



CITY OF DEER PARK DEER PARK INDUSTRIAL DISTRICT

The City of Deer Park operates an Industrial District within its extra-territorial jurisdiction (ETJ). Within this Industrial District, the City has established tax incentives to encourage economic growth and expansion of existing facilities.

TERMS

According to terms of the City's current 12-year Industrial District Agreement (IDA), the Company renders to the City an amount "in lieu of taxes" on Company's land, improvements and tangible personal property equal to a certain percentage of the amount of ad valorem taxes payable if the Company's land, improvements and tangible personal property had been located within the City. Those percentages are as follows:

- 63% for years 2015-2018
- 64% for years 2019-2022
- 65% for years 2023-2026

NEW CONSTRUCTION INCENTIVE

For substantial increases in value due to new improvements that are the lesser of 5% of total appraised value or at least \$5 million, an amount equal to those shown below would be payable if the Company's land and improvements were located within the City during the remaining term of the agreement.

- | | |
|---------------|---|
| 10% | 1 st Year after operations being |
| 20% | 2 nd Year after operations begin |
| 30% | 3 rd Year after operations begin |
| 40% | 4 th Year after operations begin |
| 50% | 5 th Year after operations begin |
| Contract Rate | 6 th Year after operations begin |

A substantial increase in value of new improvements exceeding \$100,000,000 allows the City and Company to enter into negotiations to determine new construction progressive rates.

BENEFITS

In return, the City agrees that the Company's land covered by an IDA:

- Will not be annexed within the term of agreement (renewable)
- Shall have no right to City services
- Shall not be subject to City ordinances governing plats and subdivision of land
- Company will not have to meet building, electrical, plumbing or inspection codes
- City will not attempt to exercise in any manner control over the conduct of the business.

For more information, please contact Debbie Westbeld in the City Manager's office at (281) 478-2042 or dwestbeld@deerparktx.org.