

**MEETING OF THE BOARD OF DIRECTORS
OF THE
CITY OF ARLINGTON TAX INCREMENT REINVESTMENT ZONE NUMBER ONE
("Downtown TIRZ")**

Agenda

June 19, 2020 AT 3:00 PM

TELEPHONE MEETING- ACCESSIBLE BY CALLING:

TOLL FREE [833-268-8354]; CONFERENCE ID [902-838-921#]

Members of the public who wish to speak on a listed agenda item will be asked for their comment at the appropriate time over the phone.

- I. Call to Order
- II. Approval of Minutes from the February 26, 2020 Meeting.
- III. Items for Discussion
 1. West Street Underpass Mural
- IV. Items for Action
 1. Consideration of resolution authorizing the execution of an Amended and Restated Participation Agreement for Tax Increment Reinvestment Zone Number One, City of Arlington, Texas – Downtown by and among the City of Arlington, Board of Directors for Tax Increment Reinvestment Number One and Tarrant County College District.
 2. Consideration of resolution authorizing the Chair of the Board of Directors to execute a Tax Increment Reimbursement Agreement by and between Savannah Main 7, LLC and the Board of Directors of Tax Increment Reinvestment Zone Number One, City of Arlington, Texas.
 3. Consideration of resolution authorizing the Chair of the Board of Directors of Tax Increment Reinvestment Zone Number One to execute an Tax Increment Reimbursement Agreement by and between Urban Front, LLC and the Board of Directors of Tax Increment Reinvestment Zone Number One, City of Arlington, Texas.
- V. Executive Session
Discussion of matters permitted by the following sections of V.T.C.A., Government Code, Chapter 551:
 - A. Section 551.071, CONSULTATION WITH ATTORNEY
 - B. Section 551.087, DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS
- VI. Requests for Future Agenda Items
- VII. Consideration of a Date for Next Meeting
- VIII. Adjourn

**This meeting is accessible by calling: [TOLL FREE [833-268-8354];
CONFERENCE ID [902-838-921#]. In accordance with social distancing
guidelines, all members of the Board of Directors will join by phone.**

MINUTES
REGULAR MEETING
TIRZ #1 Board
February 26, 2020
9:00 AM

The TIRZ #1 Board of Arlington, Texas, convened in open session at 8:55 a.m., in the Arlington Conference Room A at Arlington City Hall, 101 West Abram, Arlington, Texas, notice of said meeting being posted as prescribed by Chapter 551, V.T.C.A., Government Code, with the following members present, to wit:

Members Present

Bob Johnson
Ignacio Nunez
J.R. Labbe
Amy Cearnal
Devan Allen
Sheri Capehart
Barbara Odom - Wesley

Members Absent

Mayor Jeff Williams
Susan Alanis

Others Present

Jim Parajon, City Deputy Manager
Bruce Payne, Economic Development
Brittany Sotelo, Economic Development
Joanna Logan, Economic Development
Molly Shortall, City Attorney's Office
Alex Agnor, Finance
Lisa McMillan, Tarrant County
Maggie Campbell, DAMC
Ryan Dodson, Dodson Companies

I. Call to Order

Sheri Capehart called the meeting to order at 8:55 a.m. and stated that the purpose of the meeting was to evaluate TIRZ funded parking improvements related to previous TIRZ projects.

II. Approval of Minutes

Approval of minutes from the February 3, 2020 meeting.

Devan Allen moved to approve the minutes from the February 3, 2020 meeting. Ignacio Nunez seconded the motion. The motion carried (Ayes: 7, Nays: 0).

III. Discussion of Urban Union by Dodson Companies

Bruce Payne, Economic Development Director, presented an overview of items discussed during the February 3, 2020 meeting and discussed the use of the TIRZ funds for the project, specifically public parking established on private property via easement. Mr. Payne stated that he selected

four similar cases of projects previously approved by the Board in TIRZ #1 to present during the meeting.

Mr. Payne presented the first example, Vandergriff Town Center. In 2005, the Center's public parking was established on private property. The TIRZ funded brick pavers and on-street parking expenses for the project and dedicated about \$243,000 to the project.

Established in 2008, Center Street Station includes Babes Chicken, Theatre Arlington and Mellow Mushroom. The TIRZ funded a portion of the public parking which is secured with a public parking easement and established parking spaces.

Mr. Payne discussed the third example, 300 East Abram, which was previously a furniture store. The developer acquired this space, relocated the remaining tenants, and remodeled the area. The TIRZ funded public parking including parking on the public right-of-way and some of the parking along Abram Street in order to enable Flying Fish and Twisted Root. All were secured with a public parking easement.

The fourth example, the first three phases of Urban Union, was established in 2016. The TIRZ funded on-street parking on both sides of Front Street. Since the lots were in terrible condition, the developer requested a public parking easement for the general public to support the commercial businesses. The project cost \$864,000.

Developer Ryan Dodson is requesting funding for improvements on the Urban Front project. He is requesting parking secured by a public parking easement. Mr. Payne stated that the cost of improvements totals \$1.43 Million. Mr. Payne presented a list of improvements considered private or public property for the Board to review and approve to fund entirely or partially.

J.R. Labbe inquired if the developer expressed that there would be an issue if the total amount requested is reduced. Mr. Payne stated that he believed the developer would express concern, but the final decision was ultimately up to the board's discretion.

Commissioner Devan Allen asked Mr. Payne to clarify the decorative streetlight costs. Based on City ordinance requirements, Mr. Payne stated that 50 feet would require 17 lights. Mr. Dodson requested 36 lights.

Bob Johnson asked for further clarification on the quantity of the lights versus the total cost. He stated that he would wait to ask the developer after the Board is finished with questions.

Mr. Johnson asked if there was signage downtown indicating public parking versus private, specifically the Babe's Chicken parking lot. Mr. Payne stated that Babes Chicken had a private parking sign about four years ago, but Mr. Payne had it removed. Mr. Johnson noted that if there is public parking, the lot should have a sign stating public parking. Mr. Payne said that this could be a condition for the Urban Union project if the Board requests the action.

Dr. Ignacio Nunez inquired about Phase I of the Urban Union project. He inquired if the developer's current request was similar to earlier requests. Mr. Dodson stated that the request is structured similarly to previous requests. Mr. Payne stated that Mr. Dodson has been through the City's development review process and has secured zoning and there has been some

questions from staff about items that should be funded or not funded.

Amy Cearnal stated that she is interested to see what the requested easements look like, specifically in the back alley of the project. She also inquired about the easement length of term. City Attorney, Molly Shortall responded and said the term depends on the owner and project. On other public parking easements, the City amortized the value of what the TIRZ is putting into the parking over a duration of time. Some of the other improvements, for example a water line, would need a longer-term easement and may be more permanent in nature. The easement would run with the land regardless of the owner but with a limited duration. The term of most of the parking easements is ten years from completion.

Sheri Capehart commented that the Board does not commit in advance, only what is before them. Each of the TIRZ has a specific goal in mind and the Board must be responsible for the use of public funds. She stated that she felt the request was a big ask, and the Board must be comfortable and accountable in their decision. Sheri stated that she did not hear a consensus and inquired if Mr. Dodson had a timeline to complete the TIRZ request.

Mr. Dodson stated that there is an urgent timeline and requested to address a few things. He stated that the public parking in the back alley will have an easement, and his company is open to suggestions in terms of timeline. He shared his vision of the new phase that is similar to a boardwalk with a 20-foot-wide, pedestrian friendly sidewalk that goes from the front of the shop space to the back of the curb. The company will add brick pavers, landscaping and lighting to the area which is halfway in the public right-of-way and the other is on his property. To make it as consistent as possible, he would like to put in a public easement and get reimbursed so the company can spend the TIRZ funds to fully complete the look and feel of the project.

He stated the public water line extension request crosses multiple lines to serve Front street and was not certain if the request included plumbing which comes from a separate, master budget. Most of the landscaping is in the public right-of-way. He stated that he could confirm if the plumbing was included in the request, and if so, he understood the board's concern.

Mr. Dodson stated there are 22 streetlights required every 50 feet per City code. Zoning requires the company to build streetlights per the site plan which includes 36 streetlights all specified in the public right-of-way except for one.

Due to economic uncertainty, the company feels urgency to move the project forward. They have pre-leased space and the tenants have deadlines that have been pushed back. Mr. Dodson stated that he can start the construction process within 90 days.

Mr. Payne clarified that the TIRZ funds are issued on a reimbursement basis only.

Molly Shortall inquired if the Board had specific direction on the duration on the public parking easement to incorporate in the agreement. Sheri Capehart asked if Mrs. Shortall could provide a recommended amortization schedule so the Board could make a decision. Amy Cearnal expressed concerns over future owners not having the incentive to redo the parking lot.

Mrs. Capehart told Mr. Dodson that he had a tentative approval from the Board for his full

request.

V. Executive Session

Discussion of matters permitted by Chapter 551 of V.T.C.A. Government Code:

Section 551.071, CONSULTATION WITH ATTORNEY

Section 551.087, DELIBERATIONS REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS

Not held

VI. Comments from Citizens

None

VII. Requests for Future Agenda Items

None

VIII. Consideration of a Date for Next Meeting

To be determined.

IX. Adjourn

There being no further business, the meeting was adjourned at 9:39 a.m.

NOTE: Taped recordings and minutes of all Board meetings are a matter of public record and are kept on file in the City Manager's Office, 101 W. Abram Street, Arlington, Texas. Any committee member or interested party has the right to review these tapes and minutes at the City Manager's Office.

TIRZ 1

Informal Staff Report



Tax Increment Reinvestment Zone Number One, City of Arlington, Texas – West Street Underpass Mural Update
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TIRZ No. 1 Meeting Date: 06-19-20

ISSUE

Brief the TIRZ No. 1 Board of Directors on the West Street Underpass Mural Update project.

PRIOR BOARD OR COUNCIL ACTION

On July 23, 2019, the Board of Directors of TIRZ No. 1 approved a resolution authorizing the Chair of the Board to negotiate and execute a contract for personal services with Chris Bingham of Dallas, Texas, for design and painting a mural on the West Street railroad underpass in Downtown in an amount not to exceed \$50,000.

ANALYSIS

The objective of this project is to highlight the importance of the West Street railroad underpass and improve its appearance through a public art mural. The project is included in the City of Arlington's Downtown Master Plan, adopted in November, 2018, to enhance the aesthetics of Downtown. The mural project falls under the project category of "lighting, irrigation, landscaping of public areas, and public art" in the TIRZ Number One Amended Plan. The West Street underpass is one of only a few vehicular and pedestrian crossings of the railroad tracks in Downtown and therefore provides important connectivity for the area. The project will include painting a mural on both sides of the underpass that features a figure-ground depiction of the street grid and building fabric of Downtown, along with the street name on the railroad bridge span. Union Pacific has given formal consent to the mural project and the artist has created conceptual renderings. The mural project should be complete this summer.

ADDITIONAL INFORMATION

Attached:	None
Under separate cover:	None
Available in the City Secretary's office:	None
Form 1295:	No
MWBE:	No

STAFF CONTACT(S)

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TIRZ 1 Staff Report



Tax Increment Reinvestment Zone Number One Amended and Restated Agreement to Participate in Tax Increment Reinvestment Zone Number One

Board of Directors Meeting Date: 6-19-2020

Document Being Considered: Resolution

RECOMMENDATION

Approve a resolution authorizing the execution of an Amended and Restated Participation Agreement for Tax Increment Reinvestment Zone Number One, City of Arlington, Texas – Downtown by and among the City of Arlington, Board of Directors for Tax Increment Reinvestment Number One and Tarrant County College District.

PRIOR BOARD OR COUNCIL ACTION

On August 15, 2018, the Board of Directors of Tax Increment Reinvestment Zone Number One ("TIRZ #1") approved a resolution authorizing the Chair of the Board of Directors of Tax Increment Reinvestment Zone Number One, on behalf of the Board, to execute an agreement with Hawes Hill & Associates, LLP for consulting services to update the TIRZ #1 Project and Finance Plan.

On November 27, 2018, City Council approved Ordinance No. 18-074 extending the term and amending the composition of the board of directors of TIRZ #1.

On December 6, 2018, the Board of Directors of TIRZ #1 approved Resolution No. 18-02 approving an Amended and Restated Project Plan and Financing Plan for Tax Increment Reinvestment Zone Number One.

On February 3, 2019, City Council passed Ordinance Number 19-003 approving the Amended and Restated Project Plan and Financing Plan for Tax Increment Reinvestment Zone Number One.

On June 18, 2020, the Tarrant County College District Board of Trustees approved the Amended and Restated Participation Agreement to Extend Tarrant County College District Participation in Arlington Tax Increment Reinvestment Zone Number One.

ANALYSIS

Since the approval of the TIRZ #1 Amended and Restated Project Plan and Financing Plan, the Tarrant County College District approved the Amended and Restated Participation Agreement on June 18, 2020, providing for participation until 2038. The Amended and Restated Participation Agreement provides for 50% of the M&O tax rate to be contributed by Tarrant County College District to TIRZ #1.

FINANCIAL IMPACT

The Amended and Restated Project Plan and Financing Plan reflects that from January 1, 2019 to December 31, 2038, the City's ad valorem contribution percentage will be 100% of M&O tax revenue and Tarrant County's ad valorem contribution percentage

will be 70% of M&O tax revenue. The ad valorem contribution percentages of Tarrant County College District and Tarrant County Hospital District will be 50% of M&O tax revenue. Based upon these participation rates, the TIRZ is projected to receive \$40,725,581 in revenue from 2019-2038.

ADDITIONAL INFORMATION

Attached:	Resolution with agreement attached.
Under separate cover:	None.
Available in the City Secretary's Office:	None.

STAFF CONTACT(S)

Bruce Payne, CEcD, AICP
Economic Development Director
817-459-6114
Bruce.Payne@arlingtontx.gov

**Tax Increment Reinvestment Zone Number One, City of Arlington, Texas —
Downtown**

Resolution No. TIRZ1 20-__

A resolution authorizing the execution of an Amended and Restated Participation Agreement for Tax Increment Reinvestment Zone Number One, City of Arlington, Texas – Downtown by and among the City of Arlington, Board of Directors for Tax Increment Reinvestment Number One and Tarrant County College District.

