Name

**EXHIBIT "A"**

**DESCRIPTION OF ELIGIBLE PERSONAL PROPERTY IMPROVEMENTS**



**Exhibit "A"**

**(Description of Eligible Business Personal Property Improvements)**

**Contiguous Stamping Plant Addition Project Description**

**Machinery & Equipment:**

Primarily, but not limited to, stamping presses and related stamping equipment including:

- 3 X-Large Stamping Systems
- Overhead Bridge Cranes
- Scrap Handling System
- Die Maintenance Equipment
- Press Maintenance Equipment
- Mobile Equipment (Fork Trucks)

**Special Tools:**

Primarily, but not limited to, dies that will be used in the stamping presses to press metal, including:

- 200 Stamping Dies
- Part Handling Tooling
- Part Checking Fixtures

**EXHIBIT "B"**

**DESCRIPTION OF ELIGIBLE REAL PROPERTY IMPROVEMENTS**

**Exhibit "B"**

**(Description of Eligible Real Property Improvements)**

**Contiguous Stamping Plant Addition Project Description**

The Contiguous Stamping Plant Addition contemplates an addition to the Arlington Assembly Facility of approximately 225,000 up to 300,000 square feet. The addition will be constructed to house stamping presses used to stamp various sheet metal components for the products manufactured in the contiguous assembly facility.

**Real Property construction:**

225,000 to 300,000 square feet contiguous stamping plant addition

**EXHIBIT "C"**  
**DESCRIPTION OF PREMISES**

**Exhibit "C"**

**(legal description of Premises)**

**DESCRIPTION OF THE PREMISES**

Being a tract of land situated in the M. Harris Survey, Abstract Number 704, Tarrant County, Texas, and being a portion of Lot 1-A, M. Harris Addition, an addition to the City of Arlington, Texas, according to the plat thereof recorded in Volume 388-88, Page 49, Plat Records of Tarrant County, Texas, and being more particularly described as follows:

Commencing at a 1" iron pipe found for the most northerly southwest corner of the said Lot 1-A, M. Harris Addition, same being the northwest corner of the Harris Acres Addition, an addition to the City of Arlington, Texas, according to the plat thereof recorded in Volume 388-32, Page 34, Plat Records of Tarrant County, Texas;

THENCE North 00° 21' 22" West, a distance of 918.00 with the west line of said Lot 1-A, M. Harris Addition to an angle point in the west line of said Lot 1-A, M. Harris Addition;

THENCE North 00° 43' 27" West, with the west line of said Lot 1-A, M. Harris Addition, a distance of 244.60 feet to an angle point from whence a 3/8 inch iron rod found for the southeast corner of Lot 26, Block 10, of Parkview Addition, an addition to the City of Arlington, Texas, according to the plat thereof recorded in Volume 388-N, Page 3, Plat Records of Tarrant County, Texas, bears North 00° 43' 27" West, a distance of 342.24 feet;

THENCE East, departing the west line of said Lot 1-A, M. Harris Addition, a distance of 366.28 feet to a 1/2 inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for the Point of Beginning of the herein described tract;

THENCE North, a distance of 250.00 feet to a 1/2 inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner;

THENCE North 27° 41' 38" East, a distance of 422.16 feet to a 1/2 inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner;

THENCE North 55° 43' 22" East, a distance of 104.41 feet to a 5/8 inch iron rod found for the southwest corner of the GM Drill Site Gas Well Permit as reflected on the Site and Utilities plan Sheet D-1, dated 10/07/2011 prepared by Mycoskie and McInnis and Associates;

**THENCE North 73° 25' 37" East, with the south line of said GM Drill Site Gas Well Permit tract, a distance of 375.27 feet (plan 375.00 feet) to a 5/8 inch iron rod found for corner;**

**THENCE North 85° 27' 23" East, with the south line of said GM Drill Site Gas Well Permit tract, a distance 243.27 feet to a ½ inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner from whence a 5/8 inch iron rod for the southeast corner of said GM Drill Site Gas Well Permit tract bears North 85° 27' 23" East, 61.73 feet;**

**THENCE South 80° 22' 56" East, departing said GM Drill Site Gas Well Permit tract, a distance of 223.89 feet to a ½ inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner;**

**THENCE South a distance of 521.51 feet to a ½ inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner;**

**THENCE West, passing the northeast corner of the existing Body Shop Building at a distance of 170.00 feet, continuing with the north line of said Body Shop Building a total distance of 725.40 to the northwest corner of said Body Shop Building;**

**THENCE South, a distance of 250.00 with the west line of said Body Shop Building to the northeast corner of the Body Shop Building Addition (currently under construction);**

**THENCE West, departing said Body Shop Building and with the north line of said Body Shop Building Addition, passing at a distance of 150.00 feet the northwest corner of said Body Shop Building Addition, continuing for a total distance of 380.00 feet to the Point of Beginning and containing 13.6307 acres (593,753 square feet) of land, more or less.**

**EXHIBIT "D"**

**CITY OF ARLINGTON ORDINANCE # 12-001 CREATING  
REINVESTMENT ZONE NUMBER THIRTY-FOUR**

Ordinance No. 12-001

**An ordinance establishing Reinvestment Zone Number Thirty-Four; providing this ordinance be cumulative; providing for severability; providing for governmental immunity; providing for injunctions; and becoming effective upon second reading**

**WHEREAS,** the City Council of the City of Arlington, Texas, desires to promote the development or redevelopment of a certain strategic priority area within its jurisdiction by the establishment of Reinvestment Zone Number Thirty-Four for commercial-industrial tax abatement; and

**WHEREAS,** on April 7, 2009, the City Council of the City of Arlington, Texas passed Resolution No. 09-079 authorizing staff, following a briefing to City Council regarding creation of the zone, to give notice required by law to call public hearings relative to creation of reinvestment zones for tax abatement; and

**WHEREAS,** on November 1, 2011, and again on November 15, 2011, staff briefed City Council on the creation of Reinvestment Zone Number Thirty-Four; and

**WHEREAS,** a public hearing was held at which time interested persons were entitled to speak and present evidence for or against the designation of the property described in Exhibit "A" as Reinvestment Zone Number Thirty-Four, and notice of such public hearing was published in a newspaper of general circulation in the City of Arlington not later than the seventh day before the date of the scheduled hearing; and

**WHEREAS,** the City Council of the City of Arlington has established guidelines and criteria governing tax abatement agreements and has stated that the City elects to become eligible to participate in tax abatement; **NOW THEREFORE,**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON, TEXAS:**

1.

That all of the recitals contained in the preambles of this ordinance are found to be true and are adopted as findings of fact by this governing body and as part of its official record.



2.

The City Council, after conducting a public hearing and having considered all relevant evidence and testimony, has made the following findings and determinations based on such evidence and testimony:

- A. That a public hearing on the designation of Reinvestment Zone Number Thirty-Four has been properly called, held and conducted, and that notice of such hearing was published in accordance with the law; and
- B. That the boundaries of Reinvestment Zone Number Thirty-Four should be the proposed area of land more fully described in the property description attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B"; and
- C. That the improvements sought to be made in Reinvestment Zone Number Thirty-Four are feasible and practical and would be a benefit to the land to be included in the Zone and to the City of Arlington following the expiration of an executed Tax Abatement Agreement; and
- D. That the proposed area of land to be designated Reinvestment Zone Number Thirty-Four is reasonably likely, as a result of this designation, to contribute to the retention or expansion of primary employment or to attract major investment in the Zone that would be a benefit to the property, thereby contributing to the economic development of the City of Arlington.

