

Location: 2200 Arlington Downs Rd  
 Property Owner: CAE USA Inc  
 2200 Arlington Downs Rd  
 Arlington TX 76011

**About the Project**

Phase I: L-3 Technologies Corporation (L-3) renovated its 182,000 square foot existing facility at 2115 E. Randol Mill Road, which had housed 400 employees and seven labs. Pos facility supports approximately 500 employees and houses fifteen flight simulator labs that provide state of the art production and testing facilities for non-motion fast jet trainin systems. The remodel also included an upgrade to a portion of the HVAC system and lighting system for increased energy efficiency, as well as aesthetic improvements. L-3 als 82,000 square foot facility at 2200 Arlington Downs, formerly an office building for 190 employees, it will now house approximately 300 employees. L-3 constructed a new 30,0k warehouse facility (aka high-bay area, with six high bays) to house simulators, including a conference room, loading areas, and ancillary employee parking. This facility was desig accommodate future expansion options, which may include additional warehouse, office, or demonstration space.

Phase II: Construction of a 40,000 square foot tilt wall addition to 2115 E Randol Mill Road to support six full motion simulators and new flight training center. Upon completion, house six (6) 20'x50' bays with 30'x30' isolated motion pads, a classroom training center, and six computer rooms. The addition will support employment of 80 employees.

In accordance with City policy, L-3 Communications Corporation is not only an identified City targeted industry, but an existing valued corporate citizen, which has proven to be community and City partner. The City will benefit from retaining L-3's presence in Arlington, as well as its expansion. The existence of L-3's highly educated workforce and spec operations will continue to establish Arlington as an ideal location for which the aerospace industry may thrive.

**Goals of the Project**

Business retention; job creation & retention, major capital investment; property tax base enhancement

**Current Status**

L-3 assigned all rights and obligations of the amended and restated agreement to CAE USA, Inc. In 2021, City Council approved a resolution authorizing the execution of a Cor Assignment of Agreement with CAE and L-3. This agreement is performing according to standards, and grants are processed on an annual basis.

**Benefit to City**

780 jobs created and/or retained; development of 70,000 SF to be occupied by L-3, a targeted industry business; renovation of approx. 260,000 SF of existing buildings

	Phase I	Phase II
Year Approved by Council	2014	2017
Base Year	2014	2017
Beginning Year	FY2016 (for the 2015 tax year)	FY2030 (for 2029 tax year)
Ending Year	FY2026 (for 2025 tax year)	
Duration	15 years	
Base Year Value	\$9,779,661	\$9,450,592
Property Tax Account Number(s)	41710908, 14236571, 04332644, 11101261	41710908, 14236571
Total Rebate Allowed	90% Ad Valorem rebate, plus other incentives	
Total Estimated Investment by Company	\$17,000,000	\$12,000,000

**Criteria Evaluated** Complete Phase I by December 31, 2014 resulting in Added Taxable Value of at least \$3m by January 1, 2015  
 Complete Phase II by December 31, 2019 resulting in Added Taxable Value of at least \$5m by January 1, 2020  
 Minimum of 600 FTEs between January 1, 2015 and December 31, 2016; 750 FTEs between January 1, 2017 and December 31, 2019; 700 FTEs between Janua December 31, 2020; 740 FTE's between January 1, 2021 and December 31, 2021; and 780 FTE's between January 1, 2022 and December 31, 2029  
 Ensure all property has been reported to the Tarrant Appraisal District  
 Pay all property tax levies on/before the due date of January 31 of each year  
 Employ no undocumented workers

**Incentives Allowed** Equivalent of 90% of ad valorem taxes collected by the City in the previous tax year on the Added Taxable Value of the Owner's Real Property and Business Property Improvements  
 \$1,000 Arlington Resident Hiring Grant for each job created as a result of the Phase II expansion project

Year	Rebate Percentage Allowed on Eligible Property	Appraised Value	Percentage of Total Value Abated	Eligible Value	Rebated Levy	Jobs Reported	Average Salary	Rebate as % of Total Tax Liability
2015 (FY16)	90%	15,410,940	23%	3,531,686	20,597	730	\$ 97,224	5%
2016 (FY17)	90%	19,770,715	51%	9,991,054	57,980	755	\$ 99,554	11%
2017 (FY18)	90%	22,226,047	47%	10,346,793	-	839	\$ 104,868	0%
2018 (FY19)	90%	25,261,960	53%	13,382,706	-	852	\$ 106,779	0%
2019 (FY20)	90%	29,261,573	59%	17,382,319	97,619	836	\$ 108,199	13%
2020 (FY21)	90%	30,215,406	61%	18,336,152	102,728	855	\$ 110,292	14%
2021 (FY22)	90%	32,991,706	57%	18,699,408	104,309	842	\$ 101,574	12%
2022 (FY23)	90%	34,542,316	49%	16,873,108	116,084	822	\$ 122,096	14%
2023 (FY24)								
2024 (FY25)								
2025 (FY26)								
2026 (FY27)								
2027 (FY28)								
2028 (FY29)								
2029 (FY30)								
<b>TOTAL</b>					<b>\$ 499,318</b>			<b>TOTAL</b>

**Levy Paid by Taxing Entity**

Year	City of Arlington (024)	Tarrant County (220)	Tarrant County Hospital District (224)	Tarrant County College District (225)	Arlington ISD (901)	Total Annual Tax Bill
2015 (FY16)	99,863	40,685	35,121	23,039	217,749	416,457
2016 (FY17)	127,482	50,218	45,057	28,614	274,829	526,199
2017 (FY18)	142,202	54,232	49,882	31,130	304,201	581,647
2018 (FY19)	160,363	59,113	56,695	34,374	345,753	656,298
2019 (FY20)	182,592	68,472	65,671	38,090	380,011	734,837
2020 (FY21)	182,592	68,472	65,671	38,090	380,011	734,837
2021 (FY22)	204,483	75,551	74,043	42,945	448,951	845,973
2022 (FY23)	207,185	77,375	77,523	44,964	452,055	859,102
2023 (FY24)						-
2024 (FY25)						-
2025 (FY26)						-
2026 (FY27)						-
2027 (FY28)						-
2028 (FY29)						-
2029 (FY30)						-
	<b>1,306,761</b>	<b>494,117</b>	<b>469,664</b>	<b>281,246</b>	<b>2,803,561</b>	<b>5,355,349</b>

**Resolution No. 17-226**

**Approve a resolution authorizing the execution of the Amended and Restated Chapter 380 Program Agreement for Economic Development Incentives between the City of Arlington and L-3 Technologies Corporation relative to the expansion of its facilities in Arlington, Texas**

WHEREAS, on April 8, 2014, by Resolution No. 14-075, City Council authorized the execution of a Chapter 380 Program Agreement for Economic Development Incentives (the "Agreement") with L-3 Communications Corporation (now known as L-3 Technologies Corporation) (hereinafter referred to as "L-3") relative to the renovation of existing facilities at 2115 E. Randol Mill Road and 2200 Arlington Downs Road, and the construction of a new facility at 2215 E. Randol Mill Road in Arlington, Texas; and

WHEREAS, on May 26, 2015, by Resolution No. 15-103, City Council authorized the execution of the First Amendment to Chapter 380 Program Agreement for Economic Development Incentives with L-3 to provide an additional grant from the City to L-3 to cover a portion of unanticipated infrastructure improvements associated with the sites located at 2115 E. Randol Mill Road and 2200 Arlington Downs Road; and

WHEREAS, City and L-3 desire to further amend and restate the Agreement to provide for additional incentives in exchange for L-3's completion of a second expansion project; NOW THEREFORE

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

I.

That all of the recitals contained in the preamble of this resolution are found to be true and are adopted as findings of fact by this governing body and as part of its official record.

II.

That the City Manager or his designee is hereby authorized to execute the Amended and Restated Chapter 380 Program Agreement for Economic Development Incentives with L-3 Technologies Corporation relative to the expansion of its facilities in Arlington, Texas.

III.

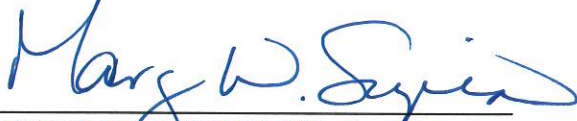
A substantial copy of the Amended and Restated Chapter 380 Program Agreement for Economic Development Incentives is attached hereto and incorporated herein for all purposes.

PRESENTED AND PASSED on this the 22nd day of August, 2017, by a vote of 8 ayes and 0 nays at a regular meeting of the City Council of the City of Arlington, Texas.



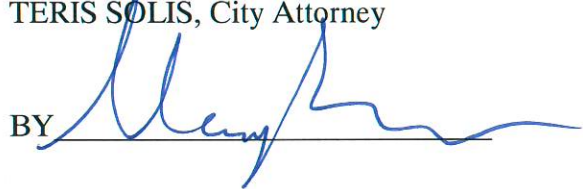
W. JEFF WILLIAMS, Mayor

ATTEST:



MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:  
TERIS SOLIS, City Attorney

BY 

THE STATE OF TEXAS    §     AMENDED AND RESTATED  
                                  §     CHAPTER 380 PROGRAM AGREEMENT  
                                  §     FOR ECONOMIC DEVELOPMENT  
COUNTY OF TARRANT   §     INCENTIVES

THIS AMENDED AND RESTATED CHAPTER 380 PROGRAM AGREEMENT FOR ECONOMIC DEVELOPMNET INCENTIVES (“Agreement”) is executed by and between **L-3 TECHNOLOGIES CORPORATION**, an entity authorized to do business in Texas (hereafter referred to as “OWNER”), and the **CITY OF ARLINGTON, TEXAS**, a home-rule city and municipal corporation of Tarrant County, Texas, acting by and through its City Manager or his designee, (hereafter referred to as “CITY”).

