# ORDINANCE 87 GUIDELINES AND CRITERIA FOR GRANTING ECONOMIC INCENTIVES

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF BAYSIDE, TEXAS, RELATING TO TAX ABATEMENT AND ECONOMIC INCENTIVES; PROVIDING A SEVERABILITY CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

**WHEREAS**, State law, at Texas Tax Code Section 312.002(a), states that a taxing unit may not enter into a tax abatement agreement, and the governing body of a taxing unit may not designate an area as a reinvestment zone, unless the governing body of the taxing unit has established guidelines and criteria governing tax abatement; and

**WHEREAS**, the creation and retention of job opportunities that bring new wealth is a high priority and the Town of Bayside must compete with other localities currently offering tax inducements to attract investments and jobs; and

WHEREAS, the abatement of property taxes when offered to attract primary jobs and activities which bring in money from outside that community has been shown to be an effective method of enhancing and diversifying an area's economy and new investment and jobs will benefit the economy by producing new employment centers, diversify the tax base, and generate tax revenue to support local services; and

**WHEREAS**, any tax incentives offered in Bayside, Texas would reduce needed tax revenue unless strictly limited in application to those new and existing businesses that bring new wealth to the community; and

WHEREAS, Texas law requires any eligible taxing jurisdiction to establish Guidelines and Criteria as to eligibility for tax abatement agreements prior to granting any tax abatement, said Guidelines and Criteria to be unchanged for a two-year period unless amended by a three-quarters vote; and

WHEREAS, any tax incentives should not have a substantial adverse effect on the competitive position of existing companies operating in the Town of Bayside; and

**WHEREAS**, the Bayside Planning Commission has reviewed the Tax Abatement Policy and recommends approval;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF BAYSIDE:

The City Council of the Town of Bayside does hereby adopt these Guidelines and Criteria for granting tax abatement in reinvestment zones in Bayside, Texas.

## SECTION 1 DEFINITIONS

The following words, terms and phrases, when used in this Ordinance, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

**Abatement** means the temporary, full or partial exemption from ad valorem taxes of certain Added Value to real and personal property in a zone designated for economic development purposes pursuant to the Ordinance.

**Added Value** means the increase in the assessed value of an eligible property as a result of "expansion" or "modernization" of an existing facility or construction of a "new facility." It does not mean or include "deferred maintenance."

**Agreement** means a contractual agreement between a property owner and/or lessee and the city for the purposes of tax abatement.

**Base Year Value** means the taxable value of the applicant's eligible real property and business personal property (including inventory and supplies) located in a designated reinvestment zone on January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made, after January 1 but before the execution of the agreement.

**Basic Industry** means buildings or structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services, which primarily serve a market outside of the city.

**Basic Manufacturing or Service Facility** means buildings and structures, including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which derive a majority of revenue from points beyond a 25-mile radius of Refugio County.

City means the Town of Bayside, its elected officials and its appointed employees or his/her designee.

City Official means the city employee charged with responsibility of enforcing this ordinance or his designee.

**Deferred Maintenance** means improvements necessary for continued operations, which do not improve productivity or alter the process technology.

**Economic Life** means the number of years a property improvement is expected to be in service in a Facility.

**Expansion** means the addition of buildings, structures, machinery, or equipment for purposes of increasing production capacity.

*Facility* means property improvements completed or in the process of construction which together comprise an integral whole.

**Job** means a permanent, full-time employment position that has provided or result in employment of at least 1,820 hours per position in a year. Part-time positions shall not be included in this definition.

**Manufacturing facility** means buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacturing of tangible goods or materials or the processing of such goods or materials by physical or chemical change.

**Modernization** means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility or similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, or equipment. Modernization shall include improvements for the purpose of increasing productivity or updating the technology of machinery and equipment, or both. It shall not be for the purpose of reconditioning, refurbishing or repairing.

*Multifamily Housing* means apartment buildings, a type of residential structure with ten (10) or more units in the same building, and may be tenant-occupied but not owner-occupied.

**New Facility** means a property previously undeveloped, which is placed into service, by means other than or in conjunction with expansion or modernization.