3.

In accordance with State law, the City of Arlington hereby officially creates Reinvestment Zone Number Thirty-Four for commercial-industrial tax abatement, which Zone shall hereafter encompass only that certain area of land more fully described in the property description attached hereto as Exhibit "A" and depicted on the map attached hereto as Exhibit "B"; and such Reinvestment Zone shall be officially designated as Tax Abatement Reinvestment Zone Number Thirty-Four of the City of Arlington, Texas.

4.

The designation of Reinvestment Zone Number Thirty-Four of the City of Arlington, Texas shall expire Five (5) years after the effective date of its designation and may be renewed.

5.

This ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Arlington; and this ordinance shall not operate to repeal or affect any of such other ordinances except insofar as the provisions thereof might be

(2)

inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

6.

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

7.

All of the regulations provided in this ordinance are hereby declared to be governmental and for the health, safety and welfare of the general public. Any member of the City Council or any City official or employee charged with the enforcement of this ordinance, acting for the City of Arlington in the discharge of his/her duties, shall not thereby render himself/herself personally liable; and he/she is hereby relieved from all personal liability for any damage that might accrue to persons or property as a result of any act required or permitted in the discharge of his/her said duties.

8.

Any violation of this ordinance can be enjoined by a suit filed in the name of the City of Arlington in a court of competent jurisdiction, and this remedy shall be in addition to any penal provision in this ordinance or in the Code of the City of Arlington.

9.

This ordinance shall become effective upon second reading.

PRESENTED AND GIVEN FIRST READING on the 13th day of December, 2011, at a regular meeting of the City Council of the City of Arlington, Texas; and GIVEN SECOND READING, passed and approved on the 3rd day of January, 2012, by a vote of 7 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.

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ROBERT N. CLUCK, Mayor

(3)

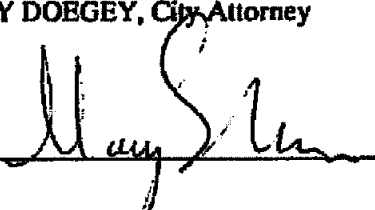
ATTEST:

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MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:  
JAY DOEGEY, City Attorney

BY



A handwritten signature in cursive script, appearing to read "Jay Doegey", is written over a horizontal line.

**Exhibit "A"**

**Legal Property Description**

## DESCRIPTION OF THE PREMISES

Being a tract of land situated in the M. Harris Survey, Abstract Number 704, Tarrant County, Texas, and being a portion of Lot 1-A, M. Harris Addition, an addition to the City of Arlington, Texas, according to the plat thereof recorded in Volume 388-88, Page 49, Plat Records of Tarrant County, Texas, and being more particularly described as follows:

Commencing at a 1" iron pipe found for the most northerly southwest corner of the said Lot 1-A, M. Harris Addition, same being the northwest corner of the Harris Acres Addition, an addition to the City of Arlington, Texas, according to the plat thereof recorded in Volume 388-32, Page 34, Plat Records of Tarrant County, Texas;

THENCE North  $00^{\circ} 21' 22''$  West, a distance of 918.00 with the west line of said Lot 1-A, M. Harris Addition to an angle point in the west line of said Lot 1-A, M. Harris Addition;

THENCE North  $00^{\circ} 43' 27''$  West, with the west line of said Lot 1-A, M. Harris Addition, a distance of 244.60 feet to an angle point from whence a  $\frac{3}{8}$  inch iron rod found for the southeast corner of Lot 26, Block 10, of Parkview Addition, an addition to the City of Arlington, Texas, according to the plat thereof recorded in Volume 388-N, Page 3, Plat Records of Tarrant County, Texas, bears North  $00^{\circ} 43' 27''$  West, a distance of 342.24 feet;

THENCE East, departing the west line of said Lot 1-A, M. Harris Addition, a distance of 366.28 feet to a  $\frac{1}{2}$  inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for the Point of Beginning of the herein described tract;

THENCE North, a distance of 250.00 feet to a  $\frac{1}{2}$  inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner;

THENCE North  $27^{\circ} 41' 38''$  East, a distance of 422.16 feet to a  $\frac{1}{2}$  inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner;

THENCE North  $55^{\circ} 43' 22''$  East, a distance of 104.41 feet to a  $\frac{5}{8}$  inch iron rod found for the southwest corner of the GM Drill Site Gas Well Permit as reflected on the Site and Utilities plan Sheet D-1, dated 10/07/2011 prepared by Mycoskie and McInnis and Associates;

THENCE North  $73^{\circ} 25' 37''$  East, with the south line of said GM Drill Site Gas Well Permit tract, a distance of 375.27 feet (plan 375.00 feet) to a  $\frac{5}{8}$  inch iron rod found for corner;

THENCE North  $85^{\circ} 27' 23''$  East, with the south line of said GM Drill Site Gas Well Permit tract, a distance 243.27 feet to a  $\frac{1}{2}$  inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner from whence a  $\frac{5}{8}$  inch iron rod for the southeast corner of said GM Drill Site Gas Well Permit tract bears North  $85^{\circ} 27' 23''$  East, 61.73 feet;

**THENCE South 80° 22' 56" East, departing said GM Drill Site Gas Well Permit tract, a distance of 223.89 feet to a ½ inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner;**

**THENCE South a distance of 521.51 feet to a ½ inch iron rod with plastic cap stamped "TX REG NO 100189-00" set for corner;**

**THENCE West, passing the northeast corner of the existing Body Shop Building at a distance of 170.00 feet, continuing with the north line of said Body Shop Building a total distance of 725.40 to the northwest corner of said Body Shop Building;**

**THENCE South, a distance of 250.00 with the west line of said Body Shop Building to the northeast corner of the Body Shop Building Addition (currently under construction);**

**THENCE West, departing said Body Shop Building and with the north line of said Body Shop Building Addition, passing at a distance of 150.00 feet the northwest corner of said Body Shop Building Addition, continuing for a total distance of 380.00 feet to the Point of Beginning and containing 13.6307 acres (593,753 square feet) of land, more or less.**

**Exhibit "B"**

**Map**





**EXHIBIT "E"**  
**APPLICATION FOR TAX ABATEMENT**



**Tax Staff**

General Motors Company  
Tax Staff  
Mail code: 482-C16-416  
PO Box: 370  
Deloitte, PA 48265-3030  
USA

November 9, 2011

November 9, 2011

Ms. Lisa McMillan  
Economic Development Coordinator  
Tarrant County Administrators Office  
100 E. Weatherford, Suite 404  
Fort Worth, TX 76196-0609

**General Motors LLC - Application for Tax Abatement**

Dear Ms. McMillan:

The General Motors - Arlington Assembly Plant respectfully requests the participation of Tarrant County with the City of Arlington in providing tax abatements on \$200 million of investment to construct and equip a contiguous stamping facility as outlined in the attached "Application for Tax Abatement".

We appreciate your thoughtful consideration and respectfully request your favorable action on this request for tax abatement. Feel free to contact me if there are any questions on 313.665.4054.

