



Chapter 380 Agreement Summary – 7.02.18 – Bloomfield Homes, L. P.

The Company

- Bloomfield Homes, L.P.

The Project

- Bloomfield Homes is building approximately 900 new residential homes in Mesquite. Taxes on the sale of building materials are collected at the point of sale. None of Bloomfield's suppliers have sales outlets in Mesquite, so no Sales Taxes on building materials would be paid to the City. A Chapter 380 Agreement will enable the City of Mesquite, through a Special Use Tax permit, to collect these taxes. Through this Agreement, Bloomfield Homes will receive a share of this Sales Tax through the Special Use Tax permit.

Company Covenants

- Start with effective date of the agreement July 2, 2018
- The company will file monthly tax returns, track materials to each home and pay the appropriate Local Use Taxes to the Texas Comptroller's Office.
- Bloomfield proposes receiving 80 percent of the one percent general city Sales Tax for a ten-year term under a Chapter 380 agreement.

City Covenants

- Reimburse to the Home Builder through a semi-annual grant
 - Documents required with payment request
 - Use Tax Certificate
 - Amended Tax Returns
 - Use Tax Receipts
 - Copy of Texas Direct Payment Permit and Use Tax returns

Agreement Points

- Term of the agreement is effective date through December 31, 2028
- Bloomfield estimates that the two percent Mesquite local use tax paid on direct materials will generate \$855 per home. Approximately \$462,000 in Sales Tax revenue is estimated to be collected by the City on the building materials for 900 new homes. This is a conservative estimate. Bloomfield would receive approximately \$308,000 over the same period.
- Subject to amended returns and audits