

Location: 2112 W Division St

Property Owner: A E Petsche Company, Inc.

2112 W Division St

Arlington TX 76012

About the Project

An abatement agreement which was originally approved in 2006 by Ordinance 06-015, was amended in 2008 to allow time for the company's construction delays, and to add this Chapter 380 agreement language to offer permit waivers during possible later year expansion in lieu of taking the first year of the original abatement. It authorizes the City to waive fees, including building fees, required for the construction of the applicant's future development projects adjacent to the eligible property, in an amount not to exceed \$30,000. If the \$30,000 fee waiver for future development projects is not used in 10 years then the city will have no obligation to waive additional fees under the agreement.

Goals of the Project

Business retention; job creation & retention, major capital investment; property tax base enhancement

Current Status

No fees have been waived.

Benefit to City

38 jobs created; 133 jobs retained; \$1 million minimum added taxable value of real property; additional real property tax revenue estimated at \$29,646-34,020 annually

Year Approved by Council	2008	
Base Year	n/a	
Beginning Year	2008	
Ending Year	2018	10-year period expires in November 2018
Duration	10 years	
Base Year Value	n/a	
Property Tax Account Number(s)	n/a	
Total Rebate Allowed	\$ 30,000	
Total Estimated Investment by Company	\$ 1,500,000	

Resolution No. 08-446

A resolution authorizing the execution of a First Amendment to Tax Abatement and 380 Grant Agreement for Waiver of City Fees between A.E. Petsche Co., Inc. and the City of Arlington, Texas

WHEREAS, on February 28, 2006, by Resolution No. 06-079, the City Council authorized the execution of a Tax Abatement and 380 Grant Agreement for Waiver of City Fees (the "Agreement") between the City of Arlington, Texas ("CITY") and A.E. Petsche Co., Inc. ("OWNER") relating to the expansion of OWNER's corporate headquarters (the "Project") located at 2112 West Division in the City of Arlington, Texas; and

WHEREAS, the Agreement specifically states that the City Council may cancel or modify the Agreement if OWNER fails to comply with the terms of the Agreement; and

WHEREAS, OWNER failed to comply with the Agreement by failing to meet the deadline for added taxable value for the 2007 tax year; and

WHEREAS, the improvements required to be built by OWNER have been built as provided by the Agreement, and the added taxable value is reflected on the CITY's tax rolls for the tax year beginning January 1, 2008; and

WHEREAS no adverse impact on the tax base will result from a modification to the Agreement to provide that OWNER shall be entitled to a tax abatement beginning in the 2008 tax year, in accordance with the terms of the Agreement, for the duration of the Agreement; and

WHEREAS, based on these findings, CITY proposes to execute a First Amendment to Tax Abatement and 380 Grant Agreement for Waiver of City Fees (the "Amendment") with A.E. Petsche Co., Inc., allowing a maximum abatement of 45% annually for four (4) years on eligible Real Property Improvements, and allowing a waiver of certain fees related to the Project, and a waiver of certain fees for future development projects adjacent to the eligible property; NOW THEREFORE

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

I.

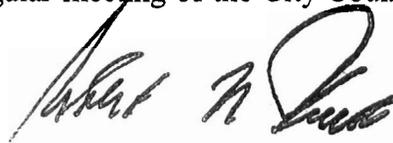
That all of the recitals contained in the preamble of this resolution are found to be true and are adopted as findings of fact by this governing body and as part of its official record.

That the City Manager or his designee is hereby authorized to execute a First Amendment to the Tax Abatement and 380 Grant Agreement for Waiver of City Fees with A.E. Petsche Co., Inc., and other necessary or required parties, providing for exemption from taxation annually for four (4) years of up to forty-five percent (45%) of the added taxable real property value resulting from the expansion of corporate headquarters located in Reinvestment Zone Number 24, providing for a waiver of up to \$33,000 in CITY fees associated with construction of the expansion and also providing for a waiver of up to \$30,000 in CITY fees associated with future development projects adjacent to the eligible property. A substantial copy of the Amendment is attached as Exhibit "B".

III.

In authorizing the execution of and in executing the referenced Amendment, the City of Arlington, Texas, through its City Council and City officials, hereby exercises a governmental function in accordance with but not limited to Section 101.0215 of the Texas Civil Practices and Remedies Code.

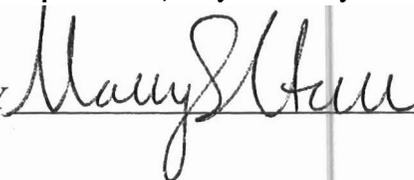
PRESENTED AND PASSED on this the 18th day of November, 2008, by a vote of 8 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.



ROBERT N. CLUCK, Mayor



APPROVED AS TO FORM:
JAY DOEGEY, City Attorney

BY 

WHEREAS, the Policy Statement constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the CITY; 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 Arlington, a reinvestment zone, 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 premises 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 business real estate located on the Premises in Arlington Reinvestment Zone Twenty-Four, 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 January 1, 2006.
- E. "Eligible Property" is defined as Real Property Improvements made for wholesale distribution of wire/connectors as described in Exhibits "A" and "B" and

delivered to, installed or placed on the Premises after the Effective Date of this Agreement and through December 31, 2006.

