

PLANO CITY COUNCIL

The Plano City Council will convene at 1:15 p.m. on December 19, 2002, into a Special Called Meeting in the Sunny Slope Room of Plano Centre, 2000 East Spring Creek Parkway, Plano, Texas, in compliance with Vernon's Texas Codes Annotated, Government Code Chapter 551 (Open Meetings Act), as follows:

MISSION STATEMENT: THE PURPOSE OF PLANO CITY GOVERNMENT IS TO FACILITATE AN OUTSTANDING QUALITY OF LIFE FOR RESIDENTS AT A REASONABLE COST IN TAXES AND FEES.

The City Council may convene into Executive Session to discuss posted items in the regular meeting as allowed by law.

ITEMS FOR INDIVIDUAL CONSIDERATION:

The purpose of a Public Hearing is to receive input and information. The City Council is always open to public comment, but wishes to clarify that their focus is on the singularly presented position, and not on the assemblage. Eliminating the repetition of statements enables the City Council to more effectively consider all presentations.

In order to be fair to all persons who have items on the agenda or interest in one or more of the items, the Council must impose time limitations on speakers in the Public Hearings. The applicants will limit their presentations to 15 minutes with a five (5) minute rebuttal time, if needed. All other speakers will be limited to a maximum of 30 total minutes of testimony, and three minutes per individual on any single issue. Other time restraints may be imposed at the discretion of the Mayor depending on other prevailing factors. Speakers will be notified by the City Secretary when speaking time has expired.

1. **Public Hearing and an ordinance** to designate a certain area within the City of Plano as Reinvestment Zone No. 74 for commercial/industrial tax abatement consisting of two tracts of land totaling 4.2109 acres located at 3201 Technology Drive, in the City of Plano; establishing the boundaries of such zone; ordaining other matters relating thereto; and providing an effective date.

2. **A resolution** to approve the terms and conditions of an agreement by and between the City of Plano, Texas, the County of Collin, the Collin County Community College District, and Hematronix, Inc., and providing for a commercial/industrial tax abatement for Hematronix, Inc., and authorizing its execution by the City Manager; and providing an effective date.

Plano Centre is wheelchair accessible. Sloped entry ramps and specially marked parking spaces are available at all entrances. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting by calling the City Secretary at 972-941-7120.

| | | | | | |
|---|----------------------------------|------------------------------------|--|---|--|
| CITY SECRETARY'S USE ONLY | | | Reviewed by Purchasing | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> Not Applicable |
| <input type="checkbox"/> Consent | <input type="checkbox"/> Regular | <input type="checkbox"/> Statutory | Reviewed by Budget | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Not Applicable |
| Council Meeting Date: | 12/19/02 | | Reviewed by Legal | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Not Applicable |
| Department: | FINANCE | | | Initials | Date |
| Department Head | John McGrane | | Executive Director | | |
| Dept Signature: | | | City Manager | | |
| Agenda Coordinator (include phone #): | | | Sandy Gaugler X7479 | | (rev. 1/02) |
| ACTION REQUESTED: <input checked="" type="checkbox"/> ORDINANCE <input type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> OTHER | | | | | |
| CAPTION | | | | | |
| Public Hearing and consideration of an ordinance to request to establish and designate a certain area as Reinvestment Zone No. 74 for commercial/industrial tax abatement consisting of two tracts of land totaling 4.2109 acres located at 3201 Technology Drive, in the City of Plano, Texas, establishing the boundaries of such zone, ordaining other matters relating thereto and providing an effective date. | | | | | |
| FINANCIAL SUMMARY | | | | | |
| <input type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input checked="" type="checkbox"/> REVENUE <input type="checkbox"/> CIP | | | | | |
| FISCAL YEAR: 2002-3 | Prior Year (CIP Only) | Current Year | Future Years | TOTALS | |
| Budget | 0 | 0 | 0 | 0 | |
| Encumbered/Expended Amount | 0 | 0 | 0 | 0 | |
| This Item | 0 | 0 | 0 | 0 | |
| BALANCE | 0 | 0 | 0 | 0 | |
| FUND(S): GENERAL | | | | | |
| COMMENTS: The fiscal impact of this item is contingent upon the value of improvements made to the property. Currently, the Real Property is estimated to have an approximate taxable value of not less than \$1,300,000. The Business Personal Property is estimated to have an approximate taxable value of not less than \$50,000. The proposed Real Property and Business Personal Property tax abatement on the improvements will begin January 1, 2004 and continue through the year 2008, and will be equal to 50% for five (5) years. | | | | | |
| SUMMARY OF ITEM | | | | | |
| This is related to Hematronix, Inc. request for Tax Abatement. This Ordinance creates and geographical zone on which Council will hold a Public Hearing earlier on the same Agenda and date. Notice of Public Hearing to be published on December 12, 2002, prior to Public Hearing on this Council date of December 19, 2002. | | | | | |
| List of Supporting Documents: | | | Other Departments, Boards, Commissions or Agencies | | |
| Ordinance and Public Hearing Notice | | | Joint Committee on Tax Abatement, CCCCD, Collin County Community College | | |

