



CITY OF MCKINNEY, TEXAS

Agenda

Reinvestment Zone Number One

Tuesday, September 18, 2018

5:00 PM

Council Chambers
222 N. Tennessee Street
McKinney, Texas

CALL TO ORDER

CITIZEN COMMENTS

CONSENT ITEMS

This portion of the agenda consists of non-controversial or "housekeeping" items required by law. Items may be considered individually by any Commission member making such request prior to a motion and vote on the Consent items.

18-793 [Minutes of the Reinvestment Zone Number One Meeting on December 5, 2017](#)

Attachments: [Minutes](#)

18-794 [Minutes of the Reinvestment Zone Number One Meeting on February 20, 2018](#)

Attachments: [Minutes](#)

18-795 [Minutes of the Reinvestment Zone Number One Meeting on August 21, 2018](#)

Attachments: [Minutes](#)

REGULAR ITEMS

18-796 [Conduct a Public Hearing to Consider/Discuss/Act on a Resolution Approving a Chapter 380 Economic Development Agreement and Project Plan Implementation Agreement with VPKK, LLC. for the Façade Improvement Project at 100 E. Louisiana Street](#)

Attachments: [Resolution](#)
 [100 E. Louisiana St 380 Agreement](#)

18-797 [Conduct a Public Hearing to Consider/Discuss/Act on a Resolution Approving a Chapter 380 Economic Development Agreement and Project Plan Implementation Agreement with Local Yocal, LLC. for the Façade Improvement Project at 350A E. Louisiana Street](#)

Attachments: [Resolution](#)
 [350A E. Louisiana St 380 Agreement](#)

18-798 [Conduct a Public Hearing to Consider/Discuss/Act on a Resolution Approving a Chapter 380 Economic Development Agreement and Project Plan Implementation Agreement with Nash Group Real Estate, Inc. for the Façade Improvement Project at 110 N. Tennessee Street](#)

Attachments: [Resolution](#)
 [110 N. Tennessee St. 380 Agreement](#)

18-799 [Conduct a Public Hearing to Consider/Discuss/Act on a Resolution Approving a Chapter 380 Economic Development Agreement and Project Plan Implementation Agreement with Arabella's, LLC for the Façade Improvement Project at 102 N. Tennessee Street](#)

Attachments: [Resolution](#)
 [102 N. Tennessee St. 380 Agreement](#)

ADJOURN

Posted in accordance with the Texas Government Code, Chapter 551, on the 15th day of September, 2018 at or before 5:00 p.m.

Empress Drane
City Secretary

In accordance with the Americans with Disabilities Act, it is the policy of the City of McKinney to offer its public programs, services, and meetings in a manner that is readily accessible to everyone, including individuals with disabilities. If you are a person with a disability and require information or materials in an appropriate alternative format; or if you require any other accommodation, please contact the ADA Coordinator at least 48 hours in advance of the event. Phone 972-547-2694 or email contact-adacompliance@mckinneytexas.org. Advance notification within this guideline will enable the City to make reasonable arrangements to ensure accessibility. ADA grievances may also be directed to the ADA Coordinator or filed online at <http://www.mckinneytexas.org/ada>.

18-793



TITLE: Minutes of the Reinvestment Zone Number One Meeting on December 5, 2017

SUPPORTING MATERIALS:

[Minutes](#)

REINVESTMENT ZONE NUMBER ONE

DECEMBER 5, 2017

The Reinvestment Zone Number One of the City of McKinney, Texas met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas on December 5, 2017 at 5:00 p.m.

Board members Present: Chairwoman Tracy Rath, Vice Chair Rainey Rogers, Board members: Bill Cox, Chuck Branch, Scott Elliott, La'Shadi Shemwell and John Thomas. Absent: Board members George Fuller and Charlie Philips.

Staff Present: City Manager Paul Grimes; Assistant City Manager Steve Tilton; Assistant to the City Manager Trevor Minyard; Assistant City Attorney Alan Lathrom; City Secretary Sandy Hart; and Planning Manager Matt Robinson.

There were three guests present.

Chairwoman Rath called the meeting to order at 5:30 p.m. after determining a quorum present.

17-1176 Minutes of the Tax Increment Reinvestment Zone Number 1 Meeting of July 18, 2017. Board members unanimously approved the motion by Board member Branch, seconded by Board member Elliott, to approve the minutes of the Tax Increment Reinvestment Zone Number 1 Meeting of July 18, 2017.

17-1166 Chairwoman Rath called for Consideration/Discussion/Action on a Resolution Approving a Chapter 380 Economic Development Agreement with Gather Restaurant, LLC. for the Façade Improvement Project at 207 E. Virginia Street. Planning Manager Matt Robinson stated this item is for a Chapter 380 Agreement with Gather Restaurant LLC for the façade improvement project at 207 E. Virginia Street. The agreement will facilitate the replacement of fabric awning with a 51 foot long metal awning which would be consistent with the historic store front. The project qualifies for reimbursement under the category of vacant and underutilized sites and buildings within the TIRZ project plan and has received a certificate of appropriateness from the Historic Preservation

Officer. Under the policy, a maximum of \$25,000 is allowed per qualifying project. Staff is recommending approval of the agreement. Applicant, Ms. Jennifer Klassen, owner of Gather in downtown McKinney, stated that she appreciates this opportunity and thanked staff for the hard work on this application to bring back the historic nature of the building. Board members unanimously approved the motion by Board member Shemwell, seconded by Board member Rogers, to approve a Resolution approving a Chapter 380 Economic Development Agreement with Gather Restaurant, LLC. for the Façade Improvement Project at 207 E. Virginia Street. Caption reads as follows:

RESOLUTION NO. 2017-12-003 (TR1R)

A RESOLUTION OF THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY, TEXAS APPROVING A CHAPTER 380 ECONOMIC DEVELOPMENT AND PROJECT PLAN IMPLEMENTATION AGREEMENT WITH GATHER RESTAURANT, LLC FOR THE 207 E. VIRGINIA STREET – GATHER IN DOWNTOWN MCKINNEY AWNINGS PROJECT

- 17-1167** Chairwoman Rath called for Consideration/Discussion/Action on a Resolution Approving a Chapter 380 Economic Development Agreement with DFA 205, LP for the project at 205 W. Louisiana Street. Planning Manager Matt Robinson stated this item is for a Chapter 380 Agreement with the proposed project at 205 W. Louisiana Street with DFA 205 LP. The proposed agreement is intended to assist with the installation of a fire suppression and fire alarm system for the new building at that location. The project qualifies under the vacant and underutilized requirements under the project plan and as such staff is recommending approval. Applicant, Mr. Don Day, 110 E. Louisiana, McKinney requested the Board's approval and thanked staff for their assistance. Board members unanimously approved the motion by Board member Branch, seconded by Board member Elliott, to approve a Resolution approving a Chapter 380 Economic Development Agreement with DFA 205, LP for the project at 205 W. Louisiana Street. Caption reads as

follows:

RESOLUTION NO. 2017-12-004 (TR1R)

A RESOLUTION OF THE BOARD OF DIRECTORS OF
REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY,
TEXAS APPROVING A CHAPTER 380 ECONOMIC
DEVELOPMENT AND PROJECT PLAN IMPLEMENTATION
AGREEMENT WITH DFA 205, LP FOR THE 205 W. LOUISIANA
STREET OFFICE BUILDING PROJECT

Board members unanimously approved the motion by Board member Shemwell,
seconded by Board member Elliott, to adjourn. Chairwoman Rath adjourned the
meeting at 5:15 p.m.

TRACY RATH
Chair

ATTEST:

EMPRESS DRANE
City Secretary

18-794



TITLE: Minutes of the Reinvestment Zone Number One Meeting on February 20, 2018

SUPPORTING MATERIALS:

[Minutes](#)

REINVESTMENT ZONE NUMBER ONE

FEBRUARY 20, 2018

The Reinvestment Zone Number One of the City of McKinney, Texas met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas on February 20, 2018 at 5:00 p.m.

Board members Present: Chairwoman Tracy Rath, Board members: Rainey Rogers, George Fuller, Charlie Philips, Bill Cox, Chuck Branch, Scott Elliott, and John Thomas. Absent: Board member La'Shadi Shemwell.

Staff Present: City Manager Paul Grimes; City Attorney Mark Houser; City Secretary Sandy Hart; Executive Director of Development Services Michael Quint; Planning Manager Matt Robinson; and Chief Financial Officer Mark Holloway.

There were no guests present.

Chairwoman Rath called the meeting to order at 5:00 p.m. after determining a quorum present.

18-154 Chairwoman Rath called for Election of Vice Chair. Board members unanimously approved the motion by Board member Fuller, seconded by Board member Thomas, to elect Scott Elliott as Vice Chairman.

Board members unanimously approved the motion by Vice Chair Elliott, seconded by Board member Fuller, to approve the following consent item:

18-155 Minutes of the Reinvestment Zone Number One Meeting of December 5, 2017.

18-156 Chairwoman Rath called for Consideration/Discussion/Action on a Resolution Amending the Project Plan for Tax Increment Reinvestment Zone Number One. Planning Manager Matt Robinson stated under the existing project plan, funding limits the amount and type of projects that are eligible for funding. The proposed amendment will identify additional catalysts sites and does not change the boundary of the TIRZ. If the Resolution is approved by the board, City Council will need to approve an Ordinance for final approval. Board member Phillips questioned why we are using 2010 estimates to determine current funding. Chief Financial

Officer Mark Holloway stated that the 2010 financial plan is the base year. Board member Fuller noted the 2010 financial plan is used to measure growth in the current TIRZ. Executive Director of Development Services Michael Quint stated that the only reasons to update the finance plan is if the boundaries were to be modified or if the board wanted to get an updated projection of what the revenue will be, but it still doesn't change the baseline. Board members approved the motion by Board member Fuller, seconded by Board member Elliott, to approve a Resolution amending the Project Plan for Tax Increment Reinvestment Zone Number One with a vote of 7-1-0, Board member Philips voting against.

Board members unanimously approved the motion by Board member Fuller, seconded by Vice Chair Elliott, to adjourn. Chairwoman Rath adjourned the meeting at 5:22 p.m.

TRACY RATH
Chairwoman

ATTEST:

EMPRESS DRANE
City Secretary
MELISSA LEE
Deputy City Secretary

18-795



TITLE: Minutes of the Reinvestment Zone Number One Meeting on August 21, 2018

SUPPORTING MATERIALS:

[Minutes](#)

REINVESTMENT ZONE NUMBER ONE

AUGUST 21, 2018

The Reinvestment Zone Number One of the City of McKinney, Texas met in regular session in the Council Chambers, 222 N. Tennessee Street, McKinney, Texas on August 21, 2018 at 6:00 p.m.

