

**REQUEST FOR AGENDA PLACEMENT FORM**

**Submission Deadline - Tuesday, 12:00 PM before Court Dates**

SUBMITTED BY: CJO

TODAY'S DATE: 04/04/2022

DEPARTMENT: CJO

SIGNATURE OF DEPARTMENT HEAD: \_\_\_\_\_

REQUESTED AGENDA DATE: 04/11/2022

**SPECIFIC AGENDA WORDING:**

Consideration of Tax Abatement Agreement with Mountain Alloys Corporation-  
Property Owner: Tax Abatement with Mountain Alloys Corporation, Applicant:  
Tax Abatement with Mountain Alloys Corporation, Reinvestment Zone: Renfro Salas  
Reinvestment Zone, 4140 E. Renfro St., Improvements: Manufacturing Production  
Facility; Estimated Cost: \$5.1 Million Including Site Preparation and  
Improvements and at Least 15 to 40 New Jobs

COMMISSIONERS COURT

**PERSON(S) TO PRESENT ITEM:**

Bruce Medley & Alison Callison

APR 11 2022

**SUPPORT MATERIAL: (Must enclose supporting documentation)**

TIME: 5 minutes

(Anticipated number of minutes needed to discuss item)

ACTION ITEM:  **Approved**

WORKSHOP:

CONSENT:

EXECUTIVE:

**STAFF NOTICE:**

COUNTY ATTORNEY:

IT DEPARTMENT:

AUDITOR:

PURCHASING DEPARTMENT:

PERSONNEL:

PUBLIC WORKS:

BUDGET COORDINATOR:

OTHER:

This Section to be completed by County Judge's Office

ASSIGNED AGENDA DATE: \_\_\_\_\_

REQUEST RECEIVED BY COUNTY JUDGE'S OFFICE:

\_\_\_\_\_  
COURT MEMBER APPROVAL:

\_\_\_\_\_  
DATE:

**TAX ABATEMENT AGREEMENT**

**STATE OF TEXAS**

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**COUNTY OF JOHNSON**

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**WHEREAS**, the Johnson County, Texas has designated the Renfro Salas Reinvestment Zone (the "Zone") under the provisions Title 3, Subtitle B, of Chapter 312 of V.T.C.A., Tax Code; and

**WHEREAS** Mountain Alloys Corporation (hereinafter referred to as "Mountain Alloys") owns the properties located in said Zone; and

**WHEREAS** Johnson County, hereinafter referred to as the "County," has determined that the proposed improvements and personal property, as described in this Agreement to be added by MOUNTAIN ALLOYS to the property within the zone, meet the requirements for eligibility for tax abatement under the Tax Code; and

**WHEREAS**, it is reasonably likely that this Agreement will contribute to the retention, expansion and creation of primary employment and will attract major investment in the Zone that would be a benefit to property within the Zone and that would contribute to the economic development of the County; and

**WHEREAS**, the County has determined that the Improvements are practical and are of benefit to the area within the Zone and to the County; and

**WHEREAS**, Commissioners Court of Johnson County, Texas (the "Commissioners Court") finds that the terms of this Agreement meet the applicable requirements of the Guidelines and Criteria for Johnson County, adopted by the Commissioners Court; and

**WHEREAS** this Agreement shall become effective upon the approval by Johnson County and the execution of said agreement by both the County and MOUNTAIN ALLOYS;

**NOW, THEREFORE**, the parties hereto, for and in consideration of the premises and mutual promises stated herein, agree as follows:

**Section 1.** The real property, improvements thereto, and related items of tangible personal property, which are described in Section 2 hereof, shall be those constructed on the property constituting the Zone as described by the following legal description: That property owned by MOUNTAIN ALLOYS Industries, LLC described 2021-23858, Official Public Records Johnson County, Texas. Johnson CAD #s: 126.0729.00055, 126.0729.00058, 126.0760.00440, 126.0760.00445

**Section 2.** The proposed project is expansion of the Property to include buildings, structures, fixed machinery and equipment, site improvements plus related fixed improvements necessary to the operation and administration of the facility. The cost of the improvement or fixed machinery is \$5,108,180.00. MOUNTAIN ALLOYS also intends to create 15 to 40 new jobs at that location with an eventual gross total payroll for all jobs of \$1,746,280.

