

STATE OF TEXAS

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COUNTY OF FORT BEND

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**TAX ABATEMENT AGREEMENT BETWEEN
FORT BEND COUNTY
AND
FRITO-LAY, INC. ZONE 25**

This Tax Abatement Agreement, hereinafter referred to as “Agreement,” is executed by and between **FORT BEND COUNTY, TEXAS**, hereinafter referred to as “County,” acting by and through its Commissioners’ Court and Frito-Lay, Inc. hereinafter referred to as “Owner” of the Real Property, Eligible Personal Property, and Improvements located within the Fort Bend County Reinvestment Zone No. 25 (“Reinvestment Zone”).

1. Authorization:

- a. This Agreement is authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the TEXAS TAX CODE as it exists on the effective date of this Agreement, and;
- b. The Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created by Fort Bend County, Texas, were approved by the County’s Commissioners Court on February 26, 2019. County has determined that the request for Tax Abatement presented by Owner conforms to the criteria established in the Guidelines for Tax Abatement or that a deviation is hereby determined to be for good cause and therefore will be allowed
- c. No official of County has an interest in the property subject to this Agreement.

2. Definitions:

As used in this Agreement, the following terms shall have the meanings set forth below:

- a. The “Certified Appraised Value” or “Value” means the values certified as of January 1 of each year of this Agreement regarding the property within Fort Bend County Reinvestment Zone No. 25 by the Fort Bend Central Appraisal District (“FBCAD”).
- b. “Certificate of Occupancy” means a certificate of occupancy issued by the County for the Improvements (or a temporary certificate of occupancy issued by the County under which Owner is permitted to, and does, open for business in the Improvements).
- c. “Real Property” means the approximate 385 acre tract of land described in Exhibit "1" attached hereto and incorporated herein for all purposes, and all existing improvements currently located thereon, which is located within the Reinvestment Zone 25.
- d. “Improvements” means a new building to be used as a distribution, manufacturing, and warehousing facility located in the Reinvestment Zone containing approximately 120,000 square feet

of floor space, and the interior improvements to such distribution, manufacturing, and warehousing building and any sidewalks, parking lots, outdoor lighting, landscaping and other improvements to serve the building, all as generally depicted in Exhibit 3, attached to and incorporated into this Agreement by reference.

- e. "Effective Date" shall mean the date upon which this Agreement has been executed by both County and Owner and the conditions set forth in Section 12 below have been satisfied.
- f. "Abatement" means the full or partial exemption from ad valorem taxes of certain property in Fort Bend County Reinvestment Zone No. 25 designated for economic development purposes.
- g. "Eligible Property" means new equipment and machinery eligible for Abatement under this Agreement.
- h. "Ineligible Property" means existing real property, existing improvements, existing equipment and machinery currently placed within existing improvements, real property used primarily to provide retail sales or services to the public, real property used for residential purposes, tangible personal property classified as furnishings, tangible personal property located in the Reinvestment Zone prior to the execution date of this Agreement, real property with a productive life of less than 10 years, inventory, without nullifying any available Freeport Exemption allowed by law, or any other property for which Abatement is not allowed by state law.
- i. "Owner" means Frito-Lay, Inc., the legal titleholder of Real Property, Improvements and Eligible Property subject to this Agreement, or other person or entity to which this Agreement is assigned in accordance with Section 9 below.
- j. "County" means the County of Fort Bend, Texas.

3. **Subject Property:**

- a. Fort Bend County Reinvestment Zone No. 25 is an area located in Fort Bend County, Texas, being legally described in Exhibit 1 attached hereto and incorporated herein for all purposes.
- b. Notice of this Abatement Agreement was posted in accordance with Texas Tax Code Section 312.302 on October 9, 2019.
- c. The FBCAD has established the base year values for the subject property as of January 1, 2019 ("Base Year").

4. **Responsibility of Owner:**

In consideration of receiving the tax Abatement granted herein, Owner represents and agrees:

- a. Owner must cause Completion of Construction (as hereinafter defined) of the Improvements by no later than December 31, 2021 (the "Completion Deadline"). Nothing in this Agreement shall obligate Owner to construct the Improvements but said action is a condition precedent to tax Abatement pursuant to this Agreement. Owner shall have additional time to complete the Improvements as

may be required in the event of delays caused by force majeure (as defined in Section 11 below) and the Completion Deadline shall be correspondingly extended. "Completion of Construction" shall be deemed to have occurred on the date of issuance of the Certificate of Occupancy.

- b. Owner must provide the County's Tax Assessor/Collector with a copy of the Certificate of Occupancy for the Improvements on or before the Completion Deadline. Owner's failure to present a copy of the Certificate of Occupancy to County by December 31, 2021 shall not constitute a default but may result in a forfeiture of the Tax Abatement of tax year 2022.
- c. Owner must make an initial combined minimum capital investment in Improvements and Eligible Property in an amount not less than \$83,000,000 as certified by Owner in writing. Owner's failure to deliver certification to County by December 31, 2021 shall not constitute a default but may result in a forfeiture of the tax Abatement of Tax Year 2022.
- d. The Combined Certified Appraised Value of the Improvements and Eligible Property on January 1, 2022, and on each and every January 1 thereafter during the Term, as defined below, must not be less than \$37,000,000.
- e. Failure to meet the requirements of the Combined Certified Appraised Value or the minimum employee requirements described herein shall not be a default but will invalidate the tax Abatement for the year this requirement was not satisfied.
- f. Owner agrees to meet the following minimum employee requirements:

Tax Year	Total Number of Employees Retained
On the Effective Date	575
On each January 1 during Term of Abatement	575

- g. Owner shall annually furnish County with only those payroll records allowed by law and necessary for County to confirm Owner's compliance with this Agreement (e.g. number of employees is appropriate; payroll dollars, taxes, benefits, and bonuses are not appropriate).
- h. Owner will participate in the continuing economic development process in Fort Bend County by continuing to be a Trustee Member (\$6,000) of the Greater Fort Bend Economic Development Council for a minimum