**Owner** means the owner of a Facility subject to abatement. If the Facility is constructed on a leased property, the owner shall be the party which owns the property subject to tax abatement. The other party to the lease shall join in the execution of Agreement but shall not be obligated to assure performance of the party receiving abatement.

**Permanent Full-Time Job** means a new employment position created by a business that provides a regular work schedule of at least 40 hours per week or 1820 hours of employment per year and maintains the employment position during the term of the abatement agreement.

**Primary (basic) Jobs** means employment that brings in new payroll dollars to the community from businesses that primarily engage in selling its products or services to outside the local market area. Jobs that depend upon the local market area such as restaurants, grocery stores, residential real estate, retail, doctor's offices, etc. are secondary jobs which depend upon the local population and market to grow.

**Productive Life** means the number of years a property improvement is expected to be in service in a facility.

**Research Facility** means buildings and structures, including machinery and equipment, used or to be used primarily for research or experimentation to improve new tangible goods or materials or to improve or develop the production processes thereto.

**Regional Service Facility** means buildings and structures, including machinery and equipment, used or to be used to service goods where a majority of the goods being serviced originate outside of the city.

**Regional Distribution Center Facility** means buildings and structures, including fixed machinery and equipment, used or to be used primarily to receive, store, service, or distribute goods or materials owned by the facility operator where a majority of the goods or services are distributed to points beyond a 25-mile radius of Refugio County.

**Reinvestment Zone** means an area designated as such for the purpose of tax abatement as authorized by Subchapter B, Municipal Tax Abatement, Title 3, Local Taxation, Vernon's Texas Codes Annotated.

### SECTION 2 PURPOSE

SEC. 2.1 A city, pursuant to State law, is authorized to offer abatement of city ad valorem taxes to industries and commercial enterprises within the city limits. The tax abatements are granted to real property owners who execute a tax abatement agreement with the city. The purpose of the tax abatement is to encourage the growth and establishment of industry and commercial enterprise in the city. Growth is measured both by increases in capital expenditure for buildings, machinery, and other capital goods and the increase in the Bayside workforce. The city's priority for tax abatement is to extend tax abatement to primary employers. In providing local jobs, the retention of existing jobs is recognized as more important than recruitment of new companies. Abatement is given to provide significant, long term, positive economic impact to the community by using local contractors and the resident workforce to the maximum extent feasible and by developing, redeveloping and improving real estate within the city limits. The city's goal in providing tax abatements is to create additional jobs within the city. Abatements, however, may be granted when the city is convinced that the abatement is needed to retain existing jobs which would otherwise be lost. Examples of uses eligible for abatements include manufacturing, distribution centers,

- corporate or regional office parks, and research facilities. Small companies have provided a significant source of new jobs within the city. Therefore, proposals by small entrepreneurs will be encouraged whenever the proposals comply with the policies of this ordinance.
- SEC. 2.2 The city is committed to the promotion of quality development in all parts of the city and to improving the qualify of life for its citizens. In order to help meet these goals, the city will consider providing tax abatement and other incentives within the "reinvestment zone" to stimulate economic development within the city.
- SEC. 2.3 It is the policy of the city that such incentives will be provided in accordance with the procedures and criteria outlined in this ordinance and the Town of Bayside TAX INCENTIVES POLICY resolution. However, nothing in this ordinance shall imply or suggest, by implication or otherwise, that the city is under any obligation to provide any incentive to any applicant; and all such decisions and actions shall be at the sole discretion of the city council.
- SEC. 2.4 It is the intent of the city to offer tax abatement and other economic development incentives on an individual basis so that the total package of incentives, if any, may be designed specifically for each project which is proposed. This approach will allow the city the flexibility necessary to satisfy the unique needs and concerns of each applicant and the needs and concerns of the city and its citizens.
- SEC. 2.5 The city strives for efficiency in processing applications for tax abatement. It is understood that unduly long decision-making processes will discourage businesses that might otherwise be interested in moving to or expanding in Bayside.

