

Location: 916 113th Street #C

Property Owner: Straumann Manufacturing, Inc

60 Minuteman Rd

Andover MA 01810-1008

About the Project

Straumann Manufacturing, Inc, a subsidiary of Straumann USA, (the largest dental implant company in the world), is currently leasing approximately 13,000 sq. ft. of space within an approx. 27,000 sq. ft. building within the Great Southwest Industrial District. Faced with the need to expand in order to meet the demands of the growing business, Straumann chose to stay and grow their only US production facility in Arlington in lieu of relocating to Andover, MA, the site of Straumann's US headquarters. Straumann will be expanding their CAD/CAM (computer aided design/aided manufacturing) plant capabilities, which includes purchasing new state of the art equipment, allowing the company to increase the speed of design and creation of dental implants. The company will expand into the remaining 14,000 sq. ft. of space within the building and now occupy 100% of the building.

Goals of the Project

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

Current Status

Company is on track to meet the requirements of the agreement.

Benefit to City

12 jobs created; 16 jobs retained; approximately \$406,000 in additional business personal property tax revenue over a 7 year period; full occupancy of a building in a "hard to lease" location in the Great Southwest Industrial District (27,000 SF)

Year Approved by Council	
Base Year	2015
Beginning Year	FY17
Ending Year	FY23
Duration	7 years
Base Year Value	\$ 2,187,487
Property Tax Account Number(s)	12665932
Total Rebate Allowed	85% of BPP taxes on FF&E
Jobs Grant Duration	FY17 - FY23
Total Estimated Investment by Company	\$ 10,000,000

Criteria Evaluated	Project completion by January 1, 2017
	Added BPP value of at least \$5m over the Base Year Value by January 1, 2016
Property Tax Component	Added BPP value of at least \$10m over the Base Year Value by January 1, 2017
	Do not fail to render any property for taxation
	Pay ad valorem tax levy on/before the due date each year
	Do not knowingly employ undocumented workers
Jobs Component	\$2,000 grant for every Arlington resident hired and retained during the previous agreement year
	Limited to \$36,000

Incentives Allowed **Property Tax Component** Equivalent of 85% of business personal property taxes collected by the City in the previous tax year on the Added Taxable Value of the Owner's furniture, fixtures and equipment located on the Premises

Year	Rebate Percentage Allowed on Eligible Property	Appraised Value	Percentage of Total Value Abated	Eligible Value	Rebated Ad Valorem Levy	Jobs Reported	Average Salary	Jobs Rebate	Total Rebate	Rebate as % of Total Tax Liability
2016 (FY17)										
2017 (FY18)										
2018 (FY19)										
2019 (FY20)										
2020 (FY21)										
2021 (FY22)										
2022 (FY23)										
TOTAL					\$	-				

Levy Paid by Taxing Entity

Year	City of Arlington (024)	Tarrant County (220)	Tarrant County Hospital District (224)	Tarrant County College District (225)	Arlington ISD (901)	Mansfield ISD (908)	Kennedale ISD (914)	Total Annual Tax Bill
2016 (FY17)								-
2017 (FY18)								-
2018 (FY19)								-
2019 (FY20)								-
2020 (FY21)								-
2021 (FY22)								-
2022 (FY23)								-
	\$	-	\$	-	\$	-	\$	-

Resolution No. 15-010

A resolution authorizing the execution of a Chapter 380 Program Agreement for Economic Development Incentives by and between Straumann Manufacturing, Inc. and the City of Arlington, Texas relative to the expansion of dental implant production operations located and operated at 916 113th Street in Arlington, Texas

WHEREAS, CITY has found that providing a program consisting of a grant of funds to Straumann Manufacturing, Inc. (hereinafter referred to as "OWNER") in exchange for OWNER'S completion of the project proposed by OWNER will promote local economic development and stimulate business and commercial activity and create jobs within the City of Arlington (hereafter referred to as "PROGRAM"); and

WHEREAS, CITY has determined that the PROGRAM will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of the PROGRAM contain controls likely to ensure that the public purpose is accomplished; and

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

WHEREAS, the Arlington City Council has elected to participate in economic development incentives in accordance with V.T.C.A. Local Government Code, Chapter 380, and has adopted policy statements, guidelines, criteria and procedures for evaluating and considering applications and agreements for such incentives; 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.

