



***** PUBLIC NOTICE *****

**NOTICE OF A CORINTH ECONOMIC DEVELOPMENT CORPORATION (CEDC)
OF THE CITY OF CORINTH
SPECIAL SESSION**

Monday, September 16, 2019, 6:00 P.M.

City Hall

Conference Room - Room 102

3300 Corinth Parkway

Corinth, Texas 76208

*** Pursuant to Texas Government Code Section 551.002, a quorum of the City Council of Corinth may attend the following meeting and may participate in discussion on the agenda items listed below, but will not take any action.**

CALL TO ORDER

CITIZENS COMMENTS

In accordance with the Open Meetings Act, the Board is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them at this time. Citizen's comments will be limited to 3 minutes. Comments about any of the published agenda items are appreciated by the Board and may be taken into consideration at this time or during that agenda item. *All remarks and questions addressed to the Board shall be addressed to the Board as a whole and not to any individual member thereof.* Section 30.041B Code of Ordinance of the City of Corinth.

CONSENT AGENDA

1. Consider and act on minutes from the August 5, 2019 meeting.
2. Consider and act on the Corinth Economic Development Corporation Financial Report for the period ending June 2019.

BUSINESS AGENDA

1. Discuss, consider and provide a recommendation to the City Council on a Resolution approving a First Amended and Restated Chapter 380 Economic Development Incentive Agreement between the City of Corinth, Texas, the Corinth Economic Development Corporation and 6Q Hospitality, L.L.C., that, among other things, clarifies performance obligations and extends dates for accomplishing certain performance obligations in connection with the construction and operation of a hotel and conference center in the City.
2. Consider and act on a Resolution of the Board of Directors of the Corinth Economic Development Corporation authorizing the President to execute the First Amended and Restated Chapter 380 Economic Development Incentives Agreement between the City of Corinth, Texas, the Corinth Economic Development Corporation and 6Q Hospitality, L.L.C. on behalf of the Corinth Economic Development Corporation subject to amendment and approval by the City Council.
3. Receive a presentation and an update on the creation of Reinvestment Zone Number Two, City of Corinth.

REPORTS AND UPDATES

1. Board Members
2. Executive Director

EXECUTIVE SESSION

If, during the course of the meeting, any discussion of any item on the agenda should need to be held in executive or closed session for the Board to seek advice from the City Attorney as to the posted subject matter of this Board Meeting, the Board will convene in such executive or closed session, in accordance with the provisions of the Government Code, Title 5, Subchapter D Chapter 551, to consider one or more matters pursuant to the following:

Section 551.071. Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; (2) and/or a matter in which the duty of the attorney to the government body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

Section 551.072. To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Section 551.074. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

Section 551.087. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

After discussion of any matters in executive session, any final action or vote taken will be in public by the Board. The Board shall have the right at any time to seek legal advice in Executive Session from its Attorney on any agenda item, whether posted for Executive Session or not.

RECONVENE IN OPEN SESSION TO TAKE ACTION, IF NECESSARY, ON EXECUTIVE SESSION ITEMS.

ADJOURN

Posted this ____ day of _____, 2019 at ____ on the bulletin board at Corinth City Hall.

Jason Alexander, Economic Development Director
City of Corinth, Texas

EDC Special Session

1.

Meeting Date: 09/16/2019
Title: Meeting Minutes
Submitted By: Jason Alexander, Director
Finance Review: N/A
City Manager Review:
Strategic Goals:

Legal Review: N/A

AGENDA ITEM

Consider and act on minutes from the August 5, 2019 meeting.

AGENDA ITEM SUMMARY/BACKGROUND

The meeting minutes from the August 5, 2019 meeting.

RECOMMENDATION

N/A.

Attachments

August 5, 2019 Meeting Minutes

CORINTH ECONOMIC DEVELOPMENT CORPORATION
August 5, 2019

STATE OF TEXAS
COUNTY OF DENTON
CITY OF CORINTH

On this 5th day of August, 2019 the Corinth Economic Development Corporation (CEDC) of the City of Corinth, Texas, met in Regular Session at 6:00 P.M. at Corinth City Hall, located at 3300 Corinth Parkway, Corinth, Texas. The meeting date, time, place and purpose as required by Title 5, Subtitle A, Chapter 551, Subchapter C, Section 551.041, Government Code, with the following members, to wit:

CEDC Board Members:

Tina Henderson – President, Council Representative
Jerry Blazewicz – Vice President
Grady Ray – Secretary
Brad Hinson – Director
Steve Holzwarth – Director

CEDC Board Members Absent:

Robert Goodwin – Director
Eric Wiser – Director

Others Present:

Bob Hart – City Manager
Jason Alexander – Executive Director
Helen-Eve Liebman – Planning and Development Director
Kimberly Pence – City Secretary

CALL TO ORDER:

President Tina Henderson called the meeting to order at 6:03 P.M.

CITIZENS COMMENTS

In accordance with the Open Meetings Act, the Board is prohibited from acting on or discussing (other than factual responses to specific questions) any items brought before them at this time. Citizen's comments will be limited to 3 minutes. Comments about any of the published agenda items are appreciated by the Board and may be taken into consideration at this time or during that agenda item. *All remarks and questions addressed to the Board shall be addressed to the Board as a whole and not to any individual member thereof.* Section 30.041B Code of Ordinance of the City of Corinth.

There were no Citizens Comments made.

CONSENT AGENDA:

1. Consider and act on minutes from the July 8, 2019 meeting.

There being no discussion, motion was made by Brad Hinson to approve the Consent Agenda as presented. Seconded by Steve Holzwarth.

AYES: Henderson, Ray, Blazewicz, Hinson, Holzwarth
NOES: None
ABSENT: Wisner, Goodwin

MOTION CARRIED

BUSINESS:

2. Consider and provide a recommendation to the City Council on the Requested Budget for the Corinth Economic Development Corporation for Fiscal Year 2019-2020.

Jason Alexander presented the recommended budget for Fiscal Year 2019-2020 to the Board of Directors. He explained that the proposed budget would be represent an increase from the last year's approved budget. The major expenditures for the proposed budget included the following: (i) an amount of \$150,000.00 for a floodplain and wetlands mitigation study for the Lynchburg Creek watershed; (ii) an amount of \$75,000.00 to collaborate with Slate Communications on promoting both the forthcoming Tax Increment Reinvestment Zone (TIRZ) and Transit-Oriented Development (TOD) District through digital and traditional media platforms; and (iii) an amount of \$75,000.00 to engage a consultant on conducting a feasibility study to best determine the location of a commuter rail station within the TOD District.

The proposed budget also includes expenditures of \$3,000.00 to obtain demographic information and other related data from the Environmental Systems Research Institute ("ESRI") and \$1,500.00 for ZacTax, a software program providing sales and use tax data analysis for businesses in Corinth.

The Board of Directors held a general discussion on the recommended budget.

There being no discussion, motion was made by Holzwarth to recommend approval of the requested budget for the Corinth Economic Development Corporation for Fiscal Year 2019-2020. Seconded by Hinson.

AYES: Henderson, Ray, Blazewicz, Hinson, Holzwarth
NOES: None
ABSENT: Wisner, Goodwin

MOTION CARRIED

3. Conveyance of real property located at 2003 Corinth Parkway from the City of Corinth to the Corinth Economic Development Corporation for economic development purposes.

Alexander explained to the Board of Directors that the conveyance of real property at 2003 Corinth Parkway is vital part of the City's and the Corinth Economic Development Corporation's efforts to facilitate development at the southwest corner of the Interstate Highway 35E and Corinth Parkway Interchange. He said that in accordance with state law, the conveyance of property from the City to the Corinth Economic Development Corporation could only be used for economic development purposes which, in this case, would entail the use of an economic incentive to encourage mixed-use development at the corner. Alexander also advised the Board of Directors that the proceeds from the future sale of the property would go to the City.

There being no discussion, motion was made by Grady Ray to recommend approval of the Conveyance of real property located at 2003 Corinth Parkway from the City of Corinth to the Corinth Economic Development Corporation for economic development purposes. Seconded by Hinson.

AYES: Henderson, Ray, Blazewicz, Hinson, Holzwarth
NOES: None
ABSENT: Wisner, Goodwin

MOTION CARRIED

REPORTS AND UPDATES:

1. Board Members

President Henderson shared with the Board of Directors that The Goddard School would have their ribbon cutting ceremony Tuesday, August 6, 2019 at 11:30 a.m.

2. Executive Director

Alexander presented the Board of Directors with new business cards featuring the City's new logo.

He also distributed reading materials to the Board of Directors concerning contemporary planning practice and technique as the City embarks on the Comprehensive Plan Update.

President Henderson recessed the Board at 6:35 p.m. * See Closed Session.

CLOSED SESSION

If, during the course of the meeting, any discussion of any item on the agenda should need to be held in executive or closed session for the Board to seek advice from the City Attorney as to the posted subject matter of this Board Meeting, the Board will convene in such executive or closed session, in accordance with the provisions of the Government Code, Title 5, Subchapter D Chapter 551, to consider one or more matters pursuant to the following:

Section 551.071. (1) Private consultation with its attorney to seek advice about pending or contemplated litigation; and/or settlement offer; (2) and/or a matter in which the duty of the attorney to the government

body under the Texas Disciplinary Rules of Professional Conduct of the State of Texas clearly conflicts with chapter 551.

The Board of Director met in Closed Session from 6:36 p.m. until 6:50 p.m.

A. Deliberations concerning an infrastructure project to assist with development opportunities along Interstate Highway 35E.

Section 551.072. To deliberate the purchase, exchange, lease or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Section 551.074. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

Section 551.087. To deliberate or discuss regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate the offer of a financial or other incentive to a business prospect.

After discussion of any matters in executive session, any final action or vote taken will be in public by the Board. The Board shall have the right at any time to seek legal advice in Executive Session from its Attorney on any agenda item, whether posted for Executive Session or not.

Reconvene in open session to take action, if necessary, on closed session items.

President Henderson reconvened the meeting in Open Session at 6:50 p.m.

There was no action taken from the Board of Directors on the Closed Session items.

ADJOURN:

There being no further business, President Henderson adjourned the August 5, 2019 Regular Session of the Corinth Economic Development Corporation at 6:52 P.M.

Kimberly Pence – City Secretary
Corinth Economic Development Corporation

Tina Henderson – President
Corinth Economic Development Corporation

EDC Special Session

2.

Meeting Date: 09/16/2019

Title: June Corinth Economic Development Corporation Financial Report

Submitted By: Jason Alexander, Director

Finance Review: N/A

Legal Review: N/A

City Manager Review:

Strategic Goals:

AGENDA ITEM

Consider and act on the Corinth Economic Development Corporation Financial Report for the period ending June 2019.

AGENDA ITEM SUMMARY/BACKGROUND

The financial report for the Corinth Economic Development Corporation for the period ending June 2019.

RECOMMENDATION

N/A.

Attachments

June Corinth Economic Development Corporation Financials



City of Corinth

Corinth Economic Development Corporation

Schedule of Revenues & Expenditures - Budget vs Actual (Unaudited)
For the Period Ended June 2019

	Current Fiscal Year, 2018-2019					Prior Year
	Budget FY 2018-19	June 2019 Actual	Year-to- Date Actual	Y-T-D Variance	Y-T-D % of Budget	Jun-18 Y-T-D Actual
RESOURCES						
Sales Tax (.50¢)	\$ 823,975	\$ 65,489	\$ 464,598	(359,377)	56.4%	\$ 445,244
Interest Income	800	61	346	(454)	43.2%	228
Investment Income	25,000	6,447	54,225	29,225	216.9%	33,313
Miscellaneous Income	-	-	-	-	0.0%	-
Projective Incentive Default	-	-	-	-	0.0%	-
Transfers In	-	-	-	-	0.0%	-
TOTAL ACTUAL RESOURCES	849,775	71,997	519,169	(330,606)	61.1%	478,785
Use of Fund Balance	2,848,006	2,899,357	2,769,414		0.0%	-
TOTAL RESOURCES	\$ 3,697,781	\$ 2,971,354	\$ 3,288,583		88.9%	\$ 478,785
EXPENDITURES						
Wages & Benefits	\$ 139,999	\$ 10,735	\$ 102,618	\$ (37,381)	73.3%	97,291
Professional Fees	145,419	52,554	115,251	(30,168)	79.3%	8,694
Maintenance & Operations	315,081	(49,920)	102,716	(212,365)	32.6%	6,299
Supplies	6,500	4,031	5,032	(1,468)	77.4%	5,749
Utilities & Communication	2,278	364	1,177	(1,101)	51.7%	3,067
Vehicles/Equipment & Fuel	-	-	-	-	0.0%	-
Training	30,633	918	8,235	(22,398)	26.9%	11,763
Capital Outlay	2,952,671	2,952,671	2,952,671	0	0.0%	-
Debt Service	-	-	-	-	0.0%	-
Transfers	105,200	-	883	(104,317)	0.8%	308,925
TOTAL EXPENDITURES	3,697,781	2,971,354	3,288,583	(409,198)	88.9%	441,789
EXCESS/(DEFICIT)	\$ -	\$ -	\$ -			\$ 36,996

KEY TRENDS

Resources

Sales Tax - As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. June 2019 revenues are remitted to the City in August 2019. Sales Tax received in June represents April collections.

Expenditures

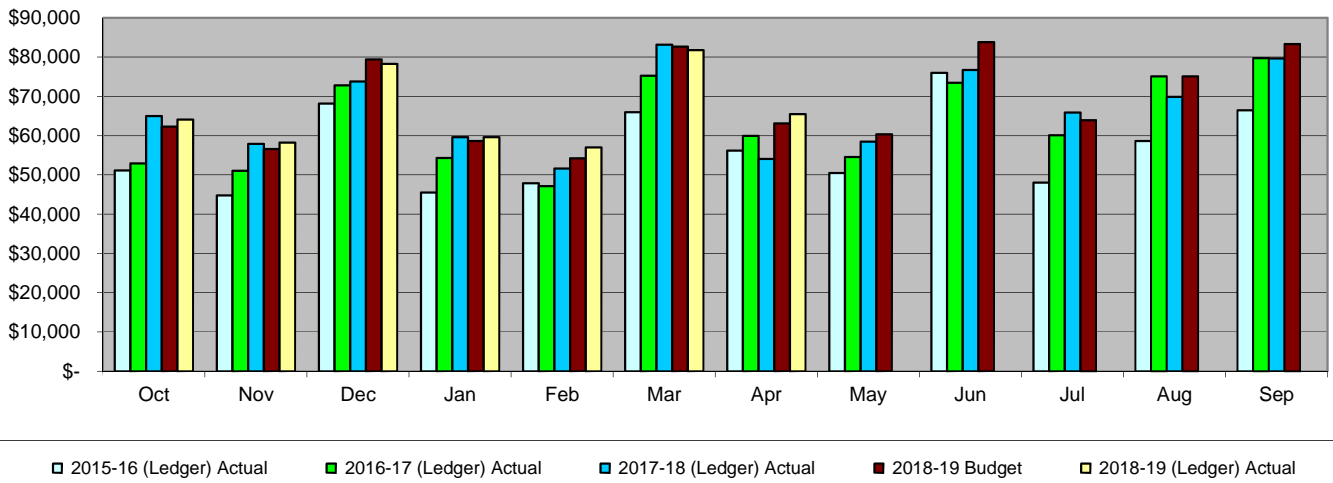
Transfer Out includes \$883 to the Technology Replacement Fund for the future purchases of computers.



Corinth Economic Development Corporation
Economic Development Sales Tax
 PY Comparison and Variance Analysis

	2015-16 (Ledger) Actual	2016-17 (Ledger) Actual	2017-18 (Ledger) Actual	2018-19 Budget	2018-19 Cash Receipts	2018-19 (Ledger) Actual	Variance, Actual to Budget	Variance, Actual to Budget %	Variance, CY to PY	Variance, CY to PY %
Oct	\$ 51,148	\$ 52,974	\$ 65,029	\$ 62,342	\$ 69,932	\$ 64,086	\$ 1,744	2.8%	\$ (943)	-1.4%
Nov	44,827	51,070	57,889	56,632	79,716	58,235	1,603	2.8%	346	0.6%
Dec	68,160	72,833	73,790	79,450	64,086	78,332	(1,118)	-1.4%	4,542	6.2%
Jan	45,500	54,300	59,659	58,687	58,235	59,620	933	1.6%	(39)	-0.1%
Feb	47,909	47,147	51,635	54,296	78,332	57,043	2,747	5.1%	5,409	10.5%
Mar	66,022	75,308	83,165	82,719	59,620	81,792	(926)	-1.1%	(1,373)	-1.7%
Apr	56,230	60,003	54,077	63,169	57,043	65,489	2,320	3.7%	11,412	21.1%
May	50,483	54,590	58,486	60,402	81,792	-				
Jun	75,989	73,472	76,735	83,863	65,489	-				
Jul	48,076	60,100	65,889	63,983	-	-				
Aug	58,630	75,148	69,932	75,106	-	-				
Sep	66,452	79,781	79,716	83,326	-	-				
TOTAL	\$ 679,427	\$ 756,725	\$ 796,002	\$ 823,975	\$ 614,246	\$ 464,598	\$ 7,304	1.6%	\$ 19,354	4.3%

Monthly Collections Comparison



KEY TRENDS

Description

The sales tax in Corinth is 8.25% for goods and services sold within the City's boundaries. The tax is collected by businesses making the sale and is remitted to the State Comptroller of Public Accounts on a monthly, and in some cases, quarterly basis. Of the 8.25%, the state retains 6.25% and distributes 1% to the City of Corinth, .25% to the Street Maintenance Sales Tax Fund, .25% to the Crime Control & Prevention District and .50% to the Economic Development Corporation. The State distributes tax proceeds to local entities within forty days following the period for which the tax is collected by businesses.

As required by the Government Accounting Standards Board, sales tax is reported for the month it is collected by the vendor. June 2019 revenues are remitted to the City in August 2019. Sales Tax received in June represents April collections.

Analysis

The EDC Sales Tax revenue reflects a year-to-date increase in collections compared to the budgeted amounts.

Revenues are deposited into the Economic Development Corporation Fund and must be used on behalf of the city in carrying out programs related to a wide variety of projects including public parks and business development (Tex.Rev.Civ.St. art 5190.6-the Development Corporation Act of 1979).