## SECTION 3 GUIDELINES AND CRITERIA RESOLUTION

- SEC. 3.1 That the resolution being marked and designated as TAX INCENTIVES POLICY as adopted by the city council and is hereby adopted as the code of the Town of Bayside for the creation of reinvestment zones as set forth in this ordinance and criteria for granting tax abatement and incentives in reinvestment zones is hereby referred to, adopted and made a part hereof as if fully set out in this ordinance. Copies shall be on file in the office of the Town of Bayside The criteria outlined in this resolution will be used to determine whether it is in the best interest of the city to provide any economic development incentives to a particular applicant. Applicants and projects must meet the requirements established by the resolution.
- SEC. 3.2 Before giving tax abatement incentives to a particular applicant, a resolution shall be adopted declaring that under the guidelines and criteria established herein the application is eligible for tax abatement incentives and that the Mayor is authorized to execute a contract with the application enumerating the type of incentives and governing the conditions applicable to them.
- SEC. 3.3 The city may offer other economic development incentives on an individual basis so that the total package of incentives may be designed specifically for each proposed project. This approach will allow the city the flexibility necessary to satisfy the unique needs and concerns of each applicant and the needs and concerns of the city and its citizens.
- SEC. 3.4 Conflict of Interest. Property that is owned or leased by a person who is a member of the City Council or the zoning or planning board or commission of the Town is excluded from property tax abatement. Property that is subject to a tax abatement agreement in effect

- when the person becomes a member of the City Council or the zoning or planning board or commission does not cease to be eligible for property tax abatement under that agreement because of the person's membership on the City Council, board, or commission.
- SEC. 3.5 Tax Abatement Review. The city staff and City Council will review all tax abatement requests. The City Council will have final approval of all tax abatements.

### SECTION 4 ABATEMENT ELIGIBILITY CRITERIA

- SEC. 4.1 Taxability. From the execution of the abatement agreement to the end of the agreement period, taxes shall be payable as follows:
  - A. The value of the ineligible property as provided in the resolution TAX INCENTIVES POLICY, subsection 3-7 Ineligible Property, shall be taxable, and
  - B. The base year value of existing eligible property as determined each year shall be fully taxable, and
  - C. The additional value of new eligible property shall be taxable in accordance with the terms of the tax abatement agreement, and
  - D. The additional value of new eligible property shall be taxable at the end of the abatement period
- SEC. 4.2 Value and Term of Abatement. Abatement shall be granted effective with the January 1 valuation date immediately following the date of execution of the agreement. The value and term of abatement on new eligible property shall be determined in accordance with the following:
  - A. The objective and premium criteria listed in the Town of Bayside's TAX INCENTIVES POLICY resolution.
  - B. The total value of the tax abatement provided would depend upon the degree to which the specific project furthers the goals and objectives of the Town of Bayside, and the relative impact of the project.
- SEC. 4.3 Objections to Abatement.
  - A. Neither a reinvestment zone nor a tax abatement agreement shall be authorized if it is determined that:
    - 1. There would be a substantial adverse effect on the provisions of government service or tax base;
    - 2. The applicant has insufficient financial capacity;
    - 3. Planned or potential use of the property would constitute a hazard to public safety, health, or morals; or
    - 4. Violation of laws of the United States or State of Texas or policies of the city would occur.
  - B. The city shall make the determination of the validity of any objections to the project, if any, provided for in this section.
- SEC. 4.4 State Law Controls. This ordinance shall not in any way limit the authority of the city to

enter into a specific tax abatement agreement as authorized under section 312.002 et seq. of the Tax Code, as amended. This ordinance shall not in any way allow the city to enter into a specific tax abatement agreement that is contrary to the provisions of section 312.002 et seq. of the Tax Code, as amended.