WHEREAS, on August 15, 2018, the Board of Directors of Tax Increment Reinvestment Zone Number One (“TIRZ #1”) approved a resolution authorizing the Chair of the Board of Directors of Tax Increment Reinvestment Zone Number One, on behalf of the Board, to execute an agreement with Hawes Hill & Associates, LLP for consulting services to update the TIRZ #1 Project and Finance Plan; and

WHEREAS, on November 27, 2018, City Council approved Ordinance No. 18-074 extending the term and amending the composition of the board of directors of TIRZ #1; and

WHEREAS, on December 6, 2018, the Board of Directors of TIRZ #1 approved Resolution No. 18-02 approving an Amended and Restated Project Plan and Financing Plan for Tax Increment Reinvestment Zone Number One; and

WHEREAS, on February 3, 2019, City Council passed Ordinance Number 19-003 approving the Amended and Restated Project Plan and Financing Plan for Tax Increment Reinvestment Zone Number One; and

WHEREAS, on June 18, 2020, the Tarrant County College District Board of Trustees approved the Amended and Restated Participation Agreement to Extend Tarrant County College District Participation in Arlington Tax Increment Reinvestment Zone Number One; and NOW THEREFORE,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMER ONE, CITY OF ARLINGTON, TEXAS - DOWNTOWN:

I.

That the facts and recitations contained in the preamble of this Resolution are found and declared to be true and correct.

II.

That the Chair of the Board of Directors for Tax Increment Reinvestment Zone Number One, City of Arlington, Texas- Downtown is hereby authorized to execute an Tax Increment Reinvestment Zone Number One Amended and Restated Agreement to Participate in Tax Increment Reinvestment Zone Number One by and among the City of Arlington, Board of Directors for Tax Increment Reinvestment Number One and Tarrant County College District upon the approval of the Agreement by the Arlington City Council.

III.

A substantial copy of the Tax Increment Reinvestment Zone Number One Amended and Restated Agreement to Participate in Tax Increment Reinvestment Zone Number One is attached hereto as Exhibit "A."

PRESENTED on the 19th day of June, 2020, at a meeting of the Board of Directors of Tax Increment Reinvestment Zone Number One, City of Arlington, Texas – Downtown, and passed and approved on the 19th day of June, 2020, of ___ ayes and ___ naves.

CHAIRMAN

ATTEST:

BRUCE PAYNE
Economic Development Director

Exhibit "A"

AMENDED AND RESTATED PARTICIPATION AGREEMENT-
TAX INCREMENT REINVESTMENT ZONE NUMBER ONE,
CITY OF ARLINGTON, TEXAS

This **AMENDED AND RESTATED PARTICIPATION AGREEMENT- TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, CITY OF ARLINGTON, TEXAS** (“Agreement”) is entered into by and among the CITY OF ARLINGTON, TEXAS (the “City”), the BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, CITY OF ARLINGTON (the “TIRZ Board”), and TARRANT COUNTY COLLEGE DISTRICT (the “District”) (collectively the “Parties”).

The City, TIRZ Board, and the District hereby agree that the following statements are true and correct and constitute the basis upon which the City, the TIRZ Board, and the District have entered into this Agreement:

- A. On November 3, 1998, the City Council of the City of Arlington, Texas (the “Council”) adopted City Ordinance No. 98-142 designating certain real property located in the City of Arlington, Texas as a reinvestment zone (the “Zone”).
- B. In 1999 the City, TIRZ Board, and District entered into the Reinvestment Zone Participation Agreement (“Original Agreement”) under which District agreed to deposit one hundred percent (100%) of the maintenance and operation taxes levied, assessed and collected annually by the District into the Zone’s Tax Increment Fund through tax year 2018.
- E. On November 27, 2018, the City Council adopted Ordinance No. 18-074, extending the term of the Zone. Ordinance No. 18-074 is hereby incorporated by reference for all purposes and attached hereto as **Exhibit “A”**.
- F. On _____, 2019, the City Council adopted Ordinance 19-____ approving the Tax Increment Reinvestment Zone Number One, City of Arlington, Texas Amended and Restated Project Plan and Financing Plan (the “Plan”), as approved by the TIRZ Board through Resolution No. 18-04 on December 6, 2018.
- G. Pursuant to Section 311.013 of the Texas Tax Code, the District is not required to pay any tax increment into the tax increment fund of the Zone unless it enters into an agreement to do so with the City.
- H. The Parties wish to amend and restate the Original Agreement to provide for the District’s participation in the Zone from tax year 2019 through and including tax year 2038.

NOW, THEREFORE, for and in consideration of the conditions set forth herein, the sufficiency of which is hereby acknowledged, the City, the TIRZ Board, and the District do hereby contract, covenant and agree as follows:

1. INCORPORATION OF RECITALS.

The Parties hereby agree that the recitals set forth above are true and correct and form the basis upon which they have entered into this Agreement.

2. DEFINITIONS.

In addition to any terms defined in the body of this Agreement, the following terms shall have the definitions ascribed to them as follows:

Act means the Tax Increment Financing Act, as amended and as codified in Chapter 311 of the Texas Tax Code.

Captured Appraised Value in a given year means the total appraised value of all real property taxable by the District and located in the Zone for that year less the Tax Increment Base.

Plan means the Tax Increment Reinvestment Zone Number One, City of Arlington, Texas Amended and Restated Project Plan and Financing Plan, as adopted by the TIRZ Board and approved by the City Council of the City on ____, 2019 by City Ordinance No. 19-__, and attached hereto as **Exhibit "B"**.

TIRZ Board means the governing board of directors of the Zone appointed in accordance with Section 311.009 of the Act and pursuant to Section 4.4 of this Agreement.

Tax Increment in a given year means the amount of maintenance and operation taxes levied, assessed, and collected by the District for that year on the Captured Appraised Value of real property taxable by the District and located in the Zone.

Tax Increment Base means the total appraised value as of January 1, 1998, of all real property taxable by the District and located in the Zone.

Tax Increment Fund means that fund created by the City pursuant to Section 311.014 of the Act and Section 7 of City Ordinance No. 98-142, which will be maintained by the City as a separate and individual account into which all revenues of the Zone will be deposited, including (i) deposits of Tax Increment by the City and by other taxing units with jurisdiction over real property in the Zone, including the District, and (ii) all accrued interest earned on the cash balance of the fund.

TIF Ordinances means City Ordinance No. 98-142, adopted on November 3, 1998, and City Ordinance No. 18-074 adopted on November 27, 2018, attached hereto as **Exhibit "A"**.

Zone means the certain real properties and boundaries as described in City Ordinance No. 98-142 adopted on November 3, 1998.

3. DEPOSIT OF TAX INCREMENT.

Pursuant to a Resolution duly adopted by the governing body of the District, which Resolution is attached hereto as **Exhibit “C”** and is hereby made a part of this Agreement for all purposes, and specifically subject to Section 4 of this Agreement, the District hereby agrees to deposit each year during the remaining term of the Zone, beginning with the 2019 tax year and through the 2038 tax year, fifty percent (50%) of the District’s Tax Increment into the Tax Increment Fund. The calculation to determine the dollar amount of the District’s Tax Increment to be deposited shall be made in accordance with the City’s standard administrative procedures, but only following receipt of a bill from the City that outlines the City’s calculation of the amount of the deposit that is required for that year. The District’s participation over the twenty (20) year extended term of the Zone (tax years 2019-2038) is capped at \$_____ (the “Maximum District Contribution”). Deposits will continue at the 50% rate through the extended term of the Zone or until the Maximum District Contribution is reached, at which point the District’s obligation to the Tax Increment Fund is complete.

4. LIMITATIONS ON TAX INCREMENT DEPOSITS AND USE OF FUNDS.

This Agreement is based on the following conditions, and the City and TIRZ Board agree and acknowledge the District’s right to enforce the conditions contained herein by injunction or any other lawful means in the event one or more of such conditions are not satisfied.

4.1. Amendments to TIF Ordinances.

The TIF Ordinances designate the boundaries, the eligible real properties for the calculation of Tax Increment for the Zone and the specific participation level of the City. If the TIF Ordinances are amended, such amendment shall not be effective as to the District’s Tax Increment until the amendment is approved by the governing body of the District as an amendment to this Agreement.

4.2. Certain Zone Project Costs Excluded.

The Tax Increment deposited into the Tax Increment Fund by the District shall be used to pay project costs for purposes as set forth and identified in the Plan. All Tax Increment Fund allocations, including but not limited to any management and administrative costs, must be approved by the TIRZ Board in accordance with the Plan. If the Plan as approved by Ordinance 19-___, is amended, such amendment shall not be effective until the amendment is approved by the governing body of the District as an amendment to this Agreement.

4.3. Zone Expansion.

As defined, the Zone shall include real properties located within the boundaries as described in the TIF Ordinances. If the Zone is expanded, the District is not required to deposit into the Tax Increment Fund any Tax Increment generated from properties in the expanded area unless participation in the expanded boundary area is approved by the governing body of the District as an amendment to this Agreement. Additionally, the Tax Increment deposited into the Tax Increment Fund by the District may not be used for any permissible project costs in any portion of the expanded area of the Zone unless approved by the governing body of the District as an amendment to this Agreement.

4.4. TIF Board Membership.

During the term of the Zone, the TIRZ Board shall consist of nine (9) members comprised of one (1) County representative, one (1) Tarrant County Hospital District representative, and one (1) Tarrant County College District representative. The remaining six (6) members of the TIRZ Board shall be appointed by the City Council. The governing body of the County, Tarrant County College, and Tarrant County Hospital District shall provide the names and addresses of their appointed representative to the City. Any changes with respect to the designated representatives set forth above shall not be effective until approved by the governing body of the District as an amendment to this Agreement.

5. TERM.

This Agreement shall take effect on the date as of which all Parties have executed it and shall expire the earlier of (i) the date the District makes the final deposit of Tax Increment for tax year 2038 into the Tax Increment Fund, (ii) an earlier termination date of the Zone designated by ordinance subsequently adopted by the City Council of the City or, (ii) the date on which the Maximum District Contribution has been reached.

6. TIF FUND ACCOUNTING.

No later than July 1 of each year following execution of this Agreement, the City shall provide the District with an annual accounting of the funds deposited to and disbursed from the Tax Increment Fund, including accrued interest. After all project costs of the Zone have been paid or at the time of the expiration of this Agreement, any funds remaining in the Tax Increment Fund following the final annual accounting by the District shall be paid to those taxing units participating in the Zone in proportion to each taxing unit's share of the total amount of Tax Increment deposited into the Tax Increment Fund.

7. RESPONSIBILITY FOR ACTS.

The Parties shall each be responsible for the sole negligent acts of their officers, agents, employees or separate contractors. In the event of joint and concurrent negligence of two or more of the Parties, responsibility, if any, shall be apportioned comparatively with the laws of the State of Texas, with the understanding that neither Party waives any governmental powers or immunities or any other defenses available to each individually.

8. NOTICES.

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

City/TIRZ Board:

City of Arlington
Attn: Economic Development Director
Mail Stop 01-0300
P.O. Box 90231
Arlington, Texas 76004-3231

District:

Tarrant County College District
Attn Mark McClendon
1500 Houston Street
Fort Worth, Texas 76102

with copies to:

Arlington City Attorney's Office
Mail Stop 63-0300
P.O. Box 90231
Arlington, Texas 76004-3231

9. NO WAIVER.

The failure of any party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder shall not constitute a waiver of that party's right to insist upon appropriate performance or to assert any such right on any future occasion.

10. VENUE AND JURISDICTION.

If any action, whether real or asserted, at law or in equity, arises on the basis of any provision of this Agreement, venue for such action shall lie in state courts located in Tarrant County, Texas or the United States District Court for the Northern District of Texas. This Agreement shall be construed in accordance with the laws of the State of Texas.

11. NO THIRD PARTY RIGHTS.

The provisions and conditions of this Agreement are solely for the benefit of the Parties and are not intended to create any rights, contractual or otherwise, to any other person or entity.

12. FORCE MAJEURE.

The Parties shall exercise every reasonable effort to meet their respective obligations as set forth in this Agreement, but shall not be held liable for any delay in or omission of performance due to *force majeure* or other causes beyond their reasonable control, including, but not limited to, compliance with any government law, ordinance or regulation, acts of God, acts of omission, fires, strikes, lockouts, national disasters, wars, riots, material or labor restrictions, transportation problems and/or any other cause beyond the reasonable control of either party.

13. INTERPRETATION.

In the event of any dispute over the meaning or application of any provision of this Agreement, this Agreement shall be interpreted fairly and reasonably, and neither more strongly for or against any party, regardless of the actual drafter of this Agreement.

14. CAPTIONS.

Captions and headings used in this Agreement are for reference purposes only and shall not be deemed a part of this Agreement.

15. ENTIRETY OF AGREEMENT.

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the Parties as to the matters contained herein. Any prior or contemporaneous oral or written agreement, including the Original Agreement, is hereby declared null and void to the extent in conflict with any provision of this Agreement. Notwithstanding anything to the contrary herein, this Agreement shall not be amended unless executed in writing by all Parties and approved by the City Council of the City and the TIRZ Board at an open meeting held in accordance with Chapter 551 of the Texas Government Code.

16. COUNTERPARTS.

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

EXECUTED as of the later date below:

**TARRANT COUNTY COLLEGE
DISTRICT:**

By: _____
Eugene Giovannini, Ed.D
Chancellor

Date: _____

ATTEST:

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

By: _____
Name: _____
Title: _____

CITY OF ARLINGTON, TEXAS

BY _____
_____, Deputy City Manager

Date: _____

ATTEST:

ALEX BUSKEN, City Secretary

APPROVED AS TO FORM:
TERIS SOLIS, City Attorney

BY _____
**TIRZ Board, Tax Increment
Reinvestment Zone Number One**

BY _____
W. Jeff Williams, Chairman

Date: _____

ATTEST:

BRUCE PAYNE, Economic Development Director

THE STATE OF TEXAS § **TARRANT COUNTY COLLEGE DISTRICT**
 § **Acknowledgment**
COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **Eugene Giovannini**, who is known to me 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 **TARRANT COUNTY COLLEGE DISTRICT**, and as the **Chancellor** 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 _____, 2019.

Notary Public in and for
The State of Texas

Notary's Printed Name

My Commission Expires

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**, a municipal corporation of Tarrant County, Texas, and as a **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 _____, 2019

Notary Public in and for
The State of Texas

Notary's Printed Name

My Commission Expires

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

TIRZ Board
Acknowledgment

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 **TIRZ Board**, Arlington, Texas, and as the **Chairman** 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 _____, 2019.

