



CITY OF MANSFIELD

Economic Development
301 South Main Street,
Suite 100
Mansfield, TX 76063
www.mansfield-texas.com

Meeting Agenda

Mansfield Economic Development Corporation

Tuesday, January 3, 2017

5:30 PM

City Hall - Council Chambers

1. **CALL MEETING TO ORDER**

2. **PUBLIC COMMENTS**

Citizens wishing to address the Board on non-public hearing agenda items and items not on the agenda may do so at this time. Once the business portion of the meeting begins, only comments related to public hearings will be heard. All comments are limited to 5 minutes. Please refrain from "personal criticisms."

In order to be recognized during the citizens comments or during a public hearing (applicants included), please complete a blue or yellow "appearance card" located at the entry to the city council chambers and present it to the board president.

3. **APPROVAL OF MINUTES**

[16-2141](#)

Approval of the December 13, 2016 Regular Meeting Minutes.

Attachments: [MeetingMinutes Dec 13, 2016.pdf](#)

4. **FINANCIALS**

[16-2140](#)

Presentation of Monthly Financial Report for Period Ending 11-30-2016

Attachments: [MEDC Cash Report 11-30-2016.xlsx](#)

5. **RECESS INTO EXECUTIVE SESSION**

Pursuant to Section 551.071, Texas Government Code, the Board reserves the right to convene in Executive Session(s), from time to time as deemed necessary during this meeting for any posted agenda item, to receive advice from its attorney as permitted by law.

A. **ADVICE FROM ITS ATTORNEY**

Pursuant to Sec. 551.071 of the Texas Government code, the Board reserves the right to convene in Executive Session(s), from time to time as deemed necessary during this meeting for any posted agenda item, to receive advice from its attorney as permitted by law. In addition the Board may convene in executive session to discuss the following:

1. Pending or contemplated litigation or a settlement offer including:

2. A matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the chapter.

B. REAL ESTATE DELIBERATION

Pursuant to Sec. 551.072, deliberation regarding the purchase, exchange, lease or value of real property.

C. PERSONNEL MATTERS

Pursuant to Sec. 551.074, deliberation regarding the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee.

D. SECURITY DEVICES

Pursuant to Sec. 551.076, deliberation regarding security personnel or devices.

E. ECONOMIC DEVELOPMENT

Pursuant to Sec. 551.087, deliberation regarding Economic Development Negotiations including (1) discussion or deliberation regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic negotiations; OR (2) deliberation of a financial or other incentive to a business prospect described in (1) above.

F. CRITICAL INFRASTRUCTURE

Pursuant to Sec. 418.183(f) of the Texas Government Code (Texas Disaster Act) regarding critical infrastructure.

6. RECONVENE INTO REGULAR SESSION

7. TAKE ACTION PURSUANT TO EXECUTIVE SESSION

8. OLD BUSINESS

[16-2144](#) Board Discussion and Possible Action on Request For Payment of Economic Development Incentive to Carlos Coll

Attachments: [Carlos Coll ED Agreement signed.pdf](#)

[16-2147](#) Board Discussion and Possible Action on Request for Extension of Deadline for Economic Development Agreement with GKA Estate Holdings for Completion of a Medical Office Building on Miller Road

Attachments: [MEDC extension request.pdf](#)

[GKA Estate Holdings.01 Signed.pdf](#)

9. NEW BUSINESS

10. BOARD MEMBER COMMENTS

11. STAFF COMMENTS

12. **ADJOURNMENT**

CERTIFICATION

I certify that the above agenda was posted on the bulletin board next to the main entrance of the City Hall building, 1200 East Broad Street, of the City of Mansfield, Texas, in a place convenient and readily accessible to the general public at all times and said Agenda was posted on the following date and time: Friday, December 30, 2016, and remained so posted continuously for at least 72 hours preceding the schedule time of said meeting, in accordance with the Chapter 551 of the Texas Government Code.

MEDC Staff

Approved as to form



CITY OF MANSFIELD

1200 East. Broad St.
Mansfield, TX 76063
mansfieldtexas.gov

STAFF REPORT

File Number: 16-2141

Agenda Date: 1/3/2017

Version: 1

Status: Approval of Minutes

In Control: Mansfield Economic Development Corporation

File Type: Meeting Minutes

Title

Approval of the December 13, 2016 Regular Meeting Minutes.

Requested Action

N/A

Recommendation

N/A

Description/History

N/A

Justification

N/A

Funding Source

N/A

Prepared By

Natalie Phelps, MEDC

Meeting Minutes

Mansfield Economic Development Corporation

Tuesday, December 13, 2016

5:30 PM

City Hall - Council Chambers

1. CALL MEETING TO ORDER

The meeting was called to order by Larry Klos at 5:28 p.m.

Absent 2 - Robert Putman and John Phillips

Present 5 - Brian Fuller; Larry Klos; Randy Hamilton; Selim Fiagome and David Godin

2. PUBLIC COMMENTS

There were no comments.

3. APPROVAL OF MINUTES

[16-2116](#)

Approval of the November 1, 2016 Regular Meeting Minutes.

A motion was made by Brian Fuller to approve the regular meeting minutes of November 1, 2016. Seconded by Larry Klos. The motion carried by the following vote:

Aye: 5 - Brian Fuller; Larry Klos; Randy Hamilton; Selim Fiagome and David Godin

Nay: 0

Absent: 2 - Robert Putman and John Phillips

Abstain: 0

4. FINANCIALS

[16-2106](#)

Presentation of Monthly Financial Report for Period Ending 10/31/2016

There were no comments.

5. RECESS INTO EXECUTIVE SESSION

The meeting recessed into executive session at 5:31 p.m.

A. ADVICE FROM ITS ATTORNEY

1. Pending or contemplated litigation or a settlement offer including:

2. A matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the chapter.

B. REAL ESTATE DELIBERATION

C. PERSONNEL MATTERS

D. SECURITY DEVICES

E. ECONOMIC DEVELOPMENT

Staff Report and Board Discussion on Project 16-18, a new warehouse/distribution facility.

F. CRITICAL INFRASTRUCTURE

6. RECONVENE INTO REGULAR SESSION

The meeting reconvened into regular session at 5:42 p.m.