Very truly yours,

Troy D. Kennedy  
US Property Tax Manager

# Tarrant County Application for Tax Abatement/Reinvestment Zone

## I. APPLICANT INFORMATION

Applicant/Property Owner: [REDACTED]  
Company/Project Name: [REDACTED]  
Mailing Address: [REDACTED]  
Telephone: [REDACTED] Fax: [REDACTED]

### Applicant's Representative for contact regarding abatement request:

Name and Title: [REDACTED]  
Mailing Address: [REDACTED]  
Telephone: [REDACTED] Fax: [REDACTED] E-mail: [REDACTED]

## II. PROPERTY AND PROJECT DESCRIPTION

Address and legal description of property to be considered for Tax Abatement/Reinvestment Zone: [REDACTED]  
[REDACTED]

Project Description: [REDACTED]

Description of activities, products, or services produced and/or provided at project location: [REDACTED]  
[REDACTED]

Current Assessed Value: Real Property: \$ [REDACTED] Personal Property: \$ [REDACTED]

Estimated start date of construction/site improvements: [REDACTED]

Projected date of occupancy/commencement of operations at project site: [REDACTED]

Please indicate dates for phases if applicable: [REDACTED]

Location of existing company facilities: [REDACTED]

Requested level of Tax Abatement: [REDACTED] % of eligible property for [REDACTED] years.

Explain why tax abatement is necessary for the success of this project. Include business pro-formas or other information to substantiate your request. [REDACTED]  
[REDACTED]

## III. ESTIMATED VALUE OF IMPROVEMENTS

Estimated Value of Real Property Improvements \$ [REDACTED]

Estimated Value of Personal Property Improvements \$ [REDACTED]

Will any infrastructure improvements (roads, drainage, etc.) be requested of Tarrant County for this project?

Yes  No

If yes, describe requested infrastructure improvements: [REDACTED]

Detail any direct benefits to Tarrant County as a result of this project (i.e., inventory tax, etc.): [REDACTED]

[REDACTED]

**IV. EMPLOYMENT IMPACT OF PROJECT FOR 2010**

**A. NEW EMPLOYMENT (NOTE: THIS PROJECT WILL ENABLE THE RETENTION OF 2,324 EMPLOYEES)**

Projected number of new jobs created as a result of the proposed improvements:

Full-time  up to 180 or more Part-Time

Provide types of jobs created and average salary levels: [REDACTED]

Start date and annual payroll of new permanent positions (if positions to be phased in, provide figures for each phase year): [REDACTED]

Percentage of new jobs to be filled by Tarrant County residents: %

Number of employees transferring from other company locations: [REDACTED]

**B. CONSTRUCTION RELATED EMPLOYMENTS**

Projected number of construction related jobs: [REDACTED]

Estimated total construction payroll: \$ [REDACTED]

Commitment as to percentage of construction dollars to be spent with Tarrant County contractors or subcontractors: [REDACTED]%

Commitment as to percentage & total dollars of construction contracts to be awarded to DBE: [REDACTED]%

**C. CURRENT COMPANY/PROJECT LOCATION EMPLOYMENT**

Current Number of Employees: Full-time  Part-time  [REDACTED]

Average annual payroll: \$ [REDACTED]

Detail on workforce diversity - percentage breakdown of current employees by gender and ethnicity: [REDACTED]

**D. COMPANY SPONSORED HEALTH CARE BENEFITS ARE AVAILABLE**

Full-time Employees  Part-time Employees  Employee Dependents  Not Available

Average monthly employee cost for health care benefits: Individual: \$ [REDACTED] Family: \$ [REDACTED]

Other employee benefits provided or offered: [REDACTED]

**V. LOCAL BUSINESS DEVELOPMENT AND BUSINESS ASSISTANCE (DBE) PLAN**

Estimated amount of annual supply and services expenses: \$ [REDACTED]  
Detail any supply/services expenses that are sole source: [REDACTED]  
Percentage of total supplier/services expenses committed to Tarrant County businesses: [REDACTED]  
Percentage of total supplier and services expenses committed to DBE: [REDACTED]%

**VI. ENVIRONMENTAL IMPACT**

Indicate if development, construction, equipment, distribution methods, and/or operational processes may impact the environment in the following areas, attach detail if necessary:

- Air Quality  Water Quality  Solid Waste Disposal  Storm/Water Runoff
- Floodplain/Wetlands  Noise levels  Other (specify)  [REDACTED]

Provide detail on existing and new fleet vehicles, specifying types of vehicles, quantities and fuel used (gasoline, diesel, LP gas, CNG, etc.): [REDACTED]

**VII. ABATEMENT APPLICATIONS, POLICIES, PROCEDURES, ETC.**

- Letter addressing Economic Qualifications and additional criteria for abatement, Section III (h) and (i) of Tarrant County Tax Abatement Policy
- Descriptive list and value of real and personal property improvements (exhibit B1)
- Plat/Map of Project Location (Exhibit E)
- Project Time Schedule (exhibit C)
- Owner's policy regarding use of disadvantaged Business Enterprises (exhibit A)
- Owner's policy addressing regional air quality/non-attainment status (use of alternative fuels, employee trip reduction, etc.) and plan for participation in regional Ozone Action Program (exhibit B)
- Tax Certificate showing property taxes paid for most recent year (exhibit D)

Note: City of Arlington Abatement Application and Exhibits attached.

**VIII. OTHER INFORMATION**

Upon receipt of a completed application, Tarrant County may require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.\*

I certify the information contained in this application (including all attachments) to be true and correct to the best of my knowledge. I further certify that I have read the "Tarrant County Tax Abatement Policy" and agree to comply with the guidelines and criteria stated therein.

  
Signature

Chief Tax Officer

Title

Victoria McInnis

November 9, 2011

Printed Name

Date

Return completed application and attachments to:

Economic Development Coordinator

Tarrant County Administrator's Office

100 E. Weatherford Street, Suite 404

Fort Worth, Texas 76196-0609

You may also forward an electronic copy of the completed report to:

[lmcmiller@tarrantcounty.com](mailto:lmcmiller@tarrantcounty.com)

Please note that if you do submit this form electronically, you must also submit an original hard copy of the report to the above stated physical address for proper filing and review.

For assistance call: (817) 884-2643

\* As per Section IV (f) of the Tarrant County Tax Abatement Policy Guidelines and Criteria, this application must be filed prior to commencement of construction or installation of improvements in order to be eligible for County tax abatement.



**Tax Staff**

General Motors Company  
Tax Staff  
Mail Code 452-C10-816  
PO Box 300  
Detroit, MI 48225-2000  
USA

November 9, 2011

Exhibit A

Ms. Lisa McMillan  
Economic Development Coordinator  
Tarrant County Administrators Office  
100 E. Weatherford, Suite 404  
Fort Worth, TX 76196-0609

Dear Ms. McMillan:

This letter is intended to supplement General Motors' application for tax abatement with respect to Section V - Local Business & Disadvantaged Business Enterprise (DBE) Impact.

It will be very difficult for the GM Arlington Plant to meet the specific percentages in the Tarrant County Abatement Policy relating to purchasing transactions with Tarrant County Businesses and Disadvantaged Enterprises. As you know, GM's purchasing activities are conducted on a global basis. While this enables the company to procure materials competitively, individual plants such as Arlington are afforded minimal opportunities for establishing local contracts.