Board members Present: Chairwoman Tracy Rath, Board Members: Charlie Philips, Rainey Rogers, George Fuller, Chuck Branch, Bill Cox, and John Thomas.

Board Members Absent: Vice Chair Scott Elliott, Board Member La'Shadi Shemwell.

City of McKinney Staff Present: City Manager Paul Grimes; City Attorney Mark Houser; Planning Manager Matt Robinson; and City Secretary Empress Drane.

There was one guest present.

Chairwoman Rath called the meeting to order at 5:00 p.m. after determining a quorum present.

18-712 Chairwoman Rath called for a Public Hearing to Consider / Discuss / Act on an Amendment to the Chapter 380 Economic Development and Project Plan Implementation Agreement with DFA 205, LP for the project at 205 W. Louisiana Street. Planning Manager Matt Robinson stated the applicant requested an extension to complete the project due to delays with excavation of the underground garage and other construction related issues, and City staff recommends approval of the extension. The extension would change the completion deadline from September 1, 2018 to December 31, 2018.

Don Day, Applicant, 110 E Louisiana St, McKinney stated he was overly optimistic to think the project would be completed by September 1 but it would be November 1.

Board members unanimously close the Public Hearing and approve the motion by Board Member Fuller, seconded by Board member Charlie Philips, approve the Amendment to the Chapter 380 Economic Development and Project Plan Implementation Agreement with DFA 205, LP for the project at 205 W. Louisiana Street.

Board members unanimously approved the motion by Board Member Fuller, seconded by Board Member Branch, to adjourn the meeting. Chairwoman Rath adjourned the meeting at 5:03 p.m.

TRACY RATH
Chairwoman

ATTEST:

EMPRESS DRANE
City Secretary
MELISSA LEE
Deputy City Secretary



18-796

TITLE: Conduct a Public Hearing to Consider/Discuss/Act on a Resolution Approving a Chapter 380 Economic Development Agreement and Project Plan Implementation Agreement with VPKK, LLC. for the Façade Improvement Project at 100 E. Louisiana Street

MEETING DATE: September 18, 2018

DEPARTMENT: Planning

CONTACT: Matt Robinson, AICP, Planning Manager
Jennifer Arnold, AICP, Interim Director of Planning

RECOMMENDED ACTION:

- Staff recommends approval of the proposed resolution.

ITEM SUMMARY:

- The proposed agreement with VPKK, LLC. and the City of McKinney is intended for the primary purpose of assisting with façade improvement costs.
- The redevelopment project, located at 100 E. Louisiana Street, is a TIRZ-eligible project in the approved Project Plan of TIRZ No. 1. The project falls under the category of Vacant/Underutilized Sites/Buildings as defined in the TIRZ Project Plan.
- Under the policy governing allocation and/or awarding of TIRZ No. 1 funds for Vacant/Underutilized Site/Buildings as defined by the approved Project Plan, reimbursement and or grant requests are limited to a maximum of \$25,000 per qualifying project, with a maximum of \$100,000 awarded for qualifying vacant/underutilized site/buildings during each fiscal year.
- The applicant is requesting an economic development grant from Reinvestment Zone Number One to assist with the expense associated with making the following improvements to the existing building:
 - Façade improvements consisting of the replacement of the existing awning, removal of existing door to reframe and add support, removal of

existing brick, and framing and fabrication for an additional door.

- The applicant has received approval of a Certificate of Appropriateness from the Historic Preservation Officer for the proposed façade improvements.
- The applicant shall submit a grant submittal package to staff including all cost and payment documentation. Staff shall verify that the expenditures were made in such amounts prior to any Grant disbursement.

BACKGROUND:

- TIRZ has the authority under Section 311 and Chapter 380 of the Texas Local Government Code to make loans or grants of TIRZ funds for the purposes of promoting local economic development and stimulating businesses and commercial activity within the TIRZ.
- This project has been established as an eligible project in the TIRZ Project Plan under the category of Vacant/Underutilized Sites/Buildings, which is defined as “Relatively smaller projects (under \$5.0 million) for the incremental redevelopment of vacant/underutilized Town Center sites or buildings.” Such sites are limited to the area shown as Vacant/Underutilized Building Improvement Area shown on Figure 3 of the TIRZ Project Plan.
- For qualifying Vacant/Underutilized Site/Buildings, reimbursement or grant requests are limited to a maximum of \$25,000 per project, with an overall maximum of \$100,000 being awarded each fiscal year for Vacant/Underutilized Site/Buildings project types. Reimbursement and/or grant requests are funded on a first-come, first-serve basis until the maximum fiscal year allotment has been reached. To date for FY2017-2018, there have been two reimbursement or grant requests for Vacant/Underutilized Site/Buildings.
- Projects that have received funding from TIRZ No.1 are listed below:

Vacant/Underutilized Sites/Buildings

- 205 W. Louisiana Street - \$25,000 (FY2017-2018)*
- 207 E. Virginia Street - \$16,825 (FY2017-2018)
- 101 Louisiana Street - \$25,000 (FY2015-2016)
- 101 Louisiana Street - \$25,000 (FY2015-2016)
- 214 E. Louisiana (Hope Hardware) - \$25,000 (FY2015-2016)
- 214 E. Louisiana (Hope Hardware) - \$25,000 (FY2014-2015)
- Cotton Mill - \$500,000 (FY2014)

*project not completed

FINANCIAL IMPACT:

- The FY2017-2018 annual budget for TIRZ No. 1 includes funding for Vacant/Underutilized Sites/Building incentives up to \$100,000 per fiscal year,

with a \$25,000 maximum per project.

SUPPORTING MATERIALS:

[Resolution](#)

[100 E. Louisiana St 380 Agreement](#)

RESOLUTION NO. 2018-__-__ (TR1R)

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY, TEXAS
APPROVING A CHAPTER 380 ECONOMIC DEVELOPMENT AND
PROJECT PLAN IMPLEMENTATION AGREEMENT WITH VPKK, LLC.
FOR THE 100 E. LOUISIANA STREET – SPOONS CAFÉ/THE GARAGE
FACADE IMPROVEMENT PROJECT**

WHEREAS, on the 21st day of September, 2010, the City Council of the City of McKinney, Texas approved tax increment financing Reinvestment Zone Number One, City of McKinney (the “Zone”), pursuant to the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended; and

WHEREAS, Ordinance Number 2010-09-034, as amended which created the Zone, also created and established a board of directors for the Zone; and

WHEREAS, the Zone is a duly constituted reinvestment zone under Chapter 311 of the Texas Tax Code, as amended, acting by and through its duly appointed Board of Directors; and

WHEREAS, pursuant to Section 311.011(a) of the Tax Increment Financing Act, as amended, the board of directors of a reinvestment zone shall prepare, or cause to be prepared, and adopt a project plan and financing plan for the zone and submit the plans to the governing body of the municipality that created the zone for its approval; and

WHEREAS, on October 19, 2010 the Board of Directors of Reinvestment Zone Number One (“Board”) adopted the Project Plan and Financing Plan for the Zone by Resolution Number 2010-10-010 (TR1R); and

WHEREAS, on November 16, 2010 the City Council of the City of McKinney, Texas approved the adopted Project Plan and Financing Plan for the Zone by Resolution Number 2010-11-141(R); and

WHEREAS, on September 2, 2014 the Board approved Resolution Number 2014-09-002 (TR1R) providing for the allocation and awarding of TIRZ No. 1 funds for “Catalyst Projects” as defined by the approved Project Plan and Finance Plan for vacant/underutilized sites/buildings; and

WHEREAS, VPKK LLC., (hereinafter “VPKK”) is undertaking the redevelopment of an underutilized building located at 100 E. Louisiana Street, McKinney, Texas, wholly within Reinvestment Zone Number One in the City of McKinney, Texas (the “Project”); and

WHEREAS, the Board has established the Project as an eligible project under the Project Plan for the Zone as required by law and determines that a conditional grant to VPKK of its funds will serve the public purpose of promoting local economic development and enhancing business and commercial activity in the Zone and the City of McKinney, Texas; and

WHEREAS, the Board has concluded and hereby finds that this Agreement clearly promotes economic development in the Zone and, as such, meets the requisites under Section 311.101(h) and Chapter 380 of the Texas Local Government Code and further, is in the best interests of the Zone and Croft.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER ONE, MCKINNEY, TEXAS, THAT:

Section 1. The Board of Directors of Reinvestment Zone Number One, City of McKinney, Texas hereby approves the Chapter 380 Economic Development and Project Plan Implementation Agreement with VPKK LLC. for the 100 E. Louisiana Street – Spoons Café/The Garage Facade Improvement Project.

Section 2. This Resolution shall take effect immediately from and after the date of passage and is so resolved.

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER ONE, MCKINNEY, TEXAS ON THE ____ DAY OF _____, 2018.

TRACY RATH
Chairman

ATTEST:

EMPRESS DRANE
City Secretary

Melissa Lee
Deputy City Secretary

APPROVED AS TO FORM:

MARK S. HOUSER
City Attorney

**REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY
AND
VPKK LLC.
CHAPTER 380 ECONOMIC DEVELOPMENT AND
PROJECT PLAN IMPLEMENTATION AGREEMENT FOR
100 E. LOUISIANA STREET - SPOONS CAFÉ/THE GARAGE
FACADE IMPROVEMENT PROJECT**

WHEREAS, VPKK, LLC (hereinafter “VPKK”), is entering into this Chapter 380 Economic Development and Project Plan Implementation Agreement for Historical Full Facade Reconstruction (this “Agreement”) pursuant to a program initiated by **REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY** (hereinafter the “TIRZ”) pursuant to Section 311.010(h) of the Texas Tax Code and Chapter 380 of the Texas Local Government Code, for the primary purpose of renovating and improving the back portion of the historic building situated at 100 E. Louisiana Street, McKinney, Texas (“Structure”), and which project is known as the **100 E. LOUISIANA – SPOONS CAFÉ/THE GARAGE – FACADE IMPROVEMENT PROJECT** (the “Project”) located wholly within Reinvestment Zone Number One in the “Town Center” area of the TIRZ of McKinney, Texas; and

WHEREAS, the TIRZ has agreed to an economic development grant to VPKK based on the timely satisfaction of the conditions and upon the timely completion of the Project, including but not limited to making facade improvements to the back portion of the Structure by replacing the existing awning and removing and installing new doors while maintaining an appropriate historical look for the building’s time period and in strict conformity to the ordinances of the City of McKinney, Texas (“City”), and approval of a Certificate of Appropriateness for the Project; and

WHEREAS, the TIRZ has the authority under Section 311.010(h) and Chapter 380 of the Texas Local Government Code to make loans or grants of TIRZ funds for the purposes of promoting local economic development and stimulating business and commercial activity within the TIRZ; and

WHEREAS, the TIRZ has established the Project as an eligible project under the TIRZ Project Plan as required by law and determines that a conditional grant to VPKK of its funds will serve the public purpose of promoting local economic development and enhancing business and commercial activity in the TIRZ and the City; and

WHEREAS, the TIRZ has concluded and hereby finds that this Agreement clearly promotes economic development in the TIRZ and, as such, meets the requisites under Section 311.101(h) and Chapter 380 of the Texas Local

Government Code and further, is in the best interests of the TIRZ, VPKK, and the City; and

WHEREAS, the City Council of the City of McKinney, Texas has considered and approved this Agreement pursuant to applicable law.