7. TAKE ACTION PURSUANT TO EXECUTIVE SESSION

Brian Fuller made the motion for staff to negotiate project 16-18 as discussed in executive session. Seconded by Larry Klos. The motion carried by the following vote:

Aye: 5 - Brian Fuller; Larry Klos; Randy Hamilton; Selim Fiagome and David Godin

Nay: 0

Absent: 2 - Robert Putman and John Phillips

Abstain: 0

8. OLD BUSINESS

9. NEW BUSINESS

[16-2114](#)

Contract for Engineering/Design of Sanitary Sewer Improvements and funding of improvements to Easy Drive for MEDC 14 Acres near Easy Drive.

David Godin made the motion to approve funding up to \$40,000 for sewer design and \$65,000 for road improvements for project 16-2114. Seconded by Larry Klos. The motion carried by the following vote:

Aye: 5 - Brian Fuller; Larry Klos; Randy Hamilton; Selim Fiagome and David Godin

Nay: 0

Absent: 2 - Robert Putman and John Phillips

Abstain: 0

[16-2118](#)

Possible Action Regarding Project 16-15 Heritage Baptist Church Parking Lot Lease.

A motion was made by David Godin to approve staff to move forward with project 16-2118 and authorize up to \$17,500 yearly funding for the lease not to exceed 10 years. Larry Klos amended the project number to 16-15. Seconded by Larry Klos. The motion carried by the following vote:

Aye: 5 - Brian Fuller; Larry Klos; Randy Hamilton; Selim Fiagome and David Godin

Nay: 0

Absent: 2 - Robert Putman and John Phillips

Abstain: 0

10. BOARD MEMBER COMMENTS

There were no comments.

11. STAFF COMMENTS

Scott Welmaker discussed the options of ordering business cards and logo shirts for board members. Scott also advised the board the next meeting will be January 3, 2017 and we may need to reschedule July 4, 2017, September 5, 2017, and November 7, 2017. Dates will be addressed at a future board meeting.

12. ADJOURNMENT

Larry Klos adjourned the meeting at 5:55 p.m.

Attest: Larry Klos, President



CITY OF MANSFIELD

1200 East. Broad St.
Mansfield, TX 76063
mansfieldtexas.gov

STAFF REPORT

File Number: 16-2140

Agenda Date: 1/3/2017

Version: 1

Status: To Be Presented

In Control: Mansfield Economic Development Corporation

File Type: Financials

Title

Presentation of Monthly Financial Report for Period Ending 11-30-2016

Requested Action

Information only

Recommendation

Information only

Description/History

Presentation of Monthly Financial Report for Period Ending 11-30-2016

PLEASE NOTE NEW DEBT SERVICE AND BOND BALANCE NUMBERS AT THE END OF THE REPORT

Justification

N/A

..Funding

4A

Prepared By

Richard Nevins, Assistant Director, 817-828-3652

Mansfield Economic Development Corporation
Period Ending November 30, 2016

Beginning Cash Balance 11-01-2016 **\$8,339,635**

Revenue:

Sales Tax Revenue	\$396,650
Oil and Gas Royalties	\$0
Interest Income	\$1,613
Misc Income	<u>\$0</u>
Total Monthly Revenue	\$398,263

Adjusted Cash Balance **\$8,737,898**

Operating Expenses:

Administration	\$58,843
Promotion	\$2,398
Retention	\$0
Workforce Development	<u>\$38</u>
Total Operating Expenditures	\$61,279

Debt Expense

Debt Service Payment (Principal & Interest) **\$0**

Project Expenditures:

None

Total Project Expenditures **\$0**

Total Monthly Expenditures **\$61,279**

Ending Cash Balance 11-30-2016 **\$8,676,619**

	Projected FY16-17 Expenditure	Future Years Expenditure
Mouser Electronics	\$0	\$325,000
<i>Project under construction</i>		
SJJH Mansfield, LLC (Mansfield Market Centre)	\$86,494	
<i>Project under construction</i>		
Antler Drive Engineering	\$1,386	
<i>In progress</i>		
Carlos Coll Spec Building Project	\$275,000	
<i>Project complete</i>		
American National Bank	\$71,659	
<i>Project complete - pending remaining payment</i>		
PCX Expansion	\$0	\$150,000
<i>Project complete</i>		
GKA Estate Holdings	\$101,000	
<i>Project under construction</i>		
Nationwide Construction	\$150,000	
<i>Project under construction</i>		
Southern Champion Tray	\$260,000	\$650,000
<i>Project pending</i>		
Mouser Way	\$312,595	
<i>Project underway</i>		

Shops at Broad Street Drainage	\$82,120	
<i>Project pending</i>		
Hightower Salons	\$50,000	
<i>Project under construction</i>		
MR Development / Downtown Restaurants	\$143,000	
<i>Project under construction</i>		
NT Window		\$1,200,000
<i>Project delayed</i>		
Peyco 102 Sentry Drive	\$100,000	
<i>Project pending tenant</i>		
John T. Evans	\$215,000	
<i>Under Construction</i>		
AMC Warehouse	\$650,000	\$1,000,000
<i>Project pending</i>		
Heritage Parkway Partners	\$400,000	
<i>Project pending</i>		
Antler Drive Construction	\$1,499,246	
<i>Project under construction</i>		
Bway Expansion	\$220,000	
<i>Project under construction</i>		
FTI / Wika		\$300,000
<i>Project pending</i>		
Regency Parkway Engineering / Design	\$100,000	
<i>Project underway</i>		
Broad Street Improvements Design	\$479,925	
<i>Project underway</i>		
Klein Tools Infrastructure	\$491,730	
<i>Project under construction</i>		
Klein Tools Impact Fees		\$517,878
<i>In progress</i>		
Klein Tools Incentive Payment	<u>\$500,000</u>	<u>\$500,000</u>
Total Outstanding Project Commitments	\$6,189,155	\$4,642,878

Adjusted Cash Balance After Outstanding Project
Commitments for FY16-17

\$2,487,463

Debt Expense

New Annual Total Debt Service **\$2,198,573**

(January and August)

Remaining Debt Balance **\$23,585,000**



CITY OF MANSFIELD

1200 East. Broad St.
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mansfieldtexas.gov

STAFF REPORT

File Number: 16-2144

Agenda Date: 1/3/2017

Version: 1

Status: Old Business

In Control: Mansfield Economic Development Corporation

File Type: Discussion Item

Agenda Number:

Title

Board Discussion and Possible Action on Request For Payment of Economic Development Incentive to Carlos Coll

Requested Action

Approve payment to Carlos Coll

Recommendation

Approve payment of \$275,000 to Carlos Coll

Description/History

In January 2015, MEDC entered into an Economic Development and Performance Agreement with Carlos Coll for the development of two speculative industrial buildings on Heritage Parkway. Both buildings have been completed. One building is approximately 35,000 sq. ft. and the other is approximately 23,500 sq. ft..