F. "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).
- (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.

G. "Personal Property Improvements" are defined as tangible personal property (except inventory or supplies) delivered to, installed or located on the Premises.

H. "Premises" are defined as the real property (land and improvements) as described in **Exhibit "C"**, which existed on January 1, 2006, within Arlington Reinvestment Zone Twenty-Four, created by Ordinance 06-015, included in **Exhibit "C"**, that is owned by and operated by OWNER.

I. "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.

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.

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 One Million Dollars not later than December 31, 2006.
- 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 Real Property Improvements completed no later than December 31, 2006 and listed in **Exhibit "A"** attached hereto and incorporated herein for all purposes. The period of said exemption shall be for a period of five (5) consecutive years.
- B. The amount of exemption annually will be based upon the following:
 - 1. 30% annually as a Level II exemption as long as the Capital Investment of \$1,000.000 is met, jobs requirement level stays between 101-250 employees, and show they exceed Arlington median wage levels.

2. 10% annually for target market area if business stays within Electronic Connector Manufacturing or as a Regional headquarters.
3. 5% annually if it is shown that Certified Minority Contractors are utilized for a minimum of 20% of the total costs for the project's Construction, Supply and Service expenses.

V.

WAIVER OF FEES

In exchange for OWNER'S completion of the Project in accordance with Article herein, CITY shall waive CITY fees related to the construction of the Project, including all building fees and impact fees in an amount not to exceed \$33,000. 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.

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, 2007, 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 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 such taxes 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 wholesale distribution of wires/connectors as described in **Exhibit "A"** and related activities 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 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 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.
- 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: A.E. Petsche Co., Inc.
 2112 West Division
 Arlington, Texas 76012
 Attention: Kent Horst, President

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

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 Fee Waiver Agreement 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 February 28, 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.

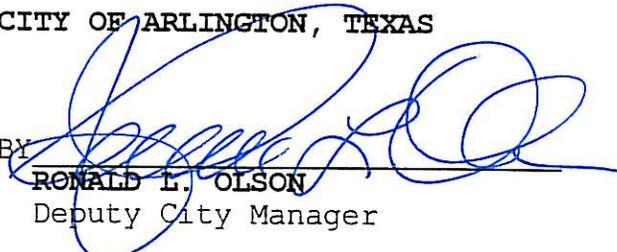
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written above.

A.E. PETSCHER CO., INC.

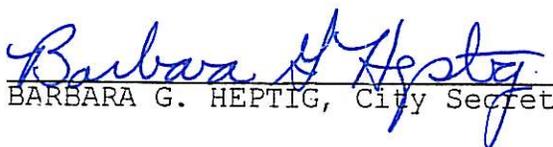
BY Kent Horst
Signature
Kent Horst
Type or Printed Name
President
Type or Printed Title

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 

APPLICATION FOR TAX ABATEMENT

EXHIBIT "A"



8. Describe all other incentives sought from the City- other economic incentives, fee waivers, fast-track plans review, etc.
9. Estimated taxable value of property improvements: Real 1,500,000 Personal 3,500,000
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	Not Disclosed	401(k), Medical, Dental	5/0
Mid-Level	\$25,000 - \$80,000	401(k), Medical, Dental	78/8
Entry	\$8/per hour	401(k), Medical, Dental	50/30
Total			

11. Infrastructure improvements/modifications sought: None sought

12. Will application be made to Tarrant County? 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.

Levi Horst President
 Name Title
11-17-2005
 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 03-0310
 P.O. Box 90231
 Arlington, TX 76004-0231*

For more information, please call (817) 459-6121

ATTACHMENT I

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 - 421610
 - F. Descriptive list of improvements
 - 1. Size 30,000 sq. ft.
 - 2. Cost of construction \$ 1,500,000
 - 3. Value of Personal Property
 - a. Inventory \$ 3,500,000
What percent is eligible for Freeport Exemption
(exported from Texas within 175 days) ?? %
 - b. Equipment, machinery, furnishings, etc. \$ 250,000

The addition will be a tilt wall building faced with brick to match the existing structure facing Division Street. Primary business activity is the wholesale distribution of wire, cable and related products and value added assembly of aerospace connectors. The building will be approximately 30,000 square feet of warehouse and include a new receiving area. Estimated start time for construction is January 1, 2006, with completion approximately July, 2006. Cost of construction is \$1,500,000 to be paid in cash with no financing.

ATTACHMENT II

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).

No company, big or small, is immune to the effects of globalization. The off shoring trend for electrical harness assembly for the aerospace industry is primarily to Mexico. Today, all F-16 harnesses are fabricated in Chihuahua Mexico, as are the harnesses for all Airbus commercial aircraft and all Raytheon aircraft (Formerly Beechcraft). Cessna will move harness production to Chihuahua in 2006 and Bell Helicopter is likely to follow soon after (see attached Wichita Eagle article). Bombardier is moving their harness production to Queretaro Mexico in 2006 (see attached article). Gulfstream is currently fabricating their electrical harnesses in Mexicali, Mexico. In all, over 60 major aerospace companies are operating in Mexico (see attached study) and the trend is rapidly accelerating. Another indicator of this trend is that the harnesses for the new Boeing 787 Dreamliner will be fabricated in Chihuahua, Mexico.