Notary Public in and for
The State of Texas

My Commission Expires

Notary's Printed Name

Exhibit "A"

[INSERT- Ordinance No. 98-142 & Ordinance No. 18-074]

Exhibit "B"

[INSERT- Approved A/R Project Plan & Financing Plan]

Exhibit "C"

[INSERT- County resolution/action approving Agreement]

TIRZ 1 Staff Report



TIRZ Reimbursement Agreement- Main 7

Board of Directors Meeting Date: 6-19-2020

Document Being Considered: Resolution

RECOMMENDATION

Approve a resolution authorizing the Chair of the Board of Directors to execute a Tax Increment Reimbursement Agreement by and between Savannah Main 7, LLC and the Board of Directors of Tax Increment Reinvestment Zone Number One, City of Arlington, Texas.

PRIOR BOARD OR COUNCIL ACTION

On January 10, 2006, City Council approved Resolution No. 06-015 authorizing an Interlocal Cooperative Agreement between the North Central Texas Council of Governments and the City of Arlington for the Sustainable Development Transportation Land Banking Project and used the resulting funding to acquire the land towards the creation of sustainable development.

On August 8, 2018, City Council approved Resolution No. 18-201 authorizing the sale of approximately 2.154 acres of surplus City owned property located at 704, 706, 708 and 710 West Main Street, 100 South Cooper Street and 709 West Abram Street, Arlington, Texas, to Oakhollow Group, LTD.

On February 3, 2020, the TIRZ #1 Board of Directors was briefed on the details of the proposed Main 7 project by developer Mojoy Hadad of Oakhollow Group, LTD.

ANALYSIS

Savannah Main 7, LLC (the "Developer") has acquired the former City property at the corner of W. Main Street and Cooper Street for the purpose of developing a residential townhome project. The Developer purchased the 2.154 acres of land from the City for a total of \$584,200 and has done extensive work in assembling the property and designing the proposed layout. The total number of townhome residences will be 53 units. The Developer's proforma indicates that all 53 units will be constructed by January 1, 2024. According to the Developer, the estimated tax value at full build-out projected to be \$19,028,925, or \$359,036 per unit, and would ultimately create \$193,642 in annual ad valorem revenue for TIRZ #1 after a three year construction period, based on the current tax and participation rates of the TIRZ #1 taxing jurisdictions. The agreement with the developer does not require a minimum ad valorem increase because all the townhomes will be individually owned. However, the agreement stipulates a minimum investment of \$14.7 million dollars.

FINANCIAL IMPACT

The developer is requesting that TIRZ #1 contribute a total of \$859,713 towards the; construction of public streets and sidewalks; water, sewer, and storm drainage facilities; lighting, irrigation, landscaping, and public art; and public parking. At the projected timing and anticipated values of the development, it would take approximately nine years for TIRZ #1 to recoup its investment of \$859,713.

ADDITIONAL INFORMATION

Attached:

Resolution with agreement attached.

Under separate cover:

None.

Available in the City Secretary's Office:

None.

STAFF CONTACT(S)

Bruce Payne, CEcD, AICP
Economic Development Director
817-459-6114
Bruce.Payne@arlingtontx.gov

**Tax Increment Reinvestment Zone Number One, City of Arlington, Texas —
Downtown**

Resolution No. TIRZ1 20-__

A resolution authorizing the Chair of the Board of Directors to execute a Tax Increment Reimbursement Agreement by and between Savannah Main 7, LLC and the Board of Directors of Tax Increment Reinvestment Zone Number One, City of Arlington, Texas.

WHEREAS, on January 10, 2006, City Council approved Resolution No. 06-015 authorizing an Interlocal Cooperative Agreement between the North Central Texas Council of Governments and the City of Arlington for the Sustainable Development Transportation Land Banking Project and used the resulting funding to acquire the land towards the creation of sustainable development; and

WHEREAS, on August 8, 2018, City Council approved Resolution No. 18-201 authorizing the sale of approximately 2.154 acres of surplus City owned property located at 704, 706, 708 and 710 West Main Street, 100 South Cooper Street and 709 West Abram Street, Arlington, Texas (the "Property"), to Oakhollow Group, LTD; and

WHEREAS, Savannah Main 7, LLC proposes to develop the Property through the construction of a residential townhome project; NOW THEREFORE,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMER ONE, CITY OF ARLINGTON, TEXAS - DOWNTOWN:

I.

That the facts and recitations contained in the preamble of this Resolution are found and declared to be true and correct.

II.

That the Chair of the Board of Directors for Tax Increment Reinvestment Zone Number One, City of Arlington, Texas- Downtown is hereby authorized to execute a Tax Increment Reimbursement Agreement (the "Agreement") by and between Savannah Main 7, LLC and the Board of Directors for Tax Increment Reinvestment Zone Number One, upon the approval of the Agreement by the Arlington City Council.

III.

A substantial copy of the Agreement is attached hereto as Exhibit "A."

PRESENTED on the 19th day of June, 2020, at a meeting of the Board of Directors of Tax Increment Reinvestment Zone Number One, City of Arlington, Texas – Downtown, and passed and approved on the 19th day of June, 2020, of ___ ayes and ___ naves.

CHAIRMAN

ATTEST:

BRUCE PAYNE
Economic Development Director

Exhibit "A"

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

TAX INCREMENT REIMBURSEMENT AGREEMENT

BETWEEN

SAVANNAH MAIN 7, LLC

AND

**THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE
NUMBER ONE, CITY OF ARLINGTON, TEXAS - DOWNTOWN**

This TAX INCREMENT REIMBURSEMENT AGREEMENT (“Agreement”) is entered into by and between the Board of Directors of Tax Increment Reinvestment Zone Number One, City of Arlington, Texas - Downtown (the “**TIF BOARD**”), as established by the City of Arlington, a Texas municipal corporation of Tarrant County, Texas (“**CITY**”), and Savannah Main 7, LLC (hereinafter called “**DEVELOPER**”). DEVELOPER and TIF BOARD may be referred to jointly herein as the “Parties” and individually as a “Party.”

WITNESSETH:

WHEREAS, on November 3, 1998, the City Council approved Ordinance No. 98-142 establishing Tax Increment Reinvestment Zone Number One, City of Arlington, Texas – Downtown (the “**TIF District**”), in accordance with the Tax Increment Financing Act, as amended (Texas Tax Code, Chapter 311; “**TIF Act**”) to promote development and redevelopment in the area through the use of tax increment financing; and

WHEREAS, City Council approved the original Project Plan and Financing Plan for Tax Increment Reinvestment Zone Number One, City of Arlington, Texas - Downtown (the “**Original Plan**”) pursuant to Ordinance No. 99-65; and

WHEREAS, on November 27, 2018, the City Council approved Ordinance No. 18-074 extending the term of the TIF District until December 31, 2038; and

WHEREAS, on January 29, 2019, the City Council amended the Original Plan by approval of the Amended and Restated Project Plan and Financing Plan for Tax Increment Reinvestment Zone Number One, City of Arlington, Texas - Downtown (the “**TIF Project and Financing Plan**”), as approved by the TIF Board through Resolution No. 18-004, pursuant to Ordinance No. 19-003; and

WHEREAS, pursuant to Section 311.010 of the TIF Act and the provisions of Ordinance No. 98-142, CITY has delegated to the TIF BOARD the powers necessary for the implementation of the TIF Project and Financing Plan, which powers under the Act include the power to recommend agreements for the construction of public improvements and reimbursements of related costs; and

WHEREAS, DEVELOPER controls certain property located within the TIF District; and

WHEREAS, DEVELOPER has requested reimbursement for certain public improvements pursuant to the TIF Project and Financing Plan;

NOW THEREFORE,

In consideration of the mutual covenants and obligations herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. Private Development Plan.

DEVELOPER, in conjunction with the construction of Fifty-Three (53) new townhomes more fully described on Exhibit "A", attached hereto and incorporated herein for all purposes, (the "**Private Improvements**"), agrees to construct certain Public Improvements (hereinafter defined), the costs of which qualify as Project Costs as defined in the TIF Act and the TIF Project and Financing Plan (the "**Project Costs**"). The Public Improvements and associated costs are those improvements shown on Exhibit "B", attached and incorporated herein for all purposes (the "**Public Improvements**"). The Private Improvements will be located within the Property shown on Exhibit "C" (the "**Property**"), which is located entirely within the CITY limits and within the TIF District. The Public Improvements shall be located within the public rights-of-way and/or easements dedicated to the CITY.

Section 2. Public Improvements.

In consideration of and as incentive for the construction of the Private Improvements and pursuant to the TIF Project and Financing Plan, the TIF BOARD agrees, subject to the conditions contained in this Agreement, to reimburse DEVELOPER an amount not to exceed Eight Hundred and Fifty Nine Thousand Seven Hundred and Thirteen Dollars (\$859,713) or the final costs incurred by DEVELOPER to design and construct the Public Improvements, whichever is less ("**Total Amount**").

Section 3. DEVELOPER'S Obligations.

3.1 DEVELOPER agrees, in consideration of the TIF BOARD'S reimbursement of the costs of the Public Improvements under this Agreement, to build the

Public Improvements and the Private Improvements, adjoining and served by the eligible Public Improvements for the benefit of the TIF District.

DEVELOPER shall complete the Public Improvements before being eligible to receive reimbursement from the TIF BOARD. DEVELOPER shall complete the Public Improvements on or before January 1, 2024. Completion of Public Improvements will be acknowledged by City's receipt of: 1) proof of payment by DEVELOPER for design and construction of the Public Improvements; and 2) a Letter of Acceptance issued from the City for the Public Improvements.

DEVELOPER shall complete all Fifty-Three (53) townhomes that comprise the Private Improvements on or before January 1, 2024. Completion of the Private Improvements will be evidenced by final inspection for all Fifty-Three (53) townhomes.

DEVELOPER shall have no obligation to construct the Public Improvements if DEVELOPER elects not to construct the Private Improvements, or if for any reason DEVELOPER elects not to obtain reimbursement for the costs of the Public Improvements pursuant to this Agreement.

3.2 DEVELOPER agrees to invest a minimum of Fourteen Million and Seven Hundred Thousand Dollars (\$14,700,000) in the design and construction of the Private Improvements by no later than January 1, 2024. Upon completion of the Private Improvements DEVELOPER shall provide the TIF BOARD evidence, satisfactory to the TIF BOARD, that the DEVELOPER has invested Fourteen Million and Seven Hundred Thousand Dollars (\$14,700,00) in the design and construction of the Private Improvements.

3.3 DEVELOPER shall use good faith efforts to cause all Public Improvements to be completed in a timely manner once commenced, but in no circumstances later than January 1, 2024, and in accordance with the contract documents, plans and specifications approved by CITY. DEVELOPER shall review all monthly and final payment estimates and forward same to the TIF BOARD with such supporting documentation as the TIF BOARD may require, including the final contractor's certificate and a final lien waiver at the completion of construction. All payments for work performed under the construction contract shall be made by DEVELOPER. DEVELOPER shall require the construction contractor to certify, by affidavit sworn to by the corporate official or employee of DEVELOPER duly authorized to submit the same, that the estimate of work completed for the period in question is true and correct to the best of his information and belief, has been measured and verified in accordance with the contract documents, and that all contract preconditions to payment have been met. The TIF BOARD reserves the right to perform inspections, measurements or verifications. Notwithstanding anything herein to the contrary, DEVELOPER is to make payments to the construction contractor for the Public Improvements from its own funds and obtain reimbursement from the TIF BOARD in accordance with the terms and provisions of this Agreement.

3.4 In addition to the requirements of this Section, DEVELOPER shall perform the usual and necessary construction management services incident to construction projects of the nature and scope of this project. DEVELOPER shall thoroughly inspect the work of the assigned contractor, without assuming responsibilities for means and methods used by the assigned contractor, and upon completion of construction assign all warranties under the construction contract for the Public Improvements to CITY. In addition, DEVELOPER shall fully and completely settle, by litigation or otherwise, any claims of the assigned contractor arising out of performance of the construction contract without involving the TIF BOARD.

3.5 Third Party Contractors.

DEVELOPER may enter into agreements with third party contractors to undertake all or any portion of the project ("**Third Party Contracts**"), provided that all such agreements contain (i) a provision, similar in form to Section 7 of this AGREEMENT, pursuant to which **THE CONTRACTOR AND ANY SUBCONTRACTORS INVOLVED IN THE PROJECT AGREE TO RELEASE, INDEMNIFY, DEFEND, AND HOLD HARMLESS THE TIF BOARD AND THE CITY FROM ANY AND ALL DAMAGES ARISING AS A RESULT OF OR IN RELATION TO THE PROJECT AND ANY WORK THEREUNDER AND FOR ANY NEGLIGENT OR GROSSLY NEGLIGENT ACT OR OMISSIONS OR INTENTIONAL MISCONDUCT OF THE CONTRACTOR, ANY SUBCONTRACTORS AND DEVELOPER, AND THEIR OFFICERS, AGENTS, SERVANTS AND EMPLOYEES;** (ii) for any project work that is to be undertaken in public rights-of-way, easements or other property owned by the CITY or another governmental agency (collectively, "**Public Property**"), a requirement that the contractor provide DEVELOPER with a bond or bonds, which DEVELOPER shall forward to the TIF BOARD and the CITY, that guarantees the faithful performance and completion of all construction work covered by the contract and full payment for all wages for labor and services and of all bills for materials, supplies and equipment used in the performance of the contract; (iii) a requirement that the contractor provide insurance in accordance with the minimum requirements set forth in Section 9 of this Agreement; and (iv) a requirement that the contractor comply with all Applicable Laws, as addressed and defined in Section 12 of this Agreement. All of the requirements contained in this Section shall hereinafter be referred to as the "**Third Party Contract Provisions.**"

IF DEVELOPER ENTERS INTO ANY THIRD PARTY CONTRACT THAT DOES NOT CONTAIN ALL OF THE ABOVE THIRD PARTY CONTRACT PROVISIONS, REGARDLESS OF WHETHER DEVELOPER ENTERED INTO THE THIRD PARTY CONTRACT PRIOR TO THE EFFECTIVE DATE OF THIS AGREEMENT, AND TO THE EXTENT THAT ANY CLAIMS, DEMANDS, LAWSUITS OR OTHER ACTIONS FOR DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, PROPERTY LOSS, PROPERTY DAMAGE AND/OR PERSONAL INJURY OF ANY KIND, INCLUDING DEATH, TO ANY AND ALL PERSONS, OF ANY KIND OR CHARACTER, WHETHER REAL OR ASSERTED, ARISE UNDER, ON ACCOUNT OF OR IN RELATION

TO THE THIRD PARTY CONTRACT FOR WHICH THE CONTRACTOR THEREUNDER WOULD HAVE BEEN REQUIRED TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE TIF BOARD AND/OR THE CITY IF THE THIRD PARTY CONTRACT PROVISIONS HAD BEEN INCLUDED IN THE THIRD PARTY CONTRACT (“THIRD PARTY CONTRACT DAMAGES”), THEN DEVELOPER, AT DEVELOPER’S OWN EXPENSE, SHALL INDEMNIFY, DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO THE INDEMNIFIED PARTIES HEREIN) AND HOLD HARMLESS THE TIF BOARD AND THE CITY, THEIR OFFICERS, MEMBERS, AGENTS, SERVANTS, EMPLOYEES, CONTRACTORS (EXCLUDING DEVELOPER) AND VOLUNTEERS, FROM AND AGAINST ANY SUCH THIRD PARTY CONTRACT DAMAGES.

