



# CITY OF MANSFIELD

Economic Development  
301 South Main Street,  
Suite 100  
Mansfield, TX 76063  
[www.mansfield-texas.com](http://www.mansfield-texas.com)

## Meeting Agenda

### Mansfield Economic Development Corporation

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Tuesday, July 11, 2017

5:30 PM

City Hall - Council Chambers

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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**

[17-2346](#)

Approval of the June 6, 2017 Regular Meeting Minutes.

**Attachments:** [Meeting Minutes June 6, 2017.pdf](#)

4. **FINANCIALS**

[17-2337](#)

Presentation of Monthly Financial Report for Period Ending 05/31/17

**Attachments:** [MEDC Cash Report 5-31-2017.xlsx](#)

[Cash Flow update 05-31-2017 final .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.*

1. Staff Update and Board Discussion on Project 17-07, Purchase 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.*

1. Staff Update and Board Discussion on Project 14-06, Proposed Industrial Building on South Main.

2. Staff Update and Board Discussion Regarding Project 16-08, New Grocery Anchored Shopping Center's Request for Assistance.

3. Staff Update and Board Discussion on Project 17-10, Expansion of Existing Industrial Company.

**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**

[17-2371](#)

Staff Update and Board Discussion Regarding Project 16-08, New Grocery Anchored Shopping Center's Request for Assistance.

[17-2361](#)

Staff Update and Board Discussion on Project 16-12, Assignment of

Economic Development Agreement.

**Attachments:** [Signed EDA Heritage Parkway Partners.pdf](#)

[MEDC Mail - Fwd \\_partial release and relinquishing of remaining funds.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, July 7, 2017, 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.

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MEDC Staff

Approved as to form



# CITY OF MANSFIELD

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

## STAFF REPORT

File Number: 17-2346

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**Agenda Date:** 7/11/2017

**Version:** 1

**Status:** Approval of Minutes

**In Control:** Mansfield Economic Development Corporation

**File Type:** Meeting Minutes

**Title**

Approval of the June 6, 2017 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

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Tuesday, June 6, 2017

5:30 PM

City Hall - Council Chambers

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#### 1. CALL MEETING TO ORDER

*The meeting was called to order by Larry Klos at 5:30 p.m.*

**Absent** 1 - Selim Fiagome

**Present** 6 - Brian Fuller; Larry Klos; Robert Putman; John Phillips; Randy Hamilton and David Godin

#### 2. PUBLIC COMMENTS

*There were no comments.*

#### 3. APPROVAL OF MINUTES

[17-2313](#)

Approval of the May 2, 2017 Regular Meeting Minutes.

**A motion was made by Brian Fuller to approve the regular meeting minutes of May 2, 2017. Seconded by Larry Klos. The motion carried by the following vote:**

**Aye:** 6 - Brian Fuller; Larry Klos; Robert Putman; John Phillips; Randy Hamilton and David Godin

**Nay:** 0

**Absent:** 1 - Selim Fiagome

**Abstain:** 0

#### 4. FINANCIALS

[17-2260](#)

Presentation of Monthly Financial Report For Period Ending 4/30/2017

*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**

1. Staff Update and Board Discussion on Project 17-07, Possible Purchase of Real Property.

**C. PERSONNEL MATTERS**

**D. SECURITY DEVICES**

**E. ECONOMIC DEVELOPMENT**

1. Staff Update and Board Discussion on Project 16-08, New Grocery Anchored Retail Shopping Center.

**F. CRITICAL INFRASTRUCTURE**

**6. RECONVENE INTO REGULAR SESSION**

*The meeting reconvened into regular session at 6:06 p.m.*

**7. TAKE ACTION PURSUANT TO EXECUTIVE SESSION**

Larry Klos made the motion to table project 16-08 until the next board meeting on July 10th. The motion was later amended by Larry Klos to correct the date to July 11th. Seconded by John Phillips. The motion carried by the following vote:

**Aye:** 6 - Brian Fuller; Larry Klos; Robert Putman; John Phillips; Randy Hamilton and David Godin

**Nay:** 0

**Absent:** 1 - Selim Fiagome

**Abstain:** 0

Brian Fuller made the motion to proceed with the closing on Project 17-07 as discussed in executive session. Seconded by John Phillips. The motion carried by the following vote:

**Aye:** 6 - Brian Fuller; Larry Klos; Robert Putman; John Phillips; Randy Hamilton and David Godin

**Nay:** 0

**Absent:** 1 - Selim Fiagome

**Abstain:** 0

8. **OLD BUSINESS**

9. **NEW BUSINESS**

[17-2286](#)

Board Discussion and Possible Action on Request to Approve MEDC  
FY2017-2018 Budget

**Robert Putman** inquired as to why contractual services had increased. **Richard Nevins** explained the increase is due to lease payments for 208 Sentry, which were not listed in previous budgets under contractual services. **Brian Fuller** made the motion to approve the budget. Seconded by **Larry Klos**. The motion carried by the following vote:

**Aye:** 6 - Brian Fuller; Larry Klos; Robert Putman; John Phillips; Randy Hamilton and David Godin

**Nay:** 0

**Absent:** 1 - Selim Fiagome

**Abstain:** 0

10. **BOARD MEMBER COMMENTS**

*There were no comments.*

11. **STAFF COMMENTS**

*Scott Welmaker advised the next board meeting will be July 11, 2017.*

12. **ADJOURNMENT**

*Larry Klos adjourned the meeting at 6:10 p.m.*

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**Attest: Larry Klos, President**



# CITY OF MANSFIELD

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

## STAFF REPORT

File Number: 17-2337

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**Agenda Date:** 7/11/2017

**Version:** 1

**Status:** To Be Presented

**In Control:** Mansfield Economic Development Corporation

**File Type:** Financials

**Agenda Number:**

**Title**

Presentation of Monthly Financial Report for Period Ending 05/31/17

**Requested Action**

Information only

**Recommendation**

Information only

**Description/History**

Presentation of Monthly Financial Report for Period Ending 05/31/17

**Justification**

N/A

**Funding Source**

4A

**Prepared By**

[Richard Nevins, Assistant Director, 817-728-3652]



**Mansfield Economic Development Corporation**  
**Period Ending May 31, 2017**

Beginning Cash Balance 05-01-2017 **\$7,709,452**

**Revenue:**

Sales Tax Revenue - April Sales Tax Rcvd in May	\$522,477
Oil and Gas Royalties	\$0
Interest Income	\$3,032
Misc Income	<u>\$5,823</u>
<b>Total Monthly Revenue</b>	<b>\$531,331</b>

Adjusted Cash Balance **\$8,240,783**

**Operating Expenses:**

Administration	\$55,197
Promotion	\$16,131
Retention	\$23
Workforce Development	<u>\$0</u>
<b>Total Operating Expenditures</b>	<b>\$71,352</b>

**Debt Expense**

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

**Project Expenditures:**

Antler Drive Construction	\$135,717
Project Remy Due Diligence	\$2,350
Easy Drive 24" Sewer Line	\$7,300
Kimball Property Updates	\$47
Nationwide Construction ED Agreement	\$150,000
<b>Total Project Expenditures</b>	<b>\$295,413</b>

**Total Monthly Expenditures** **\$366,765**

Ending Cash Balance 05-31-2017 **\$7,874,018**

	Projected FY16-17 Expenditure	Future Years Expenditure
<b>Mouser Electronics</b>	\$0	\$325,000
<i>Project under construction</i>		
<b>SJJH Mansfield, LLC (Mansfield Market Centre)</b>	\$86,494	
<i>Project under construction</i>		
<b>American National Bank</b>	\$15,000	\$56,659
<i>Project complete - pending remaining payment</i>		
<b>PCX Expansion</b>	\$0	\$150,000
<i>Project complete</i>		
<b>Southern Champion Tray</b>	\$130,000	\$780,000
<i>Project pending</i>		
<b>Mouser Way</b>	\$129,359	
<i>Project underway</i>		
<b>Shops at Broad Street Drainage</b>	\$238,450	
<i>Ongoing</i>		
<b>Hightower Salons</b>		\$50,000
<i>Project under construction</i>		

