

# Progressive (Heroux-Devtek)

**Location:** 1030 Commercial Blvd North  
**Property Owner:** Heroux Corporation  
 1030 Commercial Blvd North  
 Arlington TX 76001

### About the Project

Progressive invested \$11.9m in real property and improvements, \$28.6m in precision machinery and equipment, and hired over 100 additional jobs with its expansion. The seven year, 45% tax abatement assists with investment, job creation, and above-median wages.

### Goals of the Project

Business expansion; job creation; major capital investment; property tax base enhancement

### Current Status

Progressive qualified in FY11 and FY16, but chose not to make application with TAD to receive the abatement. FY17 will be the final year of the abatement.

### Benefit to City

105 jobs created; Approximately \$306,000 in additional property tax revenue associated with real and business personal property improvements over a 7 year period

<b>Reinvestment Zone</b>	28	
<b>Ordinance</b>	06-090	
<b>Year Approved by Council</b>	2006	
<b>Base Year</b>	2006	
<b>Beginning Year</b>	2010	FY11
<b>Ending Year</b>	2016	FY17
<b>Duration</b>	7 years	
<b>Base Year Value</b>	\$ 1,112,562	real property
<b>Property Tax Account Number(s)</b>	08352534	business personal property
<b>Total Abatement Allowed</b>	45%	
<b>Total Estimated Investment by Company</b>	\$ 39,000,000	

**Criteria Evaluated** Complete eligible property improvements resulting in added taxable value above the base year value by at least \$10m and provide at least 101 jobs not later than 12-31-09.

Exceed Arlington's median wage.

### Incentives

40% of business personal property taxable value improvements for seven (7) years if eligible property improvement criteria is met and jobs stay within 101-250.

### Allowed

5% additional annually if criteria listed above is met, and if jobs exceed Arlington's median wage.

Year	Abatement Percentage Allowed on Eligible Property	Appraised Value	Percentage of Total Value Abated	Abated Value	Abated Levy	Jobs Reported	Average Salary	Levy Abated as % of Total Tax Liability
2010 (FY11)	45%	48,753,849	0%	-	-	174	\$ 59,870	0%
2011 (FY12)	45%	48,383,148	11%	5,163,797	33,461	152	\$ 59,889	5%
2012 (FY13)	45%	41,443,312	12%	4,823,307	31,255	145	\$ 67,004	5%
2013 (FY14)	45%	39,987,622	11%	4,277,787	27,720	158	\$ 77,000	5%
2014 (FY15)	45%	43,414,212	10%	4,496,047	29,134	155	\$ 65,954	5%
2015 (FY16)	45%	30,277,630	0%	-	-	203	\$ 48,862	0%
2016 (FY17)								
				<b>TOTAL</b>	<b>\$ 121,571</b>			

### Levy Paid by Taxing Entity

Year	City of Arlington (024)	Tarrant County (220)	Tarrant County Hospital District (224)	Tarrant County College District (225)	Arlington ISD (901)	Mansfield ISD (908)	Kennedale ISD (914)	Total Annual Tax Bill
2010 (FY11)	168,041.39	68,461.31	59,098.97	35,693.24	-	387,947.42	-	719,242.33
2011 (FY12)	130,221.60	66,685.67	57,566.15	37,629.41	-	377,885.46	-	669,988.29
2012 (FY13)	115,642.24	59,847.03	51,662.73	33,770.50	-	349,107.70	-	610,030.20
2013 (FY14)	108,755.78	55,601.27	47,997.59	31,486.33	-	321,623.86	-	565,464.83
2014 (FY15)	93,990.84	50,162.13	43,302.27	28,406.21	-	290,161.32	-	506,022.77
2015 (FY16)	115,644.20	47,114.30	40,671.24	26,680.26	-	269,479.54	-	499,589.54
2016 (FY17)								-
	<b>\$ 732,296.05</b>	<b>\$ 347,871.71</b>	<b>\$ 300,298.95</b>	<b>\$ 193,665.95</b>	<b>\$ -</b>	<b>\$ 1,996,205.30</b>	<b>\$ -</b>	<b>\$ 3,570,337.96</b>

THE STATE OF TEXAS §  
§  
§  
COUNTY OF TARRANT §

Tax Abatement and 380 Grant  
Agreement for Waiver of City Fees

THIS Agreement is executed by and between **PROGRESSIVE, INC.**, a division of Héroux Devtek, Inc. and a corporation duly authorized to do business in the State of Texas, acting by and through its authorized officer (hereafter referred to as "**OWNER**"), and the **CITY OF ARLINGTON, TEXAS**, a home-rule city and municipal corporation of Tarrant County, Texas, acting by and through its City Manager or his designee, (hereafter referred to as "**CITY**").

W I T N E S S E T H:

WHEREAS, the CITY has found that in providing a program of incentives to OWNER in exchange for OWNER'S completion of the project proposed by OWNER would promote local economic development and stimulate business and commercial activity within the City of Arlington (hereafter referred to as PROGRAM); and

WHEREAS, the CITY has determined that the PROGRAM authorized by Resolution No. 06-450 will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of PROGRAM contain controls likely to ensure that the public purpose is accomplished; and

WHEREAS, Chapter 380 of the Local Government Code provides statutory authority for establishing and administering the incentive provided herein; and

WHEREAS, the City Council of CITY has resolved that the CITY may elect to participate in tax abatement; and

WHEREAS, the City Council, in accordance with law has adopted a Policy Statement for Tax Abatement; and

WHEREAS, the Policy Statement constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the CITY; and

WHEREAS, the City Council passed an ordinance ("Ordinance") establishing Reinvestment Zone Number 28 in the City of Arlington, Texas, being a commercial-industrial reinvestment zone for tax abatement as authorized by TEX. TAX CODE ANN.

Chapters 311 and 312 (hereafter referred to as "the Code"); and

WHEREAS, the use of the Premises (as hereafter defined), the Eligible Property (as hereafter defined) and the other terms hereof are consistent with encouraging development of Reinvestment Zone Number Twenty-Eight, and are in compliance with the Policy Statement and the Ordinance and similar guidelines and criteria adopted by CITY and all applicable law; and

WHEREAS, the City Council finds that the terms of this Agreement meet applicable guidelines and criteria adopted by the City Council; and

WHEREAS, a copy of this Agreement has been furnished, in the manner prescribed by the Code, to the presiding officers of the governing bodies of each of the taxing units in which the Premises to be subject to the Agreement is located; and

WHEREAS, the City Council finds that it is in the public interest to provide the tax abatement and 380 grant agreement for wavier of CITY fees; NOW THEREFORE,

The CITY and OWNER, for and in consideration of the mutual covenants and promises contained herein, do hereby agree, covenant and contract as set forth below:

**I.**  
**Definitions**

- A. "Arlington and/or Minority Certified Contractors" means a contractor certified by a local, state, or federal agency as a minority contractor, supplier or service provider, or certified by the applicant to be an Arlington contractor.
- B. "Base Year Value" is defined as the tax year 2006 taxable value of OWNER's real property and improvements located on the Premises in Arlington Reinvestment Zone Twenty-Eight on January 1, 2006.
- C. "Capital Investment" means the value above the base year value of real property improvements and business personal property on the Premises as appraised by the Tarrant Appraisal District.
- D. "Effective Date" is defined as September 12, 2006.
- E. "Eligible Property" is defined as Personal Property Improvements made for the manufacture of machined

parts, kits, and assemblies for the aerospace industry as described in **Exhibit "B"** and delivered to, installed or placed on the Premises after the Effective Date of this Agreement and through December 31, 2009.