NOTICE OF PUBLIC HEARING

The City Council of the City of Plano will hold a Public Hearing in the Sunny Slope Room, Plano Centre, (2000 E. Springcreek Parkway) at 1.15 p.m. on Thursday, December 19, 2002, to consider the creation of Reinvestment Zone No. 74 in accordance with V.T.C.A., Tax Code §312.201, as amended for the purpose of considering tax abatement. Said Reinvestment Zone No. 74, located at 3201 Technology Drive, consists of two tracts of land totaling 4.2109 acres as follows: the first being a 4.1544 acre tract of land situated in the Eli Murphy Survey, Abstract No. 597, and being part of Block 20, Re-plat of Block 16, 17, 20 and 21, Central Plano Industrial Park Phase III as recorded in Cabinet "F," Page 145, Plat Records of Collin County, Texas, (PRCCT) and being a part of that tract of land described in deed to Argent Plano Realty, L.P., recorded in Volume 4850, Page 1573, Deed Records of Collin County, Texas, (DRCCT); and the second being a 0.0565-acre tract of land located in the Eli Murphy Survey, Abstract No. 597, and being part of a right-of-way easement for railroad, transportation and communication purposes as described by deed to St. Louis Southwestern Railroad Company of Texas, as recorded in Volume 1444, Page 331, Real Property Records, Collin County, Texas, and being a part of that tract of land described in deed to Argent Plano Realty, L.P., recorded in Volume 4850, page 1573, DRCCT. The land is more particularly described by metes and bounds on file in the Finance Department.

INTEROFFICE MEMORANDUM

TO: Thomas H. Muehlenbeck
City Manager

DATE: December 11, 2002

FROM: John F. McGrane
Director of Finance

CC: Barbara Newell, EAA
Di Zucco, ACS

SUBJECT: Tax Abatement for Hematronix, Inc. – Reinvestment Zone 74

Hematronix, Inc., the owner of two tracts of land totaling 4.2109 acres, has constructed a 25,000 sq. foot building located at 3201 Technology Drive to employ 60 people. The company is expanding and retaining its corporate headquarters in Plano. It is in the business of medical research and development, and at this time, primary research and development efforts are directly related to software development for the clinical diagnostics industry to provide enhanced data processing/data management solutions to laboratory personnel for quality patient care.

This tax abatement will be based on the following values: the estimated amount of \$1,300,000 in Real Property, and \$50,000 in business Personal Property. This tax abatement will be for a period of five years from January 1, 2004 through December 31, 2008, and shall be based on amounts equal to 50% for Real Property and Business Personal Property.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PLANO, TEXAS, DESIGNATING A CERTAIN AREA WITHIN THE CITY OF PLANO AS REINVESTMENT ZONE NO. 74 FOR COMMERCIAL/INDUSTRIAL TAX ABATEMENT CONSISTING OF TWO TRACTS OF LAND TOTALING 4.2109 ACRES LOCATED AT 3201 TECHNOLOGY DRIVE, IN THE CITY OF PLANO; ESTABLISHING THE BOUNDARIES OF SUCH ZONE; ORDAINING OTHER MATTERS RELATING THERETO; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Plano, Texas (the "City"), desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone for commercial/industrial tax abatement, as authorized by V.T.C.A. Tax Code Chapter 312 (referred to as the "Property Redevelopment and Tax Abatement Act" or the "Act"); and

WHEREAS, a public hearing before the City Council was set for 1:15 p.m. on the 19th day of December, 2002, such date being at least seven (7) days after the date of publication of the notice of such public hearing; and

WHEREAS, the City held such public hearing after giving written notice of said hearing to all taxing units overlapping the territory inside the proposed reinvestment zone; and

WHEREAS, the City at such hearing invited any interested person or his representative to appear for or against the creation of the reinvestment zone, the boundaries of the proposed reinvestment zone, whether all or part of the territory described in the notice calling such public hearing should be included in such proposed reinvestment zone, and the concept of tax abatement; and

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all matters relating to the creation of the reinvestment zone.

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

Section I. The facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct.

Section II. Definitions. For the purposes of this Ordinance, the following terms and phrases shall have the following meanings ascribed to them:

- a) Improvements - Improvements shall include, for the purpose of establishing eligibility under the Act, any activity at the location, including, but not limited to, new construction.
- b) Taxable Real Property - Taxable real property shall be as defined in the Texas Property Tax Code and shall not include personal property as defined in said code, nor shall it include land.
- c) Taxable Tangible Personal Property - Shall be defined, for purposes of this Ordinance, as tangible personal property, such as office machines and office furnishings, but shall specifically exclude inventory or supplies.
- d) Base Year - The base year for determining increased value shall be the taxable real property value assessed the year in which the agreement is executed.

Section III. The City, after conducting the above-mentioned hearing and having heard such evidence and testimony, has made the following findings and determinations based on the testimony presented to it:

- a) That a public hearing on the adoption of the reinvestment zone has been properly called, held and conducted and that notices of such hearings have been published as required by law and mailed to all taxing units overlapping the territory inside the proposed reinvestment zone; and
- b) That the boundaries of the reinvestment zone should be the area as described in the metes and bounds description attached hereto as Exhibit "A"; and
- c) That creation of the reinvestment zone for commercial/industrial tax abatement with boundaries as described in Exhibit "A" will result in benefits to the City and

to the land included in the zone and the improvements sought are feasible and practical; and

d) That the reinvestment zone as defined in Exhibit "A" meets the criteria for the creation of a reinvestment zone as set forth in Section 312.202 of the Act in that it is "reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the City"; and

e) That the reinvestment zone as defined in Exhibit "A" meets the criteria for the creation of a reinvestment zone as set forth in the City of Plano Revised Policy Statement for Tax Abatement.

