

August 8, 2000

AGENDA ITEM 22

Discuss and take appropriate action regarding tax abatement for Sulzer Biologic, Inc.

Commissioner Boatright informed the court this is a 5-year, 100% abatement the first year, 80% abatement the second year, 60% abatement the third year, 40% abatement the fourth year and 20% abatement the fifth year on a new facility in the City of Cedar Park to be located west of the intersection of Parmer Lane and Ranch Road 1431, for Sulzer Biologic, Inc.

Moved: Commissioner Boatright

Seconded: Commissioner Heiligenstein

Motion: To approve five year tax abatement for Sulzer Biologic Inc. in Cedar Park.

Vote: Motion carried 5 - 0

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THE STATE OF TEXAS :
:
COUNTY OF WILLIAMSON :

TAX ABATEMENT AGREEMENT

This Tax Abatement Agreement ("Agreement") is entered into by and between WILLIAMSON COUNTY, TEXAS, (the "County") duly acting herein by and through its County Judge, and SULZER BIOLOGICS INC., hereinafter referred to as "Owner".

RECITALS

WHEREAS, the City of Cedar Park (the "City") has, or soon will, adopt an Ordinance granting Owner a tax abatement pursuant to Chapter 312 of the Texas Tax Code; and

WHEREAS, the contemplated use of the Premises (as hereinafter defined) and Improvements (as hereinafter defined) as well as the terms of this Agreement are consistent with encouraging development in said County in compliance with the requirements of Chapter 312 of the Texas Tax Code; and

WHEREAS, the Improvements constitute a major investment that will substantially increase the appraised value of property within the City and the County and will contribute to the retention or expansion of primary and secondary employment within the County; and

WHEREAS, the County finds that there will be no substantial adverse effects on the provision of governmental services or on their tax bases and that the planned use of the Premises will not constitute a hazard to public safety, health, or welfare, NOW THEREFORE, the parties hereto do mutually agree as follows:

1. Property subject to Agreement. The property to be the subject of this Agreement shall be that property which is more fully described in Exhibit "A" which is made a part hereof and shall be hereinafter referred to as the "Premises."

2. Construction of Improvements. This tax abatement is expressly contingent upon the Owner improving the Premises by constructing a plant and equipping the plant with personal property it deems necessary to operate the plant, with total expenditures for plant and equipment to be at least \$25,000,000, and to be substantially complete by December 31, 2003. Owner shall have an additional amount of time to complete construction in the event that any completion obligations are impeded by any "force majeure". For this purpose, "force majeure" shall mean any act of God, civil

commotion, governmental or de facto governmental action, fire, explosion, or strike unless caused by acts or omissions of the Owner or any affiliate thereof. "Force majeure" shall also include any delay in equipping the plant with any personal property to the extent that the personal property consists of Specialized Equipment, and to the extent that such delay is not caused by acts or omissions of the Owner. "Specialized Equipment" refers to unique and specially manufactured tangible personal property that is purchased by the Owner from an unrelated party for installation and operation on the Property.

3. Completion of Improvements. The Owner agrees and covenants that it will diligently and faithfully in a good and workmanlike manner pursue the 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 state and local laws and regulations or valid waiver thereof. In further consideration, Owner shall thereafter, from the date a Certificate of Occupancy is issued until the expiration of this Agreement, continuously operate and maintain the Premises as a hotel facility.

4. Provision of jobs. The Owner agrees and covenants that it will provide and/or retain at least the number of jobs on the Premises from the completion date of the Improvements throughout the term of this Agreement according to the following schedule:

Date	Total
On December 31, 2003	50
On December 31, 2004	100
On December 31, 2005	150
On December 31, 2006	200
On December 31, 2007	250
On December 31, 2010	300

The Owner shall provide to the County annual manpower reports within sixty (60) days following the end of each calendar year.