NOW, THEREFORE, for and in consideration of the agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the TIRZ and VPKK agree as follows:

SECTION 1. TERM

This Agreement shall be effective from the Effective Date until December 31, 2018, unless terminated sooner under the provisions herein.

SECTION 2. DEFINITIONS

The following words shall have the following meanings when used in this Agreement.

- a. Agreement. The word "Agreement" means this Chapter 380 Economic Development and Project Plan Implementation Agreement, together with all exhibits, schedules, and amendments attached to this Agreement from time to time, if any.
- b. Grant. The word "Grant" means a disbursement to VPKK under the terms of this Agreement of an amount not to exceed Twenty-Five Thousand and No/100 Dollars (\$25,000) in Eligible Costs (as hereinafter defined).
- c. Grant Submittal Package. The words "Grant Submittal Package" mean the documentation required to be supplied to the TIRZ as a condition of receipt of any Grant.
- d. Project. The word "Project" means the 100 E. Louisiana Street – Spoons Café/The Garage – facade improvement project and involves the restoration of fencing, exterior windows, interior and exterior doors, and awnings located along the back portion of the Structure. The specific renovations eligible for reimbursement shall include, and are limited to, improvement of the building face with the restoration of exterior windows and awning while maintaining an appropriate historical look for the building's time period and in strict conformity to the ordinances of the City, and approval of a Certificate of Appropriateness for the Project. Approved expenditures for the Project shall be referred to as the "Eligible Costs".
- e. VPKK. The word "VPKK" means VPKK LLC, a Texas limited liability company, including its assigns and successors-in-interest. For purposes

of this Agreement, VPKK's address is 3105 Saint Germain Drive, McKinney, Texas 75070.

- f. TIRZ. The letters "TIRZ" means Reinvestment Zone Number One, City of McKinney. For purposes of this Agreement, TIRZ's address is 222 N. Tennessee, McKinney, Texas 75069.

SECTION 3. GRANT FUNDING OBLIGATION OF TIRZ

During the term of this Agreement, the TIRZ shall make a one-time Grant payment in an amount not to exceed **Twenty-Five Thousand and No/100 Dollars (\$25,000.00)** for Eligible Costs, which shall be payable upon the satisfaction of the express terms and conditions described in Section 4 below. Subject to VPKK's complete and continuous satisfaction of the Section 4 condition, the TIRZ agrees to process the Grant within thirty (30) days after receipt of VPKK's complete and correct Grant Submittal Package. Notwithstanding the foregoing, the Grant shall not be funded until: (1) VPKK satisfies all applicable obligations in Section 4 and (2) the TIRZ has sufficient funds in the TIRZ Fund to satisfy the entire Grant.

SECTION 4. OBLIGATIONS OF VPKK

While this Agreement is in effect, VPKK shall comply with the following terms and conditions to be eligible for any Grant; as such conditions are described or may apply:

- a. VPKK shall i) fund and complete the Project on or before December 31, 2018, and ii) satisfy the requisites for, and receive upon final inspection, if at all, a "green tag" for the Project at the historic building at 100 E. Louisiana Street on or before that date;
- b. VPKK shall submit a Grant Submittal Package to the TIRZ staff consisting of: (1) the approved Certificate of Appropriateness, (2) the issued building permit(s), final certificate of occupancy, a Bills Paid Affidavit in the form of attached **Exhibit "A,"** and "as built" plans for any and all Project work shown on **Exhibit "B,"** both of which are attached hereto, and (3) all cost and payment documentation of VPKK and its general contractor for the Eligible Costs. The TIRZ staff, or its designee, shall verify that the expenditures were made in such amounts prior to disbursement of the Grant.
- c. VPKK shall obtain a Certificate of Appropriateness from the City for the Project and the Project shall conform to all City codes, state and federal laws, and local ordinances applicable to the Project.

SECTION 5. EVENTS OF DEFAULT.

Each of the following shall constitute an event of default under this Agreement:

- a. The TIRZ's failure to process any Grant payment to VPKK in accordance with Section 3 of this Agreement.
- b. VPKK's violation or failure to perform any of the covenants contained in Section 4 hereinabove.

SECTION 6. EFFECT OF AN EVENT OF DEFAULT

In the event of default under Section 5, the non-defaulting party shall give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to cure said default. Should said default remain uncured and the non-defaulting party is not otherwise in default, the non-defaulting party shall have the right to immediately terminate this Agreement.

As long as VPKK shall not be in default, VPKK shall further have the power to enforce specific performance to collect amounts owing upon the TIRZ's default without terminating this Agreement. No action shall lie for punitive damages, and no special or consequential damages shall be recovered by either party. VPKK shall be entitled to receive from TIRZ any Grant payments due VPKK through the date of termination.

If the TIRZ exercises its rights to terminate this Agreement, VPKK shall not be entitled to any Grant payments hereunder.

SECTION 7. MISCELLANEOUS PROVISIONS

The following miscellaneous provisions are a part of this Agreement:

- a. **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by all of the parties hereto.
- b. **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Collin County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Collin County, Texas.
- c. **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. The TIRZ warrants and represents that the individual executing this Agreement on

behalf of the TIRZ has full authority to execute this Agreement and bind TIRZ to the same. VPKK warrants and represents that it has full authority to execute this Agreement.

- d. **No Waiver of Sovereign Immunity.** No party hereto waives any statutory or common law right to sovereign immunity by virtue of its execution hereof.
- e. **Execution of Agreement.** The TIRZ has authorized its Chairman to execute this Agreement on behalf of the TIRZ.
- f. **Severability.** In the event any provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid or unenforceable, the Agreement shall, to the extent reasonably possible, remain in force as to the balance of its provisions as if such invalid provision were not a part hereof.
- g. **Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the addresses shown above in Section 2. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, each party agrees to keep the other informed at all times of its current address.
- g. **Effective Date.** The effective date (the "Effective Date") of this Agreement shall be the date of the later to execute this Agreement by VPKK and the TIRZ.
- h. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

VPKK, LLC.

By: _____

Date: _____

**REINVESTMENT ZONE NUMBER ONE, CITY OF
MCKINNEY**

By:

Tracy Rath, Chairman

Date:

ATTEST:

By: _____

Name: Empress Drane

Title: TIRZ SECRETARY

Date: _____

APPROVED AS TO FORM:

MARK S. HOUSER

Attorney for Reinvestment Zone Number One,
City of McKinney

PREPARED IN THE OFFICES OF:

BROWN & HOFMEISTER, L.L.P.

740 E. Campbell Road, Suite 800

Richardson, Texas 75081

214/747-6100

214/747-6111 Fax

Exhibit "A"

BILLS PAID AFFIDAVIT

Date: _____

Project Name: _____

Owner's Name: _____

Owner's Mailing Address:

Contractor's Name(s): _____

Contractor's Mailing Address(es):

_____	_____
_____	_____
_____	_____
_____	_____

Affiant's Name: _____

Affiant's Mailing Address:

Phase/Lots and Blocks: _____

Improvements: _____

THE STATE OF TEXAS §

COUNTY OF COLLIN §

Before me, the undersigned, on this day personally appeared _____, known to me to be a credible person (hereinafter called “Affiant”), and who, being duly sworn, upon his oath declares and acknowledged that the following statements are true and within the personal knowledge of Affiant:

1. Affiant owns the property and the Project (“Owner”) that is the subject of this Bills Paid Affidavit, and has personal knowledge of the facts stated in this affidavit. .

2. Affiant understands that the Reinvestment Zone Number One, City of McKinney, Texas and/or the City of McKinney, Texas (“TIRZ” and “City,” respectively) have required this affidavit as a condition of a grant of incentives under an economic development agreement involving the Property identified above located within the City of McKinney, Collin County, Texas (the “Project”).

3. Owner has constructed and installed, or caused to be constructed and installed, certain private building improvements, public improvements or infrastructure required by the TIRZ or the City and necessary to serve the Project.

4. Affiant has actual knowledge that all bills owed by Owner to others for materials supplied or labor performed in connection with the Project have been fully paid and satisfied.

5. **OWNER AGREES TO INDEMNIFY AND HOLD THE TIRZ AND THE CITY HARMLESS FROM AND AGAINST ANY LOSS OR EXPENSE RESULTING FROM FALSE OR INCORRECT INFORMATION IN THIS AFFIDAVIT.”**

OWNER:

Name:_____

SUBSCRIBED AND SWORN TO before me on this ____ day of _____,
2018, by _____.

Notary Public, State of Texas

Exhibit “B”

AS-BUILT PLANS



18-797

TITLE: Conduct a Public Hearing to Consider/Discuss/Act on a Resolution Approving a Chapter 380 Economic Development Agreement and Project Plan Implementation Agreement with Local Yocal, LLC. for the Façade Improvement Project at 350A E. Louisiana Street

MEETING DATE: September 18, 2018

DEPARTMENT: Planning

CONTACT: Matt Robinson, AICP, Planning Manager
Jennifer Arnold, AICP, Interim Director of Planning

RECOMMENDED ACTION:

- Staff recommends approval of the proposed resolution.

ITEM SUMMARY:

- The proposed agreement with Local Yocal, LLC. and the City of McKinney is intended for the primary purpose of assisting with façade improvement costs.
- The redevelopment project, located at 350A E. Louisiana Street, is a TIRZ-eligible project in the approved Project Plan of TIRZ No. 1. The project falls under the category of Vacant/Underutilized Sites/Buildings as defined in the TIRZ Project Plan.
- Under the policy governing allocation and/or awarding of TIRZ No. 1 funds for Vacant/Underutilized Site/Buildings as defined by the approved Project Plan, reimbursement and or grant requests are limited to a maximum of \$25,000 per qualifying project, with a maximum of \$100,000 awarded for qualifying vacant/underutilized site/buildings during each fiscal year.
- The applicant is requesting an economic development grant from Reinvestment Zone Number One to assist with the expense associated with making the following improvements to the existing building:
 - Façade improvements consisting of demolition and replacement of doors, the removal and replacement of the Louisiana Street awning, painting of

trim, the removal of clerestory windows and the repairing of sills to maintain the historic nature of the building.