Section IV. Pursuant to Section 312.201 of the Act, the City hereby creates a reinvestment zone for commercial/industrial tax abatement encompassing only the area described by metes and bounds in Exhibit "A" attached hereto and such reinvestment zone is hereby designated and shall hereafter be designated as Reinvestment Zone No. 74, City of Plano, Texas.

Section V. The zone shall be effective as of January 1, 2004.

Section VI. To be eligible for tax abatement a commercial/industrial project shall:

- a) Be located wholly within the zone as established herein.
- b) Have a minimum expenditure on real property improvements equal to or greater than \$1,300,000, and a minimum expenditure on personalty equal to or greater than \$50,000.
- c) Not include property that is owned or leased by a member of the City Council of the City of Plano or by a member of the Planning and Zoning Commission.
- d) Conform to the requirements of the City's Zoning Ordinance and all other applicable laws and regulations.
- e) Have and maintain all land located within the designated zone, appraised at market value for tax purposes.

Section VII. Written tax abatement agreement with the Tenant of the Real Property located within the zone shall provide the terms regarding duration of exemption and share of taxable real property and personalty value from taxation as approved hereunder as shown below:

- a) Duration of Exemption – five (5) consecutive tax years beginning with and including the January 1, 2004 assessment date.
- b) Share of taxes abated -- 50% of taxes on total value of appraised real property improvements which are added; and 50% of taxes on total value of personalty.

Section VIII. Any written agreements authorized under this Ordinance must include provisions for:

- a) Listing the kind, number, and location of all proposed improvements of the property;
- b) Access to and inspection of property by municipal employees to ensure that the improvements or repairs are made according to the specification and conditions of the agreements;
- c) Limiting the use of the property consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect; and
- d) Recapturing property tax revenue lost as a result of the agreement if the owner of the property fails to make the improvements or repairs as provided by the agreement.

Section IX. If any portion of this Ordinance shall, for any reason, be declared invalid by any court of competent jurisdiction, such invalidity shall not affect the remaining provisions hereof.

Section X. This Ordinance shall become effective from and after its date of passage.

DULY PASSED AND APPROVED this 19th day of December, 2002.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

EXHIBIT "A"
LEGAL DESCRIPTION
REINVESTMENT ZONE NO. 74
Real Property – Metes and Bounds

TRACT 1

BEING a tract of land situated in the Eli Murphy Survey, Abstract No. 597, and being part of Block 20, Re-Plat of Block 16, 17, 20 and 21, Central Plano Industrial Park Phase III as recorded in Cabinet "F", Page 145, Plat Records of Collin County, Texas, (PRCCT) and being a part of that tract of land described in deed to Argent Plano Realty, L.P., recorded in Volume 4850, Page 1573, Deed Records of Collin County, Texas, (DRCCT), and being more particularly described as follows:

BEGINNING at a found aluminum disk, for the northwest corner of said Block 20, said corner being on the south line of a tract of land described in deed to Dallas Area Rapid Transit Property Acquisition (a variable width railroad right-of-way), as recorded in Volume 3424, Page 126, (DRCCT), said point being the northeast corner of a tract of land described in deed to Property Reserve, Inc., recorded in Doc. No. 93-0108217, (DRCCT);

THENCE South 79 degrees 32 minutes 02 seconds East, along said south line, a distance of 420.22 feet to a 1/2-inch set iron rod with cap stamped "Halff Assoc., Inc.", (hereafter referred to as "with cap") for corner, said corner being at the intersection of said south line with the west line of a 30-foot railroad right-of-way, as recorded in Volume 1444, Page 331, Deed Records of Collin County, Texas, (DRCCT);

THENCE South 65 degrees 08 minutes 39 seconds East, along said west line, a distance of 58.53 feet to a 1/2-inch found iron rod for the point of curvature of a circular curve to the right having a radius of 367.24 feet;

THENCE Southeasterly, continuing along said west line and along said curve, through a central angle of 21 degrees 26 minutes 51 seconds, an arc distance of 137.47 feet to a 1-inch found iron rod for corner, said corner being the most northerly corner of a 0.68-acre tract of land described by deed to Visual Engineering Properties as recorded in Volume 2227, Page 317, (DRCCT);

THENCE South 10 degrees 27 minutes 58 seconds West, along the west line of said 0.68-acre tract, a distance of 252.45 feet to a 1/2-inch set iron rod with cap for corner, said corner being at the intersection of said west line of said 0.68 acre tract and with the north line of Technology Drive (60 feet right-of-way), as recorded by plat in Cabinet F, Page 145, (PRCCT);

THENCE North 79 degrees 32 minutes 02 seconds West, along said north line, a distance of 429.82 feet to a 1/2-inch found iron rod for the point of curvature of a circular curve to the left having a radius of 430.00 feet;

THENCE Westerly, continuing along said north line and along said curve, through a central angle of 10 degrees 15 minutes 05 seconds, an arc distance of 76.94 feet to a 1/2-inch found iron rod with cap for the point of tangency;

THENCE North 89 degrees 47 minutes 07 seconds West, continuing along said north line, a distance of 33.75 feet to a 1/2-inch found iron rod with cap for corner, said corner being the southwest corner of said Block 20, also being the southeast corner of said tract of land described in deed to Property Reserve, Inc.;

THENCE North 00 degrees 12 minutes 53 seconds East, along the west line of said Block 20 and the east line of said Property Reserve, Inc. tract, a distance of 343.35 feet to the POINT OF BEGINNING AND CONTAINING 180,965 square feet or 4.1544 acres of land more or less.