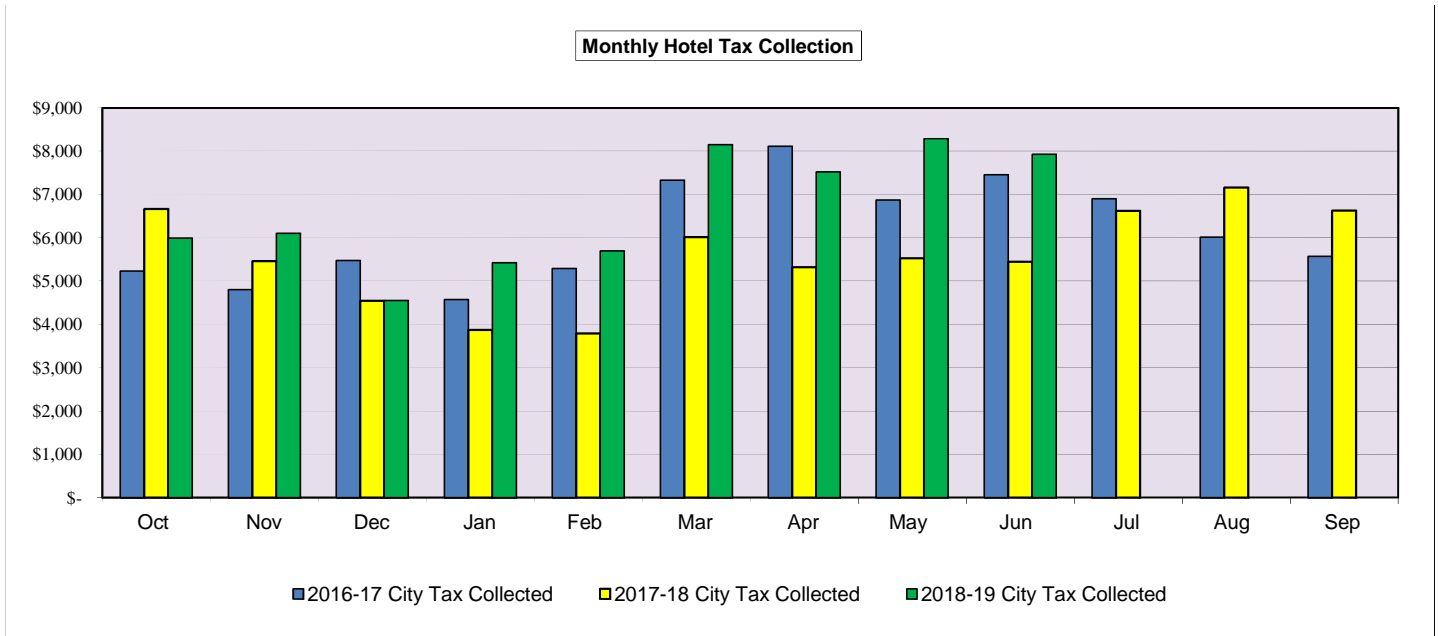
Hotel Occupancy Tax Collection Report

Comfort Inn & Suites

For the Period Ended June 2019

	Total Gross Sales	Less Exemptions & Allowances	Total Taxable Revenues Reported	Taxable Revenues X 7%	Total City Tax Due	City Tax Collected FY 2018-19	Date Received	% Change CY to PY	City Tax Collected FY 2017-18	City Tax Collected FY 2016-17
Oct	\$ 86,497	\$ 847	\$ 85,650	\$ 5,995	\$ 5,995	\$ 5,995	11/21/2016	-10.1%	\$ 6,667	\$ 5,230
Nov	87,505	330	87,175	6,102	6,102	6,102	12/21/2018	11.7%	5,463	4,802
Dec	65,048	-	65,048	4,553	4,553	4,553	2/6/2019	0.2%	4,545	5,477
Jan	77,525	-	77,525	5,427	5,427	5,427	2/25/2019	40.1%	3,873	4,572
Feb	81,406	-	81,406	5,698	5,698	5,698	4/8/2019	50.2%	3,795	5,291
Mar	116,475	-	116,475	8,153	8,153	8,153	4/17/2019	35.6%	6,014	7,333
Apr	106,698	-	106,698	7,469	7,469	7,520	5/23/2019	41.3%	5,322	8,113
May	118,400	-	118,400	8,288	8,288	8,288	6/24/2019	49.9%	5,528	6,869
Jun	113,278	-	113,278	7,929	7,929	7,929	7/23/2019	45.6%	5,444	7,459
Jul			-	-	-	-			6,623	6,900
Aug			-	-	-	-			7,164	6,018
Sep			-	-	-	-			6,631	5,573
TOTALS	\$ 852,833	\$ 1,177	\$ 851,656	\$ 59,616	\$ 59,616	\$ 59,666			\$ 67,069	\$ 73,638

[Note: Ownership of the Comfort Inn changed in December.



KEY TRENDS

Description

The City's Hotel Occupancy Tax is levied at 7% of room rental rates.

Income Statement

Account Summary

For Fiscal: 2018-2019 Period Ending: 06/30/2019

		Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 130 - ECONOMIC DEVELOPMENT CORP						
Revenue						
130-0000-40200	SALES TAX	823,975.00	823,975.00	65,489.22	464,598.25	359,376.75
130-0000-41400	INVESTMENT INCOME	25,000.00	25,000.00	6,446.86	54,224.88	-29,224.88
130-0000-41410	INTEREST INCOME	800.00	800.00	60.93	345.61	454.39
	Revenue Total:	849,775.00	849,775.00	71,997.01	519,168.74	330,606.26
Expense						
130-1700-50100	SALARIES	105,984.00	105,984.00	8,119.84	77,138.34	28,845.66
130-1700-50203	LONGEVITY PAY	240.00	240.00	0.00	228.00	12.00
130-1700-50204	CAR ALLOWANCE	4,800.00	4,800.00	400.00	3,600.00	1,200.00
130-1700-50300	HEALTH INSURANCE	7,998.00	7,998.00	583.18	6,248.62	1,749.38
130-1700-50301	DENTAL INSURANCE	352.00	352.00	27.50	247.50	104.50
130-1700-50302	LIFE & DISABILITY INSURANCE	416.00	416.00	31.51	281.15	134.85
130-1700-50303	BROKER FEES	208.00	208.00	15.93	131.82	76.18
130-1700-50304	PHS FEES	114.00	114.00	9.00	81.00	33.00
130-1700-50305	TMRS EMPLOYER	17,351.00	17,351.00	1,375.18	12,995.50	4,355.50
130-1700-50310	401A	390.00	390.00	30.00	285.00	105.00
130-1700-50316	EAP	80.00	80.00	7.59	68.31	11.69
130-1700-50317	COBRA ADMINISTRATION FEE	7.00	7.00	0.00	0.00	7.00
130-1700-50320	WORKERS COMP	360.00	360.00	11.01	122.73	237.27
130-1700-50401	MEDICARE EMPLOYER	1,519.00	1,519.00	124.63	1,180.60	338.40
130-1700-50405	TEXAS EMPLOYMENT COMM.	180.00	180.00	0.00	9.00	171.00
130-1700-51100	PROFESSIONAL SERVICES	79,000.00	131,329.00	49,300.00	54,300.00	77,029.00
130-1700-51101	CONTRACT LABOR	0.00	0.00	0.00	54,317.00	-54,317.00
130-1700-51300	LEGAL FEES	17,200.00	17,200.00	3,066.00	4,936.00	12,264.00
130-1700-51400	P&L INSURANCE	1,890.00	1,890.00	187.64	1,698.21	191.79
130-1700-52000	ADVERTISING	82,500.00	82,500.00	0.00	2,788.10	79,711.90
130-1700-52002	POSTAGE	100.00	100.00	0.00	0.00	100.00
130-1700-52003	PRINTING	400.00	400.00	0.00	0.00	400.00
130-1700-52030	EQUIPMENT RENTAL	783.00	783.00	0.00	436.70	346.30
130-1700-52040	MAINTENANCE	6,000.00	2,000.00	0.00	0.00	2,000.00
130-1700-52210	BOARDS & COMMITTEE EXPENSE	1,200.00	1,200.00	0.00	0.00	1,200.00
130-1700-52215	PROMOTIONAL FEES	19,308.00	19,308.00	0.00	2,376.27	16,931.73
130-1700-52230	PROJECT INCENTIVES	200,000.00	195,000.00	-50,000.00	94,790.00	100,210.00
130-1700-52500	DUES & SUBSCRIPTIONS	8,790.00	8,790.00	80.00	2,325.00	6,465.00
130-1700-53001	OFFICE SUPPLIES	1,000.00	1,000.00	150.34	1,151.29	-151.29
130-1700-53205	OFFICE EQUIPMENT	1,500.00	5,500.00	3,880.60	3,880.60	1,619.40
130-1700-54106	AIRCARD	456.00	456.00	37.00	249.31	206.69
130-1700-54107	COMPUTER LICENSING	922.00	922.00	252.48	252.48	669.52
130-1700-54200	CELLPHONE	900.00	900.00	75.00	675.00	225.00
130-1700-56000	TRAINING	16,075.00	16,075.00	-1,120.00	3,215.02	12,859.98
130-1700-56100	TRAVEL/MEALS/LODGING	13,770.00	13,770.00	2,038.32	5,010.87	8,759.13
130-1700-56200	MILEAGE	788.00	788.00	0.00	9.43	778.57
130-1700-57000	CAPITAL OUTLAY	0.00	2,952,671.00	2,952,671.02	2,952,671.02	-0.02
130-1700-59001	COST ALLOCATION OUT-GENERAL FU	54,317.00	54,317.00	0.00	0.00	54,317.00
130-1700-59101	TRANSFER OUT	3,050,000.00	50,000.00	0.00	0.00	50,000.00
130-1700-59111	TRANSFER OUT - TECH REPLACEMEN	883.00	883.00	0.00	883.00	0.00
	Expense Total:	3,697,781.00	3,697,781.00	2,971,353.77	3,288,582.87	409,198.13
	Fund: 130 - ECONOMIC DEVELOPMENT CORP Surplus (Deficit):	-2,848,006.00	-2,848,006.00	-2,899,356.76	-2,769,414.13	
	Total Surplus (Deficit):	-2,848,006.00	-2,848,006.00	-2,899,356.76	-2,769,414.13	

Income Statement

For Fiscal: 2018-2019 Period Ending: 06/30/2019

Group Summary

Account Type	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Fund: 130 - ECONOMIC DEVELOPMENT CORP					
Revenue	849,775.00	849,775.00	71,997.01	519,168.74	330,606.26
Expense	3,697,781.00	3,697,781.00	2,971,353.77	3,288,582.87	409,198.13
Fund: 130 - ECONOMIC DEVELOPMENT CORP Surplus (Deficit):	-2,848,006.00	-2,848,006.00	-2,899,356.76	-2,769,414.13	-78,591.87
Total Surplus (Deficit):	-2,848,006.00	-2,848,006.00	-2,899,356.76	-2,769,414.13	

EDC Special Session

1.

Meeting Date: 09/16/2019
Title: Chapter 380 Economic Development Incentive Agreement
Submitted By: Jason Alexander, Director
Finance Review: Yes **Legal Review:** N/A
City Manager Review:
Strategic Goals: Land Development
Infrastructure Development
Economic Development
Citizen Engagement & Proactive Government

AGENDA ITEM

Discuss, consider and provide a recommendation to the City Council on a Resolution approving a First Amended and Restated Chapter 380 Economic Development Incentive Agreement between the City of Corinth, Texas, the Corinth Economic Development Corporation and 6Q Hospitality, L.L.C., that, among other things, clarifies performance obligations and extends dates for accomplishing certain performance obligations in connection with the construction and operation of a hotel and conference center in the City.

AGENDA ITEM SUMMARY/BACKGROUND

The First Amended and Restated Chapter 380 Economic Development Incentive Agreement is intended to amend, restate and supersede the Chapter 380 Economic Development Incentive Agreement approved by the City Council on October 19, 2017 (Resolution No. 17-10-19-21). The First Amended and Restated Chapter 380 Economic Development Incentive Agreement does not amend the performance obligations of 6Q Hospitality, L.L.C. in connection with: (i) operating the hotel and conference center as a Fairfield Inn & Suites or another brand of comparable or superior class with prior written consent; (ii) maintaining a minimum assessed value of \$10,000,000.00 for the real property and the improvements to be constructed thereon, except if the total value of all real property within the city limits of Corinth increases or decreases by ten (10) percent or more; and (iii) creating at least 22 full-time employment positions with hiring preference being given towards residents of Corinth and the surrounding communities. The agreement, as proposed, does clarify the performance obligations of the Company, and in particular:

- Extends the termination of the agreement from December 31, 2029 to December 31, 2030.
- Requires 6Q Hospitality, L.L.C. construct and operate the hotel and conference center on land that it purchased at 6557 South Interstate 35E (Millennium Place).
- Establishes January 1, 2020 as the date for commencing construction of the hotel and conference center and August 31, 2021 as the date for completion of construction.
- Amends the language for calculation of the minimum assessed value to include the cumulative assessed value of the real property and the improvements constructed thereon and extends the date for establishing such minimum assessed value from January 1, 2021 to January 1, 2022.
- Extends the date for creating at least 22 full-time employment positions from January 31, 2021 to January 31, 2022.
- Extends the date for commencing operation of the hotel and conference center from October 1, 2020 to October 1, 2021.

The economic development incentives for the construction and operation of the hotel remain the same under the proposed amendments and revisions to the agreement: (i) reimbursement of sales and use tax revenues on personal property purchased under a Texas Direct Payment Permit and attributable to the construction, equipping and

maintenance of the hotel and conference center; (ii) reimbursement of hotel occupancy tax revenues to be used for the benefit of the conference center and related purposes as authorized by Chapter 351 of the Texas Tax Code; and (iii) a reimbursement in the amount of \$150,000.00 for costs, expenses and fees incurred by 6Q Hospitality, L.L.C. for required permits, licenses and inspections. Concerning the reimbursement of sales and use tax revenues on the addition of personal property, it should be noted that such revenues are not inclusive of any revenues collected by the Texas Comptroller of Public Accounts for receipt by any present or future special tax fund (e.g., Crime Control and Prevention District and the Street Maintenance Tax Fund).

Finally, the proposed amendments and revisions clarify that the City is responsible for collecting hotel occupancy taxes as authorized by state law.

RECOMMENDATION

If the First Amended and Restated Chapter 380 Economic Development Incentive Agreement is approved, it will clarify the performance obligations of 6Q Hospitality, L.L.C. among other things, while also advancing the City's and the Corinth Economic Development Corporation's shared interests of increasing sales and use tax and property tax revenues, enhancing the image of the City and creating jobs.

Fiscal Impact

Source of Funding: City/Corinth Economic Development Corporation

FINANCIAL SUMMARY:

The source of funding for this project will be the City and the Corinth Economic Development Corporation. The funding sources contemplated by the First Amended and Restated Chapter 380 Economic Development Incentive Agreement are as follows:

- A 100 percent of reimbursement of the sales and use tax revenues generated from the purchase of personal property used in the construction, equipping and maintenance of the hotel and conference center provided by the City and the Corinth Economic Development Corporation.
- A 75 percent reimbursement of the hotel occupancy tax revenues collected by the City.
- A reimbursement of \$150,000.00 for permitting, licensing and inspection fees incurred by the Company in connection with the construction and operation of the hotel and conference center provided by the Corinth Economic Development Corporation.

Attachments

Agreement

Exhibit "A.1." (Survey)

Exhibit "A.2." (Texas Direct Payment Permit)

Exhibit "A.3." (Elevations A)

Exhibit "A.3." (Elevations B)

Exhibit "A.4." (Certificate of Formation)

Exhibit "A.5." (Certificate of Resolution)

RESOLUTION NO. [REDACTED] - [REDACTED] - [REDACTED] - [REDACTED]

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS APPROVING A FIRST AMENDED AND RESTATED DEVELOPMENT AGREEMENT BETWEEN THE CITY OF CORINTH, THE CORINTH ECONOMIC DEVELOPMENT CORPORATION AND 6Q HOSPITALITY, L.L.C., IN CONNECTION WITH THE CONSTRUCTION AND OPERATION OF A HOTEL AND CONFERENCE CENTER IN CORINTH THAT, AMONG OTHER THINGS, CLARIFIES THE PERFORMANCE OBLIGATIONS OF THE PARTIES AND EXTENDS THE DATES FOR CERTAIN PERFORMANCE OBLIGATIONS OF THE PARTIES; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT ON THE BEHALF OF THE CITY AND THE PRESIDENT ON THE BEHALF OF THE CORINTH ECONOMIC DEVELOPMENT CORPORATION; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORINTH, TEXAS:

PART 1. The First Amended and Restated Chapter 380 Economic Development Incentive Agreement (the “AGREEMENT”) attached hereto is approved.

PART 2. The City Manager is authorized to execute this Agreement on behalf of the City.

PART 3. The President is authorized to execute this Agreement on behalf of the CEDC.

PART 4. This Resolution is in full force and effect upon its adoption.

ADOPTED on this 19TH day of SEPTEMBER, 2019.

[REDACTED]

Bill Heidemann

Mayor

ATTEST:



Kimberly Pence

City Secretary

APPROVED AS TO FORM:



City Attorney

1 EXHIBIT "A"

2
3 FIRST AMENDED AND RESTATED

4
5 CHAPTER 380

6 ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

7
8 This First Amended and Restated Chapter 380 Economic Development Agreement (this
9 "AGREEMENT") is made and entered into ~~on~~ as of the 19TH day of ~~October~~ SEPTEMBER, 2017-2019
10 (the "EFFECTIVE DATE") by and between the City of Corinth, Texas a home rule ~~city and~~ municipal
11 corporation ~~of the State of Texas~~ (the "CITY"), the Corinth Economic Development Corporation, a non-
12 profit corporation organized as a Type B corporation under Chapters 501 and 505 of the Texas Local
13 Government Code (the "CEDC") and 6Q Hospitality, L.L.C., a Texas limited liability corporation (the
14 "COMPANY"). The City, the CEDC and the Company are collectively referred to as the "PARTIES" or
15 individually as a "PARTY". ~~Capitalized terms not otherwise defined have the meaning given them in~~
16 Article II. This Agreement amends, restates and supersedes the Chapter 380 Economic Development
17 Incentive Agreement executed on the 19TH day of OCTOBER, 2017 by and between the Parties.

18
19 RECITALS

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21 PART 1.

22 The City and the CEDC seek to attract and retain a diverse range of businesses for economic stability and
23 growth.

24
25 PART 2.

