



June 4, 2012

Dear Frisco residents and members of our business community:

As promised, I want to keep you informed about details of the agreement between the City of Frisco and Exide Technologies, Inc. In brief, under our agreement approved June 4, Exide will cease business operations in Frisco by December 31, 2012. As a result, Exide will sell approximately 180-acres of undeveloped land surrounding its Frisco plant. This 'buffer' property will be sold to our Frisco Economic and Community Development Corporations (FEDC and FCDC) for \$45 million. This sale will not impact your property tax rate. The City of Frisco also saves a significant litigation expense.

Since our May 31 announcement, I've received questions from many of you and I'll explain in greater detail. However, first, I'd like to extend my gratitude and thanks to our City Council, our FEDC and FCDC, and our city staff for the countless hours they worked selflessly, tirelessly and creatively to provide an affordable solution that makes the most sense for the future of our community. Never once did they lose sight of our number one priority – protecting the health, safety and welfare of our citizens. It's a responsibility we all take **very** seriously.

The City Council began addressing concerns about Exide Technologies in late 2008 when it opposed the company's application with the Texas Commission on Environmental Quality to increase emissions. The City Council also supported bills in the Texas Legislature aimed at stopping the expansion of Exide's business operations. Throughout the process, the City Council put on a unified front and carefully deliberated on how to resolve the issue with the best possible outcome for residents.

Council members worked around the clock listening to your concerns and fielding criticism – all the while studying numerous reports, data, and analysis on the subject. We committed, as a council, to work as a unified team, refusing to let outside influences dictate our mission and shape what's best for Frisco. While our strategy may not have been apparent to some, rest assured we always worked with our citizens' best interests top of mind. Admittedly, it wasn't easy to keep quiet about every development. However, we hope you now recognize our current actions speak much louder than our occasional silence.

City Manager George Purefoy and his team of assistant city managers, Henry Hill, Nell Lange, and Ron Patterson, as well as our City Attorney's Office worked around the clock keeping council informed, researching new technologies,



evaluating options, and engaging in negotiations. They rallied our department staffs for the necessary support, including everything from reviewing ordinances to examining property – from drafting maps to calculating financial feasibility.

When we posed the solution to our sales tax corporations, FEDC and FCDC, board members quickly recognized it as a tremendous opportunity in the heart of Frisco. The FEDC will spend \$27 million; the FCDC will spend \$18 million.

Like the City of Frisco, our FEDC and FCDC are also known for devising innovative land acquisitions. These corporations have partnered with the City of Frisco to bring our community such developments as the Dr Pepper Ballpark, the Dr Pepper Arena, FC Dallas Stadium, FieldhouseUSA, Frisco Heritage Center, Frisco Discovery Center, and the future Museum of the American Railroad.

Like council members, our FEDC and FCDC board members consider their 180-acre land purchase a resourceful solution resulting in boundless possibilities! They, too, believe this purchase will have a positive effect on property values since the land is currently designated 'agriculture'. Exide received an 'agricultural tax exemption' and, as a result, its property had insignificant tax value to the City of Frisco, Frisco Independent School District (FISD), Collin County or Collin College.

Under FEDC and FCDC ownership, the 180-acres – particularly the tract stretching alongside the Dallas North Tollway frontage road - have potentially greater value as corporate headquarters and office space. Developing these parcels benefits Frisco, FISD and our two Collin County taxing districts. Indirectly, this move helps us maintain our low tax rate, currently one of the lowest in North Texas.

The 180-acres may also be resold, developed as parks, or utilized for other city services, such as a fire training facility or municipal court. In the long run, we expect to create much more property value than the land purchase price. Additionally, we anticipate development of this property – whether by private or public parties – will ultimately translate into new jobs for our community. And, once developed, our city – along with FISD, Collin County and Collin College – will benefit economically from increased commercial property values and therefore increased commercial property tax collections. Remember, this land purchase does not impact your residential property tax rate.

Some of you have asked, *"What projects will we miss out on?"* because FEDC and FCDC are using their funds to purchase Exide property. At this time, no current or proposed projects are impacted by this land deal. We're fortunate



our sales tax corporations are extremely healthy, reporting some of the highest revenues in the state. Wise decisions by board members, past and present, have allowed the FEDC, FCDC, and the City of Frisco to be in a financial position to enter into this agreement.

Exide will maintain ownership of its remaining 90-acres and will be responsible for 100 percent of the cleanup costs for the property it is keeping. Exide will be removing all structures (including smoke stacks), with the exception of its administration building. The company will be subject to all state and federal regulations imposed by the Texas Commission on Environmental Quality (TCEQ) and the Environmental Protection Agency (EPA).

The City of Frisco will be responsible for the clean-up of the 180-acres of purchased property. Over the course of negotiations, the City of Frisco commissioned extensive testing of the property for contamination. At this time, Frisco estimates it will cost approximately \$750,000 to clean up the 'buffer' property. However, the City of Frisco is liable for up to \$1.5 million in clean up costs. Any costs exceeding that amount are split 50/50 between the City of Frisco and Exide.

While the City of Frisco thoughtfully considered amortization as a possible solution, in the end our City Council decided purchasing the property was a wiser course of action. The certainty the land purchase provides allows the city to avoid what, inevitably, would have been a costly and drawn out legal situation. Our land acquisition solution allows our FEDC and FCDC to begin developing the property with projects that will complement existing attractions in the heart of our city.

While we feel we made the best decision for our entire community, we are mindful of those who are out of work as a result of this decision. I personally contacted the Texas Workforce Commission to assist displaced workers, if requested by Exide.

In closing, I can't thank you enough for your trust and patience. We pride ourselves in being a 'can do' city, and this is another example of Frisco's forward thinking. Again, we are serious about the responsibility you entrust to us to make the best decisions we can on your behalf.

Regards,

Mayor Maher Maso