II.

That the City Manager or his designee is authorized to execute a Chapter 380 Program Agreement for Economic Development Incentives with OWNER to provide certain economic incentives associated with the expansion of dental implant production operations located and operated at 916 113th Street in Arlington, Texas.

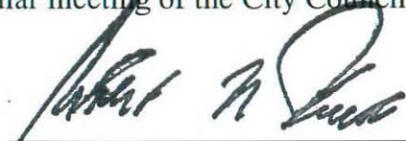
III.

In authorizing the execution of and in executing the referenced agreement, 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.

IV.

A substantial copy of the Chapter 380 Program Agreement for Economic Development Incentives is attached hereto as Exhibit "A" and incorporated herein for all intents and purposes.

PRESENTED AND PASSED on this the 13th day of January, 2015, by a vote of 9 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.



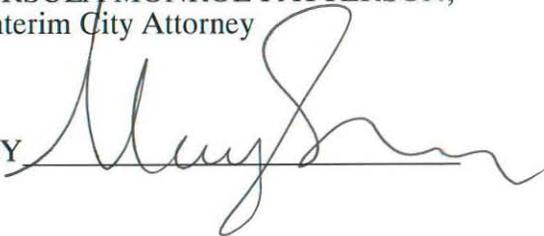
ROBERT N. CLUCK, Mayor

ATTEST:



MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:
URSULA MONROE PATTERSON,
Interim City Attorney

BY 

THE STATE OF TEXAS § **CHAPTER 380 PROGRAM AGREEMENT**
 § **FOR ECONOMIC DEVELOPMENT**
COUNTY OF TARRANT § **INCENTIVES**

THIS AGREEMENT is executed by and between **STRAUMANN MANUFACTURING, INC.**, an entity authorized to do business in Texas (hereafter referred to as "OWNER"), its address being 916 113th Street, Arlington, Texas, 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").

WITNESSETH:

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

WHEREAS, CITY has determined that the PROGRAM will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of the PROGRAM contain controls likely to ensure that the public purpose is accomplished; and

WHEREAS, Chapter 380 of the Texas Local Government Code provides statutory authority for establishing and administering the program provided herein; NOW THEREFORE,

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

I.
Definitions

- A. "Added Taxable Value" is defined as the value of the Eligible Property located on the Premises above the Base Year Value, as determined by the Tarrant Appraisal District, on January 1 of the applicable tax year.
- B. "Base Year Value" is defined as the taxable value of the Eligible Property located on the Premises as of January 1, 2015, as determined by the Tarrant Appraisal District.
- C. "Combined Added Value" is defined as the cumulative value of the Business Personal Property Improvements the first year the property is placed on the Tarrant Appraisal District tax roll.

- D. "Eligible Property" is defined as the taxable Business Personal Property Improvements delivered to, installed or added to the Premises after January 1, 2015, excluding inventory and supplies.
- E. "Full Time Employee" is defined as a permanent, full-time employment position that results in actual paid employment on the Premises of at least one thousand, eight hundred and twenty (1,820) hours per position in a year.
- F. "Premises" are defined as the real property addressed as 916 113th^h Street, Arlington, Texas as described by the legal property description in **Exhibit "A"**, as it existed on January 1, 2015.
- G. "Project" is defined as expansion of OWNER'S dental implant production operations located and operated at 916 113th Street, Arlington, Texas.

II. Term

This Agreement shall be effective as of the date of execution by all parties. This Agreement will terminate on the date CITY makes to OWNER the seventh annual grant payment as detailed in section V.A. below, unless sooner terminated in accordance with this Agreement.

