

RESOLUTION NO. 16-99

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, AUTHORIZING THE MAYOR TO EXECUTE AGREEMENTS OF PARTICIPATION WITH LOCAL INDUSTRIES RELATIVE TO THE EXEMPTION OF CERTAIN TANGIBLE PERSONAL PROPERTY KNOWN AS "FREEPORT GOODS" FROM AD VALOREM TAXATION; AND DECLARING AN EFFECTIVE DATE THEREOF.

WHEREAS, in accordance with a constitutional amendment adopted by the voters of the state on November 7, 1989, certain tangible personal property known as "freeport goods" became exempted from ad valorem taxation, unless otherwise taxed on a local option basis; and

WHEREAS, the City Council of the City of Mesquite, Texas (the "City Council") took such official action as provided for in the constitutional amendment in order to exercise its option to continue to tax this otherwise exempt personal property; and

WHEREAS, the City Council may at any time change its decision and choose to exempt such freeport goods from taxation; and

WHEREAS, the City Council will be meeting to consider repeal of such action to allow the exemption of such freeport goods beginning in the calendar year 2000; and

WHEREAS, certain companies that produce and sell products qualifying as freeport goods recognize that the City will suffer a loss in revenues by allowing the exemption and agree to make a "payment in lieu of taxes" or PILOT for the year 2000 to lessen the fiscal impact on the City the first year the exemption goes into effect.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. That Mike Anderson, Mayor, is hereby authorized to execute agreements providing for such payments in substantially the form attached hereto as Exhibit "A", with the following companies:

Lucent Technologies	Paragon Industries, Inc.
Pep Boys	US Food Service
Identification Plates, Inc.	Horticultural Printers
Benjamin Moore	NAPA
MK Battery Specialists	Pioneer Chemical, Inc.

SECTION 2. That this Resolution shall take effect immediately upon passage as the law in such cases provides.

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 5<sup>th</sup> day of April, 1999.



Mike Anderson  
Mayor

ATTEST:

APPROVED:



Ellen Williams  
City Secretary



B.J. Smith  
City Attorney

**AGREEMENT**  
**REGARDING FREEPORT GOODS**  
(2000 Adoption -- Commitment to Pay Option)

This agreement ("Agreement") is made and entered into this 5th day of March, 1999, by and between the **City of Mesquite** ("City") and \_\_\_\_\_ ("Company") of Dallas County, State of Texas.

WHEREAS, Company produces and sells products which qualify as "freeport goods" under V.T.C.A., TAX CODE SEC. 11.251 (such goods being hereinafter referred to as "freeport goods"); and

WHEREAS, heretofore City, by virtue of its legal rights, has not allowed the freeport goods exemption provided for by said Tax Code; and

WHEREAS, Company has requested City to allow the exemption for such freeport goods beginning in the calendar year 2000; and

WHEREAS, City and Company recognize that City will suffer a loss in revenues by allowing the exemption for Company's freeport goods and are entering into this Agreement to evidence Company's intention and agreement to provide donations to City to offset the impact of such tax revenue loss.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained City and Company hereby agree as follows:

1. Company commits to pay City a cash donation equal to City's 1999 tax rate multiplied by the estimated or actual value of freeport goods under the provisions of ART. VIII, SEC. 1-J, SUBSECTION (b), TEXAS CONSTITUTION. Such payment will be made no later than December 31, 2000.
2. Upon execution of this Agreement, City shall take all action necessary to withdraw City's election as of January 1, 2000 to tax Company's freeport goods under ART. VIII, SEC. 1-J, SUBSECTION (b), TEXAS CONSTITUTION, with the intent of such action being that Company's freeport goods should qualify as exempt from City taxation from and after January 1, 2000.
3. This Agreement is null and void if City fails by July 1999 to take the action necessary to withdraw City's election as of January 1, 2000 to tax freeport goods within City under ART. VIII, SEC. 1-J, SUBSECTION (b), TEXAS CONSTITUTION.
4. This Agreement is executed by the parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed.

5. Any notice provided for under the terms of this Agreement by either party to the other shall be in writing and may be effected by registered or certified mail, return receipt requested. Notice to City shall be sufficient if made and addressed to City Manager, P.O. Box 850137, Mesquite, Texas 75185-0137.
6. The individuals executing this Agreement on behalf of the respective parties below represent to each other and to others that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of the party for which his or her signature appears, that there are not other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement on the party for whom the individual is signing this Agreement and that each individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the date hereof.
7. The parties further agree that venue for any legal proceeding shall be in Dallas County, Texas.
8. When referring to City, this Agreement shall refer to and be binding upon the City of Mesquite, its successors and assigns.
9. When referring to Company, this Agreement shall refer to \_\_\_\_\_.
10. This Agreement contains the entire agreement of the parties with respect to the matters contained herein and may not be modified except by the mutual written agreement of the parties hereto.
11. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

IN WITNESS WHEREOF, the parties have executed this Agreement and caused this Agreement to be effective on the latest day as reflected by the signatures below.

**CITY OF MESQUITE, TEXAS**

\_\_\_\_\_  
Mike Anderson  
Mayor

ATTEST:

APPROVED:

\_\_\_\_\_  
Ellen Williams  
City Secretary

\_\_\_\_\_  
B.J. Smith  
City Attorney

**"COMPANY"**

\_\_\_\_\_

By

\_\_\_\_\_

Title

\_\_\_\_\_

Address

\_\_\_\_\_

Telephone No.

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

BEFORE ME, the undersigned authority, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing document and known to me to be the \_\_\_\_\_ (title) of \_\_\_\_\_ (company) and acknowledged to me that he/she executed said document with full authority to do so and for the purposes and consideration expressed therein.

Given my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 1999.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_