WITNESSETH:

WHEREAS, CITY has found that providing a program consisting of a grant of funds to OWNER in exchange for OWNER’S completion of the project proposed by OWNER will promote local economic development and stimulate business and commercial activity and create jobs within the City of Arlington (hereafter referred to as “PROGRAM”); and

WHEREAS, CITY has determined that the PROGRAM will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of the PROGRAM contain controls likely to ensure that the public purpose is accomplished; and

WHEREAS, On April 28, 2014, CITY and OWNER entered into that certain Chapter 380 Program Agreement for Economic Development Incentives (hereinafter referred to as “Original Agreement”), and amended such on June 17, 2015, by that certain First Amendment to Chapter 380 Program Agreement for Economic Development Incentives; and

WHEREAS, CITY and OWNER desire to further amend and restate the Original Agreement to provide for additional incentives in exchange for OWNER’s completion of a second expansion project; and

WHEREAS, Chapter 380 of the Texas Local Government Code provides statutory authority for establishing and administering the program provided herein;  
NOW THEREFORE,

The CITY and OWNER, for and in consideration of the mutual covenants and promises contained herein, do hereby agree, covenant, and contract as set forth below:

**I.**  
**Definitions**

- A. “Business Personal Property Improvements” are defined as tangible personal property (except inventory or supplies) delivered to, installed, or located on the Premises under OWNER’s name as reported by the Tarrant Appraisal District in connection with the Phase I Project and Phase II Project as defined herein.
- B. “Full-Time Employee” is defined as a permanent, full-time employment position that results in actual paid employment in Arlington of at least one thousand, eight hundred and twenty (1,820) hours per position in a year with an average annual wage of \$75,000.
- C. “Phase I Added Taxable Value” is defined as the value of the Phase I Eligible Property above the Phase I Base Year Value, as determined by the Tarrant Appraisal District, on January 1 of the applicable tax year.
- D. Phase II Added Taxable Value is defined as the value of the Phase II Eligible Property above the Phase II Base Year Value, as determined by the Tarrant Appraisal District, on January 1 of the applicable tax year.
- E. “Phase I Base Year Value” is defined as the taxable value of the Phase I Eligible Property as of January 1, 2014, as determined by the Tarrant Appraisal District (TAD Account numbers: 41710908, 14236571, 11101261, and 04332644).
- F. Phase II Base Year Value is defined as the taxable value of the Phase II Eligible Property as of January 1, 2017, as determined by the Tarrant Appraisal District (TAD Account numbers: 41710908 and 14236571).
- G. “Phase I Eligible Property” is defined as the taxable Real Property Improvements or Business Personal Property Improvements erected or affixed to the Premises prior to January 1, 2020, and included in TAD Account numbers 41710908, 14236571, 11101261, and 04332644.
- H. “Phase II Eligible Property” is defined as the taxable Real Property Improvements or Business Personal Property Improvements erected or affixed to the Premises prior to January 1, 2020 and included in TAD Account numbers 41710908 and 14236571.
- I. “Phase I Project” is defined as OWNER’s expansion to include a new high-bay area and remodel of existing facilities, more fully described in **Exhibit “B”**.
- J. “Phase II Project” is defined as OWNER’s expansion to include construction of a 40,000 square foot addition to house isolated motion pads, a classroom training center, and six computer rooms, more fully described in **Exhibit “C”**.

- K. "Premises" are defined as the real property located at 2215 E. Randol Mill Road, 2115 E. Randol Mill Road, and 2200 Arlington Downs Road, the boundaries of which are depicted in **Exhibit "A,"** attached hereto and incorporated herein, as it existed on January 1, 2014.
- L. "Real Property Improvements" are defined as improvements to the Premises and shall include buildings, structures, or fixtures erected on the Premises in connection with the Phase I Project and Phase II Project as defined herein.
- M. "Sales Tax Receipts" is defined as the CITY'S receipt from the State of Texas from the collection of the CITY'S one and three quarters percent (1.75%) sales and use tax imposed by the CITY (it being expressly understood that the CITY'S sales and use tax receipts are being used only as a measurement for its participation through the use of general funds), attributed to the collection of the CITY'S one and three quarters (1.75%) sales and use tax as a result of the sale to and purchase by OWNER of taxable items associated with the Phase I Project that are consummated in the CITY.

## **II.** **Term**

This Agreement shall be effective as of the date of execution by all parties. This Agreement will terminate on the date CITY makes to OWNER the last grant payment provided for in Section V below, unless sooner terminated in accordance with the terms of this Agreement.

## **III.** **General Provisions**

- A. The Premises are not in an improvement project financed by tax increment bonds.
- B. The Premises are not owned or leased by any member of the City Council or any member of the Planning and Zoning Commission of CITY.

## **IV.** **Improvement Conditions and Requirements**

The payment of the incentives described in Section V below is subject to the following conditions:

- A. OWNER shall cause the Phase I Project, as described in **Exhibit "B,"** to be completed by no later than December 31, 2014.
- B. OWNER shall cause the Phase II Project, as described in **Exhibit "C,"** to be completed by no later than December 31, 2019.

- C. OWNER's completion of the Phase I Project must result in Phase I Added Taxable Value of at least three million dollars (\$3,000,000) by the tax year beginning January 1, 2015.
- D. OWNER's completion of the Phase II Project must result in an additional five million dollars (\$5,000,000) in Phase I Added Taxable Value by the tax year beginning January 1, 2020, for a combined Phase I Added Taxable Value of eight million dollars (\$8,000,000) by the tax year beginning January 1, 2020.
- E. OWNER shall maintain the following number of Full-Time Employees in Arlington as a result of the Phase I Project and Phase II Project:
 

January 1, 2015 through December 31, 2016	600 Full-Time Employees
January 1, 2017 through December 31, 2019	750 Full-Time Employees
January 1, 2020 through December 31, 2020	700 Full-Time Employees
January 1, 2021 through December 31, 2021	740 Full-Time Employees
January 1, 2022 through December 31, 2029	780 Full-Time Employees
- F. OWNER shall not fail to render for taxation any property located within the City of Arlington.
- G. OWNER shall not allow the ad valorem taxes owed to CITY on any property owned by OWNER and located within the City of Arlington to become delinquent beyond the last day they can be paid without assessment of penalty, as such date is generally extended to allow for any appeal.
- H. OWNER covenants and certifies that OWNER does not and will not knowingly employ an undocumented worker as that term is defined by Section 2264.01(4) of the Texas Government Code. In accordance with Section 2265.052 of the Texas Government Code, if OWNER is convicted of a violation under 8 U.S.D. Section 1324a(f), OWNER shall repay to the CITY the full amount of the grant payment(s) made under Section V of this Agreement, plus 10% per annum from the date the grant payment(s) was made. Repayment shall be paid within 120 days after the date OWNER receives notice of violation from the CITY.

**V.**  
**Incentives**

In exchange for OWNER's completion and compliance with the Conditions and Requirements set forth in Section IV above, CITY shall do the following:

A. Ad Valorem Grant 2016-2025. On an annual basis, beginning in 2016 and ending in 2025, CITY agrees to pay to OWNER a grant payment calculated as provided below in Subsection V.A.1.

1. Each grant payment shall be determined annually based upon the following:
  - a. An amount equal to 90% of the ad valorem taxes collected by CITY and paid by the OWNER in the previous tax year for the Phase I Added Taxable Value of the Real Property Improvements.
  - b. An additional amount equal to 90% of the ad valorem taxes collected by CITY and paid by the OWNER in the previous tax year for the Phase I Added Taxable value of the Business Personal Property Improvements.
2. Each year OWNER must certify compliance by March 15 of payment in full of all ad valorem taxes due on property located at the Premises, subject to the right of protest, and the number of Full-Time Employees located on the Premises for the prior calendar year. Failure to timely submit the annual certification in accordance with this subsection after notice and opportunity to cure as provided in Subsection VII.B. below shall waive OWNER's right to the grant for such year. OWNER authorizes the CITY to request and receive any and all property tax information relating to the Premises from the Tarrant Appraisal District ("TAD"). OWNER agrees that release of such information will be made by TAD, upon request from the CITY, at any time from the execution of this Agreement until its termination. OWNER agrees to provide any waivers or releases requested by TAD to the CITY.
3. All grant payments under Subsection V.A. will be paid by CITY to OWNER on or before June 1 of each year, beginning in June 2016 and ending in June 2025, provided the Conditions and Requirements contained in Section IV herein have been met.

B. Ad Valorem Grant 2026-2030. On an annual basis, beginning in 2026 and ending in 2030, CITY agrees to pay to OWNER a grant payment calculated as provided below in Subsection V.B.1.

1. Each grant payment shall be determined annually based upon the following:
  - a. An amount equal to 90% of the ad valorem taxes collected by CITY in the previous tax year for the Phase II Added Taxable Value of the OWNER's Real Property Improvements.



