

STATE OF TEXAS

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COUNTY OF FORT BEND

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**TAX ABATEMENT AGREEMENT**

by and between

**FORT BEND COUNTY,**  
**RICH PRODUCTS CORPORATION**  
and  
**MCRPC II, LLC**

This Tax Abatement Agreement, hereinafter referred to as "Agreement," is executed by and between **FORT BEND COUNTY, TEXAS**, hereinafter referred to as "County," acting by and through its Commissioners' Court, **MCRPC II, LLC**, a foreign limited liability corporation, hereinafter referred to as "Owner," owner of the Real Property and Improvements located within the City of Missouri City Reinvestment Zone No. 12, and **RICH PRODUCTS CORPORATION**, a foreign for-profit corporation, hereinafter referred to as "Lessee", the lessee of the Real Property and Improvements and owner of the eligible property located within the City of Missouri City Reinvestment Zone No. 12.

1. **Authorization:**

- a. This Agreement is authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the TEXAS TAX CODE as it exists on the effective date of this Agreement, and;
- b. The Amended Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created by Fort Bend County, Texas, was approved by the County's Commissioners Court on April 26, 2013. County has determined that the request for Tax Abatement presented by Owner and Lessee conforms with the criteria established in the Guidelines for Tax Abatement.
- c. No official of County has an interest in the property subject to this Agreement.

2. **Definition:**

As used in this Agreement, the following terms shall have the meanings set forth below:

- a. The "**Certified Appraised Value or Value**" means the value certified as of January 1 of each year of this Agreement regarding the property within City of

Missouri City Reinvestment Zone No. 12 by the County.

- b. **“Real Property”** means the portion of Reserve 16 and Reserve 17, in Block 3, Lakeview Business Park, a recorded subdivision in Fort Bend County, Texas, as described in Ordinance No. O-13-14, which created Reinvestment Zone No. 12 located within the City of Missouri City, described in Exhibit “A” attached hereto and incorporated by reference herein for all purposes.
- c. **“Improvements”** means a new building to be used for office, manufacturing, and warehousing purposes located in Reinvestment Zone No. 12, containing at least 120,000 square feet of floor space, and the interior improvements to such office, manufacturing, distribution and warehousing building and any sidewalks, parking lots, outdoor lighting, landscaping and other improvements to serve the building.
- d. **“Abatement”** means the full or partial exemption from ad valorem taxes of certain property in the City of Missouri City Reinvestment Zone No. 12 designated for economic development purposes.
- e. **“Eligible Property”** means the personal property owned or acquired by Lessee and installed at the Improvements which is not Ineligible Property. Abatement shall be extended to machinery and equipment (fixed or otherwise), necessary to the operation and administration of the facility. Eligible Property is subject to abatement only as included in Section 5(c).
- f. **“Ineligible Property”** means real property, existing improvements, tangible personal property that the County classifies as inventory or supplies, real property used primarily to provide retail sales or services to the public, real property used for residential purposes, tangible personal property classified as furnishings, tangible personal property located in the reinvestment zone prior to the execution date of the tax abatement agreement, real property with a productive life of less than 10 years, or any other property for which abatement is not allowed by state law.
- g. **“Owner”** means MCRPC II, LLC, the owner of the Real Property the subject to this Agreement, or other person or entity to which this Agreement is assigned, with prior approval of the Fort Bend County Commissioners’ Court.
- h. **“Lessee”** means RICH PRODUCTS CORPORATION, the lessee of the Real Property and owner of Eligible Property, or other person or entity to which this Agreement is assigned, with prior approval of the Fort Bend County Commissioners’ Court.
- i. **“County”** means the County of Fort Bend, Texas.
- j. **“District”** means Fort Bend County Central Appraisal District.

**3. Subject Property**

The City of Missouri City Reinvestment Zone No. 12 is an area located in Fort Bend County, Texas, being legally described in Exhibit A attached hereto and incorporated herein for all purposes.

The County has established the base year values for the subject property as of January 1, 2013.