- F. "Job" means a permanent, full-time employment position that has provided or will result in employment of at least 1,820 hours per position in a year. Part-time positions shall not be included in this definition.
- G. "Median Wage":
- (1) The median wage for Arlington will be determined by multiplying the most recent second quarter seasonally adjusted index number from the Wages and Salary component for Private Industry Employment from the Employment Cost Index as published by the Bureau of Labor Statistics (BLS) times 190.28. BLS publishes this figure on their website ([www.bls.gov](http://www.bls.gov)).
  - (2) A facility attempting to qualify for additional levels of abatement under this provision will determine their median wage by considering the gross annual income of the jobs in the facility when ranked by gross annual income for the most recent full calendar year.
  - (3) Demonstrating that the value described in item (2) exceeds the value described in item (1) will satisfy qualification for additional abatement.
- H. "Personal Property Improvements" are defined as tangible personal property (except inventory or supplies) delivered to, installed or located on the Premises.
- I. "Premises" are defined as the real property (land and improvements) as described in **Exhibit "C"**, which existed on January 1, 2006, within Reinvestment Zone Twenty-Eight City of Arlington, Texas, created by Ordinance 06-090, included in **Exhibit "C"** that is owned by and operated by OWNER.
- J. "Real Property Improvements" are defined as improvements to the Premises and shall include buildings, structures or fixtures erected or affixed to land.

**II.**  
**General Provisions**

- A. The Premises are not in an improvement project financed by tax increment bonds.
- B. The Premises are not owned or leased by any member of the City Council or any member of the Planning and Zoning Commission of CITY.
- C. It is acknowledged and agreed by the parties that the completion of the Eligible Property Improvements is consistent with the purposes of encouraging development or redevelopment of the Reinvestment Zone.
- D. All Exhibits to this document are incorporated by reference for all purposes.

**III.**  
**Improvement Conditions and Requirements**

- A. OWNER shall improve the Premises by completing the Eligible Property described in **Exhibits "A" and "B"** in accordance with this Agreement. **Exhibits "A" and "B"** are incorporated herein by reference and made a part hereof as if written word for word.
- B. OWNER's completion of the Eligible Property described in **Exhibits "A" and "B"** of this Agreement must result in added taxable value above the Base Year Value of at least Ten Million Dollars (\$10,000,000) and the creation of at least 101 additional jobs not later than December 31, 2009.
- C. OWNER shall operate and maintain on the Premises the Eligible Property described in **Exhibits "A" and "B"** for the duration of this agreement.
- D. All proposed Eligible Property shall conform to the applicable building codes, zoning ordinances and all other ordinances and regulations.
- E. OWNER agrees and covenants that it will diligently and faithfully pursue the completion of the Eligible Property. OWNER further covenants and agrees that it will use all reasonable efforts to cause the Eligible Property to be constructed in a good and workmanlike manner and in accordance with all applicable state and local laws and regulations.

**IV.**  
**Abatement Allowed**

- A. If the Improvement and added taxable value Conditions and Requirements set forth in Section III herein are met, CITY agrees to exempt from taxation up to forty-five percent (45%) of the appraised value of the Personal Property Improvements completed no later than December 31, 2009, and listed in **Exhibit "B"** attached hereto and incorporated herein for all purposes. The period of said exemption shall be for a period of seven (7) consecutive years.
- B. The amount of exemption annually will be based upon the following:
1. 40% annually as a Level III exemption, of Personal Property Improvements, as long as the Capital Investment of \$10,000,000 is met and the added jobs requirement level stays between 101-250 employees.
  2. An additional 5% annually if OWNER exceeds Arlington's median wage levels.
- C. If OWNER meets all the requirements of paragraph (A) above except the added taxable value and job requirements of Section III, then the OWNER will still be eligible for a tax exemption as follows:
1. Tax abatement exemption of thirty percent (30%) of Personal Property Improvements for a period of five (5) consecutive years, if added taxable value of at least \$5 million and added new jobs of at least 50, and an additional five percent (5%) annually if they exceed Arlington's median wage levels;
  2. Tax abatement exemption of twenty percent (20%) of Personal Property Improvements for a period of five (5) consecutive years, if added taxable value of at least \$1 million and added new jobs of at least 5, and an additional five percent (5%) annually if they exceed Arlington's median wage levels.

V.

WAIVER OF FEES

In exchange for OWNER'S completion of the Project in accordance with Article III herein, CITY shall also waive CITY fees related to the construction of the Project, including all building fees in an amount not to exceed \$37,000. The specific fees that may be waived are those fees listed in **Exhibit "D"**, which is attached hereto and incorporated by reference as if set out and written word for word in the Agreement.

In order to obtain the fee waiver provided in this Agreement, OWNER shall give notice of the intent to use such waiver in connection with a particular project in writing to the Community Development and Planning Department of the City of Arlington, Texas and get written authorization for the waiver of such fees. The notice shall include the name of the development, location of development, and a list of proposed fees with amounts proposed to be waived.

VI.

Reports, Audits and Inspections

- A. Annual Certification and Reports - Pursuant to state law, OWNER shall certify annually to CITY that OWNER is in compliance with the terms of the tax abatement agreement, and shall provide CITY with reports and records reasonably necessary to support each year of the agreement, as follows:
1. Certification - OWNER shall complete and certify a Tax Abatement Certification to be provided by CITY for each year of the tax abatement agreement, to be due annually not later than March 15. This certification shall include reports on Eligible Property values and costs, a narrative description of the project's progress, and other submittals required by the tax abatement agreement.
  2. Eligible Property Reports - At a minimum, OWNER shall make available on request the following information annually on all Eligible Property for which OWNER seeks tax abatement:
    - a. Property description;
    - b. Asset number;

- c. Payment date for property located on Premises; and
  - d. Cost.
- 3. Eligible Property Reports for Projects in Progress - For projects in progress for which fixed asset numbers have not been assigned, the Eligible Property report shall provide information in sufficient detail to identify the Eligible Property to be installed on the Premises. At a minimum, this information shall include:
  - a. Description of materials, machinery and equipment;
  - b. Vendor name, invoice date, invoice number and invoice amount; and
  - c. Payment date for property located on Premises.
- 4. Reports on Equipment Replaced or Removed - Additionally, OWNER agrees to provide CITY, on request, information on Eligible Property for which OWNER has received tax abatement and which has been replaced or removed from the Premises. At a minimum, this information shall include:
  - a. Property description;
  - b. Asset number; and
  - c. Approximate date of disposal.
- 5. Report Upon Project Completion - Within one-hundred eighty (180) days of completion of the Eligible Property, and in no event later than August 31, 2010, OWNER shall provide CITY with a final Eligible Property Report that shall describe all Eligible Property for which the owner is granted tax abatement. This report shall be accompanied by the opinion of an independent certified public accountant as to its accuracy and completeness. The report may contemplate a reconciliation of the general ledger to the personal property rendition to satisfy this requirement.
- 6. Additional Reports - Additionally, throughout the term of this agreement, OWNER shall furnish CITY any additional records and information reasonably

requested to support the reports required by this agreement.