III. 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.

IV. Improvement Conditions and Requirements

The payment of the incentives described in section V below is subject to the following conditions:

- A. OWNER shall complete the Project on the Premises by no later than January 1, 2017.
- B. OWNER's completion of the Project on the Premises must result in Added Taxable Value of not less than Five Million Dollars (\$5,000,000) not later than the tax year beginning January 1, 2016 and additional subsequent Added Taxable Value not later than tax year beginning January 1, 2017 for a total Combined Taxable Value of not less than Ten Million Dollars (\$10,000,000).

- C. OWNER shall have a minimum of 15 Full Time Employees on the Premises by January 1, 2016 and shall add a minimum of 10 Full Time Employees for a total of 25 Full Time Employees by January 1, 2017. Twenty-five (25) Full Time Employees shall be maintained on the Premises from January 1, 2017 through the remaining term of this Agreement.
- D. OWNER shall not fail to render for taxation any property located within the City of Arlington.
- E. OWNER shall not allow the ad valorem taxes owed to CITY on any property owned by OWNER and located within the City of Arlington to become delinquent beyond the last day they can be paid without assessment of penalty, as such date is generally extended to allow for any appeal.
- F. OWNER covenants and certifies that OWNER does not and will not knowingly employ an undocumented worker as that term is defined by section 2264.01(4) of the Texas Government Code. In accordance with section 2265.052 of the Texas Government Code, if OWNER is convicted of a violation under 8 U.S.D. section 1324a(f), OWNER shall repay to the CITY the full amount of the grant payment(s) made under section V of this Agreement, plus 10% per annum from the date the grant payment(s) was made. Repayment shall be paid within 120 days after the date OWNER receives notice of violation from the CITY.

V.
Incentives

- A. In exchange for OWNER's completion and compliance with the Conditions and Requirements set forth in section IV above, CITY on an annual basis, beginning in 2017 and ending in 2023, agrees to pay to OWNER a grant payment calculated as follows: an amount equal to 85% of the ad valorem taxes collected by CITY in the previous tax year for the Added Taxable Value of the OWNER's furniture, fixtures and equipment located on the Premises.
 - 1. The annual grant payment will be paid by CITY to OWNER on or before July 1 of each year, beginning in July 2017 and ending in July 2023, provided the Conditions and Requirements contained in section IV herein have been met.
 - 2. Each year OWNER must certify compliance by April 15 of payment in full of all real property taxes and business personal property taxes due for property located at the Premises, subject to the right of protest. Failure to timely submit the annual certification in accordance with this subsection after notice and opportunity to cure as provided in subsection VII.B. below shall waive OWNER's right to the grant.

- B. In exchange for OWNER's completion and compliance with the Conditions and Requirements set forth in section IV above, on an annual basis, beginning in 2017 and ending in 2023, CITY agrees to pay OWNER a grant payment calculated as provided below in subsection V.B.1.

Grant Year	Coverage Period	Certification Due	Payment No Later Than	CITY Fiscal Year
1	January 1, 2016 to December 31, 2016	April 15, 2017	July 1, 2017	FY17
2	January 1, 2017 to December 31, 2017	April 15, 2018	July 1, 2018	FY18
3	January 1, 2018 to December 31, 2018	April 15, 2019	July 1, 2019	FY19
4	January 1, 2019 to December 31, 2019	April 15, 2020	July 1, 2020	FY20
5	January 1, 2020 to December 31, 2020	April 15, 2021	July 1, 2021	FY21
6	January 1, 2021 to December 31, 2021	April 15, 2022	July 1, 2022	FY22
7	January 1, 2022 to December 31, 2022	April 15, 2023	July 1, 2023	FY 23

1. The grant payment provided for in this subsection shall be determined annually and based upon the following:
 - a. Two Thousand Dollars (\$2000) for every Arlington resident hired and maintained as a new Full Time Employee during the coverage period for that Grant Year.
 - b. The calculation of new Full Time Employee for any Grant Year shall not include retention of an Arlington resident who was included in the calculation of the number of new Full Time Employees in any prior Grant Year.
 - c. In no circumstances shall the cumulative amount of grant payments provided to OWNER under this subsection exceed Thirty-Six Thousand Dollars (\$36,000).
2. Certification for positions hired shall be prepared by OWNER by April 15 of each eligible year. Certification shall be accompanied by an employment report generated by OWNER that documents the number of new hires for the previous agreement year, their position category and their residential address.