**4. Responsibility of Owner and Lessee**

In consideration of receiving the tax abatement granted herein, Owner and Lessee represent and agree:

- (a) That construction of the Improvements will commence on or before December 31, 2013.
- (b) That construction of the Improvements shall be completed on or before December 31, 2014. Owner shall provide the County's Tax Assessor/Collector a certified statement evidencing a minimum of \$12,000,000 in project costs with respect to the design and construction of the Improvements within sixty (60) days after completion of the Improvements.
- (c) That the combined Certified Appraised Value of the Improvements, Eligible Property and Inventory on January 1, 2015, and on each and every January 1 thereafter during the term of this Agreement will not be less than \$23,000,000. Owner may from time to time during the term of this Agreement install additional improvements and Eligible Property, and modify, remove or replace improvements or Eligible Property, as Owner may determine in its discretion. Failure to meet the requirements of this section will invalidate the tax abatement for the year this requirement was not satisfied.
- (d) That Owner shall provide the County's Tax Assessor/Collector with a copy of the Certificate of Occupancy for the Improvements on or before December 31, 2014. Owner's failure to present a copy of the Certificate of Occupancy to County may result in a forfeiture of the tax abatement of tax year 2015, except in the event that the Owner or Lessee experiences a

Force Majeure event as defined in Section 10 of this Agreement. Failure to meet the requirements of this section will invalidate the tax abatement for the year this requirement was not satisfied.

- (e) That Owner and Lessee have, as of the effective date of this Agreement, the financial resources to implement the above representations.
- (f) That Lessee will participate in the continuing economic development process in Fort Bend County by becoming a Trustee Member of the Greater Fort Bend Economic Development Council, at an annual membership rate of \$6,000/per year commencing at the beginning of the first tax year of the abatement term, for a minimum period coinciding with the term of this Agreement.
- (g) **OWNER AND/OR LESSEE SHALL BE RESPONSIBLE FOR NOTIFYING THE COUNTY OF THE ABATEMENT, INCLUDING FILING WITH THE COUNTY ANY APPLICATION OR OTHER FORMS NECESSARY TO QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.**
- (h) **OWNER AND/OR LESSEE SHALL BE RESPONSIBLE FOR REQUESTING AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT IS SOLD, TRANSFERRED OR ASSIGNED. EXCEPT AS OTHERWISE PROVIDED HEREIN, ANY ASSIGNMENT IS NOT EFFECTIVE UNTIL APPROVED IN WRITING BY COUNTY; PROVIDED HOWEVER, THAT NO SUCH APPROVAL SHALL BE NECESSARY IF THE AGREEMENT AND/OR THE REAL PROPERTY IS ASSIGNED BY OWNER TO LESSEE.**

5. **Value and Term of Abatement**

(a) This Agreement shall be effective on the date executed by County and shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2024. In no event shall this Agreement extend beyond December 31, 2024. This Agreement shall terminate on the completion of the abatement, unless earlier terminated as provided elsewhere herein. Owner and Lessee's obligation upon default to pay to County any taxes abated under this Agreement shall not terminate until the abated taxes are paid.

(b) In each year that this Agreement is in effect, the amount of abatement shall be an amount equal to the percentage indicated below of the taxes assessed upon the Improvements and Eligible Property.

(c) Subject to the limitations imposed by law and conditioned upon the representations outlined in Section 4 herein above, there shall be granted and allowed hereunder a property tax abatement for the following years and in the following amounts on the value of the Improvements and Eligible Property:

<u>Tax Year</u>	<u>Percentage Abatement</u>
2015	60%
2016	60%
2017	60%
2018	60%
2019	60%
2020	60%
2021	60%
2022	60%
2023	60%
2024	60%

- (1) The abatement granted shall not apply to the value of the Real Property, increases in the value of the Real Property, Ineligible Property, inventory or supplies.
- (2) All Eligible Property shall be placed and/or installed in substantial accordance with applicable laws, ordinances, rules or regulations in effect at the time such Eligible Property is placed and/or installed.
- (3) The County's determination of Certified Appraised Value shall be used to determine the value of the Improvements and/or Eligible Property subject to this Agreement, subject to the right of Owner or Lessee to protest such valuation. If Owner or Lessee protest the District's valuation of the Improvements and /or Eligible Property, the valuation placed on the Improvements and/or Eligible Property after the protest is resolved under State law shall be used.
- (4) On or before September 1 of each year of this Agreement, Owner and Lessee shall certify in writing to Fort Bend County Tax Assessor/Collector Owner and Lessee's compliance with each term of this Agreement.

