CITY'CLERK DEPT. 2016 MAR 29 AM 10: 42

CITY OF EL PASO, TEXAS AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT:	Economic and International Development
AGENDA DATE:	CCA Regular April 5, 2016
CONTACT PERSON/PH:	Cary Westin, Managing Director Economic Dev. 915-212-1614
DISTRICT(S) AFFECTED:	8

SUBJECT:

That the City Manager be authorized to execute a Restated and Amended Chapter 380 Economic Development Incentive Agreement between the City of El Paso and CSM Realty Holdings, LTD., for the development of a Mixed-Use Property located at 100 Pitt Street, 6801 and 6851 N. Mesa El Paso, Texas. (DISTRICT 8) [Cary S. Westin, Economic Development, 212-1614]

BACKGROUND/DISCUSSION:

On December 16, 2014 the applicant entered into a chapter 380 agreement with the City of El Paso, they proposed to develop a 4.270 Acre vacant site for the use of retail, office space and restaurants. The total investment for the proposed development was \$7,500,000 and the agreement consisted of a five (5) year property tax rebate, Development fee waivers (up to \$10,000), and a Sales Tax Rebate on Construction Materials and labor.

The applicant now proposes to develop an additional 4.9 acres and invest an additional \$8,500,000. The Development totaling 9.1 acres will feature 90,000 sf of mixed development and a total investment of \$16,000,000. The applicant must achieve and maintain a 75% occupancy rate within 2 years after the execution of the agreement. In consideration for the additional investment and development, the applicant is eligible for a 10 year annual rebate totaling \$1,048,315.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one? Yes, Chapter 380 agreement was approved on December 16, 2014.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer? General Fund

BOARD/COMMISSION ACTION:

N/A

*****	**************REQUIRED AUT	HORIZAT	FION***** *	*******	*****
DEPARTMENT HEAD:	SALS-	7	,	,	

CITY CLERK DEPT. 2016 MAR 29 AM 10: 42

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to execute a Restated and Amended Chapter 380 Economic Development Incentive Agreement between the City of El Paso and CSM Realty Holdings, LTD. for the development of a Mixed-Use Property located at 100 Pitt Street, and 6801 and 6851 N. Mesa Street, El Paso, Texas.

APPROVED this _____ day of ______, 2016.

CITY OF EL PASO

Oscar Leeser Mayor

ATTEST:

Richarda Duffy Momsen City Clerk

APPROVED AS TO FORM:

Juan S. Gonzalez Assistant City Attorney

APPROVED AS TO CONTENT:

Cary S. Westin, Managing Director Economic & International Development Department

Resolution - Restated and Amended 390 | CSM Realty Holdings | 14-1007-1260 | 511489 | JSG

CITY CLERK DEPT.

STATE OF TEXAS)RESTATED & AMENDED2016 Minic 29AH IO: 42))CHAPTER 380 ECONOMIC DEVELOPMENTCOUNTY OF EL PASO)PROGRAM AGREEMENT

This **RESTATED** & **AMENDED CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM AGREEMENT** (hereinafter referred to as "Agreement") is made and entered into by and between the **CITY OF EL PASO**, **TEXAS** (hereinafter referred to as the "CITY"), a Texas home rule municipal corporation, and **CSM REALTY HOLDINGS**, **LTD**., a Texas limited partnership, (the "APPLICANT"), Property owner, for the purposes and considerations stated below:

WHEREAS, the APPLICANT desires to enter into this Agreement pursuant to Chapter 380 of the Texas Local Government Code (hereinafter referred to as "Chapter 380"); and

WHEREAS, the CITY desires to provide, pursuant to Chapter 380, incentives to APPLICANT to develop the real Property located at 100 Pitt Street, and 6801 and 6851 N. Mesa Street, El Paso, TX 79912, such project being more specifically described in the Development Description (EXHIBIT A) and Legal Description (EXHIBIT B) attached hereto (herein after referred to as the "Development"); and

WHEREAS, the CITY has the authority under Chapter 380 to make loans or grants of public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City of El Paso; and

WHEREAS, the CITY determines that a grant of funds to this APPLICANT will serve the public purpose of enhancing the value of the local tax base and foster and support economic growth and opportunity and to ensure new investments will market the area as a thriving place to work, live and visit; and

WHEREAS, the CITY has determined that the APPLICANT has exceeded the CITY's minimum development requirements for storm water and traffic control through the construction of a cistern storm water retention system and traffic signalization; and

WHEREAS, the CITY and APPLICANT desire the development of the Property and the CITY has further determined that the Development will advance the CITY'S revitalization strategy for the future growth and development of a vacant lot and/or the renovation of an existing vacant or blighted building(s) in the CITY and directly and indirectly results in the creation of additional jobs in the City of El Paso and stimulate commercial activity in an undeveloped area, the value of such benefits to the CITY outweighing the amount of Grant funds the CITY will provide to APPLICANT under this Agreement; and

WHEREAS, the Development in the manner more fully described in this Agreement will encourage increased economic development in the City of El Paso, result in significant increases in the CITY'S property tax revenues, sales tax revenues, and improve the CITY'S ability to provide for the health, safety and welfare of the citizens of El Paso and creating an area with quality and thriving places to work, live and visit; and

WHEREAS, the CITY has concluded and hereby finds that this Agreement clearly promotes economic development in the City of El Paso and, as such, meets the requisites under Chapter 380 of the Texas Local Government Code and further is in the best interests of the CITY and APPLICANT.