- B. Right to Audit Books and Records - CITY shall have the right to audit the books and records related to the Eligible Property and supporting the Eligible Property reports. CITY shall notify OWNER in advance in writing of their intent to audit in order to allow OWNER adequate time to make such books and records available.
- C. OWNER agrees to provide CITY with copies of each section of each lease which contains the following information, if any, related to the Eligible Property for which tax abatement is sought:
1. The beginning and termination dates of the leases;
  2. The cost of the property to which the leases pertain;
  3. The names and addresses of the parties to the lease, and the name, address and telephone number of a contact person for each party;
  4. Asset numbers for personal property to which the leases pertain;
  5. The party responsible for property taxes on the leased property; and
  6. Termination provisions of the leases.

Copies of the above-referenced information from the leases shall be provided upon request by the CITY. In the event that the above information exists but is not contained in the lease, that information shall be provided with the applicable copies. This subsection is for the purpose of providing CITY the means to enforce its tax collection and assessment duties, while respecting that each lease may contain proprietary or confidential information which, if made public, could expose secret patterns and procedures of OWNER to theft. To further the ends of both parties, CITY may inspect, but may not copy, the lease documents upon thirty (30) days' notice at a place on the Premises.

- D. Inspection - At all times throughout the term of this Agreement, CITY and the Tarrant Appraisal District (TAD) shall have reasonable access to the Premises for the purpose of inspecting the Premises to ensure that the Eligible Property is constructed, installed,

maintained and operated in accordance with the terms of this Agreement. All inspections shall be conducted in a manner as to not unreasonably interfere with the installation of the Eligible Property or the operation of the Premises. The inspections shall be conducted within a reasonable time period after notice by CITY or TAD to OWNER, provided, however, that all inspections shall be made with one (1) or more representative(s) of OWNER present and in accordance with the safety standards of OWNER.

**VII.**  
**Use of Premises**

The Premises at all times shall be used in a manner that is consistent with CITY's zoning ordinances and consistent with the general purpose of encouraging development within the Reinvestment Zone.

**VIII.**  
**Breach and Recapture**

A. Breach - A breach of this Agreement may result in termination or modification of this Agreement and recapture by CITY of taxes or waived fees related to the construction of the expansion which otherwise would have been paid since the execution of this Agreement to CITY without the benefit of the Abatement and fee waiver, as set forth in Sections VIII(B) and VIII(C). Penalty and interest on recaptured taxes will be charged at the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas and penalty and interest on waived fees shall be the maximum allowed by law, and such taxes and waived fees shall become due sixty (60) days following notice of breach and after the expiration of any cure period as provided in Section VIII(B). The following conditions shall constitute a breach of this Agreement:

1. OWNER terminates the use of the Premises for the manufacture of machined parts, kits and assemblies for the aerospace industry and related activities as described in **Exhibit "A"** at any time during the term of the Agreement; or
2. OWNER fails to meet the Abatement or Fee Waiver Conditions and Requirements as specified in Section III A., B., C. and D. above; or
3. OWNER allows its ad valorem taxes on any property located within the City of Arlington owed to CITY to become delinquent; or

4. OWNER fails to comply with the requirements and provisions described in Section VI of this Agreement.
- B. Notice of Breach - In the event that CITY makes a reasonable determination that OWNER has breached this Agreement, then CITY shall give OWNER written notice of such default. OWNER has sixty (60) days following receipt of said written notice to reasonably cure such breach, or this Agreement may be terminated by CITY, and recapture of abated taxes and waived fees may occur. Notice of default shall be in writing and shall be delivered by personal delivery or certified mail to OWNER at its address provided in Section X of this Agreement. It shall be the duty of CITY to determine whether to require recapture and payment of abated taxes and waived fees and to demand payment of such.
- C. Recapture - During the term of this Agreement, should OWNER commit a breach of this Agreement according to items A(1), (2) (3) or (4) of this Section VIII, CITY may terminate this Agreement and recapture all waived fees or taxes abated under this Agreement up to the time of breach or after.
- D. Tax Lien Not Impaired - It is expressly agreed and acknowledged between the parties to this Agreement that nothing in this Agreement shall be deemed or construed to affect the lien for taxes against the property established by Section 32.01 of the Tax Code of the State of Texas. Such lien shall secure the payment of all taxes, penalties and interest ultimately imposed on the property, including any taxes abated and subject to recapture under this Agreement. Any such lien may be fully enforced pursuant to the provisions of the Code. For purposes of this Subsection, "property" refers to the Premises and Eligible Property described herein.

#### **IX.**

#### **Effect of Sale or Lease of Property**

The abatement and fee waiver granted by this Agreement shall not be assignable to any new owner or lessee of all or a portion of the Premises or Eligible Property unless such assignment is approved in writing by the CITY.

#### **X.**

#### **Notice**

All notices called for or required by this Agreement shall be addressed to the following, or such other party or

address as either party designates in writing, by certified mail postage prepaid or by hand delivery:

OWNER: Progressive, Inc.  
1030 Commercial Blvd. North  
Arlington, Texas 76001-7197  
Attention: General Manager

CITY: City of Arlington  
Post Office Box 90231  
Arlington, Texas 76004-3231  
Attention: City Manager

and

City of Arlington  
Community Development and Planning  
M/S 01-0260  
Post Office Box 90231  
Arlington, Texas 76004-3231

#### **XI.**

#### **City Council Authorization**

This Agreement was authorized by resolution of the City Council authorizing the City Manager or his designee to execute this Tax Abatement and 380 Grant Agreement for Waiver of City Fees on behalf of the CITY.

#### **XII.**

#### **Severability**

In the event any section, subsection, paragraph, sentence, phrase or word is held invalid, illegal or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

#### **XIII.**

#### **Estoppel Certificate**

Any party hereto may request an estoppel certificate from another party hereto, so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which if requested, will be addressed to a subsequent purchaser or assignee of OWNER, shall include, but not necessarily be limited to statements that this Agreement is in full force and effect without default (or if default exists the nature of same), the remaining term of this Agreement, the levels and remaining term of the abatement in effect and such other matters reasonably requested by the party(ies) to receive the certificates.

**XIV.**  
**OWNER's Standing**

OWNER, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions or City Council actions authorizing same, and OWNER shall be entitled to intervene in said litigation.

**XV.**  
**Applicable Law**

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State's District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

**XVI.**  
**Indemnification**

It is understood and agreed between the parties that the OWNER, in performing its obligations hereunder, is acting independently, and CITY assumes no responsibility or liability to third parties in connection therewith, and OWNER agrees to indemnify and hold harmless CITY from any claims, damages, verdicts or judgments arising out of actions or omissions by OWNER or caused by OWNER in breach of this agreement. It is further understood and agreed among the parties that CITY, in performing its obligations hereunder, is acting independently, and the OWNER assumes no responsibility or liability to third parties in connection therewith, and CITY agrees to the extent allowed by law to indemnify and hold harmless OWNER from any such responsibility or liability.

