

# Columbia Medical Center of Arlington

Location: 3301 Matlock Rd

Property Owner: Columbia Medical Center of Arlington Subsidiary, LP

PO Box 1504

Nashville, TN 37202

## About the Project

Columbia Medical Center of Arlington will undergo a significant renovation and expansion of the existing facility in order to broaden MCA's presence in the Arlington market and better serve the community through expanded women's services, emergency services, cardiovascular services, surgical services, neurosciences, primary care, and pediatrics. The project, a \$90 million investment, will occur in two phases. Phase I includes general renovations to the existing facility (approx. 65,000 sq. ft.), including the Pediatric Emergency Department and expansion of the ICU Department (approx. 20,000 sq. ft.). Phase II includes general renovations to the existing facility, including the Women's Department and Medical Oncology Department, and a 65,000 sq. ft. vertical expansion to the Women and Children's Tower.

## Goals of the Project

Job creation and tax base enhancement

## Current Status

Phases I and II were completed in 2019 and 2021, and the abatement is performing as expected. In FY20, CMCA qualified for and received the maximum hiring grant of \$65,000.

## Benefit to City

300 new, full-time jobs created; Approximate 7-year benefit of \$2.5 million in existing property tax revenue, plus an additional \$56,600 in revenue associated with the added value

Reinvestment Zone	40	
Ordinance	14-061	
Year Approved by Council	2014	
Base Year	2014	
Beginning Year	2019	FY20
Ending Year	2025	FY26
Duration	7 years	
Base Year Value	\$ 32,523,963	
Property Tax Account Number(s)	42094958	
Total Abatement Allowed	85%	
Total Estimated Investment by Company	\$ 90,000,000	

## Criteria Evaluated

Add and maintain property value of at least \$4.5m over the Base Year Value by January 1, 2019, and \$11m over Base Year Value by January 1, 2021

Create and retain at least 50 new jobs by January 1, 2021

Operate and maintain the business on the Premises for the duration of the agreement

## Incentives Allowed

Property Tax Component	75% of the added taxable value from Tax Year 2019 to Tax Year 2025
Component	10% additional annually if Arlington and/or MWBE contractors requirement is met during construction
Jobs Component	\$1,000 for every new job filled by an Arlington resident as a result of the completion of the Eligible Property (up to \$65,000)

Year	Abatement Percentage Allowed on Eligible Property	Appraised Value	Percentage of Total Value Abated	Abated Value	Abated Levy	Total Jobs Reported*	Average Salary	Jobs Eligible for Hiring Grant	Hiring Grant	Levy Abated as % of Total Tax Liability
2019 (FY20)	75%	61,092,673	31%	19,240,568	120,061	1,726	not reported	65	65,000	8%
2020 (FY21)	75%	57,246,952	29%	16,356,277	101,818	1,630	not reported	-	-	7%
2021 (FY22)	75%	51,564,587	23%	12,059,228	74,743	1,619	not reported	-	-	6%
2022 (FY23)	75%	51,564,586	23%	12,059,527	72,333	1,569	not reported	-	-	6%
2023 (FY24)	75%	55,000,000	27%	14,635,787	86,322	1,623	not reported	-	-	7%
2024 (FY25)										
2025 (FY26)										
				<b>TOTAL</b>	<b>\$ 455,277</b>				<b>\$ 65,000</b>	

\*Total Jobs Reported includes full-time, part-time and PRN employees

## Levy Paid by Taxing Entity

Year	City of Arlington (024)	Tarrant County (220)	Tarrant County Hospital District (224)	Tarrant County College District (225)	Arlington ISD (901)	Mansfield ISD (908)	Kennedale ISD (914)	Total Annual Tax Bill
2019 (FY20)	261,157	142,957	137,110	79,524	793,392	-	-	1,414,140
2020 (FY21)	254,544	133,958	128,479	74,518	794,072	-	-	1,385,572
2021 (FY22)	244,854	118,083	115,726	67,122	701,691	-	-	1,247,476
2022 (FY23)	236,953	115,505	115,726	67,122	674,826	-	-	1,210,131
2023 (FY24)	238,068	106,975	106,975	61,694	613,580	-	-	1,127,292
2024 (FY25)								-
2025 (FY26)								-
	<b>\$ 1,235,577</b>	<b>\$ 617,477</b>	<b>\$ 604,015</b>	<b>\$ 349,979</b>	<b>\$ 3,577,561</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,384,610</b>

*italics indicates projection*

Ordinance No. 14-061

**An ordinance establishing Reinvestment Zone Number Forty; 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 area within its jurisdiction by the establishment of a Reinvestment Zone 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, 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 Forty, 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 Forty 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 Forty 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 Forty 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 Forty 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 Forty 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 Forty of the City of Arlington, Texas.

4.

The designation of Reinvestment Zone Number Forty 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.

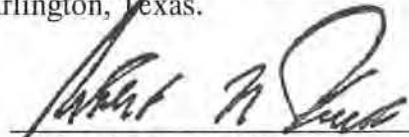
8.

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.

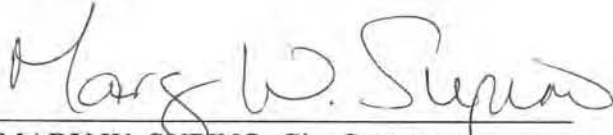
9.

This ordinance shall become effective upon second reading.

PRESENTED AND GIVEN FIRST READING on the 14<sup>th</sup> day of October, 2014, at a regular meeting of the City Council of the City of Arlington, Texas; and GIVEN SECOND READING, passed and approved on the 28<sup>th</sup> day of October, 2014, by a vote of 6 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.