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

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

- A. Agreement. The word "Agreement" means this Restated and Amended Chapter 380 Economic Development Program Agreement, together with all exhibits and schedules attached to this Agreement.
- **B. APPLICANT.** The word "APPLICANT" means CSM Realty Holdings, LTD., a Texas limited partnership.
- **C. Base Year Value.** The words "Base Year Value" mean valuation by the El Paso Central Appraisal District as of 2014 for the Properties.
- D. City. The word "CITY" means the City of El Paso, Texas.
- E. Construction Materials Sales Tax Rebate. The words "Construction Materials Sales Tax Rebate" means a 100% rebate of the CITY's one percent (1%) Sales and Use Tax Receipts for materials and labor of Taxable Items used in the construction of the Development. To be eligible for this rebate, a total current year minimum expenditure amount for improvements or new construction of \$50,000 (Minimum Expenditure") is required.
- F. Consummated at the Development. The words "Consummated at the Development", when used with respect to Retailer sales associated with the Development, means Retailer sales of Taxable Items at, emanating from, or associated with Retailer operations at the Development, including (by way of example and without limitation) the dollar aggregate of: the sales price of all goods, foods, wares, and merchandise sold, and the charges for all services performed in, at, on or from the Development, whether made for cash, credit, or otherwise, without reserve or deduction for inability or failure to collect, including, but not limited to, such sales and services (i) where the orders originate at and are accepted at the Development but delivery or performance thereof is made from or at any place other than the Development, (ii) via mail, telegraph, telephone or other similar orders received or filled at or from the Development, (iii) by means of mechanical and other vending devices in the Development, (iv) as a result of transactions originating upon the Development would credit or attribute such business to the Development, or any part or parts thereof.

- **G. Developer's Parcel.** The words "Developer's Parcel" means that portion of the Development described upon **EXHIBIT B-1**, which exhibit is attached hereto and incorporated herein for all purposes.
- H. Development. The word "Development" means the Property as improved by new construction on a vacant lot or renovation of an existing vacant or blighted building(s) on such Property to be used for any of the following land uses: office, retail, restaurant, multifamily residential facilities, commercial and industrial within the City of El Paso, as authorized by the existing local law more specifically described in EXHIBIT A and EXHIBIT B. Both exhibits are attached hereto and incorporated herein for all purposes.
- I. Development Fee Waivers/Rebate. The words "Development Fee Waivers" means 100% of certain development fees will be waived or rebated based on the fee schedule established in EXHIBIT E.
- J. Effective Date. The date upon which both parties have fully executed this Agreement as set forth on the signature page hereof.
- K. Event of Default. This phrase shall have the meaning set forth in Section 5 hereof.
- L. Event of Nonappropriation. The phrase means the failure of the City to appropriate for any Fiscal Year, sufficient funds to pay the Grant payment, or the reduction of any previously appropriated money below the amount necessary to permit the City to pay the Grant payments from lawfully available funds.
- M. Grant. The word "Grant" means each annual payment to APPLICANT under the terms of this Agreement computed as the sum of the applicable rebates: (i) Property Tax Rebate; (ii) Construction Materials Sales Tax Rebate; (iii) Development Fee Waivers/Rebate; and (iv) Retail Sales and Use Tax Rebate The total amount of Grant payments is not to exceed One Million, Forty-Eight Thousand Three Hundred Fifteen and 00/100 Dollars (\$1,048,315.00).
- N. Grant Submittal Package. The words "Grant Submittal Package" mean the documentation required to be supplied to CITY on a yearly basis as a condition of receipt of any Grant, with such documentation more fully described in EXHIBIT C, which is attached hereto and incorporated herein for all purposes.
- **O.** Mixed Use Property. The words "Mixed Use Property" mean the approximately ninety thousand (90,000) total square feet for retail, restaurant, commercial and office space within the Development more specifically described in **EXHIBIT A** and **EXHIBIT B**.
- Property. The word "Property" means approximately 9.1 acres of real property located at 100 Pitt Street, and 6801 and 6851 N. Mesa Street in El Paso, Texas, upon which the Development is situated and more specifically described on EXHIBIT A and EXHIBIT B.
- Q. Property Tax Rebate. The words "Property Tax Rebate" means one hundred percent (100%) rebate of the CITY's portion of the incremental ad valorem property tax revenue

associated with the Developer's Parcel, not to exceed the total cumulative value of the CITY'S portion of the incremental ad valorem property tax revenue generated by the subject Developer's Parcel above the Base Year Value for the Grant Period and payable from the CITY's general revenue fund.

- **R. Retail Sales & Use Tax Rebate.** The words "Retail Sales and Use Tax Rebate" means 100% rebate of the CITY'S one percent (1%) Sales and Use Tax Receipts generated by and attributable solely to Retailer sales of Taxable Items Consummated at the Development in the immediately prior calendar year and remitted from the State Comptroller to the City and payable from the CITY's general revenue fund.
- **S.** Retailer(s). The word "Retailer(s)" means tenants and lessees of the Development required by the State Comptroller to collect Sales and Use Tax on the sale of Taxable Items Consummated at the Development.
- T. Sales and Use Tax. The words "Sales and Use Tax" mean the CITY'S one percent (1%) sales and use tax imposed pursuant to Chapter 321 of the Texas Tax Code on the sale of Taxable Items by Retailers Consummated at the Development and remitted to the CITY by the State Comptroller, to be used only as a measurement for computation of the Grant to be paid through the use of general funds.
- **U.** Sales Tax Receipts. The words "Sales Tax Receipts" mean receipts of Sales and Use Tax revenue remitted from the State Comptroller based upon the Retailers' collection of Sales and Use Tax during the term of this Agreement, which are generated by and solely attributable to the Retailers' sale of Taxable Items Consummated at the Development.
- V. State Comptroller. The words "State Comptroller" mean the office of the Texas Comptroller of Public Accounts.
- W. Taxable Items. The words "Taxable Items" have the same meaning assigned in Chapter 151, Texas Tax Code.