- The applicant shall submit a grant submittal package to staff including all cost and payment documentation. Staff shall verify that the expenditures were made in such amounts prior to any Grant disbursement.

BACKGROUND:

- TIRZ has the authority under Section 311 and Chapter 380 of the Texas Local Government Code to make loans or grants of TIRZ funds for the purposes of promoting local economic development and stimulating businesses and commercial activity within the TIRZ.
- This project has been established as an eligible project in the TIRZ Project Plan under the category of Vacant/Underutilized Sites/Buildings, which is defined as “Relatively smaller projects (under \$5.0 million) for the incremental redevelopment of vacant/underutilized Town Center sites or buildings.” Such sites are limited to the area shown as Vacant/Underutilized Building Improvement Area shown on Figure 3 of the TIRZ Project Plan.
- For qualifying Vacant/Underutilized Site/Buildings, reimbursement or grant requests are limited to a maximum of \$25,000 per project, with an overall maximum of \$100,000 being awarded each fiscal year for Vacant/Underutilized Site/Buildings project types. Reimbursement and/or grant requests are funded on a first-come, first-serve basis until the maximum fiscal year allotment has been reached. To date for FY2017-2018, there have been two reimbursement or grant requests for Vacant/Underutilized Site/Buildings.
- Projects that have received funding from TIRZ No.1 are listed below:

Vacant/Underutilized Sites/Buildings

- 205 W. Louisiana Street - \$25,000 (FY2017-2018)*
- 207 E. Virginia Street - \$16,825 (FY2017-2018)
- 101 Louisiana Street - \$25,000 (FY2015-2016)
- 101 Louisiana Street - \$25,000 (FY2015-2016)
- 214 E. Louisiana (Hope Hardware) - \$25,000 (FY2015-2016)
- 214 E. Louisiana (Hope Hardware) - \$25,000 (FY2014-2015)
- Cotton Mill - \$500,000 (FY2014)

*project not completed

FINANCIAL IMPACT:

- The FY2017-2018 annual budget for TIRZ No. 1 includes funding for Vacant/Underutilized Sites/Building incentives up to \$100,000 per fiscal year, with a \$25,000 maximum per project.

SUPPORTING MATERIALS:

[Resolution](#)

[350A E. Louisiana St 380 Agreement](#)

RESOLUTION NO. 2018-__-__ (TR1R)

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY, TEXAS
APPROVING A CHAPTER 380 ECONOMIC DEVELOPMENT AND
PROJECT PLAN IMPLEMENTATION AGREEMENT WITH LOCAL
YOCAL, LLC. FOR THE 350A E. LOUISIANA STREET – LOCAL
YOCAL BBQ & GRILL FAÇADE IMPROVEMENT PROJECT**

WHEREAS, on the 21st day of September, 2010, the City Council of the City of McKinney, Texas approved tax increment financing Reinvestment Zone Number One, City of McKinney (the “Zone”), pursuant to the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended; and

WHEREAS, Ordinance Number 2010-09-034, as amended which created the Zone, also created and established a board of directors for the Zone; and

WHEREAS, the Zone is a duly constituted reinvestment zone under Chapter 311 of the Texas Tax Code, as amended, acting by and through its duly appointed Board of Directors; and

WHEREAS, pursuant to Section 311.011(a) of the Tax Increment Financing Act, as amended, the board of directors of a reinvestment zone shall prepare, or cause to be prepared, and adopt a project plan and financing plan for the zone and submit the plans to the governing body of the municipality that created the zone for its approval; and

WHEREAS, on October 19, 2010 the Board of Directors of Reinvestment Zone Number One (“Board”) adopted the Project Plan and Financing Plan for the Zone by Resolution Number 2010-10-010 (TR1R); and

WHEREAS, on November 16, 2010 the City Council of the City of McKinney, Texas approved the adopted Project Plan and Financing Plan for the Zone by Resolution Number 2010-11-141(R); and

WHEREAS, on September 2, 2014 the Board approved Resolution Number 2014-09-002 (TR1R) providing for the allocation and awarding of TIRZ No. 1 funds for “Catalyst Projects” as defined by the approved Project Plan and Finance Plan for vacant/underutilized sites/buildings; and

WHEREAS, Local Yocal, LLC., (hereinafter “Local Yocal”) is undertaking the redevelopment of an underutilized building located at 350A E. Louisiana Street, McKinney, Texas, wholly within Reinvestment Zone Number One in the City of McKinney, Texas (the “Project”); and

WHEREAS, the Board has established the Project as an eligible project under the Project Plan for the Zone as required by law and determines that a conditional grant to Local Yocal of its funds will serve the public purpose of promoting local economic development and enhancing business and commercial activity in the Zone and the City of McKinney, Texas; and

WHEREAS, the Board has concluded and hereby finds that this Agreement clearly promotes economic development in the Zone and, as such, meets the requisites under Section 311.101(h) and Chapter 380 of the Texas Local Government Code and further, is in the best interests of the Zone and Croft.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER ONE, MCKINNEY, TEXAS, THAT:

Section 1. The Board of Directors of Reinvestment Zone Number One, City of McKinney, Texas hereby approves the Chapter 380 Economic Development and Project Plan Implementation Agreement with Local Yocal, LLC. for the 350A E. Louisiana Street – Local Yocal BBQ & Grill Façade Improvement Project.

Section 2. This Resolution shall take effect immediately from and after the date of passage and is so resolved.

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER ONE, MCKINNEY, TEXAS ON THE _____ DAY OF _____, 2018.

TRACY RATH
Chairman

ATTEST:

EMPRESS DRANE
City Secretary
MELISSA LEE
Deputy City Secretary

APPROVED AS TO FORM:

MARK S. HOUSER
City Attorney

**REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY
AND LOCAL YOCAL, LLC
CHAPTER 380 ECONOMIC DEVELOPMENT AND
PROJECT PLAN IMPLEMENTATION AGREEMENT FOR
350A E. LOUISIANA STREET - LOCAL YOCAL BBQ & GRILL
HISTORICAL FAÇADE IMPROVEMENT PROJECT**

WHEREAS, LOCAL YOCAL, LLC (hereinafter “Local Yocal”) is entering into this Chapter 380 Economic Development and Project Plan Implementation Agreement for a new building construction project (this “Agreement”) pursuant to a program initiated by **REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY** (hereinafter the “TIRZ”) pursuant to Section 311.010(h) of the Texas Tax Code and Chapter 380 of the Texas Local Government Code, for the primary purpose of making façade improvements to the building situated at 350A E. Louisiana Street, McKinney, Texas (“Structure”) through the interior and exterior demolition and restoration of doors, windows, and awnings, and which project is known as the **350A E. LOUISIANA – LOCAL YOCAL BBQ & GRILL HISTORICAL FAÇADE IMPROVEMENT PROJECT** (the “Project”) located wholly within Reinvestment Zone Number One in the “Town Center” area of the TIRZ of McKinney, Texas; and

WHEREAS, the TIRZ has agreed to an economic development grant to Local Yocal based on the timely satisfaction of the conditions and upon the timely completion of the Project, including but not limited to historical façade improvements to the front portion of the Structure while maintaining an appropriate historical look for the building’s time period and in strict conformity to the ordinance of the City in strict conformity to the ordinances of the City of McKinney, Texas (“City”), and approval of a Certificate of Appropriateness for the Project; and

WHEREAS, the TIRZ has the authority under Section 311.010(h) of the Tax Increment Financing Act, as amended, and Chapter 380 of the Texas Local Government Code to make loans or grants of TIRZ funds for the purposes of promoting local economic development and stimulating business and commercial activity within the TIRZ; and

WHEREAS, the TIRZ has established the Project as an eligible project under the TIRZ Project Plan as required by law and determines that a conditional grant to Local Yocal of its funds will serve the public purpose of promoting local economic development and enhancing business and commercial activity in the TIRZ and the City; and

WHEREAS, the TIRZ has concluded and hereby finds that this Agreement clearly promotes economic development in the TIRZ and, as such, meets the requisites under Section 311.011(h) of the Tax Increment Financing Act, as amended, and Chapter 380 of the Texas Local Government Code and further, is in the best interests of the TIRZ, Local Yocal, and the City; and

WHEREAS, the City Council of the City of McKinney, Texas has considered and approved this Agreement pursuant to applicable law.

NOW, THEREFORE, for and in consideration of the agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the TIRZ and Local Yocal agree as follows:

SECTION 1. TERM

This Agreement shall be effective from the Effective Date until November 1, 2018, unless terminated sooner under the provisions herein.

SECTION 2. DEFINITIONS

The following words shall have the following meanings when used in this Agreement.

- a. Agreement. The word “Agreement” means this Chapter 380 Economic Development and Project Plan Implementation Agreement, together with all exhibits, schedules, and amendments attached to this Agreement from time to time, if any.
- b. Grant. The word “Grant” means a disbursement to Local Yocal under the terms of this Agreement of an amount not to exceed Twenty-Five Thousand and Zero/100 Dollars (\$25,000.00) in Eligible Costs (as hereinafter defined).
- c. Grant Submittal Package. The words “Grant Submittal Package” mean the documentation required to be supplied to the TIRZ as a condition of receipt of any Grant.
- d. Project. The word “Project” means the 350A E. Louisiana Street – Local Yocal BBQ & Grill historical façade improvement project to the front portion of the Structure and involves the interior and exterior demolition and restoration of doors, windows and awnings while maintaining an appropriate historical look for the building’s time period and in strict conformity to the ordinance of the City, and approval of a Certificate of Appropriateness for the Project. Approved expenditures for the Project shall be referred to as the “Eligible Costs”.

- e. Local Yocal. The word “Local Yocal” means Local Yocal, LLC, a Texas limited liability company, including its assigns and successors-in-interest. For purposes of this Agreement, Local Yocal’s address is 350A E. Louisiana Street, Suite A, McKinney, Texas 75069.
- f. TIRZ. The letters “TIRZ” means Reinvestment Zone Number One, City of McKinney. For purposes of this Agreement, TIRZ’s address is 222 N. Tennessee, McKinney, Texas 75069.