<b>MR Development / Downtown Restaurants</b>	\$143,000	
<i>Project under construction</i>		
<b>NT Window</b>		\$600,000
<i>Project delayed</i>		
<b>Peyco 102 Sentry Drive</b>	\$100,000	
<i>Project pending tenant</i>		
<b>John T. Evans</b>	\$61,400	\$153,600
<i>Under Construction</i>		
<b>AMC Warehouse</b>	\$650,000	\$1,000,000
<i>Project pending</i>		
<b>Heritage Parkway Partners</b>	\$200,000	\$200,000
<i>Project pending</i>		
<b>Antler Drive Construction</b>	\$323,476	\$323,476
<i>Project under construction</i>		
<b>Bway Expansion</b>	\$220,000	
<i>Project under construction</i>		
<b>FTI / Wika</b>		\$300,000
<i>Project pending</i>		
<b>Midwest Fastener, Inc.</b>	\$250,000	
<i>Project pending</i>		
<b>Sewer Design MEDC 14 Acres On Easy Drive</b>	\$12,250	\$12,250
<i>In progress</i>		
<b>Project Remy Due Diligence</b>	\$65,650	
<i>In progress</i>		
<b>Heritage Baptist Parking Lease</b>	\$13,000	\$13,000
<i>Ongoing</i>		
<b>Klein Tools Infrastructure</b>	\$160,049	
<i>Project under construction</i>		
<b>Klein Tools Impact Fees</b>		\$517,878
<i>In progress</i>		
<b>Klein Tools Incentive Payment</b>	<u>\$500,000</u>	<u>\$500,000</u>
Total Outstanding Project Commitments	\$3,298,128	\$4,981,863

Adjusted Cash Balance After Outstanding Project  
Commitments for FY16-17

**\$4,575,890**

#### Debt Expense

**New Annual Total Debt Service** **\$2,198,573**  
(January and August)

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

		<u>FY2016-17</u>	<u>FY2017-18</u>	<u>FY2018-19</u>	<u>FY2019-20</u>	<u>FY2020-21</u>	<u>FY2021-22</u>	<u>FY2022-23</u>	<u>FY2024-25</u>	<u>FY2025-26</u>	<u>FY2026-2027</u>	<u>FY2027-2028</u>	<u>FY2028-2029</u>
Beginning Cash Balance	PERIOD ENDING MAY 31, 2017	\$8,976,680	\$1,843,422	\$1,396,561	\$2,072,319	\$3,170,695	\$4,871,740	\$7,165,584	\$10,196,570	\$13,865,407	\$17,854,619	\$22,177,712	
Annual Revenue (5% annual increase)	balance 5/31/2017	<u>\$1,578,115</u>	<u>\$5,631,694</u>	<u>\$5,913,279</u>	<u>\$6,208,943</u>	<u>\$6,519,390</u>	<u>\$6,845,359</u>	<u>\$7,187,627</u>	<u>\$7,547,009</u>	<u>\$7,924,359</u>	<u>\$8,320,577</u>	<u>\$8,736,606</u>	
Total Cash Available		\$10,554,795	\$7,475,116	\$7,309,840	\$8,281,261	\$9,690,085	\$11,717,100	\$14,353,212	\$17,743,579	\$21,789,766	\$26,175,196	\$30,914,317	
Operations (4% annual increase)	balance 5/31/2017	\$405,822	\$1,127,299	\$1,172,391	\$1,219,287	\$1,268,058	\$1,318,780	\$1,371,532	\$1,426,393	\$1,483,449	\$1,542,787	\$1,604,498	
Debt Service	Regency, Broad, Geyer Morris and Heritage Pwy	\$1,865,411	\$2,198,573	\$2,198,573	\$2,198,573	\$2,198,573	\$2,198,573	\$2,198,573	\$2,198,573	\$2,198,573	\$2,198,573	\$2,198,573	

