

City Council Regular Meeting
August 7, 2023

A City Council regular meeting was held on the above date at Cameron City Hall, McLane Municipal Center, 100 South Houston Avenue, 3rd Floor, Cameron, Texas with all officers and members present except Council Member Fuchs.

Mayor Harris called the meeting to order at 5:30 p.m.

Council Member Goza offered the invocation.

Council Member Cryer led the pledge of allegiance.

Mayor Harris asked for citizen's comments.

There were no citizens comments.

Council Member Deal moved to approve the minutes of the July 17, 2023 regular meeting. Council Member Pratt seconded the motion and it carried with Council Member Cryer abstaining.

Lesly Tention requested use of Cameron City Park to hold a revival August 10-12, 2023 from 7 p.m. to 9 p.m. each evening.

Council Member Goza moved to approve the request. Council Member Deal seconded the motion and it carried unanimously.

Council Member Deal moved to approve the following ordinance on its second and final reading. Council Member Cryer seconded the motion and it carried unanimously.

ORDINANCE NO. 2023-08-07-007

A ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CAMERON, TEXAS TO CREATE AND DESIGNATE BUTLER WELDMENTS REINVESTMENT ZONE 2023 PURSUANT TO CHAPTER 312, TEXAS TAX CODE; DESIGNATING AN AUTHORIZED REPRESENTATIVE TO ACT IN ALL MATTERS; DESIGNATING A LIAISON TO ACT ON ALL MATTERS PERTAINING TO THE PROPERTY DEVELOPMENT AND TAX ABATEMENT ZONE; PROVIDING FOR SEVERABILITY; REPEALING CONFLICTING ORDINANCES; PROVIDING FOR NOTICE OF THIS ORDINANCE; AND ESTABLISHING AN EFFECTIVE DATE.

Council Member Goza moved to approve the following resolution. Council Member Dominguez seconded the motion and it carried unanimously.

**STATE OF TEXAS §
COUNTY OF MILAM §**

TAX ABATEMENT AGREEMENT

**I. PARTIES:
II.**

This Tax Abatement Agreement (the "Agreement") is entered into by and between the City of Cameron, Texas (the "City"), County of Milam, Texas (the "County"), Elm Creek Watershed, and Butler Weldments Corporation (the "Company"), acting by and through Steven Dobos, authorized representative of Butler Weldments Corporation in accordance with Texas Tax Code Chapter 312 ("Tax Code"), "Property Redevelopment and Tax Abatement Act" (hereinafter referred to as the "Act").

III. RECITALS:

IV.

WHEREAS, the City Council of the City, passed an Ordinance (the "Ordinance") establishing a Tax Abatement Reinvestment Zone (the "Zone"), for commercial/industrial tax abatement, as authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code, as amended (the "Tax Code"); and

WHEREAS, the City has adopted guidelines for Ad Valorem tax abatement (the "City's Tax Abatement Guidelines"); and

WHEREAS, the City's Tax Abatement Guidelines contain appropriate guidelines and criteria governing tax abatement agreements to be entered into by the City as contemplated by the Tax Code; and

WHEREAS, the Commissioners Court of the County passed an Order (the "Order") establishing a Tax Abatement Reinvestment Zone (the "Zone"), for commercial/industrial tax abatement, as authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code, as amended (the "Tax Code"); and

WHEREAS, the County has adopted guidelines for Ad Valorem tax abatement (the "Tax Abatement Guidelines"); and

WHEREAS, the County's Tax Abatement Guidelines contain appropriate guidelines and criteria governing tax abatement agreements to be entered into by the County as contemplated by the Tax Code; and

WHEREAS, in order to maintain and enhance the commercial and industrial economic and employment base of the Taxing Units, hereinafter defined, it is in the best interest of the taxpayers of the Taxing Units to enter into this Agreement; and

WHEREAS, Company owns or will own a certain tract of land in the City of Cameron described as: See Exhibit A – Fieldnote Description and intends to install certain equipment improvements (hereinafter defined as the "Improvements") on the Land; and

WHEREAS, the company represents that the proposed manufacturing equipment represents an approximate investment of \$578,440 by the Company; and