Although it will be difficult to achieve 25% of our expenditures with Tarrant County businesses, we currently do significant business within the County. For example, Lear Corporation provides the seats for our vehicles annually costing over \$600 million. Additionally, Android Industries operates from two locations in the County to sequence production parts to our assembly line at an annual cost of over \$35 million. Further, Hagemeyer, located here in Arlington, provides all of our daily indirect materials, supplies and services at an annual cost of over \$24 million. GM purchases from Tarrant County businesses continue to be significant.

The Abatement Policy also requests 15% of our spending be with Disadvantage Business Enterprises. Again, our Global Purchasing & Supply Chain organization prepares the contracts for our various suppliers. Hagemeyer (noted above), has a contractual obligation to apply best efforts to seek low cost suppliers and to direct 5% of total purchases to Minority suppliers. GM has and continues to work very closely with Hagemeyer in an effort to increase minority supplier participation while working to improve our overall cost structure. GM will continue in good faith to encourage Hagemeyer to obtain competitive Minority supplier contracts. For reference, in 2010, GM and its suppliers spent \$2.6 billion on direct purchases from certified minority companies.

At this time, per Section IV (h), General Motors respectfully requests a deviation from Section III (i)(1) concerning use of DBE and Tarrant County businesses. The project will, however, provide for some utilization of DBE and Tarrant County businesses for construction and future supply and service contracts. GM is committed to working with our supplier partners to identify and obtain DBE contracts that meet cost and quality criteria to increase our participation in this area.

I hope this detail helps in understanding our business situation and our request for a deviation from the provisions of the policy. General Motors' appreciates the County's support and your assistance in this matter. If additional information is required, please contact me on 313.665.4054.

Very truly yours,

Troy D. Kennedy  
US Property Tax Manager

## **GENERAL MOTORS-ARLINGTON, TEXAS ENVIRONMENTAL**

### **Local Air Quality:**

**GM Arlington operates three thermal oxidizers to destroy all the vapors from its automated prime, base coat, and clear coat painting operations; including the curing ovens which follow the automated application processes.**

**100% of GM Arlington's vehicles are equipped with onboard refueling vapor recovery.**

**GM Arlington provides several programs which improve local air quality:**

- **On-site training, educational, and meeting facilities to reduce travel**
- **On-site drivers license renewal, local event registration, cell phone sign-up, and other services**
- **Staggered 1st shift "off" and 2nd shift "on" times to reduce traffic congestion**
- **Shift times that allow commuters to miss the peak traffic jam hours in DFW**
- **Preferred parking close to the entrances for motorcycle riders**
- **Telecommuting and leveraging for people to cover several GM sites from one location**
- **The most fuel-efficient full size SUVs available**
- **Hybrid SUV products**

### **Beyond Compliance: Community**

**GM Arlington supports local environmental interests by participating in:**

- **Arlington City Council's Citizen's Environmental Committee**
- **Arlington Chamber of Commerce's Environmental Subcommittee**
- **Tarrant County's Local Emergency Planning Committee**
- **North Central Texas Council of Governments' Clean Air programs**
- **State public hearings on environmental issues**
- **On-site environmental training programs for new State and Federal inspectors**
- **TCEQ Clean Texas program**
- **City of Arlington Green Team**

**Based on a determination by the U.S. Environmental Protection Agency, most 2010 model year GM trucks meet standards that are at least as stringent as the Federal Clean Fuel Vehicle Low Emission Vehicle (LEV) standards.**



**GM Arlington Assembly Plant  
Contiguous Stamping Plant Addition Generation Project Description**

The Contiguous Stamping Plant Addition contemplates an addition to the Arlington Assembly Facility of approximately 225,000 up to 300,000 square feet. The addition will be constructed to house stamping presses used to stamp various sheet metal components for the products manufactured in the contiguous assembly facility. The estimated total project cost is \$200 million and is estimated to be spent as follows:

**Real Property construction:**

- 225,000 - 300,000 square feet contiguous stamping plant addition

**Machinery & Equipment**

- Primarily, but not limited to, stamping presses and related stamping equipment

**Special Tools**

- Primarily, but not limited to, dies that will be used in the stamping presses to press metal

**GM Arlington Assembly Plant  
Contiguous Stamping Plant Addition Project Timing**

<b>2012 - Q2</b>	<b>Start Building Expansion</b>
<b>2012 - Q3</b>	<b>Begin Equipment Installation</b>
<b>2013 - Q3</b>	<b>Phased Production commencement</b>
<b>2014-Q4</b>	<b>Construction completion</b>

EXHIBIT D

53,271,945-1

TAX STATEMENT 2010

STATEMENT DATE: 02/04/2011

LEGAL: HARRIS, M ADDITION  
BLK LOT 1A1

ACCOUNT: 00001182088

OWNER: GENERAL MOTORS CO  
PARCEL ADDRESS: 0002825 E ABRAM ST  
EXEMPTION CODE: AB001

PIDN: 17280 1A1  
ACRES: 248.778

LAND VALUE	IMPROVEMENT VAL	APPRAISED VALUE			
4,975,590	35,024,440	40,000,000			
TAXING ENTITIES	EXEMPTION AMOUNT	TAXABLE VALUE	TAX RATE PER \$100	BASE TAX	PENALTY & INTEREST
ARLINGTON CITY	0	40,000,000	0.640000	256000.00	0.00
TARRANT COUNTY	0	40,000,000	0.284000	109600.00	0.00
T C HOSPITAL	0	40,000,000	0.227887	91158.80	0.00
T C COLLEGE	0	40,000,000	0.137840	55136.00	0.00
ARLINGTON ISD	0	40,000,000	1.336000	534000.00	0.00
SUBTOTAL				1,045,014.80	0.00
PRIOR YEARS				0.00	
TOTAL AMOUNT DUE				0.00	

This top portion and your canceled check will serve as your receipt.

\* Detach on perforation and return this portion with your check payable to:

BETSY PRICE  
PO BOX 981018  
FORT WORTH, TX 76161-0818  
817/884-1188

TOTAL AMOUNT DUE  
\$0.00

^^ AMOUNT DUE ON RECEIPT ^^

OWNER: GENERAL MOTORS CO  
PIDN: 17280 1A1

DELINQUENT DATE: 03/31/2011

ACCOUNT: 00001182088 2010

GENERAL MOTORS CO  
300 RENAISSANCE CTR  
DETROIT, MI 48243-1300

IF PAID IN	AMOUNT DUE
MAR 0%	0.00
APR 0%	0.00
MAY 0%	0.00
JUN 0%	0.00
JUL 0%	0.00
AUG 0%	0.00

**TAX STATEMENT 2010**

STATEMENT DATE: 02/04/2011

LEGAL: BUSINESS PERSONAL PROPERTY

ACCOUNT: 00013565427

FID ADDCH 8/2  
USMO-ARLINGTON ASSY

OWNER: GENERAL MOTORS LLC  
PARCEL ADDRESS: 0002525 E ABRAM ST  
EXEMPTION CODES: FPO01 AB001 PC001

FID#: P  
ACRES: 0

APPRaised VALUE					
212,893,634					
TAXING ENTITIES	EXEMPTION AMOUNT	TAXABLE VALUE	TAX RATE PER \$100	BASE TAX	PENALTY & INTEREST
ARLINGTON CITY	52,856,380	160,234,174	0.848000	1098317.46	0.00
TARRANT COUNTY	46,829,984	166,063,670	0.284000	438407.82	0.00
T C HOSPITAL	46,829,984	166,063,670	0.227807	378463.88	0.00
T C COLLEGE	41,827,307	170,966,227	0.137640	236917.91	0.00
ARLINGTON ISD	41,827,307	170,966,227	1.335000	2282399.13	0.00
SUBTOTAL				4,372,896.20	0.00
PRIOR YEARS				0.00	
TOTAL AMOUNT DUE				0.00	

This top portion and your canceled check will arrive on your receipt.