- b. An additional amount equal to 90% of the ad valorem taxes collected by CITY in the previous tax year for the Phase II Added Taxable value of the OWNER's Business Personal Property Improvements.
  2. Each year OWNER must certify compliance by March 15 of payment in full of all ad valorem taxes due on the property located at the Premises, subject to the right of protest, and the number of Full-Time Employees located on the Premises for the prior calendar year. Failure to timely submit the annual certification in accordance with this subsection after notice and opportunity to cure as provided in Subsection VII.B. below shall waive OWNER's right to the grant for such year.
  3. All grant payments under Subsection V.B. will be paid by CITY to OWNER on or before June 1 of each year, beginning in June 2026 and ending in June 2030, provided the Conditions and Requirements contained in Section IV herein have been met.
- C. Sales Tax Grant. CITY agrees to provide OWNER a one-time grant in an amount equal to fifty percent (50%) of the CITY's Sales Tax Receipts for the twenty-four-month period beginning January 1, 2014, through December 31, 2015. The sale of taxable items subject to this grant shall be for items directly related to the Phase I Project.
  1. "Sales Tax Certificate" shall mean a certificate or other statement in a form reasonably acceptable to the CITY setting forth the CITY'S receipts from the State of Texas from the collection of the CITY'S one and three quarters percent (1.75%) sales and use tax imposed by the CITY for the sale to and purchase by OWNER of taxable items associated with the Project that are consummated in the CITY between January 1, 2014, and December 31, 2015, which are to be used to determine the amount of the grant and to determine OWNER'S eligibility for the grant, together with such supporting documentation, as CITY may reasonably request. The Sales Tax Certificate shall, at a minimum, contain and include or be accompanied by the following:
    2. A schedule detailing the amount of the CITY'S one and three quarters percent (1.75%) sales and use tax collected and paid to the State of Texas as a result of the sale to and purchase by OWNER of taxable items purchased in association with the Phase I Project that are consummated in the CITY between January 1, 2014, and December 31, 2015.
    3. A copy of all sales and use tax returns and reports, sales and use tax prepayment returns, direct payment permits and reports, including amended sales and use tax returns or reports, filed by a company, business or other legal entity (the OWNER'S Vendor) showing the CITY'S one and three quarters percent (1.75%) sales and use tax collected (including

sales and use tax paid directly to the State of Texas pursuant to a direct payment certificate) for the sale to and purchase by OWNER of taxable items associated with the Phase I Project between January 1, 2014, and December 31, 2015.

4. A copy of all direct payment and self-assessment returns, including amended returns, filed by OWNER'S Vendor between January 1, 2014, and December 31, 2015, showing the CITY'S one and three quarters percent (1.75%) sales and use tax paid by OWNER for the purchase of taxable items associated with the Phase I Project that are consummated in the CITY between January 1, 2014, and December 31, 2015.
5. Information concerning any refund or credit received by OWNER of the CITY'S one and three quarters percent (1.75 %) sales or use taxes paid by OWNER (including any sales and use tax paid directly to the State of Texas pursuant to a direct payment permit) which has previously been reported by OWNER as sales and use tax paid or collected between January 1, 2014, and December 31, 2015.
6. A schedule detailing the total of sales tax paid by OWNER for the purchase of taxable items associated with the Phase I Project that are consummated in the CITY between January 1, 2014, and December 31, 2015.
7. CITY agrees, to the extent allowed by law, to maintain the confidentiality of the Certifications.
8. In the event the State of Texas determines that the CITY erroneously received Sales Tax Receipts, or that the amount of sales and use tax paid to the CITY exceeds the correct amount of sales and use tax applicable to this grant, the OWNER shall, within thirty (30) days after receipt of notification thereof from the CITY specifying the amount by which the grant exceeded the amount to which the OWNER was entitled pursuant to such State of Texas determination, pay such amount to the CITY. As a condition precedent to payment of such refund, the CITY shall provide OWNER with a copy of such determination by the State of Texas. The provisions of this subsection shall survive termination of this Agreement.
9. OWNER shall provide the CITY with the Sales Tax Certificate by January 31, 2016. The grant shall be paid by CITY to OWNER within one hundred twenty (120) days following the CITY'S receipt of the Sales Tax Certificate required in this section.
10. The grant made hereunder shall be paid from current revenue from available funds that have been appropriated by the CITY. Under no circumstances shall CITY'S obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision.

11. Under no circumstances shall CITY be obligated to pay the grant unless there is available Sales Tax Receipts and not until receipt of the Sales Tax Certificate. CITY shall not be required to provide the grant unless the CITY has received the Sales Tax Receipts for the covered time period attributed to the sale to and purchase by OWNER of taxable items associated with the Phase I Project that are consummated in the CITY between January 1, 2014, and December 31, 2015.
- D. Development Fees Waiver. CITY agrees to waive the following development fees incurred by OWNER in relation to development of the Phase I Project and Phase II Project: plan review fees, building permit and inspection fees, park fees, irrigation review and inspection fees, demolition permit fees, early grading permit fees, landscape plan review fees, public utilities inspection fees, fire alarm permit and inspection fees, sprinkler system permit and inspection fees, fire pump permit and inspection fees, certificate of occupancy fees, water and sewer tap fees, water activation fees, meter and detector check fees, cap existing service fees, impact fees and water meter fees.
- E. Development Fees Grant. CITY agrees to provide a one-time grant to OWNER in an amount not to exceed \$85,000 as reimbursement for development fees related to the Phase I Project paid by OWNER after January 1, 2014, but before execution of this agreement. Such grant shall be paid to OWNER within 30 days of execution of this agreement.
- F. Off-Site Drainage Grant. CITY agrees to provide a one-time grant to OWNER in the amount of \$16,397.52 as reimbursement for costs associated with off-site drainage improvements. Such grant shall be paid to OWNER on or before September 30, 2015.
- G. Arlington Hire Grant. On an annual basis, beginning in 2021 and ending in 2025, CITY agrees to pay OWNER a grant payment calculated as provided below in Subsection V.G.1.

1. Each grant payment shall be determined annually and based upon the following: \$1000 for every Arlington resident hired and retained as a Full-Time Employee during the relevant Coverage Period identified in the table below.

Grant Payment #	Coverage Period	Certification Due	Payment no later than	City Fiscal Year
1	1/1/2020-12/31/2020	4/1/2021	6/1/2021	FY21
2	1/1/2021-12/31/2021	4/1/2022	6/1/2022	FY22
3	1/1/2022-12/31/2022	4/1/2023	6/1/2023	FY23
4	1/1/2023-12/31/2023	4/1/2024	6/1/2024	FY24
5	1/1/2024-12/31/2024	4/1/2025	6/1/2025	FY25

2. Certification for hired Full-Time Employees shall be provided by OWNER to CITY no later than April 1 of each year. Certification shall be accompanied by an employment report generated by OWNER that documents the number of new hired Full-Time Employees for the Coverage Period, their position category, and their residential address.
3. All grant payments will be paid by CITY to OWNER on or before June 1 of each year, beginning in June 2021 and ending in June 2025, provided the Conditions and Requirements contained in Section IV herein have been met.
4. The total amount of the grant(s) provided under this Subsection V.G., shall not exceed \$80,000. Once the CITY has paid to the OWNER grant(s) totaling \$80,000 the OWNER shall no longer be eligible to receive grant payments under this Subsection V.G.

## **VI. Protests**

This Agreement shall not be construed to prohibit OWNER's protest or contest of any or all appraisals or assessments of any property on the Premises. The amount of the grants provided in Subsections V.A. and V.B. above shall be based upon the taxes as finally determined by the Tarrant Appraisal District to be due after such protests or contests are finally determined.

## **VII. Breach and Recapture**

- A. Breach – A breach of this Agreement may result in termination or modification of this Agreement and recapture by CITY of grant payments. The following conditions shall constitute a breach of this Agreement:
  1. OWNER terminates its use of the Premises any time during the duration of the Agreement; or
  2. OWNER fails to meet the Conditions and Requirements as specified in Section IV. A., B., C., D., E., F., and G. above.
- B. Notice of Breach – In the event that CITY makes a reasonable determination that OWNER has breached this Agreement, then CITY shall give OWNER written notice of such. OWNER has sixty (60) days following receipt of said written notice to reasonably cure such breach, or this Agreement may be terminated by CITY, and recapture of grant payments may occur. Notice of breach shall be in writing and shall be delivered by personal delivery or certified mail to OWNER at its address provided in Section IX of this Agreement.

- C. Recapture – During years one through five of this Agreement, should OWNER commit a breach of this Agreement according to items A(1) or A(2) of this Section VII, CITY may terminate this Agreement and recapture all grant payments made under this Agreement up to the time of breach, subject to the meeting of Section VII.B. herein providing an instance when recapture will not occur. During the remaining term of this Agreement should OWNER commit a breach of this Agreement according to items A(1) or A(2) of this Section VII, CITY may terminate this Agreement and recapture grant payments made during the calendar year in which breach occurs, subject to the meeting of Section VII.B. herein providing an instance when recapture will not occur. It shall be the duty of CITY to determine whether to require recapture of grant payments and to demand payment of such. Repayment of grant payments shall become due 60 days following receipt of such demand. The rights of CITY to require recapture and demand repayment of grant payments, and the obligation of OWNER to pay such, shall survive termination of this Agreement. The City Attorney has the authority, on behalf of the CITY, to initiate any litigation necessary to pursue payment of recaptured grant payments pursuant to this Agreement.