Outstanding Project Commitments:  
RATJEN

NT Window	Pending Council Approval			\$100,000	\$500,000								\$600,000
Mansfield International Business Park	Purchased 155 acres 05-15-2017	\$4,585,382											\$4,585,382
Midwest Fastener	Approved - in progress. Plan to open July 2017	\$250,000											\$250,000
Backyard drainage channel	Approved - under construction		\$143,000										\$143,000
Heritage Baptist parking lease	Approved - in progress	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000		\$130,000
106 and 200 E. Kimball	Property purchased in FY 2016. \$425,000 approved for purchase (\$388,476) and minor repairs	\$36,523											\$36,523
AM-C Warehouse	Approved - in progress		\$650,000	\$250,000	\$250,000	\$250,000	\$150,000	\$100,000					\$1,650,000
AM-C Warehouse - Sakakeeny	Approved - in progress		\$200,000	\$200,000									\$400,000
Southern Champion Tray	Approved - under construction	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000					\$910,000
John T. Evans retail project	Approved - under construction	\$61,400	\$76,800	\$76,800									\$215,000
American National Bank office building	Building complete. Lease up in progress	\$15,000	\$27,000	\$30,000									\$72,000
Chuck Crook design on 14+17 acres	Approved - in progress	\$12,250	\$12,250										\$24,500
Mansfield Marketplace (Hijo/ Sprouts)	April 1, 2015 - Paid as space is leased at \$5.46 per sq. ft. agreement will expire in 2019	\$86,494											\$86,494
Mouser Expansion	Phase I completed by December 31, 2015 for 1st payment	PAID	\$325,000										\$325,000
Cam Tech / PCX	Paid FY17	PAID	\$50,000	\$50,000	\$50,000								\$150,000
Peyco	Fire suppression Sentry	\$100,000											\$100,000
Hoffman Cabinets	In Progress			\$60,250									\$60,250
155 Acre Due Diligence	UPS contracts	\$68,000											\$68,000
Hightower Salons	Under construction		\$50,000										\$50,000
Bway Expansion		\$220,000											
Antler Drive Construction*	In Progress	\$323,476	\$323,476										\$646,952
Mouser Way Construction	In Progress	\$129,359											\$129,359
Klein Tools IncentivePayment	Every December until 2021	PAID	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000						\$2,500,000
Klein Tools Infrastructure*	Most of this will be used up in the Antler/AM-C drainage and sewer work	\$160,049											\$160,049
Klein Tools home buyer incentive	\$53,784 balance 05/31/2017	\$10,757	\$10,757	\$10,757	\$10,757	\$10,757							\$53,785
Klein Tools Impact Fees*	Various amounts / dates as facilities are completed			\$207,500		\$207,500		\$103,500					\$518,500
Drainage for Shops at Broad	Reimbursement to General Fund - Under construction	\$238,450	\$241,400	\$238,250	\$238,950	\$240,456	\$241,162	\$240,037	\$240,206	\$240,125	\$243,125	\$240,750	\$238,125

Total Outstanding Project Commitments		\$6,440,140	\$2,752,683	\$1,866,557	\$1,692,707	\$1,351,713	\$1,034,162	\$586,537	\$253,206	\$253,125	\$256,125	\$240,750	
Total Expenditures		\$8,711,373	\$6,078,555	\$5,237,521	\$5,110,567	\$4,818,344	\$4,551,515	\$4,156,642	\$3,878,172	\$3,935,147	\$3,997,485	\$4,043,821	
Ending Cash Balance		\$1,843,422	\$1,396,561	\$2,072,319	\$3,170,695	\$4,871,740	\$7,165,584	\$10,196,570	\$13,865,407	\$17,854,619	\$22,177,712	\$26,870,496	



# CITY OF MANSFIELD

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

## STAFF REPORT

File Number: 17-2371

**Agenda Date:** 7/11/2017

**Version:** 1

**Status:** Old Business

**In Control:** Mansfield Economic Development Corporation

**File Type:** Discussion Item

### Title

Staff Update and Board Discussion Regarding Project 16-08, New Grocery Anchored Shopping Center's Request for Assistance.