The A.E. Petsche Company is a value added distributor to the aerospace electrical harness assembly market. Sales have grown rapidly over the past 10 years (see graph) and local Arlington employment has grown to over 125 employees. It is projected that an additional 38 employees will be added in Arlington over the next 18 months. The company has outgrown its facility at 2112 West Division Street and is currently undergoing an expansion analysis. El Paso and Laredo, gateway cities into Mexico, are the logical areas for this expansion to occur. Given that roughly 49% of the Texas shipments from our Arlington facility are already shipped through El Paso (see attachment customer analysis), it is logical not only for the expansion to be located in El Paso, but also the existing distribution center to be transferred there. In this scenario, Arlington would remain the corporate headquarters with the accounting, management, and IT functions retained here. However, over 100 current and projected jobs in the next 18 months would be permanently lost to another Texas city.

The A.E. Petsche Company was founded in Arlington in 1966. We consider Arlington to be our home. This is why we come to the city of Arlington with an abatement request that will keep these 100 jobs in Arlington. A 30,000 sq ft. warehouse addition will be added to the West of our current property on Division Street. The building will be faced with the same high quality of brick as on its existing structure, The estimated cost of this expansion is \$1,500,000. We are requesting a 90% abatement of the property taxes on this project for the next ten years in order to justify the continued investment in Arlington jobs and property development.

Kansas.com

Posted on Tue, Sep. 13, 2005

 **The Wichita Eagle**

Cessna to move work to Mexico

It is the second Wichita planemaker to send wire harness work south of the border.

BY MOLLY MCMILLIN
The Wichita Eagle

Cessna Aircraft Co. plans to move 110 jobs from Wichita to a production facility it is opening in Mexico.

It will move its wire harness work, now performed in Wichita, to the company-owned facility in Chihuahua, Mexico, in early 2006, said Cessna spokesman Dick Ziegler. The 62,000-square-foot plant will also produce small sheet metal parts.

The move is being made to lower Cessna's operating costs, Ziegler said.

Wichita workers may be able to move into other open positions or to cross-train for them, Ziegler said. Still, "we can't dismiss layoffs," he said.

Wichita jobs won't be affected until the third quarter in 2006, Ziegler said.

Cessna and its parent company, Textron Inc., will own the facility. It will be available for use by Textron's other businesses, Ziegler said.

Cessna is the second Wichita planemaker to move wire harness work outside the country.

In a move controversial with its employees and largest union, Raytheon Aircraft is outsourcing its wire harness work to Labinal Inc.'s division in Pryor, Okla. But most of the work will be performed at Aerotec de Mexico, a Labinal subsidiary also in Chihuahua. The move cuts about 350 jobs in Wichita.

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<http://www.kansas.com>

BOMBARDIER**Bombardier Aerospace Establishes Manufacturing Capability In Querétaro, Mexico****Montréal, October 26, 2005**

Bombardier Aerospace today announced it will establish a world-class manufacturing facility in Querétaro, Mexico to complement its existing manufacturing sites. The company will be investing approximately \$200 million US in equipment, buildings and start-up costs over the next seven years.

Scheduled to be implemented in phases starting in May 2006, capabilities at Bombardier Aerospace's new Mexican facility will initially include the manufacture and assembly of wire harnesses for Bombardier aircraft. Bombardier Aerospace is in the process of evaluating the impact of the transfer of these activities on its workforce.

Later in 2006, the new facility is scheduled to start manufacturing major structural aircraft components currently being built by Bombardier Aerospace suppliers. Details on the type of components to be manufactured will be finalized in the coming months. By the end of 2006, employment at the Querétaro facility is expected to reach 300 skilled and trained workers and increase to 600 by the end of 2007.

"This facility will allow us to develop a low cost manufacturing capacity that will reduce our reliance on third parties for structural aircraft components and contribute to the reduction of our operating costs and to increased profitability," said Pierre Beaudoin, President and Chief Operating Officer, Bombardier Aerospace.

"Bombardier Aerospace is committed to its long-term relationship with the Mexican Federal government and the government of the State of Querétaro to develop a first-class aerospace industry in Mexico. By establishing its own fully integrated, world-class manufacturing facility in Querétaro, Bombardier Aerospace will serve as a catalyst for the aerospace industry in Mexico through the sharing of knowledge and of leading-edge manufacturing processes," added Mr. Beaudoin.

In keeping with its long-term commitment, Bombardier Aerospace will build its Querétaro facility so that it has the capability, in the future, for final aircraft assembly as new markets emerge. The implementation of this capability will be carried out in parallel to the Mexican Federal Government's establishment of the essential pillars to develop a substantive aerospace industry. These pillars include the harmonization of Mexican aviation regulations with the international community, adequate aerospace education systems and suitable government programs catering to the support of aerospace research and development, among others.

Querétaro, situated North of Mexico City, offers quality industrial and educational infrastructures, a skilled population and dynamic economic development policies. Its modern airport will provide Bombardier Aerospace, its suppliers and other future members of the new Mexican aerospace cluster the best potential for growth and synergies. In parallel to the establishment of its new facility, Bombardier Aerospace also plans to develop a local supplier base in support of its Mexican operations and its other facilities.