  
\_\_\_\_\_  
ROBERT N. CLUCK, Mayor

ATTEST:



MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:  
JAY DOEGEY, City Attorney

BY

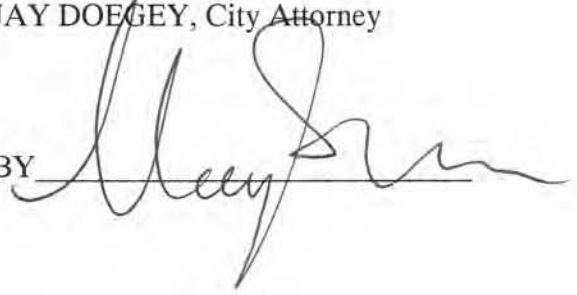


Exhibit "A"

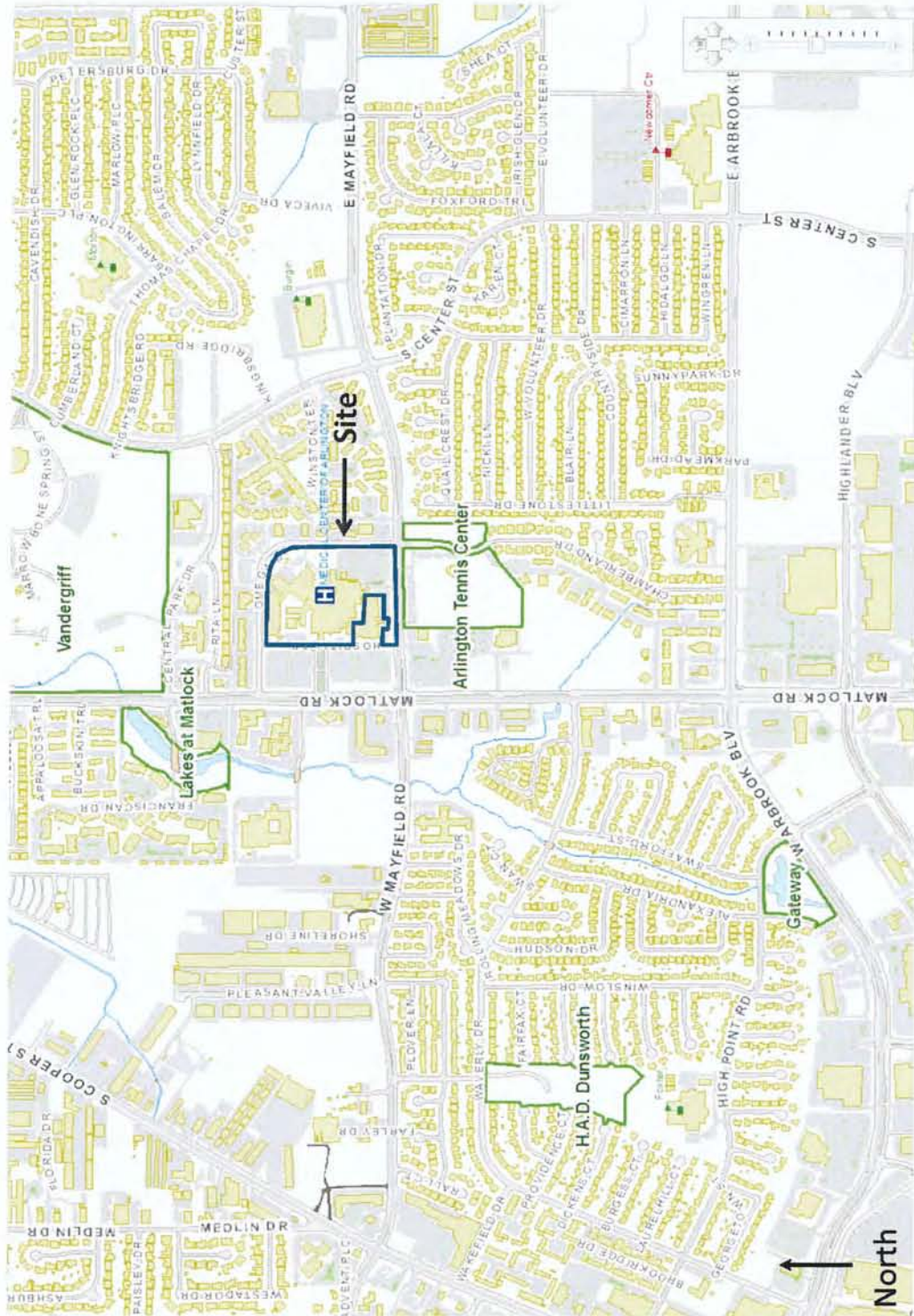
**Legal Property Description**

Lot 3-AR, Block 1-B, Alpha Square (12.961 acres), an addition to the City of Arlington, Tarrant County Texas, according to the amended plat recorded in Cabinet A, Slide 1528, and Dated 11-24-93.



Exhibit "B"

Map



Resolution No. 15-137

**A resolution amending Resolution 14-336 authorizing the execution of a Tax Abatement and Chapter 380 Grant Agreement relative to changing the name of the entity with which the agreement was made from HCA Arlington, Inc. to Columbia Medical Center of Arlington Subsidiary, L.P.**

WHEREAS, on December 16, 2014, City Council approved Resolution No. 14-336 authorizing the execution of a Tax Abatement and Chapter 380 Agreement by and between HCA Arlington, Inc. and the City of Arlington, Texas, relative to a project in Reinvestment Zone Number Forty in the City of Arlington, Texas; and

WHEREAS, the name of HCA Arlington, Inc. has been changed to Columbia Medical Center of Arlington Subsidiary, L.P.; NOW THEREFORE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON, TEXAS:

I.

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

II.


That the City Manager or his designee is hereby authorized to execute a Tax Abatement and Chapter 380 Grant Agreement with Columbia Medical Center of Arlington Subsidiary, L.P., and other necessary or required parties. A substantial copy of the Agreement is attached as Exhibit "A".

III.


In authorizing the execution of and in executing the referenced agreement, the City of Arlington, Texas, through its City Council and City officials, hereby exercises a governmental function in accordance with but not limited to Section 101.0215 of the Texas Civil Practices and Remedies Code.



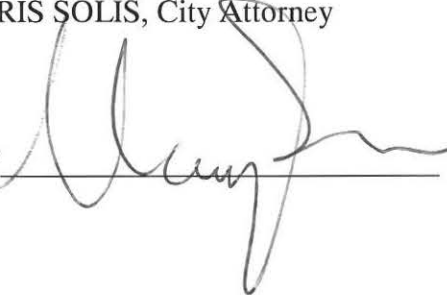
PRESENTED AND PASSED on this the 16th day of June, 2015,  
by a vote of 9 ayes and 0 nays at a regular meeting of the City Council of the  
City of Arlington, Texas.