- period coinciding with the term of this Agreement.
- i. OWNER SHALL BE RESPONSIBLE FOR NOTIFYING THE FBCAD OF THE ABATEMENT, INCLUDING FILING WITH THE FBCAD ANY APPLICATION OR OTHER FORMS NECESSARY TO QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.
- j. OWNER SHALL BE RESPONSIBLE FOR REQUESTING AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT THE REAL PROPERTY SUBJECT TO THIS AGREEMENT IS SOLD, TRANSFERRED OR ASSIGNED. EXCEPT AS OTHERWISE PROVIDED HEREIN, ANY ASSIGNMENT IS NOT EFFECTIVE UNTIL APPROVED IN WRITING BY COUNTY WHICH WILL NOT BE UNREASONABLY WITHHELD.
- k. That Owner has, as of the effective date of this Agreement, the financial resources to implement the above representations.
- l. Owner shall ensure that all non-abated ad valorem taxes assessed by County on any property owned by Owner in Fort Bend County are paid prior to delinquency, excluding payment of any taxes which are subject to a properly filed protest and/or contest. Delinquent taxes for any Fort Bend County Property is a default of Owner's obligations and will be grounds for termination regardless of whether the delinquent property is subject to Abatement, notwithstanding the allowable cure period in Section 7b. below.

5. Value and Term of Abatement:

- a. This Agreement shall be effective on the date executed by County and shall terminate on December 31, 2031 ("Term"). In no event shall this Agreement extend beyond December 31, 2031.
- b. In each year that this Agreement is in effect, the amount of Abatement shall be an amount equal to the percentage indicated below of the taxes assessed upon the Improvements and Eligible Property.
- c. Subject to the limitations imposed by law and conditioned upon the representations outlined in Section 4 herein above, there shall be granted and allowed hereunder property tax Abatement for the following years and in the following amounts on the value of the Improvements and Eligible Property:

Tax Year	Percentage Abatement
2022	45%
2023	45%
2024	45%
2025	45%
2026	45%
2027	45%
2028	45%
2029	45%
2030	45%
2031	45%

- d. The Abatement granted shall not apply to the value of the Real Property, increases in the value of the Real Property, or Ineligible Property, including but not limited to existing or new inventory and improvements, inventory and/or any equipment or machinery existing within the reinvestment zone prior to execution of this agreement.
 - e. All Eligible Property shall be placed and/or installed in accordance with applicable laws, ordinances, rules or regulations in effect at the time such Eligible Property is placed and/or installed.
 - f. The FBCAD's determination of values shall be used to determine the value of the property subject to this Agreement. If Owner protests the FBCAD's valuation of the property, the valuation placed on the property after the protest is resolved under State law shall be used.
 - g. On or before September 1 of each year of this Agreement, Owner shall certify in writing to the Fort Bend County Tax Assessor/Collector their compliance with each term of this Agreement using the form provided in Exhibit 3 to this Agreement.
6. **Taxability:** During the period that this tax Abatement is effective, the value of taxes payable by the Owner shall be derived as follows:
- a. The Value of Real Property shall be fully taxable;
 - b. The Value of Ineligible Property shall be fully taxable; however, any Ineligible Property defined in this 2019 Agreement but made part of the Tax Abatement Agreement by and between Fort Bend County and Frito-Lay, Inc. effective January 24, 2012 shall remain subject to the terms of that agreement; and
 - c. The Value of existing Improvements, if any, and existing Eligible Property shall be determined in the Base Year by the FBCAD.
7. **Event of Default:**
- a. County may declare Owner in default of this Agreement if: (1) Owner fails to comply with any term of this Agreement (excluding, however, Section 4(d) and 4(f) above), or (2) Owner allows County ad valorem taxes on any property owned in Fort Bend County to become delinquent, even if the delinquent taxes are for a property not subject to an Abatement provided, however, Owner retains the right to timely and properly protest and contest any such taxes and so long as Owner is timely and properly protesting or contesting the same it shall not constitute a default under this Agreement or (3) Owner ceases operations on the Real Property for a continuous period of one hundred eighty (180) days before the expiration of the term of the Abatement without the prior written consent of the County, except that in the event of (i) a temporary shutdown of the facility, with assurance of the resumption of operations, for the purpose of facility modification, expansion, improvement, retooling or similar purpose, (ii) the facility is being actively marketed, the County shall not unreasonably withhold consent to a reasonable extension to such period to permit the sale of the facility to another operator, (iii) the closure of the facility pending settlement of insurance, casualty or condemnation claims or (iv) the

- closure of the facility due to inadequate or unacceptable raw water supply shall not constitute a vacating of or a cessation of operations on the Real Property under this Section 7(a)(3). Such exceptions are subject to further extension for force majeure as defined in Section 11 herein.
- b. County shall notify Owner of any default in writing specifying the default. Owner shall have ninety (90) days from the date of the notice to cure any default. If Owner fails to cure the default within ninety (90) days from receipt of notice, County may terminate this Agreement by written notice.
 - c. If this Agreement is terminated by County, as County's sole and exclusive remedy, Owner (as applicable) agrees that they are liable for and will pay to County within sixty (60) days of the termination of this Agreement:
 - i. The amount of all taxes which had been abated during the Term of this Agreement prior to such termination; and
 - ii. Interest on the amount abated, beginning in the month of default, at the rate provided for in the Texas Tax Code for delinquent taxes.
 - iii. Penalties on the amount abated, beginning in the month of default, at the rate provided for in the Texas Tax Code for delinquent taxes.
 - d. County shall have a lien against the Real Property, Ineligible Property, Inventory, and Eligible Property for the taxes and interest owed because of the recapture of taxes under this paragraph during the time period beginning on the date such payment obligation accrues and continuing until the date is paid.
 - e. County acknowledges and agrees that notwithstanding anything to the contrary in this Agreement that Section 7 herein sets forth the sole and exclusive remedies of the County in the event of default by Company under this Agreement and all other remedies are expressly waived and released. Without limiting the foregoing, the County and Company further agree that the County is entitled to the damages set forth in Section 7 (c), but in no event shall either party be liable to the other for any punitive, incidental, consequential, indirect or special damages.
 - f. This paragraph is required by Chapter 2264, TEXAS GOVERNMENT CODE and governs over any conflicting provisions of this Agreement. Owner is prohibited from knowingly employing undocumented workers as that term is defined in Section 2264.001, TEXAS GOVERNMENT CODE. If Owner is convicted of a violation under 8 U.S.C. Section 1324a(f), the conviction shall be considered default of this Agreement, from which no cure provisions shall apply. In such event, County shall provide written notice to Owner of the default and this Agreement shall automatically terminate on the 30th day after the date of the notice of default from County to Owner. In the event of termination under this paragraph, Owner shall repay to County the amount of all property taxes abated under this Agreement, plus interest on the abated amount at the rate provided for in the TEXAS TAX CODE for delinquent taxes.