3. All grant payments will be paid by CITY to OWNER on or before July 1 of each year, beginning on July 1, 2017 and ending on July 1, 2023, provided the Conditions and Requirements contained in section IV herein have been met.
- C. The parties acknowledge that the OWNER is obligated to meet the Added Taxable Value and Full Time Employee Conditions and Requirements set forth in subsections IV.B. and IV.C. above to receive the grant payments provided for in this section V. If OWNER fails to meet either of the Added Taxable Value or Full Time Employee Conditions and Requirements in a certain year, then OWNER waives its right to receive the grants provided for in subsections V.A. and V.B. for the year for which the Conditions and Requirements were not met. However, the failure to meet the Added Taxable Value and Full Time Employee Conditions and Requirements in any given year shall not be a breach of this Agreement, nor be grounds to terminate this Agreement and OWNER shall be entitled to the grants provided for in this section in any of the following years in which OWNER meets these Conditions and Requirements.

VI. Protests

This agreement shall not be construed to prohibit OWNER's protest or contest of any or all appraisals or assessments of any property on the Premises. The amount of the grants provided in subsection V.A. above shall be based upon the taxes as finally determined by the Tarrant Appraisal District to be due after such protests or contests are finally determined.

VII. Breach and Recapture

- A. Breach - A breach of this Agreement may result in termination or modification of this Agreement and recapture by CITY of grant payments. The following conditions shall constitute a breach of this Agreement:
1. OWNER terminates use of the Premises any time during the duration of the Agreement; or
 2. OWNER fails to meet the Conditions and Requirements specified in sections IV. A., D., and E. above; or
 3. OWNER fails to provide the certification required in section V.A.2. above.
- 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. 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 grant payments may occur. Notice of breach shall be in writing and shall be delivered by personal delivery or certified mail to OWNER at its address provided in section IX of this Agreement.

- C. Recapture - During the term of this Agreement, should OWNER commit a breach of this Agreement according to items A.1., A.2., or A.3. of this section VII, CITY may terminate this Agreement and recapture all grant payments made under this Agreement up to the time of breach, subject to the meeting of section IV.B. herein providing an instance when recapture will not occur.

VIII.

Effect of Sale or Lease of Property

The grants authorized by this Agreement shall not be assignable to any new owner or lessee of all or a portion of the Premises, unless such assignment is approved in writing by CITY; provided that such approval shall not be unreasonably withheld, conditioned or delayed.

IX.

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: Straumann Manufacturing, Inc.
Straumann North America
Attn: Adam Daly
60 Minuteman Road
Andover, MA 01810

CITY: City of Arlington
City Manager's Office
Attn: Economic Development Manager
P.O. Box 90231
Arlington, Texas 76004-3231

X.

City Council Authorization

This Agreement was authorized by resolution of the City Council authorizing the City Manager or his designee to execute this Chapter 380 Program Agreement for Economic Development Incentives on behalf of the CITY.

XI.
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.

XII.
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 incentives in effect and such other matters reasonably requested by the party(ies) to receive the certificates.

XIII.
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.

XIV.
Indemnification

It is understood and agreed between the parties that 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 OWNER assumes no responsibility or liability to third parties in connection therewith.

XV.
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.

XVI.
Remedies

No right or remedy granted herein or reserved to the parties is exclusive of any right or remedy herein by law or equity provided or permitted; but each shall be cumulative of every right or remedy given hereunder. No covenant or condition of this Agreement may be waived without consent of the parties. Forbearance or indulgence by either party shall not constitute a waiver of any covenant or condition to be performed pursuant to this Agreement.