**XVII.**  
**Force Majeure**

It is expressly understood and agreed by the parties to this Agreement that the parties shall not be found in default of this Agreement if any party's failure to meet the requirements of this Agreement is delayed by reason of war, Act of God, fire or other casualty of a similar nature.

**XVIII.**  
**No Other Agreement**

This Agreement embodies all of the agreements of the parties relating to its subject matter as specifically set out herein, supersedes all prior understandings and

agreements regarding such subject matter, and may be amended, modified or supplemented only by an instrument or instruments in writing executed by the parties.

**XIX.**  
**Recordation of Agreement**

A certified copy of this Agreement in recordable form shall be recorded in the Deed Records of Tarrant County, Texas.

**XX.**  
**Signatories**

This Agreement is effective and binding on those parties that have duly signed below.

**XXI.**  
**Procurement of Goods and Services from Arlington Businesses and/or Historically Underutilized Businesses**

In performing this Agreement, OWNER agrees to use diligent efforts to purchase all goods and services from Arlington or Tarrant County businesses whenever such goods and services are comparable in availability, quality and price.

As a matter of policy with respect to CITY projects and procurements, CITY also encourages the use, if applicable, of qualified contractors, subcontractors and suppliers where at least fifty-one percent (51%) of the ownership of such contractor, subcontractor or supplier is vested in racial or ethnic minorities or women. In the selection of subcontractors, suppliers or other persons or organizations proposed for work on this Agreement, the OWNER agrees to consider this policy and to use their reasonable and best efforts to select and employ such companies and persons for work on this Agreement.

**XXII.**  
**Headings**

The headings of this Agreement are for the convenience of reference only and shall not affect in any manner any of the terms and conditions hereof.

**XXIII.**  
**Successors and Assigns**

The parties to this Agreement each bind themselves and their successors, executors, administrators and assigns to the other party of this Agreement and to the successors, executors, administrators and assigns of such other party in respect to all covenants of this Agreement.

No successor, executor, administrator or assign is valid in the place of the parties to this Agreement without the written consent of CITY and such consent shall not be unreasonably withheld, provided however, the procedures set out in Section IX, Effect of Sale or Lease of Property, is binding for the assignment situation specifically described in Section IX.

**XXIV.**  
**Execution of Agreement**

This Agreement must be executed within sixty (60) days after the date this Agreement is authorized by the City of Arlington City Council and presented to OWNER for signature. This Agreement has been authorized by City Council on September 12, 2006.

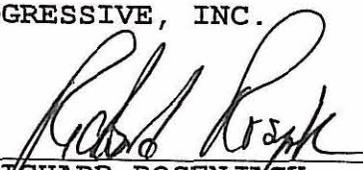
**XXV.**  
**Termination**

This Agreement shall terminate in accordance with the terms of this Agreement unless extended by written agreement of the parties or a written instrument signed by all parties evidencing a delay by force majeure.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the 18<sup>TH</sup> day of OCTOBER, 2006.

PROGRESSIVE, INC.

BY

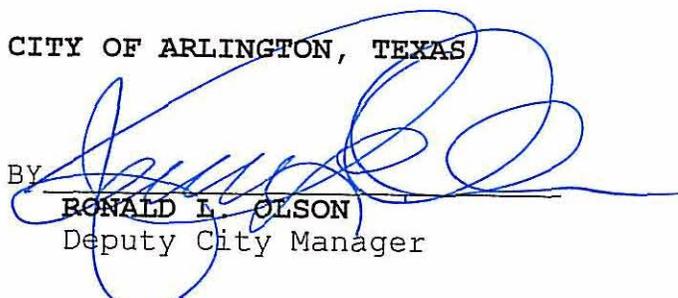
  
\_\_\_\_\_  
RICHARD ROSENJACK  
Vice President and  
General Manager

WITNESS:

\_\_\_\_\_

CITY OF ARLINGTON, TEXAS

BY

  
\_\_\_\_\_  
RONALD L. OLSON  
Deputy City Manager

ATTEST:

  
BARBARA G. HEPTIG, City Secretary

APPROVED AS TO FORM:  
JAY DOEGEY, City Attorney

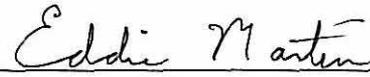
BY  \_\_\_\_\_



EXHIBIT "A"

**APPLICATION FOR TAX ABATEMENT**



## APPLICATION FOR TAX INCENTIVES

### Applicant Information

1. Beneficiary of Incentives Progressive, Inc.  
Property Owner X, Business Owner X, Leaseholder     (check all that apply)  
Mailing address 1030 Commercial Boulevard, North  
Telephone 817-465-3221 ext 260 Fax 817-465-1289  
Cell Phone 817-301-9261 Email rrosenjack@herouxdevtek.com
  
2. Contact Information Rick Rosenjack  
Title VP & GM  
Mailing address 1030 Commercial Boulevard, North  
Telephone 817-465-3221 ext 260 Fax 817-465-1289  
Cell Phone 817-301-9261 Email rrosenjack@herouxdevtek.com  
Relationship to Beneficiary: Same as above    , Authorized Representative X
  
3. Property address 1030 Commercial Boulevard, North
  
4. Property legal description (metes & bounds) Being all of Lots 6, 7, & 8, Block B, Vol. 388-118, Pg. 52, Lot 5B, Block A., Vol. 388-209, Pg. 6, Lots 8 & 9, Block A, and Lot 7, Block E, Vol. 388-119, Pg 84, Plat Records, Tarrant County, Texas situated in the Temple 0. Harris Survey, A-645, City of Arlington, Tarrant County, Texas
  
5. Attach a **complete** description of the project including:
  - A. Method of financing
  - B. Primary business activity at this site
  - C. Complete description of all land uses
  - D. Time schedule for completion of improvements
  - E. NAICS Industry Code
  - F. Descriptive list of improvements
    1. Size 120,000 sq ft sq. ft.
    2. Cost of construction \$ 11.9M
    3. Value of Personal Property
      - a. Inventory \$ \$14.5M  
What percent is eligible for Freeport Exemption (exported from Texas within 175 days) 100 %
      - b. Equipment, machinery, furnishings, etc. \$ 28.6M
  - G. What taxable sales will be generated at this location \$ 0 per year
  
6. These documents **must** be submitted prior to the City staff's review of the application:
  - Property tax statement from the County Tax Office
  - Plat/map of project location
  
7. Level of abatements requested 40 % 7 Years (plus 5% bonus for wage level)



8. Describe all other incentives sought from the City- other economic incentives, fee waivers, fast-track plans review, etc. *Building must be completed by April, 2007...therefore, a fast-track plan review will be essential. Any other fee waiver or other economic incentive would be appreciated*
9. Estimated taxable value of property improvements: Real \$11.9M Personal \$28.6  
*Estimated taxable value is the value of the improvements on January 1 of the year after the improvements are made.*

10. Job Creation & Retention:

Number of Full Time Equivalent Jobs	Avg. Annual, Monthly or Hourly Wage	Benefits Provided	Positions Created / Position Retained
Executive	\$ 112,030 annual	Med/Dental, 401-K, Life Ins	5
Mid-Level	\$ 60,244 annual	Med/Dental, 401-K, Life Ins	60
Entry	\$ 31,378 annual	Med/Dental, 401-K, Life Ins	40
Total	\$5,429,910 annual		105

11. Infrastructure improvements/modifications sought: *Assistance from the City of Arlington for fire lanes, water hydrants, water and sewer lines, and similar required systems*
12. Will application be made to Tarrant County? X Yes      No  
*If yes, please contact Tarrant County Administrator's Office (817-884-2643) for separate application*
13. On an attachment, describe why tax incentives are necessary for the success of this project and, how the improvements will benefit the property at the conclusion of the incentives (Include any documentation necessary to substantiate your request and if any other locations are under consideration).