SECTION 3. GRANT FUNDING OBLIGATION OF TIRZ

During the term of this Agreement, the TIRZ shall make a one-time Grant payment in an amount not to exceed **Twenty-Five Thousand and Zero/100 Dollars (\$25,000.00)** for Eligible Costs, which shall be payable upon the satisfaction of the express terms and conditions described in Section 4 below. Subject to Local Yocal’s complete and continuous satisfaction of the Section 4 conditions, the TIRZ agrees to process the Grant within thirty (30) days after receipt of Local Yocal’s complete and correct Grant Submittal Package. Notwithstanding the foregoing, the Grant shall not be funded until: (1) Local Yocal satisfies all applicable obligations in Section 4 and (2) the TIRZ has sufficient funds in the TIRZ Fund to satisfy the entire Grant.

SECTION 4. OBLIGATIONS OF LOCAL YOCAL

While this Agreement is in effect, Local Yocal shall comply with the following terms and conditions to be eligible for any Grant; as such conditions are described or may apply:

- a. Local Yocal shall: (1) fund and complete the Project on or before November 1, 2018, and (2) satisfy the requisites for, and receive a final inspection, if at all, a “green tag” for the Project at the building located at 350A E. Louisiana Street on or before that date;
- b. Local Yocal shall submit a Grant Submittal Package to the TIRZ staff consisting of: (1) the approved Certificate of Appropriateness, (2) the issued building permit(s), final certificate of occupancy, a Bills Paid Affidavit in the form of **Exhibit “A,”** and “as-built” plans for any and all Project work shown on **Exhibit “B,”** both of which exhibits are attached hereto, and (3) all cost and payment documentation of Local Yocal and its general contractor for the Eligible Costs. The TIRZ staff, or its designee, shall verify that the expenditures were made in such amounts prior to disbursement of the Grant.
- c. Local Yocal shall obtain a Certificate of Appropriateness from the City for the Project and the Project shall conform to all City codes, state and federal laws, and local ordinances applicable to the Project.

SECTION 5. EVENTS OF DEFAULT.

Each of the following shall constitute an event of default under this Agreement:

- a. The TIRZ's failure to process any Grant payment to Local Yocal in accordance with Section 3 of this Agreement.
- b. Local Yocal's violation or failure to perform any of the covenants contained in Section 4 hereinabove.

SECTION 6. EFFECT OF AN EVENT OF DEFAULT

In the event of default under Section 5, the non-defaulting party shall give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to cure said default. Should said default remain uncured and the non-defaulting party is not otherwise in default, the non-defaulting party shall have the right to immediately terminate this Agreement.

As long as Local Yocal shall not be in default, Local Yocal shall further have the power to enforce specific performance to collect amounts owing upon the TIRZ's default without terminating this Agreement. No action shall lie for punitive damages, and no special or consequential damages shall be recovered by either party. Local Yocal shall be entitled to receive from TIRZ any Grant payments due Local Yocal through the date of termination.

If the TIRZ exercises its rights to terminate this Agreement, Local Yocal shall not be entitled to any Grant payments hereunder.

SECTION 7. MISCELLANEOUS PROVISIONS

The following miscellaneous provisions are a part of this Agreement:

- a. **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by all of the parties hereto.
- b. **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Collin County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Collin County, Texas.
- c. **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. The TIRZ

warrants and represents that the individual executing this Agreement on behalf of the TIRZ has full authority to execute this Agreement and bind TIRZ to the same. Local Yocal warrants and represents that it has full authority to execute this Agreement.

- d. **No Waiver of Sovereign Immunity.** No party hereto waives any statutory or common law right to sovereign immunity by virtue of its execution hereof.
- e. **Execution of Agreement.** The TIRZ has authorized its Chairman to execute this Agreement on behalf of the TIRZ.
- f. **Severability.** In the event any provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid or unenforceable, the Agreement shall, to the extent reasonably possible, remain in force as to the balance of its provisions as if such invalid provision were not a part hereof.
- g. **Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the addresses shown above in Section 2. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, each party agrees to keep the other informed at all times of its current address.
- g. **Effective Date.** The effective date (the "Effective Date") of this Agreement shall be the date of the later to execute this Agreement by Local Yocal and the TIRZ.
- h. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

Local Yocal, LLC, a Texas Limited Liability Company,

By:

Name: _____

Title: _____

Date Signed: _____

[Signatures continued on following page.]

**REINVESTMENT ZONE NUMBER
ONE, CITY OF MCKINNEY**

By: _____
TRACY RATH
CHAIRMAN

Date Signed: _____

ATTEST:

By: _____
Name: EMPRESS DRANE
Title: TIRZ SECRETARY
Date: _____

APPROVED AS TO FORM:

MARK S. HOUSER
Attorney for Reinvestment Zone Number One,
City of McKinney

PREPARED IN THE OFFICES OF:

BROWN & HOFMEISTER, L.L.P.

740 E. Campbell Road, Suite 800

Richardson, Texas 75081

214/747-6100

214/747-6111 Fax

Exhibit "A"

BILLS PAID AFFIDAVIT

Date: _____

Project Name: _____

Owner's Name: _____

Owner's Mailing Address:

Contractor's Name(s): _____

Contractor's Mailing Address(es):

_____	_____
_____	_____
_____	_____
_____	_____

Affiant's Name: _____

Affiant's Mailing Address:

Phase/Lots and Blocks: _____

Improvements: _____

THE STATE OF TEXAS §

COUNTY OF COLLIN §

Before me, the undersigned, on this day personally appeared _____, known to me to be a credible person (hereinafter called “Affiant”), and who, being duly sworn, upon his oath declares and acknowledged that the following statements are true and within the personal knowledge of Affiant:

1. Affiant owns the property and the Project (“Owner”) that is the subject of this Bills Paid Affidavit, and has personal knowledge of the facts stated in this affidavit.

2. Affiant understands that the Reinvestment Zone Number One, City of McKinney, Texas and/or the City of McKinney, Texas (“TIRZ” and “City,” respectively) have required this affidavit as a condition of a grant of incentives under an economic development agreement involving the Property identified above located within the City of McKinney, Collin County, Texas (the “Project”).

3. Owner has constructed and installed, or caused to be constructed and installed, certain private building improvements, public improvements or infrastructure required by the TIRZ or the City and necessary to serve the Project.

4. Affiant has actual knowledge that all bills owed by Owner to others for materials supplied or labor performed in connection with the Project have been fully paid and satisfied.

5. **OWNER AGREES TO INDEMNIFY AND HOLD THE TIRZ AND THE CITY HARMLESS FROM AND AGAINST ANY LOSS OR EXPENSE RESULTING FROM FALSE OR INCORRECT INFORMATION IN THIS AFFIDAVIT.”**

OWNER:

Name: _____

SUBSCRIBED AND SWORN TO before me on this ____ day of _____, 2018, by _____.

Notary Public, State of Texas

Exhibit “B”

DESIGN PLANS



18-798

TITLE: Conduct a Public Hearing to Consider/Discuss/Act on a Resolution Approving a Chapter 380 Economic Development Agreement and Project Plan Implementation Agreement with Nash Group Real Estate, Inc. for the Façade Improvement Project at 110 N. Tennessee Street

MEETING DATE: September 18, 2018

DEPARTMENT: Planning

CONTACT: Matt Robinson, AICP, Planning Manager
Jennifer Arnold, AICP, Interim Director of Planning

RECOMMENDED ACTION:

- Staff recommends approval of the proposed resolution.

ITEM SUMMARY:

- The proposed agreement with Nash Group Real Estate, Inc. and the City of McKinney is intended for the primary purpose of assisting with façade improvement costs.
- The redevelopment project, located at 110 N. Tennessee Street, is a TIRZ-eligible project in the approved Project Plan of TIRZ No. 1. The project falls under the category of Vacant/Underutilized Sites/Buildings as defined in the TIRZ Project Plan.
- Under the policy governing allocation and/or awarding of TIRZ No. 1 funds for Vacant/Underutilized Site/Buildings as defined by the approved Project Plan, reimbursement and or grant requests are limited to a maximum of \$25,000 per qualifying project, with a maximum of \$100,000 awarded for qualifying vacant/underutilized site/buildings during each fiscal year.
- The applicant is requesting an economic development grant from Reinvestment Zone Number One to assist with the expense associated with making the following improvements to the existing building:
 - Façade improvements consisting of exterior porch molding restoration,

replacement of damaged soffit mortar, window well glazing and sealing, cleaning and tuck pointing masonry to maintain the historic nature of the building.

- The applicant has received approval of a Certificate of Appropriateness from the Historic Preservation Officer for the proposed façade improvements.
- The applicant shall submit a grant submittal package to staff including all cost and payment documentation. Staff shall verify that the expenditures were made in such amounts prior to any Grant disbursement.

BACKGROUND:

- TIRZ has the authority under Section 311 and Chapter 380 of the Texas Local Government Code to make loans or grants of TIRZ funds for the purposes of promoting local economic development and stimulating businesses and commercial activity within the TIRZ.
- This project has been established as an eligible project in the TIRZ Project Plan under the category of Vacant/Underutilized Sites/Buildings, which is defined as “Relatively smaller projects (under \$5.0 million) for the incremental redevelopment of vacant/underutilized Town Center sites or buildings.” Such sites are limited to the area shown as Vacant/Underutilized Building Improvement Area shown on Figure 3 of the TIRZ Project Plan.
- For qualifying Vacant/Underutilized Site/Buildings, reimbursement or grant requests are limited to a maximum of \$25,000 per project, with an overall maximum of \$100,000 being awarded each fiscal year for Vacant/Underutilized Site/Buildings project types. Reimbursement and/or grant requests are funded on a first-come, first-serve basis until the maximum fiscal year allotment has been reached. To date for FY2018-2019, there have been no reimbursement or grant requests for Vacant/Underutilized Site/Buildings.
- Projects that have received funding from TIRZ No.1 are listed below:

Vacant/Underutilized Sites/Buildings

- 205 W. Louisiana Street - \$25,000 (FY2017-2018)*
- 207 E. Virginia Street - \$16,825 (FY2017-2018)
- 101 Louisiana Street - \$25,000 (FY2015-2016)
- 101 Louisiana Street - \$25,000 (FY2015-2016)
- 214 E. Louisiana (Hope Hardware) - \$25,000 (FY2015-2016)
- 214 E. Louisiana (Hope Hardware) - \$25,000 (FY2014-2015)
- Cotton Mill - \$500,000 (FY2014)

*project not completed

FINANCIAL IMPACT:

- The FY2018-2019 annual budget for TIRZ No. 1 includes funding for Vacant/Underutilized Sites/Building incentives up to \$100,000 per fiscal year, with a \$25,000 maximum per project.

