



**NOTICE OF REGULAR MEETING
SEALY CITY COUNCIL
CITY COUNCIL CHAMBERS
415 MAIN STREET
SEALY, TX 77474
TUESDAY, NOVEMBER 4, 2025
6:00 P.M.**

Notice is hereby given of a Meeting of the City Council of Sealy to be held on the abovementioned date, time, and location for the purpose of considering the following agenda items. All agenda items are subject to action. The City Council reserves the right to meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

A. Call to Order

B. Invocation and Pledges of Allegiance

C. Roll Call and Certification of a Quorum

D. Petition(s) and Public Comments

Comments may not be addressed to or at individuals and are limited to three minutes per speaker; however, if a large quantity of individuals has registered to speak, the time may be reduced. Speakers may not poll the council members or attendees.

E. Business

1. Discussion and Possible Action on an Ordinance Designating an Area as The Sealy Sika Tax Abatement Reinvestment Zone No. 1. Pursuant to Texas Tax Code, Chapter 312. (*Second of two readings*)
2. Discussion and Possible Action on a Resolution of the City Council of the City of Sealy, Texas, Granting a Request for Tax Abatement Relief and Approving a Chapter 312 Tax Abatement Agreement Between The City of Sealy, Texas and Sika Corporation for Property Located within The Sealy Sika Tax Abatement Reinvestment Zone No. 1.; and Authorizing The Mayor to Execute The Tax Abatement Agreement; Providing for Severability; And Providing an Effective Date.

Name of property owner and applicant for Tax Abatement Agreement: Sika Corporation.

Name and location of the reinvestment zone in which the property subject to the Agreement: Sealy Sika Tax Abatement Reinvestment Zone No. 1; 3000 FM 3538 Sealy, Texas 77474.

A general description of the nature of the improvements or repairs included in the Agreement: An approximate 112,500 square foot facility to manufacture roofing membrane.

The estimated costs of the improvements or repairs. Improvements estimated to be \$23,000,000. Tangible Personal Property is estimated to be \$77,000,000 (total: \$100,000,000).

F. Adjourn

CERTIFICATION

I, Sandra Vrabec, City Secretary of the City of Sealy, do hereby certify that the above notice of the City of Sealy, Texas, City Council, was posted in a place convenient to the general public (and the City's website) in compliance with Chapter 551, of the Texas Government Code, and at least 30 days before the scheduled time of the meeting.



Sandra Vrabec, City Secretary

E. BUSINESS

ITEM #1

ORDINANCE NO. 2025-_____

AN ORDINANCE OF THE CITY OF SEALY, TEXAS, DESIGNATING AN AREA AS A REINVESTMENT ZONE KNOWN AS THE "SEALY SIKI TAX ABATEMENT REINVESTMENT ZONE NO. 1" FOR PURPOSES OF COMMERCIAL/INDUSTRIAL TAX ABATEMENT; MAKING NECESSARY FINDINGS OF FACTS; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

* * * * *

WHEREAS, the City Council of the City of Sealy, Texas, ("City") desires to make available tax abatement relief in the area designated by this Ordinance to encourage new commercial/industrial development, the creation of primary employment, and to attract major economic investment to the area; and

WHEREAS, the City previously elected to become eligible to participate in tax abatement pursuant to the Property Redevelopment and Tax Abatement Act, Tex. Tax Code Chapter 312, Section 312.002(a); and

WHEREAS, the City also adopted guidelines and criteria governing tax abatement agreements pursuant to the Tex. Tax Code Sec. 312.002(a) and (c); on or about May 29, 2025; and

WHEREAS, the City properly complied with the notice requirements pursuant to Section 312.201(d) and conducted a public hearing during its duly noticed public meeting held on Tuesday, October 21, 2025, at 6:00 p.m., regarding the designation of an area identified in the attached Exhibit "A" as a reinvestment zone for commercial/industrial tax abatement purposes (an approximate 40-acre tract of land located on or near 3000 FM 3538, Sealy, Texas 77474- a new parcel ID will be assigned for Tax Abatement purposes); and

WHEREAS, the City Council finds that the improvements sought within the designated reinvestment zone are feasible and practical and would be a benefit to the land to be included in the zone and to the municipality after the expiration of a tax abatement agreement pursuant to Tex. Tax Code Sec. 312.201(d); and

WHEREAS, the City Council finds that the designation of the reinvestment zone is reasonably likely to contribute to the retention or expansion of primary employment or to attract major investment in such reinvestment zone that will be a benefit to the property and will contribute to the economic development of the City of Sealy pursuant to the Tex. Tax Code Section 312.202(a)(6);

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

Section 1. The facts and recitations contained in the preamble to this ordinance are true and correct and incorporated herein for all purposes.

Section 2. Designation of Reinvestment Zone. That pursuant to Chapter 312 of the Texas Tax Code, the City of Sealy hereby designates an area of real property described by the metes and bounds attached hereto as Exhibit "A" and incorporated herein for all purposes, as a reinvestment zone for the purposes of commercial/industrial tax abatement which shall hereinafter be called "Sealy Sika Tax Abatement Reinvestment Zone No. 1".

Section 3. Declaration of Eligible Abatement Property. That the City of Sealy hereby declares eligible for property tax abatement all eligible real property (not land), buildings, structures, fixed machinery, equipment, and related fixed improvements for commercial/industrial development, thereafter located in the "Sealy Sika Tax Abatement Reinvestment Zone No. 1" as authorized by the City of Sealy Tax Abatement Guidelines and Criteria for granting tax abatements in reinvestment zones, Chapter 312 of the Texas Tax Code, and any applicable tax abatement agreement between the City of Sealy and Sika Corporation.

Section 4. Severability. In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part of provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Sealy, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, whether there be one or more parts.

Section 5. Effective Date. This ordinance shall become effective immediately upon passage at second reading.

PASSED AND APPROVED at this first reading on the 21st day of October 2025.

PASSED, APPROVED AND ADOPTED at this second reading on the 4th day of November 2025.

Carolyn Bilski, Mayor

ATTEST:

Sandra Vrabec, City Secretary

Exhibit "A"

FIELD NOTE DESCRIPTION OF 40.000 ACRES (1,742,400 SQUARE FEET) OF LAND OUT OF UNRESTRICTED RESERVE "B" OF WAL-MART SUBDIVISION ACCORDING TO THE MAP OR MAP THEREOF RECORDED IN VOLUME 1, PAGE 309 OF THE AUSTIN COUNTY PLAT RECORDS AND LOCATED IN THE SAN FELIPE DE AUSTIN TRACT, ABSTRACT 5, CITY OF SEALY, AUSTIN COUNTY, TEXAS, SAID 40.000 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS; ALL BEARINGS SHOWN ARE BASED ON THE NORTHWESTERLY LINE OF SAID UNRESTRICTED RESERVE "B" OF WAL-MART SUBDIVISION, SAID NORTH LINE BEARING NORTH 45°00'00" EAST:

BEGINNING at a 5/8 inch iron rod with cap found in the Northeasterly right-of-way line of F.M. 3538 (120 feet wide, formerly Brast Road, a.k.a. Rice Field Road) for the Southerly corner of Unrestricted Reserve "A", same being the Westerly corner of said Unrestricted Reserve "B", said iron rod also marks the Westerly corner of the herein described tract;

THENCE, North 45°00'00" East, along the common line between said Unrestricted Reserves "A" and "B", a distance of 1813.10 feet to a 5/8 inch iron with cap found for an interior corner of said Unrestricted Reserve "A", said iron also marks the Northerly corner of said Unrestricted Reserve "B" and the herein described tract;

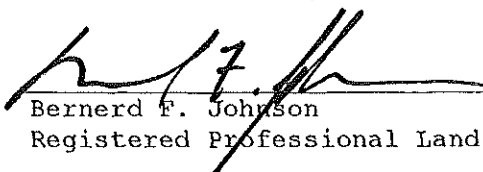
THENCE, South 45°00'00" East, along the common line between said Unrestricted Reserves "A" and "B", a distance of 960.83 feet to a 5/8 inch iron with cap found for the Northerly corner of that certain called 15.000 acre tract recorded under Austin County Clerk's File No. 2008-082878, said iron also marks the Easterly corner of the herein described tract;

THENCE, South 45°00'00" West, along the Northwesterly line of said called 15.000 acre tract, at 701.90 feet pass a found 5/8 inch iron rod with cap marking the Westerly corner of said called 15.000 acre tract and continuing a total distance of 1813.75 feet to a 5/8 inch iron with cap found in the Northeasterly right-of-way line of said F.M. 3538 for the Southerly corner of the herein described tract;

THENCE, North 44°57'40" West, along the Northeasterly right-of-way line of F.M. 3538, same being the Southwesterly line of said Unrestricted Reserve "B", a distance of 960.83 feet to the POINT OF BEGINNING and containing 40.000 acres (1,742,400 square feet) of land, more or less.

CENTURY ENGINEERING, INC.

Dated this 1st day of September, 2016


Bernerd F. Johnson
Registered Professional Land Surveyor No. 4314



CEI JOB NO. 16047-00.00
(QW18) 16047A.T

ITEM #2

RESOLUTION NO. 2025-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEALY, TEXAS, GRANTING A REQUEST FOR TAX ABATEMENT RELIEF AND APPROVING A CHAPTER 312 TAX ABATEMENT AGREEMENT BETWEEN THE CITY OF SEALY, TEXAS AND SIKA CORPORATION FOR PROPERTY LOCATED WITHIN THE SEALY SIKA TAX ABATEMENT REINVESTMENT ZONE NO. 1.; AND AUTHORIZING THE MAYOR TO EXECUTE THE TAX ABATEMENT AGREEMENT; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

* * * * *

WHEREAS, Sika corporation (“Applicant”) submitted an Application for Property Tax Abatement to the City of Sealy, Texas (“City”) on or about May 20, 2024, requesting the City enter into a Chapter 312 Tax Abatement Agreement for the development, construction, and operation of a new roof membrane facility; and

WHEREAS, the City desires to provide tax abatement incentives for the purpose of encouraging the development of primary employment and attracting major economic investments in the City through the development of land for commercial/industrial uses; and

WHEREAS, the City has complied with all the prerequisites of Chapter 312 of the Texas Tax Code for granting tax abatement relief to the Applicant, including but not limited to:

- (a) The City’s adoption of guidelines and criteria governing tax abatement agreements;
- (b) The City’s election to become eligible to participate in tax abatement;
- (c) The City’s providing a 30-Day notice of consideration of a tax abatement agreement;
- (d) The City’s holding of a Public Hearing on October 21, 2025, on the designation of an area as the Sealy Sika Tax Abatement Reinvestment Zone No. 1. (the “Reinvestment Zone”) after being duly and properly noticed as required by law;
- (e) The City’s approval (on First Reading) of an Ordinance designating an area as the Sealy Sika Tax Abatement Reinvestment Zone No. 1 on October 21, 2025; and
- (f) The City’s approval and adoption (on Second Reading) of an Ordinance designating an area as the Sealy Sika Tax Abatement Reinvestment Zone No. 1 on November 4, 2025; and

WHEREAS, the City finds that the terms of the Tax Abatement Agreement and the property subject to that Agreement meet the applicable guidelines and criteria adopted by the City; and

WHEREAS, the City recognizes the positive economic impact the Applicant’s project will have on the community and desires to offer tax abatement incentives through the proposed Chapter 312 Tax Abatement Agreement to encourage development of the Applicant’s project which will generate new ad valorem property taxes and employment opportunities in the community; and

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

SECTION 1. The facts and recitations contained in the preamble to this Resolution are true and correct and incorporated herein for all purposes.

SECTION 2. The City Council of the City of Sealy, Texas hereby grants the Applicant's request for tax abatement relief and hereby approves the Chapter 312 Tax Abatement Agreement as attached hereto as Exhibit "A".

SECTION 3. The City Council of the City of Sealy, Texas hereby authorizes the Mayor to execute the Tax Abatement Agreement with Sika Corporation in substantially the same form as attached hereto and made a part hereof.

SECTION 4. *Severability.* In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Resolution or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Resolution as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Sealy, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

SECTION 5. *Effective date.* This Resolution shall be effective immediately upon passage.

PASSED AND APPROVED this 4th day of November 2025.

Carolyn Bilski, Mayor

ATTEST:

Sandra Vrablec, City Secretary

CHAPTER 312 TAX ABATEMENT AGREEMENT

BETWEEN

THE CITY OF SEALY, TEXAS

AND

SIKA CORPORATION

STATE OF TEXAS

§

§

COUNTY OF AUSTIN

§

This Chapter 312 Tax Abatement Agreement ("**Agreement**") is made, entered, and executed by and between **SIKA CORPORATION** ("**Company**") as Owner of a parcel of taxable real property located within the jurisdictional limits of the City of Sealy, Austin County, Texas, and specifically located within the **Sealy Sika Tax Abatement Reinvestment Zone No. 1** created pursuant to Ordinance No. _____ adopted on November 4, 2025 (such reinvestment zone, the "**Reinvestment Zone**", and such property specifically located within the Reinvestment Zone, the "**Property**") and the **CITY OF SEALY, TEXAS**, acting through its City Council ("**City**").