### **VIII.**

#### **Effect of Sale or Lease of Property**

The grants authorized by this Agreement shall not be assignable to any new owner or lessee of all or a portion of the Premises, unless such assignment is approved in writing by CITY; provided that such approval shall not be unreasonably withheld, conditioned or delayed.

### **IX.**

#### **Notice**

All notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail postage prepaid or by hand delivery:

OWNER: Dave Aubrey, Vice President Finance  
L-3 Technologies Corporation  
Link Simulation & Training  
2200 Arlington Downs Road  
Arlington, Texas 76011

Lenny Genna, President  
L-3 Technologies Corporation  
Link Simulation & Training  
2200 Arlington Downs Road  
Arlington, Texas 76011

CITY: City of Arlington  
City Manager's Office  
Attn: Economic Development Manager  
P.O. Box 90231  
Arlington, Texas 76004-3231

**X.**  
**City Council Authorization**

This Agreement was authorized by resolution of the City Council authorizing the City Manager or his designee to execute this Amended and Restated Chapter 380 Program Agreement for Economic Development Incentives on behalf of the CITY.

**XI.**  
**Severability**

In the event any section, subsection, paragraph, sentence, phrase, or word is held invalid, illegal, or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase, or word.

**XII.**  
**Estoppel Certificate**

Any party hereto may request an estoppel certificate from another party hereto, so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which if requested, will be addressed to a subsequent purchaser or assignee of OWNER, shall include, but not necessarily be limited to, statements that this Agreement is in full force and effect without default (or if default exists the nature of same), the remaining term of this Agreement, the levels and remaining term of the incentives in effect and such other matters reasonably requested by the party(ies) to receive the certificates.

**XIII.**  
**Applicable Law**

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State's District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

**XIV.**  
**Indemnification**

**It is understood and agreed between the parties that OWNER, in performing its obligations hereunder, is acting independently, and CITY assumes no responsibility or liability to third parties in connection therewith, and OWNER**

agrees to indemnify and hold harmless CITY from any claims, damages, verdicts or judgments arising out of actions or omissions by OWNER or caused by OWNER in breach of this agreement. It is further understood and agreed among the parties that CITY, in performing its obligations hereunder, is acting independently, and OWNER assumes no responsibility or liability to third parties in connection therewith, and CITY agrees to the extent allowed by law to indemnify and hold harmless OWNER from any such responsibility or liability.

**XV.**  
**Force Majeure**

It is expressly understood and agreed by the parties to this Agreement that the parties shall not be found in default of this Agreement if any party's failure to meet the requirements of this Agreement is delayed by reason of war, Act of God, fire or other casualty of a similar nature.

**XVI.**  
**No Other Agreement**

This Agreement embodies all of the agreements of the parties relating to its subject matter as specifically set out herein, supersedes all prior understandings and agreements regarding such subject matter, and may be amended, modified or supplemented only by an instrument or instruments in writing executed by the parties.

**XVII.**  
**Headings**

The headings of this Agreement are for the convenience of reference only and shall not affect in any manner any of the terms and conditions hereof.

**XVIII.**  
**Successors and Assigns**

The parties to this Agreement each bind themselves and their successors, executors, administrators, and assigns to the other party of this Agreement and to the successors, executors, administrators, and assigns of such other party in respect to all covenants of this Agreement.

No successor, executor, administrator, or assign is valid in the place of the parties to this Agreement without the written consent of CITY, and such consent shall not be unreasonably withheld, conditioned, or delayed.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the \_\_\_\_ day of \_\_\_\_\_, 2017.

**L-3 TECHNOLOGIES CORPORATION**

BY \_\_\_\_\_  
Signature  
\_\_\_\_\_  
Typed or Printed Name  
\_\_\_\_\_  
Typed or Printed Title

WITNESS:

\_\_\_\_\_

**CITY OF ARLINGTON, TEXAS**

BY \_\_\_\_\_  
\_\_\_\_\_  
Deputy City Manager

ATTEST:

\_\_\_\_\_  
MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:  
TERIS SOLIS, City Attorney

BY \_\_\_\_\_



THE STATE OF TEXAS   §       **L-3 TECHNOLOGIES CORPORATION**  
                                  §                                    **Acknowledgment**  
COUNTY OF DALLAS   §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared \_\_\_\_\_, who is known to me or who was proved to me on the oath of \_\_\_\_\_ (*name of person identifying the acknowledging person*) or who was proved to me through \_\_\_\_\_ (*description of identity card or other document issued by the federal or state government containing the picture and signature of the acknowledging person*) to be the person whose name is subscribed to the forgoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **L-3 TECHNOLOGIES CORPORATION**, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Notary Public in and for  
The State of Texas

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary's Printed Name

THE STATE OF TEXAS   §       **CITY OF ARLINGTON, TEXAS**  
                                  §                                    **Acknowledgment**  
COUNTY OF TARRANT   §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared \_\_\_\_\_ known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of the **CITY OF ARLINGTON, TEXAS**, a municipal corporation of Tarrant County, Texas, and as the **Deputy City Manager** thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the \_\_\_\_\_ day of \_\_\_\_\_, 2017.

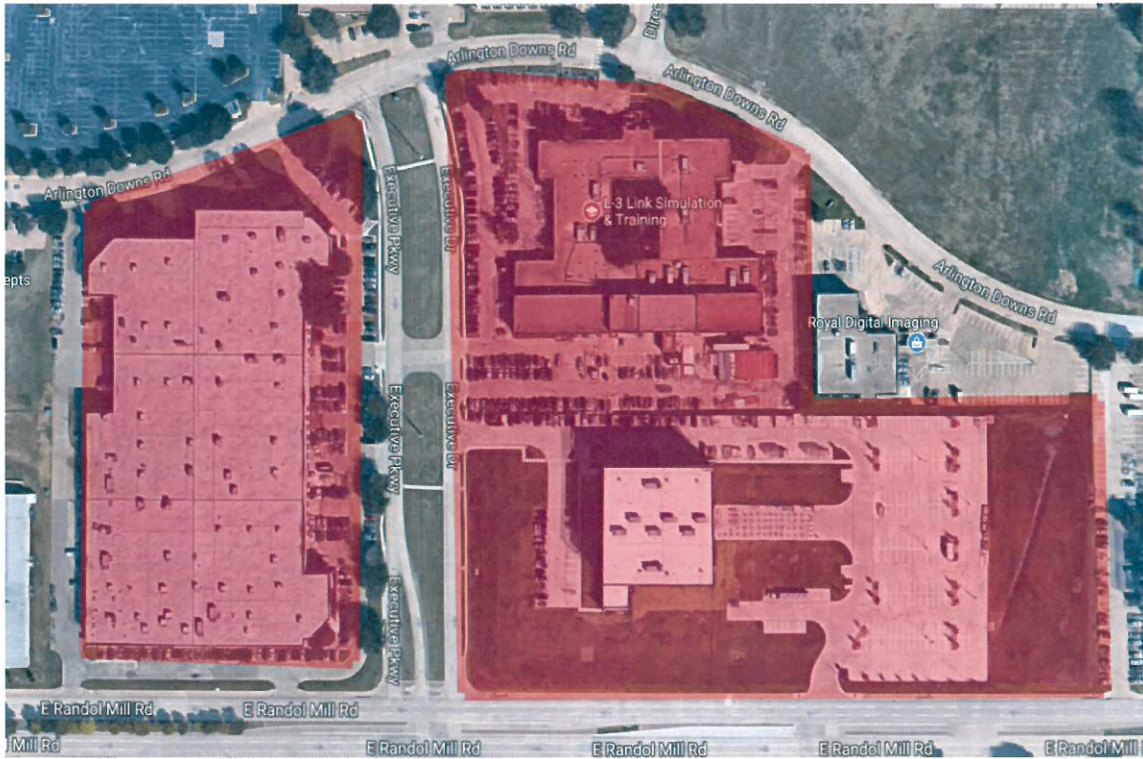
\_\_\_\_\_  
Notary Public in and for  
The State of Texas

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary's Printed Name

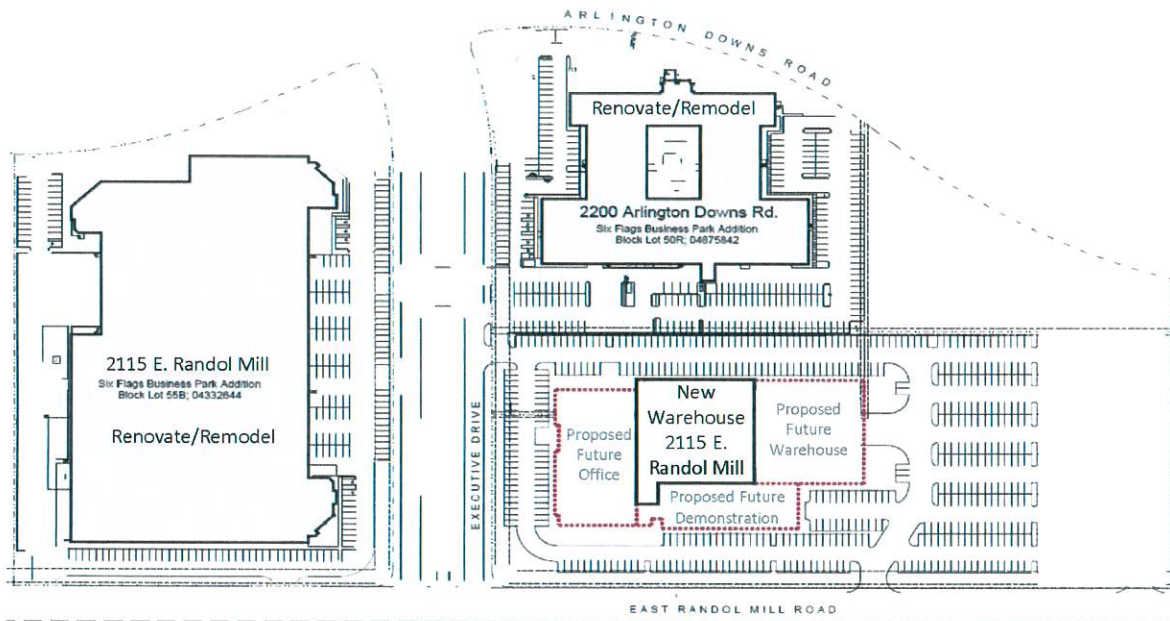
# Exhibit "A"

