

ORDINANCE NO. 4410

AN ORDINANCE OF THE CITY OF MESQUITE, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE A DEVELOPER PARTICIPATION AGREEMENT WITH GM HANGAR ONE MESQUITE, LLC, FOR THE OVERSIZING OF WATER AND SEWER LINE IMPROVEMENTS TO INCREASE THE CAPACITY OF SUCH PUBLIC IMPROVEMENTS FOR FUTURE DEVELOPMENT AT THE MESQUITE METRO AIRPORT IN AN AMOUNT NOT TO EXCEED \$50,000; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Mesquite (the "City") desires GM Hangar One Mesquite, LLC, (the "Developer") to construct a new 9,600-square foot corporate aircraft hangar project ("Project") at the Mesquite Metro Airport (the "Airport"); and

WHEREAS, in connection with the Project, the Developer is required to construct water and sewer line improvements (the "public improvements") in order to provide utility services to the pad site where the Project is to be located; and

WHEREAS, it is prudent and in the public interest to increase the capacity of the public improvements to accommodate future development of additional pad sites at the Airport; and

WHEREAS, the City and Developer find it to be to their mutual advantage to enter into a Developer Participation Agreement ("Agreement") regarding the construction of the public improvements in connection with the development of the Project; and

WHEREAS, Texas Local Government Code §212.071, et seq., authorizes municipalities to participate in the Developer's costs of construction of public improvements such as those provided for in the Agreement without compliance with Chapter 252 of the Texas Local Government Code, as amended; and

WHEREAS, the City Council has carefully reviewed and considered the proposed Agreement; and

WHEREAS, the City Council has determined that participating in the Agreement is in the best interest of the citizens of Mesquite.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS:

SECTION 1. That the City Manager is hereby authorized to execute the Developer Participation Agreement ("Agreement"), attached hereto as Exhibit "A," between the City of Mesquite, Texas and GM Hangar One Mesquite, LLC, in an amount not to exceed \$50,000.


SECTION 2. That the Developer shall, at no expense to the City, furnish a performance bond in accordance with Chapter 2253 of the Government Code for the construction of the public improvements to ensure completion of the Project.

SECTION 3. That all ordinances or portions thereof in conflict with the provisions of this ordinance, to the extent of such conflict, are hereby repealed. To the extent that such ordinances or portions thereof are not in conflict herewith, the same shall remain in full force and effect.

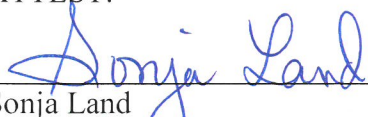
SECTION 4. That should any word, sentence, clause, paragraph or provision of this ordinance be held to be invalid or unconstitutional, the remaining provisions of this ordinance shall not be affected and shall remain in full force and effect.

SECTION 5. That this ordinance shall take effect immediately from and after its passage.

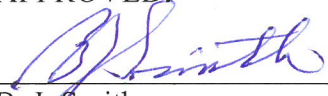
DULY PASSED AND APPROVED by the City Council of the City of Mesquite, Texas, on the 1st day of February, 2016.



Stan Pickett
Mayor

ATTEST:


Sonja Land
City Secretary

APPROVED:


B. J. Smith
City Attorney



DEVELOPER PARTICIPATION AGREEMENT
ENGINEERING DESIGN/SITE DEVELOPMENT REIMBURSEMENT PLAN
FOR NEW AIRCRAFT HANGAR

This Developer Participation Agreement, hereinafter called "Agreement" made and entered into on the date last stated below between the City of Mesquite, hereinafter called "CITY", acting by and through Cliff Keheley, City Manager, duly authorized to act on behalf of the CITY, and GM Hangar One Mesquite, LLC., hereinafter called "Company", acting by and through William J. Gibson, duly authorized to so act on behalf of Company.

WHEREAS, CITY desires Company to construct a new 9600/sf corporate aircraft hangar on City owned property at the Mesquite Metro Airport (the "project"), and

WHEREAS, CITY intends to lease the new corporate aircraft hangar after completion of construction to Company pursuant to the terms of a twenty-five (25) year ground lease, and

WHEREAS, Company upon completion of the project desires to enter into a ground lease for the new corporate aircraft hangar, and

WHEREAS, CITY finds that proceeding with the partial funding for design and site development of this project is in the best interest of the public and the use of public funds in such manner serves a public purpose.

THEREFORE, THE CITY AND COMPANY AGREE AS FOLLOWS:

City Development Incentives

CITY hereby grants Company the following incentives:

CITY agrees to reimburse Company for fifty percent (50%) of all costs associated with providing the public water line extension and public sewer line improvements to the pad site, including the cost of all engineering services and construction costs for such utilities in an amount not to exceed \$50,000, following the issuance of a certificate of occupancy (CO) for the hangar upon completion of

the project. The Company shall provide actual paid invoices and proof of payment within 45 days from issuance of the CO.

