

ORDINANCE NO. 2007- 13

An ordinance determining that the Application for Designation of a Reinvestment Zone and Tax Abatement of South Texas Steel Service Company, LLC meets the criteria for designating a reinvestment zone; designating as a reinvestment zone real property and associated structures at a part of Lot 1, Block 1, Safety Steel Subdivision known as 101 & 201 E. Crestwood, Victoria, Texas; establishing the boundaries thereof and other matters relating thereto; determining that the City of Victoria intends to enter into an agreement for Tax Abatement with South Texas Steel Service Company, LLC, establishing requirements for said agreement; providing for severability, and declaring an effective date.

The City Council of the City of Victoria ("City"), wishes to promote the development and redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone for commercial-industrial tax abatement, as authorized by Chapter 312 of the Texas Tax Code, the Property Redevelopment and Tax Abatement Act ("Act");

After publishing a Notice of Public Hearing and providing written notice to all taxing units, including within their boundaries the real property that is to be included in the proposed reinvestment zone, a hearing before the City Council was held at 5:00 p.m. on July 17, 2007, such date being at least 7 days after the date of publication and provision of the notice of such public hearing.

The City at such hearing invited any interested person, or its attorney, to appear and contend 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 resolution calling such hearing should be included in such proposed reinvestment zone, the concept of tax abatement; and whether the City should enter into a tax abatement agreement with South Texas Steel Service Company, LLC;

The proponents of the reinvestment zone offered evidence in favor of all of the foregoing matters relating to the creation of the reinvestment zone and the City's declaration of intent to enter into a tax abatement agreement with South Texas Steel Service Company, LLC, and no opponents of the reinvestment zone appeared to contest creation of the reinvestment zone; and

Pursuant to Section 312.2041 of the Texas Tax Code, the City must deliver to the presiding officer of the governing body of each other taxing unit in which the property to be subject to the agreement is located, a written notice that the municipality intends to enter in to the agreement.

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VICTORIA, TEXAS:

1.

The facts and recitations contained in the preamble of this ordinance are found and declared to be true and correct.

2.

The City, after conducting a hearing and having heard evidence and testimony concerning the aforementioned facts, has made the following findings and determinations based on the testimony presented to it:

- a. A public hearing on the adoption of the reinvestment zone was properly called, held and conducted and notices of such hearing have been published as required by law and delivered to all taxing units including within their boundaries the real property that is to be included in the proposed reinvestment zone;
- b. The boundaries of the reinvestment zone should be the area depicted as "5.179 acres" on the attached **Plat**;
- c. The creation of the reinvestment zone for commercial-industrial tax abatement with boundaries as described herein and the improvements sought therein are feasible and practical and would be a benefit to the land to be included in the zone and to the municipality after the expiration of an agreement entered into pursuant to Section 312.204;
- d. The proposed reinvestment zone 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 would contribute to the economic development of the municipality"; and

e. The proposed reinvestment zone meets the criteria for the creation of a reinvestment zone and tax abatement as set forth in the Guidelines and Criteria for Tax Abatement in the City of Victoria, as adopted by the City Council by Resolution No. **2007-23R**.

3.

Pursuant to Section 312.201 of the Act, the City hereby designates a reinvestment zone for commercial-industrial tax abatement encompassing only the area depicted as "5.179 acres" on the attached **Plat**. This reinvestment zone is designated as the South Texas Steel Service Company, LLC Reinvestment Zone.

4.

The City Council finds and determines:

- a. The granting of tax abatement in the proposed reinvestment zone will not have substantial adverse effect on the City's bonds, tax revenue, service capacity, or the provision of government service or the tax base;
- b. The applicant has sufficient financial capacity to perform the proposed agreement; and
- c. The planned or potential use of the property in the proposed reinvestment zone would not constitute a hazard to public safety, health or morals, or violation of other codes or law.

5.

The City Council finds and determines that the City of Victoria intends to enter into a tax abatement agreement with South Texas Steel Service Company, LLC, pursuant to all applicable state, federal, and local laws and the Guidelines and Criteria established by the City of Victoria in Resolution No. **2007-105R**.