6. **Event of Default**

- (a) County may declare Owner or Lessee in default of this Agreement if: (1) Owner or Lessee fail to comply with any term of this Agreement or (2) Owner or Lessee allows County ad valorem taxes on any Eligible Property or Ineligible Property, or any property located thereon, to become delinquent, or (3) Owner or Lessee ceases operations on the Real Property for a continuous period of one hundred eighty (180) days before the expiration of the term of the Abatement without the prior written consent of the County, except that (i) a temporary shutdown of the facility, with assurance of the resumption of operations, for the purpose of facility modification, expansion, improvement, retooling or similar purpose, (ii) in the event the facility is being actively marketed, the County shall not unreasonably withhold consent to a reasonable extension to such period to permit the sale of the facility to another operator, (iii) the closure of the facility pending settlement of insurance, casualty or condemnation claims or (iv) the closure of the facility due to inadequate or unacceptable raw water supply shall not constitute a vacating of or a cessation of operations on the Real Property under this Section 13(a)(3). Such exceptions are subject to further extension for force majeure as defined in Section 10 herein.
- (b) County shall notify Owner and Lessee of any default in writing specifying the default. Owner and/or Lessee shall have sixty (60) days from the date of the notice to cure any default. If Owner or Lessee fails to cure the default within ninety (90) days from receipt of notice, County may terminate this Agreement by written notice.
- (c) If this Agreement is terminated by County, Owner and Lessee agree that they are liable for and will pay to County within thirty (30) days of the termination of this Agreement:
  - (1) The amount of all taxes abated during the term of this Agreement to the date of termination; and
  - (2) Interest on the abated amount at the rate provided for in the TEXAS TAX CODE for delinquent taxes.
  - (3) Penalties on the amount abated in the year of default, at the

rate provided for in the TEXAS TAX CODE for delinquent taxes.

- (d) County shall have a lien against the Real Property, Ineligible Property and Eligible Property for the taxes and interest owed because of the recapture of taxes under this paragraph during the time period beginning on the date such payment obligation accrues and continuing until the date paid.
- (e) This paragraph is required by Chapter 2264, TEXAS GOVERNMENT CODE and governs over any conflicting provisions of this Agreement. Owner and Lessee are prohibited from knowingly employing undocumented workers as that term is defined in Section 2264.001, TEXAS GOVERNMENT CODE. If Owner or Lessee are convicted of a violation under 8 U.S.C. Section 1324a(f), the conviction shall be considered a default of this Agreement, from which no cure provisions shall apply. In such event, County shall provide written notice to Owner and Lessee of the default and this Agreement shall automatically terminate on the 30<sup>th</sup> day after the date of the notice of default from County to Owner and Lessee. In the event of termination under this paragraph, Owner and Lessee shall repay to County the amount of all property taxes abated under this Agreement t plus interest on the abated amount at the rate provided for in the TEXAS TAX CODE for delinquent taxes.

**7. Administration and Inspection**

(a) This Agreement shall be administered on behalf of the Fort Bend County Tax Assessor/Collector or her designee. Owner and Lessee shall allow employees or other representatives of County who have been designated by the Tax Assessor/Collector to have access to the Real Property (during normal business hours) during the term of the Agreement. All regular inspections shall be made only after two (2) business days prior notice and will be conducted in such a manner as not to unreasonably interfere with the construction or operation of the facility. A representative of Owner and Lessee may accompany the inspector. County shall cause each of its employees and representatives who conduct such inspections to abide by all of Owner and Lessee's security, safety and operational rules (as the same may be amended from

time to time), copies of which will be made available to County prior to the date of the inspection.

(b) Upon completion of the placement and/or installation of the Eligible Property, County shall annually evaluate the Improvements and any Eligible Property to ensure compliance with the terms and provisions of this Agreement and shall report potential defaults to the Owner and Lessee.

(c) The Chief Appraiser of the Fort Bend County Appraisal District shall annually determine (1) the taxable Value under the terms of this abatement of the Improvements, and any Eligible Property located on the Real Property and (2) the full taxable Value without abatement of the the Improvements, and any Eligible Property located on the Real Property. The Chief Appraiser shall record both abatement taxable Value and full taxable Value in the appraisal records. The full taxable Value figure listed in the appraisal records shall be used to compute the amount of abated taxes to be recaptured in the event that this Agreement is terminated.

(d) Owner or Lessee, as appropriate, shall furnish the Chief Appraiser annually such information as provided for under Chapter 22 of the TEXAS TAX CODE, including payroll records, as may be necessary for the administration of this Agreement. Such information, including payroll records, shall also be provided annually to the County Tax Assessor/Collector in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement..