In consideration of this Agreement, MOUNTAIN ALLOYS agree to the following covenants that must be fulfilled in order to receive tax abatement: MOUNTAIN ALLOYS covenants to increase the improvement and personal property in the zone by at least \$5,000,001.

**Section 3.** For purposes of this Agreement:

- (a) the "Abatement Property" means the Premises, the Improvements and the related items of tangible personal property described in Sections 1 and 2 hereof,
- (b) the "Effective Date of Abatement" means January 1, 2023; and
- (c) the "Abatement Period" means that period commencing on the first day of the Effective Date of Abatement and ending in the last year of abatement in 2026, being a total of four years.

**Section 4.** Subject to the terms and conditions of this Agreement, and subject to the rights of holders of any outstanding bonds of the County, forty (40%) of the appraised value for property tax purposes of the Abated Property (to the extent the appraised value of the Abated Property for each year exceeds its value as of January 1, 2022) shall be abated and exempted from taxation for a period of four (4) years beginning with the first day of the Effective Date of Abatement. As a result, said abatement shall result in a reduction by forty (40%) of the taxes that would otherwise be assessed upon that portion of the appraised value of the Abated Property that for each year of abatement exceeds its value as of January 1, 2022. It is the intent of the parties that the abatement granted hereby shall extend for a period of four (4) years beginning with the first day of the Effective Date of Abatement, and shall apply only to all improvements and items of tangible personal property constructed or placed on the Premises that resulted from this expansion. To the extent necessary, it is the intent of the parties that this Agreement shall not be amended to include such additional improvements and items

of tangible personal property. A separate tax abatement agreement shall be entered into with respect to any additional property. . It is also agreed that if the appraised value of the improvements as above described for any year during the abatement period should fall below \$5,000,001.00, the percent abated for that year will be reduced per the table in the Guidelines and Criteria for Johnson County Tax Abatement Policy.

**Section 5.**

It is agreed that employees of the County shall have access to the premises for inspection to ensure that the Improvements are made according to the conditions of this Agreement and that the Improvements are of substantially the same character as described in Section 2 hereof (subject to the right of MOUNTAIN ALLOYS to revise the plans and specifications for the Improvements prior to and during construction). All inspections will be made only after giving MOUNTAIN ALLOYS at least twenty-four (24) hours advance notice and will be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the project. All inspections will be made with one or more representatives of MOUNTAIN ALLOYS and in accordance with MOUNTAIN ALLOYS's safety standards.

MOUNTAIN ALLOYS shall indemnify, hold harmless and defend the County, its members, agents, officials, employees, from and against any and all obligations, claims, suits, damages, and liability, or alleged liability, including, but not limited to liability without fault and liability by virtue of the obligations of MOUNTAIN ALLOYS, pursuant to this Agreement or the acts or omissions of MOUNTAIN ALLOYS, its agents, contractors, employees, licensees, or invitees, on or with respect to the Premises, Improvements and/or equipment, including costs of suit, attorney fees and other related costs and expenses of whatever kind or character arising directly or indirectly from any cause whatsoever in connection with or incidental to this Agreement or such acts or omissions, provided, however, that MOUNTAIN ALLOYS shall not be required to indemnify and hold harmless any indemnified party for any such injury or harm caused by the gross negligence or willful misconduct of any indemnified party. The indemnity set forth herein shall specifically include, without limitation all actions, damages, claims and liabilities for personal injury, death or property damage occurring on, or arising out of or resulting from the use of premises, improvements and/or equipment by MOUNTAIN ALLOYS, its sub-lessee or representative, agents, contractors, employees, licensees or invitees.