8. Administration and Inspection

- a. This Agreement shall be administered by the Fort Bend County Tax Assessor/Collector or her designee. Owner shall allow employees or other representatives of County who have been designated by the Tax Assessor/Collector to have access to the Real Property (during normal business hours) during the Term of the Agreement. All regular inspections shall be made only after two (2) business days prior notice and will be conducted in such a manner as not to unreasonably interfere with the Owner's business operations. A representative of Owner may accompany the inspector. County shall cause each of its employees and representatives who conduct such inspections to abide by all of Owner's security, safety and operational rules (as the same may be amended from time to time), copies of which have been made available to County.
- b. Upon completion of the placement and/or installation of the Improvements and Eligible Property, County shall annually evaluate the Improvements and any Eligible Property to ensure compliance with the terms and provisions of this Agreement and shall report potential defaults to the Owner.
- c. The Chief Appraiser of the FBCAD shall annually determine (1) the taxable value under the terms of this Agreement of the Improvements and any Eligible Property located on the Real Property and (2) the full taxable value without Abatement of the Real Property, the Improvements, and any Eligible Property located on the Real Property. The Chief Appraiser shall record both Abatement taxable value and full taxable value in the appraisal records. The full taxable value figure listed in the appraisal records shall be used to compute the amount of abated taxes that is terminated in a manner that results in recapture of abated taxes.
- d. Owner shall furnish the Chief Appraiser annually such information as provided for under Chapter 22 of the Texas Tax Code, including payroll records, as may be necessary for the administration of the this Agreement. Such information, including payroll records, shall also be provided annually to the County Tax Assessor/Collector in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement.

9. Assignment

- a. Owner shall have the right to assign this Agreement to any hereinafter defined Owner Affiliate to which title to the Real Property is conveyed, with a minimum of sixty (60) days prior written notice by Owner to County of such assignment but without County's consent. The term "Owner Affiliate" shall mean (i) Owner's parent-corporation, affiliates, subsidiaries, or related companies; (ii) a successor company related to Owner by merger, consolidation, non-bankruptcy reorganization, or government action; or (iii) a purchaser of substantially all of Owner's assets in the State of Texas.
- b. Owner may not assign this Agreement, except as provided above, without prior written consent of County. No assignment shall be

effective or approved if County has declared a default hereunder which has not been cured or the assignee is delinquent in the payment of any ad valorem taxes owed to County. Approval shall not be unreasonably withheld.

- c. Any and all assignments shall contain the same terms and conditions as set out in this Agreement and shall be granted for the remaining term of the original Agreement only.
- d. Except as provided for assignment to an Owner Affiliate, Owner shall provide notice to County within ninety (90) days of any other sale or assignment of the Real Property subject to this Agreement.

10. **Indemnity**

It is understood and agreed between the parties that Owner, in performing obligations hereunder, is acting independently, and County assumes no responsibilities or liabilities in connection therewith to third parties. **OWNER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS COUNTY AND THE FBCAD FROM ANY AND ALL CLAIMS, SUITS, AND CAUSES OF ACTION BROUGHT BY THIRD PARTIES OF ANY NATURE WHATSOEVER ARISING OUT OF OWNER'S BREACH OF ITS OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY SHALL NOT APPLY TO THAT PORTION OF RESPONSIBILITIES AND LIABILITIES RESULTING FROM THE FAULT OR NEGLIGENCE OF COUNTY OR TAXING UNITS, THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. OWNER'S INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT OF REASONABLE ATTORNEYS FEES AND EXPENSES INCURRED IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, AND CAUSES OF ACTION WHICH ARE NOT DUE TO COUNTY'S, TAXING UNITS OR THEIR REPRESENTATIVES' INTENTIONAL CONDUCT OR NEGLIGENCE. OWNER SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY COUNTY IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, OR CAUSES OF ACTION SO LONG AS DEFENSE COUNSEL AND COURSES OF ACTION ARE DETERMINED SOLELY BY OWNER (AS APPLICABLE). NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT COUNTY FROM INCURRING REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION AND OWNER (APPLICABLE) SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.**

11. **Force Majeure:**

If by reason of force majeure, Owner is unable to perform any obligation of this Agreement, it shall give notice of the force majeure to County in writing within thirty (30) calendar days after Owner first becomes aware or should have become aware of the occurrence relied upon. By doing so,

the obligation of Owner, to the extent and for the period of time affected by the force majeure, shall be suspended. Owner shall endeavor to remove or overcome the inability with all reasonable effort. For purposes of this provision, "force majeure" shall include, but not be limited to acts of God, landslides, lightning, earthquakes, hurricanes, storms, floods, or other natural occurrences; strikes, lockouts, insurrections, riots, wars or other civil or industrial disturbances; orders of any kind of the federal or state government or of any civil or military authority; explosions, fires, breakage or accidents to machinery, lines, or equipment, or the failure or lack of capacity of the wastewater system or water supply system; or any other cause not reasonably within the control of the Owner.