  
\_\_\_\_\_  
W. JEFF WILLIAMS, Mayor

ATTEST:

  
\_\_\_\_\_  
MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:  
TERIS SOLIS, City Attorney

BY   
\_\_\_\_\_

**Exhibit "A"**

**Agreement**

THE STATE OF TEXAS §  
§  
§  
COUNTY OF TARRANT §

Tax Abatement and  
Chapter 380 Grant Agreement

THIS TAX ABATEMENT AND CHAPTER 380 GRANT AGREEMENT (“Agreement”) is executed by and between **COLUMBIA MEDICAL CENTER OF ARLINGTON SUBSIDIARY, L.P.**, 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 the **CITY OF ARLINGTON, TEXAS**, a home-rule city and municipal corporation of Tarrant County, Texas, acting by and through its City Manager or his designee, (hereafter referred to as “CITY”).

WITNESSETH:

WHEREAS, CITY has found that providing a program of incentives to OWNER in exchange for OWNER’s expansion of its hospital facility will promote local economic development and stimulate business and commercial activity and retain jobs within the City of Arlington (hereafter referred to as “PROGRAM”)

WHEREAS, the CITY has determined that the PROGRAM authorized by Resolution No. 15-137 will directly serve a public purpose and that all transactions involving the use of public funds and resources in establishment and administration of the PROGRAM contain controls likely to ensure that the public purpose is accomplished; and

WHEREAS, Chapter 380 of the Local Government Code provides statutory authority for establishing and administering the PROGRAM provided herein; and

WHEREAS, the City Council of CITY has resolved that the CITY may elect to participate in tax abatements; and

WHEREAS, the City Council of CITY, in accordance with the law, has adopted a Policy Statement for Tax Abatements; and

WHEREAS, prior to executing this agreement, the CITY has adopted a Policy Statement consistent with this agreement; and

WHEREAS, the Policy Statement constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the CITY; and

WHEREAS, the City Council passed Ordinance No. 14-061 establishing Reinvestment Zone Number Forty in the City of Arlington, Texas, being a commercial-industrial reinvestment zone for tax abatement as authorized by Texas Tax Code Chapters and 312 (hereafter referred to as “the Code”); and

WHEREAS, the use of the Premises (as hereafter defined), the Eligible Property (as hereafter defined) and the other terms hereof are consistent with encouraging development within Reinvestment Zone Number Forty, and are in compliance with the Policy Statement and the Ordinance and similar guidelines and criteria adopted by CITY and all applicable law; and

WHEREAS, the City Council finds that the terms of this agreement meet applicable guidelines and criteria adopted by the City Council; and

WHEREAS, a copy of this agreement has been furnished, in the manner prescribed by the Code, to the presiding officers of the governing bodies of each of the taxing units in which the Premises to be subject to the agreement is located; and

WHEREAS, the City Council finds that it is in the public interest to provide the tax abatement and Chapter 380 grant; NOW THEREFORE,

The CITY 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 Taxable Value” is defined as the value of the Eligible Property above the Base Year Value, as appraised by the Tarrant Appraisal District.
- B. “Base Year Value” is defined as the tax year 2014 taxable value of OWNER’s real property improvements located at the Premises in Reinvestment Zone Number Forty, on January 1, 2014, as finally determined by Tarrant Appraisal District. Such amount shall be \$32,523,963 for purposes of this agreement (TAD Account Number: 06658229, excluding land value).
- C. “Business Operations” refers to OWNER’s business located at 3301 Matlock Road, Arlington, Texas, and is defined as a full service hospital facility.
- D. “Eligible Property” is defined as Real Property Improvements as provided in **Exhibit “A”** erected or affixed to the Premises after this agreement is signed and until January 1, 2022. **Exhibit “A”** is attached hereto and incorporated herein for all purposes.
- E. “Job” is defined as a permanent, full-time equivalent employment position that results in employment of an employee (not independent contractor) of OWNER at the Premises for at least 1,820 hours per position in a year. For purposes of this agreement Job shall not include physicians.



- F. “Premises” are defined as the real property (land and improvements) located at 3301 Matlock Road, Arlington, Texas, also addressed as 500 Omega Drive, Arlington, Texas by the Tarrant Appraisal District, described by metes and bounds in **Exhibit “B,”** which existed on January 1, 2014, in Reinvestment Zone Number Forty, that is owned by and operated by OWNER. **Exhibit “B”** is attached hereto and incorporated herein for all purposes.
- G. “Real Property Improvements” are defined as improvements to the Premises and shall include buildings, structures or fixtures erected or affixed to land.
- H. “Reinvestment Zone Number Forty” is defined as the real property located in the City of Arlington and described by City of Arlington Ordinance No. 14-061, attached hereto as **Exhibit “C.”**

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

- A. The Premises are not in an improvement project financed by tax increment bonds.
- B. The Premises are not owned or leased by any member of the City Council or any member of the Planning and Zoning Commission of CITY.
- C. It is acknowledged and agreed by the parties that the completion of the Eligible Property Improvements is consistent with the purposes of encouraging development or redevelopment of the Reinvestment Zone.

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

- A. OWNER agrees to improve the Premises by completing the Eligible Property in phases, as described in **Exhibit “A.”**
- B. OWNER agrees to commence construction of Phase I by no later than January 1, 2016. Commencement of construction shall be evidenced by the following: 1) issuance of a building permit from the City of Arlington, 2) correspondence from the general contractor for Phase I indicating that OWNER has issued a notice to proceed with the Phase I, and 3) a letter from an office of the OWNER certifying that all funding sources necessary for Phase I have been secured.
- C. OWNER’s completion of the Eligible Property described in **Exhibit “A”** of this agreement must result in Added Taxable Value above the Base Year Value (“Added Value”) of at least Four Million, Five Hundred Thousand Dollars (\$4,500,000) not later than January 1, 2019; and Eleven Million Dollars (\$11,000,000) not later than January 1, 2021.



