

RESOLUTION

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN BRAZOS COUNTY, TEXAS

I. INTRODUCTION

WHEREAS, the attraction of long-term investment and the establishment of new jobs in the Brazos County would enhance the economic base of Brazos County; and,

WHEREAS, Brazos County may compete with other localities across the state and the nation currently offering tax inducements to attract jobs and investments; and

WHEREAS, Brazos County has certain governmental powers that enable it to take affirmative and effective action to stimulate economic growth; 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 the community; and,

WHEREAS, tax incentives offered must be strictly limited in application to those new or existing industries that bring new wealth into the community to avoid reducing the needed tax revenues of the County; and,

WHEREAS, the Property Redevelopment and Tax Abatement Act (the "Act") Chapter 312 of the Texas Tax Code authorizes the County 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prior to granting any future tax abatement, said guidelines to be unchanged for a two (2) year period unless amended or repealed by a three-fourths (3/4ths) vote of the Brazos County Commissioners Court; and,

WHEREAS, this document states guidelines and criteria that the County will utilize in attempts to assert positive economic development, but should not be read to imply or suggest that Brazos County, Texas is under an obligation to afford these opportunities to any applicants; and,

WHEREAS, the governing body of a taxing unit may not enter into a tax abatement agreement unless it finds that the terms of the agreement and the property subject to the agreement meet the applicable guidelines and criteria adopted by the County under the Act; and,

WHEREAS, the County may elect to participate in a tax abatement agreement within a municipal reinvestment or enterprise zone. Municipalities may enter into tax abatement agreements with the owner(s) of taxable real property within the reinvestment zone to exempt a portion of the taxable value of the real property, and personal property located on the real property. When the County elects to participate in a tax abatement agreement within a municipal reinvestment or enterprise zone, it will not create a separate county reinvestment zone in the same designated area. The term "municipal reinvestment zone" includes an "enterprise zone" designated under Chapter 2303 of the Government Code.

WHEREAS, the County may enter into a tax abatement agreement with the owner of the property within a municipal reinvestment zone when a municipality is entering into a tax abatement agreement with the owner. The terms of the County Agreement are not required to be identical to those in the municipal agreement.

WHEREAS, the adoption of the guidelines by Brazos County does not: limit the discretion of the County to decide whether to enter into a specific tax abatement agreement; limit the discretion of the County to delegate to its employees the authority to determine whether or not the County should consider a particular application or request for tax abatement; or create any property, contract, or other legal right in any person to have the County consider or grant a specific application or request for tax abatement.

WHEREAS, these guidelines and criteria are designed to allow maximum flexibility in addressing the unique concerns of each applicant while enabling the County to respond to the changing needs of the community.

NOW, THEREFORE, BE IT RESOLVED, that Brazos County Texas, acting by and through its duly elected Commissioners Court, hereby elects to participate in tax abatements and hereby adopts these guidelines and criteria for granting tax abatements in Brazos County.

II. DEFINITIONS

A. "Abatement" means the full or partial exemption from ad valorem taxes of certain real and/or personal property in a Reinvestment Zone designated for economic development purposes pursuant to Chapter 312 of the Texas Tax Code.

B. "Agreement" means a contractual agreement between a property owner and/or lessee and an eligible jurisdiction for the purposes of tax abatement.

C. "Base Year Value" means the assessed value of eligible property January 1 preceding the execution of the Agreement, plus the agreed upon value of eligible property improvements made after January 1, but before the execution of the Agreement.