12. **Commissioners Court Approval and Acquisition of Real Property Requirements**

This Agreement is conditioned entirely upon the approval of the Commissioners' Court by the affirmative vote of a majority of the members present at a duly scheduled meeting of the Commissioners Court.

13. **Compliance with State and Local Regulations:**

This Agreement shall not be construed to alter or affect the obligations of Owner to comply with any city ordinance or federal or state law or regulation.

14. **Changes in Laws/Vested Rights:**

The tax Abatement provided in this Agreement is conditioned upon and subject to any changes in the state tax laws during the Term of this Agreement including any exemption from taxes passed by such laws, but only the extent required by law to be enforceable and after giving Owner all vesting, non-conforming and/or "grandfather" rights, contained in and applicable to this Agreement and allowed by law.

15. **Miscellaneous:**

- a. This Agreement and the rights and obligations of each party shall be construed and enforced under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Fort Bend County, Texas.
- b. In the event of one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- c. The waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach.
- d. Any amendments of this Agreement shall be of no effect unless in

writing and signed by both parties hereto.

16. Notices

- a. Any notice required to be given under the provisions of this Agreement shall be in writing and shall be duly served when it shall have been hand delivered or deposited, enclosed in a wrapper with the proper postage prepaid thereon, and certified, return receipt requested, in a United States Post Office or by other nationally recognized delivery service such as Fed Ex or UPS, addressed to County and Owner at the mailing address as hereinafter set out. If mailed, any notice of communication shall be deemed to be received three (3) business days after the date of deposit in the United States Mail.
- b. Unless otherwise provided in this Agreement, all notices shall be delivered to Owner or County at the following addresses:

To the Tax Assessor/Collector: The Honorable Carrie Surratt
Fort Bend County Tax Assessor-Collector
1317 Eugene Heimann Circle
Richmond, Texas 77469

To County: Fort Bend County
401 Jackson
Richmond, Texas 77469
Attention: County Judge

Copy to: Fort Bend County Attorney
401 Jackson
Richmond, Texas 77469

To Owner: Frito Lay, Inc.
Economic Development
7701 Legacy Drive
Plano, Texas 75024

- c. Any party may designate a different address by giving the other parties ten(10) days prior written notice thereof. If either party fails to give notice of a change of address to the other party, the other party may continue to deliver any such notices to the other party's last notice address of record with the parties pursuant to this Agreement and such written notice by such party to the other party's last notice address of record delivered in accordance with Section 16 a. above shall continue to be deemed valid notice to the other party until such time as the party provides written notice to the other party of a change of notice address for such party.

17. **Entire Agreement**

This Agreement contains the entire Agreement among the parties and supercedes all other negotiations and agreements with regard to the Improvements and Eligible Property, whether written or oral. This Agreement shall inure to the benefit of and be binding upon the parties hereto and each of their respective successors and assigns. Attached hereto are (a) Exhibit 1 – Fort Bend County Commissioners Court Order designating Reinvestment Zone No. 25 and legal descriptions of Real Property (land) comprising the Reinvestment Zone b) Exhibit 2 – Economic Impact Statement, and c) Exhibit 3- Annual Compliance Certificate- all of which are made part of this Agreement.

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[execution page follows]

1. Execution

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by County and Owner as of the dates below stated. All Parties warrant and represent that the individuals executing this agreement on behalf of each have full authority to execute this Agreement and bind each to the same.

“COUNTY:”

FORT BEND COUNTY, TEXAS

By: _____
K. P. George, County Judge

Date: _____

ATTEST:

Laura Richard, County Clerk

Date _____

“OWNER:”

FRITO-LAY, INC.

By: Thomas E. Purtell

Printed Name: Thomas E. Purtell

Title: Senior Vice President, Supply Chain

Date: 10/29/19



ATTEST:

Kimberly P. Koskay
(Print Name) Kimberly P. Koskay
MANAGER, Economic Development
Date 10/29/2019

Exhibit 1

Fort Bend County Commissioners Court Order designating Reinvestment Zone 25 and
the legal description of Real Property (land) comprising the Reinvestment Zone

THE STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

The Commissioners Court of Fort Bend County, Texas (the "Commissioners Court"), acting for and on behalf of Fort Bend County, Texas, convened in regular session at a regular term of said Court, open to the public, on the 8th day of October, 2019, in the Commissioners Courtroom, 401 Jackson St., 2nd Floor, Richmond, Texas.

WHEREUPON, among other business, the following was transacted at said meeting:

ORDER DESIGNATING FORT BEND COUNTY REINVESTMENT ZONE NO. 25

The Order was duly introduced for the consideration of the Commissioners Court and reviewed in full. It was then duly moved and seconded that the Order be adopted; and, after due discussion, the motion, carrying with it the adoption of the Order, prevailed and carried by the following vote:

AYES: 5

NAYES: 0

The County Judge thereupon announced that the Motion had duly and lawfully carried and that the Order had been duly and lawfully adopted. The Order thus adopted follows:

ORDER DESIGNATING FORT BEND COUNTY
REINVESTMENT ZONE NO. 25

WHEREAS, the County Commissioners Court passed and approved Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created in Fort Bend County, Texas, on February 26, 2019;

WHEREAS, pursuant to the Guidelines, the County has received a request for designation of a Reinvestment Zone and Tax Abatement;

WHEREAS, notice was given to all taxing entities where the proposed zone is to be located;

WHEREAS, after proper notice had been given in the September 27, 2019 edition of the Fort Bend Herald, the County has held a public hearing on October 8, 2019, where all interested persons were given an opportunity to speak, and evidence for and against the designation of Fort Bend County Reinvestment Zone No. 25 was gathered;

WHEREAS, the County Commissioners Court has determined, based on evidence gathered, that the improvements sought to be located in proposed Reinvestment Zone No. 25 are feasible and practical and would be a benefit to the land to be included in Reinvestment Zone No. 25 and to the County after the expiration of the Tax Abatement Agreement; and

WHEREAS, the designation of Reinvestment Zone No. 25 will reasonably likely contribute to the retention or expansion of primary employment, increase business opportunities in Fort Bend County and contribute to the economic development of both the property in Reinvestment Zone No. 25 and to Fort Bend County;

NOW THEREFORE, BE IT ORDERED BY THE COUNTY COMMISSIONERS COURT OF FORT BEND COUNTY:

SECTION ONE

That the findings and provisions set out in the preamble of this Order are hereby found to be true and correct, and are made a part of this Order for all purposes.

