

AI-37869

5.

Commissioners Court

Meeting Date: 01/27/2014

Amendment to Tax Abatement with Encana / Cole in the City of Plano

Submitted By: Monika Arris

Department: Budget/Finance

Request Type: FYI

Agenda Area: Miscellaneous

Information

Department Action

Encana is pulling out of Plano. This will affect the Tax Abatement Agreement the City and the County have with Encana. The Encana agreement is bifurcated as to default. The default of one does not represent the default of the other. Only Encana's Business Personal Property portion of the Tax Abatement is terminated. The Real Property, owned by Cole, is still receiving the benefit of the Tax Abatement.

Purchasing Department Action

No action by Purchasing.

HR and/or IT Action

Budget Department Action

Mutual agreement to terminate Tax Abatement with Encana attached. The agreement also includes the provision allowing mutual termination. Under this scenario, the termination does not have to be placed on a City Council agenda. Collin CAD has been notified of the change in the tax abatement agreement.

January 1, 2014 was the official start for the abatement for real property and business personal property. The business personal property portion of the abatement has now been removed by Collin CAD, leaving intact the real property abatement for Cole of Plano.

Auditor's Office Action

No action required by Auditor.

Commissioners Court

Mutual agreement to terminate the Tax Abatement Agreement between Encana Oil & Gas (USA) Inc., the City of Plano, Texas and the County of Collin, Texas, Budget.

Budget Information

Information about available funds

Budgeted:

Funds Available:

Adjustment:

Amount Available:

Unbudgeted:

Funds NOT Available:

Amendment:

Account Code(s) for Available Funds

1:

Fund Transfers

Attachments

Encana Mutual Termination Agreement

Old Encana Tax Abatement Agreement



COLLIN COUNTY

County Administrator
2300 Bloomdale Road
Suite 4192
McKinney, Texas 75071
www.collincountytx.gov

January 8, 2014

Encana Oil & Gas (USA) Inc.
Attn: Don McClure
370 17th Street, Suite 1700
Denver, Colorado 80202

Delivery via e-mail: don.mcclure@encana.com

Re: Termination of Tax Abatement Agreement between Encana Oil & Gas (USA) Inc., the City of Plano, Texas and the County of Collin, Texas.

Dear Mr. McClure:

This letter is to address the mutual agreement between the parties to terminate the Tax Abatement Agreement between Encana Oil & Gas (USA) Inc. ("Encana"), the City of Plano, Texas ("City") and the County of Collin, Texas ("County"), dated December 6, 2010.

Please indicate Encana's agreement to terminate the above referenced contract by signing below. The termination will be effective immediately upon Encana's signature. As to the Tax Abatement Agreement, the termination will be effective only as to the Tenant, Encana. The Tax Abatement Agreement will continue in full force and effect as to the Owner, Cole of Plano(Legacy) TX, LLC ("Cole"), successor to KDC Legacy North Investments One, LP., as long as Cole remains in compliance with the terms of that agreement. No reimbursement or monetary payments are owed to the City or County by Encana pursuant to the agreements at the time of termination.

After signing, please return to my attention at the address below. Thank you for your assistance in this matter.

Sincerely,

Bill Bilyeu
County Administrator
Collin County
2300 Bloomdale Road, Suite 4192
McKinney, TX 75071

AGREED:

Don McClure on behalf of
Encana Oil & Gas (USA) Inc.