

STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

**TAX ABATEMENT AGREEMENT BETWEEN
 THE FORT BEND COUNTY DRAINAGE DISTRICT AND
 SEATEX, LTD.**

This Tax Abatement Agreement, hereinafter referred to as "Agreement," is executed by and between the **FORT BEND COUNTY DRAINAGE DISTRICT**, hereinafter referred to as "District," acting by and through its Board of Directors, and **SEATEX, LTD.**, hereinafter referred to as "Owner" of the tract of land located within the City of Rosenberg Reinvestment Zone No. 15.

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 Amended Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created by Fort Bend County, Texas, which was approved by the County's Commissioners Court on February 3, 2009. The County has determined that the request for Tax Abatement presented by Owner conforms with the criteria established in the Guidelines for Tax Abatement.
- c. No official of the County has an interest in the property subject to this Agreement.

2. **Definition:**

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

- a. The "**Certified Appraised Value or Value**" means the value certified as of January 1 of each year of this Agreement regarding the property within City of Rosenberg Reinvestment Zone No. 15 by the Fort Bend Central Appraisal District.
- b. "**Improvements**" means buildings and structures and other improvements, containing approximately 67,000 square feet of manufacturing warehouse space, and any sidewalks, parking lots, outdoor lighting, landscaping and other related improvements to serve

the building, which are erected or expanded by Owner on the property after the effective date of this Agreement.

- c. **“Abatement”** means the full or partial exemption from ad valorem taxes of certain property in the City of Rosenberg Reinvestment Zone No. 15, designated for economic development purposes.
- d. **“Eligible Property”** Abatement may be extended to fixed machinery and equipment, necessary to the operation and administration of the facility. Eligible Property is subject to abatement under the same terms as Improvements only if specifically included in Section 5(c).
- e. **“Ineligible Property”** means land, existing improvements, tangible personal property that the Fort Bend Central Appraisal District classifies as inventory or supplies, 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 the tax abatement agreement, real property with a productive life of less than 10 years, or any other property for which abatement is not allowed by state law.
- f. **“Real Property”** means the 17.8478 acre tract of land located within City of Rosenberg Reinvestment Zone No. 15, described in Exhibit “A” attached hereto and incorporated by reference herein for all purposes.
- g. **“Owner”** means **Seatex, Ltd.**, the Owner of the real property and personal property subject to this Agreement, or other person or entity to which this Agreement is assigned, with prior approval of the Fort Bend County Drainage District.
- h. **“DISTRICT”** means the Fort Bend County Drainage District.
- i. **“CAD”** means Fort Bend Central Appraisal District.

3. **Subject Property**

City of Rosenberg Reinvestment Zone No. 15 is an area located in Fort Bend County, Texas, being legally described in Exhibit “A” attached hereto and incorporated herein for all purposes.

The CAD has established the base year values for the subject property as of January 1, 2011.

4. **Responsibility of Owner**

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

- (a) That construction of the Improvements will commence on or before March 1, 2011.
- (b) That construction of the Improvements shall be completed on or before December 31, 2011. Owner shall provide Tax Assessor/Collector a certified statement evidencing a minimum of \$2,000,000 project costs with respect to the Improvements within thirty (30) days after completion of the Improvements to be constructed by Owner.
- (c) That the combined Certified Appraised Value of the Improvements and Eligible Property on January 1, 2012, and on each and every January 1 thereafter during the term of this Agreement will not be less than \$2,000,000. Failure to meet the requirements of this section will invalidate the tax abatement for that year.
- (d) That the Owner has, as of the effective date of this Agreement, the financial resources to implement the above representations.
- (e) **OWNER SHALL BE RESPONSIBLE FOR NOTIFYING THE CAD OF THE ABATEMENT, INCLUDING FILING WITH THE CAD ANY APPLICATION OR OTHER FORMS NECESSARY TO QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.**
- (f) **OWNER SHALL BE RESPONSIBLE FOR REQUESTING AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT IS SOLD. FAILURE TO NOTIFY THE TAX ASSESSOR-COLLECTOR OF ANY SALE OF THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT SHALL RESULT IN IMMEDIATE DEFAULT OF THIS AGREEMENT.**

5. **Value and Term of Abatement**

- (a) This Agreement shall be effective on the date executed by the District or Owner,

whichever is later, and shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2016. In no event shall this agreement extend beyond December 31, 2016. This Agreement shall terminate on the completion of the abatement, unless earlier terminated as provided elsewhere herein. Owner's obligation upon default to pay to the District any taxes abated under this Agreement shall not terminate until the abated taxes are paid.