## **8. Assignment**

(a) Owner and Lessee may not assign this Agreement without prior written consent of County; provided however, that no such consent shall be necessary if the Agreement and/or the Real Property and Improvements are assigned by Owner to Lessee. Owner or Lessee shall provide written notice to County no more than thirty (30) days after any assignment by Owner to Lessee. No assignment shall be effective or approved if County has declared a default hereunder



which has not been cured or the assignee is delinquent in the payment of any ad valorem taxes owed to County. Approval shall not be unreasonably withheld.

(b) Any and all assignments shall contain the same terms and conditions as set out in this Agreement and shall be granted for the remaining term of the original Agreement only.

(c) Owner shall provide notice to County within ninety (90) days of any sale or assignment of the Real Property subject to this Agreement.

9. **Indemnity**

It is understood and agreed between the parties that Owner and Lessee, in performing obligations hereunder, is acting independently, and County assumes no responsibilities or liabilities in connection therewith to third parties. **OWNER AND LESSEE AGREE TO DEFEND, INDEMNIFY AND HOLD HARMLESS COUNTY AND THE DISTRICT FROM ANY AND ALL NON-OWNER OR NON-LESSEE CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF OWNER OR LESSEE'S BREACH OF ITS OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY SHALL NOT APPLY TO THAT PORTION OF RESPONSIBILITIES AND LIABILITIES RESULTING FROM THE FAULT OR NEGLIGENCE OF COUNTY OR TAXING UNITS, THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. OWNER AND LESSEE'S INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT OF REASONABLE ATTORNEYS FEES AND EXPENSES INCURRED IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, AND CAUSES OF ACTION WHICH ARE NOT DUE TO COUNTY'S, THE DISTRICT'S OR THEIR REPRESENTATIVES' INTENTIONAL CONDUCT OR NEGLIGENCE. OWNER AND LESSEE SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY COUNTY IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, OR CAUSES OF ACTION SO LONG AS DEFENSE COUNSEL AND COURSES OF ACTION ARE DETERMINED SOLELY BY OWNER OR LESSEE.**

**NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT COUNTY FROM INCURRING REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION AND OWNER AND LESSEE SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.**

**10. Force Majeure**

If by reason of force majeure, Owner or Lessee are unable to perform any obligation of this Agreement, it shall give notice of the force majeure to County in writing within thirty (30) calendar days after Owner or Lessees first become aware or should have become aware of the occurrence relied upon. By doing so, the obligation of Owner and Lessee, to the extent and for the period of time affected by the force majeure, shall be suspended. Owner and Lessee shall endeavor to remove or overcome the inability with all reasonable effort. For purposes of this provision, "force majeure" shall include, but not be limited to acts of God, landslides, lightning, earthquakes, hurricanes, storms, floods, or other natural occurrences; strikes, lockouts, insurrections, riots, wars or other civil or industrial disturbances; orders of any kind of the federal or state government or of any civil or military authority; explosions, fires, breakage or accidents to machinery, lines, or equipment, or the failure or lack of capacity of the wastewater system or water supply system; or any other cause not reasonably within the control of the or Lessee.

**11. Commissioners Court Approval**

This Agreement is conditioned entirely upon the approval of the Commissioners' Court by the affirmative vote of a majority of the members present at a duly scheduled meeting of the Commissioner's Court.

**12. Compliance with State and Local Regulations**

This Agreement shall not be construed to alter or affect the obligations of Owner or Lessee to comply with any city ordinance or federal or state law or regulation.

**13. Changes in Laws/Vested Rights**

The tax abatement provided in this Agreement is conditioned upon and subject to any changes in the state tax laws during the term of this Agreement, but only the extent required by law to be enforceable and after giving Owner and Lessee all vesting, non-conforming and/or “grandfather” rights, contained in and applicable to this Agreement and allowed by law.

**14. Miscellaneous**

(a) This Agreement and the rights and obligations of each party shall be construed and enforced under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Fort Bend County, Texas.

(b) In the event of one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

(c) The waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach.

(d) Any amendments of this Agreement shall be of no effect unless in writing and signed by both parties hereto.