About Bombardier

A world-leading manufacturer of innovative transportation solutions, from regional aircraft and business jets to rail transportation equipment, Bombardier Inc. is a global corporation headquartered in Canada. Its revenues for the fiscal year ended Jan. 31, 2005, were \$15.8 billion US and its shares are traded on the Toronto Stock Exchange (BBD). News and information are available at www.bombardier.com.

For information

John Paul Macdonald
Bombardier Aerospace

DESCRIPTION OF ELIGIBLE PROPERTY

EXHIBIT "B"

Exhibit B

Description of Eligible Property

Eligible improvements consist of the \$1,500,000 addition to the existing corporate headquarters, located at 2112 W. Division, Arlington, Texas to be completed on or before December 31, 2006. Specifically, the 30,000 sq. ft. construction of warehouse and receiving areas, tilt wall construction, faced with brick to match the existing structure.

REINVESTMENT ZONE NUMBER TWENTY-FOUR ORDINANCE

EXHIBIT "C"

Ordinance No. 06-015

An ordinance establishing Reinvestment Zone Number Twenty-Four; 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-Four, 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-Four 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-Four 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-Four 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-Four 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-Four 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-Four of the City of Arlington, Texas.

4.

The designation of Reinvestment Zone Number Twenty-Four 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. ^o

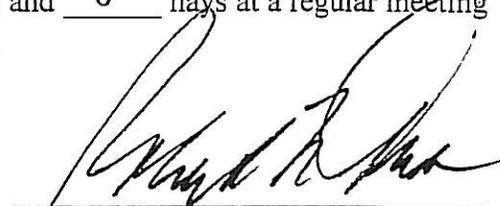
8.

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 24th day of January, 2006, at a regular meeting of the City Council of the City of Arlington, Texas; and GIVEN SECOND READING, passed and approved on the 14th day of February, 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

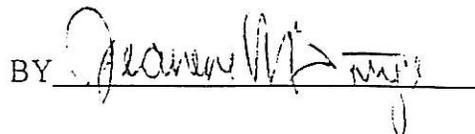
BY 

Exhibit "A"

Property Description

United States Postal Service address: 2112 W. Division St., Arlington, Texas 76012

Being all of Lot 13-R, MILBY ADDITION, an addition to the City of Arlington, Tarrant County, Texas, according to the plat recorded in Cabinet A, Slide 10641, Plat Records of Tarrant County, Texas.

Exhibit "B"

Map



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.



Petsche Property

REINVESTMENT ZONE NO. 24



City of Arlington Geoprocessing
A Division of Information Technology
Printed: 11 January 2006
Location: X:\Geoprocessing\Arlington\wo39983_map3.mxd

WAIVER OF FEES

EXHIBIT "D"

Exhibit D

Fee Wavier

The waiver of up to \$33,000 in City fees associated with construction of the expansion. This waiver may include fees such as:

- Building Permit Application
- Plan Review
- Landscape Plan Review
- Substitute Landscape Plan
- Amended Plat Application
- Early Grading Release
- Sign Permit
- Amended Plat Application
- Fire Department Permit/Inspection
- Roadway Impact
- Sanitary Sewer Front Footage Fee *
- Water Tap Fee*
- Sewer Tap Fee*

*Only charged if an additional tap is necessary.

THE STATE OF TEXAS §
§
§ First Amendment to Tax Abatement and
§ 380 Grant Agreement for Waiver of
§ City Fees
COUNTY OF TARRANT §

THIS Agreement is executed by and between **A.E.PETSCH**
CO., INC., 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. 06-079 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
for statutory authority for establishing and
administering the incentive provided herein; and

WHEREAS, the City council approved the establishment of
Reinvestment Zone Number Twenty-Four ("ZONE") in the
City of Arlington, Texas being a commercial-
industrial Reinvestment Zone for Tax Abatement as
authorized TEX. TAX CODE ANN. Chapters 311 and 312;
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, prior to executing this Agreement, the CITY has
adopted a Policy Statement consistent with this
Agreement; and

WHEREAS, the Policy Statement constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the CITY; 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 Arlington, a reinvestment zone, 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 premises 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 business real estate located on the Premises in Arlington Reinvestment Zone Twenty-Four, on January 1, 2006.
- C. "Added Taxable Value" means the value above the Base Year Value of Real Property Improvements on the Premises as appraised by the Tarrant Appraisal District.
- D. "Effective Date" is defined as January 1, 2006.
- E. "Eligible Property" is defined as Real Property Improvements made for wholesale distribution of wire/connectors as described in Exhibits "A" and "B" and delivered to, installed or placed on the Premises after

the Effective Date of this Agreement and reflected on the tax roll no later than January 1, 2008.

- F. "Premises" are defined as the real property (land and improvements) as described in **Exhibit "C"**, which existed on January 1, 2006, within Arlington Reinvestment Zone Twenty-Four, created by Ordinance 06-015, included in **Exhibit "C"**, that is owned by and operated by OWNER.
- G. "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.

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.

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 One Million Dollars (\$1,000,000) for the tax year beginning January 1, 2008 and provide at least one hundred and one (101) added jobs not later than January 1, 2008.
- 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. OWNER shall maintain the added one hundred and one (101) jobs on the Premises throughout the duration of this agreement.