5. Portion of taxes abated. Subject to the terms and conditions of this Agreement, and subject to the rights of the holders of any outstanding bonds of the County, a portion of ad valorem real property taxes from the Premises otherwise owed to the County shall be abated. County hereby acknowledges that they are not aware of any terms or conditions of any outstanding bonds which would invalidate this Agreement. Said abatement shall be an amount equal to the below-stated percentages assessed upon the increased value of the Premises and Improvements over the value in the year in which this Agreement is executed, in accordance with the terms of this Agreement and all applicable state and local regulations. The percentage of abatements are as follows:

Tax Year 2001	100% ^{jud} abatement
Tax Year 2002	80% ^{jud} abatement
Tax Year 2003	60% ^{jud} abatement
Tax Year 2004	40% ^{jud} abatement
Tax Year 2005	20% ^{jud} abatement

These abatements shall be for five (5) tax years beginning 2001.

6. Right of inspection. The Owner further agrees that the County, its agents and employees shall have the right to enter upon the Premises at any reasonable time to inspect the Improvements in order to determine whether the construction of the Improvements is in accordance with this Agreement and all applicable Federal, state, and local laws, ordinances, and regulations or valid waiver thereof. After completion of the Improvements, the County shall have the continuing right to enter upon and inspect the Premises at any reasonable time to determine whether the Premises are thereafter maintained and operated in accordance with this Agreement and all applicable Federal, state, and local laws, ordinances, and regulations. If the County determines that a violation of a Federal, state or local law, ordinance or regulation exists on the Premises, the County may, in addition to any other authorized enforcement action, provide to the Owner written notice of such violation. For the purposes of this Agreement, the Owner shall have ten (10) days from the date of the notice to cure or remedy such violation. If the Owner fails or refuses to cure or remedy the violation within the ten (10) day period, the Owner is subject to the forfeiture, at the discretion of the County, of any right to any tax abatement for a portion of the period or the entire period covered by this Agreement. In addition, the failure or refusal to cure or remedy the aforesaid violation shall be considered a default of this Agreement under paragraph 7.

7. Events of default. In the event that (1) the Improvements for which an abatement has been granted are not completed in accordance with this Agreement or (2) Owner allows its ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of any such ad valorem taxes; or (3) Owner breaches any of the terms or conditions of this Agreement, then this Agreement shall be in default. In the event that the Owner defaults in its performance of (1), (2), or (3) above, then the County shall give the Owner written notice of such default and if the Owner has not cured such default within thirty (30) days of said written notice, this Agreement may be terminated by the County by written notice to Owner. Such notice shall be in writing and shall be delivered by personal delivery or certified mail to:

Sulzer Biologics Inc.
Attn: Jerry Marlar, President
9900 Spectrum Drive
Austin, Texas 78717

and

Sulzer Medica USA Inc.
Attn: General Counsel
3 East Greenway Plaza, Suite 1600
Houston, Texas 77046

As liquidated damages in the event of default and in accordance with Section 312.205, Tax Code, V.A.T.S., as amended, all taxes which otherwise would have been paid to the County without the benefit of abatement (without the addition of penalty, but interest will be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Tax Code) shall become a debt owed by Owner to the County and shall be due, owing and paid to the County within sixty (60) days of the expiration of the above mentioned applicable cure period. The County shall have all remedies for the collection of the recaptured tax revenue as provided generally in the Tax Code for the collection of delinquent property taxes.

8. Agricultural land. It is understood and agreed by the County and the Owner that if the Premises have been designated and taxed as agricultural land pursuant to Chapter 23, Subchapter C, Tax Code, V.A.T.S., this Agreement shall not be effective and no abatement will be granted until Owner has removed the agricultural use designation and all taxes due pursuant to Section 23.55, Tax Code, V.A.T.S., as amended, (roll back taxes) have been paid.

9. Authorizations.

a) County. This Agreement was authorized by Action of the County Commissioners at its regularly scheduled meeting on the _____ day of _____, 2000, authorizing the County Judge to execute the Agreement on behalf of the County.

b) SULZER BIOLOGICS INC. This Agreement was authorized by SULZER BIOLOGICS INC. pursuant to authority granted by its Board of Directors on the ____th day of _____, 2000.