26 The Company agrees to construct (or to cause to be constructed) a “LIMITED SERVICE HOTEL”, as
27 defined by the City’s Unified Development Code and a conference center and related improvements, upon
28 the property located at 6557 South Interstate 35E (the “LAND” as further defined below) providing a
29 minimum of 86 guest rooms and a minimum of 1,700 square feet of conference space and other amenities
30 meeting the requirements of this Agreement which shall constitute the “BUILDING IMPROVEMENTS”
31 (as further defined below). The Company seeks economic development incentives from the City and the
32 CEDC to pay a portion of the costs of the construction of the Building Improvements and for continued
33 operation and maintenance of the Limited Service Hotel and the conference center (the “BUSINESS” as
34 further defined below) on the Land.~~The Company proposes to construct (or cause to be constructed) and to~~
35 ~~operate hotel with at least 88 rooms and a 1,700 square foot conference center in the City. The Company~~
36 ~~seeks economic development incentives from the City and the CEDC for construction and operation of the~~
37 ~~hotel and conference center (the “BUSINESS”).~~

38
39 **PART 3.**

40 The City and the CEDC seek to promote local economic development and to stimulate new business and
41 commercial activity in the City. The construction and operation of the Business will advance the City’s and
42 the CEDC’s interests by creating ~~jobs~~ Jobs, increasing sales and property tax revenues and enhancing the
43 image of the City.

44
45 **PART 4.**

46 The Parties entered into that Chapter 380 Economic Development Incentive Agreement dated the 19TH day
47 of OCTOBER, 2017 (the “PRIOR INCENTIVE AGREEMENT”). The Company has requested that the
48 City and the CEDC enter into this Agreement to replace the Prior Incentive Agreement in order to make
49 certain amendments to more accurately reflect the rights and obligations of the Parties in connection with
50 the construction of the Building Improvements and operation of the Business on the Land. The rights and
51 obligations of the Parties set forth in this Agreement are intended to amend, restate and supersede the terms

52 and conditions of the Prior Incentive Agreement, and the Parties acknowledge and agree that this
53 Agreement shall become effective upon its execution by all Parties.

54
55 PART ~~4~~5.

56 The City is authorized under Chapter 380 of the Texas Local Government Code to offer certain economic
57 development incentives for public purposes, including the promotion of local economic development and
58 the stimulation of business and commercial activity within the City. The City ~~has~~ and the CEDC have
59 determined that providing economic development incentives to the Business will promote local economic
60 development and stimulate new business and commercial activity within the City.

61
62 For the reasons stated in these Recitals, which are incorporated into and made a part of this Agreement, and
63 in consideration of the mutual benefits and obligations set forth herein, the Parties enter into this Agreement
64 and agree to the terms and conditions set forth in this Agreement.

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66 ARTICLE I.

67 **DEFINITIONS**

68
69 The following words will have the following meanings when used in this Agreement:

70
71 **PARAGRAPH 1.01. “BUILDING IMPROVEMENTS”** means new building improvements
72 located on the Land (~~as hereinafter defined~~) consisting of a hotel with a minimum of at least 88-86 guest
73 rooms and a minimum of conference center with at least 1,700 square feet of conference space in accordance
74 with the requirements of this Agreement, foot conference center together with all related improvements and
75 activities, including without limitation a business center, a convenience store, a fitness center, an indoor
76 swimming pool, and a dining, lounge and seating area ~~and an outdoor fire pit,~~ built in substantial
77 accordance with the specifications detailed in Paragraph 2.03. below.

78 PARAGRAPH 1.02. “BUSINESS” means all the activities of the Company conducted for the
79 purpose of a direct or indirect gain, benefit or advantage, in the City of Corinth, Texas on the Land as related
80 to the Building Improvements, including, but not limited to the construction, maintenance and operation of
81 a Limited Service Hotel and conference center.

82 PARAGRAPH 1.02-PARAGRAPH 1.03. “JOB” means a full-time employment position
83 on-at the Land-Building Improvements resulting from the Business, and-which position:

84 (A). Is not seasonal; AND

85 (B). Is provided with at least 30 hours of employment per week.

86 Any position not meeting such criteria does not qualify as a “JOB” for purposes of this Agreement.

87 PARAGRAPH 1.03-PARAGRAPH 1.04. “LAND” means the approximately 2.071 acre
88 tract of real property and all improvements thereon located at 6557 South Interstate 35E, Corinth, Texas,
89 and upon which the Building Improvements will be constructed, a map, plat or survey of which is attached
90 as Exhibit “A.1.” and incorporated herein for all purposes, means the real property within the corporate
91 limits of the City of Corinth, Texas upon which the activities of the Company’s hotel and conference center
92 will be located.

93 PARAGRAPH 1.04-PARAGRAPH 1.05. “PERSONAL PROPERTY” means all
94 construction materials, furniture, fixtures, supplies, equipment, inventory or other personal property
95 attributable to the Business on the Land subject to state and local sales and use taxes imposed by state law,
96 including without limitation, Chapter 151 of the Texas Tax Code, as amended.

97 PARAGRAPH 1.05-PARAGRAPH 1.06. The “TERM” of this Agreement will commence
98 on the Effective Date and continue in effect until its expiration on -the 31st day of December, 2029-2030,
99 unless sooner terminated as provided in this Agreement, except that the Company’s obligation to submit in
100 calendar year 2030-2031 a Compliance Certificate (as defined in Paragraph 6.02. hereof) for calendar year
101 2029-2030 and the City’s obligation, if any, to complete the Grant Payments (as defined in Sub-paragraph
102 3.02. (E). hereof) due under this Agreement for calendar year 2029-2030 shall survive termination of this
103 Agreement and will-shall continue until satisfied, subject to the limitations of this Agreement.

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ARTICLE II.

OBLIGATIONS OF THE COMPANY

PARAGRAPH 2.01. The Company will operate, maintain and manage the Business on the Land under a franchise agreement with Marriott International, Inc. (“MARRIOTT”) as a Fairfield Inn & Suites or an equivalent alternative brand with features and amenities the same as or substantially similar to those provided by Fairfield Inn & Suites (the “ALTERNATIVE BRAND”); and such Alternative Brand shall be subject to the prior written approval of the City and the CEDC, and Suites during the Term, a copy of which is shown in Exhibit “A.1.”, attached to this Agreement and made a part of this Agreement for all purposes, or a hotel franchisor of comparable quality upon written approval of the CEDC.

PARAGRAPH 2.02. The Company has obtained a Texas Direct Payment Permit from the Texas Comptroller of Public Accounts (the “TEXAS DIRECT PAYMENT PERMIT”), a copy of which is attached hereto and incorporated herein as Exhibit “A.2.”, for the purpose of permitting the Company to accrue and to pay all sales and use taxes directly to the Texas Comptroller of Public Accounts. During the Term, the Company agrees that it shall keep in effect at all times its Texas Direct Payment Permit and it also understands that failure to maintain the Texas Direct Payment Permit shall be considered a default hereunder. FAILURE TO MEET THE OBLIGATIONS UNDER THIS PARAGRAPH 2.02. IS NOT SUSCEPTIBLE TO A CURE (AS DEFINED IN PARAGRAPH 8.03. HEREOF) AND SHALL RESULT IN AUTOMATIC FORFEITURE BY THE COMPANY OF THE RIGHT TO ANY GRANT PAYMENT FOR THE APPLICABLE CALENDAR YEAR DURING WHICH SUCH FAILURE OCCURS. THE CITY AND THE CEDC SHALL NOT BE LIABLE FOR RETROACTIVE PAYMENT OF SUCH FORFEITED GRANT PAYMENT.The Company will acquire a “TEXAS DIRECT PAYMENT PERMIT”, which is that permit issued by the State of Texas authorizing the Company to self assess and pay applicable state and local sales and use taxes directly to the State of Texas related to selected portions of the Company’s taxable purchases. Such taxable purchases will

130 ~~be limited to the addition of Personal Property on the Land. The Company shall acquire the Texas Direct~~
131 ~~Payment Permit from the Texas Comptroller of Public Accounts before building permits for construction~~
132 ~~of the Building Improvements on the Land are issued by the City. The Company will provide the City with~~
133 ~~a true and correct copy of the Texas Direct Payment Permit, a copy of which will be shown in Exhibit~~
134 ~~“A.2.”, attached to this Agreement and made a part of this Agreement for all purposes. The Company will~~
135 ~~maintain its Texas Direct Payment Permit for the duration of the Term. The Company will be responsible~~
136 ~~for completion and submittal of the Texas Direct Payment Permit Application, together with all other~~
137 ~~information that the Texas Comptroller of Public Accounts may request. Failure to meet this obligation is~~
138 ~~not susceptible to a cure (as hereinafter defined), and will result in automatic forfeiture by the Company of~~
139 ~~the right to any refund of sales and use tax revenues for the applicable calendar year during which such~~
140 ~~failure occurs. The City will not be deemed liable for retroactive payment for such forfeited refund.~~

141 **PARAGRAPH 2.03.** The Company shall cause the Building Improvements to be constructed on
142 the Land in accordance with the specifications set forth in Exhibit “A.3.”, a copy of which is attached hereto
143 and incorporated herein and in accordance with all terms of this Agreement, including without limitation,
144 this Paragraph 2.03. The Company shall commence construction (or cause the construction) of the Building
145 Improvements to be commenced on or before the 1ST day of JANUARY, 2020, and all such construction
146 shall be completed on or before the 31ST day of AUGUST, 2021. Completion of the Building Improvements
147 shall be deemed to have occurred on the date that the City issues a certificate of occupancy for the Building
148 Improvements in accordance with applicable City regulations and ordinances. In addition, the Company
149 agrees that the incentives offered in this Agreement are being offered as a result of the common interest of
150 the Parties to have high quality architectural design and construction of the Building Improvements. The
151 Company agrees and asserts that it is committed to providing a high quality of architectural design for
152 construction of the Building Improvements. The Company agrees to comply with the following minimum
153 requirements for the architectural design and construction of the Building Improvements:~~The Company~~
154 ~~will ensure that construction of the Building Improvements on the Land will be of an elevated quality and~~
155 ~~provide a market presence for the Business on the Land. The construction will be in substantial accordance~~

156 with the specifications in this Paragraph 2.03, and shown in Exhibit "A.3.", attached to this Agreement and
157 made a part of this Agreement for all purposes. To that end:

158 (A). The following primary building materials, with the exception of materials
159 used for all openings for doors and windows and architectural features such as cornices, shall be limited to
160 the following:~~The exterior walls of all construction, with the exception of openings for doors and windows~~
161 ~~and architectural features such as cornices, will be limited to:~~

- 162 (1). Fired brick.
- 163 (2). Granite.
- 164 (3). Manufactured stone.
- 165 (4). Marble.
- 166 (5). Natural stone.

167 (B). ~~The~~All outdoor fire pits, if any, will be constructed of stone.

168 (C). The conference center will have openings for windows.

169 (D). The conference center will overlook amenity features and / or natural areas
170 to the extent reasonably possible.

171 (E). The conference center will consist of two (2) rooms, a board room and a
172 meeting room. The board room will have the capacity to accommodate a minimum of ~~at least~~ ten (10)
173 occupants and shall comply in accordance with all applicable state and federal regulations and City
174 ordinances, and the meeting room will have the capacity to accommodate a minimum of ~~at least~~ 80
175 occupants in accordance and shall comply with all applicable state and federal regulations and City
176 ordinances. An accordion wall may separate the board room from the meeting room in accordance with all
177 applicable City ordinances. The minimum area allocated to the board room and the meeting room will be
178 as follows:

- 179 (1). **BOARD ROOM** — 350 square feet.
- 180 (2). **MEETING ROOM** — 1,350 square feet.

181 (F). The conference center ~~will~~ shall be equipped with ~~have~~ state-of-the-art
182 audio and visual systems which shall be properly maintained in working order, standard interior finishes of
183 high quality, high speed internet access, projectors, televisions, tables, chairs, podiums and other related
184 furnishings.

185 **PARAGRAPH 2.04.** The Company will ensure that construction of the Building Improvements
186 on the Land will conform to all applicable ordinances and laws.

187 **PARAGRAPH 2.05.** The Company will ensure that as of the 1ST day of JANUARY, 2022, the
188 minimum cumulative assessed value of the Land and the Building Improvements is at least \$10,000,000.00
189 (the “MINIMUM ASSESSED VALUE”) as established by the Denton County Appraisal District, and it
190 shall maintain such assessed value for the duration of the Term. However, the Parties acknowledge and
191 agree that due to changes in economic and market conditions, the Minimum Assessed Value may increase
192 or decrease during the Term. If, at any time after the 1ST day of JANUARY, 2023, through the end of the
193 Term, that the total value of all real property in the City increases or decreases by a ten (10) percent or more
194 deviation as established by the Denton County Appraisal District for any tax year, the Minimum Assessed
195 Value for that tax year shall be automatically increased or decreased by the same ten (10) percent or more
196 deviation. Notwithstanding the foregoing, the Company will have the right to protest the assessed value of
197 the Land and the Building Improvements established by the Denton County Appraisal District provided
198 that such protest shall not result in an assessed value that is less than the Minimum Assessed Value required
199 by this Paragraph 2.05. FAILURE TO MEET THE OBLIGATION IS NOT SUSCEPTIBLE TO A
200 CURE AND SHALL RESULT IN AUTOMATIC FORFEITURE BY THE COMPANY OF THE
201 RIGHT TO ANY GRANT PAYMENT FOR THE APPLICABLE CALENDAR YEAR DURING
202 WHICH SUCH FAILURE OCCURS. THE CITY AND THE CEDC SHALL NOT BE LIABLE FOR
203 RETROACTIVE PAYMENT OF SUCH FORFEITED GRANT PAYMENT.~~The Company will~~
204 ~~ensure that as of January 1, 2021 the assessed value of the Land is at least \$1,200,000.00 and the assessed~~
205 ~~value of the completed Building Improvements on the Land is at least \$8,800,000.00 as determined by the~~
206 ~~Denton County Appraisal District. Collectively, the assessed value of the Land and the assessed value of~~

207 ~~the completed Building Improvements on the Land will be at least \$10,000,000.00 (the “MINIMUM~~
208 ~~ASSESSED VALUE”). The Company will maintain such Minimum Assessed Value for the duration of~~
209 ~~the Term, except as otherwise provided in this Paragraph 2.05. For purposes of this Agreement, the~~
210 ~~Minimum Assessed Value does not include the assessed value of any addition of Personal Property on the~~
211 ~~Land as determined by the Denton County Appraisal District. It is acknowledged and agreed between the~~
212 ~~Parties that the Company will have the right to protest the assessed value, as determine by the Denton~~
213 ~~County Appraisal District, of the Land and/or the completed Building Improvements on the Land during~~
214 ~~the Term, but under no circumstances will the Company protest the value of the Land and/or the completed~~
215 ~~Building Improvements on the Land at an amount less than the Minimum Assessed Value. It is~~
216 ~~acknowledged and agreed between the Parties that the assessed value of the Land and/or the completed~~
217 ~~Building Improvements on the Land as determined by the Denton County Appraisal District may change~~
218 ~~during the Term. Accordingly, the Minimum Assessed Value may be adjusted in any given tax year during~~
219 ~~calendar years 2022 through 2029 as provided herein. In the event the total assessed value of all property~~
220 ~~within the corporate limits of the City decreases from the preceding tax year by ten (10) percent or more,~~
221 ~~as determined by the Denton County Appraisal District, the Minimum Assessed Value will be decreased~~
222 ~~commensurate with the percentage decrease in the total assessed value of property within the corporate~~
223 ~~limits of the City for that tax year. In the event the total assessed value of all property within the corporate~~
224 ~~limits of the City increases from the preceding tax year by ten (10) percent or more, as determined by the~~
225 ~~Denton County Appraisal District, the Minimum Assessed Value will be increased commensurate with the~~
226 ~~percentage increase in the total assessed value of property within the corporate limits of the City for that~~
227 ~~tax year. Failure to meet this obligation is not susceptible to a cure, and will result in automatic forfeiture~~
228 ~~by the Company of the right to any refunds of sales and use tax revenues and/or hotel occupancy taxes for~~
229 ~~the applicable calendar year during which such failure occurs. The City will not be deemed liable for~~
230 ~~retroactive payment for such forfeited refunds.~~

231 **PARAGRAPH 2.06.** On or before the 31ST day of JANUARY, 2022, the Company will
232 continuously employ a minimum of 22 persons in Jobs (the “MINIMUM JOBS REQUIREMENT”), and

233 it shall maintain such Jobs during the Term. While the titles, the personnel or the classification of such Jobs
234 may change, the Minimum Jobs Requirement shall be continuously maintained through the end of the Term.
235 The Company agrees that it will maintain, and shall use its best efforts to enforce, employment policies that
236 prohibit discrimination from occurring in the hiring and employment of persons in Jobs on the basis of race,
237 creed, color, national origin, sex or disability or other characteristics for which protection is available under
238 applicable local, state and federal anti-discrimination laws. The Company shall also report to the City in its
239 annual Compliance Certificate any judicial or administrative agency determinations if the Company has
240 violated any such anti-discrimination laws in relation to persons applying for or employed in Jobs for the
241 applicable reporting period.~~The Company will hire at least 22 persons in Jobs, on or before the 31st day of~~
242 ~~January, 2021, and will maintain such level of employment (the “MINIMUM JOBS REQUIREMENT”)~~
243 ~~for the duration of the Term. The Company will ensure that there will be no unlawful discrimination in~~
244 ~~employment on the basis of race, creed, color, national origin, sex or disability or violations of any other~~
245 ~~applicable anti-discrimination laws in connection with the Business on the Land.~~

246 **PARAGRAPH 2.07.** The Company will endeavor to recruit and hire residents of the City and
247 the surrounding communities for its Jobs with commercially reasonable diligence. At the reasonable request
248 of the City, the Company will provide documentation of its efforts to comply with this Paragraph 2.07. to
249 the City.

250 **PARAGRAPH 2.08.** The Company will commence operation of the Business on the Land on or
251 before the 1ST day of **OCTOBER, 2020-2021**, and will continuously operate, maintain and manage the
252 Business for the duration of the Term.

253 **PARAGRAPH 2.09.** The Company will advertise and market the Business on the Land as being
254 geographically located in “CORINTH” or the “CITY OF CORINTH” in all advertising and marketing
255 materials rather than any other proper geographic name with commercially reasonable diligence.

256 **PARAGRAPH 2.10.** From the date that the Company commences operation of the Business on
257 the Land in Paragraph 2.08. above, the Company will provide at the City’s or the CEDC’s request, and at
258 no rental cost or expense to the City or the CEDC, access to the conference center for the duration of the

259 Term. Such access will be limited to four (4) times per month for the City, and four (4) times per month for
260 the CEDC, and is subject to availability on the dates requested by the City and the CEDC.

261 **PARAGRAPH 2.11.** From the date the Company commences operation of the Business on the
262 Land in Paragraph 2.08. above, the Company will provide space for the display and dissemination of City
263 tourist information for the duration of the Term.

264 **PARAGRAPH 2.12.** From the date that the Company commences operation of the Business on
265 the Land as provided in Paragraph 2.08. above, the Company will provide at the City's or the CEDC's
266 request, and at a corporate rate to the City and the CEDC, up to four (4) room nights per month for public
267 purposes and economic development use as designated by the City or the CEDC subject to room availability
268 on the nights requested by the City or the CEDC for the duration of the Term. The Company will upgrade
269 the rooms provided under this Paragraph 2.11. to king suites to the extent that king suite space is available.

