

ORDINANCE NO. 2076

AN ORDINANCE OF THE CITY OF ALICE, TEXAS, AMENDING CITY CODE OF ORDINANCES CHAPTER 74 – TAXATION, ARTICLE VI. – TAX ABATEMENT; ORDINANCE NO. 2054, PROVIDING A SAVINGS AND SEPARABILITY CLAUSE, AN EFFECTIVE DATE AND REVOKING ALL ORDINANCES IN CONFLICT THEREWITH; AND INCORPORATING CHANGES INTO THE CITY OF ALICE CODE OF ORDINANCES.

WHEREAS, the City of Alice is a home-rule municipality acting under its Charter adopted by the electorate pursuant to Article 11, Section 5 of the Texas Constitution and Chapter 9 of the Texas Local Government Code; and

WHEREAS, Texas Local Government Code Section 51.001(1) provides that the governing body of a municipality may adopt, publish, amend, or repeal an ordinance, rule or police regulation that is for the good government, peace, or order of the municipality; and

WHEREAS, Texas Local Government Code Section 51.002(2) provides that the governing body of a municipality may adopt, publish, amend, or repeal an ordinance, rule or police regulation that is necessary or proper for carrying out a power granted by law to the municipality or to an office or department of the municipality; and

WHEREAS, the attraction of long-term investment and the establishment of new jobs in the area would enhance the economic base of area taxing entities; and

WHEREAS, the City of Alice must compete with other [counties/cities] across the nation currently offering tax inducements to attract new plant and modernization projects, and studies have shown that a favorable local tax climate and start-up tax concessions rank consistently at the top of priorities for new plant installations or expansions; and

WHEREAS, tax abatement is one of the principal means by which the public sector and the private sector can forge a partnership to promote real economic growth within a community; and

WHEREAS, any tax incentives offered must be strictly limited in application to those new and existing industries that bring new wealth to the community in order to avoid reducing the needed tax revenues of area taxing entities; and

WHEREAS, the Property Redevelopment and Tax Abatement Act (the “Act”), Chapter 312 of the Texas Tax Code authorizes counties and cities to provide property tax abatement for limited periods of time as an inducement for the development or redevelopment of a property; and

WHEREAS, the Act requires eligible taxing jurisdictions to establish Guidelines and Criteria as to eligibility for tax abatement agreements prior to granting any future tax abatement, said Guidelines and Criteria to be unchanged for a two-year period unless amended by a three-fourths vote of the governing body; and

WHEREAS, the City would like to adopt Guidelines and Criteria in cooperation with Jim Wells County in order to provide for a common, coordinated effort to promote economic development in the [County/City];

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF Alice, TEXAS:

Section One: An Ordinance of the City of Alice, Texas, providing that the Code of Ordinances of the City of Alice, Texas, Chapter 74 -Taxation, Article VI. Tax Abatement, Ordinance No. 2054 be amended by removing City Code Chapter 74 – Taxation, Article VI. (along with all sections under that Article) and replacing it with the exhibit attached hereto to the as the current Chapter 74 -Taxation, Article VI. Tax Abatement

Section Two: It is the intention of the City Council that this ordinance and every portion thereof shall be considered separable; and the invalidity of any section, clause, or provision of this Ordinance shall not affect the validity of any other portions of this Ordinance.

Section Three: All Ordinances or parts of Ordinances in conflict herewith are hereby repealed to the extent such conflict exists.

Section Four: It is the intention of the City Council that this Ordinance and every sentence, paragraph, clause, and provision thereof, shall be considered separable; and the invalidity of any sentence, paragraph, section, clause, or provision of this Ordinance shall not affect the validity of any other portion of this Ordinance.

Section Five: This Ordinance shall be effective on March 13, 2018.


Section Six: The changes adopted in this Ordinance shall be incorporated into the City of Alice, Code of Ordinances.

PASSED AND APPROVED this the 13th day of March, 2018.