## Premises



## Exhibit "B"

### Phase I Project



#### **2115 E. Randol Mill Road**

Conversion of the approximately 182,000 sq. ft. facility with 400 employees and seven labs for flight simulator production. After the conversion, the facility will support approximately 500 employees and house fifteen flight simulator labs that will provide for state of the art production and test facilities for non-motion fast jet training simulation systems. This remodel will also upgrade a portion of the hvac system and lighting system to be more energy efficient. There will also be cosmetic work done to the facility (i.e. new carpet, painting).

#### **2200 Arlington Downs Road**

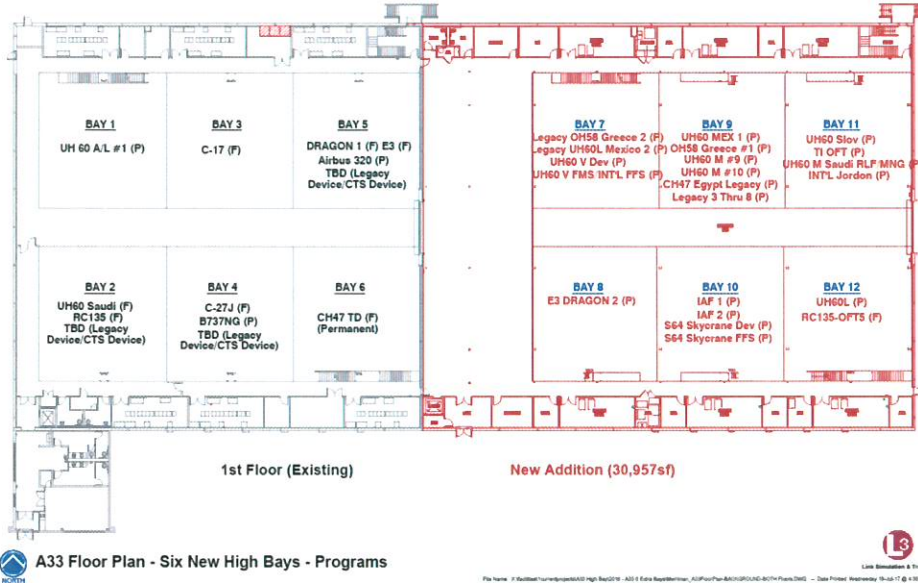
Renovation of the approximately 82,000 sq. ft. facility at 2200 Arlington Downs Road, which currently acts as an office building for 190 employees. This facility will be renovated to support approximately 300 employees. The remodel will include a new roof, replacement of an aging hvac system, energy efficient upgrades, and general cosmetic improvements.

#### **2215 E. Randol Mill Road**

New construction of an approximately 30,000 sq. ft. warehouse facility (aka high-bay area, with six high bays) to house simulators, including a conference room, loading areas, and ancillary employee parking. This facility has been designed to accommodate future expansion options, which may include additional warehouse, office, or demonstration space.

## Exhibit "C"

### Phase II Project



### 2115 E. Randol Mill Road

Construction of a 40,000 sq. ft. tilt wall addition to building A33 to support six full motion simulators and new flight training center. Upon completion, the addition will house (6) 50'x50' bays with 30'x30' isolated motion pads, a classroom training center, and 6 computer rooms. The addition will support employment of 80 employees.

THE STATE OF TEXAS   §    AMENDED AND RESTATED  
                                  §    CHAPTER 380 PROGRAM AGREEMENT  
                                  §    FOR ECONOMIC DEVELOPMENT  
COUNTY OF TARRANT   §    INCENTIVES

THIS AMENDED AND RESTATED CHAPTER 380 PROGRAM AGREEMENT FOR ECONOMIC DEVELOPMNET INCENTIVES (“Agreement”) is executed by and between **L-3 TECHNOLOGIES CORPORATION**, an entity authorized to do business in Texas (hereafter referred to as “OWNER”), and the **CITY OF ARLINGTON, TEXAS**, a home-rule city and municipal corporation of Tarrant County, Texas, acting by and through its City Manager or his designee, (hereafter referred to as “CITY”).

WITNESSETH:

WHEREAS, CITY has found that providing a program consisting of a grant of funds to OWNER in exchange for OWNER’S completion of the project proposed by OWNER will promote local economic development and stimulate business and commercial activity and create jobs within the City of Arlington (hereafter referred to as “PROGRAM”); and

WHEREAS, CITY has determined that the PROGRAM will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of the PROGRAM contain controls likely to ensure that the public purpose is accomplished; and

WHEREAS, On April 28, 2014, CITY and OWNER entered into that certain Chapter 380 Program Agreement for Economic Development Incentives (hereinafter referred to as “Original Agreement”), and amended such on June 17, 2015, by that certain First Amendment to Chapter 380 Program Agreement for Economic Development Incentives; and

WHEREAS, CITY and OWNER desire to further amend and restate the Original Agreement to provide for additional incentives in exchange for OWNER’s completion of a second expansion project; and

WHEREAS, Chapter 380 of the Texas Local Government Code provides statutory authority for establishing and administering the program provided herein;  
NOW THEREFORE,

The CITY and OWNER, for and in consideration of the mutual covenants and promises contained herein, do hereby agree, covenant, and contract as set forth below:

**I.**  
**Definitions**

- A. “Business Personal Property Improvements” are defined as tangible personal property (except inventory or supplies) delivered to, installed, or located on the Premises under OWNER’s name as reported by the Tarrant Appraisal District in connection with the Phase I Project and Phase II Project as defined herein.
- B. “Full-Time Employee” is defined as a permanent, full-time employment position that results in actual paid employment in Arlington of at least one thousand, eight hundred and twenty (1,820) hours per position in a year with an average annual wage of \$75,000.
- C. “Phase I Added Taxable Value” is defined as the value of the Phase I Eligible Property above the Phase I Base Year Value, as determined by the Tarrant Appraisal District, on January 1 of the applicable tax year.
- D. Phase II Added Taxable Value is defined as the value of the Phase II Eligible Property above the Phase II Base Year Value, as determined by the Tarrant Appraisal District, on January 1 of the applicable tax year.
- E. “Phase I Base Year Value” is defined as the taxable value of the Phase I Eligible Property as of January 1, 2014, as determined by the Tarrant Appraisal District (TAD Account numbers: 41710908, 14236571, 11101261, and 04332644).
- F. Phase II Base Year Value is defined as the taxable value of the Phase II Eligible Property as of January 1, 2017, as determined by the Tarrant Appraisal District (TAD Account numbers: 41710908 and 14236571).
- G. “Phase I Eligible Property” is defined as the taxable Real Property Improvements or Business Personal Property Improvements erected or affixed to the Premises prior to January 1, 2020, and included in TAD Account numbers 41710908, 14236571, 11101261, and 04332644.
- H. “Phase II Eligible Property” is defined as the taxable Real Property Improvements or Business Personal Property Improvements erected or affixed to the Premises prior to January 1, 2020 and included in TAD Account numbers 41710908 and 14236571.
- I. “Phase I Project” is defined as OWNER’s expansion to include a new high-bay area and remodel of existing facilities, more fully described in **Exhibit “B”**.
- J. “Phase II Project” is defined as OWNER’s expansion to include construction of a 40,000 square foot addition to house isolated motion pads, a classroom training center, and six computer rooms, more fully described in **Exhibit “C”**.

- K. "Premises" are defined as the real property located at 2215 E. Randol Mill Road, 2115 E. Randol Mill Road, and 2200 Arlington Downs Road, the boundaries of which are depicted in **Exhibit "A,"** attached hereto and incorporated herein, as it existed on January 1, 2014.
- L. "Real Property Improvements" are defined as improvements to the Premises and shall include buildings, structures, or fixtures erected on the Premises in connection with the Phase I Project and Phase II Project as defined herein.
- M. "Sales Tax Receipts" is defined as the CITY'S receipt from the State of Texas from the collection of the CITY'S one and three quarters percent (1.75%) sales and use tax imposed by the CITY (it being expressly understood that the CITY'S sales and use tax receipts are being used only as a measurement for its participation through the use of general funds), attributed to the collection of the CITY'S one and three quarters (1.75%) sales and use tax as a result of the sale to and purchase by OWNER of taxable items associated with the Phase I Project that are consummated in the CITY.