270 **PARAGRAPH 2.13.** During the Term, the Company shall reinvest all refunded hotel occupancy
271 tax revenues directly for the benefit of the conference center and related purposes as permitted in accordance
272 with Chapter 351 of the Texas Tax Code, as amended. Such reinvestment shall be in an amount not less
273 than the City's total share of the hotel occupancy tax revenues generated from the operation of the Business.
274 The Company shall, with submittal of its annual Compliance Certificate, include financial records in a form
275 that is satisfactory to the City Manager of the City verifying and providing evidence of the expenditure of
276 such hotel occupancy tax revenues directly for the benefit of the conference center and related purposes
277 permitted in accordance with Chapter 351 of the Texas Tax Code, as amended.~~During the Term, the~~
278 ~~Company will use the refunded hotel occupancy taxes in accordance with the terms of this Agreement for~~
279 ~~purposes authorized by Chapter 351 of the Texas Tax Code, in an amount not less than the full amount of~~
280 ~~the refunded hotel occupancy taxes. The Company will, with submittal of its annual Compliance Certificate~~
281 ~~(as hereinafter defined) to the City Manager of the City, submit financial records satisfactory to the City~~
282 ~~Manager of the City verifying the expenditures of the refunded hotel occupancy taxes for purposes~~
283 ~~authorized by Chapter 351 of the Texas Tax Code.~~

284 **PARAGRAPH 2.14.** In performing its obligations under this Article, the Company will comply
285 with all applicable ordinances and laws.

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287

ARTICLE III.

288

ECONOMIC DEVELOPMENT INCENTIVE PROVIDED BY THE CITY AND THE CEDC

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290 **PARAGRAPH 3.01.** Subject to the requirements and limitations of this Article, other terms and
291 conditions of this Agreement and the Company’s compliance with this Agreement, the City and the CEDC
292 ~~agree agrees~~ to refund the Company amounts in the manner set forth in this Article.

293 **PARAGRAPH 3.02.** As consideration for the Company’s performance of its obligations under
294 this Agreement:

295 (A). The City and the CEDC will refund the Company amounts equal to 100
296 percent of the City’s and the CEDC’s share of sales and use tax revenues attributable to the addition of new
297 Personal Property on the Land collected by the Texas Comptroller of Public Accounts and paid to and
298 actually received by the City and the CEDC in accordance with the terms and limitations of this Article
299 ~~(collectively for purposes of this Article, the “City”). It is understood and agreed by the Parties that the~~
300 City’s share of sales and use tax revenues attributable to the addition of new Personal Property on the Land
301 excludes all sales and use tax revenues collected by the Texas Comptroller of Public Accounts for payment
302 to the Street Maintenance Sales Tax Fund, to the Crime Control and Prevention District Sales Tax Fund or
303 to any other special purpose sales tax in effect or later adopted by the City. Said sales and use tax revenues
304 shall be collected under a Texas Direct Payment Permit, and the Company will provide the City and the
305 CEDC with information in a form satisfactory to the City as determined necessary by the City to evidence
306 and verify all the sales and use taxes paid directly to the Texas Comptroller of Public Accounts under the
307 Company’s Texas Direct Payment Permit. Said sales and use tax revenues will be collected under a Texas
308 Direct Payment Permit, and the Company will provide all use tax certificates for the applicable calendar
309 year for which a refund of sales and use taxes is to be made under this Sub-paragraph 3.02. (A). The

310 ~~Company will provide such additional documentation as may be reasonably requested by City to evidence,~~
311 ~~support and establish the sales and use taxes paid directly to the State of Texas pursuant to the Company's~~
312 ~~Texas Direct Payment Permit.~~

313 (B). The City will refund the Company amounts equal to 75 percent of the City's share
314 of hotel occupancy tax revenues generated from the operation of the Business on the Land ~~that are paid to~~
315 ~~and actually received by the City.~~

316 (C). In the event the Company does not generate sales and use tax revenues
317 that are attributable to the addition of new Personal Property on the Land for any applicable calendar year,
318 the Company will still be entitled to receive the refund of any amounts of hotel occupancy tax revenues
319 provided under Sub-paragraph 3.02. (B). above provided that Company is otherwise in compliance with all
320 of the terms of this Agreement.

321 (D). In the event the Company does not generate hotel occupancy taxes from
322 the operation of the Business on the Land for any applicable calendar year, the Company will still be entitled
323 to the refund of any amounts of sales and use tax revenues provided under Sub-paragraph 3.02. (A) provided
324 that Company is otherwise in compliance with all of the terms of this Agreement.

325 (E). The refunds of sales and use tax and hotel occupancy tax revenues under
326 this Sub-paragraph 3.02. (A) and (B) will be collectively referred to as the "GRANT PAYMENTS".

327 **PARAGRAPH 3.03.** The City ~~and the CEDC~~ will make Grant Payments to the Company for a
328 period of up to ten (10) calendar years, commencing in calendar year ~~2019-2020~~ and ending in calendar
329 year ~~2029-2030~~ provided that the Company is in compliance with all of the terms of this Agreement. Any
330 sales and use tax revenues ~~and hotel occupancy taxes~~ generated in calendar year ~~2018-2019~~ will be included
331 in the Grant Payments for calendar year ~~2019-2020~~.

332 **PARAGRAPH 3.04.** Grant Payments properly due to the Company will be made by the City
333 and the CEDC on or before **MARCH 31** of the calendar year immediately following the calendar year in
334 which sales and use tax ~~revenues~~ and hotel occupancy tax revenues upon which the total Grant Payment
335 amount is based are generated. For example, any sales and use tax revenues ~~and hotel occupancy taxes~~

336 collected by the Texas Comptroller of Public Accounts and received by the City and the CEDC and hotel
337 occupancy tax revenues collected by the City in calendar year 2020 will be paid by the City and the CEDC
338 to the Company on or before March 31, 2021. Notwithstanding the foregoing and in addition to those
339 circumstances under other provisions of this Agreement which relieve the City and the CEDC from their
340 obligations to make payment to Company, the City and the CEDC will not be required to make a Grant
341 Payment during any applicable calendar year unless and until:

342 (A). The sales and use tax revenues for the preceding calendar year are received
343 by the City and the CEDC from the Texas Comptroller of Public Accounts and provided such sales and use
344 tax revenues generated from the addition of new Personal Property on the Land are collected under a Texas
345 Direct Payment Permit issued by the Texas Comptroller of Public Accounts to the Company;

346 (B). The hotel occupancy tax revenues for the preceding calendar year are
347 ~~received-collected~~ by the City ~~from the Texas Comptroller of Public Accounts~~;

348 (C). The ad valorem taxes for the preceding calendar year are received by the
349 City from the Denton County Tax Assessor ----Collector;

350 (D). The funds are appropriated by the Corinth City Council and the CEDC for
351 the specific purpose of making a Grant Payment under this Agreement as part of the City's and the CEDC's
352 ordinary budget and appropriations approval process; **AND**

353 (E). The Company has submitted a Compliance Certificate together with all
354 information that the City and the CEDC may request to verify the Company's compliance with the terms
355 of required under this Agreement, ~~that is necessary to verify its compliance with the Agreement and the~~
356 ~~City determines that the Company is in compliance with the Agreement.~~

357

358 ARTICLE IV.

359 **ADDITIONAL ECONOMIC DEVELOPMENT INCENTIVE PROVIDED BY THE CEDC**

360

387 own real property in the State of Texas. The activities that the Company proposes to carry on at the Land
388 may lawfully be conducted by the Company.

389 **PARAGRAPH 5.02.** The execution, delivery and performance by the Company of this
390 Agreement are within the Company’s powers and have been duly authorized ~~as shown in Exhibits “A.4.”~~
391 ~~and “A.5.”, attached to this Agreement and made a part of this Agreement for all purposes.~~

392 **PARAGRAPH 5.03.** This Agreement is the legal, valid and binding obligation of the Company,
393 and is enforceable against the Company in accordance with its terms except as limited by applicable relief,
394 liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, reorganization or similar
395 laws affecting the rights or remedies of creditors generally, as in effect from time to time.

396 **PARAGRAPH 5.04.** The Company is not in violation or default in the performance, observance
397 or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument
398 to which they are parties or by which they or any of their property is bound that would have any material
399 adverse effect on the Company’s ability to perform under this Agreement.

400 **PARAGRAPH 5.05.** Neither this Agreement nor any schedule or Exhibit attached hereto in
401 connection with the negotiation of this Agreement contains any untrue statement of a material fact or omits
402 to state any material fact necessary to keep the statements contained herein or therein, in the light of the
403 circumstances in which they were made, from being misleading.

404

405

ARTICLE VI.

406

INFORMATION

407

408 **PARAGRAPH 6.01.** The Company will, at such times and in such form as the City may request
409 from the Company, provide information concerning the performance of the Company’s obligations under
410 this Agreement.

411 **PARAGRAPH 6.02.** Commencing in the calendar year ~~2020~~2021 and continuing each calendar
412 year thereafter for the duration of the Term, the Company will submit to the City Manager of the City, on

413 or before **JANUARY 31**, a certified statement in a form acceptable to the City Manager of the City, and
414 signed by an authorized officer of the Company, providing all of the following information (the
415 “**COMPLIANCE CERTIFICATE**”):

416 (A). A statement that it is in full compliance with the Minimum Jobs
417 Requirement, with such statement detailing an employee roster of all persons employed by the Business on
418 the Land, ~~the wages earned per hour~~, the hours of employment per week, the job titles and the total number
419 of persons hired and employed in the preceding calendar year and cumulatively since commencing
420 operation of the Business on the Land as provided in Paragraph 2.08. above;

421 (B). A copy of all invoices and related documentation verifying the Company’s
422 expenditure of refunded hotel occupancy tax revenues as permitted in accordance with applicable state law;
423 **AND**

424 (C). A statement that it is in full compliance with its obligations under this
425 Agreement or, if not in full compliance, a statement disclosing the nature of any non-compliance and
426 reasons therefor.

427 After timely receipt of the Compliance Certificate from the Company, the City Manager of the City
428 will have 30 calendar days to notify the Company in writing of any questions related to the Compliance
429 Certificate and the Business that the City may have concerning any of the information provided by the
430 Company, and the Company will diligently work in good faith to respond to such questions to the reasonable
431 satisfaction of the City.

432 **PARAGRAPH 6.03.** The Company agrees that authorized employees of the City will have the
433 right to access and review the business records of the Company that relate to the Company’s compliance
434 with the terms and conditions of this Agreement at any reasonable time and upon at least seven (7) calendar
435 days’ prior notice to the Company in order to determine compliance with this Agreement. Said authorized
436 employees of the City will be accompanied by authorized officers or employees of the Company when
437 accessing and reviewing the business records. At all times until the expiration of this Agreement, authorized
438 employees of the City will have access to the Building Improvements and the Business on the Land for the

439 purpose of inspecting them to ensure that the Building Improvements on the Land are constructed, installed,
440 maintained and used in accordance with the terms and conditions of this Agreement.

441 **PARAGRAPH 6.04.** Subject to the requirements of the Texas Public Information Act (Chapter
442 552 of the Texas Government Code), or order of a court of competent jurisdiction, the Company may be
443 required to disclose or make available to the City or the CEDC any information relating to this Agreement.
444 The Company agrees to cooperate with the City and the CEDC in response to any request for information
445 under the Texas Public Information Act or court order. The City and the CEDC will endeavor to provide
446 the Company with advance written notice of any such request for information or court order so that the
447 Company may seek any relief to which the Company believes that it is entitled. The City's and the CEDC's
448 obligations under this ~~Article Paragraph 6.04.~~ do not impose a duty upon the City or the CEDC to challenge
449 any court order or ruling of the Texas Attorney General to release information in response to a specific
450 request for information under the Texas Public Information Act.

451

452 ARTICLE VII.

453 **PERSONAL LIABILITY OF PUBLIC OFFICIALS AND LIMITATIONS ON THE CITY'S AND**
454 **THE CEDC'S OBLIGATIONS**

455

456 **PARAGRAPH 7.01.** No official or employee of the City or the CEDC will be personally
457 responsible for any liability arising under or growing out of this Agreement.

458 **PARAGRAPH 7.02.** The Grant Payments made, and any other financial obligation of the City
459 and the CEDC hereunder will be paid solely from lawfully available funds that have been budgeted and
460 appropriated each applicable ~~fiscal year~~ Fiscal Year (as defined below) during the Term by the City and the
461 CEDC as provided in this Agreement. Under no circumstances will the City's or the CEDC's obligations
462 hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision.
463 Consequently, notwithstanding any other provision of this Agreement, the City and the CEDC will have no
464 obligation or liability to pay any Grant Payments or other payments unless the City and the CEDC budgets

465 and appropriate funds to make such payments during the ~~fiscal year~~ Fiscal Year in which such Grant
466 Payments or other payments are payable under this Agreement. If the City or the CEDC fails to budget and
467 appropriate funds to make any Grant Payments, then it will immediately notify the Company of such non-
468 appropriation and the Company may elect, at its sole discretion and option, to terminate this Agreement,
469 effective upon written notice to the City and the CEDC. For purposes of this Agreement, the “FISCAL
470 YEAR” means the fiscal year of the City and the CEDC, commencing on **OCTOBER 1**, and ending on
471 **SEPTEMBER 30**.

472 **PARAGRAPH 7.03. EXCEPT FOR THE RIGHT TO TERMINATE AS PROVIDED IN**
473 **PARAGRAPH 7.02. ABOVE, THE COMPANY WILL HAVE NO OTHER RECOURSE AGAINST**
474 **THE CITY OR THE CEDC FOR THE CITY’S OR THE CEDC’S FAILURE TO BUDGET AND**
475 **APPROPRIATE FUNDS DURING ANY FISCAL YEAR TO MEET THE PURPOSES OF AND**
476 **SATISFY ITS OBLIGATIONS UNDER THIS AGREEMENT.**

477 ~~**PARAGRAPH 7.04. Indemnification. THE COMPANY HEREBY AGREES TO DEFEND,**~~
478 ~~**INDEMNIFY AND FOREVER HOLD THE CITY’S OFFICERS, AGENTS AND EMPLOYEES**~~
479 ~~**(COLLECTIVELY FOR PURPOSES OF THIS ARTICLE, THE “CITY”) HARMLESS FROM**~~
480 ~~**AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS, LAWSUITS,**~~
481 ~~**JUDGMENTS, ATTORNEY FEES, COSTS, EXPENSES AND DEMANDS BY THE STATE OF**~~
482 ~~**TEXAS THAT THE CITY HAS BEEN PAID ERRONEOUSLY, OVER-PAID OR INCORRECTLY**~~
483 ~~**ALLOCATED HOTEL OCCUPANCY TAXES OR SALES AND USE TAXES ATTRIBUTED TO**~~
484 ~~**THE SALE OF TAXABLE ITEMS BY THE COMPANY CONSUMMATED AT THE LAND FOR**~~
485 ~~**ANY SALES TAX REPORTING PERIOD DURING THE TERM OF THIS AGREEMENT**~~
486 ~~**(“CLAIM”). IT BEING THE INTENTION OF THE PARTIES THAT THE COMPANY SHALL**~~
487 ~~**BE RESPONSIBLE FOR THE REPAYMENT OF HOTEL OCCUPANCY TAXES AND SALES**~~
488 ~~**AND USE TAXES REFUNDED TO THE COMPANY HEREIN BY THE CITY THAT INCLUDES**~~
489 ~~**HOTEL OCCUPANCY TAX RECEIPTS AND SALES AND USE TAX RECEIPTS THAT THE**~~
490 ~~**STATE OF TEXAS HAS DETERMINED WERE ERRONEOUSLY PAID, COLLECTED,**~~

491 ~~DISTRIBUTED OR ALLOCATED TO THE CITY. THE INDEMNIFICATION PROVIDED~~
492 ~~HEREIN SHALL NOT APPLY TO ANY LIABILITY RESULTING SOLELY FROM THE~~
493 ~~ACTIONS OR NEGLIGENCE OF THE CITY.~~

494
495 ARTICLE VIII.

496 **DEFAULT, TERMINATION AND REMEDIES**

497
498 **PARAGRAPH 8.01.** The Parties acknowledge and agree that this Agreement will automatically
499 terminate, and the Parties herein will be relieved of all of their obligations and rights set forth herein if the
500 Company fails to operate the Business on the Land as Fairfield Inn & Suites or a different brand with the
501 prior written consent of the City and the CEDC as provided in Paragraph 2.01. above.~~in the event the~~
502 ~~Company fails to maintain its franchise agreement with Marriott International, Inc. or a hotel franchisor of~~
503 ~~comparable quality approved in writing by the CEDC as provided in Paragraph 2.01. above.~~

504 **PARAGRAPH 8.02.** ~~In the event~~ If this Agreement is terminated under Paragraph 8.01. above,
505 the Company will repay to the City and the CEDC the full amount of all Grant Payments made, and it will
506 repay to the CEDC the full amount of the Reimbursement Amount within 60 calendar days. ~~To ensure such~~
507 ~~payment is timely, the~~ The City and the CEDC will be entitled to record a lien against the Land to secure
508 the full amounts of the Grant Payments and the Reimbursement Amount if this payment is not timely made.

509 **PARAGRAPH 8.03.** Except as otherwise provided herein, at any time during the Term of this
510 Agreement that the Company is not in compliance with its obligations under this Agreement, the City may
511 send written notice of such non-compliance to the Company. If such non-compliance is not cured within
512 30 calendar days after the Company's receipt of such written notice or, if non-compliance is not reasonably
513 susceptible to cure within 30 calendar days and a cure is not begun within such 30-day period and thereafter,
514 continuously and diligently pursued to completion on a schedule to be approved by the City (in either event,
515 a "**CURE PERIOD**"), then the City and the CEDC may, at ~~its~~ their sole discretion and option, terminate
516 this Agreement. The Term will not be extended as a result of any ~~cure period~~ Cure Period agreed to by the

517 City under this Paragraph 8.03. For purposes of this Agreement, a “CURE” or “CURED” means the
518 correction or elimination of any breach(es), default(s) or violation(s) of the terms and conditions of this
519 Agreement.

520 **PARAGRAPH 8.04.** Upon breach of any obligation under this Agreement by the Company, in
521 addition to any other remedies expressly set forth in this Agreement with respect to such breach, the City
522 and / or the CEDC may pursue such remedies as are available at law or in equity for breach of contract.
523 Similarly, with regard to violations of applicable ordinances of the City, the City may seek such relief as is
524 available for violation of so such ordinances, including fines and injunctive relief.