**15. Notices**

Any notice required to be given under the provisions of this Agreement shall be in writing and shall be duly served when it shall have been hand delivered or deposited, enclosed in a wrapper with the proper postage prepaid thereon, and certified, return receipt requested, in a United States Post Office, addressed to County, Owner and Lessee at the mailing address as hereinafter set out. If mailed, any notice of communication shall be deemed to be received three (3) business days after the date of deposit in the United States Mail. Unless otherwise provided

in this Agreement, all notices shall be delivered to Owner, County or Lessee at the following addresses:

To the **Tax Assessor/Collector:** The Honorable Patsy Schultz  
Fort Bend County Tax Assessor-Collector  
1317 Eugene Heimann Circle  
Richmond, Texas 77406

To **Owner:** MCRPC II, LLC  
One Robert Rich Way  
Buffalo, New York 14213  
Attn: Legal Department

To **Lessee:** Rich Products Corporation  
1150 Niagara Street  
Buffalo, New York 14213  
Attn: Legal Department

To **County:** Fort Bend County  
301 Jackson, Suite 719  
Richmond, Texas 77469  
Attention: County Judge

**Copy to:** Fort Bend County Attorney  
301 Jackson, Suite 728  
Richmond, Texas 77469

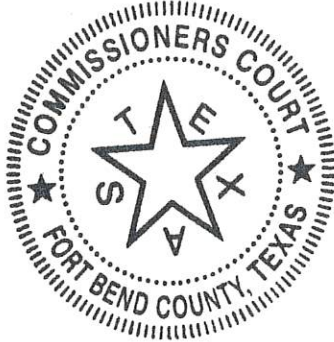
Any party may designate a different address by giving the other parties ten (10) days prior written notice thereof. **Failure of Owner or Lessee to provide County Tax Assessor/Collector thirty (30) days notice of a change of address may result in termination of this Agreement.**

#### **16. Entire Agreement; Ordinance and Economic Impact Statement**

This Agreement contains the entire Agreement among the parties and supercedes all other negotiations and agreements, whether written or oral. This Agreement shall inure to the benefit of and be binding upon the parties hereto and each of their respective successors and assigns. Attached hereto are (a) Exhibit A – City of Missouri City Ordinance No. O-13-14 designating Reinvestment Zone No. 12, and (b) Exhibit B - Economic Impact Statement/Application for Value Added Tax Abatement, which are made part of this Agreement.

17. Execution

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by County, Owner and Lessee as of the dates below stated. Owner and Lessee warrant and represent that the individuals executing this agreement on behalf of Owner and Lessee have full authority to execute this Agreement and bind Owner and Lessee to the same.



ATTEST:

Dianne Wilson  
Dianne Wilson, County Clerk

"COUNTY:"

FORT BEND COUNTY, TEXAS

By: Robert E. Hebert  
Robert E. Hebert, County Judge

Date: 8/3/13

OWNER:

MCRPC II, LLC, a foreign limited liability corporation

By: RICH PRODUCTS CORPORATION,  
a foreign for profit corporation, its member

By: William E. Grieshaber Jr.  
Name: WILLIAM E. GRIESHABER JR.  
Title: VICE PRESIDENT

Date: 8/6/13

ATTEST:

Mary Pat O'Connor  
ASST Secretary

LESSEE:

By: RICH PRODUCTS CORPORATION,  
a foreign for profit corporation

By: Joseph W. Segarra  
Name: JOSEPH W. SEGARRA  
Title: Vice President

Date: 8-6-13

ATTEST:

Mary Pat O'Connor  
ASST Secretary

Exhibit A  
Ordinance Creating City of Missouri City Reinvestment Zone No. 12

ORDINANCE NO. O-13-14

AN ORDINANCE OF THE CITY OF MISSOURI CITY, TEXAS,  
CREATING REINVESTMENT ZONE NO. 12 ENCOMPASSING  
RESERVE 16 AND RESERVE 17 IN BLOCK 3 OF LAKEVIEW  
BUSINESS PARK LOCATED SOUTHWEST OF THE  
INTERSECTION OF BUFFALO RUN AND FONDREN ROAD IN  
THE CITY OF MISSOURI CITY, TEXAS; MAKING RELATED  
FINDINGS; AND PROVIDING FOR SEVERABILITY.

\* \* \* \* \*

WHEREAS, the City Council of the City of Missouri City has passed and approved Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones ("Guidelines") created in the City of Missouri City, Texas ("City"); and

WHEREAS, pursuant to the Guidelines, the City has received a request for the creation of a reinvestment zone and tax abatement; and

WHEREAS, after proper notice, the City held a public hearing where all interested persons were given an opportunity to speak and present evidence for and against the creation of Reinvestment Zone No. 12; and

WHEREAS, written notice of the hearing was given to all taxing entities where the proposed zone is to be located; and

WHEREAS, the City Council has determined, based on evidence presented, that the improvements sought to be located in proposed Reinvestment Zone No. 12 are feasible and practical and would be a benefit to the land to be included in the Zone and to the City after the expiration of the tax abatement agreement; and

WHEREAS, the creation of Reinvestment Zone No. 12 will be reasonably likely, as a result of its creation, to contribute to the retention or expansion of primary employment or to attract major investment into the Zone that would be a benefit to the property located therein and that will contribute to the economic development of the City of Missouri City; now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MISSOURI CITY, TEXAS:

Section 1. That the facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct, and are made a part of this Ordinance for all purposes.