3.6 Financial Guaranty.

In addition to bonds provided by any third party contractors pursuant to Subsection 3.5 of this Agreement for any project work that is anticipated to occur in the CITY’S public rights-of-way, public easements or other CITY-owned property, and if DEVELOPER undertakes to perform such work itself (as opposed to employing a third party contractor), DEVELOPER may not initiate or cause initiation of construction of that portion of the project until DEVELOPER has provided the TIF BOARD with adequate financial security to guaranty DEVELOPER’S completion of that work once it has started. DEVELOPER shall provide its financial guaranty to the TIF BOARD in one of the following forms:

3.6.1 Bonds.

DEVELOPER shall deliver to the TIF BOARD and the CITY a bond or bonds, executed by a corporate surety in accordance with Texas Government Code, Chapter 2253, as amended, in the full amount of each project construction contract. The bond(s) shall guarantee (i) the satisfactory completion of the construction work to be undertaken and (ii) full payments to all persons, firms, corporations or other entities with whom DEVELOPER has a direct relationship for the performance of such construction work.

Section 4. TIF BOARD Participation.

4.1 The cost of the Public Improvements described herein shall be advanced by DEVELOPER and construction shall occur pursuant to an appropriate construction contract between DEVELOPER and a qualified contractor as well as with the appropriate permits and three-way contracts in accordance with CITY ordinances and policies. In addition, the construction contract shall require the construction contractor to comply with any reasonable policies adopted by the TIF BOARD for the participation by disadvantaged businesses. The TIF BOARD and DEVELOPER agree that all reimbursement pursuant to this Agreement will be made solely from the Tax Increment Fund of the TIF District established pursuant to Ordinance No. 98-142 (the “**TIF Fund**”). The TIF BOARD represents that it has Eight Hundred and Fifty-Nine Thousand Seven Hundred and Thirteen

Dollars (\$859,713) reserved for reimbursement of the costs to design and construct the Public Improvements incurred by DEVELOPER. Subject to the conditions and limitations set out in Sections 2 and 3 of this Agreement, reimbursement shall be made provided for in Subsection 4.2 hereof. DEVELOPER agrees to look solely to the TIF Fund, not CITY general funds or CITY bond funds, or any other CITY funds, for reimbursement of costs DEVELOPER advanced for Public Improvements. Nothing in this Agreement shall be construed to require CITY to approve reimbursements from any source of CITY funds other than the TIF Fund. Upon the expiration of the term of the TIF District on December 31, 2038, or any subsequently extended date, as provided in the ordinance creating same, as amended (the “**TIF Expiration Date**”), any costs advanced by DEVELOPER under this Agreement that remain unreimbursed due to the lack or unavailability of monies on deposit in the TIF Fund or due to DEVELOPER’S failure to meet any precondition of reimbursement under this Agreement shall no longer be considered Project Costs of the TIF District, and any obligation of the TIF BOARD to reimburse DEVELOPER shall automatically expire; however, this provision, shall not be construed to limit or modify the obligations or covenants contained in any outstanding, publicly issued Tax Increment Fund Bonds which CITY, in its sole discretion, may issue for purposes of reimbursing DEVELOPER or for constructing the eligible improvements. Furthermore, increment that has accrued during the term of the TIF District but is collected or disbursed subsequent to the TIF Expiration Date shall be applied to the reimbursement of Project Costs that remained unreimbursed immediately prior to the TIF Expiration Date.

4.2 In exchange for the DEVELOPER’s satisfaction of the terms and conditions of this Agreement, the TIF BOARD agrees to reimburse DEVELOPER for the Total Amount in one installment within thirty (30) days after DEVELOPER has provided the TIF BOARD with the following: 1- documentation, reasonably satisfactory to the TIF BOARD evidencing the total costs incurred by the DEVELOPER to design and construct the Public Improvements, 2- documentation, satisfactory to the TIF BOARD, evidencing that all of the Public Improvements have been completed, 3- documentation, satisfactory to the TIF BOARD, evidencing the total costs incurred by DEVELOPER to design and construct the Private Improvements, and 4- documentation, satisfactory to the TIF BOARD, evidencing that the Private Improvements have been completed.

4.3 Approval of Plans and Specifications.

The TIF BOARD acknowledges that it has approved the list of Public Improvements and estimated costs as set out in Exhibit “B”. The individual line items under each subtotal shown in Exhibit “B” are estimates only and are subject to change based upon determination of actual cost, but in no event shall the total amount of reimbursement for each subtotal area exceed the amount identified in Exhibit “B” for such subtotal. By way of example, the subtotal for *street, curb, sidewalk design and construction* is Two Hundred and One Thousand Three Hundred and Nine Dollars (\$201,309); the amounts for the individual line items under this subtotal may vary based on actual costs but the amount of reimbursement from the TIF BOARD for this subtotal shall not exceed Two Hundred and One Thousand Three Hundred and Nine Dollars

(\$201,309). All project plans, specifications, and work shall conform to all applicable federal, state and local laws, ordinances, rules and regulations.

Approval by the TIF BOARD of any plans and specifications relating to the Public Improvements shall not constitute or be deemed (i) to be a release by the TIF BOARD or the CITY of the responsibility or liability of DEVELOPER or any of its contractors, their officers, agents, employees, and subcontractors, for the accuracy or the competency of the plans and specifications, including, but not limited to, any related investigations, surveys, designs, working drawings, and other specifications or documents, (ii) an assumption of any responsibility or liability by the TIF BOARD or the CITY for any negligent act, error or omission in the conduct or preparation of any investigation, surveys, designs, working drawings, and other specifications or documents by DEVELOPER or any of its contractors, their officers, agents, employees, and subcontractors or (iii) be a replacement or substitute for, or otherwise excuse the DEVELOPER or any of its contractors, from any permitting process of the CITY applicable to the Public Improvements.

Section 5. 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, court injunction, necessary condemnation proceedings, acts of the other party, its affiliates/related entities and/or their contractors, or any actions or inactions of third parties or other circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, 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 design or construction requirement shall be extended for a period of time equal to the period such party was delayed.

Section 6. Term.

The term of this Agreement shall begin upon the execution hereof by both parties and end upon the complete performance of all obligations by parties to this Agreement.

Section 7. Indemnity.

DEVELOPER AGREES TO DEFEND, INDEMNIFY AND HOLD THE TIF BOARD, ITS OFFICERS, AGENTS AND EMPLOYEES, AND THE CITY, ITS OFFICERS, AGENTS AND EMPLOYEES, HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT THAT MAY ARISE OUT OF OR BE OCCASIONED BY DEVELOPER'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT, OR BY ANY NEGLIGENT ACT OR OMISSION OF DEVELOPER, ITS OFFICERS, AGENTS,

ASSOCIATES, OR EMPLOYEES, IN THE PERFORMANCE OF THIS AGREEMENT; EXCEPT THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OF THE TIF BOARD OR THE CITY OR THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES OR SEPARATE CONTRACTORS, AND IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OF BOTH DEVELOPER, TIF BOARD, OR CITY, RESPONSIBILITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY AND THE TIF BOARD UNDER TEXAS OR FEDERAL LAW. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY.

EXCEPT FOR THE TIF BOARD'S REPRESENTATIONS IN SECTION 4 OF THIS AGREEMENT, DEVELOPER HEREBY ACKNOWLEDGES THAT NEITHER THE TIF BOARD NOR THE CITY CAN GUARANTEE OR CONTROL THE TAXABLE APPRAISED VALUE OF PROPERTY WITHIN THE TIF DISTRICT, AND THUS CANNOT GUARANTEE OR CONTROL THE AMOUNT OF TAX INCREMENT THAT MAY BE DEPOSITED INTO THE TIF FUND THROUGHOUT OR AT ANY TIME DURING THE TERM OF THE TIF DISTRICT. DEVELOPER HAS ENTERED INTO THIS AGREEMENT WITHOUT RELYING ON ANY ASSERTIONS, REPRESENTATIONS OR ASSUMPTIONS THAT MAY HAVE BEEN MADE BY THE TIF BOARD AND/OR THE CITY, THEIR OFFICERS, AGENTS, SERVANTS AND EMPLOYEES WITH RESPECT TO THE TIF DISTRICT'S FINANCING PLAN AND THE POTENTIAL AMOUNT OF TAX INCREMENT THAT MAY BE DEPOSITED INTO THE TIF FUND THROUGHOUT OR AT ANY TIME DURING THE TERM OF THE TIF DISTRICT. DEVELOPER HEREBY AGREES TO RELEASE AND HOLD HARMLESS THE TIF BOARD AND THE CITY, THEIR OFFICERS, AGENTS, SERVANTS, EMPLOYEES AND CONTRACTORS, FOR ANY DAMAGES OR CLAIMS, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOST INVESTMENT, LOST OR UNREALIZED PROFITS OR INVESTMENT, AND LOST OR UNREALIZED FINANCING, THAT MAY ARISE OUT OF OR BE OCCASIONED BY A FAILURE OF THE TIF DISTRICT TO PRODUCE SUFFICIENT TAX INCREMENT TO SUPPORT ALL OF THE TIF BOARD'S FINANCIAL OBLIGATIONS UNDER THIS AGREEMENT OR TO MEET ANY FINANCIAL BENCHMARKS, MILESTONES OR PERFORMANCES ANTICIPATED BY DEVELOPER.

Section 8. Default.

8.1 A default shall exist if either party fails to perform or observe any material covenant contained in this Agreement. The nondefaulting party shall immediately notify

the defaulting party in writing upon becoming aware of any change in the existence of any condition or event which would constitute a default or, with the giving of notice or passage of time, or both, would constitute a default under this Agreement. Such notice shall specify the nature and the period of existence thereof and what action, if any, the nondefaulting party requires or proposes to require with respect to curing the default.

8.2 If a default shall occur and continue after thirty (30) days' notice ("Notice Period") to cure default, the nondefaulting party may, at its option, pursue any and all remedies it may be entitled to, at law or in equity, in accordance with Texas law, without the necessity of further notice to or demand upon the defaulting party. The non-defaulting party shall not, however, pursue remedies for as long as the defaulting party proceeds in good faith and with due diligence to remedy and correct the default, provided that the defaulting party has commenced to cure such default during the Notice Period.

Section 9. Insurance.

DEVELOPER shall not commence work, or allow DEVELOPER's contractor(s) to commence work, on the Public Improvements until it has obtained, at its own expense, such insurance as set forth below. All insurance policies provided under this Agreement shall be written on an "occurrence" basis and shall be maintained until the Public Improvements have been completed.

<u>Liability Insurance</u>	
Commercial General Liability (No standard coverages are to be excluded by endorsement)	-providing bodily injury, property damage and completed operations with a combined single limit of \$1,000,000 per occurrence and \$2,000,000 aggregate
<u>Automobile Liability Insurance</u>	\$1,000,000 combined single limit
Commercial Auto Liability Policy (Any Auto, including hired, and Non-owned autos)	
<u>Umbrella Liability</u>	\$2,000,000 each occurrence
(Following Form and Drop Down Provisions Included)	
<u>Workers Compensation Insurance</u>	Statutory Limit
Workers' Compensation	\$1,000,000 Each Occurrence
Employer's Liability	\$1,000,000 Disease- Each Employee \$1,000,000 Disease- Policy Limit

It is agreed by all parties to this Agreement that the insurance required under this Agreement shall:

- A. Be written with the CITY as an additional insured. DEVELOPER waives subrogation rights for loss or damage to the extent same are covered by insurance. Insurers shall have no right of recovery or subrogation against CITY, it being the intention that the insurance policies shall protect all parties to this Agreement and be primary coverage for all losses covered by the policies.
- B. Provide for ten (10) days' notice of cancellation to the CITY for non-payment of premium, material change or any other cause.
- C. Be written through companies duly authorized to transact that class of insurance in the State of Texas.
- D. Provide a Certificate of Insurance evidencing the required coverages to:

City of Arlington
Attention: Economic Development Manager
101 W. Abram St.
Arlington, Texas 76010

City of Arlington
Attention: Risk Administrator
P.O. Box 90231
Arlington, Texas 76004-3231

Section 10. Venue and Governing Law.

This Agreement is performable in Tarrant County, Texas, and venue of any action arising out of this Agreement shall be exclusively in Tarrant County. This Agreement shall be governed and construed in accordance with the laws of the State of Texas.

Section 11. Notices.

Any notice required by this Agreement shall be deemed to be properly served if deposited in the U.S. mail by certified letter, return receipt requested, addressed to the recipient at the recipient's address shown below, subject to the right of either party to designate a different address by notice given in the manner just described.

If intended for the TIF BOARD, to:

Board of Directors
Tax Increment Reinvestment Zone Number One,
City of Arlington, Texas - Downtown
c/o City of Arlington
ATTN: Economic Development Manager
P.O. Box 90231
Arlington, Texas 76004-3231

Copy to:

Office of the City Attorney
The City of Arlington
MS #63-0300
P.O. Box 90231
Arlington, Texas 76004-3231

If intended for DEVELOPER, to:

Savannah Main 7, LLC

Section 12. Applicable Laws.

This Agreement is made subject to the provisions of the Charter and ordinances of CITY, as amended, and all applicable State and Federal laws (collectively, the “**Applicable Laws**”), and violation of same shall constitute a default under this Agreement.