\* Detach on perforation and return this portion with your check payable to:

BETSY PRICE  
PO BOX 961018  
FORT WORTH, TX 76181-9618  
817/884-1100

**TOTAL AMOUNT DUE**  
**00.00**

^^ AMOUNT DUE ON RECEIPT ^^

OWNER: GENERAL MOTORS LLC  
FID#: P

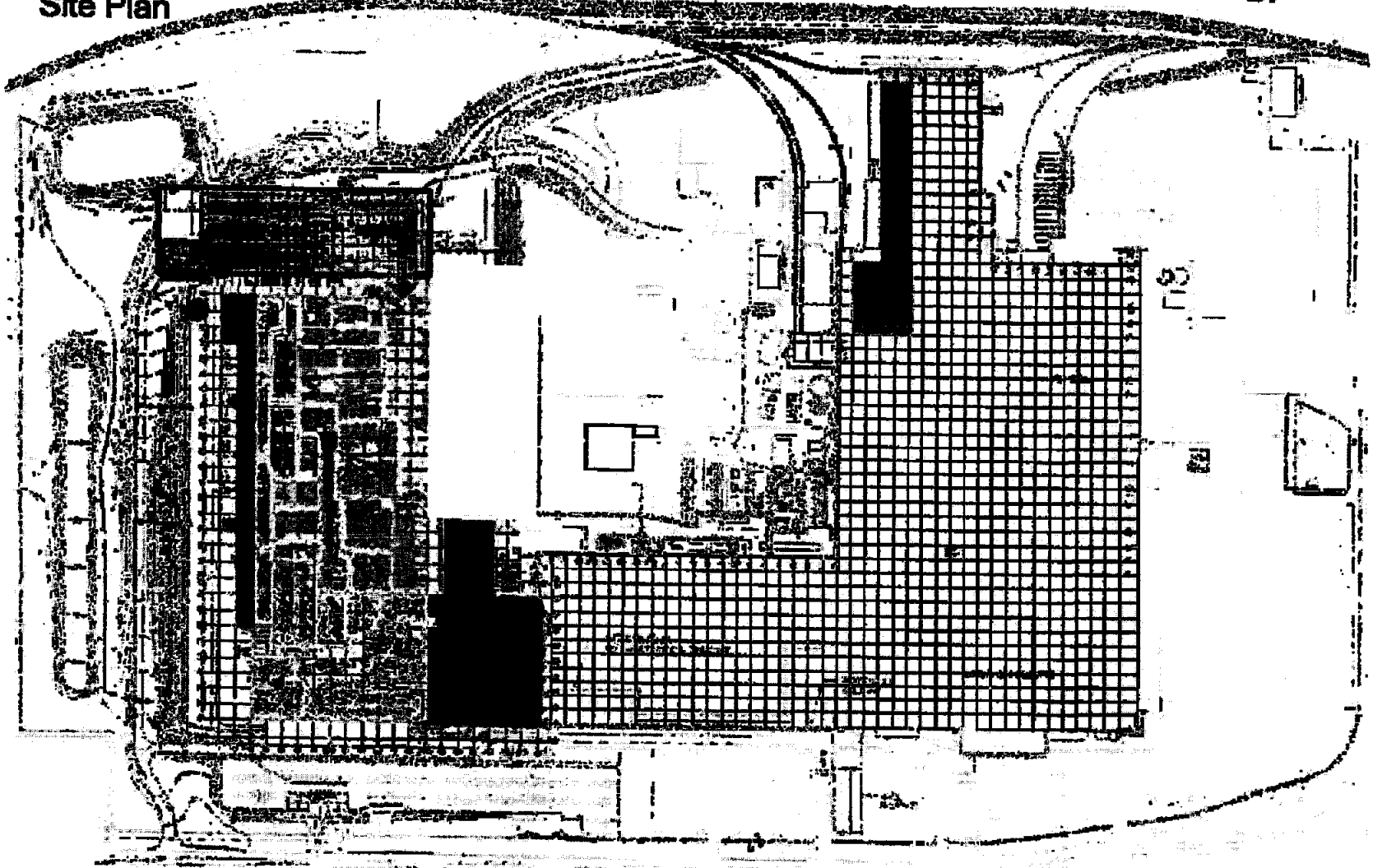
DELINQUENT DATE: 02/04/2011

ACCOUNT: 00013565427 8010

PERIOD	AMOUNT DUE
MAR 0%	0.00
APR 0%	0.00
MAY 0%	0.00
JUN 0%	0.00
JUL 0%	0.00
AUG 0%	0.00

GENERAL MOTORS LLC  
TAX STAFF MC 482-C14-C66  
PO BOX 300  
DETROIT, MI 48245-3000

# Arlington Contiguous Stamping – (final location & size pending) Site Plan



7

Exhibit E

**EXHIBIT "F"**

**TARRANT COUNTY TAX ABATEMENT POLICY AND GUIDELINES**



## **TARRANT COUNTY**

### **TAX ABATEMENT POLICY GUIDELINES AND CRITERIA**

#### **I. GENERAL PURPOSE AND OBJECTIVES**

**As authorized under Chapter 312 of the Texas Tax Code, Tarrant County has established this policy so as to work in concert with other taxing authorities as part of an overall publicly supported incentive program designed to create job opportunities that bring new economic advantages or strengthen the current economic base of our community.**

**It is the intent of the Commissioners Court to consider approval or denial of any request for tax abatement for projects in unincorporated Tarrant County or participation in any tax abatement agreement agreed to and adopted by an incorporated city, which meets the minimum eligibility criteria as set forth in this policy, following the filing of a formal application for tax abatement from the County. As prescribed by Section 312.206 of the Tax Code, the Commissioners Court may approve participation with a municipality in a tax abatement agreement no later than the 90th day after the date the municipal agreement is executed. Further it is the intent of Tarrant County that the County will not approve nor join an abatement agreement that provides one Tarrant County city a competitive advantage over another Tarrant County city seeking the same project or encourages an applicant to move from one Tarrant County city to another, unless such agreement is agreeable to both such incorporated cities and both parties have indicated their approval in writing to Tarrant County.**

**In the case where the property is located within a municipality's extraterritorial jurisdiction, the municipality shall be the initiating taxing entity unless expressly deferred to the County. For those areas within Tarrant County that are not located within the boundaries of an incorporated municipality and a municipality has deferred to the County or in unincorporated areas not located in a municipality's extraterritorial jurisdiction, the guidelines and criteria contained in this policy will be applied by the Commissioners Court when considering the establishment of a reinvestment zone and the adoption of an abatement agreement.**

#### **II. DEFINITIONS**

- (a) "Abatement" means the full or partial exemption from ad valorem taxes of certain real and/or personal property in a reinvestment zone designated for economic development purposes.**