### Requested Action

Consider request for assistance with offsite public infrastructure improvements for a neighborhood grocery anchored retail center on Broad Street.

### Recommendation

Staff will discuss recommendations at the meeting.

### Description/History

At the June 6th meeting, the Board voted to table this item.

The overall project will be anchored by an 80,000 sf Market Street grocery store and will have multi-tenant retail buildings and outparcel lots. Leases have been executed with Market Street, Mattison Avenue Salon, Pet Supermarket, Zoe's, and T-Mobile. Construction of Broad Street Marketplace is expected to be complete by mid- 2018.

On May 27, 2017 Leon Capital (d/b/a LG Broad Cannon, LLC) submitted a request for assistance with offsite public improvements in the amount of \$379,491 as follows:

- 600' upgraded storm sewer;
- A median break and left turn lane on Broad, two entry drive curb cuts, and a deceleration lane for west-bound traffic approaching the main entrance to the project;
- Public roadway improvements on Cannon Drive for the addition of three entry drive curb cuts.

### Justification

N/A

### Funding Source

4A

### Prepared By

Scott Welmaker, Director of Economic Development, MEDC



# CITY OF MANSFIELD

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

## STAFF REPORT

File Number: 17-2361

**Agenda Date:** 7/11/2017

**Version:** 1

**Status:** Old Business

**In Control:** Mansfield Economic Development Corporation

**File Type:** Discussion Item

**Agenda Number:**

**Title**

Staff Update and Board Discussion on Project 16-12, Assignment of Economic Development Agreement.

**Requested Action**

Consider assignment of development agreement.

**Recommendation**

- (1) Assign partial agreement from Heritage Parkway Partners, LLC to RMA Holdings, LLC, d/b/a AM-C Warehouse.
- (2) Extend the date for completion of the drainage channel to October 31, 2017.

**Description/History**

There are two development agreements associated with the AM-C cold storage project. In order to accommodate the land owner/developer and RMA, an agreement was approved with Heritage Partners, LLC (land owner/developer) to reimburse up to \$400,000 in costs associated with the drainage, mitigation credits and some water and sewer extensions. \$200,000 of this agreement is for completion of a drainage channel along the north part of the property. This portion of the property is under option, but not yet sold, to RMA.

Heritage Partners has come to an agreement with RMA to sell the remaining land to RMA, and for RMA to complete the drainage work that Heritage Partners has started. Heritage Partners is requesting that RMA reimburse \$122,551.12 to Heritage for work done so far. RMA would then request reimbursement of up to \$200,000 (including the \$122,551.12) from MEDC upon completion of the drainage improvements.

Heritage Partners wishes to (1) assign to RMA only the \$200,000 for drainage. They have further requested (2) an extension to October 31, 2017 to complete the drainage improvements.

If the parties reach an agreement and MEDC agrees that the \$122,551.12 are eligible expenses for reimbursement, Heritage has stated that they will release any claim to the remaining \$200,000.

**Justification**

City staff can't allow construction of the buildings to go forward without an acceptable drainage plan. MEDC staff has been mediating for the past six months and believes this is a workable solution.