(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.

(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 a property tax abatement for the following years and in the following amounts on the Value of the Improvements:

<u>Tax Year</u>	<u>Percentage Abatement</u>
2012	100%
2013	75%
2014	50%
2015	25%
2016	25%

TOTAL = 275%

- (1) The abatement granted shall not apply to the Value of the Real Property, increases in the Value of the Real Property, Eligible Property, inventory, and supplies.
- (2) All Improvements shall be completed in accordance with applicable laws, ordinances, rules or regulations in effect at the time such Improvements are erected.
- (3) The CAD's determination of values shall be used to determine the value of the property subject to this Agreement. If the Owner protests the CAD's valuation of the property, the valuation placed on the property after the protest is resolved

under State law shall be used.

- (4) On or before September 1 of each year of this Agreement, the Owner shall certify in writing to District Tax Assessor/Collector that each party is in compliance with each term of this Agreement.

6. Taxability

During the period that this tax abatement is effective, taxes shall be payable as follows:

- (a) The Value of Real Property, Eligible Property and Ineligible Property shall be fully taxable, including inventory and supplies;
- (b) The Value of existing Improvements shall be determined annually by the Central Appraisal District.

7. Event of Default

- (a) The District may declare the Owner in default of this Agreement if: (1) the Owner fails to comply with any term of this Agreement; (2) allows District ad valorem taxes on the Land, or any property located thereon, to become delinquent; (3) vacates any of the improvements subject to the agreement before the term of the abatement.
- (b) The District shall notify the Owner of any default in writing specifying the default. The Owner shall each have thirty (30) days from the date of the notice to cure any default. If the Owner fails to cure the default, the District may terminate this Agreement by written notice.
- (c) If this Agreement is terminated by the District, the Owner agrees that they are liable for and will pay to the District within thirty (30) days of the termination of this Agreement:
 - (1) The amount of all property taxes abated under this Agreement;
 - (2) Interest on the abated amount at the rate provided for in the Tax Code for delinquent taxes; and
 - (3) Penalties on the amount abated in the year of default, at the rate provided for in the TAX CODE for delinquent taxes.

- (d) The District shall have a lien against the Owner's real property and improvements for the taxes and interest owed because of the recapture of taxes under this paragraph.
- (e) 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 a default of this Agreement, from which no cure provisions shall apply. In such event, District 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 District to Owner. In the event of termination under this paragraph, Owner shall repay to District 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 on behalf of the District Tax Assessor/Collector or her designee. The Owner shall allow employees or other representatives of the District who have been designated by the Tax Assessor/Collector to have access to the enterprise zone during the term of the Agreement. All regular inspections shall be made only after twenty-four (24) hours prior notice and will be conducted in such a manner as not to unreasonably interfere with the construction and/or operation of the facility. A representative of the Owner may accompany the inspector.

(b) Upon completion of the contemplated construction, the District shall annually evaluate the facility to ensure compliance with the terms and provisions of this Agreement and shall report possible defaults to the Owner.

(c) The Chief Appraiser of the District shall annually determine (1) the taxable value

under the terms of this abatement of the real property subject to this Agreement and (2) the full taxable value without abatement of the real property and other property otherwise located at or about the Owner's premises. 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.

(d) The Owner shall furnish the Chief Appraiser annually such information as provided for under Chapter 22 of the TEXAS TAX CODE as may be necessary for the administration of the abatement. Such information shall also be provided to the District Tax Assessor/Collector in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement, including Owner's payroll records.

9. Assignment

(a) This Agreement may not be assigned without prior written consent of the District. No assignment shall be effective or approved if either the District has declared a default hereunder which has not been cured or the new Owner is delinquent in the payment of ad valorem taxes owed to the District. Approval shall not be unreasonably withheld.

(b) Any and all assignments shall contain the same terms and conditions as set out in the first Abatement Agreement and shall be granted for the remaining term of the original tax abatement agreement only.