SECTION 2. TERM AND GRANT PERIOD.

The term of this Agreement shall commence on the Effective Date (as hereinafter defined) and shall terminate on the first to occur: (i) the date when the Grant is fully paid; (ii) Eleven (11) years from the Effective Date, (iii) the proper termination of this Agreement in accordance with the applicable provisions contained herein or (iv) termination by mutual consent of the parties in writing. The Effective Date of this Agreement shall be the date upon which both parties have fully executed this Agreement. However, APPLICANT'S eligibility for annual Grant payments shall be limited to Ten (10) consecutive years. The Grant Period shall begin with the first tax year that begins after APPLICANT has first obtained not less than seventy-five (75%) occupancy rate for its commercial, restaurant, office, and retail rentable square feet in the Development. The CITY shall review APPLICANT'S eligibility for Grant Payments on an annual basis during the Grant Period.

SECTION 3. OBLIGATIONS OF APPLICANT.

In consideration of CITY agreeing to pay the Grant in accordance with the terms, provisions and conditions of this Agreement, the APPLICANT agrees to the following, which are not obligations of the APPLICANT, but are terms and conditions that must be fulfilled in order to receive the Grant:

A. <u>DEVELOPMENT</u>.

(1) APPLICANT agrees to develop and construct, at its sole cost, the Development. APPLICANT must obtain the building permits for the Development within six (6) months from the Effective Date of this Agreement and a Certificate of Occupancy for the Development within twenty-four (24) months from the Effective Date of this Agreement.

(2) APPLICANT agrees that the construction of the Development will adhere to the design guidelines outlined in the Comprehensive Plan.

(3) APPLICANT agrees that it shall make or cause to be made, at its sole cost and expense or the expense of third parties, a minimum investment of Sixteen Million and 00/100 Dollars (\$16,000,000.00) on the construction of the Mixed Use Property with respect to the Development.

(4) APPLICANT shall pay by January 31, of each year all of the real and business personal ad valorem taxes due for the previous tax year on the Development and any other property owned by APPLICANT within the City of El Paso. APPLICANT must demonstrate that it has incurred no uncured delinquent taxes by providing city tax receipts for the most recent tax year for each parcel of property owned by APPLICANT in the City of El Paso. APPLICANT shall have the right to contest the appraised value of the Development as provided by law. However, APPLICANT covenants and agrees that during the term of this Agreement it shall not challenge or permit anyone else to take actions on its behalf to challenge any assessments with respect to the Developer's Parcel by the Central Appraisal District at Base Year Value or lower. Upon the termination of this Agreement, Applicant agrees that neither this Agreement, nor the values contained within, will be utilized to contest appraisal values or in the determination of the market value of the Developer's Parcel.

(5) APPLICANT must obtain a seventy-five percent (75%) occupancy rate for its commercial, restaurant, office, and retail rentable square feet space in the Development within two years after all the Retailer spaces in the Development has been built out and there shall have been received Certificates of Occupancy with respect to all such spaces and must maintain an average occupancy rate of 75% for the term of this Agreement.

(6) APPLICANT agrees that the Development's commercial, restaurant, office and retail space, throughout the term of this Agreement, must meet all code requirements throughout the term of this contract and have no uncured code violations on record.

(7) RETAILERS REPORT. During the term of this Agreement beginning with the Commencement Date, APPLICANT shall provide the CITY, and maintain during the

term of this Agreement: a list of each Retailer that occupies or occupied the Development during the Grant Period including the taxpayer identification number, taxpayer outlet number (as shown on the Texas Sales Tax Permit), taxpayer name and taxpayer location as reported to the State Comptroller, and any other information required by the State Comptroller to generate and provide the CITY with the Comptroller's Sales Tax Report for the Grant Period (the "Retailers Report").

(8) WAIVERS OF SALES TAX CONFIDENTIALITY.

- a. Applicant shall cause the Retailers to provide, for the benefit of the CITY and APPLICANT, and maintain during the term of this. Agreement a Waiver of Sales Tax Confidentiality from each Retailer which authorizes the Texas State Comptroller to release to the CITY and APPLICANT Texas Sales and Use Tax information pertaining to the sale of Taxable Items by Retailers at the Development during the term of this Agreement substantially in the form attached hereto as Exhibit D. APPLICANT will be responsible for obtaining the Waivers of Sales Tax Confidentiality from Retailers and providing the Waivers of Sales Tax Confidentiality to the CITY. APPLICANT shall cause the Retailers to maintain an effective Waiver of Sales Tax Confidentiality during the term of this Agreement. The CITY will verify all such information, but the CITY shall not have an obligation to otherwise collect sales tax information and will have no obligation to make payments under this Agreement without such sales and use tax payment confirmation from the State Comptroller.
- b. The confidential sales tax information provided or reported by the State Comptroller to the CITY shall be used to determine the amount of the Grant payment that APPLICANT is eligible to receive. For any particular Grant Submittal Package and Grant amount determination, the CITY shall only consider the Sales and Use Tax Receipts attributable to Retailers that appear on the Retailers Report and that have a valid and effective Waiver of Sales Tax Confidentiality on file with the CITY.
- c. While this Agreement is in effect, APPLICANT shall, upon request of CITY, provide such additional documentation as may be reasonably requested by the CITY to evidence, support and establish the Sales and Use Tax Receipts.

