

## Item 7.B. – Honeywell Tax Abatement Agreement

### Background

- Honeywell International, Inc.
- Operations for over 20 years in Bryan
- Semiconductor Specialty Chemicals

### Ordinance

- Established Reinvestment Zone #33 per State Law
- Key Finding(s) – “reasonably likely” that creation of zone will result in benefits to City (retention/expansion of jobs or to attract major investment) in the Zone.

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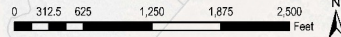
### Property Description

25.0 acres of land in the W.S. Martin Survey, A-35, and Moses Baine League, A-5, of Brazos County, Texas, being more particularly described by metes and bounds in the certain deed from Koch Microelectronic to GEM Microelectronic Materials LLC, dated 4/16/2002, recorded at Volume 4576, Page 101, of the Official Records of Brazos County, Texas.



**HONEYWELL  
Reinvestment Zone No. 33**

▭ PARCELS (PROPERTY  
BOUNDARIES) (BCAD)



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## General Terms

Term: 5 Years

Tax Abatement Authorized:

<u>Tax Year</u>	<u>Incremental Taxable Value</u>	<u>Guaranteed Value</u>	<u>% Abatement</u>
Year 1	\$45,900,000	\$45,900,000	50%
Year 2	\$74,100,000	\$120,000,000	50%
Year 3	\$0	\$120,000,000	50%
Year 4	\$0	\$120,000,000	50%
Year 5	\$0	\$120,000,000	50%



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Employment: Honeywell agrees its annual Payroll (excluding benefits) for FTEs added after the Effective Date will be as follows:

<u>Year</u>	<u>Total Payroll (excluding benefits)</u>
2025	0
2026	\$369,000
2027	\$909,000
2028	\$909,000
2029	\$909,000

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### Analysis and Recommendation

- Long standing Corporate Citizen
- State-of-the-art expansion
- Critical supplier to advanced chips makers
- Approximately \$748,000 annually in new ad valorem tax revenue upon completion of the 5-year term.

Staff recommends approval of the Tax Abatement Agreement