- D. OWNER agrees to create at least fifty (50) new Jobs on the Premises by January 1, 2021 and shall maintain those Jobs on the Premises for the remaining term of this agreement. Beginning in 2016, and for each year thereafter, OWNER shall certify the number of Jobs at the Premises as of January 1 of such calendar year. Certification shall be due to the CITY no later than April 1st of each year.
- E. OWNER shall operate and maintain on the Premises the Eligible Property described in **Exhibit "A"** for the term of this agreement.
- F. All proposed Eligible Property shall conform to the applicable building codes, zoning ordinances and all other ordinances and regulations.
- G. OWNER shall not allow the ad valorem taxes owed to CITY on any property, real or business personal, owned by OWNER and located within the City of Arlington to become delinquent beyond the last day they can be paid without assessment of penalty.
- H. OWNER shall not fail to render for taxation any property, real or business personal, located within the City of Arlington.
- I. OWNER covenants and certifies that OWNER does not and will not knowingly employ an undocumented worker as that term is defined by section 2264.001(4) of the Texas Government Code. In accordance with section 2264.052 of the Texas Government Code, if OWNER is convicted of a violation under 8 U.S.D. Section 132a(f), OWNER shall repay to the CITY the full amount of taxes abated under Section IV of this agreement, plus 10% per annum from the date the abatement was made. Repayment shall be paid within 120 days after the date following such conviction that OWNER receives notice of violation from the CITY as provided by 2264.101(c) of the Texas Government Code, OWNER shall not be liable for a violation by a subsidiary, affiliate, or franchisee of OWNER or by a person with whom OWNER contracts.

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

- A. If the Improvement Conditions and Requirements set forth in Section III are met, CITY agrees to exempt from taxation seventy-five percent (75%) of the Added Taxable Value of the Eligible Property. The exemption shall be for a 7 year period as follows, from the tax year beginning January 1, 2019 through and including the tax year beginning January 1, 2025.
- B. OWNER shall be eligible to receive additional percentages of abatement annually based on the following:
  - a. An additional 10% abatement if OWNER provides proof that OWNER utilized Arlington contractors and/or certified minority/women-owned

contractors for a minimum of 30% of the total costs for the Eligible Property's construction as described in **Exhibit "A."** Eligibility for the additional 10% abatement shall be determined at the completion of construction for each phase and shall apply until such time as the next phase is due for completion. By way of example, OWNER shall be eligible for the additional 10% abatement from the tax year beginning January 1, 2019 through and including the tax year beginning January 1, 2025 if OWNER provides the required proof at the completion of Phase I that owner utilized Arlington contractors and/or certified minority/women-owned contractors for a minimum of 30% of the total costs for construction of Phase I.

- C. Under no circumstances shall the total percentage of abatement exceed eighty-five (85%) of the Added Taxable Value of the Eligible Property annually.

**V.**  
**Hiring Grant**

- A. If the Improvement Conditions and Requirements set forth in Section III are met, CITY agrees to provide grant payments to OWNER calculated as follows:
- a. One Thousand Dollars (\$1,000) per new Job filed by OWNER at the Premises, as a result of the completion of the Eligible Property, during the applicable Coverage Period, by an Arlington resident. Coverage Periods are defined in the chart below.
  - b. The calculation of new Jobs filed in any Coverage Period shall not include retention of an Arlington resident in a Job that was included in the calculation of Jobs filed in any prior Coverage Period.
  - c. The calculation of new Jobs filed in any Coverage Period shall not include any Job filed by a physician.
  - d. In no circumstances shall the cumulative amount of grant payments provided to OWNER under this section exceed Sixty Five Thousand Dollars (\$65,000).
  - e. Certification of Jobs required in order for OWNER to be eligible to receive grant payments shall be prepared by OWNER at the close of each Coverage Period and no later than April 1. Grant payments will be paid by CITY to OWNER on or before June 1 of the applicable year.



<b>Grant Payment Number</b>	<b>Coverage Period</b>	<b>Certification Due</b>	<b>Payment No Later Than</b>	<b>CITY Fiscal Year</b>
1	January 1, 2018 to December 31, 2019	April 1, 2020	June 1, 2020	FY20
2	January 1, 2020 to December 31, 2020	April 1, 2021	June 1, 2021	FY21
3	January 1, 2021 to December 31, 2021	April 1, 2022	June 1, 2022	FY22
4	January 1, 2022 to December 31, 2022	April 1, 2023	June 1, 2023	FY23
5	January 1, 2023 to December 31, 2023	April 1, 2024	June 1, 2024	FY24
6	January 1, 2024 to December 31, 2024	April 1, 2025	June 1, 2025	FY25
7	January 1, 2025 to December 31, 2025	April 1, 2026	June 1, 2026	FY26

**VI.**  
**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 and 380 grant 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 and 380 Grant Certification to be provided by CITY for each year of the tax abatement and 380 grant agreement, to be due annually not later than April 1. This certification shall include reports on Eligible Property values and costs, a narrative description of the project's progress, and other submittals required by the tax abatement and 380 grant agreement.
  2. Additional Reports -- Additionally, throughout the term of this agreement, OWNER shall furnish CITY any additional records and information reasonably requested to support the reports required by this agreement.
- B. Right to Audit Books and Records - CITY shall have the right to audit the books and records related to the Eligible Property and supporting the Eligible Property reports. CITY 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, CITY 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 CITY 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.

**VII.**  
**Use of Premises**

The Premises at all times shall be used in a manner that is consistent with CITY's zoning ordinances and consistent with the general purpose of encouraging development within Reinvestment Zone Number Forty.

**VIII.**  
**Breach and Recapture**

- A. Breach - A breach of this agreement may result in termination or modification of this agreement and recapture by CITY of taxes, which otherwise would have been paid since the execution of this agreement to CITY without the benefit of the Abatement or grant payments. 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. Recaptured taxes or grant payments shall become due sixty (60) days following notice of breach and after the expiration of any cure period as provided in Section VIII(B). The following conditions shall constitute a breach of this agreement:
1. OWNER terminates the use of the Premises for its Business Operations at any time during the duration of the agreement; or
  2. OWNER fails to meet the Conditions and Requirements as specified in Section III above
- B. Notice of Breach - In the event that CITY makes a reasonable determination that OWNER has breached this agreement, then CITY 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 CITY, and recapture of abated taxes or grant payments 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 X of this agreement. It shall be the duty of CITY to determine whether to require recapture and payment of abated taxes or grant payments and to demand payment of such.