B. **DISBURSEMENT OF GRANT.**

(1) During the term of this Agreement and beginning as of the commencement of the Grant Period and ending Ten (10) years thereafter, or at termination, whichever comes first, and subject to the conditions contained in this Agreement, APPLICANT shall be eligible to receive on a yearly basis the Grant payment.

(2) APPLICANT'S eligibility for any Grant payment is expressly contingent upon APPLICANT'S satisfaction of the requirements of Section 3 of this Agreement. Under no circumstance shall the CITY be required to disburse more than One Million, FortyEight Thousand, Three Hundred Fifteen and 00/100 Dollars (\$1,048,315.00) as the total amount of the Grant nor shall APPLICANT be entitled to receive the Grant unless it satisfies all the requirements of this Agreement. APPLICANT agrees to provide the CITY with any documentation the CITY may reasonably require or request to substantiate the APPLICANT'S compliance with this Agreement.

(3) In order to receive the disbursement of the Grant, APPLICANT must submit a Grant Submittal Package, as specified in Section 3.C. below.

C. **<u>GRANT SUBMITTAL PACKAGE.</u>**

(1) Unless otherwise agreed by the CITY and APPLICANT in writing, APPLICANT shall annually submit one Grant Submittal Package in the form provided in **EXHIBIT C**, together with the requisite documentation. No later than July 31, 2017, APPLICANT shall submit to the CITY the initial Grant Submittal Package to commence the Grant Period. Thereafter, APPLICANT'S annual Grant Submittal Package must be submitted no later than July 31 of each year.

(2) If APPLICANT shall fail to timely submit a Grant Submittal Package for a particular year, then the CITY may, but is not obligated to, give APPLICANT written notice of its failure to timely submit such Grant Submittal Package, and APPLICANT shall have thirty (30) calendar days calculated from the date on which such written notice is given in which to submit such Grant Submittal Package. Failure to timely submit a Grant Submittal Package is a waiver of the Grant due to APPLICANT for the period that would have been covered by a timely submitted Grant Submittal Package. With respect to Section 3.C.; the CITY'S determination of the amount of the Grant payment due to APPLICANT is final; provided, however APPLICANT may appeal to the City Council within thirty (30) days of payment, the City Council shall hear the appeal within thirty (30) days and the City Council's determination of the amount of the Grant payment shall be final. Nothing herein shall limit (or be construed to limit) APPLICANT'S rights and remedies under the other provisions of this Agreement.

SECTION 4. OBLIGATIONS OF CITY.

During the term of this Agreement and so long as an event of default has not occurred and is continuing as set forth herein (provided, however, an event of default hereunder shall not be deemed to have occurred until after the expiration of the applicable notice and cure period), CITY shall comply with the following terms and conditions:

- A. The CITY agrees to process any Grant Payments to APPLICANT within ninety (90) days after its approval of the APPLICANT'S Grant Submittal Package.
- B. The CITY shall determine the total amount of Grant payments due to the APPLICANT, if any, on an annual basis. Provided the APPLICANT satisfies all the requirements of this Agreement, APPLICANT shall be eligible for the annual Grant payment. Under no circumstances shall the total aggregate of Grant payments exceed the total value of the City's portion of the sales and use tax generated by the Properties and the incremental ad valorem property tax revenue generated by the subject Development above the Base

Year Value for the Grant Period or One Million, Forty-Eight Thousand, Three Hundred Fifteen and 00/100 Dollars (\$1,048,315.00).

C. The CITY agrees to waive 100% of certain development fees associated with the Development based on the fee schedule on **EXHIBIT E.**

SECTION 5. EVENTS OF DEFAULT.

Each of the following shall constitute an Event of Default under this Agreement:

- Α. In the event the APPLICANT provides any written warranty, False Statements. representation or statement under this Agreement or any document(s) related hereto that is/are false or misleading in any material respect, either now or at the time made or furnished, and APPLICANT fails to cure same within thirty (30) days after written notice from the CITY describing the violation shall be deemed an event of default. If such violation cannot be cured within such thirty (30) day period in the exercise of all due diligence, and APPLICANT fails to commence such cure within such thirty (30) day period or fails to continuously thereafter diligently prosecute the cure of such violation, such actions or omissions shall also be deemed an event of default. Further, if APPLICANT obtains actual knowledge that any previously provided warranty, representation or statement has become false or misleading after the time that it was made, and APPLICANT fails to provide written notice to the CITY of the false or misleading nature of such warranty, representation or statement within ten (10) days after APPLICANT learns of its false or misleading nature, such action or omission shall be deemed an event of default. In the event this Agreement is terminated pursuant to this Section 5.A., all Grant Payments previously provided by the CITY pursuant to this Agreement shall be recaptured and repaid by APPLICANT within sixty (60) days from the date of such termination.
- B. Insolvency. The dissolution or termination of APPLICANT'S existence as a going business or concern, APPLICANT'S insolvency, appointment of receiver for any part of APPLICANT'S portion of the Development, any assignment of all or substantially all of the assets of APPLICANT for the benefit of creditors of, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against APPLICANT shall all be deemed events of default. However, in the case of involuntary proceedings, if such proceedings are discharged within sixty (60) days after filing, no event of default shall be deemed to have occurred.
- C. Construction of Development. APPLICANT'S failure to comply with its construction obligations set forth in this Agreement and APPLICANT'S failure to cure same within thirty (30) days after written notice from the CITY shall be deemed an event of default. If such failure cannot be cured within such thirty (30) day period in the exercise of all due diligence but APPLICANT fails or refuses to commence such cure within such thirty (30) day period or fails or refuses to continuously thereafter diligently prosecute such cure, except to the extent such failure is caused by any act or failure to act on the part of the CITY, such actions or omissions shall be deemed events of default.
- D. **Property Taxes.** Prior to the receipt of any reimbursement grant payments under this incentive program, the APPLICANT must demonstrate that it has incurred no then