## **II.** **Term**

This Agreement shall be effective as of the date of execution by all parties. This Agreement will terminate on the date CITY makes to OWNER the last grant payment provided for in Section V below, unless sooner terminated in accordance with the terms of this Agreement.

## **III.** **General Provisions**

- A. The Premises are not in an improvement project financed by tax increment bonds.
- B. The Premises are not owned or leased by any member of the City Council or any member of the Planning and Zoning Commission of CITY.

## **IV.** **Improvement Conditions and Requirements**

The payment of the incentives described in Section V below is subject to the following conditions:

- A. OWNER shall cause the Phase I Project, as described in **Exhibit "B,"** to be completed by no later than December 31, 2014.
- B. OWNER shall cause the Phase II Project, as described in **Exhibit "C,"** to be completed by no later than December 31, 2019.

- C. OWNER's completion of the Phase I Project must result in Phase I Added Taxable Value of at least three million dollars (\$3,000,000) by the tax year beginning January 1, 2015.
- D. OWNER's completion of the Phase II Project must result in an additional five million dollars (\$5,000,000) in Phase I Added Taxable Value by the tax year beginning January 1, 2020, for a combined Phase I Added Taxable Value of eight million dollars (\$8,000,000) by the tax year beginning January 1, 2020.
- E. OWNER shall maintain the following number of Full-Time Employees in Arlington as a result of the Phase I Project and Phase II Project:
 

January 1, 2015 through December 31, 2016	600 Full-Time Employees
January 1, 2017 through December 31, 2019	750 Full-Time Employees
January 1, 2020 through December 31, 2020	700 Full-Time Employees
January 1, 2021 through December 31, 2021	740 Full-Time Employees
January 1, 2022 through December 31, 2029	780 Full-Time Employees
- F. OWNER shall not fail to render for taxation any property located within the City of Arlington.
- G. OWNER shall not allow the ad valorem taxes owed to CITY on any property owned by OWNER and located within the City of Arlington to become delinquent beyond the last day they can be paid without assessment of penalty, as such date is generally extended to allow for any appeal.
- H. OWNER covenants and certifies that OWNER does not and will not knowingly employ an undocumented worker as that term is defined by Section 2264.01(4) of the Texas Government Code. In accordance with Section 2265.052 of the Texas Government Code, if OWNER is convicted of a violation under 8 U.S.D. Section 1324a(f), OWNER shall repay to the CITY the full amount of the grant payment(s) made under Section V of this Agreement, plus 10% per annum from the date the grant payment(s) was made. Repayment shall be paid within 120 days after the date OWNER receives notice of violation from the CITY.

**V.**  
**Incentives**

In exchange for OWNER's completion and compliance with the Conditions and Requirements set forth in Section IV above, CITY shall do the following:



A. Ad Valorem Grant 2016-2025. On an annual basis, beginning in 2016 and ending in 2025, CITY agrees to pay to OWNER a grant payment calculated as provided below in Subsection V.A.1.

1. Each grant payment shall be determined annually based upon the following:
  - a. An amount equal to 90% of the ad valorem taxes collected by CITY and paid by the OWNER in the previous tax year for the Phase I Added Taxable Value of the Real Property Improvements.
  - b. An additional amount equal to 90% of the ad valorem taxes collected by CITY and paid by the OWNER in the previous tax year for the Phase I Added Taxable value of the Business Personal Property Improvements.
2. Each year OWNER must certify compliance by March 15 of payment in full of all ad valorem taxes due on property located at the Premises, subject to the right of protest, and the number of Full-Time Employees located on the Premises for the prior calendar year. Failure to timely submit the annual certification in accordance with this subsection after notice and opportunity to cure as provided in Subsection VII.B. below shall waive OWNER's right to the grant for such year. OWNER authorizes the CITY to request and receive any and all property tax information relating to the Premises from the Tarrant Appraisal District ("TAD"). OWNER agrees that release of such information will be made by TAD, upon request from the CITY, at any time from the execution of this Agreement until its termination. OWNER agrees to provide any waivers or releases requested by TAD to the CITY.
3. All grant payments under Subsection V.A. will be paid by CITY to OWNER on or before June 1 of each year, beginning in June 2016 and ending in June 2025, provided the Conditions and Requirements contained in Section IV herein have been met.

B. Ad Valorem Grant 2026-2030. On an annual basis, beginning in 2026 and ending in 2030, CITY agrees to pay to OWNER a grant payment calculated as provided below in Subsection V.B.1.

1. Each grant payment shall be determined annually based upon the following:
  - a. An amount equal to 90% of the ad valorem taxes collected by CITY in the previous tax year for the Phase II Added Taxable Value of the OWNER's Real Property Improvements.
  - b. An additional amount equal to 90% of the ad valorem taxes collected by CITY in the previous tax year for the Phase II Added Taxable value of the OWNER's Business Personal Property Improvements.

2. Each year OWNER must certify compliance by March 15 of payment in full of all ad valorem taxes due on the property located at the Premises, subject to the right of protest, and the number of Full-Time Employees located on the Premises for the prior calendar year. Failure to timely submit the annual certification in accordance with this subsection after notice and opportunity to cure as provided in Subsection VII.B. below shall waive OWNER's right to the grant for such year.
  3. All grant payments under Subsection V.B. will be paid by CITY to OWNER on or before June 1 of each year, beginning in June 2026 and ending in June 2030, provided the Conditions and Requirements contained in Section IV herein have been met.
- C. Sales Tax Grant. CITY agrees to provide OWNER a one-time grant in an amount equal to fifty percent (50%) of the CITY's Sales Tax Receipts for the twenty-four-month period beginning January 1, 2014, through December 31, 2015. The sale of taxable items subject to this grant shall be for items directly related to the Phase I Project.
1. "Sales Tax Certificate" shall mean a certificate or other statement in a form reasonably acceptable to the CITY setting forth the CITY'S receipts from the State of Texas from the collection of the CITY'S one and three quarters percent (1.75%) sales and use tax imposed by the CITY for the sale to and purchase by OWNER of taxable items associated with the Project that are consummated in the CITY between January 1, 2014, and December 31, 2015, which are to be used to determine the amount of the grant and to determine OWNER'S eligibility for the grant, together with such supporting documentation, as CITY may reasonably request. The Sales Tax Certificate shall, at a minimum, contain and include or be accompanied by the following:
  2. A schedule detailing the amount of the CITY'S one and three quarters percent (1.75%) sales and use tax collected and paid to the State of Texas as a result of the sale to and purchase by OWNER of taxable items purchased in association with the Phase I Project that are consummated in the CITY between January 1, 2014, and December 31, 2015.
  3. A copy of all sales and use tax returns and reports, sales and use tax prepayment returns, direct payment permits and reports, including amended sales and use tax returns or reports, filed by a company, business or other legal entity (the OWNER'S Vendor) showing the CITY'S one and three quarters percent (1.75%) sales and use tax collected (including sales and use tax paid directly to the State of Texas pursuant to a direct payment certificate) for the sale to and purchase by OWNER of taxable items associated with the Phase I Project between January 1, 2014, and December 31, 2015.

4. A copy of all direct payment and self-assessment returns, including amended returns, filed by OWNER'S Vendor between January 1, 2014, and December 31, 2015, showing the CITY'S one and three quarters percent (1.75%) sales and use tax paid by OWNER for the purchase of taxable items associated with the Phase I Project that are consummated in the CITY between January 1, 2014, and December 31, 2015.
5. Information concerning any refund or credit received by OWNER of the CITY'S one and three quarters percent (1.75 %) sales or use taxes paid by OWNER (including any sales and use tax paid directly to the State of Texas pursuant to a direct payment permit) which has previously been reported by OWNER as sales and use tax paid or collected between January 1, 2014, and December 31, 2015.
6. A schedule detailing the total of sales tax paid by OWNER for the purchase of taxable items associated with the Phase I Project that are consummated in the CITY between January 1, 2014, and December 31, 2015.
7. CITY agrees, to the extent allowed by law, to maintain the confidentiality of the Certifications.
8. In the event the State of Texas determines that the CITY erroneously received Sales Tax Receipts, or that the amount of sales and use tax paid to the CITY exceeds the correct amount of sales and use tax applicable to this grant, the OWNER shall, within thirty (30) days after receipt of notification thereof from the CITY specifying the amount by which the grant exceeded the amount to which the OWNER was entitled pursuant to such State of Texas determination, pay such amount to the CITY. As a condition precedent to payment of such refund, the CITY shall provide OWNER with a copy of such determination by the State of Texas. The provisions of this subsection shall survive termination of this Agreement.
9. OWNER shall provide the CITY with the Sales Tax Certificate by January 31, 2016. The grant shall be paid by CITY to OWNER within one hundred twenty (120) days following the CITY'S receipt of the Sales Tax Certificate required in this section.
10. The grant made hereunder shall be paid from current revenue from available funds that have been appropriated by the CITY. Under no circumstances shall CITY'S obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision.
11. Under no circumstances shall CITY be obligated to pay the grant unless there is available Sales Tax Receipts and not until receipt of the Sales Tax Certificate. CITY shall not be required to provide the grant unless the CITY has received the Sales Tax Receipts for the covered time period attributed to the sale to and purchase by OWNER of taxable items associated with the

Phase I Project that are consummated in the CITY between January 1, 2014, and December 31, 2015.