Section 13. Legal Construction.

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

Section 14. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

Section 15. Captions.

The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

Section 16. Survival of Obligations.

All obligations under this agreement shall survive the expiration or termination of this agreement to the extent required for their full observance and performance.

Section 17. Successors and Assigns.

The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. Provided, however, this Agreement shall not be assigned without prior TIF BOARD approval, which approval shall not be unreasonably withheld. Notwithstanding the foregoing, written approval of the TIF BOARD shall not be required for an assignment to an Affiliate of DEVELOPER. "Affiliate of DEVELOPER" as used herein includes any parent, sister, partner, joint venturer, or subsidiary entity of DEVELOPER; any entity in which DEVELOPER is a major shareholder, owns an equity interest, or is a joint venturer or partner (whether general or limited).

Section 18. Procurement of Goods and Services from Arlington Businesses and/or Historically Underutilized Businesses.

In performing this Agreement, DEVELOPER agrees to use diligent efforts to purchase all goods and services from Arlington or Tarrant County businesses whenever such goods and services are comparable in availability, quality, and price.

As a matter of policy with respect to CITY projects and procurements, CITY also encourages the use, if applicable, of qualified contractors, subcontractors, and suppliers where at least fifty-one percent (51%) of the ownership of such contractor, subcontractor, or supplier is vested in racial or ethnic minorities or women. In the selection of subcontractors, suppliers, or other persons or organizations proposed for work on this Agreement, DEVELOPER agrees to consider this policy and to use their reasonable and best efforts to select and employ such companies and persons for work on this Agreement.

Section 19. Board Representative.

DEVELOPER understands and agrees that the TIF BOARD, in its sole discretion, may appoint certain CITY staff members, a CITY department or another entity to serve as its representative in carrying out any or all of the responsibilities of the TIF BOARD hereunder, and that references to the "TIF BOARD" in this Agreement mean the TIF BOARD in its entirety or any such designated representative.

Section 20. Entire Agreement.

This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties to be attached to and made a part of this Agreement.

EXECUTED THIS _____ day of _____, 2020, by the TIF BOARD, signing by and through its TIF BOARD Chairman.

SAVANNAH MAIN 7, LLC,
a Texas limited liability company

**THE BOARD OF DIRECTORS OF
TAX INCREMENT
REINVESTMENT ZONE NUMBER
ONE, CITY OF ARLINGTON,
TEXAS - DOWNTOWN**

By: _____

By: _____

Name: _____

Name: W. JEFF WILLIAMS

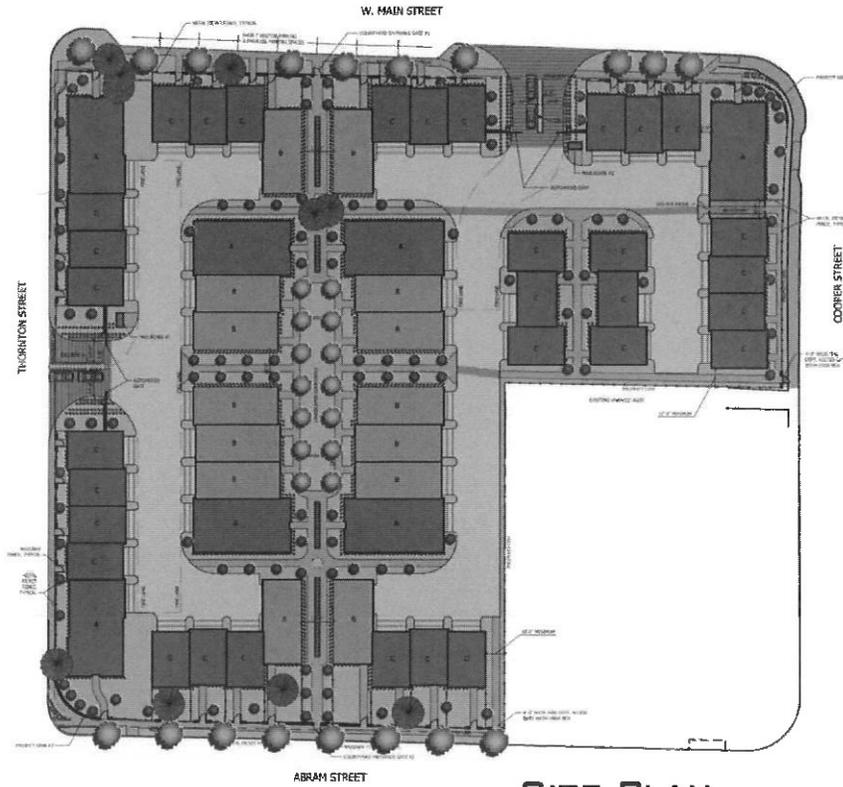
Title: _____

Title: TIF BOARD CHAIRMAN

Date: _____

Date: _____

EXHIBIT "A" PRIVATE IMPROVEMENTS



- EXISTING TREES TO REMAIN
- CONCEPTUAL NEW TREES

TWO STORY UNITS

- UNIT "A": 7 - 2,161 LSF / 2,607 GSF
- UNIT "B": 14 - 1,541 LSF / 1,978 GSF

21 - TWO STORY UNITS
36,701 LSF (LIVABLE SF)
45,941 GSF (GROSS SF)

THREE STORY UNITS

- UNIT "C": 32 - 1,496 LSF / 1,950 TSF

32 - THREE STORY UNITS
47,872 LSF (LIVABLE SF)
62,400 GSF (GROSS SF)

53 - TOTAL TOWNHOME UNITS
21 TWO STORY UNITS
32 THREE STORY UNITS
TOTAL LSF = 84,573 LSF (LIVABLE)
TOTAL GSF = 108,341 GSF (GROSS SF)

SITE PLAN

ARCHITECT: CHS ARCHITECTS

DEVELOPER: BAKHOLLOW GROUP - SAVANNAH

MAIN 7

Urban Villas

EXHIBIT "B"
PUBLIC IMPROVEMENTS ESTIMATED COSTS

Oakhollow Group LTD - Tax Increment Reinvestment Zone No. 1 Proposal MAIN 7 - Arlington, Texas					
Exhibit Reference	Project	Original Project Plan			Plan Amend Added Project Costs
		Project Costs (Original Plan)	Non-Project Costs	Costs to Date	
	ACQUISITION OF LAND AND EASEMENTS FOR PUBLIC PURPOSES				
<i>Footnote</i>	ABANDONMENT OF EASEMENTS (ESTIMATE)	\$ -			
	SUBTOTAL ACQUISITION OF LAND AND EASEMENTS FOR PUBLIC PURPOSES	\$ -	\$ -	\$ -	\$ -
	STREET, CURB, SIDEWALK DESIGN AND CONSTRUCTION				
<i>Exhibit 1</i>	PAVEMENT REPAIR (2 CONNECTIONS)	\$ 51,653			
<i>Exhibit 1</i>	DEMOLITION OF CURBS AND SIDEWALKS	\$ -			
<i>Exhibit 2</i>	CURB AND GUTTER	\$ 39,256			
<i>Exhibit 2</i>	SIDEWALKS	\$ 50,138			
<i>Exhibit 2</i>	DRIVE APPROACHES	\$ 60,262			
	SUBTOTAL STREET, CURB, SIDEWALK DESIGN AND CONSTRUCTION	\$ 201,309	\$ -	\$ -	\$ -
	WATER, SEWER, STORM DRAINAGE, AND UTILITY RELOCATION				
<i>Exhibit 3</i>	WATER	\$ 66,116			
<i>Exhibit 3</i>	SANITARY SEWER	\$ 99,174			
<i>Exhibit 3</i>	ABANDON AND REMOVE 2" WATER	\$ -			
<i>Exhibit 3</i>	MANHOLE SANITARY SEWER (4' DIAMETER)	\$ 89,532			
<i>Exhibit 3</i>	ONCOR RELOCATION AND ABANDONMENT OF EASEMENT (ESTIMATE)	\$ 82,645			
<i>Footnote</i>	ELECTRICAL BURIAL - THORNTON, ABRAM, MAIN	\$ -			
	SUBTOTAL WATER, SEWER, STORM DRAINAGE, AND UTILITY RELOCATION	\$ 337,467	\$ -	\$ -	\$ -
	LIGHTING, IRRIGATION, LANDSCAPING OF PUBLIC AREAS, AND PUBLIC ART				
<i>Exhibit 4</i>	STREET LIGHTS	\$ 93,684			
<i>Exhibit 4</i>	BENCHES	\$ 16,529			
<i>Exhibit 4</i>	PERIMETER STREETScape ENHANCEMENT - ARCHITECTURAL WALL AND ORNAMENTAL IRON FENCING	\$ -			
<i>Exhibit 4</i>	PERIMETER LANDSCAPE AND IRRIGATION	\$ -			
<i>Exhibit 4</i>	PUBLIC ART	\$ 139,854			
	SUBTOTAL LIGHTING, IRRIGATION, LANDSCAPING OF PUBLIC AREAS, AND PUBLIC ART	\$ 241,048	\$ -	\$ -	\$ -
	PUBLIC PARKING				
<i>Exhibit 4</i>	PAVING FOR ON-STREET PARKING	\$ 75,758			
	SUBTOTAL PUBLIC PARKING	\$ 75,758	\$ -	\$ -	\$ -
	SIGNS AND SIGNALS				
<i>Exhibit 4</i>	PARKING/STREET SIGNS	\$ 4,132			
	SUBTOTAL SIGNS AND SIGNALS	\$ 4,132	\$ -	\$ -	\$ -
	TOTAL PROJECT ESTIMATED TIRZ COSTS	\$ 859,713	\$ -	\$ -	\$ -

EXHIBIT "C"
PROPERTY



VICINITY MAP

N.T.S.

TIRZ 1 Staff Report



TIRZ Reimbursement Agreement- Urban Front

Board of Directors Meeting Date: 6-19-2020

Document Being Considered: Resolution

RECOMMENDATION

Approve a resolution authorizing the Chair of the Board of Directors of Tax Increment Reinvestment Zone Number One to execute an Tax Increment Reimbursement Agreement by and between Urban Front, LLC and the Board of Directors of Tax Increment Reinvestment Zone Number One, City of Arlington, Texas.

PRIOR BOARD OR COUNCIL ACTION

On May 8, 2018, City Council approved Resolution No. 18-099 authorizing the sale of 1.789 acres of land located at 198 North East Street and 115 North Mesquite Street to Front Street Village, LLC for the purpose of developing the land and including it into the Urban Front project.

On February 19, 2019, City Council approved Ordinance No. 19-007 approving the rezoning of certain property known as 322 and 400 East Division Street; 198 and 200 North East Street; 207 North Elm Street; 205, 213, 215, 301, and 500 East Front Street; and 115, 201, and 203 North Mesquite Street to Downtown Neighborhood Overlay (DNO) Planned Development (PD) for limited Downtown Business (DB) and Planned Development for limited Downtown Business (DB) uses, plus various General Commercial (GC) and Light Industrial (LI) uses, with a Development Plan.

On February 3, 2020, TIRZ #1 Board of Directors was briefed on the proposed Urban Front development.

On February 26, 2020, TIRZ #1 Board of Directors was briefed on the proposed Urban Front project and on past uses of TIRZ #1 funding for infrastructure purposes.

ANALYSIS

Urban Front, LLC (the "Developer"), proposes a fourth phase to the Urban Union development, identified as Urban Front, located on Front Street between North Mesquite Street and North East Street. The Developer proposes to construct four new buildings on Front Street and incorporate the new structures into the Urban Union development. He has identified infrastructure improvements totaling \$1,432,786 that are necessary for the project to go forward. The Developer is seeking TIRZ #1 participation for infrastructure costs. Relevant background information associated with the new Urban Front development is as follows:

The original Urban Union project has been completed. The Developer invested approximately \$5,000,000 into the first three phases of the development, and the TIRZ #1 participated in the development by contributing \$864,673 for associated parking and landscaping costs. The original taxable value of the associated properties was \$1,722,330 and grew to \$10,150,075 upon completion of the project.

For the Urban Front project, the Developer proposes to complete the public infrastructure necessary to support the four new buildings and subsequently follow with the actual construction of the four buildings. The Developer has requested that after completion of the public infrastructure, fifty percent of the grant amount be paid to reimburse for the cost of the

public infrastructure. A condition of the initial payment is that at least one building be under construction. The final payment (50% of the total request) would be paid after the four buildings have been constructed and certificates of occupancy have been issued for each building. The total amount to be paid to the developer would be \$1,432,786.

FINANCIAL IMPACT

Using the projected property values provided by the Developer, it will take approximately nineteen years for TIRZ #1 to recoup its investment of \$1,432,786. The recoupment period does not take into account any sales tax generation that would be collected by the City.

ADDITIONAL INFORMATION

Attached:	Resolution with agreement attached.
Under separate cover:	None.
Available in the City Secretary's Office:	None.

STAFF CONTACT(S)

Bruce Payne, CEcD, AICP
Economic Development Director
817-459-6114
Bruce.Payne@arlingtontx.gov

**Tax Increment Reinvestment Zone Number One, City of Arlington, Texas —
Downtown**

Resolution No. TIRZ1 20-__

A resolution authorizing the Chair of the Board of Directors of Tax Increment Reinvestment Zone Number One to execute an Tax Increment Reimbursement Agreement by and between Urban Front, LLC and the Board of Directors of Tax Increment Reinvestment Zone Number One, City of Arlington, Texas.

WHEREAS, on May 8, 2018, City Council approved Resolution No. 18-099 authorizing the sale of 1.789 acres of land located at 198 North East Street and 115 North Mesquite Street to Front Street Village, LLC for the purpose of developing the land and including it into the Urban Front project; and

WHEREAS, on February 19, 2019, City Council approved Ordinance No. 19-007 approving the rezoning of certain property known as 322 and 400 East Division Street; 198 and 200 North East Street; 207 North Elm Street; 205, 213, 215, 301, and 500 East Front Street; and 115, 201, and 203 North Mesquite Street (the “Property”) to Downtown Neighborhood Overlay (DNO) Planned Development (PD) for limited Downtown Business (DB) and Planned Development for limited Downtown Business (DB) uses, plus various General Commercial (GC) and Light Industrial (LI) uses, with a Development Plan; and

WHEREAS, Urban Front, LLC proposes to develop the Property by the construction of four mixed-use buildings; NOW THEREFORE,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMER ONE, CITY OF ARLINGTON, TEXAS - DOWNTOWN:

I.