- E. All proposed Eligible Property shall conform to the applicable building codes, zoning ordinances and all other ordinances and regulations.
- F. 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 taxable value of the Eligible Property. The exemption shall be for a period as follows, from the tax year beginning January 1, 2008 through and including the tax year beginning January 1, 2011, for Real Property Improvements.
- B. The amount of exemption annually will be based upon the following:
 - 1. 30% annually of Real Property Improvements, as long as the Conditions and Requirements set forth in section III are met.
 - 2. An additional 10% annually if OWNER meets the qualifications of a target industry, Electronic Connector Manufacturing or Regional headquarters.
 - 3. An additional 5% annually if it is shown that Certified Minority Contractors are utilized for a minimum of 20% of the total costs for the project's Construction, Supply and Service expenses.
- C. The Base Year Value and any value added to the Premises or located within Reinvestment Zone Number Twenty Four and not contained in Exhibit "A" or "B" shall be fully taxable in accordance with the Texas Property Tax Code.

V.

WAIVER OF FEES

In exchange for OWNER'S completion of the Eligible Property in accordance with this Agreement, CITY shall waive CITY fees related to the construction of the Eligible Property, including building fees, in an amount not to exceed \$33,000. 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 addition, the CITY shall waive CITY fees related to the construction of future development projects adjacent to the Eligible Property by OWNER, including building fees, in an amount not to exceed \$30,000. The specific fees that may be waived are those fees listed in **Exhibit "D."** If the \$30,000 fee waiver for future development projects is not used by OWNER within 10 years from the effective date of the Agreement then the CITY shall have no further obligation to waive such fees under this Agreement.

In order to obtain the \$30,000 fee waiver for future development projects, OWNER shall give notice of the intent to use such waiver in connection with a particular project in writing to the Economic Development Manager of the City of Arlington, Texas and get written consent 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. The consent for the waiver of fees shall not be unreasonably withheld if the project is consistent with the CITY'S general development policies.

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 thirty (30) days after execution of this Agreement 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 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 such taxes 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 wholesale distribution of wires/connectors as described in **Exhibit "A"** and related activities 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., D., and E. 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 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 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.
- 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: A.E. Petsche Co., Inc.
 2112 West Division
 Arlington, Texas 76012
 Attention: Kent Horst, President

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

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 Fee Waiver Agreement 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

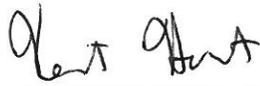
After this Amendment is authorized by the Arlington City Council it must be executed within sixty (60) days after the date presented to OWNER for signature. This Agreement has been presented to OWNER for signature on 12/11/08.

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 day and year written above.

A.E. PETSCHER CO., INC.

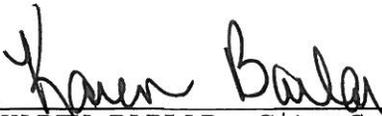
BY 
Signature
Kent Hobst
Type or Printed Name
President
Type or Printed Title

WITNESS:

CITY OF ARLINGTON, TEXAS

BY 
TREY YELVERTON
Deputy City Manager

ATTEST:


KAREN BARLAR, City Secretary

APPROVED AS TO FORM:
JAY DOEGEY, City Attorney

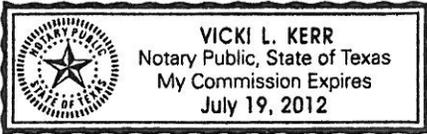
BY Jeanne M. Sontz

THE STATE OF §
COUNTY OF §

A.E.PETSCHER CO., Inc.
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Kent Horst, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **A.E. PETSCHER CO., INC.**, and as the President thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 11th day of December, ~~2006~~ 2008.



My Commission Expires

Vicki L. Kerr
Notary Public in and for
The State of Texas

Vicki L. Kerr
Notary's Printed Name

THE STATE OF TEXAS §
COUNTY OF TARRANT §

City of Arlington, Texas
Acknowledgment

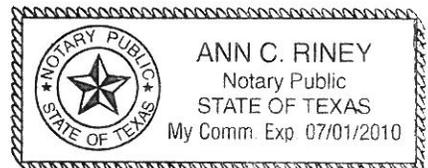
BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **TREY YELVERTON**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of the **CITY OF ARLINGTON**, a municipal corporation of Tarrant County, Texas, and as the **Deputy City Manager** thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 17th day of December, ~~2008~~ 2008.

