

RESOLUTION NO. 14-22

A RESOLUTION AUTHORIZING AGREEMENT WITH CORNERSTONE DEVELOPMENT REGARDING ECONOMIC DEVELOPMENT INCENTIVES AND GRANT AGREEMENT; GRANTING AUTHORITY TO THE MAYOR TO EXECUTE SAID RESOLUTION, AND AUTHORIZING CITY SECRETARY TO AUTHENTICATE MAYOR'S SIGNATURE TO SAID RESOLUTION; GRANTING AUTHORITY TO CITY MANAGER TO EXECUTE ANY AND ALL OTHER INSTRUMENTS REQUISITE TO IMPLEMENTING SAID RESOLUTION, AND AUTHORIZING CITY SECRETARY TO AUTHENTICATE CITY MANAGER'S SIGNATURE TO ANY AND ALL OTHER INSTRUMENTS REQUISITE TO IMPLEMENTING SAID RESOLUTION.

A regular meeting of the City Council of the City of Commerce, Texas, was held in Commerce, Texas, at City Hall on the 17th day of June 2014, at 6:00 p.m.; a majority of Council Members being present and constituting a quorum, the following resolution was adopted;

WHEREAS, the City Council hereby deem it to be in the best interest of the City of Commerce to enter into an economic development incentive and grant agreement with Cornerstone Development, a copy of which is attached hereto and marked Exhibit "A" and made a part hereof as if copied herein verbatim; and

WHEREAS, after careful consideration and review of said Agreement, the City Council of the City of Commerce deems it in the best interest and general welfare of the City of Commerce to enter into such agreement.

BE IT RESOLVED, that the Mayor of the City of Commerce, Texas, be authorized and he is hereby authorized to execute said agreement between the City of Commerce and Hunt County; and

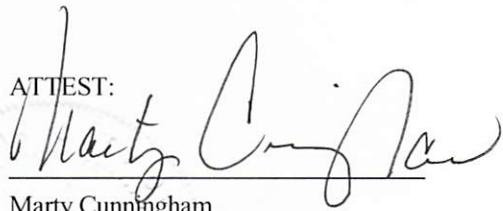
BE IT FURTHER RESOLVED, that the City Secretary be authorized and she is hereby authorized to attest to the signature of the Mayor to said resolution and said agreement, and

BE IT FURTHER RESOLVED, that the City Manager be authorized and he is hereby authorized to execute on behalf of the City of Commerce any and all other instruments requisite to implementing said resolution, and

BE IT FURTHER RESOLVED, that the City Secretary be authorized and she is hereby authorized to attest to the signature of the City Manager to any and all other instruments requisite to implementing said resolution.

PASSED BY THE GOVERNING BODY of the City of Commerce, Texas, at a regular meeting of the City Council of the City of Commerce, Texas, on the 17th day of June 2014.

ATTEST:

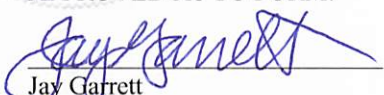

Marty Cunningham
City Secretary

(seal)

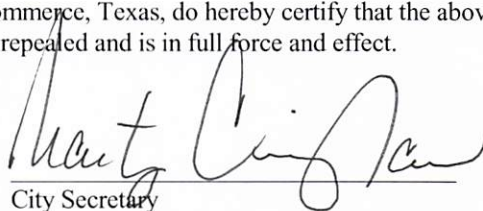
CITY OF COMMERCE, TEXAS


John Ballotti
Mayor

APPROVED AS TO FORM:

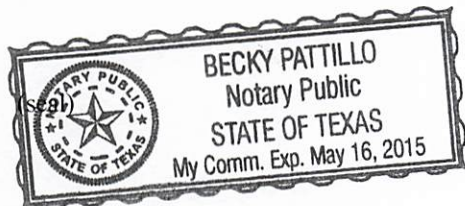

Jay Garrett
City Attorney

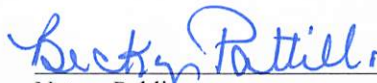
I, Marty Cunningham, City Secretary of the City of Commerce, Texas, do hereby certify that the above is a true and correct copy of a resolution, and that the same has not been repealed and is in full force and effect.
(seal)


City Secretary
City of Commerce, Texas

Sworn to and subscribed before me, on this the 18th day of June 2014, to certify

which witness my hand and seal of office.