SECTION TWO

That Fort Bend County Reinvestment Zone No. 25 is hereby designated pursuant to the Guidelines for the purpose of encouraging economic development in Fort Bend County through tax abatement.

SECTION THREE

This designation shall be effective for five (5) years from the date of passage of this Order and may be renewed for five (5) year periods thereafter.


SECTION FOUR

The attached Exhibit A described tract(s) are to be combined and designated as Reinvestment Zone No. 25.

PASSED AND APPROVED this the 8th day of October 2019.

FORT BEND COUNTY, TEXAS

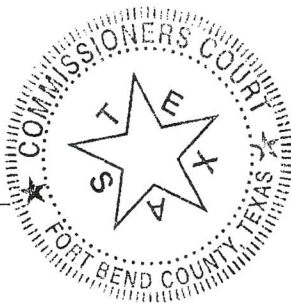
By:


KP George, County Judge

ATTEST:



Laura Richard, County Clerk



Attachment: Exhibit A – Legal Description of All Parcels within the Reinvestment Zone
Exhibit B - Map of Reinvestment Zone

Exhibit A – Legal Description of All Parcels within the Reinvestment Zone

HENRY STEINKAMP, JR. INC.
Land Boundary & Topographic Surveying
909 Fifth Street
Rosenberg, Texas 77471
Telephone/Fax 281.342.2241

Franklin R. Schodek
Registered Professional Land Surveyor

James L. Syptak, Sr.
Registered Professional Land Surveyor

June 6, 2011

A Field Note Description of a 383.104 Acre Tract of Land, being the remainder of the original Frito-Lay, Inc. call 363.632 Acre Tract (Volume 933, Page 560; Deed Records), SAVE & EXCEPT the call 7.041 Acre Tract (Volume 2164, Page 1703; Official Records) and the Frito-Lay, Inc. call 20.722 Acre Tract of Land (Volume 2370, Page 1257; Official Records) and the Frito-Lay, Inc. 5.791 Acre Tract (Volume 2164, Page 1710; Official Records) and being 166.254 Acres in the John Foster Survey, Abstract No. 27; 146.180 Acres in the Yandell Ferris Survey, Abstract No. 375 and 49.948 Acres in the Yandell Ferris Survey, Abstract No. 377, Fort Bend County, Texas.

Beginning at a call 1-1/2 inch iron pipe (found December 29, 1980) marking the Southeast corner of the Nancy Spencer League, Abstract No. 88; a corner of said Yandell Ferris Survey, Abstract No. 377 and in the West line of said Yandell Ferris Survey, Abstract No. 375;

THENCE, North 00deg.17'03" West, 6524.39 feet along a fence line to a point marking the Northwest corner of this tract;

THENCE, Southeasterly along the Top Bank of the Brazos River along a meander line as surveyed December 29, 1980 with the following courses and distances:

South 52deg.38'28" East, 121.61 feet to an angle point;
South 42deg.07'45" East, 184.14 feet to an angle point;
South 71deg.33'36" East, 414.85 feet to an angle point;
South 59deg.57'37" East, 456.67 feet to an angle point;
South 52deg.20'17" East, 286.52 feet to an angle point;
South 67deg.18'16" East, 1070.95 feet to an angle point;
South 71deg.33'25" East, 393.27 feet to a point marking the Northeast corner of this tract;

THENCE, South 25deg.59' West, at 12.7 feet pass a 7/8 inch iron pipe found, along a barbed-wire fence line, at 430.54 feet pass a 5/8 inch iron rod, in all 1001.04 feet to an old 7/8 inch iron rod found for corner;

THENCE, North 79deg.22'20" West, along a barbed-wire fence line, 380.89 feet to a 5/8 inch iron pipe found marking the Northeast corner of said 5.791 Acre Tract and a re-entrant corner of this tract;

FN 383.104 _Acres.doc

THENCE, South 00deg.03'40" East, along a new barbed-wire fence line, 5003.48 feet to a capped 5/8 inch iron rod found for angle point;

THENCE, South 33deg.20'20" West, at 90.83 feet pass a 5/8 inch iron pipe found, in all 368.53 feet along a fence line to an iron pipe found for angle point;

THENCE, South 00deg.04' East, along a fence line marking the West line of said call 7.041 Acre Tract, 2156.38 feet to a 5/8 inch iron rod found marking the Southeast corner of this tract; said corner bears North 73deg.39'54" West, 156.36 feet from the Southeast corner of said original call 363.632 Acre Tract;

THENCE, North 73deg.39'54" West, along the North right-of-way line of the G.C. & S.F. Railroad (100 feet wide), 2209.04 feet to a 1/2 inch iron pipe found marking the Southwest corner of this tract, said corner also marks the Southwest corner of said call 20.722 Acre Tract;

THENCE, North 00deg.17'03" West, along a fence line 1485.47 feet to a 1/2 inch iron pipe found marking the Northwest corner of said call 20.722 Acre Tract;

THENCE, North 89deg.58'30" East, 574.94 feet to a 1/2 inch iron pipe found marking the Northeast corner of said call 20.722 Acre Tract;

THENCE, North 00deg.17'03" West, along said League Line, 948.93 feet to the place of beginning and containing 383.104 Acres of Land.

