

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

TAX ABATEMENT AGREEMENT
by and between the
FORT BEND COUNTY DRAINAGE DISTRICT,
ELLI.FIN DEVELOPMENT, INC. and
OMB VALVES, INC.

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, **ELLI.FIN DEVELOPMENT, INC.**, a Texas corporation, hereinafter referred to as "Owner," of the Real Property and Improvements located within the City of Stafford Reinvestment Zone No. 22, and **OMB VALVES, INC.**, hereinafter referred to as "Lessee" of the Improvements and owner of Eligible Property located within the City of Stafford Reinvestment Zone No. 22.

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 District's Board of Directors on March 1, 2011. District 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 District 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 Stafford Reinvestment Zone No. 22 by the Fort Bend County Central Appraisal District ("CAD").

- b. **“Real Property”** means the real property as described in Ordinance No. 973, which created Reinvestment Zone No. 22 located within the City of Stafford, described in Exhibit “A” attached hereto and incorporated by reference herein for all purposes.
- c. **“Improvements”** means a new building or buildings to be used for office, manufacturing and warehousing purposes located in Reinvestment Zone No. 22, containing at least 41,500 square feet of floor space, and the interior improvements to such office, manufacturing and warehousing building and any sidewalks, parking lots, outdoor lighting, landscaping and other improvements to serve the building, all as shown in Exhibit A, attached to and incorporated into this Agreement by reference.
- d. **“Abatement”** means the full or partial exemption from ad valorem taxes of certain property in the City of Stafford Reinvestment Zone No. 22 designated for economic development purposes.
- e. **“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 only as included in Section 5(c).
- f. **“Ineligible Property”** means real property, 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.
- g. **“Owner”** means ELI.FIN DEVELOPMENT, INC., the Owner of the Real Property the subject to this Agreement, or other person or entity to which this Agreement is assigned, with prior approval of the District Board of Directors.
- h. **“Lessee”** means OMB Valves, Inc., the lessee of the Improvements and owner of Eligible Property subject to this Agreement.
- i. **“District”** means the Fort Bend County Drainage District.
- j. **“CAD”** means Fort Bend County Central Appraisal District.

3. **Subject Property**

The City of Stafford Reinvestment Zone No. 22 is an area located in Fort Bend County, Texas, being legally described in Exhibit A attached hereto and incorporated herein for all purposes.

The Fort Bend County Appraisal District has established the base year values for the subject

property as of January 1, 2011.

4. Responsibility of Owner and Lessee:

In consideration of receiving the tax abatement granted herein, Owner and Lessee represent and agree:

- (a) That construction of the Improvements will commence on or before January 31, 2012.
- (b) That construction of the Improvements shall be completed on or before November 1, 2012. Owner and/or Lessee shall provide Tax Assessor/Collector a certified statement evidencing a minimum of \$2,700,000 project costs with respect to the Improvements within thirty (30) days after completion of the Improvements to be constructed.
- (c) That the Certified Appraised Value of the Improvements on January 1, 2013, and on each and every January 1 thereafter during the term of this Agreement will not be less than \$2,500,000. Failure to meet the requirements of this section will invalidate the tax abatement for the year this requirement was not satisfied.
- (d) That the Eligible Property will have a Certified Appraised Value of not less than \$500,000 shall be located at the Improvements on or before January 1, 2013, and remain for the term of this Agreement.
- (e) That beginning January 1, 2013, and thereafter during the term of this Agreement, Owner shall occupy and/or lease the Improvements, which shall render employment of not less than twenty (20) new full-time employees.
- (f) That Owner shall provide District Tax Assessor/Collector with a copy of the Certificate of Occupancy for the Improvements on or before August 31, 2012. Owner's failure to present a copy of the Certificate of Occupancy to District may result in a forfeiture of the tax abatement of tax year 2013.
- (g) That Owner and Lessee have, as of the effective date of this Agreement, the financial resources to implement the above representations.
- (h) That Owner will participate in the continuing economic development process in Fort Bend County by becoming a Regular Member 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 CAD OF THE ABATEMENT, INCLUDING FILING WITH THE CAD 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 THE SUBJECT OF THIS AGREEMENT IS SOLD, TRANSFERRED OR ASSIGNED. ANY ASSIGNMENT IS NOT EFFECTIVE UNTIL APPROVED IN WRITING BY DISTRICT.**