Notary Public
State of Texas

AMENDMENT TO ECONOMIC DEVELOPMENT INCENTIVES GRANT AGREEMENT

DATED JUNE 16, 2010

STATE OF TEXAS §

COUNTY OF HUNT §

This Economic Development Incentives Grant Agreement (hereafter "Agreement") is made by and between the City of Commerce, Texas (hereafter "City") and Gary and Becky Thompson d/b/a Cornerstone Development (hereafter "Owner").

RECITALS

WHEREAS, the City is authorized pursuant to Chapter 380 of the Texas Local Government Code, to establish and provide for the administration of one or more programs, including programs for making loans and grants of public money, to promote state or local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, Owner proposes to develop residential property within the City, whereby it proposes to develop 13 residential lots and build homes thereon within the City and as more particularly described in Exhibit "A" attached hereto, having a taxable value of approximately \$200,000.00 or more per residence, including each corresponding developed lot (hereafter referred to as the "Property"); and

WHEREAS, Owner will be required to have each residence and corresponding lot entered onto the tax roll as a separate listing from each other residence and corresponding lot; and

WHEREAS, the City is authorized under Chapter 302 of the Texas Tax Code and Article V, Section 38 of its Charter to levy, assess and collect ad valorem taxes on real property improvements within the City; and

WHEREAS, it is anticipated that Owner will be required to pay to City ad valorem taxes on the property during and after the development of the property in the amount set forth below; and

WHEREAS, the encourage Owner to develop residential property within the City, the City desires to grant to Owner, under the terms and conditions set forth in this Agreement, a certain grant of public money consisting of a payment to Owner of funds factored by the amount of City ad valorem taxes which Owner will incur in the event such improvements and Property are located within the City.

NOW, THEREFORE, in consideration of the mutual benefits and premises contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Authorization. This City has concluded that it is authorized to enter into this Agreement pursuant to Section 380.001, et. seq. of the Texas Local Government Code as much as this Agreement is being entered into by the City for the purpose of stimulating economic development within the City, including new jobs.

2. Definitions.

"*The Property*" means that certain real property and improvements thereon, including but not limited to residential building lots, residential property and curtilages, to which title is vested in Owner at the time of this Agreement and which shall be located within that certain development shown in Exhibit "A" attached hereto and described as Cornerstone Development, Phase I.

3. Owner's New Investment.

(a) Owner understands that the City is entering into this Agreement based upon the following understanding of the Owner's new investment in the City, and Owner represents and warrants that as of the date of this Agreement and Owner's agreement thereto, the following fairly describes its proposed undertaking:

- (i) Owner shall develop a residential neighborhood known as the Cornerstone Development, consisting, in Phase I, of 13 separate residential lots, with 5 homes having already been built in accordance with the terms of Section 3. (a) (ii) of this agreement, and shall undertake hereafter to construct additional homes within Cornerstone Development.
- (ii) Each home shall be constructed in such a fashion and of such quality that the anticipated taxable value of each home shall be approximately \$200,000.00 or more including the lot value.
- (iii) Owner agrees to expend at least \$311,035.80 for the development of infrastructure including the construction of streets and utilities to each residential lot in accordance with the development ordinances of the City of Commerce, Texas.

4. Development Incentives – Grant of Public Money

(a) The City agrees to grant a sum of public money to Owner as a reinvestment of city ad valorem taxes received for improvement rendered in the amount of one-half of the actual expenditures expended for infrastructure development up to a total of \$155,517.80 payable in annual installments with the first installment being due on July 1, 2014, and with each successive installment being paid cumulatively by July 31st of each successive year until the full amount of \$155,517.80 shall have been paid.