525 **PARAGRAPH 8.05.** ~~The~~ As permitted by applicable state law, the City may deduct from any
526 Grant Payments due to the Company, as an offset, any delinquent and unpaid fees, sums of money or other
527 fees, charges or taxes assessed and owed to or for the benefit of the City.

528 **PARAGRAPH 8.06.** A “FORCE MAJEURE EVENT” means an event beyond the reasonable
529 control of a Party obligated to perform an act or take some action under this Agreement including, but not
530 limited to, any acts of God; earthquake; fire; explosion; war; civil insurrection; acts of the public enemy;
531 act of civil or military authority; sabotage; terrorism; floods; lightning; hurricanes; tornadoes; severe snow
532 storms or utility disruption; strikes; lockouts; or major equipment failure or the failure of any major supplier
533 to perform its obligations. A Force Majeure Event pauses a Party’s performance obligation for the duration
534 of the event, but does not excuse it. A Party will not be deemed to be in default or otherwise in violation of
535 any term or condition of this Agreement to the extent such Party’s action, inaction or omission is the result
536 of a Force Majeure Event. If a ~~force majeure event~~ Force Majeure Event occurs and such event prevents a
537 Party from fulfilling its obligations hereunder, the applicable time period for performing such obligations
538 will only be extended by the period of delay resulting from the Force Majeure Event. The Parties agree to
539 use commercially reasonable diligence in order to promptly resolve any Force Majeure Event that adversely
540 and materially impacts their performance under this Agreement.

541 **PARAGRAPH 8.07.** THE CITY AND THE CEDC SHALL NOT BE OBLIGATED TO
542 PAY ANY INDEBTEDNESS OR OBLIGATIONS OF THE COMPANY. THE COMPANY

543 HEREBY AGREES TO DEFEND, INDEMNIFY, RELEASE AND HOLD THE CITY AND THE
544 CEDC, AND THE CITY'S AND THE CEDC'S RESPECTIVE OFFICERS AND EMPLOYEES,
545 HARMLESS FROM AND AGAINST: (I) ANY INDEBTEDNESS OR OBLIGATIONS OF THE
546 COMPANY; (II) ANY OTHER LOSS, CLAIM, DEMAND, LAWSUIT, LIABILITY OR
547 DAMAGES ARISING FROM THE NEGLIGENCE OR INTENTIONAL MISCONDUCT OF THE
548 COMPANY IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER THIS AGREEMENT;
549 OR (III) BREACH OF ANY REPRESENTATION, WARRANTY, COVENANT OR AGREEMENT
550 OF THE COMPANY CONTAINED IN THIS AGREEMENT, WITHOUT REGARD TO ANY
551 NOTICE OR CURE PROVISIONS. THE COMPANY'S INDEMNIFICATION OBLIGATION
552 HEREUNDER SHALL INCLUDE PAYMENT OF THE CITY'S AND THE CEDC'S
553 REASONABLE ATTORNEYS' FEES, COSTS AND EXPENSES WITH RESPECT
554 THERE TO. THE CITY AND THE CEDC WILL NOT BE OBLIGATED TO PAY ANY
555 INDEBTEDNESS OR OBLIGATION OF THE COMPANY, EXCEPT TO THE EXTENT OF THE
556 CITY'S OR THE CEDC'S PROPORTIONAL RESPONSIBILITY ARISING BECAUSE THE
557 CITY OR THE CEDC IS NEGLIGENT OR ENGAGED IN ANY MISCONDUCT OR CRIMINAL
558 ACTIVITY, THE COMPANY HEREBY AGREES TO DEFEND, INDEMNIFY AND FOREVER
559 HOLD THE CITY AND THE CEDC, AND THEIR OFFICIALS AND EMPLOYEES, HARMLESS
560 FROM ANY AND ALL LIABILITIES ARISING FROM CLAIMS CAUSED BY OR RESULTING
561 FROM THE COMPANY'S BREACH OF THIS AGREEMENT.

562 **PARAGRAPH 8.08.** The Company may terminate this Agreement at any time for convenience
563 with at least ten (10) calendar days' prior written notice.

564
565 ARTICLE IX.

566 **MISCELLANEOUS**

E-mail: ~~Jay@bwdallas.com~~Jay@nimbushospitality.com

PARAGRAPH 9.04. This Agreement will be construed under the laws of the State of Texas and the United States of America. This Agreement is performable in Denton County, Texas. Mandatory venue for any action under this Agreement will be in the state court of appropriate jurisdiction for the action in Denton County, Texas. Mandatory venue for any matters in federal court will be in the United States District Court for the Eastern District of Texas, Sherman Division.

PARAGRAPH 9.05. In the event any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective while this Agreement is in effect, such provision will be automatically deleted from this Agreement and the legality, validity and enforceability of the remaining provisions of this Agreement will not be affected thereby, and in lieu of such deleted provision, there will be added as part of this Agreement a provision that is legal, valid and enforceable and that is as similar as possible in terms and substance as possible to the deleted provision.

PARAGRAPH 9.06. The term “WILL” is mandatory in this Agreement.

PARAGRAPH 9.07. The Company agrees that the City will assume no liability or responsibility by approving plans, issuing permits or approvals or making inspections related to any matter arising under this Agreement.

PARAGRAPH 9.08. Nothing contained in this Agreement, and no action of the City under this Agreement, will constitute a waiver of any immunity of the City to suit or to liability or of any limitations on liability granted by law or the Texas Constitution.

PARAGRAPH 9.09. It is acknowledged and agreed between the Parties that the City, the CEDC and the Company, in executing this Agreement, and in performing their respective obligations, are acting independently, and not in any form of partnership or joint venture. **THE CITY AND THE CEDC WILL ASSUME NO RESPONSIBILITY OR LIABILITY TO ANY THIRD PARTIES IN CONNECTION WITH THIS AGREEMENT, AND THE COMPANY AGREES TO INDEMNIFY, DEFEND AND ~~FOREVER~~ HOLD THE CITY AND THE CEDC, AND THEIR OFFICERS, ~~AGENTS~~ AND EMPLOYEES, HARMLESS FROM ANY SUCH ~~RESPONSIBILITIES OR LIABILITIES.~~**

620 **PARAGRAPH 9.10.** This Agreement is for the exclusive benefit of the Parties and no third party
621 may claim any right, title or interest in any benefit arising under this Agreement. The Company may not
622 assign any of its rights, or delegate or sub-contract any of its duties under this Agreement, in whole or in
623 part, without the prior written consent of the City and the CEDC, except that: (i) the Company may assign
624 this Agreement to an affiliate with such assignment to be effective only upon receipt by the City and the
625 CEDC of written notice thereof, together with documentation establishing the relationship of the affiliate
626 to the Company to the satisfaction of the City and the CEDC; or (ii) the Company may assign this
627 Agreement in connection with the sale of all its interest in the Business on the Land, provided that the
628 Company will provide the City and the CEDC with at least 30 calendar days' written notice of such
629 assignment for the assignment to be effective. This Agreement will be binding on and inure to the benefit
630 of the Parties and their respective successors and assigns.

631 **PARAGRAPH 9.11.** No term or condition contained in this Agreement will be deemed to have
632 been waived, nor will there be any estoppel to enforce any provision of this Agreement, except by written
633 instrument of the Party charged with such waiver or estoppel.

634 **PARAGRAPH 9.12.** The Company agrees that ~~any—the~~ economic development incentive
635 involving the use of refunded hotel occupancy tax revenues will be expended in a manner directly enhancing
636 and promoting tourism and the convention and hotel industry, ~~and only as authorized under~~ in accordance
637 with the provisions of Chapter 351 of the Texas Tax Code. The Company acknowledges that while not
638 anticipated to occur, if it is found by a court of appropriate jurisdiction or other official administrative body
639 that the City does not have the legal authority to enter into this Agreement regarding the use of refunded
640 hotel occupancy tax revenues, that such determination will cause the economic development incentive
641 involving such use of refunded hotel occupancy tax revenues to immediately cease hereunder. The
642 termination of this economic development incentive will not affect any of the other terms and conditions
643 of this Agreement not related to the same.

644 **PARAGRAPH 9.13.** The following Exhibits are attached and made a part of this Agreement for
645 all purposes.

- 646 (A). EXHIBIT “A.1.” — ~~Marriott International, Inc. Franchise~~
647 ~~Agreement~~Survey of the Land.
- 648 (B). EXHIBIT “A.2.” — Texas Direct Payment Permit.
- 649 (C). EXHIBIT “A.3.” — Building Improvements.
- 650 (D). EXHIBIT “A.4.” — L.L.C. Certificate of Formation.
- 651 (E). EXHIBIT “A.5.” — L.L.C. Certificate of Resolution.

652 **PARAGRAPH 9.14.** The Company certifies that the Company does not and will not, during the
653 Term of this Agreement, knowingly employ an “**UNDOCUMENTED WORKER**” as such term is defined
654 by Section 2264.01(4) of the Texas Government Code. In accordance with Section 2264.052 of the Texas
655 Government Code, should the Company be convicted of a violation under 8 U.S.C. Section 1324a(f), then
656 the Company will repay to the City and the CEDC the full amount of the Grant Payments and to the CEDC
657 the full amount of the Reimbursement Amount under this Agreement, plus five (5) percent interest per
658 annum from the date the Grant Payment and the Reimbursement Amount were paid. Repayment will be
659 paid within 120 calendar days after the date the Company receives written notice of violation from the City,
660 which notice will not be given by the City until after such conviction is final and non-appealable.
661 Notwithstanding anything to the contrary contained in this Paragraph 9.14., the Company will not be
662 deemed in violation of this Paragraph 9.14. and will not be obligated to make such repayment of the Grant
663 Payments or the Reimbursement Amount in the event that a subsidiary, affiliate or person with whom the
664 Company contracts, such as a general contractor, is convicted of a violation under 8 U.S.C. Section
665 1324a(f).

666 **PARAGRAPH 9.15.** Pursuant to the requirements of Chapter 2270 of the Texas Government
667 Code, the Company verifies that it does not boycott Israel, and it will not boycott Israel during the Term of
668 the Agreement. Pursuant to Chapter 2252, Subchapter F of the Texas Government Code, the Company
669 affirms that it is not identified on a list created by the Texas Comptroller of Public Accounts as a company
670 known to have contracts with or provide supplies or services to a foreign terrorist organization.

671 **PARAGRAPH 9.16.** This Agreement may be executed in multiple counterparts, each of which
672 shall be considered an original, but all of which constitute one instrument, and facsimile or electronic (in
673 PDF) copies of this Agreement and facsimile or electronic (in PDF) signatures to this Agreement shall be
674 authorized and deemed effective.~~This Agreement may be executed in multiple counterparts, each of which~~
675 ~~will be considered an original, but all of which constitute but one instrument.~~

676

677 **EXECUTED** in duplicate originals to be effective as of the Effective Date.

678

679

[SIGNATURES ON NEXT PAGE]

680

681 **CITY OF CORINTH, TEXAS**

682

683 By: _____

City Manager

685

686 **CORINTH ECONOMIC DEVELOPMENT CORPORATION**

687

688 By: _____

President

690

691 **6Q HOSPITALITY, L.L.C.**

692

693 By: _____

[Name and Title]

694

EXHIBIT "A.1."

~~MARRIOTT INTERNATIONAL, INC. FRANCHISE AGREEMENT~~ SURVEY OF THE LAND

EXHIBIT "A.2."

TEXAS DIRECT PAYMENT PERMIT

EXHIBIT "A.3."

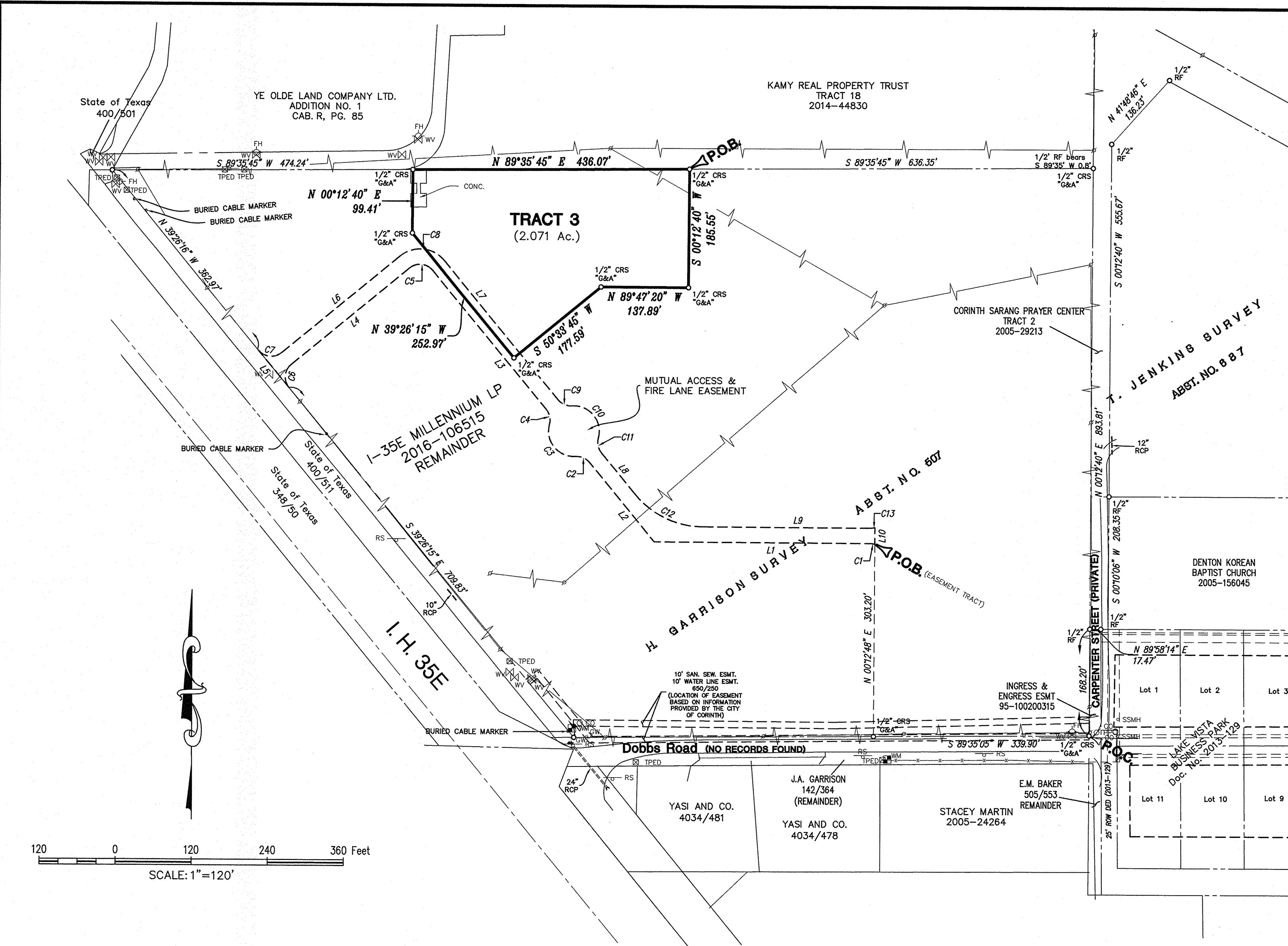
BUILDING IMPROVEMENTS

EXHIBIT "A.4."

L.L.C. CERTIFICATE OF FORMATION

EXHIBIT "A.5."

L.L.C. CERTIFICATE OF RESOLUTION



LEGAL DESCRIPTION
2.071 Acres

Being all that certain lot, tract or parcel of land situated in the H. Garrison Survey, City of Corinth, Denton County, Texas, being part of that certain called 24.601 acres tract of land described in deed to Donald L. Anderson and wife, Virginia L. Anderson recorded in Volume 562, Page 593, Deed Records, Denton County, Texas, the same being described in deed to I-35E Millennium, LP, recorded in Document No. 2016-06515, Official Records, Denton County, Texas, and being more particularly described as follows:

COMMENCING at a 1/2 inch rebar with a cap stamped "G&A CONSULTANTS" set at the southeast corner of said Millennium tract, and being in the north line of Dobbs Road (no record found), and in the west line of that certain tract of land described in deed to E.M. Baker, recorded in Volume 505, Page 553, Deed Records, Denton County, Texas;

THENCE N 00°12'40" E, with the west line of said Baker tract, and passing a 1/2 inch rebar found at the southwest corner of that certain tract of land described as Tract II in deed to Harvest Christian Ministries, Inc., recorded in Instrument No. 97-0015608, Real Property Records, Denton County, Texas, and continuing with said course a total distance of 893.81 feet to a 1/2 inch rebar with a cap stamped "G&A CONSULTANTS" set at the northeast corner of said Millennium tract, and being in the south line of that certain tract of land described in deed to C.R. Brown, recorded in Volume 255, Page 520, Deed Records, Denton County, Texas;

THENCE S 89°35'45" W, with the south line of said Brown tract, a distance of 636.35 feet to a 1/2 inch rebar with a cap stamped "G&A CONSULTANTS" set, and being the POINT OF BEGINNING;

THENCE S 00°12'40" W, 185.55 feet, to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE N 89°47'20" W, 137.89 feet, to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE S 50°33'45" W, 177.59 feet, to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE N 39°26'15" W, 252.97 feet, to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE N 00°12'40" E, 99.41 feet, to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set in the north line of said Millennium tract, and the south line of said Brown tract;

THENCE N 89°35'45" E, with the south line of said Brown tract, a distance of 436.07 feet, to the POINT OF BEGINNING and containing approximately 2.071 acres of land.