The economic development agreement required a capital investment of \$3,919,153 and for the Certificates of Occupancy (CO) to be issued by June 30, 2016. Mr. Coll encountered some delays during the construction process and requested an extension of the deadline for obtaining the CO's to December 31, 2016. The Board granted this requested extension at the May 3rd meeting.

Mr. Coll obtained the CO's on August 30th and December 1st. Under the agreement, MEDC agreed to reimburse Mr. Coll for actual costs not to exceed \$275,000 for certain infrastructure items. Mr. Coll has provided documentation that the cost of these items exceeded the \$275,000.

On December 15th, he submitted documentation for the capital investment totaling \$3,875,946. This is a difference of \$43,207 or approximately 1% of the committed capital investment of \$3,919,153. Staff recommends the Board authorize full payment of the \$275,000 incentive as Mr. Coll achieved 99% of his required capital investment.

Justification

Mr. Coll complied with the intent of the agreement and has made a significant investment in the City of Mansfield.

Funding Source

4A


Prepared By

Richard Nevins, Assistant Director, 817-728-3652

**ECONOMIC DEVELOPMENT AND PERFORMANCE AGREEMENT BETWEEN
THE MANSFIELD ECONOMIC DEVELOPMENT CORPORATION AND
CARLOS COLL**

This Economic Development Agreement ("Agreement") is made and entered into by and between CARLOS COLL, an individual ("Coll") and the MANSFIELD ECONOMIC DEVELOPMENT CORPORATION (the "Corporation"), a nonprofit corporation organized under Title 12, Subtitle C1 of the Texas Local Government Code, for the purposes and considerations stated below:

RECITALS:



1. Coll is the record owner of a certain tract of land located at 1441 Heritage Parkway within the corporate limits of the City of Mansfield ("City") (hereafter referred to as the "Property") and intends to make certain improvements to the Property as more particularly set forth in this Agreement.

2. The Corporation has determined and found that requested grant will be used to fund a "project" as defined in Section 501.103 of the Texas Local Government Code, and that the expenditure of the Corporation is suitable or required for the development of a new or expanding business enterprise and will be limited to certain infrastructure improvements ("Improvements") necessary to promote or develop such enterprise .

3. The Corporation, which has determined that substantial economic benefit and the creation of new opportunities of employment will accrue to the City as a result of Coll's development and operation of the Property, desires to have Coll construct the Improvements on the Property. This project will increase the taxable value of the Property and will directly and indirectly result in the creation of additional jobs throughout the City. As a consequence, the value of the benefits of the Project (as defined herein) will substantially outweigh the amount of expenditures required of the Corporation under this Agreement.

4. The Corporation, to encourage the development and operation of the Property, desires to participate in the funding of the cost of the Improvements which are necessary in order for Coll to expand his facility in Mansfield and operate as hereinafter set forth, which will aid and promote economic development in the City.

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

1. **Authorization.**

This Agreement is authorized by Title 12, Subtitle C1, Chapter 501 of the Texas Local Government Code.

2. **Definitions.**

CAPITAL INVESTMENT means the costs of improvements to the Facility, to include structures, infrastructure and other onsite improvements.

CITY means the City of Mansfield, Texas.

FACILITY means the property owned by Coll at 1441 Heritage Parkway in Mansfield, Texas.

IMPROVEMENTS mean the improvements to be constructed on the Property by Coll.

PROJECT means the reimbursement by the Corporation of up to \$225,000, to assist Coll in providing utilities, fire lane paving, water utilities, , underground electrical at 1441 Heritage Parkway, Mansfield, TX; AND reimbursement of up to \$50,000 for a left turn lane from Heritage Parkway into the Property.

3 **Term.**

This Agreement shall be effective as of the date of execution of all parties. This Agreement will continue to be in force and effective for a five year term commencing on the date that the Improvements are complete and approved by the City.

4. **Covenants of Coll.**

a. In consideration of Corporation agreeing to reimburse Coll monies in accordance with the terms and conditions of this Agreement, Coll agrees to:

(1) Make a Capital Investment in the Facility in an amount equal to a minimum of \$3,919,153 and receive a certificate of occupancy on or before June 30, 2016.



(2) Lease space only to companies that create and retain "primary jobs" as defined in Section 501.002 of the Texas Local Government Code.

(3) Render the Property to the Tarrant County Appraisal District and remain current on all property taxes for the term of this Agreement.

b. Should Coll fail to comply with any term of this Agreement, Coll shall have thirty (30) days after written notice from the Corporation to come into compliance. If the noncompliance is not cured within that period, or an agreement on a time frame to come into compliance is not reached with the Corporation, Coll will forfeit his right to reimbursement by the Corporation. In the event Coll's uncured noncompliance occurs after the grant of funds is received, Coll shall immediately upon demand repay the Corporation an amount equal to

all payments made under Section 5 of this Agreement plus the greater of ten percent (10%) per annum or the maximum rate permitted by law from the date the payments were made until the date of full repayment.

c. Coll covenants and certifies that he does not and will not knowingly employ an undocumented worker as that term is defined by Section 2264.01(4) of the Texas Government Code. In accordance with Section 2265.052 of the Texas Government Code, if Coll is convicted of a violation under 8 U.S.C. Section 1324a (f), Coll shall repay to the Corporation the full amount of all payments made under Section 5 of this Agreement, plus ten percent (10%) per annum from the date such payment was made until the date of full repayment. Repayment shall be paid within one hundred twenty (120) days after the date Coll receives a notice of violation from the Corporation.


5. **Payments by Corporation.**

The Corporation shall participate with Coll in the cost of the Project not to exceed Two-Hundred Twenty-Five Thousand Dollars (\$225,000) to be reimbursed to Coll to construct eligible infrastructure upon satisfactory proof of the capital investment, within 30 days after the Facility receives a Certificate of Occupancy from the City and submission to the Corporation of satisfactory documentation evidencing the expenditures for the Capital Investment and the expenditures required by Section 4(a)(1) herein. Further, the Corporation shall reimburse to Coll up to \$50,000 of the cost to construct a left turn lane on Heritage Parkway within 30 days after satisfactory proof of completion is presented to the Corporation and a letter of acceptance from the City is acquired.