### SECTION 5 APPLICATION

- SEC. 5.1 Any owner of taxable property in the city may request the designation of a reinvestment zone and a tax abatement agreement by filing a written application to the city.
- SEC. 5.2 Application Information.
  - A. Any person, organization, joint venture, partnership, association, or corporation desiring that the city consider providing tax abatement and other economic development incentives shall make written application to the city be required to submit the following information:
    - 1. Applicant should provide a plat showing the precise location of the property, all roadways within 200 feet of the site, all existing land use on the site, and all existing land use within 50 feet of the site;
    - 2. A time schedule for undertaking and completing the planned improvements;
    - 3. A summary description of the new facility or expansion;
    - 4. A complete legal description of the property along with a plat showing the precise location of the project shall be submitted;
    - 5. A brief description of the proposed improvements or expansion must be provided along with the project's estimated cost, the type of business operation proposed, the number and type of jobs created, the expected source of labor to fill such jobs, the projected date of the beginning operation and the type and the value of the tax abatement and other economic development incentives which are requested;
    - 6. An estimate of the number of full-time employees to operate the facility;
    - 7. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application.
    - 8. Applicants shall submit either a current financial statement, if currently in business, or a prospective financial statement, if a startup business;
    - 9. In the case of an application based on job retention, the applicant shall include sufficient information to verify the potential of job loss that would occur without abatement;
    - 10. The application shall be signed by the owner, accompanied by a specific description of the proposed use and the specific nature and extent of the modernization, expansion, or new improvements which will be a part of the facility; and
    - 11. The application shall provide other information as required by the city and such financial and other information as required by the city to enable it to evaluate the financial capacity of the applicant, including, but not limited to, a projection of the cost of city services to serve the projected development.

- B. All applications will be reviewed by the city official for completeness and accuracy, and comments will be received from the planning commission. Once this information is compiled, the application and review comments will be forwarded to the members of the city council and to other taxing entities which may be involved in offering tax abatement. After the review by the city council and other taxing entities, additional information may be requested of the applicant.
- C. All requirements of the Property Redevelopment and Tax Abatement Act, Chapter 312, Texas Tax Code, shall be followed.
- SEC. 5.3 If the city intends to act favorably on the application and enter into an agreement, it shall do so in writing with the owner of the taxable real property located in an area designated as a reinvestment zone to exempt from taxation a percentage of the increase in the value of the property over its value in the year in which the agreement is executed, subject to the provisions of the adopted resolution TAX INCENTIVES POLICY, SECTION 6 VALUE AND TERM OF TAX ABATEMENT.
- SEC. 5.4 Notice to Taxing Units. Not later than the seventh day before the date on which the city enters into such an agreement, the city secretary shall deliver to the presiding officer of the governing body of each other taxing unit in which the property to be subject to the agreement is located a written notice that the city intends to enter into an agreement. The notice shall be placed in the mail, return receipt requested. The city secretary shall upon the approval of a tax reinvestment zone or a tax abatement agreement, send a report as required by section 312.005 of the Tax Code to the Texas Department of Economic Development.
- SEC. 5.5 The resolution designating an area as a reinvestment zone may not be adopted by the city until the city has held a public hearing on the designation and has found that the improvements sought are feasible and practical and would be a benefit to the land to be included in the zone and to the city after the agreement entered with the owner has expired. It also must be found that the area of the proposed reinvestment zone is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and would contribute to the economic development of the city or meets the other criteria of section 312.201 et seq. of the Tax Code. At the hearing, interested persons are entitled to speak and present evidence for or against the designation. Not later than the seventh day before the date of such hearing, notice of the hearing must be published in a newspaper having general circulation in the city; and said notice shall be delivered in writing to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone. The notice shall be placed in the mail, postage prepaid, properly addressed, and sent by certified mail, return receipt requested.
- SEC. 5.6 The City may deny an application for abatement if it finds that the request for the abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion or new facility.

# SECTION 6 INCENTIVE AGREEMENT

SEC. 6.1 If the city council determines in its sole discretion that it is in the best interest of the city to grant incentives to a particular applicant, a resolution shall be adopted approving the

terms and conditions of the incentive agreement with the applicant. The incentive agreement will enumerate the types of incentives to be provided and the conditions applicable to such incentives.