(b) Owner agrees to remit to City each year an invoice and a copy of the tax roll, after June 30th but before City's date of payment for each respective year, which reflects proof of payment for city ad valorem taxes on homes owned within Cornerstone Development.

(c) The parties acknowledge and agree that Owner shall be entitled to sell homes or approved building lots which comprise the Property and such sales shall not affect the validity of this Agreement.

5. Default

(a) If either party should default (the "*Defaulting Party*") with respect to any of its obligations under this Agreement and should fail, within sixty days after delivery of written notice of such default from the other party (the "*Complaining Party*") to cure such default, the Complaining Party, by action or proceeding at law or in equity, may be awarded its damages, if any, for such default

(b) It shall be an event of default if Owner fails:

(i) to construct the street and utility improvements set forth above; and

(ii) to list each residence and corresponding lot on the tax roll.

6. Mutual Assistance. The City and Owner shall take all reasonable measures which are necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

7. Representations and Warranties. The City represents and warrants to Owner that this Agreement is within the scope of its authority and the provisions of its charter and that it is duly authorized and empowered to enter into this Agreement. Owner represents and warrants to the City that it has the requisite authority to enter into this Agreement.

8. No Obligation by Owner to Establish Investment. In the event that Owner elects to not undertake the new investment which is the subject of this Agreement, this Agreement shall not create or impose any obligations upon Owner or City.

9. Attorney Fees. In the event any legal action or proceeding is commenced to enforce or interpret provisions of this Agreement, the prevailing party in any such legal action shall be entitled to recover its reasonable attorney fees and expenses incurred by reason of such action.

10. Statutes and Ordinances. Nothing in this Agreement shall alter Owner's obligation to comply with all state statutes, local ordinances, rules and regulations, covering the operation of its new investment.

11. Section Names, Other Headings and Construction. Sections names or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All references to the singular shall include the plural, and to the plural the singular.

12. Severability. If, for any reason, any provision of this Agreement is held to be invalid by a court of competent jurisdiction, such holding shall not affect the remainder of the Agreement but shall be confined in its operation to the specific provision of this Agreement held invalid, and the invalidity of any provision of this Agreement in any one or more instances, shall not affect or prejudice in any way the validity of this Agreement in any other instance.

13. Amendment. This Agreement amends and supersedes Agreement made by parties on June 16, 2010. This Agreement may only be amended, altered, or revoked by written instrument signed by Owner and the City.

14. Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the parties, their respective successors and assigns. Owner may assign all or part of its rights and obligations under this Agreement to any successive Owner of the development, except that during the term of this Agreement, Owner shall provide the City with ten days' written notice prior to any such proposed ownership transfer, including the name, address, business telephone number and contact person for each proposed new Owner.

15. Notice. Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United State mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses, or at such other addresses provided by the parties in writing:

Owner: Gary and Beckey Thompson d/b/a Cornerstone Development
P.O. Box 231
Commerce, Texas 75428

The City: The City of Commerce, Texas
1119 Alamo Street
Commerce, Texas 75428

16. Intepretation. Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against any party.

17. Applicable Law. This Agreement is made and shall be construed and interpreted in accordance with the laws of the State of Texas and venue of any cause of action to enforce this Agreement must be brought in Hunt County, Texas.

18. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

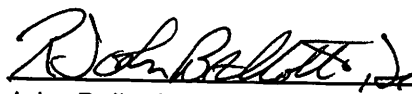
Executed this 18 day of June, 2014.

OWNER

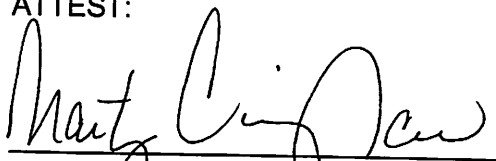
Gary Thompson d/b/a Cornerstone Development

Beckey Thompson d/b/a Cornerstone Development

CITY OF COMMERCE, TEXAS

By: 
John Ballotti, Mayor

ATTEST:


Marty Cunningham, City Secretary