uncured delinquency taxes by providing city tax receipts with respect to the most recent tax year for each parcel of property owned by APPLICANT in the City of El Paso. In the event APPLICANT allows any property taxes owed to the CITY to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of such taxes and to cure such failure or post a satisfactory bond within thirty (30) days after written notice thereof from the CITY and/or El Paso Central Appraisal District, such actions or omissions shall be deemed an event of default. Subject to the restrictions noted herein, APPLICANT shall have the right to contest the appraised value of the Development provided however, the APPLICANT agrees that it will not contest or allow any party to contest on its behalf a value of less than Base Year Value which the parties have agreed is the minimum value for tax purposes. APPLICANT'S failure to comply with this prohibition against maintaining the minimum tax value shall constitute an event of default and may result in a termination of this Agreement.

- E. Other Defaults. Failure of APPLICANT or CITY to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any related documents, and APPLICANT or CITY fails to cure such failure within thirty (30) days after written notice from the other party describing such failure shall be deemed an event of default. If such failure cannot be cured within such thirty (30) day period in the exercise of all due diligence, but if APPLICANT or CITY also fails or refuses to commence such cure within such thirty (30) day period or fails or refuses to continuously thereafter diligently prosecute the cure of such failure, such act or omission shall be deemed an event of default.
- F. Failure to Cure. If any event of default by APPLICANT shall occur, and after APPLICANT fails to cure same in accordance herewith, then this Agreement is terminated without any further action required of the CITY and the CITY's obligations end at that time. If a default has not been cured within the time frame stated herein, the non-defaulting party shall have all rights and remedies under the law or in equity.

SECTION 6. APPROPRIATION

A. <u>Subject to Appropriation</u>. Notwithstanding anything herein to the contrary, the City's obligation to make the Grant payments is subject to appropriation by the City Council of funds lawfully available to make such payments and the Applicant acknowledges that the City has no legal obligation to appropriate funds to make the Grant payments. Upon an Event of Nonappropriation, the City may terminate its obligation to make the Grant payments accruing or due hereunder in any Fiscal Year or Fiscal Years affected by the Event of Nonappropriation by giving notice of nonappropriation to Applicant. Such nonappropriation will not be a default by the City under this Agreement.

B. <u>Notice.</u> The City shall provide the Applicant with written notice within 72 hours of: (i) the presentation of any staff proposed budget to the City Council which does not include sufficient funds to pay the Grant payment amounts or any other amounts due hereunder; or (ii) the occurrence of action by the City Council which constitutes an Event of Nonappropriation, or any failure to appropriate funds sufficient to pay the Grant payment amounts due during the current Fiscal Year or succeeding Fiscal Years.

SECTION 7._TERMINATION OF AGREEMENT BY CITY WITHOUT DEFAULT OF APPLICANT.

The CITY may terminate this Agreement for its convenience and without the requirement of an event of default by APPLICANT, which shall become effective immediately if any state or federal statute, regulation, case law, or other law renders this Agreement ineffectual, impractical or illegal, including any case law holding that a Chapter 380 Economic Development Agreement such as this Agreement is an unconstitutional debt.

SECTION 8. 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 both parties.
- 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 El Paso County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of El Paso County, Texas.
- C. Assignment of APPLICANT'S Rights. APPLICANT understands and agrees that the CITY expressly prohibits APPLICANT from selling, transferring, assigning, or conveying in any way any rights to receive the Grant proceeds without the CITY's prior written consent, not to be unreasonably conditioned, withheld or delayed. Any such attempt to sell, transfer, assign or convey without the CITY's prior written consent will be considered an Event of Default and subject to the provisions under Sections 5.
- D. APPLICANT'S Sale or Transfer of the Development. Prior to any sale or other transfer of ownership rights in the Development, APPLICANT shall notify the CITY in writing of such sale or transfer within thirty (30) business days of the effectiveness of such sale or transfer. This provision is a material term of this Agreement and the failure to notify the CITY of such sale or transfer within the applicable period will be considered an Event of Default and subject to the provisions under Sections 5.
- E. **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. CITY warrants and represents that the individual executing this Agreement on behalf of CITY has full authority to execute this Agreement and bind CITY to the same. The individual executing this Agreement on APPLICANT'S behalf warrants and represents that he or she has full authority to execute this Agreement and bind APPLICANT to the same.
- F. **Completion of Development.** As consideration for the agreements of the CITY as contained herein, APPLICANT agrees that it will diligently and faithfully in a good and workmanlike manner pursue the completion of the Development and that the construction of same will be in accordance with all applicable federal, state and local laws and regulations. APPLICANT will also ensure that the architect hired to design the Development is a licensed architect.

- G. **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.
- H. Employment of Undocumented Workers. During the term of this Agreement, APPLICANT agrees not to knowingly employ any undocumented workers as defined in Texas Government Code Section 2264.001. If convicted of a violation under 8 U.S.C. Section 1324a(f), APPLICANT shall repay the amount of the Grant payments received by APPLICANT from the CITY as of the date of such violation not later than one hundred twenty (120) days after the date APPLICANT is notified by CITY of a violation of this section, plus interest from the date the Grant payment(s) was paid to APPLICANT, at the rate of seven percent (7%) per annum. The interest will accrue from the date the Grant payment(s) were paid to APPLICANT until the date the reimbursement payments are repaid to CITY. CITY may also recover court costs and reasonable attorney's fees incurred in an action to recover the Grant payment(s) subject to repayment under this section. APPLICANT is not liable for a violation by its subsidiary, affiliate, or franchisee, or by a person which whom APPLICANT contracts.
- I. **Filing.** The CITY shall file this Agreement in the deed records of El Paso County, Texas upon APPLICANT'S request and payment of all recordation costs.
- J. Force Majeure. It is expressly understood and agreed by the parties to this Agreement that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, fire or other casualty, or court injunction, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or requirement shall be extended for a period of time equal to the period such party was delayed.
- K. 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 below. 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.

