

**CITY OF LOS FRESNOS  
RESOLUTION NO. 11-2022**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS FRESNOS,  
TEXAS, ADOPTING A COMPREHENSIVE POLICY OF GUIDELINES AND  
CRITERIA FOR GOVERNING TAX ABATEMENT INCENTIVES, WITHIN  
THE CITY OF LOS FRESNOS AND ITS EXTRATERRITORIAL  
JURISDICTION.**

This Resolution was introduced and submitted to the City Council for passage and adoption. After presentation and discussion of the Resolution, a motion was made by Council member Jose C. Macias that the Resolution be finally passed and adopted in accordance with the City's Home Rule Charter. The motion was seconded by Council member Luis Gonzalez and carried by the following vote:

Mayor Alejandro Flores	<input checked="" type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstained
Councilmember Jose C. Macias	<input checked="" type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstained
Councilmember Juan Munoz	<input checked="" type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstained
Mayor Pro-Tem Gabriela Fernandez	<input checked="" type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstained
Councilmember Luis Gonzalez	<input checked="" type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstained
Councilmember Terry Vinson	<input checked="" type="checkbox"/> For	<input type="checkbox"/> Against	<input type="checkbox"/> Abstained

**WHEREAS**, the City Council desires to promote economic development within the City; and

**WHEREAS**, the provision of certain economic development incentives may encourage prospective businesses and companies to locate in Los Fresnos or existing businesses and companies to expand; and

**WHEREAS**, the establishment of specific guidelines, criteria, and procedures are necessary to insure that tax abatement incentives are given and administered effectively; and;


**WHEREAS**, the adoption of guidelines and criteria are required by State law before an area may be established as a reinvestment zone.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOS FRESNOS, TEXAS:**

SECTION 1. That the City of Los Fresnos hereby established certain guidelines and criteria governing tax abatement incentives within the City of Los Fresnos and its extraterritorial jurisdiction hereby attached as "Exhibit A", and such guidelines and criteria shall expressly govern all subsequent tax abatement agreements.

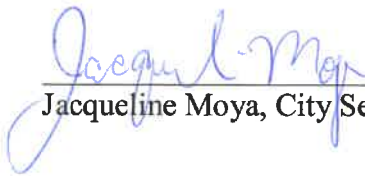
SECTION 2. That such guidelines and criteria shall be effective for two (2) years from the date of adoption and may only be amended or repealed by a vote of three-fourths vote of the City Council.

PASSED AND APPROVED this the 14<sup>th</sup> day of November, 2022.

  
\_\_\_\_\_  
Alejandro Flores, Mayor



ATTEST:

  
\_\_\_\_\_  
Jacqueline Moya, City Secretary

**“EXHIBIT A”  
CITY OF LOS FRESNOS, TEXAS  
POLICY ON TAX ABATEMENT INCENTIVES**

**I. PURPOSE AND OBJECTIVE**

The City of Los Fresnos is committed to the promotion of quality development in all parts of the city and to an on going improvement in the quality of life for its citizens. Insofar as these objectives are generally served by the enhancement and expansion of the local economy, the City of Los Fresnos will, on a case-by-case basis, give consideration to providing tax abatement incentives as stimulation for economic development in Los Fresnos. It is the policy of the City of Los Fresnos that said consideration will be provided in accordance with the procedures and criteria outlined in this document. However, nothing herein shall imply or suggest that the City of Los Fresnos is under obligation to provide any incentive to any applicant. All applicants shall be considered on a case-by-case basis.

**II. CRITERIA FOR TAX ABATEMENT INCENTIVES**

The following threshold criteria shall be used to determine whether any tax abatement incentives shall be granted.

Tax abatements are available to companies that locate within the designated reinvestment zone within the city limits of Los Fresnos. To qualify, the business must:

- (1) be located wholly within the zone
- (2) be making or maintaining a long-term capital investment that increases the taxable value (land, building, equipment) within the zone;
- (3) be committed to creating or retaining two or more jobs;
- (4) be committed, when possible, to hiring local people for new jobs;
- (5) be and remain on the payment of any and all taxes, of any nature, owed to the Federal government, the State of Texas, Cameron County, City of Los Fresnos, and the Los Fresnos Consolidated Independent School District; and
- (6) be able to meet acceptable criteria in such other areas as company leadership, financing, marketing, and planning.

In addition to the minimum requirements stated above, the following subjective criteria shall be considered prior to granting any tax abatement incentive:

- (7) The project meets all relevant zoning requirements.
- (8) Is the project consistent with the comprehensive plan of the City of Los Fresnos?
- (9) What types and cost of public improvements and services (water and sewer main extension, streets, and alleys, etc.) will be required of the City? What types and values of public improvements, if any, will be made by the applicant?