I certify that the information contained herein is true and correct.

Richard Koszyk  
 Name

VP + GM  
 Title

7.24.06  
 Date

This application must be completed and returned for consideration prior to the submission of an application for a building permit or the issuance of a certificate of occupancy, whichever comes first. Upon receipt of this application, the City of Arlington shall require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.

An electronic copy of this application is available. Please submit the completed request to:

*City Manager's Office  
 City of Arlington, M/S 03-0100  
 P.O. Box 90231  
 Arlington, TX 76004-0231*

For more information, please call (817) 459-6112

# Property Tax Record

[New Search](#)

**Account:** 00008352534  
**APD:** P  
**Location:** 0001030COMMERCIAL BLVD N  
**Legal:** BUSINESS PERSONAL PROPERTY  
 BUS SOLD ~ 1 APR 04  
 PER CONTACT - E8  
**Owner:** HEROUX  
 CORP/PROGRESSIVE INC  
 TAX DEPT  
 1030 COMMERCIAL BLVD N  
 ARLINGTON TX 76001-7119

**Acres:** 0.000  
**Yr Built:** 0  
**Frozen Yr:** NONE  
**Frozen Amt:** \$0.00  
**Sq Ft:** 0  
**Def. Start:** NONE  
**Def. End:** NONE  
**Roll:** P

**2005 Values**  
 Personal 24429665  
**2005 Exemptions**  
 FP001 9207508  
 FP001 9207508

Click on the e-Statement button to view Total Tax Due.

Click on the e-Payment button to make a credit card or eCheck payment.

[Current status](#)

[All years](#)

[Tax Estimator](#)

[e-Payment](#)

[e-Statement](#)

Year	Unit	Levy Amount	Levy Paid	Levy Due	Penalty	Interest	Col Penalty	Total Due	Receipt Date
2005	024	98,639.58	98,639.58	0.00	0.00	0.00	0.00	0.00	4/21/2006
2005	220	41,480.38	41,480.38	0.00	0.00	0.00	0.00	0.00	4/21/2006
2005	224	35,832.50	35,832.50	0.00	0.00	0.00	0.00	0.00	4/21/2006
2005	225	21,216.64	21,216.64	0.00	0.00	0.00	0.00	0.00	4/21/2006
2005	908	269,736.62	269,736.62	0.00	0.00	0.00	0.00	0.00	4/21/2006
<b>2005 Totals</b>		466,905.72	466,905.72	0.00	0.00	0.00	0.00	0.00	

[Privacy Policy](#)

[Accessibility Statement](#)

[Public Information Act](#)

100 E. Weatherford, Fort Worth, Texas 76196, 817- 884-1111

Please send questions and comments regarding this website to [webmaster@tarrantcounty.com](mailto:webmaster@tarrantcounty.com).

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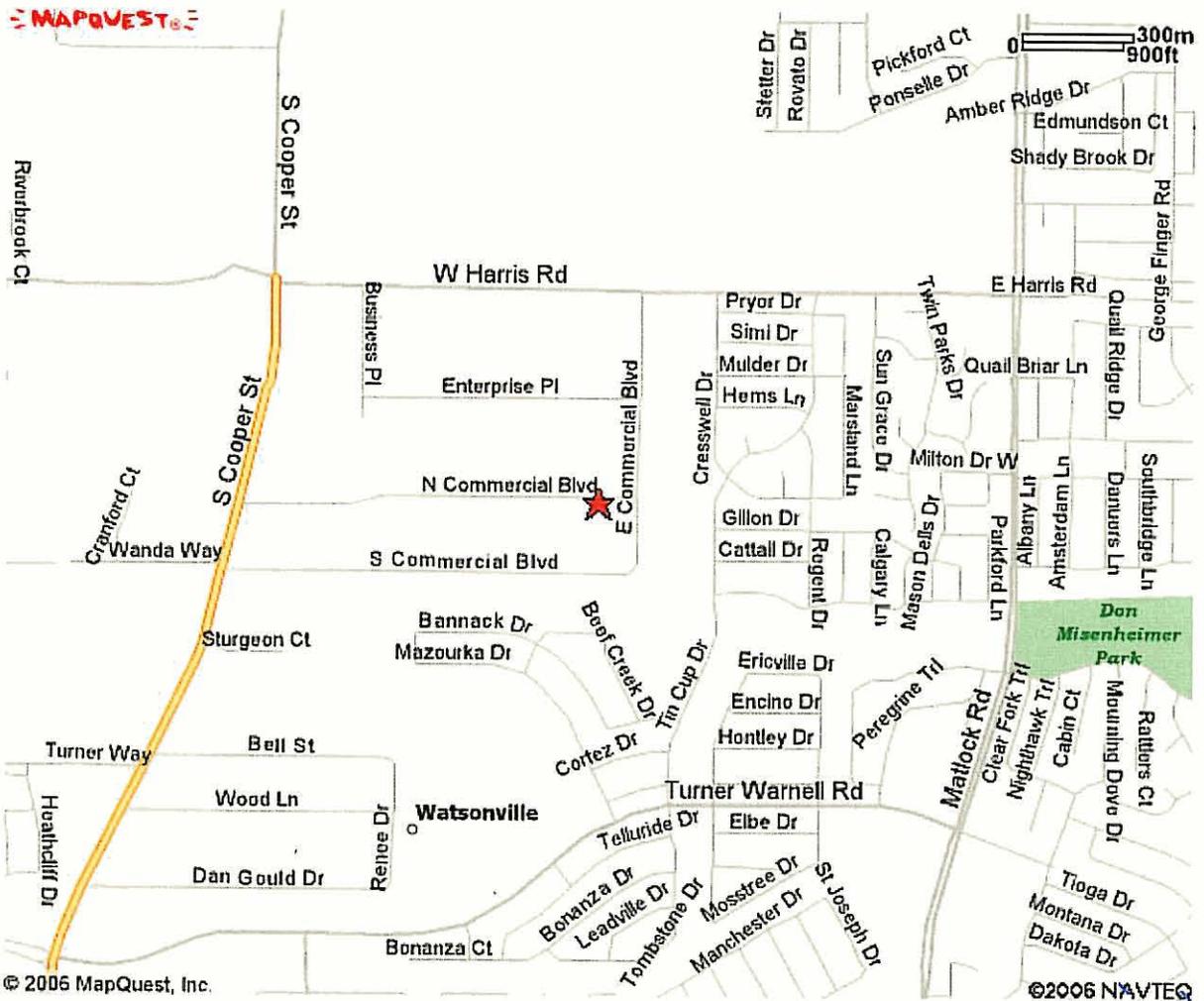
1030 Commercial Blvd N  
Arlington TX  
76001-7119 US

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## APPLICATION FOR TAX INCENTIVES

Attachment I

*Progressive, Inc., 1030 Commerical Blvd, N., Arlington, TX*

Page 1, Question 5.