- (b) **"Eligible Jurisdiction" means Tarrant County and any municipality, school district, college district, or other entity, which is located in Tarrant County, that levies ad valorem taxes upon and provides services to property located within the proposed or existing reinvestment zone.**
- (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 the applicant's real and personal property located in a designated reinvestment zone on January 1 of the year of the execution of the agreement, plus the agreed upon value of real and personal property improvements made after January 1, but before the execution of the agreement.**
- (e) **"Economic Life" means the number of years a property improvement is expected to be in service in a facility.**
- (f) **"Deferred Maintenance" means improvements necessary for continued operations which do not improve productivity or alter the process technology.**
- (g) **"Disadvantaged Business Enterprise (DBE)" means:**
  - (1) **a corporation formed for the purpose of making a profit and at least 51 percent of all classes of the shares of stock or other equitable securities of which are owned by one or more persons who are socially or economically disadvantaged because of their identification as members of certain groups that have been subject to racial or ethnic prejudice or cultural bias without regard to their qualities as individuals or capabilities as a business, and whose ability to compete in the free enterprise system is impaired due to diminished opportunities to obtain capital and credit as compared to others in the same line of business who are not socially disadvantaged. "DBE" includes the State of Texas definition of historically underutilized businesses (HUBs) as defined in Texas Government Code 407.101 and as it may be updated.**
  - (2) **a sole proprietorship formed for the purpose of making a profit that is owned, operated, and controlled exclusively by one or more persons described in paragraph (1);**
  - (3) **a partnership that is formed for the purpose of making a profit in which 51 percent of the assets and interest in the partnership is owned by one or more persons described by paragraph (1), and in which minority or women partners have proportionate interest in the control, operation, and management of the partnership affairs.**



- (h) **"Expansion" means the addition of buildings, structures, fixed machinery and equipment, and fixed personal property for the purposes of increasing production capacity.**
- (i) **"Facility" means property improvements completed or in the process of construction which together comprise an integral whole.**
- (j) **"Fixed Machinery and Equipment and/or Personal Property" means tangible machinery, equipment, or personal property that is securely placed or fastened and stationary within a building or structure, or which is movable but remains at and is used solely at the project site.**
- (k) **"Manufacturing Facility" means buildings and structures, including fixed machinery and equipment, and fixed personal property, 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.**
- (l) **"Modernization" means the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation, and extends the economic life of the facility. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery and equipment, and fixed personal property. It shall not be for the purpose of reconditioning, refurbishing, repairing, or completion of deferred maintenance.**
- (m) **"New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.**
- (n) **"Other Basic Industry" means buildings and structures including fixed machinery and equipment, and fixed personal property not elsewhere described, used or to be used for the production of products or services which primarily serve a market outside Tarrant County [or the Fort Worth Consolidated Metropolitan Statistical Area] and result in the creation of new permanent jobs and bring new wealth in to Tarrant County.**
- (o) **"Regional Distribution Center Facility" means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility operator.**
- (p) **"Non-Manufacturing Facilities" means buildings and structures, used to service and/or house individuals on a permanent or temporary basis.**
- (q) **"Regional Service Facility" means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used to service goods.**

- (r) **"Reinvestment Zone"** is an area designated as such for the purpose of tax abatement as authorized by Chapter 312 of the Texas Tax Code.
- (s) **"Regional Entertainment Facility"** means buildings and structures, including machinery and equipment, used or to be used to provide entertainment through the admission of the general public where the majority of the users reside at least 100 miles from its location in the County.
- (t) **"Regional Retail Facility"** means buildings and structures including fixed machinery and equipment used or to be used to provide retail services from which a large portion of the revenues generated by the activity at the facility are derived from users outside the County.
- (u) **"Research Facility"** means building and structures, including fixed machinery and equipment, and fixed personal property, 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.

### **III. ABATEMENT AUTHORIZED**

- (a) **Authorized Facility.** A facility may be eligible for abatement if it is a Manufacturing Facility, a Research Facility, a Regional Distribution Center Facility, A Regional Service Facility, a Regional Entertainment Facility, Regional Retail Facility, a Non-Manufacturing Facility, or Other Basic Industry as defined. The economic life of a facility and any improvements must exceed the life of the abatement agreement.
- (b) **Creation of New Value.** Abatement may be only granted for the additional value of eligible property improvements made subsequent to and listed in an abatement agreement between the County and the property owner and lessee, subject to such limitations as Commissioners Court may require.
- (c) **New and Existing Facilities.** Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- (d) **Eligible Property.** Abatement may be extended to the value above the Base Year Value of buildings, structures, fixed machinery and equipment, fixed personal property, and site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility.
- (e) **Ineligible Property.** The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; private aircraft; deferred maintenance investments; property to be rented or leased except as provided in Section 3 (f); also, any property included in the calculation of base year value as defined.

- (f) **Owned/Leased Facilities.** If a leased facility is granted abatement the agreement shall be executed with the lessor and the lessee.
- (g) **Value and Term of Abatement.** Abatement shall be granted effective with the execution of the agreement. The value of the abatement will be determined based on the merits of the project, including, but not limited to, total capital investment value and added employment. Up to one hundred percent of the value of new eligible properties may be abated for a total term of abatement not to exceed ten years. However, a project must provide an extraordinary economic benefit to the County to be considered for a one hundred percent abatement.
- (h) **Economic Qualification.** In order to be eligible for designation as a County reinvestment zone and/or receive County tax abatement, the planned improvement:
- (1) for new businesses, must be reasonably expected to produce a minimum added value of Five Million Dollars (\$5,000,000) in real and personal property to Tarrant County and create and sustain a minimum of 25 new full-time jobs.
  - (2) for expansions or modernizations of existing businesses, must be reasonably expected to produce a minimum added value of Three Million Dollars (\$3,000,000) in real and personal property improvements to Tarrant County, and sustain existing employment levels.
  - (3) must not be expected to solely or primarily have the effect of transferring employment from one part of Tarrant County to another without a majority vote of approval from the Commissioners Court.
  - (4) must be necessary for expansion and/or modernization because the capacity cannot be provided efficiently utilizing existing improved property when reasonable allowance is made for necessary improvements.
  - (5) the above investment and employment minimums may be waived at the discretion of the Commissioners Court for projects located in Federal or State designated Enterprise Zones.
- (i) **Additional Criteria For Abatement.** To be eligible for abatement, the project must be expected to meet the specific goals and requirements as noted below. If a company is unable to meet the minimum requirements of this section, a variance must be requested with a detailed explanation as to the circumstances that preclude the company from meeting the minimum requirements.
- (1) **Use of DBE and Tarrant County Businesses.** The project must provide for the utilization of Disadvantaged Business Enterprises for a minimum of 15% of the total costs for construction contracts and annual supply and service contracts.

Additionally, the project must provide for the utilization of Tarrant County businesses for a minimum of 25% of the total costs for construction contracts and annual supply and services contracts.