ATTEST:



Mayor Jolene B Vanover



Diana L Lopez, City Clerk
Dated: March 13, 2018

74-1. Section 1. **Definitions.**

- (a) “Abatement” means the temporary, full or partial exemption from ad valorem taxes of certain added value to real and personal property in a zone designated for economic development purposes pursuant to the Act.
- (b) “Added Value” means the increase in the Appraised Value of an Eligible Property as a result of “Expansion” or “Modernization” of an existing facility or construction of a “New Facility.” It does not mean or include “Deferred Maintenance.” In order to be eligible for Abatement, a minimum of \$1.0 million of Added Value must be provided unless the project is a Rehabilitation Project under Section 2(e) below.
- (c) “Appraised Value” means the appraised value for property tax purposes as determined by the Jim Wells County Appraisal District, subject to the appeal procedures set forth in the Texas Tax Code.
- (d) “Agreement” means a contractual agreement between a property owner and/or lessee in an Eligible Jurisdiction for the purposes of tax abatement. Any Agreement shall be in conformity with these Guidelines and Criteria, including any variance granted under Section 3(f) set out herein. Upon the adoption of a resolution authorizing an Agreement and the execution of same by the parties, the Agreement shall be deemed to embody all of the terms of the Abatement, and no provision of these Guidelines and Criteria shall be deemed to supersede any terms of the Agreement.
- (e) “Base Year Value” means the Appraised Value of Eligible Property as of the date specified in the Agreement.
- (f) “Basic Manufacturing or Service Facility” means buildings and structures, including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which derive a majority of revenue from points beyond a 50-mile radius of Jim Wells County.
- (g) “Construction Phase” means the period during which a material and substantial improvement of the property occurs which represents a separate and distinct construction operation undertaken for the purpose of erecting the improvements. The Construction Phase ends upon the earliest to occur of the following events:
 - (1) when a certificate of occupancy is issued for the Facility (if it is located within a city),
 - (2) when commercial production of a product or provision of a service is achieved at the Facility,
 - (3) when the architect or engineer supervising construction issues a certificate of substantial completion, or some similar instrument, or
 - (4) at the end of the third (3rd) year from the effective date of the Abatement or such earlier maximum date as may be specified in the Agreement.

The above determination shall be made by the Eligible Jurisdiction offering the Abatement, in its sole and absolute discretion, based upon the above criteria and such other factors as the Eligible Jurisdiction may deem relevant. The determination of the completion of the Construction Phase

shall be conclusive, and any judicial review of such determination shall be governed by the substantial evidence rule.

- (h) “Deferred Maintenance” means improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (i) “Economic Life” means the number of years a property improvement is expected to be in service in a Facility.
- (j) “Eligible Jurisdiction” means [Jim Wells County/City of Alice] and any other taxing jurisdiction located in Jim Wells County, that levies ad valorem taxes upon and provides services to property located within the proposed or existing zone designated pursuant to the Act.
- (k) “Eligible Property” Abatement may be extended to the value of the improvements to real property, including buildings, structures, fixed machinery and equipment, and site improvements, plus that office space and related fixed improvements necessary to the operation and administration of the Facility.
- (l) “Expansion” means the addition of buildings, structures, fixed machinery or equipment for the purposes of increasing capacity.
- (m) “Facility” means property improvements completed or in the process of construction which together comprise an integral whole comprising the project as described in the agreement for temporary tax abatement.
- (n) “Force Majeure” means circumstances beyond the control of Owner which shall include casualty losses, national economic factors, shutdowns due to governmental regulations, strikes, acts of war, and the like.
- (o) “Ineligible Property” The following types of property shall be fully taxable and ineligible for Abatement: land; inventories; supplies; tools; furnishings and other forms of movable personal property and/or equipment; vehicles; vessels; aircraft; housing; hotel accommodations; Deferred Maintenance investments; property to be rented or leased except as provided in Section 1(k); improvements for the transmission of electrical energy not wholly consumed by a New Facility or Expansion; any improvements, including those to produce, store or distribute natural gas, fluids or gases, which are not integral to the operation of the Facility; improvements to real property which have an economic life of less than 15 years; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas; unless specifically authorized by the Eligible Jurisdiction.
- (p) “Modernization” means the replacement and upgrading of existing facilities which increase the productive input or output, updates the technology or substantially lowers the unit cost of the operation, and extends the economic life of the facilities. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, repairing or completion of Deferred Maintenance.
- (q) “New Capital Investment” means the total value of expenditures capitalized for the Facility on the Owner’s books, prior to depreciation, whether relating to exempt or non-exempt property, including all buildings, structures, site improvements, fixed equipment, intangibles, and pollution control equipment.