6. **Improvements.**

Coll shall be solely responsible for the design and construction of the Improvements and shall comply with all subdivision regulations, building codes and other ordinances of the City applicable to the Improvements.

7. **Indemnification.**



COLL, IN PERFORMING HIS OBLIGATIONS UNDER THIS AGREEMENT, IS ACTING INDEPENDENTLY, AND THE CORPORATION ASSUMES NO RESPONSIBILITIES OR LIABILITIES TO THIRD PARTIES IN CONNECTION WITH THE PROPERTY OR IMPROVEMENTS. COLL AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CORPORATION, ITS OFFICERS, AGENTS, EMPLOYEES, AND VOLUNTEERS IN BOTH THEIR PUBLIC AND PRIVATE CAPACITIES, FROM AND AGAINST CLAIMS, SUITS, DEMANDS, LOSSES, DAMAGES, CAUSES OF ACTION, AND LIABILITY OF EVERY KIND, INCLUDING, BUT NOT LIMITED TO, EXPENSES OF LITIGATION OR SETTLEMENT, COURT COSTS, AND ATTORNEYS FEES WHICH MAY ARISE DUE TO ANY DEATH OR INJURY TO A PERSON OR THE LOSS OF USE, OR DAMAGE TO PROPERTY, ARISING OUT OF OR OCCURRING AS A CONSEQUENCE OF THE PERFORMANCE BY COLL OF HIS OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING ANY ERRORS

OR OMISSIONS, OR NEGLIGENT ACT OR OMISSION OF COLL, OR HIS OFFICERS, AGENTS OR EMPLOYEES.


8. **Access to Information.**

Coll agrees to provide the Corporation access to information related to the construction of the Improvements and Project during regular business hours upon reasonable notice. The Corporation shall have the right to require Coll to submit any reasonably necessary information, documents, invoices, receipts or other records to verify costs of the Improvements and capital expenditures related to the Property.

9. **General Provisions.**

a. **Mutual Assistance.** Coll and the Corporation shall do all things reasonably necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

b. **Representations and Warranties.** Coll represents and warrants to the Corporation that it has the requisite authority to enter into this Agreement. Coll represents and warrants to the Corporation that it will not violate any federal, state or local laws in operating the business, that all proposed Improvements shall conform to the applicable building codes, zoning ordinances and all other ordinances and regulations.

 c. **Section or Other Headings.** Section or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

d. **Entire Agreement.** This Agreement contains the entire agreement between the parties with respect to the transaction contemplated herein.

e. **Amendment.** This Agreement may only be amended, altered, or revoked by written instrument signed by Coll and the Corporation.

f. **Successors and Assigns.** This Agreement shall be binding on and insure to the benefit of the parties, their respective successors and assigns. Coll may assign all or part of its rights and obligations hereunder only upon prior written approval of the Corporation, which approval shall not be unreasonably withheld or delayed provided reasonably satisfactory guaranties are provided to insure compliance with all terms of this Agreement. Upon written approval by Corporation of such assumption, assignment or transfer, Coll shall thereafter be released from its obligations hereunder.

g. **Notice.** Any notice required or permitted to be delivered by this Agreement shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the

appropriate party at the following addresses, or at such other addresses provided by the parties in writing:

Carlos Coll: Carlos Coll
1441 Heritage Parkway
Mansfield, TX 76063

CORPORATION: Director
Mansfield Economic Development Corporation
301 South Main Street
Mansfield, Texas 76063



With a copy to: City Attorney
City of Mansfield
1200 East Broad Street
Mansfield, Texas 76063

h. **Interpretation.** Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against any party.

i. **Applicable Law/Venue.** This Agreement is made, and shall be construed and interpreted under the laws of the State of Texas; venue for any legal action regarding this Agreement shall lie in Tarrant County, Texas.

j. **Severability.** In the event any provision of this Agreement is ruled illegal, invalid, or unenforceable by any court of proper jurisdiction, under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

k. **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.

l. **No Joint Venture.** Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties.

m. **Default.** If a party should default (the "Defaulting Party") with respect to any of its obligations hereunder and should fail, within thirty (30) days after delivery of written notice of such default from the other party (the "Complaining Party") to cure such default, the Complaining Party, by action or proceeding at law or in equity, may be awarded its actual but not consequential damages and/or specific performance for such default.

n. **Covenant Running with the Land.** All rights, covenants, restrictions, burdens, privileges and charges, set forth in this Agreement shall exist at all times as long as this Agreement is in effect, among all parties having any right, title or interest in any portion of all of the Property.

o. **Force Majeure.** If either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder (other than the payment of money) by reason of strikes, lockouts, inability to procure materials, failure of power, governmental moratorium or other governmental action or inaction (including, failure, refusal or delay in issuing permits, approvals or authorizations), injunction or court order, terrorist attacks, riots, insurrection, war, fire, earthquake, flood or other natural disaster or other reason of a like nature not the fault of the party delaying in performing work or doing acts required under the terms of this Agreement (but excluding delays due to financial inability), then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay, provided that the foregoing shall not be applicable to any payment obligation of either party under this Agreement.

**MANSFIELD ECONOMIC
DEVELOPMENT CORPORATION**

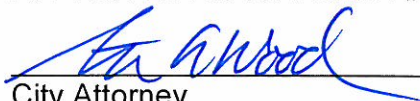
By:  President


Date: 2-3-15

ATTEST:

 _____

APPROVED AS TO FORM AND LEGALITY:

 _____
City Attorney

By:  _____
Carlos Coll

Date: 1/13/15



CITY OF MANSFIELD

1200 East. Broad St.
Mansfield, TX 76063
mansfieldtexas.gov

STAFF REPORT

File Number: 16-2147

Agenda Date: 1/3/2017

Version: 1

Status: Old Business

In Control: Mansfield Economic Development Corporation

File Type: Discussion Item

Title

Board Discussion and Possible Action on Request for Extension of Deadline for Economic Development Agreement with GKA Estate Holdings for Completion of a Medical Office Building on Miller Road

Requested Action

Consider request to extend deadline

Recommendation

Approve request to extend deadline to March 31, 2017

Description/History

In July 2015, MEDC entered into the attached Economic Development and Performance Agreement with GKA Estate Holdings for the construction of a 15,000 square foot facility to be used for medical office purposes. The agreement required GKA to obtain a Certificate of Occupancy for the building by December 31, 2016.