Signed: *Frank R. Schumaker*
Registered Professional Land Surveyor No. 1535

Exhibit B – Map

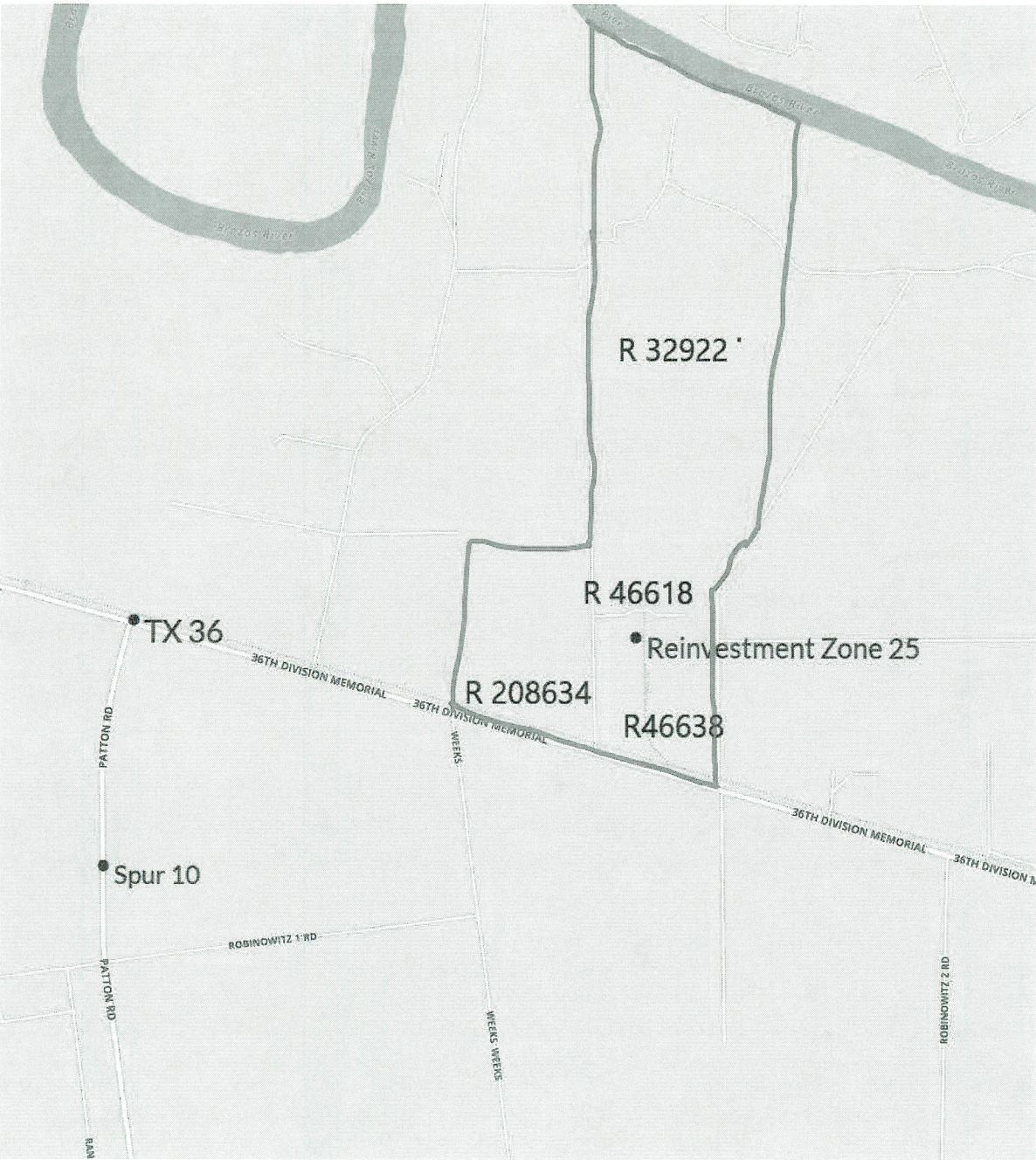


Exhibit 2

Economic Impact Statement



GREATER FORT BEND
ECONOMIC DEVELOPMENT
COUNCIL

public document once attached to abatement agreement

ECONOMIC IMPACT STATEMENT QUESTIONNAIRE

Company Name: Frito-Lay, Inc. Rosenberg, Fort Bend County

Based on the information you provide below, the Greater Fort Bend Economic Development Council (GFBEDC) will begin prequalification of your project. The information you provide will allow the GFBEDC to begin to develop your application and economic impact statement for presentation to the taxing entities for consideration of economic incentives. The following factors will be considered as a whole to determine the entire economic impact of the company: location of project, type of business, is the company in one of the city's target industries, number of jobs, skill level of each job, average salary, investment in building improvements or new building, value of taxable inventory, value of taxable personal property and equipment, sales tax revenue generated for the city, impact on local infrastructure, and impact (good or bad) on existing businesses in the County.

- 1. Please provide a detailed summary statement about your company (its history, type of business and industry, etc.) and clearly describe its operations at the proposed facility in Fort Bend.**

Frito-Lay, Inc. (Frito-Lay) is a leading food and snack producer with over 20 manufacturing sites in the United States. Either independently or in conjunction with third parties, Frito-Lay makes, markets, distributes and sells branded snack foods. These foods include branded dips, Cheetos cheese-flavored snacks, Doritos tortilla chips, Fritos corn chips, Lay's potato chips, Ruffles potato chips and Tostitos tortilla chips. Branded products are sold to independent distributors and retailers. Frito-Lay is a division of PepsiCo, Inc., a Fortune 50 global food and beverage company.

In Rosenberg, Fort Bend County, Frito-Lay, owns and operates a plant that operates seven manufacturing lines that produce: Lay's potato chips, Tostitos, Doritos, Cheetos, Baked Cheetos, Fritos and Tostitos Scoops. The proposed expansion would facilitate manufacturing growth, which would necessitate warehouse expansion. The proposed expansion could also include a new Cheetos manufacturing line as the Rosenberg site is currently being considered along with other Frito-Lay plant locations for the new line.

