

ORDINANCE NO. 2003-07

AN ORDINANCE GRANTING TAX ABATEMENT AND
DESIGNATING A REINVESTMENT ZONE WITHIN THE
CITY OF TATUM, TEXAS; PROVIDING FOR SEVERABILITY:

STATE OF TEXAS §

COUNTY OF RUSK AND PANOLA §

CITY OF TATUM §

Be it remembered that on December 15, 2003 that the City of Tatum, Rusk and Panola County, Texas , resolved that certain tax abatement agreements should be entered into; and

Be it known that a public hearing for designating as a reinvestment zone pursuant to § 312.201 of the Tax Code of the State of Texas was had on such proposed tax abatement agreements on December 4, 2003 and that notice of such public hearing was published in the November 20, 2003 issue of the Trammel Trace Tribune, a newspaper of general circulation in Tatum, Texas; and

Be it known that letters of intent to hold such public meeting were sent to each and every other taxing entity that includes in its boundaries real property that is to be included in the proposed reinvestment zone that such tax abatement agreement and the reinvestment zone contemplated thereby were sent; and

Be it known that at the public hearing held on December 4, 2003 and it was determined that the tax abatement and reinvestment zone was practical and feasible and was and is a benefit to the land included in the said proposed reinvestment zone and that such land and property was eligible for such benefit as provided in Chapter 311, Tax Code of the state of Texas; and

Be it remembered that on December 15, 2003 at the regular meeting of the City Council of the City of Tatum appropriate action was taken which designated that the land and property hereinafter described is a designated reinvestment zone and that tax abatements are herein granted consistent with the prior action of the City of Tatum, Texas, and any other action which may be deemed necessary or advisable. Such land and property is more fully described as follows:

Block N 2 B Tatum Townsite

This Ordinance shall be cumulative of any and all other ordinances and statutes or parts thereof governing or regulating the same subject matter as contained herein.

That any section , subsection, clause, phrase or word of this ordinance which for any reason is held to be unconstitutional, void, or for any reason held to be unenforceable, the same shall not affect the validity of the remaining portions of this ordinance.

This City Council of the City of Tatum, Texas, hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, phrase or word hereof, irrespective of the fact that any section, subsection, clause, phrase, or word be declared unconstitutional or in anywise invalid.


The City Secretary is hereby authorized and directed to publish the descriptive caption of this ordinance , together with the penalty provision contained herein, in the manner, form, and for the length of time required by law; and that this ordinance shall take effect and be in force and effect from and after the date hereinafter set out.

The City Council of the City of Tatum, Texas does hereby declare that this ordinance is an emergency and does hereby pass and obtain the herinabove set out ordinance of the City of Tatum, Texas.

This Ordinance is hereby PASSED, APPROVED and ADOPTED this 15th day of December , 2003.


Mayor

Attest:


City Secretary

TAX ABATEMENT AGREEMENT

STATE OF TEXAS §

COUNTY OF RUSK AND PANOLA §

This agreement is made and entered into this 15 day of December, 2003, by and between the City of Tatum, Texas, a municipal corporation acting by and through its duly authorized Mayor and City Secretary "City", and Leon Jones, owner of property which has been designated as a reinvestment zone by Ordinance 2003-07.

WHEREAS, Leon Jones is the owner of land and proposed improvements which are to be located within the reinvestment zone designated by the City Ordinance No. 2003-07 and desires to construct buildings and other improvements and facilities within the zone; and

WHEREAS, the City has found that the improvements sought are feasible and practical and would be a benefit to the City after the expiration of the Tax abatement Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

SECTION 1.

The owner agrees to construct certain buildings and facilities on his land located within the reinvestment zone of the City of Tatum, Texas. Said buildings and facilities are more particularly described in Exhibit "a" attached hereto and incorporated herein for all purposes. The owner agrees to commence such construction within thirty (30) days after execution of this agreement and to diligently prosecute construction thereof until the same is completed.

SECTION 2.

The City agrees to abate the property taxes on the taxable real property located within the reinvestment zone to the extent the value of such real property exceeds its value for the 2003 tax year and all the tangible personal property located within the reinvestment zone other than inventory and supplies, which are first located in the improvements within the reinvestment zone after the effective date of this agreement for a period of three (3) years commencing with taxes for the 2005 tax year and as per the following schedule:

Tax year 2005-2007

100% abatement

SECTION 3.

At all reasonable times during the term of this agreement, the City shall have access to and the right to inspect all property, real and personal, covered by this agreement.

SECTION 4.

All property, both real and personal, which is subject to this agreement shall be used only as a part of or in connection with the proposed business which is to be located within the reinvestment zone.

SECTION 5.

In the event the Owner fails to construct the buildings and facilities required by this agreement, the Owner shall be liable to the City for the amount of money equal to the tax revenue lost by the City as a result of this agreement and shall promptly pay the same to the City upon demand.

SECTION 6.

This agreement shall be effective to abate taxes provided for herein for the tax years from and including 2005 and including 2007. At the time of its expiration, this Agreement may be modified by the parties hereto to include other provisions that could have been included herein or to delete provisions that were not necessary. Such modification must be made by the same procedure by which this agreement was originally approved and executed. This Agreement may not be modified to extend beyond ten (10) years from the date thereof. This Agreement may be terminated by the mutual consent of the parties in the same manner that it was approved and executed.


SECTION 7.

This contract is entered into pursuant to the terms of the Property Redevelopment and Tax Abatement Act, Chapter 312, Texas Property Tax Code, and shall be construed so as to comply with the terms of said Act. In the event any provision or provisions of this contract are found to be illegal or invalid for any reason, such findings shall not affect the remaining provisions of this Agreement which are otherwise legal and valid.

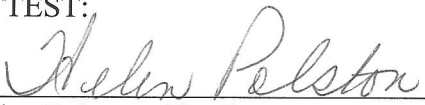
SECTION 8.

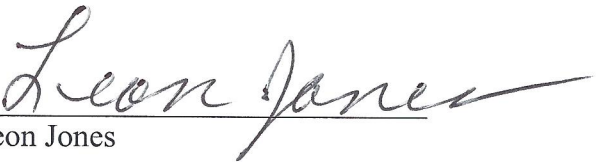
All inventory and merchandise sold from the business located in the reinvestment zone shall be subject to sales and use tax payable to the City of Tatum sales tax account.

EXECUTED on this _____ day of December, 2003.

BY: 
Bob Harris, Mayor

ATTEST:


Helen Polston, City Secretary

OWNER: 
Leon Jones