### **III. TYPES OF INCENTIVES**

It is the intent of the City of Los Fresnos to customize the offering of tax abatement incentives on a case-by-case basis. This individualized design is intended to allow maximum flexibility in addressing the unique concerns of each applicant while enabling the City to better respond to the changing needs of the community.

The criteria outlined in Section II above will be used to determine whether it is in the best interest of the City of Los Fresnos to provide any tax abatement incentives to a particular applicant. The degree to which the specified project furthers the goals and objectives of the City of Los Fresnos and the relative impact of the specific project will be used to determine the total value of the tax abatement incentives provided. As a general rule, no tax abatement will be provided to any applicant in an amount exceeding the value of the following:

The actual abatements will be based on the following schedule of capital investment:

<b>Investments</b>					
<b>YEARS</b>	<b>\$100,000</b>	<b>\$250,000</b>	<b>\$500,000</b>	<b>\$750,000</b>	<b>\$1,000,000</b>
	<b>\$249,999</b>	<b>\$499,999</b>	<b>\$749,999</b>	<b>\$999,999</b>	<b>up</b>
<b>1</b>	100%	100%	100%	100%	100%
<b>2</b>	50%	75%	100%	100%	100%
<b>3-4</b>		50%	75%	100%	100%
<b>5-6</b>			50%	75%	100%
<b>7-8</b>				50%	75%
<b>9-10</b>					50%

\*\* Capital investments of \$2,000,000 and up will be considered on the same ratio as the above example as determined by the taxing authorities.

### **IV. APPLICATION PROCEDURES**

Any person, organization or corporation desiring that the City of Los Fresnos provide tax abatement incentives to encourage their location or expansion of operations within the city limits or the extraterritorial jurisdiction of the City of Los Fresnos shall be required to comply with the following application procedures. However, nothing within these guidelines shall imply or suggest that the City is under any obligation to provide any incentive to any applicant.

Any applicant desiring tax abatement incentives shall file an application request, which shall include at least the following information:

- (1) 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.
- (2) If the property is described by metes and bounds, a complete legal description should be provided.
- (3) A brief description of the proposed improvements or expansion and its projected cost; the type of business operation proposed; the number and type of jobs created, including information pertaining to anticipated job transfers, the projected date of operation; and the type and value of any economic development incentives requested.
- (4) Any other information about the proposed project as may be required by the City of Los Fresnos or as deemed desirable.

Once the application has been received, the information submitted will be reviewed by the Community Development Staff for completeness and accuracy. The Community Development Board will then ask the Community Development staff for an internal review and comments. Following board review, copies of the complete application package and board comments will be provided to the City Council and to other taxing entities that may be willing to participate in offering tax abatement incentives. Generally, the Community Development Board, staff and applicant will discuss the proposed application at a work session prior to formal consideration by the City Council. Following the work session, the Community Development staff may be requested to obtain other information prior to further consideration of the application.

At a regular City Council meeting, the application for any tax abatement incentive may be considered. The City will comply with certain public notice and hearings that are required as mandated by State law under the Property Redevelopment and Tax Abatement Act prior to the designation of a reinvestment zone and execution of a tax abatement agreement. Prior to final approval, all legal documents to effect such reinvestment zone(s) and tax abatement agreements shall be approved by the City Attorney.

Should the City Council determine that it is in the best interest of the City of Los Fresnos to provide tax abatement incentives to a particular applicant, a resolution shall be adopted declaring that under the guidelines and criteria established herein, the applicant is eligible for tax abatement and that the Mayor is authorized to execute a contract with the applicant, enumerating the type of incentives and governing any conditions applicable to it. Any agreement so adopted must include at least the following specific items:

- (1) Description of the type of tax abatement to be provided and its duration.
- (2) Legal description of the property to be designated as a reinvestment zone.
- (3) Detailed information regarding the type, number, location, and cost of planned improvements.
- (4) 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 agreement.

- (5) A statement limiting the uses of the property consistent with the general purposes of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect, and
- (6) 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.

**V. AMENDMENTS TO THESE GUIDELINES AND CRITERIA**

The guidelines and criteria adopted herein shall not be amended or repealed except by three-fourths (3/4) vote of the City Council.

**VI. EFFECTIVE DATE**

These guidelines and criteria adopted herein shall be effective from the date of passage and remain effective for two (2) years from such date of adoption, unless otherwise repealed by a three-fourths (3/4) vote of the City Council.

PASSED AND APPROVED this 14<sup>th</sup> day of November 2022.



*Alejandro Flores*  
Alejandro Flores, Mayor

ATTEST:

*Jacqueline Moya*  
Jacqueline Moya, City Secretary