5. Value and Term of Abatement

(a) This Agreement shall be effective on the date executed by District and shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2017. In no event shall this Agreement extend beyond December 31, 2017. This Agreement shall terminate on the completion of the abatement, unless earlier terminated as provided elsewhere herein. Owner and Lessee's obligation upon default to pay to 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 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 a property tax abatement for the following years and in the following amounts on the value of the Improvements and Eligible Property:

and Eligible Property:	<u>Tax Year</u>	<u>Percentage Abatement</u>
	2013	70%
	2014	70%
	2015	70%
	2016	70%
	2017	70%

- (1) The abatement granted shall not apply to the value of the Real Property, increases in the value of the Real Property, Ineligible Property, inventory or supplies.

- (2) 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.
- (3) The CAD's determination of values shall be used to determine the value of the property subject to this Agreement. If Owner or Lessee protests the District'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, Owner and Lessee shall certify in writing compliance with each term of this Agreement to the District Tax Assessor/Collector.

6. Taxability

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

- (a) The Value of Real Property and Ineligible Property shall be fully taxable, including inventory
- (b) The Value of existing Improvements and Eligible Property shall be determined in the base year by the Fort Bend Central Appraisal District.

7. Event of Default

- (a) District may declare Owner and/or Lessee in default of this Agreement if: (1) Owner and/or Lessee fails to comply with any term of this Agreement or (2) Owner and/or Lessee allows District ad valorem taxes on the Eligible Property or Ineligible Property, or any property located thereon, to become delinquent, or (3) ceases operations on the Real Property before the expiration of the term of the Abatement.
- (b) District shall notify Owner and Lessee of any default in writing specifying the default. Owner and/or Lessee shall have thirty (30) days from the date of the notice to cure any default. If Owner and/or Lessee fails to cure the default within sixty (60) days from receipt of notice, District may terminate this Agreement by written notice.
- (c) If this Agreement is terminated by District, Owner and/or Lessee agree that they are liable for and will pay to District within thirty (30) days of the termination of this Agreement:

- (1) The amount of all taxes abated during the term of this Agreement;
 - (2) Interest on the abated amount at the rate provided for in the TEXAS TAX CODE for delinquent taxes; and
 - (3) Penalties on the amount abated in the year of default, at the rate provided for in the TEXAS TAX CODE for delinquent taxes.
- (d) District shall have a lien against the Owner, Lessee, Real Property 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) This paragraph is required by Chapter 2264, TEXAS GOVERNMENT CODE and governs over any conflicting provisions of this Agreement. Owner and Lessee are prohibited from knowingly employing undocumented workers as that term is defined in Section 2264.001, TEXAS GOVERNMENT CODE. If Owner or Lessee are 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 and Lessee 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 and Lessee. In the event of termination under this paragraph, Owner and/or Lessee 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. Owner and Lessee shall allow employees or other representatives of District 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 twenty-four (24) hours prior notice and will be conducted in

such a manner as not to unreasonably interfere with the operation of the facility. A representative of Owner and Lessee may accompany the inspector. District shall cause each of its employees and representatives who conduct such inspections to abide by all of Owner and Lessee's security, safety and operational rules (as the same may be amended from time to time), copies of which have been made available to District.

(b) Upon completion of the placement and/or installation of the Eligible Property, District shall annually evaluate the Real Property and Eligible Property to ensure compliance with the terms and provisions of this Agreement and shall report possible defaults to the Owner and Lessee.

(c) The Chief Appraiser of the CAD shall annually determine (1) the taxable value under the terms of this abatement of the Real Property, any Improvements on the Real Property, and Eligible Property located on the Real Property and (2) the full taxable value without abatement of the Real Property, any Improvements on the Real Property, and 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 and Lessee 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 District Tax Assessor/Collector in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement.