D. "County" means Brazos County, Texas.

- E. "Deferred Maintenance" means improvements necessary for continued operations which do not improve the productivity or alter the process technology.
- F. "Distribution Center Facility" means buildings and structures, including machinery and equipment, used or to be used primarily to receive store, service, or distribute goods or materials owned by the facility operator where a majority of the goods or services are distributed to points at least fifty (50) miles from location in the County.
- G. "Eligible improvements" shall mean new, expanded or modernized buildings and structures, as defined in the Texas Property Tax Code, including fixed machinery and equipment, which is reasonably likely as a result of granting abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development within the County.
- H. "Expansion" means the addition of buildings, structures, fixed machinery, or equipment for purposes of increasing production capacity.
- I. "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.
- J. "Manufacturing Facility" means buildings and structures including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical chemical change, including the assembly of goods and materials from multiple sources in order to create a finished or semi-finished product.
- K. "Modernization" means the replacement and upgrading of existing facilities which increases the productivity input or output, updates the technology or substantially lowers the unit cost of the operation. 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, or repairing except as may be integral to or in direct connection with an existing expansion.
- L. "New Facility" means a property previously undeveloped which is placed into service by means other than, or in conjunction with, expansion or modernization.
- M. "Other Basic Industry" means buildings or structures, including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which serve a market primarily outside the County and result in the creation of new permanent jobs and create new wealth in the County.
- N. "Personal Property" means tangible personal property located on the real property, excluding that personal property located on the real property prior to the period covered by the abatement with the County, and other than inventory or supplies.
- O. "Productive Life" means the number of years a property improvement is expected to be in service.
- P. "Project" means any property improvement including expansion, modernizations, and new facilities; but excluding any deferred maintenance.

Q. "Reinvestment Zone" means any area of the County which has been designated a reinvestment zone for tax abatement purposes and which is located within the taxing jurisdiction of the County. It is the intent of the County to designate reinvestment zones on a case-by-case basis in order to maximize the potential incentives for eligible enterprises to locate or expand within the County.

R. "Regional Entertainment Facility" means buildings and structures, including machinery and equipment, used or to be used to provide entertainment through the admission of the general public where the majority of the users reside at least fifty (50) miles from its location in the County.

S. "Regional Service Facility" means buildings and structures, including machinery and equipment, used or to be used to provide services to the general public.

T. "Research Facility" means buildings and structures, including machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

U. "Targeted Enterprise" means the following facilities – distribution center facility, manufacturing facility, regional entertainment facility, research facility, regional service facility, or any other basic industry.

III. CRITERIA FOR TAX ABATEMENT

A. General Criteria. All applications must meet all of the following general criteria before being considered for tax abatement:

1. The project expands the local tax base.
2. The project creates permanent full-time employment opportunities.
3. The project would not otherwise be developed or would otherwise be substantially altered so that the economic returns or other associated public purpose secured by the County's incentive would be reduced.
4. The project makes a contribution to enhancing further economic development.
5. The project must remain in good standing with all governmental and environmental regulations.
6. The project must not be expected to solely or primarily have the effect of merely transferring employment from one area of Brazos County to another.
7. The project will not be considered if it is determined that:
 - a. there would be substantial adverse effect on the provision of government services on tax base;

- b. the applicant has insufficient financial capacity;
 - c. planned or potential use of the property would constitute a hazard to public safety;
 - d. planned or potential use of the property would create adverse impacts to adjacent properties;
 - e. any violation of laws of the United States or State of Texas or ordinances of the City of Bryan, Texas or City of College Station, Texas, or order of Brazos County, Texas would occur; or,
 - f. it is an improvement project financed with tax increment bonds.
 - g. the property has a productive life of less than fifteen years.
8. Requests for abatements will not be considered if, prior to the submission of an application, the project is already substantially underway or completed. A project will be considered to be substantially underway if actions such as, but not limited to, the following have occurred:
- a. the demolition, site preparation, or the installation of infrastructure has begun;
 - b. a building permit has been issued for construction not associated with mitigating an environmental hazard;
 - c. construction (including renovations or tenant finish-out) has begun; or,
 - d. equipment, inventory, or employees have been relocated to the new site.
 - e. execution of a lease, the mitigation of environmental problems, the purchase of land, the completion of an environmental assessment, or the preparation of architectural and engineering plans do not constitute a project being substantially underway.
9. Requests for an abatement will not be considered for property that will be used in whole or in part for a sexually-oriented business, including but not limited to condoning, legitimizing, or promoting obscene materials, nude or topless modeling or dancing, adult motel operations, escort services, sexual encounter centers, sex phone centers, or any other sexually-oriented business activity. Similarly, property receiving an existing abatement for another use cannot convert this property for use as a sexually-oriented business or an establishment and still retain the abatement.
10. Requests for an abatement will not be considered for an applicant with which the County is currently involved in, or has within the past thirty-six (36) months been involved in, litigation, a pending claim, or unsatisfactory contractual performance, nor to any applicant indebted to the County for ad valorem taxes or other obligations.