- SEC. 6.2 All such incentive agreements must, at minimum, be in writing and include at least the following specific items:
  - A. Description of each of the type of incentive to be provided;
  - B. The commencement date of the incentives and the duration of the incentives:
  - C. Legal description of the property to be designated as a reinvestment zone;
  - D. A plat showing the precise location of the property, all roadways within 200 feet of the site, and all existing zoning and land uses within 200 feet of the site;
  - E. Detailed information regarding the type, number, location, and costs of planned improvements;
  - F. A statement that actual construction of improvements will begin no more than twelve (12) months from the date tax abatement is approved. In the event of non-compliance with this provision, the application shall be null and void with the right to reapply;
  - G. A statement granting the access to and inspection of the property and proposed improvements by city inspectors and officials to ensure that the improvements or repairs are made according to specifications and conditions of the agreements;
  - H. A statement limiting the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;
  - I. Method for City to cancel or modify the agreement if the property owner fails to comply with the agreement.
  - J. A statement limiting the uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;
  - K. A method by which the business receiving incentives will certify in writing to the city that the business is in compliance with the incentive agreement and provide the city with documentation to substantiate the level of value, including but not necessarily limited to, annual company financial reports, state and/or federal employment reports, and Refugio County tax appraisal statements; and
  - L. A statement providing for the recapturing of property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided by the agreement. The agreement will provide for the recapture of all or a portion of property tax revenue lost as a result of the agreement if the owner of the property fails to create all or a portion of the number of new jobs provided by the agreement, if the appraised value of the property subject to the agreement does not attain a value specified in the agreement, or if the owner fails to meet any other performance criteria provided by the agreement, and payment of a penalty or interest, or both, on that recaptured property tax revenue.
- SEC. 6.3 Businesses entering into an incentive agreement shall be required to disclose to the city,

in writing, any transfer of ownership.

### SECTION 7 ABATEMENT REVIEW

- SEC. 7.1 The City Council will initially negotiate all tax abatement contracts in a workshop. The proposed contracts will then be submitted to the Planning Committee for review. The recommendation of the Planning Committee will be submitted back to the City Council. A resolution shall be voted on by the council to approve the tax abatement agreement
- SEC. 7.2 When considering abatement contracts, the City will consider any burdens which will be placed on existing infrastructure and basic services by the proposed project. The City may reject applications which place inordinate demands on public services or require inordinately large expenditures to improve or maintain local government infrastructure.
- SEC. 7.3 Assignment. Tax abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of the city council, subject to the financial capacity of the assignee, and provided all conditions and obligations in the tax abatement agreement are guaranteed by the execution of a new contractual agreement with the city. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to the city or any affected jurisdiction or other taxing agency for outstanding taxes or other obligations.
- SEC. 7.4 Confidentiality. Information that is provided to the city in connection with an application that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which tax abatement is sought is confidential and not subject to public disclosure until the tax abatement agreement is executed. Nevertheless, the city shall not be liable for any disclosure of the application. However, the city may take disciplinary action against the city employee who made an unauthorized disclosure of confidential information.

## SECTION 8 AGREEMENT

- SEC. 8.1 After the hearing, the City of Bayside shall adopt a resolution finding that the proposed agreement filed with the resolution, a copy of which is to be attached thereto, meets the applicable provisions of the "Guidelines and Criteria".
  - A. Any agreement so adopted must include at least the following specific items:
    - 1. A list of the kind, number, and location of all proposed improvements of the property;
    - 2. A provision for Total estimated cost of the improvements and employment estimates;
    - 3. The commencement date and the termination date of the tax abatement;
    - 4. The nature of the construction, time schedule, property description, and improvement list;
    - 5. The exemption from taxation of a percentage of the increases in value of the property, over its value in the year in which the agreement was executed for a period of time provided in the adopted resolution TAX INCENTIVES POLICY, SECTION 6 VALUE AND TERM OF TAX ABATEMENT;