10. Indemnity

It is understood and agreed between the parties that Seatex, Ltd. in performing its obligations hereunder, is acting independently, and the District assumes no responsibilities or liabilities in connection therewith to third parties. **SEATEX, LTD. AGREES TO DEFEND, INDEMNIFY**

AND HOLD HARMLESS THE DISTRICT AND THE CENTRAL APPRIASAL DISTRICT FROM ANY AND ALL CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF SEATEX, LTD.'s OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY SHALL NOT APPLY TO THAT PORTION OF LIABILITIES RESULTING FROM THE NEGLIGENCE OF THE DISTRICT OR TAXING UNITS, THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. SEATEX, LTD.'s INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT OF REASONABLE ATTORNEY'S FEES AND EXPENSES INCURRED IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, AND CAUSES OF ACTION. SEATEX, LTD. SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY THE DISTRICT IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, OR CAUSES OF ACTION SO LONG AS DEFENSE COUNSEL AND COURSES OF ACTION ARE DETERMINED SOLEY BY SEATEX, LTD. NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT DISTRICT FROM INCURRING REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION AND SEATEX, LTD. SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.

11. Force Majeure

If by reason of force majeure, the Owner is are unable to perform any obligation of this Agreement, it shall give notice of the force majeure to the District in writing within ten (10) calendar days of the occurrence relied upon. 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 mean 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 of the system or water supply system; or any other cause not reasonably within the control of the Owner.

12. Commissioners Court Approval

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 Commissioner's 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 Tax Laws

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.

15. Miscellaneous

(a) This Agreement shall be construed under and in accord 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

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 deposited, enclosed in a wrapper with the proper postage prepaid thereon, and duly registered or certified, return receipt requested, in a United States Post Office, addressed to the Owner at the mailing address as hereinafter set out. If mailed, any notice of communication shall be deemed to be received three (3) days after the date of deposit in the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to the Owner or the District at the following addresses:

To the **Tax Assessor/Collector:** The Honorable Patsy Schultz
Tax Assessor-Collector
500 Liberty, Suite 101
Richmond, Texas 77469

To **Owner:** Seatex, Ltd.
Attn: Jim Nattier, President
445 TX-36, P.O. Box D
Rosenberg, Texas 77471

To **District:** Fort Bend County Drainage District
301 Jackson, Suite 719
Richmond, Texas 77469
Attention: County Judge

Copy to: Fort Bend County Attorney
301 Jackson, Suite 728
Richmond, Texas 77469

Either party may designate a different address by giving the other party ten (10) days written notice thereof. **Failure of Owner to provide the District Tax Assessor/Collector thirty (30) days**

notice of a change of address may result in termination of this Agreement.

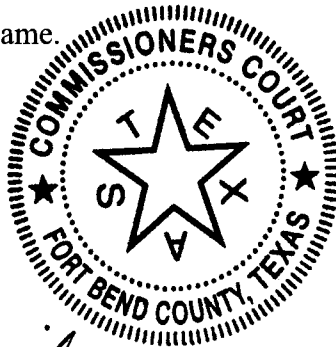
17. Entire Agreement; Ordinance and Economic Impact Statement

This Agreement contains the entire Agreement among the parties and supercedes all other negotiations and agreements, whether written or oral. Attached hereto are Exhibit A – Ordinance No. 2010-30 designating Reinvestment Zone No. 15, and Exhibit B – Economic Impact Statement/Application for Value Added Tax Abatement, which are made part of this Agreement.

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18. Execution

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the District, and Owner as of the dates below stated. Owner warrants and represents that the individuals executing this agreement on behalf of Seatex, Ltd. have full authority to execute this Agreement and bind or Seatex, Ltd. to the same.



ATTEST:

Dianne Wilson
Dianne Wilson, County Clerk

FORT BEND COUNTY DRAINAGE DISTRICT

By:

Robert E. Hebert

Robert E. Hebert, County Judge

Date:

2-1-2011

SEATEX, LTD.