A. Specific Criteria. If the project in the application meets the general criteria, is a facility of a Targeted Enterprise, and has a capital cost that exceeds Ten Million Dollars and No/100ths (\$10,000,000.00) then abatement of any or all of the increased value will be considered. A tax abatement will not exceed fifty per cent (50%) for five (5) years. Factors to be considered in determining the portion of the increased value to be abated and the duration of the abatement include, but are not limited to:

11. Total amount of the increased value;
12. Total number of jobs created;
13. Type of jobs created;
14. Dollar Value of payroll created; and
15. Other costs and revenues associated with the application.

The County reserves the right to offer incentives that are greater than fifty per cent and or longer than five (5) years for projects that significantly exceed the Specific Criteria.

B. Variances From Guidelines And Criteria For Tax Abatements: A tax abatement application may include a tax abatement variance from the General and Specific Criteria by submitting a request in written form along with the required standard application. Such requests shall include a complete description of the circumstances explaining why a variance should be granted. Approval of a request for variance requires the vote of at least four (4) members of the Commissioners Court.

IV.

APPLICATIONS FOR REINVESTMENT ZONES AND TAX ABATEMENTS

A. All requests for reinvestment zones and tax abatements in the jurisdiction of Brazos County, Texas shall be made by filing a written application with the Brazos County Commissioners Court after addressing all criteria questions contained in this document. An application for designation of a reinvestment zone and for tax abatement may be combined and submitted jointly. Such applications may be filed with an agent or representative of the County hired to administer the County's program of tax abatement.

All applications shall include the following, unless the County has waived a requirement that it has deemed unnecessary to properly evaluate the request:

1. a general description of the project including purpose and explanation of the kind, number, and location of all proposed improvements as well as how the project will meet the criteria established by this document.
2. a plat showing the precise location of the property and all improvements thereon, all roadways within 500 feet of the site and all existing zoning and land uses within 500 feet of the site (a complete legal description shall be provided if the property is described by metes and bounds).

3. a completed cost estimate of the project by land, building, equipment, and inventory.
4. a description of the methods of financing all estimated costs and the time when related costs or monetary obligations are to be incurred, estimated number of employment opportunities the project creates over the period of the abatement, including gross annual payroll of permanent time and part-time employees remaining after construction is complete.
5. a detailed time schedule for undertaking and completing the project.
6. a fee in the amount of One Thousand Dollars and No/100ths (\$1,000.00).

B. After reviewing the application, if the County staff or its agent or representative finds the application to be complete and accurate and meets the criteria established by this document, the County staff or its agent or representative may then do or cause to be done an impact study, which the applicant may be required to pay or participate in paying for, setting forth the impact of the proposed reinvestment zone and tax abatement agreement. This study shall include, but not be limited to, a cost benefit analysis of the creation of the reinvestment zone and the abatement of taxes.

C. After establishing the benefits of the proposal, the County staff or its agent or representative may propose that the County offer a tax abatement agreement to the applicant. The County staff or its agent or representative may then propose the amount and duration of the tax abatement to the applicants, and formally offer the tax abatement to the applicant.

D. Having completed all the required steps in the process and having been assured by the applicant that it chooses to proceed, the County may then follow procedures in accordance with the Texas Tax Code Chapter 312 and establish a reinvestment zone and tax abatement agreement.

E. Tax incentive applications are valid for one year following the date of receipt by Brazos County at which point the application expires. A company must submit a new application along with a new \$1,000 fee for the application process to restart should the company choose to be considered for a tax abatement.

V.

