

ORDINANCE NO. 2025-11-19-EO1-OR

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF STARBASE, 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 TAX INCENTIVES, DESIGNATING A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES, AND NOMINATING SPACE EXPLORATION TECHNOLOGIES CORP. TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT & TOURISM (EDT) THROUGH THE ECONOMIC DEVELOPMENT BANK (BANK) AS AN ENTERPRISE PROJECT (PROJECT).

WHEREAS, the City Commission of the City of Starbase, 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, the project or activity is located in an area designated as an enterprise zone; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Act, Space Exploration Technologies Corp. has applied to the City for designation as an enterprise project for its Starbase Gigabay Triple Jumbo Project; and

WHEREAS, the City finds that Space Exploration Technologies Corp. Starbase Gigabay Triple Jumbo Project meets the criteria for tax relief offered by the State and other incentives adopted by the City on the grounds that it will be located at the qualified business site, will create a higher level of employment, economic activity and stability, subject to proper application and approval by the City in its sole discretion; and

WHEREAS, a public hearing to consider this ordinance and the nomination was held by the City Commission on August 20, 2025, and a second public hearing was held on November 19, 2025;

NOW, THEREFORE BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF STARBASE, TEXAS THAT:

SECTION 1: Findings Incorporated. The findings set forth above are incorporated into the body of this Ordinance as if fully set forth herein.

SECTION 2: The City nominates Space Exploration Technologies Corp. for enterprise project status for the Starbase Gigabay Triple Jumbo Project.

SECTION 3: The following local incentives, at the election of the governing body, are or will be made available for application by 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 is located 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 an adopted Tax Abatement Policy, and with qualified employees being defined by the Act.
- b) The City may provide business and industrial development services and regulatory relief to businesses, including:
 - 1) Local sales tax refunds;
 - 2) Tax abatement;
 - 3) Tax increment financing;
 - 4) Freeport exemption;
 - 5) Chapter 380 tax rebates for qualifying projects that significantly enhance the City's tax base as provided in the City's policy;
 - 6) Zoning changes or variances;
 - 7) Exemptions from unnecessary building code requirements, impact fees, or inspection fees; or
 - 8) Streamlined permitting.
- d) 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.
- e) 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.
- f) 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 such 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.

- g) 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 4: The enterprise zone areas within the City are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.

SECTION 5: The City of Starbase City Commission directs and designates its City Administrator 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 6: The City finds that Space Exploration Technologies Corp. Starbase Gigabay Triple Jumbo Project meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

- a) Space Exploration Technologies Corp. is a "qualified business" under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site within the governing body's jurisdiction, located in an enterprise zone and at least twenty-five percent (25%) of the business' new employees must be residents of an enterprise zone, 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 Space Exploration Technologies Corp. Starbase Gigabay Triple Jumbo Project as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

SECTION 7: The enterprise project shall take effect on the date of designation of the enterprise project by EDT and terminate on the same date no more than five (5) years after the date of designation.

SECTION 8: Severability. If any provision, section, subsection, sentence, clause or the application of same to any person or set of circumstances for any reason is held to be unconstitutional, void or invalid or for any reason unenforceable, the validity of the remaining portions of this ordinance or the application thereby shall remain in effect, it

being the intent of the City Commission of the City of Starbase, Texas, in adopting this ordinance, that no portion thereof or provision contained herein shall become inoperative or fail by any reasons of unconstitutionality of any other portion or provision.

SECTION 9: Repealer. All ordinances parts of ordinances, resolutions and parts of resolutions in conflict with this ordinance are hereby repealed to the extent of conflict with this ordinance.

SECTION 10: Continuation. That nothing in this ordinance (or any code adopted herein) shall be construed to affect any suit or proceeding pending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance hereby repealed by this ordinance and such prior law is continued in effect for purposes of such pending matter.

SECTION 11: Effective Date. The enterprise project shall take effect on the date of designation of the enterprise project by the Office of the Governor Economic Development & Tourism (EDT) and terminate five (5) years thereafter.

PASSED AND APPROVED by the City Commission of the City of Starbase, Texas, on this 19th day of November 2025.

CITY OF STARBASE, TEXAS

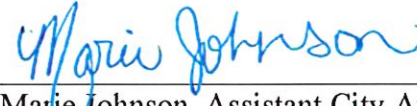

Bobby Peden, Mayor

ATTEST:


Caroline Cole, City Clerk



APPROVED AS TO FORM:


Marie Johnson, Assistant City Attorney