SUPPORTING MATERIALS:

[Resolution](#)

[110 N. Tennessee St. 380 Agreement](#)

RESOLUTION NO. 2018-__-__ (TR1R)

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY, TEXAS
APPROVING A CHAPTER 380 ECONOMIC DEVELOPMENT AND
PROJECT PLAN IMPLEMENTATION AGREEMENT FOR THE 110 N.
TENNESSEE STREET – HISTORIC FIRST NATIONAL BANK
INFRASTRUCTURE AND RESTORATION PROJECT**

WHEREAS, on the 21st day of September, 2010, the City Council of the City of McKinney, Texas approved tax increment financing Reinvestment Zone Number One, City of McKinney (the “Zone”), pursuant to the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended; and

WHEREAS, Ordinance Number 2010-09-034, as amended which created the Zone, also created and established a board of directors for the Zone; and

WHEREAS, the Zone is a duly constituted reinvestment zone under Chapter 311 of the Texas Tax Code, as amended, acting by and through its duly appointed Board of Directors; and

WHEREAS, pursuant to Section 311.011(a) of the Tax Increment Financing Act, as amended, the board of directors of a reinvestment zone shall prepare, or cause to be prepared, and adopt a project plan and financing plan for the zone and submit the plans to the governing body of the municipality that created the zone for its approval; and

WHEREAS, on October 19, 2010 the Board of Directors of Reinvestment Zone Number One (“Board”) adopted the Project Plan and Financing Plan for the Zone by Resolution Number 2010-10-010 (TR1R); and

WHEREAS, on November 16, 2010 the City Council of the City of McKinney, Texas approved the adopted Project Plan and Financing Plan for the Zone by Resolution Number 2010-11-141(R); and

WHEREAS, on September 2, 2014 the Board approved Resolution Number 2014-09-002 (TR1R) providing for the allocation and awarding of TIRZ No. 1 funds for “Catalyst Projects” as defined by the approved Project Plan and Finance Plan for vacant/underutilized sites/buildings; and

WHEREAS, The Nash Group Real Estate, Inc. (hereinafter “Nash Properties”) is undertaking the redevelopment of an underutilized building located at 110 N. Tennessee Street, McKinney, Texas, wholly within Reinvestment Zone Number One in the City of McKinney, Texas (the “Project”); and

WHEREAS, the Board has established the Project as an eligible project under the Project Plan for the Zone as required by law and determines that a conditional grant to Nash Properties of its funds will serve the public purpose of promoting local economic development and enhancing business and commercial activity in the Zone and the City of McKinney, Texas; and

WHEREAS, the Board has concluded and hereby finds that this Agreement clearly promotes economic development in the Zone and, as such, meets the requisites under Section 311.101(h) and Chapter 380 of the Texas Local Government Code and further, is in the best interests of the Zone and Croft.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
REINVESTMENT ZONE NUMBER ONE, MCKINNEY, TEXAS, THAT:**

Section 1. The Board of Directors of Reinvestment Zone Number One, City of McKinney, Texas hereby approves the Chapter 380 Economic Development and Project Plan Implementation Agreement with The Nash Group Real Estate, Inc. for the 110 N. Tennessee Street – Historic First National Bank Infrastructure and Restoration Project.

Section 2. This Resolution shall take effect immediately from and after the date of passage and is so resolved.

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER ONE, MCKINNEY, TEXAS ON THE ____ DAY OF _____, 2018.

TRACY RATH
Chairman

ATTEST:

EMPRESS DRANE
City Secretary
MELISSA LEE
Deputy City Secretary

APPROVED AS TO FORM:

MARK S. HOUSER
City Attorney

**REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY
AND
THE NASH GROUP REAL ESTATE, INC.
CHAPTER 380 ECONOMIC DEVELOPMENT AND PROJECT PLAN
IMPLEMENTATION AGREEMENT FOR 110 N. TENNESSEE STREET – HISTORIC
FIRST NATIONAL BANK INFRASTRUCTURE AND RESTORATION PROJECT**

WHEREAS, *THE NASH GROUP REAL ESTATE, INC.*, a Texas corporation (hereinafter “Nash Properties”), is entering into this Chapter 380 Economic Development and Project Plan Implementation Agreement for Street/Sidewalk Improvements (this “Agreement”) pursuant to a program initiated by ***REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY*** (hereinafter “TIRZ”) pursuant to Section 311.010(h) of the Texas Tax Code and Chapter 380 of the Texas Local Government Code, for the primary purpose of renovating and improving a historic building situated at 110 N. Tennessee Street, McKinney, Texas (“Structure”), and which project is known as the ***110 N. TENNESSEE – HISTORIC FIRST NATIONAL BANK INFRASTRUCTURE AND RESTORATION PROJECT*** (the “Project”) located wholly within Reinvestment Zone Number One in the “Town Center” area of the TIRZ of McKinney, Texas; and

WHEREAS, the TIRZ has agreed to an economic development grant to Nash Properties based on the timely satisfaction of the conditions and upon the timely completion of the Project, including but not limited to restoring the front façade and rear area as well as the utility infrastructure of the Structure; and

WHEREAS, the TIRZ has the authority under Section 311.010(h) and Chapter 380 of the Texas Local Government Code to make loans or grants of TIRZ funds for the purposes of promoting local economic development and stimulating business and commercial activity within the TIRZ; and

WHEREAS, the TIRZ has established the Project as an eligible project under the TIRZ Project Plan as required by law and determines that a conditional grant to Nash Properties of its funds will serve the public purpose of promoting local economic development and enhancing business and commercial activity in the TIRZ and the City of McKinney, Texas; and

WHEREAS, the TIRZ has concluded and hereby finds that this Agreement clearly promotes economic development in the TIRZ and, as such, meets the requisites under Section 311.101(h) and Chapter 380 of the Texas Local Government Code and further, is in the best interests of the TIRZ, Nash Properties, and the City of McKinney, Texas; and

WHEREAS, the City Council has considered and approved this Agreement pursuant to applicable law.

NOW, THEREFORE, for and in consideration of the agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, TIRZ and Nash Properties, agree as follows:

SECTION 1. TERM

This Agreement shall be effective from the Effective Date until September 30, 2019, unless terminated sooner under the provisions herein.

SECTION 2. DEFINITIONS

The following words shall have the following meanings when used in this Agreement.

- a. Agreement. The word “Agreement” means this Chapter 380 Economic Development and Project Plan Implementation Agreement, together with all exhibits, schedules, and amendments attached to this Agreement from time to time, if any.
- b. Grant. The word “Grant” means a payment to Nash Properties under the terms of this Agreement of an amount not to exceed Twenty-Five Thousand and No/100 Dollars (\$25,000) in eligible Project costs.
- c. Grant Submittal Package. The words “Grant Submittal Package” mean the documentation required to be supplied to TIRZ as a condition of receipt of any Grant.
- d. Project. The word “Project” means certain renovations to the historic building located generally at 110 N. Tennessee Street, McKinney, Texas, 75069. The specific renovations eligible for Project reimbursement shall include, and are limited to, restoring the front façade and rear area as well as the utility infrastructure of the Structure. Approved expenditures for the Project are referred to as the “Eligible Costs”.
- e. Nash Properties. The phrase “Nash Properties” means The Nash Group Real Estate, Inc., a Texas corporation, including its assigns and successors-in-interest. For purposes of this Agreement, Nash Properties’ address is 941 Circle in the Woods, Fairview, TX, 75069.
- f. TIRZ. The letters “TIRZ” means Reinvestment Zone Number One, City of McKinney. For purposes of this Agreement, TIRZ’s address is 222 N. Tennessee, McKinney, Texas 75069.

SECTION 3. GRANT FUNDING OBLIGATION OF TIRZ

During the term of this Agreement, TIRZ shall fund a one-time grant in an amount not to exceed **Twenty-Five Thousand and No/100 Dollars (\$25,000.00)** for Eligible Costs, which shall be payable upon the satisfaction of the express terms and conditions described in Section 4 below. Subject to Nash Properties' complete and continuous satisfaction of the Section 4 conditions, TIRZ agrees to process the Grant within thirty (30) days after receipt of Nash Properties' complete and correct Grant Submittal Package. Notwithstanding the foregoing, the Grant shall not be funded until: (1) Nash Properties satisfies all applicable obligations in Section 4 and (2) the TIRZ has sufficient funds in the TIRZ Fund to satisfy the entire Grant.

SECTION 4. OBLIGATIONS OF NASH PROPERTIES

While this Agreement is in effect, Nash Properties shall comply with the following terms and conditions to be eligible for any Grant; as such conditions are described or may apply:

- a. Nash Properties shall (1) fund and complete the Project on or before September 30, 2019, and (2) satisfy the requisites for, and receive upon final inspection, if at all, a "green tag" for the Project at the historic building at 110 N. Tennessee Street on or before that date;
- b. Nash Properties shall submit a Grant Submittal Package to the TIRZ staff consisting of: (1) the issued building permit(s), final certificate of occupancy, a Bills Paid Affidavit in the form of attached **Exhibit "A,"** and "as built" plans for any and all Project work shown on **Exhibit "B,"** both of which are attached hereto, and (2) all cost and payment documentation of Nash Properties and its general contractor for the Eligible Costs. The TIRZ staff, or its designee, shall verify that the expenditures were made in such amounts prior to any Grant disbursement.
- c. Nash Properties shall be in compliance with all applicable City of McKinney codes, state and federal laws, and local ordinances applicable to the Project.

SECTION 5. EVENTS OF DEFAULT.

Each of the following shall constitute an event of default under this Agreement:

- a. TIRZ's failure to process any Grant payment to Nash Properties in accordance with Section 3 of this Agreement.
- b. Nash Properties' violation or failure to perform any of the covenants contained in Section 4 hereinabove.

SECTION 6. EFFECT OF AN EVENT OF DEFAULT

In the event of default under Section 5, the non-defaulting party shall give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to cure said default. Should said default remain uncured and the non-defaulting party is not otherwise in default, the non-defaulting party shall have the right to immediately terminate this Agreement.

As long as it shall not be in default, Nash Properties shall further have the power to enforce specific performance to collect amounts owing upon TIRZ's default without terminating this Agreement. No action shall lie for punitive damages, and no special or consequential damages shall be recovered by either party. LD Design shall be entitled to receive from TIRZ any Grants due Nash Properties through the date of termination.

If McKinney exercises its rights to terminate the Agreement, Nash Properties shall not be entitled to any Grant payments hereunder.

SECTION 7. MISCELLANEOUS PROVISIONS

The following miscellaneous provisions are a part of this Agreement:

- a. **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by all of the parties hereto.
- b. **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Collin County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Collin County, Texas.
- c. **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. TIRZ warrants and represents that the individual executing this Agreement on behalf of TIRZ has full authority to execute this Agreement and bind TIRZ to the same. Nash Properties warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind it to the same.
- d. **No Waiver of Sovereign Immunity.** No party hereto waives any statutory or common law right to sovereign immunity by virtue of its execution hereof.