That the facts and recitations contained in the preamble of this Resolution are found and declared to be true and correct.

II.

That the Chair of the Board of Directors for Tax Increment Reinvestment Zone Number One, City of Arlington, Texas- Downtown is hereby authorized to execute an Tax

Increment Reimbursement Agreement (the “Agreement”) by and between Urban Front, LLC and the Board of Directors for Tax Increment Reinvestment Zone Number One, upon the approval of the Agreement by the Arlington City Council.

III.

A substantial copy of the Agreement is attached hereto as Exhibit “A.”

PRESENTED on the 19th day of June, 2020, at a meeting of the Board of Directors of Tax Increment Reinvestment Zone Number One, City of Arlington, Texas – Downtown, and passed and approved on the 19th day of June, 2020, of ___ ayes and ___ naves.

CHAIRMAN

ATTEST:

BRUCE PAYNE
Economic Development Director

Exhibit "A"

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

TAX INCREMENT REIMBURSEMENT AGREEMENT

BETWEEN

URBAN FRONT, LLC

AND

**THE BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE
NUMBER ONE, CITY OF ARLINGTON, TEXAS - DOWNTOWN**

This TAX INCREMENT REIMBURSEMENT AGREEMENT (“Agreement”) is entered into by and between the Board of Directors of Tax Increment Reinvestment Zone Number One, City of Arlington, Texas - Downtown (the “TIF BOARD”), as established by the City of Arlington, a Texas municipal corporation of Tarrant County, Texas (“CITY”), and URBAN FRONT, LLC (hereinafter called “DEVELOPER”). DEVELOPER and TIF BOARD may be referred to jointly herein as the “Parties” and individually as a “Party”.

WITNESSETH:

WHEREAS, on November 3, 1998, the City Council approved Ordinance No. 98-142 establishing Tax Increment Reinvestment Zone Number One, City of Arlington, Texas – Downtown (the “TIF District”), in accordance with the Tax Increment Financing Act, as amended (Texas Tax Code, Chapter 311; “TIF Act”) to promote development and redevelopment in the area through the use of tax increment financing; and

WHEREAS, City Council approved the original Project Plan and Financing Plan for Tax Increment Reinvestment Zone Number One, City of Arlington, Texas (the “Original Plan”) pursuant to Ordinance No. 99-65; and

WHEREAS, on November 27, 2018, the City Council approved Ordinance No. 18-074 extending the term of the TIF District until December 31, 2038; and

WHEREAS, on January 29, 2019 the City Council amended the Original Plan by approval of the Amended and Restated Project Plan and Financing Plan for Tax Increment Reinvestment Zone Number One, City of Arlington, Texas - Downtown (the “TIF Project and Financing Plan”), as approved by the TIF Board through Resolution No. 18-004, pursuant to Ordinance No. 19-003; and

WHEREAS, pursuant to Section 311.010 of the TIF Act and the provisions of Ordinance No. 98-142, CITY has delegated to the TIF BOARD the powers necessary for the implementation of the TIF Project and Financing Plan, which powers under the Act include the power to recommend agreements for the construction of public improvements and reimbursements of related costs; and

WHEREAS, DEVELOPER intends to enter into a long term ground lease of certain property located within the TIF District; and

WHEREAS, DEVELOPER has requested reimbursement for certain public improvements pursuant to the TIF Project and Financing Plan; NOW THEREFORE,

In consideration of the mutual covenants and obligations herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. Private Development Plan.

DEVELOPER, in conjunction with the construction of four (4) new mixed-use buildings more fully described on Exhibit "A", attached hereto and incorporated herein for all purposes, (the "**Private Improvements**"), agrees to construct certain Public Improvements (hereinafter defined), the costs of which qualify as Project Costs as defined in the TIF Act and the TIF Project and Financing Plan (the "**Project Costs**"). The Public Improvements and associated costs are those improvements shown on Exhibit "B", attached and incorporated herein for all purposes, (the "**Public Improvements**"). The Private Improvements will be located within the Property shown on Exhibit "C" (the "**Property**"), which is located entirely within the CITY limits and within the TIF District. The Public Improvements shall be located within the public rights-of-way and/or easements dedicated to the CITY and/or in an area deed restricted or dedicated for public use.

Section 2. Public Improvements.

In consideration of and as incentive for the construction of the Private Improvements and pursuant to the TIF Project and Financing Plan, the TIF BOARD agrees, subject to the conditions contained in this Agreement, to reimburse DEVELOPER an amount not to exceed One Million Four Hundred and Thirty-Two Thousand Seven Hundred and Eighty-Six Dollars (\$1,432,786) or the final costs incurred by DEVELOPER to design and construct the Public Improvements, whichever is less ("**Total Amount**").

Section 3. DEVELOPER'S Obligations.

3.1 DEVELOPER agrees, in consideration of the TIF BOARD'S reimbursement of the costs of the Public Improvements under this Agreement, to build the Public Improvements and the Private Improvements, adjoining and served by the eligible Public Improvements for the benefit of the TIF District. DEVELOPER agrees to provide

the City of Arlington a public easement from Owner (hereinafter defined) for any Public Improvements not located on the Property and not in the public right-of-way or existing easements. All necessary documents related to the public easement dedications shall be executed by Owner prior to DEVELOPER receiving any reimbursement.

DEVELOPER shall enter into a long term ground lease with Front Street Village LLC (“Owner”), leasing the Property from Owner for at least the term of this Agreement.

DEVELOPER shall complete the Public Improvements before being eligible to receive reimbursement from the TIF BOARD. DEVELOPER shall complete the Public Improvements on or before May 1, 2023. Completion of Public Improvements will be evidenced by the TIF BOARD’s receipt of: 1) proof of payment by DEVELOPER for design and construction of the Public Improvements; and 2) a Letter of Acceptance issued from the City for the Public Improvements.

DEVELOPER shall complete all four (4) mixed-use buildings that comprise the Private Improvements on or before May 1, 2024. Completion of the Private Improvements will be evidenced by permanent not temporary certificates of occupancy being issued for each of the four (4) new mixed-use buildings.

DEVELOPER shall have no obligation to construct the Public Improvements if DEVELOPER elects not to construct the Private Improvements, or if for any reason DEVELOPER elects not to obtain reimbursement for the costs of the Public Improvements pursuant to this Agreement.

3.2 DEVELOPER agrees that the minimum ad valorem tax value for the Property, improved with the Private Improvements, shall be at least Eight Million Dollars (\$8,000,000) by no later than tax year 2025 (January 1, 2025), and such minimum value shall maintain through tax year 2027 (January 1, 2027). DEVELOPER shall not allow the ad valorem taxes owed to the CITY for the Property 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, during the term of this Agreement.

3.3 DEVELOPER shall use good faith efforts to cause all Public Improvements to be completed in a timely manner once commenced, but in no circumstances later than May 1, 2023, and in accordance with the contract documents, plans and specifications approved by CITY. DEVELOPER shall review all monthly and final payment estimates and forward same to the TIF BOARD with such supporting documentation as the TIF BOARD may require, including the final contractor’s certificate and a final lien waiver at the completion of construction. All payments for work performed under the construction contract shall be made by DEVELOPER. DEVELOPER shall require the construction contractor to certify, by affidavit sworn to by the corporate official or employee of DEVELOPER duly authorized to submit the same, that the estimate of work completed for the period in question is true and correct to the best of his information and belief, has been measured and verified in accordance with the contract documents, and that all contract preconditions to payment have been met. The TIF BOARD reserves the right to perform

inspections, measurements or verifications. Notwithstanding anything herein to the contrary, DEVELOPER is to make payments to the construction contractor for the Public Improvements from its own funds and obtain reimbursement from the TIF BOARD in accordance with the terms and provisions of this Agreement.

3.4 In addition to the requirements of this Section, DEVELOPER shall perform the usual and necessary construction management services incident to construction projects of the nature and scope of this project. DEVELOPER shall thoroughly inspect the work of the assigned contractor, without assuming responsibilities for means and methods used by the assigned contractor, and upon completion of construction assign all warranties under the construction contract for the Public Improvements to CITY. In addition, DEVELOPER shall fully and completely settle, by litigation or otherwise, any claims of the assigned contractor arising out of performance of the construction contract without involving the TIF BOARD.

3.5 Third Party Contractors.

DEVELOPER may enter into agreements with third party contractors to undertake all or any portion of the project (“**Third Party Contracts**”), provided that all such agreements contain (i) a provision, similar in form to Section 7 of this Agreement, pursuant to which **THE CONTRACTOR AND ANY SUBCONTRACTORS INVOLVED IN THE PROJECT AGREE TO RELEASE, INDEMNIFY, DEFEND, AND HOLD HARMLESS THE TIF BOARD AND THE CITY FROM ANY AND ALL DAMAGES ARISING AS A RESULT OF OR IN RELATION TO THE PROJECT AND ANY WORK THEREUNDER AND FOR ANY NEGLIGENT OR GROSSLY NEGLIGENT ACT OR OMISSIONS OR INTENTIONAL MISCONDUCT OF THE CONTRACTOR, ANY SUBCONTRACTORS AND DEVELOPER, AND THEIR OFFICERS, AGENTS, SERVANTS AND EMPLOYEES;** (ii) for any project work that is to be undertaken in public rights-of-way, easements or other property owned by the CITY or another governmental agency (collectively, “**Public Property**”), a requirement that the contractor provide DEVELOPER with a bond or bonds, which DEVELOPER shall forward to the TIF BOARD and the CITY, that guarantees the faithful performance and completion of all construction work covered by the contract and full payment for all wages for labor and services and of all bills for materials, supplies and equipment used in the performance of the contract; (iii) a requirement that the contractor provide insurance in accordance with the minimum requirements set forth in Section 9 of this Agreement; and (iv) a requirement that the contractor comply with all Applicable Laws, as addressed and defined in Section 12 of this Agreement. All of the requirements contained in this Section shall hereinafter be referred to as the “**Third Party Contract Provisions.**”

IF DEVELOPER ENTERS INTO ANY THIRD PARTY CONTRACT THAT DOES NOT CONTAIN ALL OF THE ABOVE THIRD PARTY CONTRACT PROVISIONS, REGARDLESS OF WHETHER DEVELOPER ENTERED INTO THE THIRD PARTY CONTRACT PRIOR TO THE EFFECTIVE DATE OF THIS AGREEMENT, AND TO THE EXTENT THAT ANY CLAIMS, DEMANDS, LAWSUITS OR OTHER ACTIONS FOR DAMAGES OF ANY KIND,

INCLUDING, BUT NOT LIMITED TO, PROPERTY LOSS, PROPERTY DAMAGE AND/OR PERSONAL INJURY OF ANY KIND, INCLUDING DEATH, TO ANY AND ALL PERSONS, OF ANY KIND OR CHARACTER, WHETHER REAL OR ASSERTED, ARISE UNDER, ON ACCOUNT OF OR IN RELATION TO THE THIRD PARTY CONTRACT FOR WHICH THE CONTRACTOR THEREUNDER WOULD HAVE BEEN REQUIRED TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE TIF BOARD AND/OR THE CITY IF THE THIRD PARTY CONTRACT PROVISIONS HAD BEEN INCLUDED IN THE THIRD PARTY CONTRACT (“THIRD PARTY CONTRACT DAMAGES”), THEN DEVELOPER, AT DEVELOPER’S OWN EXPENSE, SHALL INDEMNIFY, DEFEND (WITH COUNSEL REASONABLY ACCEPTABLE TO THE INDEMNIFIED PARTIES HEREIN) AND HOLD HARMLESS THE TIF BOARD AND THE CITY, THEIR OFFICERS, MEMBERS, AGENTS, SERVANTS, EMPLOYEES, CONTRACTORS (EXCLUDING DEVELOPER) AND VOLUNTEERS, FROM AND AGAINST ANY SUCH THIRD PARTY CONTRACT DAMAGES.

3.6 Financial Guaranty.

In addition to bonds provided by any third party contractors pursuant to Subsection 3.5 of this Agreement for any project work that is anticipated to occur in the CITY’S public rights-of-way, public easements or other CITY-owned property, and if DEVELOPER undertakes to perform such work itself (as opposed to employing a third party contractor), DEVELOPER may not initiate or cause initiation of construction of that portion of the project until DEVELOPER has provided the TIF BOARD with adequate financial security to guaranty DEVELOPER’S completion of that work once it has started. DEVELOPER shall provide its financial guaranty to the TIF BOARD in one of the following forms:

3.6.1 Bonds.

DEVELOPER shall deliver to the TIF BOARD and the CITY a bond or bonds, executed by a corporate surety in accordance with Texas Government Code, Chapter 2253, as amended, in the full amount of each project construction contract. The bond(s) shall guarantee (i) the satisfactory completion of the construction work to be undertaken and (ii) full payments to all persons, firms, corporations or other entities with whom DEVELOPER has a direct relationship for the performance of such construction work.

Section 4. TIF BOARD Participation.

4.1 The cost of the Public Improvements described herein shall be advanced by DEVELOPER and construction shall occur pursuant to an appropriate construction contract between DEVELOPER and a qualified contractor as well as with the appropriate permits and three-way contracts in accordance with CITY ordinances and policies. In addition, the construction contract shall require the construction contractor to comply with any reasonable policies adopted by the TIF BOARD for the participation by disadvantaged

businesses. The TIF BOARD and DEVELOPER agree that all reimbursement pursuant to this Agreement will be made solely from the Tax Increment Fund of the TIF District established pursuant to Ordinance No. 98-142 (the “TIF Fund”) and shall be subject to the availability of monies on deposit within the TIF Fund. The TIF BOARD represents that it has One Million Four Hundred and Thirty-Two Thousand Seven Hundred and Eighty-Six Dollars (\$1,432,786) reserved for reimbursement of the costs to design and construct the Public Improvements incurred by DEVELOPER. Subject to the conditions and limitations set out in Sections 2 and 3 of this Agreement, reimbursement shall be made as provided for in Subsection 4.2 hereof. DEVELOPER agrees to look solely to the TIF Fund, not CITY general funds or CITY bond funds, or any other CITY funds, for reimbursement of costs DEVELOPER advanced for Public Improvements. Nothing in this Agreement shall be construed to require CITY to approve reimbursements from any source of CITY funds other than the TIF Fund. Upon the expiration of the term of the TIF District on December 31, 2038, or any subsequently extended date, as provided in the ordinance creating same, as amended (the “TIF Expiration Date”), any costs advanced by DEVELOPER under this Agreement that remain unreimbursed due to the lack or unavailability of monies on deposit in the TIF Fund or due to DEVELOPER’S failure to meet any precondition of reimbursement under this Agreement shall no longer be considered Project Costs of the TIF District, and any obligation of the TIF BOARD to reimburse DEVELOPER shall automatically expire; however, this provision, shall not be construed to limit or modify the obligations or covenants contained in any outstanding, publicly issued Tax Increment Fund Bonds which CITY, in its sole discretion, may issue for purposes of reimbursing DEVELOPER or for constructing the eligible improvements. Furthermore, increment that has accrued during the term of the TIF District but is collected or disbursed subsequent to the TIF Expiration Date shall be applied to the reimbursement of Project Costs that remained unreimbursed immediately prior to the TIF Expiration Date.