CITY:	City of El Paso
	City Manager
	300 N. Campbell
	El Paso, Texas 79901

Copy To:

City of El Paso Director Economic Development 801 Texas Ave. El Paso, Texas 79901

APPLICANT: As of 6/30/16 and earlier: CSM Realty Holdings, Ltd. c/o C. Michael Maddox, CPA P.O. Box 13464 El Paso, Texas 79913 Telephone: (915) 584-4282 From and after 7/01/16: CSM Realty Holdings, Ltd. c/o C. Michael Maddox, CPA 6801 N. Mesa St., S. B-200 El Paso, Texas 79912 With a copy to: ScottHulse, PC Attn: Bernard D. Felsen and G. Russell Hill 201 E. Main, 11th Floor El Paso, Texas 79901

- L. **Ordinance Applicability.** The signatories hereto shall be subject to all ordinances of the CITY, whether now existing or in the future arising
- M. 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.

IN WITNESS WHEREOF, the parties have executed this Agreement on this _____ day of ______, 2016.

(SIGNATURES BEGIN ON THE FOLLOWING PAGE)

2016 MAR 29 AM ID: 42 CITY OF EL PASO, TEXAS

> Tomás González City Manager

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Juan S. González Assistant City Attorney

Cary S. Westin, Managing Director Economic & International Development

ACKNOWLEDGMENT

STATE OF TEXAS § S COUNTY OF EL PASO §

This instrument was acknowledged before me on the _____ day of _____ 20__, by **Tomás González**, as **City Manager** of the **City of El Paso**, **Texas** (CITY).

My Commission Expires:

Notary Public, State of Texas

(SIGNATURES CONTINUE ON FOLLOWING PAGE)

CITY CLERK DEPT. 2016 MAR 29 AH ID: 43

CSM REALTY HOLDINGS, LTD:

CSM REALTY HOLDINGS, LTD., a Texas limited partnership

- By: CCA, L.C., a Texas limited liability company
- Its: General Partner

By:

Name: Carroll S. Maxon Its: Authorized Manager

ACKNOWLEDGMENT

STATE OF TEXAS § SCOUNTY OF EL PASO §

This instrument was acknowledged before me on the ______ day of ______, 2016, by Carroll S. Maxon, acting her capacity of Authorized Manager of CCA, L.C., a Texas limited liability company, General Partner of CSM REALTY HOLDINGS, LTD, a Texas limited partnership, on behalf of said limited partnership.

My Commission Expires:

Notary Public, State of Texas

EXHIBIT A

Mixed Use Property Development Description

Development Description

Applicant is proposing to develop a vacant 9.1 acre site, as more fully described in **EXHIBIT B**, to construct a 90,000 square foot Mixed-Use Property located at 100 Pitt Street, and 6801 and 6851 N. Mesa El Paso, Texas 79912.

EXHIBIT B

LEGAL DESCRIPTION OF DEVELOPMENT

Tracts 1A, 1B, and 1C, A.F, MILLER SURVEY NO. 211; and Tracts 15J, 15J1A and 15J1B, 15H, and 15T, A.F. MILLER SURVEY NO. 213. in the City of El Paso, El Paso County, Texas, according to the resurveys made by El Paso County, Texas for tax purposes and being more particularly described by metes and bounds as follows:

LEGAL DESCRIPTION

A 5 1922 ACC MACCE SALATE WHINE IS CONTORNE SAND OF THE ONLY OF 12 MOD, EUMOC, EUMOC COLUMN, TOYS HO TRACES THE TO A F WALLE SALVEY NO. 211 MID TANCES 152 1514, 15115, 151 MID 151 AF WALLE SALVEY NO. 215 MID SENS MORE FAIDULARY DESCRIPTION FLICTES MID BOMING A FOLIANS.

THERE, COMPAND AFRICAR AND THE AND THE OF THE STREET, NORTH COPIES MADE AND ADDRESS OF AND ADDRESS AND

YDEL BANG YE SOLYDY'N KONONWY NE O' NEW SYRT NO OLDNYG YE YES BONDAR HE D' SALYDY'N I'N SOLYD 215 41° 1/31 A DSIAC D' 2012 YM GOLW O'' A'N 1 ANN YN A'N HY'' A ROMW I'N A'OWN MALL I'D SLYWYD I'N YM SOLYNU'' I'N NACL YCYM MEN W TO AR MOL I'M'Y O'' DE SOLYNYL DE DIAGAY DE D' SAD BAC'' (54)

tence. Lewis his was downings of two two tract have colored for kore solener up of and that the solener sets at a down of 356 4° ten 2056 for downer has conside 1° and that the and downed tom rought hat the consume along trender bearber has de consider townolds with those the consider of tubble the exception school tom rought hat the exception of rought bearber.

540 TWO CORVERS # 1057 4005 CHCC43 CSCUPT FOTUMOR OF LOSS AND BOXD SUBJECTION AT LISURE SUBJECTIONS OF COMMINS OF RECORD

The foregoing property description is also known by Lots and Block as follows:

Lots 1 and 2, Block 1, THE VILLAGE SUBDIVISION, an Addition to the City of El Paso, El Paso County, Texas, according to the plat thereof, recorded in Clerk's File No. 20150010358, Real Property Records of El Paso County, Texas

.

