



# CITY OF PLANO COUNCIL AGENDA ITEM

<b>CITY SECRETARY'S USE ONLY</b>				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		05/12/14		
Department:		Economic Development		
Department Head		Sally Bane		
Agenda Coordinator (include phone #): <b>Sally Bane X8302</b>				
<b>CAPTION</b>				
<p>Public Hearing and an Ordinance of the City of Plano, Texas, designating a certain area within the City of Plano, Texas, as Reinvestment Zone No. 138 for tax abatement consisting of a 99.816 acre tract of land located in the J.C. Barrow Survey, Abstract No. 91, the J.W. Haynes Survey, Abstract No. 458 and the William G. Garvin Survey, Abstract No. 1103, City of Plano, Collin County, Texas, being part of the R.P. Harding Survey, Abstract No. 611, the William Garvin Survey, Abstract No. 453 in the City of Plano, Denton County, Texas, and being part of a tract of land described in Limited General Warranty Deed to SWC Tollway &amp; 121 LLC, recorded in Instrument No. 2014-10254, Deed Records of Denton County, Texas and all of a tract of land described in Special Warranty Deed to KDC Legacy HQ Investments One LP, recorded in Instrument No. 20140225000175910, Land Records of Collin County, Texas, being all of a tract of land described in deed to 121 Epic Commercial, Ltd., recorded in Document No. 2005-60189 of the Official Records of Denton County, Texas, being all of Lots 2 and 3, Block 1 of Lots 1, 2, 3, &amp; 4, Palomino Crossing Addition, an addition to the City of Plano according to the plat recorded in Document 2012-134 of the Official Records of Denton County, Texas and described in Exhibit "A", attached hereto, in the City of Plano, Texas, establishing the boundaries of such zone; ordaining other matters related thereto; and providing an effective date.</p>				
<b>FINANCIAL SUMMARY</b>				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR: <b>2017-18</b>	<b>Prior Year (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget	0	0	0	<b>0</b>
Encumbered/Expended Amount	0	0	0	<b>0</b>
This Item	0	0	0	<b>0</b>
BALANCE	0	0	0	<b>0</b>
<b>FUND(s):     N/A</b>				
<p><b>COMMENTS:</b> This item has no fiscal impact. Notice of public hearing published on May 1, 2014 to create Reinvestment Zone 138. The real property improvements amount is \$300,000,000 and the personal property amount is \$50,000,000. Strategic Plan Goal: Providing economic development incentives relates to the City's goal of Strong Local Economy.</p>				
<b>SUMMARY OF ITEM</b>				
<p>This relates to Toyota Motor North America, Inc., a California corporation, request for tax abatement on Reinvestment Zone 138 and the creation of the zone at the northwest corner of Legacy Drive and Headquarters Drive. <a href="http://goo.gl/llmt2r">http://goo.gl/llmt2r</a></p>				



# CITY OF PLANO COUNCIL AGENDA ITEM

List of Supporting Documents: Ordinance Metes and Bounds	Other Departments, Boards, Commissions or Agencies

**An Ordinance of the City of Plano, Texas, designating a certain area within the City of Plano, Texas, as Reinvestment Zone No. 138 for tax abatement consisting of a 99.816 acre tract of land located in the J.C. Barrow Survey, Abstract No. 91, the J.W. Haynes Survey, Abstract No. 458 and the William G. Garvin Survey, Abstract No. 1103, City of Plano, Collin County, Texas, being part of the R.P. Harding Survey, Abstract No. 611, the William Garvin Survey, Abstract No. 453 in the City of Plano, Denton County, Texas, and being part of a tract of land described in Limited General Warranty Deed to SWC Tollway & 121 LLC, recorded in Instrument No. 2014-10254, Deed Records of Denton County, Texas and all of a tract of land described in Special Warranty Deed to KDC Legacy HQ Investments One LP, recorded in Instrument No. 20140225000175910, Land Records of Collin County, Texas, being all of a tract of land described in deed to 121 Epic Commercial, Ltd., recorded in Document No. 2005-60189 of the Official Records of Denton County, Texas, being all of Lots 2 and 3, Block 1 of Lots 1, 2, 3, & 4, Palomino Crossing Addition, an addition to the City of Plano according to the plat recorded in Document 2012-134 of the Official Records of Denton County, Texas and described in Exhibit "A", attached hereto, in the City of Plano, Texas, establishing the boundaries of such zone; ordaining other matters related thereto; and providing an effective date.**

**WHEREAS**, the City Council desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone for tax abatement, as authorized by V.T.C.A. Tax Code Chapter 312 (referred to as the "Property Redevelopment and Tax Abatement Act" or the "Act"); and

**WHEREAS**, a public hearing before the City Council was set for 7:00 p.m. on the 12<sup>th</sup> day of May, 2014, such date being at least seven (7) days after the date of publication of the notice of such public hearing; and