10. Miscellaneous provisions.

a) County representations. The County represents and warrants that the Premises do not include any property that is owned by a member of their respective boards, agencies, commissions, or other governmental bodies approving, or having responsibility for the approval of, this Agreement.

b) Agreement binds successors. The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto.

c) Assignment. This Agreement cannot be assigned by Owner unless written permission is first granted by the County, which permission shall not be unreasonably withheld; provided however, Owner may assign its rights under this Agreement to an entity which is wholly owned by Owner. No assignment shall be approved if the assignor or assignee are indebted to the County for ad valorem taxes, sales taxes or other obligations.

d) Owner acting independently. It is understood and agreed between the parties that the Owner, in performing its obligations hereunder, is acting independently, and the County assumes no responsibilities or liabilities in connection therewith to third parties.

e) Owner's Indemnity. During the term of this Agreement, Owner agrees to indemnify and hold County harmless from any and all kinds of claims, losses, damages, injuries, suits, or judgments which may accrue to Owner, County, or third parties arising out of this Agreement.

f) Venue. This Agreement is performable in Williamson County, Texas, and venue for any suit arising hereunder shall be in Williamson County, Texas.

WILLIAMSON COUNTY, TEXAS

John C. Doerfler 8-8-00
JOHN DOERFLER, County Judge

SULZER BIOLOGICS INC.

By: _____
ITS: _____

EXHIBIT "A"
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Property Description

6.



AGENDA ITEM 23

Discuss and take appropriate action regarding request from Board. of Directors of Ranch at Cypress Creek MUD designating portions of Sun Chase Boulevard. As "no parking" and "tow away" zones, which may include setting date for public hearing.

Commissioner Boatright advised this property is located beside Elizabeth Milburn Park where athletic field practice and games parking is causing a hazardous situation on the only street accessing Cypress Creek Ranch. A portion of this street is located within the city limits, but not the portion being discussed here today.

Moved: **Commissioner Boatright**

Seconded: **Commissioner Hays**

Motion: To approve Unified Road System advertising 10 o'clock a.m. September 5, 2000, for public hearing on portions of Sun Chase Boulevard located in Williamson County being designated as "no parking" and "tow away" zones.

Vote: Motion carried 5 – 0

AGENDA ITEM 24

Consider rescinding motion of July 11, 2000, pertaining to transfer of fixed assets from Constable Precinct 4 to Juvenile Services.

Moved: **Commissioner Hays**

Seconded: **Commissioner Limmer**

Motion: To rescind motion on Agenda Item 33 of the meeting of July 11, 2000, approving transfer of 1989 and 1990 Chevrolets from Constable Precinct 4 to Juvenile Services.

Vote: Motion carried 5 – 0

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AGENDA ITEM 33

Consider approving transfer of the following fixed assets from Constable Precinct #4 to Juvenile Services:

(1) 1989 Chevrolet 1G1BL5172KR208414

(2) 1990 Chevrolet 1G1BL54701R12382

Moved: Judge Doerfler

Seconded: **Commissioner Hays**

Motion: To approve transfer of the following fixed assets from Constable Precinct #4 to Juvenile Services:

(1) 1989 Chevrolet 1G1BL5172KR208414

(1) 1990 Chevrolet 1G1BL54701R12382

Vote: Motion carried 4 – 0

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CHANGE OF FIXED ASSET STATUS

DATE 4-19-00

THE FOLLOWING FIXED ASSET IS TO BE: (Circle One) :

TRANSFERRED

SOLD

DISPOSED

FIXED ASSET

Quantity	Description	Model	Serial #
1	1989 CHEVROLET SEDAN	1G1BL5172KR	208414
1	1990 CHEVROLET SEDAN	1G1BL54701R	12382

FROM (Transferor): CONSTABLE PCT 4

TO (Transferee): WILLIAMSON COUNTY JUVENILE SERVICES

The Transferor requests that this fixed asset be removed from the inventory for his/her office and placed in the inventory for the Transferee's office as of the date shown above.

John C. Doerfler
Transferor - Elected Official/Department Head

John C. Doerfler
Transferee - Elected Official/Department Head

approved 7-11-00
John C. Doerfler