Section 2. That Reinvestment Zone No. 12 is hereby created for the purpose of encouraging economic development through tax abatement. The Zone is described as Reserve 16 and Reserve 17 in Block 3 of Lakeview Business Park, a recorded subdivision in Fort Bend County, Texas.

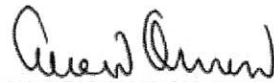
Section 3. This designation shall be effective for five (5) years from the date of final passage of this Ordinance and may be renewed for periods not to exceed five (5) years.

Section 4. All ordinances or parts of ordinances in conflict herewith are repealed to the extent of such conflict only.

Section 5. In the event any 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 or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Missouri City, 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.

PASSED and APPROVED on first reading this 15<sup>th</sup> day of April, 2013.

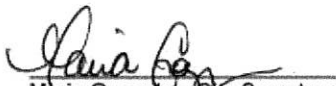
PASSED, APPROVED and ADOPTED on second and final reading this 6<sup>th</sup> day of May, 2013.



Allen Owen, Mayor

ATTEST:

APPROVED AS TO FORM:

  
Maria Gonzalez, City Secretary  
Caroline Kelley, City Attorney



## Exhibit B



### ECONOMIC IMPACT STATEMENT QUESTIONNAIRE

#### Rich Products

#### Proposed Project in Missouri City, Fort Bend County

*Based on the information you provide below, the Greater Fort Bend Economic Development Council (GFBEDC) will begin prequalification of your project. The information you provide will allow the GFBEDC to begin to develop your application and economic impact statement for presentation to the taxing entities for consideration of economic incentives. The following factors will be considered as a whole to determine the entire economic impact of the company: location of project, type of business, is the company in one of the city's target industries, number of jobs, skill level of each job, average salary, investment in building improvements or new building, value of taxable inventory, value of taxable personal property and equipment, sales tax revenue generated for the city, impact on local infrastructure, and impact (good or bad) on existing businesses in the County.*

**1. Please provide a detailed summary statement about your company (its history, type of business and industry, etc.) and clearly describe its operations at the proposed facility in Fort Bend.**

Rich Products Corporation was founded in 1945 and has since been focused on innovation and commitment to its customers. Starting with its first product, the world's first non-dairy whipped topping, Rich Products has always been a leader in the marketplace.

Rich Products is now a leading supplier and solutions provider to the foodservice, in-store bakery and retail marketplaces with more than \$3,000,000,000 in annual sales and over 9,000 employees world-wide. The company is the world leader in non-dairy toppings, icings and other emulsions. Other key product categories include cakes and desserts; pizza, bakery products; breads and rolls; shrimp and seafood; appetizers and snacks; BBQ; meatballs and pasta; and gluten-free and all-natural items. With more than 50 locations spanning six continents, Rich's today makes over 2,000 products sold across 100 countries.

Rich Products has been focused on sustainability since our company was founded in 1945. In 2008, we began taking a more-formal approach by creating a long-term sustainability strategy. This strategy includes the drive for continuous improvements that are good for business and good for the environment, with a focus on long-term, efficient use of resources; reducing waste; and creating products that delight our customers and have minimal impact on our surroundings. In our manufacturing facilities, we've been implementing practices aligned with the U.S. Green Building Council's LEED standards. To reduce our environmental footprint, we are collaborating and sharing best practices across our network, specifically in the areas of:

- Energy efficiency
- Water management
- Waste reduction



Rich Products is proposing to build a new 150,000 s.f. stand-alone facility in which we would expand our U.S. production capacity. The proposal would require significant investment, upwards of \$35,000,000, and would result in new associate facilities, cheesecake processing/packaging and dry ingredient/cooler storage for Rich Products. The proposed project would allow for production capacity of approximately 500,000 cases.

This production facility would be run by Rich Products and all goods would be distributed out of the facility.

If approved, construction could begin as early as late in the Second Quarter of 2013.

The project would result in significant new employment in Missouri City, creating 300-400 new jobs.

See Exhibit A for the proposed site development plan.