- 2. Information About Your Company**

Company Name: Frito-Lay, Inc.	
Contact Person: Kathy Alfano	Title: Sr. Director-Econ. Development
Current Address: 7701 Legacy Drive, Plano, Texas 75024	
Office #: (972) 334-2969	Mobile #: (817) 676-7304
Fax #:	Website: www.fritolay.com
Email Address: Kathy.Alfano@PepsiCo.com	
The Company's Primary SIC Code: 2096	

3. **Type of project (check all that apply):**
 Existing business in Fort Bend County
 New business to Fort Bend County
 Expansion of existing facility
 Construction of new facility
 Company will lease facility
 Company will own facility
 Corporate/Regional Headquarters

4. **If the company will lease the facility, who will be the owner:** Not Applicable

5. **Location of proposed site(s) in Fort Bend (street address, name of Business Park or other development, city, or name of area if unincorporated):**
3310 TX-36, Rosenberg, TX 77471

6. **Scope of project:**

Size of new facility/expansion:	Approx. 140,000 SF
Size of existing facility (if applicable):	Approx. 470,000
Size of lease space in existing facility (if applicable):	N/A
Number of acres at facility site:	385 acres
Type of Construction (tilt wall, metal, concrete, etc.):	Tilt wall and metal – external; Insulated metal panel – internal walls.

7. **Please give detailed breakdown of operations within the proposed facility (i.e., 20% office; 25% distribution; 15% metal fabrication; 40% warehouse, etc.):**
45% Warehouse, 30% Manufacturing, 25% Distribution

8. **Truck traffic to be generated (# daily or weekly):**
Approximately thirty five (35) trucks/week for additional raw materials and finished goods will be generated with this project.

9. **Targeted start of construction:** Q4 2019

10. **Targeted start of operations:** Q2 2021

11. **Market value (taxable assets) of the firm's property that would be located at the facility in Fort Bend (new property to Fort Bend):**

The following market values include the potential new Cheetos line:

Land	Construction Costs/Market Value of Building Improvements	Equipment & Machinery	Inventory	Other Taxable Personal Property	Total
\$ -0-	Cost: \$41,600,000 Market Value: \$10,500,000	Cost: \$94,800,000 Market Value: \$71,400,000	\$850,000 (before Freeport)	\$ -	Cost \$137,250,000 Market Value: \$82,750,000

12. **Estimated percent of inventory that would be Freeport qualified, if any:** 35%
Freeport goods are inventories (raw materials, goods-in-process, and finished products) acquired by a business and held for no more than 175 days before being shipped out of state.
13. **Does the company require a Foreign Trade Zone (FTZ)? If so, what percent of the inventory would be FTZ qualified:** 0%

14. **Employment information:**

Number of new jobs to Fort Bend County	Number of existing jobs to be retained (if company currently located in Fort Bend)	Total Number of Jobs
0	575 FT	575 FT

15. **Average salary (before benefits):** Base salary of approximately \$50,000/year.
16. **Amount of initial, annual local payroll to be created:** This project will be adding new jobs while productivity initiatives will reduce some lower skilled jobs for overall net job retention. This project is not anticipated to generate additional annual payroll initially but could increase organically with higher skilled jobs associated with a new line.
17. **What are the estimated annual total sales at the new facility? What portion of the total sales will be subject to local (city) sales taxes?**
N/A. Facility is a manufacturing plant. No sales will be subject to local (city) sales tax.
18. **Does the company own a corporate airplane that would be housed at a local corporate airport in Fort Bend (i.e., Sugar Land Regional Airport or Houston Southwest Airport)? If so, what is the plane's value:**
Not Applicable
19. **Will the company's local business practices necessitate business travel that will bring clients or employees to the Fort Bend facility, resulting in hotel/motel bookings? If so, what is the estimated number of hotel/motel stays per year that will be booked locally:**

Yes. Business travel will be necessary during the project. The number of hotel/motel stays is estimated to be 25,000 nights over the 20-25 month project.

20. **If your company currently has operations elsewhere in the State of Texas, please list the name of the communities:**
In addition to Rosenberg, Frito-Lay, Inc. has manufacturing plants in Arlington, Dallas, Irving, and San Antonio. Its corporate headquarters is located in Plano.
21. **Employee benefit burden (percent of employee's salary that is invested by the company into the employee's benefits):**
25-30%
22. **Current owner of real property (land/building) at the time of application:**
Frito-Lay, Inc.
23. **Have you received or are you currently receiving tax abatement in Fort Bend:**
 X Yes No
24. **Is this land currently under Agriculture Exemption: Yes X No**
- a. **If so, what will be the increase in taxes paid annually to taxing authorities: *To be answered by GFBEDC***
- b. **What is the value of roll back taxes to be collected as a result of being taken out of Ag Exemption: *To be answered by GFBEDC***
25. **What is the expected increase in value of the land once it is sold? (to be answered by GFBEDC)**
26. **Productive life of proposed improvements and/or initial term of lease: 40 Years**
27. **Time of day activities will be taking place (i.e., # of shifts): 24/7, 3 shifts**
28. **The costs to be incurred by local government to provide facilities or services directly resulting from the new improvements: Not Applicable.**
Explain any costs for development or depletion of infrastructure the city and/or water district are being asked to absorb, if any. Not Applicable.
29. **Please provide wastewater information, including activities, facilities, plant processes, products, services, chemicals, materials, and hazardous substances that may be used or that may result from the activities to be conducted within the proposed improvements:**
The proposed improvements are not expected to materially affect the site's wastewater treatment operations. The site does not discharge process wastewater to the municipal sewer system.
30. **Explain any proposed pretreatment of wastewater prior to discharge into the sanitary sewer system:**

Not applicable. The plant does not discharge process wastewater to the city sanitary sewer system.

31. Will there be any proposed monitoring of wastewater discharge into the sanitary sewer system:

Not applicable. The plant does not discharge process wastewater to the city sanitary sewer system.