4.2 In exchange for the DEVELOPER’s satisfaction of the terms and conditions of this Agreement, the TIF BOARD agrees to reimburse DEVELOPER for the Total Amount in two installments as follows: 1- 50% of the Total Amount within thirty (30) days after DEVELOPER has provided the TIF BOARD with the following: (a)- documentation, satisfactory to the TIF BOARD, evidencing the total costs incurred by the DEVELOPER to design and construct the Public Improvements, (b)- documentation, satisfactory to the TIF BOARD, evidencing that all of the Public Improvements have been completed, including any public easement dedications necessary to ensure that public access, availability, and/or enjoyment of the Public Improvements, and (c)- documentation, satisfactory to the TIF BOARD, evidencing that construction has commenced on at least one of the four (4) mixed-use buildings that comprise the Private Improvements; 2- 50% of the Total Amount within thirty (30) days after DEVELOPER has provided the TIF BOARD with documentation, satisfactory to the TIF BOARD, evidencing that all four mixed-use buildings that comprise the Private Improvements have been completed. Reimbursement shall be made only from the funds available in the TIF Fund of Tax Increment Reinvestment Zone Number One. If the TIF BOARD is unable to reimburse DEVELOPER on this schedule, the TIF BOARD will reimburse DEVELOPER as soon after the due date as funds are available.

4.3 Approval of Plans and Specifications.

The TIF BOARD acknowledges that it has approved the list of Public Improvements and estimated costs as set out in **Exhibit "B"**. The individual line items under each subtotal shown in **Exhibit "B"** are estimates only and are subject to change based upon determination of actual cost, but in no event shall the total amount of reimbursement for each subtotal area exceed the amount identified in **Exhibit "B"** for such subtotal. By way of example, the subtotal for *street improvements, public parking, sidewalks and pedestrian infrastructure* is Six Hundred and Twenty Thousand Five Hundred and Fifty-Two Dollars (\$620,552); the amounts for the individual line items under this subtotal may vary based on actual costs but the amount of reimbursement from the TIF BOARD for this subtotal shall not exceed Six Hundred and Twenty Thousand Five Hundred and Fifty-Two Dollars (\$620,552). All project plans, specifications, and work shall conform to all applicable federal, state and local laws, ordinances, rules and regulations.

Approval by the TIF BOARD of any plans and specifications relating to the Public Improvements shall not constitute or be deemed (i) to be a release by the TIF BOARD or the CITY of the responsibility or liability of DEVELOPER or any of its contractors, their officers, agents, employees, and subcontractors, for the accuracy or the competency of the plans and specifications, including, but not limited to, any related investigations, surveys, designs, working drawings, and other specifications or documents, (ii) an assumption of any responsibility or liability by the TIF BOARD or the CITY for any negligent act, error or omission in the conduct or preparation of any investigation, surveys, designs, working drawings, and other specifications or documents by DEVELOPER or any of its contractors, their officers, agents, employees, and subcontractors or (iii) be a replacement or substitute for, or otherwise excuse the DEVELOPER or any of its contractors, from any permitting process of the CITY applicable to the Public Improvements.

Section 5. 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, court injunction, necessary condemnation proceedings, acts of the other party, its affiliates/related entities and/or their contractors, or any actions or inactions of third parties or other circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, 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 design or construction requirement shall be extended for a period of time equal to the period such party was delayed.

Section 6. Term.

The term of this Agreement shall begin upon the execution hereof by both parties and end upon the complete performance of all obligations by parties to this Agreement.

Section 7. Indemnity.

DEVELOPER AGREES TO DEFEND, INDEMNIFY AND HOLD THE TIF BOARD, ITS OFFICERS, AGENTS AND EMPLOYEES, AND THE CITY, ITS OFFICERS, AGENTS AND EMPLOYEES, HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT THAT MAY ARISE OUT OF OR BE OCCASIONED BY DEVELOPER'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT, OR BY ANY NEGLIGENT ACT OR OMISSION OF DEVELOPER, ITS OFFICERS, AGENTS, ASSOCIATES, OR EMPLOYEES, IN THE PERFORMANCE OF THIS AGREEMENT; EXCEPT THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OF THE TIF BOARD OR THE CITY OR THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES OR SEPARATE CONTRACTORS, AND IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OF BOTH DEVELOPER, TIF BOARD, OR CITY, RESPONSIBILITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY AND THE TIF BOARD UNDER TEXAS OR FEDERAL LAW. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY.

EXCEPT FOR THE TIF BOARD'S REPRESENTATIONS IN SECTION 4 OF THIS AGREEMENT, DEVELOPER HEREBY ACKNOWLEDGES THAT NEITHER THE TIF BOARD NOR THE CITY CAN GUARANTEE OR CONTROL THE TAXABLE APPRAISED VALUE OF PROPERTY WITHIN THE TIF DISTRICT, AND THUS CANNOT GUARANTEE OR CONTROL THE AMOUNT OF TAX INCREMENT THAT MAY BE DEPOSITED INTO THE TIF FUND THROUGHOUT OR AT ANY TIME DURING THE TERM OF THE TIF DISTRICT. DEVELOPER HAS ENTERED INTO THIS AGREEMENT WITHOUT RELYING ON ANY ASSERTIONS, REPRESENTATIONS OR ASSUMPTIONS THAT MAY HAVE BEEN MADE BY THE TIF BOARD AND/OR THE CITY, THEIR OFFICERS, AGENTS, SERVANTS AND EMPLOYEES WITH RESPECT TO THE TIF DISTRICT'S FINANCING PLAN AND THE POTENTIAL AMOUNT OF TAX INCREMENT THAT MAY BE DEPOSITED INTO THE TIF FUND THROUGHOUT OR AT ANY TIME DURING THE TERM OF THE TIF

DISTRICT. DEVELOPER HEREBY AGREES TO RELEASE AND HOLD HARMLESS THE TIF BOARD AND THE CITY, THEIR OFFICERS, AGENTS, SERVANTS, EMPLOYEES AND CONTRACTORS, FOR ANY DAMAGES OR CLAIMS, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOST INVESTMENT, LOST OR UNREALIZED PROFITS OR INVESTMENT, AND LOST OR UNREALIZED FINANCING, THAT MAY ARISE OUT OF OR BE OCCASIONED BY A FAILURE OF THE TIF DISTRICT TO PRODUCE SUFFICIENT TAX INCREMENT TO SUPPORT ALL OF THE TIF BOARD'S FINANCIAL OBLIGATIONS UNDER THIS AGREEMENT OR TO MEET ANY FINANCIAL BENCHMARKS, MILESTONES OR PERFORMANCES ANTICIPATED BY DEVELOPER.

Section 8. Default.

8.1 A default shall exist if either party fails to perform or observe any material covenant contained in this Agreement. The nondefaulting party shall immediately notify the defaulting party in writing upon becoming aware of any change in the existence of any condition or event which would constitute a default or, with the giving of notice or passage of time, or both, would constitute a default under this Agreement. Such notice shall specify the nature and the period of existence thereof and what action, if any, the nondefaulting party requires or proposes to require with respect to curing the default.

8.2 If a default shall occur and continue, after thirty (30) days' notice ("Notice Period") to cure default, the nondefaulting party may, at its option, pursue any and all remedies it may be entitled to, at law or in equity, in accordance with Texas law, without the necessity of further notice to or demand upon the defaulting party. The non-defaulting party shall not, however, pursue remedies for as long as the defaulting party proceeds in good faith and with due diligence to remedy and correct the default, provided that the defaulting party has commenced to cure such default during the Notice Period.

8.3 In addition to the remedies specified above in section 8.2, if DEVELOPER fails to timely pay all property taxes due for the Property or fails to meet the minimum tax value for the Property as specified above in Section 3.2, subject to the Notice Period provided for in Section 8.2, the TIF BOARD shall have the right to terminate this Agreement immediately following the Notice Period by providing written notice of such intent to DEVELOPER, and the DEVELOPER shall repay all reimbursement installments made pursuant to Section 4.2.

8.4 Repayment of reimbursement installments shall become due sixty (60) days following receipt of such demand from the TIF BOARD. The rights of the TIF BOARD to require recapture and demand repayment of reimbursement installments and the obligation of DEVELOPER to pay such shall survive termination of this Agreement. The City Attorney has authority, on behalf of the CITY and the TIF BOARD, to initiate any litigation necessary to pursuant repayment of reimbursement installments pursuant to this Section 8.

Section 9. Insurance.

DEVELOPER shall not commence work, or allow DEVELOPER's contractor(s) to commence work on the Public Improvements until it has obtained, at its own expense, such insurance as set forth below. All insurance policies provided under this Agreement shall be written on an "occurrence" basis and shall be maintained until the Public Improvements have been completed.

Liability Insurance

Commercial General Liability (No standard coverages are to be excluded by endorsement)	-providing bodily injury, property damage and completed operations with a combined single limit of \$1,000,000 per occurrence and \$2,000,000 aggregate
---	---

<u>Automobile Liability Insurance</u> Commercial Auto Liability Policy (Any Auto, including hired, and Non-owned autos)	\$1,000,000 combined single limit
--	-----------------------------------

<u>Umbrella Liability</u> (Following Form and Drop Down Provisions Included)	\$5,000,000 each occurrence
--	-----------------------------

<u>Workers Compensation Insurance</u> Workers' Compensation Employer's Liability	Statutory Limit \$1,000,000 Each Occurrence \$1,000,000 Disease- Each Employee \$1,000,000 Disease- Policy Limit
--	---

It is agreed by all parties to this Agreement that the insurance required under this Agreement shall:

- A. Be written with the CITY as an additional insured. DEVELOPER waives subrogation rights for loss or damage to the extent same are covered by insurance. Insurers shall have no right of recovery or subrogation against CITY, it being the intention that the insurance policies shall protect all parties to this Agreement and be primary coverage for all losses covered by the policies.
- B. Provide for ten (10) days' notice of cancellation to the CITY for non-payment of premium, material change or any other cause.
- C. Be written through companies duly authorized to transact that class of insurance in the State of Texas.

D. Provide a Certificate of Insurance evidencing the required coverages to:

City of Arlington
Attention: Economic Development Manager
101 W. Abram St.
Arlington, Texas 76010

City of Arlington
Attention: Risk Administrator
P.O. Box 90231
Arlington, Texas 76004-3231

Section 10. Venue and Governing Law.

This Agreement is performable in Tarrant County, Texas and venue of any action arising out of this Agreement shall be exclusively in Tarrant County. This Agreement shall be governed and construed in accordance with the laws of the State of Texas.

Section 11. Notices.

Any notice required by this Agreement shall be deemed to be properly served if deposited in the U.S. mail by certified letter, return receipt requested, addressed to the recipient at the recipient's address shown below, subject to the right of either party to designate a different address by notice given in the manner just described.

If intended for the TIF BOARD, to:

Board of Directors
Tax Increment Reinvestment Zone Number One,
City of Arlington, Texas - Downtown
c/o City of Arlington
ATTN: Economic Development Manager
P.O. Box 90231
Arlington, Texas 76004-3231

Copy to:

Office of the City Attorney
The City of Arlington
MS #63-0300
P.O. Box 90231
Arlington, Texas 76004-3231

If intended for DEVELOPER, to:

Urban Front, LLC

Attn: Charles R. Dodson
P.O. Box 1324
Arlington, Texas 76004

Copy to:

Baker Monroe, PLLC
Attn: Greg Monroe
1612 Summit Ave., Suite 100
Fort Worth, Texas 76102

Section 12. Applicable Laws.

This Agreement is made subject to the provisions of the Charter and ordinances of CITY, as amended, and all applicable State and Federal laws (collectively, the “**Applicable Laws**”), and violation of same shall constitute a default under this Agreement.

Section 13. Legal Construction.

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

Section 14. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

Section 15. Captions.

The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

Section 16. Survival of Obligations.

All obligations under this Agreement shall survive the expiration or termination of this Agreement to the extent required for their full observance and performance.

Section 17. Successors and Assigns.

The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. Provided, however, this Agreement shall not be assigned without prior TIF BOARD approval, which approval shall not be unreasonably withheld.

Notwithstanding the foregoing, written approval of the TIF BOARD shall not be required for an assignment to an Affiliate of DEVELOPER. "Affiliate of DEVELOPER" as used herein includes any parent, sister, partner, joint venturer, or subsidiary entity of DEVELOPER; any entity in which DEVELOPER is a major shareholder, owns an equity interest, or is a joint venturer or partner (whether general or limited).

Section 18. Procurement of Goods and Services from Arlington Businesses and/or Historically Underutilized Businesses.

In performing this Agreement, DEVELOPER agrees to use diligent efforts to purchase all goods and services from Arlington or Tarrant County businesses whenever such goods and services are comparable in availability, quality, and price.

As a matter of policy with respect to CITY projects and procurements, CITY also encourages the use, if applicable, of qualified contractors, subcontractors, and suppliers where at least fifty-one percent (51%) of the ownership of such contractor, subcontractor, or supplier is vested in racial or ethnic minorities or women. In the selection of subcontractors, suppliers or other persons or organizations proposed for work on this Agreement, DEVELOPER agrees to consider this policy and to use their reasonable and best efforts to select and employ such companies and persons for work on this Agreement.

Section 19. Board Representative.

DEVELOPER understands and agrees that the TIF BOARD, in its sole discretion, may appoint certain CITY staff members, a CITY department or another entity to serve as its representative in carrying out any or all of the responsibilities of the TIF BOARD hereunder, and that references to the "TIF BOARD" in this Agreement mean the TIF BOARD in its entirety or any such designated representative.