Attach a **complete** description of the project including:

A. Method of financing

*Of the \$40.5M investment, \$5.0M will be financed through capital leasing and \$35.5M through bank financing.*

B. Primary business activity at this site

*Machined parts, kits, and assemblies for the aerospace industry.*

C. Complete description of all land uses



*All land, with the exception of the area designated as “New Investment”, is used for manufacturing aerospace parts, kits, and assemblies. This includes operations such as receiving, machining, inspection, shipping, manufacturing support, and administration.*

D. Time schedule for completion of improvements

*The construction will be completed in two phases, with one-half (60K sq ft) of the building construction to begin in August 2006 and the remaining one-half (60K sq ft) to begin construction in Q3 2007. The equipment (20 machines) will also be purchased in phases as defined below.*

HEROUX DEVTEK 				
<b>Capital Investments</b>				
Date (Commitment)	Phase	Description	Expected Delivery Date or Completion	Amount
August 2006	I	1 new building (50%)	April 2007	\$5.9M
June 2006	I	8 machinery and equipment	June 2007 and Sept. 2007	\$5.7M \$5.7M
Total Phase I				\$17.3M
September 2007	II	4 machinery and equipment	June 2008	\$5.6M
April 2007	II	1 new building (50%)	February 2008	\$5.9M
Total Phase II				\$11.5M
September 2008	III	8 machinery and equipment	June 2009	\$9.7M
	I-III	Other Capital	2007-2009	\$2.0M
<b>Total</b>				<b>\$40.5M</b>

E. NAICS Industry Code

*NAICS Code 336400 - Aerospace Product and Parts Manufacturing*

Page 2, Question 13.

On an attachment, describe why tax incentives are necessary for the success of this project and, how the improvements will benefit the property at the conclusion of the incentives (Include any documentation necessary to substantiate your request and if any other locations are under consideration).

*To produce the quantities required for JSF production, Heroux Devtek must invest in a new building, equipment, personnel, and infrastructure to meet the demands of this state-of-the-art program. With eight partner nations teaming with Lockheed Martin on the program, there is considerable demand for business to be done in countries designated for industrial participation (similar to offsets). Countries mentioned in discussions on this program*

*include Italy, Turkey, and Canada and there is continuous lobbying for placement of business “in-country” at partner nations. Heroux Devtek has two aerostructures sites, one in Dorval, Quebec, Canada and the site in Arlington. Both sites have land available for expansion opportunities on this program.*

*In June, 2006, Progressive was successful in gaining approval from the Heroux Devtek Board of Directors to pursue building the new building in Arlington, Texas. Incentives from the Economic Development Council for the State of Texas and the City of Arlington were cited as potential means to offset a portion of the investment and tax burden for the project.*

*The building will be built on land owned by Progressive, Inc. In addition, Progressive, Inc. is in negotiations to purchase an additional 4.5 acres directly across and west of this property for parking and future building construction. We have an aggressive growth strategy and have a vision to become a full service aerospace manufacturing center, with future growth into higher level aerospace assemblies – similar to Vought Aircraft Company.*

*Progressive, Inc. is proud that we are located in Arlington, Texas, proud that approval was attained from the Heroux Devtek Board of Directors to build this new building in Texas, and proud of our relationship with Lockheed Martin. We look forward to hiring over 100 employees from Arlington and surrounding areas as we build production components for the most visible military aircraft in development today – the F-35 Lightning II. Approval from the City of Arlington for tax incentives and infrastructure support will help us manage the large investment required. Your consideration of this request is appreciated.*

## PROGRESSIVE, INC. JSF BUILDING AND IMPROVEMENT PROJECT

### Background

Progressive, Inc., located at 1030 Commercial Boulevard North in Arlington, Texas, is a manufacturer of machined parts, kits, and assemblies for the aerospace industry (NAICS Code 336400 - Aerospace Product and Parts Manufacturing). Since the company was founded in 1971, the primary business has been products for military aircraft original equipment manufacturers like Lockheed Martin Aeronautics and Boeing Integrated Defense Systems. The business is highly regarded in the industry as one of the best, if not *the* best, producer of complex, monolithic machined parts. Progressive, Inc. is consistently ranked high in customer satisfaction...with quality and on-time delivery near 99%.

Heroux Devtek, a business headquartered in Longueuil, Quebec, Canada, purchased Progressive, Inc. in April, 2004. Heroux Devtek has over 60 years of aerospace manufacturing experience and a solid legacy in the aerospace field...designing and manufacturing the landing gear for the Apollo spacecraft that first landed on the moon. Today, it serves a variety of OEMs in both the commercial and military marketplace. The company, traded on the Toronto Stock Exchange since 1986, has three divisions – 1) landing gear, 2) aerostructures, and 3) industrial components. Heroux Devtek has 11 manufacturing plants, seven of which are in Canada.

Today, more than 90% of the business at Progressive, Inc. is production for aircraft used by the US military, namely the F-15, F-16, F-18, F-22 fighters and the C-17 military transport aircraft.

The next generation of fighter jet is the F-35 Joint Strike Fighter, recently named the Lightning II. Progressive was awarded a contract in 2004 to work with Lockheed Martin Aeronautics to develop complex machined parts for this aircraft. The components are some of the largest monolithic parts in production today and the development program was a success. As a result, Heroux Devtek signed a Letter of Intent with Lockheed Martin in June 2006 for the production contract.



Exhibit 1. Drawing of the F-35 Lightning II

### Current Situation

To produce the quantities required for JSF production, Heroux Devtek must invest in a new building, equipment, personnel, and infrastructure to meet the demands of this state-of-the-art program. With eight partner nations teaming with Lockheed Martin on the program, there is considerable demand for business to be done in countries designated for industrial participation (similar to offsets). Countries mentioned in discussions on this

## JSF Building and Improvement Project, Page 2 of 3

program include Italy, Turkey, and Canada and there is continuous lobbying for placement of business “in-country” at partner nations. Heroux Devtek has two aerostructures sites, one in Dorval, Quebec, Canada and the site in Arlington. Both sites have land available for expansion opportunities on this program.

In June, 2006, Progressive was successful in gaining approval from the Heroux Devtek Board of Directors to pursue construction of a new building in Arlington, Texas. Incentives from the Economic Development Council for the State of Texas and the City of Arlington were cited as potential means to offset a portion of the investment and tax burden for the project.

The building will be built on land owned by Progressive, Inc. (see exhibit 2). In addition, Progressive, Inc. is in negotiations to purchase an additional 4.5 acres directly across and west of this property for parking and future building construction.