Legal Description
Mutual Access & Fire Lane Easement

Being all that certain tract or parcel of land situated in the H. Garrison Survey, City of Corinth, Denton County, Texas, being part of that certain called 24.601 acres tract of land described in deed to Donald L. Anderson and wife Virginia L. Anderson recorded in Volume 562, Page 593, Deed Records, Denton County, Texas, the same being described in deed to I-35E Millennium, LP, recorded in Document No. 2016-06515, Official Records, Denton County, Texas, and being more particularly described as follows:

COMMENCING at a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set at the southeast corner of said Millennium tract, and being in the north line of Dobbs Road (no record found), and in the west line of that certain tract of land described in deed to E.M. Baker, recorded in Volume 505, Page 553, Deed Records, Denton County, Texas;

THENCE S 89°35'05" W, with the north line of Dobbs Road, a distance of 339.89 feet, to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE N 00°12'40" E, 323.20 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set at the POINT OF BEGINNING;

THENCE northwesterly with a curve to the left having a radius of 26.00 feet, a central angle of 12°57'03", and an arc length of 5.88 feet, whose chord bears N 83°18'49" W, a distance of 5.88 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE N 89°47'20" W, 266.06 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE northwesterly with a curve to the right having a radius of 162.00 feet, a central angle of 50°21'06", and an arc length of 142.67 feet, whose chord bears N 64°36'47" W, a distance of 137.83 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE N 39°26'15" W, a distance of 84.35 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE northwesterly with a curve to the left having a radius of 26.00 feet, a central angle of 54°50'50", and an arc length of 24.89 feet whose chord bears N 66°51'40" W, with a distance of 24.89 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE northwesterly with a curve to the right having a radius of 40.00 feet, a central angle of 109°41'41", and an arc length of 76.58 feet whose chord bears N 39°26'15" W, a distance of 65.41 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE northwesterly with a curve to the left having a radius of 26.00 feet, a central angle of 54°50'50", and an arc length of 24.89 feet, whose chord bears N 00°12'40" W, a distance of 23.95 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE N 39°26'15" W, 282.87 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE northwesterly with a curve to the left having a radius of 26.00 feet, a central angle of 90°00'00", and an arc length of 40.84 feet, whose chord bears N 84°26'15" E, a distance of 36.77 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE S 50°33'45" W, a distance of 241.00 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE southwesterly with a curve to the left having a radius of 26.00 feet, a central angle of 90°00'00", and an arc length of 40.84 feet whose chord bears S 05°33'45" W, a distance of 36.77 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE N 39°26'15" W, a distance of 76.00 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE southwesterly with a curve to the left having a radius of 26.00 feet, a central angle of 90°00'00", and an arc length of 40.84 feet, whose chord bears S 39°26'15" E, a distance of 36.77 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE S 39°26'15" E, a distance of 282.67 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE southwesterly with a curve to the left having a radius of 26.00 feet, a central angle of 54°50'50", and an arc length of 24.89 feet, whose chord bears S 39°26'15" E, a distance of 23.95 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE southwesterly with a curve to the right having a radius of 40.00 feet, a central angle of 109°41'41", and an arc length of 76.58 feet, whose chord bears S 39°26'15" E, a distance of 64.41 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE S 39°26'15" E, a distance of 282.67 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE southwesterly with a curve to the left having a radius of 26.00 feet, a central angle of 54°50'50", and an arc length of 24.89 feet, whose chord bears S 39°26'15" E, a distance of 23.95 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE southwesterly with a curve to the right having a radius of 26.00 feet, a central angle of 54°50'50", and an arc length of 24.89 feet, whose chord bears S 12°00'49" E, a distance of 23.95 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

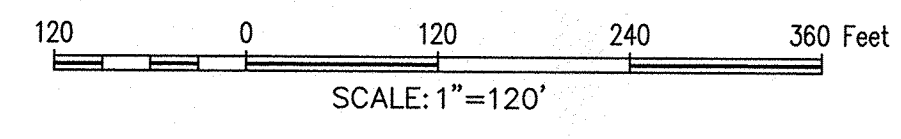
THENCE S 39°26'15" E, 84.35 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE southwesterly with a curve to the left having a radius of 138.00 feet, a central angle of 50°20'06", and an arc length of 121.27 feet, whose chord bears S 64°36'47" E, a distance of 117.41 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE S 89°47'20" E, 265.98 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE northwesterly with a curve to the left having a radius of 26.00 feet, a central angle of 11°55'06", and an arc length of 5.41 feet, whose chord bears N 83°03'12" E, a distance of 5.40 feet to a 1/2 inch rebar with cap stamped "G&A CONSULTANTS" set;

THENCE S 00°12'40" W, 25.34 feet to the POINT OF BEGINNING and containing approximately 0.631 acres of land.



- NOTES:**
- Bearings based on Texas Coordinate System, North Central Zone, (4202), NAD '83.
 - This survey was prepared in connection with the Real Estate transaction related to Allegiance Title Company, OF No. 1768645-ALPL. Commitment effective May 20, 2018. G&A Consultants, LLC, shall not be held liable for any unauthorized use hereof. Declaration is made to original purchaser and is not transferable to additional institutions or subsequent owners.
 - Declaration is made to original purchaser of the survey. It is not transferable to additional institutions or subsequent owners. G&A Consultants, LLC, and the Surveyor shall not be liable for any unauthorized use hereof.
 - Surveyor has made no investigation or independent search for easements of record, restrictive covenants, ownership title evidence, or any other facts that and accurate abstract of title may disclose.
 - No flood zone area analysis has been performed by G&A Consultants, LLC, on the subject property.
 - All original copies of survey maps and descriptions by the surveyor and firm whose name appear hereon will contain an embossed surveyor's seal. Any map or description copy without that embossed seal is likely copy not prepared in the office of the surveyor and may contain alterations or deletions made without the knowledge or oversight of the surveyor.
 - Unable to locate easements in favor of Texas power & light, recorded in Vol. 318, Pg. 335 and Vol. 325, Pg. 621 due to vague descriptions.
 - Property subject to Water/Sewer Line Easement, in favor of City of Corinth, recorded in Vol. 650, Pg. 250. Said easement is 10' wide centered on the water line as installed. Easement is shown hereon based on information provided by the City of Corinth.

LEGEND

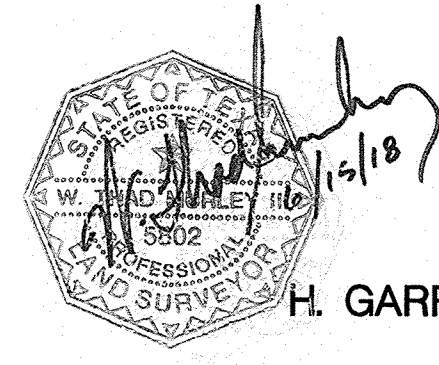
RF	=	REBAR FOUND
CRS	=	CAPPED REBAR SET
BL	=	BUILDING LINE
UE	=	UTILITY EASEMENT
CRF	=	CAPPED REBAR FOUND
P.O.B.	=	POINT OF BEGINNING
CM	=	CONTROLLING MONUMENT
G&A	=	G&A CONSULTANTS, INC.
PRDCT	=	PLAT RECORDS, DENTON COUNTY, TEXAS
RPRDCT	=	REAL PROPERTY RECORDS DENTON COUNTY, TEXAS
MAE	=	MUTUAL ACCESS EASEMENT
SSE	=	SANITARY SEWER EASEMENT
WLE	=	WATER LINE EASEMENT
PE	=	PIPELINE EASEMENT
CO	=	CLEANOUT
PP	=	POWER POLE
LP	=	LIGHT POLE
WV	=	WATER VALVE
WM	=	WATER METER
FH	=	FIRE HYDRANT
SSMH	=	SANITARY SEWER MANHOLE
STMH	=	STORM SEWER MANHOLE
BCM	=	BURIED CABLE MARKER

LOT LINE TABLE

LINE	BEARING	DISTANCE
L1	N 89°47'20" W	342.20'
L2	N 39°26'15" W	160.50'
L3	N 39°26'15" W	282.87'
L4	S 50°33'45" W	241.00'
L5	N 39°26'15" W	76.00'
L6	N 50°33'45" E	241.00'
L7	S 39°26'15" E	282.87'
L8	S 39°26'15" E	84.35'
L9	S 89°47'20" E	265.98'
L10	S 00°12'40" W	25.33'

CURVE TABLE

CURVE	RADIUS	DELTA ANGLE	ARC LENGTH	LONG CHORD
C1	26.00'	12°57'05"	5.88'	N 83°19'00" W, 5.86'
C2	162.00'	50°21'06"	142.37'	N 64°36'47" W, 137.83'
C3	26.00'	54°50'50"	24.89'	N 66°51'40" W, 23.95'
C4	40.00'	109°41'41"	76.58'	N 39°26'15" W, 65.41'
C5	26.00'	54°50'50"	24.89'	N 12°00'49" E, 23.95'
C6	26.00'	90°00'00"	40.84'	N 84°26'15" W, 36.77'
C7	26.00'	90°00'00"	40.84'	S 05°33'45" W, 36.77'
C8	26.00'	90°00'00"	40.84'	S 84°26'15" E, 36.77'
C9	50.00'	90°00'00"	78.54'	S 84°26'15" E, 70.71'
C10	26.00'	54°50'50"	24.89'	S 66°51'40" E, 23.95'
C11	40.00'	109°41'41"	76.58'	S 39°26'15" E, 65.41'
C12	26.00'	54°50'50"	24.89'	S 12°00'49" E, 23.95'
C13	138.00'	50°21'06"	121.27'	S 64°36'47" E, 117.41'
C14	26.00'	13°07'01"	5.95'	N 83°39'09" E, 5.93'



SURVEY PLAT
TRACT 3
2.071 Acres
in the
H. GARRISON SURVEY, ABSTRACT NO. 507
CITY OF CORINTH
DENTON COUNTY, TEXAS

G&A CONSULTANTS, LLC
LAND SURVEYING LANDSCAPE ARCHITECTURE

111 Hillside Drive • Lewisville, TX 75057 • P: 972.436.9712 • F: 972.436.9715
144 Old Town Blvd. North, Ste 2 • Argyle, TX 76226 • P: 940.240.1012 • F: 940.240.1028
TBPE Firm No. 1798 TBPLS Firm No. 10047700

DRAWN BY: SW DATE: 02/13/2017 SCALE: 1" = 120' JOB. No. 15267

File: Z:\01515267\Drawings\Survey\15267 NEW TRACT 3 Plotted: 6/15/2018 1:32 PM, by: Todd Marley, Somet. 6/15/2018 1:09 PM, by: Todd

TEXAS DIRECT PAYMENT SALES TAX PERMIT



GLENN HEGAR
Texas Comptroller

This permit is issued in accordance with the law governing the type of business specified and is the authorization to conduct business in Texas. The permit may be revoked for a violation of the provisions of the applicable law and/or any rules adopted by the Comptroller to administer the law.

TEX. TAX CODE ANN. CH. 151

Taxpayer number	3-20632-2863-2
Effective date	12/28/2017

Taxpayer name and mailing address

6Q HOSPITALITY, LLC
7034 MESA VERDE AVE
IRVING

TX 75063-3551

Glenn Hegar
GLENN HEGAR
Comptroller of Public Accounts

THIS PERMIT IS NON-TRANSFERABLE

Detach here and display your permit only.

Is the information printed on this permit correct?

If not, please tell us in the space below.

- If your taxpayer name and/or mailing address are incorrect, enter the correct information.
- If you have received a Federal Employer Identification Number (FEIN), enter the number.
- If you are no longer in business, enter the date of your last business transaction.

If your permit is correct, DO NOT return this form.

If any corrections are required, please enter the correct information on this form and return it to:

COMPTROLLER OF PUBLIC ACCOUNTS
111 E. 17th Street
Austin, TX 78774-0100

Keep this permit until you receive a corrected permit.

NOTE: This form cannot be used if there has been a change of ownership. For this change and to obtain a new permit, please contact your local Comptroller's field office. For the telephone numbers to call for assistance, see the back of this form.

TEXAS DIRECT PAYMENT SALES TAX PERMIT

Taxpayer name shown on the permit 6Q HOSPITALITY, LLC	Taxpayer number shown on the permit 3-20632-2863-2
--	---

Please enter only the information that has to be corrected.

Correct taxpayer name .	Daytime phone (Area code and number) .		
Correct mailing address .	City .	State .	ZIP code .
			FEI number .

If you are no longer in business, enter the date of your last business transaction.

For additional information, see the back of this form.

sign here	Taxpayer or authorized agent	Date
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Comptroller use only
Job name-MISCAPP

Microfilm
 00991
 0101

Reference number

Taxpayer number change
• 01000

Master name correction AND Master mailing address change AND Master phone number add/change

XUMAST
OOB tax permit
XUSTAT

You have certain rights under Chapters 552 and 559, Government Code, to review, request, and correct information we have on file about you. Contact us at the address or phone number listed on this form.

FACADE MATERIAL Calculation Per UDC Section 2.09.04		Surface area excluding storefront and window	
		EAST	
	Area		
Primary Material	BRICK - 2876.0 sq ft STONE-1060.0 sq ft	3936.0 sq ft	85.5%
Secondary Material	STUCCO	664.0 sq ft	14.5%
Total Area		4600.0 sq ft	100%

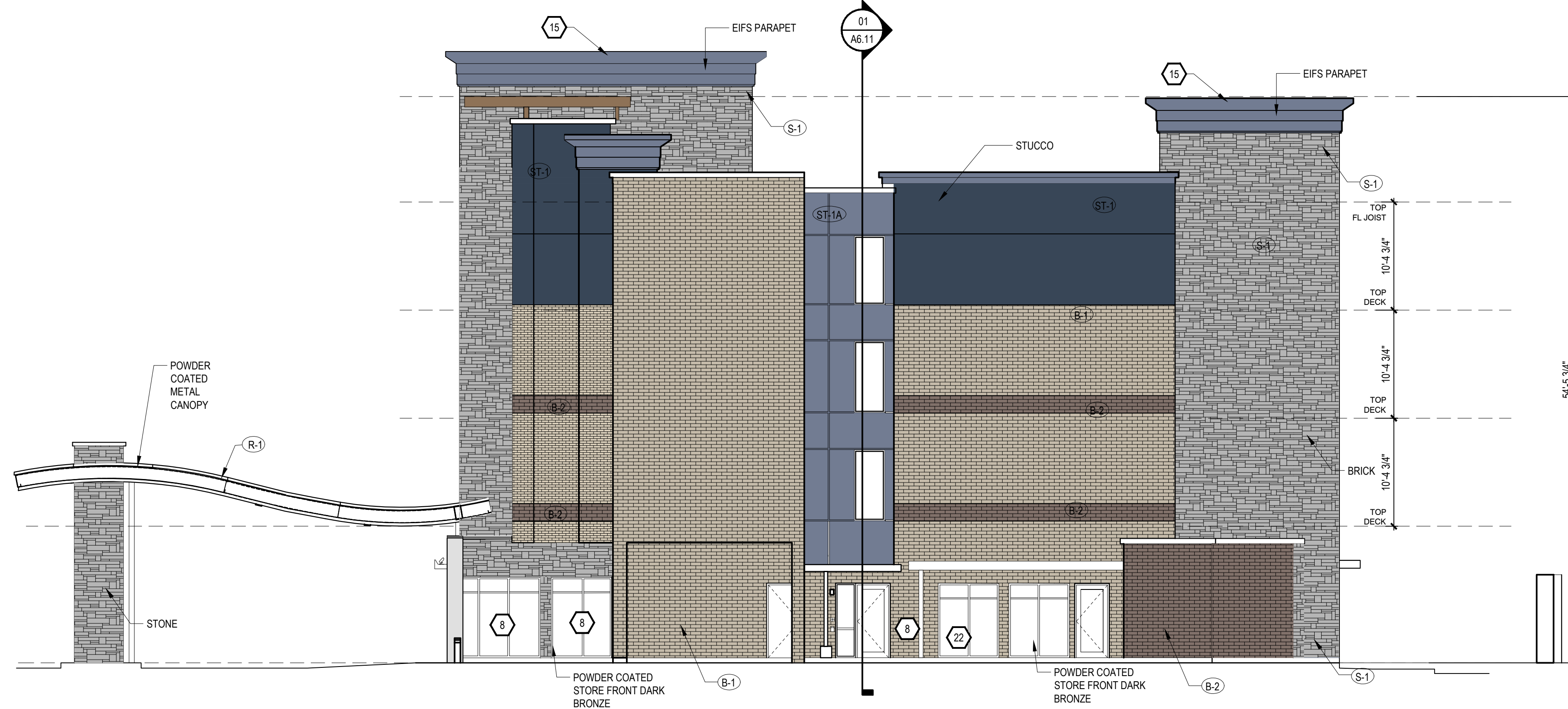
GENERAL NOTES

- BUILDING ELEVATIONS ARE APPROXIMATE AND WILL VARY BASED ON STRUCTURAL SYSTEM.
- PROVIDE CONTRACTOR WITH COLOR PRINTS OF ELEVATIONS FOR ADDITIONAL CLARITY.
- CONTINUE FINISH TO INSIDE CORNER VERSUS FINISH TRANSITIONS AT OUTSIDE CORNER.
- ALL DOWNSPOUTS MUST HAVE CLEANOUTS.

KEY NOTES:

- APPROXIMATE LINE OF GRADE
- ABOVE GRADE EXPOSED FOUNDATION WALL
- MASONRY OR TILE -
- TYPICAL GUESTROOM WINDOW @ GROUND FLOOR
- TYPICAL GUESTROOM WINDOW AT UPPER FLOORS
- WINDOW TO BE FROSTED TO CREATE VISUAL SCREEN TO LAUNDRY ROOM.
- METAL WINDOW W/ THERMAL BROKEN FRAME, INSULATED GLAZING WITH INTEGRAL ALUMINUM LOUVER AT PTAC UNITS GRILL TO MATCH WINDOW FRAME FINISH
- ALUMINUM STOREFRONT SYSTEM W/ THERMAL BROKEN FRAME AND INSULATED GLAZING
- EXHAUST, REFER TO MECHANICAL DRAWINGS
- ALUMINUM SLIDING ENTRY DOOR W/ INSULATED GLAZING
- PAINTED TUBE STEEL CANOPY
- FINISH CONTROL JOINT
- TAMPER RESISTANT, RECESSED HOSE BIB - MOUNT TOP AT +12" A.F.F.
- SIGNAGE --REFER TO EXTERIOR SIGNAGE SPECIFICATIONS
- KYNAR FINISH ALUMINUM COPING SYSTEM --COLOR TO MATCH ADJACENT MATERIAL
- EXHAUST VENT -- COLOR TO MATCH ADJACENT MATERIAL
- EXPANSION JOINT @ FLOOR LINE W/ BACKER ROD AND SEALANT
- ALUMINUM LOUVER -- COLOR TO MATCH ADJACENT MATERIAL MATCHING ADJACENT WALL
- BUILDING HEIGHT DIMENSIONS ARE BASED ON WOOD FRAME CONSTRUCTION. THESE DIMENSIONS WILL VARY BASED ON FINAL BUILDING CONSTRUCTION. INTERIOR CEILING HEIGHT DIMENSIONS ARE CRITICAL TO MAINTAIN AS MINIMUMS.
- CONCRETE PAD --REFER TO AREA DEVELOPMENT PLAN
- ACCESSIBLE KEY CARD READER WIRED TO ELECTRIC STRIKE IN DOOR - TOP OF READER AT 48" MAX. HEIGHT
- MATCH THE DOOR COLOR TO ADJACENT WALL

MATERIAL TAG	MATERIAL LEGEND	
(B-1)	Primary Material	Manufacturer: Acme brick color: Galena
(B-2)	Primary Material	Accent Band Manufacturer: Acme brick color: Charcoal gray
(S-1)	Primary Material	Manufacturer: Texas stone color: Mesa Gray Stack stone
(ST-1)	Secondary Material	Finish: stucco color: SW6531 Indigo
(ST-1A)	Secondary Material	Accent band top Parapet cornice Finish: stucco color: SW6808 Celestial
(R-1)	Roofing Material for canopy roof	Roofing Material for canopy roof Manuf: Interlock Color: Musket Grey
(W-1)	Aluminum window powder coated	Manuf: All season window color: Bronze



02 EAST ELEVATION
A5.01 SCALE: 1/8" = 1'-0"

FACADE MATERIAL Calculation Per UDC Section 2.09.04		Surface area excluding storefront and window	
		South	
	Area	Area and Percentage	
Primary Material	BRICK - 5425.0 sq ft STONE- 850.0 sq ft	6275.0 sq ft	80.8%
Secondary Material	STUCCO	1490.0 sq ft	19.2%
Total facade Area		7765.0 sq ft	100%



01 SOUTH ELEVATION
A5.01 SCALE: 1/8" = 1'-0"

BUILDING SIGNAGE:

ALL SIGNAGE SHOWN FOR ILLUSTRATIVE PURPOSES ONLY. LOCATION SIZE, ETC. TO BE DETERMINED ON AN INDIVIDUAL PROJECT BASIS.