7/1/10
My Commission Expires

Ann C. Riney
Notary Public in and for
The State of Texas

Ann C. Riney
Notary's Printed Name



APPLICATION FOR TAX ABATEMENT

EXHIBIT "A"



APPLICATION FOR TAX INCENTIVES

Applicant Information

1. Beneficiary of Incentives A. E. Petsche Co., Inc., A.E. Petsche Property Co., Inc.
 Property Owner Business Owner Leaseholder (check all that apply)
 Mailing address 2112 West Division, Arlington TX 76012
 Telephone 817-461-9473 Fax 817-795-5219
 Cell Phone _____ Email khorst@aepetsche.com

2. Contact Information Kent Horst
 Title President
 Mailing address 2112 West Division, Arlington TX 76012
 Telephone 817-548-6714 Fax 817-795-5219
 Cell Phone _____ Email khorst@aepetsche.com
 Relationship to Beneficiary: Same as above , Authorized Representative

3. Property address 2112 West Division, Arlington TX 76012

4. Property legal description (metes & bounds) Lot 13-R, W.P. Milby Addition

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 30,000 sq. ft.
 2. Cost of construction \$ 1,500,000
 3. Value of Personal Property
 - a. Inventory \$ 3,500,000
 What percent is eligible for Freeport Exemption (exported from Texas within 175 days) ?? %
 - b. Equipment, machinery, furnishings, etc. \$ 250,000
 - G. What taxable sales will be generated at this location \$ 100,000 per year
 \$15,000,000 non-taxable

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 90 % 10 Years



8. Describe all other incentives sought from the City- other economic incentives, fee waivers, fast-track plans review, etc.
9. Estimated taxable value of property improvements: Real 1,500,000 Personal 3,500,000
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	Not Disclosed	401(k), Medical, Dental	5/0
Mid-Level	\$25,000 - \$80,000	401(k), Medical, Dental	78/8
Entry	\$8/per hour	401(k), Medical, Dental	50/30
Total			

11. Infrastructure improvements/modifications sought: None sought
12. Will application be made to Tarrant County? 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.

Kent Horst
 Name
11-17-2005
 Date

President
 Title

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 03-0310
 P.O. Box 90231
 Arlington, TX 76004-0231*

For more information, please call (817) 459-6121

ATTACHMENT I

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 - 421610
 - F. Descriptive list of improvements
 - 1. Size 30,000 sq. ft.
 - 2. Cost of construction \$ 1,500,000
 - 3. Value of Personal Property
 - a. Inventory \$ 3,500,000
What percent is eligible for Freeport Exemption
(exported from Texas within 175 days) ?? %
 - b. Equipment, machinery, furnishings, etc. \$ 250,000

The addition will be a tilt wall building faced with brick to match the existing structure facing Division Street. Primary business activity is the wholesale distribution of wire, cable and related products and value added assembly of aerospace connectors. The building will be approximately 30,000 square feet of warehouse and include a new receiving area. Estimated start time for construction is January 1, 2006, with completion approximately July, 2006. Cost of construction is \$1,500,000 to be paid in cash with no financing.

ATTACHMENT II

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).

No company, big or small, is immune to the effects of globalization. The off shoring trend for electrical harness assembly for the aerospace industry is primarily to Mexico. Today, all F-16 harnesses are fabricated in Chihuahua Mexico, as are the harnesses for all Airbus commercial aircraft and all Raytheon aircraft (Formerly Beechcraft). Cessna will move harness production to Chihuahua in 2006 and Bell Helicopter is likely to follow soon after (see attached Wichita Eagle article). Bombardier is moving their harness production to Queretaro Mexico in 2006 (see attached article). Gulfstream is currently fabricating their electrical harnesses in Mexicali, Mexico. In all, over 60 major aerospace companies are operating in Mexico (see attached study) and the trend is rapidly accelerating. Another indicator of this trend is that the harnesses for the new Boeing 787 Dreamliner will be fabricated in Chihuahua, Mexico.

The A.E. Petsche Company is a value added distributor to the aerospace electrical harness assembly market. Sales have grown rapidly over the past 10 years (see graph) and local Arlington employment has grown to over 125 employees. It is projected that an additional 38 employees will be added in Arlington over the next 18 months. The company has outgrown its facility at 2112 West Division Street and is currently undergoing an expansion analysis. El Paso and Laredo, gateway cities into Mexico, are the logical areas for this expansion to occur. Given that roughly 49% of the Texas shipments from our Arlington facility are already shipped through El Paso (see attachment customer analysis), it is logical not only for the expansion to be located in El Paso, but also the existing distribution center to be transferred there. In this scenario, Arlington would remain the corporate headquarters with the accounting, management, and IT functions retained here. However, over 100 current and projected jobs in the next 18 months would be permanently lost to another Texas city.

The A.E. Petsche Company was founded in Arlington in 1966. We consider Arlington to be our home. This is why we come to the city of Arlington with an abatement request that will keep these 100 jobs in Arlington. A 30,000 sq ft. warehouse addition will be added to the West of our current property on Division Street. The building will be faced with the same high quality of brick as on its existing structure, The estimated cost of this expansion is \$1,500,000. We are requesting a 90% abatement of the property taxes on this project for the next ten years in order to justify the continued investment in Arlington jobs and property development.

Kansas.com

Posted on Tue, Sep. 13, 2005

The Wichita Eagle

Cessna to move work to Mexico

It is the second Wichita planemaker to send wire harness work south of the border.

BY MOLLY MCMILLIN
The Wichita Eagle

Cessna Aircraft Co. plans to move 110 jobs from Wichita to a production facility it is opening in Mexico.

It will move its wire harness work, now performed in Wichita, to the company-owned facility in Chihuahua, Mexico, in early 2006, said Cessna spokesman Dick Ziegler. The 62,000-square-foot plant will also produce small sheet metal parts.

The move is being made to lower Cessna's operating costs, Ziegler said.