The Company and City are sometimes jointly referred to herein as the "**Parties**" and sometimes individually referred to as a "**Party**."

This Agreement is made and entered into between the Parties for the purpose of encouraging the development of primary employment and attracting major commercial-industrial economic investments to the City.

I. AUTHORIZATION

This Agreement is authorized by the Texas Property Redevelopment and Tax Abatement Act, Texas Tax Code, ("**Tax Code**") Chapter 312, V.T.C.A., as amended, and by authorization of the City for the Property located within a municipal Reinvestment Zone and constitutes the valid and binding obligation of the City from and after execution hereof by all Parties. The Company's execution and performance of this Agreement have been duly authorized and constitute the valid and binding obligation of the Company from and after execution hereof by all Parties.

II. CONDITIONS PRECEDENT

2.1. The City of Sealy properly declared its intent to elect to participate in tax abatement relief pursuant to Section 312.002(a) of the Texas Tax Code by Resolution No. 2021-15 on May 18, 2021, attached hereto as Exhibit A. The City of Sealy reaffirmed its intent to elect to participate in tax abatement relief pursuant to Section 312.002(a) of the Texas Tax Code by Resolution No. 2025-34 on September 16, 2025, attached hereto as Exhibit B.

2.2. The City of Sealy properly complied with the notice and public hearing requirements for the designation of a reinvestment zone pursuant to Sec. 312.201 and Sec. 312.202 of the Texas Tax Code and did thereby designate the Sealy Sika Tax Abatement Reinvestment Zone No. 1 (i.e. the Reinvestment Zone) by Ordinance No. _____ adopted on November 4, 2025, attached hereto as Exhibit C. The City properly considered and approved the Company's Tax Abatement Application ("**Abatement Application**"), which is attached hereto as Exhibit D, and authorized the City to enter into this Agreement with Company for the abatement of certain ad valorem taxes pursuant to Chapter 312 of the Tax Code, as provided for in this Agreement and as evidenced by Resolution No. _____, adopted on November 4, 2025 ("Abatement Resolution", which is attached hereto as Exhibit E and which was properly noticed in accordance with Sec. 312.207(d). The Parties agree that the recitations, findings, and representations contained in the Reinvestment Zone Ordinance, the Abatement Application, and the Abatement Resolution adopted by the City are true and correct and are hereby incorporated into this Agreement by reference. In the event of any conflict between the terms of this Agreement and the terms of the Abatement Application, the terms of this Agreement shall control.

III. DEFINITIONS, GUIDELINES & CRITERIA

3.1. As used in this Agreement, the following terms shall have the meanings established by the definitions below:

- a. The "**2025 Certified Appraised Value**" means the January 1, 2025 value of all taxable property located within the Sealy Sika Tax Abatement Reinvestment Zone No. No. 1 as certified by the Austin County Appraisal District as of that date.

- b. **"Improvements"** means the buildings, structures, fixtures, or fences erected on or affixed to the Property or portions thereof and other improvements, including fixed machinery, equipment and process units, parking facilities, used for commercial or industrial purposes that are constructed by the Company on the Property after January 1, 2025, which is intended to be an approximate 112,500 square foot facility to manufacture roofing membrane, which may also be referred to herein as the Project.

- c. **"Construction Phase"** means a material and substantial improvement of the Property which represents a separate and distinct construction operation undertaken for the purpose of constructing the Improvements. The period of Construction Phase ends when the Company receives a Certificate of Occupancy (either temporary or permanent) from the City.

- d. **"Abatement"** means the full or partial exemption from ad valorem taxes pursuant to Texas Tax Code, Chapter 312 of all taxable Eligible Abatement Property in the Reinvestment Zone designated for economic development purposes.

- e. **"Abatement Period"** means tax years 2027 to 2033.

- f. **"Eligible Abatement Property"** Abatement will be extended to the value of buildings, structures, fixed machinery, equipment, personal property, and related fixed improvements necessary to the operation and administration of the Project, specifically the Improvements identified by Austin County Appraisal District pursuant to Section 4.4 below.

- g. **"Full-time Employee"** means employment whereby a person works a minimum of thirty (30) working hours per week at the Project site with the salary and benefits listed in Section 7.3 below.

- h. **"Ineligible Property for Abatement"** The following types of property shall be fully taxable and ineligible for abatement: land, inventories, supplies, tools, furnishings, and other forms of moveable personal property; vehicles, vessels, aircraft, housing, deferred maintenance investments, property owned or used by the State of Texas or its political subdivision or by any property exempted by local, state or federal law; any

property owned or leased by a member of city council, member of the planning commission of the City, or a member of the Sealy Economic Development Corporation.

- i. **"Affiliate"** of any person or entity identified in this Agreement means any other person or entity which, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under direct or indirect common control with such specified person or entity. For purposes of this definition, the term "control" when used with respect to any person or entity in conjunction with the term "affiliate" means (i) the ownership, directly or indirectly, or fifty percent (50%) or more of the voting securities of such person or entity, or (ii) the right to direct the management or operations of such person or entity, directly or indirectly, whether through the ownership (directly or indirectly) of securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing term "control" as herein defined.

- j. **"Force Majeure"** means an event or occurrence caused by (i) provisions of law, or the operation or effect of rules, regulations, or orders promulgated by any governmental authority having jurisdiction over Company or the Project; (ii) any demand or requisition, arrest, order, request, directive, restraint, or requirement of any government or governmental agency, whether federal, state, military, local or otherwise; (iii) the action, judgment or decree of any court having competent jurisdiction; (iv) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained in this Agreement shall require Company to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend (over which the Company has no reasonable control) franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of Company to ship or failure of carriers to transport electricity from Company's facilities; or (v) any other cause (except

financial), whether similar or dissimilar, over which Company has no reasonable control and which forbids or prevents performance.

- k. **"Undocumented Worker"** means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in that manner in the United States.
- l. **Base Year Value:** means the assessed value of eligible property on January 1 preceding the execution of this Agreement plus the agreed upon value of eligible property improvements made after January 1 but before the execution of this Agreement.

3.2. The tax abatement guidelines and criteria for granting tax abatements within the jurisdictional limits of the City, which the City adopted on May 29, 2025, and which guidelines and criteria are attached hereto as Exhibit F and incorporated herein by reference and made a part hereof, are applicable to this Agreement together with any applicable amendments ("**City Guidelines and Criteria**"). The City has determined that the terms of this Agreement and the Property subject to this Agreement meet or otherwise satisfy the applicable City Guidelines and Criteria for granting tax abatements and all other terms and conditions as established by the City. The City further finds that there will be no substantial adverse effect on the provision of the City of Sealy's services or tax base and the planned use of the property will not constitute a hazard to public safety, health or morals.

IV. SUBJECT PROPERTY AND USE

4.1. The Sealy Sika Tax Abatement Reinvestment Zone No. 1 as designated by the Reinvestment Zone Ordinance is an area located within the jurisdictional limits of the City of Sealy, Austin County, Texas, as described in the Reinvestment Zone Ordinance by metes and bounds descriptions, such descriptions attached hereto as Exhibit G attached hereto and incorporated herein for all purposes and as depicted on the site plan attached hereto as Exhibit H and incorporated herein for all purposes. The Austin County Appraisal District will establish a separate account or accounts (parcel id) for the Eligible Abatement Property, including the Improvements, subject to abatement under the terms of this Agreement.

4.2. The 2025 Certified Appraised Value for all taxable property located within the Reinvestment Zone that will be hereafter certified by the Austin County Appraisal District in accordance with applicable law are hereby incorporated in this Agreement by reference.

4.3. Company shall use the Property for commercial/industrial uses only as set forth herein, which such use encourages development and redevelopment of the zone during the period of property tax abatement. Company estimates the appraised values of Tangible Personal Property, Improvements, and Land located on the Property within the Reinvestment Zone to be at least as follows:

Value as January 1, 2025	Tangible Personal Property	Improvements	Land
Preceding the Tax Abatement Agreement	\$0	\$0	\$640,000.00
Estimated Value of Abated Properties After Abatement Expires	\$77,000,000.00	\$23,000,000.00	\$640,000.00

4.4. The Austin County Appraisal District will establish a separate account or accounts (parcel identification) for the Eligible Abatement Property, including the Improvements, subject to abatement under the terms of this Agreement.

4.5 This Agreement shall be applicable only to Eligible Abatement Property (not Ineligible Property for Abatement), including new facilities, improvements, and structures constructed on the Property after the execution of this Agreement.

V. VALUE AND TERM OF ABATEMENT

5.1. Following the date of final approval and execution of this Agreement by the Parties hereto, and as authorized by Sec. 312.007 of the Tax Code, the tax abatement provided for by this Agreement shall be effective for the Abatement Period beginning on January 1, 2027 ("Commencement Date") and ending on December 31, 2033. In each year this Agreement is in effect, the amount of tax abatement shall be an amount equal to the percentage as indicated in the Tax Abatement Schedule ("**Schedule 1**"). Accordingly, the appraised value, as defined in

the Tax Code, of Eligible Abatement Property shall be abated in accordance with Schedule below:

Schedule 1

Base Year 2025

<u>Tax Year Abated (Abatement Period)</u>	<u>Percentage of Value Abated</u>
2027	100%
2028	90%
2029	90%
2030	80%
2031	70%
2032	60%
2033	50%

VI. TAXABLE VALUE

- 6.1. During the period that this tax abatement is effective ("**Abatement Period**"):
 - a. Only the appraised value of Eligible Abatement Property shall be abated as set forth in Article V entitled "VALUE AND TERM OF ABATEMENT" with all other property being fully taxable.

VII. CONTEMPLATED IMPROVEMENTS AND NEW JOBS

7.1. As set forth in Company's Abatement Application dated May 20, 2024, which is incorporated herein for all purposes, Company represents that it will commence construction of the Improvements, with a guaranteed minimum value of \$100,000,000.00 (see Table 1 below) (all such Improvements, the "Project") by December 31, 2027. During the Construction Phase, Company may make such change orders relating to the construction of the Eligible Abatement Property as are reasonably necessary to accomplish its intended use. All Improvements shall be completed in accordance with all applicable laws, ordinances, rules, or regulations.

Table 1

By December 31 st of:	2026	2027	Total:
Building Construction	\$23,000,000		\$23,000,000
Machinery and Equipment	\$55,000,000	\$20,000,000	\$75,000,000
Pollution Control Equipment	\$2,000,000		\$2,000,000
Total:	\$80,000,000	\$20,000,000	\$100,000,000

7.2 Job Creation and maintenance number. As set forth in Company's Abatement Application Company represents that it will create, hire, and maintain 71 new full-time employees in accordance with the following schedule (see Table 2 below). If Company does not meet the job creation numbers provided herein, then the amount of the tax abatement will be reduced as provided for below in Section 9.2(b).

Table 2

By December 31 st of:	2027	2028	2029	2030	2031	2032	2033	Total
Salaried	7	0	0	0	1	0	0	8
Hourly	29	0	0	14	15	0	0	58
Contractors	5	0	0	0	0	0	0	5
Total by Year	41	0	0	14	16	0	0	71
Cumulative Total	41	41	41	55	71	71	71	71

7.3 Job creation pay. For non-exempt employees, Company shall pay at least the greater of the average annual wage in Austin County or a wage of \$24.00 per hour, plus healthcare benefits and retirement benefits. For exempt employees, Company shall pay an annual salary of at least \$75,000/year, plus healthcare benefits and retirement benefits.

7.4 Company shall meet or exceed the job creation numbers in Table 2. In order to do so, Company shall provide records to the City identifying employment numbers and pay scales in accordance with this Agreement on or before March 1st of each year of the abatement. Company shall submit these records accompanied by an affidavit certifying employment numbers, pay scales, and work authorization in the United States and prove there are no Undocumented

Workers.

7.5 The City or its designee may independently verify Company's fulfillment of its job creation requirements and pay scales prior to the City granting of the tax abatement to Company for the preceding year.

VIII. LIABILITY

8.1. No Assumption by the Parties: By executing and performing in accordance with this Agreement, Company assumes no obligation, duty or other responsibility with regard to any governmental function or service for which the City is responsible that is not otherwise addressed by this Agreement. In addition, Company assumes no legal liability for the actions of the City through Company's execution of and performance under this Agreement. Likewise, the City assumes no obligation, duty or other responsibility with regard to any duty, right, obligation or responsibility associated with the Improvements for which Company is responsible that is not otherwise addressed by this Agreement. In addition, the City assumes no legal liability for the actions of Company or its successors or assigns by virtue of the City's execution of this Agreement.

8.2. Agents: Each Party to this Agreement agrees that it shall have no liability for the actions or omissions of the employees, agents, directors, members, trustees or representatives of any other Party, and each Party is solely responsible for the actions and omissions of its own employees, agents, directors, members, trustees or representatives.

8.3. Governmental Immunity: Nothing in this Agreement shall constitute a waiver by the City of its governmental or sovereign immunity.