TRACT 2

BEING a tract of land located in the Eli Murphy Survey, Abstract No. 597, and being part of a right-of-way easement for railroad, transportation and communication purposes as described by deed to St. Louis Southwestern Railroad Company of Texas, as recorded in Volume 1444, Page 331, Real Property Records, Collin County, Texas, and being a part of that tract of land described in deed to Argent Plano Realty, L.P., recorded in Volume 4850, Page 1573, Deed Records of Collin County, Texas, (DRCCT), and being more particularly described as follows:

BEGINNING at a 1-inch found iron rod for corner said corner being the most northwesterly corner of a 0.68-acre tract of land described by deed to Visual Engineering Properties as recorded in Volume 2227, Page 317, Deed Records of Collin County, Texas, said corner being on the south line of said railroad right-of-way easement, said point also being the point of curvature of a non-tangent circular curve to the left having a radius of 367.24 feet and a chord that bears North 54 degrees 25 minutes 14 seconds West, a distance of 136.67 feet;

THENCE Northwesterly, along said south line and along said curve, through a central angle of 21 degrees 26 minutes 51 seconds, an arc distance of 137.47 feet to a 1/2-inch found iron rod for the point of tangency;

THENCE North 65 degrees 08 minutes 39 seconds West, continuing along said south line, a distance of 58.53 feet to a 1/2-inch set iron rod with a yellow plastic "Halff Associates, Inc." cap for corner, said corner being on the south line of a tract of land described in deed to Dallas Area Rapid Transit Property Acquisition (a variable width railroad right-of-way), as recorded in Volume 3424, Page 126, (DRCCT);

THENCE South 79 degrees 32 minutes 02 seconds East, departing said south line of said railroad right-of-way easement recorded in Volume 1444, Page 331 and along the south line of said Railroad right-of-way recorded in Volume 3424, Page 126, a distance of 60.59 feet to the point of curvature of a non-tangent circular curve to the right having a radius of 382.24 feet and a chord that bears South 55 degrees 12 minutes 41 seconds East, a distance of 131.53 feet;

THENCE Southwesterly, departing said south line and along said curve, through a central angle of 19 degrees 48 minutes 49 seconds, an arc distance of 132.18 feet to a point for corner;

THENCE South 10 degrees 27 minutes 58 seconds West, a distance of 18.32 feet to the POINT OF BEGINNING AND CONTAINING 2,463 square feet or 0.0565 acres of land more or less.

| | | | | | |
|---|----------------------------------|------------------------------------|--|---|--|
| CITY SECRETARY'S USE ONLY | | | Reviewed by Purchasing | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> Not Applicable |
| <input type="checkbox"/> Consent | <input type="checkbox"/> Regular | <input type="checkbox"/> Statutory | Reviewed by Budget | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Not Applicable |
| Council Meeting Date: | 12/19/02 | | Reviewed by Legal | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> Not Applicable |
| Department: | FINANCE | | | Initials | Date |
| Department Head | John McGrane | | Executive Director | | |
| Dept Signature: | | | City Manager | | |
| Agenda Coordinator (include phone #): | | | Sandy Gaugler X7479 | | (rev. 1/02) |
| ACTION REQUESTED: <input type="checkbox"/> ORDINANCE <input checked="" type="checkbox"/> RESOLUTION <input type="checkbox"/> CHANGE ORDER <input type="checkbox"/> AGREEMENT <input type="checkbox"/> APPROVAL OF BID <input type="checkbox"/> AWARD OF CONTRACT <input type="checkbox"/> OTHER | | | | | |
| CAPTION | | | | | |
| A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN AGREEMENT BY AND BETWEEN THE CITY OF PLANO, TEXAS, THE COUNTY OF COLLIN, THE COLLIN COUNTY COMMUNITY COLLEGE DISTRICT, AND HEMATRONIX, INC., AND PROVIDING FOR A COMMERCIAL/INDUSTRIAL TAX ABATEMENT FOR HEMATRONIX, INC., AND AUTHORIZING ITS EXECUTION BY THE CITY MANAGER, OR IN HIS ABSENCE AN EXECUTIVE DIRECTOR; AND PROVIDING AN EFFECTIVE DATE. | | | | | |
| FINANCIAL SUMMARY | | | | | |
| <input type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP | | | | | |
| FISCAL YEAR: | 2002-03 | Prior Year (CIP Only) | Current Year | Future Years | TOTALS |
| Budget | | 0 | 0 | 0 | 0 |
| Encumbered/Expended Amount | | 0 | 0 | 0 | 0 |
| This Item | | 0 | 0 | 0 | 0 |
| BALANCE | | 0 | 0 | 0 | 0 |
| FUND(S): | | | | | |
| COMMENTS: The fiscal impact of this item is contingent upon the value of improvements made to the property. Currently, the Real Property is estimated to have an approximate taxable value of not less than \$1,300,000. The Business Personal Property is estimated to have an approximate taxable value of not less than \$50,000. The proposed Real Property and Business Personal Property tax abatement on the improvements will begin January 1, 2004 and continue through the year 2008, and will be equal to 50% for five (5) years. | | | | | |
| SUMMARY OF ITEM | | | | | |
| A request by Hematronix, Inc. for a Tax Abatement. Office building - Reinvestment Zone 74. | | | | | |
| List of Supporting Documents: | | | Other Departments, Boards, Commissions or Agencies | | |
| Resolution and Tax Abatement Agreement | | | Joint Committee on Tax Abatement, Collin County, CCCCD | | |