- e. **Execution of Agreement.** The TIRZ has authorized its Chairman to execute this Agreement on behalf of TIRZ.
- f. **Severability.** In the event any provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid or unenforceable, the Agreement shall, to the extent reasonably possible, remain in force as to the balance of its provisions as if such invalid provision were not a part hereof.
- g. **Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the addresses shown above in Section 2. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, each party agrees to keep the other informed at all times of its current address.
- h. **Effective Date.** The effective date (the "Effective Date") of this Agreement shall be the date of the later to execute this Agreement by Nash Properties and TIRZ.
- i. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

THE NASH GROUP REAL ESTATE, INC., a
Texas Corporation,

By: _____

Name: _____

Title: _____

Date: _____

[Signatures continued on following page.]

**REINVESTMENT ZONE NUMBER ONE, CITY OF
MCKINNEY**

By:

Name:

TRACY RATH

Title:

CHAIRMAN

Date:

ATTEST:

EMPRESS DRANE

TIRZ Secretary

APPROVED AS TO FORM:

MARK S. HOUSER

Attorney for Reinvestment Zone Number One,
City of McKinney

PREPARED IN THE OFFICES OF:

BROWN & HOFMEISTER, L.L.P.

740 E. Campbell Road, Suite 800

Richardson, Texas 75081

214/747-6100

214/747-6111 Fax

Exhibit "A"

BILLS PAID AFFIDAVIT

Date: _____

Project Name: _____

Owner Name: _____

Owner's Mailing Address:

Contractor Name(s): _____

Contractor's Mailing Address(es):

Affiant's Name: _____

Affiant's Mailing Address:

Phase/Lots

and

Blocks:

Improvements: _____

THE STATE OF TEXAS

§

COUNTY OF COLLIN

§

Before me, the undersigned, on this day personally appeared _____, known to me to be a credible person and officer of _____, a _____ (hereinafter called "Affiant"), and who, being duly sworn, upon his oath declares and acknowledged that the following statements are true and within the personal knowledge of Affiant:

1. Affiant has personal knowledge of the facts stated in this affidavit. Affiant has full authority to make the agreements in this affidavit on behalf of Owner(s)

_____ (hereinafter referred to as "Owner" whether one or more).

2. Affiant understands that the Reinvestment Zone Number One, City of McKinney, Texas and/or the City of McKinney, Texas ("TIRZ" and "City," respectively) have required this affidavit as a condition of a grant of incentives under an economic development agreement involving the Property identified above located within the City of McKinney, Collin County, Texas (the "Project").

3. Owner has constructed and installed, or caused to be constructed and installed, certain private building improvements, public improvements or infrastructure required by the TIRZ or City and necessary to serve the Project.

4. Affiant has actual knowledge that all bills owed by Owner to others for materials supplied or labor performed in connection with the Project have been fully paid and satisfied.

5. **Owner agrees to indemnify and hold TIRZ and City harmless from and against any loss or expense resulting from false or incorrect information in this affidavit.**

OWNER:

a _____

By: _____

Name:

Title:

SUBSCRIBED AND SWORN TO before me on this ____ day of _____, 2018, by
_____, in his/her capacity as _____, of
_____ a _____ (hereinafter called "Affiant").

Notary Public, State of Texas

Exhibit “B”

AS-BUILT PLANS



18-799

TITLE: Conduct a Public Hearing to Consider/Discuss/Act on a Resolution Approving a Chapter 380 Economic Development Agreement and Project Plan Implementation Agreement with Arabella's, LLC for the Façade Improvement Project at 102 N. Tennessee Street

MEETING DATE: September 18, 2018

DEPARTMENT: Planning

CONTACT: Matt Robinson, AICP, Planning Manager
Jennifer Arnold, AICP, Interim Director of Planning

RECOMMENDED ACTION:

- Staff recommends approval of the proposed resolution.

ITEM SUMMARY:

- The proposed agreement with Arabella's, LLC and the City of McKinney is intended for the primary purpose of assisting with façade improvement costs.
- The redevelopment project, located at 102 N. Tennessee Street, is a TIRZ-eligible project in the approved Project Plan of TIRZ No. 1. The project falls under the category of Vacant/Underutilized Sites/Buildings as defined in the TIRZ Project Plan.
- Under the policy governing allocation and/or awarding of TIRZ No. 1 funds for Vacant/Underutilized Site/Buildings as defined by the approved Project Plan, reimbursement and or grant requests are limited to a maximum of \$25,000 per qualifying project, with a maximum of \$100,000 awarded for qualifying vacant/underutilized site/buildings during each fiscal year.
- The applicant is requesting an economic development grant from Reinvestment Zone Number One to assist with the expense associated with making the following improvements to the existing building:
 - Façade improvements consisting of the replacement of upstairs windows with wood windows, repainting the entire building, repair of stucco finish,

replacement of the existing door, the replacement of an existing awning and the addition of three awnings on the top floor to maintain the historic nature of the building.

- The applicant has received approval of a Certificate of Appropriateness from the Historic Preservation Officer for the proposed façade improvements.
- The applicant shall submit a grant submittal package to staff including all cost and payment documentation. Staff shall verify that the expenditures were made in such amounts prior to any Grant disbursement.

BACKGROUND:

- TIRZ has the authority under Section 311 and Chapter 380 of the Texas Local Government Code to make loans or grants of TIRZ funds for the purposes of promoting local economic development and stimulating businesses and commercial activity within the TIRZ.
- This project has been established as an eligible project in the TIRZ Project Plan under the category of Vacant/Underutilized Sites/Buildings, which is defined as “Relatively smaller projects (under \$5.0 million) for the incremental redevelopment of vacant/underutilized Town Center sites or buildings.” Such sites are limited to the area shown as Vacant/Underutilized Building Improvement Area shown on Figure 3 of the TIRZ Project Plan.
- For qualifying Vacant/Underutilized Site/Buildings, reimbursement or grant requests are limited to a maximum of \$25,000 per project, with an overall maximum of \$100,000 being awarded each fiscal year for Vacant/Underutilized Site/Buildings project types. Reimbursement and/or grant requests are funded on a first-come, first-serve basis until the maximum fiscal year allotment has been reached. To date for FY2018-2019, there have been no reimbursement or grant requests for Vacant/Underutilized Site/Buildings.
- Projects that have received funding from TIRZ No.1 are listed below:

Vacant/Underutilized Sites/Buildings

- 205 W. Louisiana Street - \$25,000 (FY2017-2018)*
- 207 E. Virginia Street - \$16,825 (FY2017-2018)
- 101 Louisiana Street - \$25,000 (FY2015-2016)
- 101 Louisiana Street - \$25,000 (FY2015-2016)
- 214 E. Louisiana (Hope Hardware) - \$25,000 (FY2015-2016)
- 214 E. Louisiana (Hope Hardware) - \$25,000 (FY2014-2015)
- Cotton Mill - \$500,000 (FY2014)

*project not completed

FINANCIAL IMPACT:

- The FY2018-2019 annual budget for TIRZ No. 1 includes funding for Vacant/Underutilized Sites/Building incentives up to \$100,000 per fiscal year, with a \$25,000 maximum per project.

SUPPORTING MATERIALS:

[Resolution](#)

[102 N. Tennessee St. 380 Agreement](#)

RESOLUTION NO. 2018-__-__ (TR1R)

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY, TEXAS
APPROVING A CHAPTER 380 ECONOMIC DEVELOPMENT AND
PROJECT PLAN IMPLEMENTATION AGREEMENT WITH
ARABELLA'S, LLC FOR THE 102 N. TENNESSEE STREET – LD
DESIGNS PROJECT**

WHEREAS, on the 21st day of September, 2010, the City Council of the City of McKinney, Texas approved tax increment financing Reinvestment Zone Number One, City of McKinney (the “Zone”), pursuant to the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended; and

WHEREAS, Ordinance Number 2010-09-034, as amended which created the Zone, also created and established a board of directors for the Zone; and

WHEREAS, the Zone is a duly constituted reinvestment zone under Chapter 311 of the Texas Tax Code, as amended, acting by and through its duly appointed Board of Directors; and

WHEREAS, pursuant to Section 311.011(a) of the Tax Increment Financing Act, as amended, the board of directors of a reinvestment zone shall prepare, or cause to be prepared, and adopt a project plan and financing plan for the zone and submit the plans to the governing body of the municipality that created the zone for its approval; and

WHEREAS, on October 19, 2010 the Board of Directors of Reinvestment Zone Number One (“Board”) adopted the Project Plan and Financing Plan for the Zone by Resolution Number 2010-10-010 (TR1R); and

WHEREAS, on November 16, 2010 the City Council of the City of McKinney, Texas approved the adopted Project Plan and Financing Plan for the Zone by Resolution Number 2010-11-141(R); and

WHEREAS, on September 2, 2014 the Board approved Resolution Number 2014-09-002 (TR1R) providing for the allocation and awarding of TIRZ No. 1 funds for “Catalyst Projects” as defined by the approved Project Plan and Finance Plan for vacant/underutilized sites/buildings; and

WHEREAS, Arabella's, LLC, (hereinafter “LD Designs”) is undertaking the redevelopment of an underutilized building located at 102 N. Tennessee Street, McKinney, Texas, wholly within Reinvestment Zone Number One in the City of McKinney, Texas (the “Project”); and

WHEREAS, the Board has established the Project as an eligible project under the Project Plan for the Zone as required by law and determines that a conditional grant to LD Designs of its funds will serve the public purpose of promoting local economic development and enhancing business and commercial activity in the Zone and the City of McKinney, Texas; and

WHEREAS, the Board has concluded and hereby finds that this Agreement clearly promotes economic development in the Zone and, as such, meets the requisites under Section 311.101(h) and Chapter 380 of the Texas Local Government Code and further, is in the best interests of the Zone and Croft.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
REINVESTMENT ZONE NUMBER ONE, MCKINNEY, TEXAS, THAT:**

Section 1. The Board of Directors of Reinvestment Zone Number One, City of McKinney, Texas hereby approves the Chapter 380 Economic Development and Project Plan Implementation Agreement with Arabella's, LLC for the 102 N. Tennessee Street –LD Designs Project.

Section 2. This Resolution shall take effect immediately from and after the date of passage and is so resolved.

DULY PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF REINVESTMENT ZONE NUMBER ONE, MCKINNEY, TEXAS ON THE _____ DAY OF _____, 2018.