Due to weather conditions, and other factors that have delayed construction, the building was not ready for occupancy by December 31st; therefore GKA is requesting the deadline for receiving a Certificate of Occupancy be extended to March 31, 2017. Staff recommends approval of this request.

Justification

Mansfield needs available medical office space and the owner has acted in good faith to try and comply with the deadline.

Funding Source

4A

Prepared By

Scott Welmaker, Director, 817-728-3651



2975 East Broad Street, Suite 201
Mansfield, TX 76063
(682) 518-8619
Fax: (682) 518-8995

December 29, 2016

Richard Nevins
Mansfield Economic Development Corporation
301 South Main Street
Mansfield, TX 76063

Re: extension request

Richard:

After many delays, we have finally finished construction and have been in our new building on Broad Street since November 1. The Methodist Hospital Center for Diagnostic Imaging is also finally finished with their construction and we have been eagerly anticipating their certificate of occupation for several weeks now. As we get closer and closer to December 31, it is beginning to look less likely that they will have a full CO before early next week. Robert with CDI notified me today that they did receive a temporary CO today. CDI has hired 5 new full-time employees and several part-time employees who will start tomorrow. Our office has hired four full-time employees and one part-time employee for our move.

As we have encountered these unexpected delays, I am hereby requesting an extension of 30 to 60 days for us to gather all the appropriate paperwork which will need to be submitted.

Our final numbers show that we exceeded our estimate by about \$400,000 in capital investment on the building and have invested approximately \$3.9 million into the building and are suite upstairs. CDI will likely put in approximately \$1.9 million into their equipment downstairs. As expected, we did encounter some overruns in infrastructure costs and we truly do appreciate the Mansfield EDC funding for this project. We are truly excited to have completed this project, but I do apologize for the delays that we cannot avoid. We hope to have all the requested paperwork to your office next week.

Thank you again for your support and your assistance in this matter.

Sincerely,

Gary Alexander, MD

**ECONOMIC DEVELOPMENT AND PERFORMANCE AGREEMENT BETWEEN
THE MANSFIELD ECONOMIC DEVELOPMENT CORPORATION AND
GKA ESTATE HOLDINGS, L.L.C.**

This Economic Development Agreement ("Agreement") is made and entered into by and between the MANSFIELD ECONOMIC DEVELOPMENT CORPORATION (the "Corporation"), a nonprofit corporation organized under Title 12, Subtitle C1, of the Texas Local Government Code, and GKA ESTATE HOLDINGS, L.L.C. ("GKA Estate Holdings"), a Texas limited liability company, for the purposes and considerations stated below:

RECITALS:

1. GKA Estate Holdings is the current owner of a certain tract of land located at 624 N. Miller Rd. within the corporate limits of the City of Mansfield ("City") (hereafter referred to as the "Property").

2. GKA Estate Holdings intends to construct a 15,000 square foot facility on the Property to be used for medical office purposes.

3. The Corporation has determined and found that requested grant will be used to fund a "project" as defined in Section 501.103 of the Texas Local Government Code, and that the expenditure of the Corporation is suitable or required for the development of a new or expanding business enterprise and will be limited to certain infrastructure improvements ("Improvements") necessary to promote or develop such enterprise.

4. The Corporation, which has determined that substantial economic benefit and the creation of new opportunities of employment will accrue to the City as a result of GKA Estate Holdings development and operation of the Property, desires to have GKA Estate Holdings construct the Improvements on the Property. This project will increase the taxable value of the Property and will directly and indirectly result in the creation of additional jobs throughout the City. As a consequence, the value of the benefits of the Project (as defined herein) will substantially outweigh the amount of expenditures required of the Corporation under this Agreement.

5. The Corporation, to encourage the development and operation of the Property, desires to participate in the funding of the cost of the Improvements which are necessary in order for GKA Estate Holdings to construct the facility in Mansfield and operate as hereinafter set forth, which will aid and promote economic development in the City.

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

1. **Authorization.**

This Agreement is authorized by Title 12, Subtitle C1, Chapter 501 of the Texas Local Government Code.

2. **Definitions.** All terms not otherwise defined in this Agreement are defined below:

CAPITAL INVESTMENT means the cost of the construction of the Facility on the Property, totaling approximately \$2,700,000, and the cost relocating certain imaging equipment to the Property with a fair market value of approximately \$1,900,000, for a total capital investment in the Property of approximately \$4,600,000.

FACILITY means a 15,000 square foot, two-story commercial office building to be constructed by GKA Estate Holdings on the Property as shown on Exhibit "A" attached hereto and incorporated herein.

IMPROVEMENTS mean the gas and electric infrastructure improvements to be constructed on the Property by GKA Estate Holdings as shown on Exhibit "A" attached hereto and incorporated herein.

PROJECT means the reimbursement by the Corporation of up to \$101,000 toward the cost of the Improvements on the Property.

3 **Term.**

This Agreement shall be effective as of the date of execution of all parties. This Agreement will continue to be in force and effective for a five year term commencing on the date that the Improvements are complete and approved by the City.

4. **Covenants of GKA Estate Holdings.**

a. In consideration of Corporation agreeing to reimburse GKA Estate Holdings monies in accordance with the terms and conditions of this Agreement, GKA Estate Holdings agrees to:

- (1) Make a Capital Investment in the Property on or before December 31, 2016;
- (2) Complete the construction of the Improvements and the Facility on or before December 31, 2016;
- (3) Cause eight (8) full-time employees to work at the Facility on or before December 31, 2016; and
- (4) Render the Property to the Tarrant County Appraisal District and remain current on all property taxes for the term of this Agreement.

b. Should GKA Estate Holdings fail to comply with any term of this Agreement, GKA Estate Holdings shall have thirty (30) days after written notice from the Corporation to come into compliance. If the noncompliance is not cured within that period, or an agreement on a time frame to come into compliance is not reached with the Corporation, GKA Estate Holdings will forfeit the right to reimbursement by the Corporation. In the event GKA Estate Holdings uncured noncompliance occurs after the grant of funds is received, GKA Estate Holdings shall immediately upon demand repay the Corporation an amount equal to all payments made under Section 5 of this Agreement plus the greater of ten percent (10%) per annum or the maximum rate permitted by law from the date the payments were made until the date of full repayment.

c. GKA Estate Holdings covenants and certifies that he does not and will not knowingly employ an undocumented worker as that term is defined by Section 2264.01(4) of the Texas Government Code. In accordance with Section 2265.052 of the Texas Government Code, if GKA Estate Holdings is convicted of a violation under 8 U.S.C. Section 1324a (f), GKA Estate Holdings shall repay to the Corporation the full amount of all payments made under Section 5 of this Agreement, plus ten percent (10%) per annum from the date such payment was made until the date of full repayment. Repayment shall be paid within one hundred twenty (120) days after the date GKA Estate Holdings receives a notice of violation from the Corporation.