**Section 6.**

- (a) During the Abatement Period, the County may declare a default hereunder by MOUNTAIN ALLOYS, only if MOUNTAIN ALLOYS refuses or neglects to comply with any of the terms of this Agreement, or if any representation made by MOUNTAIN ALLOYS in this Agreement is false or misleading in any material respect, or if MOUNTAIN ALLOYS allows its ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest.
- (b) Should the County determine MOUNTAIN ALLOYS to be in default of this agreement, the County shall notify MOUNTAIN ALLOYS in writing prior to

the end of the abatement period, and if such default is not cured within sixty (60) days from the date of such notice (the "Cure Period"), then the Agreement may be terminated; provided, however, that in the case of a default that, for causes beyond MOUNTAIN ALLOYS's reasonable control, cannot with due diligence be cured within such sixty day period, the "Cure Period" shall be deemed extended if MOUNTAIN ALLOYS (i) shall immediately, upon the receipt of such notice, advise the County of MOUNTAIN ALLOYS's intention to institute all steps necessary to cure such default, and (ii) shall institute and thereafter prosecute to completion with reasonable dispatch all steps necessary to cure same.

- (c) Except as provided in Subsection (d) below, if MOUNTAIN ALLOYS violates any of the terms and conditions of this Agreement and fails to cure during the Cure Period, this Agreement may then be terminated, and all taxes previously abated by virtue of this Agreement will be recaptured and paid within sixty (60) days of the termination.
- (d) During the period of time when MOUNTAIN ALLOYS is constructing, renovating, repairing, or installing the improvements and/or equipment on the premises, and at all times thereafter, during the term of this Agreement, MOUNTAIN ALLOYS shall keep the improvements and equipment insured against all loss or damage by fire or any other casualty. MOUNTAIN ALLOYS shall furnish the County with all Certificates of Insurance that are required by this Agreement within thirty (30) days after the initiation of construction, repairs, or installation, and within thirty (30) days succeeding the renewal of each policy required herein.

In the event improvements and/or equipment are damaged by fire or any other casualty, should MOUNTAIN ALLOYS decide not to repair, remodel, renovate or reinstall; or fails to begin repair, remodeling, renovation or reinstallation on the damaged Improvements and/or equipment within six (6) months of the fire and/or other casualty, then the abatement shall terminate and all taxes previously abated by virtue of this Agreement will be recaptured and paid within sixty (60) days of the termination.

**Section 7.** For purposes of this Agreement, the value of the Premises, the Improvements and all items of tangible personal property situated on the Premises shall be the same as the value of such property as determined annually by the Chief Appraiser of the Johnson County Appraisal District, subject to the appeal procedures set forth in the Texas Property Tax Code (V.T.C.A. Tax Code).

Prior to October 1<sup>st</sup> of each year that this Agreement is in effect, MOUNTAIN ALLOYS shall certify to the County that MOUNTAIN ALLOYS is in compliance with each applicable term of this Agreement. This annual certification shall include a rendition of the property value and a certification as to number of employees.

MOUNTAIN ALLOYS is solely responsible for meeting any and all additional requirements for the completion of this Agreement. These additional requirements include the application for the Abatement which will need to be filed with the Central Appraisal District of Johnson County, Texas.

**Section 8.**

If the County terminates this Agreement upon an event of default as defined in Section 6 hereof, it shall provide MOUNTAIN ALLOYS written notice of such termination. If MOUNTAIN ALLOYS believes that such termination was improper, MOUNTAIN ALLOYS may file suit in Johnson County District Courts appealing such termination within one hundred twenty (120) days after receipt from the County of written notice of the termination. If an appeal suit is filed, MOUNTAIN ALLOYS shall remit to the County, within one hundred twenty (120) days after receipt of the notice of termination, any additional and/or recaptured taxes as may be payable pursuant to Section 6 of this Agreement during the pendency of the litigation pursuant to the payment provisions of section 42.08, V.T.C.A. Tax Code. If the final determination of the appeal increases MOUNTAIN ALLOYS tax liability above the amount of tax paid, MOUNTAIN ALLOYS shall remit the additional tax to the County pursuant to section 42.42, V.T.C.A. Tax Code and this agreement. If the final determination of the appeal decreases MOUNTAIN ALLOYS's tax liability, the County shall refund to MOUNTAIN ALLOYS the difference between the amount of tax paid and the amount of tax for which MOUNTAIN ALLOYS is liable pursuant to section 42.43, V.T.C.A. Tax Code, and this agreement.