- (2) **Tarrant County Employment.** The company must hire Tarrant County residents for a minimum of 25% of the new full time jobs to be created by the project. Residents, for the purpose of this policy, are those employees who reside in Tarrant County, whether through relocation or existing residency.
  - (3) **Environmental Impacts.** 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. Additionally, the company must provide a written company policy on air quality mitigation, the company's plan for participation in the region's Ozone Action Program, and a report of employer assistance in encouraging alternative commute programs and employee trip reductions. For companies new to the region, the above policies and plan must be completed and presented within the first year of the abatement.
  - (4) **Employee Benefits.** The company must offer a health benefit plan to its full-time employees at a rate that is reasonable to the majority of its employees and which allows access to the plan by the employees' dependents. For additional consideration, the company may provide information on other employee benefits provided, such as retirement/pension programs and subsidies for education, job-training, transportation assistance and child/elderly care.
- (j) **Taxability.** From the execution of the abatement to the end of the agreement period taxes shall be payable as follows:
- (1) The value of ineligible property as provided in Section III (e) shall be fully taxable;
  - (2) The base year value of existing eligible property shall be fully taxable, as well as the value of any existing personal property currently on the tax rolls in Tarrant County that is either moved to a new abated location or is replaced due to modernization or expansion.
  - (3) The additional value of new eligible property shall be taxable in the manner and for the period provided for in the abatement agreement, subject to the terms described in Section III (g); and
  - (4) The additional value of new eligible property shall be fully taxable at the end of the abatement period.

#### **IV. APPLICATION**

- (a) Any present or potential owner of taxable property in Tarrant County may request the creation of a reinvestment zone and/or tax abatement by filing a written request with the County Judge.**
- (b) The application shall consist of a completed application form including, but not limited to: a general description of the new improvements to be undertaken; a descriptive list of the improvements for which an abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and property description; a time schedule for undertaking and completing the proposed improvements; employment and contract information; the location of existing company locations in Tarrant County and the surrounding counties and the expected number of transferring employees; details of the environmental impacts of the project, and employee benefit information. In the case of modernization a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application.**
- (c) All applications for creation of reinvestment zones or abatements shall incorporate a feasibility study estimating the economic effect of the proposed reinvestment zone and tax abatement on Tarrant County, other eligible participating jurisdictions, and the applicant.**
- (d) Upon receipt of a completed application for creation of a reinvestment zone, the County Judge shall notify in writing and provide a copy of the application to the presiding officer of the governing body of each eligible jurisdiction.**
- (e) Upon receipt of a completed application and/or request to participate with a municipality in an abatement agreement, Tarrant County Administrator's Office must review and provide recommendation to the Commissioners Court within 30 days and before the public hearing.**
- (f) The County shall not establish a reinvestment zone, nor participate in an abatement, if it finds that the application for County reinvestment zone/tax abatement was filed after the commencement of construction, alteration, or installation of improvements related to the proposed modernization, expansion or new facility.**
- (g) Variance. Request for variance from the provisions of this policy must be made in written form to the County Judge and submitted with the application for abatement, provided, however, the total duration of an abatement shall in no instance exceed ten years. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Request for variance must**

be approved by a majority vote of the Commissioners Court.

**V. PUBLIC HEARINGS AND APPROVAL**

- (a) For projects in unincorporated Tarrant County, the Commissioners Court may not adopt a resolution designating a County reinvestment zone until it has held a public hearing at which interested persons are entitled to speak and present evidence for or against the designation. Notice of the hearing shall be clearly identified on the Commissioners Court agenda at least 30 days prior to the hearing. The presiding officers of eligible jurisdictions shall be notified in writing at least 15 days prior to the hearing.
- (b) Prior to entering into a tax abatement agreement the Commissioners Court may, at its option, hold a public hearing at which interested persons shall be entitled to speak and present written materials for or against the approval of the tax abatement agreement.
- (c) In order to enter into a tax abatement agreement, the Commissioners Court must find that the terms of the proposed agreement meet these Guidelines and Criteria and that:
  - (1) there will be no substantial adverse affect on the provision of the jurisdiction's service or tax base: and
  - (2) the planned use of the property will not constitute a hazard to public safety, health or morals.
- (d) Any application requesting a variance under Section IV (g) shall be approved by a majority vote of the Commissioners Court. No application which deviates from the requirements of these Guidelines and Criteria shall be approved unless accompanied by a request for variance as provided under Section IV (g).

**VI. AGREEMENT**

- (a) After approval the County shall formally pass a resolution and execute an agreement with the owner of the facility and lessee as required. The Court Order shall include:
  - (1) estimated value of real and personal property to be abated and the base year value;
  - (2) percent of value to be abated each year as provided in Section III (g);
  - (3) the commencement date and the termination date of abatement;
  - (4) the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provide in Section IV (b);

- (5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in Sections III (a), III (e), III (g) VII, VIII, and IX, or other provisions that may be required for uniformity or by state law, and;
- (6) a statement of the facility owner's policy regarding Disadvantaged Business Enterprises (DBEs), and the estimated dollar amount and percentage of total contracts to be awarded to DBEs for construction, professional services, purchases of equipment and supplies and other services required for the abated improvements;
- (7) amount of investment and average number of jobs involved; and
- (8) an assessment of the environmental impacts of the project, including a statement of the owner's policy addressing regional air quality and information on the use of alternative fuels in fleet vehicles.
- (9) a statement indicating the provision of a health care benefit plan for employees and dependents.

Such agreement shall normally be executed within 60 days after the applicant has forwarded all necessary information and documentation to the County.

- (b) Participation in tax abatement agreements with municipalities requires additional information to be included in the Court Order approving the agreement, as follows:
  - (1) a copy of the agreement between the applicant and municipality shall be attached and made a part of the Court Order for all purposes;
  - (2) authorization for the County Judge to execute a signatory page on behalf of the Commissioners Court which shall be attached and made part of the original agreement.

## **VII. RECAPTURE**

Commissioners Court reserves the right to review compliance for full or partial recapture in the event that the applicant fails to perform in "good faith." If a project is not completed as specified in the tax abatement agreement, the County has the right to cancel the abatement agreement and abated taxes shall become due to the County and other affected taxing units as provided by law. If any of the provisions contained in the tax abatement agreement, i.e., employment, amount of investment, etc., are not met, the County shall have the right to reduce or cancel the abatement agreement. If a project granted a tax abatement ceases to operate or is no longer in conformance with the tax abatement agreement, the agreement shall not be in

effect for the period of time during which the project is not operating or is not in conformance.

#### **VIII. ADMINISTRATION**

- (a) **The Chief Appraiser of the County shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the chief Appraiser shall notify the affected jurisdictions which levies taxes of the amount of the assessment.**
  
- (b) **The agreement shall stipulate that employees and/or designated representatives of the County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.**
  
- (c) **Upon completion of construction the County and/or the jurisdiction creating the reinvestment zone shall annually (or at such other times as deemed appropriate by the Commissioners Court) evaluate each facility receiving abatement to ensure compliance with the agreement and report possible violations to the contract and agreement to the Commissioners Court and the District Attorney. On or before April 30th of every year during the life of the abatement agreement, the company or individual receiving the abatement shall complete and file a Tax Abatement Evaluation Report, along with other required written documentation, detailing and certifying the abatement recipient's compliance with the terms of the abatement agreement. Failure to provide information requested in the compliance evaluation by the prescribed deadline may result in taxes abated in the prior year being due and payable. The company or individual receiving a tax abatement shall provide information to the County for the evaluation which shall include, but not be limited to, the following:**
  - (1) **the number and dollar amounts of all construction contracts and subcontracts awarded on the project;**
  
  - (2) **the total number of employees of the company, their gross salaries, and the number of employees residing in Tarrant County and their gross salaries, reported in job classifications appropriate to the employee;**
  
  - (3) **the gross dollars spent on supplier and professional service contracts, indicating the amounts by contract awarded and performed by Tarrant County business and individuals;**



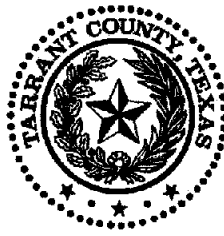
- (4) the dollar amount of contracts awarded to Disadvantaged Business Enterprises;
- (5) detail of actions taken to mitigate any adverse environmental impacts of the project, if applicable; and
- (6) should the dollars, percentages, or actions not meet the original or modified requirements of the abatement agreement, a statement shall be provided explaining the reason for the failure to meet the requirements and a recommended course of rectification.