- C. Recapture - During the term of this agreement, should OWNER commit a breach of this agreement according to items A(1), or (2) of this Section VIII, CITY may terminate this agreement and recapture all taxes abated or grant payments made under this agreement up to the time of breach, subject to Section IV(A&B) herein.
- 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.

#### **IX.**

#### **Effect of Sale or Lease of Property**

The abatement granted by this agreement shall not be assignable to any new owner of all or a portion of the Premises or Eligible Property unless such assignment is approved in writing by the CITY with approval of the City Council, which approval shall not be unreasonably withheld.

#### **X.**

#### **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: Columbia Medical Center of Arlington Subsidiary, L.P.  
c/o HCA Indirect Taxes  
Mrs. Debra Chastain  
P.O. Box #1504  
Nashville, Tennessee 37202-1504

CITY: City of Arlington  
Attention: Economic Development Manager  
P.O. Box 90231  
Arlington, Texas 76004-3231

#### **XI.**

#### **City Council Authorization**

This agreement was authorized by resolution of the City Council authorizing the City Manager or his designee to execute this agreement on behalf of the CITY.



**XII.**  
**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.

**XIII.**  
**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 or eligible grants and such other matters reasonably requested by the party(ies) to receive the certificates.

**XIV.**  
**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.

**XV.**  
**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.

**XVI.**  
**Indemnification**

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

**CITY agrees to the extent allowed by law to indemnify and hold harmless OWNER from any such responsibility or liability.**

**XVII.**  
**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.

**XVIII.**  
**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.

**XIX.**  
**Recordation of Agreement**

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

**XX.**  
**Procurement of Goods and Services from Arlington Businesses and/or Historically Underutilized Businesses**

In performing this agreement, OWNER agrees to use diligent efforts to purchase all goods and services from Arlington or Tarrant County businesses whenever such goods and services are comparable in availability, quality and price.

As a matter of policy with respect to CITY projects and procurements, CITY also encourages the use, if applicable, of qualified contractors, subcontractors and suppliers where at least fifty-one percent (51%) of the ownership of such contractor, subcontractor or supplier is vested in racial or ethnic minorities or women. In the selection of subcontractors, suppliers or other persons or organizations proposed for work on this agreement, the OWNER agrees to consider this policy and to use their reasonable and best efforts to select and employ such companies and persons for work on this agreement.

**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 CITY and such consent shall not be unreasonably withheld.

**XXIII.**  
**Counterparts**

This agreement may be executed in any number of counterparts, each of which may be executed by any one or more of the parties hereto, but all of which shall constitute one instrument, and shall be binding and effective when all of the parties hereto have executed at least one counterpart.

**XXIV.**  
**No Third-Party Beneficiaries**

For purposes of this agreement, including its intended operation and effect, the parties specifically agree that: (1) the agreement only affects matters/disputes between the parties to this agreement, and is in no way intended by the parties to benefit or otherwise affect any third person or entity, notwithstanding the fact that such third person or entities may be in a contractual relationship with CITY or OWNER or both; and (2) the terms of this agreement are not intended to release, either by contract or operation of law, any third person or entity from obligations owing by them to either CITY or OWNER.

**XXV.**  
**Remedies**

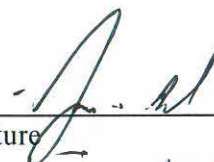
No right or remedy granted herein or reserved to the parties is exclusive of any right or remedy herein by law or equity provided or permitted; but each shall be cumulative of every right or remedy given hereunder. No covenant or condition of this agreement may be waived without consent of the parties. Forbearance or indulgence by either party shall not constitute a waiver of any covenant or condition to be performed pursuant to this agreement.

**XXVI.**  
**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; however, in no event shall the abatement exceed 10 years.

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

**COLUMBIA MEDICAL CENTER OF  
ARLINGTON SUBSIDIARY, L.P.**

BY   
Signature \_\_\_\_\_  
James W. Powell  
Typed or Printed Title \_\_\_\_\_  
Date 8/3/15

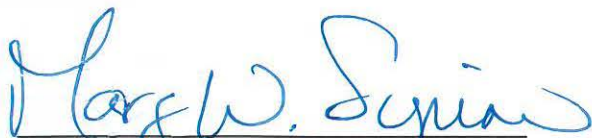
WITNESS:

\_\_\_\_\_

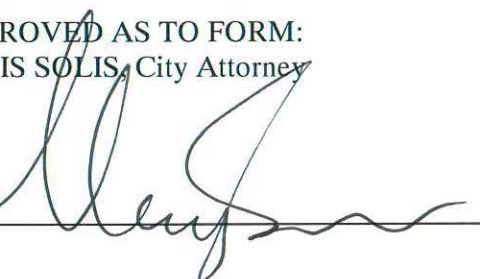
**CITY OF ARLINGTON, TEXAS**

BY   
Signature \_\_\_\_\_  
Deputy City Manager  
Date 8.6.15

ATTEST:

  
MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:  
TERIS SOLIS, City Attorney

BY 



THE STATE OF TEXAS §  
§  
COUNTY OF TARRANT §

**COLUMBIA MEDICAL CENTER OF  
ARLINGTON SUBSIDIARY, L.P.**  
**Acknowledgment**

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared JAMES W. BURLAND known to me (or proved to me on the oath of \_\_\_\_\_ or through \_\_\_\_\_ (description of identity card or other document) 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 **COLUMBIA MEDICAL CENTER OF ARLINGTON SUBSIDIARY, L.P.**, an entity duly authorized to do business in the State of Texas, and as the CEO 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 3RD day of AUGUST, 2015.



APRIL 5 2019  
My Commission Expires

[Signature]  
Notary Public in and for  
The State of Texas  
SUSAN L. ELMORE  
Notary's Printed Name

THE STATE OF TEXAS §  
§  
COUNTY OF TARRANT §

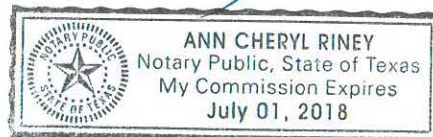
**CITY OF ARLINGTON, TEXAS**  
**Acknowledgment**

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared JAMES T. PARAJON 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 the **CITY OF ARLINGTON, TEXAS**, a municipal corporation of Tarrant County, Texas, and as the **Deputy City Manager** 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 6<sup>th</sup> day of August, 2015.

