



Legislation Text

File #: 21-4852, **Version:** 1

Department: Economic Equity and Opportunity

Department Head/Elected Official: Pamela Chan, Executive Director

Regular or Supplemental RCA:

- Regular RCA
 Supplemental RCA

Type of Request: Miscellaneous Section

Project ID (if applicable): N/A

Vendor/Entity Legal Name (if applicable): N/A

MWDBE Participation (if applicable): N/A

Request Summary (Agenda Caption):

Request for approval of a Tax Abatement Assignment regarding the Merit Medical Systems Manufacturing Facility located at 14646 Kirby Drive, Pearland, Texas, in Precinct 1.

Background and Discussion:

County received a Tax Abatement Assignment request regarding the Merit Medical Systems Manufacturing Facility located at 14646 Kirby Drive, Pearland, Texas, in Precinct 1.

On October 11, 2011, Commissioners Court approved a Tax Abatement Agreement between Harris County and Merit Medical Systems, Inc. (Merit Medical), for construction of a new medical device manufacturing facility located at 14646 Kirby Drive, Pearland, Texas 77047.

On July 22, 2014, Commissioners Court approved an Assignment Agreement between Merit Medical and Pearland Medical L.L.C. ("Pearland Medical") whereby Pearland Medical agreed to assume all rights, titles and interest of Merit Medical under the Tax Abatement Agreement and whereby Merit Medical agreed to retain its duties and obligations of performance under the Tax Abatement Agreement and to remain a party to the Tax Abatement Agreement.

On October 24, 2017 Commissioners Court approved an Assignment Agreement among Pearland Medical, SE Pearland, DST, and Merit Medical whereby SE Pearland, DST agreed to assume all rights, titles and interest of Pearland Medical under the Tax Abatement Agreement and whereby Merit Medical agreed to retain its duties and obligations of performance under the Tax Abatement Agreement and to remain a party to the Tax Abatement Agreement.

Effective as of August 24, 2021, the transactions contemplated by the sale were consummated, and the Property was conveyed by SE Pearland, DST to CX Texas Industrial, DST by Special Warranty Deed. SE Pearland, DST desires to assign the Tax Abatement Agreement to CX Texas Industrial, DST and CX Texas Industrial, DST desires to assume all rights of SE Pearland, DST under the Tax Abatement Agreement. Merit Medical retains its duties and obligations of performance under the Tax Abatement Agreement and shall remain a party to the Tax Abatement Agreement.

A variance to the Guidelines is required in order to allow SE Pearland, DST to assign Merit Medical's tax abatement to CX Texas without requiring CX Texas to take over Merit Medical's obligations, at least a three-fourths vote of court is required in order for the Judge to execute the assignment.

Expected Impact:

Alternative Options:

Alignment with Goal(s):

- Justice and Safety
- Economic Opportunity
- Housing
- Public Health

- Transportation
- Flooding
- Environment

Governance and Customer Service **Prior Court Action (if any):**

- 10/11/2011 Tax Abatement Agreement
- 7/22/2014 Tax Abatement Assignment Agreement
- 10/24/2017 Tax Abatement Assignment Agreement
- 8/10/2021 Estoppel Certificate

Location:

Address (if applicable list below):

- Countywide
- Precinct 1
- Precinct 2
- Precinct 3

<input type="checkbox"/> Precinct 4 Fiscal and Personnel Summary			
Service Name	FY 21-22	Estimates	
		FY 22	Next 3 FYs
Incremental Expenditures			
Labor Expenditures	-	-	-
Non-Labor Expenditures	-	-	-
Total Incremental Expenditures	-	-	-
Funding Sources (General Fund, PIC Fund, Debt or CP, Grants, or Other - Please Specify)			
Existing Budget	-	-	-

	-	-	-	-
	-	-	-	-
Total Current Budget				
Additional Budget Requested	-	-	-	-
	-	-	-	-
	-	-	-	-
Total Additional Budget Requested				
Total Funding Sources				
Personnel (Fill out section only if requesting new PCNs)				
Current Position Count for Service	-	-	-	-
Additional Positions Requested	-	-	-	-
Total Personnel	-	-	-	-

Anticipated Implementation Date:

Emergency/Disaster Recovery Note:

- Not an emergency, disaster recovery, or COVID-19 related item
- Emergency Item
- COVID-19 related Item
- Disaster Recovery related Item

Contact(s) name, title, department:

Annie Yang, Economic Equity and Opportunity

Attachments (if applicable): Proposed Tax Abatement Assignment Agreement; Court Order