Wichita workers may be able to move into other open positions or to cross-train for them, Ziegler said. Still, "we can't dismiss layoffs," he said.

Wichita jobs won't be affected until the third quarter in 2006, Ziegler said.

Cessna and its parent company, Textron Inc., will own the facility. It will be available for use by Textron's other businesses, Ziegler said.

Cessna is the second Wichita planemaker to move wire harness work outside the country.

In a move controversial with its employees and largest union, Raytheon Aircraft is outsourcing its wire harness work to Labinal Inc.'s division in Pryor, Okla. But most of the work will be performed at Aerotec de Mexico, a Labinal subsidiary also in Chihuahua. The move cuts about 350 jobs in Wichita.

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<http://www.kansas.com>

BOMBARDIER**Bombardier Aerospace Establishes Manufacturing Capability In Querétaro, Mexico****Montréal, October 26, 2005**

Bombardier Aerospace today announced it will establish a world-class manufacturing facility in Querétaro, Mexico to complement its existing manufacturing sites. The company will be investing approximately \$200 million US in equipment, buildings and start-up costs over the next seven years.

Scheduled to be implemented in phases starting in May 2006, capabilities at Bombardier Aerospace's new Mexican facility will initially include the manufacture and assembly of wire harnesses for Bombardier aircraft. Bombardier Aerospace is in the process of evaluating the impact of the transfer of these activities on its workforce.

Later in 2006, the new facility is scheduled to start manufacturing major structural aircraft components currently being built by Bombardier Aerospace suppliers. Details on the type of components to be manufactured will be finalized in the coming months. By the end of 2006, employment at the Querétaro facility is expected to reach 300 skilled and trained workers and increase to 600 by the end of 2007.

"This facility will allow us to develop a low cost manufacturing capacity that will reduce our reliance on third parties for structural aircraft components and contribute to the reduction of our operating costs and to increased profitability," said Pierre Beaudoin, President and Chief Operating Officer, Bombardier Aerospace.

"Bombardier Aerospace is committed to its long-term relationship with the Mexican Federal government and the government of the State of Querétaro to develop a first-class aerospace industry in Mexico. By establishing its own fully integrated, world-class manufacturing facility in Querétaro, Bombardier Aerospace will serve as a catalyst for the aerospace industry in Mexico through the sharing of knowledge and of leading-edge manufacturing processes," added Mr. Beaudoin.

In keeping with its long-term commitment, Bombardier Aerospace will build its Querétaro facility so that it has the capability, in the future, for final aircraft assembly as new markets emerge. The implementation of this capability will be carried out in parallel to the Mexican Federal Government's establishment of the essential pillars to develop a substantive aerospace industry. These pillars include the harmonization of Mexican aviation regulations with the international community, adequate aerospace education systems and suitable government programs catering to the support of aerospace research and development, among others.

Querétaro, situated North of Mexico City, offers quality industrial and educational infrastructures, a skilled population and dynamic economic development policies. Its modern airport will provide Bombardier Aerospace, its suppliers and other future members of the new Mexican aerospace cluster the best potential for growth and synergies. In parallel to the establishment of its new facility, Bombardier Aerospace also plans to develop a local supplier base in support of its Mexican operations and its other facilities.

About Bombardier

A world-leading manufacturer of innovative transportation solutions, from regional aircraft and business jets to rail transportation equipment, Bombardier Inc. is a global corporation headquartered in Canada. Its revenues for the fiscal year ended Jan. 31, 2005, were \$15.8 billion US and its shares are traded on the Toronto Stock Exchange (BBD). News and information are available at www.bombardier.com.

For information

John Paul Macdonald
Bombardier Aerospace

DESCRIPTION OF ELIGIBLE PROPERTY

EXHIBIT "B"

Exhibit B

Description of Eligible Property

Eligible improvements consist of the \$1,500,000 addition to the existing corporate headquarters, located at 2112 W. Division, Arlington, Texas to be completed on or before December 31, 2006. Specifically, the 30,000 sq. ft. construction of warehouse and receiving areas, tilt wall construction, faced with brick to match the existing structure.

REINVESTMENT ZONE NUMBER TWENTY-FOUR ORDINANCE

EXHIBIT "C"

Ordinance No. 06-015

An ordinance establishing Reinvestment Zone Number Twenty-Four; 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-Four, 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-Four 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-Four 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-Four 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-Four 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-Four 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-Four of the City of Arlington, Texas.

4.

The designation of Reinvestment Zone Number Twenty-Four 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.

(2)

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. ^a

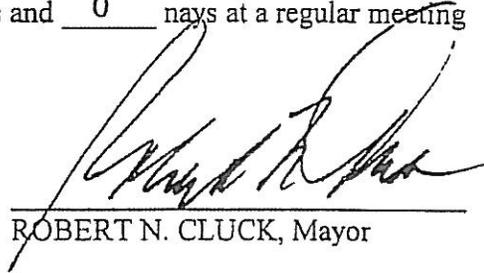
8.