By:

John Nowak

Signature

John Nowak, CFO
Printed name & title

Date:

1/27/11

ATTEST:

Hebert

Attachments: Exhibit A – Ordinance No. 2010-30 designating Reinvestment Zone 15

Exhibit B – Economic Impact Statement/Application for Value Added Tax Abatement

mer\Seatex, Ltd.EXPANSION-3195-115

Exhibit A

ORDINANCE NO. 2010-30

AN ORDINANCE CREATING CITY OF ROSENBERG REINVESTMENT ZONE NO. 15, SAME BEING A 17.8478 ACRE TRACT OF LAND OUT OF THE HENRY SCOTT LEAGUE, ABSTRACT NO. 83, FORT BEND COUNTY, TEXAS AND BEING A PORTION OF LOT 18 OF ROSENBERG FARMS SUBDIVISION AS RECORDED IN PLAT BOOK 4, PAGE 25 OF FORT BEND COUNTY MAP RECORDS; MAKING CERTAIN FINDINGS; REPEALING ALL ORDINANCES OF PARTS OF ORDINANCES INCONSIST WITH OR IN CONFLICT HEREWITH; AND PROVIDING FOR SEVERABILITY.

* * * * *

WHEREAS, City Council has passed and approved Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones Created in the City of Rosenberg, Texas; and

WHEREAS, pursuant to such Guidelines, the City Council has received an application for creation of a reinvestment zone and the granting of tax abatement; and

WHEREAS, after the giving of proper notice, as required by law, the City Council held a public hearing where all interested persons were given an opportunity to speak and present evidence for and against the creation of Reinvestment Zone No. 15; and

WHEREAS, notice of such public hearing was duly given to the presiding officer of the governing body of each taxing unit that includes within its boundaries real property that is to be included in proposed Reinvestment Zone No. 15; and

WHEREAS, City Council has determined that the improvements sought to be located in proposed Reinvestment Zone No. 15 are feasible and practical and would be a benefit to the land to be included in the Zone and to the City after the expiration of the tax abatement agreement; and

WHEREAS, the creation of Reinvestment Zone No. 15 will be reasonably likely, as a result of its creation, to contribute to the retention or expansion of primary employment or to attract major investment into the Zone that would benefit to property located therein and that will contribute to the economic development of the City of Rosenberg; now, therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ROSENBERG:

Section 1. That the facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

Section 2. That Reinvestment Zone No. 15 is hereby created for the purpose of encouraging economic development through tax abatement. A description of the property which comprises said Reinvestment Zone No. 15 is attached hereto as Exhibit "A" and made a part hereof for all purposes. Improvements constructed, erected, or placed within Reinvestment Zone No. 15 as created hereby shall be eligible for commercial-industrial tax abatement.

Section 3. That the property which comprises Reinvestment Zone No. 15 is located within the corporate limits of the City of Rosenberg.

Section 4. This designation of Reinvestment Zone No. 15 shall expire five (5) years after the date of adoption of this Ordinance.

Section 5. All ordinances or parts of ordinances inconsistent or in conflict herewith are, to the extent of such inconsistency or conflict, hereby repealed.

Section 6. In the event any clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision

hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Rosenberg, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

PASSED AND APPROVED by a vote of 7 "ayes" in favor and 0

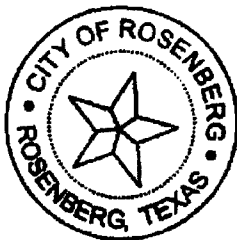
"noes" against on this first and final reading in full compliance with the provisions of Section 3.10 of the Charter of the City of Rosenberg on the 7th day of December 2010.

ATTEST:


Linda Cernosek, City Secretary

APPROVED:


Joe M. Gurecky, Mayor



F. G. Huffman

12,819 Eldridge Place Drive
Houston, Texas 77041

Registered Professional Land Surveyor

(281) 447-7802
Fax (713) 896 1301

Job No. 611017

Exhibit "A"
Metes and Bounds

DESCRIPTION of a 777,452 Square Foot (17.8478 Acres) tract of land in the Henry Scott League, Abstract No. 83, Fort Bend County, Texas and being a portion of Lot 18 of Rosenberg Farms Subdivision as recorded in Plat Book 4, Page 25 of Fort Bend County Map Records and more particularly described by metes and bounds as follows.