#### **IX. ASSIGNMENT**

Tax abatement agreements may be assigned to a new owner or lessee of the 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 tax abatement agreement shall be to an entity that contemplates the same improvements or repairs to the property, except to the extent such improvements or repairs have been completed. No assignment shall be approved if the assignor or the assignee are indebted to the County for ad valorem taxes or other obligations.

#### **X. SUNSET PROVISION**

These Guidelines and Criteria are effective on January 1 of the year following the date of their adoption and will remain in force for two years, at which time all reinvestment zones and tax abatement contracts created pursuant to its provisions will be reviewed by the County to determine whether the goals have been achieved. Based on that review, the guidelines and Criteria will be modified, renewed or eliminated. These Guidelines and Criteria may be amended by Commissioners Court at any time during their effective period.



## **RESOLUTION**

### **PARTICIPATION IN TAX ABATEMENT GENERAL MOTORS STAMPING FACILITY TAX ABATEMENT**

**WHEREAS**, General Motors, LLC, an entity duly authorized to do business in the State of Texas, and duly acting by and through its authorized officers, (hereafter referred to collectively as "Owner"), plans to construct and equip a new stamping facility on real property under its ownership, more particularly described in the Abatement Agreement attached hereto and incorporated herein by reference ("Real Property"), located in the City of Arlington; and

**WHEREAS**, the Real Property is located within Tarrant County (the "County"), a political subdivision of the State of Texas, which Real Property is located within the City of Arlington; and

**WHEREAS**, the Real Property and all improvements and tangible personal property thereon, whether now existing or hereinafter to be constructed, are subject to ad valorem taxation by the City of Arlington and the County; and

**WHEREAS**, the Real Property and all improvements thereon are located in Reinvestment Zone Number Thirty-Four in the City of Arlington, a reinvestment zone for the purpose of tax abatement as authorized by Chapter 311 and 312 of the Texas Tax Code, as amended (the "Code"); and

**WHEREAS**, on the 3<sup>rd</sup> day of January, 2012, the City Council of the City of Arlington approved a tax abatement agreement as to certain improvements thereon; and

**WHEREAS**, the Tax Abatement Agreement (the "Agreement") between Tarrant County and Owner, provides for the construction and installation of certain improvements consisting of a stamping facility and stamping presses, dies and related equipment, at an estimated cost of over \$200,000,000 to be completed by December 31, 2015; and

**WHEREAS**, the Agreement with the Owner is conditioned upon construction and continued operation of the facility and the addition of new jobs; and

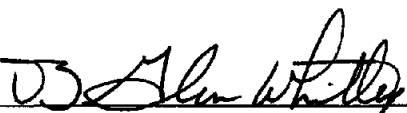
**WHEREAS**, the Commissioners Court has been requested by the Owner to take the steps required pursuant to the Code to permit tax abatement with respect to that portion of the Real Property and the improvements thereon which are subject to the taxing jurisdiction of the County, and has further requested that the County enter in the Agreement; and

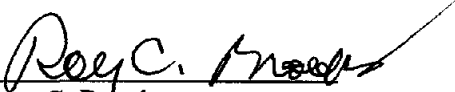
**WHEREAS**, the County has approved the Tarrant County Tax Abatement Policy Statement Guidelines and Criteria for granting tax abatement in reinvestment zones in Tarrant County;

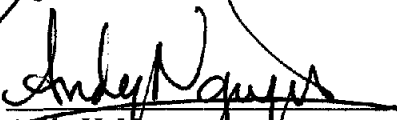
**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED** by the Commissioners Court of Tarrant County, Texas:

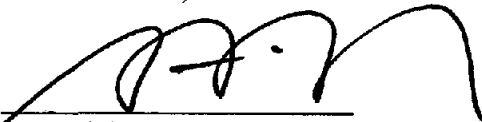
1. That all recitals set forth in the preamble are hereby found to be true and correct;
2. That the Commissioners Court shall have prudently reviewed each tax abatement agreement approved by a municipality having taxing jurisdiction with respect to property located in the County and within a reinvestment zone designated by such municipality; and according to the adopted guidelines and criteria for tax abatement of the County, shall prudently review and consider each proposed County tax abatement agreement providing participation in tax abatement with a municipality; and shall, solely at its discretion, approve those tax abatement agreements that it finds meet all constitutional and statutory criteria and requirements, and which it finds to be in the best interest of the taxpayers and citizens of the County; and
3. That the Commissioners Court hereby finds that the terms and conditions of the Agreement substantially meet its guidelines and criteria; that the Agreement for the abatement of certain County and Hospital District Taxes be and is hereby approved; that the County and its Commissioners Court hereby agree to enter into the Agreements as a party thereto; and the County Judge of the County be and is hereby authorized and directed to execute and deliver said Agreement on behalf of the County and its Commissioners Court, substantially in the form attached hereto, and carry out the terms thereof at the appropriate time(s).


**PASSED AND APPROVED, IN OPEN COURT**, this 10<sup>th</sup> day of January, 2012, through Court Order No. 111921.

  
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

(BASED ON MAXIMUM ABATEMENT AMOUNT)

**For a Maximum  
70% Abatement**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
<b>Est Depreciated Value</b>	148,000,000	137,200,000	127,600,000	119,200,000	110,800,000	103,600,000	97,600,000	91,600,000	86,800,000	82,000,000	1,104,400,000
<b>Amount Abated (70%)</b>	103,600,000	96,040,000	89,320,000	83,440,000	77,560,000	72,520,000	68,320,000	64,120,000	60,760,000	57,400,000	773,080,000
<b>Taxable Value</b>	44,400,000	41,160,000	38,280,000	35,760,000	33,240,000	31,080,000	29,280,000	27,480,000	26,040,000	24,600,000	331,320,000
<b>County Taxes Abated</b>	273,504	253,546	235,805	220,282	204,758	191,453	180,365	169,277	160,406	151,536	2,040,931
<b>Hospital District Taxes Abated</b>	236,101	218,872	203,558	190,157	176,757	165,271	155,699	146,128	138,470	130,813	1,761,826
<b>County Revenue</b>	117,216	108,662	101,059	94,406	87,754	82,051	77,299	72,547	68,746	64,944	874,685
<b>Hospital District Revenue</b>	101,186	93,802	87,239	81,496	75,753	70,830	66,728	62,626	59,344	56,063	755,068

New Market Value Added Estimate for Stamping Facility: \$40,000,000

New Value Added Estimate for Depreciable Equipment/Machinery: \$120,000,000