IX. EVENTS OF DEFAULT / TERMINATION

9.1. Events of Default: Following the execution of this Agreement, the City may declare Company in default hereunder if Company:

- a. fails to commence construction of the Improvements within one (1) year from the date this Agreement is executed; or
- b. Fails to create and maintain job creation numbers as set forth in Sec. 7.2; or

- c. fails to complete construction, fails to receive a certificate of occupancy (temporary or permanent), or fails to install the Improvements by December 31, 2027, or
- d. fails to comply with any of the material terms of this Agreement, or
- e. breaches in any material respect any representation given in this Agreement, including but not limited to the construction of Improvements with the guaranteed minimum increased appraised ad valorem tax value of at least \$100,000,000, excluding land.

9.2. Notice and Right to Cure Events of Default: If the City declares that Company is in default under this Agreement, the City must notify Company in writing. If Company's default is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the sole and exclusive remedy of the City for such default (other than a default under Section 9.1(b)) the City may terminate this Agreement by providing further written notice thereof to Company. If Company's default cannot with due diligence be cured within the Cure Period, then subject to the provisions of Section 9.2(a) below, the Cure Period shall be automatically extended for so long as Company is using commercially reasonable efforts to cure Company's default, if Company (i) notifies the City of Company's intention to institute steps reasonably necessary to cure Company's default, (ii) institutes steps to cure Company's default and uses commercially reasonable efforts to pursue the remedy of Company's default, and (iii) if applicable, submits a proposed schedule for the completion of the Improvements or other default, including the estimated date for completion of the Improvements or other default, a reasonable explanation concerning the reason for the delay, and a reasonable estimate of the overall percent of the Improvements or other default that is completed as of the date of the City's notice of default.

- a. If after extending the Cure Period in accordance with this Section 9.2., Company has not cured its default within one hundred eighty (180) days from the date the City delivered its written notice to Company and the City and Company mutually agree that the continued use of commercially reasonable efforts to cure such default will not be successful, then there shall be no Abatement, as provided for herein, for the year in which the Company's default first occurred, and City may terminate this Agreement.

- b. In the event that the Company fails to maintain the minimum number of employees (a condition of default under Section 9.1(b)) for a certain tax year, the abatement will be reduced for the following tax year by the same percentage as to which the Company failed to meet its minimum employment requirements. By way of example, if the Company fails to meet its minimum job requirements by ten percent for a particular tax year, then its abatement for the following tax year shall be reduced by ten percent. This Section 9.2(b) shall be the City's exclusive remedy for a default under Section 9.1(b), and Sections 9.3, Section 9.4, and Section 9.5 shall not apply.
- c. Other than as stated above in subsection (b), in no event shall this Section 9.2. supersede Sections 9.3 thru 9.6. below.

9.3. Grounds for Termination: In the event Company (i) allows its ad valorem taxes on the Improvements or any taxable property, including land, to become delinquent and fails to cure the delinquency within ten (10) days after written notice or fails to timely and properly follow the legal procedures for the protest and appeal of the ad valorem taxes on the Improvements in accordance with this Agreement or (ii) defaults under this Agreement and fails to cure as provided by Section 9.2, then (iii) the City may terminate this Agreement.

9.4 City Recapture of Taxes for Default: In the event the City terminates this Agreement pursuant to the provisions of this Article IX as a result of an event of default set forth in Section 9.1(a), 9.1(c), 9.1(d), or 9.1(e), all ad valorem taxes previously abated by virtue of this Agreement may be recaptured by the City, and the City will consider what recapture is necessary commensurate with the Default. The recaptured taxes may be in the amount equal to the amount of taxes that would have been due for the tax year in which the Company's default occurred and for all prior tax years with respect to the Eligible Abatement Property if such taxes had not been abated by virtue of this Agreement, which amount shall be paid by Company to the City within sixty (60) days of the termination, together with penalties and interest as required by the Texas Tax Code.

9.5 City Recapture of Taxes for Termination: In the event the City terminates this Agreement pursuant to the provisions of this Article IX as a result of an event of default set forth in Section 9.1 or for the reasons set forth in clause "(i)" of the first sentence of Section 9.3 hereof,

all ad valorem taxes previously abated by virtue of this Agreement shall be recaptured by the City. The recaptured taxes shall be in the amount equal to the amount of taxes that would have been due for the tax year in which the Company's default occurred and for all prior tax years with respect to the Eligible Abatement Property if such taxes had not been abated by virtue of this Agreement, which amount shall be paid by Company to the City within sixty (60) days of the termination, together with penalties and interest as required by the Texas Tax Code.

9.6. Discontinuation of Operation of the Project: In the event the Improvements are completed and Company begins operating the Project, but subsequently discontinues operation of the Project for any reason (excepting fire, explosion, or other casualty, accident, or natural disaster or governmental mandate or declaration of force majeure under any agreement entered into by the Company) for a period of one (1) year during the Abatement Period, then the City shall have the right to terminate this Agreement by providing thirty (30) days prior written notice to Company, provided, that if Company resumes operating the Project prior to the end of such thirty (30) day period, then this Agreement shall not terminate. In the event of termination pursuant to the provisions of this Section 9.6, the abatement of the taxes for the calendar year during which the Improvements no longer operates the Project shall terminate. The taxes for the calendar year during which the Improvements no longer operated shall be paid by Company to the City prior to the delinquency date for such year. The taxes previously abated in accordance with this Agreement shall also be paid by Company to the City. Company shall be required to pay such taxes within sixty (60) days of the date of any such termination pursuant to this Section 9.6.

X. EQUITABLE RELIEF

10.1 The City's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement.

XI. ADMINISTRATION

11.1. Administered by City Manager: This Agreement shall be administered on behalf of the City by its City Manager or his/her designee pursuant to the City's direction or by such other representative designated by City. Upon completion of the Improvements, the City shall annually evaluate the Improvements to ensure compliance with this Agreement.

11.2. Annual Determination by Appraiser: The Chief Appraiser of the Austin

County Appraisal District shall annually determine (i) the taxable value pursuant to the terms of this abatement of the real and tangible personal property located within the Reinvestment Zone with the Company having the same protest of appraisal rights as any other property owner before Austin CAD certifies the taxable value) and (ii) the full taxable value without abatement of the real and tangible personal property located within the Reinvestment Zone. The Chief Appraiser shall record both the abatement taxable value and the full taxable value in the appraisal records. The full taxable value listed in the appraisal records shall be used to compute any recapture. Each year Company shall furnish the Chief Appraiser with the information required by Chapter 22, Tax Code, V.T.C.A. Such information shall also be provided to the City in preparation of its annual evaluation for compliance with this Agreement.

11.3. City Inspection Rights: Company will provide access to and authorizes inspection of the Property by City employees upon at least forty-eight (48) hours written notice for the purpose of ensuring that the Improvements or repairs thereto are made according to the specifications and conditions of this Agreement.

11.4 Annual Company Compliance Certificate: Company shall annually certify to the City that Company is in compliance with all applicable terms and conditions of this Agreement.

XII. ASSIGNMENT

12.1. Assignment: Company may assign this Agreement to an Affiliate without the written consent of the City, provided that Company shall provide written notice of such assignment to the City. Except as otherwise provided in the immediately preceding sentence, Company may assign this Agreement with the written consent of the City, which consent shall not be unreasonably withheld, delayed, or conditioned. 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 this Agreement. No assignment shall be approved if Company or the assignee is delinquent in payment of ad valorem taxes due the City.

XIII. NOTICE

13.1. Any notice required to be given under the provisions of this Agreement shall be in writing and shall be served when it is transmitted by registered or certified mail, return receipt

requested, in a United States Post Office, addressed to the City or Company. Notices shall be deemed delivered upon receipt. Unless otherwise provided in this Agreement, all notices shall be delivered to the following addresses:

To the Company:

**Sika Corporation
Attn: Gail Pacifico, SVP & Treasurer, US
201 Polito Avenue
Lyndhurst, NJ 07071**

with a copy to Sika Corporation:

**Sika Corporation
Attn: Legal Department
201 Polito Avenue
Lyndhurst, NJ 07071**

To the City:

**CITY OF SEALY CITY MANAGER
415 Main Street
Sealy, TX 77474**

With a copy to:

CITY ATTORNEY KIRWIN LAW FIRM



ATTN: Timothy B. Kirwin

13.2 Either Party may designate a different address by giving the other Party ten (10) days written notice.

XIV. AUTHORITY

14.1. Each of the Parties hereto represents and warrants to the other Party that

(i) it has all requisite power and authority to execute and deliver, to perform its obligations under, and to consummate the transactions contemplated by this Agreement and (ii) the execution and delivery of this Agreement, the performance of its obligations under and the consummation by each Party of the transactions contemplated by this Agreement have been duly authorized by all requisite corporate authority on the part of Company and by all requisite governmental authority on the part of the City and (iii) upon execution and delivery of this Agreement, this Agreement will constitute valid and binding legal obligations of such Party.

XV. EFFECTIVE DATE

15.1. This Agreement may be executed in counterparts, and the effective date of the Agreement shall be the date the City Mayor actually executes this Agreement, subject to the City's authorization by Resolution and any terms or conditions associated therewith.

XVI. MISCELLANEOUS

16.1. Further Assurances: In the event any further documentation or information is required for this Agreement to be valid, then the Parties to this Agreement shall provide or cause to be provided such documentation or information. The Parties shall execute and deliver such documentation, including but not limited to any amendments, corrections, deletions, or additions as necessary to this Agreement; provided, however, that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this Agreement or imposing greater liability on the Parties. The Parties further agree that they shall do anything necessary to comply with any requirements to enable the full effect of this Agreement; provided, however, that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this Agreement or imposing greater liability on the Parties.

16.2. Recordation: The City agrees to record a certified copy of this Agreement in the Deed Records of Austin County, Texas, and to request that the chief appraiser of Austin County Appraisal District deliver, by July 1 of the year following the year in which this Agreement is executed, a copy of this Agreement to the Texas Comptroller of Public Accounts pursuant to Texas Property Code Sec. 312.005(a)(2).

16.3. Governing Law: Venue: This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State District Court of

Austin County, Texas.

16.4. Modification: This Agreement shall be subject to change, modification or, except in the event of default, which has not been cured as provided herein, termination, only with the mutual written consent of the City and Company, unless otherwise specifically provided for herein.

16.5. Disclaimer: Nothing herein shall confer upon any person, firm or other entity other than the Parties hereto any benefit or any legal or equitable right, remedy or claim under this Agreement. All obligations hereunder of the Parties hereto shall be binding upon their respective successors and assigns.

16.6. Waivers: Waiver of any term, condition, or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement.

16.7. Approvals or Consents: Approvals or consents required or permitted to be given under this Agreement shall be evidenced by an ordinance, resolution, or minute order adopted by the governing body or board of the appropriate Party or by a certificate executed by a person, firm or entity previously authorized to give such approval or consent on behalf of a Party. Approvals and consents shall be effective without regard to whether given before or after the time required for giving such approvals or consents.

16.8. Parties in Interest: This Agreement shall be for the sole and exclusive benefit of the Parties hereto and shall not be construed to confer any rights upon any third parties.

16.9. Merger: This Agreement and its incorporated Exhibits contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto and relating to the subject matter hereof are superseded by this Agreement.

16.10. Authorization: Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

16.11. Severability: If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as

hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intent of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application of such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in a mutually acceptable manner so as to effect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 16.11, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

16.12. Payment of Expenses: Except as otherwise expressly provided in this Agreement, or as covered by the application fee, (i) each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement, and (ii) in the event of a dispute between the Parties in connection with this Agreement, the prevailing Party in the resolution of any such dispute, whether by litigation or otherwise, shall be entitled to full recovery of all reasonable and necessary attorneys' fees (including a reasonable hourly fee for in-house legal counsel), costs and expenses incurred in connection therewith, including costs of court, from the non-prevailing Party to the extent allowed by law.

16.13. Force Majeure: In the event either Party is rendered unable, wholly or in part, by Force Majeure to carry out any of its obligations under this Agreement, except the obligation to pay amounts owed or required to be paid pursuant to the terms of this Agreement, then the obligations of such Party, to the extent affected by such Force Majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be

suspended during the continuance of any inability so caused to the extent provided but for no longer period. As soon as reasonably possible after the occurrence of the Force Majeure relied upon, the Party whose contractual obligations are affected thereby shall give notice and full particulars of such Force Majeure to the other Party. Such cause, as far as possible, shall be remedied with all reasonable diligence. Notwithstanding the foregoing, in no event shall the tax abatement provided for in this Agreement exceed a period of ten (10) years in accordance with state law.

16.14. Interpretation: When a reference is made in this Agreement to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words "include, "includes" and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase "but not limited to." Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine, or neuter, as the context shall require. This Agreement is the joint product of the Parties, and each provision of this Agreement has been subject to the mutual consultation, negotiation, and agreement of each Party and shall not be construed for or against any Party.

16.15. Sovereign Immunity: No Consent: Nothing in this Agreement shall be constitute or be interpreted as the City's express or implied waiver of its governmental or sovereign immunity as to liability or constitute or be interpreted as the City's express or implied consent to suit.

16.16. Boycott Israel: In accordance with Section 2271.002(b) Texas Government Code, Company verifies that it does not boycott Israel and will not boycott Israel during the term of this Agreement.