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN AGREEMENT BY AND BETWEEN THE CITY OF PLANO, TEXAS, THE COUNTY OF COLLIN, THE COLLIN COUNTY COMMUNITY COLLEGE DISTRICT, AND HEMATRONIX, INC., AND PROVIDING FOR A COMMERCIAL/INDUSTRIAL TAX ABATEMENT FOR HEMATRONIX, INC., AND AUTHORIZING ITS EXECUTION BY THE CITY MANAGER, OR IN HIS ABSENCE AN EXECUTIVE DIRECTOR; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council has been presented a proposed Tax Abatement Agreement by and between the City of Plano, Texas, the County of Collin, the Collin County Community College District and Hematronix, Inc., a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference (hereinafter called "Agreement"); and

WHEREAS, upon full review and consideration of the Agreement, and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions thereof should be approved, and that the City Manager, or in his absence an Executive Director, shall be authorized to execute it on behalf of the City of Plano.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS:

Section I. The terms and conditions of the Agreement having been reviewed by the City Council of the City of Plano and found to be acceptable and in the best interests of the City of Plano and its citizens, are hereby in all things approved.

Section II. The City Manager, or in his absence an Executive Director, is hereby authorized to execute the Agreement and all other documents in connection therewith on behalf of the City of Plano, substantially according to the terms and conditions set forth in the Agreement.

Section III. This Resolution shall become effective from and after its passage.

DULY PASSED AND APPROVED this the 19th day of December, 2002.

Pat Evans, MAYOR

ATTEST:

Elaine Bealke, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

excluding inventory, supplies, and leased property used within Reinvestment Zone No. 74, which shall be hereinafter referred to as the "Personalty." Personalty is presently estimated to have an approximate taxable value of Fifty Thousand Dollars (\$50,000), and is or will be owned by Owner or its affiliates. Owner shall timely render its personal property value each year to the Central Appraisal District.

~~3.~~ During the term of this Agreement, Owner, as owner of the Personalty, may not relocate, for Purposes of maintaining taxable situs of tangible personal property, the Personalty on the Real Property in other Reinvestment Zones in the City.

JOBS

4. Owner estimates the proposed development of the Real Property as shown in **EXHIBIT "B"** (the "Development") will result in approximately 60 jobs at the Development in Plano when the new building is completed.

IMPROVEMENTS

5. The Owner shall complete construction of improvements and/or repairs to the Real Property (hereinafter referred to as Improvements) consisting primarily of a new office containing not less than 25,000 gross square feet with an initial expenditure of not less than One Million, Three Hundred Thousand Dollars (\$1,300,000) on or before December 31, 2003; provided that Owner shall have such additional time to complete the Improvements as may be required in the event of "force majeure" if Owner is diligently and faithfully pursuing the completion of the Improvements, or if in the reasonable opinion of the City, the Owner has made substantial progress toward completion of the initial phase of the Improvements. For this purpose, "force majeure" shall mean any contingency or cause beyond the reasonable control of Owner including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, governmental or de facto governmental action (unless caused by acts or omissions of Owner), fire, shortages of material and/or labor, explosion or flood, and labor disturbances. The date of completion of the Improvements shall be defined as the date a Certificate of Occupancy is issued by the City of Plano.

6. The Owner agrees and covenants that it will diligently and faithfully in a good and workmanlike manner pursue the substantial completion of the Improvements as a good and valuable consideration of this Agreement. Owner further covenants and agrees that all construction of the Improvements will be in accordance with all applicable federal, state, and local laws and regulations or valid waiver thereof. In further consideration, Owner shall from the date a Certificate of Occupancy is issued until the expiration or termination of this Agreement, operate and maintain the Real Property (or cause the same to be operated and maintained) for the following described purposes: Office building where Owner or its affiliates will initially employ approximately 60 jobs, referred to herein as the "Purposes." For purposes of complying with the 60 jobs requirement of this agreement, a single individual will be designated for each job and a single individual may not perform more than one job.

DEFAULT

7. Any of the following events shall be deemed a breach of this Agreement resulting in default:
- (a) The Improvements are not completed in accordance with this Agreement;
 - (b) Owner allows its real or personal property taxes owed the City or Taxing Units on the Real Property, Improvements, or Personalty to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of any such ad valorem taxes;
 - (c) Owner fails to occupy the Improvements for the Purposes set forth in paragraph 6 above on or before February 15, 2003; or
 - (d) The value of the Improvements to Real Property and the value of Personalty placed on the improved Real Property on December 31, 2003 and maintained on the Real Property during the term of this Agreement is less than the minimum amounts set forth in paragraphs 2 and 5 above; or
 - (e) Owner fails to fulfill at least 75% of its job creation commitment as provided in paragraph 4 above; or
 - (f) Owner fails to provide annual certification as required in paragraph 10 below.

8. In the event that the Owner defaults under this Agreement then the City or Taxing Units shall give the Owner written notice of such default and if the Owner has not cured such default, or obtained a waiver thereof from the appropriate authority, within sixty (60) days of said written notice, this Agreement may be terminated by the City and Taxing Units. Notice shall be in writing as provided below. Upon the occurrence of an event of default other than under Paragraph 7(b) above and after Owner fails to cure same in accordance herewith, this Agreement shall immediately terminate with respect to the tax abatements attributable to the Improvements and/or Personalty and all taxes due after the event of default shall be paid in full without the benefit of any abatement. The parties acknowledge that actual damages in the event of default and termination would be speculative and difficult to determine.