Section 20. Entire Agreement.

This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written previous and contemporary agreements between the parties and relating to matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties to be attached to and made a part of this Agreement.

EXECUTED THIS _____ day of _____, 2020, by the TIF BOARD,
signing by and through its TIF BOARD Chairman.

URBAN FRONT, LLC,
a Texas limited liability company
By: Charles R. Dodson
its sole manager

By: _____

Name: CHARLES R. DODSON
Title: Manager
Date: _____

**THE BOARD OF DIRECTORS OF
TAX INCREMENT
REINVESTMENT ZONE NUMBER
ONE, CITY OF ARLINGTON,
TEXAS - DOWNTOWN**

By: _____

Name: W. JEFF WILLIAMS
Title: TIF BOARD CHAIRMAN
Date: _____

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

URBAN FRONT, LLC
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **CHARLES R. DODSON**, known to me (or proved to me on the oath of _____ or through _____ (*description of identity card or other document*)) 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 **URBAN FRONT, LLC**, and as sole manager thereof, and for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____, 2020.

Notary Public In and For
The State of Texas

My Commission Expires:

Notary's Printed Name

THE STATE OF TEXAS §
 §
 §
 §
COUNTY OF TARRANT §

THE BOARD OF DIRECTORS OF
TAX INCREMENT REINVESTMENT
ZONE NUMBER ONE,
CITY OF ARLINGTON, TEXAS - DOWNTOWN
Acknowledgment

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **W. JEFF WILLIAMS**, 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 BOARD OF DIRECTORS OF TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, CITY OF ARLINGTON, TEXAS - DOWNTOWN**, and as the Chairman thereof, and for the purposes and consideration therein expressed and in the capacity therein stated.

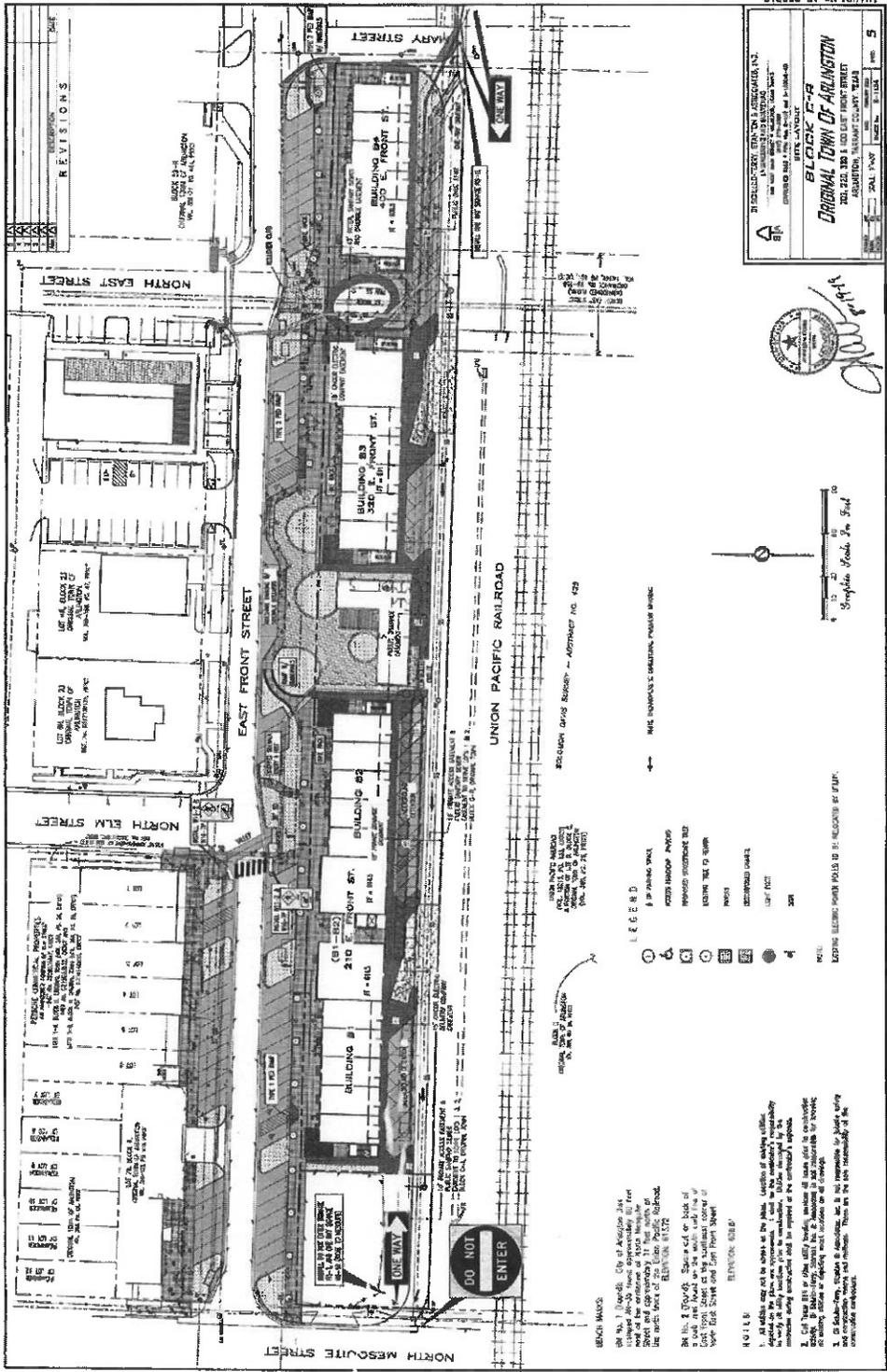
GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____, 2020.

Notary Public In and For
The State of Texas

My Commission Expires:

Notary's Printed Name

EXHIBIT "A" PRIVATE IMPROVEMENTS



KYANDA NO. 19-02810

BLOCK C-8
ORIGINAL TOWN OF ARLINGTON
200, 202 AND E. FRONT STREET

DATE: 11/15/00
SCALE: 1" = 100'
SHEET: 1 OF 1



LEGEND

- ① 1/2" DIAMETER PAVEMENT MARK
- ② 1/4" DIAMETER PAVEMENT MARK
- ③ 1/8" DIAMETER PAVEMENT MARK
- ④ 1/4" DIAMETER PAVEMENT MARK
- ⑤ 1/8" DIAMETER PAVEMENT MARK
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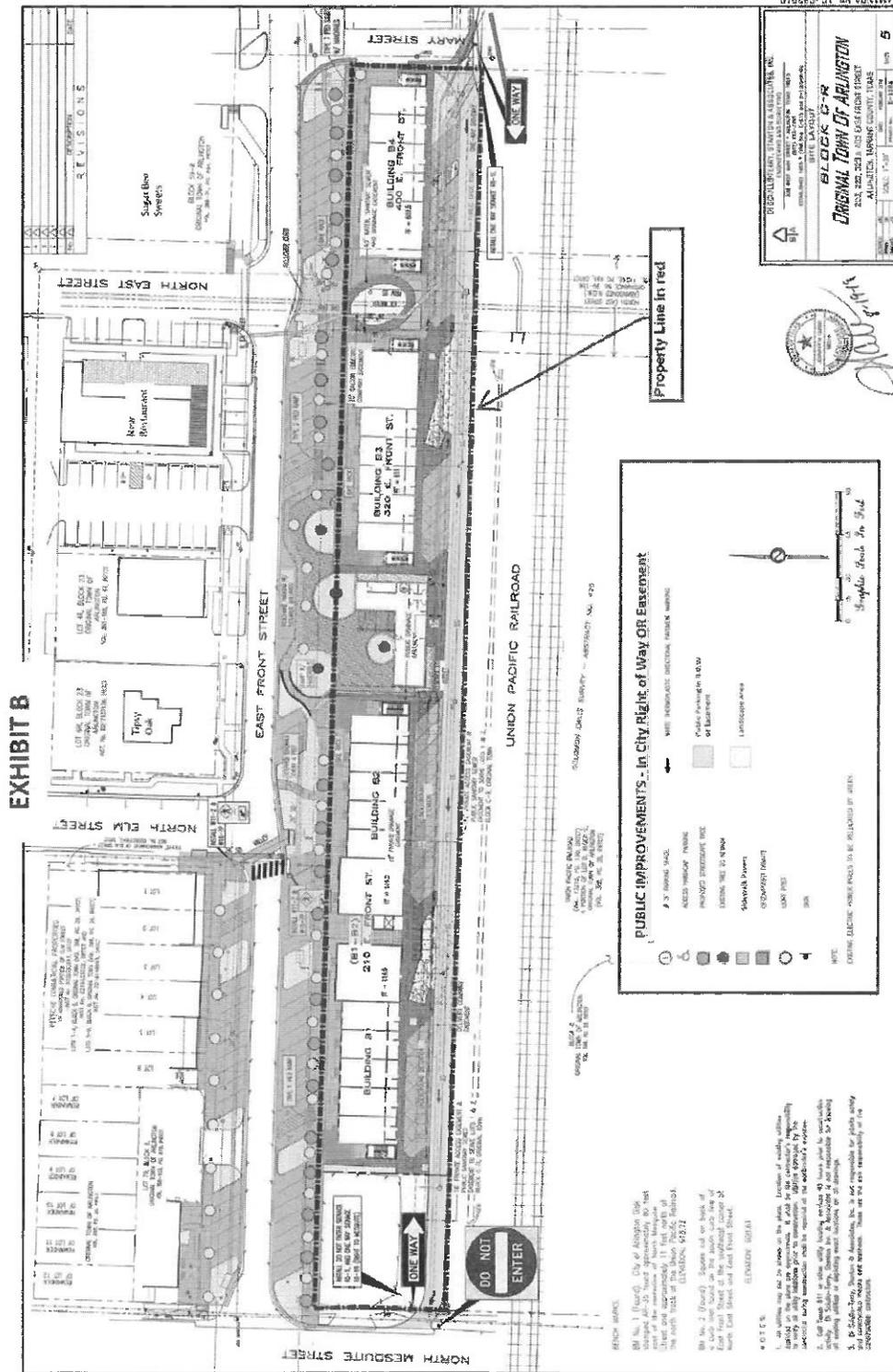
NOTES

1. All utility lines are shown as they appear on the plan. Location of existing utility lines are shown as they appear on the plan. Location of existing utility lines are shown as they appear on the plan. Location of existing utility lines are shown as they appear on the plan.
2. Call these lines on the utility maps, unless all lines are to be removed. Call these lines on the utility maps, unless all lines are to be removed. Call these lines on the utility maps, unless all lines are to be removed.
3. All Block-Maps, Station & Elevation, are the responsibility of the engineer and contractor. They are the sole responsibility of the engineer and contractor.



EXHIBIT "B"

PUBLIC IMPROVEMENTS LOCATION



MANA NO. 19-03810

11/11/11

5

EXHIBIT "B"
PUBLIC IMPROVEMENTS ESTIMATED COSTS

TIRZ ELIGIBLE IMPROVEMENTS		01.07.2020	
DEVELOPER:		Urban Front, LLC	
DESCRIPTION:		Public Infrastructure Improvements	
TIRZ CATEGORY / ITEM		BID	BUDGET
<i>Street Improvements, Public Parking, Sidewalks & Pedestrian Infrastructure</i>			
	Front Street Repairs & Improvements	<i>Apple Pavement</i>	\$ 93,843
	Public Parking	<i>Apple Pavement</i>	\$ 218,584
	Sidewalks & Pedestrian Infrastructure	<i>Apple Pavement</i>	\$ 308,124
Subtotal			\$ 620,552
<i>Water, sewer, storm drainage & utility relocation or enhancement</i>			
	Water	<i>Walker</i>	\$ 118,920
	Sewer	<i>Walker</i>	\$ 85,131
	Storm Drainage (No Detention)	<i>Walker</i>	\$ 248,757
	Relocate Overhead Utilities	<i>Oncor</i>	\$ 100,000
Subtotal			\$ 552,808
<i>Lighting, irrigation, landscaping & public art</i>			
	Decorative Street Lights	<i>Brandon Ind.</i>	\$ 132,840
	Irrigation	<i>Bowman</i>	\$ 27,000
	Landscaping (Street Trees & Beds)	<i>Bowman</i>	\$ 99,587
Subtotal			\$ 259,427
Grand Total			\$ 1,432,786

EXHIBIT "D"

PARKING EASEMENT FORM

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

PARKING EASEMENT DEDICATION

1.

Description of Property

FRONT STREET VILLAGE LLC ("OWNER") is the owner in fee simple of real property indicated on the accompanying plat and located in Tarrant County, particularly described in **Exhibit "A"** attached hereto and incorporated herein.

2.

Offer of Dedication

OWNER, by this instrument, offers to dedicate the land described in "**Exhibit A**" attached hereto to the public in general to be used for public parking and related amenities. OWNER intends, and has agreed with the authorities of the City of Arlington, Texas ("City"), that the OWNER will improve the property through construction of a striped and paved parking lot and related amenities.

3.

Reservation in OWNER

OWNER conveys, by this dedication, only an easement on the surface of the dedicated land and for the stated public use. Fee simple interest and all other interests not inconsistent with the stated public purposes are reserved in the OWNER, including use of the air space higher than ten feet (10') above the surface of the land. In addition, OWNER shall have the right from time to time to prevent use of all or any part of the dedicated land for public parking during such times as OWNER is actively engaged in constructing improvements in the immediate vicinity of the dedicated land or repairing such improvements.

4.

Obligation of OWNER

OWNER shall maintain the striped and paved parking lot and related amenities in the dedicated area. OWNER shall receive reimbursement for the costs of constructing

public parking improvements only as described in the reimbursement agreement approved by the Board of Directors of Tax Increment Reinvestment Zone Number One, City of Arlington, Texas, and by the City Council of the City of Arlington, by Resolution No. 20-_____.

5.
Duration

This Dedication shall expire twenty (20) years after the date it is executed by OWNER.

FRONT STREET VILLAGE LLC
A Texas limited liability company

By: _____

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me by _____, the _____ of Front Street Village LLC, a Texas limited liability company, on behalf of said limited liability company.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ____ day of _____, 20__.

Notary Public In and For
The State of Texas

My Commission Expires:

Notary's Printed Name

EXHIBIT "A"

Property Description