**WHEREAS**, the City held such public hearing after giving written notice of said hearing to all taxing units overlapping the territory inside the proposed reinvestment zone; and

**WHEREAS**, the City at such hearing invited any interested person or his representative to appear for or against the creation of the reinvestment zone, the boundaries of the proposed reinvestment zone, whether all or part of the territory described in the notice calling such public hearing should be included in such proposed reinvestment zone, and the concept of tax abatement; and

**WHEREAS**, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all matters relating to the creation of the reinvestment zone.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:**

**Section I.** The facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct.

**Section II. Definitions.** For the purposes of this Ordinance, the following terms and phrases shall have the following meanings ascribed to them:

- a) Improvements - Improvements shall include, for the purpose of establishing eligibility under the Act, any activity at the location, including, but not limited to, new construction.
- b) Taxable Real Property - Taxable real property shall be as defined in the Texas Property Tax Code and shall not include personal property as defined in said code, nor shall it include land.
- c) Taxable Tangible Personal Property - Shall be defined, for purposes of this Ordinance, as tangible personal property, such as office machines and office furnishings, but shall specifically exclude inventory or supplies.
- d) Base Year - The base year for determining increased value shall be the taxable real property value assessed the year in which the agreement is executed.

**Section III.** The City, after conducting the above-mentioned hearing and having heard such evidence and testimony, has made the following findings and determinations based on the testimony presented to it:

- a) That a public hearing on the adoption of the reinvestment zone has been properly called, held and conducted and that notices of such hearings have been published as required by law and mailed to all taxing units overlapping the territory inside the proposed reinvestment zone; and
- b) That the boundaries of the reinvestment zone should be the area as described in the metes and bounds description attached hereto as Exhibit "A"; and
- c) That creation of the reinvestment zone for commercial/industrial tax abatement with boundaries as described in Exhibit "A" will result in benefits to the City and to the land included in the zone and the improvements sought are feasible and practical; and

- d) That the reinvestment zone as defined in Exhibit "A" meets the criteria for the creation of a reinvestment zone as set forth in Section 312.202 of the Act in that it is "reasonably likely as a result of the 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 and that would contribute to the economic development of the City"; and
- e) That the reinvestment zone as defined in Exhibit "A" meets the criteria for the creation of a reinvestment zone as set forth in the City of Plano Revised Policy Statement for Tax Abatement.

**Section IV.** Pursuant to Section 312.201 of the Act, the City hereby creates a reinvestment zone for commercial/industrial tax abatement encompassing only the area described by metes and bounds in Exhibit "A" attached hereto and such reinvestment zone is hereby designated and shall hereafter be designated as Reinvestment Zone No. 138, City of Plano, Texas.

**Section V.** The zone shall be effective as of January 1, 2018.

**Section VI.** To be eligible for tax abatement a project shall:

- a) Be located wholly within the zone as established herein.
- b) Not include property that is owned or leased by a member of the City Council of the City of Plano or by a member of the Planning and Zoning Commission.
- c) Conform to the requirements of the City's Zoning Ordinance and all other applicable laws and regulations.
- d) Have and maintain all land located within the designated zone, appraised at market value for tax purposes.

**Section VII.** Written tax abatement agreements with property owner(s) located within the zone shall provide the terms regarding duration of exemption and share of taxable Real Property Improvements and Tangible Personal Property value from taxation as approved hereunder as shown below:

- a) Ten (10) consecutive tax years beginning with and including the January 1, 2018 assessment date for the Real Property Improvements.

- b) Ten (10) consecutive tax years beginning with and including the January 1, 2018 assessment date for the Tangible Personal Property Improvements.
- c) Share of taxes abated – fifty percent (50%) of taxes on the total value of appraised Real Property Improvements for the years 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027.
- d) Share of taxes abated – fifty percent (50%) of taxes on the total appraised value of Tangible Personal Property for the years 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027.

**Section VIII.** Any written agreements authorized under this Ordinance must include provisions for:

- a) Listing the kind, number and location of all proposed improvements of the property; and
- b) Access to and inspection of property by municipal employees to ensure that the improvements or repairs are made according to the specification and conditions of the agreements; and
- c) Limiting the use of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect; and
- d) Recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided by the agreement.