9. Upon the occurrence of an event of default under Paragraph 7(b) above and after Owner fails to cure such default within sixty (60) days of receipt of written notice, this Agreement shall immediately terminate with respect to the tax abatements attributable to the Improvements and/or Personalty and all taxes, including previously abated taxes which would have been paid to the City and Taxing Units without the benefit of this Agreement, shall become due and owing to the City and Taxing Units, together with interest charged from the date of this Agreement at the statutory rate for delinquent taxes as determined by V.T.C.A., Tax Code § 33.01, but without the addition of penalty other than that mandated by V.T.C.A., § 33.01 or 33.07.

ANNUAL CERTIFICATION

10. On or before the 1st day of November of each calendar year during the term of this Agreement, the Owner, or its successors or assigns, must provide annual certification (substantially in the form attached as **EXHIBIT "C"** hereto) to the Governing Body of the City certifying compliance with each applicable term of the Agreement.

ASSIGNMENT

11. The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. This Agreement cannot be assigned by Owner unless written permission is first granted by the City and Taxing Units, which permission shall be at the reasonable discretion of the City and Taxing Units, except under the following conditions:

(a) Assignment to an affiliate of Owner is permissible;

(b) A transfer or assignment of the Real Property and Improvements, or an assignment of this Agreement, by Owner to successors or assigns is permissible wherein the successors or assigns agree to be bound by the terms of this Agreement.

However, Owner agrees to give written notice to the City and Taxing Units of any assignment or transfer of interest allowed pursuant to subparagraphs (a) and (b) thereof.

ABATEMENT PROVISIONS

12. Subject to the terms and conditions of this Agreement, and subject to the rights of holders of any outstanding bonds of the City and Taxing Units, a portion of ad valorem real and personal property taxes from the Improvements and Personalty otherwise owed to the City and taxing Units shall be abated as follows:

(a) The tax abatements as to the Improvements and Personalty, as provided for herein, shall be for a period of five (5) tax years, from January 1, 2004, through December 31, 2008.

(b) In accordance with all applicable federal, state, and local laws and regulations, the abatement shall be based on amounts equal to fifty percent (50%) of the value of the Improvements and fifty percent (50%) of the Personalty for each tax year from January 1, 2004, through December 31, 2008.

(c) The Owner shall have the right to protest and/or contest any assessment of the Improvements or Personalty, and the abatement shall be applied to the amount of taxes finally determined to be due as a result of any such protest and/or contest.

NOTICE

13. Notices required to be given to any party to this Agreement shall be given personally or by registered or certified mail, return receipt requested, postage prepaid, addressed to the party at its address as set forth below, and, if given by mail, shall be deemed delivered as of the date deposited in the United States mail:

For City by notice to:

City of Plano
Attention: Mr. Thomas H. Muehlenbeck
City Manager
P.O. Box 860358
Plano, Texas 75086-0358

For Taxing Units by notice to:

County of Collin, Texas
Attention: The Honorable Ron Harris
County Judge
Collin County Commissioners Court
210 S. McDonald, Ste. 626
McKinney, Texas 75069

Collin County Community College District
Attention: Dr. Cary A. Israel
President of Board of Trustees
4800 Preston Park Blvd.
Plano, Texas 75093

For Owner by notice to:

Hematronix, Inc.
ATTN: Mr. William C. Buxbaum, President
3201 Technology Drive
Plano, Texas 75074

Any party may change the address to which notices are to be sent by giving the other parties written notice in the manner provided in this paragraph.

MISCELLANEOUS PROVISIONS

14. The Owner further agrees that the City and Taxing Units, their agents and employees, shall have reasonable right (upon reasonable prior notice to Owner) to access the Real Property to inspect the Improvements and Personalty in order to insure that the construction of the Improvements and locations of the Personalty are in accordance with this Agreement and all applicable federal, state, and local laws and regulations. After completion of the Improvements, City and Taxing Units shall have the continuing right (upon reasonable prior notice to Owner) to inspect the Improvements and Personalty to insure that they are thereafter maintained, operated and occupied in accordance with this Agreement.

15. It is understood and agreed between the parties that the Owner, in performing their obligations hereunder, are acting independently, and the City and Taxing Units assume no responsibilities or liabilities in connection therewith to third parties and Owner agrees to indemnify and hold harmless City and Taxing Units from any and all claims, suits, and causes of actions, including attorneys' fees, of any nature whatsoever arising out of Owner's default of their obligations hereunder.

16. The City and the Taxing Units each represent and warrant that the Improvements and Personalty do not include any property that is owned by a member of their respective councils or boards, agencies, commissions, or other governmental bodies approving, or having responsibility for the approval of this Agreement.

17. This Agreement was authorized by Resolution of the City Council at its Council meeting on the 19th day of December, 2002, authorizing the City Manager to execute the Agreement on behalf of the City.

18. This Agreement was authorized by the minutes of the Commissioners Court of Collin County, Texas, at its meeting on the ___ day of _____, 2003, whereupon it was duly determined that the County Judge would execute the Agreement on behalf of Collin County.

19. This Agreement was authorized by the Board Minutes of the Board of Trustees of Collin County Community College District at its Board Meeting on the ___ day of _____, 2003, whereupon it was duly determined that the Chairman would execute the Agreement on behalf of Collin County Community College District.

20. This Agreement was entered into by Owner pursuant to authority granted by its Board of Directors whereby the President of the Owner is authorized to execute contracts on behalf of Owner.