16.17. Energy Companies. Pursuant to Chapter 809 of the Texas Government Code, Company certifies and verifies that it is not a Company that boycotts energy companies and agrees and verifies it will not boycott energy companies during any term of this contract. The terms "boycott energy companies" have the meaning assigned to the term in Section 809.001, Texas Government Code. For purposes of this paragraph, "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned

subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit.

16.18. Non-Discrimination of Firearm Entities. Pursuant to Chapter 2274 of the Texas Government Code, Company verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and verifies it will not discriminate against a firearm entity or firearm trade association during any term of this contract. The terms “discriminates against a firearm entity or firearm trade association” and “discriminate against a firearm entity or firearm trade association” have the meaning assigned to the term “discriminate against a firearm entity or firearm trade association” in Section 2274.001(3), Texas Government Code. For purposes of this paragraph, “Company” means a for-profit organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or associations that exists to make a profit, but does not include a sole proprietorship.

16.19. Anti-Terrorism: In accordance with Section 2252.152 of the Texas Government Code, Company represents that it has no contacts with companies engaged in business with Iran, Sudan, or other foreign terrorist organizations as determined by the list maintained by the Texas Comptroller according to Sections 806.051, 807.051, or 2252.153 of the Texas Government Code.

16.20. Counterparts: This complete Agreement has been executed by the Parties in multiple originals, each having full force and effect.

Exhibit list:

Exhibit A Resolution 2021-15

Exhibit B Resolution 2025-34

Exhibit C Ordinance [City Secretary will provide this Ordinance after the City Council meeting on November 4, 2025.]

Exhibit D Sika's Tax Application [This Exhibit will be included in the final agreement.]

Exhibit E Resolution [City Secretary will provide this Resolution after the City Council meeting on November 4, 2025.]

Exhibit F City's Tax Abatement Guidelines

Exhibit G Metes and Bounds

Exhibit H Site Plan

THE CITY OF SEALY, TEXAS

Carolyn Bilski, Mayor

Date: _____

ATTEST:

Sandra Vrablec, City Secretary

APPROVED AS TO FORM:

Timothy Kirwin, City Attorney

STATE OF TEXAS

COUNTY OF _____

§
§
§

This instrument was acknowledged before me on _____, 2025, by Carolyn Bilski, Mayor, City of Sealy, Texas, a Home-Rule Municipal Corporation, on

Printed Name of Notary Public
My Commission Expires: _____

STATE OF TEXAS

§
§
§

COUNTY OF _____

This instrument was acknowledged before me on _____,
2025, by Bruno Oehy, Senior Vice President- Finance and Accounting of Sika Corporation on
behalf of said corporation.

Notary Public in and for the
State of Texas

Printed Name of Notary Public
My Commission Expires: _____

Exhibit "A"

RESOLUTION NO. 2021-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEALY, TEXAS, ELECTING TO BECOME ELIGIBLE TO PARTICIPATE IN TAX ABATEMENT PURSUANT TO TEXAS TAX CODE SECTION 312.002(a); PROVIDING A SEVERABILITY CLAUSE; ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Sealy ("City"), Texas, desires to promote economic development programs in accordance with the authority granted to municipalities; and

WHEREAS, the City's economic development programs include, but are not limited to, the granting of tax abatements in accordance with Chapter 312 of the Texas Tax Code; and

WHEREAS, Texas Tax Code Section 312.002(a) requires the City, as a prerequisite to granting and executing any tax abatement agreement, to publicly declare by resolution its intent to elect to participate in tax abatement.

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

SECTION 1. The foregoing recitals stated above shall be and are hereby incorporated in this Section 1 as if said recitals were fully set forth herein.

SECTION 2. In accordance with Texas Tax Code Sec. 312.002(a), the City of Sealy, Texas hereby publicly declares its intent to participate in tax abatement relief.

SECTION 3. The City's election to participate in tax abatement relief is subject to the City's proper adoption of guidelines and criteria governing tax abatement agreements, which occurred on May 12, 2021, in addition to complying with all other requirements imposed by Texas Tax Code Chapter 312.

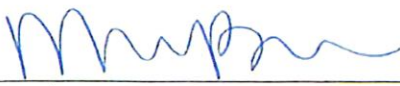
SECTION 4. This Resolution shall be effective as of the date considered, approved and adopted by the City Council.

PASSED, APPROVED AND ADOPTED this 18th day of May 2021.



Carolyn Bilski, Mayor

ATTEST:



Mercedes Bencomo, Deputy City Secretary



Exhibit "B"

RESOLUTION NO. 2025-34

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEALY, TEXAS, ELECTING TO BECOME ELIGIBLE TO PARTICIPATE IN TAX ABATEMENT PURSUANT TO TEXAS TAX CODE SECTION 312.002(a); PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

* * * * *

WHEREAS, the City of Sealy, Texas, ("City") desires to promote economic development programs in accordance with the authority granted to municipalities; and

WHEREAS, the City's economic development programs include, but are not limited to the granting of tax abatements in accordance with Chapter 312 of the Texas Tax Code; and

WHEREAS, Texas Tax Code Section 312.002(a) requires a City, as a prerequisite to granting and executing any tax abatement agreement, to publicly declare by resolution its intent to elect to participate in tax abatement; and

WHEREAS, the City previously adopted Resolution No. 2021-15 which publicly declared by resolution its intent to elect to participate in tax abatement; and

WHEREAS, the City desires to reaffirm its intent to elect to participate in tax abatement;

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

SECTION 1. The facts and recitations contained in the preamble to this Resolution are true and correct and incorporated herein for all purposes.

SECTION 2. In accordance with Texas Tax Code, Section 312.002(a), the City of Sealy, Texas hereby publicly declares and reaffirms its intent to participate in tax abatement relief.

SECTION 3. The City's election to participate in tax abatement relief is subject to the City's proper adoption of guidelines and criteria governing tax abatement agreements, which occurred on May 29, 2025, in addition to complying with all other requirements imposed by Texas Tax Code Chapter 312.

SECTION 4. Severability. In the event any section, paragraph, subdivision, clause, phrase, provision, sentence, or part of this Resolution or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Resolution as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Sealy, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

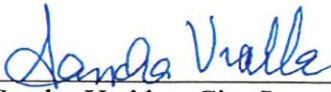
SECTION 5. *Effective date.* This Resolution shall be effective immediately upon passage.

PASSED AND APPROVED this 16th day of September 2025.



Carolyn Bilski, Mayor

ATTEST:



Sandra Vrabec, City Secretary



Exhibit "D"

Data Form Submitted May 20, 2024

Email: ecodev@ci.sealy.tx.us

Template: Complete Data Form



SUMMARY

Welcome

- This Project represents **An EXISTING Business Currently Operating In your Community.**

Current Operations

- The Project has a site at **3000 FM 3538, Sealy, TX 77474, USA** that we **Own**
- The Project occupies **94,000** square feet with uses including **Manufacturing**
- The primary NAICS code associated with the current operation is **327999 All Other Miscellaneous Nonmetallic Mineral Product Manufacturing**
- We currently employ **22** people in the community with an average salary of **\$27**
- The market value of the Project's current property is:
 - Land: **\$640,000**
 - Buildings: **\$8,737,680**
 - FF&E: **\$0**
 - Inventories: **\$0**
- The Project currently supports:
 - **\$0** in annual Taxable Purchases
 - **\$0** in annual Taxable Sales
 - **0** Local Hotel Nights

Expansion

- The Project's Plans include **Addition to existing building(s) already owned**
- The Project will break ground on **2025** and begin operation on **2027**
- The Project is considering a site at **3000 FM 3538, Sealy, TX 77474, USA**
- The Project desires **0** total square feet of space with uses to include
- The primary NAICS code associated with this Project is **327999 All Other Miscellaneous Nonmetallic Mineral Product Manufacturing**
- The Project will create **75** jobs in the community and pay salaries/earnings of **\$70,000**
- The Company **will** provide benefits for its workers. Benefits will be valued at **\$0** per year Eligibility requirements for benefits include **approx 35% of base salary**
- Land acquisition and capital investment will total **\$91,350,000**
- This Project will support **\$0** in annual Inventories
- This Project will support **\$0** in annual Taxable Purchases or Sales
- This Project will support **0** Local Hotel Nights

Supporting Details

- Additional background **was not** provided.
- **0** document(s) uploaded.

Company

- The Company's information is as follows:
 - **Sika Corp**
 - **201 Polito Ave, Lyndhurst, NJ 07071, USA**
 - **Sika AG**
 - **www.sika.com**
- The Company's background is as follows:
 - Year Established: **1910**
 - State of Formation: **Deleware**
 - Business Structure: **C Corp**
 - Ownership: **Public**
- Questions regarding the Project will be directed to:
 - **Matt Szuhaj**

CURRENT OPERATIONS - SQUARE FOOTAGE

How much space do you currently occupy?

USE	CURRENT SF
MANUFACTURING	94,000
OFFICE	0
RESIDENTIAL	0
RESTAURANT	0
RETAIL	0
WAREHOUSE	0
TOTAL	94,000

CURRENT OPERATIONS - PRODUCT & INDUSTRY

Tell us what the Company produces.

SERVICE OR PRODUCT PRODUCED AT LOCAL SITE

PRIMARY NAICS CODE ⓘ

327999 All Other Miscellaneous Nonmetallic Mineral Product Manufacturing

CURRENT OPERATIONS - JOBS & SALARIES

Tell us about your current employment level

NUMBER OF EXISTING EMPLOYEES WORKING AT THE COMPANY'S LOCAL FACILITY

22

AVERAGE ANNUAL SALARIES PAID TO EXISTING EMPLOYEES

\$27


CURRENT OPERATIONS - PROPERTY

Identify the market value of the Company's taxable property currently on the tax rolls.

PROPERTY TYPE	MARKET VALUE
LAND	\$640,000
BUILDINGS & OTHER REAL PROPERTY IMPROVEMENTS	\$8,737,680
FURNITURE, FIXTURES, & EQUIPMENT	\$0
TAXABLE INVENTORIES	\$0
TOTAL	\$9,377,680

CURRENT OPERATIONS - OTHER ACTIVITY

Tell us about other levels of current activity

CURRENT ANNUAL TAXABLE PURCHASES 

\$0

CURRENT ANNUAL TAXABLE SALES 

\$0

CURRENT ANNUAL HOTEL NIGHTS SUPPORTED

0

EXPANSION PLANS

Do you plan to hire more workers or make additional capital investments?

YES, an Expansion is planned

NO, an Expansion is not planned

PLANS

Does the Project involve leasing or owning property?

PROJECT PLANS

- LEASE SPACE WITH RENOVATIONS
- LEASE SPACE - BUILD TO SUIT
- LAND PURCHASE AND CONSTRUCTION OF A NEW BUILDING
- PURCHASE OF EXISTING BUILDING(S) WITH RENOVATIONS
- ADDITION TO EXISTING BUILDING(S) ALREADY OWNED
- OTHER

TIMELINE

Help us understand your timeline.

DATE YOU PLAN TO BREAK GROUND OR BEGIN RENOVATIONS
2025

DATE YOU PLAN TO BEGIN LOCAL OPERATIONS
2027

SITE

Tell us about the site under consideration.

SITE ADDRESS, IF KNOWN
3000 FM 3538, Sealy, TX 77474, USA

DESCRIBE ANY SPECIAL SITE REQUIREMENTS

SQUARE FOOTAGE

Help us understand the Project's space requirements.

USE	SQUARE FOOTAGE
MANUFACTURING	0
OFFICE	0
RESIDENTIAL	0
RESTAURANT	0
RETAIL	0
WAREHOUSE	0
TOTAL	0

PRODUCTS & INDUSTRY

Tell us what the Company produces.

SERVICE OR PRODUCT TO BE PRODUCED AT LOCAL SITE

MAIN SERVICE OR PRODUCT PRODUCED COMPANYWIDE

PRIMARY NAICS CODE 

327999 All Other Miscellaneous Nonmetallic Mineral Product Manufacturing

JOBS

How many jobs will the Project create?

YEAR	NEW JOBS ADDED
1	0.0
2	10.0
3	31.0
4	17.0
5	17.0
6	0.0
7	0.0
8	0.0
9	0.0
10	0.0
TOTAL	75.0

SALARIES

How much will workers earn?

YEAR	AVG ANNUAL SALARY	PERCENT ANNUAL INCREASE
1	\$70,000	2.0%
2	\$71,400	
3	\$72,828	
4	\$74,285	
5	\$75,770	
6	\$77,286	
7	\$78,831	
8	\$80,408	
9	\$82,016	
10	\$83,656	

JOB & SALARY DETAIL

Provide details about the positions you will add and the salaries to be paid.

Employment Detail

JOB POSITION	NUMBER OF EMPLOYEES	AVERAGE SALARY	TOTAL ANNUAL SALARY
	15	\$75,000	\$1,125,000
	55	\$49,920	\$2,745,600
	5	\$41,600	\$208,000
	0	\$0	\$0
	0	\$0	\$0
	75		\$4,078,600
Overall Average Annual Salary:			\$54,381

BENEFITS

Tell us about the benefits offered by the Company.