**Section 9.**

Any notice required to be given under the provisions of this Agreement shall be in writing and shall be duly served when it shall have been deposited, enclosed in a wrapper with the proper postage prepaid thereon, and duly registered or certified, return receipt requested, in a United States Post Office, addressed to the County or MOUNTAIN ALLOYS at the following addresses. If mailed, any notice or communication shall be deemed to be received three days after the date of deposit in the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to the following addresses:

To MOUNTAIN ALLOYS:

MOUNTAIN ALLOYS  
4140 E Renfro St  
Burleson, TX 76028  
Attn: Ronald Crume  
Telephone: (541) 660-6060

To the County:

Johnson County Courthouse  
2 Main Street  
Cleburne, Texas 76033  
Attention: Roger Harmon  
County Judge

Any party may designate a different address by giving the other parties ten days' written notice.

**Section 10.** All provisions of this Agreement shall be executed in compliance with the Order of the Commissioners Court. A copy of the Order is attached hereto as Attachment I and incorporated herein by reference for all purposes.

**Section 11.** MOUNTAIN ALLOYS warrants to the best of its knowledge that the Premises do not include any property that is owned by a member of the Commissioners Court or any board, commission or other governmental body approving, or having responsibility for the approval of this Agreement.

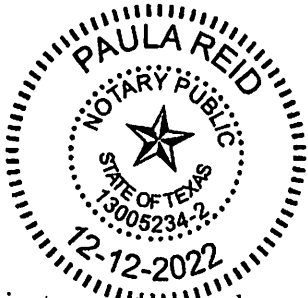
**Section 12.** If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, and such invalidity or unenforceability does not destroy the basis of the bargain between the parties, then the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

**Section 13.** The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto, with the understanding that any assignment of this agreement must be consented to by the Johnson County Commissioners Court.

**Section 14.** This Agreement was authorized by the Order adopted by the Commissioners Court of Johnson County, Texas, at a meeting open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by Texas Open Meetings Act, V.T.C.A., government code, Chapter 551, and such Order authorizes the County Judge to execute this Agreement on behalf of the County. This Agreement shall constitute a valid and binding agreement between the County and MOUNTAIN ALLOYS upon (i) execution by the County and MOUNTAIN ALLOYS. This Agreement shall constitute a covenant running with the land and shall be recorded upon execution in the Real Property Records of Johnson County, Texas. This agreement is performable in Johnson County, Texas, and venue over any action to enforce any of the provisions hereof shall lie exclusively in Johnson County, Texas. The laws of the State of Texas shall apply in all respects to interpretation of this Agreement.

**Section 15.** This Agreement has been executed by the parties in multiple originals, each having full force and effect.

EXECUTED THE 11, DAY OF April, 2022.

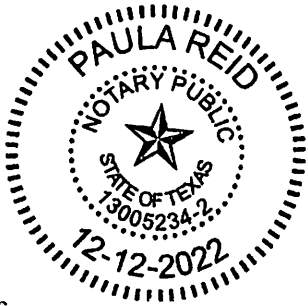


JOHNSON COUNTY, TEXAS

By: Roger Harmon  
Roger Harmon  
County Judge

This instrument was acknowledged before me on the 11 day of April, 2022, by Roger Harmon as County Judge

Paula Reid  
Notary Public Signature  
My commission expires: 12-12-22



MOUNTAIN ALLOYS  
By: [Signature]  
Title: IRS

State of  
County of

This instrument was acknowledged before me on the 11 day of April, 2022, by Ronald Crume as President.

Paula Reid  
Notary Public Signature  
My commission expires: 12-12-2022