7/1/18  
My Commission Expires

[Signature]  
Notary Public in and for  
The State of Texas  
ANN C. RINEY  
Notary's Printed Name





## **Exhibit “A”**

### **ELIGIBLE PROPERTY**

#### **Real Property Improvements**

Expansion and renovation of the existing hospital facility located at 3301 Matlock Road, Arlington, Texas, in the following phases:

- I. General renovations to the existing facility (approximately 65,000 sq. ft.), specifically including the Pediatric Emergency Department, and expansion of the ICU Department (approximately 20,000 sq. ft.), to be completed by January 1, 2019.
  
- II. General renovations to the existing facility, specifically including the Women’s Department and Medical Oncology Department, and a 65,000 sq. ft. vertical expansion to the Women and Children’s Tower, to be completed by January 1, 2021.

## **Exhibit "B"**

### **PROPERTY DESCRIPTION**

Lot 3-AR, Block 1-B, Alpha Square (12.961 acres), an addition to the City of Arlington, Tarrant County Texas, according to the amended plat recorded in Cabinet A, Slide 1528, and Dated 11-24-93.

**Exhibit “C”**

**Ordinance No. 14-061  
Creating  
Reinvestment Zone Forty**

Ordinance No. 14-061

**An ordinance establishing Reinvestment Zone Number Forty; 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 area within its jurisdiction by the establishment of a Reinvestment Zone 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, 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 Forty, 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 Forty 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 Forty 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 Forty 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 Forty 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 Forty 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 Forty of the City of Arlington, Texas.

4.

The designation of Reinvestment Zone Number Forty 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.

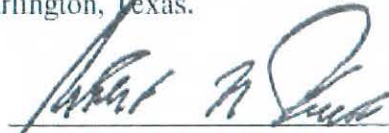
8.

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 14<sup>th</sup> day of October, 2014, at a regular meeting of the City Council of the City of Arlington, Texas; and GIVEN SECOND READING, passed and approved on the 28<sup>th</sup> day of October, 2014, by a vote of 6 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.

  
ROBERT N. CLUCK, Mayor

ATTEST:

  
\_\_\_\_\_  
MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:  
JAY DOEGEY, City Attorney

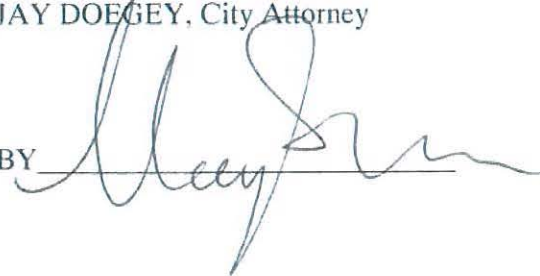
BY   
\_\_\_\_\_

Exhibit "A"