**Section IX.** If any portion of this Ordinance shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof.

**Section X.** This Ordinance shall become effective from and after its date of passage.

**DULY PASSED AND APPROVED** this 12th day of May, 2014.

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Harry LaRosiliere, MAYOR

ATTEST:

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Lisa C. Henderson, CITY SECRETARY

APPROVED AS TO FORM:

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Paige Mims, CITY ATTORNEY

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**BEING** a tract of land situated in the J.C. Barrow Survey, Abstract No.91, the J.W. Haynes Survey, Abstract No. 458 and the William G. Garvin Survey, Abstract No. 1103, City of Plano, Collin County, Texas, being part of the R.P. Harding Survey, Abstract No. 611, the William Garvin Survey, Abstract No. 453 in the City of Plano, Denton County, Texas, and being part of a tract of land described in Limited General Warranty Deed to SWC Tollway & 121 LLC, recorded in Instrument No. 2014-10254, Deed Records of Denton County, Texas and all of a tract of land described in Special Warranty Deed to KDC Legacy HQ Investments One LP, recorded in Instrument No. 20140225000175910, Land Records of Collin County, Texas, being all of a tract of land described in deed to 121 Epic Commercial, Ltd., recorded in Document No. 2005-60189 of the Official Records of Denton County, Texas, being all of Lots 2 and 3, Block 1 of Lots 1,2,3, & 4, Palomino Crossing Addition, an addition to the City of Plano according to the plat recorded in Document 2012-134 of the Official Records of Denton County, Texas, and being more particularly described as follows:

**BEGINNING** at a 1" iron rod found at the northernmost end of a circular right-of-way corner clip at the intersection of the west right-of-way line of Legacy Drive (a 121-foot wide right-of-way) and the north right-of-way line of Headquarters Drive (a 110-foot wide right-of-way), said point being the beginning of a curve to the right having a central angle of  $76^{\circ}27'04''$ , a radius of 137.00 feet, a chord bearing and distance of South  $22^{\circ}12'29''$  West, 169.54 feet;

**THENCE** with said circular right-of-way corner clip and with said curve to the right, in a southwesterly direction, an arc distance of 182.80 feet to a 1" iron rod found at the southernmost end of said circular right-of-way corner clip;

**THENCE** with said north right-of-way line, the following courses and distances to wit:

South  $60^{\circ}26'04''$  West, a distance of 503.04 feet to a point at the beginning of a tangent curve to the right having a central angle of  $28^{\circ}50'08''$ , a radius of 1945.00 feet, a chord bearing and distance of South  $74^{\circ}51'08''$  West, 968.57 feet;

In a southwesterly direction, with said curve to the right, an arc distance of 978.87 feet to a point at the end of said curve;

South  $89^{\circ}16'11''$  West, a distance of 1,368.48 feet to a point for the southeast corner of Lot 7, Block 1 of Lots 4 & Lot 7, Block 1, Palomino Crossing Addition, an addition to the City of Plano according to the plat recorded in Document 2014-131 of the Official Records of Denton County, Texas;

**THENCE** with the east line of said Lot 7 and the east line of Lot 5, Block 1 of Lots 4 & 5, Palomino Crossing Addition, an addition to the City of Plano according to the plat recorded in Document 2013-232 of the Official Records of Denton County, Texas, the following courses and distances to wit:

North  $0^{\circ}43'49''$  West, a distance of 324.73 feet to a point at the beginning of a tangent curve to the left having a central angle of  $24^{\circ}20'01''$ , a radius of 540.00 feet, a chord bearing and distance of North  $12^{\circ}53'50''$  West, 227.62 feet;

In a northwesterly direction, with said curve to the left, an arc distance of 229.34 feet to a point at the end of said curve;  
North 25°03'50" West, a distance of 502.97 feet to a point for corner in the south right-of-way line of State Highway 121 (variable width ROW);

**THENCE** with said south right-of-way line, the following courses and distances to wit:

South 88°58'37" East, a distance of 64.36 feet to a point for corner;  
North 8°41'35" West, a distance of 45.37 feet to a point for corner;  
North 47°40'00" West, a distance of 126.43 feet to a point for corner;  
North 64°57'20" East, a distance of 56.24 feet to a point at the beginning of a non-tangent curve to the right having a central angle of 3°02'32", a radius of 11175.16 feet, a chord bearing and distance of North 69°12'02" East, 593.31 feet;  
In a northeasterly direction, with said curve to the right, an arc distance of 593.38 feet to a point at the end of said curve;  
North 70°50'41" East, a distance of 657.51 feet to a point for corner;  
North 76°36'02" East, a distance of 498.57 feet to a point for corner;  
North 70°50'41" East, a distance of 1053.22 feet to a point for corner;  
South 69°32'31" East, a distance of 25.88 feet to a point for corner;  
North 75°09'20" East, a distance of 5.40 feet to a point for corner in the west right-of-way line of said Legacy Drive;

**THENCE** with said west right-of-way line, the following courses and distances to wit:

South 15°09'28" East, a distance of 94.99 feet to a point for corner;  
South 16°11'20" East, a distance of 250.04 feet to a point for corner;  
South 15°09'28" East, a distance of 1064.24 feet to the **POINT OF BEGINNING** and containing 99.816 acres of land.