5. **Payments by Corporation.**

The Corporation shall participate with GKA Estate Holdings in the cost of the Project not to exceed One Hundred and One Thousand Dollars (\$101,000) to be reimbursed to GKA Estate Holdings for the cost of the construction of the Improvements upon satisfactory proof of the compliance with the terms of this Agreement and the submission of satisfactory documentation evidencing the expenditures for the Improvements.

6. **Improvements.**

GKA Estate Holdings shall be solely responsible for the design and construction of the Improvements and shall comply with all subdivision regulations, building codes and other ordinances of the City applicable to the Improvements.

7. **Indemnification.**

GKA ESTATE HOLDINGS, IN PERFORMING THE OBLIGATIONS UNDER THIS AGREEMENT, IS ACTING INDEPENDENTLY, AND THE CORPORATION ASSUMES NO RESPONSIBILITIES OR LIABILITIES TO THIRD PARTIES IN CONNECTION WITH THE PROPERTY OR IMPROVEMENTS. GKA ESTATE HOLDINGS AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE CORPORATION, ITS OFFICERS, AGENTS, EMPLOYEES, AND VOLUNTEERS IN BOTH THEIR PUBLIC AND PRIVATE CAPACITIES, FROM AND AGAINST CLAIMS, SUITS, DEMANDS, LOSSES, DAMAGES, CAUSES OF ACTION, AND LIABILITY OF EVERY KIND,

INCLUDING, BUT NOT LIMITED TO, EXPENSES OF LITIGATION OR SETTLEMENT, COURT COSTS, AND ATTORNEYS FEES WHICH MAY ARISE DUE TO ANY DEATH OR INJURY TO A PERSON OR THE LOSS OF USE, OR DAMAGE TO PROPERTY, ARISING OUT OF OR OCCURRING AS A CONSEQUENCE OF THE PERFORMANCE BY GKA ESTATE HOLDINGS OF THE OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING ANY ERRORS OR OMISSIONS, OR NEGLIGENT ACT OR OMISSION OF GKA ESTATE HOLDINGS, OR THE OFFICERS, AGENTS OR EMPLOYEES.

8. **Access to Information.**

GKA Estate Holdings agrees to provide the Corporation access to information related to the construction of the Improvements and Project during regular business hours upon reasonable notice. The Corporation shall have the right to require GKA Estate Holdings to submit any reasonably necessary information, documents, invoices, receipts or other records to verify costs of the Improvements and Capital Expenditures related to the Property.

9. **General Provisions.**

a. **Mutual Assistance.** GKA Estate Holdings and the Corporation shall do all things reasonably necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

b. **Representations and Warranties.** GKA Estate Holdings represents and warrants to the Corporation that it has the requisite authority to enter into this Agreement and that the person signing this Agreement on its behalf has been duly authorized to sign this Agreement by GKA Estate Holdings. GKA Estate Holdings further represents and warrants to the Corporation that it will not violate any federal, state or local laws in operating the business, that all proposed Improvements shall conform to the applicable building codes, zoning ordinances and all other ordinances and regulations.

c. **Section or Other Headings.** Section or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

d. **Entire Agreement.** This Agreement and any exhibits attached hereto contains the entire agreement between the parties with respect to the transaction contemplated herein.

e. **Amendment.** This Agreement may only be amended, altered, or revoked by written instrument signed by GKA Estate Holdings and the Corporation.

f. **Successors and Assigns.** This Agreement shall be binding on and insure to the benefit of the parties, their respective successors and assigns. GKA Estate Holdings may assign all or part of its rights and obligations hereunder only upon prior written approval of the Corporation, which approval

shall not be unreasonably withheld or delayed provided reasonably satisfactory guaranties are provided to insure compliance with all terms of this Agreement. Upon written approval by Corporation of such assumption, assignment or transfer, GKA Estate Holdings shall thereafter be released from its obligations hereunder.

g. **Notice.** Any notice required or permitted to be delivered by this Agreement shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses, or at such other addresses provided by the parties in writing:

GKA Estate Holdings: GKA Estate Holdings, L.L.C.
1770 E. Broad St., Suite 102
Mansfield, Texas 76063

CORPORATION: Director
Mansfield Economic Development Corporation
301 South Main Street
Mansfield, Texas 76063

With a copy to: City Attorney
City of Mansfield
1200 East Broad Street
Mansfield, Texas 76063

h. **Interpretation.** Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against any party.

i. **Applicable Law/Venue.** This Agreement is made, and shall be construed and interpreted under the laws of the State of Texas; venue for any legal action regarding this Agreement shall lie in Tarrant County, Texas.

j. **Severability.** In the event any provision of this Agreement is ruled illegal, invalid, or unenforceable by any court of proper jurisdiction, under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the parties to this Agreement that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

k. **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.

l. **No Joint Venture.** Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties.

m. **Default.** If a party should default (the "Defaulting Party") with respect to any of its obligations hereunder and should fail, within thirty (30) days after delivery of written notice of such default from the other party (the "Complaining Party") to cure such default, the Complaining Party, by action or proceeding at law or in equity, may be awarded its actual but not consequential damages and/or specific performance for such default.

n. **Covenant Running with the Land.** All rights, covenants, restrictions, burdens, privileges and charges, set forth in this Agreement shall exist at all times as long as this Agreement is in effect, among all parties having any right, title or interest in any portion of all of the Property.

o. **Force Majeure.** If either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder (other than the payment of money) by reason of strikes, lockouts, inability to procure materials, failure of power, governmental moratorium or other governmental action or inaction (including, failure, refusal or delay in issuing permits, approvals or authorizations), injunction or court order, terrorist attacks, riots, insurrection, war, fire, earthquake, flood or other natural disaster or other reason of a like nature not the fault of the party delaying in performing work or doing acts required under the terms of this Agreement (but excluding delays due to financial inability), then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay, provided that the foregoing shall not be applicable to any payment obligation of either party under this Agreement.