TRACY RATH
Chairman

ATTEST:

EMPRESS DRANE
City Secretary
MELISSA LEE
Deputy City Secretary

APPROVED AS TO FORM:

MARK S. HOUSER
City Attorney

**REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY
AND
ARABELLA’S, LLC
CHAPTER 380 ECONOMIC DEVELOPMENT AND PROJECT PLAN
IMPLEMENTATION AGREEMENT FOR 102 N. TENNESSEE STREET –
LD DESIGNS PROJECT**

WHEREAS, *ARABELLA’S, LLC*, a Texas limited liability company (hereinafter “LD Designs”), is entering into this Chapter 380 Economic Development and Project Plan Implementation Agreement for Street/Sidewalk Improvements (this “Agreement”) pursuant to a program initiated by ***REINVESTMENT ZONE NUMBER ONE, CITY OF MCKINNEY*** (hereinafter “TIRZ”) pursuant to Section 311.010(h) of the Texas Tax Code and Chapter 380 of the Texas Local Government Code, for the primary purpose of renovating and improving a historic building situated at 102 N. Tennessee Street, McKinney, Texas (“Structure”), and which project is known as the ***102 N. TENNESSEE – LD DESIGNS PROJECT*** (the “Project”) located wholly within Reinvestment Zone Number One in the “Town Center” area of the TIRZ of McKinney, Texas; and

WHEREAS, the TIRZ has agreed to an economic development grant to LD Designs based on the timely satisfaction of the conditions and upon the timely completion of the Project, including but not limited to replacing windows and doors, repainting the exterior of the Structure and replacing the existing awning and adding additional awnings to the top portion of the Structure; and

WHEREAS, the TIRZ has the authority under Section 311.010(h) and Chapter 380 of the Texas Local Government Code to make loans or grants of TIRZ funds for the purposes of promoting local economic development and stimulating business and commercial activity within the TIRZ; and

WHEREAS, the TIRZ has established the Project as an eligible project under the TIRZ Project Plan as required by law and determines that a conditional grant to LD Designs of its funds will serve the public purpose of promoting local economic development and enhancing business and commercial activity in the TIRZ and the City of McKinney, Texas; and

WHEREAS, the TIRZ has concluded and hereby finds that this Agreement clearly promotes economic development in the TIRZ and, as such, meets the requisites under Section 311.101(h) and Chapter 380 of the Texas Local Government Code and further, is in the best interests of the TIRZ, LD Designs, and the City of McKinney, Texas; and

WHEREAS, the City Council has considered and approved this Agreement pursuant to applicable law.

NOW, THEREFORE, for and in consideration of the agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, TIRZ and LD Designs, agree as follows:

SECTION 1. TERM

This Agreement shall be effective from the Effective Date until November 30, 2018, unless terminated sooner under the provisions herein.

SECTION 2. DEFINITIONS

The following words shall have the following meanings when used in this Agreement.

- a. Agreement. The word "Agreement" means this Chapter 380 Economic Development and Project Plan Implementation Agreement, together with all exhibits, schedules, and amendments attached to this Agreement from time to time, if any.
- b. Grant. The word "Grant" means a payment to LD Designs under the terms of this Agreement of an amount not to exceed Twenty-Five Thousand and No/100 Dollars (\$25,000) in eligible Project costs.
- c. Grant Submittal Package. The words "Grant Submittal Package" mean the documentation required to be supplied to TIRZ as a condition of receipt of any Grant.
- d. Project. The word "Project" means certain renovations to the historic building located generally at 102 N. Tennessee Street, McKinney, Texas, 75069. The specific renovations eligible for Project reimbursement shall include, and are limited to, replacing windows and doors, repainting the exterior of the Structure together and replacing the existing awning and adding additional awnings to the top portion of the Structure. Approved expenditures for the Project are referred to as the "Eligible Costs".
- e. LD Designs. The phrase "LD Designs" means Arabella's LLC, a Texas limited liability company, including its assigns and successors-in-interest. For purposes of this Agreement, LD Designs' address is 114 E. Louisiana Street, McKinney, TX, 75069.

- f. TIRZ. The letters “TIRZ” means Reinvestment Zone Number One, City of McKinney. For purposes of this Agreement, TIRZ’s address is 222 N. Tennessee, McKinney, Texas 75069.

SECTION 3. GRANT FUNDING OBLIGATION OF TIRZ

During the term of this Agreement, TIRZ shall fund a one-time grant in an amount not to exceed **Twenty-Five Thousand and No/100 Dollars (\$25,000.00)** for Eligible Costs, which shall be payable upon the satisfaction of the express terms and conditions described in Section 4 below. Subject to LD Designs’ complete and continuous satisfaction of the Section 4 conditions, TIRZ agrees to process the Grant within thirty (30) days after receipt of LD Designs’ complete and correct Grant Submittal Package. Notwithstanding the foregoing, the Grant shall not be funded until: (1) LD Designs satisfies all applicable obligations in Section 4 and (2) the TIRZ has sufficient funds in the TIRZ Fund to satisfy the entire Grant.

SECTION 4. OBLIGATIONS OF LD DESIGNS

While this Agreement is in effect, LD Designs shall comply with the following terms and conditions to be eligible for any Grant; as such conditions are described or may apply:

- a. LD Designs shall i) fund and complete the Project on or before November 30, 2018, and ii) satisfy the requisites for, and receive upon final inspection, if at all, a “green tag” for the Project at the historic building at 102 N. Tennessee Street on or before that date;
- b. LD Designs shall submit a Grant Submittal Package to the TIRZ staff consisting of: (1) the issued building permit(s), final certificate of occupancy, a Bills Paid Affidavit in the form of attached **Exhibit “A,”** and “as built” plans for any and all Project work shown on **Exhibit “B,”** both of which are attached hereto, and (2) all cost and payment documentation of LD Designs and its general contractor for the Eligible Costs. The TIRZ staff, or its designee, shall verify that the expenditures were made in such amounts prior to any Grant disbursement.
- c. LD Designs shall be in compliance with all applicable City of McKinney codes, state and federal laws, and local ordinances applicable to the Project.

SECTION 5. EVENTS OF DEFAULT.

Each of the following shall constitute an event of default under this Agreement:

- a. TIRZ's failure to process any Grant payment to LD Designs in accordance with Section 3 of this Agreement.
- b. LD Designs' violation or failure to perform any of the covenants contained in Section 4 hereinabove.

SECTION 6. EFFECT OF AN EVENT OF DEFAULT

In the event of default under Section 5, the non-defaulting party shall give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to cure said default. Should said default remain uncured and the non-defaulting party is not otherwise in default, the non-defaulting party shall have the right to immediately terminate this Agreement.

As long as it shall not be in default, LD Designs shall further have the power to enforce specific performance to collect amounts owing upon TIRZ's default without terminating this Agreement. No action shall lie for punitive damages, and no special or consequential damages shall be recovered by either party. LD Design shall be entitled to receive from TIRZ any Grants due LD Designs through the date of termination.

If McKinney exercises its rights to terminate the Agreement, LD Designs shall not be entitled to any Grant payments hereunder.

SECTION 7. MISCELLANEOUS PROVISIONS

The following miscellaneous provisions are a part of this Agreement:

- a. **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by all of the parties hereto.
- b. **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Collin County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Collin County, Texas.
- c. **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. TIRZ warrants and represents that the individual executing this Agreement on behalf of

TIRZ has full authority to execute this Agreement and bind TIRZ to the same. LD Designs warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind it to the same.

- d. **No Waiver of Sovereign Immunity.** No party hereto waives any statutory or common law right to sovereign immunity by virtue of its execution hereof.
- e. **Execution of Agreement.** The TIRZ has authorized its Chairman to execute this Agreement on behalf of TIRZ.
- f. **Severability.** In the event any provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid or unenforceable, the Agreement shall, to the extent reasonably possible, remain in force as to the balance of its provisions as if such invalid provision were not a part hereof.
- g. **Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the addresses shown above in Section 2. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, each party agrees to keep the other informed at all times of its current address.
- h. **Effective Date.** The effective date (the "Effective Date") of this Agreement shall be the date of the later to execute this Agreement by LD Designs and TIRZ.
- i. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

ARABELLA'S, LLC, a Texas Limited Liability Company,

By: _____
Name: _____
Title: _____
Date: _____

**REINVESTMENT ZONE NUMBER ONE, CITY OF
MCKINNEY**

By: _____
Name: Tracy Rath
Title: Chairman
Date: _____

ATTEST:

By: _____
Name: Empress Drane
Title: TIRZ SECRETARY
Date: _____

APPROVED AS TO FORM:

MARK S. HOUSER
Attorney for Reinvestment Zone Number One,
City of McKinney

PREPARED IN THE OFFICES OF:
BROWN & HOFMEISTER, L.L.P.
740 E. Campbell Road, Suite 800
Richardson, Texas 75081
214/747-6100
214/747-6111 Fax

Exhibit "A"

BILLS PAID AFFIDAVIT

Date: _____

Project Name: _____

Owner Name: _____

Owner's Mailing Address:

Contractor Name(s): _____

Contractor's Mailing Address(es):

_____	_____
_____	_____
_____	_____
_____	_____

Affiant's Name: _____

Affiant's Mailing Address:

Phase/Lots and Blocks: _____

improvements:

§

§

Before me, the undersigned, on this day personally appeared _____, known to me to be a credible person and officer of _____, a _____ (hereinafter called "Affiant"), and who, being duly sworn, upon his oath declares and acknowledged that the following statements are true and within the personal knowledge of Affiant:

1. Affiant has personal knowledge of the facts stated in this affidavit. Affiant has full authority to make the agreements in this affidavit on behalf of Owner(s) _____

_____ (hereinafter referred to as “Owner” whether one or more).

2. Affiant understands that the Reinvestment Zone Number One, City of McKinney, Texas and/or the City of McKinney, Texas (“TIRZ” and “City,” respectively) have required this affidavit as a condition of a grant of incentives under an economic development agreement involving the Property identified above located within the City of McKinney, Collin County, Texas (the “Project”).

3. Owner has constructed and installed, or caused to be constructed and installed, certain private building improvements, public improvements or infrastructure required by the TIRZ or City and necessary to serve the Project.

4. Affiant has actual knowledge that all bills owed by Owner to others for materials supplied or labor performed in connection with the Project have been fully paid and satisfied.

5. Owner agrees to indemnify and hold TIRZ and City harmless from and against any loss or expense resulting from false or incorrect information in this affidavit.

OWNER:

a _____

By: _____

Name: _____

Title: _____

SUBSCRIBED AND SWORN TO before me on this ____ day of _____, 2018, by
_____, in his/her capacity as _____, of
_____ a _____ (hereinafter called "Affiant").

Notary Public, State of Texas

Exhibit “B”

AS-BUILT PLANS