

AGENDA ITEM 44

Consider approving a request for waiver from Chatsworth Products for head count portion of tax abatement agreement.

Moved: **Commissioner Hays**

Seconded: **Judge Doerfler**

Motion: To approve a request for waiver from Chatsworth Products for the head count portion of the tax abatement agreement.

Vote: 4 - 0

< Attachment >



CHATSWORTH
PRODUCTS, INC.

Georgetown Facility
3004 S. AUSTIN AVENUE
GEORGETOWN, TX 78626-7536
512-863-7800 FAX 512-869-1374

*An Employee
Owned Corporation*

*Corporate Office: Westlake Village, CA
Operations Facilities:
Chatsworth, CA • New Bern, NC
New Castle, IN • Georgetown, TX*

May 31, 2002

The Honorable John C. Doerfler & Members of the Williamson County
Commissioner's Court
710 Main Street
Georgetown, TX 78626

RE: Chatsworth Products, Inc. Property Tax Abatement

Dear Judge Doerfler and Commissioners:

The purpose of this letter is to request a waiver of the headcount requirement in the abatement agreement between Chatsworth Products, Inc. and Williamson County. A waiver has already been granted by the City of Georgetown per a May 14, 2002 vote by members of the Georgetown City Council. (Please see enclosed copy of letter from City of Georgetown.)

Chatsworth Products, Inc. (CPI) signed an agreement with Williamson County and the City of Georgetown (excluding Georgetown ISD) on October 22, 1996, which abated our real property taxes for a period of 7 years beginning with the tax year 1998 (100% abatement 1998-2002; 50% 2003-2004). The agreement stated that CPI would employ 100 people at our Georgetown facility by the fourth quarter of 2000, and maintain this headcount throughout the abatement period. The purpose of the abatement, as stated in the agreement, was "to encourage redevelopment of the property in the Reinvestment Zone".

By December 2000, CPI-Georgetown's official payroll had grown to 180 employee/owners. Unfortunately, due to the downturn in the general economy in early 2001 and an even more severe downturn in the I.T. and telecommunications industries that we serve, our company faced the unpleasant necessity of its first ever reduction in workforce in July of 2001. At that time, each of our 5 operating units and our corporate office reduced their headcount in order to align our cost structure to the significant reduction in industry demand for our products. As of the October

2001 reporting date, CPI-Georgetown's official headcount had been reduced to 93, thus causing us to marginally fall out of compliance with the abatement agreement.

Due to the continued slowness in the overall economic recovery, CPI-Georgetown has not yet been able to increase its headcount above what was reported in October 2001. However, as a result of a recent decision to adjust CPI's overall company-wide manufacturing capacity by closing its Indiana operating unit and significantly reducing the scope of its Northern California operating unit, we fully expect to gradually increase the headcount at our CPI-Georgetown operating unit over the next several months. Production equipment and product lines will be transferred from Indiana to Georgetown over the next 60 days.

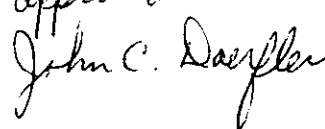
As you can see, for a 100% Employee-Owned Corporation, Chatsworth Products has had to make some very difficult decisions to be able to protect the jobs of those employee/owners who will remain with the company. However, the local Georgetown operating unit, the City of Georgetown and Williamson County will benefit by CPI's decision to concentrate more of its company-wide production capability in the Georgetown community.

Therefore, we respectfully request that Williamson County also grant a waiver for the current out of compliance condition of the headcount portion of our abatement agreement.

Sincerely,



Larry Renaud
General Manager
Chatsworth Products, Inc.
3004 South Austin Avenue
Georgetown, TX 78626
512-868-6012
lrenaud@chatsworth.com

approved 6-11-02


cc: Joe Pondrom, Chief Deputy, Williamson County Tax Assessor/Collector

Micki Rundell, Director of Finance & Administration, City of Georgetown

Laura Parsons, Accounting Manager, CPI-Georgetown

COMMISSIONERS' COURT ADJOURNED TO EXECUTIVE SESSION AT 10:43 A.M. ON TUESDAY, JUNE 11, 2002.

AGENDA ITEM 45

Discuss personnel matters (EXECUTIVE SESSION as per VTCA Govt. Code sec. 551.074 pertaining to personnel.)

No action was taken in Executive Session.

AGENDA ITEM 46

Discuss real estate (EXECUTIVE SESSION as per VTCA Govt. Code sec. 551.071 consultation with attorney.)

No action was taken in Executive Session.

COMMISSIONERS' COURT RECONVENED FROM EXECUTIVE SESSION AT 12:42 P.M. ON TUESDAY, JUNE 11, 2002.

AGENDA ITEM 47

Discuss and take appropriate action on real estate.

No action was taken on this agenda item.

AGENDA ITEM 48

Discuss and take appropriate action on contract with John Behrens for right of way on Parmer Lane.

Moved: **Commissioner Boatright**

Seconded: **Commissioner Hays**

Motion: To authorize Charlie Crossfield to close on the Witbeck tract, the Behrens tract, and the Williams tract.

Vote: 4 - 0

AGENDA ITEM 49

Discuss and take appropriate action on contract with John Van Witbeck for right of way on Parmer Lane.

Moved: **Commissioner Boatright**

Seconded: **Commissioner Hays**

Motion: To authorize Charlie Crossfield to close on the Witbeck tract, the Behrens tract, and the Williams tract.

Vote: 4 - 0

AGENDA ITEM 50

Discuss and take appropriate action on contract with the Williams Family Trust for right of way on Parmer Lane.

Moved: **Commissioner Boatright**

Seconded: **Commissioner Hays**

Motion: To authorize Charlie Crossfield to close on the Witbeck tract, the Behrens tract, and the Williams tract.

Vote: 4 - 0

AGENDA ITEM 51

Receive briefing from council and consider accepting, rejecting, or making a counteroffer or other appropriate action in response to a settlement offer regarding CR 272 (Parmer Lane extension), parcels 151 and 151SE. (Cindy McCoy, owner).

No action was taken on this agenda item, which will be added to the June 25, 2002 agenda.

AGENDA ITEM 52

Comments from commissioners.

There were no comments from commissioners.

COMMISSIONERS' COURT ADJOURNED AT 12:43 P.M. ON TUESDAY, JUNE 11, 2002.