- (r) "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with an Expansion or Modernization.
- (s) "Owner" means the owner of a Facility subject to Abatement. If the Facility is constructed on a leased property, the owner shall be the party which owns the Eligible Property subject to Abatement. The other party to the lease shall join in the execution of Agreement but shall not be obligated to assure performance of the party receiving Abatement.

74-2. Section 2. **Abatement Authorized.**

- (a) Authorized Facilities. A Facility may be eligible for Abatement if it is a Basic Manufacturing or Service Facility. Abatement may be granted for a New Facility and improvements to an existing Facility for the purpose of Modernization or Expansion.
- (b) Creation of New Value. Abatement may only be granted for the Added Value of Eligible Property improvements made subject to and listed in an Agreement between the Eligible Jurisdiction and the property owner and lessee (if required), subject to such limitations as said jurisdiction may require. The economic life of the improvements must exceed the term of the Agreement. (c)
- (c) Period of Abatement. Abatement shall be granted effective with the January 1 valuation date specified in the Agreement. Abatement shall be allowed for a period of up to seven (7) years following the completion of construction; provided that, in no event shall the period of Abatement, inclusive of the Construction Phase exceed ten (10) years.

(d) Abatement Percentage.

For a Facility which provides not less than 20 (but not more than 99) net new full-time jobs (as defined below), the percentage of tax abated shall be in accordance with the following schedule:

Year	Percentage of Abatement
Construction Phase (not to exceed 2 years)	100%
Year 1	50%
Year 2	50%
Year 3	50%
Year 4	50%
Year 5	50%

For a Facility which provides not less than 100 (but not more than 199) net new full-time jobs, the percentage of tax abatement shall be in accordance with the following schedule:

Year	Percentage of Abatement
Construction Phase (not to exceed 3 years)	100%
Year 1	65%
Year 2	65%
Year 3	65%
Year 4	65%
Year 5	65%
Year 6	65%

For a Facility which provides at least 200 net new full-time jobs, the percentage of tax abatement shall be in accordance with the following schedule:

Year	Percentage of Abatement
Construction Phase (not to exceed 3 years)	100%
Year 1	80%
Year 2	80%
Year 3	80%
Year 4	80%
Year 5	80%
Year 6	80%
Year 7	80%

In the event the Added Value caused by the Facility is less than \$1.0 million, no Abatement shall be granted unless the Facility is a Rehabilitation Project as described in Section 2(e).

In order to be counted as a new full-time job under these Guidelines, the job must be a full-time position providing regular work schedules of at least 30 hours per week. The percentage of Abatement provided each year under the Agreement shall be based upon the employment information as of January 1 of such year. As a result, the actual amount of Abatement may vary from year to year based upon employment levels and property valuations.

For example, Company A has an Agreement entered 5/1/2018 and projects to create 250 permanent jobs. If the actual experience of Company A involves fluctuating job levels, the actual Abatement under the Agreement could follow the following pattern:

<u>Year</u>	<u>Employment</u>	<u>Abatement</u>
1/1/19*	0	100%
1/1/20*	0	100%
1/1/21	150	65%
1/1/22	250	80%
1/1/23	150	65%
1/1/24	50	50%
1/1/25	250	80%
1/1/26	150	65%
1/1/27	250	80%

*Construction Underway

- (e) Rehabilitation Projects. The \$1.0 million minimum Added Value requirement for Abatement shall not apply to Rehabilitation Projects which involve the adaptive reuse of an existing structure or building for a Facility. In order to qualify as a Rehabilitation Project under this provision, the Project must involve a minimum New Capital Investment of \$500,000. Any Rehabilitation Project must involve the adaptive reuse of an existing structure or building currently on the property tax rolls so that the Base Year Value associated with the Project will include both the value of the land and the existing improvements. For such Rehabilitation Projects, all (100%) of Eligible Property in excess of the Base Year Value shall be subject to Abatement plus the value of personal property such as furniture and movable equipment which would otherwise be considered Ineligible Property for any other type of Abatement category. In no event, however, may the total value of personal property subject to Abatement exceed \$1 million or the total amount of all property subject to

Abatement in a Rehabilitation Project exceed \$5 million to qualify.