CITY agrees to the following waivers: building permit fee, plan review and inspection fee and grading permit fee shall be waived. As long as the Company uses the aircraft hangar primarily for the storage of corporate aircraft, the CITY shall neither assess nor collect roadway impact fees on the use of the hangar.

Upon approval of the project and notice to proceed, CITY will grant a ground lease for a maximum term of twenty-five (25) years at an improved ground lease rate of \$0.30 for the first five (5) years adjustable on the 6th year and every year thereafter based on the Consumer Price Index (CPI) for Dallas, All Items.

Company Covenants

In consideration of the CITY incentives, Company agrees to the following:

Company will retain an engineering firm licensed in the State of Texas, for design and site development services, including building plans and specifications, survey work, airspace reviews, geotechnical services, and all other design and site development services required for the project to CITY standards and in accordance with the CITY's development review process including inspections during construction as required by the Building Official.

Company will, at no cost to CITY, furnish CITY with Payment and Performance Bonds (or Company's contractor shall supply same to CITY) written by a surety acceptable to CITY in an amount equal to the estimated total cost of the project, guaranteeing the completion of work, free and clear of liens, according to the approved plans and specifications.

Company will commence construction of the project within 30-45 days after receiving notice to proceed from CITY, and shall complete construction within a reasonable period of time not to exceed six months, barring any unforeseen issues with construction efforts. Company will keep the Airport Director apprised of progress during the construction process and will meet with Airport Director on a weekly basis with project updates.

Company agrees to take all necessary actions to assure the assessment by the Dallas Central Appraisal District of the business personal property (BPP) tax on the corporate hangar and aircraft which will be stored in the hangar constructed herein and to remit payment of such tax to CITY beginning with the first year in which the project is completed and every year thereafter. Taxes shall be assessed and shall

continue throughout the term of the ground lease. Failure of payment of the hangared aircraft BPP tax to CITY will void the terms of the ground lease and necessitate a recalculation of lease rate upward to account for the costs of CITY waivers and reimbursements.

Mutual Assistance

CITY and Company shall take all reasonable measures which are 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.

Miscellaneous Matters

All documents, including drawings, field notes, surveys, tracings, calculations, computer input and output, digital or computer files, etc., pursuant to this Agreement, shall become the property of CITY. Company may retain copies of all documents. Any reuse of the documents shall conform to the Texas Engineering Practice Act.

This Agreement has been made under and shall be governed by the laws of the State of Texas. The parties agree that the performance and all matters related thereto shall be in Dallas County, Texas.

- a. Company shall comply with all applicable federal, state and local laws in the operation of the project, including but not limited to, the statutory requirements relating to undocumented workers as set forth below.
- b. Company agrees, that upon an event of default of any covenant, condition or provision in this Agreement, and upon receipt of notice from CITY, to remit to CITY a sum equal to the total of all incentives granted by CITY to Company pursuant to this Agreement, plus interest at the highest rate per annum allowed by applicable law from the date payments were made, until paid.

Restrictions on Employment of Undocumented Workers

Company certifies that it does not and will not knowingly employ an undocumented worker and that if it is convicted of a violation of the Immigration Laws found under 8 U.S.C. Section 1324a(f), Company shall be required to notify CITY of such conviction. Upon notification of conviction by Company or if CITY should discover such conviction on its own and notifies Company of same,


Company shall repay an amount equal to the total amount of incentives received hereunder with interest, at the highest rate per annum allowable by applicable law, not later than the 120th day after the date of such notification

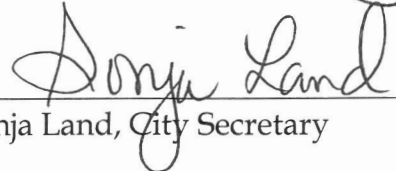
“Undocumented Worker” means an individual who, at the time of employment, is not:

- a. Lawfully admitted for permanent residence to the United States; or
- b. Authorized under law to be employed in that manner in the United States.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT, this 15th day of February, 2016.

CITY OF MESQUITE

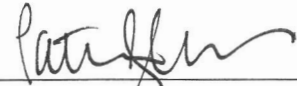
By: 
Cliff Keheley, City Manager

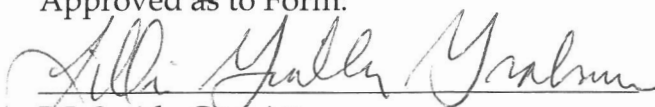
Attest: 
Sonja Land, City Secretary

Company: GM HANGAR ONE MESQUITE, LLC

By: 
William J. Gibson

Title: President/Manager

Attest: 
Approved as to Form:

By: 
B.J. Smith, City Attorney
Or His Designee