9. Assignment

This Agreement may not be assigned without prior written consent of District. No assignment shall be effective or approved if District 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 District. Approval shall not be unreasonably withheld.

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 tax abatement agreement only.

10. Indemnity

It is understood and agreed between the parties that Owner and Lessee, in performing obligations hereunder, is acting independently, and District assumes no responsibilities or liabilities in connection therewith to third parties. **OWNER AND LESSEE AGREE TO DEFEND, INDEMNIFY AND HOLD HARMLESS DISTRICT AND THE CAD FROM ANY AND ALL CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF OWNER'S OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY SHALL NOT APPLY TO THAT PORTION OF RESPONSIBILITIES AND LIABILITIES RESULTING FROM THE FAULT OR NEGLIGENCE OF DISTRICT OR TAXING UNITS, THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. OWNER AND LESSEE'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. OWNER AND LESSEE SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY DISTRICT 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 OR LESSEE. NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT DISTRICT FROM INCURRING REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION AND OWNER AND LESSEE SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.**

11. Force Majeure

If by reason of force majeure, Owner or Lessee are unable to perform any obligation of this Agreement, it shall give notice of the force majeure to District in writing within thirty (30) calendar days of the occurrence relied upon. The obligation of Owner or Lessee to the extent and for the period of time affected by the force majeure, shall be suspended. Owner and Lessee 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 of the system or water supply system; or any other cause not reasonably within the control of the Owner or Lessee.

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 and Lessee 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 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

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 duly registered or certified, return receipt requested, in a United States Post Office, addressed to District, Owner and Lessee 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 Owner, Lessee or District at the following addresses:

To the **Tax Assessor/Collector:** The Honorable Patsy Schultz
Tax Assessor-Collector
1317 Eugene Heimann Circle
Richmond, Texas 77406

To **Owner:** ELIFIN DEVELOPMENT, INC.
54 Sugar Creek Blvd.
Sugar Land, Texas 77478
Attn: Keith Southard

To **Lessee:** OMB VALVES, INC.
54 Sugar Creek Blvd.
Sugar Land, Texas 77478
Attn: Keith Southard

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

Any party may designate a different address by giving the other parties ten (10) days prior written notice thereof. **Failure of Owner or Lessee to provide 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. 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 A – City of Stafford Ordinance No. 973 designating Reinvestment Zone No. 22, and (b) Exhibit B - Economic Impact Statement/Application for Value Added Tax Abatement, which are made part of this Agreement.

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19. Execution

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by District, Owner and Lessee as of the dates below stated. Owner and Lessee warrant and represent that the individuals executing this agreement on behalf of ELI.FIN DEVELOPMENT, INC. have full authority to execute this Agreement and bind ELI.FIN DEVELOPMENT, INC. to the same.

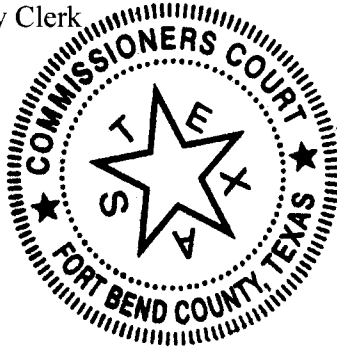
FORT BEND COUNTY DRAINAGE DISTRICT

By: *Robert E. Hebert*
Robert E. Hebert, County Judge

ATTEST:

Date: 11-22-2011

Dianne Wilson
Dianne Wilson, County Clerk



“Owner:”
ELI.FIN DEVELOPMENT, INC.

By: *Richard J. Beedone*

ATTEST:

Date: Nov. 11, 2011

V. Beedone

“Lessee:”
OMB VALVES, INC.