WHEREAS, Company's development efforts described herein will retain 50 permanent jobs and add 4 new jobs in the City and County; and

WHEREAS, the governing bodies of the Taxing Units find that the contemplated use of the Premises (hereinafter defined), the contemplated Improvements to the Premises thereto in the amount set forth in this Agreement, and the other terms hereof are consistent with encouraging development of the Zone in accordance with the purposes for its creation and/or in compliance with the City's and County's Tax Abatement Guidelines, the Ordinance adopted by the City, the Order adopted by the County, the Tax Code and all other applicable laws; and

WHEREAS, the governing bodies of the Taxing Units find that the Improvements, made or to be made, are feasible and practicable and would be of benefit to the Premises to be included in the Zone and to the Taxing Units after expiration of this Agreement; and

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

WHEREAS, the Taxing Units desires to enter into an agreement with the owner of the Tangible Personal Property (hereinafter defined), within the Zone for the abatement of taxes pursuant to Chapter 312 of the Tax Code as amended.

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for good and other valuable consideration, the adequacy and receipt of which are hereby acknowledged, including the attraction of major investment in the City and County, which contributes to the economic development of and the enhancement of the tax base in the City and County, the parties agree as follows:

V. GENERAL PROVISIONS

1. The Land is located within the corporate limits of the City and wholly within the specific abatement zone. Company intends to undertake installation of the Improvements on the Land subsequent to the execution of this Agreement.
2. The Premises are not in an improvement project financed by tax increment bonds.

3. This Agreement is entered into subject to the rights of the holders of outstanding bonds of the Taxing Units.
4. The Premises are not owned or leased by the City, County Judge or any member of the Economic Development Corporation, or any member of the governing bodies of any taxing unit joining in or adopting this agreement.

VI. Tax Abatement Authorized

5. This Agreement is authorized by the Tax Code and in accordance with the City and County Tax Abatement Guidelines and approved by resolution of the City and Commissioners Court of the County authorizing the execution of this Agreement.
6. The value of the personal property improvements on which the abatement is based is \$578,440.00 or the valuation as of January 1, 2024, as determined by the Milam Appraisal District, whichever is less. The Tax Abatement Schedule is as follows:

\$578,440 X 80% = \$ 462,752.00 dollars, on which tax is initially abated.

YEAR 2024	...	80%
YEAR 2025	...	80%
YEAR 2026	...	80%

7. The Taxing Units hereby grants Company an abatement of 80% of the County's ad valorem taxes on the Improvement based upon the Combined Taxable Value of the Improvement installed in Building 1 contained within the Land for a period of three (3) years and expires on December 31, 2026.
8. During the period of tax abatement herein authorized, Company shall be subject to all Taxing Units taxation not abated, including but not limited to, sales and/or Ad Valorem taxes on real property, inventory, and supplies.

VII. DEFINITIONS

9. Wherever used in this Agreement, the following terms shall have the meanings ascribed to them:
 - a. "Base Year Taxable Value" shall mean the total appraised value of the Improvements as certified by the Appraisal District for year in which the Tax Abatement Agreement is executed (2023).
 - b. "Event of Bankruptcy or Insolvency" shall mean the dissolution or termination of a party's existence as a going business, insolvency, appointment of receiver for any part of a party's property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefits of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against such party and such proceeding is not dismissed within ninety (90) days after the filing thereof.
 - c. "First Year of Abatement" shall mean January 1 of the calendar year immediately following the installation of the Improvement.
 - d. "Force Majeure" shall mean any contingency or cause beyond the reasonable control of Company including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, adverse weather, government, or de facto governmental action (unless caused by acts or omissions of "Company"), fires, explosions, or floods, strikes, slowdowns or work stoppages.
 - e. "Improvement" shall mean the equipment known as a Wet Jet Cutter installed in Building 1 on the land and any additions or expansions thereof as further described herein.
 - f. "Land" shall mean the real property described in Exhibit "A".
 - g. "Premises" shall collectively mean the Land and the Improvement.
 - h. "Tangible Personal Property" shall mean tangible personal property, equipment, and fixtures, other than inventory or supplies, owned and/or leased by Company and added to the Premises subsequent to the execution of this Agreement.
 - i. "Taxable Value" means the appraised value as certified by the Appraisal District as of January 1 of a given year.