INDICATE WHICH BENEFITS ARE OFFERED BY THE COMPANY.

- PAID TIME OFF
- HEALTH INSURANCE
- OTHER INSURANCE (DENTAL, VISION, LIFE, OR DISABILITY)
- RETIREMENT
- TUITION REIMBURSEMENT
- OTHER

AVERAGE ANNUAL VALUE OF EMPLOYER-PROVIDED BENEFITS

\$0

DESCRIBE ELIGIBILITY REQUIREMENTS FOR BENEFITS

approx 35% of base salary

CAPITAL INVESTMENT

How much will be invested in the community?

YEAR	LAND	BUILDINGS & OTHER REAL PROPERTY IMPROVEMENTS	FURNITURE, FIXTURES, & EQUIPMENT	TOTAL
1	\$0	\$15,000,000	\$30,500,000	\$45,500,000
2	\$0	\$5,000,000	\$33,500,000	\$38,500,000
3	\$0	\$0	\$7,350,000	\$7,350,000
4	\$0	\$0	\$0	\$0
5	\$0	\$0	\$0	\$0
6	\$0	\$0	\$0	\$0
7	\$0	\$0	\$0	\$0
8	\$0	\$0	\$0	\$0
9	\$0	\$0	\$0	\$0
10	\$0	\$0	\$0	\$0
TOTAL	\$0	\$20,000,000	\$71,350,000	\$91,350,000

INVENTORIES

Will the Project include taxable business inventories?

YEAR	INVENTORIES	PERCENT ANNUAL INCREASE
1	\$0	2.0%
2	\$0	
3	\$0	
4	\$0	
5	\$0	
6	\$0	
7	\$0	
8	\$0	
9	\$0	
10	\$0	

TAXABLE PURCHASES OR SALES

Indicate the amount of taxable purchases or sales that will be subject to local sales tax, if any.

YEAR	TAXABLE PURCHASES ②	TAXABLE SALES ②
1	\$0	\$0
2	\$0	\$0
3	\$0	\$0
4	\$0	\$0
5	\$0	\$0
6	\$0	\$0
7	\$0	\$0
8	\$0	\$0
9	\$0	\$0
10	\$0	\$0
% INCREASE	2.0%	2.0%

HOTEL NIGHTS & VISITORS

Will the Project have an impact on local hotels?

YEAR	HOTEL NIGHTS	HOTEL DAILY RATE	GENERAL VISITOR SPENDING PER HOTEL NIGHT
1	0.0	\$125	\$50
2	0.0	\$128	\$51
3	0.0	\$130	\$52
4	0.0	\$133	\$53
5	0.0	\$135	\$54
6	0.0	\$138	\$55
7	0.0	\$141	\$56
8	0.0	\$144	\$57
9	0.0	\$146	\$59
10	0.0	\$149	\$60
% INCREASE	0.0%	2.0%	2.0%

ADDITIONAL PROJECT BACKGROUND

Please provide any additional background that would be helpful in reviewing the Project.

ADDITIONAL BACKGROUND

ATTACH DOCUMENTS

Please attach supporting documentation that may be helpful in reviewing the Project.

DOCUMENTS

NO DOCUMENTS

COMPANY INFO

Tell us about the Company.

COMPANY NAME

Sika Corp

IS COMPANY NAME CONFIDENTIAL?

YES NO

COMPANY HEADQUARTERS ADDRESS

201 Polito Ave, Lyndhurst, NJ 07071, USA

NAME OF PARENT COMPANY, IF APPLICABLE

Sika AG

COMPANY WEBSITE

www.sika.com

COMPANY BACKGROUND

Tell us about the Company.

YEAR ESTABLISHED

1910

STATE OF FORMATION

Deleware

BUSINESS STRUCTURE

C Corp

OWNERSHIP

PUBLIC PRIVATE

EMPLOYMENT DISTRIBUTION

Help us understand the distribution of the Company's current worldwide employment.

WORKERS EMPLOYED IN THE STATE

0

WORKERS EMPLOYED IN THE USA

0

WORKERS EMPLOYED WORLDWIDE

0

POINT OF CONTACT

Who should we contact regarding questions about the Project?

NAME

Matt Szuhaj

TITLE

Site Selector

PHONE NUMBER

[REDACTED]

EMAIL

[REDACTED]

City of Sealy, Texas

Tax Abatement Guidelines and Criteria

Exhibit A of the Resolution

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I. Introduction

The City of Sealy is committed to promoting development and enhancing the quality of life for its citizens. To achieve these goals, the City may offer tax abatements within designated reinvestment zones to stimulate economic development, in accordance with Chapter 312 of the Texas Tax Code. Tax abatement is not guaranteed and will be considered on a case-by-case basis for commercial and/or industrial improvements, including new facilities, expansions, and modernizations. Residential developments are not eligible. Projects considered for abatement should enhance the City's industrial or commercial diversity and/or attract further business development.

In accordance with Texas Tax Code Sec. 312.002(c), these guidelines and criteria are effective for two (2) years from the date of adoption and may be amended or repealed only by a vote of three-fourths (3/4) of the members of the City Council; furthermore, adoption or amendment requires a public hearing and website posting following specific notice requirements as mandated by Sec. 312.002(c-1) and (c-2).

II. Key Terms

Term	Definition
Abatement	Full or partial exemption from City of Sealy ad valorem taxes on new improvements in a reinvestment zone.
Agreement	Contract between the City and a property owner/lessor/lessee for tax abatement.
Base Year Value	Assessed value of eligible property on January 1 preceding the agreement, plus the value of improvements made after January 1 but before the agreement.
Expansion	Addition of buildings, structures, machinery, equipment, and/or personal property to increase capacity.
Facility	Completed or in-process property improvements comprising an integral whole.
Modernization	Upgrading existing facilities to increase productivity, update technology, or lower unit costs, but not for reconditioning, refurbishing, maintenance, or repairing.
New Facility	Previously undeveloped property placed into service, or property that had an existing structure that has been demolished or removed.
New Machinery, Equipment, and Personal Property	Tangible machinery, equipment, or personal property securely placed in a building or permanently residing in Sealy.
Other Basic Industry Facility	Facility for producing products/services primarily serving a market outside Sealy, creating new jobs, and bringing new wealth.
Real Property	The land on which a facility is located.
Reinvestment Zone	Designated area where tax abatement can be granted, as per Chapter 312 of the Texas Tax Code.

III. Standards and Criteria

All economic development projects requesting incentives are evaluated individually through an application from which an economic impact analysis will be performed, assessing employment, fiscal, and community benefits to Sealy.

A. Consolidated Standards and Criteria

Based on this analysis, the following consolidated standards and criteria will guide incentive decisions:

- **Project Viability & Financials:** Applicant companies must be financially viable and in good legal standing. The evaluation considers capital investment (real and business personal property), projected taxable sales, required infrastructure investment, and ensures the cost of city services does not exceed tax revenue generated, even with incentives.
- **Employment Impact:** Projects must demonstrably increase or retain employment within Sealy and should not primarily consist of transferring existing employment within the city; Evaluation includes job creation/retention numbers, proposed salaries, and employee benefits.
- **Operational & Facility Details:** Evaluation includes the primary industry (NAICS code), type of operations, facility size and location, project timeline, building ownership or lease structure, and anticipated utility usage.
- **Compliance & Community Fit:** Projects should comply with all city ordinances without the need for variances (requests for variances may negatively impact consideration), not create negative environmental impacts; Prioritize the use of local resources, utilities, and services, and make a unique contribution to Sealy's economic development.
- **Incentive Scope:** Any tax abatement granted will apply only to the increase in property value resulting from new construction, expansion, or modernization.
- **Tax Payment Program:** The City may require project participation in the Direct Tax Pay Permit program.
- **Eligible Facilities:** Corporate Headquarters, Manufacturing, Research, Agriculture, Regional Distribution, Regional Service, Regional Entertainment/Tourism, Retail, or Other Basic Industry.
- **Eligible Property:** Buildings, structures, fixed machinery, equipment, personal property, and related fixed improvements.
- **Ineligible Property:** Land, speculative buildings, inventories, supplies, tools, furnishings, moveable personal property, vehicles, vessels, aircraft, housing, deferred maintenance investments, and property owned/used by the State of Texas or its subdivisions, or by City Council members, Planning Commission members, Sealy Economic Development Corporation Board members, Park Board members, or any other board or commission member of the City.
- **Leased Facilities:** Agreements must be with both the lessor and lessee.
- **Abatement Term:** Begins January 1 following agreement execution, up to 5 years with the ability for the City Council to extend such term.
- **Modernization Projects:** Abated value is the value of the new property less the replaced property.
- **Taxability:** Ineligible property and the base year value of existing eligible property are always taxable. The additional value of new eligible property becomes fully taxable after the abatement period.
- **Authorized Tax Abatement Categories:** A facility may be eligible for tax abatement if it is a:
 - Corporate Headquarters Facility Manufacturing Facility Research Facility
 - Agriculture Facility
 - Regional Distribution Facility Regional Service Facility
 - Regional Entertainment/Tourism Facility Retail Facility, or
 - Other Basic Industry Facility

B. Abatement Tiers

If a tax abatement is granted, the Sealy City Council prefers to grant abatements for five (5) years; however, the City Council has the authority and may grant an abatement for the maximum allowed by law, which is currently ten (10) years.

Notwithstanding any other provisions in this policy, any applicant who submitted an application for tax abatement in 2024 and received the City Council's approval to move forward with the tax abatement may receive a tax abatement in accordance with the Tax Abatement Guidelines and Criteria as set forth in Exhibit A attached hereto.

C. Evaluation Criteria

The City will evaluate projects based on their impact in three key areas:

Fiscal Impact	Employment Impact	Community Impact
Capital investment value	Number of jobs created/retained	Pollutants Created/Environmental Impact
Real and personal property value added to tax rolls	Types of jobs created	Operational, visual, or other negative environmental impacts
Direct sales tax generated	Contribution to Sealy's workforce	Compatibility with comprehensive plan or any strategic growth plans of the city
Infrastructure requirements and costs	Total annual payroll	Support for quality-of-life standards
Burden on city utilities	Average annual salary	Visibility and aesthetic appeal
Business travel impact	Quality of life benefits offered	LEED Certification
Return on public investment		
Company's community support		
Capital impact and other fees		
Impact on local suppliers/contractors		
Competition with existing businesses		
Other effects on existing businesses		

***D. New Facilities, Machinery, Expansion, and Modernization
Abatement Terms**

Tier	Investment & Jobs	Year 1	Year 2	Year 3	Year 4	Year 5
1	<p>Capital Investment: \$75M or Greater *Jobs: Exceeds 2 per \$1M; Average Wage: 125% of Austin County average wage Local Hire: Will conduct local workforce hiring events in conjunction with local sources. Benefits: Employer-paid health benefits and retirement plan consisting of benefits that are at least 50% paid by employer.</p>	100%	90%	80%	70%	60%
2	<p>Capital Investment: Less than \$75M – \$25M *Jobs: Minimum 2 per \$1M; Average Wage: 110% of Austin County average wage; Local Hire: Will conduct local workforce hiring events in conjunction with local sources. Benefits: Employer pays at least 50% of health and retirement plan costs.</p>	50%	50%	50%	50%	50%
3	<p>Custom Abatement : For capital investments under \$25M, the City may approve custom property tax abatement terms on a case-by-case basis.</p>	-----	-----	-----	-----	-----

Example for Average Wage: This means the minimum wage for those positions would be 1.25 times the average wage. For example, if the average county wage is \$40,000, the minimum wage for those positions would be \$50,000 ($\$40,000 * 1.25$).

*The City Council has the authority and may grant an abatement for the maximum allowed by law, which is currently ten (10) years.

IV. Application Process

- Any property owner can apply for tax abatement by submitting a written application to the City Manager.
- Any application for leased facilities, both the lessor and lessee, must be a party to the tax abatement agreement.
- Applications must be filed before any construction, alteration, or installation begins, and include a non-refundable \$1,500.00 fee.
- The application must include:
 - General project description
 - List of requested improvements
 - Type, number, and location of proposed improvements
 - Estimated inventory value and storage location
 - Projected new/retained employees, job creation, and salaries
 - Estimated annual sales subject to sales tax
 - Site map and property description
 - Project timeline
 - Reasons for needing abatement
 - For modernization, the assessed value of real and personal property for the prior tax year
 - Other financial information as required by the City Council

Applicants are required to certify that they do not currently, and will not in the future, employ undocumented workers. The City reserves the right to request additional information as deemed necessary during the application process. Applications will undergo review by the City Manager and the Application Evaluation Committee, who will subsequently provide a recommendation to the City Council. Please note that the City Council is unable to approve an abatement if the application was submitted after construction commenced or if any false information was provided within the application.

V. Approval Process

- A public hearing is required before the governing body can designate an area as a reinvestment zone.
- The City Council must find that the agreement meets the guidelines and will not adversely affect City services or public safety.

