



TAX ABATEMENT GUIDELINES

Effective: 1/01/2017 -12/31/2019

The growth, sustainability and diversity of a regional economy are goals that are critical to the long-term prosperity of a community and its citizens. These guidelines demonstrate the commitment of the Commissioners Court to attract, retain and expand industry while growing the tax base, increasing employment with meaningful wages and creating new wealth opportunities in the region.

Projects not eligible for a tax abatement: regardless of the investment or jobs created, the following types of projects are not eligible for a tax abatement:

- Hotel or motel facilities
- Multi-family “for sale” housing/mixed use projects
- Projects over the Edwards Aquifer Recharge Zone
- Projects that may have a potentially negative impact on military missions
- Retail stores, retail centers, or businesses that competitively provide goods or services to consumers

- Projects that do not meet the Wage Requirements.

INVESTMENT AREAS		
	6-Year Term	10-Year Term
Combined Real & Personal Property Investment	\$10 Million	\$5 Million
New Full-Time Jobs	100	25
Potential Tax Abatement*	40% Real <u>or</u> Personal Property	40% Real <u>and</u> Personal Property

*The Commissioners Court may consider factors such as industry, geographic location, and blight mitigation when evaluating a potential tax abatement.

WAGES	
Living Wage	70% Wage
\$11.68	\$15.68

Local Hire Requirement: regardless of project size, companies must hire at least 25% of its new employees at the project location from residents of the County of Bexar.

Employee Health Care Benefits: companies must provide each full-time person employed at the project location and his or her dependents with access to affordable health insurance within one year from the date of employment.

Experiential Learning Requirement: In order to receive a tax abatement, the company must provide an experiential learning opportunity (internship, externship, or mentoring program - high

school level preferred) prior to the expiration on the abatement term (unless it is mutually agreed that such a program would have a negative impact on the student(s)/ intern(s) or the company.)

Central City Multi-Family Market-Rate Rental Housing: urban renewal, specifically the redevelopment of the Central City, is an important objective for the Commissioners Court. Additionally, job creation requirements do not apply to these housing projects.

Application Fee: companies must submit a non-refundable application fee along with its application as follows:

APPLICATION FEE	
Companies without Bexar County Operations	\$1,000**
Companies with existing Bexar County Operations	\$500**

**If a proposed project’s investment, job creation, wages or construction schedule change significantly following the submittal of a completed application and payment of the fee, or if an agreement has not been finalized within one calendar year following application submission, the County of Bexar may close the pending application. Any submission of a new or subsequent application following such a closing will require another accompanying application fee.

Agreement Amendment and/or Assignment Fee: companies must submit a \$1,000 non-refundable amendment and/or assignment fee along with its request.

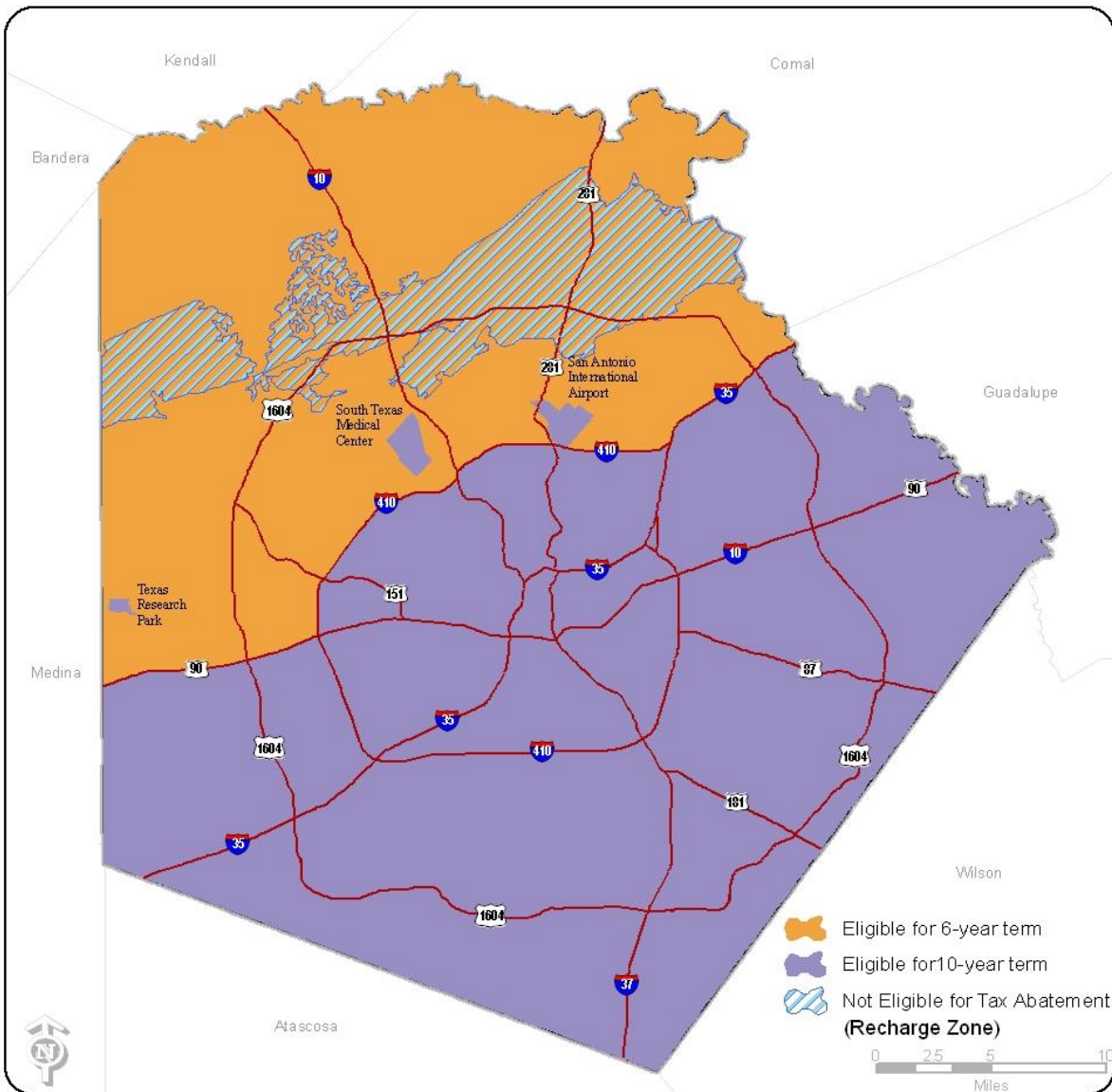
Timing: in order to be eligible for consideration, companies must submit an application prior to commencement of the project. No tax abatement for a proposed project will take effect until a tax abatement agreement has been approved and fully executed by Commissioners Court. Additionally, the timing and acquisition of personal property related to this project is crucial and will impact its eligibility for abatement. Personal property acquired before Commissioners Court executes a tax abatement agreement is **NOT** eligible for an abatement.