MINIMUM 3/4" PLYWOOD BACKERBOARD REQUIRED AT SIGN LOCATIONS. AREA SHOULD COVER ENTIRE LENGTH AND HEIGHT OF FASCIA OR SPACE AVAILABLE FOR SIGN.

ELECTRICAL AND FINAL CONNECTION BY CONTRACTOR. ELECTRICAL REQUIREMENTS MAY BE OBTAINED FROM SIGN COMPANY. TYPICAL 120V REQUIREMENT

RACEWAYS/ WIREWAYS ARE NOT ALLOWED.

PERMANENT ACCESS DOORS TO INTERIOR OF ALL PARAPETS WHERE SIGNS ARE LOCATED TO BE PROVIDED BY CONTRACTOR. CONTRACTOR TO FURNISH AND CONNECT PRIMARY ELECTRICAL SERVICE INSIDE PARAPET WALL.

GUESTROOMS OR PUBLIC SPACES WITH SIGNAGE ON EXTERIOR WALLS MUST HAVE ELECTRICAL PENETRATIONS AND/OR INSTALLED PRIOR TO CLOSING UP THE WALL. PENETRATION LAYOUT MAY BE OBTAINED FROM SIGN COMPANY.

PTAC GRILL
POWDER
COATED
COLOR
SAME AS
WINDOW

Revisions:

Drawn By: CP
Checked By: RM
Issue Date:
Project No:

Sheet Information:
EXTERIOR
ELEVATIONS

Sheet No:
A5.01

FACADE MATERIAL Calculation Per UDC Section 2.09.04		Surface area excluding storefront and window	
		WEST	
	Area		
Primary Material	BRICK - 1957.0 sq ft STONE - 1740.0 sq ft	3702.0 sq ft	93%
Secondary Material	STUCCO	278.0 sq ft	7%
Total Area		3980.0 sq ft	100%

GENERAL NOTES

- BUILDING ELEVATIONS ARE APPROXIMATE AND WILL VARY BASED ON STRUCTURAL SYSTEM.
- PROVIDE CONTRACTOR WITH COLOR PRINTS OF ELEVATIONS FOR ADDITIONAL CLARITY.
- CONTINUE FINISH TO INSIDE CORNER VERSUS FINISH TRANSITIONS AT OUTSIDE CORNER.
- ALL DOWNSPOUTS MUST HAVE CLEANOUTS.

KEY NOTES:

- APPROXIMATE LINE OF GRADE
- ABOVE GRADE EXPOSED FOUNDATION WALL
- MASONRY OR TILE -
- TYPICAL GUESTROOM WINDOW @ GROUND FLOOR
- TYPICAL GUESTROOM WINDOW AT UPPER FLOORS
- WINDOW TO BE FROSTED TO CREATE VISUAL SCREEN TO LAUNDRY ROOM.
- METAL WINDOW W/ THERMAL BROKEN FRAME, INSULATED GLAZING WITH INTEGRAL ALUMINUM LOUVER AT PTAC UNITS GRILL TO MATCH WINDOW FRAME FINISH
- ALUMINUM STOREFRONT SYSTEM W/ THERMAL BROKEN FRAME AND INSULATED GLAZING
- EXHAUST, REFER TO MECHANICAL DRAWINGS
- ALUMINUM SLIDING ENTRY DOOR W/ INSULATED GLAZING
- PAINTED TUBE STEEL CANOPY
- FINISH CONTROL JOINT
- TAMPER RESISTANT, RECESSED HOSE BIB - MOUNT TOP AT +12' A.F.F.
- SIGNAGE --REFER TO EXTERIOR SIGNAGE SPECIFICATIONS
- KYNAR FINISH ALUMINUM COPING SYSTEM --COLOR TO MATCH ADJACENT MATERIAL
- EXHAUST VENT -- COLOR TO MATCH ADJACENT MATERIAL
- EXPANSION JOINT @ FLOOR LINE W/ BACKER ROD AND SEALANT
- ALUMINUM LOUVER -- COLOR TO MATCH ADJACENT MATERIAL MATCHING ADJACENT WALL
- BUILDING HEIGHT DIMENSIONS ARE BASED ON WOOD FRAME CONSTRUCTION. THESE DIMENSIONS WILL VARY BASED ON FINAL BUILDING CONSTRUCTION. INTERIOR CEILING HEIGHT DIMENSIONS ARE CRITICAL TO MAINTAIN AS MINIMUMS.
- CONCRETE PAD --REFER TO AREA DEVELOPMENT PLAN
- ACCESSIBLE KEY CARD READER WIRED TO ELECTRIC STRIKE IN DOOR - TOP OF READER AT 48" MAX. HEIGHT
- MATCH THE DOOR COLOR TO ADJACENT WALL

FAIRFIELD
INN & SUITES®
Marriott.
DENTON SOUTH
Corinth, Texas Project # 3064

Project Manager
RK PATEL DESIGN
&
Project Architect
Benjamin Cortez, AIA

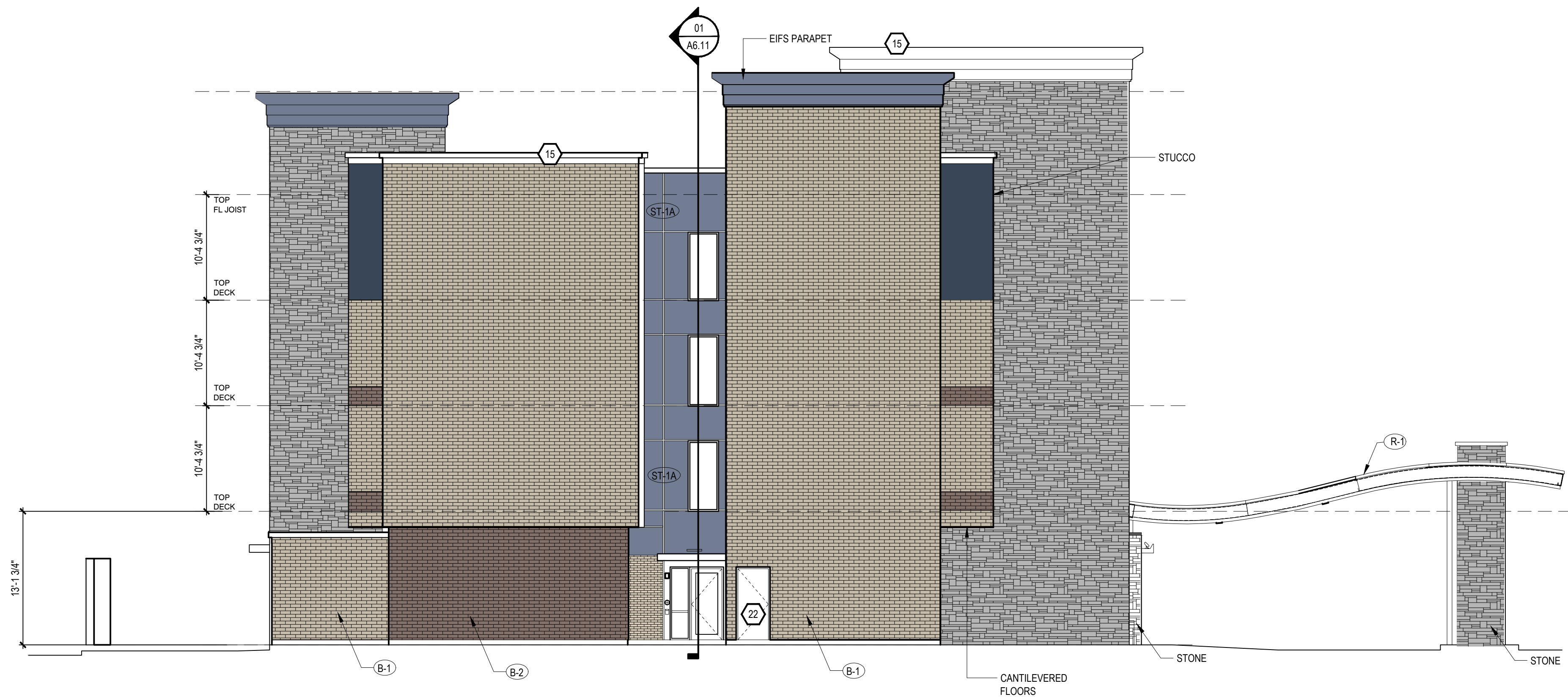
OWNER
6Q Hospitality
7034 Mesa Verde Ave.
Dallas Texas-75063

FAIRFIELD
INN & SUITES®
Marriott.
Denton South, Corinth
Texas

Revisions:

Drawn By: CP
Checked By: RM
Issue Date:
Project No:

Sheet Information:
EXTERIOR
ELEVATIONS
Sheet No:
A5.02



02 WEST ELEVATION
A5.02 SCALE: 1/8" = 1'-0"

MATERIAL TAG	MATERIAL LEGEND	
B-1	Primary Material	Manufacturer: Acme brick color: Galena
B-2	Primary Material Accent Band	Manufacturer: Acme brick color: Charcoal gray
S-1	Primary Material	Manufacturer: Texas stone color: Mesa Gray Stack stone
ST-1	Secondary Material	Finish: stucco color: SW6531 Indigo
ST-1A	Secondary Material Accent band top Parapet cornice	Finish: stucco color: SW6808 Celestial
R-1	Roofing Material for canopy roof	Roofing Material for canopy roof Manuf: Interlock Color: Musket Grey
W-1	Aluminum window powder coated	Manuf: All season window color: Bronze

FACADE MATERIAL Calculation Per UDC Section 2.09.04		Surface area excluding storefront and window	
		North	
	Area		
Primary Material	BRICK - 4770.0 sq ft STONE - 1100.0 sq ft	6370.0 sq ft	83.5%
Secondary Material	STUCCO	1160.0 sq ft	16.5%
Total Area		7030.0 sq ft	100%



01 NORTH ELEVATION
A5.02 SCALE: 1/8" = 1'-0"

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Rolando B. Pablos
Secretary of State

Office of the Secretary of State

March 22, 2017

Attn: Legalzoom.com, Inc.

Legalzoom.com, Inc.
101 N. Brand Blvd, 10th Floor
Glendale, CA 91203 USA

RE: 6Q Hospitality, LLC
File Number: 802679624

It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created domestic limited liability company (llc).

Unless exempted, the entity formed is subject to state tax laws, including franchise tax laws. Shortly, the Comptroller of Public Accounts will be contacting the entity at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the entity. Information about franchise tax, and contact information for the Comptroller's office, is available on their web site at <http://window.state.tx.us/taxinfo/franchise/index.html>.

The entity formed does not file annual reports with the Secretary of State. Documents will be filed with the Secretary of State if the entity needs to amend one of the provisions in its certificate of formation. It is important for the entity to continuously maintain a registered agent and office in Texas. Failure to maintain an agent or office or file a change to the information in Texas may result in the involuntary termination of the entity.

If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 463-5555

Enclosure

Date of this notice: 03-24-2017

Employer Identification Number:
82-0928457

Form: SS-4

Number of this notice: CP 575 G

6Q HOSPITALITY LLC
JAY PATEL SOLE MBR
7034 MESA VERDE AVE
IRVING, TX 75063

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 82-0928457. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/TDD 1-800-829-4059) or visit your local IRS office.

IMPORTANT REMINDERS:

- * Keep a copy of this notice in your permanent records. **This notice is issued only one time and the IRS will not be able to generate a duplicate copy for you.** You may give a copy of this document to anyone asking for proof of your EIN.
- * Use this EIN and your name exactly as they appear at the top of this notice on all your federal tax forms.
- * Refer to this EIN on your tax-related correspondence and documents.

If you have questions about your EIN, you can call us at the phone number or write to us at the address shown at the top of this notice. If you write, please tear off the stub at the bottom of this notice and send it along with your letter. If you do not need to write us, do not complete and return the stub.

Your name control associated with this EIN is 6QHO. You will need to provide this information, along with your EIN, if you file your returns electronically.

Thank you for your cooperation.

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Rolando B. Pablos
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING OF

6Q Hospitality, LLC
File Number: 802679624

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Limited Liability Company (LLC) has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 03/22/2017

Effective: 03/22/2017



A handwritten signature in black ink, appearing to read "R. Pablos".

Rolando B. Pablos
Secretary of State

Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
FAX: 512/463-5709



Filed in the Office of the
Secretary of State of Texas
Filing #: 802679624 03/22/2017
Document #: 723515720002
Image Generated Electronically
for Web Filing

**Certificate of Formation
Limited Liability Company**

Filing Fee: \$300

Article 1 - Entity Name and Type

The filing entity being formed is a limited liability company. The name of the entity is:

6Q Hospitality, LLC

Article 2 - Registered Agent and Registered Office

A. The initial registered agent is an organization (cannot be company named above) by the name of:

United States Corporation Agents, Inc.

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

C. The business address of the registered agent and the registered office address is:

Street Address:

9900 Spectrum Drive Austin TX 78717

Consent of Registered Agent

A. A copy of the consent of registered agent is attached.

OR

B. The consent of the registered agent is maintained by the entity.

Article 3 - Governing Authority

A. The limited liability company is to be managed by managers.

OR

B. The limited liability company will not have managers. Management of the company is reserved to the members.

The names and addresses of the governing persons are set forth below:

Managing Member 1: **Jay Patel**

Title: **Managing Member**

Address: **7034 Mesa Verde Ave. Irving TX, USA 75063**

Article 4 - Purpose

The purpose for which the company is organized is for the transaction of any and all lawful business for which limited liability companies may be organized under the Texas Business Organizations Code.

Supplemental Provisions / Information

[The attached addendum, if any, is incorporated herein by reference.]

Organizer

The name and address of the organizer are set forth below.

Cheyenne Moseley 101 N. Brand Blvd., 11th Floor, Glendale, CA 91203

Effectiveness of Filing

A. This document becomes effective when the document is filed by the secretary of state.

OR

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

Execution

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Cheyenne Moseley

Signature of Organizer

FILING OFFICE COPY

L.L.C. CERTIFICATE OF RESOLUTION

The undersigned Members of 6Q Hospitality, L.L.C., a limited liability company duly organized under the laws of the State of Texas (the "L.L.C."), hereby certify that the following resolutions were duly adopted by said Members of the L.L.C. on the 01 day of October, 2017 and that such resolutions have not been modified or rescinded as of the date hereof:

RESOLVED, that Jay Patel, is hereby authorized and directed for and on behalf of the L.L.C. to execute all legal documents with regard to entering into an economic development incentive agreement with the City of Corinth, Texas (the "CITY") and the Corinth Economic Development Corporation (the "CEDC") to construct and operate a hotel and conference center in the City of Corinth, Texas as approved by him/her as being in the best interests of the L.L.C.; and to take any and all further actions which may be necessary or appropriate to commence and complete said construction and operation of the hotel and conference center in such a manner as being, in his/her opinion, in the best interests of the L.L.C.

RESOLVED, that this action may be executed in counterparts and by facsimile signatures, each of which shall be deemed an original and all of which together shall constitute one action.

IN WITNESS, WHEREOF, the undersigned has executed this instrument as of this 01 day of October, 2017.

Written Name of Member and Title:

Jay Patel, managing member

Signature Name of Member:

[Handwritten Signature]

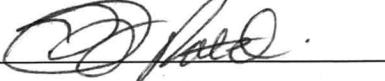
Date: 10 / 06 / 2017.

Written Name of Member and Title: Sunil B Patel, member.

Signature Name of Member: 

Date: 10 / 01 / 2017

Written Name of Member and Title: Jay Patel, _____

Signature Name of Member: 

Date: 10 / 01 / 2017.

EDC Special Session

2.

Meeting Date: 09/16/2019

Title: Resolution

Submitted By: Jason Alexander, Director

Finance Review: N/A

Legal Review: N/A

City Manager Review:

Strategic Goals: Land Development
Infrastructure Development
Economic Development
Citizen Engagement & Proactive Government

AGENDA ITEM

Consider and act on a Resolution of the Board of Directors of the Corinth Economic Development Corporation authorizing the President to execute the First Amended and Restated Chapter 380 Economic Development Incentives Agreement between the City of Corinth, Texas, the Corinth Economic Development Corporation and 6Q Hospitality, L.L.C. on behalf of the Corinth Economic Development Corporation subject to amendment and approval by the City Council.

AGENDA ITEM SUMMARY/BACKGROUND

The First Amended and Restated Chapter 380 Economic Development Incentives Agreement between the City of Corinth, Texas, the Corinth Economic Development Corporation and 6Q Hospitality, L.L.C. (the "**Agreement**"), subject to amendment and approval by the City Council, requires the signature of the President of the Corinth Economic Development Corporation in order to be duly executed. The attached Resolution by the Board of Directors of the Corinth Economic Development Corporation (the "**Resolution**") authorizes the President to execute the Agreement on the behalf of the Corinth Economic Development Corporation subject to any amendment and approval by the City Council.

RECOMMENDATION

Staff recommends approval of the Resolution as presented.

Attachments

Resolution

RESOLUTION NO. 2019-09-16-04

A RESOLUTION OF THE CORINTH ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS AUTHORIZING THE PRESIDENT TO EXECUTE A FIRST AMENDED AND RESTATED CHAPTER 380 ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT BETWEEN THE CITY OF CORINTH, TEXAS, THE CORINTH ECONOMIC DEVELOPMENT CORPORATION AND 6Q HOSPITALITY, L.L.C. FOR THE CONSTRUCTION OF A HOTEL AND CONFERENCE CENTER IN THE CITY; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, on the 16TH day of **SEPTEMBER, 2019**, the Corinth Economic Development Corporation (the “**CEDC**”) Board of Directors convened in Special Session to discuss, consider and act on the First Amended and Restated Chapter 380 Economic Development Incentive Agreement between the City of Corinth, the CEDC and 6Q Hospitality, L.L.C. (the “**AGREEMENT**”) in connection with the construction of a hotel and conference center at 6557 South Interstate 35E; and

WHEREAS, the CEDC Board of Directors discussed, considered and provided an affirmative recommendation on approval of the Agreement; and

WHEREAS, the CEDC Board of Directors authorizes the President to execute the Agreement, subject to any amendments and the approval of the City Council of the City of Corinth, Texas.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CEDC:

PART 1. The foregoing recitals are true and correct, constitute findings and are incorporated herein verbatim.