**Funding Source**

4A

**Prepared By**

Scott Welmaker, Director of Economic Development, MEDC

**ECONOMIC DEVELOPMENT AND PERFORMANCE AGREEMENT BETWEEN  
THE MANSFIELD ECONOMIC DEVELOPMENT CORPORATION AND  
HERITAGE PARKWAY PARTNERS LLC**

This Economic Development Agreement ("Agreement") is made and entered into by and between HERITAGE PARKWAY PARTNERS LLC,, a Texas limited liability company ("Heritage") 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. Heritage is the developer of the majority of a 30± acre tract north of FM 917 and between 2<sup>nd</sup> Avenue and the planned extension of Antler Drive within the corporate limits of the City of Mansfield ("City") depicted on Exhibit "A" (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 the requested grant will be used to fund a "project" as defined in Section 501.101 of the Act; specifically, that the expenditure of the Corporation will be used for land, buildings and improvements that are for the creation of primary jobs and that are required or suitable for the development, retention or expansion of a manufacturing and industrial facility.
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 Heritage's development and operation of the Property, desires to have Heritage 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 including Primary 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 Facility, desires to participate in the funding of the cost of the Improvements which are necessary in order for Heritage to construct the Facility in Mansfield, 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.**

CITY means the City of Mansfield, Texas.

CONSTRUCTION AND DESIGN COSTS means the actual costs incurred related to the construction of the Improvements including site preparation, equipment rental, labor and materials, Mitigation Bank Credits, environment studies, engineering costs, surveying costs, permit, inspection and legal fees. It does not include insurance costs, impact fees and expenses, marketing costs or any interest paid to finance the Construction and Design Costs.

FACILITY means the freezer, cold storage and dry goods warehouses located on the Property, comprised of at least 465,000 square feet, to be constructed in four phases.

IMPROVEMENTS mean infrastructure, and site work necessary to construct the Facility including drainage, earthen channels and sanitary sewer.

MITIGATION BANK CREDITS means credits required to be purchased in order to fill in the existing erosion feature, including the removal of trees and vegetation in and around the erosion feature

PROJECT means the reimbursement by the Corporation of up to Four Hundred Thousand Dollars (\$400,000) for the cost of Improvements, allocated as follows:

- Actual Construction and Design Costs, not to exceed \$70,000 for Sanitary Sewer improvements;
- Actual Construction and Design Costs, not to exceed \$55,000 for the Eastern Channel drainage;
- Actual Construction and Design Costs, not to exceed \$175,000 for Mitigation Bank Credits;
- Actual Construction and Design Costs, not to exceed \$200,000 for the Northern Channel drainage, to include up to \$25,000 for a waiver of surface use rights paid to Chesapeake.

PROPERTY has the meaning set forth in the Recitals.

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 until June 30, 2024.

4. **Covenants of Heritage.**



a. In consideration of Corporation agreeing to reimburse Heritage monies in accordance with the terms and conditions of this Agreement, Heritage agrees to complete the Improvements no later than March 31, 2017 and to provide the Corporation with documentation satisfactory to the Corporation showing expenditures for the Improvements

b. Should Heritage fail to comply with any term of this Agreement, Heritage shall have one hundred and twenty (120) 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, Heritage will forfeit the right to reimbursement by the Corporation. In the event Heritage's uncured noncompliance occurs after the grant of funds is received, Heritage shall within one hundred and twenty (120) days of demand for payment by the Corporation repay the Corporation an amount equal to all payments made under Section 5 of this Agreement plus 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. Heritage 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 Heritage is convicted of a violation under 8 U.S.C. Section 1324a (f), Heritage 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 Heritage receives a notice of violation from the Corporation.

5. **Payments by Corporation.**

The Corporation shall participate with Heritage in the cost of the Project not to exceed Four Hundred Thousand Dollars (\$400,000) to be reimbursed to Heritage to construct the Improvements, upon City inspection, if required, and satisfactory proof of the expenditures for the Improvements and the mitigation bank credits, within 30 days submission to the Corporation of satisfactory documentation evidencing the expenditures for the Improvements, Mitigation Bank Credits.

6. **Improvements.**

Heritage 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.**



HERITAGE, 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. HERITAGE 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 HERITAGE OF THE OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING ANY ERRORS OR OMISSIONS, OR NEGLIGENT ACT OR OMISSION OF HERITAGE, OR THE OFFICERS, AGENTS OR EMPLOYEES.