BEGINNING at a found 3/4" iron pipe in the North Right of Way of the G.H. & S.A. Railroad and being the Southerly common corner of Lots 17 and 18 of Rosenberg Farms and the Southwest corner of the tract herein described,

THENCE, N 00° 07' 36" E, along the common line of said Lots 17 and 18, a distance of 1105.68 feet to a found 1/2" iron rod and the most Westerly Northwest corner of the tract herein described,

THENCE, N 84° 05' 24" E, a distance of 201.19 feet to a found 1/2" iron pipe and a point for an interior corner,

THENCE, N 00° 08' 14" E, a distance of 135.60 feet to a found 1/2" iron pipe in the South Right of Way of State Highway 36 and the most Northerly Northwest corner of the tract herein described,

THENCE, S 72° 53' 36" E, along the South Right of Way of State Highway 36, a distance of 509.16 feet to a found Texas DOT concrete monument and the Northeast corner of the tract herein described,

THENCE, S 00° 02' 17" W, along the common line of a 10.818 Acre tract as described in Vol. 2631, Page 269, Fort Bend County Deed Records, a distance of 1039.90 feet to a found 1" iron pipe in the North Right of Way of the G.H. & S.A. Railroad and the Southeast corner of the tract herein described,

THENCE, S 84° 00' 22" W, along the North Right of Way of the G.H. & S.A. Railroad, a distance of 692.62 feet to the POINT OF BEGINNING and containing 17.8478 Acres.

F. G. Huffman
F. G. Huffman
RPLS No. 1682



fg Huffman@abglobal.net



EXHIBIT "B" "B" (C)

ECONOMIC IMPACT QUESTIONNAIRE – PART I

Initial Company Information

Company Name
Rosenberg, Fort Bend County

This document is part one of a three part questionnaire. Based on the information you provide below, the City of Rosenberg and the Rosenberg Development Corporation (RDC) will begin prequalification of your project. The information you provide will allow the City to begin to develop your 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, 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 City.

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 Rosenberg.
2. Information About Your Company

Company Name: Seatex, Ltd.	
Contact Person: Jim Nattier	Title: President
Current Address: 445 Highway 36 N	
Office #: 713-357-5300	Mobile #: 713-392-2600
Fax #: 713-357-5301	Website: www.seatexcorp.com
Email Address: jnattier@seatexcorp.com	
The Company's Primary SIC Code: SIC 2842 – Specialty Cleaning, Polishing and Sanitations Preparations.	

3. Type of project (check all that apply):
 - ☒ Existing business in Rosenberg
 - ☐ New business to Rosenberg
 - ☒ 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?

5. **Location of proposed site(s) in Rosenberg (street address, name of Business Park or other development, city, or name of area if unincorporated):** 445 Highway 36 N, Rosenberg, TX 77471

6. **Scope of project:**

Size of new facility/expansion:	67,000 sf, rail siding expansion
Size of existing facility (if applicable):	200,000 sf
Size of lease space in existing facility (if applicable):	
Number of acres at facility site:	17.9
Type of Construction (tilt wall, metal, concrete, etc.):	Combination tilt wall & metal

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

New building will be 100% warehousing.

8. **Truck traffic to be generated (# daily or weekly):**

None at first, but should grow to additional 2 full truck loads per day over time.

9. **Targeted start of construction:**

12/1/2010

10. **Targeted start of operations:**

12/31/2011

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

Land	Existing Improvements	Construction Costs of Building Improvements	Furniture & Fixtures	Equipment	Inventory	Total
\$	\$	\$ 2,500,000	\$	\$ 200,000	\$ 650,000	\$ 3,350,000

12. **Estimated percent of inventory that would be Freeport qualified: 0 %**

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. **Employment information:**

Rosenberg Economic Development
2110 Fourth Street • P.O. Box 32 • Rosenberg, Texas 77471 • www.ci.rosenberg.tx.us
Main (832) 595-3330 • Fax (832) 595-3331

Current Number of Employees	Number of new jobs to Rosenberg	Number of existing jobs to be retained (if company currently located in Rosenberg)	Total Number of Jobs
55 full time, 65 contract		15	

Will the jobs in Rosenberg be filled by persons residing or projected to reside within the municipal limits of the City or its extra territorial jurisdiction (ETJ)?