- D. Development Fees Waiver. CITY agrees to waive the following development fees incurred by OWNER in relation to development of the Phase I Project and Phase II Project: plan review fees, building permit and inspection fees, park fees, irrigation review and inspection fees, demolition permit fees, early grading permit fees, landscape plan review fees, public utilities inspection fees, fire alarm permit and inspection fees, sprinkler system permit and inspection fees, fire pump permit and inspection fees, certificate of occupancy fees, water and sewer tap fees, water activation fees, meter and detector check fees, cap existing service fees, impact fees and water meter fees.
  
- E. Development Fees Grant. CITY agrees to provide a one-time grant to OWNER in an amount not to exceed \$85,000 as reimbursement for development fees related to the Phase I Project paid by OWNER after January 1, 2014, but before execution of this agreement. Such grant shall be paid to OWNER within 30 days of execution of this agreement.
  
- F. Off-Site Drainage Grant. CITY agrees to provide a one-time grant to OWNER in the amount of \$16,397.52 as reimbursement for costs associated with off-site drainage improvements. Such grant shall be paid to OWNER on or before September 30, 2015.
  
- G. Arlington Hire Grant. On an annual basis, beginning in 2021 and ending in 2025, CITY agrees to pay OWNER a grant payment calculated as provided below in Subsection V.G.1.
  - 1. Each grant payment shall be determined annually and based upon the following: \$1000 for every Arlington resident hired and retained as a Full-Time Employee during the relevant Coverage Period identified in the table below.

Grant Payment #	Coverage Period	Certification Due	Payment no later than	City Fiscal Year
1	1/1/2020-12/31/2020	4/1/2021	6/1/2021	FY21
2	1/1/2021-12/31/2021	4/1/2022	6/1/2022	FY22
3	1/1/2022-12/31/2022	4/1/2023	6/1/2023	FY23
4	1/1/2023-12/31/2023	4/1/2024	6/1/2024	FY24
5	1/1/2024-12/31/2024	4/1/2025	6/1/2025	FY25

2. Certification for hired Full-Time Employees shall be provided by OWNER to CITY no later than April 1 of each year. Certification shall be accompanied by an employment report generated by OWNER that documents the number of new hired Full-Time Employees for the Coverage Period, their position category, and their residential address.
3. All grant payments will be paid by CITY to OWNER on or before June 1 of each year, beginning in June 2021 and ending in June 2025, provided the Conditions and Requirements contained in Section IV herein have been met.
4. The total amount of the grant(s) provided under this Subsection V.G., shall not exceed \$80,000. Once the CITY has paid to the OWNER grant(s) totaling \$80,000 the OWNER shall no longer be eligible to receive grant payments under this Subsection V.G.

## **VI.** **Protests**

This Agreement shall not be construed to prohibit OWNER's protest or contest of any or all appraisals or assessments of any property on the Premises. The amount of the grants provided in Subsections V.A. and V.B. above shall be based upon the taxes as finally determined by the Tarrant Appraisal District to be due after such protests or contests are finally determined.

## **VII.** **Breach and Recapture**

- A. **Breach** – A breach of this Agreement may result in termination or modification of this Agreement and recapture by CITY of grant payments. The following conditions shall constitute a breach of this Agreement:
  1. OWNER terminates its use of the Premises any time during the duration of the Agreement; or
  2. OWNER fails to meet the Conditions and Requirements as specified in Section IV. A., B., C., D., E., F., and G. above.
- B. **Notice of Breach** – In the event that CITY makes a reasonable determination that OWNER has breached this Agreement, then CITY shall give OWNER written notice of such. OWNER has sixty (60) days following receipt of said written notice to reasonably cure such breach, or this Agreement may be terminated by CITY, and recapture of grant payments may occur. Notice of breach shall be in writing and shall be delivered by personal delivery or certified mail to OWNER at its address provided in Section IX of this Agreement.

- C. Recapture – During years one through five of this Agreement, should OWNER commit a breach of this Agreement according to items A(1) or A(2) of this Section VII, CITY may terminate this Agreement and recapture all grant payments made under this Agreement up to the time of breach, subject to the meeting of Section VII.B. herein providing an instance when recapture will not occur. During the remaining term of this Agreement should OWNER commit a breach of this Agreement according to items A(1) or A(2) of this Section VII, CITY may terminate this Agreement and recapture grant payments made during the calendar year in which breach occurs, subject to the meeting of Section VII.B. herein providing an instance when recapture will not occur. It shall be the duty of CITY to determine whether to require recapture of grant payments and to demand payment of such. Repayment of grant payments shall become due 60 days following receipt of such demand. The rights of CITY to require recapture and demand repayment of grant payments, and the obligation of OWNER to pay such, shall survive termination of this Agreement. The City Attorney has the authority, on behalf of the CITY, to initiate any litigation necessary to pursue payment of recaptured grant payments pursuant to this Agreement.

#### **VIII.**

#### **Effect of Sale or Lease of Property**

The grants authorized by this Agreement shall not be assignable to any new owner or lessee of all or a portion of the Premises, unless such assignment is approved in writing by CITY; provided that such approval shall not be unreasonably withheld, conditioned or delayed.

#### **IX.**

#### **Notice**

All notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail postage prepaid or by hand delivery:

OWNER: Dave Aubrey, Vice President Finance  
L-3 Technologies Corporation  
Link Simulation & Training  
2200 Arlington Downs Road  
Arlington, Texas 76011

Lenny Genna, President  
L-3 Technologies Corporation  
Link Simulation & Training  
2200 Arlington Downs Road  
Arlington, Texas 76011

CITY: City of Arlington  
City Manager's Office  
Attn: Economic Development Manager  
P.O. Box 90231  
Arlington, Texas 76004-3231

**X.**  
**City Council Authorization**

This Agreement was authorized by resolution of the City Council authorizing the City Manager or his designee to execute this Amended and Restated Chapter 380 Program Agreement for Economic Development Incentives on behalf of the CITY.

**XI.**  
**Severability**

In the event any section, subsection, paragraph, sentence, phrase, or word is held invalid, illegal, or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase, or word.

**XII.**  
**Estoppel Certificate**

Any party hereto may request an estoppel certificate from another party hereto, so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which if requested, will be addressed to a subsequent purchaser or assignee of OWNER, shall include, but not necessarily be limited to, statements that this Agreement is in full force and effect without default (or if default exists the nature of same), the remaining term of this Agreement, the levels and remaining term of the incentives in effect and such other matters reasonably requested by the party(ies) to receive the certificates.

**XIII.**  
**Applicable Law**

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State's District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

**XIV.**  
**Indemnification**

**It is understood and agreed between the parties that OWNER, in performing its obligations hereunder, is acting independently, and CITY assumes no responsibility or liability to third parties in connection therewith, and OWNER agrees to indemnify and hold harmless CITY from any claims, damages, verdicts or**

**judgments arising out of actions or omissions by OWNER or caused by OWNER in breach of this agreement. It is further understood and agreed among the parties that CITY, in performing its obligations hereunder, is acting independently, and OWNER assumes no responsibility or liability to third parties in connection therewith, and CITY agrees to the extent allowed by law to indemnify and hold harmless OWNER from any such responsibility or liability.**

**XV.  
Force Majeure**

It is expressly understood and agreed by the parties to this Agreement that the parties shall not be found in default of this Agreement if any party's failure to meet the requirements of this Agreement is delayed by reason of war, Act of God, fire or other casualty of a similar nature.

**XVI.  
No Other Agreement**

This Agreement embodies all of the agreements of the parties relating to its subject matter as specifically set out herein, supersedes all prior understandings and agreements regarding such subject matter, and may be amended, modified or supplemented only by an instrument or instruments in writing executed by the parties.

**XVII.  
Headings**

The headings of this Agreement are for the convenience of reference only and shall not affect in any manner any of the terms and conditions hereof.

**XVIII.  
Successors and Assigns**


The parties to this Agreement each bind themselves and their successors, executors, administrators, and assigns to the other party of this Agreement and to the successors, executors, administrators, and assigns of such other party in respect to all covenants of this Agreement.

No successor, executor, administrator, or assign is valid in the place of the parties to this Agreement without the written consent of CITY, and such consent shall not be unreasonably withheld, conditioned, or delayed.



25 IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day of September, 2017.

**L-3 TECHNOLOGIES CORPORATION**

BY   
Signature  
David Aubrey  
Typed or Printed Name  
VP Finance / CFO  
Typed or Printed Title


WITNESS:

\_\_\_\_\_

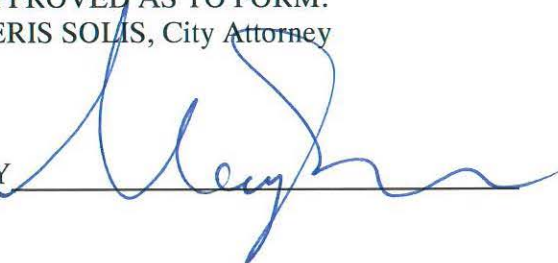
**CITY OF ARLINGTON, TEXAS**

BY   
James F. Porajon  
Deputy City Manager

ATTEST:

  
MARY W. SUPINO, City Secretary

APPROVED AS TO FORM:  
TERIS SOLIS, City Attorney

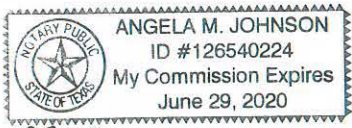
BY 

THE STATE OF TEXAS §  
  §  
COUNTY OF ~~DALLAS~~ §  
  Tarrant

**L-3 TECHNOLOGIES CORPORATION**  
**Acknowledgment**

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared David Aubrey, who is known to me or who was proved to me on the oath of \_\_\_\_\_ (name of person identifying the acknowledging person) or who was proved to me through \_\_\_\_\_ (description of identity card or other document issued by the federal or state government containing the picture and signature of the acknowledging person) to be the person whose name is subscribed to the forgoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **L-3 TECHNOLOGIES CORPORATION**, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 13<sup>th</sup> day of September, 2017.