DESIGNATION OF A REINVESTMENT ZONE AND TAX ABATEMENT

A. Prior to granting tax abatement, Brazos County, by Order, shall designate an area as a reinvestment zone unless such zone has been previously established by a municipality within the County. Prior to adopting such an Order, the Brazos County Commissioners Court must conduct a public hearing on the designation that entitles all interested persons to speak and present evidence for or against the designation. No later than the seventh (7th) day before the date of the hearing, notice of the hearing must be:

1. Published in a newspaper having general circulation in the County;
2. Delivered in writing to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone;
3. Posted on the county's website

B. The County, by resolution or order, may enter into a tax abatement agreement. At least thirty (30) days before entering into the agreement, the County will post a consideration of tax abatement notice outside of the Courthouse and on the County website stating the intent to enter into a tax abatement agreement.

Not later than the seventh (7th) day before the date the county enters into an agreement, the designated employee of the County shall deliver to the presiding officer of the governing body of each other taxing unit in which the property to be subject to the agreement is located a written notice that the county intends to enter into the agreement. Notice is presumed delivered when placed in the mail postage paid and properly addressed (Failure to deliver the notice does not affect the validity of the agreement. Notice shall be sent via USPS Certified Mail and a final copy of the propped 312 agreement shall be included in the notice.

1. Any agreement will include, but not be limited to, the following specific terms:
 - a. all appropriate stipulations included in the application, as outlined by this document, for a reinvestment zone and tax abatement agreement.
 - b. the amount and duration of the tax abatement.
 - c. a method for determining the qualifications of meeting the criteria and a warranty and guarantee to meet and maintain these qualifications over the term of the agreement; the County will be allowed, upon written request and reasonable notice, to inspect and audit such records of the applicant as are necessary to substantiate that the applicant is meeting criteria agreed upon during the term of the abatement.
 - d. a provision in the event the agreement is terminated for whatever reason, or the applicant fails to fulfill the terms and provisions thereof, the tax abatement agreement will be determined null and void and all or some portion of abated taxes, as may be determined by the Brazos County Commissioners Court in its sole discretion, shall be paid immediately to the County.

- e. access to and authorized inspection of the property by County employees, agents or representatives to ensure that the improvements or construction are made according to specifications and conditions of the agreement. An agreement may be assigned to a new owner or lessee of the facility with the written consent of the Commissioners Court. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in the agreement. Any assignment of an agreement shall be to an entity that contemplates the same improvements or repairs to the property, except to the extent such improvements or repairs have been completed.
- f. abatement may be transferred, assumed and assigned in whole or in part by the holder to a new owner or lessee of the same facility upon the approval by resolution of the Commissioners' Court; subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to any jurisdiction for outstanding taxes or other obligations. Approval shall not be unreasonably withheld. As a condition of transfer, an assignment fee of \$10,000.00 may be required, with the maximum fee being \$10,000.00. No assignment shall be approved if the assignor or the assignee are indebted to the County for ad valorem taxes or other obligations.¹
- g. an agreement may be modified or terminated by the mutual consent of the parties in the same manner that the agreement was approved and executed; provided, however, the agreement may not be altered to provide for tax abatement for a period of more than five (5) years.
- h. this Resolution shall be posted on the Brazos County website.

VI. RECAPTURE

A. In the event that the company or individual:

1. Allows its ad valorem taxes owed Brazos County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or
2. Violates any of the terms and conditions of the abatement agreement and fails to cure during the cure period;
3. The agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.

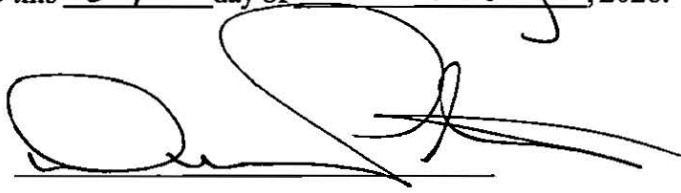
B. Should Brazos County determine that the company or individual is in default according to the terms and conditions of its agreement, Brazos County shall notify the company or individual in writing at the address stated in the agreement, and if such is not cured within sixty (60) days from the date of such notice (cure period) then the agreement may be terminated.

VII Sunset Provision

These guidelines and criteria are effective upon the date of their adoption and will remain in force for two years unless amended by a three-fourths vote of the Commissioners Court of Brazos County. Two years from the date of passage of these guidelines, the guidelines must be renewed by the Brazos County Commissioners Court.