14. **Average salary (before benefits):**
\$45,400 for full-time employees, \$27,300 for contract.
15. **Amount of initial, annual local payroll to be created (before benefits):**
N/A, current payroll is \$4.9 million
16. **The firm's estimated annual amount of taxable sales (that generate sales taxes) if the site will be located within the city limits of Rosenberg:**

Current Amount of Taxable Sales	Projected Amount of Taxable Sales after Improvements
\$ 35,000	\$ 35,000

17. **Will the company's local business practices necessitate business travel that will bring clients or employees to the Rosenberg facility, resulting in hotel/motel bookings? If so, what is the estimated number of hotel/motel stays per year that will be booked locally:** 20

ECONOMIC IMPACT STATEMENT QUESTIONNAIRE – PART II
Specific Company Information

Company Name
Rosenberg, Fort Bend County

This document is part two of a three part questionnaire. Please answer the following questions and return the form to the Rosenberg Economic Development Department. The City of Rosenberg and the Rosenberg Development Corporation (RDC) will use the information that you provided in Part I and Part II of this form to create an economic impact statement.

18. If your company currently has operations elsewhere in the State of Texas, please list the name of the communities:
19. If your company currently has additional locations in Rosenberg, please list the addresses:
20. Current owner of real property (land/building) at the time of application: Seatex, Ltd.
21. Have you received or are you currently receiving tax abatement in Fort Bend County or the City of Rosenberg? If so, please indicate which entity:
☒ X Yes ☐ No
22. 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 Rosenberg Economic Development
- 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 Rosenberg Economic Development
23. What is the expected increase in value of the land once it is sold?
To be answered by Rosenberg Economic Development
24. Productive life of proposed improvements and/or initial term of lease: 39+ years
25. Time of day activities will be taking place (i.e., # of shifts and their hours):
Typically between 7 am and 5 pm. Occasional overtime after hours and weekends.
26. The costs to be incurred by local government to provide facilities or services directly resulting from the new improvements:
Explain any costs for development or depletion of infrastructure the city and/or utility district are

Rosenberg Economic Development
2110 Fourth Street • P.O. Box 32 • Rosenberg, Texas 77471 • www.ci.rosenberg.tx.us
Main (832) 595-3330 • Fax (832) 595-3331

4

being asked to absorb, if any.

Cost of improving stormwater discharge culvert to allow for new improvements.

27. **If located in the city limits, do you (or your construction company) agree to declare "situs" for construction sales taxes at the construction site: Yes.**
When purchasing construction materials for the new facility from a company that is situated outside the city where the new facility will be located, the builder agrees to declare the situs (point of sale) of the materials as the construction site address so the local city receives the sales tax revenue.
28. **Please state whether the business or proposed business of applicant is related to the storage of transportation of a hazardous material, or may endanger or threaten to endanger individuals, property, or the environment as a result of the spillage, seepage, or other release of a hazardous material or as a result of fire or explosion involving a hazardous material: A portion of the company's existing inventory is classified as hazardous, combustible or flammable.**
29. **Do business operations require any air-quality permits from TCEQ or the EPA? If so, please explain below: No new permits related to the warehouse expansion are required.**
30. **Does the business produce any type of emissions or are there any other environmental matters for the city/county to consider: No new emissions related to the warehouse expansion.**
31. **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: No new wastewater generated related to the warehouse expansion.**
32. **Explain any proposed pretreatment of wastewater prior to discharge into the sanitary sewer system: No changes.**
33. **Will there be any proposed monitoring of wastewater discharge into the sanitary sewer system: No changes.**
34. **Public improvements to be made by the Company in which the public might benefit (please list if any): Improved stormwater discharge culvert will benefit general area south of Hwy 36.**
35. **Will this business compete with existing businesses in the city? If so, please list local companies providing the same services: None.**

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5

36. Are there possibilities for local businesses to become suppliers? Any new retail opportunities? Please explain. Local business are already suppliers – no changes planned related to the warehouse expansion.
37. Do you anticipate your relocation to attract other new businesses to the area? Please explain: Unlikely as a result of the warehouse expansion.

ECONOMIC IMPACT QUESTIONNAIRE – PART III
Tax Abatement Information

Company Name
Rosenberg, Fort Bend County

This document is part three of a three part questionnaire. Please answer the following, provide the following documentation, sign the certification, and return these items to the Rosenberg Economic Development Department. Rosenberg Economic Development and the Greater Fort Bend Economic Development Council (if applicable) will use this information, in conjunction with previously submitted information to create an economic impact statement for consideration by the taxing entities (City of Rosenberg and Fort Bend County) for tax abatements.