**MANSFIELD ECONOMIC
DEVELOPMENT CORPORATION**

By: _____

Larry Klos, Board President

Date: _____

7-7-15

ATTEST:

Acting Michael B. Fulk
Board Secretary

APPROVED AS TO FORM AND LEGALITY:

Lawrence Wood
Attorney for the Corporation

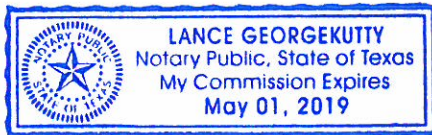
GKA ESTATE HOLDINGS, LLC.

By: [Signature]
Garish K. Alexander, MD, FACS, Member

Date: 6/8/15

ACKNOWLEDGEMENT

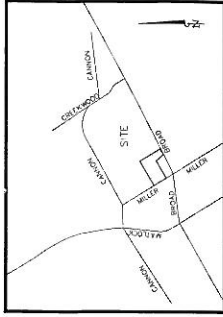
BEFORE ME, the undersigned authority, on this date personally appeared Garish K. Alexander, MD, FACS, who after being duly sworn stated that he is a Member of GKA Estate Holdings, LLC, and that he signed the foregoing instrument on behalf of said entity for the purposes expressed therein.



[Signature]
Notary Public, in and for the State of Texas

My commission expires: 5/1/19

Date: 7-8-15



VICINITY MAP
NOT TO SCALE
MANSFIELD, TEXAS

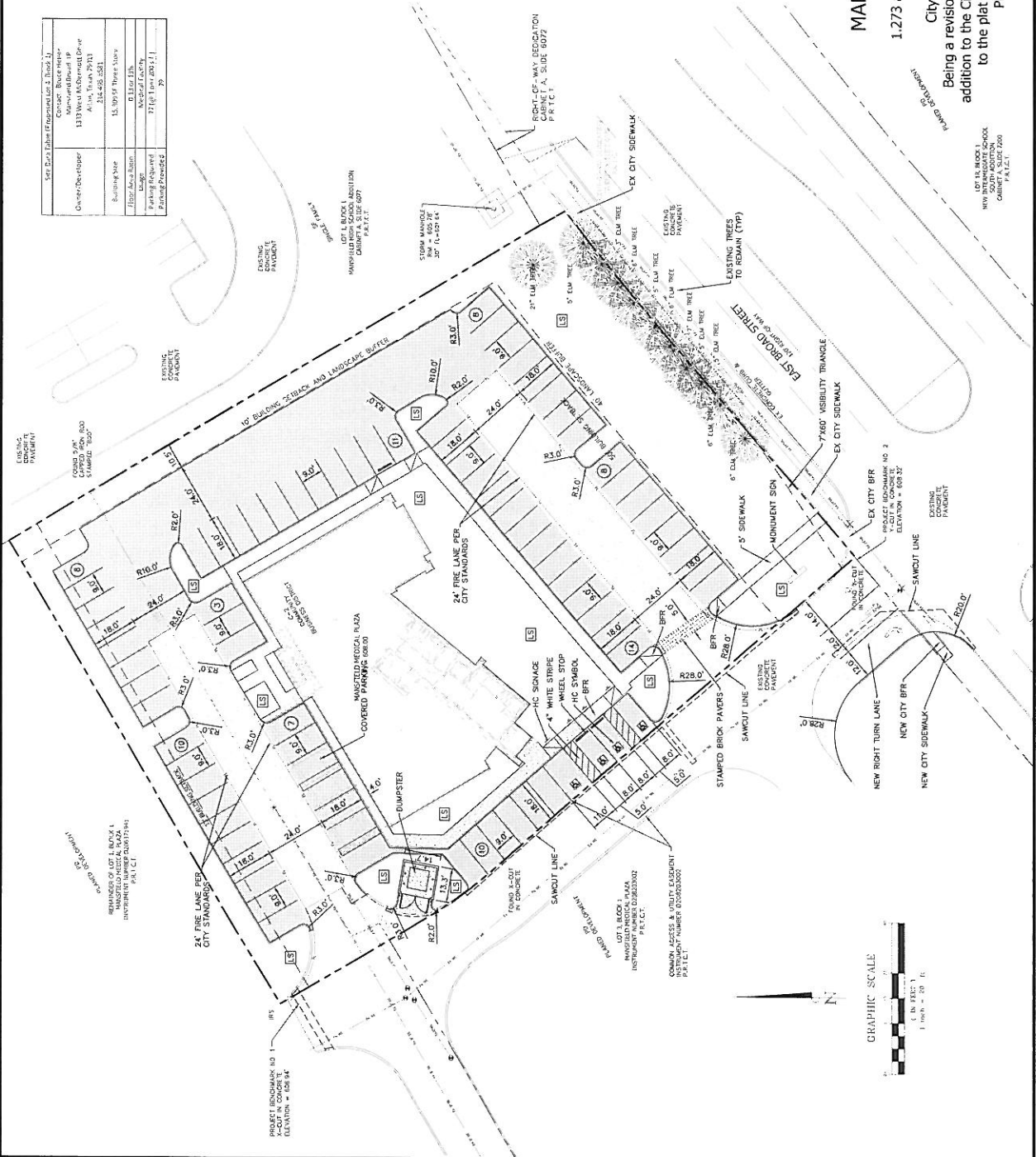
LEGEND

	7' SHOULDER CONCRETE PAVEMENT
	6' CONCRETE SIDEWALK
	5' CONCRETE PAVEMENT
	4' CONCRETE SIDEWALK
	FIRE LANE STRIPING
	PARKING COIN
	LANDSCAPE AREA
	SIDEWALK

NOTES

- [illegible]