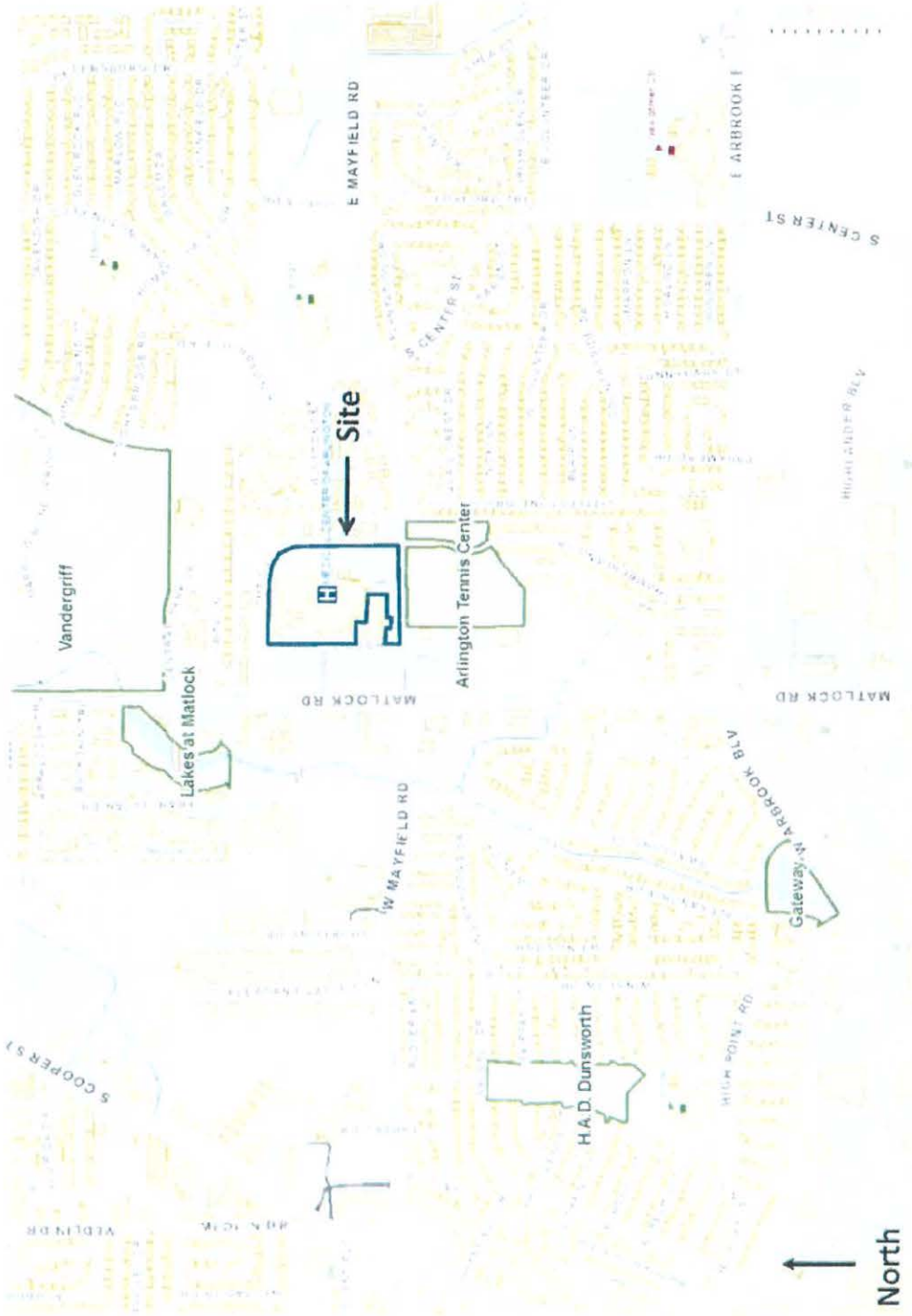
**Legal Property Description**

Lot 3-AR, Block 1-B, Alpha Square (12.961 acres), an addition to the City of Arlington, Tarrant County Texas, according to the amended plat recorded in Cabinet A, Slide 1528, and Dated 11-24-93.



Exhibit "B"

Map



Ordinance No. 15-037

**An Ordinance of the City Council of the City of Arlington, Texas, authorizing the City of Arlington to participate in the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code (“Act”), identifying tax incentives, designating a liaison for communications with the interested parties, and nominating Columbia Medical Center of Arlington Subsidiary, L.P. to the Office of the Governor Economic Development and Tourism (“OOGEDT”) through the Economic Development Bank (“Bank”) as an Enterprise Project (Project)**

WHEREAS, the City Council of the City of Arlington, Texas (the “City”), desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas of the City and to provide employment to residents of such areas; and

WHEREAS, the Project is located at 3301 Matlock Road, Arlington, Texas 76015 in the City’s jurisdiction in an area not designated as an enterprise zone; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Act, Columbia Medical Center of Arlington Subsidiary, L.P. has applied to the City for designation as an Enterprise Project; and

WHEREAS, a public hearing to consider this ordinance was held by the City Council of the City of Arlington, Texas on August 25, 2015; NOW THEREFORE

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

SECTION 1. The City nominates Columbia Medical Center of Arlington Subsidiary, L.P. for Enterprise Project status.

SECTION 2. The local incentives identified and summarized briefly in the attached Exhibit “A,” at the election of the governing body, are or will be made available to nominated Projects in the City of Arlington.

SECTION 3. The enterprise zone areas within the City are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.

SECTION 4. The City of Arlington City Council directs and designates the Economic Development Manager or his designee as the City’s liaison to communicate and negotiate with the OOGEDT through the Bank and Enterprise Project(s) and to oversee enterprise zone activities and



communications with qualified businesses and other entities in an enterprise zone or affected by an Enterprise Project.

SECTION 5. The City finds that Columbia Medical Center of Arlington Subsidiary, L.P. meets the criteria for designation as an Enterprise Project under Chapter 2303, Subchapter F of the Act on the following grounds:

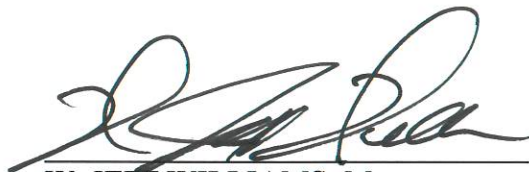
- (a) Columbia Medical Center of Arlington Subsidiary, L.P. is a “qualified business” under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site within the governing body’s jurisdiction, located outside of an enterprise zone, and at least thirty-five percent (35%) of the business’ new employees will be residents of an enterprise zone or economically disadvantaged individuals; and
- (b) There has been and will continue to be a high level of cooperation between public, private, and neighborhood entities in the area; and
- (c) The designation of Columbia Medical Center of Arlington Subsidiary, L.P. as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

SECTION 6. The Enterprise Project shall take effect on the date of designation of the enterprise project by OOGEDT and terminate five (5) years from the date of designation.

SECTION 7. This is an ordinance for the immediate preservation of the public peace, property, health and safety, and is an emergency measure within the meaning of Article VII, Section 11 and 12, of the City Charter and the City Council by affirmative vote of all of its members present and voting, hereby declares that this ordinance is an emergency measure and the requirement that it be read at two (2) meetings, as specified in Section II, is hereby waived.

SECTION 8. This ordinance shall become effective from and after its passage.

PRESENTED, FINALLY PASSED AND APPROVED, AND EFFECTIVE on the 25<sup>th</sup> day of August, 2015, by a vote of 7 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.

  
W. JEFF WILLIAMS, Mayor



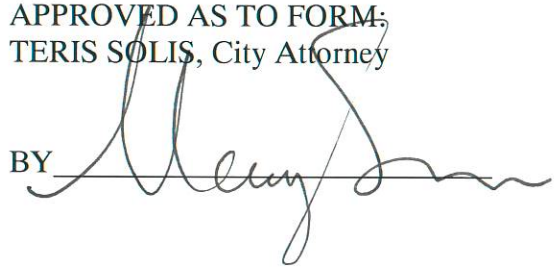
ATTEST:



MARY W. SUPINO, City Secretary

APPROVED AS TO FORM;  
TERIS SOLIS, City Attorney

BY



**Exhibit “A”**

	Name of Incentive	Description of Incentive	Availability
1	Local Sales Tax Refund	Refund of Local Sales Tax	Citywide
2	Tax Abatement	Property Tax Abatement	Citywide – On case by case basis
3	Tax Increment Financing	Tax Increment Financing	Citywide – On case by case basis
4	Freeport Exemption	Exemption goods-in-transit from ad valorem taxes	Citywide
5	Chapter 380	Economic Development Grants	Citywide – On case by case basis
6	Zoning Changes / Variances	Zoning Board of Adjustment may authorize variance from the zoning ordinance	Citywide – On case by case basis
7	Impact/Inspection Fee Exemptions	The City may waive City-charged permit fees, including inspection fees	Citywide
8	Streamlined Permitting	City allows permit applications and supporting materials to be tendered to one department for distribution to the appropriate City departments	Citywide
9	Improved Fire and Police Protection	Safety and protection of City residents	Citywide
10	Community Crime Prevention Programs	911 Public Education	Citywide
11	Special Public Transportation Routes or Reduced Fares	The City offers a free Park and Ride System	Citywide
12	Capital Improvements In Water and Sewer Facilities	The City may provide resources for a capital improvement plan related to water and sewer service	Citywide
13	Road Repair	The City’s Street Department is responsible for maintaining and repairing public City Streets	Citywide
14	Creation or Improvement of Parks	Maintain healthy lifestyle for City residents	Citywide
15	One-Stop Permitting, Problem Resolution Center	The City may offer one-stop permitting	Citywide