- (f) Estimated Added Value Requirement. At the time of execution of the Agreement, the Owner shall reasonably estimate the Added Value upon completion of construction of any improvements to real property in connection with the Facility. This "Estimated Added Value" shall be stated in the Agreement. In the event that upon completion of construction of the improvements, the Added Value, as determined by the Jim Wells County Appraisal District, shall at any time thereafter during the term of the Agreement be less than eight-five percent (85%) of the Estimated Added Value, not due to a Force Majeure condition, the Owner agrees to pay an amount equal to the then current tax rate of each Eligible Jurisdiction providing Abatement applied to the difference between the actual Added Value from eighty-five percent (85%) of the Estimated Added Value, multiplied by 100% minus the net percentage of Abatement provided under the Agreement. The formula for calculating such additional tax is outlined as follows:

$$[\text{Tax Rate}] \times [(85\% \text{ of Est. Added Value} - \text{Actual AV}) \times (100\% - \text{Abatement}\%)] = \text{Additional Tax}$$

- (g) Economic Qualification. In order to be eligible for Abatement, the planned improvement:
- (1) must create no later than the January 1 following the completion of construction and maintain throughout the remainder of the term of the Agreement the minimum required number of permanent jobs in [Jim Wells County/City of Alice];
 - (2) must not adversely affect competition in the local market with established local businesses as determined by the governing body of the Eligible Jurisdiction.
- (h) Taxability. From the commencement of the Abatement period to the end of the Abatement period, taxes shall be payable as follows:
- (1) The value of Ineligible Property as provided in Section 1(o) shall be fully taxable (except for personal property added in connection with a Rehabilitation Project);
 - (2) The Base Year Value of existing Eligible Property as determined each year shall be fully taxable; and
 - (3) The Added Value of new Eligible Property (and certain personal property added in connection with a Rehabilitation Project) shall be taxable in the manner described in Section 2(d) above.
- (i) Environmental and Worker Safety Qualifications. In determining whether to grant a Abatement, consideration will be given to compliance with all state and federal laws designed to protect human health, welfare and the environment ("environmental laws") that are applicable to all facilities in the State of Texas owned or operated by the owner of the Facility or lessee, its parent, subsidiaries and, if a joint venture or partnership, every member of the joint venture or partnership ("applicants"). Consideration may also be given to compliance with environmental and worker safety laws by applicants at other facilities within the United States.

74-3. Section 3. **Application.**

- (a) Written Application. Any present or potential owner of taxable property may request Abatement by filing a written application with: (i) the City Manager of the City, if such property is within the city

limits, or (ii) the County Judge of Jim Wells County, if such property is in the unincorporated areas of Jim Wells County.

- (b) Contents of Application. The application shall consist of a completed application form accompanied by: a general description of the new improvements to be undertaken; a descriptive list of the improvements for which Abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and property description; and a time schedule for undertaking and completing the proposed improvements. In the case of a Modernization or Expansion Project, a statement of the Appraised Value of the Facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as the County or other Eligible Jurisdiction, as applicable, deems appropriate for evaluating the financial capacity and other relevant factors of the applicant.
- (c) Written Notification to Governing Bodies. Upon receipt of a completed application, the City Manager or County Judge, as the case may be, shall forward a copy of the application to the presiding officer of the governing body of each Eligible Jurisdiction having jurisdiction of the property covered by the application.
- (d) Feasibility. After receipt of an application for Abatement, the City or the County, as applicable, shall consider the feasibility and the impact of the proposed Abatement. The study of feasibility shall include, but not be limited to, an estimate of the economic effect of the Abatement of taxes and the benefit to the Eligible Jurisdiction and the property to be covered by such Abatement.
- (e) No Abatement if Construction has Commenced. No Agreement shall be approved if the application for the Abatement was filed after the commencement of construction, alteration or installation of improvements related to the proposed Modernization, Expansion or New Facility.
- (f) Variance. Requests for variance from the provisions of Section 2 may be made in written form; provided, however, that no variance may extend the term of Abatement beyond five years after completion of the Construction Phase. Such requests shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4ths) vote of the governing body of each Eligible Jurisdiction providing Abatement.