38. The company agrees to participate in the continuing economic development process in Fort Bend County by becoming a Trustee member of the GFBEDC for a minimum period coinciding with the term of any abatement granted by the County: X Yes No
The County Commissioners' Court has placed this requirement in their evaluation process to require new companies to join in the continuance of the economic development process. However, the answer to this question in no way affects eligibility for tax abatement consideration by the City of Rosenberg.

Please provide the additional information as an addendum to the EIS Questionnaire:

- A. **Site Plans & Legal Description of the Property:** City Council and Commissioners Court will **not** place a value-added tax abatement request on their agenda without first having a copy of the project site plan, **including a metes and bounds** description of the site to be designated as the reinvestment zone.
- B. **Proposed Improvements Detail Sheet:** Please specify what improvements are planned and provide a time frame with projected start and completion dates for the improvements. Also, please include projected sources for financing and investment.
- C. **Company Financial Statement:** Publicly held companies should include with the questionnaire a copy of their latest annual report to stockholders. Other applicants and new companies should attach a statement including when the company was established and listing business references. The City may require the company to submit an audited financial statement or other financial information and a business plan.
- D. **If applicable – Corporate Charter and Certificate of Good Standing:** Please attach a copy of the Corporate Charter along with a Certificate of Good Standing issued by the Texas Secretary of State of the Secretary of State of the state of incorporation.
- E. **If applicable – Statement of Assessed Value of Facility:** For cases of modernization, please provide a statement of the assessed value of the facility, separately stated for real and personal property, for the tax year immediately preceding the application.

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7

F. Five year projection of additional planned improvements and employment.

Employment			Improvements		
Year	# of New Jobs		Year	Description	Estimated Value
1			1		\$
2			2		\$
3			3		\$
4			4		\$
5			5		\$

CERTIFICATION: *(Name of Company)* does hereby certify that:

1. All statements and representations made herein are accurate to the best of their knowledge and agree to comply with these terms.
2. All requirements of the Code of Ordinances of the City of Rosenberg have been met in relation to the application filed herein, that applicant is not relying upon any representation of any employee, officer or agent of the City in making this application and further acknowledge that no rights or privileges may be relied on as a part of any application. In addition, it is acknowledged that the City Council may or may not grant any application or request hereunder purely as a matter of discretion, that there is no legal right to rely on any previous actions taken in same or similar applications or in previous actions taken on another application concerning the same or similar property.
3. If applicant is a corporate entity, applicant swears and affirms that all applicable franchise taxes or other taxes paid for the privilege of conducting business have been fully paid and that the applicant entity is fully authorized to transact business in the State of Texas and in the state of incorporation if different from the State of Texas. In addition, applicant, whether a corporate entity, partnership of any legal type or an individual, acknowledges and verifies that it is current on all current tax obligations, assessments or other governmental levies and assessments and that the same have been paid when due and payable and that no delinquencies exist at this time.
4. The information contained in this application is confidential between the applicant and the City of Rosenberg; thus in the event this application is rejected and/or the request for tax abatement is denied, the City of Rosenberg shall promptly return this application and not keep a copy thereof for any reason. If the request for tax abatement is granted and the City of Rosenberg enters into a tax abatement agreement with the applicant, this application and all related documents will be filed with the City Secretary and available for public inspection under the Texas Open Government Code. Rosenberg pledges itself to respect and honor the right of any person to maintain the confidentiality of any information or documents that are submitted to Rosenberg to the extent permitted by the laws of the State of Texas and, thus, deems any rejected or declined application to be working papers and not official document of the City or any other political entities created by or under the authority of the City of Rosenberg.
5. 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 (f). Repayment will be due no later than the 120th day after the date the City 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:

- (1) lawfully admitted for permanent residence to the United States; or
- (2) authorized under law to be employed in that manner in the United States.

By Authorized Representative:

Signature

Date

Printed Name: Jim Nettie

Title: President

Company: Seatek Ltd.

The City of Rosenberg certifies that *(Name of Company)* has met the standard requirements and is qualified for value added tax abatement in the City of Rosenberg, Texas.

Jack Hamlett

City Manager, City of Rosenberg

Date