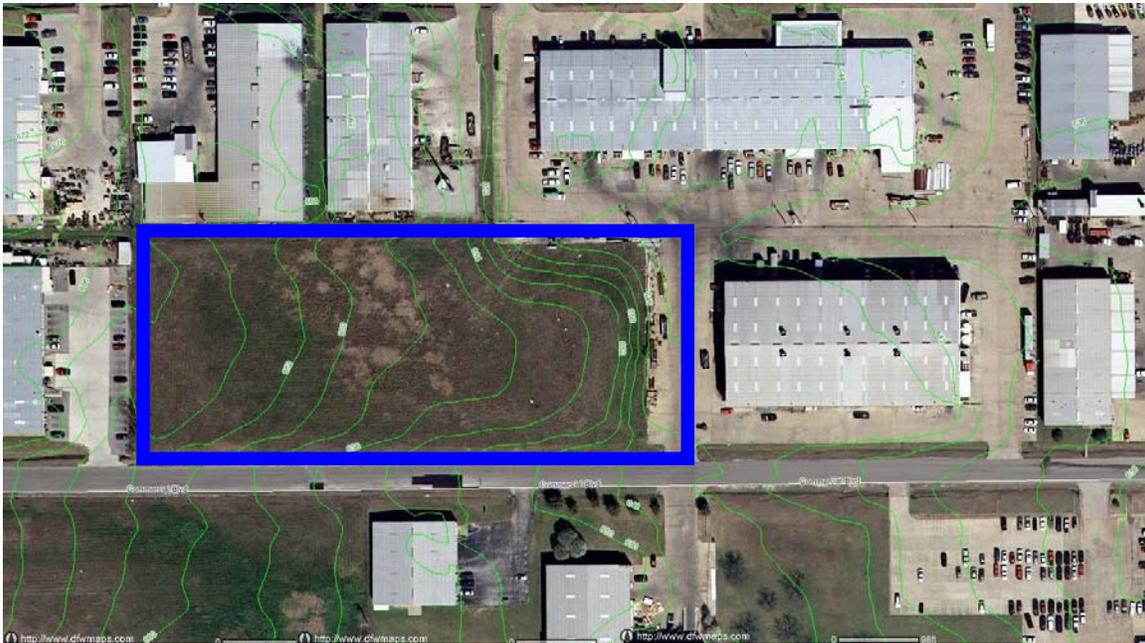


Exhibit 2. Aerial view of property owned by Progressive, Inc. Area outlined in blue has been designated for the new building.

### Investment Details

The investment (not including the land across from the site) is \$40.5M. The construction will be completed in two phases, with one-half (60K sq ft) of the building construction to begin in August 2006 and the remaining one-half (60K sq ft) to begin construction in Q3 2007. The equipment (20 machines) will also be purchased in phases as defined in Exhibit 3.

Financing of the project will be \$5.0M in capital leasing and \$35.5M in bank financing.  
**JSF Building and Improvement Project, Page 3 of 3**



## Capital Investments

Date (Commitment)	Phase	Description	Expected Delivery Date or Completion	Amount
August 2006	I	1 new building (50%)	April 2007	\$5.9M
June 2006	I	8 machinery and equipment	June 2007 and Sept. 2007	\$5.7M \$5.7M
Total Phase I				\$17.3M
September 2007	II	4 machinery and equipment	June 2008	\$5.6M
April 2007	II	1 new building (50%)	February 2008	\$5.9M
Total Phase II				\$11.5M
September 2008	III	8 machinery and equipment	June 2009	\$9.7M
	I-III	Other Capital	2007-2009	\$2.0M
<b>Total</b>				<b>\$40.5M</b>

Exhibit 3. Time schedule and description of investment

It is Progressive, Inc.'s intent to build a state-of-the-art machining center with customized equipment and an environmentally controlled building to meet the close tolerance demands of the JSF program.

### Other Information

Additional information provided includes:

- 1) Property tax statement from the County Tax Office
- 2) Plat/map of project location

Progressive, Inc. is proud that we are located in Arlington, Texas, proud that approval was attained from the Heroux Devtek Board of Directors to build this new building in Texas, and proud of our relationship with Lockheed Martin. We look forward to hiring over 100 employees from Arlington and surrounding areas as we build production components for the most visible military aircraft in development today – the F-35 Lightning II. Approval from the City of Arlington for tax incentives and infrastructure support will help us manage the large investment required. Your consideration of this request is appreciated.

## EXHIBIT " B "

### DESCRIPTIVE LIST OF EQUIPMENT TO BE INSTALLED

*Progressive, Inc., 1030 Commercial Blvd North, Arlington, TX 76001*

**SNK (Shin Nippon Koki Co., Ltd) \$23,300,000**

**5 Axes, One Spindle, CNC Profiler (20 total w/foundations)**

Model: PS-6B

Work Mounting Surface (120" X 30 ft.)

Work Mounting surface (Base plate size):

Width 120" (3,048 mm)

Length 30 ft. (9,145 mm)

Bed Total Length 40.5 ft. (12,345 mm)

Distance from working surface to spindle end 5" to 55" (127 to 1,397 mm)

Work mounting surface bolt hole pattern (grid pattern):

Spacing 5" (127 mm)

Size ½" – 13 UNC

Travels:

Gantry longitudinal (X) 30 ft. (9,145 mm) + ATCst.23.6" (600 mm)

Spindle head traverse (Y) 144" (3,657.6 mm)

Spindle head vertical (Z) 50" (1,270 mm)

Spindle head swivel (B) plus/minus 100 deg.

Spindle head rotation (C) 360 deg. (continuous rotation)

**BISCO AIR SYSTEMS \$350,000**

**One (1) Filter – One Model Hydrotron Mark II HPG-72-6X12-15D Wet Type booth**, 72 ft. wide x 10 ft. working height x 15 ft. working depth. The collector includes 6 filter modules. Each module includes a direct driven backward inclined blower with 15 HP 1725 rpm TEFC motor, 9,000 cfm, magnetic motor starter with on/off push buttons, electronic water level control, magnehelic gauge, mist eliminating filters, 2" threaded drain connection, cabinet constructed of welded galvanized steel finished with two part coal tar epoxy coating on all interior surfaces, industrial enamel exterior coating

**SULLAIR****\$249,652**

**Model V-200S 125H Air-cooled, Variable Speed Compressor** 460, 3 phase, 60 Hz (2 each)

125 HP Single-stage, open, air-cooled, totally packaged rotary-screw air compressor to deliver 576 acfm @ 125 psig. Max pressure available is 145 psig. This compressor is complete with all the normal factory standard equipment. Variable Speed Drive (460v) in Nema 1 enclosure with soft start and five year warranty against defects in material and workmanship. Variable Speed Drive (VSD) control system to be used to match compressor output to demand by controlling compressor speed. Capacity modulation ranges covers from 100 to 20 percent. Below 20 percent air demand, the machine will unload and shutdown at the same time relieving sump pressure to atmosphere.