Recapture of Abated Taxes: tax abatement agreements provide for recapture of abated property taxes in the event contract terms and requirements are not met. These recapture provisions will survive any subsequent assignment of an agreement. Multiply the amount of taxes abated by the percentage in the recapture period.

6-Year Term		10-Year Term	
Termination of Abatement	Recaptured Taxes	Termination of Abatement	Recaptured Taxes
During Abatement Period	100%	During Abatement Period	100%
Year 1 of Recapture Period	100%	Year 1 of Recapture Period	100%
Year 2 of Recapture Period	75%	Year 2 of Recapture Period	80%

Year 3 of Recapture Period	50%	Year 3 of Recapture Period	60%
Year 4 of Recapture Period	25%	Year 4 of Recapture Period	40%
		Year 5 of Recapture Period	20%
		Year 6 of Recapture Period	10%

APPENDIX A Investment Areas



10-year term: projects located south of U.S. Highway 90, within Loop 410 or south of I-35. Also eligible for the 10-year term are projects within the South Texas Medical Center area, the boundaries of the San Antonio International Airport or the Texas Research Park.

6-year term: projects located north of U.S. Highway 90, outside of Loop 410 or north of I-35 (to the extent not defined as a 10-year term area).

Areas not eligible for tax abatement: projects located in whole or in part over the Recharge Zone.

APPENDIX B

Definitions

70% Wage: in addition to the Living Wage, within 1-year of the project location opening, 70% of all new and existing employees must earn a cash wage at or exceeding the 70% hourly wage requirements. This median wage is compiled by the Bureau of Labor Statistics Occupational Employment Survey and is published annually by the Texas Workforce Commission. This wage reflects the annual median hourly wage for all industries in the San Antonio Metropolitan Statistical Area and is updated annually. This wage is indexed annually and subject to change without notice.

Central City: the 36 square mile area, with the center being the dome of the San Fernando Cathedral, bordered by Hildebrand Avenue to the north, Division Street to the south, Rio Grande Street to the east, and 24th Street to the west.

Living Wage: in order to be eligible for a tax abatement, 100% of a company's new and existing employees at the project location must earn no less than the Living Wage throughout the full term of a tax abatement agreement. This wage is based on the poverty level for a family of four, as determined annually by the U.S. Department of Health and Human Services. This wage is indexed annually and subject to change without notice.

Recharge Zone: that area where the stratigraphic units constituting the Edwards Aquifer crop out, including the outcrops of other geologic formations in proximity to the Edwards Aquifer, where caves, sinkholes, faults, fractures, or other permeable features would create a potential for recharge of surface waters into the Edwards Aquifer. The Recharge Zone is identified as that area designated as such on official maps located at the Edwards Aquifer Authority and at Title 30, Texas Administrative Code § 213.22. See map in Appendix A. (From Edwards Aquifer Authority rules, Chapter 713.1(45).)

San Antonio International Airport Area: located in the north central portion of the city and is generally bounded by Wurzbach Parkway to the north, U.S. 281 to the west, Loop 410 to the south and Wetmore Road to the east.

South Texas Medical Center Area: the area bound by Louis Pasteur to the south, Babcock Road to the west, Fredericksburg Road to the east, and Huebner Road to the north.

Texas Research Park: 1,236-acre site located in west Bexar County and connected to U.S. Highway 90 and Potranco Road (State Highway 1957), which supports the development of a world-class center of bioscience research and medical education.