¹ An entity will be considered a “new owner or lessee” if it is an entirely new legal entity and/or there was no prior ownership by a parent company or subsidiary.

RESOLVED this 24 day of February, 2026.

A large, stylized handwritten signature in black ink, appearing to be 'Duane Peters', written over a horizontal line.

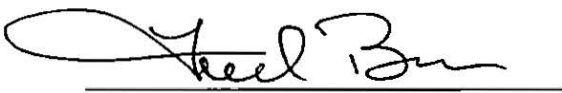
Duane Peters
County Judge

A handwritten signature in black ink, appearing to be 'Bentley Nettles', written over a horizontal line.

Bentley Nettles
County Commissioner, Precinct 1

A handwritten signature in black ink, appearing to be 'Chuck Konderla', written over a horizontal line.

Chuck Konderla
County Commissioner, Precinct 2

A handwritten signature in black ink, appearing to be 'Fred Brown', written over a horizontal line.

Fred Brown
County Commissioner, Precinct 3

A handwritten signature in black ink, appearing to be 'Wanda J. Watson', written over a horizontal line.

Wanda J. Watson
County Commissioner, Precinct 4

ATTEST:

A handwritten signature in black ink, appearing to be 'Karen McQueen', written over a horizontal line.

Karen McQueen, County Clerk



Public hearing for Economic Development: Chapter 312 Tax Abatement Guidelines

Court date: Tuesday, February 24th, 2026; Workshop Session, 9am
Prepared By: Kimberly Gonzalez, Economic Development Coordinator,
kgonzalez@brazoscountytexas.gov

Texas counties must adopt tax abatement guidelines every two years to enter into tax abatement agreements under Chapter 312 of the Texas Tax Code. The adopted guidelines and criteria are in effect for two years after adoption and can be modified with a three-fourths vote of the governing body. Brazos County's current guidelines were adopted on March 12, 2024 and expire on March 12, 2026. If the Court approves the updated guidelines during today's regularly scheduled Court session, the new expiration date for the County's Chapter 312 Guidelines will be February 24, 2028.

Public Notice:

Per public notice requirements, a notice of this public hearing was placed in The Eagle on Saturday, February 7th, 2026 to meet our 7-day notice requirement. For good measure, the notice was also posted outside the Brazos County Courthouse and on the Brazos County website on Monday, February 2nd, 2026.

Notable changes made to the guidelines:

1. **Section II, G.; Page 3** – Added in an "eligible improvements" paragraph, referring to the Texas Property Tax Code for clarification on eligible improvements.
2. **Section III, A. 6; Page 4** – Added a clause stating that projects must not be expected to solely or primarily have the effect of merely transferring employment from one area of Brazos County to another. This is to mitigate companies seeking to relocate from one city to another within the County for purposes other than expansion.
3. **Section III, A. 7g; Page 5** – Added in a stipulation that companies with a productive life of less than 15 years will not be considered for abatement.
4. **Section IV, E. Page 7** - Added a stipulation that applications are valid for one year from the receipt of application by the County. A company must submit a new application along with a \$1,000 fee for the application process to restart.
5. **Section V, B.1f** - Added in a transfer fee of up to \$10,000 for the transfer of abatement from one holder to a new owner or lessee of the same facility.
6. **Section VI, Page 9** - Added in a recapture clause to better protect the County when entering into tax abatement agreements. These are typically placed in the actual 312 agreements, but including them in the guidelines as well offers a standard for staff to adhere to for purposes of consistency.

Next Steps:

The updated guidelines are on the Commissioners Court agenda for Tuesday, February 24th, for consideration. Should the Court approve the updated guidelines, they will go into effect immediately and be in effect for two years or until the Court amends the guidelines by a three-fourths vote, whichever occurs first. If the Court approves the updated guidelines during today's regularly scheduled Court session, the new expiration date for the County's Chapter 312 Guidelines will be February 24, 2028. After passage, the guidelines will be posted on the County website for public access, as required by Texas Tax Code Chapter 312.