VI. Agreement Details

The tax abatement agreement will include:

- Abated value and base year value
- Percentage of value abated each year
- Abatement commencement and end dates
- Facility use, construction details, and timeline
- Default conditions and obligations
- Proof of investment and job creation/retention
- Requirement for an annual report by March 1st, including employee counts and certification of jobs created or retained.
- The City Council may add other necessary conditions.

VII. Recapture

If a facility stops producing for one (1) year (except due to casualty or natural disaster), the agreement terminates, and abated taxes for that year are due to the City within 60 days and going forward.

"EXHIBIT A"

City of Sealy, Texas

Tax Abatement Policy



Adopted: May 12, 2021

CITY OF SEALY, TEXAS
TAX ABATEMENT GUIDELINES SUMMARY

TERMS	Each project is reviewed on a case-by-case basis. The amount of the abatement will be determined based on the merits of the project, including, but not limited to, total capital investment value, the number of permanent and temporary jobs created, the costs and benefits for the City, and the project's impact on Sealy's economy.
FACILITIES THAT QUALIFY	Corporate Headquarters Facility Manufacturing Facility Research Facility Agriculture Facility Regional Distribution Facility Regional Service Facility Regional Entertainment/Tourism Facility Retail Facility, or Other Basic Industry Facility
AUTHORIZED INVESTMENTS	New Facilities Expansions Modernizations
PROPERTY ABATED	Site improvements including buildings and permanent structures, fixed machinery and equipment and personal property.
ECONOMIC CRITERIA	<p>New business: Minimum of five-million dollars (\$5,000,000.00) increase in appraised value and the creation of two (2) on-site full-time jobs for each one-million(\$1,000,000.00) in capital improvement investment.</p> <p>Expansions/Modernizations: Minimum of two-million dollars (\$2,000,000.00) increase in appraised value and the creation of five (5) on-site full-time jobs for the first two-million (\$2,000,000.00) in capital improvement investment, then two (2) on-site full-time jobs for each additional one-million (\$1,000,000.00) in capital improvement investment thereafter ; and prevent the loss of payroll or retain, increase or create payroll on a permanent basis in the City of Sealy.</p>
SPECIAL CIRCUMSTANCES	The City reserves the right to deviate from terms of this policy for at the sole discretion of the City Council.

CITY OF SEALY, TEXAS
TAX ABATEMENT POLICY

SECTION 1: GENERAL PURPOSE AND OBJECTIVES

The City of Sealy is committed both to the promotion of high-quality development within the City and to improving the quality of life for its citizens. In order to help meet these goals, the City will, on a case-by-case basis, give consideration to providing tax abatement within designated reinvestment zones as stimulation for economic development in the City.

The City of Sealy will consider tax abatement for qualified business and property owners in accordance with the procedures and criteria outlined in this document and the provisions of Chapter 312 of the Texas Tax Code. Nothing herein shall imply or suggest that the City is under any obligation to provide any incentive to any applicant. All applications shall be considered on a case-by-case basis.

All applications for tax abatement must be for commercial and/or industrial improvements. Tax abatement is available for both new facilities and for the expansion and modernization of existing facilities. No residential developments will be considered for tax abatement. Tax abatement will not be ordinarily considered for projects that would be developed without such incentives unless it is demonstrated that higher development standards or other community development goals will be achieved through the use of abatement. The project shall either add to the diversity of the City's industrial or commercial base and/or has the potential to attract other business development.

SECTION 2: DEFINITIONS

- a) **Abatement** means the full or partial exemption from ad valorem taxes of certain new improvements of real and/or personal property in a reinvestment zone designated for economic development purposes.
- b) **Agreement** means a contractual agreement between the City of Sealy and a property owner and/or lessee for the purpose of tax abatement.
- c) **Agriculture facility** means buildings, structures and major earth structure improvements, including fixed machinery and equipment, the primary purpose of which is processing, refining, packaging, and distributing food and/or fiber products in commercially marketable quantities.
- d) **Base Year Value** mean the assessed value of eligible property on 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.
- e) **Corporate Headquarters Facility** means the facility or portion of a facility where corporate staff employees are physically employed and where the majority of the company's financial, personnel, legal, planning or other headquarters related functions are handled either on a national, regional or division basis.
- f) **Deferred Maintenance** means improvements necessary for continued operations, which do not improve productivity or alter the process technology.
- g) **Economic life** means the number of years a property improvement is expected to be in service at a facility. Provided, however, that in no circumstances shall the number of years exceed the depreciation allowance specified in the United States Internal Revenue Code.
- h) **Effective Date of Abatement** means the first (1⁵ day of January immediately following the date the Agreement is executed by the City of Sealy and the applicant.
- i) **Eligible Jurisdiction** means the City of Sealy, Austin County, emergency services district and any school district or college district which levies ad valorem taxes upon, and provides services to, property located within the proposed or existing reinvestment zone.
- j) **Expansion** means the addition of buildings, structures, fixed machinery, equipment, and/or personal property for the purpose of increasing production capacity or services.
- k) **Facility** means property improvements completed or in the process of construction which together comprise an integral whole.
- l) **Housing** means new housing designed to accommodate shelter and living quarters for one or a few families in separate units, including new single- or multi-family housing projects or apartments, but excluding hotels and motels.
- m) **Manufacturing Facility** means buildings, structures, fixed machinery, equipment and personal property, 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 or chemical change.

- n) **Modernization** means the upgrading of existing facilities, which increases the productive 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, equipment and personal property. It shall not be for the purpose of reconditioning, refurbishing or repairing.
- o) **New Facility** means a property, previously undeveloped that is placed into service by means other than or in conjunction with expansion or modernization.
- p) **New Machinery and Equipment** means tangible machinery, equipment, or personal property that is securely placed or fastened and stationary within a building or structure or permanently resides in the City of Sealy.
- q) **Other Basic Industry Facility** means buildings and structures including fixed machinery, equipment, or personal property not elsewhere described, used or to be used for the production of products or services which primarily serve a market outside the City of Sealy and result in the creation of new permanent jobs and bring new wealth into the City.
- r) **Real Property** means the land on which a facility is placed.
- s) **Reinvestment Zone** is a specific parcel of property designated by the City within which tax abatement can be granted, as defined by Chapter 312 of the Texas Tax Code.
- t) **Regional Distribution Facility** means buildings and structures including fixed machinery, equipment, and personal property used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility, from which a majority of revenues generated by the activity at the facility are derived from outside the City of Sealy.
- u) **Regional Entertainment/Tourism Facility** means buildings and structures, including fixed machinery, equipment, and personal property used or to be used to provide entertainment and/or tourism related services, from which a majority of revenues generated by activity at the facility are derived from outside the City of Sealy.
- v) **Regional Service Facility** means buildings and structures, including fixed machinery, equipment, and personal property used or to be used to provide a service, from which a majority of revenues generated by activity at the facility are derived from outside the City of Sealy.
- w) **Research Facility** means buildings and structures, including fixed machinery, equipment, and personal property 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.
- x) **Retail Facility** means space provided for the conducting and management of business, and the storing and selling of goods directly to consumers.

SECTION 3: STANDARDS, CRITERIA, AND EXAMPLES

Minimum Standards for Tax Abatement

- (a) The project shall not have any negative environmental impacts on the community (e.g. significant pollution or hazardous waste).
- (b) Companies must make every effort to use local resources (services, employees, suppliers, etc.).
- (c) The project should be expected to increase or create payroll on a permanent basis or prevent the loss or retention of payroll in the City.
- (d) **New facilities:** The project will have an increased appraised ad valorem tax value of at least \$5,000,000.00, excluding land, upon completion of the anticipated improvements based upon the Austin County Appraisal District's assessment of the eligible property, and create a minimum of two (2) on-site full-time jobs per one-million (\$1,000,000.00) capital improvement investment.
- (e) **Expansion/Modernization:** The project must prevent the loss of payroll or retain, increase or create payroll on a permanent basis in the City of Sealy and have an increased appraised ad valorem tax value of at least \$2,000,000.00, excluding land, upon completion of the anticipated expansion or modernization based upon the Austin County Appraisal Districts assessment of the eligible property, and create a minimum of five (5) on-site full-time jobs for the first two-million (\$2,000,000.00) in capital improvement investment, and two (2) on-site full-time jobs for each additional one-million (\$1,000,000.00) in capital improvement investment thereafter.
- (f) Tax abatement may only be granted for the additional tax value resulting from any of the following:
- 1) construction of a new facility of any type herein defined;
 - 2) expansion of existing facilities of any type as herein defined; or
 - 3) modernization of existing facilities of any type as herein defined.
- (g) The project will not solely and primarily have the effect of transferring employment from one part of the city to another.
- (h) The development must conform to the City's code of ordinances.
- (i) The cost of City services required for the development should not exceed the amount of taxes generated if abatement is provided.

(j) The City may require applicant to participate in the Direct Tax Pay Permit program.

(k) Investments will be made into projects sponsored by a financially viable company in good legal standing with the City and State.

(l) Project will make a unique or unequaled contribution to development or redevelopment efforts in the City of Sealy due to its magnitude, significance to the community, or aesthetic quality.

(m) Projects that request an ordinance variance generally may not be considered for tax abatement

Project Evaluation Criteria for Tax Abatement:

FISCAL IMPACT:

- What is the estimated total value of capital investment for buildings, other real property improvements and furniture, fixtures and equipment?
- What is the value of the Real and Business Personal Property that will be added to the tax rolls?
- How much direct sales tax will be generated?
- Will infrastructure construction be required? What are the infrastructure costs to the City? What will be the project's contribution to the infrastructure project?
- Will the project put a burden on the City's utilities?
- Will the company's local business practices necessitate business travel that will bring clients or employees to Sealy, resulting in hotel/motel bookings? If so, what is the estimated number of hotel/motel stays per year that will be booked locally?
- What is the estimated return on public investment?
- Does the company have a history of and/or commitment to community support of Sealy?
- How much potential in capital impact fees and other planning, permit, utility taps and fees will be paid to the City?
- Will the project substantially increase the business opportunities of existing local suppliers and contractors?
- Will the project compete with similar existing businesses to the detriment of the local economy?
- How else will this project affect other existing businesses/industries?

EMPLOYMENT IMPACT:

- How many on-site jobs will be brought to Sealy?
- How many on-site jobs will be retained?
- What types of jobs will be created?
- Will project contribution to Sealy's top-tier workforce?

- What will the total annual payroll be?
- What is the average annual salary of on-site jobs created and/or retained?
How does that compare to the average weekly wages in Texas?
- Will quality of life benefits be offered? Examples include employer paid health, dental, vision and/or life or disability insurance, profit sharing, 401K or other retirement plan, paid vacations and/or holidays?

COMMUNITY IMPACT:

- Will any pollutants be created by the project?
- Does the project pose any negative operational, visual or other impacts, such as noise or traffic congestion?
- How compatible is the project with the City's comprehensive plan goals? (refer to Section 13: City of Sealy Comprehensive Plan Goals)
- How does the project support goals that are related to preferred quality of life standards such as preservation of open space or unequaled contribution to the development or redevelopment efforts in the City? How?
- Will project have high visibility, image impact, or be located near a gateway of the City, and if so, will they contribute to the aesthetic appeal in the design and materials of their building, greenspace, and landscape plan?
- Is project a LEED (Leadership in Energy and Environmental Design) Certified project? What rating system, version, level, and has proof of registration with US Green Building Council been provided?

(c) The City of Sealy reserves the right to not grant any tax abatement and if it does grant tax abatements, may determine at its sole discretion the amount of such tax abatement not to exceed 10 years.

Examples of potential tax abatements.** The City of Sealy reserves the right to not grant any tax abatement and if it does grant tax abatements, may determine at its sole discretion the amount of such tax abatement not to exceed 10 years.**

New Facilities:

Option A Considerations - exceptional and above average contribution(s) to Sealy as described, but not limited to:

1. Fiscal Impact: Capital improvement investment for New Facility Project minimum of \$25 million, excluding land. Consideration given to projects that qualify for and participate in the Direct Pay Permit program through the State Comptroller's, and for projects that are committing to additional phases of growth, within a specified timeline, as part of the tax abatement agreement.
2. Employment Impact: On-site job creation exceeds the minimum of two (2) on-site full-time jobs per one-million (\$1,000,000.00) in capital improvement investment,

creation of top-tier workforce jobs, and jobs include quality of life benefits that are at least 50% paid by employer, with a minimum average annual total compensation of \$40,000.00 per job.

3. Community Impact: LEED Certified projects, projects that do not pollute the environment or burden the City's utilities. Consideration given to projects that provide unequalled contribution to Sealy, have a positive image impact, in-fill or property revitalization/rehabilitation or project, or if project has completed a traffic impact study to help the City plan for the impact on the community.

Option B Considerations:

1. Project meets eligibility requirements for New Facility Project capital improvement investment, excluding land, of a minimum of five-million (\$5,000,000.00), and meets the minimum requirement of two (2) on-site full-time jobs created per one-million (\$1,000,000.00) capital improvement investment, with wages that are equal to or exceed average weekly wages for Texas. If these eligibility requirements are not met, the City may consider unique contributions and goals of the Comprehensive Plan that are met by the project, which positively impact the growth and development of Sealy.
2. The Application Evaluation Committee may make a determination that the project will have positive fiscal, employment and community impacts per the evaluation criteria provided, but may not necessarily have above average impacts.