VIII. IMPROVEMENTS

10. The Company owns the Land in fee and agrees to install a Wet Jet Cutter in Building 1 at 1200 Industrial Blvd., Cameron Texas. Nothing in the Agreement shall obligate a Taxing Unit to construct the Improvements on the Land, nor obligate the Taxing Units to occupy the Improvements or to locate Tangible Personal Property on the Premises but said actions are a condition precedent to tax abatement pursuant to this Agreement.

IX. CONSTRUCTION OF THE IMPROVEMENTS AND COMPANY OBLIGATIONS

In order to receive a tax abatement pursuant to this Agreement, Company shall comply with the following:

11. As a condition precedent to the initiation of tax abatement pursuant to this Agreement, Company will diligently and faithfully, in good and workmanlike manner, pursue the installation of the Improvement on or before December 31, 2023, as good and valuable consideration for the Agreement, and that installation of the Improvement will be in accordance with all applicable state and local laws, codes, and regulations, (or valid waiver thereof). If the Improvement is not installed by December 31, 2023, this Agreement is null and void.
12. Company agrees to maintain the Improvement during the term of this Agreement in accordance with all applicable state and local laws, codes, and regulations.
13. The City or the County, represented by the presiding officer of the respective Taxing Unit, shall upon 48 hours' notice to Company and only once per calendar month, have the right of access to the Premises during installation and afterward to inspect the Improvement at reasonable times and with reasonable notice to Company, and in accordance with Company and regulatory visitor access and security policies, in order to insure that the installation of the Improvement is in accordance with this agreement.

X. GENERAL REQUIREMENTS

14. After installation of the Improvement is complete, Owner shall certify in writing to the Taxing Units the cost of the Improvement and installation by December 31, 2023.
15. Company shall, prior to April 1 of each calendar year, annually certify in writing to the Taxing Units that they are in compliance with each term of the Agreement.
16. The Premises shall be used in the manner (i) that is consistent with the City's Zoning Ordinance, as amended, and (ii) that, during the period taxes are abated hereunder, is consistent with the general purposes of encouraging development or redevelopment within the Zone.

XI. DEFAULT: RECAPTURE OF ABATED TAX

17. In the event the Company: (i) fails to install the Improvement in accordance with this Agreement or in accordance with applicable State or local laws, codes or regulations; (ii) has delinquent Ad Valorem or sales taxes owed to a Taxing Unit with respect to the Premises and or the Tangible Personal Property (provided such party retains its right to timely and properly protest such taxes or assessment); (iii) has an Event of Bankruptcy or Insolvency; or (iv) breaches any of the terms and conditions of this Agreement, then Company, after the expiration of the notice and cure periods described below, shall be in default of this Agreement (the "Defaulting Party"). As liquidated damages in the event of such default, the Company shall, within thirty (30) days after demand, pay the Taxing Units all taxes which otherwise would have been paid to the Taxing Units without benefit of a tax abatement with interest at the statutory rate for delinquent taxes as determined by Section 33.01 of the Texas Tax Code, as amended, but without penalty. The parties acknowledge that actual damages in the event of default termination would be speculative and difficult to determine. The parties further agree that any abated tax, including interest as a result of this Agreement, shall be recoverable against the Company, its successors and assigns and shall constitute a tax lien on the Premises and/or the Tangible Personal Property, as the case may be, shall become due, owing and shall be paid to the Taxing Units within thirty (30) days after termination.
18. Upon breach by Company of any obligations under this Agreement, the Taxing Units shall notify the Defaulting Party in writing. Company shall have thirty (30) days from the receipt of the notice in which to cure any such breach. If the breach cannot reasonably be cured within a thirty (30) day period, and the Company has diligently pursued such remedies as shall be reasonably necessary to cure such breach, then the Taxing Units may extend the period in which the breach must be cured.