21. This instrument shall constitute a valid and binding agreement between the City and Owner when executed in accordance herewith, regardless of whether any other **TAXING UNIT**

executes this Agreement. This shall constitute a valid and binding Agreement between such **TAXING UNITS** and Owner when executed on behalf of said parties, for the abatement of such **TAXING UNIT's** taxes in accordance therewith.

22. Severability. If any term or provision of this Agreement shall, to any extent, be invalid or unenforceable, the remainder of this Agreement (or the application of such term or provision, to persons or circumstances other than those in respect of which it is invalid or unenforceable) except those terms or provisions, which are made subject to or conditioned upon such invalid or unenforceable term or provision, shall not be affected thereby, and each other term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

This Agreement is performable in Collin County, Texas. Signed this 19th day of December, 2002.

ATTEST: CITY OF PLANO, TEXAS, a home rule municipal corporation

Elaine Bealke, CITY SECRETARY

Thomas H. Muehlenbeck, CITY MANAGER

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY

ATTEST:

COMMISSIONERS COURT OF COLLIN COUNTY

COUNTY JUDGE

ATTEST:

COLLIN COUNTY COMMUNITY COLLEGE
DISTRICT

CHAIRMAN

ATTEST:

HEMATRONIX, INC., a Texas corporation

By: _____

Name: William C. Buxbaum, President

EXHIBIT "A"
LEGAL DESCRIPTION
REINVESTMENT ZONE NO. 74
Real Property -- Metes and Bounds

TRACT 1

BEING a tract of land situated in the Eli Murphy Survey, Abstract No. 597, and being part of Block 20, Re-Plat of Block 16, 17, 20 and 21, Central Plano Industrial Park Phase III as recorded in Cabinet "F", Page 145, Plat Records of Collin County, Texas, (PRCCT) and being a part of that tract of land described in deed to Argent Plano Realty, L.P., recorded in Volume 4850, Page 1573, Deed Records of Collin County, Texas, (DRCCT), and being more particularly described as follows:

BEGINNING at a found aluminum disk, for the northwest corner of said Block 20, said corner being on the south line of a tract of land described in deed to Dallas Area Rapid Transit Property Acquisition (a variable width railroad right-of-way), as recorded in Volume 3424, Page 126, (DRCCT), said point being the northeast corner of a tract of land described in deed to Property Reserve, Inc., recorded in Doc. No. 93-0108217, (DRCCT);

THENCE South 79 degrees 32 minutes 02 seconds East, along said south line, a distance of 420.22 feet to a 1/2-inch set iron rod with cap stamped "Halff Assoc., Inc.", (hereafter referred to as "with cap") for corner, said corner being at the intersection of said south line with the west line of a 30-foot railroad right-of-way, as recorded in Volume 1444, Page 331, Deed Records of Collin County, Texas, (DRCCT);

THENCE South 65 degrees 08 minutes 39 seconds East, along said west line, a distance of 58.53 feet to a 1/2-inch found iron rod for the point of curvature of a circular curve to the right having a radius of 367.24 feet;

THENCE Southeasterly, continuing along said west line and along said curve, through a central angle of 21 degrees 26 minutes 51 seconds, an arc distance of 137.47 feet to a 1-inch found iron rod for corner, said corner being the most northerly corner of a 0.68-acre tract of land described by deed to Visual Engineering Properties as recorded in Volume 2227, Page 317, (DRCCT);

THENCE South 10 degrees 27 minutes 58 seconds West, along the west line of said 0.68-acre tract, a distance of 252.45 feet to a 1/2-inch set iron rod with cap for corner, said corner being at the intersection of said west line of said 0.68 acre tract and with the north line of Technology Drive (60 feet right-of-way), as recorded by plat in Cabinet F, Page 145, (PRCCT);

THENCE North 79 degrees 32 minutes 02 seconds West, along said north line, a distance of 429.82 feet to a 1/2-inch found iron rod for the point of curvature of a circular curve to the left having a radius of 430.00 feet;

THENCE Westerly, continuing along said north line and along said curve, through a central angle of 10 degrees 15 minutes 05 seconds, an arc distance of 76.94 feet to a 1/2-inch found iron rod with cap for the point of tangency;

THENCE North 89 degrees 47 minutes 07 seconds West, continuing along said north line, a distance of 33.75 feet to a 1/2-inch found iron rod with cap for corner, said corner being the southwest corner of said Block 20, also being the southeast corner of said tract of land described in deed to Property Reserve, Inc.;

THENCE North 00 degrees 12 minutes 53 seconds East, along the west line of said Block 20 and the east line of said Property Reserve, Inc. tract, a distance of 343.35 feet to the POINT OF BEGINNING AND CONTAINING 180,965 square feet or 4.1544 acres of land more or less.

TRACT 2

BEING a tract of land located in the Eli Murphy Survey, Abstract No. 597, and being part of a right-of-way easement for railroad, transportation and communication purposes as described by deed to St. Louis Southwestern Railroad Company of Texas, as recorded in Volume 1444, Page 331, Real Property Records, Collin County, Texas, and being a part of that tract of land described in deed to Argent Plano Realty, L.P., recorded in Volume 4850, Page 1573, Deed Records of Collin County, Texas, (DRCCT), and being more particularly described as follows:

BEGINNING at a 1-inch found iron rod for corner said corner being the most northwesterly corner of a 0.68-acre tract of land described by deed to Visual Engineering Properties as recorded in Volume 2227, Page 317, Deed Records of Collin County, Texas, said corner being on the south line of said railroad right-of-way easement, said point also being the point of curvature of a non-tangent circular curve to the left having a radius of 367.24 feet and a chord that bears North 54 degrees 25 minutes 14 seconds West, a distance of 136.67 feet;