PART 2. The President is authorized to execute the Agreement on the behalf of the CEDC.

PART 3. This Resolution shall be effective immediately upon execution.

PASSED AND APPROVED by the Board of Directors of the CEDC on the **16TH** day of **SEPTEMBER,**
2019.

President

Corinth Economic Development Corporation

Secretary

Corinth Economic Development Corporation

EDC Special Session

3.

Meeting Date: 09/16/2019
Title: Tax Increment Reinvestment Zone (TIRZ) Presentation
Submitted By: Jason Alexander, Director
Finance Review: N/A **Legal Review:** N/A
City Manager Review:
Strategic Goals: Land Development
 Infrastructure Development
 Economic Development
 Citizen Engagement & Proactive Government
 Regional Cooperation

AGENDA ITEM

Receive a presentation and an update on the creation of Reinvestment Zone Number Two, City of Corinth.

AGENDA ITEM SUMMARY/BACKGROUND

In alignment with the Strategic Plan, and in consultation with Catalyst Urban Development (Paris Rutherford) and David Pettit Economic Development (David Pettit and Natalie Moore), staff identified properties primarily flanking the Interstate Highway 35E Corridor and some larger parcels to the west of the corridor for inclusion into a tax increment reinvestment zone (TIRZ). The increased property tax revenues to be generated from the incremental value would be used to fund the construction and operation of a commuter rail station and to fund other infrastructure and public improvements to make the community more attractive to investment. On September 5, 2019, the City Council unanimously approved the creation of the community's second TIRZ, Reinvestment Zone Number Two, City of Corinth.

This presentation and update will inform the Corinth Economic Development Corporation Board of Directors on the next steps with respect to securing a commuter rail station and promoting economic development and redevelopment.

RECOMMENDATION

N/A.

Attachments

PowerPoint Presentation

Proposed Tax Increment Reinvestment Zone #2

City of Corinth, Texas

SEPTEMBER 2019

Purpose

- TIRZ Overview
- TIRZ Creation Process
- Proposed TIRZ #2
- Next Steps
- Questions

Tax Increment Reinvestment Zones (TIRZ)

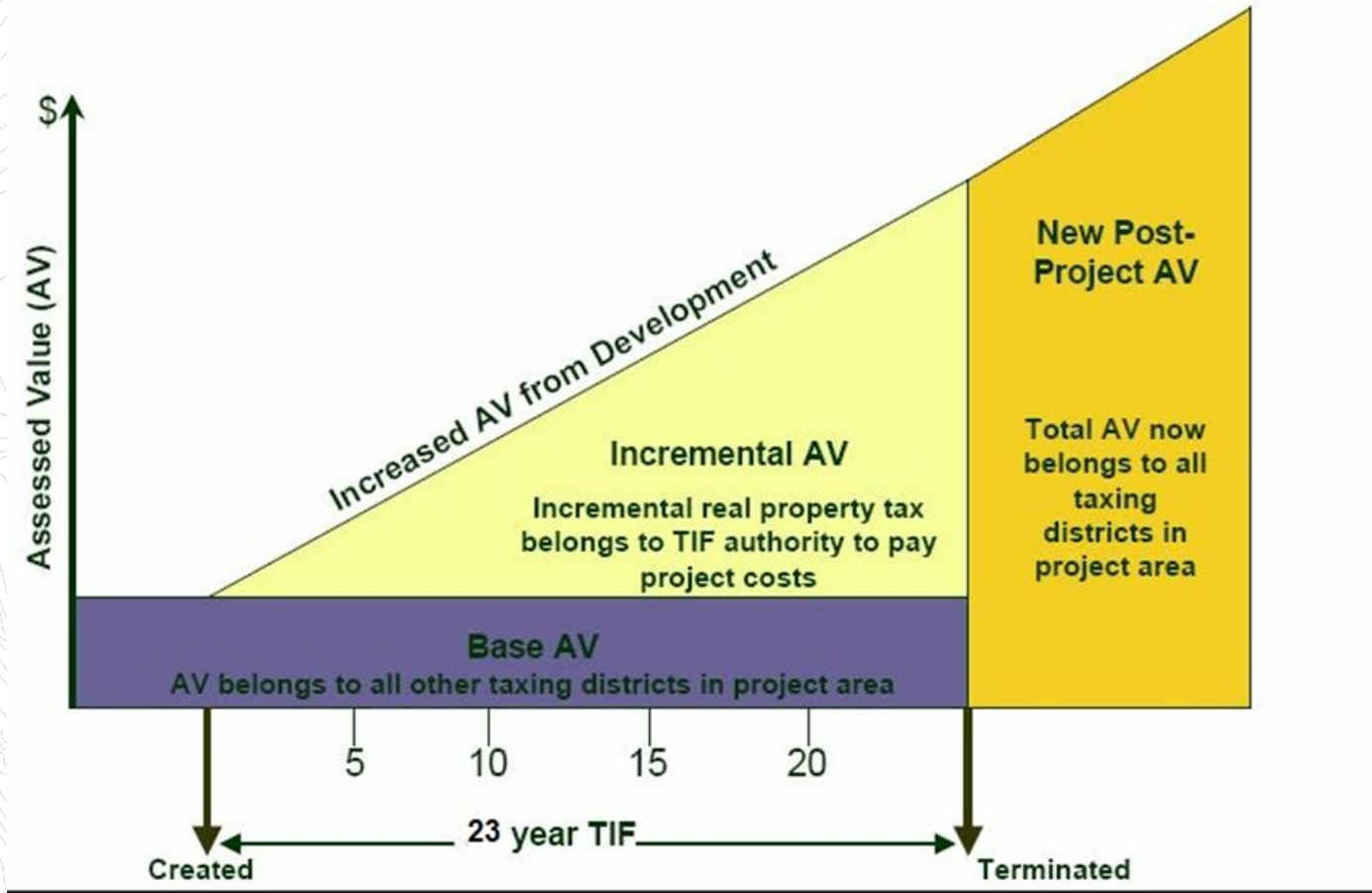
- Tax Increment Financing (TIF) is a tool that incentivizes economic development within a Tax Increment Reinvestment Zone (TIRZ)
- Governed by Tax Code, Chapter 311
- Approximately 313 TIRZs have been created in the state of Texas
- Cities, alone or in partnership with other taxing units, can use this tool to pay for improvements in a zone so it will attract new development, facilitate investment, and bring excitement and energy to a designated area

Tax Increment Reinvestment Zones (TIRZ)

- Taxing entities contribute ad valorem taxes received from incremental value increases on property within the TIRZ.
- A TIRZ can pay for:
 - cost of public works;
 - public improvements;
 - economic development programs; or
 - other projects benefiting the zone

Tax Increment Reinvestment Zones (TIRZ)

TIF Assessed Value (AV) Over Project Life



- Taxing entity rates are negotiated and can vary (not identical).

TIRZ Revenues

Two ways to create new tax increment:

1. New construction/investment; and/or
2. Annual appreciation of real property (i.e. "organic growth")

1



2

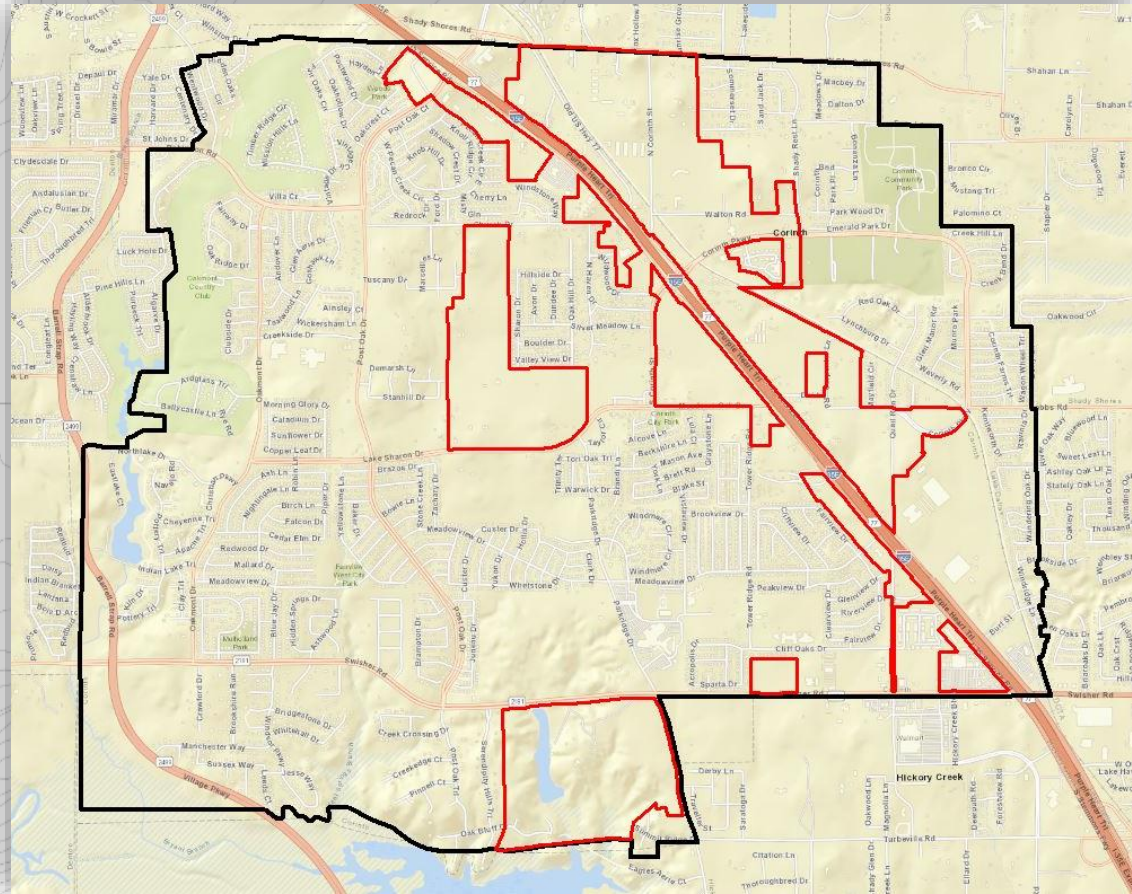


TIRZ Creation Process

- Chapter 311 outlines the various procedures for creating and amending a TIF. Two main documents:
 1. Creation ordinance; and
 2. TIF Project and Financing Plan
- Creation ordinance establishes five key elements:
 - Boundary;
 - Term;
 - TIF Board;
 - City Participation and
 - Preliminary Project and Financing Plan
- Upon TIF creation the Final Project and Financing Plan is approved by the TIF Board and then the City Council by separate ordinance

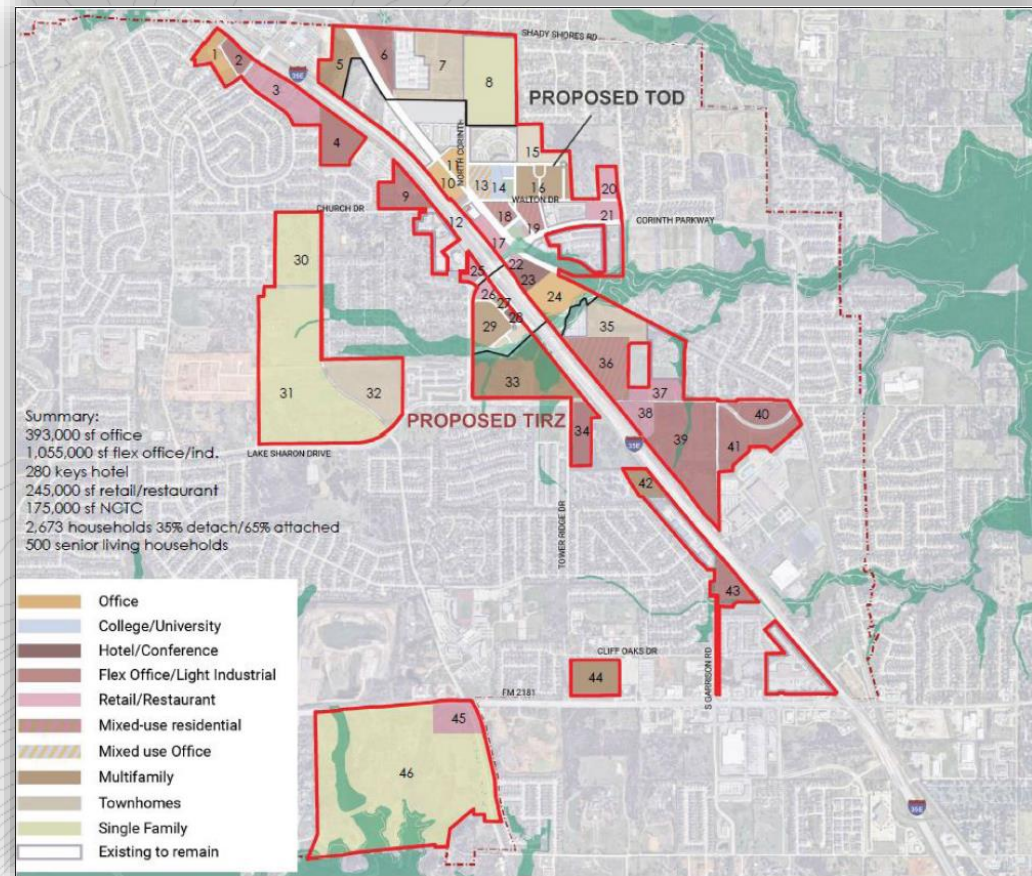
TIRZ #2 - Overview

- Located wholly within the City limits of Corinth
- Approximately 995 acres
- Noncontiguous
- The purpose of the TIRZ is to encourage private development that will yield additional tax revenue to all taxing jurisdictions.



TIRZ #2 – Proposed Development

- Catalyst Urban Development prepared a Master Plan vision for the property located within the TIRZ
- Anticipated development includes a mix of uses including retail, office, industrial, multifamily, hotel, and single family residential



TIRZ #2 – Proposed Development



DAVID PETTIT
Economic Development

1. NCTC Expansion Area

- Expands southward along central green with architectural student services building in the center
- Campus expansion makes direct connection into the mixed-use Village Square
- Potential joint venture office (light purple) face the I-35
- Flex office and small retail along I-35 frontage and N. Corinth Street

2. Village Square Area

- Drainage property reclaimed to become central square with performance pavilion and restaurant pavilion
- Village square defined by mixed-use buildings on north and east side designed to transition from residential to commercial space on ground floor as market grows
- New rail station north of Corinth Parkway feeds the Village Square, with shared parking to its west
- Restaurant grouping with outdoor patios defines rail station to direct west, and allows for food truck parking



3. Village Community Area

- Blend of single family, townhomes and loft apartments
- Defined by street grid and pocket park system with wide sidewalks, street trees, benches, bike racks, trash containers and pleasant planting
- All garages and project parking within internal parking courts and alleys

4. Health Science Area

- New roadway provides access from Corinth Parkway to Walton Street
- Parking and open area west of new roadway converted into new development site
- Shared parking garage as public/private partnership between developer and City provides H/S parking at base
- New parking on Corinth Pkwy

5. Mixed-Use I-35 Frontage

- Hotel, office and restaurant area on both sides of I-35, having strong highway presence and connected by pedestrian promenade to rail platform and Village Square

PROPOSED TIRZ #2

TIRZ #2 – Proposed Development



View of Corinth Village



View of Corinth Main Street

PROPOSED TIRZ #2

TIRZ #2 – Participation Assumptions

- 36-year term
- City of Corinth participating at 50% of its real property increment
- Proposing Denton County participation at 50% of its real property tax increment, subject to an interlocal agreement with the City of Corinth.

Real Property Tax		Participation	
City of Corinth	0.53000000	50%	0.26500000
Denton County	0.22557400	50%	0.11278700
Denton ISD	1.54000000	0%	0.00000000
	2.29557400		0.37778700

Personal Property Tax		Participation	
City of Corinth	0.53000000	0%	0.00000000
Denton County	0.22557400	0%	0.00000000
Denton ISD	1.54000000	0%	0.00000000
	2.29557400		0.00000000

City Sales Tax Rate	0.02000000	0.00%	0.00000000
State Sales Tax Rate	0.06250000	0.00%	0.00000000

City HOT	0.07000000	0.00%	0.00000000
State HOT	0.06000000	0.00%	0.00000000

TIRZ #2 – Revenue Summary

Taxing Jurisdictions	Total Taxes Generated	Participation	Total Net Benefit
City of Corinth	\$216,973,556	\$67,175,338	\$149,798,218
Denton County*	\$57,859,409	\$28,599,509	\$29,259,900
Denton ISD	\$395,007,800	\$0	\$395,007,800
State	\$179,657,618	\$0	\$179,657,618
Total	\$849,498,383	\$95,774,846	\$753,723,537

**Proposing Denton County participation at 50% of its real property tax increment, subject to an interlocal agreement with the City of Corinth.*

TIRZ #2 – Project Costs

Proposed Project Costs		
Street and Intersection Improvements	\$ 33,521,196	35.0%
Sanitary Sewer Facilities and Improvements	\$ 19,154,969	20.0%
Water Facilities and Improvements	\$ 9,577,485	10.0%
Storm Water Facilities and Improvements	\$ 9,577,485	10.0%
Transit/Parking Improvements	\$ 9,577,485	10.0%
Open Space, Park and Recreation Facilities and Improvements	\$ 7,183,113	7.5%
Economic Development Grants	\$ 4,788,742	5.0%
Administrative Costs	\$ 2,394,371	2.5%
Total	\$ 95,774,846	100.0%

- The costs illustrated in the table above are estimates and may be revised.
- Savings from one line item may be applied to cost increase in another line item.
- **Individual TIRZ project cost allocations will be evaluated on a case by case basis, consistent with the categories listed above, and brought forward to the TIRZ board and City Council for consideration**

Next Steps for Creation

- City Council Consider Creation Ordinance
- Creation ordinance establishes four key elements:
 - Boundary;
 - Term;
 - TIF Board;
 - City Participation; and
 - Preliminary Project and Financing Plan
- Upon TIF creation the Final Project and Financing Plan is approved by the TIF Board and then the City Council by separate ordinance

Questions

QUESTIONS