19. If the Company fails to cure the breach within the time provided as specified above or, as such time period may be extended, then the Taxing Units at their sole option shall have the right to terminate this Agreement by written notice to Company.
20. Upon termination of this Agreement by a Taxing Unit, all tax abated as a result of this Agreement shall become a debt to the Taxing Unit as liquidated damages and shall become due and payable not later than thirty (30) days after a notice of termination is made. The debt created by this section shall survive the termination of this Agreement. The Taxing Units shall have all remedies for the collection of the abated tax provided generally in the Tax Code for the collection of delinquent property tax. The Taxing Units at their sole discretion have the option to provide a repayment schedule. The computation of the abated tax for purpose of the Agreement shall be based upon the full Taxable Value of the Improvement without tax abatement for the years in which tax abatement hereunder was received by Company, with respect to the Improvement as determined by the Appraisal District, multiplied by the tax rated of the years in question, as calculated by the Tax Assessor-Collector respectively. The liquidated damages shall incur penalties as provided for delinquent taxes and shall commence to accrue after expiration of the thirty (30) day payment period.

XII. ANNUAL APPLICATION FOR EXEMPTION; RENDITION

21. It shall be the responsibility of the Company pursuant to the Tax Code, to timely file an annual exemption application form with the Chief Appraiser for each Appraisal District in which the eligible taxable property has situs. A copy of the exemption application shall upon written request be submitted to the Taxing Units.
22. Company shall annually render the value of the Improvement to the Appraisal District and provide a copy of the same to the Taxing Units.

XIII. SUCCESSORS AND ASSIGNS

23. This Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns. This Agreement may be assigned with written consent of the presiding officer of each Taxing Unit. After any permitted assignment, all references to Company herein shall thereafter be a reference to such successor with respect to any obligations or liabilities occurring or arising after the date of such assignment.

XIV. NOTICE

24. All notices 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 or overnight delivery:

If intended for the Company

Steven Dobos President

Butler Weldments Corp..

1200 Industrial Blvd.

Cameron, TX 76520

If intended for the City of Cameron

Attn: Mayor (with a copy to City Manager)

City of Cameron

100 S Houston

PO Box 833

Cameron, TX 76520

If intended for County of Milam

Attn: County Judge

100 S. Fannin Ave

Cameron, TX 76520

XV. AUTHORIZATION

25. This Agreement was authorized by ordinance of the City of Cameron authorizing the Mayor to executive this agreement on behalf of the City. This Agreement was authorized by order of the Commissioners Court authorizing the County Judge to execute this Agreement on behalf of the County.

XVI. SEVERABILITY

26. In the event any section, subsection, paragraph, sentence, phrase, or word herein 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.

XVII. APPLICABLE LAW

27. This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State District Court of Milam County, Texas.

XVIII. COUNTERPARTS

28. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

XIX. ENTIRE AGREEMENT

29. This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to the matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties to be attached to and made a part of this Agreement.

XX. COVENANT RUNNING WITH THE PREMISES

30. The provisions of this Agreement are hereby declared covenants running with the Premises and are fully binding on all successors, heirs, and assigns of Owner who acquire any right, title, or interest in or to the Premises, or any part thereof. Any person who acquires any right, title, or interest in or to the Premises, or any part hereof, thereby agrees and covenants to abide by and fully perform the provisions of this Agreement with respect to the right, title, or interest in such Premises.

XXI. RECORDATION OF AGREEMENT

31. A certified copy of this Agreement shall be recorded in the Deed Records of Milam County, Texas.

XXII. INCORPORATING OF RECITALS

32. The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement.

XXIII. INCORPORATION OF EXHIBITS

33. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

Council Member Deal moved to approve the expenditures for July 15, 2023 through August 4, 2023. Council Member Goza seconded the motion and it carried unanimously.

The following expenditures exceeded \$25,000.00:

- CEDC \$31,961.27
- Waste Connections \$39,271.33
- Palasota \$39,610.71
- SPI \$48,578.02

There being no other business to consider, Council Member Deal moved to adjourn the meeting at 5.36 p.m. Council Member Pratt seconded the motion and it carried unanimously.