- Access and authorization to city employees to inspect the property to ensure that the improvements or repairs are made according to the specification and conditions of the agreement;
- 7. A limit on uses of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;
- 8. A provision for recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided by the agreement;
- 9. Each term agreed to by the owner of the property;
- 10. A provision that the agreement shall be effective when executed by all parties and upon the final passage of a resolution designating the reinvestment zone;
- 11. A recapture provision if the cost of city services to the proposed project exceed the benefits to the community that such project poses.
- 12. A requirement that the owner of the property certify annually to the City Council that the owner is in compliance with each applicable term of the agreement; and
- 13. A provision that the City Council of the Town may cancel or modify the agreement if the property owner fails to comply with the agreement.
- B. An agreement may include, at the option of the City Council, provisions for:
  - 1. Improvements or repairs by the City Council to streets and utility services or facilities associated with the property, except that the agreement may not provide for lower charges or rates than are made for other services or properties of a similar character;
  - 2. An economic feasibility study, including a detailed list of estimated improvement costs, a description of the methods of financing all estimated costs, and the time when related costs or monetary obligations are to be incurred;
  - 3. A map showing existing uses and conditions of real property in the reinvestment zone;
  - 4. A map showing proposed improvements and uses in the reinvestment zone;
  - 5. Proposed changes of zoning ordinances, the master plan, the map, building codes, and city ordinances; and
  - 6. The recapture of all or a portion of property tax revenue lost as a result of the agreement if the owner of the property fails to create all or a portion of the number of new jobs provided by the agreement, if the appraised value of the property subject to the agreement does not attain a value specified in the agreement, or if the owner fails to meet any other performance criteria provided by the agreement, and payment of a penalty or interest, or both, on that recaptured property tax revenue.
- SEC. 8.2 Legal notice to potential applicants. The adoption of these guidelines and criteria by the

city do not:

- A. Limit the discretion of the city to decide whether or not to enter into a specific tax abatement agreement;
- B. Limit the discretion of the city to delegate to its employees the authority to determine where or not the city should consider a particular application or request for tax abatement; or
- C. Create any property, contract, or other legal right in any person to have the city consider or grant a specific application or request for tax abatement.

### SECTION 9 ADMINISTRATION

- SEC. 9.1 Each year, the company or individual receiving abatement shall furnish the chief appraiser of Refugio County and the Town of Bayside with such information as may be necessary for the abatement. The chief appraiser will annually determine the assessment of the real and personal property comprising the reinvestment zone and notify the affected jurisdictions of the amount of the assessment.
- SEC. 9.2 Upon completion of construction, the city shall annually evaluate each facility receiving abatement to ensure compliance with the agreement.

#### SECTION 10 RECAPTURE

- SEC. 10.1 In the event that the facility is completed and begins producing products or services, but subsequently discontinues producing products or services for any reason except in fire, explosion, or other casualty or accident or natural disaster for a period of one (1) year during the abatement period, then the agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the facility no longer produces. The taxes otherwise abated for that calendar year shall be paid to the affected jurisdiction and other taxing agencies within sixty (60) days from the date of termination.
- SEC. 10.2 Should the city determine that the company or individual is in default according to the terms and conditions of its agreement, the city shall notify the company or individual in writing at the address stated in the agreement, and if the default is not cured within sixty (60) days from the date of such notice ("cure period"), the agreement may be terminated.
- SEC. 10.3 In the event that the company or individual (1) allows its ad valorem taxes owed the city or affected jurisdictions to be come delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest: or (2) violates any of the terms and conditions of the abatement agreement and fails to cure any default within the cure period, the agreement then may be terminated and all taxes previously abated by virtue of the agreement shall be recaptured and paid within sixty (60) days of the termination.

### SECTION 11 REVIEW

The TAX INCENTIVES POLICY resolution is to be reviewed every two years; all reinvestment zones are to be reviewed every five years; and tax abatement contracts are to be reviewed annually.

#### **SECTION 12**

#### **SEVERABILITY CLAUSE**

That if any provision or any section of this ordinance shall be held to be void or unconstitutional, such holding shall in no way affect the validity of the remaining provisions or sections of this ordinance, which shall remain in full force and effect.

### SECTION 13 EFFECTIVE DATE

This ordinance shall be effective upon adoption and, in addition, if any penalty, fine or forfeiture is imposed by this ordinance, then this ordinance shall be effective only after publication of this ordinance in its entirety or in summary form once in the official newspaper of the Town of Bayside.

Passed, ordained, approved and adopted this the day of August, 2008.

Attest:

By: Bully Trust

Mayor Town of Bayside, Texas