XVII.
No Third-Party Beneficiaries

For purposes of this Agreement, including its intended operation and effect, the parties specifically agree that: (1) the Agreement only affects matters/disputes between the parties to this Agreement, and is in no way intended by the parties to benefit or otherwise affect any third person or entity, notwithstanding the fact that such third person or entities may be in a contractual relationship with CITY or OWNER or both; and (2) the terms of this Agreement are not intended to release, either by contract or operation of law, any third person or entity from obligations owing by them to either CITY or OWNER.

XVIII.
**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 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 in organizations proposed for work on this Agreement, OWNER agrees to consider this policy and to use its reasonable and best efforts to select and employ such company and persons for work under this Agreement.

XIX.
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.

XX.
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.

XXI.
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, conditioned or delayed.

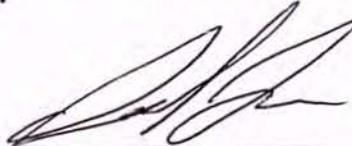
XXII.
Execution of Agreement

This Agreement must be executed within 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 January 13, 2015.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the 12th day of March, 2015.

**STRAUMANN MANUFACTURING,
INC.**

BY



Signature

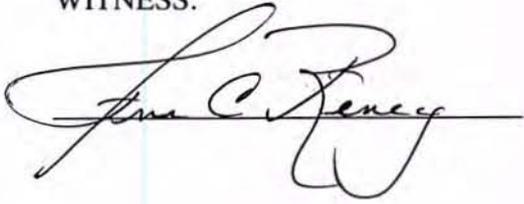
MICHAEL JENSEN

Typed or Printed Name

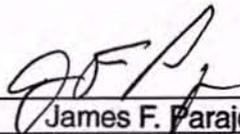
CO

Typed or Printed Title

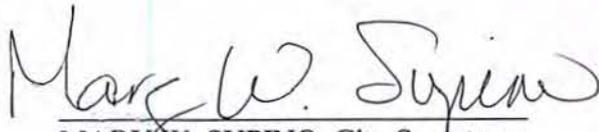
WITNESS:



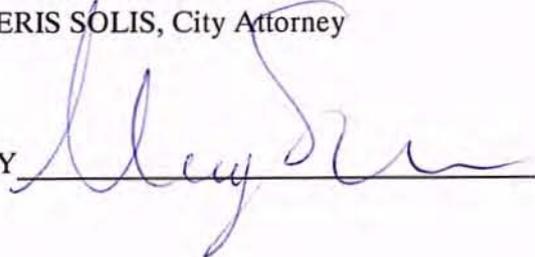
CITY OF ARLINGTON, TEXAS

BY 
James F. Parajon
Deputy City Manager

ATTEST:


MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:
TERIS SOLIS, City Attorney

BY 

THE STATE OF
MASSACHUSETTS
COUNTY OF ESSEX

§
§
§

STRAUMANN MANUFACTURING, INC.
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Michael Jensen, who is known to me or who was proved to me on the oath of _____ (name of person identifying the acknowledging person) or who was proved to me through _____ (description of identity card or other document issued by the federal or state government containing the picture and signature of the acknowledging person) to be the person whose name is subscribed to the forgoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **STRAUMANN MANUFACTURING, INC.**, 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 4th day of March, 2015.



Ambrosia Walsh
Notary Public in and for the State of
Massachusetts

Ambrosia Walsh
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 JAMES F. PARRICA 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 12th day of March, 2015.

7/1/18
My Commission Expires

Ann Cheryl Riney
Notary Public in and for the State of Texas
Ann Cheryl Riney
Notary's Printed Name

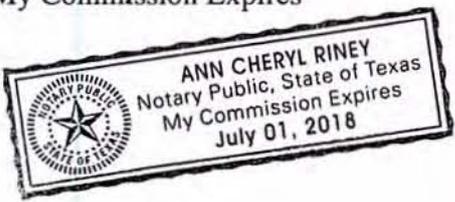


Exhibit "A"

Legal Property Description

Site 48 (9.93 acres), Sixth Installment, Industrial Community No. 2 Great Southwest Industrial District, located in the City of Arlington, Tarrant County Texas, according to the plat filed in Volume 388-127, Page 50, and Dated 5-1-79.