6.

A written tax abatement agreement with South Texas Steel Service Company, LLC for equipment and real property to be placed on a 5.179-acre area depicted on the attached **Plat**, shall be negotiated by City Staff; shall be entered pursuant to Section 312.204 of the Act, shall include provisions that meet the mandatory requirements of Section 312.205 of the Act and Section 5(b) of the Guidelines and Criteria for Tax Abatement in the City of Victoria, and shall, among other provisions, provide the following:

- a. A minimum expenditure on improvements equal to or greater than **\$785,000** to be made and at least 10 new jobs to be created;
- b. Compliance with the requirements of the City's Subdivision & Development Ordinance and all other applicable laws and regulations;
- c. All land located within the designated zone will be appraised at market value for tax purposes;
- d. A duration of **4** consecutive tax years beginning with and including the **January 1, 2008** assessment date or a different date to be established in the tax abatement agreement; and
- e. A share of taxes to be abated as follows:
 - (1) In the first year of tax abatement, **90%** of taxes on total value of appraised eligible property improvements which are added pursuant to the tax abatement agreement;
 - (2) In the second year of tax abatement, **80%** of taxes on total value of appraised eligible property improvements;
 - (3) In the third year of tax abatement, **60%** of taxes on total value of appraised eligible property improvements;
 - (4) In the fourth year of tax abatement, **40%** of taxes on total value of appraised eligible property improvements;

7.

Neither this ordinance nor any associated resolution, ordinance, agreement or document shall constitute an act of abandonment of any City-owned property within or adjacent to the reinvestment zone created by this ordinance.

8.

If any provision of this ordinance, or the application thereof to any person or circumstances, shall be held invalid or unconstitutional by a Court of competent jurisdiction, such invalidity shall not affect the other provisions, or application thereof, of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

9.

The provisions of this ordinance shall become effective immediately upon final passage and approval of the City Council of the City of Victoria, Texas, and this zone shall take effect immediately upon such effective date.

PASSED FIRST READING, this the 7th day of August, 2007.

AYES: 7
NAYS: 0
ABSTENTIONS: 0

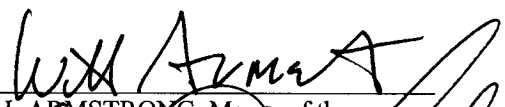
PASSED SECOND READING, this the 21st day of August, 2007.

AYES: 7
NAYS: 0
ABSTENTIONS: 0

PASSED THIRD READING, this the 21st day of August, 2007.

AYES: 7
NAYS: 0
ABSTENTIONS: 0

APPROVED AND ADOPTED, this the 21st day of August, 2007.



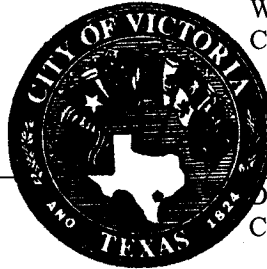
WILL ARMSTRONG, Mayor of the
City of Victoria, Texas

ATTEST:



SCARLET SWOBODA, City Secretary

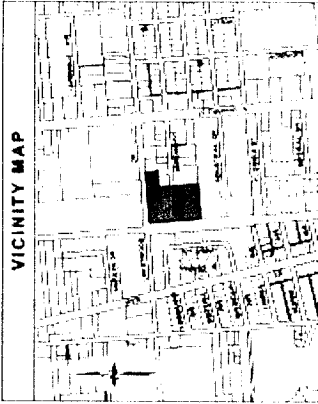
Distribution: Legal Department
Finance Department
County of Victoria
Victoria Economic Development Corporation



APPROVED AS TO FORM:


DAVID A. SMITH, City Attorney

Copies Sent: **August 28, 2007**

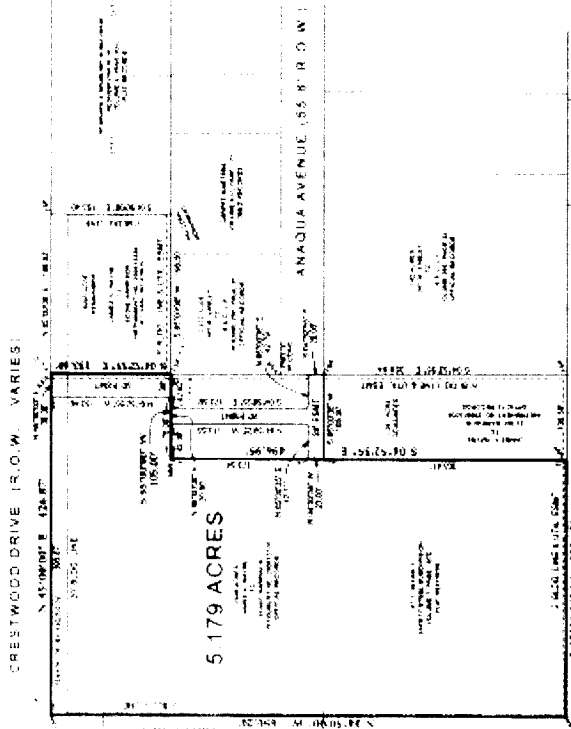


1. SITE CORNER
 POINTS TO THE CORNER OF THE SUBJECT PROPERTY ARE SHOWN BY A 1/4" DIA. IRON PIPE SET IN CONCRETE. THE CORNER OF THE SUBJECT PROPERTY IS MARKED BY A 1/4" DIA. IRON PIPE SET IN CONCRETE. THE CORNER OF THE SUBJECT PROPERTY IS MARKED BY A 1/4" DIA. IRON PIPE SET IN CONCRETE. THE CORNER OF THE SUBJECT PROPERTY IS MARKED BY A 1/4" DIA. IRON PIPE SET IN CONCRETE.

2. 10' EASEMENT
 BEING A 10' EASEMENT FOR THE PURPOSES OF THE CITY OF VICTORIA, TEXAS, AS SHOWN ON THE PLAT OF THE CITY OF VICTORIA, TEXAS, AS SHOWN ON THE PLAT OF THE CITY OF VICTORIA, TEXAS, AS SHOWN ON THE PLAT OF THE CITY OF VICTORIA, TEXAS.

3. 10' EASEMENT
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4. 10' EASEMENT
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LEGEND
 1/4" DIA. IRON PIPE SET IN CONCRETE
 1/4" DIA. IRON PIPE SET IN CONCRETE
 1/4" DIA. IRON PIPE SET IN CONCRETE



- NOTICE**
1. Report Title, Section, Subsection and District to the Surveyor General, P.O. Box 13148, Austin, Texas 78713.
 2. Payment under Section 501.051, Texas Property Tax Code, shall be made to the Surveyor General, P.O. Box 13148, Austin, Texas 78713.
 3. The Surveyor General shall issue a Certificate of Accuracy for the Survey.
 4. The Surveyor General shall issue a Certificate of Accuracy for the Survey.
 5. The Surveyor General shall issue a Certificate of Accuracy for the Survey.

SURVEYOR'S CERTIFICATE

THE ABOVE PLAT AND ACCOMPANYING FIELD NOTES WERE PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY PERSONAL SUPERVISION AND TO THE BEST OF MY KNOWLEDGE AND BELIEF ACCORDING TO THE BEST AVAILABLE DATA AND THE CITY OF VICTORIA, TEXAS, AS SHOWN ON THE PLAT OF THE CITY OF VICTORIA, TEXAS, AS SHOWN ON THE PLAT OF THE CITY OF VICTORIA, TEXAS, AS SHOWN ON THE PLAT OF THE CITY OF VICTORIA, TEXAS.

WALKER, KEELING & CARROLL, L.L.P.
 SURVEYORS
 1000 WEST 10TH STREET
 VICTORIA, TEXAS 77901

DATE OF SURVEY
 DATE OF PLAT
 FILE NUMBER
 SCALE: 1" = 100'
 JOB: 818-28
 SHEET 1 OF 1

DIVISION SURVEY
 WALKER, KEELING & CARROLL, L.L.P.

PROJECT:
 CLIENT:

usi
 URBAN SURVEYING, INC.
 VICTORIA, TEXAS
 (361) 578-9837