Option C Considerations:

Option C may be considered if the project was found by the Application Evaluation Committee to make significant contributions to the development of Sealy by meeting goals of the Comprehensive Plan and other criteria found to support the Sealy Economic Development Corporation's Mission to strive to encourage business enterprise growth, to create and retain employment opportunities and to improve the quality of life in Sealy, and Vision of providing prosperity and quality of life to the citizens of Sealy.

NEW FACILITIES Tax Abatement Options Examples:

OPTION- Investment & Jobs	Year 1	Year2	Year3	Year4	Year 5	Year 6	Year7
A- Capital Investment: \$25 mm and up Jobs Created: Exceeds 2 per \$1 mm	100%	100%	90%	80%	70%	60%	50%
B- Capital Investment: \$5 mm- \$20mm Jobs Created: Minimum 2 per \$1 mm	90%	80%	70%	60%	50%	40%	30%
C (Non-A/Non-B) found by committee to make significant contribution	75%	65%	55%	45%	35%	25%	15%

This is for example purposes only. The City of Sealy reserves the right to not grant any tax abatement and if it does grant tax abatements, may determine at its sole discretion the amount of such tax abatement not to exceed 10 years.

Expansion/Modernization:

Option A Considerations - exceptional and above average contribution(s) to Sealy as described, but not limited to:

1. Fiscal Impact: Capital improvement investment for Expansion/Modernization Project of a minimum of \$5 million, excluding land if additional land purchase is required for the expansion/modernization project. Consideration given to projects that qualify for and participate in the Direct Pay Permit program through the State Comptroller's, and for projects that are committing to additional phases of growth, within a specified timeline, as part of the tax abatement agreement.
2. Employment Impact: On-site job creation exceeds the minimum of five (5) on-site full-time jobs for the first two-million (\$2,000,000,00) and an additional two (2) on-site full-time jobs per each additional one-million (\$1,000,000.00)

in capital improvement investment, creates top-tier workforce jobs, and jobs include quality of life benefits paid by employer, with a minimum average annual total compensation that exceeds average weekly wages for Texas.

3. Community Impact: LEED Certified projects, projects that do not pollute the environment or burden the City's utilities. Consideration given to projects that provide unequaled contribution to Sealy or include a complete positive image impact by improving the entire site as part of the expansion/modernization project.

Option B Considerations:

1. Project meets eligibility requirements for Expansion/Modernization Project capital improvement investment of a minimum of two-million (\$2,000,000.00), and a minimum of five (5) on-site full-time jobs created for the first two-million (\$2,000,000.00) in capital improvement investment, and two (2) on-site full-time jobs for each additional one-million (\$1,000,000.00) in capital improvement investment, with an average total compensation that exceeds average weekly wages for Texas. If these eligibility requirements are not met, the City may consider unique contributions to the development of Sealy.
2. The Application Evaluation Committee may make a determination that the project will have positive fiscal, employment and community impacts per the evaluation criteria provided, but may not necessarily have above average impacts.

Option C Considerations:

Option C may be considered if the project was found by the Application Evaluation Committee to make significant contributions to the development of Sealy by meeting goals of the Comprehensive Plan and other criteria found to support the Sealy Economic Development Corporation's Mission to strive to encourage business enterprise growth, to create and retain employment opportunities and to improve the quality of life in Sealy, and Vision of providing prosperity and quality of life to the citizens of Sealy.

EXPANSION/MODERNIZATIONS Tax Abatement Options Examples:

OPTION-	Year 1	Year2	Year3	Year4	Year 5	Year6	Year7
Investment & Jobs							
A- Capital Investment: \$5 mm and up Jobs Created: Exceeds 5 per first \$2 mm, and 2 per each additional \$1 mm	100%	90%	80%	70%	60%	50%	40%
B- Capital Investment: \$2 mm and up that meet minimum requirements per Option B Jobs Created: Minimum 5 for first \$2 mm, then 2 per each additional \$1 mm	90%	80%	70%	60%	50%	40%	30%
C (Non-A/Non-B) found by committee to make significant contribution	75%	65%	55%	45%	35%	25%	15%

This is for example purposes only. The City of Sealy reserves the right to not grant any tax abatement and if it does grant tax abatements, may determine at its sole discretion the amount of such tax abatement not to exceed 10 years.

SECTION 4: ABATEMENT AUTHORIZED

(a) Authorized Tax Abatement Categories: A facility may be eligible for tax abatement if it is a:

Corporate Headquarters Facility
Manufacturing Facility Research
Facility
Agriculture Facility
Regional Distribution Facility
Regional Service Facility
Regional Entertainment/Tourism Facility Retail
Facility, or
Other Basic Industry Facility

(b) Creation of New Value: Abatement may only be granted for the additional value of eligible property improvements made subsequent to and in an abatement agreement between the City of Sealy and the property owner and/or lessee, subject to such limitations as the City Council may require.

(c) Eligible Property: Abatement may be extended to the value of buildings, structures, fixed machinery, equipment, personal property, and related fixed improvements necessary to the operation and administration of the facility.

(d) Ineligible Property: The following types of property shall generally be fully taxable and ineligible for abatement: land, inventories, supplies, tools, furnishings, and other forms of moveable personal property; vehicles, vessels, aircraft, housing, deferred maintenance investments, property owned or used by the State of Texas or its political subdivision or by any property exempted by local, state, or federal law; and property owned or leased by a member of city council, member of the planning commission of the City, or member of the Sealy Economic Development Corporation.

(e) Leased Facilities: If a leased facility is granted abatement, the agreement shall be executed with the lessor and the lessee.

(f) Value of the Term of Abatement: Abatement shall be granted effective with the January 1 valuation date immediately following the date of the execution of the agreement. The value and term of abatement will be determined based on the merits of the project, including, but not limited to, total taxable investment value and added jobs, if applicable, as determined by the referenced tables in Section 3G). However, each application will be considered on a case-by-case basis and the City of Sealy may abate the value of new eligible property for a total term of abatement not to exceed ten (10) years.

If a modernization project includes facility replacement, the abated value shall be the value of the new property less the replaced property.

(g) Taxability: From the execution of the abatement to the end of the agreement, taxes shall be payable as follows:

- 1) The value of ineligible property as provided in Section 4 (d) shall be fully taxable;
- 2) The base year value of existing eligible property as determined each year shall be fully taxable; and,
- 3) The additional value of new eligible property shall be fully taxable at the end of any abatement period.

SECTION 5: APPLICATION

(a) Any present or potential owner of taxable property in the City of Sealy may request tax abatement by filing a written application with the City Manager or his/her designated person. An application for tax abatement must be filed prior to the commencement of any construction, alteration, or installation of any improvements related to a proposed new facility, expansion, or modernization. The application shall be submitted with a non-refundable fee of \$1,500.00.

(b) The application, The City of Sealy, Texas & Sealy Economic Development Application for Incentives/Business Information Form, shall consist of a completed application form accompanied by the following, all of which are included on the Application: a general description of the project to be undertaken; a descriptive list of the improvements for which an abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a list of the estimated value of inventory and the location where the inventory will be stored; the projected number of new and/or retained employees at the proposed facility and the estimated average salaries or wages; the estimated annual sales subject to the State Sales & Use Tax; a map showing the location of the proposed site/project, a property description; and a time schedule for undertaking and completing the proposed improvements. The applicant shall also include information pertaining to the reasons the abatement is necessary in order to have the project undertaken in the City of Sealy. In the case of a modernization, a statement of the assessed value of the facility separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as the Sealy City Council deems appropriate for evaluating the financial capacity and other factors of the applicant. Only completed applications that include responses to all requested information, with all requested attachments, will be considered for review.

(c) The applicant must certify that the applicant does not employ nor will it employ any undocumented workers (an individual who, at time of employment, is not lawfully admitted for permanent residence to the United States or, authorized under law to be employed in that manner in the United States). The applicant must agree that if it is convicted of a violation under 8 U.S.C. Section 1324a(f) after receiving tax abatement, applicant shall repay the amount of tax abatement received with interest, at the rate of 12% per annum, within 120 days after the City notifies the applicant of the violation. The City shall have the authority to bring a civil action to recover any amounts which the applicant must repay to the City under this provision, and in such action may recover court costs and reasonable attorney's fees.

(d) The City of Sealy may request additional information as deemed appropriate for evaluating the financial capacity of the applicant and compatibility of the proposed improvements with these guidelines and criteria.

(e) After receipt of a completed application, the City Manager and his/her designated person shall review the application to determine if it qualifies for abatement under the terms of these guidelines and criteria. An Application Evaluation Committee, consisting of the City Manager, City Planner, EDC Director, Public Works Director, and Streets/Parks/Buildings Director, will evaluate the project's fiscal, employment and community impacts. The City Manager will prepare a report and recommendation to the Mayor and City Council.

(f) The City Council shall not establish a reinvestment zone or enter into a tax abatement agreement if it finds that the request for abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed new facility, expansion, or modernization or if the applicant deliberately provided false or misleading information that is material to the application.

SECTION 6: PUBLIC HEARING AND APPROVAL

(a) The governing body may not adopt an ordinance designating an area as a reinvestment zone until the governing body has held a public hearing on the designation and has found that the improvements sought are feasible and practical and would be a benefit to the land to be included in the zone and to the municipality after the expiration of an agreement entered into under Section 312.204 or 312.211, as applicable. At the hearing interested persons are entitled to speak and present evidence for or against the designation. Not later than the seventh day before the date of the hearing, notice of the hearing must be:

- 1) published in a newspaper having general circulation in the municipality; and
- 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.

(b) In order to enter into a tax abatement agreement, the City Council must find that the terms of the proposed agreement meet these GUIDELINES AND CRITERIA and that:

- 1) There will be no substantial adverse effect on the provision of the City of Sealy's services or tax base; and
- 2) The planned use of the property will not constitute a hazard to public safety, health or morals.

SECTION 7: AGREEMENT

(a) After approval of a tax abatement application within a designated reinvestment zone and a public hearing, the Sealy City Council shall formally pass a resolution and execute an agreement with the owner of the facility and/or lessee as required, which shall include:

- 1) Estimated value to be abated and base year value;
- 2) Percent of value to be abated each year;
- 3) The commencement date and the termination date of abatement;
- 4) The proposed use of the facility, nature of construction, time schedule for completion of the project, site location map and property description;
- 5) The contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment, or other provisions that may be required for uniformity or compliance with state law;
- 6) Proof of amount of investment, and/or increase in assessed value or other capital investment, and the number of jobs or payroll to be retained or created;
- 7) A requirement that the applicant submit to the City on or before March 1st of each year of the abatement a report showing the employee count for the abated facility which corresponds to employment counts reported in the facility's Employer's Quarterly Report to the Texas Workforce Commission, and a separate letter certifying that the number of jobs created or retained as a direct result of the abated improvements within the City of Sealy. The annual report shall be used to determine abatement eligibility for that year and shall be subject to audit, if requested by the City of Sealy. Failure to submit may result in the applicant's ineligibility to receive an abatement for that year, termination of the tax abatement agreement and the recapture of abated taxes pursuant to Section 8 thereof.

(b) The City Council may impose any other conditions in a tax abatement agreement that the City Council deems necessary to promote the purposes of these guidelines.

SECTION 8: RECAPTURE

(a) In the event that the facility is completed and begins producing product or providing service, but subsequently discontinues producing product or providing service for any reason except fire, explosion or other casualty or accident or natural disaster for a period of one (1) year during the abatement period, then the agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the facility no longer produces. The taxes otherwise to be abated for the calendar year shall be paid to the City of Sealy within sixty (60) days from the date of notification of termination by the City of Sealy.

(b) Should the City Council determine that the company or individual applicant is in default according to the terms and conditions of this policy, the City of Sealy 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 (the Cure Period), then the agreement may be terminated.

(c) In the event that the company or individual allows its ad valorem taxes owed the City of Sealy to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or violates any of the terms and conditions of the abatement agreement and fails to cure during the Cure Period, then the City may terminate the agreement and all taxes

previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination and Cure Period.

SECTION 9: ADMINISTRATION

- (a) Each year, the company or individual receiving abatement shall furnish the City with such information as may be necessary for the abatement.
- (b) The agreement shall stipulate that employees and/or designated representatives for the City of Sealy will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.
- (c) Upon completion of construction, the city manager or his/her designated person shall annually evaluate each facility receiving abatement to ensure compliance with the agreement and report possible violations of the agreement to the City of Sealy and its attorney.
- (d) All documents related to tax abatements, including the annual certifications, will be kept on file with the City Secretary.

SECTION 10: ASSIGNMENT

An abatement may be assigned by the holder to a new owner or lessee of the same facility and/or abated property with the written consent of the Sealy City Council, which consent shall not be unreasonably withheld. 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 a tax abatement 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. No assignment shall be approved if the assignor or the assignee is indebted to the City of Sealy for ad valorem taxes or other obligations.