8. **Access to Information.**

Heritage 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 Heritage 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.** Heritage 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.** Heritage represents and warrants to the Corporation that it has the requisite authority to enter into this Agreement. Heritage 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 Heritage 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. Heritage 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, Heritage 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:

HERITAGE PARKWAY PARTNERS LLC:      George M. Sakakeeny  
Manager  
100 Colonial Square  
Colleyville, TX 76034

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.

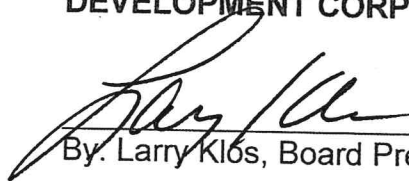
l. **No Joint Venture.** Nothing contained in this Agreement is intended by the parties to create a partnership or joint venture between the parties.

m. **Default.** If a party should default (the "Defaulting Party") in any material respect with 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, or in the event the default cannot be cured within thirty (30) days to commence curing it, 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, delay in delivery of power by the utility company, delay in delivery of utilities, 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 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: 9-21-16

ATTEST:

[Signature]  
Board Secretary

APPROVED AS TO FORM AND LEGALITY:

[Signature]  
Attorney for the Corporation

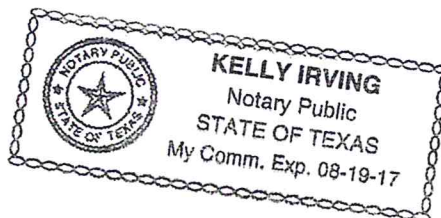
**HERITAGE PARKWAY PARTNERS LLC**

By: George M. Sakakeeny  
Manager

Date: 9-21-16

**ACKNOWLEDGEMENT**

BEFORE ME, the undersigned authority, on this date personally appeared George M. Sakakeeny, who after being duly sworn stated that he is a Manager of Heritage Parkway Partners LLC, and that he signed the foregoing instrument on behalf of said entity for the purposes expressed therein.



Kelly Irving  
Notary Public, in and for the State of Texas

My commission expires: 8/19/17

Date: 9/21/16



Natalie Phelps &lt;natalie.phelps@mansfield-texas.com&gt;

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**Fwd: partial release and relinquishing of remaining funds**

1 message

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**Scott Welmaker** <scott.welmaker@mansfield-texas.com>  
To: Natalie Phelps <natalie.phelps@mansfield-texas.com>

Thu, Jul 6, 2017 at 1:27 PM

Include with the MC

Scott Welmaker, CEcD  
Director of Economic Development  
Mansfield Economic Development Corporation  
301 S. Main  
Mansfield, TX 76063  
817-728-3651 office  
817-266-5890 mobile  
[www.mansfield-texas.com](http://www.mansfield-texas.com)

----- Forwarded message -----

From: **George Sakakeeny** <[gsakakeeny@verizon.net](mailto:gsakakeeny@verizon.net)>  
Date: Thu, Jul 6, 2017 at 1:21 PM  
Subject: partial release and relinquishing of remaining funds  
To: Scott Welmaker <[scott.welmaker@mansfield-texas.com](mailto:scott.welmaker@mansfield-texas.com)>  
Cc: George Sakakeeny <[gsakakeeny@verizon.net](mailto:gsakakeeny@verizon.net)>

Scott

We are willing to relinquish our rights to the remaining \$200,000 of funds provided the MEDC approves the +/- \$122,000 of reimbursement we have requested and the assignment to RMA actually occurs

Text me or call if you have questions as I still cannot receive emails from you nor can my daughter forward them

George M. Sakakeeny, CFA

Managing Member

Colonial Square Ventures LLC

100 Colonial Square

Colleyville, TX 76034

Mobile: [214-704-9283](tel:214-704-9283)Email: [gsakakeeny@verizon.net](mailto:gsakakeeny@verizon.net)*past ICSC Texas State Director*