.

.

EXHIBIT B-1

LEGAL DESCRIPTION OF DEVELOPER'S PARCEL

Lot 2, Block 1, THE VILLAGE SUBDIVISION, an Addition to the City of El Paso, El Paso County, Texas, according to the plat thereof, recorded in Clerk's File No. 20150010358, Real Property Records of El Paso County, Texas.

.

EXHIBIT C

Grant Submittal Package Form

CSM REALTY HOLDINGS, LTD believes that it has substantially met its obligations under the Chapter 380 Agreement dated the _____ day of _____, 20____ and signed by ______ of CSM REALTY HOLDINGS, LTD. Pursuant to the Agreement, CSM REALTY HOLDINGS, LTD submits this Grant Submittal Package Form in compliance with the Agreement and in anticipation of receiving the Grant payments referenced in the Agreement in consideration for its obligations met therein.

As required by the Agreement, the following information is submitted:

- 1. [INITIAL GRANT SUBMITTAL ONLY] Site Development Plan approvals;
- 2. City tax receipts for the Development for the most recent tax year;
- 3. Proof of ownership for the Development, (Upon Initial Grant Submittal with Duty to Update with respect to any subsequent changes in ownership);
- 4. Certificates of Occupancy for spaces in the Development occupied by Retailers/Tenants, in accordance with the requirements provided in Section 3.A.(5).;
- 5. [INITIAL GRANT SUBMITTAL ONLY] Documentation to evidence the amount of development fees paid as a result of the Development;
- 6. To evidence minimum investment to date and not previously verified, copies of Applicant's construction contracts and construction draw sheets (if applicable), or other reasonable substantiation
- 7. [INITIAL GRANT SUBMITTAL ONLY] Documentation evidencing the materials and labor of Taxable Items used in the construction of the Development eligible for rebate to Applicant under the Construction Materials Sales Tax Rebate;
- 8. Retailers Report; and
- 9. Waiver of Sales Tax Confidentiality Forms from Retailers on the Retailers Report who have provided such waivers (with Duty to Update).

It is understood by Applicant that the City of El Paso has up to 60 days to process this request

and reserves the right to deny the Grant request if the Applicant has not complied with the terms of the Agreement.

Signature:

CSM REALTY HOLDINGS, LTD., a Texas limited partnership

By: CCA, L.C., a Texas limited liability company

Its: General Partner

By:	
Name:	
Its:	

EXHIBIT D

Waiver of Sales Tax Confidentiality

Date____

I authorize the State of Texas Comptroller of Public Accounts to release sales tax Information pertaining to the taxpayer indicated below to ______, a

_____, its successors, assigns or nominees, and the City of El Paso, Texas. I understand that this waiver applies only to place of business located at _____ in the City of El Paso, El Paso County, Texas.

Please print or type the following information as shown on your Texas Sales and Use Tax permit:

Name of Taxpayer Listed on Texas Sales Tax Permit:

Name Under Which Taxpayer is Doing Business (d/b/a or Store Name):

Taxpayer Mailing Address:

Physical Location of Business Permitted for Sales Tax in El Paso, Texas: Texas Taxpayer ID Number Tax Outlet Number (As shown of Texas Sales Tax Permit)

Authorized Signature

Printed Name: Title: Phone:

The authorized signature must be an owner, officer, director, partner, or agent authorized to sign a Texas Sales Tax Return. If you have any questions concerning this waiver of confidentiality, please contact the Texas Comptroller of Public Accounts at (800) 531-5441

	1	Г	Г	F		T	1	1	T	Γ	1	1	T	1	1	1		T	1		1	1	ł	1	1	1	1	i i
FY2015 Adopted Fees	\$218.36	\$860.34	\$929.12	\$997.91	\$1.060.14	\$1,123.46	S1.587.48	\$664.91	S728.23	\$794.83	\$861.43	\$992.45	\$330.82	\$389.77	\$464.02	\$527.34	\$664.91	\$330.62	\$389.77	\$464.02	S527.34	\$664.91	\$333.00	\$218.36	S2,075,45	\$1,961,12	\$2,279.39	\$710.70
Fee Description	Zoning Condition or Amendment Release	Rezoning -up to and including 1 acre	Rezoning - over 1 acre up to and including 10 acres	Rezoning - over 10 acres up to and including 30 acres	Rezoning - over 30 acres up to and including 50 acres	Rezoning - over 50 acres up to and including 75 acres	Rezoning - over 75 acres or more	Special Permit - up to and including 1 acre	Special Pormit - over 1 acre up to and including 3 acres	Special Permit - over 3 acres up to and including 5 acres	Special Permit - over 5 acres up to and including 10 acres	Special Permit - over 10 acres or more	Detailed Site Development Plan Review - up to and Including 1 acre	Detailed Sire Development Plan Review - over 1 acre up to and including 3 acres	Detailed Site Development Plan Review - over 3 acres up to and including 5 acres	Detailed Site Development Plan Review - over 5 acres up to and including 10 acres	Detailed Site Development Plan Review - over 10 acres or more	Comprehensive Sign Plan Review - up to and including 1 acre	Comprehensive Sign Plan Review - over 1 acre up to and including 3 acres	Comprohensive Sign Plan Review - over 3 acres up to and including 5 acres	Comprehensive Sign Plan Review - over 5 acres up to and including 10 acres	Comprehensive Sign Plan Review - over 10 acres or more	ROW Metes and Bounds Dedication Application	Special Contract Amendment	Major Preliminary	Major Final	Major Combination	Minor
Account	Applications - Zoning	Applications - Zoning	Applications - Zoning	Applications - Zoning	Applications - Zoning	Applications - Zoning	Applications + Zoning	Applications - Zoning	Applications - Zoning	Applications - Zoning	Applications - Zoning	Applications - Zoning	Applications - Zoning	Applications - Zoning	Applications - Zoning	Applications - Zoning	Applications - Zoning	Applications - Zoning	Applications - Zoning	Applications - Zoning	Applications - Zoning	Applications - Zoning	Applications - Zoning	Applications - Zoning	Applications - Subdivisions	Applications - Subdivisions	Applications - Subdivisions	441000 Applications - Subdivisions
Depart ment	441260	441260	441260	441260	441260	441260	441260	441260	441260	441260	441260	441260	441260	441260	441260	441260	441260	441260	441260	441260	441260	441260	441270	441280	441000	441000	441000	441000
Line No 2014 Adopted	City Development	369 City Development	City Development	371 City Development	372 Cily Development	373 City Development	374 City Development	375 City Development	376 City Development	377 City Development	378 City Development	379 City Development	380 City Development	381 City Development	382 City Development	383 City Development	384 City Development	385 City Development	386 City Development	387 City Development	388 City Development	389 City Development	390 City Development		392 City Development			395 City Development
Line No,	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	368	389	390	381	392	393	394	395