SECTION 11: CONFIDENTIALITY OF PROPRIETARY INFORMATION

Subject to the provisions and limitations of Chapter 552 of the Texas Government Code, information that is provided to the City of Sealy in connection with an application or request for the creation of a reinvestment zone for the purpose of tax abatement in accordance with the above criteria and guidelines and which describes the specific process or business activities to be conducted or equipment or other property to be located on the property for which the tax abatement is sought is confidential and not subject to public disclosure until the tax abatement

agreement is executed. The information in the custody of the City of Sealy after the agreement is executed will be treated as confidential to the extent allowed by law.

SECTION 12: SUNSET PROVISION

These GUIDELINES AND CRITERIA are effective upon the date of their adoption and will remain in force for two (2) years, at which time all reinvestment zones and tax abatement agreements created pursuant to its provisions will be reviewed by the Sealy City Council to determine whether the goals have been achieved. Based on that review, the GUIDELINES AND CRITERIA will be modified, renewed or eliminated providing that such actions shall not affect existing agreements.

SECTION 13: CITY OF SEALY COMPREHENSIVE PLAN GOALS:

COMMUNITY GOAL 1:

Continue to enhance the community character of Sealy.

COMMUNITY GOAL 2:

Continue to expand opportunities for redevelopment & economic growth in the Downtown Development while respecting the existing historic character.

COMMUNITY GOAL 3:

Improve urban design and aesthetics along major corridors and city gateways.

ECONOMIC DEVELOPMENT GOAL 1:

Establish a plan to identify available land for purchase to provide economic development incentive.

ECONOMIC DEVELOPMENT GOAL 2:

Provide a city that allows citizens to live, shop, work, play, learn and worship in Sealy.

ECONOMIC DEVELOPMENT GOAL 3:

Attract businesses that create primary jobs and career opportunities in Sealy.

ECONOMIC DEVELOPMENT GOAL 4:

Encourage investment in infrastructure to enhance economic development.

EDUCATIONAL GOAL 1:

Continue to provide educational opportunities for the Citizens of Sealy and promote the development of our youth for the betterment of Sealy.

ENVIRONMENTAL GOAL 1:

Preserve Sealy's most sensitive environmental areas for both their economic and ecological benefits.

ENVIRONMENTAL GOAL 2:

Preserve open spaces within the corporate limits and the ETJ.

ENVIRONMENTAL GOAL 3:

Continue to encourage the development of projects that provide beneficial economic opportunities for local residents without destroying the existing physical environment.

PARKS & RECREATION GOAL 1:

Develop and maintain a first-class parks and recreation system.

NEIGHBORHOOD & HOUSING GOAL 1:

Assist citizens to procure safe and affordable housing in a fair and equitable manner.

NEIGHBORHOOD & HOUSING GOAL 2:

Continue to improve the quality of living for Sealy residents by upgrading the quality of housing stock.

NEIGHBORHOOD & HOUSING GOAL 3:

Continue to preserve and enhance existing, older neighborhoods.

NEIGHBORHOOD & HOUSING GOAL 4:

Ensure quality development of new subdivisions both inside the corporate limits and in the City's Extra Territorial Jurisdiction.

NEIGHBORHOOD & HOUSING GOAL 5:

Promote an aesthetically pleasing, durable, and safe living environment for present and future generations.

WATER/SANITARY SEWER INFRASTRUCTURE GOAL 1:

Continue to provide utilities and infrastructure in a manner that will encourage controlled, targeted, efficient, green and aesthetically pleasing development.

WATER/SANITARY SEWER INFRASTRUCTURE GOAL 2:

Continue to encourage a well-managed pattern of development that is fiscally responsible and timed with the adequate provision of utilities and services.

WATER/SANITARY SEWER INFRASTRUCTURE GOAL 3:

Continue to improve infrastructure to accommodate the current corporate limits, and ETJ.

WATER/SANITARY SEWER INFRASTRUCTURE GOAL 4:

Continue to encourage the development of projects that provide beneficial economic opportunities for local residents without destroying the existing physical environment.

WATER/SANITARY SEWER INFRASTRUCTURE GOAL 5:

The City should continue to have a dependable water supply that will provide for all water demands, including domestic, industrial, and commercial, as well as an allowance of about 10-15% for distribution system leakage, fire-fighting, and all other unmetered uses.

WATER/SANITARY SEWER INFRASTRUCTURE GOAL 6:

The Sealy sanitary sewer system should continue to have the capacity to provide high quality service both within the current corporate limits and ETJ throughout the planning period.

WATER/SANITARY SEWER INFRASTRUCTURE GOAL 7:

Continue to provide adequate and efficient provision of infrastructure, including water and wastewater facilities, to accommodate the growth and economic development objectives of the community over the next 20 years.

DRAINAGE GOAL 1:

A regional drainage system that adequately and efficiently handles stormwater flows and minimizes flooding of property, improves public health and safety, and maximizes the potential properties that are ideally suited for economic development.

PUBLIC SAFETY GOAL 1:

Continue to provide adequate public safety facilities and services.

ANNEXATION GOAL 1:

Guide the orderly growth and development of the City through targeted strategic involuntary annexations based on sound fiscal rationale and to amend development codes to require voluntary annexation as a condition of plat and site plan approvals in order to provide for the orderly extension of City utilities and services and to avoid the use of private or special utility districts.

TRANSPORTATION GOAL 1:

Continue to facilitate regional mobility to efficiently move people and goods to and from the community.

TRANSPORTATION GOAL 2:

Continue to create a system of arterial and collector roads that provides adequate connectivity and through movements across the City.

TRANSPORTATION GOAL 3:

Continue to develop a mobility system that offers a variety of choice in modes of travel.

TRANSPORTATION GOAL 4:

Continue to provide roadways that accommodate all users of the system and are designed to fit the physical setting of the community and contribute to community character.

TRANSPORTATION GOAL 5:

Continue to provide for the safe movement of traffic and to provide roadways that will require little or no maintenance costs.

TRANSPORTATION GOAL 6:

Continue to develop future roadways that will enhance economic development opportunities for both current and future local business owners.

Exhibit "G"

FIELD NOTE DESCRIPTION OF 40.000 ACRES (1,742,400 SQUARE FEET) OF LAND OUT OF UNRESTRICTED RESERVE "B" OF WAL-MART SUBDIVISION ACCORDING TO THE MAP OR MAP THEREOF RECORDED IN VOLUME 1, PAGE 309 OF THE AUSTIN COUNTY PLAT RECORDS AND LOCATED IN THE SAN FELIPE DE AUSTIN TRACT, ABSTRACT 5, CITY OF SEALY, AUSTIN COUNTY, TEXAS, SAID 40.000 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS; ALL BEARINGS SHOWN ARE BASED ON THE NORTHWESTERLY LINE OF SAID UNRESTRICTED RESERVE "B" OF WAL-MART SUBDIVISION, SAID NORTH LINE BEARING NORTH 45°00'00" EAST:

BEGINNING at a 5/8 inch iron rod with cap found in the Northeasterly right-of-way line of F.M. 3538 (120 feet wide, formerly Brast Road, a.k.a. Rice Field Road) for the Southerly corner of Unrestricted Reserve "A", same being the Westerly corner of said Unrestricted Reserve "B", said iron rod also marks the Westerly corner of the herein described tract;

THENCE, North 45°00'00" East, along the common line between said Unrestricted Reserves "A" and "B", a distance of 1813.10 feet to a 5/8 inch iron with cap found for an interior corner of said Unrestricted Reserve "A", said iron also marks the Northerly corner of said Unrestricted Reserve "B" and the herein described tract;

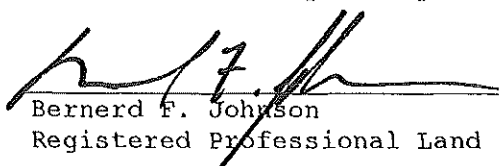
THENCE, South 45°00'00" East, along the common line between said Unrestricted Reserves "A" and "B", a distance of 960.83 feet to a 5/8 inch iron with cap found for the Northerly corner of that certain called 15.000 acre tract recorded under Austin County Clerk's File No. 2008-082878, said iron also marks the Easterly corner of the herein described tract;

THENCE, South 45°00'00" West, along the Northwesterly line of said called 15.000 acre tract, at 701.90 feet pass a found 5/8 inch iron rod with cap marking the Westerly corner of said called 15.000 acre tract and continuing a total distance of 1813.75 feet to a 5/8 inch iron with cap found in the Northeasterly right-of-way line of said F.M. 3538 for the Southerly corner of the herein described tract;

THENCE, North 44°57'40" West, along the Northeasterly right-of-way line of F.M. 3538, same being the Southwesterly line of said Unrestricted Reserve "B", a distance of 960.83 feet to the POINT OF BEGINNING and containing 40.000 acres (1,742,400 square feet) of land, more or less.

CENTURY ENGINEERING, INC.

Dated this 1st day of September, 2016


Bernerd F. Johnson
Registered Professional Land Surveyor No. 4314

CEI JOB NO. 16047-00.00
(QW18) 16047A.T



Exhibit "H"

If Project M63 were to locate in Sealy, Texas, the existing site would be used, and a new facility would be constructed on Sika's current plot of land (see parcel outline shown in Figure 1).

FIGURE 1

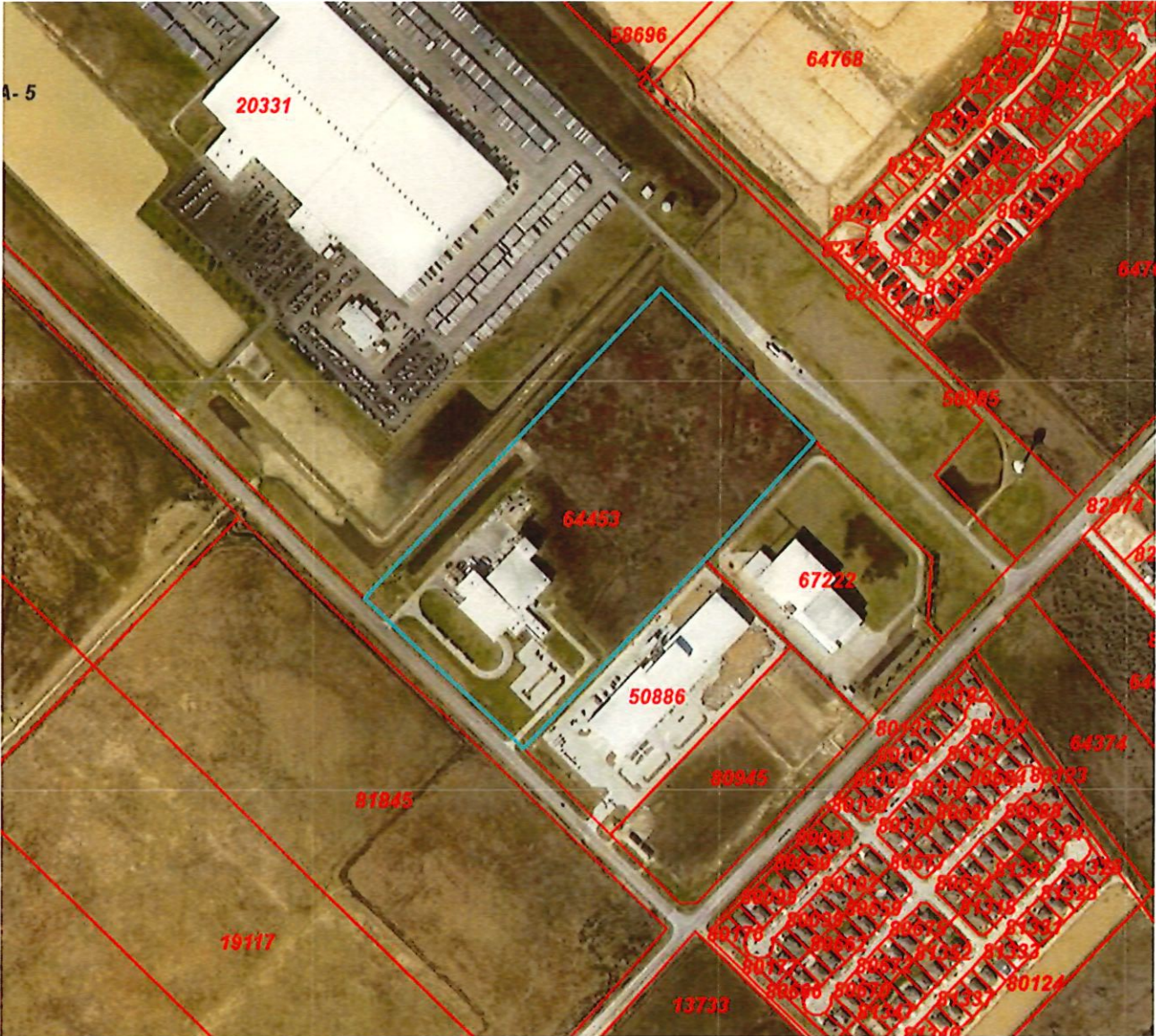


Figure 2 shows a rendering of the potential new facility.

FIGURE 2



F. ADJOURN