Ser. Date Title of Project Contact: Bruce Meyer Manager/Board IP 1313 West McDermott Drive Aliso Viejo, CA 92611 714-495-5581	Building Size 15,100 sq. ft.	Major Area Ratio 0.18 for 1st 0.18 for 2nd 0.18 for 3rd 0.18 for 4th 0.18 for 5th 0.18 for 6th 0.18 for 7th 0.18 for 8th 0.18 for 9th 0.18 for 10th 0.18 for 11th 0.18 for 12th 0.18 for 13th 0.18 for 14th 0.18 for 15th 0.18 for 16th 0.18 for 17th 0.18 for 18th 0.18 for 19th 0.18 for 20th 0.18 for 21st 0.18 for 22nd 0.18 for 23rd 0.18 for 24th 0.18 for 25th 0.18 for 26th 0.18 for 27th 0.18 for 28th 0.18 for 29th 0.18 for 30th 0.18 for 31st 0.18 for 32nd 0.18 for 33rd 0.18 for 34th 0.18 for 35th 0.18 for 36th 0.18 for 37th 0.18 for 38th 0.18 for 39th 0.18 for 40th 0.18 for 41st 0.18 for 42nd 0.18 for 43rd 0.18 for 44th 0.18 for 45th 0.18 for 46th 0.18 for 47th 0.18 for 48th 0.18 for 49th 0.18 for 50th 0.18 for 51st 0.18 for 52nd 0.18 for 53rd 0.18 for 54th 0.18 for 55th 0.18 for 56th 0.18 for 57th 0.18 for 58th 0.18 for 59th 0.18 for 60th 0.18 for 61st 0.18 for 62nd 0.18 for 63rd 0.18 for 64th 0.18 for 65th 0.18 for 66th 0.18 for 67th 0.18 for 68th 0.18 for 69th 0.18 for 70th 0.18 for 71st 0.18 for 72nd 0.18 for 73rd 0.18 for 74th 0.18 for 75th 0.18 for 76th 0.18 for 77th 0.18 for 78th 0.18 for 79th 0.18 for 80th 0.18 for 81st 0.18 for 82nd 0.18 for 83rd 0.18 for 84th 0.18 for 85th 0.18 for 86th 0.18 for 87th 0.18 for 88th 0.18 for 89th 0.18 for 90th 0.18 for 91st 0.18 for 92nd 0.18 for 93rd 0.18 for 94th 0.18 for 95th 0.18 for 96th 0.18 for 97th 0.18 for 98th 0.18 for 99th 0.18 for 100th 0.18 for 101st 0.18 for 102nd 0.18 for 103rd 0.18 for 104th 0.18 for 105th 0.18 for 106th 0.18 for 107th 0.18 for 108th 0.18 for 109th 0.18 for 110th 0.18 for 111th 0.18 for 112th 0.18 for 113th 0.18 for 114th 0.18 for 115th 0.18 for 116th 0.18 for 117th 0.18 for 118th 0.18 for 119th 0.18 for 120th 0.18 for 121st 0.18 for 122nd 0.18 for 123rd 0.18 for 124th 0.18 for 125th 0.18 for 126th 0.18 for 127th 0.18 for 128th 0.18 for 129th 0.18 for 130th 0.18 for 131st 0.18 for 132nd 0.18 for 133rd 0.18 for 134th 0.18 for 135th 0.18 for 136th 0.18 for 137th 0.18 for 138th 0.18 for 139th 0.18 for 140th 0.18 for 141st 0.18 for 142nd 0.18 for 143rd 0.18 for 144th 0.18 for 145th 0.18 for 146th 0.18 for 147th 0.18 for 148th 0.18 for 149th 0.18 for 150th 0.18 for 151st 0.18 for 152nd 0.18 for 153rd 0.18 for 154th 0.18 for 155th 0.18 for 156th 0.18 for 157th 0.18 for 158th 0.18 for 159th 0.18 for 160th 0.18 for 161st 0.18 for 162nd 0.18 for 163rd 0.18 for 164th 0.18 for 165th 0.18 for 166th 0.18 for 167th 0.18 for 168th 0.18 for 169th 0.18 for 170th 0.18 for 171st 0.18 for 172nd 0.18 for 173rd 0.18 for 174th 0.18 for 175th 0.18 for 176th 0.18 for 177th 0.18 for 178th 0.18 for 179th 0.18 for 180th 0.18 for 181st 0.18 for 182nd 0.18 for 183rd 0.18 for 184th 0.18 for 185th 0.18 for 186th 0.18 for 187th 0.18 for 188th 0.18 for 189th 0.18 for 190th 0.18 for 191st 0.18 for 192nd 0.18 for 193rd 0.18 for 194th 0.18 for 195th 0.18 for 196th 0.18 for 197th 0.18 for 198th 0.18 for 199th 0.18 for 200th 0.18 for 201st 0.18 for 202nd 0.18 for 203rd 0.18 for 204th 0.18 for 205th 0.18 for 206th 0.18 for 207th 0.18 for 208th 0.18 for 209th 0.18 for 210th 0.18 for 211st 0.18 for 212nd 0.18 for 213rd 0.18 for 214th 0.18 for 215th 0.18 for 216th 0.18 for 217th 0.18 for 218th 0.18 for 219th 0.18 for 220th 0.18 for 221st 0.18 for 222nd 0.18 for 223rd 0.18 for 224th 0.18 for 225th 0.18 for 226th 0.18 for 227th 0.18 for 228th 0.18 for 229th 0.18 for 230th 0.18 for 231st 0.18 for 232nd 0.18 for 233rd 0.18 for 234th 0.18 for 235th 0.18 for 236th 0.18 for 237th 0.18 for 238th 0.18 for 239th 0.18 for 240th 0.18 for 241st 0.18 for 242nd 0.18 for 243rd 0.18 for 244th 0.18 for 245th 0.18 for 246th 0.18 for 247th 0.18 for 248th 0.18 for 249th 0.18 for 250th 0.18 for 251st 0.18 for 252nd 0.18 for 253rd 0.18 for 254th 0.18 for 255th 0.18 for 256th 0.18 for 257th 0.18 for 258th 0.18 for 259th 0.18 for 260th 0.18 for 261st 0.18 for 262nd 0.18 for 263rd 0.18 for 264th 0.18 for 265th 0.18 for 266th 0.18 for 267th 0.18 for 268th 0.18 for 269th 0.18 for 270th 0.18 for 271st 0.18 for 27
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MANSFIELD MEDICAL PLAZA

LOT 4, BLOCK 1

is out of the William Howard Survey

Abstract Number 690

field, Tarrant County, Texas

Being a revision of Lot 1, Block 1, Mansfield Medical Plaza, an addition to the City of Mansfield, Tarrant County, Texas, according to the plat thereof recorded in Cabinet A, Slide 11557,

CASE NUMBER DS#15-002