THENCE Northwesterly, along said south line and along said curve, through a central angle of 21 degrees 26 minutes 51 seconds, an arc distance of 137.47 feet to a 1/2-inch found iron rod for the point of tangency;

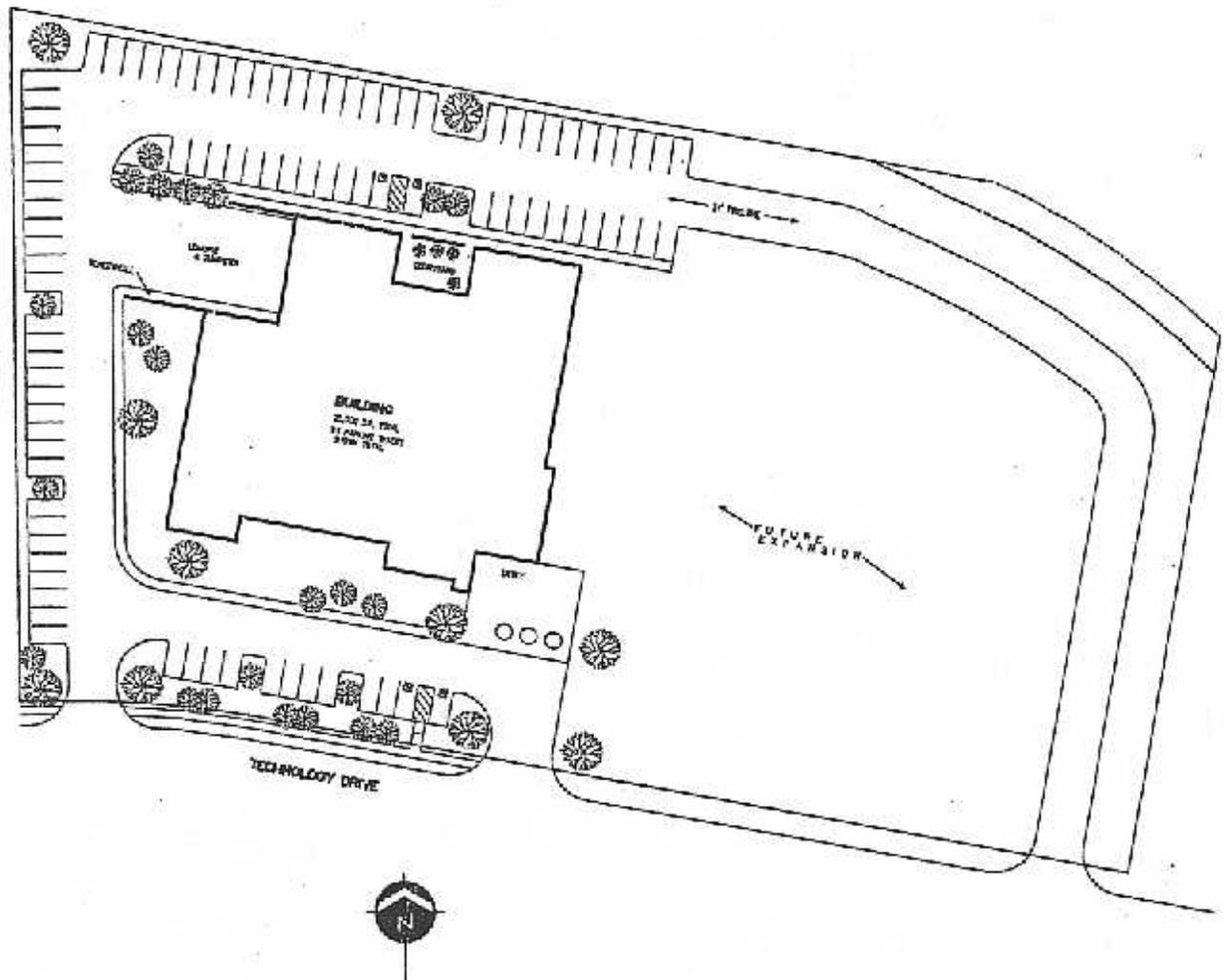
THENCE North 65 degrees 08 minutes 39 seconds West, continuing along said south line, a distance of 58.53 feet to a 1/2-inch set iron rod with a yellow plastic "Halff Associates, Inc." cap for corner, said corner being on the south line of a tract of land described in deed to Dallas Area Rapid Transit Property Acquisition (a variable width railroad right-of-way), as recorded in Volume 3424, Page 126, (DRCCT);

THENCE South 79 degrees 32 minutes 02 seconds East, departing said south line of said railroad right-of-way easement recorded in Volume 1444, Page 331 and along the south line of said Railroad right-of-way recorded in Volume 3424, Page 126, a distance of 60.59 feet to the point of curvature of a non-tangent circular curve to the right having a radius of 382.24 feet and a chord that bears South 55 degrees 12 minutes 41 seconds East, a distance of 131.53 feet;

THENCE Southwesterly, departing said south line and along said curve, through a central angle of 19 degrees 48 minutes 49 seconds, an arc distance of 132.18 feet to a point for corner;

THENCE South 10 degrees 27 minutes 58 seconds West, a distance of 18.32 feet to the POINT OF BEGINNING AND CONTAINING 2,463 square feet or 0.0565 acres of land more or less.

EXHIBIT "B"
THE DEVELOPMENT
REINVESTMENT ZONE NO. 74



2-14

2-15