## 2. Information About Your Company

Company Name: Rich Products	
Contact Person: Joseph Segarra	Title: Vice President Finance
Current Address: 1150 Niagara Street, Buffalo, New York 14213	
Office #: (716) 878-8723	Mobile #: n/a
Fax #: (716) 878-8925	Website: <a href="http://www.richs.com/">http://www.richs.com/</a>
Email Address: <a href="mailto:jsegarra@rich.com">jsegarra@rich.com</a>	
The Company's Primary SIC Code: 5140	

### 3. Type of project (check all that apply):

- ☐ Existing business in Fort Bend County
- ☒ New business to Fort Bend County
- ☐ Expansion of existing facility
- ☒ Construction of new facility
- ☐ TBD Company will lease facility
- ☐ TBD Company will own facility
- ☐ Corporate/Regional Headquarters

### 4. If the company will lease the facility, who will be the owner:

Ownership of the building has not been determined.

### 5. Location of proposed site(s) in Fort Bend (street address, name of Business Park or other development, city, or name of area if unincorporated):

The proposed site is made up of two parcels in the Lakeview Business Park. Parcel 16 is located at 14835 Fairway Pines Dr. Missouri City, TX 77489. Parcel 17 is located at 14847 Fairway Pines Dr. Missouri City, TX 77489.

6. Scope of project:

Size of new facility/expansion:	150,000 s.f.
Size of existing facility (if applicable):	N/A
Size of lease space in existing facility (if applicable):	N/A
Number of acres at facility site:	Approx. 20.58 acres
Type of Construction (tilt wall, metal, concrete, etc.):	Tilt Wall

Total site is approximately 20.58± acres of real property located at 14835 and 14847 Fairway Pines Dr. Missouri City, Texas.

7. Please give detailed breakdown of operations within the proposed facility (i.e., 20% office; 25% distribution; 15% metal fabrication; 40% warehouse, etc.):  
80% Food Production/Manufacturing, 5%+ Distribution, 15% Office/Administration
8. Truck traffic to be generated (# daily or weekly): 20-25 trucks expected daily
9. Targeted start of construction: With proper approvals, construction could begin as early as Second Quarter 2013
10. Targeted start of operations: The proposed operations could begin in the 2<sup>nd</sup> Quarter of 2014.
11. Market value (taxable assets) of the firm's property that would be located at the facility in Fort Bend (new property to Fort Bend):

Land	Construction Costs of Building Improvements	Furniture & Fixtures	Equipment	Inventory	Total
\$3,500,000	\$19,500,000	\$100,000	\$13,900,000 (acquisition cost)	\$ 2,000,000	\$ 39,000,000

12. Estimated percent of inventory that would be Freeport qualified, if any: 95 %  
*Freeport goods are inventories (raw materials, goods-in-process, and finished products) acquired by a business and held for no more than 175 days before being shipped out of state.*
13. Does the company require a Foreign Trade Zone (FTZ)? If so, what percent of the inventory would be FTZ qualified: N/A %
14. Employment information:

Number of new jobs to Fort Bend County	Number of existing jobs to be retained (if company currently located in Fort Bend)	Total Number of Jobs
300-400	N/A	300-400

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15. Average salary (before benefits): Average Annual compensation is \$33,600 , excluding benefits
16. Amount of initial, annual local payroll to be created: \$13,230,000, excluding benefits
17. What are the estimated annual total sales at the new facility? What portion of the total sales will be subject to local (city) sales taxes? No sales to be attributed to project site.
18. Does the company own a corporate airplane that would be housed at a local corporate airport in Fort Bend (i.e., Sugar Land Regional Airport or Houston Southwest Airport)? If so, what is the plane's value: No
19. Will the company's local business practices necessitate business travel that will bring clients or employees to the Fort Bend facility, resulting in hotel/motel bookings? If so, what is the estimated number of hotel/motel stays per year that will be booked locally: Information pending.
20. If your company currently has operations elsewhere in the State of Texas, please list the name of the communities: Brownsville, Texas
21. Employee benefit burden (percent of employee's salary that is invested by the company into the employee's benefits): 25-30%
22. Current owner of real property (land/building) at the time of application: Lakeview BP Land LP
23. Have you received or are you currently receiving tax abatement in Fort Bend:  
       \_\_\_ Yes      X   No  
       The proposed project will be owned entirely by Rich Products and will be a stand-alone project.
24. Is this land currently under Agriculture Exemption: \_\_\_ Yes      X   No
- a. If so, what will be the increase in taxes paid annually to taxing authorities: *To be answered by GFBEDC*
- b. What is the value of roll back taxes to be collected as a result of being taken out of Ag Exemption: *To be answered by GFBEDC*
25. What is the expected increase in value of the land once it is sold? (to be answered by GFBEDC) N/A
26. Productive life of proposed improvements and/or initial term of lease: N/A
27. Time of day activities will be taking place (i.e., # of shifts): The proposed facility would run 3 shifts: 2 production, 1 clean-up.