By: *Richard J. Beedone*

ATTEST:

Date: Nov. 11, 2011

V. Beedone

Exhibit A
Ordinance Creating City of Stafford Reinvestment Zone No. 973

ORDINANCE NO. 973

AN ORDINANCE CREATING CITY OF STAFFORD, TEXAS, REINVESTMENT ZONE NO. 22; AN APPROXIMATELY 5.9 ACRE TRACT OF LAND, LOCATED ON NORTH PROMENADE BOULEVARD IN THE FREEPORT SOUTHWEST BUSINESS PARK, WITHIN THE CITY OF STAFFORD, FORT BEND COUNTY, TEXAS; MAKING CERTAIN FINDINGS; REPEALING ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH; AND PROVIDING FOR SEVERABILITY.

* * * * *

WHEREAS, on December 1, 2010, the City Council passed and approved "Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones Created within the City of Stafford"; and

WHEREAS, pursuant to those Guidelines, the City Council has received an application for creation of a reinvestment zone; 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. 22; and

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

WHEREAS, the City Council has determined that the improvements sought to be located in proposed Reinvestment Zone No. 22 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 a tax abatement agreement; and

WHEREAS, the creation of Reinvestment Zone No. 22 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 the property located therein and that will contribute to the economic development of the City of Stafford; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF STAFFORD, TEXAS THAT:

Section 1. The facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct and are incorporated herein for all purposes.

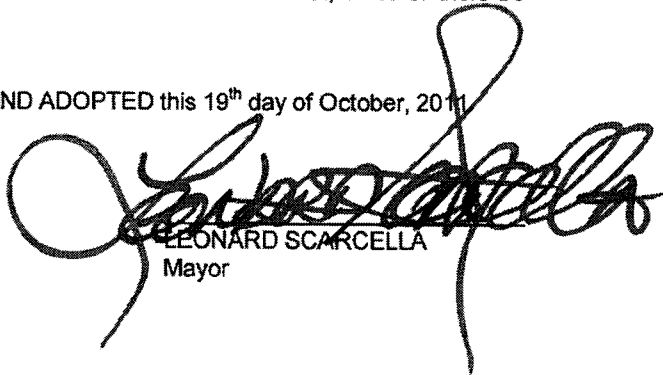
Section 2. Reinvestment Zone No. 22 is hereby created for the purpose of encouraging economic development through tax abatement. A metes and bounds description of the property that comprises said Reinvestment Zone No. 22 is attached hereto as Exhibit "A" and incorporated herein as though it was set forth in its entirety in this Ordinance. Improvements and personal property constructed, erected, or placed within Reinvestment Zone No. 22 as created hereby shall be eligible for commercial-industrial tax abatement.

Section 3. This designation shall be effective for a period of five (5) years, commencing on the date of adoption hereof. The expiration of the designation shall not affect an existing tax abatement agreement made under the provisions of the Texas Tax Code.

Section 4. All ordinances or parts of ordinances inconsistent or in conflict herewith are, to the extent of such inconsistency or conflict, hereby repealed.

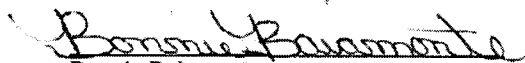
Section 5. In the event any clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this 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 Stafford, 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, APPROVED, AND ADOPTED this 19th day of October, 2011



LEONARD SCARCELLA
Mayor

ATTEST:



Bonnie Baiamonte
City Secretary

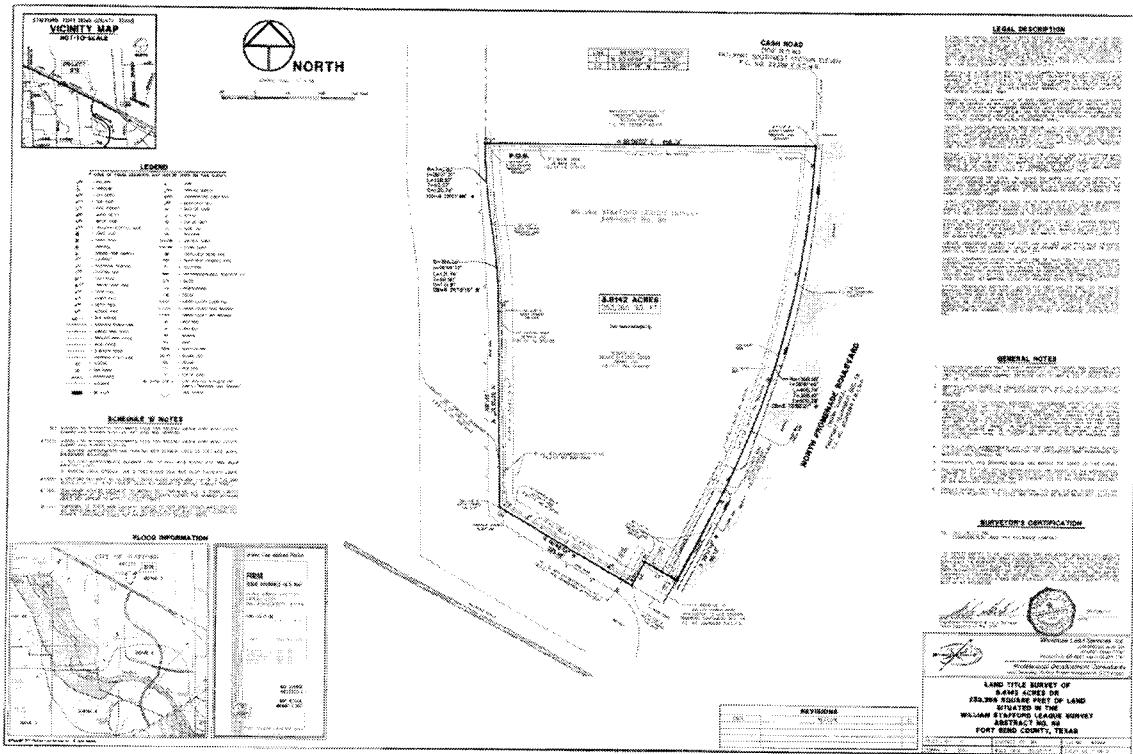


EXHIBIT B



GREATER FORT BEND
ECONOMIC DEVELOPMENT
COUNCIL

ECONOMIC IMPACT STATEMENT QUESTIONNAIRE

Company Name
City, 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.

OMB is a family owned and operated company since its start. Roberto Brevi, founded the company in 1973 after serving in senior management position in a leading valve manufacturer for nearly 20 years. Now President of the Board, he has been followed by his sons, Simone Brevi, joined OMB in 1990, and Fabio, joined the group in 1999. OMB is committed to building a manufacturing facility in North America. We are considering locating the facility and North American headquarters in Stafford Texas. This facility would start off at approx. 41,500 sq. ft and eventually grow up to 92,500 sq. ft. through expansion. The operations would involve, light machining, full assembly and test. Some stock inventory would be kept as well. OMB's mission is to grow their presence in the US market and to support the Oil and Gas Industry for the America's region.

2. Information About Your Company

Company Name: ELIFIN Development (dba OMB Valves, Inc.)	
Contact Person: Keith Southard	Title: Director of America's
Current Address: 54 Sugarcreek Center Blvd., Sugar Land, Texas 77478	
Office #: 832-886-2750	Mobile #: 832-488-6505
Fax #: 832-886-2850	Website: www.ombvalves.com
Email Address: k.southard@ombvalves.com	
The Company's Primary SIC Code:	

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:** Lease N/A.
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):** 5.9 acres, N. Promenade, Stafford, Texas (Freeport Southwest Business Park)
6. **Scope of project:**

Size of new facility/expansion:	41,500 sq. ft. initially
Size of existing facility (if applicable):	
Size of lease space in existing facility (if applicable):	
Number of acres at facility site:	5.9 acres
Type of Construction (tilt wall, metal, concrete, etc.):	Tilt Wall