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 24th day of January, 2006, at a regular meeting of the City Council of the City of Arlington, Texas; and GIVEN SECOND READING, passed and approved on the 14th day of February, 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

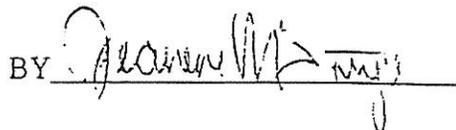
BY 

Exhibit "A"

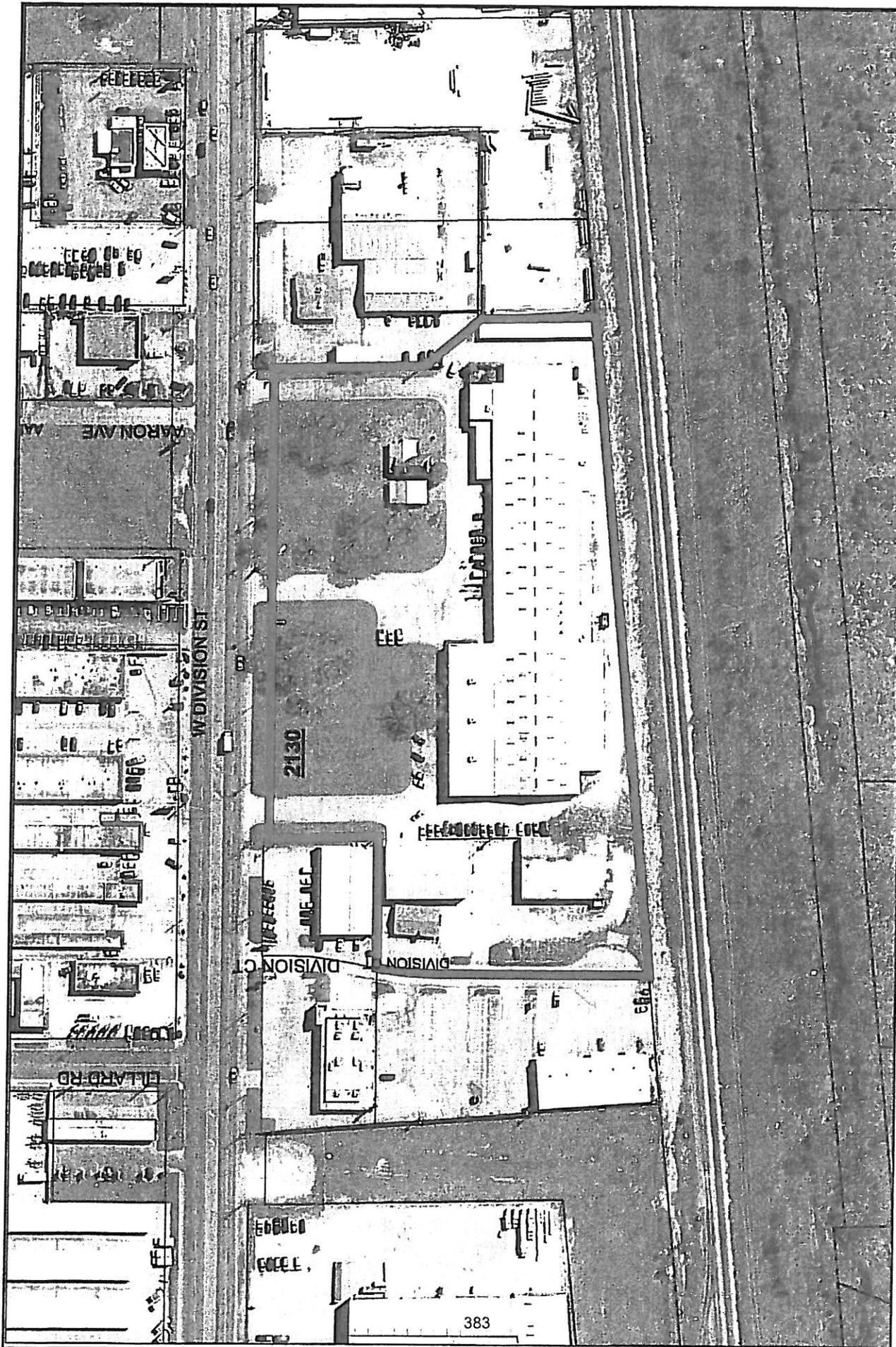
Property Description

United States Postal Service address: 2112 W. Division St., Arlington, Texas 76012

Being all of Lot 13-R, MLBY ADDITION, an addition to the City of Arlington, Tarrant County, Texas, according to the plat recorded in Cabinet A, Slide 10641, Plat Records of Tarrant County, Texas.

Exhibit "B"

Map



0 75 150 300 Feet



City of Arlington Geoprocessing
A Division of Information Technology
Printed: 11, January 2006
Location: X:\Geoprocessing\...\wo39983_map3.mxd

 Petsche Property

REINVESTMENT ZONE NO. 24

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.



WAIVER OF FEES

The waiver of up to \$33,000 in City fees associated with construction of the expansion. This waiver may include fees such as:

- Building Permit Application
- Plan Review
- Landscape Plan Review
- Substitute Landscape Plan
- Amended Plat Application
- Early Grading Release
- Sign Permit
- Amended Plat Application
- Fire Department Permit/Inspection
- Sanitary Sewer Front Footage Fee *
- Water Tap Fee*
- Sewer Tap Fee*

*Only charged if an additional tap is necessary.

EXHIBIT "D"