**Model SR-700 Refrigerated Air Dryer** 460v/3/60 Hz 700 scfm @ 35 to 39 degrees F 3" FLG In and Out (2 each)

- Energy efficient compressor.
- Patented pre-cooler/re-heater and evaporator (and demister) design combined within a cast aluminum housing.
- Continuous active moisture separation during the pre-cooler, and evaporator sections.
- Hot gas bypass capacity control

**HENRY FILTERS, INC.****\$3,200,000**

**One (1) Model 1000-SID-1-2-10-CF with Flow Through Primary Conveyer** (20 total)

- Allen Bradley Micro-Logics 1550 PLC programmable controller (no HMI) for system operation.
- Allen Bradley IEC push buttons and pilot lights
- Alarm light and horn mounted on the control enclosure with indicators to display filter operation conditions
- Un-fused safety switches for all motors.
- "Durr standard" system lock-out
- Main power and pneumatic drops are supplied and installed by others.
- Main Pneumatic Panel mounted to control enclosure. Pneumatic piping from filter components to be run to a bulk with interconnecting piping from panel to bulkhead to be supplied and installed by owner/contractor.

**SUPPORT EQUIPMENT (TBD)****\$1,850,000**

**Forklifts, cranes, work tables, material storage racks, hydraulic/pneumatic supply, etc. to be identified within the next 6 months.**

EXHIBIT "C"

**REINVESTMENT ZONE NUMBER TWENTY-EIGHT ORDINANCE**

Ordinance No. 06-090

**An ordinance establishing Reinvestment Zone Number Twenty-Eight; providing this ordinance be cumulative; providing for severability; providing for governmental immunity; providing for injunctions; and becoming effective upon second reading**

WHEREAS, the City Council of the City of Arlington, Texas, desires to promote the development or redevelopment of a certain area within its jurisdiction by the establishment of a Reinvestment Zone for commercial-industrial tax abatement; and

WHEREAS, a public hearing was held at which time interested persons were entitled to speak and present evidence for or against the designation of the property described in **Exhibit "A"** as Reinvestment Zone Number Twenty-Eight, and notice of such public hearing was published in a newspaper of general circulation in the City of Arlington not later than the seventh day before the date of the scheduled hearing; and

WHEREAS, the City Council of the City of Arlington has established guidelines and criteria governing tax abatement agreements and has stated that the City elects to become eligible to participate in tax abatement; NOW THEREFORE,

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

1.

That all of the recitals contained in the preambles of this ordinance are found to be true and are adopted as findings of fact by this governing body and as part of its official record.

2.

The City Council, after conducting a public hearing and having considered all relevant evidence and testimony, has made the following findings and determinations based on such evidence and testimony:

- A. That a public hearing on the designation of Reinvestment Zone Number Twenty-Eight has been properly called, held and conducted, and that notice of such hearing was published in accordance with the law; and
- B. That the boundaries of Reinvestment Zone Number Twenty-Eight should be the proposed area of land more fully described in the property description attached

- B. That the boundaries of Reinvestment Zone Number Twenty-Eight should be the proposed area of land more fully described in the property description attached hereto as **Exhibit "A"** and depicted on the map attached hereto as **Exhibit "B"**; and
- C. That the improvements sought to be made in Reinvestment Zone Number Twenty-Eight are feasible and practical and would be a benefit to the land to be included in the Zone and to the City of Arlington following the expiration of an executed Tax Abatement Agreement; and
- D. That the proposed area of land to be designated Reinvestment Zone Number Twenty-Eight is reasonably likely, as a result of this designation, to contribute to the retention or expansion of primary employment or to attract major investment in the Zone that would be a benefit to the property, thereby contributing to the economic development of the City of Arlington.

3.

In accordance with State law, the City of Arlington hereby officially creates Reinvestment Zone Number Twenty-Eight for commercial-industrial tax abatement, which Zone shall hereafter encompass only that certain area of land more fully described in the property description attached hereto as **Exhibit "A"** and depicted on the map attached hereto as **Exhibit "B"**; and such Reinvestment Zone shall be officially designated as Tax Abatement Reinvestment Zone Number Twenty-Eight of the City of Arlington, Texas.

4.

The designation of Reinvestment Zone Number Twenty-Eight of the City of Arlington, Texas shall expire Five (5) years after the effective date of its designation and may be renewed.

5.

This ordinance shall be and is hereby declared to be cumulative of all other ordinances of the City of Arlington; and this ordinance shall not operate to repeal or affect any of such other ordinances except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this ordinance, in which event such conflicting provisions, if any, in such other ordinance or ordinances are hereby repealed.

6.

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be unconstitutional, such holding shall not affect the validity of the remaining portions of this ordinance.

7.

All of the regulations provided in this ordinance are hereby declared to be governmental and for the health, safety and welfare of the general public. Any member of the City Council or any City official or employee charged with the enforcement of this ordinance, acting for the City of Arlington in the discharge of his/her duties, shall not thereby render himself/herself personally liable; and he/she is hereby relieved from all personal liability for any damage that might accrue to persons or property as a result of any act required or permitted in the discharge of his/her said duties.

8.

Any violation of this ordinance can be enjoined by a suit filed in the name of the City of Arlington in a court of competent jurisdiction, and this remedy shall be in addition to any penal provision in this ordinance or in the Code of the City of Arlington.

9.

This ordinance shall become effective upon second reading.

PRESENTED AND GIVEN FIRST READING on the 22nd day of August, 2006, at a regular meeting of the City Council of the City of Arlington, Texas; and GIVEN SECOND READING, passed and approved on the 12th day of September, 2006, by a vote of 9 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.

  
ROBERT N. CLUCK, Mayor

ATTEST:

  
BARBARA G. HEPTIG, City Secretary

APPROVED AS TO FORM:  
JAY DOEGEY, City Attorney

BY 

**Exhibit "A"**

**Legal Property Description**

Being all of Lots 6, 7, & 8 Block B, Vol. 388-118, Pg. 52; Lot 5B Block A., Vol. 388-209, Pg. 6; Lots 8 & 9, Block A, and Lots 7 and 8, Block E, Vol. 388-119, Pg. 84, Plat Records, Tarrant County, Texas situated in the Temple O. Harris Survey, A-645, City of Arlington, Tarrant County, Texas

**Exhibit "B"**

**Map**

# Reinvestment Zone #28



Copyright NCTCOG and City of Arlington, Tx  
Source: COA Ordinance 00-096 for Arlington Commerce, LP



DISCLAIMER: This data has been compiled by The City of Arlington using various official and unofficial sources. Although every effort was made to ensure the accuracy of this data, no such guarantee is given or implied.

0 112.5 225 450 Feet

City of Arlington Geoprocessing  
A Division of Information Technology  
Created: August 2, 2006  
Location: X:\Geoprocessing\MapRequests\CMO\  
vanwinkle\Reinvestmentzone\_28

EXHIBIT "D"

**WAIVER OF FEES**

## Exhibit D

The waiver of up to \$37,000 in City fees associated with construction of the expansion. Impact fees are not subject to waiver under this agreement. Eligible fees may include:

- Building Permit Application
- Landscape Plan Review
- Amended Plat Application
- Sign Permit
- Fire Department Permit/Inspection
- Plan Review
- Substitute Landscape Plan
- Early Grading Release
- Amended Plat Application