7. **Please give detailed breakdown of operations within the proposed facility (i.e., 20% office; 25% distribution; 15% metal fabrication; 40% warehouse, etc.):**
 20% Office, Remainder at this time for assembly / test. Eventually we will want to build out to approx.. 92,500 sq. ft. At that point, majority of the facility will be for some light machining, full assembly and test. Approx. 10,000 sq ft for stock distribution.
8. **Truck traffic to be generated (# daily or weekly):** 2 – 3 trucks daily.
9. **Targeted start of construction:** October 2011
10. **Targeted start of operations:** July 2012
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):**

Land	Construction Costs of Building Improvements	Furniture & Fixtures	Equipment	Inventory	Total
\$347,000.00	\$ +/-3.3M	\$100K	\$500K	\$ 1M	\$ 5 – 5.5M

12. **Estimated percent of inventory that would be Freeport qualified, if any:** _____%
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:** _____%
 With this location being the hub for servicing all of the America's the possibility of having a FTZ location in our warehouse is there. This would be done on the 2nd or 3rd phase of construction if we did it.

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
17	3	20
NOTE: This would change as the facilities are increased from 41,500 sq. ft to approx. 92,500 sq. ft.		

15. **Average salary (before benefits):** \$40 - 50K before benefits

16. **Amount of initial, annual local payroll to be created:** Approx. \$1 - \$1.5M

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?** After construction completion (anticipated July 2012), we expect sales volume for first year of \$10M. Second year (2013) of \$20M.

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:** N/A

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, this facility will be the headquarters and major production facility for the sales in the America's. We expect to have visitors on a monthly basis into the area. Estimate number of days at a hotel by visitors: 40 – 60 days a year.

20. **If your company currently has operations elsewhere in the State of Texas, please list the name of the communities:** N/A

21. Employee benefit burden (percent of employee's salary that is invested by the company into the employee's benefits):
22. Current owner of real property (land/building) at the time of application:
23. Have you received or are you currently receiving tax abatement in Fort Bend:
 Yes No
24. Is this land currently under Agriculture Exemption: Yes 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:
27. Time of day activities will be taking place (i.e, # of shifts): 7am – 5pm.
28. 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 water district are being asked to absorb, if any.
29. If located in the city limits, do you (or your construction company) agree to declare "situs" for construction sales taxes at the construction site:
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.
30. 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:
31. Explain any proposed pretreatment of wastewater prior to discharge into the sanitary sewer system:
32. Will there be any proposed monitoring of wastewater discharge into the sanitary sewer system:

33. **Public improvements to be made by the Company in which the public may benefit (please list if any):**
34. **Will this business compete with existing businesses in the county? If so, please list local companies providing the same services:** While there are other valve manufacturer's in the area, what we are bringing to the area is different from the normal business atmosphere. Most of the facilities here are built on being "stockists". We are going to be doing something different than the norm by bringing in light machining, assembly, testing, etc. The level of employees we will be hiring will be highly skilled, ranging from machinists, engineers, and technical specialists.
35. **Are there possibilities for local businesses to become suppliers? Any new retail opportunities? Please explain.** We will proactively encourage local businesses to become suppliers for both services and parts to be used in our products. We will need suppliers of industrial tools, mechanical parts such as bolts, nuts and gaskets, packing; in the service area we will need freight forwarding services, specialized inspection and NDE testing services and general services to the manufacturing activities.
36. **Do you anticipate your relocation to attract other new businesses to the area? Please explain:** Absolutely. The Stafford area has become a hub for valve manufacturers / distributors in the Houston area. Our operation of assembly / test / inventory will definitely challenge others to want to be in this area as well.
37. **Does the business produce any type of emissions or are there any other environmental matters for the city/county to consider:** No
38. **The company agrees to participate in the continuing economic development process in Fort Bend County by becoming a 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.
39. **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) OMB VALVES, 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:



Signature


8/12/11
Date

Printed Name: KEITH SOUTHARD

Title: DIRECTOR OF SALES - AMERICA'S

II. GFBEDC

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



W. Jackson Belt

8/15/11
Date

Vice President - Development and Marketing
Greater Fort Bend Economic
Development Council