32. Public improvements to be made by the Company in which the public may benefit (please list if any):

Not Applicable

33. Will this business compete with existing businesses in the county? If so, please list local companies providing the same services:

We anticipate no additional competition with any existing businesses in the county.

34. Are there possibilities for local businesses to become suppliers? Any new retail opportunities? Please explain.

Local suppliers will have the opportunity to bid on projects during the construction of the expansion. Local businesses will continue to provide services and products for such items as parts, materials, recycling and waste handling, and material handling.

35. Do you anticipate your relocation to attract other new businesses to the area?

No.

Please explain:

This project is not a relocation to Fort Bend County. The plant has been in existence for 30+ years and is not anticipated to attract other businesses.

36. Does the business produce any type of emissions or are there any other environmental matters for the city/county to consider:

The warehouse expansion itself will not generate any significant additional emissions. The Rosenberg facility operates under all applicable environmental permits and also utilizes primarily Compressed Natural Gas (CNG) trucks.

37. The company agrees to participate in the continuing economic development process in Fort Bend County by becoming a Trustee member (\$6,000/yr.) /Regular member (\$2,000/yr.) of the GFBEDC for a minimum period coinciding with the term of any County abatement agreement: Yes No

The County Commissioners' Court encourages the company's participation in the Council to support the continued economic growth in the County. The Court considers your decision in their evaluation of the project.

38. By signing and submitting this application you certify that the company, its branches, divisions and departments (company) do not and will not knowingly employ an undocumented worker. An agreement with the company will require the company to repay the total amount of the public benefit received with interest at the rate and according to the terms of the agreement if the company is convicted of a

violation under 8 U.S.C. Section 1324a. Repayment will be due no later than the 120th day after the date the City/County notifies the company of the violation as provided in the agreement.

An undocumented worker is an individual who, at the time of employment, is not:
a. (1) lawfully admitted for permanent residence to the United States; or
b. (2) authorized under law to be employed in that manner in the United States.

In order to prepare the documents creating the Reinvestment Zone, in which all eligible property placed therein would receive any property tax abatement, and the Abatement Agreement itself, a Site Plan and Legal Description, including a metes and bounds description is necessary. Please provide these as soon as possible if they are not available at the time this EIS is submitted.

CERTIFICATION:

I. APPLICANT:

(Name of Company) Frito-Lay, Inc. does hereby certify that all statements and representations made herein are accurate to the best of their knowledge and agree to comply with these terms.

By Authorized Representative:

Kathleen H. Alfano
Signature

5/29/2019
Date

Printed Name: Kathleen H. Alfano

Title: Senior Director, Economic Development

II. GFBEDC

The Greater Fort Bend Economic Development Council certifies that Frito Lay, Inc. has met the standard requirements and is qualified for value added tax abatement in Fort Bend County.

W. Jackson Belt
W. Jackson Belt
Executive Vice President
Greater Fort Bend Economic
Development Council

6/15/19
Date

Exhibit 3

Annual Compliance Certificate

FORT BEND COUNTY TAX ABATEMENT ANNUAL COMPLIANCE CERTIFICATE

Due by September 1 of current tax year

Current Tax Year _____

**This certification is being made on behalf of the OWNER / LESSEE (circle one)
Each must prepare a separate report**

Per the terms of the tax abatement agreement between Fort Bend County, Fort Bend County Drainage District and

Owner _____ and

Lessee (if applicable) _____

dated _____ we are in compliance with the following terms of the agreement:

1. Construction of the improvements was completed on: _____
2. Certified statement regarding project costs was provided to the Fort Bend County Tax Assessor/Collector on: _____ (date)
3. Certificate of Occupancy was provided to the Fort Bend County Tax Assessor/Collector on: _____ (date)
4. Certified appraised value of the improvements as of January 1 _____ (current tax year) was \$ _____ which meets the required minimum value requirement of \$ _____.
5. Certified appraised value of the eligible property (if included in abatement agreement) as of January 1 _____ (current tax year) was \$ _____ which meets the required minimum value requirement of \$ _____.
6. Total number of employees employed at the improvement for current tax year is _____ which meets the required minimum value requirement of _____.
7. Owner / lessee (circle one) applied for/renewed membership in the Greater Fort Bend Economic Development Council as required in the abatement agreement on _____ (date).

8. Owner / lessee (circle one) filed the annual Application(s) for Property Tax Abatement Exemption (Form 50-116) with Fort Bend Central Appraisal District on

_____ (date).

9. If there are additional requirements under the specific abatement agreement(s) by and between Fort Bend County, Fort Bend County Drainage District, Owner / Lessee noted above, please list requirement(s) and certify compliance here:

At this time, Owner/Lessee (circle one) wishes to designate a different mailing address for notices under the terms of this abatement agreement.

NEW NOTIFICATION ADDRESS:

To Owner / Lessee :
(circle one)

Please indicate the basis for your authority to represent the property owner in filing this certificate:

_____ Officer of the company _____ General Partner of the company

_____ Attorney for property owner

_____ Agent for tax matters appointed under Tax Code Section 1.111 (copy of completed Form 50-162 filed with Fort Bend Central Appraisal District)

I _____, swear or affirm the following:
(print name)

- To the best of Company's knowledge and belief, each fact contained in this certificate is true and correct, and that Company is in compliance with the terms of the Agreement.
- Company understands that this Certificate is being relied upon by the County in connection with the tax abatement provided for in the Agreement.
- Company understands the consequences for noncompliance with the abatement agreement.
- The undersigned signatory has the legal and express authority to sign this Certificate on behalf of Company.

Signature of Authorized Representative: _____

Title of Authorized Representative: _____

Phone Number: _____

Email Address: _____

Mailing Address: _____

SWORN TO and SUBSCRIBED before me on this the _____ day

of _____ A.D. _____

NOTARY PUBLIC _____

STATE OF _____, COUNTY OF _____

MY COMMISSION EXPIRES _____