74-4. Section 4. **Public Hearing and Approval.**

- (a) Designation of Zone. A resolution designating a zone for Abatement under the Act may not be adopted by the City or the County until a public hearing has been held at which interested persons are entitled to speak and present evidence for or against the designation. Notice of the hearing shall be provided to each Eligible Jurisdiction and to the public in the manner required by the Act.
- (b) Required Findings. In order to enter into an Agreement, the County and the City must find that the terms of the proposed Agreement meet these Guidelines and Criteria.
- (c) Reservation of Rights. Nothing herein shall be construed to limit the authority of the City, the County or any other jurisdiction to examine each application for Abatement before it on a case-by-case basis and determine in its sole and absolute discretion whether or not the proposed Facility should be granted Abatement and whether or not it complies with these Guidelines and Criteria, is feasible, and whether or not the proposed Abatement of taxes will inure to the long-term benefit of such Eligible Jurisdiction.

74-5. Section 5. **Agreement.**

- (a) Contents of Tax Abatement Agreement. The Agreement with the Owner shall include:
- (1) the estimated value to be subject to Abatement and the Base Year Value;
 - (2) the percentage of value to be abated each year as provided in Section 2(d);
 - (3) the commencement date and termination date of Abatement;
 - (4) a provision that the term of the Agreement shall extend until five (5) years after the expiration of the period of tax Abatement;
 - (5) the proposed use of the Facility, time schedule, map, property description and improvements list as provided in the application as required;
 - (6) the contractual obligations in the event of default, delinquent taxes, recapture, administration and assignment as provided in these Guidelines or other provisions that may be required for uniformity or by state law;
 - (7) the amount of Added Value and required number of permanent jobs;
 - (8) a requirement that owner shall certify to the governing body of the Eligible Jurisdiction on or before April 1 each year that the owner is in compliance with each applicable term of the agreement;
 - (9) a limitation that the uses of the property must be consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect;
 - (10) provision of access to and authorization to inspect the property by employees or authorized agents of the [County/City] to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement; and
 - (11) a provision that the governing body of the County may cancel or modify the Agreement if the Owner fails to comply with the Agreement.
- (b) Time of Execution. The Agreement shall normally be executed within 60 days after the applicant has provided all necessary information and documentation.
- (c) Attorney's Fees. In the event any attorney's fees are incurred by the Eligible Jurisdiction in the preparation of an Agreement, said fees shall be paid by the applicant upon execution of the Agreement.

74-6. Section 6. **Recapture.**

- (a) Failure to Commence Operation During Term of Agreement. In the event that the Facility is not completed and does not begin operation with the minimum required number of permanent jobs by the January 1 following the actual (not deemed) completion of construction, no Abatement shall be given for that tax year, and the full amount of taxes assessed against the property shall be due and

payable for that tax year. In the event that the Owner of such a Facility fails to begin operation with the minimum required number of permanent jobs by the next January 1, then the Agreement shall be subject to termination and all abated taxes during the period of construction shall be recaptured and paid within 60 days of such termination. Notwithstanding the foregoing, in the event that the above defaults are due to a Force Majeure condition, the Governmental Unit may grant extensions if the Owner is diligently proceeding to cure such defaults.