28. The costs to be incurred by local government to provide facilities or services directly resulting from the new improvements: N/A  
*Explain any costs for development or depletion of infrastructure the city and/or water district are being asked to absorb, if any.*
29. If located in the city limits, do you (or your construction company) agree to declare "situs" for construction sales taxes at the construction site: Yes  
When purchasing construction materials for the new facility from a company that is situated outside the city where the new facility will be located, the builder agrees to declare the situs (point of sale) of the materials as the construction site address so the local city receives the sales tax revenue.
30. Please provide wastewater information, including activities, facilities, plant processes, products, services, chemicals, materials, and hazardous substances that may be used or that may result from the activities to be conducted within the proposed improvements: No hazardous materials anticipated. Further information pending.
31. Explain any proposed pretreatment of wastewater prior to discharge into the sanitary sewer system: No pretreatment necessary
32. Will there be any proposed monitoring of wastewater discharge into the sanitary sewer system: No monitoring necessary.
33. Public improvements to be made by the Company in which the public may benefit (please list if any): N/A
34. Will this business compete with existing businesses in the county? If so, please list local companies providing the same services: No, in contrast, the proposed project will be complementary to existing business.
35. Are there possibilities for local businesses to become suppliers? Any new retail opportunities? Please explain. Yes, Rich Products will consider local suppliers when making purchasing decisions for raw materials and product inputs to be used in production at the new facility.
36. Do you anticipate your relocation to attract other new businesses to the area?  
Please explain: The proposed project will provide significant positive economic impacts upon the City of Missouri and Fort bend County. Utilizing economic multipliers widely accepted throughout the nation, we estimate the following economic impacts upon the County with much of it occurring within the City:

Direct Jobs: 300 – 400

Indirect/Induced Jobs: 409

Direct Annual Compensation (including benefits): \$16,942,000

Indirect/Induced Household Earnings: 10,137,000

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Annual Economic Activity/Output: \$80,000,000

37. Does the business produce any type of emissions or are there any other environmental matters for the city/county to consider: None.

38. The company agrees to participate in the continuing economic development process in Fort Bend County by becoming a Trustee member (\$6,000/yr) of the GFBEDC for a minimum period coinciding with the term of any County abatement agreement: X Yes      No  
*The County Commissioners' Court encourages the company's participation in the Council to support the continued economic growth in the County. The Court considers your decision in their evaluation of the project.*

39. By signing and submitting this application you certify that the company, its branches, divisions and departments (company) do not and will not knowingly employ an undocumented worker. An agreement with the company will require the company to repay the total amount of the public benefit received with interest at the rate and according to the terms of the agreement if the company is convicted of a violation under 8 U.S.C. Section 1324a. Repayment will be due no later than the 120th day after the date the City/County notifies the company of the violation as provided in the agreement.

An undocumented worker is an individual who, at the time of employment, is not:  
c. (1) lawfully admitted for permanent residence to the United States; or  
d. (2) authorized under law to be employed in that manner in the United States.

In order to prepare the documents creating the Reinvestment Zone, in which all eligible property placed therein would receive any property tax abatement, and the Abatement Agreement itself, a *Site Plan and Legal Description, including a metes and bounds description is necessary*. Please provide these as soon as possible if they are not available at the time this EIS is submitted.

#### CERTIFICATION:

##### I. APPLICANT:

Rich Products Corporation  
does hereby certify that all statements and representations made herein are accurate to the best of their knowledge and agree to comply with these terms.

By Authorized Representative:

Signature Joseph W. Segarra

Date 3/5/13

Printed Name: Joseph W. Segarra

Title: Vice President Finance

**II. GFBEDC**

The Greater Fort Bend Economic Development Council certifies that \_\_\_\_\_  
\_\_\_\_\_ has met the standard  
requirements and is qualified for value added tax abatement in Fort Bend County.

W. Jackson Bell

3/7/13  
Date

W. Jackson Bell  
Vice President - Development & Marketing  
Greater Fort Bend Economic  
Development Council

Exhibit A



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