

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, ORDAINING THE CITY'S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE ("ACT"); PROVIDING AVAILABLE TAX INCENTIVES; DESIGNATING A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES; AND NOMINATING CANADIAN SOLAR US MODULE MANUFACTURING CORPORATION TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT & TOURISM ("EDT") THROUGH THE ECONOMIC DEVELOPMENT BANK ("BANK") AS AN ENTERPRISE PROJECT.

WHEREAS, the City Council of the City of Mesquite, Texas ("**City**"), desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas of the City and to provide employment to residents of such area; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Act, Canadian Solar US Module Manufacturing Corporation ("**Canadian Solar**") has applied to the City for designation as an enterprise project; and

WHEREAS, the project or activity is not located in an area designated as an enterprise zone; and

WHEREAS, the City finds that Canadian Solar meets the criteria for tax relief and other incentives adopted by the City on the grounds that it will be located at the qualified business sites, and will create a higher level of employment, economic activity and stability; and

WHEREAS, pursuant to Title 10, Texas Administrative Code, Rule 176.2, the City finds that it is in full compliance with Chapter 2303, Texas Government Code ("**Act**") prior to this nomination; and

WHEREAS, not later than the seventh calendar day prior to the date of the public hearing for this ordinance and in accordance with the Act, the City caused to be published in the Daily Commercial Record, a newspaper of general circulation in the City, a notice for a public hearing to consider nominating Canadian Solar as an enterprise project and complying with all other requirements of the Act; and

WHEREAS, a public hearing to consider this ordinance was held by the City Council on May 19, 2025.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. The City hereby nominates Canadian Solar to the Office of the Governor Economic Development & Tourism (“**EDT**”) through the Economic Development Bank (“**Bank**”) for single enterprise project status.

SECTION 2. The following local incentives, at the election of the governing body, may be made available to the nominated project or activity of the qualified business:

- (a) The City may abate taxes on the increase in value of real property improvements and eligible personal property that locate in a designated enterprise zone. The level of abatement shall be based upon the extent to which the business receiving the abatement creates jobs for qualified employees, in accordance with the City Tax Abatement Policy, and with qualified employees being defined by the Act. Furthermore, the City may offer economic development grants and other financial incentives or benefits, as allowed by applicable law.
- (b) The City may provide business and industrial development incentives, including:
  - (1) Local sales tax refunds;
  - (2) Tax increment financing;
  - (3) Freeport exemption;
  - (4) Economic development grants and loans through Chapter 380, Local Government Code; or
  - (5) Other tax deferrals, refunds, or incentives.
- (c) The City may provide regulatory relief to businesses, including:
  - (1) Zoning changes or variances;
  - (2) Exemptions from unnecessary building code requirements, impact fees, or inspection fees; or
  - (3) Streamlined permitting.
- (d) The City may provide enhanced municipal services to businesses, including:
  - (1) Improved police and fire protection;
  - (2) Institution of community crime prevention programs; or
  - (3) Special public transportation routes or reduced fares.
- (e) The City may provide improvements in community facilities, including:

- (1) Capital improvements in water and sewer facilities;
  - (2) Road repair; or
  - (3) Creation or improvement of parks.
- (f) The City may provide improvements to housing, including:
  - (1) Low-interest loans for housing rehabilitation, improvement, or new construction; or
  - (2) Transfer of abandoned housing to individuals or community groups.
- (g) The City may provide business and industrial development services, including:
  - (1) Low-interest loans for business;
  - (2) Use of surplus school buildings or other underutilized publicly-owned facilities as small business incubators;
  - (3) Provision of publicly-owned land for development purposes, including residential, commercial, or industrial development;
  - (4) Creation of special one-stop permitting and problem resolution centers or ombudsmen; or
  - (5) Promotion and marketing services.
- (h) The City may provide job training and employment services to businesses, including:
  - (1) Retraining programs;
  - (2) Literacy and employment skills programs;
  - (3) Vocational education; or
  - (4) Customized job training.

SECTION 3. The enterprise zone areas within the City are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.

SECTION 4. The City of Mesquite, Texas City Council directs and designates its City Manager as the City's liaison to communicate and negotiate with the EDT through the Bank and enterprise project(s) and to oversee zone activities and communications with qualified businesses and other entities in an enterprise zone or affected by an enterprise project.

SECTION 5. The City finds that Canadian Solar meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

- (a) Canadian Solar is a “qualified business” under Section 2303.402 of the Act since it is engaged in or has provided substantial commitment to initiate the active conduct of a trade or business at qualified business sites within the governing body’s jurisdiction, located outside of an enterprise zone and at least thirty-five percent (35%) of the business’ new permanent jobs at the qualified business site will be residents of an enterprise zone in this state, economically-disadvantaged individuals, or veterans; and
- (b) There has been and will continue to be a high level of cooperation between public, private, and neighborhood entities in the area; and
- (c) The designation of Canadian Solar as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

SECTION 6. The enterprise project shall take effect on the date of designation of the enterprise project by EDT and terminate five (5) years from the date after the designation.

SECTION 7. That this ordinance shall take effect from and after its passage as the law and charter in such case provides.

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 19th day of May 2025.

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Daniel Alemán, Jr.

ATTEST:

APPROVED AS TO LEGAL FORM:

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Sonja Land  
City Secretary

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David L. Paschall  
City Attorney