**Exhibit “A” (cont.)**

	<b>Name of Incentive</b>	<b>Description of Incentive</b>	<b>Availability</b>
16	Promotion and Marketing Service	Chamber of Commerce	Citywide
17	Job Training and Employment Services	Offered in conjunction with local community colleges, technical schools, etc.	Citywide
18	Retraining Program	Offered in conjunction with local colleges, technical schools, etc.	Citywide
19	Literacy and Employment Skills Services	Offered in conjunction with local community colleges, technical schools, etc.	Citywide
20	Vocational Education	Offered in conjunction with local community colleges, technical schools, etc.	Citywide
21	Customized Job Training	Offered in conjunction with local community colleges, technical schools, etc.	Citywide





OFFICE OF THE GOVERNOR  
ECONOMIC DEVELOPMENT & TOURISM

GREG ABBOTT  
GOVERNOR

November 24, 2015

Mr. Bruce Payne, Economic Development Manager  
City of Arlington  
Post Office Box 90231  
Arlington, TX 76004

Mr. Winston Borland, CEO  
Columbia Medical Center of Arlington Subsidiary, L.P.  
3301 Matlock Rd  
Arlington, TX 76015-2908

**SUBJECT: Columbia Medical Center of Arlington Subsidiary, L.P. Enterprise Project Application**

Dear Mr. Payne and Mr. Borland:

We have reviewed and hereby approve a Texas Enterprise Project designation for the application submitted on behalf of Columbia Medical Center of Arlington Subsidiary, L.P. (Project) by the City of Arlington, pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code (Act) and the Enterprise Zone Program Rules (Rules) promulgated by the Economic Development and Tourism (EDT) division of the Governor's Office.

The Texas Enterprise Zone Program is allocated 105 enterprise project designations statewide during a state biennium. The Act and Rules for the program require that all applications received during a project round must be reviewed and competitively scored to ensure that they meet the goals and objectives of the program, which includes, but is not limited to, high impact projects or activities, targeted industry clusters and creation of primary jobs.

In conformance with the Act, EDT has hereby affirmatively determined that Project (a) complies with criteria set forth in the Act and Rules, and (b) is in furtherance of the public purposes of the Act. EDT hereby designates Columbia Medical Center of Arlington Subsidiary, L.P. as a Single Enterprise Project. The designation is effective from 9/1/2015 until 9/1/2020 unless it is determined that the Project is no longer in compliance with requirements set forth in the Act and the Rules.

State sales and use taxes paid at the qualified business site, and new jobs created up to 90 business days prior to the designation date of 9/1/2015 are eligible for benefit. This allows the Project to gain benefit for activity from 4/23/2015 through 9/1/2020. In addition, the Project may submit the paperwork for benefits up to 18 months following the date the designation expires, no later than 3/1/2022 for activities that occurred during the designation period.

The qualified business site, 3301 Matlock Rd, Arlington, TX 76015-2908 is not located in an enterprise zone and 35 percent of the Project's new employees are required to be economically disadvantaged individuals or enterprise zone residents. The tax identification number under which this designation is approved is 62-1682201. The Project has committed that 35 percent of the Project's new employees will be economically disadvantaged individuals, enterprise zone residents, or veterans. The maximum number of jobs to be included in any calculation for state sales and use tax refund for the enterprise project is stated under Jobs Allocated.



The company has made the following commitments in its application for the enterprise project designation:

Capital Investment:	<u>\$13,000,000</u>
Jobs to be Created for Benefit:	<u>50</u>
Jobs to be Retained for Benefit:	<u>450</u>
Total Jobs for Benefit:	<u>500</u>
Job Baseline:	<u>828</u>
Jobs Allocated for Project Designation:	<u>500</u>

The designation is made based upon the requirements of the Act and the Rules and is not to be construed as a pledge of the faith or credit of or by the State, EDT, the individual members or staff thereof, Texas Enterprise Zone Program or any other agency, instrumentality or political subdivision of the State.

Stated below is the enterprise project number assigned to this project designation. Use this number on all correspondence and documentation regarding your Project:

**EP997-090115-A**

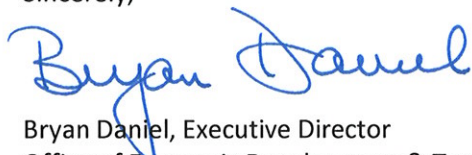
For information regarding applying for benefits (sales and use tax refund) under this program, contact the Texas Comptroller of Public Accounts (CPA). The CPA contact person is Ping Hu at (512) 305-9897. This Single Enterprise Project designation will be eligible to receive a refund of up to \$2,500 per qualified job.

The amount of capital investment will determine the number of jobs for which benefit can be received. The Project will be assessed a refund for jobs created and/or retained for the category of capital investment expended to that date. Once additional capital investment is expended, the Project may be eligible for additional refunds, up to the maximum amount of \$1,250,000. All refund claims are subject to verification by the auditor.

By statute, the nominating body shall monitor the qualified business to determine whether the Project has followed through on any commitments or goals made by it or on its behalf in the designation application. This evaluation may occur on the date on which a certificate of occupancy is issued or at the completion of the enterprise project designation period. The nominating body shall then submit a report of its findings to the bank and the comptroller.

If you have any questions during the course of the Project, please call Zachary Scott, Program Specialist, Texas Economic Development Bank, at (512) 936-6443 or by e-mail at zach.scott@governor.state.tx.us.

Sincerely,



Bryan Daniel, Executive Director  
Office of Economic Development & Tourism  
Office of the Governor

cc: Melinda Hidrogo, Ping Hu - Texas Comptroller of Public Accounts  
Sharon Welhouse – Ryan, LLC