- (b) Discontinuance of Operations During Term of Agreement. In the event the Facility is completed and begins operation with the required minimum number of permanent jobs but subsequently discontinues operations and the minimum required number of permanent jobs is not maintained during any four (4) consecutive weeks during the term of the Agreement, for any reason except on a temporary basis due to a Force Majeure condition, the Agreement may be terminated by the Eligible Jurisdiction providing Abatement, and all taxes previously abated by virtue of the Agreement during the preceding four years shall be recaptured and paid within 60 days of such termination.
- (c) Delinquent Taxes. In the event that the Owner allows its ad valorem taxes to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, the Agreement shall be subject to termination and so shall the Abatement of the taxes for the tax year of the delinquency. The total taxes assessed without Abatement, for that tax year shall be paid within 60 days from the date of termination.
- (d) Notice of Default. Should the Eligible Jurisdiction providing Abatement determine that the Owner is in default according to the terms and conditions of its Agreement, it shall notify the Owner in writing at the address stated in the Agreement that if such is not cured within 60 days from the date of such notice (the "Cure Period"), then the Agreement may be terminated. In the event the Owner fails to cure said default during the Cure Period and the Agreement is terminated, the taxes abated by virtue of the Agreement will be recaptured and paid as provided herein.
- (e) Reduction in Rollback Tax Rate. If during any year of the period of Abatement with respect to any property any portion of the abated value for the Eligible Property which is added to the current total value of the Eligible Jurisdiction but is not treated as "new property value" (as defined in Section 26.012(17) of the Texas Tax Code) for the purpose of establishing the "effective maintenance and operations rate" (as defined in Section 26.012(16) of the Texas Tax Code) in calculating the "rollback tax rate" in accord with Section 26.04(c)(2) of the Texas Tax Code and if the Eligible Jurisdiction's budget calculations indicate that a tax rate in excess of the "rollback tax rate" is required to fund the operations of the Eligible Jurisdiction for the succeeding year, then the Eligible Jurisdiction shall recapture from the taxpayer a tax in an amount equal to the lesser of the following:
 - (1) The amount of the taxes abated for that year by the Eligible Jurisdiction with respect to such property.
 - (2) The amount obtained by subtracting the rollback tax rate computed without the abated property value being treated as new property value from the rollback tax rate computed with the abated property value being treated as new property value and multiplying the difference by the total Appraised Value of the Eligible Jurisdiction.

If the Eligible Jurisdiction has granted an Abatement of taxes to more than one taxpayer, then the amount of the recapture calculated in accord with subparagraph (2) above shall be prorated on the basis of the amount of the Abatement with respect to each taxpayer.

All recaptured taxes must be paid within thirty (30) days after notice thereof has been given to the

affected taxpayer. Penalty and interest shall not begin to accrue upon such sum until the first day of the month following such thirty (30) day notice, at which time penalty and interest shall accrue in accord with the laws of the State of Texas.

- (f) Statutory Tax Lien. The amount of tax abated each year under the terms of these Guidelines and the Agreement shall continue to be secured by the statutory tax lien pursuant to Section 32.01 of the Texas Tax Code which shall continue in existence from year to year throughout the entire term of the Agreement or until all taxes, whether assessed or recaptured, are paid in full.
- (g) Automatic Termination. The Agreement shall automatically terminate on and as of the date any of the following events occur: the filing of a petition in bankruptcy by the Owner; or the making by the Owner of an assignment for the benefit of creditors; or if any involuntary petition in bankruptcy or petition for an arrangement pursuant to the federal bankruptcy code is filed against the Owner; or if a receiver is appointed for the business of the Owner. In the event of automatic termination for any of the above reasons, the prior notice of default provisions in subsection (d) above shall not apply.

74-7. Section 7. **Administration.**

- (a) Annual Assessment. The Jim Wells County Appraisal District shall annually determine the Appraised Value of the real and personal property subject to an Agreement. Each year, the Owner shall furnish the Appraisal District with such information as may be necessary for the Abatement. Once value has been established, the Appraisal District shall notify the affected jurisdictions which levy taxes of the amount of the Appraised Value and the Abatement.
- (b) Access to Facility. The Agreement shall stipulate that employees and/or designated representatives of the Eligible Jurisdiction will have access to the Facility during the term of the Agreement to inspect the Facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after giving 24 hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the Facility. All inspections will be made with one or more representatives of the Owner and in accordance with all applicable safety standards.
- (c) Annual Evaluation. Upon completion of construction, the Eligible Jurisdiction individually or in conjunction with other affected jurisdictions, shall annually evaluate each Facility receiving Abatement to ensure compliance with the Agreement and report possible violations of the Agreement.

Annual Reports. Owner shall certify to the governing body of the Eligible Jurisdiction on or before April 1 each year that Owner is in compliance with each applicable term of the Agreement.