June 29, 2020  
My Commission Expires

Angela M. Johnson  
Notary Public in and for  
The State of Texas  
Angela M. Johnson  
Notary's Printed Name

THE STATE OF TEXAS §  
  §  
COUNTY OF TARRANT §

**CITY OF ARLINGTON, TEXAS**  
**Acknowledgment**

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared JAMES F. PARATON known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of the **CITY OF ARLINGTON, TEXAS**, a municipal corporation of Tarrant County, Texas, and as the **Deputy City Manager** thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 25<sup>th</sup> day of September, 2017.

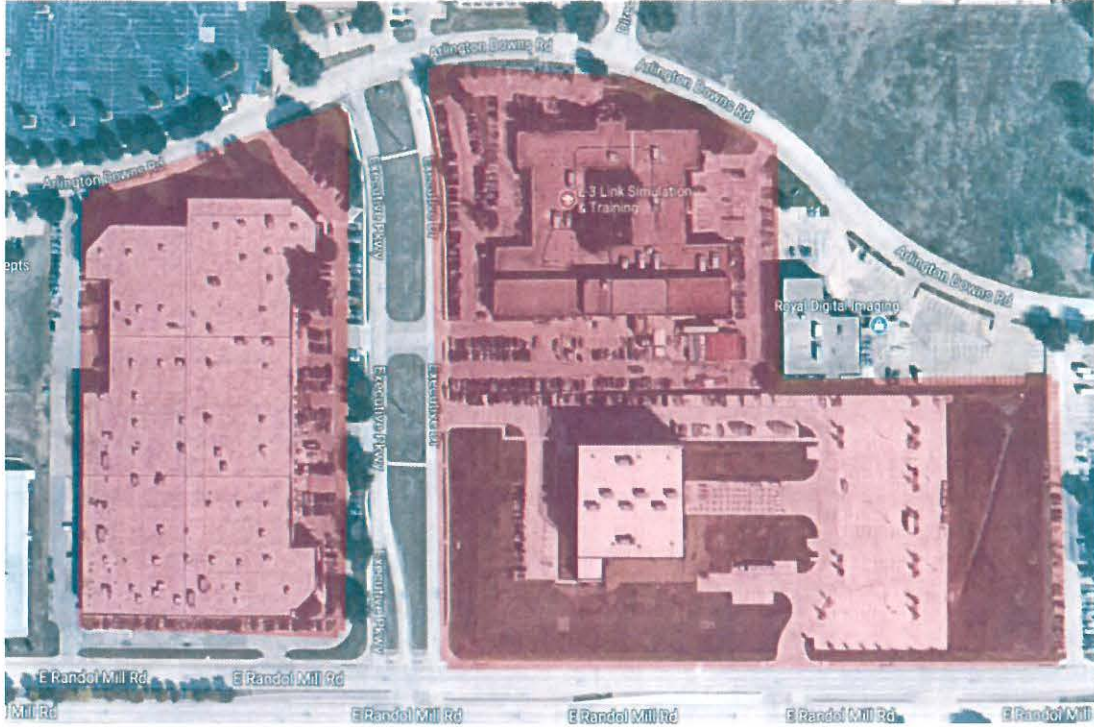


5/5/21  
My Commission Expires

M Suzanne Halbert  
Notary Public in and for  
The State of Texas  
M. SUZANNE HALBERT  
Notary's Printed Name

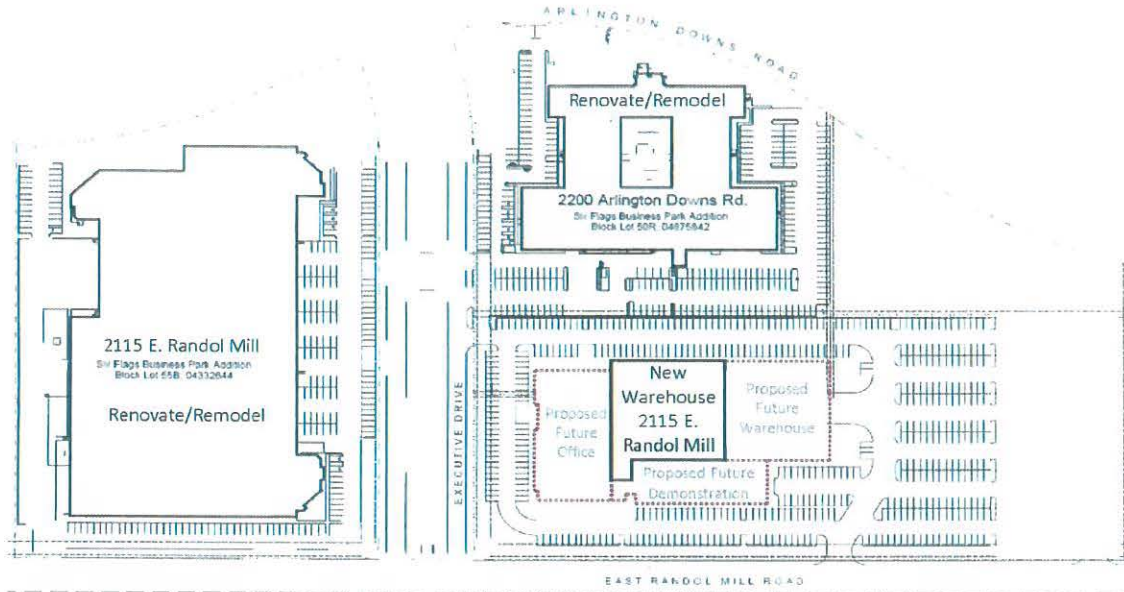
Exhibit "A"

Premises



## Exhibit "B"

### Phase I Project



#### **2115 E. Randol Mill Road**

Conversion of the approximately 182,000 sq. ft. facility with 400 employees and seven labs for flight simulator production. After the conversion, the facility will support approximately 500 employees and house fifteen flight simulator labs that will provide for state of the art production and test facilities for non-motion fast jet training simulation systems. This remodel will also upgrade a portion of the hvac system and lighting system to be more energy efficient. There will also be cosmetic work done to the facility (i.e. new carpet, painting).

#### **2200 Arlington Downs Road**

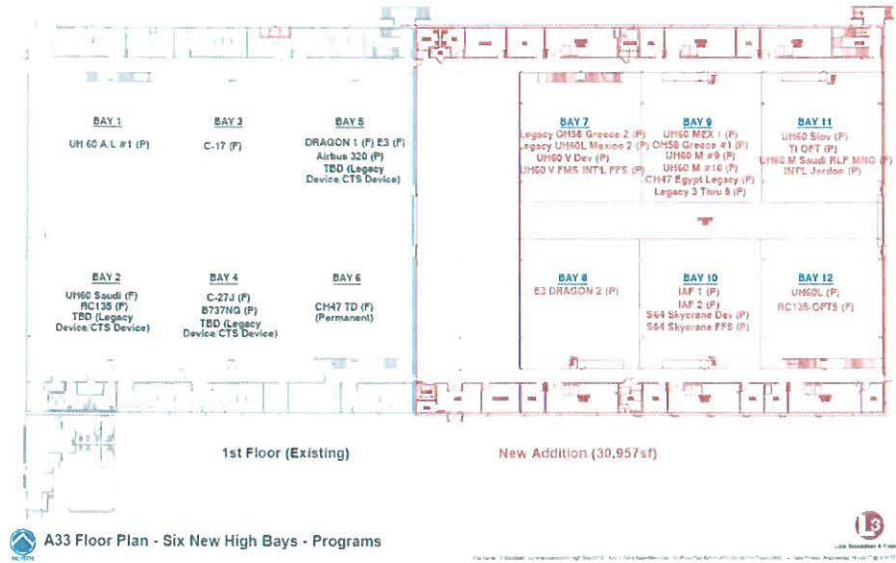
Renovation of the approximately 82,000 sq. ft. facility at 2200 Arlington Downs Road, which currently acts as an office building for 190 employees. This facility will be renovated to support approximately 300 employees. The remodel will include a new roof, replacement of an aging hvac system, energy efficient upgrades, and general cosmetic improvements.

#### **2215 E. Randol Mill Road**

New construction of an approximately 30,000 sq. ft. warehouse facility (aka high-bay area, with six high bays) to house simulators, including a conference room, loading areas, and ancillary employee parking. This facility has been designed to accommodate future expansion options, which may include additional warehouse, office, or demonstration space.

## Exhibit "C"

### Phase II Project



### 2115 E. Randol Mill Road

Construction of a 40,000 sq. ft. tilt wall addition to building A33 to support six full motion simulators and new flight training center. Upon completion, the addition will house (6) 50'x50' bays with 30'x30' isolated motion pads, a classroom training center, and 6 computer rooms. The addition will support employment of 80 employees.