EXHIBIT E

_		-		_		-			-					_	-	x	* *			1	1		-	-	-	· · · · · · · · · · · · · · · · · · ·
S1.096.95	S1,017.64	\$1,182.44	20689.07	\$31.93	S154.50 Base Fee plus \$77.25 for each additional hours after 2 hours.	\$4,864.69	\$7,172.92	\$9,181.42	\$12,010.83	\$2,363.85	\$3,485.52	\$4,460.93	\$5,835.98	\$664.91	\$684.91	\$1,238.06	\$ 1,054.72	\$1,054.72	\$613.88	\$613.88	\$2,120.00	\$604.91	\$16,38	\$29.48	\$6.55	\$61.14
Re-Subdivision Preliminary	Re-Subdivision Final	Re-Subdivision Combination	Amending	Platting Determination Certificate	Review of Regulation for Development Applications	Applications Land Study - 0.0 up to and including 300 acres	Applications Land Study - over 300 acres up to and including 600 acres	Applications Land Study - over 600 acres up to and including 900 acres	Applications Land Study - over 900 acres or more	Applications Land Study - 0.00 up to and including 300 acres	Applications Land Study - over 300 acres	Applications Land Study - over 600 acres	Applications Land Study - over 900 acres	Major Thoroughfare Plan Amendment	Comprehensive Plan Amenúment	Vacation of Recorded Subdivision	Vacation of Public Easements	Vacation of Public Rights-of-Way	Dedication of Rights-of-Way by Motos & Bounds	Dedication of Public Easements by Mates & Bounds	Street Name Change	Annexalion	Complete subdivision ordinance	Zoning verification letter, basic/ no special contracts or permits	Each additional parcel	Zoning verification letter/ with special contracts or permits
Applications - Subdivisions	Applications - Vesting	Applications - Land Study	Applications - Land Study	Applications - Land Study	Applications - Land Study	Applications - Revised Land Study	Applications - Revised Land Study	Applications - Revised Land Study	Applications - Revised Land Study	Applications - MTP Amendment	Comp Plan Amendment	Applications - Vacations & Dedications	Applications - Vacations & Dedications	Other Applications	Other Applications	Other Applications	Other Applications	Other Applications	Other Applications							
441000	441000	441000	441000	441000	441000	441000	441000	441000	441000	441000	441000	441000	441000	441000	441000	441000	441000	441000	441000	441000	441000	441000	441000	441260	441270	441280
396 City Development	1 1	398 City Devolopment	1	400 City Development	409 City Development	410 City Development	411 City Development	412 City Development	City Dovelopment	City Development	City Development	418 City Development	417 City Development	418 City Development	419 City Development	420 City Development	421 City Development	422 City Development	423 City Development	424 City Development	425 City Development	426 City Development	427 City Development	428 City Development	429 City Development	430 City Development
396	397	398	99 99	1 00	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430

h

CSM Realty Holdings LTD | Restated and Amended 380 Agreement | 14-1007-1260 (507800_4) | jsg EXHIBIT E-2 Page 24

,

5	431 City Development	441290	Other Applications	Each additional parcel	\$13.10
432	432 City Development	441300	Other Applications	Zening vertification letter/ with specific request for information	\$28.39 plus \$33.91 per 1/2 hour of staff research
433	City Development	441190	Other Applications	Shared Parking	\$75.33
434	City Development	441310	Other Applications	Spocial Investigation	\$78.61
435	City Development	441320	Other Applications	additional requests for information for above	\$78.61
436	City Development	441330	Other Applications	Processing fee for high screening walts	\$75.33
437	437 City Development	441340	Other Applications	Rescind mandatory walt requirement	\$75.33
438	438 City Development	441350	Other Applications	Classification of use from zoning administrator	tas BR
439	439 City Davelopment	441160	Other Applications	Zoning Board of Adjustment - residential application	\$697.18
440	440 City Development	441160	Other Applications	Zoning Board of Adjustment - commerciat application	5682 3R
441	City Development	441160	Legal Nonconforming	Registration for Legal Noncontorming use	SR1 R0

CSM Realty Holdings LTD Restated and Amended 380 Agreement 14-1007-1260 (507800_4) jsg
EXHIBIT E-3
Page 25

è.

+